The data revolution in sports betting

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The key role of data in sports betting and the lotteries

In our information age, data is key to almost everything that we do. We create more than 2.5 quintillion bytes on a daily basis, according to SG Analytics, a company that provides data-centric research and contextual analytics services. Some reasons for this growth are: Increased use of smart devices; digital media platforms; improved connectivity; and the global pandemic, which accelerated the use of technology to live, study, and work remotely from home.

Across diverse industries, from finance and healthcare to manufacturing and retail, data analytics offers insights that enable making better decisions, finding solutions, improving products and services and enhancing global supply chain processes.

Data has never been more important for the sports betting and lottery sector. In this issue, an article on the data revolution in sports betting delves into the kinds of data gathered from athletes, how they are used, and some of the legal and ethical issues that still need to be resolved. For many sports betting operators, data is the life blood that punters require to place their bets; we also learn how lotteries can use data in other ways to enhance product offerings and ensure customers a responsible gaming environment.

Over the past two years, digital technologies have helped the world get through the global pandemic virtually rather than face to face. As many turned to online entertainment, online betting boomed. Additionally, online sports betting has exploded in the US, following the US Supreme Court decision in 2018 to overturn the Professional and Amateur Sports Protection Act, which outlawed sports betting nationwide, with the exception of four states.

According to Statista, leading provider of market and consumer data, worldwide online gambling, including sports betting via the Internet, is expected to double in value and be worth more than USD 92.9 billion in 2023. Given this growth, it is paramount to protect the integrity of the sports betting and lottery sector, from the dubious activities of illegal betting operators. In this issue we look at how WLA has been scaling up the fight against illegal betting through increased information exchange and collaboration with other organizations, to help its members around the world protect their interests and better serve their respective communities.

The WLA Illegal Lotteries and Betting Committee (ILBC) produced the brochure, Combating illegal betting to protect the integrity of sports, which considers the Council of Europe Convention on the Manipulation of Sports Competitions, also known as the Macolin Convention, examines trends and technologies that have abetted the global expansion of illegal betting operators, and the WLA’s collaboration with other organizations to help curb this illicit expansion. The sports group of the WLA Betting Integrity on Sports & Horse Racing Committee (BISHRC) developed the brochure, Sports Betting Marketing Best Practices, which provides state lotteries with guidelines on how to market safe and responsible sports betting products and also speaks about why the fight against illegal betting is important for preserving the integrity of sports.

The WLA also produced a brief guide to the Macolin Convention, which highlights its key provisions. Among these provisions are the establishment of national platforms, which allow all stakeholders to pool their forces in a central hub and exchange information essential in the fight against sports competition manipulation.

WLA cooperates closely with the Global Lottery Monitoring System (GLMS), an international association of state lotteries that aims to safeguard the integrity and core values of sports from corruption and from the manipulation of sports competitions, for which I took up the role of General Secretary at the start of 2022.

This opportunity to work in both organizations will enable us to share resources and strengthen our resolve in this important fight against sports competition manipulation and illegal betting, to maintain sports integrity.

Finally, the lottery and sports betting sector follows technology trends that drive customer behavior and preferences and enable innovative products and services. The media continues to cover the metaverse, a future version of the Internet or 3D virtual space, which some say will revolutionize work, socializing, and gaming in the coming years. In this issue we learn about some new opportunities for the lotteries in this area.
Interview with WLA President Rebecca Paul

In an informal interview with the WLA President Rebecca Paul, we learn how the lottery sector is exploring opportunities in the metaverse and the way big data is being used to enhance player experiences. We also speak about the long-awaited World Lottery Summit, and why this is an event not to be missed for the world lottery community.

New opportunities for lotteries in the metaverse

The metaverse is the latest innovation to emerge out of the tech sector. It brings together such technologies as artificial intelligence, augmented reality, 5G, and 3D-modeling to create a virtual world for consumers in many sectors of the economy. This innovation offers WLA member lotteries new possibilities for enhancing their products and enriching the player experience.

WLA scales up the fight against illegal betting

In 2021, the WLA ramped up its efforts in the fight against illegal and unauthorized lottery and betting operations. Collaborating with the Global Lottery Monitoring System, the WLA increased awareness raising initiatives to the world lottery community, in an effort to help its members around the globe protect their interests and better serve their respective communities.
Taking stock of 2021 – from digitalization to responsible gaming

Unhindered by the pandemic lockdowns in 2021, the WLA was determined to maintain its educational program. Webinars replaced live events and were highly successful, attracting more than 1,500 participants from around the globe. In this issue of the WLA magazine, we recap the highlights of an outstanding year in lottery education.

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Instant Games: An Evolving Love Story

Chris Allen, VP of Marketing and Strategy at Scientific Games, compares the history of instant lottery games to a love story. In his 15 years at the company, he has focused on evolving product and marketing strategies, driving insights for innovation, and combining a wide variety of technology solutions to empower growth for lotteries.
Technology continues to play an important role in how lotteries and sports betting operations run their businesses and serve their players. This is most evident in the large growth in online sports betting and the reliance in online sales channels that helped many lottery operations weather the COVID-19 pandemic lockdown. What innovative technologies are driving the evolution of the lotteries’ products and services?

It’s no secret we live in a world of ever-evolving technology, and our industry can’t be left behind. Our methods of working, communicating and interacting with each other changed dramatically with the onset of the pandemic, many of which are here to stay. Digital formats are a must, and most lotteries have begun to embrace this trend to provide a convenient, innovative and entertaining experience.

Taking a cue from each other and companies outside of our industry, allowing players to insert themselves into the “metaverse” where they can interact with a computer-generated environment is becoming quite popular. This capability for gaming allows us to stay on par with companies such as an eyeglasses company that allows customers to “try on” glasses virtually. Home improvement businesses offer customers a chance to see a paint color or item in their home, and at least one car company puts prospective buyers in the virtual driver’s seat without visiting the dealership.

These capabilities are seen in our industry, where some lotteries allow customers the online chance to purchase tickets, creatively play and win games and make wagers from their smart phones, computers or even a smart television. With nearly 80 percent of the global population using a smart phone, the demand for connections to those devices is clear. As always, it’s important to understand players and their expectations and aim to incorporate modern technology in developing new engagement programs.

Which technologies should the lotteries be considering for future development for the next generation of customers, for both their physical and online channels?

In the coming years, the scope of the metaverse will undoubtedly broaden to include an even deeper experience for the player. Augmented reality (AR), which combines the physical world with the digital one, is seen in interactive instant games and will continue to develop. Virtual reality (VR) has become quite popular within the gaming community, offering a computer-generated world in which the player can actually participate. VR has made tremendous headway with the creation of virtual casinos, and there is competition from outside of the lottery community. Depending on the hardware, virtual casinos can provide an entertaining experience by receiving input in the form of gestures and verbal commands.

Other popular trends include the ability to allow a player to develop his or her own visual and/or audio identity—an avatar—to use for gaming. Also growing are omnichannel solutions to strengthen the retail experience, such as allowing players to virtually chat with sales and support teams. And finally, tracking digital currencies to understand the capabilities and potential is always on our radar.

Digitalization of the lottery and sports betting world continues to be a hot topic, as technology advances are increasingly deployed in our products and services. In an interview with the WLA President Rebecca Paul, we learn how our industry is exploring opportunities in the metaverse and the way big data is being used to enhance player experiences. We also hear about the long-awaited World Lottery Summit taking place in Vancouver, Canada this October, and why this is an event not to be missed for the world lottery community.

Interview with WLA President, Rebecca Paul
Lotteries gain very useful insights on customer preferences from the data of registered players. As digital lottery offerings continue to grow, data is key to business operations, to better understand customers and deliver the products they want. During the WLA marketing webinar in February, we heard many examples of what lotteries around the world are doing to improve customer experience. How can lotteries best use customer data to enhance the player’s experience?

Understanding players and putting their needs at the forefront of developing our products is vital. For those who tuned in to the February webinar, it was an excellent look into how marketing has evolved over the past 20 years. Not only were technological advances beginning to present new opportunities years ago, but the pandemic accelerated that development due to the change in customer behavior. Understanding and harnessing those behavior patterns greatly assists in customizing messaging and developing products and promotions based on this data.

