

The Official Publication of the North American Association of State & Provincial Lotteries

# INSIGHTS

November/December 2017

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# FROM THE PRESIDENT

I have a wall of stupidity in my office, full of lottery mistakes I have made during almost 15 years in the business. If it included the multitude of mistakes I have made in the rest of my life, it would need its own wing, as my wife can attest.

The idea came from a former boss of mine, who was the chief prosecutor of organized crime when I worked for him, and he had a framed picture of two gangsters handing each other a parcel. They were two very well-known criminals in the Boston area ... the picture was taken by surveillance. After the exchange, and as the two cars departed, agents called to my former boss and asked whether the two criminals should be taken down as they had obviously just witnessed a drug deal in broad daylight. He replied, after careful thought, that it was the first day of the wiretap and since getting up on a wire takes a long time, and clearly they were onto something big, they should let them go and wait for an even bigger haul of bad guys. Informants later told police that one parcel was a kilo of cocaine, and one was a bag of cash.

The wire went dead the next day – the bad guys had been tipped.

So the officer that took the picture of the drug deal, blew it up and framed it, and gave it to my former boss to remind him never to do something that stupid again. My chief put it up in his office, understanding the lesson learned, quite painfully learned.

So in my office is the wall, and there are a bunch of things on it: the New Hampshire ticket that was ordered, and then shredded, because it looked like a pot leaf – the artist suggested that it was a Japanese Maple Leaf – go ahead and Google “compare Japanese maple leaf to marijuana” – I’ll wait... crazy similar, right. Who knew? So we put the entire print run in a shredder.

Then there’s the Star Spangled Sweepstakes from my Massachusetts days, we managed to lose \$12 million on a ticket, we actually lost that much money on the ticket. Poor execution of a bad idea, based upon panic because we were trying to make a revenue number for the year. No one ever made a smart decision panicking.

On there too is a Cashword ticket from Massachusetts, but not because it was a bad ticket, oh no, quite the contrary. It is the most successful \$2 ticket run in the history of lottery, now on its umpteenth printing, Mass. having sold like grillions of dollars’ worth since launch. I tried to stop the first one, only time I ever tried to stop a ticket printing. It was on my desk as the General Counsel, and I thought our players wouldn’t like it. That to print on a ticket a crossword game made no sense, players wouldn’t like the play style or look (yeah, the lawyer weighing in on design and art, ‘cause that can’t go wrong). I walked around and tried to convince folks, and thank God I was unsuccessful. Yup, I’m not always the smartest guy in the room, and I needed that reminder.

To paraphrase Churchill, “I’m a humble man because I have much to be humble about.”

**Charles McIntyre**  
Executive Director, New Hampshire Lottery/  
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# CONTENTS

NOVEMBER/DECEMBER ISSUE

# 2017



## In this Issue of Insights...

- 8**  
**Around the Industry**  
Industry news and updates.
- 14**  
**Q&A with Lori Rugle**  
NASPL's new responsible gambling associate talks about her projects.
- 18**  
**Research Corner**  
**Oregon Lottery's New Product Evaluation Process**  
By Carol Ambruso, Research Consultant for the Oregon Lottery
- 22**  
**Research Corner**  
**Does advertising matter?**  
By Simon Jaworski and Lance Henik, Leger
- 28**  
**Making a Difference:**  
Mitch Chandler, Director of Sales, Arkansas Scholarship Lottery
- 32**  
**GasBuddy Expands Lottery Operations**  
App provides access to millions of engaged mobile users right at the point of sale.  
By Patricia McQueen
- 34**  
**Good Fun in South Dakota**  
The South Dakota Lottery recently celebrated its 30th anniversary.  
By Patricia McQueen

- 36**  
**Up and Away**  
Putting players first, the Kansas Lottery is looking forward to its next 30 years.  
By Patricia McQueen
- 40**  
**Outlook for the Big Games in 2018**  
Looking back, looking forward  
By Stephen Wade, Principal, Lottery Management Consulting, LLC
- 46**  
**Holiday Ticket Catalog**

## NASPL Annual Conference Coverage

- 86**  
**Time for a Shift**
- 94**  
**Associate Member Viewpoint**
- 96**  
**On the Show Floor**
- 106**  
**Reality Check**  
As expected, North American lotteries suffered from a lack of big jackpots in fiscal 2017, but there was plenty of good news in with the bad.  
By Patricia McQueen





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## ALICE GARLAND RECEIVES FIRST ARCH GLEASON INDUSTRY AWARD FOR RESPONSIBLE GAMBLING LEADERSHIP

North Carolina Education Lottery Executive Director Alice Garland has been named the first juried recipient of the Arch L. Gleason Industry Award for Responsible Gambling Leadership.

**P**resented by the Kentucky Council on Problem Gambling (KYCPG), the Gleason Award was created to recognize someone not only for his or her commitment to responsible gambling, but also someone who has demonstrated the ability to successfully manage a gambling enterprise in a socially responsible manner.

Garland has served as the North Carolina Education Lottery executive director for seven years. Under her leadership, the lottery has grown into a \$2.4 billion a year business in North Carolina that raises more than \$600 million for education programs in the state. She is a leader in the lottery industry in the United States, highly regarded for her work in the area of responsible gaming.

"The North Carolina Lottery became actively involved in responsible gaming early in our life due to Arch Gleason," said Garland. "He called our then-lottery director and told him it was the right thing for North Carolina to do. My mantra is 'I want a lot of people playing a little, not a few people playing a lot.' The lottery can be successful and meet its mission without sales from those with

gambling problems."

Garland is the first vice president of the North American Association of State and Provincial Lotteries (NASPL), the professional association representing the lottery industry in the United States and Canada, and chairs the association's responsible gambling committee. She also is vice chair of the Multi-State Lottery Association, a nonprofit organization which operates the Powerball game, and serves on its development committee.

For more than 36 years, Garland has served in executive posts handling governmental affairs and communications, including positions as assistant secretary for communications and external affairs with the N.C. Department of Commerce; director of public affairs for ElectriCities of North Carolina; and Director of Policy for the State Employees Association of North Carolina.

"Arch Gleason was one of the first lottery directors in North America to recognize the need to help players struggling with gambling problems," said Mike Stone, executive director of the KYCPG. "For many years, problem gambling was the elephant in the

room for gaming operations – no one wanted to talk about it, let alone acknowledge it."

Through Gleason's actions, the issue came to the forefront of the industry not just in a state and national venue, but across the world as well. As the 23-year president and CEO of the Kentucky Lottery Corporation, Gleason worked to establish the KYCPG, the state's National Council on Problem Gambling (NCPG) affiliate. He championed many initiatives for the cause through NASPL during his tenure. Gleason passed away in July 2016.

Gleason's crowning achievement in the field was his work to establish the World Lottery Association's responsible gambling certification program during his term as the group's president. This became the first-ever responsible gambling program implemented on a global basis, taking the cause into corners of the globe that had never previously addressed the issue.

The honoree will commit to serve as the keynote speaker for the KYCPG's annual conference in Kentucky in February. Garland will share her organization's responsible gambling story, successes and lessons learned. ■





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# NEW JERSEY ISSUES REGULATIONS FOR COURIER SERVICES

By Patricia McQueen

**O**ften an industry pioneer, the New Jersey Lottery has done it again. Late last year, legislators passed a bill allowing couriers to operate in the state, providing lottery players with a way to purchase tickets using a mobile app or an internet account. In response to the legislation, which became law November 1, the Lottery drafted formal regulations under which the couriers must operate.

a new business niche, those tickets might never be seen by the player unless they turn up winners. A player sets up an account with a courier, purchases a ticket through the app, the courier makes the purchase and holds the actual ticket until the drawing. As a player, how do you know that the ticket the courier has for you is the ticket you actually wanted? And how do you know that ticket is the one that is actually in your account? As a lottery, how much of all this should be in your regulations?

"You are between a rock and a hard place when it comes to how far you should go to regulate them," said Hedinger. "We wanted to go as far as letting customers have some assurance of security, but at the same time making sure they understand that they are not dealing with the New Jersey Lottery but with a third party vendor, and there could be risks."

## The details

It boils down to transparency – transparency of every part of the transaction between the courier and the consumer. There are lots of parts to consider, as Hedinger and her team discovered. "The more we got into it, the more we thought of possible scenarios," she said. From the point where the customer sets up and funds an account with the courier, to the actual ticket order, to the courier fulfilling that order by purchasing a ticket on the customer's behalf and providing them with a digitized version prior to the drawing, to the



cashing of winning tickets – all of these brought up situations the regulations had to deal with. In the end, Hedinger thinks the final regulations are on the conservative side, but noted that the couriers themselves encouraged the Lottery to do whatever it thought was appropriate. "I think they are happy to work within whatever regulations we came up with – it gives them a level of security as well."

Some of the issues that came up on close inspection involved choosing numbers and managing player accounts.

For example, if the courier offers a random number generator on the app, and the customer uses it to choose his or her numbers, what kind of RNG will it be? And although from the customer standpoint that is a quick pick ticket, from the lottery standpoint it's a player-selected set of numbers, as the courier has to purchase a ticket with those numbers. "That's actually a good feature for the player," said Hedinger,

"There's detail after detail that you start thinking about. As you pick back the layers of this onion, your eyes really start to water!"

It has been a long and drawn-out process that required consideration of numerous factors, explained Executive Director Carole Hedinger. "There's detail after detail that you start thinking about. As you pick back the layers of this onion, your eyes really start to water!" As of mid-November, the process was not yet complete as the proposed regulations weren't quite ready to be published; once they are, there is additional time for public feedback before they can take effect.

The mind-boggling details are necessary to protect the public – after all, a lottery ticket is a bearer instrument that could be worth hundreds of millions of dollars, or even more. Yet in this brave new world where couriers think they have found

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because the player knows what the numbers are before the ticket is even purchased.

Cashing low-tier prizes (up to the amount any retailer can pay) and managing cash in player accounts are other considerations. The funds being held on behalf of players need to be safeguarded and players need assurances that the courier service won't 'borrow' from those funds for other purposes. The courier can offer direct payment of low-tier prizes into the consumer's account, but players must have the opportunity to request the physical ticket to cash it themselves.

On prizes that require a claim form, the ticket purchaser is the only one who can claim the prize – the courier cannot do so. That is one of the safeguards that the player is physically in New Jersey, another requirement of the law. You don't have to be a resident – after all, anyone can buy a ticket – but you have to be in the state at the time of the purchase request. The customer also has to be a "natural person" – not a company, a partnership or other entity, or someone acting as an agent for someone else. If the winner appears to violate this regulation, the ticket is considered void. "We don't want that situation where someone from another country is using an agent to make their purchase in New Jersey," said Hedinger. "That is not the spirit of a lottery, which is designed to operate in a single jurisdiction for the benefit of the people in that jurisdiction."

Then there is the personal information of customers. All of a

sudden, lottery play is no longer anonymous – there are known purchasers. And a database of personal information can be hacked, so there needs to be assurance that the courier's systems are sophisticated and pass rigorous cyber security guidelines.

## Retail relationships

Under the law, couriers cannot be licensed lottery agents, and there was the possibility that they could buy tickets from any retailer without any trail tying a purchase to a specific player. To prevent that possibility, the Lottery requires the courier to have a relationship with a specific retailer and tickets must be purchased using a dedicated terminal at that retail location. That terminal will only be used for the courier's purchases, not for any other lottery sales. "This allows us to know exactly what was produced out of that machine, and then we can trace every ticket directly to a customer's account."

It's up to the courier to define its relationship with a retailer – there may be some sort of revenue split, for example. "That's up to the lottery agent," said Hedinger. "We have nothing to do with that – the agent is free to do whatever it wants with the commission."

In its application for a courier license, the courier has to spell out all of these details and more, such as what types of fees it will be charging customers. "The law says they can charge a reasonable fee, and

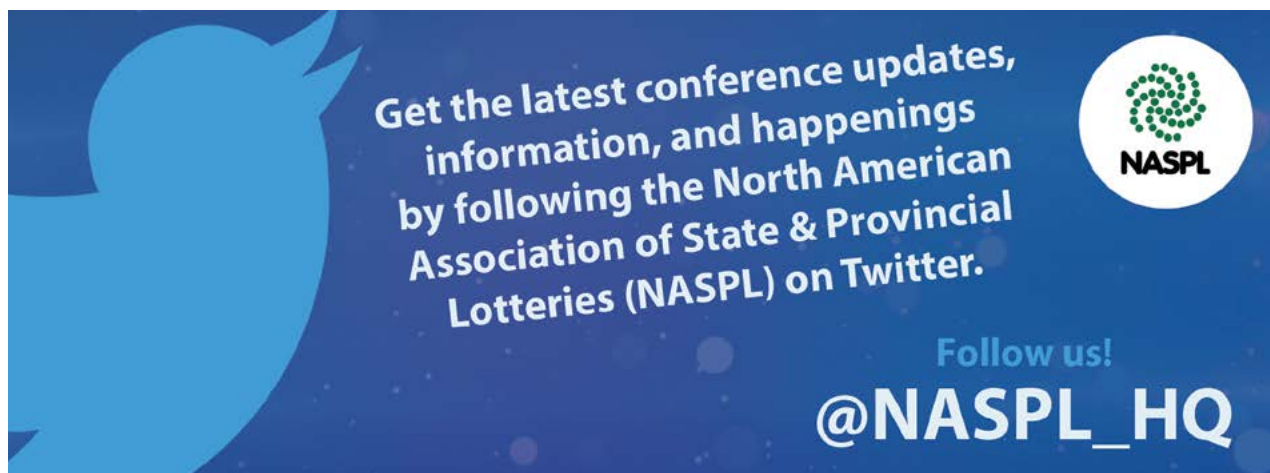
I guess we are the judges of what's reasonable." It cannot be a percentage of the purchase.

Still other things included in the regulations are a restriction on the types of third-party advertisements couriers can run on their websites/apps – they have to be deemed appropriate. And couriers will not be allowed to offer pools or shares – they can't sell a seat at the table for a fraction of the ticket price.


## Expectations

There did not appear to be any demand for courier services, noted Hedinger; the law came about due to lobbying by the couriers themselves. Given the level of sales of jackpot games in states where online sales are legal, she doesn't see a big demand for this type of service, so isn't expecting much in the way of sales. However, as this is new distribution channel that may appeal to new or younger players, it may prove beneficial in the future.

Therefore, Hedinger thinks the New Jersey regulations will encourage the couriers. "I think there will be some keen interest in this," she said. "We are going to only be the tip of the iceberg. There will be couriers popping up everywhere." Since most states have no legislation specifying any of this activity, she suggests that lotteries talk with their legislators and decide which way that state wants to go. "If you let it be like the wild, wild west, sooner or later something is going to happen and somebody will cry foul." ■



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# Q&A with Lori Rugle

As part of NASPL's ongoing and expanding commitment to serve its members, the association recently brought on board a responsible gambling expert.



**D**r. Lori Rugle, Ph.D., is now part of the NASPL team. With 35 years of experience in the psychology field, most spent in clinical and administrative work specializing in gambling addiction disorders, Rugle brings in a wealth of knowledge.

Most recently, she served as Program Director for the Maryland Center of Excellence on Problem Gambling and as an Associate Professor in Psychiatry at the University of Maryland School of Medicine. Before that, for six years she was the Director of Problem Gambling Services for the State of Connecticut Department of Mental Health and Addiction Services. In these roles, and in her previous tenure as President of the Ohio Council on Problem Gambling, Rugle has worked closely with the lotteries in Connecticut, Maryland and Ohio.

She recently served as President of the Association of Problem Gambling State Administrators, and currently is President of the International Gambling Counselor Certification Board. The graduate of Cleveland State University completed her Ph.D. in Clinical Psychology at Kent State University, and has won numerous awards and honors in the field.

For NASPL, Rugle will be working on a variety of projects. These include developing an industry Responsible Gambling Code of Conduct, updating and expanding the NASPL responsible gambling training modules, and participating in the association's new Speakers Bureau. She will be working closely with the Responsible Gambling Committee and advise the Retailer Modernization Committee as it continues working on the API and cashless projects.

## **What brought you to NASPL?**

My roots are in Ohio and it was time for me to come back

here after working in Connecticut and Maryland. I was chatting with some folks at the Ohio Lottery and realized that the NASPL office is literally about five minutes from my new home. I met with the staff and connected with them immediately. They are very motivated, engaged and open people, and the fact that many of them have been with the association for a very long period of time speaks volumes for the environment, the mission and the relevance. I like new challenges, and this was a new and exciting opportunity to continue growing. I am able to take my years of experience and bring it more into a new area of the gambling field. I'm really excited to be learning a lot and that I'll be able to mesh my experience with what lotteries need.

## **You jumped right into work on developing an RG Code of Conduct. What are you finding?**

Many individual lotteries have developed their own codes and guidelines, and I've been reviewing these. What I have seen so far has been pretty impressive and pretty comprehensive. It's always a challenge to find the right balance of content to stay relevant. Some of the language lotteries have come up with is spot on, as they have developed guidelines that focus on teaching people how to make informed decisions and prohibiting advertising in ways that encourage excessive gambling. I think people have been really thoughtful about this, but I also think there's room for growth – and that's a good thing. We are learning together.

I've been in the field of problem gambling for more than 30 years. Certainly when I started, the term "responsible gambling" hadn't been created yet, and there was a lot of suspicion – the treatment community and the gambling industry would barely talk to each other. It has been really nice to see that evolve to where we are today – it's one of the few areas in the country where people are trying to work collaboratively. We could be a role model for the rest of the government.



