



magazine

For Sustainable Global Gaming Excellence

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Remembering the World Lottery Summit 2018 in Buenos Aires

World-class keynote speakers, the latest in lottery technology, and an international networking platform – the World Lottery Summit 2018 in Buenos Aires, Argentina had it all.



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A new era begins



After a successful World Lottery Summit 2018 (WLS 2018) in Buenos Aires, we have rolled up our sleeves and are getting back to the task of running the WLA on a day-to-day basis. Much has happened since I assumed the role of Executive Director last year. It is a position which I accepted with a great sense of pride and I am motivated to move the Association forward in the coming months according to the agenda set by the WLA Executive Committee. I strongly believe in the WLA's

mission and vision and I am confident that, together with the WLA staff, we will provide an exciting and productive future for the Association. I consider it a great privilege to serve the WLA membership as Executive Director.

This issue of the WLA magazine is largely devoted to coverage of the WLS 2018. I wish to thank former ALEA President, Alfredo Mónaco and the staff at ALEA for the splendid collaboration. In concert, we organized an unforgettable event, a convention that will go down in the annals of WLA history. We left Buenos Aires with many fond memories and now have our sights set on Vancouver, Canada for the World Lottery Summit 2020.

WLS 2018 will go down in history, not only for the quality of the event, but also because it represented a landmark in the history the WLA. On Wednesday, November 21, 2018, delegates to the biennial general meeting unanimously elected Rebecca Hargrove, President and CEO of the Tennessee Education Lottery Corporation, as the first woman president of the WLA. I wish once again to congratulate Rebecca, and look forward to working with her to usher in a new era.

We are already working to implement a number of key decisions that were taken by the Executive Committee at its last meeting in Buenos Aires. In an effort to optimize our communications platform, we initiated a new online journal, called the WLA blog, late last year. With the new blog, we intend to provide members with more content in a timelier manner. The new blog complements the WLA's existing publications, the WLA Magazine, the WLA Global Lottery Data Compendium, and the WLA Year in Review. Industry themes, such as responsible gaming, sports integrity, IT security, and combating illegal gaming will be covered in the blog. Beyond this, we are also working to strengthen the structure of key WLA committees. In addition to the existing Security and Risk Management, Audit, and Corporate Social Responsibility committees, the WLA Executive Committee created a committee on Illegal Gaming and a committee on Sports Integrity. The chairs of these five committees will actively participate in the WLA Executive Committees meetings going forward. The oldest of the WLA's committees, the Security and Risk Management Committee, has been reorganized to better leverage the professional capabilities of the committee members and to investigate new ways to make the WLA Security Control Standard more widely accepted around the globe.

Best wishes to our members throughout the world!

Luca Esposito Poleo,
WLA Executive Director

Building upon the WLA's legacy

At the WLA's biennial General Meeting – which closed out the World Lottery Summit 2018 in Buenos Aires, Argentina – the WLA elected Rebecca Hargrove as its new president. In the informal chat recorded below, Rebecca spoke about the WLA's strength in diversity and the need for increased engagement of its members across the globe. She discussed her vision for the Association moving forward, the need to recognize the achievements of women in the lottery industry, and the need to keep up the pressure on illegal gaming organizations.

At the biennial WLA General Meeting in Buenos Aires this past November, you were elected WLA President. Being elected the first woman president of the WLA was a landmark occasion for both you and the Association. Where would you like to take the Association in the coming two years? What would you like to change, what would you like to keep the same, and where do you see room for improvement?

First, I would like to thank Jean-Luc Moner-Banet for his incredible leadership over the past six years and for providing us with important initiatives that we will continue to build on. The WLA has become a powerful force of which we can be proud. The strength of this organization is in its membership, and I am honored to serve this amazing, diverse group. It is from our members that we gather ideas, enthusiasm, and strength to create and carry out our goals. Thus, I would like to increase the engagement and involvement of members from all corners of the earth. Together, we can ensure that the WLA is directing its focus and channeling its resources in the direction we agree is best.

I am also committed to the ongoing growth of our Corporate Social Responsibility and Responsible Gaming initiatives. These groundbreaking initiatives have helped empower lotteries around the world to strengthen the good they bring to their communities and to set the standard for socially responsible organizations. Another priority is to create plans to combat illegal iLotteries.

In 2016 you inaugurated the Women's Initiative in Lottery Leadership, also known as WILL. Over the course of more than thirty years, you have built and headed four lotteries, including: the Illinois Lottery; the Florida

Lottery; the Georgia Lottery; and the Tennessee Education Lottery, where you are currently President and CEO. As a woman in lottery leadership, your career has been exemplary. What is still needed in the lottery sector to give professional women the opportunity to achieve at this level?

I would like to encourage all WLA members to participate in WILL. Participation not only means serving as a mentor and/or ensuring ample employee participation, it also means being part of the planning process. We need your ideas as we continue to grow this groundbreaking initiative.

"I encourage organizations to open up opportunities and recognize women for their talent and contributions. This is where real change will occur."

Rebecca Hargrove

I also encourage organizations to open up opportunities and recognize women for their talent and contributions. This is where real change will occur. I don't think women are recognized enough; thus, opportunities for growth are not made available.

And finally, I encourage women to be the best they can be. By working together, we can help deserving talent move up in leadership roles.

Speaking of the Tennessee Education Lottery, your lottery just celebrated its 15-year anni-

versary. You have been leading the Tennessee Education Lottery since its inception in 2004. What are your fondest memories of the past 15 years, and what accomplishments are you most proud of at the Tennessee Education Lottery?

I have been fortunate throughout my career to lead organizations that have raised billions for beneficiary causes. In Tennessee, we have raised nearly USD 5 billion dollars for specific education programs such as scholarships and grants to higher education institutions. This money has funded more than 1.3 million such awards, and I am extremely proud to be part of this benefit to students and families. There is nothing more gratifying than receiving a thank-you from someone who has been part of a Lottery-funded education initiative.

I am also proud of our diversity and inclusion efforts in Tennessee; such efforts are vital to the health and productivity of any organization. This work stimulates new ideas, promotes inclusiveness, and creates a team that is close-knit and brought together by a strong bond.

The World Lottery Summit 2018 (WLS 2018) was co-located with the WLA General Biennial Meeting in Buenos Aires. What was your overall impression of the Summit and what, in your mind, were some of its highlights?

What an incredible meeting it was! Buenos Aires was a perfect setting, beautifully conducive to positive networking and the engaging business program. With excellent planning and conference management, attendees were warmly welcomed and benefitted from a well-rounded congress of interest to all. A highlight was certainly the culmination of the event, the WLS 2018 closing dinner, where those

members who have worked tirelessly were recognized for their achievements.

There were several inspirational keynotes at WLS 2018 covering such industry relevant themes as artificial intelligence, blockchain technology, and marketing to millennials. Jeff Fromm, President of FutureCast, spoke on this last topic. In his speech, he reminded us that we should take heed of the upcoming Generation Z. As the millennial generation is approaching their 40s, what is the lottery industry doing to prepare for Gen Z?

Those in Generation Z are all about technology, they have no geographic barriers and they give new meaning to the word multi-tasking. This is much more so than for millennials. It is imperative that we keep up with generational trends and that we adapt our technologies accordingly. We must operate on the cutting-edge rather than on the fringes. This precept must be met technically and in all the products we market. Our games need to be fresh, exciting, and ever-evolving, and our marketing must match those actions. Moreover, the path to purchase must intersect with the world of Generation Z if we want to reach them.

In another keynote, blockchain expert Don Tapscott spoke about how blockchain technology is affecting business. He provided insights into how blockchain technology could be applied in the lottery sector, to enhance security and privacy, and to provide an alternative to current random-number-generator technology. Do you see lottery suppliers – and most importantly lotteries – embracing blockchain technology anytime soon?

Lotteries tend to be slow to adapt to change, as they take a very conservative approach to trying something new. Whatever benefits are available from using blockchain technology must be weighed against the reality of the technical and logistical work that will be necessary for implementation. To master this technology we will need to learn from each other and share ideas and best practices as they develop.

State lotteries have not been without their critics. At times, there seems to be a lack of appreciation for the role that state lotteries

play in raising funds to support good causes in the communities in which they operate. What can be done to raise public awareness of the vital role that state lotteries play in this regard? Are there any specific U.S. experiences that the rest of the world could learn from?

Powerful marketing campaigns that raise awareness about the benefits lottery proceeds provide should continue to be a major component of a lottery's marketing efforts. Putting faces and visual reminders of where the money goes has proven to be quite effective.



In Tennessee, for example, we have just launched a campaign to gather stories about scholars who have benefited from Lottery funds. We will use those stories to help raise awareness of the valuable assistance the Lottery has provided to create a feel-good approach to playing our games. We like to say, "Every time you play, a student wins."

With the repeal of PASPA, the door has been opened to sports betting in the United States. A handful of states, including Delaware, New Jersey, and Rhode Island, are already offering legal sports betting. What challenges

will state lotteries face in the U.S. as they look to expand their product palette to include sports wagering?

Future development of these initiatives is on hold due to a recent U.S. Department of Justice ruling that reversed the previous opinion regarding the interpretation of the Wire Act of 1961. In its recent updated opinion, the Department's interpretation prohibits all online wagering, not just sports betting.

The role the government plays and the changing landscape are just two of the major challenges facing the development of sports wagering. Another challenge will be the implementation of any legal initiatives in terms of oversight and day-to-day operations.

Compared to other jurisdictions around the globe, the U.S. has had relatively few problems with illegal gaming operators, in particular gaming operators that offer lottery betting. Some of these operators, such as Lottoland, have grown rapidly and are taking an increasing portion of gaming market share across the globe. Do you see such operators gaining a foothold in the U.S. market in the longer term?

Illegal gaming operators take away money from good causes and charities to which lotteries contribute. The proliferation of illegal gaming operators in the United States must be blocked. We are working throughout the country with public policy makers to enhance already strong federal legislation.

In closing, we would like to ask you two personal questions so that the members will get to know you better as a person. Who are among your favorite heroines of fiction? And for the sake of inclusivity, who are among your favorite heroes of fiction?

I love to read, but I prefer history and biographies. My favorite author is the American biographer and historian Doris Kearns Goodwin. My real-life heroines are Eleanor Roosevelt, Margaret Thatcher, and Amelia Earhart – what strong women! – and my heroes include Thomas Jefferson, Winston Churchill, Franklin Roosevelt, and Nelson Mandela.



New World, New Challenges

Welcome to beautiful Buenos Aires, where the World Lottery Association celebrated twenty years of cooperation, innovation, and social engagement. The economic, technological, and social changes that both the world and the lottery industry are experiencing were embodied in the spirit of this year's World Lottery Summit.



Another exciting and inspirational World Lottery Summit has come and gone. The 2018 Summit was held in Buenos Aires, Argentina, and saw delegates from around the lottery world joining the WLA and co-hosts, ALEA. This was the first lottery summit to be held in Buenos Aires, since AILE (l'Association Internationale des Loteries d'État) held its final congress here in 1998, just prior to merging with Intertoto to form the World Lottery Association.

On the afternoon of Sunday, November 18, Summit emcee Karin Cohen introduced outgoing WLA President Jean-Luc Moner-Banet, who officially opened the festivities. Mr. Moner-Banet greeted the delegates and highlighted the presence of several distinguished guests, including the Swiss Ambassador to Argentina, Mr. Heinrich Schellenberg. Also welcomed were the heads of the regional asso-

ciations, namely: Amadou Samba Kane, president of l'Association des loteries d'Afrique; Seah Chin Song, chairman of the Asia Pacific Lottery Association; Luis Gama, president of CIBELAE, the Latin American association; Hansjörg Höltkemeier, president of the European Lotteries; and Charles McIntyre, immediate past president of the North American Association of State and Provincial Lotteries.



Argentine celebrity, Karin Cohen, acted as WLS 2018 emcee.



The WLA's flagship event, now known as the World Lottery Summit, celebrated its nineteenth year in Buenos Aires with the slogan "Gaining the Edge in the New World – It Takes You to Tango". Mr. Moner-Banet emphasized that, in keeping with the Summit's motto, delegates should take the event as an extraordinary opportunity to celebrate the industry, to exchange knowledge, and to plan for the future. He expressed his appreciation to those who travelled vast distances to be at the 2018 Summit, thanking everyone for their enthusiasm, commitment, and support. Mr. Moner-Banet also urged all delegates to meet the challenges they are sure to face in the coming months and years with much enthusiasm and determination, and to learn from one another over the course of the Summit.

Among the speakers welcomed were Nando Parrado, survivor of the infamous Andes plane crash, as well as Tyler Hamilton, the man famous for breaking professional cycling's code of silence and exposing the scourge of organized doping to the world. Mr. Moner-Banet brought to everyone's attention the many opportunities for education that would be presented during the Summit, including: sessions on how to attract and retain the elusive millennial generation; an in-depth look at cyber security; discussions on blockchain technology; fighting illegal gaming operators; and how to think like a futurist. He also encouraged delegates to enjoy the extensive trade show, as well as the full social program, while

simultaneously taking the time to become better acquainted with industry peers, to take advantage of networking opportunities, and share information to help the industry grow.

A final thanks was presented to Mr. Alfredo Mónaco and the staff of the ALEA for hosting the event. Mr. Moner-Banet proclaimed that it had been an absolute pleasure working with them, and that, together with the WLA staff in Basel and Montreal, they had put together a top-notch event. The delegates then proceeded to the La Rural Fairgrounds and were treated to an informal gaucho evening with an authentic Argentinian barbecue accentuated by tango dancing and a spectacular equine show.

The WLS 2018 business program officially kicked off on the morning of Monday, November 19, with Mr. Moner-Banet once again greeting the delegates. He began by underlining the special significance of Latin America to WLS 2018. As Mr. Moner-Banet pointed out, the lottery sector has a long history in Latin America, with the first lotteries being established in Mexico nearly two and a half centuries ago. In Argentina alone, the lottery boasts a 125-year tradition, with the first national lottery being established in 1893. Of the 25 CIBELAE member lotteries, more than half are also WLA members. "The commitment of the Latin American lotteries to the mission and vision of the World Lottery Association is an established fact. It is therefore altogether fitting that the WLA

pay tribute to the lotteries of this distinguished region, by bringing the global lottery community together in Buenos Aires for three days of learning, networking, and celebration", asserted Mr. Moner-Banet.

The delegates were then addressed by outgoing ALEA President Alfredo Mónaco who spoke of his appreciation to the WLA for holding the Summit in Buenos Aires. He thanked WLA President Jean-Luc Moner-Banet and the WLA staff for their cooperation and support over the past two years. Underlining ALEA's long commitment to the world lottery community, Mr. Mónaco mentioned that ALEA became a member of AILE in 1972 and a member of the WLA in 1999 when AILE merged with Intertoto to form the new global association. He emphasized ALEA's dedication to serving the lotteries of the 23 provinces of Argentina, and to supporting them in the integrity of their operations and how the affiliation with the world lottery community has been a valuable asset in this endeavor. With that, Mr. Mónaco extended a warm welcome to WLS 2018 delegates and thanked them for traveling to Buenos Aires in support of the event.

On the following pages, you will find a comprehensive retrospective of the summit. We hope you will enjoy reminiscing those four incredible days in Buenos Aires. If you were unable to attend, you will find a selection of videos, photos, and presentations available for downloading in the member section of the WLA website at www.world-lotteries.org.



Outgoing WLA President Jean-Luc Moner-Banet (left) and ALEA President Alfredo Mónaco (right) welcomed the WLS 2018 delegates.





Nando Parrado: The power of the right decisions

Each day, we face challenges, and need to make decisions – but what happens when those decisions could spell the difference between life and death? How do you make the right choice? Nando Parrado, survivor and author, shared his story and insights as the opening Keynote speaker at WLS 2018.

Author of *Miracle in the Andes: 72 Days on the Mountain and My Long Trek Home*, and survivor of the crash of Uruguayan Air Force Flight 571 in the Andes mountains, Nando Parrado, was the first keynote speaker to appear at the World Lottery Summit 2018 in Buenos Aires. He shared the story of the trials and challenges faced by the sixteen survivors under impossibly harsh conditions that nobody believed they could survive. As stated by MC Karin Cohen, this story of leadership and teamwork is an inspiration to all who hear it.

As a member of the Uruguayan rugby team that was stranded in the Andes, Fernando

“Nando” Parrado – a 21-year-old student at the time of the October 13, 1972 crash-landing of Flight 571 – was forced into a position of leadership as he and Roberto Canessa were responsible for finding assistance and bringing aid and rescue to the remaining survivors. His book, *Miracle in the Andes*, details the horrific events and conditions they endured to survive. Today, Parrado is a proud husband, father and grandfather, as well as a successful businessman and television personality in his native Uruguay.

Parrado opened his presentation, the story of the crash and their survival, by posing the question: How would you have reacted



in these circumstances? Would you discover unflattering aspects of your personality? Would you have survived, or died the most horrible death imaginable? And how did a group of young people from a flat country, who had never experienced mountains in their lives, survive?

The survival has, according to Parrado, been romanticized by movies and stories, but, he says, they did not know what they were doing. As university students, they had heard theories about leadership, innovation, strategic thinking, decision-making and more, and yes, these aspects certainly helped with their survival. But, another aspect is, Parrado said, very important, and that is luck.

In a survival situation, Nando believes that, while you may come back without some things that are important to you, be it a friend, a family member, a part of your own body, or your possessions, you will come back without something else, something important. Your life will forever be divided into before and after. Everything is measured in terms of life and death – your own life and death – and this will either bring out the best or the worst of yourself.

In this “Frozen University” – as Parrado lightly referred to the ordeal – he learned more than he ever had at any other educational institution. He shared not only his story, but many insights that can be applied in day-to-day life. While the intensity of the story he told may fade with time, he said that someday, he hoped the delegates would remember what is possible in times of crisis and would find strength and courage in his words.

The story of Flight 571

While on their way to a rugby match in Chile, Nando Parrado’s rugby team, and their family and friends, crash landed in the Andes. The crash was caused by an error in judgement by the pilot, who believed he had cleared the range and started to descend. Instead, they crashed into the mountains during the worst snowfall the area had seen in over 50 years, at over 3,400 meters (ca. 11,000 feet), and in temperatures as low as -30°C (-22°F).

The search for their plane was abandoned after ten days, and the survivors were forced to survive with no help coming. Initially they

all slept in the wreckage, until an avalanche buried the fuselage. Following this, three survivors tried to find the tail, which had separated from the plane, nearly dying in the attempt. After this attempt, Nando sought to head out and seek help under some of the worst possible conditions.

The lessons learned

As Parrado himself says, once he had survived this, once he had reached this goal, of finding rescue and saving the remaining survivors, he realized that nothing could stop him from achieving his goals. If he survived this, he could survive anything life could throw at him.

He also gained a new perspective on what is important in life, and how to choose the things that hold real meaning. He says it taught him how to be happy with his life, but he eschews the term “hero”, as he feels it doesn’t apply, as all he wanted was to live.

“Through our work and friendship, we survived one of the most hostile things in the world.”

– Nando Parrado –

The power of luck

Upon boarding flight 571, Nando and his best friend opted for row 9, as there were no boarding passes or assigned seats on the chartered flight. This, he says, was either luck or destiny putting him in the right place. When the plane crashed, it broke in half, and everything behind row 9 was lost. Recollecting the last moments before the crash, Nando noted how dangerously close to mountain they were flying. The sights and sounds of the impact will remain with him for the rest of his life. Again, he ascribes the specifics of the crash landing as nothing short of absolute luck. As the plane broke, bounced, slid, and crashed again, it miraculously missed numerous areas of rock, any of which would have utterly destroyed the wreckage. Of the 45 people who initially boarded, 29 survived the three impacts of the crash.