And that’s where big data steps in. The ability to collect and analyze patterns, trends and interactions is a tremendous resource that may be underutilized—but that must be used wisely. For example, one thing we have learned is that a player desires recognition and upward movement associated with player affinity clubs. Achievements that earn ascending levels such as from “gold” to “platinum” status can be exciting, as is a reward program based on their play. Additionally, many lotteries are using information gleaned from customer preferences to send customized emails, carefully develop social messaging and better direct their product development.

How can lotteries best use customer data insights to ensure they can provide their players a responsible gaming environment?

Players who opt in to receive marketing and other information from lotteries are a captive audience open to such messaging, which can include responsible gaming (RG) tips and reminders. Other strategies, such as one we use here in Tennessee, can incorporate QR code technology to direct players to digital information about RG. A digital audience is also an excellent method of surveying players about their knowledge of their lottery’s RG strategies. Such survey results assist in ongoing enhancements to RG programs and provide a way to track progress.

The design itself of online gaming can also encourage responsible play. Accounts may include the ability to set thresholds and automatic reminders to limit the time spent playing. Profile data may also include the history of play for the user’s review.

Another excellent tool for further developing a responsible gaming program and utilizing data is the WLA RG certification program. I encourage those lotteries who have not participated in this process to do so, as it provides a framework to grow and enhance RG programs. There is also a support base from certified lotteries, who are eager to assist.

A recent UK report, on Cyber security in the gambling and lottery sector, highlighted a number of key aspects to consider, including potential threats, level of preparedness, and third party and supply chain management. In the face of growing cyber security threats, what can lotteries do to continue to ensure their player data and operations (software, hardware and personnel) are secure and how is the WLA Security Control Standard useful in achieving this?

As always, the WLA is a valuable resource for our collective education and exchange of best practices by utilizing the knowledge and experience of subject experts. The WLA Security Control Standard is a globally recognized foundation for assisting lotteries in obtaining a level of management by implementing structures designed to maintain the confidentiality and integrity of information—a vital key to success and trust among our audiences.

In the coming years, the scope of the metaverse will undoubtedly broaden to include an even deeper experience for the player.
We know that illegal sports betting operations and sport competition manipulations occur in many countries around the world. The Global Lottery Monitoring System (GLMS) annual activity report noted that over 1000 alerts related to potential sport competition manipulation were sent to members in 2021. Why is it so important for all stakeholders in the sports and lottery worlds to work together to address these issues?

The combined strength of our collaboration about such issues is vital to the integrity and success of our industry. Sharing experiences and success stories is invaluable and especially beneficial to those jurisdictions who do not offer legal sports gaming. In those areas, the risk of illegal betting is likely to be more prevalent since no legal options exist.

That said, potential strategies to protect players can be complicated by the different mechanisms offered by various jurisdictions and regulations that can vary. However, as we continue to address practices that are unfair to customers, it’s more important than ever to offer transparent, secure and entertaining products marketed in a responsible manner. Additionally, when possible, lotteries can join with national platforms designed to combat illegal betting. These strategies are excellent points of discussion and education among peers, and I look forward to the ongoing exchange of ideas and implementation of resulting strategies.

It’s important to understand players and their expectations and aim to incorporate modern technology in developing new engagement programs.

In 2018, the US Supreme Court overturned the Professional and Amateur Sports Protection Act, which outlawed sports betting nationwide, with the exception of Delaware, Montana, Nevada and Oregon. While more than half of the states have already legalized sports betting, others still have a way to go. What are some of the key challenges facing the states that have yet to legalize sports betting?

The path to legalization of sports betting in these remaining US states moves in different directions based on how their governments operate. Some may require legalization by statute or at the polls, while others may require a constitutional amendment. Referendum, legislation action, tribal action or a combination of these requirements, could determine the success of sports betting proponents.

Around the globe it has become increasingly important for companies to ensure their Corporate Social Responsibility (CSR) activities create a fair, inclusive, diverse, and ethical workplace for all and to work towards achieving environmentally sustainable businesses. In your opinion, what can lotteries do to enhance their CSR activities, to create a fair and diverse workplace and to best protect the environment?

You’re absolutely correct about the importance of Corporate Social.
Responsibility (CSR) in our industry. It’s vital that we instill in our core mission a commitment to community, diversity and inclusion, helping the environment and providing an enriching workplace. Those pillars, along with our mainstay of responsible gaming practices, help us play a vital part in our community even beyond offering entertainment and generating billions of dollars for good causes.

As we work to further develop CSR programs, we can learn from each other and from the guidance and case studies offered by WLA. Just a few examples include exploring new recruiting strategies, expanding internship or other programs that offer hands-on industry experience, and implementing policies and procedures that provide a supportive work environment. Additionally, I’ve been impressed with the variety of lottery programs that contribute to sustainability, including recycling in the workplace, using recycled materials for tickets, offering digital playslips, anti-litter programs, supporting vendors who operate in a sustainable fashion, and designating funds to environmental and greenspace programs. Many lotteries also offer staff the chance to volunteer for projects such as clean-up or helping a food bank.

The 2020 World Lottery Summit was postponed until 2022 due to the COVID-19 pandemic. This year, the WLS2022 is scheduled to take place in Vancouver, Canada from October 16 – 20. What can members of the world lottery community expect to see at this event and why is it important for them to attend?

This invaluable event will offer networking for suppliers, lottery professionals, and other experts passionate about the lottery sector, in a professional environment. It will allow for the exchange of best practices, innovative ideas, and strategies for addressing challenges we face as an industry and enable participants to find colleagues and collaborative partners for future projects. We’ll also learn about the advancement of technology in our industry and have the chance to meet those shaping and changing the field and the world in general.

I’m pleased that we will be joining forces with the North American Association of State and Provincial Lotteries (NASPL) as we did in 2012, which was truly a world-class gathering. And to top it off will be the amazing setting—the vibrant, scenic and diverse city of Vancouver, Canada. My extended appreciation goes to our gracious host, the British Columbia Lottery Corporation, from whom we continue to learn.

At this year’s Summit, we’ll reinforce the theme that aptly describes our work: Leading the journey. Inspiring the future.

See you there!

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“Methods for certain functions described herein are patented. United States patent number 11,011,027.”
The data revolution in sports betting

The data revolution is akin to the industrial revolution of the 1800s. Whereas the industrial revolution was fueled by coal, everything we do today is fueled by data.

Over the past decade, technology advances have disrupted many industries and changed the way they operate. Advances in broadcasting, live-streaming, improved connectivity with the Internet of Things, and more recently 5G and cloud computing services have offered new opportunities and platforms for doing business.

Technology continues to change how we live. We use our smart phones to access information whenever we need it, wherever we are. Many daily activities are carried out online, such as communication, banking and purchasing items.

During the global pandemic, millions of people studied and worked remotely, thanks to these technologies. Confined to home during the lockdowns, many turned to the online world for entertainment.

Online sports betting boomed. In fact, the global online gambling market – including playing casino games, poker and/or sports betting – is expected to reach more than USD 92.9 billion in 2023, according to Statista, a leading provider of market and consumer data. Improved mobile access and use, accelerated digitalization, and the legalization of sports betting by the US Supreme Court in 2018 are some of the reasons for this growth.

As online sports betting evolves to include in-game betting – where punters bet on aspects of a game once it has begun – they require the delivery of accurate, detailed data, to quickly be able to place their bets.

The global sports analytics market is expected to surpass USD 10 billion by 2028.

The evolution of artificial intelligence (AI) technologies such as machine learning (ML) and neural networks have resulted in data analytics changing the nature of business intelligence across diverse industries, including sports and the lotteries.

Other technologies such as virtual and augmented reality are enabling further developments for sports betting in the next generation of the Internet in the so-called metaverse, which is in its early stages of development, and requires data.

Whatever the online format, integrating and automating data collection and analytics into operational processes offers the vital, more detailed and comprehensive information required for making rapid and informed decisions for the different stakeholders of the sports world, including: athletes, coaches, teams, leagues and fans, as well as sports bettors (punters) and online betting operators.

However, important questions are raised when a product or service uses personal data. For instance, what kind of data can be collected and by whom? Who owns and controls it? Who can access it? Where and how is it stored, who might it be shared with and on what terms?

As online sports betting grows at a pace and generates billions of dollars, these questions will need to be answered rapidly. It will be paramount to develop international norms for ensuring the protection of the punters’ data, and that players and sports also benefit from their own data.

Data collection, analysis, and use in sports and sports betting

Data collection and analysis plays a significant role in the world of sports by helping athletes and teams hone their performance. It has also changed the way the media covers sporting events and facilitated the growing popularity of sports betting.