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### **How difficult will it be to develop an industry-wide code of conduct?**

I think the real challenge is that it can't be so general that it's meaningless. You have to be specific, and you have to challenge people to always make improvements. There can't be standards that few can live up to for various reasons, while at the same time we can't rest on our laurels. We don't want to just include things that have already been done and that everyone has already agreed upon in order to keep everyone happy. That's where we have to start, though, and then we figure out a way to put in new language and new goals, without being impossible or setting it up for resistance. That's how I see my challenge – pushing the envelope and challenging people to be as good and creative as we can get them to be. We don't want to take away from the main purpose of lotteries, which is to generate revenue for their jurisdictions. That's what the stakeholders want, and it's up to the lotteries to be responsible about it.

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“...every single employee needs to be aware of and engaged with responsible gambling programs, not just those employees in direct contact with retailers and customers.”

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### **Spearheaded by the North Carolina Education Lottery, NASPL created a series of RG training videos. What are your plans to update those training programs?**

Like any mandatory training efforts, we have to make them relevant, engaging and meaningful. I think the next round will have more interactive modules that will help with that. This is another area where I'm gathering information about what lotteries have already done.

Perhaps the easiest to create are the ones for lottery employees – and every single employee needs to be aware of and engaged with responsible gambling programs, not just those employees in direct contact with retailers and customers. They need to understand that some people have problems with gambling, and as lottery employees they can be a part of providing solutions to minimize those problems in whatever role they have at the lottery. That it's a way to maximize the good that lotteries can do for their jurisdictions.

With retailers, it's about empowering them to do as much as they are comfortable doing, and to provide them with whatever information they need. There will be a lot of variability in terms of how retailers use that information, but getting it out there is the first step. This is an area where NASPL can step in – gathering information about what both lotteries and retailers are asking for and then developing those resources. It might be more videos, brochures or online resources, but we need to keep as current as we can to meet those needs.

### **How about the industry effort on cashless payments for lottery purchases?**

People don't carry cash anymore – that's the reality. We need to talk about the safest ways of offering cashless purchases for lottery. Debit cards aren't so bad, but the problem gambling community has always warned against allowing people to gamble on credit. But we know this is going to happen. It's really no different from people who overspend – it's the same basic issue. On the one side, we can't be so paternalistic that we think we have to protect everybody from themselves and their poor decisions. But on the other side, we have to take some responsibility for making sure people are making the best decisions that they can. And since most lotteries are agents of state government, there's an additional responsibility involved. The easiest answer is to not allow gambling on credit, but that's not the reality of the world we live in today. I suggest the way to go about it is to be proactive, to have the conversations between lotteries and problem gambling advocates before any decisions are made.

### **What challenges does the industry face in the area of responsible gambling?**

Technology – and how we keep up with it – is going to be one of the real challenges. How do we appeal to those who have grown up with technology that is much more interesting, perhaps, than a scratch ticket, and how do we adapt that technology for lotteries in the most responsible way? What are the responsible features we can build into offerings to take advantage of new opportunities and social media?

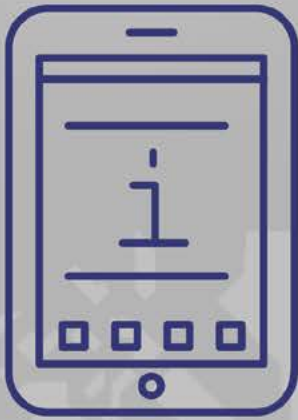
Certainly online lottery sales makes setting play limits more feasible, and it actually helps getting responsible gambling messaging out much more effectively. Just having that discussion is what's important – being proactive at the start, rather than putting something out there only to modify it if someone objects. Again, let's talk about it ahead of time, making sure we keep up the momentum of having the industry and the treatment community working together.

I noted earlier about how that cooperation has grown. We haven't always agreed on things, but we've generally been able to have respectful dialogues, and the industry has listened to the advocates. We've gone from early denial that there even was something called compulsive or pathological gambling to where we are today – further than ever thought possible. The gambling industry has challenged the problem gambling advocates to realize that gambling can be fun and it is entertainment for most people. And for the most part, they have listened. But at the same time, advocates don't want gambling operators to engage at-risk groups or give false messages about the possibilities of winning.

The bottom line is that we need to keep the dialogue going to challenge each other – I can't say that often enough. Keeping the conversations going is critical to the whole responsible gambling effort. There are so many ways there can be responsible interaction, from research to advertising to practices like self-exclusion. I look forward to working with all NASPL members to help move the industry forward in these areas. ■



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# Oregon Lottery's New Product Evaluation Process

## INTRODUCTION

Whether lotteries are working to include new games in their portfolios or finding new ways to purchase and play lottery, understanding consumer needs and desires is key to the ultimate success of any new product initiative. Like most lotteries, the Oregon Lottery is looking for innovative ways to appeal to light and new players without alienating its most loyal consumers. In addition to researching ways to refresh tried and true games like Oregon Lottery Keno, the agency's Research & Analytics team works with internal stakeholders and the Lottery's vendor partners to understand how new game features and categories will work in the Oregon marketplace.

Figure 1 illustrates the Oregon Lottery's approach to evaluating new products.

## INITIAL EVALUATION

As part of the initial consideration for a potential new product or product feature, Product Managers and the Research & Analytics team meet to review the strategic goals for the product and how it fits within the Lottery's portfolio management strategy. The team also reviews available data that may include product sales in other jurisdictions, consumer research, product information provided by the game vendor and third-party publications.

At the end of the initial evaluation, the Lottery team decides whether to stop further investigation or move into the discovery phase.

## DISCOVERY PHASE

Objectives for the discovery phase are information-focused.

- If offered elsewhere:
  - How has this product/feature performed in other markets – initially and over time?
  - To what extent has this product/feature augmented or cannibalized sales of other lottery products?

- How was the product launched from a consumer, retail and marketing perspective? What was successful? Any lessons learned?
- Which player and prospect segments are most likely to be attracted to this game/feature?
- How would sales from this new game/feature impact sales of other Oregon Lottery products?

To answer these questions, the Lottery assesses the market potential for the product by looking at the experience of other jurisdictions (when available), reviewing prior research conducted by the Oregon Lottery and by conducting new research with current and potential players in the Oregon market.

## MARKET ASSESSMENT

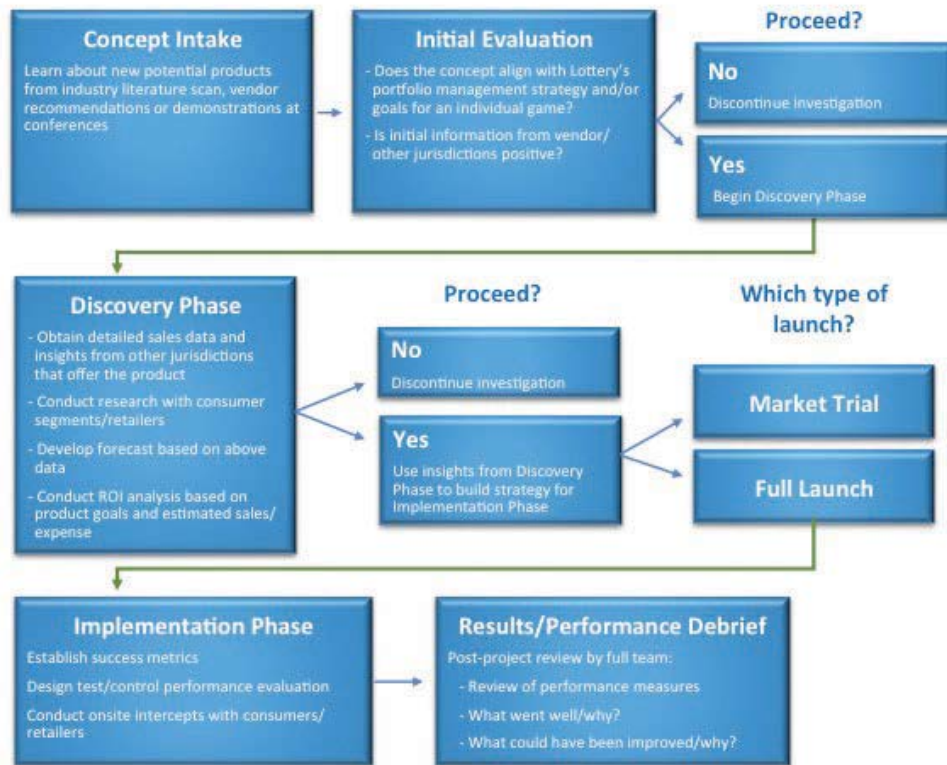
To conduct a market assessment, Oregon Lottery reaches out to the gaming vendor and to other jurisdictions to gain as much information as possible to begin to answer the questions posed above. To the greatest extent possible, the Research & Analytics team collects sales data and any research results related to the product under consideration.

## Consumer Research

Consumer research can take many forms depending on the nature of the product being investigated.

For traditional lottery products (Scratch-its, draw games, Keno) the Oregon Lottery often conducts qualitative focus groups. In a recent project, the Lottery wanted to understand how players and prospects would respond to two different categories of Scratch-its games. The Lottery did targeted recruiting to pull together homogenous focus groups, each reflecting a different player or prospect segment identified in previous research. To give participants a clear understanding of the games, the Lottery worked with its vendor partners to obtain voided demonstration tickets participants could play during the session to give them a tactile rather than theoretical experience.

**Figure 1**



For both game categories, participants were exposed to the concept and given an opportunity to play one or more games in the category. They were then asked for their assessment of the game, their likelihood to try the game if brought to market and the likelihood they would continue playing it after initial trial. Additionally, participants were asked to complete a spending exercise to help the Lottery understand whether introducing the new game category would affect their overall lottery budget and/or change how they allocate their spending across Oregon Lottery games.

The focus groups provided clear direction for the Lottery. The groups confirmed to the Lottery Product team that the first category of games tested was a novelty with little chance of repeat or sustained play after initial trial. The second category of games generated more excitement and enthusiasm across several player segments. Moreover, the spending exercise indicated that introducing games in the second category would likely provide a modest, sustained increase in sales if some of the issues uncovered in the focus group were addressed. Oregon Lottery decided to work with the vendor to refine the games and conduct a market trial.

For Video Lottery products, the Oregon Lottery works with product vendors to conduct market validations of potential new games. For this type of research, Video Lottery terminals loaded with new game content are set up in a focus group facility. A mix of Video Lottery players and prospects are recruited to come in and try the games. A moderated

discussion follows the game trials to help the Lottery and its vendor partner understand the appeal of the various games, what makes them appealing/unappealing and provides direction for how games can be improved before they are launched in the Oregon market.

In addition to onsite focus groups, the Oregon Lottery also uses online survey platforms to conduct research with retailers, players and adult Oregonians in general. Online research allows the Lottery to collect data quickly, has the flexibility to incorporate static images as well as video stimuli, and can include choice exercises (e.g., Choice-based Conjoint, MaxDiff, spending allocation). Depending on the nature of the research and the level of precision required, the Lottery may use a third party research vendor and purchased sample to complete an online project or conduct the research in-house using a convenience sample of visitors to the Oregon Lottery website. Other tools in the product evaluation research toolkit include online focus groups, individual interviews and intercept interviews in locations where Oregon Lottery products are sold.

### Next Steps

When the market assessment and consumer research is complete, the Research & Analytics team uses the learnings to develop a forecast based on findings and conducts an ROI (Return on Investment) analysis based on product goals and estimated sales/expenses.

At this point, Oregon Lottery staff review the learnings from the discovery phase in conjunction with the strategic goals for the product to determine whether and how to move forward. If the data suggest the new product would not meet established strategic goals related to sales, ROI, appealing to identified consumer segments or complementing the product portfolio, the Lottery would make the decision not to move forward.

If the product appears to have a high degree of potential with little risk to the rest of the portfolio, the Lottery may decide to proceed directly to a full launch. Alternatively, and especially likely when evaluating a new category of games, the Lottery may decide to conduct a market trial.

## IMPLEMENTATION

### Market Trial

A market trial allows the product to be tested in a controlled setting prior to a full launch. A market trial gives the Lottery an opportunity to see how a new product performs against the Lottery's current portfolio in a real market environment. It also gives the Lottery an opportunity to test and refine promotional strategies and tactics prior to a full product launch.

To set up for a market trial, the Product, Marketing Communications and Gaming Operations teams work together with Research & Analytics to identify goals and success criteria (outreach, sales, minimal cannibalization, other?) for the trial.

The goals and success metrics combined with knowledge of Lottery retailers and players inform how the trial will be set up and help the Lottery create a market trial plan that answers the questions below:

- How big does the trial need to be for Lottery to feel confident in the results?
- How many retailers should be included and which ones?
- How long does the trial need to run?

- Which segment(s) of players and prospects is the Lottery trying to reach with this trial?
- What are the messages (developed based on prior research or tested in the discovery phase) that resonate most strongly with target consumer segments?
- What are the best marketing/promotional tactics to reach the identified segments?
- What level of investment will give the product its best chance for success (positive ROI, other strategic goals)?
- How will the success/failure of the market trial be evaluated?

Evaluation is ongoing throughout the market trial. The Research & Analytics team monitors sales activity across products at participating retailers and compares findings to trend among non-participating retailers (test versus control). Often, the Lottery will use a third-party research vendor to conduct intercept surveys of customers at participating retailers to understand the characteristics of individuals that are and are not attracted to the new product in terms of demographics and general Lottery play behavior, how they learned about it, likelihood to continue playing the game in the future, etc. Lottery field sales staff provide important anecdotal feedback from participating retailers. Every tactic is examined to see how effective it is and what can be improved if Lottery decides to proceed to a full launch.

### Full Product Launch

Learnings from the discovery phase and market trial (if conducted) inform the Lottery's decision whether to proceed with a full product launch. Prior to launch, the Lottery leverages the data collected to refine sales forecasts, marketing and promotional tactics and finalize success metrics. These metrics include some or all of the following:

- X% increase in sales
- X% increase in transfers to the State of Oregon
- X% increase in players
- X% increase in frequency of play among existing players
- X% game/feature awareness among current and potential players

As with a market trial, evaluation following a full product launch is ongoing through the use of sales data and consumer research.

## RESULTS/PROCESS DEBRIEF

At the conclusion of the project, the full Lottery team meets to review product performance to date and evaluate the process. Some of the questions to consider during the debrief are:

- Were performance metrics met?
- What went well and why?
- What could have been improved? How?

Understanding what went well and what needs improvement helps each successive new product evaluation and potential launch be more efficient and more effective than the one before.

## CONCLUSION

New product evaluations help the Lottery minimize risks and maximize the success of each new product launch. With each product evaluation, the Oregon Lottery and its vendor partners learn more about current and potential consumers – who they are, what they do and do not find appealing and how best to market to them. In turn, vendors can apply the learnings to future game design and the Lottery becomes more skilled at picking which games to evaluate. ■

# 73%

OF FUEL CUSTOMERS  
NEVER SET FOOT INSIDE  
THE STORE



Not A Problem  
Bring the lottery to them

P: 646-837-7070 [LINQ3.COM](http://LINQ3.COM)

# Linq3



# Does advertising matter?

Last summer, Leger's quarterly omnibus study focused on the ways lottery advertising and good cause proceeds are affecting (or not) their key player groups while attempting to expand lottery play. The study was one of Leger's regular quarterly omnibus studies and interviewed n=1,000 people (online) in the United States. The results were balanced to the U.S. population by gender, age, ethnicity, household size and region.

## The evolution of advertising and lottery

According to eMarketer, digital marketing is estimated to reach \$77 billion, outpacing TV advertising spending (estimated to reach \$72 billion) in 2017, and representing 38 percent of all media ad spending. eMarketer is forecasting that TV advertising spend will constitute less than a third of total media spend by 2020, directly attributed to the rise of digital marketing and growing options online.

However, newly released market research from Leger indicated that the landscape of how to reach the everyday consumer has changed markedly in the past decade, none more so than among the millennial population. While TV is still the #1 most effective way to reach the majority of the population (32 percent), this number is driven by those over the age of thirty.

On the other hand, TV is no longer the most effective way to reach younger adults. Leger's latest market research data shows that among 18-29 year olds, email is the number one preferred advertising method at 25 percent,

with TV second (21 percent) and social media third (15 percent), which relates directly to the manner in which dollars are allocated by companies trying to engage with this unique group.

So how do these trends relate to the lottery consumer? More than half of the U.S. population claim to recall advertisements for lottery games, jackpots or products, although there is a distinct gender difference with recall being 10 percent higher among males (56 percent) than females (46 percent).

Logically, recall of lottery advertising is also significantly higher (63 percent) among those who plan on a future lottery purchase, compared to those who don't plan on changing their lottery play (52 percent) as well as those who don't play lottery at all (29 percent). These statistics alone infer that people who are already lottery consumers are more aware of the campaigns, while those potential players lotteries hope to sway are an even tougher nut to crack.

As for purchase motivation, however, Leger's research amplifies the importance of traditional concepts, led by 'good deal/sale price' at 21 percent. This was followed by consumers searching for 'an item I was in the

TV is no longer the most effective way to reach younger adults.

# The NexPlay™ in Self-Service

## Introducing the next step in player-activated terminals;

NexPlay™ is a suite of products combining traditional self-service sales and ticket checking with more engaging animations and player interaction.