Leadership and teamwork

Teamwork and leadership, Nando said, are what this story is really about. During

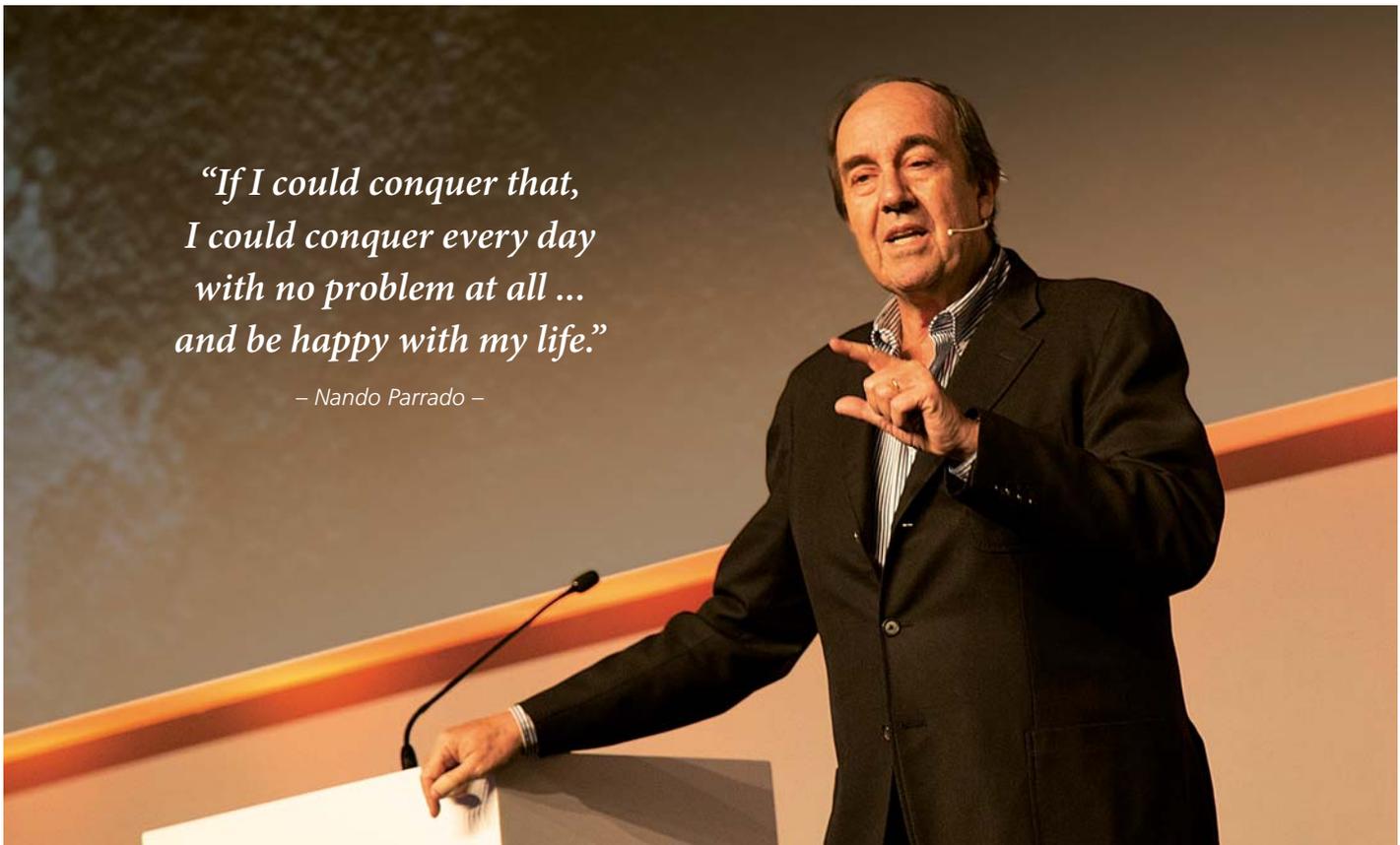
the crash, none of the pilots survived. The 21-year-old captain of the rugby team, Marcelo Perez, immediately took the lead to start helping people, while Parrado languished in a coma for four days. Team captain Marcelo, two hours after the crash, took what Nando describes as the most important decision he has ever seen taken – a decision based on his understanding that the temperature would go below freezing before anyone ever thought to look for them. He decided with utter clarity that they must immediately build shelter, and this was the first step to their survival. When, after several days, no help had come, he was constantly encouraging everyone to keep up their hope and keep working together.

Nando finally awoke from his coma to learn of the death of many of his friends and his mother, as well as the injuries his sister had sustained, which she would succumb to mere hours after Nando’s awakening. His first emotional reaction to the situation was a complete shutdown of external emotions, and all he felt was anger.

Marcelo was vital to the survival of the others. As his team mates started to get discouraged with no rescue in sight, he strengthened their morale with encouragement and assurance that they would be saved. Having neither food nor water, under harsh sub-zero temperatures, their lives were at constant risk.

After ten days, they managed to catch a radio broadcast, during which they discovered that the search had been abandoned. Nando describes freezing in fear and panic, and how those around him were falling to the ground in shock with the understanding that they were completely alone – trapped in this icy wilderness.

Once they understood their situation, things changed. Twelve days after the crash, Nando Parrado made the clear decision that he wanted to live and return to his father. This would involve a nearly impossible trek, unless they waited for warmer weather. As surviving for the three months until warmer weather arrived would require sustenance, the survivors made a pact to sacrifice and donate their bodies if they died, to feed their friends. In his words, they peeled back the veneer of civilization and agreed to survive this frozen hell.



*“If I could conquer that,
I could conquer every day
with no problem at all ...
and be happy with my life.”*

– Nando Parrado –

Further challenges awaited them, including a massive avalanche two weeks into their ordeal. In an incredible display of teamwork, and starting with just two people who escaped being buried under the snow, they managed to uncover 19 of the 27 who were buried within three minutes. Among the eight who perished in the avalanche was team captain Marcelo, leaving them, once again, leaderless.

Upon finding a map with a flight plan, the survivors calculated that they were a scant five to eight kilometers from the nearest village – or so they believed. In reality, it was almost 100km, due to the incorrect path the flight had taken. They believed it would take just a day or two to reach this town, so they started building a sleeping bag from plane parts. In this time, the idea that he would die without seeing his father again, that he would never experience all that life held, threatened to destroy his hope, but he held out for the warmer weather they expected.

One day, when the weather looked promising, Nando Parrado, Roberto Canessa, and Antonio Vizintín set out on a climb that would prove to be considerably longer and

more challenging than originally believed. One night was upon them, they set up camp. In the morning it was decided to send Antonio back to the crash site, as he proved to be the slowest of the three. This decision, said Nando, ensured their survival, as they could now travel further, faster.

They climbed, with no equipment, few clothes, and scant food and water. When they reached the point where they believed the village would be and discovered just more rocks, Nando made another important decision – to keep going. He decided he would not stop until he died, and Canessa chose to join him. After eight and a half days, they found a river and made a decision to go left – again a wise decision, as right would just lead to more water. Instead, they found rescue.

An American climber who retraced their steps has told Nando that he believes the only reason they managed to get it right, was because they had no idea they couldn't do it. No rescuers could believe that they had traversed the Andes, and were shocked at where the plane had landed. A helicopter flight that took less than an hour found the survivors.

It was on his return home, discovering that his father had been close to broken and been rescued himself by another woman, that Nando Parrado said he needed to make one more decision – that he was going to live. Survivors of trauma often have PTSD, but he says he found life instead. He participated in sports, started four companies, and refused to live a life filled with fear. He faced all those things he had wanted to do his whole life, but avoided because of fear.

However, despite all the challenges he faced and all his achievements, Nando Parrado says that the most important success in his life is his family. Regardless of all the material things he truly enjoys in his life, his most valued achievement, his legacy, is his daughters and grandchildren. His daughters have said that they were born on that mountain, as they wouldn't be there if he hadn't fought to survive.

In conclusion, Nando told delegates that the most important thing for him is to be in the present, to live the life that he has, and not to live in the past. He encouraged everyone to enjoy today, as you do not know what tomorrow will hold.

Jeff Fromm: Connecting with a new generation

How does one market to a generation that is regularly faced with distraction and constantly oversaturated with information? How can one inspire and reward the adventurous mindset that is necessary to enjoy the offerings of the world’s lotteries, when conservative behavior is on the rise?

Jeff Fromm, president of FutureCast, a marketing consultancy that specializes in millennial trends, answered those questions in a motivational keynote speech of the World Lottery Summit entitled *How to Attract the Elusive Millennial* on Monday, November 19, 2018. He is a contributing writer to Forbes magazine and the co-author of three books: *Marketing to Millennials*, *Millennials with Kids* and *Marketing to Gen Z*. He has more than 25 years of brand marketing consulting experience.

When Fromm kicked off his speech, his charisma and sense of humor were immediately apparent. He began by pointing out

the differences between modern consumers and past generations. “Today’s modern consumers are distracted by and addicted to the phone,” he said. “It’s not even a phone, it’s a modern-day Swiss Army knife... If you want to text me, I’m not going to answer. We’re talking about youth culture. There are no young people who are going to call you back.”

He went on to discuss modern family dynamics, and pointed out that in the USA, 1 in 4 stay-at-home parents is now male, and the fastest growing group who are earning USD 100,000 per year or more are millennial women over the age of 30.

In past generations, people were aware of Maslow’s theory that food, water and shelter were the most vital necessities in life, but with tongue in cheek, he pointed out that it’s no longer true. “Modern consumers need wifi,” he said. “I can take away your food and shelter and you’ll be fine for 30 minutes. No wifi, big problems.”

But Fromm is not only focused on the importance of marketing to millennials. He’s also looking at the next generation, or ‘Gen Z’ as he calls it in his book. Gen Z is typically defined as being born from the mid-1990s to mid-2000s. He states that the generation is not only defined by age, but by mindset.





*“Create amazing content,
not ordinary content.”*

– Jeff Fromm –

“They’re old souls in young bodies,” he says. According to Fromm, they are more similar to people who are 30 years older than to people who are 10 years older. What you do is more important to them than what you say. To Gen Z, actions matter more than words.

Whereas millennials were great collaborators and tended to overshare on social media, privacy is very important to the younger generation. That means they have to develop trust in your brand in order to engage with it. This generation looks very differently at social media and the concept of trust. For the companies who want to be trusted by them, trust means proper security measures, and taking actions that they sometimes can’t even see, in favor of them as consumers.

Millennials were concerned about the environment and forced many brands to go paperless, but Gen Z is focused on equality. What’s more, they expect equality for everyone. “We’re at the very beginning of a wave on the topic of equality,” Fromm says. “It’s just getting started.”

It’s well known that millennials have short attention spans. You would be forgiven for thinking that Gen Z has even shorter attention spans, but it’s not true. All consumers

have short attention spans if the content you’re sharing doesn’t interest them. “So create amazing content, not ordinary content,” Fromm advises.

Another major difference between Millennials and Gen Z is the willingness for risk taking. Millennials are open to taking big risks, but Gen Z is much more conservative. This wave of conservatism is just beginning.

Brand “dating”

One way to look at modern consumerism is with the concept of love or dating, Fromm says. Most modern consumers are not monogamous, and they ‘date’ various brands simultaneously. But the goal is to create brand ‘love’. Is that even possible? Consistency and spontaneity are two vital ingredients, he points out. Most brands seem to make a good impression at first, but not necessarily on the second ‘date’.

Here, it’s important to give up old models in favor of unproven schemes in order to achieve spontaneity, which often seems to be the missing key element. Research has proven that about 75% of brand loyalty is achieved through pricing and distribution strategy, but 25% has to do with the generational mindset. Jeff Fromm presented 6

mindsets which account for 25% of future sales and profit opportunities. They are:

1. Social circle: Is your brand a part of cultural conversation?
2. Self: Is there an emotional connection to the brand? Here price elasticity is an advantage. People are willing to pay more for emotional connection. One great example of this is the adventure theme of the Red Bull advertisements. It has no basis in the reality about the drink itself, but people are very attracted by the concept and myth that has been built around it.
3. Innovation: This was never very high on the radar before, but has now become increasingly important. Innovative new products and a new culture of employee innovation have arisen in major companies in the last eight years.
4. Trust: This is a big issue in the lottery business. It’s achieved through consistency, and either you have it, or you don’t. It’s been proven not to be effective to attempt to communicate trust messages through marketing or advertising. The only way to do it is to show trustworthiness and consistency through your company’s actions.

5. Purpose: This can be a major differentiator. Is your brand getting credit for its purpose? Is there some kind of charity or ecological goal your company has which hasn't been advertised? This is an area where companies can grow when other areas of potential have already been maximized, such as trust, etc. Getting credit for your purpose is very important. This could be one of the greatest new opportunities that your company has and doesn't know about yet.
6. Be accessible: Be hyper-useful and hyper-convenient. Amazon, for example, is always giving up old models for new ones. Most successful brands won't do this. This is the biggest risk a brand can face.

New frameworks

How do you apply the research to the brands you have, and how can you take the information home to work on your lottery, in your country?

Fromm shared several new frameworks:

1. Only amplify remarkable experiences. Create opportunities for consumers to curate their social feed. Only stories that are shared matter. Modern consumers want

to be part of the experience! They want to co-create the story and have an interactive experience.

2. Embrace a culture of content. You need a strategy for both planned and unplanned opportunities. Use opportunities to get credit with your consumers.
3. As part of the new frameworks, innovation is a very important topic. There is a very high return on investment in innovation and sustaining it, as high as 90-95%. There are different kinds of innovation, but the most useful and usually least taken advantage of is disruptive innovation. Companies often reject the innovation opportunities in front of them. The questions they need to ask are, can they afford to take the risk? And is it consistent with their brand authority? But according to Fromm, it's important to invest between 3 and 7% of your innovation portfolio in disruptive innovation, creating friction and commanding interest. He tells us that the golden rule, "Do unto others as you would have them do unto you", is a terrible rule for innovation. Instead, he recommends what he calls the platinum rule: treat others the way they want to be treated. In a nutshell,

your views are less important than the consumers' views.

4. Engage employees first. Employees are often extremely passionate about their brands, and it helps to connect emotionally with them. It doesn't have to be anything huge or expensive, it's enough to invest a little time and money in something that can 'drive love' among them. For example, one tech company changed 'bring your kids to work day' to 'bring your parents to work day', where the parents were introduced to the new technology in their children's daily lives. This created an emotional bond which included the company and left everyone feeling good. So it's important to think about what new things can be done for your employees.

"In tomorrow land," Fromm said, neatly summarizing his presentation, "some of the things you've done in the past will help you be more successful, and some may slow you down. And it's important to understand, tomorrow's consumer is really expecting a lot from your brand. Being more convenient and more useful will be the price of admission for those of you who want extraordinary financial performance."



"Being more convenient will be the price of admission for those of you who want extraordinary financial performance."

– Jeff Fromm –



Naomi Goldapple: Leveraging artificial intelligence

Naomi Goldapple is the Director of Industry Solutions at Element AI, one of the world’s largest applied research labs. Previously, she was the VP of Business Development and COO of Nexalogy Environs, a startup that specialized in semantic clustering algorithms. She led the company’s work on meaningful solutions for the federal government in security, health and environment sectors. Her experience was gained through business and technology consulting for IBM.

Naomi Goldapple greeted her appreciative Buenos Aires audience cheerfully in Spanish, breaking the ice before embarking on her mission to demystify artificial intelligence and explain its application to the lottery industry at the World Lottery Summit.

She pointed out four basic abilities necessary for machines to perform human-like tasks. These are: perception; reasoning; communication; and interaction. Perception is necessary for the machines to identify objects in a scene, reasoning is necessary for them to understand what is going to happen next in a scene, and communication includes the ability to generate images from a description or translation, and the ability of decision making. It is also necessary to have a machine that can interact with its environment. All of these abilities contribute to machine learning, and Goldapple tells us there are three different forms which are commonly used.

The first is supervised learning. This means you can teach a machine to understand by giving it multiple examples. By giving it a lot

of labeled examples you actually tell the system what it is seeing, and feed the information into a learning algorithm. This way, the machine will eventually understand what it is looking at. The next form is unsupervised learning, in which the machine is told nothing. The system will try to deduce what makes sense from the data at hand, all on its own. The last form is reinforcement learning. “Reinforcement learning is kind of like when you’re teaching a child not to touch a hot stove. When they touch a hot stove and it hurts, they’re not going to do it again. So you teach a machine by having negative and positive results from certain actions, and it will then learn on its own what to do,” said Goldapple.

These forms are very important for the gaming industry. Traditional machine learning has been around for fifteen to twenty years, but the difference was that you had to tell the machine what to look for. However, with deep learning today, the system can discover on its own which characteristics are important and base its decision on them.

“Now that sounds a little bit like magic,” said Goldapple. But she explains that deep learning for skills such as image recognition is based on artificial ‘neural networks’, which help the machine break down millions of images into layers of pixels so it understands what the important identifying characteristics are. The first thing it does is to deduce basic shapes and forms. Then it goes into more detail, and starts to analyze more abstract images, which will help it to separate and categorize information. Then, on the top layer, it is actually going to understand what those images are. “I showed you three layers, but many times they can be hundreds if not thousands of layers deep,” Goldapple explained.

Collaboration in the AI industry

The main reason we are hearing so much about this today is “big data.” Everyone has been investing in it, so a lot of this data is now available to feed machine learning algorithms. A second reason is processing power. The modern processors are a thousand times faster than the traditional Intel chips that we are used to.



Another reason is the pace of research. Research is fast because the whole world of artificial intelligence is extremely collaborative. That means everyone shares what they have learned on open data sets. Everyone can learn from someone else's models, and use them. "It's amazing how much innovation comes out of that," said Goldapple. "Everybody benefits from this open collaboration."

Current AI abilities

Right now, systems can learn enough about their world to be able to identify what is happening in a certain image. Also, AI systems can generate images from descriptions, which is quite exciting. For example, if you say you would like to see the image of a bird with a yellow beak and purple plumage, it can create it based on the text it is given.

Another thing systems can do today, although the technology still needs to be improved on, is to actually create summaries of long documents. They can summarize long financial documents or contracts and actually extract the important information and make a nice abstract.

Systems can also learn from virtual environments. The gaming industry, for example, has often been used to teach self-driving cars. By using the setup for certain games, they have been able to teach self-driving cars in a simulation before sending them out into the real world. This is another way to collect enough data for machine learning.

Today, we have what we call narrow AI. As opposed to general AI, narrow AI means we can teach a system to do something, and it will do it better than a human, but it can only do that particular thing. If we give it a lot of sample data and teach it to do something, it is going to do it better than us, repeatedly.

But it is not going to be able understand complex concepts and scenarios and make decisions like a human can. That means we can use AI today to do things that would be unsafe or impossible for humans. This is where AI can really help humans in terms of having more meaningful working lives.

Applying AI

What do companies need to be able to adopt and embrace AI? According to Goldapple, it is a four-part puzzle. The first step is having clean, complete, voluminous data readily available. The methods to collect it are mentioned above.

The next step is having the infrastructure to implement the technology, and the one after that is the organization's readiness to implement it. The acceptance usually has to come from the top, because bringing AI into an organization tends to make people nervous. Changes in management can be vital.

But the missing piece of the puzzle is usually talent. There are simply not enough professionals available today with PhDs or master's degrees in machine learning who actually have experience with these systems. There is huge demand among the big tech companies – such as Facebook, Google, and Amazon – to attract these people right after they finish their degrees. The downside is that it leaves the rest of the industries without the expertise to adopt these systems.

However, Naomi Goldapple's company in Canada offers a solution to that problem, as they have the largest group of deep-learning researchers in the world. Only two years old, the company started out with only six researchers, and now they have over 500. One of the reasons for their fast growth is that the Canadian government is extremely support-

ive of AI initiatives, and gives a lot of funding. This creates a very vibrant startup community. The company's founder, Yoshua Bengio, is one of the fathers of deep learning. He decided to stay in Montreal and do his work there. His colleagues Geoffrey Hinton and Yann Lecun went on to Facebook and Google respectively, but Yosua Bengio decided he wanted to keep everything he was working on open for common use, so it would benefit society. "He really is a true altruist," said Goldapple.

AI in lottery and gaming

Many of the breakthroughs that occurred with AI happened first in the gaming world. The first was in 1996, when IBM's Deep Blue beat Gary Kasparov, an internationally renowned chess champion. There was also the instance in 2011, when IBM's supercomputer 'Watson' beat Ken Jennings at Jeopardy. The result was achieved by constantly feeding Watson data. It basically consumed all of Wikipedia, and then was able to answer any question better than the top trivia champion of the world. In 2016, the systems were able to beat the world champion of go, also known as Chinese chess, as well. By 2017, IBM had created "Alpha Go Zero", an AI which used reinforcement learning, and told it to play against itself. The system learned the game by trial and error within four days, and was able to beat any champion afterward as well.

When we move into the realm of lotteries, we are talking about unsupervised learning. A good example of unsupervised learning is the ability to track browsing data or social media data to find new customers and healthy gamers. This is one way people are using unsupervised methods to be able to increase their client bases.

Another method is applying algorithms on a mathematical basis to validate theoretical wins. Using this system, it was possible to predict the top four winners of the Kentucky Derby in the correct order. So AI is really changing the rules, which is an interesting thing to think about. "I think, overall, where we're at today with AI and the gaming industry is really the beginning," said Goldapple.

As AI develops more and more, the operators are going to have the ability to offer very exciting experiences that are personalized, adaptive, compelling and safe. This is a very exciting time to take advantage of these technologies, to create an even more exciting and compelling experience.



Don Tapscott: The blockchain revolution

Don Tapscott is one of the world's leading authorities on the impact that technology has on business. He has written more than a dozen books on the subject, including Wikinomics: How Mass Collaboration Changes Everything, which has been translated into over 25 languages. He has been introducing groundbreaking concepts for over three decades. In his WLS 2018 keynote presentation, Don talked about how blockchain, one of the world's newest and most innovative technologies, makes this a very exciting time for the lottery sector.

As Don Tapscott pointed out, many of the fundamental concepts of the lottery are subject to change in the face of blockchain technology. Not only could this result in better business, but in a more trusting environment. As Don wrote books throughout 80s and 90s he began to reflect on where the world was headed. He came to the conclusion that the digital age is entering a second era in which machine learning and artificial intelligence are starting to do things they have not been programmed to do, and technology is progressing more quickly than we realize. He came to the conclusion that the foundational technology for this second era is the underlying technology of cryptocurrencies like Bitcoin. That technology is blockchain.

Don's most recent and ambitious book, *Blockchain Revolution: How the Technology Underlying Bitcoin is Changing Business, Money and the World* was co-authored with his son, startup CEO and bitcoin governance expert Alex Tapscott. Clay Christensen of Harvard Business School heralded the 2016 publication as "the book, literally, on how to survive and thrive in this next wave of technology-driven disruption." In 2017, Don and Alex co-founded the Blockchain Research Institute.

An Internet of information

The Internet is a network of information, in which copies of information are sent. "That works fine for information," he says. "But when it comes to assets like money or securities, or even lottery tickets, sending copies of those things is a terrible idea." That also includes cultural assets such as art or music. Votes, too, are assets, something of value

which belongs to a specific person. You don't want anyone to copy your vote, or your identity. "And if I send you a thousand dollars," he points out, "It's really important that I don't still have the money, right?"