A booming trend

According to Statista, the global sports analytics market is expected to surpass USD 10 billion by 2028, achieving a compound annual growth rate of 21.8 percent between 2021 and 2028.
Athlete data

Technology is changing how athletes train, compete, and minimize injury risk. It is also helping to manage their careers, improve their performance, and enable them to be more aware of the factors that can have an influence on their game, such as fatigue, stress, and their biological processes. Enhancing the world of sports, innovative technologies have broadened the scope of what athlete data can be collected and analyzed.

For instance, the body can be monitored for its location on the field, motion, skin temperature and muscle fatigue, eye movement and head impact. Sensors also monitor arm speed, elbow stress, ball touches to the feet, and for the legs, distance covered, stride length, acceleration, and deceleration.

Some personal biometric data readings include heart and respiration rate, blood oxygen, and/or glucose levels, core body temperature and sleep patterns.

Improving individual and team performances

For years, important decisions in team sports, such as which players to draft, to trade, or to develop, and what coaching strategies to take, were made by either a gut feeling or through adherence to past traditions, without the help of digital tools.

Now, coaching regimes have been greatly improved before, during, and after a major match or tournament, owing to wearable sensors worn by players and optical trackers positioned at various angles throughout the sporting environment. Coaches receive real-time data on the performance of their players and analyze it later with the team.

Tracking fans

Data analytics in the sports arena has moved beyond the athletes’ performance to track the fans movement, behavior, and purchase habits. This helps sports teams predict everything from ticket pricing, to staffing on game day, on through to improving parking lot congestion at the stadium.

This information enables the mapping of a fans’ broader behavior outside the stadium to better understand their preferences before they arrive at the arena and after they have left. It could help teams better market events and provide fans with targeted messages relating to upcoming matches.

Monitoring punter behavior for enhanced experiences

The demands and requirements of punters drive the development of products and services offered by gaming operators. In addition to betting odds, tech-savvy punters want fast, accurate data that helps them make their decisions.

Betting operators analyze punter habits and preferences through their data, to enhance the betting experience, and tailor products and bet suggestions based on their preferences, such as which sport, location, odds ranges, times or day, a particular market and whether the betting is for pre- or in-game.
Ensuring responsible gaming

As industry increases pressure on operators to create safe, responsible gaming sites and applications, punter behavior data helps operators decide which measures to implement, to ensure punter safety, such as a self-exclusion options, playing time or spending limits.

Game-changing tracking solutions behind data analysis

Technology-based sports betting has emerged that allows for tracking of advanced, real-time athlete performance (biometrics and biomechanics) in sports competitions.

Many stakeholders in the sports world – data collectors, sports betting operators, teams, coaches and athletes – use solutions developed with wearable devices, and optical tracking solutions that deploy artificial intelligence with enhanced features.

Soccer

The automated analytics platform Track160 is powered by computer vision and deep learning models that allow soccer leagues and clubs to gather comprehensive data and insights into individual players, groups of players or the entire team.

This technology is non-invasive. Players do not wear a GPS tracking device, and no human operators or infrastructure are required. The platform can extract the data from a single viewpoint recording of a match.

It works by automatically identifying and tagging all the events (passes, corners, goal kicks etc.) and generating a single video clip for each one using a single viewpoint camera, advanced AI optical tracking, and deep learning technologies.

Performance analysis and reports for individual players, groups or the team, are produced on the fly. Data insights on player moves can be used to develop strategies, study dangerous points of the game, and better understand the opponents.

The sports science section records all physical data pertaining to all players. It covers fitness data, distances covered, acceleration and deceleration, sprinting actions, as well as detailed passing information, which can be downloaded or exported.

Soccer goal predictor

Sportradar, a leading provider of real-time sports data, and the Amazon ML Solutions Lab, have collaborated to develop a computer vision-based Soccer Goal Predictor that uses machine learning which incorporates more fine-grained information at pixel level to develop a solution that predicts goals with high confidence, a couple of seconds before they happen.

Australian football

The Australian Football League (AFL) app provides statistics for every match, as well as real-time scores and leaderboard, player data on ball possession, speed and ground coverage.

Cricket

Cricket21 is an end-to-end match analysis engine which offers team performance analysis and opposition scouting. Covering batters, bowlers, fielders and umpires, the data gathered is compared to past games and used by coaches to improve performance and develop game strategies. It is possible to see how a specific batter played against a specific bowler, the types of shots scored, dismissals, and balls bowled.
Team sports – American football, hockey, lacrosse

Athletes may experience head impact during team sports, such as football, hockey or lacrosse. Athlete Intelligence provides head-impact monitoring and performance tracking solutions for team sports, that help coaches and trainers improve athlete safety and performance. Connected mouth guard and helmet or headband devices monitor and gather data such as impact count, severity, and location on the head. This real-time data is then transmitted and reported directly to mobile phones, tablets, or apple watches.

State-of-the-art stadium infrastructure

The UK Tottenham Hotspur stadium, modeled on US equivalents, uses cloud-based communication and collaboration systems to connect fans to the club with a more personalized service when ordering tickets, getting information about injuries, stadium directions and kick-off times via multiple channels, including telephone, online, social media, and email. It is a prime example of how event promoters can also take advantage of data insights to drive fan interest.

Customer data can be accessed instantly from any device connected to the same service. The idea is to enhance the fan experience wherever they are in the world so that useful information about the team, matches and athletes is tailored and provided to fans.

How sports betting operators use data

With the expansion of data in sports, sports betting operators are capitalizing on its value by offering punters in-game betting, providing tools that create attractive odds, and increase bet volume and frequency.

Within the last ten years, in-play betting has surged across many different types of competitions and requires bookmakers to change their odds on the fly during a competition, with the flux of the relevant data and changing probabilities. Digital streams show live games that include a data suite by diverse providers, but this requires quality data and speedy delivery.

The use of real-time athlete data to track and adjust predictions is fundamentally changing the sports betting industry. Work is now being done to combine collected data with AI technologies that will take data analytics to the next level.

Real-time digital wagering has created betting opportunities that don’t rely on score. Instead, spectators create their own narrative tension by betting on individual pieces of the action, heightening the entertainment value of the game. They are betting on something that is going to happen in the next few seconds, such as a ball or strike in a baseball pitch, or if the next tennis serve will be an ace, or a field goal being made or missed in American football.

Different types of data used in different scenarios

On and off the court or field, player and game statistics, such as the number of goals or passes made can be collected by anyone watching the game, whereas biometric data – or any kind of biological information which can be obtained from an individual player – must be gathered using sensors placed somewhere on the athlete.

As innovative AI technologies pervade the sports sector, they enable new platforms that rapidly package this data for use in different ways. Legal betting operators use sports data feeds to provide their punters with the insights they need to bet on sporting events.

Fantasy sports have been around for decades, the modern era developed in the 1980s with baseball, using real player data. In 2022, top sites offer American football, baseball, cricket, golf, hockey, NASCAR, and soccer. Participants assemble imaginary or virtual teams composed of proxies using real player data from professional sport. The competition is based on the statistical performance of those players in real games. This performance is then converted into points collated by the team manager. Like the real world, fantasy baseball has a league where team owners can draft, trade, and drop players.
Data raises questions

One of the main challenges in sports is to think on your feet, that is, quickly process information and react to it decisively and effectively. This is an instinctual gift of great coaches and talented players.

The data revolution has democratized this instinctual ability and shifted who holds the analytical advantage in sports competitions. But this revolution has brought with it some new ethical questions. For instance, some would argue that the data revolution is taking the human element out of the game, making it a competition among data analysts rather than athletes.

Ownership, use, and privacy

A number of interesting challenges face the sports betting world. Concerns regarding athlete data ownership, interpretation, privacy, confidentiality, and use have emerged. The commercialization of sport is a lucrative business in which diverse player data is used in products (physical and digital) and advertising.

Even if players do not own their data, they are beginning to question who can access and use it and why they are not benefiting from all its subsequent uses.

While impressive statistics may help players during contract negotiations, many are concerned that biometric and performance data might be used against them if it demonstrates diminished performance.

The use of real-time athlete data to track and adjust predictions is fundamentally changing the sports betting industry.

In a podcast interview with Steven Burton, CEO of Genius Sports, during his former role as Director of Integrity, Governance and Sports Partnerships, he highlighted a key challenge faced by sport and sports betting – which is still the case today – that there is a patchwork of intellectual property (IP) rights around data in sport and different jurisdictions have different concepts of the copyright infringement. Burton also emphasized that where sports have data or video rights, there needs to be a proper legal framework for them to be allowed to exploit those and derive commercial revenues.