- Draw and keno game sales
- Instant ticket sales with result display
- Animated ticket checking
- Robust responsible gaming options

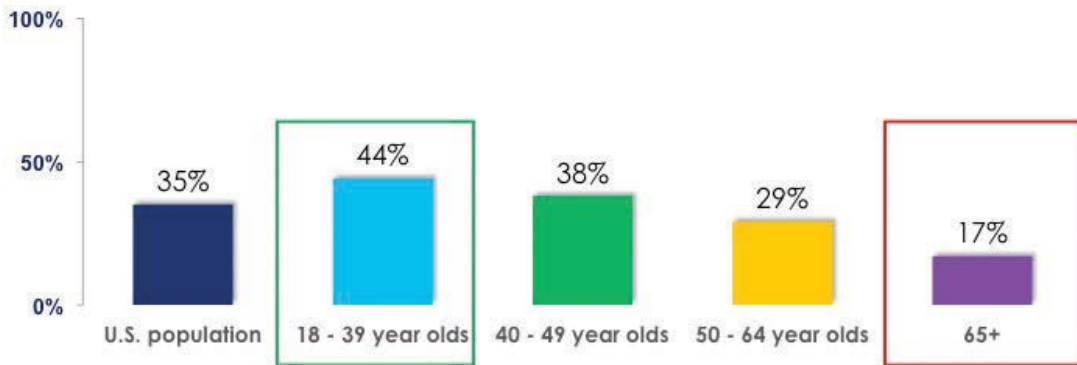


*We've only scratched the surface...*



Our products have been growing retailers and revenues in six jurisdictions, and that's just scratching the surface.

## Yes % - Lottery Advertising is memorable



Leger 360°

market for already' at 13 percent which comes in second, followed by a 'convincing message' at just 10 percent.

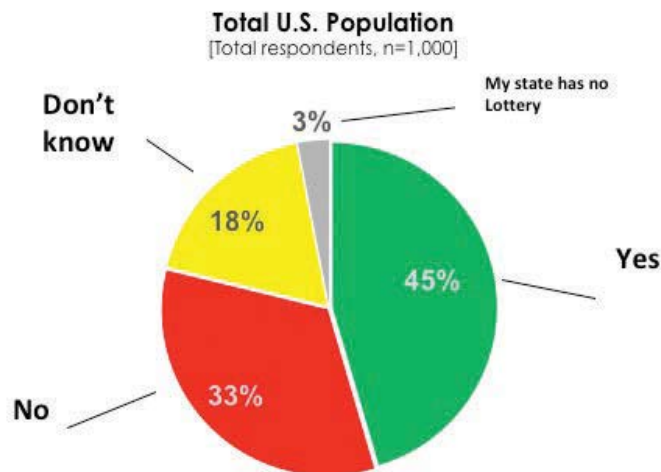
However, among those who recall lottery advertising, a convincing message over-indexes versus the average, and is the #2 reason at 13 percent. With this in mind, there could be potentially a stronger emphasis on key messages that lotteries can convey, in order to motivate their target audience to play.

More than one third of the U.S. claim that lottery advertisements are memorable.

Despite the fact that 35 percent of the U.S. population are not interested in lottery advertising, perhaps a more interesting twist is that this number is significantly higher among the 65+ age group (42 percent), a group often seen as a core, albeit declining, lottery player.

So how memorable are lottery advertisements? More than one third of the U.S. claim that lottery advertisements are memorable; however, this moves up to 44 percent

Do you know where your state's lottery proceeds go?



Leger 360°



# \$5.4 BILLION LOYALTY DOLLARS

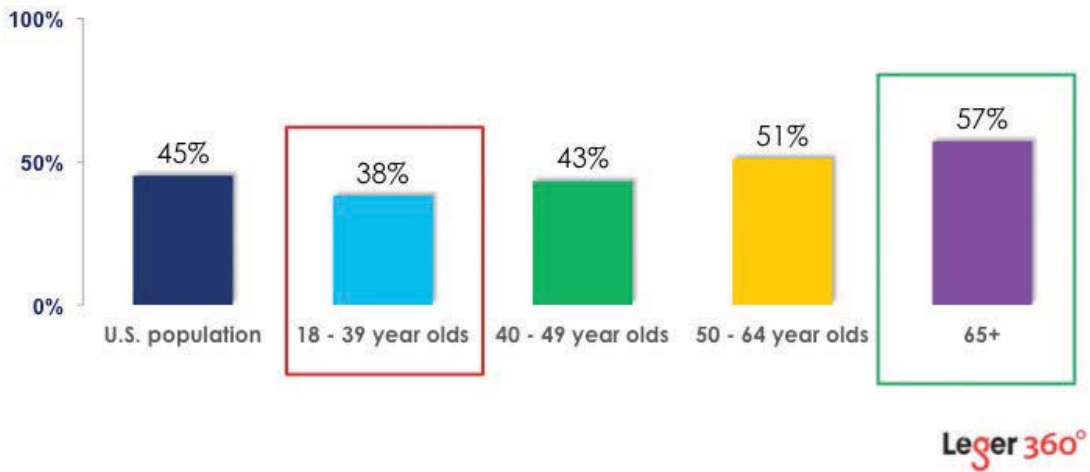
**Scientific Games' Loyalty Plus™ program was first launched by the Arkansas Scholarship Lottery in 2009.**

Since then, the program has expanded to 14 different lotteries with a total of 1.7 million members who have entered an astounding \$5.4 billion worth of tickets. Even better – all those entries become a wealth of back-end data that can be used to further drive sales. And that's a real plus.



Because Real Counts

## Yes % - I know where my state Lottery proceeds go



31 percent of those who don't currently know where lottery proceeds go are extremely or very interested in this aspect of lottery!

in the 18-39 year old age range! This appears to be a positive trend, but Deloitte Global claims that by 2020, it is estimated that 18-24 year olds will be watching just less than two hours of TV a day, so cutting through the estimated 10,000 marketing messages Americans see on average in a 24 hour period will become more of a difficult task. Additionally, the challenge in meeting TV ads reach and frequency objectives among a younger audience is further exacerbated by the preferences for younger adults to be engaged by digital messaging such as emails or on social media.

There is also a strong and significant split in the race demographic, as lottery advertisements being memorable also over-index significantly among non-whites (51 percent), compared to whites (30 percent).

These trends would appear to place more emphasis on the 'in-store' component for lottery players, which has always been critical in gaining the attention of players and potential players, particularly in convenience and grocery stores. The reliance on quality in-store communication is amplified by the fact that among those who claim they cannot recall lottery advertisements, almost a quarter prefer in-store advertising. The implication is particularly pertinent with the Mega Millions move to a \$2 ticket that should ultimately lead to more 'giant' jackpots, with the potential for an increase

in the player base back up to those seen by the \$1.58 billion Powerball jackpot of January 2016.

### Could increasing knowledge of lottery proceeds widen the player base?

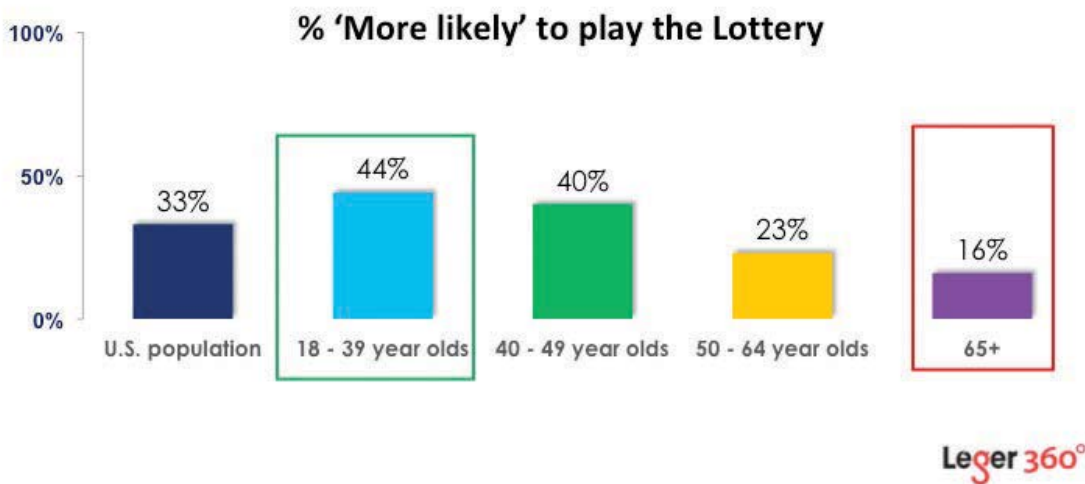
Currently less than half of the U.S. population (45 percent) claims to know where their state's lottery proceeds go. Men (once again) claim to be significantly more aware of the 'good causes' lotteries support than women (51 percent vs. 41 percent).

The highest over-index for 'proceeds' is logically among those who recall lottery advertising, where more than 60 percent claim they know where the money goes. However, there is a great disparity across the generations as only 35 percent of 18-29 year olds know where lottery proceeds go, compared to 53 percent of those aged 50 and older. Given the 'social' and 'visual-based sharing' nature of millennials, there appears to be a strong industry-wide opportunity to creatively explain about where the proceeds from Mega Millions, Powerball, instant and other games are used for the greater good across the 45 participating jurisdictions. The use of imagery in the form of pictures or video on social media can facilitate this engagement.

The gap between those 'in the know' and those currently 'out of the loop' is also strong and significant, and could be an area of opportunity among jurisdictions who can promote their good causes; more than 70 percent of the U.S. population have at least some interest in finding out where lottery proceeds go.

Perhaps even more enticing for an industry constantly looking to widen its base of players, 31 percent of those who don't currently know where lottery proceeds go are

In 2016, U.S. state lotteries provided approximately \$20 billion in funds for good causes. How does this fact alter your potential to play lottery in the future?



extremely or very interested in this aspect of lottery!

Finally, in Leger's summer omnibus, we asked the U.S. population, "In 2016, U.S. state lotteries provided approximately \$20 billion in funds for good causes. How does this fact alter your potential to play lottery in the future?"

Exactly one-third (33 percent) said that on learning this fact, they would increase their lottery play. While a striking figure indeed, perhaps even more fascinating are the groups it had an even greater effect on: a significantly higher proportion of 18-39 year olds (44 percent) stated they would increase their lottery purchases than those who are older; this positive impact on play was also significantly higher among ethnic groups, at 46 percent, than their white counterparts.

The claims of increased lottery play based on knowing where the proceeds go may have regional appeal, most notably in the Northeast (39 percent) and South (37 percent) of the United States.

However, not surprisingly based upon other Leger lottery research, 45 percent of the population said their play would remain unaltered even if they knew exactly how much and where the proceeds went.

One of the core questions Leger asks within its research projects centers around whether players spend the same or different amounts every week, and also whether they play the same games or alter their strategy. Leger has found that approximately half of the lottery-playing population are creatures of habit in one shape or another.

Can compelling lottery marketing facilitate the change in the routine?

So, what can state lotteries do to break through the clutter, and help those in the routine adapt to change, while making their games stand out? Although some jurisdictions have their hands tied in part by restrictions, advances have been

Consider the successes that "big" scratch tickets or iLottery have had recently in building that enhanced awareness of lottery games.

made to facilitate their unique position for lottery in the marketplace. Consider the successes that "big" scratch tickets or iLottery have had recently in building that enhanced awareness of lottery games, in combination with eSports and the potential for more skill based games (not only for lottery but for casino entertainment as well) – these are entertainment options that appeal to lottery players but especially the younger generation, the latter from which is driving the investment for digital media engagement.

Furthermore, communicating the social benefit of where lottery proceeds go, in combination with generating excitement in a social media setting, whether via blockbuster jackpots or catching the wave on popular culture and other current trends, will no doubt help both lottery teams and their ad agencies find innovative ways to drive more excitement into the lives of current and future lottery players.

Finally, based upon the increasing trends of big data-driven micro-marketing and clever use of attitudinal and motivational segmentation, lotteries in general have a greater chance of hitting their key player and open-to-play groups, which should generate a wider player base in the not too distant future. ■

**"YOU ALWAYS HAVE TO BE READY TO BE READY!"**



# Mitch Chandler

*Director of Sales, Arkansas Scholarship Lottery*

**M**itch Chandler's motto is "You always have to be ready to be ready!" No matter where you are, or what you are doing, you have to be prepared to take advantage of any opportunity that presents itself. And as Director of Sales for the Arkansas Scholarship Lottery, he knows that what helps sell lottery tickets are opportunities that provide the magical mix of the right games for sale, perfect in-store and out-of-store execution, and relationships with people – the retailer clerks, managers and owners that help sell tickets, and the players to whom those tickets are sold.

"The sales staff is the largest division in the Lottery, and when they're working well together it's easier to accomplish all of the complex tasks a lottery has to be good at to succeed," said Director Bishop Woosley. "Mitch has refocused and reenergized the team, leading to improved ticket availability and better sales."

Chandler joined the Lottery in 2015, and oversees a staff of 23 – 20 marketing sales reps and three regional sales managers. "The MSRs are your brand ambassadors: they drive activations, they drive player participation and they drive the attitude of the people that they are around every day," he said.

He has been on a mission help them do their jobs more productively by giving them data – building a complete profile of the Lottery's nearly 2,000 retailers. "Every store is different, even stores in a chain," he said. "We've gone from a period where we had hardly any POS in the stores to a program where we're very methodically building an arsenal of POS material we can pick and choose from – whatever works in a given store to impact players' decisions. After all, the store is the closest place for us to ask our customers to consider a purchase."

And the program seems to be working. In a round of research conducted this fall, among the conclusions were

that "overall the store environment for lottery is improving, our store displays are considered more appealing and are grabbing the attention" of players.

When he's not trying to improve his lottery, Chandler is on a mission to improve the lives of other Arkansans. He has served on the board of directors for Goodwill Industries of Arkansas for 17 years, and is currently the board chairman. Recently, the organization opened the Excel Center at Goodwill, Arkansas' first adult high school. It's a place where adults can go back to a real school and earn a real diploma – and students are eligible for scholarships from the Arkansas Scholarship Lottery. "It's just another part of the work Goodwill does to help people," said Chandler. "We don't give a hand out, we give a hand up."

He also figures he was put on this Earth for yet another reason, that it was fate when he met his wife in Poland in 2000. Attending a friend's birthday party, he was invited to a wedding where he met Luba, a young Ukrainian woman. They immediately hit it off and they were married a year later after a whirlwind romance. His stepdaughter Anna, then five years old, has grown to be a "spectacularly brilliant" student headed for medical school and a career as a surgeon. "Sometimes I think that my purpose in life was just to get that little girl over here from a small village in the Ukraine, to give her all the opportunities this country has to offer." Including, incidentally, lottery scholarships! The two proud parents also have a daughter together, 12-year-old Chloe. "She's just as gifted as her sister and looks up to her very much. It's a wonderful dynamic, and I can tell you I have to go to work to be in charge of anything. I'm the luckiest guy I've ever met!"

Between work for the Lottery, his family and volunteering with Goodwill, Chandler has little time for much else. He does have his own video production company and continues to do the occasional long-form film and video work. He had a scare with cancer earlier this year, something that has really given him added perspective on life.



His diverse education background includes higher education in London and Paris. He spent the early part of his career in broadcast news and has an Emmy Award to show for it. More recently, Chandler served as Director of Communications for the Arkansas Department of Economic Development and then held senior positions in business development for advertising and marketing agencies.

### **Why the transition from media and communications to business development and sales?**

Television news gives you some great habits that stand out in other industries. There is a sense of urgency every day as you build the shows and make decisions on how to best cover the stories. It really does take teamwork to get the product on the air. It's high stress and emotion as the deadlines loom, and if you're prepared, and if your team is prepared, magic can happen. I call it being ready to be ready – you never know when something big is going to happen. Sales is a bit the same way, it's just a different type of team. Large groups need a flexible plan and everyone needs to be ready to capitalize on changing conditions. If a particular game is hot, opportunity has a shelf life and the team has to act as one to drive success. I know it's basic, but that may be the toughest thing to do in any leadership role – get people to move towards a common goal in unison. I've always believed all the jobs I've had are really the same one, producing agreed-upon results with a group of like-

minded people. The daily work you do is simply preparing for opportunity, and when the stars align, you're ready to pounce.

### **What are the biggest challenges a lottery director of sales faces today?**

I can only speak for myself, and after only two years I don't think I'm an expert at lottery. But all other sales directors may well face issues such as being the only retail sales-driven business in state government. Economic development is about selling the state to businesses to locate and invest in communities and my fellow Arkansans, and those sales windows are sometimes a decade. In lottery, it's relentless – every day finding ways to cause a player to consider and then act on the idea of buying. We are a young lottery, and as the number of players settles into a range, innovation is the only real way to drive an increase. We have 700,000 people in a state of three million that don't play the lottery but have no objection to playing. We don't need the same people playing more, we need more people playing just a little.

And then there is a predictable challenge of being a sales leader within a state government environment. Sometimes when I go fast it can cause some angst, so fairly often I have to say I'm sorry and try something else that will work. But that's good too – I continually must discuss with everyone our strategies and tactics, and that gets the buy-in you need to impact sales. One important point to make is that this



place wasn't broken when I got here; all that I'm doing now is to make us better. We are fortunate to have a wonderful staff of marketing and sales representatives. Without them, none of this would be possible; they're the backbone of the sales effort and the team succeeds because of their efforts. Bosses clear obstacles and the MSRs make the relationships work that help us increase our sales. It's not me, it's us.