This is known to cryptographers as the *double spend problem*. This is managed in our economy by intermediaries such as banks, governments, and credit card companies. Now large social media companies are also getting into the act. They perform all of the business and transaction logic for every type of commerce. They identify who you are, identify the asset, and clear and settle transactions and keep records. In general they've done a good job, but the problems are growing. These intermediaries tend to slow things down in order to take advantage of the money in the meantime. The biggest problem, according to Tapscott, is that we now have a bifurcation of wealth. Because of it, for the first time ever in most OECD countries, economies are growing while the middle class is declining.

An Internet of value

What if there was not only an Internet of information, but also an Internet of value? What if there was some kind of vast, globally distributed ledger, where everything of value, from money to stock to a lottery ticket or a vote could be managed and transacted in a secure and private way? In this network, trust would not necessarily be achieved by the middleman, but by cryptography and collaboration and some clever code.

That is where Bitcoin comes in. Bitcoin was invented to solve the double spend problem. It is a non-fiat currency; a cryptocur-

rency which is not controlled by a nation state. That is the real opportunity underlying blockchain technology. "Because now, for the first time ever, people can transact and trust each other peer to peer. And that's an extraordinary thing," Tapscott says. "It's the first native digital medium for trust."

How blockchain works

Tapscott says it took him five years to be able to explain blockchain in three minutes, and he did it again at the World Lottery Summit. Here it is in his own words:

"A thousand dollars I sent you is broadcast out to a global network of millions of computers all using the highest levels of cryptography. And all around the world is a group of people called miners... like gold miners. These miners do a lot of work to discover the truth. They have massive computing power estimated to be 50 times bigger than Google."

"Every ten minutes, sort of like the heartbeat of the network, a block gets created, and that block contains all the transactions from the last ten minutes. For example, the fact that two people bought and sold something... or the fact that two people got married, or a land title was registered, or someone bought and sold a stock, or someone bought and sold a lottery ticket, or a whole bunch of people got together and bought a lottery ticket... It could be any transaction."

"Then the miners do all this work using their computers to validate that block, and the first miner gets paid some of the cryptocurrency from that blockchain. This is the important part, that block gets connected to



“I think the future is not something to be predicted, it’s something to be achieved, and we can achieve a very different future if we want it.”

– Don Tapscott –

the previous block and the block before that to create a chain of blocks.”

“If I wanted to hack that block to take that thousand dollars to pay you, or to buy lottery tickets with the same money, I’d have to hack that block plus the previous block, because they’re connected with a digital wax seal. I’d have to hack every transaction that ever occurred in the history of that network, not on just one computer, but across millions of computers all around the world simultaneously, all of those computers using the highest levels of cryptography.”

In comparison to the current system, where it can take days or even weeks for someone

to get paid, with blockchain there would be no settlement period because the payment and the settlement would be the same activity. It would just be a change to the ledger, and there would be no counter-party risk involved. With blockchain, there would be no delay and therefore no cost to intermediaries. The financial industry is still trying to figure out what the repercussions of all this will be.

In books, the financial industry is described as being big and complicated, but it actually does eight simple things:

1. It authenticates in a test of value that you are who you say you are.

2. It transfers value in the form of money, stocks, securities, etc.
3. It stores value.
4. It lends value, for example commercial lending, debt, loans, etc.
5. It exchanges value, payment systems, and stock exchanges
6. It funds and invests value, with venture capital, investment banking, mutual funds, etc.
7. It insures value and manages risk, with insurance companies, reinsurance, etc.
8. It accounts for audits and revalue. This includes the major accounting and auditing companies.

“If I had more time,” Tapscott says, “I could describe to you how every one of these can be eliminated by some distributed applications on a blockchain.” According to Tapscott, the audit as we know it will be gone in ten to fifteen years. That is because we are about to get triple-entry accounting where there is a real-time balance that is available to anyone. An audit will be done in half an hour, because the data will be instantly available.

Application to lotteries and gaming

Blockchain technology can now be extended to lotteries and gaming in general. There are big issues here, which are also opportunities: fair play and trust issues are major ones, because users of lotteries are often skeptical about fraud when they notice a lack of transparency.

Another issue is the collection of winnings. In some countries, it can take a long time to collect winnings, and there have been all kinds of problems with large groups of people purchasing one ticket. So there are a number of challenges, and blockchain can help.

This is a new technology that enables us to do new things. How is your organization going to find the leadership to make this change? The big problem is that when you get a new paradigm, vested interests fight against change, and leaders of all paradigms have great difficulty embracing the new. This is a leadership challenge for senior executives. Leadership is your opportunity to bring about this change. What an exciting time this is to be in business and to be trying to build a better world! Can you do this? Should you do this? “I think the future is not something to be predicted, it’s something to be achieved, and we can achieve a very different future if we want it,” Don Tapscott says.

Jane McGonigal: The role games play in benefiting our lives

Jane McGonigal created the app SuperBetter, which reframes users' real-life physical and mental health challenges as elements of a game. She offered some suggestions as to how lotteries can improve people's lives, and society itself, in similar ways. Because of the then ongoing fires in California, where Jane makes her home, she joined the summit virtually.

Jane McGonigal sees these as exciting times for both games and lotteries. Since the 2014 World Lottery Summit in Rome, Italy, at which McGonigal also delivered a keynote address, there has been exponential growth in video gaming. The number of regular players has increased from 1 billion to 2.6 billion, and now includes about 75% of millennials and over 80% of Generation Z. They play on average for one hour a day; worldwide, 12 billion hours a week are spent playing video games.

No less important has been the change in people's understanding of the roles that games can play in our lives and the benefits they offer. In a 2018 global survey, people who played video games at least once a week were asked what benefits they thought video games offered in their real life. Increasing mental stimulation was the highest-rated response, with 90% of respondents agreeing. The next most popular responses were improving thinking skills (84%), fighting dementia (80%) and improving dexterity (78%). Far more surprising, 74% said that video games improved their emotional well-being, and 70% said they improved their social wellbeing, while 68% said they add purpose to their lives, and 66% said they improve physical fitness.

McGonigal asked the question: What would it take for people to say the same things about the benefits of lotteries? She acknowledged that it seems unlikely but offered the following quote from Jim Dator, Futurist and Director of the Hawaii Research Center for Futures Studies: "Any useful statement about the future should at first seem ridiculous."

McGonigal noted that video games activate three brain regions. The caudate and thalamus are activated when we anticipate some-

thing good happening. These regions are activated and increase our attention, energy, and willpower when we are sure that we are about to reach a goal, and when we play video games that happens a lot. The hippocampus is the brain region devoted to learning. It thrives on any feedback that can help us improve. Video games are "incredibly high immediate-impact environments", so they keep us engaged and inclined to learn and improve faster.

These two brain effects of gaming are "literally, neurologically the opposite of depression". In depression the caudate, thalamus, and hippocampus are under-activated and actually shrink. But with video games "not only do we believe something good could happen, we believe that it could happen through our own effort, through our own attention, and our own ability to learn and improve".

One real-world application of this fact about video games is called the game transfer effect. Once gaming has given us this positive, powerful mindset, we can transfer that mindset to tackling real-world challenges. McGonigal's game SuperBetter is based on this idea: take that game mindset and apply it to real-world goals. Her research has shown that SuperBetter is linked to greater optimism, more self-efficacy and less anxiety, depression and hopelessness.

McGonigal gave several other examples of how video games have real-world benefits. The phenomenally successful Pokémon Go uses augmented reality, a melding of the real and virtual worlds. Its formula for success is three-pronged.

First, it allows what McGonigal calls "on-demand chances to succeed": Something good can happen at any time, not just on a screen

but outside, in the world. Users feel that the world is full of opportunity.

Second, in Pokémon Go, there is no scarcity; every Pokémon that you find can be found by everyone else as well. This means that people are – and are happy to be – allies, not competitors.

The third factor adds to the second, as Pokémon Go has a "built-in collaboration radar", meaning that players see where other players are, and know that that is a good place to go, to work together. A new feature will increase this collaboration: You can now have friends and trade Pokémon, and then level up faster by playing together.

These three factors have led to improvement in both physical and mental health. The feeling that there is something good just around the corner – literally – is precisely what gives the neurological boost McGonigal described. And since the game requires people to get up and move, many have lost weight and walked on average one additional mile a day. Many of these are people who have long wanted to improve their physical health, but needed the reward of Pokémon to follow through on their intentions.

The first important lesson from Pokémon Go is that most people who play videogames do not want to escape the real world, they want the real world to be more like video games. They want to play with purpose and lead better lives. The second lesson is that knowing that something good can happen on demand inspires people to take real-world actions.

McGonigal gave some further examples of games that offer some of the same benefits as Pokémon Go. Fortnite, though often thought of as a shooting game, is also a building



game. It is free to play and creates no permanent losses, only set-backs that the player can recover from, while also learning and improving. It is also very social, with built-in collaboration and live-streaming events that create a huge community. Other social games include HQ Trivia, which has a jackpot of real money but still gives players a sense of all being in it together, and Neko Atsume, in which players adopt and care for cats. People have found that these digital cats give them something to talk about with real-life friends and family. It's a clear contrast to the bad news that so often fills Facebook and Twitter.

Another game with surprising benefits for physical health is Ocean Rift, which uses virtual reality to make users feel like they are swimming in the ocean. Hospitals have found that it is so engaging and calming that users need less pain medication, and often do not even notice their IVs. It shows great promise in reducing opioid addiction.

So what about lotteries?

McGonigal offered some possibilities to consider: Lotteries have the potential to constantly remind people of abundance, by giving them an unlimited opportunity to win. Perhaps tickets could be free, for example funded by advertising. They could

incorporate “social multipliers,” whereby the more of the winner’s friends that play, the bigger the prize would be. Or, lotteries could inspire action toward a real-life goal, ultimately improving our physical, mental, social, emotional, and civic health.

She gave some examples of how lotteries are already doing these things. Psychologist Stephen Goldbart of the Money, Meaning & Choices Institute described a “financial anxiety epidemic” that is leaving people “tired, uncertain of what to do, and disempowered, and may seek a magic pill to make them feel better.” For many, a lottery ticket is a symbol of hope, even “a ticket of magical healing”, but without the damaging side effects of pharmaceuticals.

Building on this feeling of empowerment is a new trend toward prize-linked savings accounts, in which every deposit to the account is equivalent to a lottery ticket. 56% of these accounts were opened by people who had never had a savings account before, though most had bought lottery tickets.

Another type of lotteries is improving people’s physical health by awarding prizes only if the winner has met a health goal, be it a previously set weight-loss goal or a nega-

tive STD test. One study found that 57% of weight-loss goals associated with a lottery were met, while only 22% of other weight-loss goals were. And a World Bank sponsored STD-screening lottery has reduced new HIV infections by 21%, making it the most successful intervention-based HIV program in sub-Saharan Africa. In a similar vein, a new fantasy football league is based on physical activity as tracked on your fitness-tracker: The most active person has the first choice of players to draft.

Mega Millions jackpots often bring a sense of community, getting people, even strangers, talking to each other. But lotteries can do more for society as a whole: Some jurisdictions have reduced speeding infractions by introducing safe driving lotteries, in which drivers who are caught on camera obeying the speed limit are sent a lottery ticket. A Philadelphia voting lottery has increased voter turn-out by 5%, with 25% of new voters citing the lottery as the reason they decided to vote.

In many surprising ways, lotteries can transform the lives not only of the beneficiaries of the worthy causes they support, but of the participants themselves. They feel empowered to make real positive changes in their lives.



Owing to the fires in her home state of California, Jane McGonigal was unable to be in Buenos Aires for her keynote address on Tuesday, November 20. Instead her keynote session took place via live video chat.

Tyler Hamilton: Coming clean – The power of choosing honesty

The lottery industry is no stranger to the devastating effects of illegal activity – much like the world of professional sports. With the ever-present shadow of match-fixing and doping hanging over sports, how can one person choose to be, and remain, honest? Tyler Hamilton shared the story of his life-changing decisions – first to dope, and then to come clean.

For many, the name Tyler Hamilton is synonymous with the doping scandal that rocked the professional cycling world. Known as the man who broke the code of silence around the systematic and pervasive use of illegal performance-enhancing drugs and other methods, Hamilton is the co-author, with Daniel Coyle, of *The Secret Race: Inside the Hidden World of the Tour de France: Doping, Cover-ups, and Winning at All Costs*. As the final keynote speaker at the 2018 World Lottery Summit, Tyler Hamilton spoke to delegates about how culture can drive behavior and how, as a consequence, values can be easily compromised.

As more countries open the doors to legalized sports betting in 2018 – the most notable being the landmark decision by the U.S. Supreme Court to allow this popular form of gaming to be regulated on a state-by-state level – the discussion around ethics in sports becomes ever more relevant and important. Over the last two decades, professional sports have come under fire again and again for instances of cheating, match fixing, and doping, frequently fueled by illegal sports betting operations. Each time such activity has been exposed, it has left that sport reeling – this was certainly the case when Tyler Hamilton broke the now-notorious code of silence and published the book that would lead to some of the biggest names in cycling being stripped of multiple titles.

As Hamilton explained in the opening moments of his presentation, the Tour de France is easily one of the world's most arduous cycling events, and it was a challenge he took on no less than eight times. His participation also led to, what he termed, some of the worst decisions of his life with repercussions that would follow him around for years.

Raised in a family that prized toughness and strength, and valued honesty and integrity above all else, Tyler Hamilton believed he had everything he needed inside himself to achieve greatness in professional sports. In his early years as a cyclist, he was known for being a clean racer, but slowly, little things started coming to his attention that hinted all might not be as ethical and honest as he was raised to be. When he started noticing that teammates were receiving assistance in the form of banned substances, it spurred him on to work even harder and remain clean.

The turning point came during a race in Spain, when he was visited in his hotel room by team doctor, Pedro Celeya. Understanding that Tyler was depleted and exhausted, Celeya convinced him to take a



Tyler Hamilton admonished against perpetuating a culture that normalizes cheating and spoke in favor of integrity.

capsule “for his health” of what would turn out to be testosterone. Hamilton chose to take the capsule, initiating the first step on his road to glorious wins, and later, being stripped of those titles.

It was in pursuit of the dream, said Hamilton, of riding in cycling's most infamous race, the Tour de France, that he finally gave in to doping, justifying it to himself as a necessary part of competing at the top level – after all, everyone was doing it. The inevitable shame he felt was buried under the possibility of acceptance into cycling's inner circle.

These first incidences of doping were quickly followed by an introduction to EPO (erythropoietin), a hormone-based drug that oxygenates the blood and improves endurance. More self-justification followed, as the team management bought, distributed, and administered this and other drugs, allowing team riders to shift the responsibility for rule-breaking away from themselves. Then, in 1998, when a French team was found out for carrying drugs, the team management shifted the responsibility back to the riders themselves, as it was too risky for them to be caught holding and administering the banned substances.

Thanks to a complex system of drug hiding conceived by team leader, Lance Armstrong – cheat sheets provided by team management and doctors on how to hide their doping, and the fact that EPO was not one of the substances that was tested for at the time – the team got away with it. In 2001, however, a new test was introduced that did show EPO, and the team needed to switch strategies.

The team doctors introduced blood doping – drawing and storing the cyclist's own blood to transfuse when they needed oxy-



generation. Once again justifying it as natural, the doctors convinced team members this was the answer. Hamilton realized that what was going on was incredibly shady, but that he continued to convince himself that it was just a temporary thing. He figured that it was something that formed an intrinsic part of cycling competition, and that eventually, his career would be over and his life would return to normal. In the meantime, more wins followed, accompanied by accolades and pride.

At this time, he felt he was in too far and unable to get out. Then, when the results of a test revealed Tyler had someone else's blood cells in his blood – a mistake he says could have killed him – he was suspended for blood doping. He had the chance to come clean at this time, but he chose not to. He described cycling as a brotherhood, and that speaking out would implicate too many of his friends and cost them their livelihoods. Tyler took the two-year suspension and remained silent.

Upon his retirement in 2009, Hamilton was subpoenaed to testify in an investigation into doping in cycling, at which time he

finally chose to come clean and expose the lies. He credits being forced to testify with him coming clean, and wonders whether he would have opened up otherwise.

During the Q&A session, Hamilton expanded on the pressures he faced as a result of coming clean, including confrontations with his former teammate, Lance Armstrong. Hamilton had been prepared to keep the secrets, but found telling the truth to be incredibly liberating and life-changing.

Tyler said that telling his family was the hardest thing he had to do. He faced disappointment from them, but their support and understanding were beyond his expectations. He confessed to his family the day before he was to reveal the truth on national television. Today, he presents extensively to youth groups, showing them the realities in an effort to create a culture of honesty in sports – something he says is still lacking. Hamilton also speaks openly to many organizations, not only those involved in cycling, but also those that are involved in anti-doping.

In one question to Hamilton, a Summit delegate representing the IOC pointed out that it can be almost impossible to strip someone

of a gold medal, and that Hamilton's returning his of his own free will made a considerable difference to them.

According to Hamilton, a potential factor that could be leading to the continuing doping problem, is that races like the Tour de France are becoming too difficult. They push people far beyond what even a well-trained athlete can do without the assistance provided by doping – a situation that angers him. One of the discussions that takes place around this is whether doping should become standardized and part of leveling a playing field – something Hamilton completely disagrees with and that he feels must be combatted. His concern, however, is that corporate sponsorship and the demands it places on racers will continue to perpetuate a culture of cheating.

The lessons to be learned in an industry like the lottery business are that integrity is one of the most important considerations. Hamilton pointed out that sports betting can have an influence on cheating and doping, and it is something that must be regulated with openness and honesty if there is any hope of preserving the integrity of sports.

Friedrich Martens: Ethical conduct and the Olympic spirit

Competition manipulation damages the Olympic spirit, and lotteries are affected both as Olympic sponsors and as legitimate alternatives to illegal sports betting. Friedrich Martens, head of the Olympic Movement Unit on the Prevention of the Manipulation of Competitions, discussed the IOC's pro-active approach to preserving the integrity of sport.

In his keynote speech, Friedrich Martens, head of the Olympic Movement Unit on the Prevention of the Manipulation of Competitions (OMU PMC), addressed the Olympic movement's fight against match-fixing in sport. Over the course of his presentation Martens elaborated on the Olympic movement; the importance of preventing the manipulation of sporting competitions; and the initiatives being undertaken by the IOC to prevent illegal betting and match-fixing in sport.

The IOC

Martens began by discussing the International Olympic Committee (IOC) and its role in the modern Olympic Movement and in the organization of the Olympic Games. He remarked that the IOC is a private non-governmental organization based in Lausanne, Switzerland. Created by Pierre de Coubertin and Demetrios Vikelas in 1894, it is the body responsible for organizing the Olympic Games.

Martens explained that the IOC leads the Olympic Movement, the goal of which is to contribute to building a peaceful and better world by educating youth through sport practised in accordance with Olympism and its values. According to the IOC, "Olympism is a philosophy of life, exalting and combining in a balanced whole the qualities of body, will, and mind. Blending sport with culture and education, Olympism seeks to create a way of life based on the joy found in effort, the educational value of good example and respect for universal fundamental ethical principles." In short, asserted Martens, "Olympism is a philosophy of life that places sport at the service of humankind."

Martens pointed out that the Olympic Games are both the ultimate realization and concrete manifestation of the Olympism ethos. The world's foremost summer and winter sports competitions, the Olympic Games regularly bring together the world's best athletes in a global celebration of sport. He explained that the IOC is charged with ensuring the regular celebration of the Olympic Games, supporting all affiliated member organizations of the Olympic Movement, and strongly encouraging the promotion of Olympism and Olympic values.

"Competition manipulation, or match-fixing, is a form of cheating, just as doping or harming an opponent is."

– Friedrich Martens –

Martens went on to clarify the organization of the Olympics. To organize the Olympics and affiliated events such as the Youth Olympics, the IOC liaises internationally with the National Olympic Committees (NOCs) of 206 countries, as well as with International Sports Federations (IFs) for all represented sports. Martens emphasized that, at the national level, a key role is played by lotteries: as part of their mission to raise monies for good causes, lotteries typically contribute significantly to NOC funding. Thus, for example, 75% of the funding for Switzerland's NOC comes from the contributions made by the Swiss lotteries.

Preventing the manipulation of sporting competitions

The Olympic Charter (OC) is the codification of the fundamental principles of Olympism. According to Section 2.1 of the OC, the mission and role of the IOC is (inter alia)

"to encourage and support the promotion of ethics and good governance in sport as well as education of youth through sport and to dedicate its efforts to ensuring that, in sport, the spirit of fair play prevails and violence is banned;"

Competition manipulation, or match-fixing, is a form of cheating, just as doping or harming an opponent is. It means throwing a match – losing on purpose – whether for betting or to face an easier opponent in a later round. It both violates the OC's "spirit of fair play" as well as the ethos of Olympism.

Friedrich Martens went on to explain that the overarching aim of his work as Head of the OMU PMC is to ensure that Olympic competitions remain true to the spirit of Olympism and to preserving the Olympic Charter. He continued by explaining the scale of the challenge posed by betting on sports, both legal and illegal, and the possibilities for match-fixing and the corruption of the integrity of sports thereby entailed.

According to Martens, sports betting is huge at the Olympics. To illustrate, his research team suggests that bets worth EUR 6–10 billion were placed at the Summer Games held in Rio in 2016. Football accounted for 40% of this total; tennis, 15%; and basket-



ball, 10%. Betting on the Olympics is thus quite different to sports betting in general, where some 80% of all bets are placed on football. The PyeongChang 2018 Winter Games attracted less betting; however, up to EUR 1 billion in bets was placed, with ice hockey accounting for 35% of the total. Martens asserted that betting on the Olympic Games has been steadily increasing since the IOC began tracking sports betting at the Winter Games held in Turin in 2006, in line with the similar large increase in sports betting seen generally over the past decade.