Navigating the sports data ecosystem

The commercial use of data makes it a valuable asset for bookmakers, sports clubs, managers, and individual players. Whatever the use case, its value comes from its confidential nature and any exclusive rights to utilize or analyze it.

For the sports betting world, the value of data analytics continues to grow as seen in the contract signed by sports data provider Genius Sports, which became exclusive data partner for the US National Football League (NFL) in 2021. This partnership was reported to be worth USD 120 million per annum.

Until recently, sports leagues generally only saw a small fraction of the revenue generated from sports betting, and athletes saw even less. Historically, data collected from sports competitions has not been seen as property of sports teams, leagues, or federations.

The deal completed between the NFL and Genius Sports was followed by two important deals involving Sportradar, including an extension of its existing deal with the National Basketball Association (NBA) and new arrangements with Union of European Football Associations (UEFA), the International Tennis Federation (ITF) and the Asian Football Confederation (AFC). This UEFA deal has a specific importance within the current debate. For the first time, Europe’s governing body has sold the data rights to all its competitions.

Unlike observable event data, athlete data derived from sensor technologies require sports data providers such as Sportradar or Genius Sports to have access to team or league data. For some years, profitable agreements have been made that enable sports data providers to access and use athlete data from sports leagues. However, cases continue to arise where athletes believe that they should have more control over their data, and be remunerated for its use.
Unknown territories

Data rights can be complex and may vary in different jurisdictions. The sports world continues to learn about this subject on a case-by-case basis.

Australia

A number of laws come into play with regard to data rights in Australia. When data is collected in wearables, such as heartbeat or other vital signs, the person wearing the device that collected this raw data does not own the data. Australian copyright exists for original works, which means that the data would need to fulfill certain requirements before it could be protected – for instance, by using the data to conduct research in the production of a literary work or scientific report.

As for data use, the Privacy Act 1988, may limit the way biometric data can be used or disclosed, giving the player certain control. However, collective agreements between players and sports leagues may require athletes to agree to their data being collected and left in the control of the league, as is the case with the Australian Football League.

Europe

Horse racing

The licensing of real-time sports data has been subject to litigation at the highest levels. In the early months of 2020, the European Court of Appeal overturned a previous ruling on a case involving horse racing data and its use for the creation of odds by “off-course” sports bookmakers.

The claim was brought by The Racing Partnership Ltd to protect the exclusive rights it had been granted by racecourses to collect, aggregate, and export racetrack data obtained on-course to off-course bookmakers, for those off-course bookmakers to update, and ensure the accuracy of the odds they offered. The Racing Partnership claimed that Sports Information Services Ltd, a former exclusive licensee that had been succeeded by The Racing Partnership, had encroached upon that exclusivity.

The Racing Partnership's claim to data exclusivity was based on a pastiche of legal rights that included copyright, database rights, contract law, and the law of confidence.

The Court of Appeal accepted that these rights could potentially be used to protect data, and therefore exclude third parties from extracting value from it in certain circumstances. Unfortunately for The Racing Partnership, none of the legal rights they claimed were deemed to have infringed on their exclusivity. It was found that the data had not been imparted in circumstances importing an obligation of confidence, because the relevant contracts did not provide for any express restrictions on the dissemination of data. Here, the lack of operational management of the data in question through contractual restriction proved fatal to a claim for breach of confidence.

Soccer

In the case of soccer data rights, three key companies vie for contracts with the top competitions in the sport. Stats Perform, Genius Sports, and Sportradar, which aim to own rights to different competitions within the top tiers of the sport. Two of those firms are embroiled in a court case with each other regarding the present structure around the licensing and distribution of live data from football leagues for betting purposes. The dispute effectively revolves around
the difference between official data and exclusive data. Exclusivity can also be seen as being monopolistic, denying competitors access to stop them providing competitive offerings.

Data rights can be complex and may vary in different jurisdictions. The sports world continues to learn about this subject on a case-by-case basis.

United Kingdom

The Global Sports Data Technology consultancy provides leading technology, legal advice and opinion in the area of sports data governance, smart contracts and fan engagement. In October 2021, it began the Project Red Card initiative. A group of 850 current and former UK and Scottish professional footballers – sent pre-action litigation letters to at least 17 data companies, including betting, entertainment and data collection firms, regarding the trading of their performance data over the last six years. The players believe that they should have greater control over how their data is collected and that they should benefit from how it is commercialized.

Their argument is that the unlicensed usage of their personal data by third parties, contravenes the European Union General Data Protection Regulation (GDPR). GDPR defines “personal data” as any data relating to an identified or identifiable individual (the data subject). Under this Regulation, athletes have the right to access their data, request rectifications, and have the right to erasure.

They claim that they did not consent to, nor did they receive payment for the use of their data, which they believe to be personal data. They have not had the chance to correct data they feel misrepresents them and finally, they want to know that they will be compensated for subsequent use of their data, for instance by betting and gaming companies who may have contracts with the football league that gathers their data in the first place.

United States

Similarly in the US, it is considered that generating sports data usually requires mechanical collection and labeling only, rather than involving specialized knowledge to create original content. For this reason, the copyright infringement claim brought by the NBA in National Basketball Assn’ v Motorola, Inc. did not succeed, because the court said the NBA did not own copyright in live game statistics. Since statistics are an element of the sports event that anyone in the public could obtain from attending the game, the game itself could not be copyrighted.
A brief history of online sports betting

Until the mid-1990s sports betting was a static affair. You made your bet, paid the bookie, and got a slip of paper authenticating the bet. Then you waited for the outcome. In 1995, three option traders – Haden Ware, Steve Schillinger, and Jay Cohen – moved from the US to Antigua and established the World Sports Exchange (WSEX), probably the first online sports betting platform. WSEX was unique in that it was run like a commodities market, allowing punters to buy and sell options on team A or team B throughout the course of a match. WSEX betting was modeled after the futures market, with individual bets seeing probabilities fluctuate as the outcome of the game came into focus. This form of betting became widely popular as it was engaging and fun for punters around the globe. It became a point of reference for sports betting operations as we know them today. At the apex of WSEX’s success Cohen stated that the future of sports gambling would be totally interactive wagering during the game.

Despite the popularity of WSEX, the platform was in violation of the US Wire Act, which forbid the use of telephone lines for inter-state betting. Ware, Cohen, and Schillinger, being American citizens were all charged with Wire Act violations in 1998. Cohen flew back to the US to face charges. He proclaimed his innocence stating that WSEX could not be illegal owing to the fact that it was located in Antigua where online betting was legal. Cohen was found guilty and sentenced to 18 months in federal prison. On April 19, 2013, WSEX ceased operations. Shortly after WSEX went out of business, Steve Schillinger was found dead in his home in the Antiguan capital of St. John’s with a single gunshot wound to the head, victim of an apparent suicide. After spending 13 years as a fugitive, Haden Ware returned to the US in 2016 to face charges. He received a lenient sentence and was spared prison time.

After Cohen’s conviction, Antigua, angered by one of its licensees being jailed, and its loss of access to the US market, filed a complaint with the World Trade Organization (WTO) on March 21, 2003. Antigua claimed that the US had violated its General Agreement on Trade in Services (GATS) commitment to free trade in recreational services. The WTO ultimately ruled in favor of Antigua and awarded Antigua the right to suspend USD 21 million annually in intellectual property rights held by US firms.

Since the demise of WSEX, sports betting has proliferated around the globe, owing largely to online and mobile sports betting platforms. Although Haden Ware, Steve Schillinger, and Jay Cohen were seen by the US authorities as criminals, in many ways they are pioneers of modern-day sports betting.

Ensuring sports data privacy and security

Like any personal data, security and privacy of sports data must be ensured. This protects the players whose data is being used, the data owners, such as leagues or teams and the third parties who have the right to access and used it, such as sports data providers and their customers.

In his aforementioned podcast interview, Steve Burton explained how controlling access to data was key to maintaining sports integrity. Since most data collected that is valuable must be done so quickly and accurately from sports venues, it is important to work with sports leagues and federations around access to venues, ticket conditions and ground regulations to prevent access to the data or ability to collect it.

Burton also noted that if data is unofficial, fast, and accurate it, also has value and could be used by illegal operators if they can access it. Since sports betting (legal and illegal) will continue to occur worldwide, it is in the interests of the sports and betting worlds to work together to protect this data and maintain sports integrity.