**Is there anything you'd like to change about the way lotteries do business?**

No, but I do believe everyone needs to keep one eye on responsible gaming. Our lottery funds college scholarships and it's a highly emotional endeavor. So we shouldn't use that to sell more at any cost. We discuss it all the time here at headquarters and in the field – we have a responsibility to do this the right way. Voters overwhelmingly approved the lottery nine years ago, and it's up to us to present the product to the people in a way that gives families college scholarship opportunities while being socially responsible.

**Arkansas is the home of Walmart – does that give you a home court advantage with them?**

We are the only lottery that can be at Walmart's home office in Bentonville in about ten minutes when needed. Walmart is methodically learning lottery, and many times we are asked to provide or facilitate various sales systems for them to test for functionality or space. They are figuring out our industry, and I believe one day they will embrace lottery as aggressively as other categories. We have no special insight, but having the home court advantage may allow us to lead the charge in some ways. In the end it's about customer service for Walmart, and every other chain that does business with us.

**What's the most fun you have had while at the Lottery?**

We sell games. If we can't make it fun for ourselves, how are we going to make it fun for everybody? In early October, we sponsored the Main Street Food Truck Festival and one of our retailers joined us to sell tickets to the roughly 40,000 guests who came into downtown Little Rock. I believe, as a leader, it's important to do all the things you ask of others, so I spent the day at the small tent and hawked our new oversized \$10 ticket. It's our first large ticket and our gaming director Mike Smith and his team turned out a big winner. Sales are incredible and I personally accounted for about \$500 of the several million dollars we've sold of this ticket. I'm happy to sell to all of our 1,940 retailers, or one ticket at a time. It's fun! Bishop told me the first day I was here, "There is no other industry like lottery; it's totally unique, and today you start your education, and you're going to love it!" He was right.

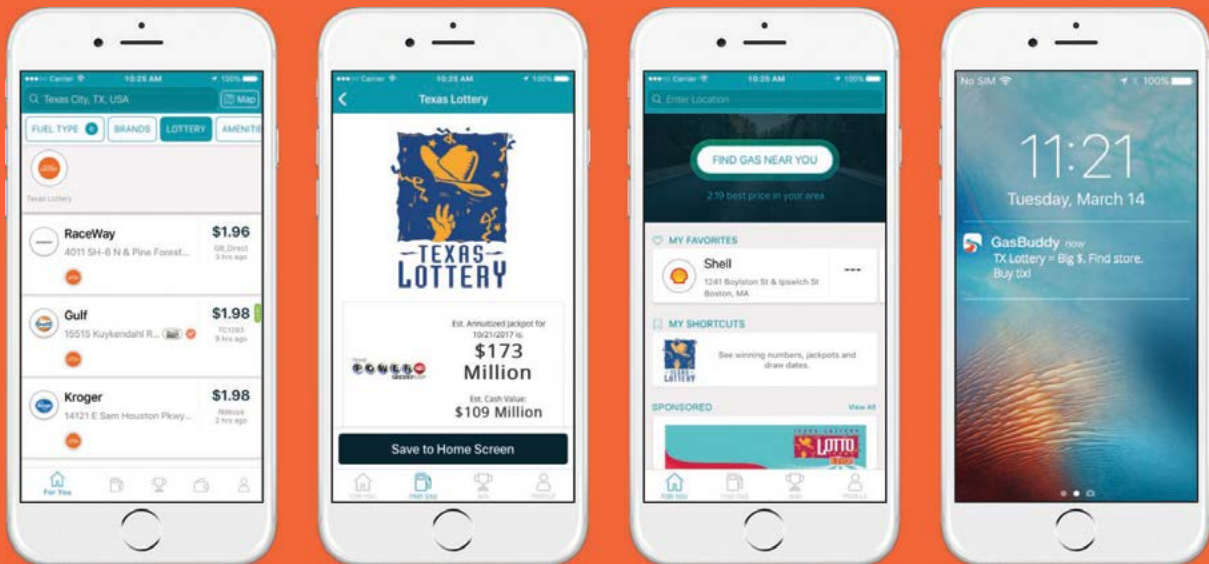
**Why did you get involved volunteering with Goodwill, and how did you get your start with them?**

One of the TV stations I worked at had a long relationship with Goodwill. It's a unique organization – taking donations and selling them for a profit at a very low price, and that profit goes to workforce and career efforts that help people find a job and stay in their families. Egos are pretty well checked at the door at Goodwill, and we literally believe we can save the community one person at a time and one family at a time. That's what the effort's about. And if you are blessed with opportunities in life, it's your responsibility to share with others who haven't had those opportunities. I just think if we are going to live a whole life, we have to be big enough to try to help others in a mission that is bigger than ourselves. ■

# GasBuddy Expands Lottery Operations

App provides access to millions of engaged mobile users right at the point of sale.

By Patricia McQueen



For years, drivers have used GasBuddy as a way to find the best gas station for them wherever they are – the Perfect Pit Stop, according to the company’s tagline. That might mean the cheapest gas, their preferred brand or the availability and quality of various features and amenities. The Boston-based GasBuddy, which began as a computer-based program in 2000, has had more than 70 million downloads since the mobile app became available in this era of smartphones. The crowdsourced app has some 15 million active users each month, providing a wealth of information. And those users

are quite active – completing some 30 million monthly sessions.

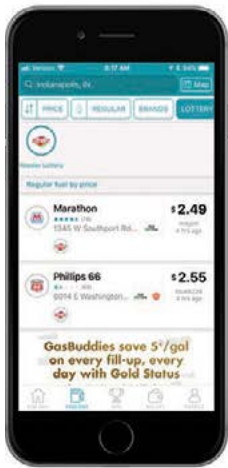
GasBuddy has been increasingly valuable during times of crisis – like when Hurricane Irma descended upon Florida in September. Not only did the app help the general public find out which gas stations had gasoline during a period of extreme shortages, it helped first responders as well. The company received a considerable amount of news coverage at the time.

That exposure, which helped generate 2.3 million new downloads in September alone, and the tremendous customer base of very engaged users, is what is attracting lotteries.

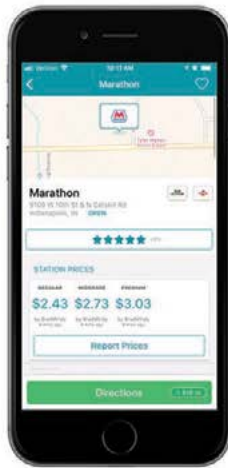
Earlier this year GasBuddy brought on board Jim Acton as Senior Director of Advertising Partnerships. The lottery industry veteran has a background with the Massachusetts Lottery, Scientific Games and Hasbro. Through data analysis, he is helping lotteries better understand the purchasing patterns of their customers and providing new ways to reach those customers through features in the GasBuddy app.

“The great thing about GasBuddy is that it is driving people to retail, so there is a natural fit with lotteries,” said Acton. GasBuddy sends people to the same retailers that generate





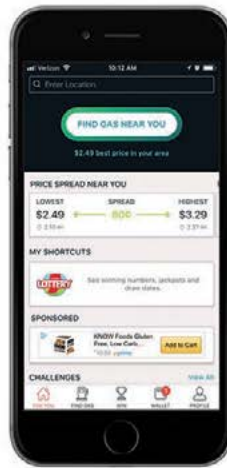
Badges and ads on filtered stations in IN



Badges on station's destination page



Presented with real-time jackpot amounts and other Lottery resources



Shortcut allows for real-time push notification on Lottery news and jackpot amounts



Prompt user to find a location, download app, and more

more than half of most lotteries' sales – convenience stores. That's why he calls the app the "next generation" of billboards, signage and radio ads – all things designed to catch people while driving, hoping they might stop by a lottery retailer. "We can do that one better by serving information to the player when they are actually stopped and either at the pump or doing something at the store. We can reach out to players when they are just feet from the point of purchase."

Last year GasBuddy started working with its first lottery when the California Lottery began running jackpot alerts on the app. The Arkansas Scholarship Lottery is another that has used jackpot alerts since last year, and more recently Pennsylvania and Kentucky have come on board with that functionality. Some of these lotteries have also used GasBuddy for promoting certain instant games. And holiday campaigns are underway for several lotteries; at press time these included Kentucky, Massachusetts and Virginia, with more expected.

The Texas Lottery was the first to use a whole suite of options GasBuddy offers to lotteries, including a ribbon filter at the top of the app that can automatically find gas stations where lottery tickets are sold, campaign

advertisements for jackpot awareness and instant ticket releases, shortcuts for home page and push notifications, and email campaigns to generate awareness among GasBuddy users in Texas.

The Hoosier Lottery most recently followed in Texas' footsteps, using the lottery ribbon filter, running campaign ads and using the shortcuts that allows users to save a lottery banner on their home page and receive push notifications. "The importance of c-store locations for the Hoosier Lottery led to a natural partnership with GasBuddy," said Hoosier Lottery Director of Public Relations Dennis Rosebrough. "It has offered us the opportunity to reach players near the point of purchase with the latest product and jackpot trigger messaging."

## Staying Engaged

The app uses "challenges" to trigger certain actions by users, and awards GasBuddy points to users completing those challenges; those points can be used to enter drawings for free gas cards, for example. That gamification keeps users engaged and passionate about the app, ensuring the most current information is always available.

For lotteries, those challenges could include downloading a lottery's own app, and GasBuddy points could be redeemed for anything the lotteries want to provide. "Lotteries not only want to provide information to their players through the GasBuddy app, they also want to drive users to become more active in the interactive programs offered by the lotteries themselves," said Acton.

GasBuddy's lottery tools can easily be geo-fenced to precisely reach consumers not just within a jurisdiction, but within smaller geographic areas as well – whatever a lottery might want. In addition, a third-party company is used to track whether a player actually goes in the store. "If someone is served a lottery ad when they are at a pump at a c-store gas station, we can track what percentage of those people go into the actual location," said Acton. They don't track any actual purchases, just whether they go into the store, and that is great data for a lottery to have.

He's confident that the app, in addition to providing lotteries with immediate access to a large universe of users, especially the millennial generation, will help them reach new players. "It's just another tool for them in their toolbox as they try to build up their customer base." ■



## GOOD FUN IN SOUTH DAKOTA

The South Dakota Lottery recently celebrated its 30th anniversary.

By **Patricia McQueen**

1989 was a landmark year for gaming in the United States. Just a year after passage of the Indian Gaming Regulatory Act, which paved the way for tribal casinos to spread across the country, commercial gambling began its expansion in South Dakota. One of the smallest U.S. states by population, the first casinos outside of Nevada and Atlantic City opened in Deadwood, S.D., in November 1989. A month earlier, the fledgling South Dakota Lottery had launched the first video lottery terminal (VLT) network in North America.

**T**he Lottery had been created in 1987 after voters approved a constitutional amendment the year before. Its first game was a scratch ticket, Match 3, which launched on September 30, 1987. Thirty years later, the Lottery has raised a cumulative \$2.69 billion for the good causes it benefits. Current beneficiaries are the state's General Fund and the Capital

Construction Fund; for many years VLT revenues went to offset property taxes.

It took just over three years for the lottery to offer a second traditional lottery product, launching Lotto\*America in November 1990 after a bill authorizing lotto games was passed in February of that year. Twenty-seven years later, South Dakota is a participating lottery in the all-new Lotto America – "It's back and better!"

Other significant milestones for the South Dakota Lottery include the 1994 launch of Tri-West Lotto with Idaho and Montana; it was the first small regional game offered through the Multi-State Lottery Association. Tri-West was replaced with Wild Card in 1998, which ran its course until it ended in 2016.

The new Lotto America replaced Hot Lotto, which South Dakota offered from its launch in 2002 until the game ended in late October. South Dakota also participated in a few other MUSL games which had short life spans. The original Lotto\*America, of course, became Powerball, and in addition to that game, South Dakota also offers Mega Millions. This past summer, Lucky for Life was added to the product lineup.

The Lottery's only game exclusively for South Dakotans is Dakota Cash. The cash lotto game debuted in April 1993; an EZ Match option was added last year. Remarkably, in early September the 24-year-old Dakota Cash reached a record jackpot of \$614,181. It took 58 drawings to reach that total, and a single winning ticket was sold.

"It has been fun for us to take a trip down memory lane over these 30 years," said Public Affairs Manager Wade LaRoche, "looking at where the Lottery started and where we are moving forward. We have a lot of loyal players, and we greatly appreciate them." To help celebrate, a special \$5 30th Anniversary scratch ticket was introduced, and Lottery officials participated in events throughout the year, offering contests and giveaways for players at venues including the South Dakota State Fair. "It's been fun to be able to interact with our players."

### KEEPING IT FRESH

It's those players for whom the Lottery has rebranded itself and developed new initiatives designed to keep the games fresh and provide new ways to win. In



February 2016, a new logo and the “Good Fun” brand campaign was launched. “It has brought more awareness to our players that not only do we have winners in South Dakota, but that when you play the lottery it also goes to a good cause, with a lot of money going back to schools and other state-run programs. So it really is Good Fun,” said LaRoche.

A new initiative to stimulate scratch ticket sales is ‘Fresh Fridays’ – a campaign that promotes the release of new games on a Friday roughly once each month. The first was in September, and the second released three holiday games. Currently the Lottery offers scratch games from \$1 to \$20, and several designated games are eligible for ‘Play it Again’ second-chance drawings through the players’ club, which offers other benefits as well. “We are doing things like that in order to spice it up for our players.”

On the draw side, the addition of Lucky for Life in June has been a good experience so far, and of course officials are excited about the new Lotto America. With respect to the big national jackpot games, South Dakota is participating in Mega Millions’ Just the Jackpot option. Upcoming enhancements to Powerball were approved in November, and combined with all the other initiatives there is a lot to look forward to. “We do think the new games and the changes to the games will keep things fresh.”

### Video Riches

Freshness also permeates the Lottery’s dominant product, VLTs. The machines – just over 9,100 as of mid-November in 1,337 establishments, which are limited to no more than 10 machines each – account for the lion’s share of lottery revenues with \$212 million in net machine income in FY17. However, the product line was not without its detractors in the early years. Voters overwhelmingly defeated the first attempt to repeal them in 1992, but a subsequent lawsuit led to a 1994 declaration by the state’s Supreme Court that the machines were unconstitutional. VLTs were shut down temporarily, but again voters gave their approval of the

games, albeit by a smaller margin, 53 percent to 47 percent, and the games restarted. Twice more South Dakotans had to vote on VLTs, most recently in 2006 when they again approved them by a wide margin, 67 percent to 33 percent.

Initially consisting of games such as video poker, blackjack, bingo and keno, line games were introduced in 2011, bringing in games and themes players are used to seeing in casinos. They have steadily increased their market share in South Dakota, and in FY17 revenue from line games surpassed revenue from the legacy machines, despite a considerably larger number of the latter games. As more of retailers bring in line games, more players are enjoying fresh new games. “It’s just another area where we want to keep working with our partners, our operators, our retailers and our players, all to provide the content that they want.”

### Moving Forward

The branding, the new games and the initiatives such as Fresh Fridays all combine to help the South Dakota Lottery continue its path forward to grow revenues for the state, some 625 traditional lottery retailers and the video lottery retailers.

But it’s a never-ending process for the staff of just 30 employees. “We are examining ways to get more players involved,” said LaRoche, “and we have a dedicated staff that’s always looking for the latest technologies.” Currently in the final stages of development is the Lottery’s first mobile app. “We think it will go a long way in providing more outreach to our players, and will do a good job attracting a younger audience.”

Still more game and promotional opportunities are always under review. “We know we need to keep things fresh in an industry like this.” ■





Gov. Sam Brownback signs a proclamation for Kansas Lottery Day at the Birthday Bash kickoff on March 7, 2017.

# UP AND AWAY

Putting players first, the Kansas Lottery is looking forward to its next 30 years.

By Patricia McQueen



It may not lead to Oz, but at the end of the yellow brick road charted by the Kansas Lottery is a pot of gold for the State of Kansas and its residents.

Thirty years ago, before a single ticket was sold in the state, the newly-formed Kansas Lottery was one of the six founding members of the Multi-State Lottery Association. That was just one of the “industry firsts” that mark the history of the Lottery, which sold its first instant ticket, Up and Away, on November 12, 1987. “There were a lot of firsts in Kansas, believe it or not,” said Executive Director Terry Presta, who has been at the helm since the beginning of 2014. That spirit of innovation has produced more than \$1.7 billion in revenues to beneficiaries from 30 years of traditional lottery sales, plus another \$477 million from eight years of casino operations.

The sidebar on the next page shows just a sampling of the Kansas Lottery’s industry leadership and willingness to try new things, and it doesn’t even

take into account the one event that forever changed the future of lottery and gaming revenues in the state – the passage of casino legislation in March 2007. Under a different regulatory/operational model than other states where lotteries are involved in casino gaming, the first of four casinos opened in December 2009. The Kansas Expanded Lottery Act authorized the Lottery to own each casino and its gaming equipment, but the properties are operated and managed by private companies awarded contracts in competitive bidding processes.

With all of that history behind it, it’s no surprise that Kansas celebrated its anniversary year in a big way, from start to finish. It began with the February 28 launch of the \$5 Birthday Bash instant game, which offered monthly chances to win special prize packages. A birthday kick-off event was held in early March at the Kansas State Capitol, with both the House and Senate recognizing the

Lottery with special resolutions; Governor Sam Brownback signed a proclamation designating a Kansas Lottery Day. All year long, players had chances to earn tickets and VIP packages for the biggest birthday party of them all, a Nov. 18 concert by country music duo Big & Rich at the Kansas Star Casino. Also up for grabs were seats at the Lottery's first Kansas Lottery Slot Tournament on the same day.