With vast sums now being wagered on the Olympics, possibilities and opportunities for illegal betting, match-fixing, and other forms of corruption have also increased exponentially. The twin scourges of illegal betting and competition manipulation are well known in football; Martens explained that the Olympic Games are now also being affected. He gave a number of examples in support of this contention, including: an Irish sailor at the 2008 Games in Beijing who bet on his own event; three boxers at the 2016 Games in Rio who were involved in competition manipulation; and a case at the 2018 Winter Games in PyeongChang involving cross-country skiing.

IOC initiatives

In response to these disturbing developments, the OMU PMC was formed in early 2017, both to streamline the IOC's initiatives against competition manipulation, and to better engage with both NOCs and IFs – the stakeholders the IOC can directly influence. The approach taken by the OMU PMC in combating match-fixing and in the fight to preserve the integrity of sport has three pillars:

- regulation and legislation;
- education, awareness-raising, and capacity building;
- and intelligence and investigation.

According to Martens, education, awareness-raising, and capacity building is the most important of these.

Regulation and legislation

Martens said that regulations specifically related to the prevention of competition manipulation have been in place in the IOC's Code of Ethics since 2006. These regulations specifically state that certain actions – including the manipulation of competitions, the use of insider information, and the failure to report breaches – constitute violations of the code. Since 2015, further regulations

have been in place that apply to everybody participating in the Olympics – whether athletes, coaches or other team members, or officials – listing specific consequences for all violations.

Martens emphasized that for athletes, there is a complete prohibition on betting on sports competitions of any kind. He went on to compare the severity and the consequences of competition manipulation to that of doping; the IOC takes the matter of preserving the integrity of sport that seriously.

To reinforce this last point, Martens noted that the OMU PMC also works closely with other statutory bodies, including Interpol and the Council of Europe, with the goal of making match-fixing illegal around the world, and with the United Nations Office of Drugs and Crime, in order to protect whistleblowers.

Education, awareness-raising, and capacity building

The second pillar flagged by Martens, and the most important, is education, awareness-raising, and capacity-building. The main goal here is to raise awareness of the IOC's various codes of conduct, includ-



ing the IOC’s Code of Ethics and the new Olympic Movement Code on the Prevention of the Manipulation of Competitions. Martens remarked that in order to publicize these and other codes, the OMU PMC is working in partnership with the Global Lottery Monitoring System (GLMS) and have launched their own promotional campaign in 2017.

The OMC PMU’s new awareness-raising campaign, which is called Be True, Be You, Believe in Sport, includes a wide range of materials – from animation and e-learning through to flyers – that all the IFs are encouraged to adapt and use for the purposes of promoting the campaign. Martens gave some examples of how some sport federations have already made use of the campaign materials; the Badminton World Federation, for example, has tailored the campaign to target badminton players by using the slogan Believe in Badminton.

At the 2018 PyeongChang Games, the e-learning element of the campaign featured in an official app, through which the IOC communicated with all the athletes. While the e-learning program was not mandatory,

625 participants from 27 countries and 14 disciplines completed the program, each earning a certificate. This represented one-quarter of all participating athletes. In ice hockey, 80% of participants completed the program, and for some ice hockey teams, the participation rate was 100%.

“As part of their mission to raise monies for good causes, lotteries contribute significantly to NOC funding.”

– Friedrich Martens –

Intelligence and investigation

The IOC’s third pillar against competition manipulation is intelligence and investigation. Martens said that this began in 2013 with the development of the Integrity Betting Intelligence System (IBIS), which brings together relevant stakeholders – including non-Olympic Movement partners, NOCs, and IFs – in the fight against match-fixing and the corruption of sport. In particular, each IF must now have a dedicated

point of contact that understands issues surrounding betting on sport.

For each sport, IBIS conducts a competition manipulation risk assessment, and meets with the respective IFs to share that information before the Olympic Games. At the Games, IBIS talk to the athletes themselves. In addition, since the 2016 Rio Games, GLMS has supported the IOC with 24/7 monitoring of sports betting events during the two core weeks of sporting competition.

In his discussion of IBIS, Martens emphasized the nexus of non-Olympic Movement partners contributing to the unit. Non-Olympic partners include sports betting operators such as Betfair and Kambi; trade associations and related bodies such as the WLA and the GLMS; the national lotteries; regulators, especially in Malta; and law enforcement bodies, including Interpol, Europol, the FBI, and the Swiss federal police.

Martens closed by thanking the WLA and its member lotteries, noting again that lotteries are a strong partner of the entire Olympic Movement. As such, he said, they are critical to the Movement’s success.

Isela Costantini: Leading in times of change

The first woman CEO of an automotive company in Argentina, and author of *Un líder en vos (A Leader in You)*, Isela Costantini spoke about leading in times of change. She acknowledged how difficult change can be, but reminded the audience that life quite literally is change. This is a key mindset for leaders, as well.

Isela Costantini, former President and CEO of Aerolíneas Argentinas and former President and Managing Director Argentina, Uruguay, and Paraguay of General Motors Company (GM), discussed the twinned concepts of leadership and change in her engaging keynote presentation.

Leadership

Costantini began by addressing our concept of leadership. In traditional thinking concerning leadership, there is an emphasis on leaders being born rather than made.

Turning this received wisdom on its head, she observed that we are all leaders, in that: we are all leaders of our own lives. Every decision a person makes and carries out can be understood as that person leading themselves. Thus, even as we think stereotypically of a leader as being a president or CEO, each one of us is in fact a model for leadership.

Therefore, explained Costantini, each person has it in them to become a leader. At the same time, she maintained, there is

a difference between leading yourself and taking responsibility for a group or team. Effective leadership of a group or team, said Costantini, requires cultivating the latent leadership skills inherent in each of us. Thus, she proclaimed, ‘the most important thing about leadership, I always say, is the desire to become a great leader.’ In other words, leadership is a skill that can be acquired – that can be *learned*. Even as some people may be blessed with a natural talent for leadership, still others can become great leaders by dint of assiduous study of the art of leadership.



Costantini went on to expound on some of the key skills in learning to become a great leader, including discipline, passion, and practising authority. Nonetheless, she asserted, the crucial element in desiring to become a great leader is the willingness to *become*. To *become* signals transformation; it means being humble: acknowledging that you yourself have something to learn, that you need to grow and develop: that you need to change.

Change

Turning to her second theme, change, Costantini began by noting that change is happening all around us, constantly: in workplaces, in organizations, in society at large, even in our own homes. She posited that, in order for individuals and organizations alike to thrive, or even just to survive, it is necessary that they accommodate change, that they evolve. Moreover, the need to be responsive to change is becoming increasingly urgent, because the rate of change is continuing to accelerate.

Costantini stressed that businesses in particular must be flexible and willing to adapt to change, if they are to flourish in today's ultra-competitive, international, globalized environment. As an example of a long-established and well-respected entity that failed to embrace change, and that suffered severe adverse consequences as a result, she named the Eastman Kodak Company (Kodak). Founded in 1888, Kodak dominated sales of photographic film for much of the 20th century. However, in the late 1990s, sales of photographic film began to decline, owing to the rise of digital photography. Dismissing the rise of digital photography as a *dernier cri*, the company was slow to respond to the disruption of its main sales market. Kodak thus began to struggle financially; over time, its financial problems accumulated, and the company eventually filed for Chapter 11 bankruptcy protection in 2012.

Emphasizing the increasing pace of change, Costantini also discussed the genesis and evolution of the mobile phone. The first cellular phones appeared in the marketplace just 35 years ago, yet they have changed beyond recognition in the intervening quarter of a century: the smart phone of today bears little resemblance to the first commercially available mobile phone, the Motorola DynaTAC, a "brick" 25 cm (10 inches) in height and weighing in at 790 grams.



As cellular phones have changed beyond recognition over the past three and a half decades, so too have the fortunes of many of the key players in the market, both for good and for ill. While some technology companies formerly with leading market share – such as Nokia Corporation and Blackberry Limited – have withered, still others – such as Apple Inc. (Apple) – have transformed from bit players into market leaders.

Leadership and change

What then, asked Costantini, is it that separates organizations successfully able to embrace change, such as Apple, to those that are not, such as Kodak? She explained that successfully navigating change in the marketplace was a complex and multi-faceted activity, one that required juggling a myriad of factors, from the external and the internal through to the macroscopic and the microscopic. Nonetheless, she asserted, it is possible to identify numerous key markers of successful change management, including the need for constant communication and dialogue, and proactive employee engagement and participation.

Especially, Costantini spoke of the need to hear 'alarms' – from either inside or outside an organization – that act as a clarion call, signaling an urgent need for change. She gave a personal example of an external alarm dating from her time as the CEO of GM,

when she read an article in a magazine headlined 'The Laptop is the New Automobile'. The story explained that for many teenagers, their biggest wish was no longer for a car, but a laptop. The story alarmed Costantini, alerting her to the possibility of declining sales in a key market demographic. Subsequent research using focus groups confirmed the central tenet of the magazine article, while simultaneously revealing that the underlying desires of teenagers for connectivity and mobility were unchanged.

As a result, GM was led to develop the Chevrolet Onix, an entry-level subcompact car pitched to first-time automotive buyers and which offers mobility and connectivity – in particular, the ability to get from A to B.

Costantini went on to discuss internal alarms at length, since these are triggers over which an organization may more readily exert some control.

In dealing with internal alarms, Costantini emphasized the importance of data, using metrics to track change. She noted that, when monitoring change, it is important that change be tracked across four key organizational vectors, *viz*: technology, competition, environment, and people.

Concerning technology, Costantini indicated that it is crucial to assess how technol-



ogy changes the way an organization does business, and in turn, how this impacts on customer behavior. As an example she cited lottery phone apps. These reduce the time and effort required for customers to play the lottery and, as such, have the potential to impact on the traditional lottery retail model. Turning to competition, Costantini said it is always important to be aware of the competition, to be able to answer the question, 'Who is in the garage next door?' – a reference to the garage famously seen as the birthplace of Apple. In particular, she asserted, it is important to keep abreast of how consumer behavior is evolving, so as to be able to better meet customer needs than the competition.

Costantini went on to point out that environmental change is, by its very nature, largely outside our control. Nonetheless, she said, even though we cannot control the environment, we can be prepared for environmental changes. Assessing the impact of

changes to the environment and (if necessary) preparing for the worst, can help return control to us.

With regards to people, Costantini began by noting that customers and (for that matter) employees are all people, with the same basic wants and needs. She contended that to manage change in consumers it is therefore necessary to go beyond analysis that uses the obvious groupings – age, gender, income level, and socio-economic background, for example – and instead to ask simply and directly what it is that consumers are looking for. 'Everybody has a specific need they want to be met', said Costantini. As a result she posited that lotteries should consider targeting games and offerings at the level of individual players, pitching one type of product to a player that enjoys fast-paced, easily played games; another product to a punter that prefers slower, more complex play; and still another product to a player that enjoys taking risks.

Costantini summed up by observing that change happens around us all the time. Cells die; we change our minds; the environment alters. Thus managing change is part of life, and part of business. In the business environment, organizations, groups, and teams give us vehicles for structuring and effectively managing change. At the same time, successfully managing the process of change requires courage, vision, agility, and the ability to motivate: in short, it requires leadership.

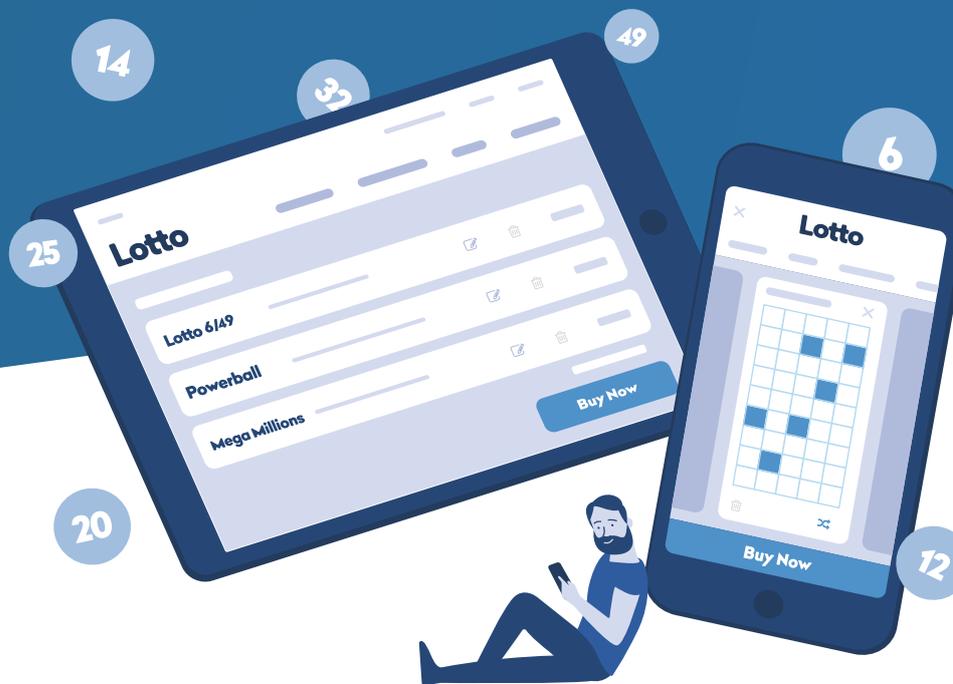
Concluding her keynote presentation, Costantini offered a caution: that leaders not concentrate on change to the exclusion of other aspects of business. She averred that change management, although very important, is still only one part of running a successful organization. She finished with this general advice for success in business: listen to your customers; listen to your employees; move fast; accommodate change; and above all, be prepared to make mistakes.

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Platinum Contributors' Session: Providing a unique and entertaining player experience

In a world where the customer experience is increasingly becoming the most important factor to remaining relevant, the lottery industry is facing challenges on various fronts. Among these, the rise of disruptors and synthetic lotteries, players who demand increasingly personalized and unique experiences in entertainment, and maintaining the ability to keep contributing to good causes. The WLA's Platinum Contributors Session sought to understand the way forward in this new world.

At the 2018 World Lottery Summit, incoming WLA President and President and Chief Executive Officer of the Tennessee Education Lottery Corporation, Mrs. Rebecca Hargrove discussed some of the new challenges faced by lotteries and their suppliers in a world where the gaming landscape is rapidly changing. The panel discussion featured **Antonios Kerastaris**, Group CEO of INTRALOT Group, **Wendy Montgomery**, Senior Vice President, Lottery Marketing for IGT, **Jim Kennedy**, Group Chief Executive of Lottery for Scientific Games International, and **Marc Chabrand**, director of Lottery Operations and General Manager of NOVOMATIC Lottery Solutions, Spain.

Before and after the panel discussions, **Pall Palsson**, Director of Product Management for NOVOMATIC Lottery Solutions, **Nikos Konstakis**, Vice President Sportsbook for Scientific Games, **Dimitris Kakos**, Group

Lotteries and Digital Transformation Director for INTRALOT Group, and **Paul Riley**, Vice President Lottery Innovation and Transformation for IGT, presented their respective companies' latest innovations and discussed the direction they are taking as providers to the lottery industry.

Panel discussion

Mrs. Hargrove opened the panel discussion by noting that while Messrs. Kennedy and Kerastaris are old hands at the Platinum Contributors' panel session, this was the first time that Ms. Montgomery and Mr. Chabrand were featured. She extended a welcome to all, pointing out the significant contributions that the Platinum Contributors make to the lottery industry as a whole.

What do you think about disruptors and synthetic lotteries – can they be stopped, or are

they part of the gaming landscape now, and is it important that we stop them?

The rapid growth in synthetic lotteries and disruptors has been a cause for concern among lotteries in recent years. These operators present a challenge for several reasons, not least of which are that they do not contribute any funds to treasury, nor do they support any of the good causes that legal and authorized lotteries support.

As Mr. Kerastaris pointed out, regulation is the foundation of authorized lotteries. He said that the reason why these operators are as successful as they are is due, in part, to the fact that they do not pay taxes or contribute to good causes, and that this by definition is unfair competition.

Ms. Montgomery noted that disruptors are hindering the flow of funds, which represents a real threat to the industry. She commended countries like Germany and Australia for taking action through regulation and legal action. She said that she felt the role of vendors and suppliers to the industry is to develop products, services and solutions to the industry to make sure that lotteries are prepared for this type of competition. Her belief is that offering the best possible player experience through legal, authorized lotteries is the best way to combat synthetic lotteries.

Mr. Kennedy added that being in the regulated gaming space is important, and that investing in making sure that Scientific Games' customers, and by extension their players, are safe. He believes



The panel discussion was led by Rebecca Hargrove, incoming WLA President and President and CEO of the Tennessee Education Lottery Corporation.



Key opinion leaders: Senior executives of the WLA Platinum Contributors, INTRALOT, IGT, Scientific Games, and Novomatic Lottery Solutions answer questions central to the current state of the lottery sector.

it is important to understand why consumers are choosing unregulated operators and to create a “safe neighborhood” for operators and players.

Mr. Chabrand stated that, as a gaming company, they cannot collaborate with operators that are borderline or unregulated. He noted, however, that it is important to understand what needs the unregulated operators are filling, and for lotteries to work at filling those needs.

What are the synthetic lotteries and disruptors providing our customers that we cannot? How can we provide customers what is being provided by illegal operators who are essentially selling our products?

Ms. Montgomery spoke of accessibility and hyper-convenience, and that lotteries must ensure their products are as conveniently available to customers and players to capture their imagination whenever, and wherever, they want to play. Some of the disruptors have exploited exactly this niche. Being responsive to players’ needs is a wake-up call to the industry to under-

stand what customers want and deliver it. Expanding on the concept of safe neighborhoods, Mr. Kennedy pointed out that synthetic operators are not bound by the restraints of geography and that their advantage is scale, especially when bypassing regulation.

Mr. Kerastaris said he does not think the neighborhood is ever going to be 100% safe, but that ring-fencing and best practice are great ideas. Nevertheless, the regulators and operators have to be ahead of the game, and use their superior resources, experience, and fire-power to stop it. Disruptors will thrive as long as they make money, but as soon as that becomes too difficult, they will fail; therefore, the task is to make it as difficult as possible, added Mr. Kerastaris.

For the last several years, the buzzword in our industry has been “Omni-Channel”, but that seems to have almost disappeared. What has replaced it?

Ms. Montgomery took the lead, agreeing that it had been somewhat of a buzzword,

and meant different things to different people, but that what customers are looking for is different experiences in different channels, not one experience across various channels. She noted that IGT’s focus is on understanding how customers will engage in multiple channels that are connected and creating seamless experiences that fit into daily life.

Mr. Chabrand said he believed that the technology has exceeded the maturity of the players, and that there is no omni-channel without player identification. He noted that most of NOVOMATIC’s development is now fitting in with omni-channel, so player identification is no longer an issue.

Mr. Kennedy said that at Scientific Games, everyone is working on omni-channel, and their UK business is focused on coordinating the regulatory rules around the various channels involved in it.

Mr. Kerastaris noted that omni-channel is an enabler, allowing customers and



Antonios Kerastaris, Chief Executive Officer and Executive Member of the Board of Directors for the INTRALOT Group.



Wendy Montgomery, Senior Vice President of Global Lottery Marketing for IGT.

lotteries to interact more effectively. He feels the market will tell suppliers and lotteries whether it is ready for omni-channel, and that the market will continue to adapt.

What are your companies doing to help prepare operators who have not yet achieved this omni-channel approach?

Mr. Kennedy spoke about the major investments that Scientific Games has made in gaming, digital, lottery and social, and highlighted that they have focused on creating an organization that thinks like a converged business, rather than a siloed business. He discussed the management team at Scientific Games, noting they are converged thinkers, and that everyone is focused on the same solutions and integration. He said that it is the social engineering of creating a converged business that is more challenging than the technical innovation.

Ms. Montgomery agreed, noting that she sees this as a huge opportunity, and that organizational culture and social engineering are vital. She highlighted that the nature of the lottery industry is a sharing one, and that this sharing and collaboration is important to their success. She said that taking this culture of sharing to vendors and suppliers is a focus area, and that sharing, and cross-pollination of ideas will help them better respond to the blurring of the lines between channels.

Mr. Kerastaris said that, theoretically, convergence is the way forward, but that he is concerned whether convergence of the gaming environment is possible, as there are significant differences in the mindset and approaches between different types of gaming, regulatory environments, and businesses. He noted that it will take a generational change to achieve a unified mindset.

Entertainment value is at the root of all the issues that we have been talking about. What are your companies doing to deliver entertainment value?

Mr. Kerastaris spoke of working in three pillars – relevance and attractiveness of the product; accessibility and being able to offer the product in a manner that is relevant to the market; and content. He believes content will become ever more important due to the entertaining nature of the industry.

Mr. Chabrand said that NOVOMATIC is culturally a technology company. They are investing in technology that ensures people do not have to see the underlying technology providing entertainment value. The consumer is more in touch with practical offerings, that are easily recognizable. He said it is important to engage in continuous communication to help people understand what the lotteries do. Mr. Chabrand



James Kennedy, Group Chief Executive of Lottery for Scientific Games International.



Marc Chabrand, director of Lottery Operations and General Manager of NOVOMATIC Lottery Solutions, Spain.



spoke of immediacy and personalization as the demands of today's player, and that this is a focus area as well as a challenge. He agreed that content is something that will be required more intensively in the future.

Ms. Montgomery said that it is critical to ensure a healthy player base and that the providers have a role to play. They are trying to help understand the players, retailers, and customers, and gather insights to help identify products and services they should be offering. They invest heavily in research that develop the types of innovative products which and retain current customers and attract new players.