Some sports (American football, baseball, racing, and soccer) use AI and machine learning solutions and blockchain authentication technologies for processing and analyzing sports data to protect data, applications, and systems, while optimizing game and business operations.
The World Sports Exchange website, shortly before they went out of business in 2013.

A San Francisco Examiner article from May 5, 2013 announcing the death of Steve Schillinger.

Stockbroker Steve Schillinger had worked at San Francisco’s Pacific Exchange for more than two decades when officials there discovered that he was taking illegal sports bets from other brokers and fled him. The year was 1996.

Needing a new job and intrigued by the explosive growth of the Internet, Schillinger moved to Antigua to help set up and run the world’s first online sports-betting service, called World Sports Exchange. Because the service was accepting online wagers from U.S. residents, the Justice Department deemed it illegal.

In 1998, the FBI charged Schillinger with unlawful Internet gambling and issued a felony warrant for his arrest. Until last

A San Francisco Examiner article from May 5, 2013 announcing the death of Steve Schillinger.
Sports betting and the media

In the 1960s, television began changing the way that fans experience sports, through highlights, instant replays, and nationwide telecasts. Today sports betting is proving to have an equally transformative effect on how we view sports. It has increased the entertainment value of sporting events and as such has increased the profit potential for media organizations.

The boom in sports betting, particularly in the US has had a profound influence on the media, and how the public perceives and consumes sporting events.

The major betting companies feature live streaming in their apps. This is putting pressure on network broadcasting of sporting events.

The increase in podcasts dedicated to sports betting is attracting sports journalists away from traditional sports media.

Media companies are increasingly becoming involved in the sports betting as they begin to see its enormous profit potential. They are finding that punters are greater consumers of sports media than non-punters. According to the Bleacher Report, an online news portal dedicated to the intersection of sports and culture, punters are five times more engaged with their app than other spectators.

Bill Simmons is a notable sports media personality. He is CEO of The Ringer, the media company he sold to Spotify last year for USD 196 million, and an avid sports bettor. On his popular podcast (the Bill Simmons Podcast), he provides sports analysis with an occasional tale of his most recent sports betting exploits. According to Simmons, gambling is part of sports and we may as well accept it.
New opportunities for lotteries in the metaverse

Artificial intelligence, virtual and augmented reality, 3-D modelling, 5G, and edge computing are some of the extended reality technologies that make the metaverse possible. As this space rapidly evolves, the lotteries have begun to explore how they can enhance their products and services to enrich connected virtual experiences for their players and ensure their presence in the metaverse.

The digital world is ubiquitous and constantly evolving. With over 80% of the world owning a smart phone and ever-improving connectivity, it is at our fingertips most of the time.

The metaverse or meta universe, referred to by some as the Internet’s next frontier, focuses on virtual and augmented reality technologies within the current and future digital platforms. Virtual Reality (VR) headsets, Augmented Reality (AR) glasses, smart phones, and other devices allow users to enter 3-D environments where they can interact, work, visit remote locations, and learn in new and immersive ways.

According to Statista, a global provider of market and consumer data, it is estimated that by 2026 one quarter of the world’s population will spend at least one hour a day in the metaverse for digital activities including work, shopping, education, social interaction, or entertainment. Additionally, almost a third of global businesses are projected to have products and services ready for the metaverse by then.

As the number of digital consumers continues to grow in the lottery and sports betting sector, and the number of users of virtual platforms continues to grow worldwide, the metaverse offers opportunities to develop and enhance lottery products for players.

Digital world

There are many examples of how the real and virtual worlds blend in our lives. Throughout the global health crisis, VR meetings have saved the workplace through platforms like Zoom and Teams. But as the world gradually reopens, hybrid options will accommodate all workers. Some tech giants are already developing VR business meetings in the metaverse.
The idea is that your avatar – a figure that normally represents a person in a video game – sits at the table, enabling you to work from anywhere and still feel present with your colleagues. In the coming years, the scope of the metaverse will likely broaden to include socializing, shopping, and gaming.

Understanding changing consumer habits

Over the past two years, the global pandemic’s restrictive lockdown measures forced people to work, study, and spend a lot of time at home. It accelerated digitalization and redefined how we live our lives. As people looked to the online world for entertainment, businesses had to rethink operations and develop online products and services for people to enjoy from home.

Lotteries also found new ways to reach customers and continue their work of supporting good causes. As we enter the post-pandemic era it will be interesting to see what new habits are here to stay and what else is on the horizon. However, one thing the industry agrees on, is the importance of understanding players and putting their needs and wishes first.

Staying on top of trends

According to the Foresight Factory Trending 2022 report, though consumers have long sought ways to create digital identities through online platforms such as Facebook, gaming has taken this concept to another level with avatars that allow players to create their online identities to appear the way that they want. They can be enhanced using filters and gaming skins. A skin is a graphic or audio download which changes the appearance and character of avatars in video games.

Lotteries, omnichannel, and the metaverse

In a recent webinar on marketing trends held by the WLA and EL, speakers from the industry discussed their marketing strategies and how they are developing products that enhance player experiences in retail and digital channels.

Educating in the metaverse

Sharon Duncalf, Vice President, Global Insights and Planning at IGT, talked about recent consumer trends and what they could mean for the lotteries. Quoting the Trending 2022 report, she noted that 50% of consumers have bought, or are interested in buying, in-game items such as skins or characters.

As lotteries work towards achieving seamless omnichannel offerings, Duncalf stressed the importance of “embracing the metaverse as a channel for engagement and exploring how games and virtual worlds can help the lotteries engage with customers on a deeper more interactive level.”

She added that a ‘did you know’ ad that promotes good causes in the virtual world, provides lotteries with a unique platform to market their corporate social responsibility initiatives and win new customers.

It is estimated that by 2026 one quarter of the world’s population will spend at least one hour a day in the metaverse for digital activities including work, shopping, education, social interaction, or entertainment.

METAVERSE

It is estimated that by 2026 one quarter of the world’s population will spend at least one hour a day in the metaverse for digital activities including work, shopping, education, social interaction, or entertainment.
Additionally, an IGT report titled Lottery and the metaverse, emphasizes the importance of data, which links information with the metaverse, and that lotteries are in a strong position to leverage their player data thanks to the work done over the years to establish player trust and confidence.

**Omnichannel promotional code**

Speaker Shannon DeHaven, Vice President of Digital Engagement at Pollard Banknote Limited, cited an example of the omnichannel strategy at the Michigan Lottery, which develops retail and digital offerings that complement each other.

Instant tickets with a promotional code are sold at the retailer. Players who purchase these tickets can then sign up online for a Michigan Lottery account for which they would receive free Lottery games. Players who subsequently make a first-time deposit to continue playing iLottery games receive a coupon that can only be redeemed at the retailer.

“The player’s journey begins at the retailer, it takes them online, and then brings them back to the retailer. This deliberate crossing of channels is aimed at giving players a choice of where they can play, while allowing them to see the value of each sales channel”, said DeHaven

**A physical store with digital and paper products**

Another example where lotteries are crossing retail and online channels is the Washington Lottery’s retail outlet called the Department of Imagination, which combines operations, education, and ticket sales under the same roof. The venue can host regional promotions and engage with lottery players, to provide more education about what the lottery does and the causes that it supports. The outlet is equipped with a large interactive video screen and visitors are sent notifications of sales, jackpot figures, and new products as they approach certain touchpoints within the store. It also offers the Washington Lottery the chance to engage with players and learn about their habits, what they expect, and the types of games they would like to see developed.

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**Jumbo’s 5P promise for iLottery**

With over 20 years of experience, and industry-leading resources, we can confidently make this 5P promise.

- **Proven** We have over 75 customers across government and charity lotteries
- **Pioneering** We have some of the newest and most agile technology in the industry
- **Partnering** We have worked with and have experience in integrating with major industry vendors
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- **Pace** We can be up and running in as little as 8 weeks

Don’t let your growth be restricted by the tools you use. Contact us now and see how we can help you.

[www.jumbointeractive.com](http://www.jumbointeractive.com)
WLA scales up the fight against illegal betting

Last year, the WLA began ramping up its actions in the fight against illegal lottery and betting operations. The WLA, in collaboration with the Global Lottery Monitoring System, brought more awareness raising initiatives to the world lottery community, in an effort to help its members around the globe protect their interests and better serve their respective communities.