## 'Why We Exist'

That celebration is an example of how, under Presta's leadership, the Kansas Lottery has become very consumer focused, formalizing a "why we exist" philosophy – to provide fun and exciting entertainment that lets the players dream about what they would do if they won. "If we do that, we think we'll be successful over time," said Presta. Being consumer focused means that "you have to make your product more compelling every day" in the face of ever-increasing competition.

Importantly, it also means changing the organization's mindset, something he set about doing when he first arrived. An advocate of team leadership and team building, Presta encourages everyone to take a leadership role, not just the people at the top. "The key is to create a winning team," and that winning team translates to increased sales and increased profits.

Some of the Lottery's most notable recent accomplishments in the eyes of the player include the launch of the PlayOn players loyalty club last January; flash sales that encourage sampling of new games; interactive additions to instant games to extend entertainment value and offer additional prize opportunities; and replacing in-counter dispensers with on-counter displays to make games more visible.

Many of its initiatives "are predicated with the idea that we are going to be digital one day,

so we need to start building our players club," said Presta. That has been a remarkable success, doubling membership from about 60,000 players in the old program to more than 121,000 members of PlayOn in less than a year. All second chance drawings are now conducted through PlayOn, and the Lottery can encourage sales of specific games by offering double and triple points. Importantly, the system provides more information about players to help make data-driven decisions.

"PlayOn gives us the opportunity to take a lapsed or casual player and engage them in a way that they will be more active," said Presta, adding that it also helps bring in new players – key to responsible growth.

## Winning Experiences

Attracting new players is a challenge for every lottery. What every player, and potential player, wants is a winning experience. That's where the players club helps, by providing additional chances to win. But Kansas went one step further in last year's holiday instant lineup, offering a game in which every single ticket was a winner. A lot of people buy lottery tickets as stocking stuffers for their friends and loved ones, explained Presta, and "there's nothing worse on Christmas than scratching all five of your tickets and not getting a winner. Our 'why' is all about fun, excitement and entertainment. How does that create fun and excitement?"

So for the 2016 holiday season, Kansas offered Holiday Surprise, a \$20 game that guaranteed at least a \$5 prize on every ticket. To allow for that prize structure, the top prize was just \$1,000. "We thought it was better to have in our portfolio something where everybody was a winner. And there was a lot of winning!" People liked it so much that the game was relaunched for the holiday season this year.

## Kansas Lottery Industry Firsts and Other Milestones:

**October 2001** – First lottery to sell variable-imaged bar-coded pulltabs for inventory and security control.

**May 2004** – First lottery to offer eScratch, an interactive game playable online using a code purchased at retail. Despite various efforts to improve the product, sales were discontinued at the end of 2007 due to disappointing sales. This early effort to add interactive entertainment to a lottery product was perhaps ahead of its time.

**June 2005** – The Kansas Crossword instant ticket was introduced, featuring the "Kansas, as big as you think" tagline used in the state's brand campaign, the result of a strategic alliance formed by the Kansas Department of Commerce and the Kansas Lottery.

**June 2006** – Another effort to modernize the instant product came in the form of the \$20 Electronic Game Card, an electronic version of a scratch ticket which had also been launched in Iowa.

**June 2006** – The Lottery launches its first Players Club.

**September 2006** – First lottery to offer a game modeled after Texas Hold'Em poker. Test-marketed initially, Kansas Hold'Em was introduced statewide in September 2007 and remains on the market as a second monitor game to complement keno.

**September 2007** – The Kansas and Iowa lotteries launched Midwest Millions, the very first multi-state instant game. Its success spawned a second game a year later.

**March 2008** – The Kansas Lottery, along with three other state agencies and the Kansas Coalition on Problem Gambling, formed of the new Kansas Responsible Gambling Alliance to promote public awareness of the dangers of problem gambling and the availability of treatment.

**April 2009** – First lottery to offer its players a next generation lottery product called PushPlay, which used an electronic player with an LCD screen to display the game.



The hope is that as the gift recipients redeem their prizes at retail, they might decide to pick up other tickets with their winnings. "You've got to be creative on how you get somebody to play something once. If it's fun and exciting, and if they feel they do have a legitimate chance to win, you can turn them into a player."

That said, there is still a challenge to attract younger adults, those who live by their mobile phones. "If we don't get on their mode of play, we have less of a chance with them. That's why it's essential to get into the digital world."

Winning experiences are harder to come by with jackpot games, but recent and upcoming changes there are still designed with the players in mind. "Players really like to play for the big jackpots," so the changes in Mega Millions will help meet those needs. Presta likes that game's option of Just the Jackpot, thinking it will really drive new sales when the jackpot gets high. And Powerball's Winner Take All option, coming next spring, is another interesting add-on. "I think the industry is putting on its thinking cap and trying to make things better for players, giving them something else to look at. My hope is that one of these games is rolling big at all times."

As chair of the new Lotto America game group, Presta is really excited about that game as well. "If you look at your business as anybody in the private sector would, you know you need something for everybody. Now that the two larger games are \$2, we think a \$1 lotto game could be positioned fairly well." He hopes that as the game develops, more lotteries will participate.

## More Avenues to Growth

While good games are key for lottery growth, and Kansas will introduce its first \$30 instant game next year, other factors are critical as well. One is something as simple as instant ticket vending machines – a product that Kansas is currently unable to offer. Self-service machines, especially the newest models, have enabled other lotteries to reach new customers through new retail outlets. When combined with cashless payments, these machines are expected to play a big role in lotteries' futures.

A bill authorizing ITVMs passed last year but was vetoed. Presta hopes to try again in 2018, convinced that considerable growth will come once they become available.

Another path to growth will come after Kansas undergoes a system conversion next summer, with Scientific Games taking over for the first time in the Lottery's history. "We are excited about the upgrade potential" of the new gaming system, one that will catch up to current and future technology and allow the Lottery to offer more innovative ways of product delivery and improve the services offered to retailers.

Among the first things to be addressed is a relaunch of keno, a game that has faced some "downward pressure" from the casino business. "When we have competition like that, it actually gives us an opportunity to do things a little better. We are looking at ways to enhance our keno to come

back and make a better product." Increasing the payout is one thing – Kansas currently has a lower payout in keno than other lotteries offering the game – but more important is a need to increase the game's excitement. Multipliers and perhaps a progressive option are being considered.

And Presta is looking forward to seeing the industry-wide standard API initiative come to fruition, something that will allow for much faster – and lower cost – implementation of new games. "Lotteries may look totally different than they do today, with things we aren't even thinking about yet. It's going to be an interesting time for lotteries going forward."

Perhaps a little further away on the horizon is a complete transition to the digital world, but Presta is convinced it will happen in Kansas eventually. In the meantime, he's going full steam ahead with whatever the Lottery can do under current regulations, beginning with the new loyalty club and with the options that will come from the new gaming system next year. He's very interested in tethered gaming, where players can purchase tickets using their mobile device by direct connection to a retailer's system while in that location.

"I think the future is bright for the Kansas Lottery," exclaimed Presta, and that's a good thing for its beneficiaries. The majority of funds from traditional ticket sales are dedicated to economic development initiatives, with other revenues allocated to prison construction and maintenance, juvenile detention facilities, problem gambling assistance and the General Fund. Select games also provide funding for programs that benefit Kansas military veterans. A pot of gold indeed. ■





*April 9-12*

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# OUTLOOK FOR THE BIG GAMES IN 2018

## LOOKING BACK, LOOKING FORWARD

STEPHEN WADE, PRINCIPAL, LOTTERY MANAGEMENT CONSULTING, LLC.



The relationship between jackpots and sales changed following the January 2016 record Powerball jackpot. Sales at starting and low jackpots remained much the same, but the next time a jackpot run offered a top prize of over \$150 million (as happened in February 2016), sales were markedly lower than before the big event. This lack of enthusiasm as jackpots rose into the hundreds of millions persisted until May 2016, when the jackpot first exceeded \$400 million. In July 2016, a Mega Millions jackpot climbed into that territory and got a similar response. It appears that in the post-billion-dollar jackpot world, \$400 million is the new kindle point for excitement.

Since January 2016, six Powerball runs have provided jackpots of \$400 million. Only in August of 2017 did the run last long enough to break \$500 million. It delivered a top prize of \$758 million on August 23, 2017. In that drawing, actual sales were about \$458 million nationwide. That August event was very welcome, coming early in the fiscal year for most lotteries and making sales people feel better about reaching their goals.

Mega Millions, meanwhile, produced two notable runs, one yielding a jackpot of \$536 million and another \$393 million (the latter producing a sales response "like old times").

At this point in the year, I have for several years applied quantitative methods to learn something from our immediate past experience. In October 2017, I can use the past 18 months or so of history to develop a quantitative description of how people have been playing Powerball and Mega

Millions. I can then use this description to drive "thousand year" models that yield some insights into what to expect in the coming months.

Since I have done this for several years, I can also readily compare current behavior to past behavior. The lack of excitement between \$100 and \$400 million, compared to pre-2016 behavior, has been costly to an extent of about \$690 million in sales (for the jackpots that actually occurred) over 18 months of Powerball, and about \$860 million in sales over 18 months of Mega Millions. However, the point of this article is not to document theoretical shortfalls, but to apply what we have seen toward understanding what we should expect in the near future.

The biggest question (just on the horizon as I write) is "what will the new \$2 Mega Millions do?" I will explain how I have tried to apply what was learned in raising the price of Powerball to \$2 to this question, and why the answer is not entirely "Mega Millions will be just like Powerball."

When Powerball raised the price of a wager to \$2, we saw an increase in sales under low-jackpot conditions of about 22 percent. That is to say, players spent 22 percent more money than they would have for similar jackpots in the range from \$40 to \$250 million, in the prior period of the \$1 game. Once the jackpot exceeded \$300 million, they spent about twice as much as they had in the \$1 game.

Put another way: with the price increase, there was a big decline in participation, though at twice the unit price the net effect was still significantly more spending and of course





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faster jackpot growth. Once the jackpot reached a critical size, anyone who wanted to play paid the price without hesitation.

Applying this learning from 2012 to the situation at the end of 2017, we expect some things to be the same though others are clearly different. One thing that is different is the absence, in 2018, of another big, well-established national game priced at \$1.

However, the experience of 2012 does not lead me to expect that the presence or absence of another national-scale game at a \$1 price will make any difference. Mega Millions did not see a big influx of new players when Powerball raised its price.

Another thing that is different: Powerball already set the precedent of a \$2 wager. Players may not feel strongly about the other national game following suit. Yet another thing: the buying power of one dollar is slightly lower than it was five years ago.

Taking all this into consideration, I have modeled several scenarios for how the current spending behavior of Mega Millions players may change with the price increase, and what the consequences of this are likely to be for jackpot development, and for the expected yield of the game. I believe a likely but conservative scenario is that spending-for-jackpot will increase 20 percent, from the start of \$40 million up to around \$400 million, and then, once excitement is kindled, double. I believe a scenario where the spending at low jackpots is stronger (30 percent above base) is equally likely. In what follows I refer to these as the 20 percent and 30 percent scenarios.

However, even if this happens, I do not think we will see Mega Millions becoming fully equivalent to Powerball. Powerball's sales range \$23 to \$28 million per drawing for its starting jackpot; Mega Millions even under the 30 percent scenario would grow only to \$20 million. Although Mega Millions will match the \$40 million starting jackpot of Powerball, the Mega Millions jackpot will increment by \$5 million rather than by \$10 million.

The size of the starting jackpot, and the way it increments on subsequent draws, is important to the long-term yield of the game. Not everyone realizes this, but when the top prize in one of the big games is won within the first few consecutive draws of a "run," the total prize liability exceeds the aggregate value of sales from the run. In other words, the

run loses money.

Setting the size of the starting jackpot, and managing the way it increases, is an exercise in risk management. Higher jackpots bring higher sales in each draw. Higher sales represent more wagers. Each wager carries a risk that it will actually win the jackpot. The starting jackpot is chosen with an understanding of the volume of wagers expected, and the likelihood of progressing through several draws without having to pay the jackpot. The target prize expense (or return to players) of the big games is 50 percent, of which less than 20 percent now goes to play the lesser prizes, i.e. those below the jackpot. As the draws progress and only the lesser prizes are paid, eventually the difference between sales and prizes paid becomes great enough to pay the jackpot, should it be won. At this point the jackpot is said to be "fully funded." From this point forward, the run makes money.

Mega Millions, starting at \$40 million and incrementing by \$5 million, will fully fund its jackpot on the fifth draw, at \$60 million, under the 30 percent scenario. Under the more conservative 20 percent scenario, full funding would happen one draw later. Powerball, starting at \$40 million and incrementing by \$10 million, will be fully funded at \$90 million, on the sixth draw. Powerball, with higher sales, more wagers, and perhaps one more draw to reach full funding, has a greater probability of ending any particular run at a financial loss.

My analysis suggest that these two games will differ in several respects, with Powerball producing higher sales and more jackpots won in a typical year. However, this same analysis suggests that the two games will produce similar profit. Simulations of both games produce net win of between \$1.75 and \$2.75 billion about 2/3 of the time.

My intent is not to judge one game as superior to the other: after all, they have similar expectations of profit. Powerball will probably be the faster-moving game, and this may be advantageous in that its likelihood of producing a newsworthy jackpot in any given year is greater. Both games have approached risk management in a similar way, and chosen actions consistent with their different starting conditions.

The table below summarizes some comparisons made on the basis of simulating one year's experience in the games several thousand times. The values shown represent averages or central tendency.

## Projected characteristics of Mega Millions and Powerball for 2018

Based on several thousand years' simulated activity  
Bond Factor 1.6 throughout

		Mega Millions 120%	Mega Millions 130%	Powerball
Average sales	\$ bn	4.0	4.3	5.3
Median run length	draws	16	15	12
Jackpot at median run length	\$ million	220	220	260
Jackpot wins per year	count	6.0	6.3	8.1



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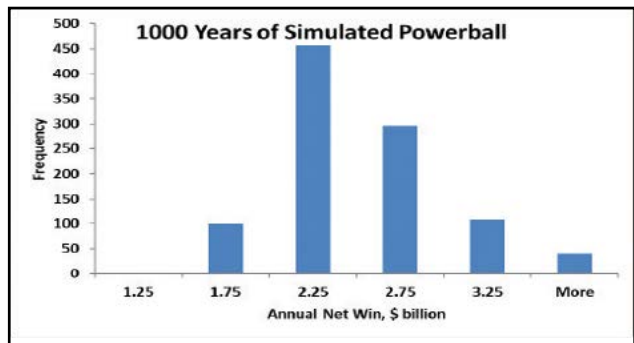
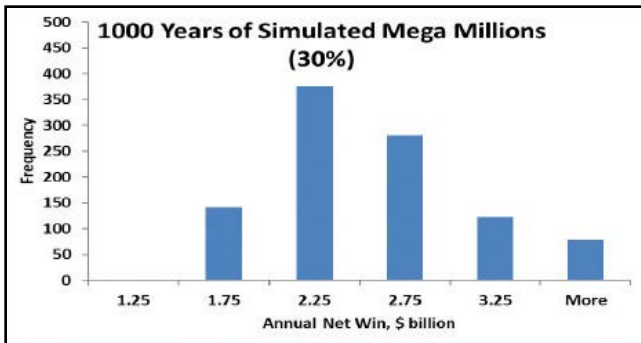
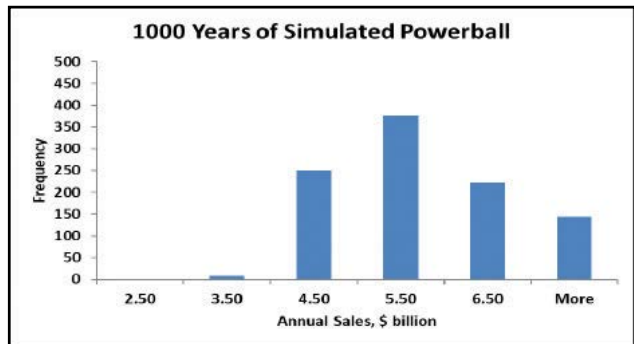
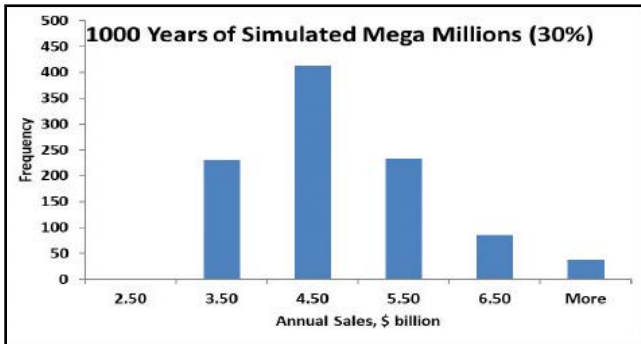
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Massive simulations of this sort also provide some insight into the year-to-year variability of results, or the uncertainty around a prediction for any particular year. As always with the big games, this uncertainty is significant. Given this level of uncertainty, the figures below are perhaps even more meaningful than the averages on the previous page.