Mr. Kennedy noted that they are primarily a games company and that their philosophy is about constant improvement. He believes that having tens of thousands of games, each of which is measured and evaluated to see what works, will continue to be important in driving value. He said that the only thing the consumer cares about is the game.

The WILL initiative was formed to help women in the industry advance. What are you doing to help promote inclusion and diversity?

Mr. Kerastaris said that he fully supports the WILL initiative. He stated that in a diverse world, you need diversity in order to grow. INTRALOT has benefited from putting diversity policies into the group, and it has helped bring value and balance to the company.

Ms. Montgomery noted that IGT was sponsoring the World Lottery Summit's first WILL event and that they were delighted to be part of it. IGT has an office of diversity, and a strategic plan around diversity and inclusion. She noted that inclusion and engagement is even more important than representation.

Mr. Kennedy quoted Rose Hudson, President and CEO of the Louisiana Lottery Corporation, as saying, "You can't be what you can't see". He noted that Scientific Games is a founding member of the All-in diversity project.

Mr. Chabrand highlighted that NOVOMATIC is in Iceland, which is the world leader in diversity and inclusion, and that this defines much of their approach toward diversity and inclusion.

Presentations

Continuous innovation are the watchwords of the WLA's Platinum Contributors and other providers alike. To combat disruption and synthetic lotteries, it is critical to shift the balance through a combination of attention-holding content and player benefits. During this year's presentations, delegates were introduced to innovative concepts, sure to help keep legal and regulated lotteries thriving.

INTRALOT Group – Dimitris Kakos

Dimitris Kakos opened the Platinum Contributors' presentations with a discussion on how INTRALOT perceives the digital transformation as an opportunity to answer their customers' needs and generate amazing customer experiences in the wider sphere of entertainment. As a supplier to the lottery industry, the company has contracts in 29 countries and therefore is focused on continuous development of new technologies and adapting to existing tech.

Adaptability is key to their development, and the company adopts an agile methodology to meet customer needs. But, he said, adaptability is not enough, it is not just about what you do and how you do it, it is about how you think. The most important element to them is to go deep and focus on the customer, and ask why the customer needs what they need. Their business culture is always challenging the "whys", that allows you to test and fail quickly with minimal impact, and that enforces and rewards creativity and imagination, allowing the human factor to emerge as the most important factor. The company recently launched their LotosX platform, which is infrastructure agnostic, and their new sports betting platform, IntralotOrion, both of which were developed as a result of their understanding of the industry's needs.

IGT – Paul Riley

In a highly interactive presentation Paul Riley of IGT took delegates through a series of questions to help determine what they believe are the most important factors to creating great player and customer experiences. According to Riley, connection is at the core of IGT's focus, with "connected play" really being all about player experience. The player experience, he explained, is broken down into promotions – communicating with players on their terms and delivering compelling promotions; payment – mak-

ing it possible for players to load, spend and receive winnings across all channels; persistence – seamless gaming integration across channels; and personalization – passive or active participation and delivering experiences accordingly. Asked to vote, delegates felt that personalization tops the list as most important.

The challenges – or opportunities – facing connected play include BOPIS/home delivery – buying online and either collecting in store or receiving via delivery; smartphone speakers – people are transitioning from typing, through mouse, through touch, into simply speaking to an AI that makes their experience better; self-service – retailers pushing self-service checkouts, and the potential implications for the lottery industry; and shopping reimaged – stores like Amazon Go. When asked which they felt the industry should focus on developing, self-service and expanding on the current offerings came out on top as delegates' focus. The enablers allowing connected play include cashless, paperless, artificial intelligence and sensing through biometrics and other methods, and here, delegates felt that cashless technology was the most important pressing focus area. Finally, Riley examined the differences between best-in-breed versus homogenous solutions, pointing out that each has its merits, and it is up to lotteries to determine which is most worth pursuing.

NOVOMATIC Lottery Solutions – Pall Palsson

Pall Palsson discussed David Walter Galenson's theories on different types of artistic creativity and linked these to the type of "Genius" that needs to be applied to ways of thinking in the gaming business. Galenson's theory divides artists into Conceptualists, who make radical innovations in their field at an early age, and Experimentalists, whose innovations develop slowly over a long period of experimentation and refinement. Palsson focused on the Experimentalist method, using the two decades-long trajectory of Leonard Cohen's "Hallelujah" to illustrate how refinement and experimentation with the song brought it to global prominence.

Bringing the discussion around to the way NOVOMATIC is approaching development and innovation in their business, Mr. Palsson spoke about the progression



Pall Palsson, Director of Product Management for NOVOMATIC Lottery Solutions.



Dimitris Kakos, Group Lotteries and Digital Transformation Director for the INTRALOT Group.

since 1996, when the first online solution for a state-authorized lottery appeared on the Internet. He highlighted the journey through eInstants appearing on the scene in 2005, the first smartphone solution that came to the fore in 2011, and the first facility management and full standalone system that showed up in 2016. He then posed the question of whether we would soon be seeing the most advanced lottery solution in the world. To bring about these innovations, Palsson said lotteries and providers need to change the way RFPs are issued, as they are too complex and exclusive. He also said that the industry needs to be more willing to iterate and experiment in order to achieve experimentalist innovations and genius; but it is important, he added, to realize that experimental genius is a work in progress and may not be obvious immediately – he admonished attendees to not be too quick to judge. NOVOMATIC is paving the way for experimentation and innovation, and only time will tell how much genius has been achieved.

Scientific Games International – Nikos Konstakis

As the VP Sportsbook for Scientific Games, Nikos Konstakis' presentation focused on using sports to emotionally engage with players. He began by speaking about the various devices and products that people engage with in various different ways each day. He said that the most important way of interacting is the emotional connection, due to the growing range of products available for people to choose from. In this complex environment, people tend to make their choices based on their emotional engagement. Using the travel industry as an example, he highlighted how the world has moved from a strictly transactional environment to a more experiential environment. Brands around the world are concentrating more on the emotional experience around their products, rather than simply advertising their product.

Sports, he said, has a natural ability to emotionally engage people, stimulating emotions like pride, love, excitement, happiness.

Nonetheless, teams need to build this emotional brand loyalty to keep fans' passion ignited. By creating a personalized experience, by developing emotional connections with players and the team, and by giving fans those "little extras" like a unique stadium experience, they create this connection. Telling the story of how, at age seven, he had his first interaction with sports betting – and asking people not to judge – he described how this triggered a lifelong emotional connection with sports, creating many positive memories. According to research, up to three-quarters of sports fans who engage with sports betting say it enhances their experience, and it is this experiential personalization that drives the innovations at Scientific Games. It is about creating entertainment that enhances the emotional content of an experience. In the lottery context, this means creating content that is applicable and relevant to the customer, focusing on personalization and delivering experiences, which is something, he says, they are uniquely positioned to deliver.



Nikos Konstakis, Vice President of Sportsbook for Scientific Games International.



Paul Riley, Vice President Lottery Innovation and Transformation for IGT.



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Lotteries’ Summit and Pep Talk – Combatting unauthorized lotteries

The problem of illegal and unauthorized lotteries was central to the themes discussed in this year’s Lotteries’ Summit and Pep Talk. Lynne Roiter, WLA General Secretary, and a distinguished panel of lottery CEOs from around the globe, examined the issue from an international perspective.

Lynne Roiter opened the discussion by asking what measures can be taken against unauthorized lotteries – courier services and synthetic lotteries (bet on lottery schemes). It is a serious problem for the lottery industry globally. She pointed out that there had been some success dealing with synthetic lotteries in Australia and Germany, and that Canadian lotteries had also taken effective measures with regard to courier services. In her first questions to the panelists she asked, “What does the future hold, and how do we meet the challenge of unauthorized lotteries?”

The first to reply was **Rebecca Hargrove, President and CEO of the Tennessee Education Lottery Corporation**. Like all WLA members, the Tennessee Education Lottery Corporation is sanctioned by the government and raises money for good causes. Ms. Hargrove believes it is the responsibility of the members to ensure integrity and responsibility in everything they

do. That includes stopping the transgressors from using their products and brand identity illegally, anywhere in the world. This can be done a number of ways, including through public information campaigns and through legislation.

Susan Hunt, CEO of Lotterywest, offered the Australian perspective. Lotterywest covers one of the largest jurisdictions in the world, over 2.5 million square kilometers, but with quite a small population. As CEO, she spends most of her time dealing with the government to combat the problem of synthetic lotteries. She speaks with politicians about the fact that the power of the lottery dollar is being put at risk by allowing synthetic lotteries to exist. For her, the solution is to make sure the corporate branding is very clear about the contributions they make to good causes, and then to strongly accentuate that with the major stakeholders and decision makers.

Stéphane Pallez, President and CEO of FDJ, France agreed with Susan Hunt and added that the main challenge is communication. “If we’re not able to communicate efficiently, we could be the good guys, but nobody would know it.” We have to stick to our values, but also communicate what those values are. She offered a good example of success due to good communication at FDJ. “The best advocates for us are the people who believe we’re doing good things,” said Ms. Pallez. Those people become the supporting community, which she believes is much more valuable than an investment in a campaign. FDJ recently launched new games based on the restoration of historic monuments in France. There were special games with very concrete information about what the money was being used for printed directly on the tickets. 250 historical sites benefited from the program, including an eighteenth century fortress on a tiny island in Brittany, a twelfth century castle in Burgundy, and a



Roman aqueduct in eastern France. It was not only a huge financial success, but also a success in terms of FDJ's reputation. "Now I meet people everywhere who weren't my usual advocates, and they come to me and say, you're doing something good," Ms. Pallez said. "That's the best campaign I ever made."

May Scheve Reardon, Executive Director of the Missouri Lottery, also agreed. "It's all about communication, lobbying, and educating all of our stakeholders." The Missouri Lottery was able to act decisively against synthetic lotteries. Ms. Reardon met with the state attorney general, and they secured a Cease and Desist Order against any kind of synthetic lotteries in Missouri.

Jean-Luc Moner-Banet, CEO of Loterie Romande, Switzerland, offered his point of view. He said that not only do unauthorized lotteries piggyback on the assets that state-sanctioned lotteries have been building up over the past decades, they are also creating confusion in the minds of the players, regulators, decision makers, and lawyers. In Switzerland, the process of educating all of these groups has been long and difficult, but it has been successful.

Seah Chin Siong, CEO of Singapore Pools gave the Asian perspective. He said that Singapore has one of the strictest regimes in the world, and the lottery companies are not allowed to talk freely about any products.

But that has not stopped synthetic lotteries from appearing in Singapore. He said the reason is that technology is simply moving very fast, and there are many startups bringing synthetic lotteries to the market. Synthetic lotteries remove the charity intermediary from the whole lottery ecosystem. Seah Chin Siong talked about his work with regulators in Singapore stating three sources of tension: figuring out how to deal with illegal operators; offering games that are safe and responsible; and generating funds for good causes. "These three objectives can often be divergent," he said.

Younes El Mechrafi, General Director of La Marocaine des Jeux et des Sports, Morocco, believes that when it comes to the regulation of synthetic lotteries, one of the biggest challenges the industry is facing is coming from the change in political climate in the US market. The US is a role model for regulation, and what it does has an impact on the rest of the world. "It's the values that matter," he said. Apart from the values, Mr. El Mechrafi pointed out that it also has to do with the meaning the industry communicates to their players about its actions. In accord with the other panelists, Mr. El Mechrafi believes the main objective is to make players realize that they are funding good causes when they buy lottery tickets.

Lynne Roiter continued the discussion by asking Jean-Luc Moner-Banet about the

way Loterie Romande approached legislators and regulators in Switzerland. He replied that in Switzerland, almost every decision requires the vote of the people to become law. In June 2018, there was a referendum about a new gaming law that had been adopted by parliament several months before. The focus of the law was to block illegal offshore gaming operators from accessing the Swiss market. The result was that 73 percent of Swiss citizens who voted said they want an environment that both protected them and gave them a chance to play the attractive, interesting lottery games offered by Swisslos and Loterie Romande. They also want their lotteries to operate in a responsible way and they want to stop illegal operators who are only focused on their own profit and are taking away funds intended for good causes.

Summing it up, Lynne Roiter tied it all neatly together. "Keeping our values, being true to ourselves, that is indeed what it is about." In closing she asked each of the participants, "If you could make one wish, what would it be? What wish would you like to have granted, be it for your own lottery or for the lottery industry?" With a unanimous voice, the panelist reiterated their desire to stay true to the values of the Association. They also expressed the desire to protect the lottery brand worldwide and to promote the diverse and inclusive evolution of the world lottery community.



WLS 2018 parallel sessions

As is tradition, the WLS 2018 keynote presentations were complemented by smaller, more interactive parallel sessions. The knowledge and experience of international lottery professionals were shared in these sessions. The informal setting provided for an animated exchange between panel experts and participants. Below we bring you some of the WLS 2018 parallel session highlights.



Independent Assessment Panel Chair Anne Pattberg introduces the topic du jour in parallel session 1, on the role of corporate social responsibility moving forward.

In parallel session 1, WLA Independent Assessment Panel Chair **Anne Pattberg**, Skilrock's **Abhishek Kumbhat**, **Mariana Loizaga** of the Buenos Aires Lottery, and **Alison Gardner** of Camelot, all revealed how data analytics is becoming an important component of an effective responsible gaming program. Data analytics has enabled lotteries to recognize pathological gaming behavior among their players and to intervene before any harm is done. Public awareness campaigns as well as training and educational measures were also presented as effective measures for keeping gaming problems in check.

In parallel session 2 lottery professionals from North America, Asia, and Europe presented the activities of their individual lotteries in catering to the millennial generation. **Isabelle Jean**, President of Lottery Operations and Vice President of Public Affairs for Loto-Québec, presented Loto-Québec's three-pronged approach

of revamping their image, revamping their product offering, and shifting over to an online focus in their effort to win

over and maintain millennials. **Richard Cheung**, Executive Director of Customer and International Business Development for the Hong Kong Jockey Club (HKJC), spoke about how the millennial generation has grown up in the rapidly-changing digit era. This has formed the character of the average millennial. Among other characteristics, millennials generally have a short attention span and expect to engage and interact through their mobile devices. Richard presented HKJC's successful five-level strategy for marketing to millennials. The strategy provides players with a solid front-end digital experience and a pleasant experience at their gaming venues. They also maintain an extensive customer-relationship management system (CRM) and offer ePayment for cashless transactions, all the while ensuring that responsible gaming measures are at the core of their approach. **Jennifer Westbury**, Executive Vice President of Sales and Customer Development for Pollard Banknote, spoke



In parallel session 2, Loto-Québec's Isabelle Jean explains measures taken by the French Canadian lottery to attract and retain younger players, especially those of Generation Z.



NASPL Executive Director David Gale discusses sports betting in North America in parallel session 3, following a recent decision of the US Supreme Court striking down PASPA, a key piece of legislation regulating sports betting.

about how her company is focusing on digital innovation, retail excellence, and outstanding games in order to bring in millennials for their customers.

Moving on to sports betting in parallel session 3, NASPL's **David Gale** opened the session by speaking about the latest developments in sports betting in the USA. According to David, sports betting has become a highly-political states'-rights issue. However, many lotteries are hopeful that sports betting will be a way to approach the emerging US market. GLMS President **Ludovico Calvi** had the opportunity to introduce the Global Lottery Monitoring System to the largely Latin American audience. Ludovico spoke about how match fixing is an international problem and how GLMS is working to promote a culture of sports integrity around the globe. Through education and training programs, GLMS is working to raise public awareness of match fixing and how it threatens the integrity of sports. For his part, **Younes El Mechrafi** of La Marocaine des Jeux et des Sports (MDJS) spoke about sports betting from an African perspective. According to Younes, PMU currently leads the betting market on the continent, but that sports betting is rapidly gaining in popularity and will be the future of Africa.

In parallel session 4 representatives from four continents revealed what is being done in their respective regions to combat illegal gaming. WLA President **Rebecca**

Hargrove opened the discussion by saying the underlying theme of the session is integrity. She went on to emphasize that regulated lotteries, in contrast to illegal gaming operators, raise funds to benefit society. EL President **Hansjörg Höltkemeier** followed by defining parasitical lotteries (bet-on-lottery schemes) and presented the typical model of such schemes. He emphasized the negative effect that parasitical lotteries have on the lottery sector's ability to raise funds for good causes and he urged lottery members to take what legal action they can to protect themselves. He also encouraged lottery members to use media relations to get the message across to the wider pub-

lic that unauthorized lotteries are harming the community. He also spoke of the need for lotteries to protect their brand identity. Höltkemeier cautioned the audience that the time to act is now. Once unauthorized lotteries gain 10% of the market share they will be permanently entrenched and the market will change. After giving a brief introduction to the Australian lottery market, **Sue van der Merwe**, Managing Director Lotteries and Keno for Tabcorp, Australia, told the story of the rise of Lottoland in Australia. and how Tabcorp joined forces with Australian retailers to contain the advance of Lottoland **Silvio Vivas**, President of the Institute of Financial Aid to Social Action, Argentina, followed underlining the points of commonality that each jurisdiction holds in the fight against illegal gaming. Vivas noted that one particular challenge they face in Argentina is getting millennials to recognize the difference between an illegal gaming website and the official sites of state-authorized lotteries.

In parallel session 5 outgoing WLA President **Jean-Luc Moner-Banet** and WLA Secretary General **Lynne Roiter** explained the motivation behind proposed changes to the WLA Bylaws. In the current environment, with unauthorized gaming sites operating without regard for jurisdictional borders, it is essential that the WLA strengthens its footprint to optimize its effectiveness. Under the updated bylaws, all operators who comply with certain criteria and conditions – but only those who comply with all of them – are eligible for



EL President Hansjörg Höltkemeier expounds on tools to fight unauthorized lottery services in parallel session 4.

WLA membership. New members with different business models can join as long as they meet all the membership criteria. By broadening the WLA's membership base to include organizations that share our values, we will reinforce the principles for which we stand.

Parallel session 6 saw the conferment of the first-ever *Jean Jorgensen Merit Award for Innovation*. The award, named after the late Jean Jorgensen, WLA Executive Director from 2008 until 2016, encourages the development of future lottery leaders by recognizing their contributions of innovative solutions that address their lotteries' needs. The 2018 recipients of the award were: **Carmine Tufano**, Head of IT Architectures, Lottomatica, Italy; **Martine Langlais**, Senior Project Leader, Customer



Christophe Blanchard-Dignac, former President and CEO of FDJ, introduces the winners of the inaugural Jean Jorgensen Merit Award in parallel session 6.



Outgoing WLA President Jean-Luc Moner-Banet explains the proposed changes to the WLA bylaws in parallel session 5.

Service, Loto-Québec, Canada; **Avi Levy**, Instant Tickets Marketing Director, Mifal Hapais, Israel; and **Yann Jaunin**, Systems Specialist, Loterie Romande, Switzerland. A detailed report on the inaugural Jean Jorgensen Merit Award for Innovation can be found on page 44.

Blockchain technology was the main theme of parallel session 7. **Dr. Lea Meyer**, Director of Polaris Strategic Foresight, began by looking at blockchain from a regulatory perspective. According to Dr. Meyer, all new technologies challenge the regulatory environment and everything that challenges the regulator will face opposition. She encouraged lotteries to know the regulations in their respective jurisdictions well before applying new technologies in their operations. **Carmine Tufano**, Head

of IT Architectures for Lottomatica, Italy, spoke about the economics of blockchain. Tufano stated that worldwide spending on blockchain solutions had reached USD 1.5 billion by November 2018 and would reach USD 12 billion by 2020. He spoke of the great potential for blockchain in the areas of cybersecurity and customer ID governance, but emphasized that regulation is lagging way behind the technology. **Peter Ivankay** of the UBS Wealth Management Innovation Lab provided a brief overview of how blockchain technology works and of UBS's big blockchain-led initiative, Utility Settlement Coin. Ivankay stood out by being critical of blockchain technology in the area of data protection. As Ivankay

put it, "smart contracts are neither smart nor contracts".

Parallel session 8, the final session of WLS 2018, discussed the disruptors that are currently making waves in the lottery sector, and what can be done about them. **Andreas Kötter**, CEO of Westdeutsche Lotterie, Germany, postulated that disruption is more than innovation. Whereas innovation is about taking the existing and making it better, disruption is about taking the existing and making it obsolete, according to Kötter. He further posited that the way to beat disruptors is to know your capabilities, be flexible enough to shift your perspectives, and have the will to enact new busi-



Panellists in parallel session 7 discuss the ins and outs and pros and cons of blockchain technology for lotteries.



ness models. **Gilbert Wong**, Vice President of AGTech Holdings Limited, conjectured the best response is to disrupt the disruptor. Wong feels that although disruption can be a threat, it can also be an opportunity. According to Wong, one can defend and attack against the disruptor by protecting your core business and exploiting opportunities in the market. Taking your existing competencies into account, you can introduce new innovative products into the market that capture and redefine the customer. The nature of the highly-competitive UK market was revealed by **Richard Bateson**, Senior Vice President of Camelot, UK. The old lottery universe has become fragmented by the likes of postcode lotteries and other smaller cause-based lotteries. The introduction of the bet-on-lottery scene with operators such as Lottoland and Lottostar have further cluttered the lottery landscape. According to Bateson, in order to win the hearts and minds of our players we need to focus on

the customer experience and strengthen our brand identities so that our purpose is clear to the customer. As Bateson put it, "Lotteries serve a unique purpose and that must be protected". Moderator **Lawrence Lim**, CEO of the Magnum Group, closed out the ses-

sion by pointing out that disruptors have been able to rapidly advance by exploiting consumer preferences, social enablers, and an unencumbered speed to market. "We shouldn't allow disruptors to get even 10% of the market share", cautioned Lim.