The global pandemic has greatly accelerated the digitalization of many industries, including state-authorized lotteries, and compelled them to develop and enhance their online offerings.

This is also true for illegal online betting operators that have taken advantage of technologies such as cryptocurrency for payments, which offer players anonymity and can lead to unlawful monies being laundered through their web sites around the world.

Additionally, such unregulated operators pose a threat to the legal lottery and sports betting sector, because they do not ensure responsible gaming measures are taken to protect the well-being of players and those who may be vulnerable to gaming addiction, nor do they pay taxes like the legal lotteries, part of which funds good causes.

According to a task force set up to combat illegal betting by the Asian Racing Federation, as many as 80% of sports and racing bets worldwide are made illegally and the total amount wagered illegally may be between USD 340 billion and USD 1.7 trillion, as noted in its handbook, Good practices in addressing illegal betting.

More than ever, the legal sports betting sector and sports world must work to protect the integrity of sports and their reputations from the manipulation of competitions and illegal betting that is growing rapidly and has become a transnational issue.
Increased information exchange

Over the last year, the WLA has ramped up the actions it is taking to help combat illegal betting. Its Illegal Lotteries and Betting Committee (ILBC) produced an informative brochure, titled *Combatting illegal betting to protect the integrity of sports*, which examines trends and technologies that have helped grow a global ecosystem of illegal betting operators. The brochure is available for downloading from the WLA website.

The brochure looks at the impact such operators have on legal lotteries and sports betting and what the WLA is doing towards global efforts to protect sports integrity through collaboration with different organizations.

It considers the Council of Europe Convention on the Manipulation of Sports Competitions, also known as the Macolin Convention, which the WLA helped to draft and fully supports. The Convention is the only international accord in the global fight against the manipulation of sports competitions and illegal sports betting. It defines illegal betting and provides a legal framework for law enforcement, sports organizations, legal betting operators and competition organizers to help detect, sanction and ultimately prevent the manipulation of sports competitions.

The sports group of the WLA Betting Integrity on Sports and Horse Racing Committee (BISHRC) has developed a *Sports Betting Marketing Best Practices* brochure, which provides state lotteries with guidelines on how to position and market safe and responsible gaming products. The brochure also addresses the fight against illegal betting and is available for downloading from the WLA website.

The WLA also produced a brief guide to the Macolin Convention, which examines the Convention’s key provisions, including the concept of establishing National Platforms. Serving as a hub for centralizing, analyzing, and sharing data essential in the fight against the manipulation of sports competitions, the National Platform brings together all relevant stakeholders in a united front against corruption in sports and illegal betting.

Awareness raising activities

As the global authority on the state-authorized lottery sector, the WLA is tasked with upholding the highest ethical principles and supporting its members in achieving their goals within their communities.

One of its objectives is to offer members learning opportunities and keep them updated of the latest global developments, to ensure members are consistent in their messages to all stakeholders.

In 2021, WLA dedicated a webinar to Unauthorized lottery and sports betting operations. One of the topics examined was unregulated gaming operations – also known as synthetic lotteries – which allow consumers to participate in online lotteries that are developed on the gaming products of state-licensed lottery operations and offered in jurisdictions where the synthetic lottery is not licensed to operate. Concerns raised included the fact that consumers do not get the same level of protection offered by legal lotteries and their impact on government revenues and return to good causes.

The webinar also featured a presentation from a blockchain technology expert, who highlighted the growing potential blockchain offers the lottery sector, from managing player identification, claims, and payouts, to enabling trust and reducing processing costs.
Greater collaboration with the Global Lottery Monitoring System

In January 2022, Luca Esposito, WLA Executive Director, began his role as General Secretary of the GLMS, an international association of state lotteries that aims to safeguard the integrity and core values of sports from corruption and from the manipulation of sports competitions.

This unique situation of working in both organizations allows Esposito to further strengthen their ties and support GLMS activities by drawing on WLA resources.

Esposito brings a broad knowledge of lottery and gaming technology and the specific needs of the state-authorized lottery and betting sector. He also has a deep understanding of sports betting and the issues pertaining to achieving sports integrity and has worked with many of the organizations involved in the united fight against illegal sports betting and match fixing.

In 2021, GLMS reported on the successful conclusion of the EU-funded IntegriSport Erasmus+ project it participated in, which served as a vehicle to raise awareness, increase cooperation, and provide support to law enforcement and judicial authorities in their fight against sport manipulation.

Looking ahead

The WLA is working on new materials, planning more webinars, and expects to hold some live seminars this year. It greatly values the exchange of information with its member and the broader lottery and sports betting communities, and remains focused on contributing to global efforts to fight illegal betting and sports manipulation.
Taking stock of 2021 – from digitalization to responsible gaming

As work continued within the confines of the global pandemic, 2021 saw an increase in WLA virtual events that attracted over 1,500 participants from around the world. Most of the webinars were organized in cooperation with five regional associations.

Making the most of the virtual format, the WLA successfully reached broader, more varied audiences with topics that continue to shape the global lotteries and sports betting communities. Industry leaders and experts shared insights into the latest retail and online marketing trends and technologies, such as artificial intelligence that can help vulnerable players, and delved into some of the key challenges faced when it comes to maintaining the transparency and integrity of legal betting operations.

Unauthorized lottery and sports betting operations

The year began with the topic of unauthorized lottery and sports betting operations. Webinar participants heard about synthetic lotteries, where players bet on the draws of state-authorized lotteries from other jurisdictions. Companies that offer synthetic lotteries generally operate illegally within the territory where they sell their gaming products.

Concerns were raised that such operations evade taxes resulting in a loss of income for good causes and disregard consumer protection and responsible gaming measures. However, it was noted that industry stakeholders can provide solutions by enforcing international restrictions, running educational campaigns and taking judicial and administrative actions such as legal reforms.

Lottery trends during the pandemic

As the year progressed, several webinars examined the trends and challenges faced throughout the global pandemic and looked ahead to the post-pandemic era.

Rapid digitalization

In 2020, data from the IBM U.S. Retail Index showed that the pandemic has accelerated the shift away from physical stores to digital shopping, by roughly five years.

Retail restrictions forced lotteries to ramp up their digital presence for a growing online player base. Additionally, the nature of the pandemic accelerated the deployment of cashless, touchless terminals and applications for safe, easy product purchase and payment of winnings.
Growth in online betting

The knock-on effect of restrictive measures taken to combat COVID-19 worldwide has accelerated online betting and digital payments through authorized and unauthorized means. In the latter case, the challenge remains of identifying unauthorized operators who can hide activities behind third-and-fifth-party payment processors. Additionally, cryptocurrencies – favored by these operators – offer swift, almost untraceable, transactions.

United fight against illegal betting and sports competition manipulation

Increased manipulation of sports competition, illegal operations and anonymous players have led to a greater international collaboration in the fight against illegal sports betting. UEFA and IOC talked about increasing awareness raising and capacity-building activities in conjunction with Interpol, and monitoring and intelligence services with GLMS in the lead up to the UEFA EURO 2020 and the Tokyo 2020 Olympics.

Improved communications with industry stakeholders

Many lessons have been learned on how to manage daily operations during the new normal of an ever-evolving global health pandemic. In one such example in Australia, where eight state-specific lockdowns affected up to approximately half of the retail network in some states, it was imperative to check customer expectations and continue community support; increase communication and support to retailers regarding COVID-safe work spaces; maintain strong relationships with governments and partners, to continue delivering products as usual, and establish flexibility in commercial arrangements.

Corporate social responsibility and responsible gaming

Corporate social responsibility has broadened beyond the scope of responsible gaming to address the impact lottery operations have on the environment and to ensure the well-being of employees and their greater communities.

These themes were examined in several webinars. Presentations were given from lotteries that are taking steps to protect employee and human rights, develop sustainable energy-efficient products, and contribute to the local economy through job creation. Others used artificial intelligence and data analytics to develop applications that help players who may have gambling addictions, while some ran campaigns to raise awareness of responsible gaming that focused on positive action rather than negative outcomes. One lottery supplier explained the measures in place to ensure human rights and sustainability throughout its global supply chain.
The knock-on effect of restrictive measures taken to combat COVID-19 worldwide has accelerated online betting and digital payments through authorized and unauthorized means.