What I learn from these charts is: each game is very likely produce more than \$3.5 billion in sales in the year (the axis values represent the upper limit of the corresponding category, i.e. the third columns represent just over \$3.5 billion up to \$4.5 billion in sales). Powerball sales will more likely than not exceed \$4.5 billion. Also, each game is very likely to produce net win between \$1.75 and \$2.75 billion. If this seems like an awfully broad range of outcomes, you have taken from this graphic presentation exactly what I intended: these games remain very volatile. ■

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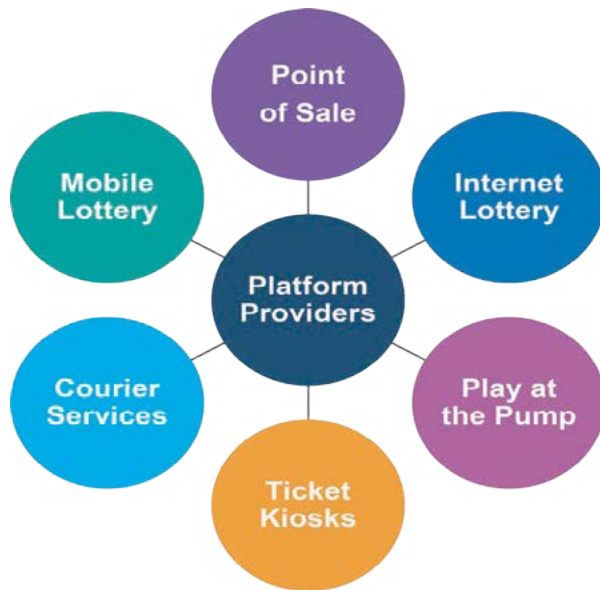
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PRIZE  
PRIZE  
PRIZE  
PRIZE  
PRIZE  
PRIZE

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13X	☺☺☺☺☺	= \$100
14X	☺☺☺☺☺☺	= \$1,000
15X	☺☺☺☺☺☺☺	= \$3,000
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Arizona Lottery

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13	37
54	32
26	51
33	9

OHIO LOTTERY

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Reveal a ☺ symbol, win prize shown for that symbol. Reveal a ☺☺ symbol and win DOUBLE the prize shown automatically. Reveal a ☺☺☺ symbol and win ALL 10 prizes shown!

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# HOLIDAY INSTANT CATALOG

It's that special time of year again for the *Insights* annual Holiday Instant Ticket Catalog. This feature includes a gallery of holiday tickets from every North American lottery that offers instant games, as well as some general information including game type, price point, odds of winning and top prize. Be sure to check our March/April 2018 issue for a review of how these games performed in the market.

Enjoy the creative works of our members.  
NASPL wishes everyone a wonderful holiday season!

# Atlantic Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Cash Flurries	Scientific Games	Extended Play	\$3	550,000	1 in 3.77	\$30,000
Holiday Wishes	Scientific Games	Word Game	\$3	750,000	1 in 3.35	\$30,000
Blizzard Bucks	Scientific Games	Match 3	\$5	510,000	1 in 4.05	\$50,000
Holiday Diamonds (National Ticket)	Pollard Banknote	Key Number Match	\$10	600,000 (ALC only)	1 in 3.06	\$250,000
Holiday Mega Pack	Scientific Games	Variety Pack	\$20	194,000	1 in 1.00	\$125,000

# Arizona Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
White Elephant	Scientific Games	Find	\$1	2,400,000	1 in 4.36	\$500
Feliz Navidog	Scientific Games	Key Number Match	\$2	1,560,000	1 in 4.10	\$10,000
Candy Cane Crossword	Pollard Banknote	Crossword	\$3	1,440,000	1 in 3.59	\$20,000
"7"	Scientific Games	Key Number Match	\$5	1,320,000	1 in 3.82	\$50,000
Holiday Riches	Pollard Banknote	Key Number Match	\$10	1,080,000	1 in 3.19	\$100,000
Gifts of Gold	Pollard Banknote	Key Number Match	\$20	1,080,000	1 in 2.79	\$500,000



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# Arkansas Scholarship Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Cheer	Scientific Games	Find	\$1	1,680,000	1 in 4.58	\$3,000

## BCLC



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Stocking Surprise	Pollard Banknote	Match Three	\$1	1,500,000	1 in 3.30	\$10,000
Holly Holiday	Pollard Banknote	Match Three	\$1	1,500,000	1 in 3.30	\$10,000
Christmas Tails	Pollard Banknote	Key Number Match	\$2	800,000	1 in 3.30	\$20,000
Santa's Sleigh	Pollard Banknote	Key Number Match	\$2	800,000	1 in 3.30	\$20,000
Peppermint Cash	Pollard Banknote	Symbol Match	\$3	750,000	1 in 3.50	\$50,000
O'Christmas Tree	Pollard Banknote	Key Number Match; Match Three	\$3	750,000	1 in 3.45	\$50,000
Holiday Greetings	Pollard Banknote	Key Number Match	\$5	750,000	1 in 3.30	\$100,000
Merry Money X10	Pollard Banknote	Match Three	\$5	750,000	1 in 3.30	\$100,000
Holiday Diamonds (National Ticket)	Pollard Banknote	Key Number Match	\$10	400,000	1 in 3.08	\$250,000
Holiday Gift Pack V	Pollard Banknote	Key Number Match	\$20	350,000	1 in 2.00	\$150,000

# Share digital draw results faster and attract more new players!

The **Origin® Digital Draw System** and the **Origin® Media Portal** make it fast and easy to distribute draw results and animations to social media, broadcasters, auditors and third parties.

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- ✓ Make it easier for media partners to publish your content.
- ✓ Maintain more control over your brand assets.

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Learn more at [www.smartplay.com/origin](http://www.smartplay.com/origin) or call us at 609-880-1860.



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# California Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Merry Money	IGT	Match 3	\$1	19,200,000	1 in 4.67	\$500
Holiday Magic	Scientific Games	Key Number Match	\$10	7,200,000	1 in 3.30	\$1,000,000

# Colorado Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Reindeer Riche\$	Scientific Games	Symbol Match	\$1	2,800,000	1 in 4.10	\$5,000
Happy Howl-I-Days!	Scientific Games	Key Number Match	\$2	1,080,000	1 in 4.06	\$10,000
Candy Cane Cash	Scientific Games	Key Number Match	\$3	720,000	1 in 3.20	\$30,000
Holiday Gold	Scientific Games	Key Number Match	\$5	960,000	1 in 3.72	\$100,000



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# Connecticut Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Treasure Tree	Pollard Banknote	Key Number Match	\$1	1,200,000	1 in 3.98	\$1,000
Season's Greetings	Pollard Banknote	Key Number Match	\$2	1,000,000	1 in 4.08	\$10,000
Holiday Riches	Pollard Banknote	Key Number Match	\$5	1,000,000	1 in 4.05	\$25,000
Winter Cash	Pollard Banknote	Key Number Match	\$2	1,000,000	1 in 3.99	\$10,000
Jingle Jackpot	Pollard Banknote	Key Number Match	\$5	1,000,000	1 in 3.98	\$25,000

# DC Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Frosty Fun	Scientific Games	Match 3	\$1	240,000	1 in 4.55	\$1,000
Betty Boop Holiday	Scientific Games	Key Number Match	\$2	160,000	1 in 4.69	\$2,500



# The fact is, you may have already lost the game

if you're trying to reach peripheral players  
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**GAME CHANGERS**

# Delaware Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Reindeer Ca\$h	Scientific Games	Key Number Match w/ Win All	\$1	360,000	1 in 4.66	\$500
Holiday Surprise	Scientific Games	Key Symbol Match	\$2	240,000	1 in 4.59	\$1,000
Holiday Crossword	Scientific Games	Crossword	\$3	120,000	1 in 4.04	\$2,000
Merry Money	Scientific Games	Key Number Match w/ Auto Win	\$5	90,000	1 in 3.60	\$5,000

# Florida Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
\$10,000 Holiday Cash	Scientific Games	Key Number Match	\$1	24,000,000	1 in 4.88	\$10,000
\$50,000 Holiday Cash	Scientific Games	Key Number Match	\$2	19,800,000	1 in 4.41	\$50,000
\$500,000 Holiday Cash	Scientific Games	Key Number Match	\$5	13,200,000	1 in 4.07	\$500,000
Pac-Man	Pollard Banknote	Key Number Match	\$5	15,120,000	1 in 3.97	\$250,000
\$2,000,000 Holiday Cash	Scientific Games	Key Number Match	\$10	7,200,000	1 in 3.41	\$2,000,000



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# Georgia Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Peppermint Prizes	Scientific Games	Key Number Match	\$1	n/a	1 in 4.46	\$5,000
Jingle Jumbo Bucks - 2017 Holiday Edition	Scientific Games	Key Number Match	\$2	n/a	1 in 4.45	\$50,000
\$350,000 Holiday Cheers	Scientific Games	Symbol Find	\$5	n/a	1 in 3.61	\$350,000
Holiday Surprise	Scientific Games	Key Number Match	\$10	n/a	1 in 3.18	\$750,000
Money Tree	Scientific Games	Match 3	\$25	n/a	1 in 2.59	\$2,500,000

# Hoosier Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Cash 3X	IGT	Match 3	\$1	6,120,000	1 in 4.38	\$500
The 4s	IGT	Symbol Find	\$1	5,400,000	1 in 4.48	\$444
\$10,000 Holiday Bonus	IGT	Key Number Match	\$2	3,960,000	1 in 4.49	\$10,000
Color of Money	IGT	Symbol Find	\$5	5,040,000	1 in 3.44	\$110,000
Winner Green	Scientific Games	Key Number Match	\$5	7,200,000	1 in 3.88	\$120,000
Happy Holidays	IGT	Multiple Games	\$10	2,400,000	1 in 3.65	\$250,000



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# Idaho Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Sleigh Bills	IGT	Key Symbol Match	\$1	840,000	1 in 3.14	\$1,000
Polar Bear Bucks	IGT	Match 3, Key Symbol Match	\$2	480,000	1 in 2.95	\$10,000
Christmas Cashword	IGT	Crossword	\$3	600,000	1 in 3.29	\$30,000
Santa's Beard Bucks	IGT	Key Number Match	\$5	510,000	1 in 3.22	\$50,000
A Wreath of Franklins	Pollard Banknote	Key Number Match	\$20	210,000	1 in 3.19	\$200,000

# Illinois Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Cash	Scientific Games	Tic Tac Toe	\$1	15,600,000	1 in 4.15	\$200
Merry Money	Scientific Games	Key Number Match	\$2	4,200,000	1 in 4.02	\$10,000
Holiday Bonus	Scientific Games	Key Number Match	\$5	4,560,000	1 in 3.73	\$100,000
Merry Millionaire	Scientific Games	Key Number Match	\$20	2,040,000	1 in 2.95	\$1,000,000

# Play it safe!

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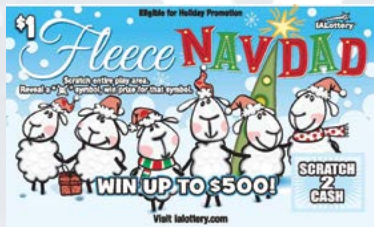
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# Iowa Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Dough Away Zone	Scientific Games	Match 3	\$1	2,160,000	1 in 4.32	\$1,000
Fleece Navidad	Scientific Games	Find Symbol	\$1	2,239,200	1 in 4.16	\$500
Sleigh Bills	Scientific Games	Find Symbol	\$2	1,080,000	1 in 3.73	\$5,000
Snow Me The Money	Scientific Games	Key Number Match	\$2	1,200,000	1 in 3.62	\$8,000
Holiday Time Bingo	Pollard Banknote	Bingo	\$2	1,380,900	1 in 3.36	\$25,000
Surprise Package	Pollard Banknote	Follow Path	\$3	1,242,500	1 in 3.5	\$30,000
Jolly Holiday Crossword	Pollard Banknote	Crossword	\$3	2,312,100	1 in 3.52	\$30,000
Holiday Luck	IGT	Key # Match	\$5	994,440	1 in 3.53	\$50,000
\$50,000 Holiday Magic Crossword	Pollard Banknote	Crossword	\$5	1,810,860	1 in 3.51	\$50,000
Shiny & Bright	Scientific Games	Symbol Match	\$10	960,000	1 in 2.84	\$100,000
\$100,000 Holiday Mega Crossword	Pollard Banknote	Crossword	\$10	755,370	1 in 3.3	\$100,000



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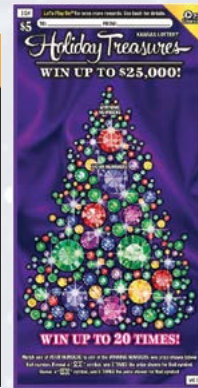
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# Kansas Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Sparkle*	Pollard Banknote	Symbol Match	\$1	1,500,000	1 in 3.16	\$1,000
Holiday Shine*	Pollard Banknote	Key Number Match	\$2	750,000	1 in 3.22	\$10,000
Holiday Treasures*	Pollard Banknote	Key Number Match	\$5	360,000	1 in 3.01	\$25,000
Holiday Greetings*	Pollard Banknote	Superticket - Key Numbers, Multipliers and Symbols	\$10	250,020	1 in 2.54	\$75,000
Holiday Surprise	IGT	Key Number Match	\$20	300,000	1 in 1.00	\$1,000

\* These games include a second chance interactive game drawing for non-winning tickets. Holiday Surprise was first released for Holiday 2016; every ticket wins at least \$5.

# Kentucky Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
\$1,500 Holiday Gifts	Scientific Games	Key Number Match w/Doubler	\$1	3,120,000	1 in 4.88	\$1,500
\$10,000 Holiday Gifts	Scientific Games	Key Number Match w/Auto Win & Doubler	\$2	2,400,000	1 in 3.94	\$10,000
\$30,000 Holiday Gifts	Scientific Games	Key Number Match w/Auto Win, Doubler & Win All	\$5	2,400,000	1 in 3.52	\$30,000
\$125,000 Holiday Gifts	Scientific Games	Key Number Match w/Auto Win, Doubler, 5x & Win All	\$10	1,680,000	1 in 2.95	\$125,000





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# Loto Québec



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Mots cachés	Pollard Banknote	Crossword, Extended Play	\$2	2,000,000	1 in 2.9	\$10,000
Tricot de Noël	Pollard Banknote	Match 3	\$2	1,000,000	1 in 4.0	\$10,000
Cadeau surprise	Pollard Banknote	Match 3	\$2	3,000,000	1 in 4.0	12 gifts (value of \$10,155)
Étiquettes-cadeaux	Pollard Banknote	Match 3	\$3	1,000,000	1 in 5.8	\$25,000
Calendrier de l'Avent	Pollard Banknote	Match Symbol	\$10	500,000	1 in 3.0	\$10,000
Diamants des fêtes (National Ticket)	Pollard Banknote	Key Number Match	\$10	800,000	1 in 3.08	\$250,000
Célébration 2018	Scientific Games	Hybrid Game, Instant + Draw	\$25	3,000,000	1 in 3.0	\$5,000,000

# Louisiana Lottery Corporation



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Cheer	Scientific Games	Match 3; Doubler	\$1	1,920,000	1 in 4.85	\$4,000
\$15,000 Holiday Cheer	Scientific Games	Key Number Match; Doubler	\$2	840,000	1 in 4.61	\$15,000
\$100,000 Holiday Cheer	Scientific Games	Key Number Match; Auto Win; Doubler	\$5	600,000	1 in 3.98	\$100,000

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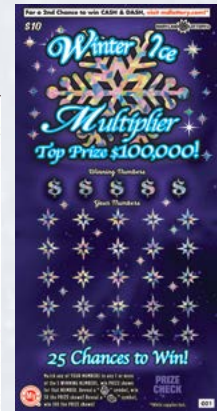
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# Maine State Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Reindeer Riches	Scientific Games	Match 3 Like Amounts + Doubler	\$1	1,400,000	1 in 4.56	\$100
Merry Money	Scientific Games	Find Symbol + Tripler	\$2	840,000	1 in 4.32	\$1,000
Holiday Gold	Scientific Games	Key Number Match + Win 5X + Win All	\$5	600,000	1 in 3.86	\$100,000

# Maryland Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Candy Cane Cash	Pollard Banknote	Match 3 of 6	\$1	3,120,000	1 in 4.51	\$1,000
Gifts Galore	Pollard Banknote	Symbol Match	\$2	2,520,000	1 in 4.0	\$10,000
Polar Payout	Pollard Banknote	Maze	\$3	1,580,000	1 in 3.85	\$30,000
Holiday Riches	Pollard Banknote	Number Match	\$5	3,120,000	1 in 3.79	\$50,000
Winter Ice Multiplier	Pollard Banknote	Number Match	\$10	2,040,000	1 in 3.39	\$100,000

# Massachusetts Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
\$10,000 Holiday Bonus	Scientific Games	Key Number Match	\$1	10,080,000	1 in 4.75	\$10,000
Nutcracker Cashword	Scientific Games	Crossword	\$2	10,080,000	1 in 4.39	\$50,000
\$100,000 Holiday Bonus	Scientific Games	Key Number Match	\$2	15,120,000	1 in 4.59	\$100,000
\$1,000,000 Holiday Bonus	Scientific Games	Key Number Match	\$5	15,120,000	1 in 4.15	\$1,000,000
\$2,500,000 Holiday Bonus	Scientific Games	Key Number Match	\$10	12,096,000	1 in 3.48	\$2,500,000

# Michigan Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Stocking Stuffer	Pollard Banknote	Find Symbol	\$1	15,000,000	1 in 4.71	\$5,000
Unwrap The Cash	Pollard Banknote	Key Number Match	\$2	9,600,000	1 in 4.36	\$30,000
Holiday Magic	Pollard Banknote	Key Number Match	\$5	4,500,000	1 in 3.80	\$300,000
Holiday Gems	Pollard Banknote	Key Number Match	\$10	3,000,000	1 in 3.61	\$500,000