Westlotto CEO Andreas Kötter discourses on industry disruptors in parallel 8, and whether they can be beaten at their own game.

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The biennial WLA General Meeting 2018

The biennial WLA General Meeting took place on the afternoon of Wednesday, November 21, 2018 with representatives of the WLA's 149 lottery members in attendance. During the general meeting, a new WLA President was elected, a new Executive Committee was formed, and proposed changes to the WLA Bylaws were approved.

On the occasion of the General Meeting, delegates unanimously elected Rebecca Hargrove, President and CEO of the Tennessee Education Lottery Corporation, as the WLA's new President. She succeeds outgoing WLA President Jean-Luc Moner-Banet, Director General of Switzerland's

Société de la Loterie de la Suisse Romande, who served as WLA President for an unprecedented six years.

The election of the first woman to the position of president of the WLA was a landmark event both for the Association

and the global lottery community. Ms. Hargrove is a 33-year lottery industry veteran and has served as the Chief Executive of four U.S. lotteries: Illinois Lottery, Florida Lottery, Georgia Lottery and, since September 2003, the Tennessee Education Lottery Corporation. Her resume



The WLA Executive Team (left to right):

Luis Gama

Director
Dirección Nacional de Loterías y Quinielas (D.N.L.Q.) Uruguay

Gilson César Braga

National Superintendent of Lotteries, Caixa Econômica Federal, Brazil

Younes El Mechrafi

General Director
La Marocaine des Jeux et des Sports (MDJS), Morocco

Lynne Roiter

WLA Secretary General;
President and CEO
Loto-Québec Canada

Fabio Cairolì

Chairman and CEO
Lottomatica, Italy

Stéphane Pallez

President and CEO
La Française des Jeux (FDJ), France

Jean-Luc Moner-Banet

WLA Immediate Past President;
General Director
Société de la Loterie de la Suisse Romande, Switzerland

Rebecca Hargrove, WLA President

President and CEO
Tennessee Education Lottery Corporation, United States

Luca Esposito Poleo

WLA Executive Director, Switzerland

Richard Cheung

Executive Director,
Customer and Marketing
HKJC Lotteries Limited, Hong Kong

Seah Chin Siong

CEO, Singapore Pools (Private) Limited, Singapore

Andreas Kötter

CEO, Westdeutsche Lotterie GmbH & Co. OHG (WestLotto), Germany

Dato Lawrence Lim Swee Lin

CEO, Magnum Corporation Sdn Bhd (MCSB), Malaysia

Not shown in photo:

Nigel Railton

CEO
Camelot UK Lotteries Limited,
The National Lottery
United Kingdom

Jannie Haek

CEO
Nationale Loterij
Belgium

Jesús Huerta Almedro

President and CEO
Sociedad Estatal Loterías y Apuestas del Estado (SELAE)
Spain



- Richard Cheung, Executive Director, Customer and International Business Development, The Hong Kong Jockey Club, Hong Kong.

The following people have been appointed by the regional associations to serve as representatives on the WLA Executive Committee:

- Younes El Mechrafi, General Director, La Marocaine des Jeux et des Sports, Morocco – representing ALA
- Luis Gama, Director, Dirección Nacional de Loterías y Quinielas, Uruguay – representing CIBELAE
- Lynne Roiter, President and CEO of Loto-Québec, Canada – representing NASPL
- Seah Chin Siong, CEO, Singapore Pools Private Limited, Singapore – representing APLA
- Jesús Huerta Almendro, President and CEO of Sociedad Estatal Loterías y Apuestas del Estado (SELAE) – representing EL
- Nigel Railton of Camelot UK Lotteries, United Kingdom, was appointed as Senior Vice President
- Gilson César Braga of Caixa Econômica Federal, Brazil, and Richard Cheung of The Hong Kong Jockey Club, Hong Kong, were both appointed co-Vice Presidents.

In an effort to secure the future of the lottery sector, the Executive Committee also announced the creation of two new committees – the Sports Betting Integrity Committee, to be chaired by Jean-Luc Moner-Banet, CEO of Loterie Romande,

Switzerland; and the committee on Illegal Gaming to be chaired by Andreas Kötter, CEO of Westdeutsche Lotterie GmbH & Co. OHG. They also announced a restructuring and strengthening of the WLA Security and Risk Management Committee; going forward this committee will be chaired by Dato Lawrence Lim Swee Lin, CEO of Magnum Corporation, Malaysia.

It was also announced that the Corporate Social Responsibility Committee will be chaired by Lynne Roiter, President and CEO Loto-Québec, and the Audit Committee will be chaired by Younes El Mechrafi, General Director La Marocaine des Jeux et des Sports, Morocco.

New faces on the Executive Committee

Jannie Haek has headed the Belgian National Lottery since 2013. Before joining the lottery, he worked many years for various public service organizations, the last of which saw him as CEO of NMBS Holding, the Belgian National Railways. Jannie hails from Torhout, Belgium and currently lives in Bruges, Belgium with his wife and two daughters.

Jesús Huerta Almendro was born in Jerez de la Frontera, Spain in 1965. He holds a law degree from the University of Cádiz. Jesús has served as Economic and General Services Director of the Puerto Real University Hospital, Managing Director of Hospital Alto Guadalquivir, General Director of Finance, Planning, and Infrastructure for the regional government of Andalusia, and General Secretary of Andalusian Public Healthcare Services. In 2012 Jesús was appointed managing director of Andalusian Social Services and from 2013 until 2017, he served as General Director of Digital Policy as well as Budget director for the government of Andalusia.

includes a long list of lottery industry, business, and civic accomplishments and honors. In particular, she has served as Senior Vice President of the World Lottery Association (September 2012-November 2018), and is a Past President of the North American Association of State and Provincial Lotteries (NASPL), the Multi-State Lottery Association (MUSL), and of AILE (the International Association of State Lotteries). She remains one of the most respected, experienced, and admired leaders in the lottery industry.

At the General Meeting, delegates also unanimously elected the following people to serve as members on the WLA Executive Committee:

- Fabio Cairoli, Chairman and CEO of Lottomatica, Italy
- Gilson César Braga, National Superintendent of Lotteries at Caixa Econômica Federal, Brazil
- Jannie Haek, CEO, Nationale Loterij, Belgium
- Andreas Kötter, CEO, Westdeutsche Lotterie GmbH & Co. OHG, Germany
- Stéphane Pallez, President and CEO of La Française des Jeux, France
- Nigel Railton, CEO, Camelot UK Lotteries, United Kingdom



WLA President



Rebecca Hargrove
President and CEO
Tennessee Education
Lottery Corporation,
United States

WLA Senior Vice President



Nigel Railton
CEO
Camelot UK Lotteries
Limited
The National Lottery,
United Kingdom

WLA Co-Vice President



Richard Cheung
Executive Director
Customer and Marketing
HKJC Lotteries Limited,
Hong Kong

WLA Co-Vice President



Gilson César Braga
National Superintendent
of Lotteries
Caixa Econômica
Federal, Brazil

Elected members of the WLA Executive Committee



Fabio Cairoli
Chairman and CEO
Lottomatica, Italy



Jannie Haek
CEO
Nationale Loterij,
Belgium



Andreas Kötter
CEO
Westdeutsche Lotterie
GmbH & Co. OHG
(WestLotto), Germany



Stéphane Pallez
President and CEO
La Française des Jeux
(FDJ), France

Members of the WLA Executive Committee appointed by the regional associations



**Jesús Huerta
Almendro**
President and CEO
Sociedad Estatal
Loterías y Apuestas del
Estado (SELAE), Spain
(representing the
European Lotteries)



Luis Gama
Director
Dirección Nacional
de Loterías y Quinielas
(D.N.L.Q.), Uruguay
(representing the
Corporación Iberoame-
ricana de Loterías y
Apuestas del Estado)



Lynne Roiter
President and CEO
Loto-Québec, Canada
(representing the
North American
Association of
State and Provincial
Lotteries)



Younes El Mechrafi
General Director
La Marocaine des Jeux
et des Sports (MDJS),
Morocco
(representing
the African Lottery
Association)



Seah Chin Siong
CEO
Singapore Pools
(Private) Limited,
Singapore
(representing the
Asia Pacific Lottery
Association)



Changes to the WLA Bylaws

The delegates to the General Meeting also unanimously approved proposed changes to the WLA Bylaws. The changes revamp the WLA membership structure in response to the continual and rapid evolution of the lottery industry, broadening the scope of the Association's membership criteria, making it more inclusive and transparent. They are also designed to strengthen the membership criteria, in order to protect the lottery sector from the onslaught of illegal and unauthorized gaming operators that are depriving our communities of the

funds that we work hard to raise in support of good causes. Under the updated bylaws, all operators who comply with its criteria and conditions – but only those who comply with all of them – are eligible for WLA membership. New members with different business models can join as long as they meet all the membership criteria.

All current WLA members meet the eligibility criteria as modified. Members who no longer comply cumulatively with all the criteria and conditions may be suspended by the Executive Committee or recommended for expulsion after having been given the opportunity to present their arguments. Operators who are licensed in one jurisdiction, but have clients in

another jurisdiction where their operations are not authorized, are not eligible to be considered for membership.

The updated bylaws include stronger wording on transparency, integrity and responsible gaming, and, since the gaming activities enumerated in the bylaws include lottery and betting games, the designation eligible games has been modified by replacing "Lottery Games" by "Lottery and Betting Games".



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The Jean Jorgensen Merit Award for Innovation

In recognition of late WLA Executive Director Jean Jorgensen's exceptional contribution to the lottery industry, the Association established the Jean Jorgensen Merit Award in 2016 to honor the industry's rising stars. At the World Lottery Summit 2018, the premiere Jean Jorgensen Merit Award for Innovation was bestowed on lottery professionals from Canada, Switzerland, Italy, and Israel, by Christophe Blanchard Dignac, former CEO of La Française des Jeux.

Christophe Blanchard Dignac opened the awards presentation by talking about innovation, and paraphrasing classic British economist John Maynard Keynes. "The most difficult thing is not just to have new ideas, but to get rid of the old ideas," he said. Innovation doesn't come naturally in organizations. In a company, as well as in society in general, education and social habits tend to reproduce existing knowledge and encourage compliant behaviors. Innovation is something that has to be strived for. There is no real limit to innovation. One can innovate in products, processes, organizations, and marketing.

The first step is to understand the right issue. Once one has understood it, one must imagine the right answer. Once the right idea has been found, it has to become an effective concept, and then one has to find a market. It is possible to see with all four nominees that they innovate in all areas, from business to tellers to services for winners. "It's a paradox for lotteries to speak of innovation, perhaps, because for most people, lotteries are a very traditional activity," Dignac adds. "But it's impossible for lotteries to stop innovating." If things stop changing, lotteries stop selling in quantity. One doesn't have the price instrument like in other sectors. Lotteries are not officially in competition with each other. They are each in a jurisdiction of their own, so they are accustomed to cooperating. "This is the real adventure of the new world, and we are used to a kind of open innovation."

The four winning innovators:

- Yann Jaunin, Loterie Romande, Switzerland
- Martine Langlais, Loto-Québec, Canada
- Carmine Tufano, Lottomatico, Italy
- Avi Levy, Mifal Hapais, Israel

Yann Jaunin has been employed by Loterie Romande for almost four years. He works in the IT department as a system and networks specialist. He received the award for his SDN innovation project. The purpose of the project is simple: to improve the network between the company's infrastructure and their retailer, using SDN. SDN stands for software defined networking, which is a way of deploying a digital network with the least manual interaction possible. This can be defined as automation. It enables bets or tickets to be validated online quickly. Previously, everything had to be done manually.

The goals of the project were using SDN, creating a customized network, and to have only one line per retailer, no matter how many terminals they had installed. The last two goals were to reduce the cost and be agile in order to modify the configuration efficiently. For this they created a simple user interface. With this simplification they reduced the cost of infrastructure by 50 percent, and reduced the time to market by three to five times. In practice, this means with the web-based interface that can be shared with all the stakeholders, it's possible to create a new retailer with a simple postal address. The whole process takes a maximum of six days instead of the 21 days that were needed prior to the project.

Martine Langlais is the Senior Project Leader of customer service for Loto-Québec. She has more than ten years of experience in project management and marketing analysis. She has developed a virtual reality tool for Loto-Québec's winner support program.

Beginning in 2017, Langlais and her team integrated VR technology into their winners' experience toolbox. The virtual reality tool presents potential situations inspired

by winners' stories, and provides relevant advice related to these situations. The eight-minute video is viewed by the winners and their guests using a virtual reality headset when they come to claim their prize.

There are several ways the VR tool is innovative, and it has several advantages. Firstly, it enables improvement in raising awareness. According to the foundation's research, experiencing an event using VR leaves an imprint on the brain and enables subjects to recognize and better adapt to situations they may encounter in real life. It also allows winners to better grasp the advice they receive because they can actually experience potential scenarios like never before.

Loto-Québec based their content on stories provided by real-life winners, which included family and workplace interactions. In final effect, they were also able to provide winners with an eight-minute time-out, creating relaxing sense of calm that was appreciated by many.

Carmine Tufano is Head of IT Architectures at Lottomatica. He ensures digital transformation, shapes strategy and designs the IT architecture, delivering, maintaining and continuously improving and innovating infrastructure services. He has received the Jean Jorgensen award for his work on lottery ticket digitalization based on the blockchain model.

Tufano was aware that digital transformation was becoming increasingly important in the regulated gaming market. He strongly believes in the vision of using mobile devices to consume something within the retail market, and knew it could enable Lottomatica to create new models in which the contents and



services are more tailored toward the customer. His team began with the digital transformation several years ago.

He considered using blockchain because it is digitally native and is already being used to manage money and cryptocurrencies. It has a high level of transparency because anyone who participates in these value chains is able to check the validity of the information, and it is the perfect system to ensure integrity, confidentiality and portability, as well as non-duplication. It enabled him to revolutionize the lottery service model, and simultaneously introduce some new elements. The company has many customers who use mobile devices, so they introduced two additional elements: TCA (trusted certified authority) which manages the transaction using the blockchain model, and TTP, the tiered trusted party element, which provides a reliable digital signature. In a nutshell, each transaction brings the information about its source and destination with it. Each transaction is linked to the previous one, providing ticket validation.

When the customer uses the app and purchases a ticket, the ticket is generated by the ID issuer. The operator digitally signs that ticket which is then moved to the point of sale. If the customer claims his winnings, the ownership of the digital asset goes back to the point of sale and then to the issuer.

The aim is to extend this into a public, standardized system that could be shared between lottery companies. Digital tickets would also enable new opportunities in terms of behavior monitoring. To make this work, companies need to change their meth-

ods of working because they will be obliged to use new technology, and to collaborate with research centers, universities and each other, implementing something very close to open innovation.

Avi Levy is Instant Tickets Marketing Director for Mifal Hapais, the national lottery of Israel. For Levy, innovation is all about thinking differently, and finding a creative solution to a complicated problem.

It's a common notion in the lottery business today that traditional lottery products are no longer relevant to millennials and the younger generation. Levy believes the problems lie not with lottery products, but with the marketing strategies that many lotteries are using.

His solution was based on creating a revolutionary approach to instant tickets and making them relevant to younger people. In Israel a few years ago, sales of the instant ticket were stagnating. The remaining sales were dependent on an audience of regulars. The industry was unable to reach a new, younger audience, and they were depending on old-fashioned branding which had been around for 40 years.

Now, Mifal Hapais is one of the only lotteries in the world that is able to be relevant to a younger generation. The secret is marketing. The main focus of this marketing was the "Taster" ticket. The younger target audience was not playing instant tickets. The problem is that they rarely participate in lottery draws at all, which means they don't frequent lottery points of sale, and thus can't be motivated to participate by advertising.

For Levy, the answer was to think outside the box. He found inspiration in the food industry. When a new product is launched, people are given the product to taste. If they're satisfied, they buy it. He wanted to do the same thing with instant tickets. The "Taster" tickets bring a new twist to the lottery business: they are free. But the advantage is higher than the cost. Every ticket contains a win, and in order to reveal the win one has to have the sensory experience of scratching the card and experience the positive feeling of winning immediately. But there are no cash prizes. The prizes are additional free regular instant tickets, and in order to get them, one has to go to the point of sale, which is exactly what the company was aiming for.

This method is better than just giving away free regular tickets without the Tasters. The regular tickets don't give the feeling of winning, because most of them would create the negative effect of making people feel like losers, so they wouldn't bother to come back. Taster tickets create a positive feeling of winning, creating positive feelings about the lottery in general.

The company would have considered a 30% validation of the tickets they gave away to be a success, but in the end they reached more than 90%, which is exceptional. Now, 25% of the people who play instant tickets say that their first experience with the tickets was because they received a free ticket. This means it is possible to reach a millennial audience without an additional draw, even without digital means. All the industry has to do is find an innovative way to reach them.



Christophe Blanchard Dignac, former CEO of La Française des Jeux (podium) announces the winners of the first The Jean Jorgensen Merit Award for Innovation. Seated from left to right the winner are: Avi Levy, Instant Tickets Marketing Director, Mifal Hapais, Israel; Martine Langlais, Senior Project Leader, Customer Service, Loto-Québec, Canada; Roberto Saracino, CTO Italy and Global Communications, Lottomatica, Italy; and Yann Jaunin, Systems Specialist, Loterie Romande, Switzerland.

Christophe Blanchard-Dignac wins the 2018 Guy Simonis Award

At the closing dinner of the 2018 WLA Convention and Trade Show, Christophe Blanchard-Dignac was presented with the Guy Simonis Lifetime Achievement Award, the WLA's most prestigious award for individual achievement in the lottery industry.

Among the lottery sector's most prestigious accolades, the Guy Simonis Lifetime Achievement Award is bestowed by the WLA on select recipients in recognition of their unparalleled contributions to the lottery industry. Past winners include Dianne Thompson DBE, Dr. Edward Stanek, Lothar Lammars, as well as Guy Simonis himself. At

WLS 2018, Christophe Blanchard-Dignac, former President and CEO of La Française des Jeux (FDJ), was the tenth individual to be so honored with this illustrious decoration.

A graduate of Sciences-Po Bordeaux, Christophe Blanchard-Dignac began his career in 1979 as an Administrative Analyst in the Office of the Budget of the French Ministry of Economy and Finance. From 1984 to 1986 he was Assistant to the Deputy Director General, Credit Agricole Bank, and from 1986 to 1988 served as Technical Adviser to the Minister of State for Economy, Finance and Privatization, also in the French Ministry of Economy and Finance. Promoted to the position of Deputy Director of the Budget, Ministry of Economy and Finance in 1988, in 1994 he was named as Deputy Director General and Advisor to the President of the National Postal Service (La Poste). From 1995 to 2000 he served as Director of the Budget, Ministry of Economy and Finance, after which he was appointed to the position of President and CEO of FDJ, succeeding Bertrand de Gallé. He was twice reappointed as head of FDJ, before being succeeded by Stéphane Pallez in 2014.

As President and CEO of FDJ, Christophe Blanchard-Dignac was instrumental in organizing the launch of fixed-odds sports betting in France with the game Cote et Match in 2002. Under his mandate, in February 2004 FDJ together with the UK National Lottery and Spain's Loterías y Apuestas del Estado launched the transnational block game EuroMillions. Now among Europe's most popular lottery products, EuroMillions is currently offered across at least 12 European countries and regularly features jackpots in excess of EUR 100 million. A strong supporter of regulated gaming, he played a key role in the controlled opening of the regulated online gaming market in France, particularly in relation to sports betting. The Parions

Sport range of games, launched in November 2009, enabled FDJ to triple its revenues in this sector from EUR 600 million in 2010 to EUR 1.7 billion in 2013. During his tenure as President and CEO, annual sales (turnover) at La Française des Jeux increased overall from USD 6.03 billion in calendar year 2000 to USD 14.82 billion in calendar year 2011, making the French national lottery one of the world's half-dozen biggest lotteries by sales volume.

In addition to serving as President and CEO of FDJ, Christophe Blanchard-Dignac served as First Vice President of the European Lotteries Association from 2005 to 2012, and as a member of the WLA Executive Committee from 2000 to 2012. Among his other contributions, he is the author of several articles on the lottery sector, including « *Concilier paris et intégrité du sport* » ("Reconciling betting and the Integrity of Sport") and « *La RSE, levier de création de valeur partagée* » (CSR, a lever for creating shared value), both published in the revue *Politique internationale* (International Policy).

Beyond his tireless work for the lottery industry, Christophe Blanchard-Dignac has been a member of numerous boards of directors, including Air France, CNRS, EDF, France Télécom and SNCF, as well as the Atomic Energy Commission. He has also been a member of the Office of the Economic and Social Council. In December 2014, he was elected President of the Bordeaux University Foundation, a structure responsible for the patronage and development of the site of Bordeaux university, succeeding Jean-René Fourtou.

For his lifelong dedication to the public good in France, especially as expressed through his commitment to the lottery and sports betting industries, Christophe Blanchard-Dignac is a most worthy winner of the 2018 Guy Simonis Lifetime Achievement Award.

Previous Guy Simonis Award winners

As winner of the 2018 Guy Simonis Lifetime Achievement Award, Christophe Blanchard-Dignac joins an exclusive group of dignitaries who have been recognized for their outstanding contributions to the lottery industry. Winners of the Guy Simonis Lifetime Achievement Award since 2010 are:

- 2016 **Henry Chan**, former Executive Director, Betting, of the Hong Kong Jockey Club and driving force behind the foundation of the Asia-Pacific Lottery Association.
- 2014 **Dianne Thompson DBE**, former CEO of Camelot Group PLC, the licensee of the UK National Lottery and first woman recipient of the Guy Simonis Lifetime Achievement Award.
- 2012 **Reidar Nordby**, former president and CEO of Norsk Tipping, instrumental in founding Viking Lotto.
- 2010 **Dr. Edward Stanek**, co-inventor of Powerball and founder and past president of the Multi-State Lottery Association.