Adding horse race betting to the lottery mix

A webinar dedicated to horse race betting offered insights into the sport, types of betting offers and the opportunities for lotteries that add it to their product mix. Some of the benefits highlighted included its global offering, the existing wide range of horse race betting technologies and interfaces for retail and online channels, the broad selection of products, comprising high winnings and that meet market needs and customer expectations, as well as attracting new, high-value, loyal customers.

Security and risk management

Lotteries must protect their online systems and player data from cyber attacks. This means improving detection of existing hidden threats and the response to potential attacks, using varied methods.

The WLA Security and Risk Management Committee is responsible for the WLA-Security Control Standard, (WLA-SCS:2020), which defines security, integrity, and risk management for use by the lottery and sports betting sector. During the pandemic, remote auditing has been offered as an option for WLA-SCS assessments.

The Bug Bounty platform was presented during a webinar on security. By using crowdsourcing of ethical hackers with diverse expertise from around the world, the odds of finding more valid vulnerabilities in online systems are increased.

Key takeaways included the need to find threats that slip through perimeter-based security architectures by running security searches through networks, endpoints, and datasets to hunt malicious, suspicious, or risky activities missed by the existing tools and security tests.

Several lotteries that have used the service praised the approach. The session also included a hypothetical disruption scenario which gave participants the opportunity to experience and address a critical situation that could threaten a lottery organization.

The WLA would like to thank the African Association of Lotteries (ALA), the Asia Pacific Lottery Association (APLA), the European Lotteries (EL), Ibero-American Corporation of State-Authorized Lotteries and Betting (CIBELAE), and the North American Association of State and Provincial Lotteries (NASPL) for their cooperation in making the webinars a great success and looks forward to continued efforts in 2022.

ONLINE & RETAIL LOTTERY

Are two sides of the same coin

www.skilrock.com
Spring is a time of renewal, the change of seasons that signals new beginnings and the opportunity to try something different. While a lottery’s instant ticket portfolio is stocked full of player favourites, periodically refreshing the line up is a worthwhile endeavour. Leveraging the familiarity of those enduring games with new and exciting features—in the form of new print innovations, designs, or playstyles, for example—is an effective way to boost sales. Several lotteries have made subtle enhancements to refresh games their players already know and love, injecting variety and novelty to generate excitement and chatter at retail.

**A Big Ticket™ – But Make it Pop!**

Pollard Banknote’s Big Ticket Pop-Ups™ are the latest, supersized addition to our print innovation portfolio, offering a novel take on the traditional instant ticket. With a unique foldable format, tickets transform into self-standing creations that bring to life a variety of shapes and themes.

British Columbia Lottery Corporation (BCLC) was the first to bring the innovation to market with Treasure Tree, part of its holiday 2021 portfolio. The game—which easily transforms into a holiday decoration—flew off the shelves, selling out within six weeks and receiving overwhelmingly positive feedback from both players and retailers. By diversifying its instant ticket portfolio with a novel, innovative ticket format, BCLC maximized its entertainment value with a fresh new take on a holiday game.

**A New Take on a Classic Playstyle**

Loterie Nationale (Belgium)’s Jeu 21 is a blackjack-style game that has been offered since 1993. While the game’s art has been consistently refreshed over the years, the Lottery decided the time was right for a complete makeover. The Lottery challenged Pollard Banknote to reimagine the ticket to offer a play experience that more closely resembled an actual blackjack game.

Pollard Banknote’s Flip Scratch™ print innovation, which combines the best features of scratch tickets and pull-tabs, provided an ideal solution. Players first pull a tab to reveal their cards on the underside of the tab. Then, they remove the scratch-off underneath the tab to reveal the dealer’s cards. With three hands to play, and a bonus card that offers an additional chance to form a winning hand, Flip

**Instant tickets worth launching: Refresh your instant ticket line-up and engage with players TODAY**
Scratch™ has succeeded in creating a more authentic and entertaining play experience for Loterie Nationale players.

Changing it Up at the $50 Price Point

The Texas Lottery was one of the first lotteries to introduce an instant ticket at the $50 price point fifteen years ago. Since then, the Lottery has expanded its $50 game selection, offering multiple games at any given time to appeal to different player segments.

One of its most recent $50 games, Casino Millions, was the Texas Lottery’s first $50 game to feature Scratch FXtra™, Pollard Banknote’s brilliant registered holograph innovation which creates a visually stunning game that is simply unmatched at retail. Casino Millions became the highest-selling $50 scratch ticket game in Lottery history based on sales through the first 10 weeks. The game also demonstrated that strategic enhancements can be a great way to maintain interest and drive sales at an established price point by heightening the game’s perceived value.

The Minnesota Lottery recently launched its fifth game at the $50 price point with the Pollard Banknote-printed Ca$h. The price point is a strong seller for the Lottery, but because it’s a niche player category, the shelf life of each $50 game can be longer than the average game, averaging up to two years. To ensure the game remains fresh throughout its extended time in market, the Lottery leverages colour scenes and colour pulsing features. Ca$h includes two colour scenes and its predecessor, 500X, featured four colour pulses, a clever application of simple print options to strategically extend appeal at retail.

Easing into Digital Play

Incorporating a digital play feature into an instant ticket is a great way to keep games fresh by offering players more play opportunities and more chances to win. Western Canada Lottery Corporation (WCLC) has been offering its players instant tickets with a digital play component for several years. Its latest, Cash Blast, boasts a slots theme across the printed ticket and Pollard Banknote-developed xtraplayGAMES™ digital game.

The game begins and ends at retail: after purchasing the ticket at a lottery retailer, players remove the scratch-off to play the game and reveal a QR code. Scanning the QR code with a mobile device opens a browser window for convenient instant play without any sign-ups or downloads. With an unlockable bonus round and prize multiplier features, players are treated to a delightful digital play experience, returning to retail for prize redemption. WCLC typically sees over 45% of these tickets played online, a strong indication that players are enjoying the experience.

Whether it’s by imparting more value with a digital play component, enhancing a ticket with a dazzling print innovation, or revitalizing a longstanding game with a new format, subtle changes succeed in energizing instant ticket portfolios and boosting sales. We’re confident that these fresh ways to engage with lottery will be as welcomed by players as the changing of seasons from winter to spring.
“Infinity Instants™” games go well beyond the simple notion of high-definition black printing by bringing vibrant color, scene variety, and ticket-level customization to the instant product,” said Keith Cash, IGT Vice President Global Instant Ticket Services.

This new and transformative IGT innovation fundamentally enhances product value and the player experience. “The technology opens a new world of opportunity for designers and lottery product managers to create game mechanics and customized graphics as never before possible, said Cash. “True to its name, the possibilities are infinite.”

If you were tuning-in to watch your favorite TV show, would you rather view it on a black-and-white set with “bunny-ears” antennae or on a full-color 4K ultra-high-definition screen?

Lottery players might naturally ask themselves a similar question when it comes to the games they love. Scratch tickets drove about 34% of global lottery sales in 2021, with sales increasing 16% over 2020. Like the medium of television, this enduringly popular form of lottery entertainment must continue to evolve to retain players and add new ones.

IGT’s new Infinity Instants™ games advance the instant-play experience by leaps and bounds with patented digital printing technologies unlike any other in the industry.

The result is not one new game title but a whole new category of games that offer lotteries an extraordinary level of customization, jaw-dropping resolution, and the ability to enhance virtually all elements of an instant ticket.

“Infinity Instants are fun to play,” said one U.S. lottery Product Manager following a recent game launch. “The colors are vibrant, and most exciting of all, they deliver something new and unexpected.”

“You don’t know what a difference Infinity Instants technology makes until you scratch the latex and see the symbols and colors underneath these tickets,” said another. “We wanted it to be a ‘wow’—a fun surprise for players.”

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**KEY BENEFITS**

**For Lotteries**
- Engage players in new ways with unique and flexible designs and patterns
- Drive sales through games with new playstyles and incredibly detailed graphics
- Establish new game categories to target specific areas of new and existing player growth

**For Players**
- New playstyles and detailed artwork keep players engaged and drive future purchases
- Unlimited variability in scenes makes every play experience feel unique

**For Retailers**
- Create unique promotional opportunities for individual retail chains
- Retail facings can be displayed in new and eye-catching ways, and can be changed more frequently
Infinity Instants® games are produced on a physical press, but the preparation process is all digital. In place of a station with a plate and a cylinder producing an identical product millions of times over, the technology allows for a full level of customization – every ticket can be different, side by side, with unique scenes or artwork. Lotteries can even extend design and color underneath the play area, which has always been “the land of gray.” As shown in the examples here, the possibilities open up whole new avenues of use by lotteries and are completely compatible with all industry standard quality and security requirements.