# Minnesota Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Winter Wins	Pollard Banknote	Reveal	\$1	3,960,000	1 in 3.87	\$500
Snowball Surprise	Pollard Banknote	High Score Wins	\$2	2,640,000	1 in 3.76	\$10,000
Sparkling Winter Slingo	Scientific Games	Slingo	\$3	2,640,000	1 in 3.81	\$20,000
Frogger	Pollard Banknote	Maze & Match 3	\$5	2,640,000	1 in 3.76	\$75,000

# Missouri Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Cash	Scientific Games	Key Number Match	\$1	9,120,000	1 in 4.74	\$1,000
Sugar Cookies	Scientific Games	Key Number Match	\$2	4,800,000	1 in 4.44	\$25,000
Warm Winter Winnings	Pollard Banknote	Key Number Match	\$3	3,600,000	1 in 3.82	\$50,000
Frosty Fortune	Pollard Banknote	Symbol Match	\$5	3,120,000	1 in 4.08	\$100,000
Holiday Wishes	Pollard Banknote	Key Number Match	\$10	1,440,000	1 in 3.27	\$250,000
Happy Holidays	Pollard Banknote	Match 3; Key Number Match/ Symbol Match	\$20	720,000	1 in 3.20	\$500,000

# Montana Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Baa Humbucks	Scientific Games	Find	\$1	120,000	1 in 4.10	\$1,000
Cool Cash	Scientific Games	Match 2	\$1	120,000	1 in 4.40	\$1,500
Freezin' Greetings	Scientific Games	Find	\$2	140,000	1 in 3.70	\$10,000

**WHERE ARE YOU GOING?**  
SEPTEMBER 25-28, 2018

# Nebraska Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Santa Paws	IGT	Symbol Reveal	\$1	720,000	1 in 3.37	\$5,000
Break the Snowbank	IGT	Key Number Match	\$2	360,000	1 in 3.68	\$12,000
Peng-win	IGT	Crossword	\$3	480,000	1 in 3.35	\$3,333
Holiday Cash Blast	IGT	Key Symbol Match	\$5	360,000	1 in 2.3	\$40,000
Winter Takes it All	IGT	Key Number Match	\$10	240,000	1 in 3.18	\$20,000

# New Hampshire Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Santa's Workshop Winnings	Scientific Games	Key Number Match	\$1	1,200,000	1 in 4.49	\$100
Holiday Classic	Scientific Games	Tic Tac Toe	\$1	1,200,000	1 in 4.52	\$500
Tabby Tinsel Tripler	Scientific Games	Key Number Match	\$2	1,200,000	1 in 4.11	\$20,000
Merry & Bright	Scientific Games	Key Number Match	\$5	1,000,000	1 in 4.06	\$100,000



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# New Jersey Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Sparkle	Scientific Games	Key Number Match	\$1	7,680,000	1 in 4.21	\$2,000
Holiday Lucky Times 10	Scientific Games	Key Number Match	\$2	6,000,000	1 in 4.24	\$20,000
Holiday Spectacular	Scientific Games	Key Number Match	\$5	3,600,000	1 in 4.30	\$200,000
\$10,000 Bonus	Scientific Games	Key Number Match	\$10	3,600,000	1 in 3.98	\$10,000

# New Mexico Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
the Perfect Gift!	Scientific Games	Key Number Match	\$1	720,000	1 in 4.57	\$1,000
White Elephant	Scientific Games	Key Number Match	\$2	600,000	1 in 4.10	\$10,000
Merry Money	Scientific Games	Key Number Match	\$5	360,000	1 in 3.85	\$50,000
Holiday Lucky Times 10	Scientific Games	Key Number Match	\$10	240,000	1 in 3.91	\$100,000



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# New York Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Cool Cash	Pollard Banknote	Match 3	\$1	13,200,000	1 in 4.97	\$2,500
Reindeer Riches	Scientific Games	Key Number Match	\$2	11,040,000	1 in 4.46	\$20,000
Glimmering Gifts	Scientific Games	Key Symbol Match	\$3	4,080,000	1 in 4.15	\$50,000
Holiday 7	Scientific Games	Key Number Match	\$5	7,920,000	1 in 3.75	\$700,000
Merry Millionaire	Scientific Games	Key Number Match	\$10	5,040,000	1 in 3.25	\$1,000,000
Winner Cashword	Scientific Games	Crossword	\$10	7,920,000	1 in 3.97	\$1,000,000

# North Carolina Education Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
the Perfect Gift!	Scientific Games	Key Number Match	\$1	5,040,000	1 in 4.86	\$5,000
Peppermint 7s	Scientific Games	Find	\$2	5,760,000	1 in 4.55	\$40,000
Holiday Surprise	Scientific Games	Legend Match	\$3	2,880,000	1 in 4.00	\$75,000
Season's Gold	Scientific Games	Key Number Match	\$5	4,080,000	1 in 4.10	\$150,000
Holiday Millionaire	Scientific Games	Key Number Match	\$10	3,240,000	1 in 3.43	\$1,000,000

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Insights



Lottery 101



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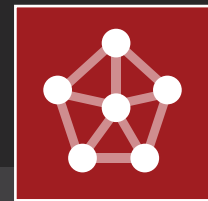
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# Ohio Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Cash	Scientific Games	Match 3 or 2 with a Symbol	\$1	20,000,000	1 in 3.99	\$5,000
Cashing Thru the Snow (HD)	Scientific Games	Reveal Symbols	\$2	7,000,000	1 in 3.97	\$20,000
Secret Santa	Scientific Games	Reveal Symbols & 2 Bonus Spots	\$2	7,000,000	1 in 4.56	\$20,000
Merry Multiplier	Scientific Games	Key Number Match	\$3	6,000,000	1 in 3.71	\$50,000
Holiday Lucky Times 10	Scientific Games	Key Number Match	\$5	6,000,000	1 in 3.64	\$250,000
Season's Greetings	Scientific Games	Key Number Match	\$10	4,000,000	1 in 3.46	\$500,000

# Oklahoma Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Peppermint Payout	Scientific Games	Key Number Match	\$1	960,000	1 in 4.05	\$1,000
Holiday Cash	Scientific Games	Key Number Match	\$2	840,000	1 in 3.36	\$10,000

# OLG



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Merry Joy Wish	Pollard Banknote	Match 3	\$2	2,000,000	1 in 3.79	\$35,000
National Lampoon's Christmas Vacation™	Scientific Games	Match to Win	\$3	3,500,000	1 in 3.61	\$75,000
25X Winner Wonderland	Pollard Banknote	Match 3	\$5	2,800,000	1 in 3.77	\$100,000
Holiday Diamonds (National Ticket)	Pollard Banknote	Match to Win	\$10	1,600,000	1 in 3.08	\$250,000
Instant Gift Pack	Pollard Banknote	Word Game, Pattern Game, Match 3, Match to Win	\$10	2,100,000	1 in 3.16	\$50,000
24 Days To Celebrate	Pollard Banknote	Match 3	\$20	2,000,000	1 in 3.17	\$250,000

# Oregon Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Snow Cash	Pollard Banknote	Match 3	\$1	2,160,000	1 in 3.49	\$1,000
Happy Holidays	IGT	Key Symbol Match	\$2	1,080,000	1 in 3.45	\$10,000
Peppermint Fortune	IGT	Match 3	\$5	540,000	1 in 3.22	\$50,000
Merry and Bright	IGT	Key Number Match	\$10	227,600	1 in 3.33	\$100,000
Winter Riches	IGT	Key Number Match	\$20	116,000	1 in 2.97	\$25,000 for 10 years

# Pennsylvania Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Snow Me the Money	Scientific Games	Match 2 Symbols	\$1	16,800,000	1 in 4.69	\$5,000
Candy Cane Cash	Scientific Games	Key Number Match	\$2	10,800,000	1 in 4.68	\$25,000
Twelve Elves	Scientific Games	Add Up	\$3	9,000,000	1 in 4.36	\$50,000
\$100,000 Wish List	Scientific Games	Key Number Match	\$5	12,600,000	1 in 4.25	\$100,000
Holiday Gifts	Scientific Games	Key Number Match	\$10	6,600,000	1 in 3.23	\$300,000
Merry Millions	Scientific Games	Key Number Match	\$20	4,800,000	1 in 3.19	\$1,000,000

# Rhode Island Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Stocking Stuffer	IGT	Key Number Match	\$1	1,000,000	1 in 4.80	\$1,000.00
The Perfect Gift	IGT	Key Number Match	\$2	840,000	1 in 4.20	\$10,000.00
Merry Mint	IGT	Find Symbol	\$5	540,000	1 in 3.70	\$35,000.00
Holiday "Awe"naments	IGT	Key Number Match	\$10	300,000	1 in 3.30	\$100,000.00



# South Carolina Education Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday 7 11 21	Scientific Games	Reveal	\$1	2,160,000	1 in 4.27	\$5,000
Triple Peppermint 7s	Scientific Games	Reveal	\$2	1,920,000	1 in 4.05	\$20,000

# South Dakota Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Freezin' Greetings	Scientific Games	Match 3	\$1	600,000	1 in 4.76	\$5,000
Holiday Cash	Scientific Games	Match 2	\$2	240,000	1 in 4.39	\$10,000
Shining Star	Scientific Games	Key Number Match	\$5	240,000	1 in 3.83	\$50,000

# Tennessee Education Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Cash	Scientific Games	Key Number Match	\$1	3,600,000	1 in 4.7	\$1,000
Holiday Jingle	Scientific Games	Key Number Match	\$2	2,160,000	1 in 4.34	\$20,000
Jumbo Bucks Seasons	Scientific Games	Key Number Match	\$3	1,440,000	1 in 3.65	\$75,000
Holiday Spectacular	Scientific Games	Key Number Match	\$5	1,680,000	1 in 4.06	\$200,000
Winter Ice Multiplier	Scientific Games	Key Number Match	\$10	1,200,000	1 in 3.34	\$500,000

# Texas Lottery Commission



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Reindeer Riches	Scientific Games	Key Symbol Match w/ Doubler	\$1	9,000,000	1 in 4.70	\$500
Feliz Navidad	Scientific Games	Key Number Match w/ Doubler	\$2	5,040,000	1 in 4.55	\$30,000
Holiday Wishes	Pollard Banknote	Complete Row	\$3	6,000,000	1 in 4.12	\$50,000
Holiday Gift Pack	Pollard Banknote	Pouch - Multiple Games	\$5	6,600,000	1 in 3.07 (Ticket Level); 1 in 1 (Pouch Level)	\$50,000
Season's Greetings	Pollard Banknote	Oversized One Panel Pull Tab w/ Multiple Games	\$10	4,560,000	1 in 3.45	\$250,000

# Vermont Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
'Tis The Season	Pollard Banknote	Match 3	\$1	540,000	1 in 3.93	\$500
Jolly Jackpot	Pollard Banknote	Reveal w/Legend	\$2	400,000	1 in 4.24	\$5,000
Holiday Wishes	Pollard Banknote	Key Number Match	\$5	270,000	1 in 4.07	\$5,000
Winter Gold	Pollard Banknote	Key Number Match	\$10	245,000	1 in 3.37	\$50,000

# Virginia Lottery



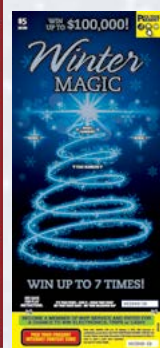
Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Dreams	Pollard Banknote	Key Number Match	\$1	6,000,000	1 in 4.25	\$1,000
Peppermint Double Match	Pollard Banknote	Key Number Match	\$2	3,840,000	1 in 4.04	\$20,000
Casino Cheer	Pollard Banknote	Reveal & Key Number Match	\$5	3,120,000	1 in 4.23	\$150,000
Merry Multiplier	Pollard Banknote	Key Number Match	\$10	3,120,000	1 in 3.05	\$250,000

# Washington's Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Baa Humbucks	Scientific Games	Find	\$1	1,800,000	1 in 3.77	\$1,000
Winter Ice Multiplier	Scientific Games	Key Number Match	\$5	1,200,000	1 in 2.70	\$50,000
Holiday Countdown	Scientific Games	Match 2	\$10	540,000	1 in 3.02	\$200,000

# WCLC



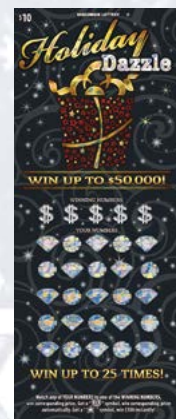
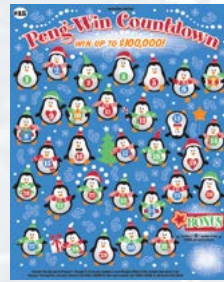
Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Delight	Pollard Banknote	Match 3 of 6	\$1	1,000,000	1 in 3.63	10,000
Magic Moments	Pollard Banknote	Match 3 of 6	\$1	1,000,000	1 in 3.63	\$10,000
Christmas Gifts	Pollard Banknote	Number Match	\$2	800,000	1 in 3.88	\$25,000
Festive Surprise	Pollard Banknote	Key Number Match	\$3	900,000	1 in 2.95	\$50,000
Holiday Treasures	Pollard Banknote	Number/Symbol Match	\$3	900,000	1 in 2.99	\$50,000
Christmas For Life	Pollard Banknote	Key Number Match	\$4	801,000	1 in 3.4	\$5,000 A Year For 25 Years
Winter Magic	Pollard Banknote	Key Number Match	\$5	750,000	1 in 3.51	\$100,000
Christmas Fun Pack	Pollard Banknote	Number/Symbol Match	\$5	750,000	1 in 3.45	\$100,000
Unwrap The Cash	Pollard Banknote	Instant Win Symbol	\$10	600,000	1 in 2.91	\$200,000
Holiday Diamonds (National Ticket)	Pollard Banknote	Key Number Match	\$10	600,000	1 in 3.08	\$250,000
Player's Choice Mega Pack	Pollard Banknote	Various Tickets Within Pouch	\$20	900,000	1 in 1	\$1,000,000

# West Virginia Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Holiday Break	IGT	Find	\$1	600,000	1 in 4.61	\$200
Cookie Dough	IGT	Find	\$2	420,000	1 in 5.46	\$2,000
Happy Holidays	IGT	Match 2/2	\$5	180,000	1 in 4.72	\$500

# Wisconsin Lottery



Game Name	Vendor	Game Play	Price Point	Quantity Ordered	Odds of Winning	Top Prize
Merry Money	IGT	Tic Tac Toe	\$1	1,200,000	1 in 4.20	\$100
Warm Winter Winnings	Pollard Banknote	Key Number Match	\$2	960,000	1 in 3.90	\$2,000
Naughty or Nice Crossword	Scientific Games	Crossword	\$3	1,200,000	1 in 3.50	\$30,000
Happy Holidays	IGT	Key Number Match	\$5	960,000	1 in 4.20	\$500
Holiday Dazzle	Pollard Banknote	Key Number Match	\$10	360,000	1 in 3.80	\$50,000
Peng-Win Countdown	Pollard Banknote	Match 3	\$15	360,000	1 in 2.91	\$100,000



# Time for a **SHIF**

NASPL's annual conference focused on the need for lotteries to shift their thinking in order to stay relevant.

By Patricia McQueen





Barry Pack

**F**or a short time in September, Portland, Ore., was at the center of the lottery industry, as lottery professionals from around North America converged on the city for the annual NASPL conference. They enjoyed Portland's natural splendor, eclectic nightlife, famous food carts and pioneer spirit. But more importantly for the business at hand, they enjoyed an in-depth look at how lotteries need to adapt to the changes that are occurring across their entire business.

The conference theme of "SHIFT! Your Game" reflected the need for shifting the way lotteries think and operate in a rapidly changing environment. The keynote sessions were designed to offer ideas on how to keep up with our constantly evolving market, featuring fresh perspectives from outside the industry. In addition, special Insights sessions focused on lottery-specific topics, and top-level associate members had their say in a special session as well. Along with these educational opportunities, attendees could find the latest products and

services on the trade show floor, and as always, the social networking was unsurpassed.

"The Oregon Lottery was delighted to host this year's NASPL conference," said Oregon Lottery Director Barry Pack. "Portland shone as a vibrant city and our speakers and insight session panels offered a fresh perspective for lotteries and the industry. My hope is everyone went home having had a great time (who can forget the March Fourth Band) and prepared to shift their game."

## Keynotes Technology SHIFT

The opening keynote speaker on September 14 was **Steve Brown**, who spoke of "hacking reality" – shifting the game with new technology. Noting that there will be more change in the realm of technology in the next 10 years than there has been in the last 50, he said that the challenge is to figure out how to use that technology.

The continuing revolution in technology includes smart objects –

putting tiny computers into everyday items. He gave an example of an umbrella that connects to weather services and automatically glows when you should bring that umbrella with you. New business models will be developed to take advantage of and monetize these types of smart objects.

Other technology being advanced includes more sophisticated voice controls, objects with personalities, wearables and hearables – featuring realtime language translation. New types of sensors can be deployed to help you learn about your customers. "Always gather data, because you never know when it will tell you something about your business," said Brown.

Smart robots, those with advanced artificial intelligence, work in environments with people – lotteries can use them to rethink lottery ticket delivery strategies, for example. Automated travel, such as cars and drones, also move the needle more toward the digital world. "Customers' expectations are going to be completely changed because of all this digital technology."



And with more and more automation putting more jobs at risk, people have to work harder to find ways to add value to society. "Optimize your business around human / machine partnerships," he advised.