WLA Responsible Gaming and Advertising Awards

The WLA Responsible Gaming Awards and WLA Advertising Awards are a tradition of the World Lottery Summit (WLS). At WLS 2018, Ontario Lottery and Gaming Corporation was recognized as the winner of the Best Overall Responsible Gaming Program, while OPAP SA received the WLA Grand Global Advertising Award for best advertisement with their commercial 'Mr. OPAP'.

WLA Responsible Gaming Awards

To further promote best practices in responsible gaming in the lottery industry, the WLA Responsible Gaming Awards are presented biennially at the World Lottery Summit to those WLA member lottery organizations that demonstrate the most outstanding achievements in responsible gaming. At WLS 2018, awards were presented for:

- **The Best Flagship in Responsible Gaming at Level 3 or 4.** These awards aim to recognize WLA lottery members certified to levels 3 and 4 respectively of the WLA Responsible Gaming Framework (WLA RGF), showcasing best practices and innovation in the delivery of their responsible gaming program. The flagship can relate either to a program element or elements or to a specific initiative, such as the use of resources or tools.

- **The Best Overall Responsible Gaming Program.** This award aims to recognize excellence in responsible gaming and to reward the best overall responsible gaming program of a WLA lottery member certified to level 4 of the WLA RGF, showcasing best practices and innovation across all program elements.

All WLA member lotteries certified to levels 3 and 4 of the WLA RGF were eligible for the Best Flagship in Responsible Gaming at Level 3 or 4 awards respectively, while the Best Overall Responsible Gaming Program was open to WLA member lotteries certified to level 4 of the WLA RGF. The judging panel for the awards consisted of the members of the WLA Responsible Gaming Independent Assessment Panel (RG IAP): **Anne Pattberg**, Managing Director, PB Consulting; **Robert Ladouceur**, Professor Emeritus at Laval University in Québec; and

Henry Chan, formerly Executive Director, Betting at the Hong Kong Jockey Club. In assessing submissions for the award, the judging panel looked for evidence of program effectiveness, continuous improvement, and best practices and innovation.

At WLS 2018, the WLA Responsible Gaming Awards were presented during the biennial General Meeting by Anne Pattberg, Chair of the WLA RG IAP. The Best Flagship in Responsible Gaming award for WLA member lottery organizations certified to level 3 of the WLA RGF went to the Tennessee Education Lottery Corporation, USA, for their game design process, wherein the judges were convinced by the lottery's holistic approach to implementing responsible gaming principles in their game design. Norway's Norsk Tipping captured the Best Flagship in Responsible Gaming at Level 4 award; impressing the judges, Norsk



Tipping is addressing players exhibiting risky behaviors through pro-active conversation. The award for the Best Overall Responsible Gaming Program went to the Ontario Lottery and Gaming Corporation (OLG) for the second time in the history of the WLA Responsible Gaming Awards. The judges lauded OLG for their extensive use of analytics in tracking responsible gaming metrics on the one hand, and their expansive responsible gaming training program on the other.



IAP Chair Anne Pattberg bestows the Flagship in Responsible Gaming awards for levels 3 and 4 respectively on Wanda Wilson and Rebecca Hargrove of the Tennessee Education Lottery Corporation and Thorbjørn Unneberg of Norsk Tipping.



WLA Advertising Awards

A traditional component of the World Lottery Summit, the WLA Advertising Awards are designed to acknowledge and promote lottery industry advertising best practice by WLA member lottery organizations. At WLS 2018, awards were presented for:

- **Best Product Advertising Broadcast on TV/Cinema** for numbers games, sports betting, and instant game products.
- **Best New Media Advertising** for advertisements created for distribution via the Internet, social media, e-mail, mobile phones, and other online channels.

- **Best Corporate Advertising – TV/Cinema** for advertisements profiling lottery organizations.
- **Best overall advertising** (the WLA Grand Global Advertising Award).

With the exception of host organization ALEA, all WLA member lottery organizations were eligible to participate in the WLA Advertising Awards. Entries were judged by a distinguished panel of advertising industry professionals, namely: **Miguel Daschuta**, Chairman of MGD Comunicaciones SA; **Héctor Alejandro Del Piano**, Chairman of Diálogo Publicidad SA; and **Daniel E.**

Reynoso, General Creative Director and partner in independent agencies including Diálogo Publicidad and Ideas de Fuego.

In evaluating submissions, the judges considered: an advertisement's impact and effectiveness; its information content and its relevance to the target audience; the advertisement's design and aesthetic appeal; creativity; the ability of the commercial to gain and maintain the customer's attention (that is, to cut-through); and the advertisement's ability to change consumer perception.

As at past World Lottery Summits, attendees at WLS 2018 were invited to view and judge 15 finalists for the awards – consisting of five shortlisted entries across each of the three award categories – at a special session of the WLA business program. For each award category, delegates chose their favorite advertisement, with the three category winners each receiving a commemorative trophy. The three award category winners were as follows:

- **Best Product Advertising Broadcast on TV/Cinema:** won by OPAP for their entry, 'Can You Handle it?'
- **Best New Media Advertising,** won by Loto-Québec for their entry, 'Perseid Meteor Shower'.
- **Best Corporate Advertising,** won by OPAP for their entry, 'Mr. OPAP'.



OPAP captured the the WLA Grand Global Advertising Award for their entry "Mr. OPAP". WLA President, Jean-Luc Moner-Banet presents the award to Kamil Ziegler, Executive Chairman of OPAP (left) and Dimitra Voulgari, OPAP's Head of International Relations (right).

From the winning advertisements across the three award categories, the judging panel then selected the winner of the WLA Grand Global Advertising Award. The winner of the WLA Grand Global Advertising Award for best overall advertisement was announced at the WLS 2018 Closing Dinner, with OPAP taking the prize for their entry Mr. OPAP.

Two new inductees join the PGRI Lottery Industry Hall of Fame

For more than 10 years, the Public Gaming Research Institute (PGRI) has honored leading lights of the lottery industry by admitting them to the PGRI Lottery Industry Hall of Fame. At a packed induction ceremony held at WLS 2018 on Tuesday, 20 November, the PGRI Lottery Industry Hall of Fame welcomed two new members to the Class of 2018.



Paul Jason, CEO of Public Gaming Research Industry.

Since 2005, the Public Gaming Research Institute has honored professionals who have made outstanding contributions to the lottery sector by admitting them to the PGRI Lottery Industry Hall of Fame. The Hall of Fame aims to recognize these leading individuals and to thank them for the sense of mission, purpose, and dedication they inspire among their peers and colleagues worldwide.

Numbering just 81 members prior to the induction ceremony held at WLS 2018, two industry-leading figures – one from Latin America, the other from Asia Pacific – were admitted to the PGRI Lottery Industry Hall of Fame during a glittering induction ceremony held on Tuesday, 20 November at WLS 2018. In all, a total of five individuals were inducted into the Hall of Fame in 2018, three other lottery professionals having been admitted earlier at NASPL 2018, held in Cleveland, Ohio, from 25 to 28 September 2018.

The induction ceremony at WLS 2018 was hosted by PGRI CEO Paul Jason. During his opening remarks, Mr. Jason stressed the rigorous nature of the induction process. He explained that election to the PGRI Lottery Industry Hall of Fame is through a formal nomination and selection process that is strictly controlled by existing Hall of Fame members; PGRI itself only administers the program.

WLA President Rebecca Paul Hargrove – herself one of the inaugural inductees into the Hall of Fame – then spoke briefly about the importance of the Hall of Fame. As part of her comments, Ms. Hargrove emphasized that the Hall of Fame offers one of the very few opportunities leading lottery profes-

sionals have to ask their distinguished peers and colleagues to join them.

After the prefatory remarks of Mr. Jason and Ms. Hargrove, the two new entrants in the PGRI Lottery Industry Hall of Fame were inducted. Both inductees were introduced by close personal friends and business associates, who mixed anecdote and biography in giving engaging professional laudations of the inductees. Following their induction, each inductee was presented with a commemorative crystal trophy by PGRI CEO Paul Jason and enjoined to make their own remarks, to sustained applause from the appreciative audience.

The two lottery professionals inducted into the PGRI Lottery Industry Hall of Fame at WLS 2018 were:

- **Luis Alberto Gama Hernández**, National Director, Dirección Nacional de Loterías y Quinielas, Uruguay; President, Corporación Iberoamericana de Loterías y Apuestas de Estado (CIBELAE); and member of the WLA Executive Committee representing CIBELAE. Introduced by Rebecca Paul Hargrove, President and CEO of the Tennessee Education Lottery Corporation, USA, and WLA President.
- **Dato' Lawrence Lim Swee Lin**, Chief Executive Officer of Magnum Group, Malaysia, and Immediate Past Chair of the Asia-Pacific Lottery Association. Introduced by Siah Chin Siong, President and CEO of Singapore Pools, Singapore.

In her remarks introducing Mr. Gama, WLA President Rebecca Paul Hargrove ob-



PGRI Lottery Industry Hall of Fame inductees gather in celebration at WLS 2018. From left to right: Sue van der Merwe; Jim Kennedy; Henry Chan; Lawrence Lim; Hansjörg Höltkemeier; Jennifer Westbury; Rose Hudson; Jean-Luc Moner-Banet; Reidar Nordby; Lynne Roiter; Doug Pollard; Luis Gama; and Rebecca Hargrove.

served that as president of CIBELAE, Mr. Gama has transformed the association by integrating CIBELAE into the world arena through partnerships with the WLA and similarly minded stakeholders. In turn, Mr. Siong observed that Dato' Lim has been a key player in the lottery industry in Malaysia and Asia Pacific for more than a decade. The most recent achievements of Dato' Lim include revamping the corporate identity and business operations of Magnum Corporation Sdn Bhd in recognition of 50 years of successful operation.

In responding to his induction into the PGRI Lottery Industry Hall of Fame, Mr. Gama said that entry into the Hall of Fame constituted possibly the most important award of his career. For his part, Dato' Lim said that it was a great honor for him personally to be accepted into the company of the Hall of Fame; the achievement represented a pinnacle of recognition in a very challenging industry.

Beyond the general audience, more than a dozen existing members of the Lottery

Industry Hall of Fame, including WLA President Rebecca Paul Hargrove and WLA Immediate Past President Jean-Luc Moner-Banet, were on hand to welcome the new members. As part of his concluding re-

marks, WLA Immediate Past President Jean-Luc Moner-Banet aptly summed up the mood at the induction ceremony, exclaiming that "No choice could have been better than Luis Gama and Lawrence Lim!"



2018 Hall of Fame inductee Dato' Lawrence Lim Swee Lin, Chief Executive Officer of Magnum Group, Malaysia.



2018 Hall of Fame inductee Luis Alberto Gama Hernández, National Director, Dirección Nacional de Loterías y Quinielas, Uruguay.

Women's Initiative in Lottery Leadership

At WLS 2018, WLA Platinum Contributor IGT hosted a reception for the Women's Initiative in Lottery Leadership (WILL), which took place on the afternoon of Tuesday, November 20. Founded in 2016 by Rebecca Hargrove, WLA President and Tennessee Education Lottery Corporation President and CEO, WILL aims to promote women's leadership in the lottery industry. Funding for the WILL program was kicked off by an AUD 50,000 scholarship donation from WLA Gold Contributor Jumbo Interactive.

The Women's Initiative in Lottery Leadership (WILL) program was conceived in late 2016 as a vehicle for encouraging the development of women in leadership positions in the lottery industry. The program was founded by WLA President and Tennessee Education Lottery Corporation President and CEO Rebecca Hargrove, as part of her lifelong commitment to nurturing new and unrecognized talent in the lottery industry. "Our ambition is to create a path for talented and passionate women professionals to realize their full potential," said Ms. Hargrove.

Diversity matters

It is now generally recognized in business and the wider community that diversity matters. A 2018 report by McKinsey & Co. found that companies in the top quartile for gender diversity are 15% more likely to have financial returns above their respective national industry medians.

As highlighted in the article *Why We Need More Women Leaders* published on the WILL website, modern ideas of transformative leadership are more in line with qualities women generally share: empathy, inclusiveness, and an open negotiation style.

If we think that just 50 years ago, women could not keep a job while pregnant or get a mortgage if single, it is easily understandable that our society has a lot to do to leverage our potential. "Things are better today," said Mike Veverka, CEO of Jumbo Interactive, "but there is still some way to go, so to make meaningful change we need to start now."

Kick-off events

Following a kick-off meeting held in conjunction with the 2017 European Lotteries Congress in Krakow, Poland, WILL has held



a number of events that are boosting the community and creating opportunities to enhance the Initiative. Among others, WILL gathered at the WLA/EL Marketing Seminar hosted in London in February 2018, at the PGRI SMART-Tech Conference in March 2018, at the Industry Days in Prague in June 2018, and at NASPL '18 in Cleveland, Ohio in September 2018.

Over the course of these events, the mission of the initiative has emerged, namely: to further drive high-performance business



WLA President, Rebecca Hargrove is the driving force behind the WILL initiative.

growth through supporting the advancement of women into top positions of lottery management leadership and responsibility.

The Mentor/Mentee Program

It is under the umbrella of WILL that the Mentor/Mentee program was launched in the U.S. last April. The purpose is to establish mentoring relationships that will provide women with the opportunity to realize both professional and personal development, as well as enable the lottery industry to strengthen women in leadership capabilities.

"As senior executives of the lottery industry, it's normal to want to pass on the experience to younger executives working their way up through the ranks, regardless of whether they are a man or a woman," said Brian Roberts, North American President of Jumbo Interactive.

The program has reached Europe, where last June Ms. Hargrove presented the program in Prague during the Industry Days. Anyone can sign up to become a Mentor or a Mentee. Many training opportunities and initiatives will be organized for personal growth and, consequently, pave the way for a strong development in the lottery industry.

Organization and administration

WILL is administered by a board of directors, comprised of women CEOs of lotteries worldwide, leading women from the vendor community, and a number of male CEOs with a strong track record in mentoring and supporting women in leadership positions. "The Public Gaming Research Institute (PGRI) is an integral part of the WILL mission, not just in spirit, but as administrator, media platform, and seminar coordinator and is pleased to do so," said Paul Jason, CEO of PGRI.



Photo: AdobeStock/Glebstock

Demystifying cybersecurity risk

With the continuing expansion of businesses into the online sphere in recent years, the importance of cybersecurity has accordingly increased. Experience shows that education and effective communication are key to managing cyber security risk. To increase information sharing among WLA member lotteries about cyber security, the WLA has created an emerging capability for sharing cyber security threat intelligence.

Lotteries are built on integrity, but integrity is a commodity that is hard for lottery operators to protect. This is due, in part, to the increasingly complex and dynamic nature of cyber security risk which, if managed badly, can rapidly undermine stakeholder confidence in the integrity of a lottery.

While the impact of a successful cyber attack has the potential to be greater for a lottery operator than perhaps in some other sectors, there is a lot we can learn from others in how to approach effectively managing this area of risk. That begins with demystifying the technical details, starting by proactively investing time in education and awareness. Such effort is rarely wasted, nor is investment in refining communication to ensure it is effective in explaining what the risk actually is. It should

not be the case that you need to be able to read through a data packet capture to be able to make a judgement call on whether a cyber security risk is a good or bad risk for an organization to take. Conceptually education and effective communication on cyber security are both easy to imagine but harder to put into practice. Leveraging the WLA community we have a great opportunity to share the workload of demystifying cyber security risk.

Sharing in cyber security is incredibly important. The 18th century English political theorist and philosopher Edmund Burke said, “*When bad men combine, the good must associate; else they will fall, one by one, an unpitied sacrifice in a contemptible struggle*”. That sentiment also holds true in cyber security and is the reason why the WLA has

created a nascent capability to share technical cyber security threat intelligence between WLA member lottery operators to help better defend each other’s systems. If you would like to find out more about this initiative please do reach out to me. You will find my email address listed below.

It is encouraging to consider the potential of the work we can do together going forward, to help demystify cyber security risk and in so doing give ourselves the best chance of success in protecting the integrity of our lotteries.

David Boda, Chief Information Security Officer for Camelot UK Lotteries Ltd., UK and member of the WLA Security and Risk Management Committee. David can be reached at david.boda@camelotgroup.co.uk



GLMS: Ensuring sports integrity globally

The increasing popularity of sports betting and the rapid advance of online technology provide new opportunities for state lotteries, but also for criminal elements that seek to corrupt sports for their own gain. In the following exclusive interview, GLMS President Ludovico Calvi explains why the integrity of sports and the probity of sports betting are inseparable and why the Global Lottery Monitoring System is vital for the future of the world lottery community.

Why is the integrity of sports important to the lottery industry?

Nowadays, if one takes a look at the news, every single day there is a new incident of sport competition manipulation reported, which makes this phenomenon the greatest problem in modern sport, directly undermining the essence of its values and credibility. We strongly believe that protecting ethics in sports means safeguarding the passion and integrity of our children and therefore the future of our society.

In general, the phenomenon of competition manipulation – although it is not exclusively a result of betting activity – undermines the credibility of betting operators and the betting sector as a whole. At the same time, as I mentioned before, it jeopardizes the values and credibility of sports and drives away millions of sports enthusiasts who lose their interest in following or participating in sports.

Therefore, it is the responsibility of lotteries to ensure that they take their role in protecting society and maintaining public order seriously. It is their obligation to take measures to minimize risks, protect their customers, their sector, and the financial sustainability of their organizations. At the same time, given their natural mission to support societal good causes, including sports at all levels, it is the duty of lotteries to safeguard the credibility of sports and its inspirational value towards the citizens of their respective communities.

Who are the main stakeholders in the fight against match-fixing?

In order to achieve tangible results when it comes to the fight against the manipulation of sports competitions, at both the national and international levels, the close collaboration of a clearly defined set of stakeholders is essential.

At the national level, the betting sector needs to work closely with sport organizations and law enforcement authorities. The betting sector comprises the legal sports betting operators in each jurisdiction as well as the regulatory betting authorities. Sport organizations would include, among others, National Olympic Committees, the major sport federations, players' unions, and referees' unions.

These are the main stakeholders who are called upon by the Council of Europe Convention on the Manipulations of Sport Competitions to work together within the framework of a national platform – as mandated per article 13 of the Convention – and closely collaborate on information sharing.

At the international level, GLMS works closely with all main stakeholders. These include international sport organizations such as the IOC, FIFA, UEFA, and the Tennis Integrity Unit. We also collaborate with international law enforcement agencies such as INTERPOL and EUROPOL and the national regulatory authorities of France, Norway, Lithuania, and the UK. Most notably, GLMS also works with the Group of Copenhagen, which is the network of the Council of Europe that brings together 22 national platforms.

These are national cooperation frameworks that unify all stakeholders at the national level.

What is the Council of Europe Convention on the Manipulation of Sports Competition and how is this relevant to the world lottery community?

The Council of Europe Convention on the Manipulation of Sports Competitions, or the Macolin Convention, is considered the world's most comprehensive legal tool against match-fixing, as it provides states with a clear legal basis to fight against the phenomenon. It seeks to prevent, detect, investigate, and discipline the manipulation of sports competitions, as well as to enhance the exchange of information and the national, transnational, and international cooperation between the public authorities concerned, sports organizations, and sports betting operators. As of January 2019, 33 member states have signed the Convention, with three member states – Norway, Portugal and Ukraine – having ratified it. The Convention will enter into force as soon as five member states have ratified it. It is also of the utmost importance to highlight that the Convention is open to signatories of all countries across the world and not only in Europe.

Two of the strategic elements treated by the Convention are a definition of what illegal sports betting is and calls for concrete measures against illegal betting. The definition – outlined in article 3 par 5a of the Convention – connects illegality with the offer of bets without a license in the jurisdiction of the consumer. Article 11 of the Convention calls upon states to

take enforcement measures, like IP blocking and payments blocking.

What can be done to get more lotteries around the globe to support the Council of Europe Convention on the Manipulation of Sports Competition?

It is very important for lotteries – GLMS, WLA, and EL Members – to use their best efforts to inform governments about the Convention and highlight the importance of its ratification. It is in the interest of lotteries and the lottery sector that the Convention enter into force as soon as possible.

From our side, we take every opportunity to inform our members about the importance of the Convention through each of our communication platforms.

For this purpose, GLMS is an associate partner of the Council of Europe's project KCOOS+ (Keep Crime Out Of Sport). This project seeks to promote the Convention across the world and support

states with the implementation of its provisions. The WLA and EL both have supporter status in the project as well. As part of the KCOOS+ project, the Council of Europe with the support of its partners will be organizing regional events across the globe to disseminate the basic provisions of the Convention. Throughout 2019 and 2020 there will be a series of regional seminars, in which GLMS, WLA, and EL members, depending on the region, will be invited to participate and provide competent input.

An important achievement of GLMS in 2018 was the signing of an agreement with the Council of Europe's Group of Copenhagen. As the exclusive sports integrity body, GLMS has agreed to provide the Group of Copenhagen with alerts on suspicious betting patterns to enhance the quality of their logbook of its development.

At the recent World Lottery Summit in Buenos Aires, you stated that the vision of GLMS is to

become the most credible and respected entity worldwide in the fight against match fixing and a champion for the preservation of sports integrity around the globe. What has been the biggest challenge or challenges that GLMS has faced in this endeavor?