**THE COVERED ARTWORK**

**DISPLAY GRAPHICS** Display graphics can extend beneath the scratch-off coating, creating a “wallpaper” effect where the image becomes visible once the game is scratched.

**INSTRUCTION SYMBOLS** Symbols in the play instructions can now be imaged in full color and can be varied, so that each scene in a multi-scene game can have a specific symbol that matches the scene.

**CUSTOMIZATION** Opportunity for customization within a print for retailer exclusives and other promotions.

**SCENES** The number of scenes in a pack can extend well beyond what can be achieved with traditional printing technologies.

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**THE UNCOVERED ARTWORK**

**FONTS** A variety of fonts that match the look and feel of the overall game.

**GAME & PRIZE SYMBOLS** High-resolution digital imaging provides symbols with distinct characteristics and colors.

**CAPTIONS** Easily identifiable, high-resolution, full-color symbols make the use of captions optional and enable the use of smaller “micro captions.”

**PLAY AREA BACKGROUND** The game design can be extended beneath the scratch-off coating. A solid color can also be used to provide striking contrast between the play symbols and the background graphics.

**FLOAT** Fully compliant with industry standard float requirements.

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Optimizing Success

IGT supports customers in all aspects of their instants business. Beyond game innovation and printing, IGT teams work with customers to assist with portfolio planning, ticket design, and prize-structure development, instants warehousing and distribution, marketing and inside sales/ordering, retail execution, research and analytics, and more.

In preparing to release Infinity Instants®, the company made sure to give customers suggestions about field support and retail execution tailored to this new game type, drawing on IGT teams’ experience launching new products.

“We recognized that players would be looking at something completely new and different when they first encounter an Infinity Instants® game,” said Matt Benoit, Senior Account Manager Instant Ticket Services. “In some cases, the designs are so vivid and such a dramatic step forward that we knew players could wonder, ‘Is this an actual scratch ticket?’” For the soft-launch in one U.S. state, an IGT team worked with the Lottery to develop an informational sheet to be distributed to retailers and the sales force prior to launch, to prepare them for any questions from players.
Revitalizing the Category

Four U.S. lotteries have now offered players an exciting new experience via Infinity Instants™ games. The creative freedom enabled by the technology also promises to revitalize the instants proposition. “At the first scratch, the innovation is so visible that it becomes a self-selling proposition,” observed Giancarlo Perrotta, IGT Vice President Global Instant Ticket Innovation. “If the product itself establishes the idea in consumers’ minds that lottery is doing something new and even better than they remember, then that supports engagement and repeat play. We’re just beginning to explore the potential. For example, our team is working on new play mechanics that have been impossible until now. This is a very exciting new technology, and each market execution is a step in helping our customers understand what a particular advancement could mean for product designers and our customers’ consumer segmentation planning.”

Just Scratching the Surface

As the four lotteries that have already launched Infinity Instants™ games lead the way in identifying what kind of impact they will have, it’s clear that there are unlimited possibilities for the games—and for introducing them into the marketplace. A lottery can market an Infinity Instants™ game as a fun innovation at any price point, on a new price point, on a family of games, on a classic playstyle such as a key number or symbol match, with any newly developed play mechanics, and more.

The beauty of these games is that the creative potential is wider than ever. In addition to all the features shown previously, the enhancements can even extend to the ticket backs. For example, back graphics can be designed to complement the overall look of the game, support retailer coupons and promotions, additional play areas, unique customizations, and more.

“The European market has always been savvy about instant ticket innovation, and Infinity Instants™ games will allow lotteries to push their game creativity to new heights,” said Jacqueline Deragon, IGT Senior Director of Sales International Instant Ticket Services. “This category of games creates opportunities for new play styles and new play value that matter to players, whether they’re regular players, occasional, or new to lottery. Infinity is the future of instants, and the future is starting now. With the success of the initial launches in North America, we can’t wait to see the games played in the European market.”

Learn more at IGT.com/Infinity, and talk with your IGT account representative today to create your lottery’s path to bringing these exciting games to market.
Set your sights on the future of retail sales with the all-new Retailer Vue™ Terminal. Accepting both printed and digital media, this camera-based terminal features a distinctive open design that allows for both player and clerk interaction and enables transparent, contactless transactions.

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Instant Games: An Evolving Love Story

Since humans started scrawling on cave walls and chiseling on stone tablets, we’ve been telling love stories. Not only is the love story as old as human existence, it’s arguably more popular than ever. Last year’s sales of romance novels from Penguin Random House were up 50%.

So it is fitting that Chris Allen, VP of Marketing and Strategy at Scientific Games, compared the history of instant lottery games to a love story. In his 15 years at the company, he has focused on evolving product and marketing strategies, driving insights for innovation, and combining a wide variety of technology solutions to empower growth for lotteries.

“Instant games, or scratch cards, are one of lottery players’ favorite categories,” Allen said during his presentation at the EL/WLA Marketing Webinar 2022. “Consumers’ ardent feelings for instant products have only grown stronger over time, while the ways they engage with lottery products have evolved.”

Chapter 1: The Meeting

Every good love story starts with a serendipitous meeting. This story begins back in 1974 with the creation of the first secure instant game, sold by the Massachusetts Lottery and produced by Scientific Games.

Players fell in love. By 1984, the category had grown to over $1 billion in annual retail sales in the U.S. Fast forward to 2021 and the U.S. instant game market totaled nearly $65 billion.

And it’s not just Americans who fell in love with instant games. Countries like France, Spain, Portugal, Italy, the UK, Turkey and many other markets have significantly grown their instant game retail sales. Globally, retail sales of instant games topped $102 billion last year.

Chapter 2: The Journey

The heart of a love story is the journey, where the characters experience a complex—and at times difficult—path. In this story, a number of innovations have helped keep instant games in players’ hearts.

“Many developments have influenced the way we market to customers, the way we understand them, and the way we create, distribute and sell content,” Allen said.

Focusing on players over the last five decades, lotteries have debuted new price points, prizes, play mechanics and experiences. They also harnessed...
new technologies to support new ways in which players buy and engage with lottery products.

Few technological changes have had more of an impact on the lottery industry than the internet and mobile phones. The proliferation of the internet has changed the way consumers behave, making it “a vital 21st Century marketing tool,” Allen said. “While some sectors failed to adapt, the lottery industry has embraced these changes to create better experiences for players,” Allen added.

Look no further than the evolution of second-chance draws. Originally created as a top prize management program, second-chance draws have developed from a functional tombola-style top-prize win on single games to fun internet and mobile user experiences across multiple games. Second-chance draws feature promotions from instant in-store bonuses to multi-jurisdictional winner events like the THE PRICE IS RIGHT COME ON DOWN! CHALLENGE and JAMES BOND LOTTERY CHALLENGE that offer once-in-a-lifetime experiences.

“Second-chance opportunities continue to evolve,” Allen said. “Scientific Games’ promotional engines and iLottery content studios empower us to create gamified second-chance mobile experiences offering more and more value to instant game players.”

Chapter 3: The Changes

In sometimes dramatic fashion, characters’ growth in a love story is driven by change. As digital drives change everywhere, it adds value for lottery players as the industry embraces mobile and online experiences and games.

“Digital platforms create powerful player account management, which in turn allows us to move from single-game bonuses to multi-game rewards, unique individual VIP offerings, and full-blown loyalty programs with digital lottery marketplaces for players to hang out,” Allen said.

Digital continues to create new ways for lotteries to reach players, such as multi-jurisdictional live social media events on Facebook tied to instant games purchased at retail. Scientific Games’ new LOTERÍA content even leverages augmented reality via mobile to play out the second-chance experience.

Chapter 4: The Future — Happily Ever After

How do lotteries ensure players live happily ever after with instant games? According to Allen, in one word: data.

“Responsible growth comes from a closer relationship with players than ever before, with deeper insights into who they are and how they play,” Allen said. “Data creates insights, and insights create opportunities to grow.”

These insights create more diverse instant games and lottery portfolios, and of course, digital engagement with players. When it comes to making sure players stay engaged with lottery, it comes down to the three As: availability, adaptability and attractiveness.

SOURCE: La Fleur’s Almanac; Scientific Games MAP™ analytics.
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Paul Peinado,
Communications Coordinator

Contributing Editors:
Antoinette Price

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