GLMS went through some challenging times in 2017. While lacking the necessary visibility, both within the lottery world and the general public, the involvement of members in monitoring activities was limited, as were the overall required administrative enhancements. At times the sports integrity field can be quite technical and its provisions can be challenging to convey and understand – this did not always help in the process of membership acquisition. At the same time, if we wished to be considered a real “global” sports integrity alliance with a solid intelligence system, local presence across the world was paramount for our global operations to gain credibility with key private and public stakeholders.

I am happy to say now that GLMS, over the whole of 2018, has been increasing its





"Spreading a culture of integrity has been one of our strategic priorities since 2017. Education and capacity building are key pillars of our strategy in our global fight against match-fixing – GLMS should not remain idle in this regard." Ludovico Calvi, GLMS President.

membership base – with additional individual and associate members having joined GLMS, enhancing the quality of its operations, and creating solid administrative and operational processes. We have also been working to ensure effective communication and visibility of GLMS activities, projects, achievements, and services. We are now a well-known and well-respected global integrity network, working with the most respected partners and stakeholders worldwide.

At the beginning of January 2018, we made our operations truly global with the launch of an operational hub in Hong Kong. This ensures us a strong local presence in Asia. Parallel to launching of the Hong Kong hub, we initiated the use of new monitoring system software, customized to fit the global requirements of GLMS.

In addition to the detection and monitoring of irregular betting patterns, GLMS has ambitiously set out to develop education and prevention programs, as well as tools to preserve the integrity of sports. Could you tell us something about this effort and how it will benefit GLMS members and the lottery/sports betting sector as a whole?

Spreading a culture of integrity has been one of our strategic priorities since 2017. Education and capacity building are key

pillars of our strategy in our global fight against match-fixing – GLMS should not remain idle in this regard. Additionally, the Macolin Convention calls upon states and stakeholders to be active in disseminating information on relevant risks and encourages all stakeholders to organize educational initiatives and establish preventative measures.

We have designed tools for our members that can be used for the education of their employees and the local sports stakeholders within their jurisdictions. We have also been launching several communications initiatives, such as newsletters and monitoring reports, that feature the best practices of our members who are particularly active in this area in order that all members can be inspired by their initiatives.

GLMS is also ready to support its members with the development of a complete set of educational programs customized to fit their local needs as well as running educational workshops in their respective jurisdictions.

GLMS went live in 2015 with its first operational hub in Copenhagen, Denmark. At the beginning 2018, GLMS opened a second operational hub in Hong Kong. As GLMS continues to grow and expand its scope, where

would you like to see the next operational hub opening?

Thanks to our two monitoring hubs and to the fully active engagement of our members across the globe, GLMS has adopted a so-called "glocal" approach, combining local intelligence gathering with a global reach. This gives us a significant advantage over any other sports integrity association – our integrity lottery alliance is truly unique.

An additional hub would no doubt further increase the efficiency of our intelligence network. This is another strategic priority of ours. We have been discussing with various members in North and South America about this opportunity. At the same time, with the legalization of sports betting in the U.S. well underway, we have been considering establishing a third hub in the U.S. at NASPL's headquarters in Cleveland, Ohio. Cleveland, incidentally, is also where the FBI's headquarters are located.

In May 2018 the U.S. Supreme Court struck down PASPA, the federal law that essentially limited sports betting to four states (Montana, Oregon, Delaware, and Nevada) for the last 25 years. Sports betting is now becoming a reality across the U.S. The private betting industry wasted no time in establishing the

Sports Wagering Integrity Monitoring Association (SWIMA), which was founded by executives from Caesars and MGM. Like GLMS, SWIMA was created to detect and discourage fraud and other illegal or unethical activity related to betting on sporting events. What advantages does GLMS have over SWIMA for U.S. lotteries seeking to establish a sports betting operation?

The repeal of PASPA has been a very positive development, in our opinion. GLMS in fact supports regulated, responsible, and sustainable betting market environments, since bans have often encouraged the proliferation of black market, criminal organizations, and match fixing. We believe that the original intent of prohibiting sports betting throughout the U.S. was to preserve the integrity of sports; but PASPA failed. It clearly had the opposite effect by creating a massive black market for sports betting.

GLMS has been following the development of the SWIMA closely. It needs to be pointed out that, unlike SWIMA, GLMS is a global network of licensed betting operators, spanning four continents – including North America.

As previously mentioned, the main difference between GLMS and SWIMA is the “glocal” approach. Given its global nature, competition manipulation cannot be addressed as a local, North American only phenomenon. An effective fight can only be secured through the collective responsibility and collective actions of a worldwide global network of alliances, such as GLMS.

Unlike commercial operators who compete against each other across the globe, lotteries in most cases, do not. This makes the cooperation among GLMS members remarkably effective. The integrity bond among our members is further strengthened by the active presence of our two monitoring hubs and a commonly shared, global, real-time intelligence platform. We have highly competent integrity data analysts operational in Hong Kong and Denmark and hopefully – very soon – we will have a hub operational in Cleveland, Ohio.

In 2018 GLMS established a Code of Conduct, which among other things, makes recommendations to lottery members concerning their sports betting operations. Can you elaborate on how the GLMS Code of Conduct can help member lotteries establish a responsible and sustainable sports betting operation?

Responsible and transparent operations are an absolute imperative for lotteries. The GLMS membership base unanimously adopted a Code of Conduct at its General Assembly in Buenos Aires on November 20, 2018.

The GLMS Code of Conduct on Sports Betting should be seen as complementary to the legal and regulatory requirements within each national jurisdiction. Among the main issues it addresses are: consumer protection; the protection of minors; responsible advertising; conflict of interest provisions for lotteries and their employees involved in sports events; odds compiling and trading; and obligation to

report suspicious betting activities. These provisions are fully in line with those of the Council of Europe Convention on the Manipulation of Sports Competitions.

What role can the world lottery community play in the fight against match fixing and the preservation of sports integrity, especially in the US where the sports betting industry is in its early stages?

As I said before, following the repeal of PASPA in May 2018 and the subsequent process of legalizing sports betting in the U.S., GLMS is looking forward to expanding its membership base with U.S. lotteries. This will help safeguard the credibility and transparency of lotteries’ sports betting operations – and as a result, of sports competitions – through their active participation in the GLMS global network.

U.S. lotteries should be encouraged to join GLMS and become part of this global lottery family. Through responsibility and solidarity, GLMS members join forces against corruption in sports – a significant public order and social threat.

It must be added that the GLMS Code of Conduct will also support lotteries in the US, as soon as they become members. This will give them a clear reference in regard to responsible and sustainable sports betting operations. Through GLMS, U.S. lotteries will also benefit from best practices successfully adopted by many lotteries around the world. They will become prominent partners with their regulators and policy makers, operating in the highest interest of American society.

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Presenting the intelligent future of gaming at WLS 2018

The digital transformation of the lottery industry is at the center of most discussions about the industry's future, and it necessitates intelligent, customer-centric innovation. INTRALOT, valued supplier to global lottery operators, is one of the companies at the forefront of this digital evolution, and they presented their new suite of products at the 2018 World Lottery Summit.



Dimitris Kakos, Group Lotteries & Digital Transformation Director for INTRALOT at WLS 2018 in Buenos Aires.

The future of gaming is **not just digital**, it is intelligent. INTRALOT has embarked on a holistic approach to lottery and betting solutions that reflects the tectonic shifts in the digital era, in terms of both consumer behavior and new technology trends for digital transformation. As the gaming business transforms from a purely retail-oriented to a digital-centric model, INTRALOT presented the **new INTRALOT Lottery Solution, based around the new Lotos X platform**, and the **new Sports Betting Solution, based around the new INTRALOT Orion betting platform**, at the 2018 World Lottery Summit in Buenos Aires. Both of these solutions focus on cross-channel infrastructure and quick go-to-market functionalities, along with a modern touchpoint philosophy and reduced costs of ownership.

As **Mr. Dimitris Kakos**, Group Lotteries & Digital Transformation Director, highlighted in his presentation at WLS 2018, INTRALOT has invested extensively in recent years in next-generation products designed to answer all the digital transformation questions for lotteries. Evolution is unstoppable and new technologies emerge all the time. The faster the growth of technology applications, the more challenging it becomes for companies to reach their customers with the most appropriate tools. The question for today, therefore, is: which technologies have the power to meet customers' needs?

Lotteries need to adopt new technologies in good time and deliver rich experiences to players, while embracing the keystone values of integrity, security and fiscal accountability, thereby moving away from the linear business model towards an intelligent platform model. Operators in the gaming market are seeking technology innovations to define a new gaming era that will offer players seamless and personalized experiences. These goals require modern IT architectures, open **APIs**, and **big data** utilization to take center stage in the new lottery ecosystem and adopt an **agile methodology** approach.

Taking into consideration customer experience as a primary goal, and through an innovative modular architecture, INTRALOT offers a holistic, true omni-channel player experience with its new lottery platform, **Lotos X**, the most parametrical games and draw management platform in the lottery industry.

Lotos X empowers lottery operators to design, configure, and implement their entire gaming offering, while minimizing cost, training needs and time-to-market. It incorporates future-proof, state-of-the-art technology, allowing games to be served through multiple touchpoints, and it utilizes the latest advances in cashless and in-lane technologies, self-service and vending terminals, and mobile devices. Placing the player at the center, **Lotos X** is here to offer an entertain-

ing and emotionally rich interaction, fulfilling all the end-user's needs.

On the sports betting front, INTRALOT presented **INTRALOT Orion**, its next-generation, feature-rich and versatile sports betting platform. **INTRALOT Orion** sits at the heart of a **holistic Sports Betting Solution** that incorporates managed trading services and a wide portfolio of terminals, both for the player and for the retailer, tailored to the needs of each sports betting operation. The platform serves the entire player journey across channels with a rich set of betting features, while enabling parameter definition of sports betting content and differentiated risk management on a per-channel basis. The INTRALOT sports betting platform was built as an open system to easily integrate with both third-party software and the lottery platform, to provide cross-selling opportunities and economies of scale to state lotteries in the United States.

INTRALOT Orion and **Lotos X** can optionally be enhanced with CMS marketing tools and PAM platforms, which carry the latest security and transparency features, KYC and geo-fencing, and payment provider-integration capabilities.

During WLS 2018, INTRALOT also presented its latest advances in terminal technology, with unique camera features and cashless payment capabilities. Among these were Photon, the industry's leading lottery terminal and the first full-size retailer terminal to successfully utilize image scanning technology for reading play slips and barcodes of any kind, and Proton, the next-generation all-in-one lottery terminal for limited-space applications, forming part of a full retail POS ecosystem for C-stores and sports betting parlors.

In vending and self-service terminals, INTRALOT presented the **DREAMTOUCH**

Lite X, an innovative gaming kiosk designed to create a compelling user experience. Its 32" full HD inclined touchscreen in portrait orientation redefines the player experience, resembling a personalized gaming experience that is usually only provided via handheld mobile devices. DREAMTOUCH Lite X hosts the innovative Tapn'Bet concept of prefilled betting slips, making gaming easy and fun for any player.

Finally, in the **Systems** area, INTRALOT specialists offered insights and experiences around a player-centric approach to products like INTRALOT Player Pulse, the CRM that creates loyal relationships with players for increased lifetime value through a set of unique features. INTRALOT Retailer Pulse is the next-generation retailer relationship management system offering 360°-control in managing all retailers' operational aspects, increasing their commitment and optimizing their performance.



At the World Lottery Summit 2018 in Buenos Aires, INTRALOT presented their new INTRALOT Lottery Solution, based around the Lotos X platform and a new Sports Betting Solution, based around the new INTRALOT Orion betting platform.



Lottery researchers share market insights and new methodologies in Madrid

The convergence of market research and Business Intelligence data emerged as a hot topic when market research professionals from ten lotteries gathered recently for IGT's second *International Gaming Insights Exchange*.

Market research has long been a critical tool for lotteries, informing game development, business decision making, the player experience and more. In recent years, lottery research professionals have had the opportunity to attend a European-based forum to meet with peers and share their challenges and successes along with the methodologies central to their work. The second International Gaming Insights Exchange, hosted by IGT in Madrid on October 17–18, 2018, is an outgrowth of a similar event held by IGT in North America annually since 2009. Together, the two events provide access for a broad range of lottery-customer research professionals to discuss their research programs and challenges in a collaborative setting.

At exchange events, “each attending lottery delegate gives a presentation geared to the interests of fellow research colleagues. We also invite keynote speakers who bring their perspectives to the table, whether from inside or outside the gaming market,” explains **Pedro Lopez**, Senior Marketing Manager, IGT, who organized the Madrid event with **Gerard Caro**, Senior Director, Marketing Insights, IGT. Notes Caro, “We try to bring what’s new in the field to the attention of attendees. Invited speakers, as well as the delegates, may be using new technologies or methodologies that are leading edge in market research but haven’t been used yet by other lottery researchers. If it’s happening in other markets, sooner or later lotteries will want to look at it.”

Exchanging ideas to generate growth

Among those presenting at the recent conference were market researchers from Spain’s

Sociedad Estatal Loterías y Apuestas del Estado, who shared insights about what has made the Lottery’s annual El Gordo draw game the biggest in the world, and how it has become embedded in the nation’s culture. Belgium’s **Loterie Nationale** offered a case study on how researchers brought together two classic market segmentation approaches to create one comprehensive customer view. Poland’s **Totalizator Sportowy** discussed using instant-ticket prize claim rates as a tool to understand elements of ticket design. U.K. operator **Camelot** reported on developments in its use of data to create profiles of digital lottery players, and how to use different sources of information to generate growth from these insights. Czech Republic operator **Sazka** shared its innovation process, rooted in consumer insights, and France’s **La Française des Jeux** showed how it measures the player experience and identifies pain points that could be resolved to enhance that experience.

Research professionals from IGT’s Insights group also shared aspects of their recent work on behalf of lottery customers. Pedro Lopez presented a case study on how IGT used conjoint-analysis techniques to assist the **Colombian Lottery** with game portfolio development and how consumer research contributed to the successful launch of **Lottomatica**’s MillionDay draw game in Italy. Gerard Caro shared details about a video-ethnography protocol new to lottery research, along with findings from the newest IGT global player research study, “Attracting New Players.” And **Ailsa McKnight**, Senior Director, Customer Understanding and Player Insight, discussed broad consumer

trends that are likely to have an impact on the lottery industry, offering ideas for lotteries to align with consumers’ changing expectations.

Keynotes bring outside perspective

While the topics for each Insight Exchange are chosen by participants, keynote speakers offer additional or related subjects worthy of consideration from a lottery perspective. “We’re always thinking of our customers’ interests, and we try to identify speakers who will bring something thought-provoking to the conversation,” says Lopez.

Keynote speaker **Raúl Quintana** from BeMyEye, Europe’s leading provider of crowdsourced in-store data, discussed how the firm’s one million on-demand data gatherers (individuals known as “Eyes”) operate in 21 countries to collect rich causal data on sales execution in large supermarkets, independent grocers, and specialist stores. “Crowdsourcing tools are part of an overall trend that’s already offering interesting options for the lottery market, such as crowdsourced retail audits,” notes Lopez.

Santiago de la Asunción from BBVA, the second largest global bank in Spain, shared insights on the bank’s shift to in-house market research. “What BBVA is doing right now is quite new in the market,” observes Lopez. With the advances in data-collection technology, many companies now have the data to create a Business Intelligence unit, culling information from different areas within the organization and using their own professionals to gather and structure the insights.

Macarena Estévez from consulting firm Conento discussed how marketing analytics are growing in importance, and how traditional market research departments are harnessing Business Intelligence to deliver a richer and more colorful picture of markets and consumer behavior.

When research and analytics meet

By the end of the two-day workshop, one of the hot topics to emerge was the convergence of traditional market research and analytics, as reflected in the presentations from BBVA, Conento, and many of the delegates. While lotteries will continue to rely on traditional market research to get insights di-

rectly from the market, they are increasingly engaged with everything related to analytics as new technologies open possibilities to gather and process data.

“Lotteries realize how rich they are in terms of data,” says Caro. “It’s an asset that can be used along with market research to gain insights and better understand their customers. This convergence is likely to influence the way marketing insight departments will be shaped.”

“A common thread in the Americas and the International Exchanges is that attendees have jobs that entail sales analytics in addition to marketing insights,” Caro says. “We’re

all learning what kind of data each side can use from the other. The subject is showing up organically, and it’s a key area for development in future workshops.”

No research-themed event would be complete without some research of its own, and in a survey of delegates, the exchange of “good conversation and new ideas” and “the opportunity to meet other market researchers from the lottery industry” were cited as highlights.

IGT plans to host research exchange events in both the International region and North America in 2019. To learn more, contact: Pedro.Lopez2@IGT.com or Gerard.Caro@IGT.com



Marketing research professionals from ten lotteries and three outside industries share insights and methodologies at the International Gaming Insights Exchange hosted by IGT, October 17–18, 2018, Madrid, Spain.



Scientific Games keeps lotteries in motion with Momentum

Over 300 years ago, Sir Isaac Newton presented his three laws of motion. It's safe to say that in 1686 Newton could not have envisioned how his laws could be applied to the global lottery industry of 2019. However, in the fast-moving world of gaming, we can observe his principles in action every day.

If you remember from science class, Newton's first two laws of motion are concerned with how objects are affected by outside forces:

1. An object at rest will stay at rest unless acted upon by an outside force, and an object in motion will not change its velocity unless acted upon by an outside force.
2. An object's velocity, or its rate of change in momentum, is directly proportional to the force applied.

Today, players and retailers expect change faster than ever before. That's where Newton's first law comes in. Lotteries need a technology provider willing to get the ball rolling through innovation. Then, in keeping with the second law, generating the right velocity to keep pace with the industry requires a technology partner with not only the right technical ability but one that can drive lottery profits responsibly.

Scientific Games has staked its systems business on these principles. That is why the company positions its portfolio of systems-based solutions, *Momentum*[™], as its strategic way to push the industry forward.

"*Momentum* exemplifies Scientific Games' ethos to keep evolving the industry," says Jennifer Welshons, Scientific Games' Senior

Vice President, Marketing, Lottery. "We drive ourselves forward by driving the industry forward – they go hand in hand."

Force = Mass Times Acceleration

The company has amassed its portfolio of products through years of developing new innovations, as well as acquiring industry-leading companies such as Lapis Software and NYX Gaming.

Scientific Games groups its products into solutions that solve lottery and retailer problems. *Momentum* is made up of product suites that address seven areas of lotteries' business, including:

- Lottery Systems
- Retail Solutions
- Back Office and Retailer Intelligence
- Instant Game Management
- iLottery
- Sports
- Interactive

The *Momentum* portfolio integrates a complex network of systems and technology. For example, it improves retail performance with the *gem|Enterprise*[™] suite, eliminates the headaches of shift accounting with the *SCiQ*[®] ecosystem, provides access to over 2,000 digital games and sports betting, and expands lottery experiences

through interactive products. The approach allows Scientific Games more flexibility in how it meets customers' specific challenges. In this way, the company has moved from a large systems company to a product company.

Traditional lottery back office systems are typically tied to central gaming systems. However, since lotteries today often have multiple vendors providing draw, instant, sports and digital products, Scientific Games decoupled its back office system from its central gaming system. In Arizona, where Scientific Games provides the central gaming system and IGT provides the instant products system and warehousing and distribution, *gem|Enterprise* tracks data across both vendors' systems.

Momentum helps Scientific Games' lottery customers connect to a variety of third-party technologies. Applications can be easily added to the system to create operational efficiencies, offer new content and ultimately drive sales.

"*Momentum* is architected for agile growth," says Kent Christensen, Scientific Games' Senior Director Development, Lottery Systems. "It makes it very easy for us to go into a lottery and set them up using basic configurations, but if custom software is needed, we can do it very rapidly on our platform."



The idea is that whatever the lottery – or retailer – needs, Scientific Games has a solution ready.

“As an industry we’re trying to reach out to the end of our supply chain to the person who actually sells the product and help solve their problems,” Christensen said.

Solutions to prevent inertia

The company developed its *SCiQ* system specifically to address pain points at retail. In addition to tracking tickets sold from the automated *SCiQ* bins in real time, the system amplifies the inventory controls and security of selling instant products. Released in spring 2018, *SCiQ* has already rolled out in hundreds of retail locations across nine U.S. states. It is the latest addition to the company’s retail solutions, which also includes their *PlayCentral*® line of self-service terminals and *WAVE*™ retailer terminals.

Momentum touches all types of games offered by lotteries. The global online gaming

market is expected to increase to USD 94.4 by 2024, according to a report released by Zion Market Research in September 2018. In response to this massive growing demand, Scientific Games has hit the ground running in sports betting and digital gaming. Its acquisition of NYX Gaming in January 2018 gave the company access to NYX’s world-leading digital *OpenBet*™ sportsbook. The company now has nine game development studios and a network of third-party suppliers to offer its customers the widest portfolio of digital gaming content.

Scientific Games created the first secure instant scratch-off game in 1974, and it is still innovating ways to manage its customers’ instant game business. In fall 2018, the company unveiled *Scientific Games’ Enhanced Partnership (SGEP)*, an evolution of its performance-driving *Cooperative Services Program (CSP)* for full instant category management. Used by more than 20 lotteries worldwide, *SGEP* manages every aspect of lotteries’ instant products category by delivering product solutions, advanced

logistics, retailer optimization and digital engagement.

Constant progression

Though *Momentum* delivers solutions in seven areas of lotteries’ business today, it will change with the times and the needs of the industry, Welshons said. She compares it to Amazon’s evolution from an online book vendor to a major player in many areas of online commerce.

“If somebody 15 years ago had asked for what Amazon is delivering now, they wouldn’t even know what to ask for,” Welshons said. “The lottery business is completely different today than it was 15 years ago, and it will keep changing. And Scientific Games will keep progressing the *Momentum* portfolio to empower our customers with forward-thinking solutions.”

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