There are "future opportunities to be awesome," Brown concluded, but gathering data is critical. Success will come from turning that data into money – creating a new service by refining the data, much like oil is refined. "You need to reimagine everything! Every part of our lives can be done better. The challenge is to throw away what you've always done and do something amazing" with all these new technologies.

Using technology to connect people with experiences was the focus of a presentation by **Christopher Bevans**, founder of sportswear company DYNE. Building his own brand was always a dream of the fashion designer, who learned about fit and function early in life. His clothing line uses near field communication technology (NFC) to share information with customers. "I thought being able to embed a chip into a garment would create a bridge to my customer, and allow me to communicate with that customer about what I'm doing through their mobile device."

Using their phone, consumers can tap a label in their clothing to get more information about the product. That in turn provides data about the customer – where they are and what they are interested in based on their use of the technology. Privacy concerns haven't been an issue – no personal data is gathered. It's simply about improving the consumer experience using technology, providing information valuable to the consumer.

Technology, of course, also has a dark side – the hackers trying to infiltrate all that data, wreaking havoc with our lives. Keynote speaker **John Sileo** summarized the top threats to data security, warning lotteries that the lottery industry hasn't had all the little data breaches that have kept other industries on guard. "There's nothing to get you keyed up for when the 'big one' happens," he said. Perhaps more than other industries, lotteries would be harmed the most because of potential damage to their reputations – if the games aren't perceived as secure, people won't play them.

Sileo began his presentation with a tale of his personal experience with ID theft



Steve Brown



Christopher Bevans



John Sileo

Debra Ringold



Gerry O'Brien

and fraud in his own life, and then went on to identify seven critical cyber-security threats out there today:

1. Social engineering: The first place hackers start – involving manipulation and deception, exploiting unconditional trust for illicit gain.

2. Spam and phishing: Elevating social engineering to a new level with hyper-targeting.

3. Human whaling: Imitating someone in a position of power to gain access to information or money, often seen when business email is compromised.

4. Cyber blackmail: Hacking is no longer just about money; it's about influence. Sileo warned lotteries about the integration of gaming and business systems and how that could lead to breaches.

5. Ransomware: Eroding trust, this may be the biggest risk for lotteries because they can't react like a private business due to the regulatory environment. It's critical to build on a quilt of security.

6. Internet of threats: Connected devices are the next big source of hacking. Wi-Fi hotspot sniffers set up bogus hotspots to gather data from people who connect to their network. Sileo advised organizations to make security a conversation, not a threat – to nudge, not push.

7. Known vulnerabilities: These often stay within an organization, so Sileo recommends external, rather than internal, security audits to thoroughly flesh out and solve weaknesses.

### Keynotes Brand and Marketing SHIFT

Turning to marketing and branding, keynote speaker **Debra Ringold**, Dean and JELD-WEN Professor of Free Enterprise at Willamette University, discussed consumer satisfaction and relationship marketing.

She noted that the traditional purpose of a business organization

was all about short-run profit maximization and what was best for that organization – production, distribution and sales, with marketing designed to find a consumer need and fill that need. But that traditional purpose began shifting in the 1970s – successful organizations today have a new purpose: customer satisfaction! And as it turns out, a satisfied consumer is good for business – satisfying consumers leads to a more profitable long-term outcome than a short-term profit focus. As a side benefit, organizations with such a focus also have higher employee satisfaction.

Ringold emphasized that the best strategy for any organization is to find people in the marketplace who love what that organization does best – so you have to know what you do well! You may have operational excellence, or customer intimacy leadership, or product/service leadership (with constant innovation). Rarely does a company do all three of these things



simultaneously; most can do two out of three and still do well. Those that can do all three will excel – companies like Amazon, Disney and FedEx, for example.

She suggested asking yourself if customer satisfaction drives every decision made by your organization. Can you describe all of your consumers and know what they value? What changes do you need to make to maximize consumer satisfaction? She added that you are better off catering to those consumers who like your product than trying to convert those who don't.

Marketing and strategy consultant **Gerry O'Brien** gave the final keynote presentation of the conference. He emphasized that there are always things that change that are outside of your control, like technology, consumer preferences, demographics and laws. So it's important to not just look at what you can do today – "look at what is possible" in the future. You can't just keep thinking that tomorrow will be like today.

"Big leaders are those who show up to change the nature of things in their organization, even when it's unpopular or uncertain. Even when your legislation doesn't allow it, your customers are going somewhere else." Because consumers are faced with tremendous choices in today's marketplace, you have to look different from other products. So how do you help consumers choose your product?

It's all about a framework of influence, said O'Brien. "You need to be different from your competitors in a way that customers value." Brands help define that value – and their purchase decisions are partly rational and partly emotional.

He asks every CEO he works with three questions to help them focus their brand and their business:

1. What are your insights? Insights about your customers gives you power. Knowing, for example, that millennials care about making a positive difference in the world is an advantage for lotteries given that their proceeds are allocated to good causes.

2. What's your outcome? Lotteries have a great outcome to demonstrate – the winner presentations of those big checks!

3. What's your because? We are bombarded with advertising messages, and our brains are programmed to respond to things that include a "because" – a reason we should be paying attention that makes something believable.

## Industry Insights

There were also four special Insights sessions during the conference, each examining shifts that are occurring in topics critical to lottery operations – corporate social responsibility, multicultural outreach and marketing, working in a political environment and research and analytics.

Oregon Lottery Director of Corporate Social Responsibility Stacy Shaw moderated a session on the topic, which included speakers Susan Dolinski, Vice President,



Communications and Social Responsibility, British Columbia Lottery Corp.; Tracy McNutt, Senior Director and Deputy General Manager, IGT Indiana for the Hoosier Lottery; Christa Stout, Vice President, Corporate Social Responsibility, Portland Trailblazers; and Angela Wiczek, Vice President, Corporate Communications, IGT.

All participants emphasized that transparency is critical, and you need to be authentic when it comes to CSR – it can't just be window dressing. You do that by aligning CSR with your business goals, noted Shaw.

At BCLC, CSR is embedded into the organization's strategy and corporate purpose, explained Dolinski. With a vision to have gambling widely embraced as exceptional entertainment for adults, "we need to consider the impact of everything we do on British Columbians." CSR programs support each of the four pillars of its business – players, people, public and profit. They include GameSense and a player health program, a diversity and inclusion strategy with employees, a stakeholder engagement program, and a focus on how profit is made. As part of the latter, it's important for BCLC to do business with local companies to create economic benefit for the province.

Wiczek described IGT's corporate values that define its culture: responsible, collaborative, authentic, passionate and pioneering. "How we behave on the inside directly reflects on how we show up on the outside." Its long-term sustainability plans focus on three areas, economic, social and environmental, using guidance provided by ISO 26000.

For the Hoosier Lottery, responsible gambling and CSR are also embedded into the organization's culture – after all, it's the only lottery named after its people! "Our mission is to return maximum income to the state in a socially responsible way," said McNutt. "It starts at the top to help us drive what we do." She's proud of the Lottery's achievement of Level 4 certification in the World Lottery Association's responsible gaming framework, the highest level possible. RG is just one of four areas of CSR focus for Hoosier; the others are business needs, community impact and environmental.

Professional sports organizations may be fundamentally different from lotteries, but there are some parallels, noted Stout. With both, the consumer pays money for entertainment without knowing the outcome. For the Trailblazers, the four fundamental values are integrity, inclusion, impact and innovation. "The work we do in our community is very important to our organization."

The discussion on multicultural outreach and marketing was

led by moderator Thais Rodick, Associate Marketing Communication Manager for the Oregon Lottery. Panelists included Texas Lottery Brand Strategy Coordinator Andrew Leeper, Jaime González-Mir, Group Account Director for Latin Works (the Texas Lottery's agency of record), and California Lottery Deputy Director of Sales and Marketing Sharon Allen.

"In a nutshell, we discussed the change in demographics that our country is experiencing, some places more than others, and how our communication efforts need to be all inclusive, and communicate to diverse audiences at the core," explained Rodick.

For the Texas Lottery, it's a total market communication approach, using insights over demographics to unite consumers and connect brands with ambicultural marketing that takes into consideration background and heritage. Allen provided a case study of California's Dia de Los Muertos Scratchers, and how their success last year at \$2 encouraged a launch this year at \$5.

All of these efforts provide key learnings for lotteries going forward, as does a look at companies that are getting multicultural marketing right and connecting with various demographics through unifying insights – companies like Proctor & Gamble, Coca Cola, Google and Major League Baseball.

The third Insights session looked at working in a political environment, and brought together a unique group of speakers: Oregon Lottery Director Barry Pack moderated the session, which included Peter Bragdon, Executive Vice President, Chief Administrative Officer and General Counsel for Columbia Sportswear (and a former Chief of Staff in the Governor's office); Kendall





Clawson, Executive Director, American Leadership Forum of Oregon; and Curtis Robinhold, Executive Director of the Port of Portland.

Lottery directors must balance a wide variety of competing stakeholders, missions and expectations, and their average tenure is just three to four years, noted Pack. The delicate balance they have to walk was made clear by Bragdon's frank discussion about how lawmakers often disdain gambling in public, while at the same time privately count on gambling revenues to fund their programs

"All three panelists talked about the importance of a director staying in close alignment with their Governor or appointing authority," said Pack. Stories were shared about when someone gets too far afield, the ramifications are usually not good for the director. "Communication, alignment and transparency were key to successfully navigating political waters."

The final Insights session examined the industry's use of research and

analytics. Moderator Laura Sofro, Research and Analytics Manager for the Oregon Lottery, led a panel that included Douglas Brooks, Executive Vice President, Strategic Client Relationships, Ipsos MMA; Gerard Caro, Senior Director, Market Research, IGT; Cameron Garrett, Director, Market Insights, Scientific Games; Alex Hambelton, Associate Research & Analytics Manager, Oregon Lottery; and Angela Woo, Founder and Chief Strategy Officer, Alter Agents.

It's all about data-driven decision making, building the voice of the customer into the process, noted Sofro. "Whatever the Oregon Lottery does, it starts with data."

How lotteries use that data is most critical, noted Brooks. "Lotteries are sitting on mountains of data, but this often isn't used in a significant way. It's not big data, it's small data and smart data – small things to drive your lottery forward, especially as we move to an omni-channel world."

Technology has certainly increased the amount of data available, but it has also changed the way data is

collected – landlines are disappearing, for example. "Consumers are changing and lotteries need to respond to that," said Woo. Online and mobile sampling are newer ways to conduct research, as long as the samples are representative. Garrett noted that Scientific Games has a web-based online research community dubbed ONEVoice.

Research that provides consumer-driven changes can produce significant results. Caro noted that mobile ethnography used in New York triggered a huge increase in Cash4Life sales in New York, for example. And as lotteries expand into new channels, it's critical to conduct research in advance of new business models. "We need to make sure the online/mobile experience is positive for the first time user," said Hambelton, "so invest in a data-driven model development solution." ■

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*Additional reporting by Barry Pack, Executive Director, Oregon Lottery and Thais Rodick, Associate Marketing Communications Manager, Oregon Lottery*



## Associate Member Viewpoint

**T**op-level NASPL associate members took the stage for a discussion of key topics facing the industry today. Led by Rebecca Hargrove, President and Chief Executive Officer of the Tennessee Lottery, the participants were Frank Cecchini, Chief Executive Officer and Managing Director, Novomatic Lottery Solutions; John Donahue, President and Chief Executive Officer, INTRALOT USA; Jay Gendron, Senior Vice President, WLA North America Lottery, IGT; Doug Pollard, Co-Chief Executive Officer, Pollard Banknote; and Jennifer Welshons, Senior Vice President Marketing, Lottery Group, Scientific Games.

Hargrove's first question to the group went right to the heart of the industry's future – "What are your companies doing to help us drive growth?"

Gendron explained that IGT's research and development funds are allocated based on what lotteries say they want – and right now lottery priorities are building new sales channels, adding new retail locations and getting new products to market faster. Cecchini stressed that Novomatic's product line "makes things possible" – with flexible platforms that make it super easy to connect with people and deliver applications quickly. INTRALOT has been focused on finding new

retail spaces for lottery, using self-service options to attract new players. And the company is ready to move into the online space as regulations open up, noted Donahue. Welshons pointed out that about 40 percent of Scientific Games' global workforce is focused on innovation, and four categories help provide the most meaningful avenues to lottery growth: gaming content, advanced logistics, retail services and player engagement. Pollard Banknote is a retail-first business, said Pollard, with new products that attract attention at retail and that work well in non-traditional retail locations. But it's also important to manage the transition to the digital space so that retail and digital work together.

The conversation then turned to the regulatory environment in which lotteries operate. The companies have their own governmental relations teams which continue to explore regulations and, perhaps most importantly, provide accurate information to policymakers on which they can base decisions.

These companies are also intimately involved in the efforts to establish a NASPL standard API, which should open up access to the largest retail chains that require more standardization across multiple jurisdictions before they'll even consider lottery. "When you have that common API for all the gaming providers, lotteries and retailers, which allows a third party system to communicate seamlessly, it will be a tremendous accomplishment for all of us and really a step in the right direction for this industry," said Gendron.



Welshons cautioned the industry to be careful, however; by being singularly focused on one API, it may alienate other types of retailers and partners. And Pollard encouraged the effort to include other retail lottery products, not just sales of games like Powerball and Mega Millions. “It’s really about making our product easier for retailers,” he said, and it’s important to find ways to include instant tickets, which have driven much of the industry’s growth for years.

Expanding the retailer base was another area of discussion. Of course the API initiative was designed to do just that, but other factors play in as well. As noted earlier, one of INTRALOT’s key strategies is growing business using self-service options, particularly in social spaces that are often new to lottery. Other new games well suited to non-traditional lottery environments are also in the works, noted Donahue. And together with the Rhode Island Lottery, IGT is testing on-premise play using mobile devices with bluetooth. “We are very excited about the success that product is going to bring,” said Gendron.

Reaching larger stores requires volume to make lottery attractive, noted Welshons. “That’s part of changing the business model,” she said – to customize what these retailers need and want. Cost is another factor – lottery terminals and the communications network supporting them are expensive. Cecchini encouraged lotteries to be careful in their analysis that determines whether a retail location is generating enough money to justify a terminal.

“[Lotteries might] get rid of uneconomic retailers, when really they should be adding retailers.” By changing the model, by using applications that reside on any device, sales are delivered at a lower cost. “That’s what we need to do.”

And along with expanding the retail network comes expanding the player base – a more sustainable way to grow sales. While new products will help, everyone agreed that mobile is the best way to attract new players – engaging them where they live, however possible in a given jurisdiction. “We work in the best business ever,” said Welshons, citing 92 percent consumer awareness of lottery products and more than 80 percent participation, something other industries don’t have. “We talk about getting new players, but it’s really about getting the people who may have an awareness and just haven’t engaged yet. So we’ve got to up the player engagement” through not only product, but other traditional marketing strategies like place and promotion.

The discussion closed with a few thoughts on innovation. While each of the companies spends considerable money on innovation, including new products and games, they have to be open to third party providers because choosing six numbers may not be the next lottery revolution. “You have to cast your net wide,” said Cecchini. “We have to open our minds and ask where the next big lottery thing is coming from.” ■



# On the Show Floor

NASPL welcomed 37 exhibitors on the trade show floor, including a few companies taking a booth for the first time. Conference host Oregon Lottery showcased its own product line; the Ohio Lottery was also there to promote the 2018 NASPL annual conference in Cleveland. The World Lottery Association also had a booth, and the National Council on Problem Gambling was on hand, encouraging lotteries to sign up for the 2017 Holiday Responsible Gambling Campaign.

Not surprisingly, mobile solutions dominated much of the conversation on the trade show floor – from technology designed to sell games through mobile channels to apps that allow consumers to use the technology without direct selling. The big vendors of course all have products that serve these needs, but innovation comes from everywhere.

**Hoozin** was one of the new exhibitors at a NASPL conference, offering a mobile app designed to facilitate lottery group play. Three years in the making, the product can be licensed as a separate app or embedded into a lottery's existing apps.

**Lazlo** is another company offering unique mobile solutions – in this case, a completely new mobile business model that is retailer centric. Not requiring online legislation or overhead, the 100 percent in-store solution is starting to resonate with lotteries in its third year exhibiting,

noted Founder Mike Pinkus, who is excited about the future. "It's all about something different – let's embrace what we have now."

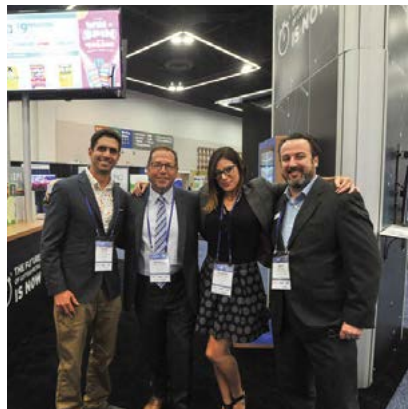
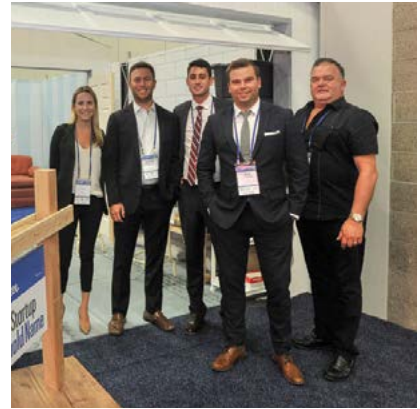
**Jackpocket** made its second appearance at a NASPL conference this year. Courier services such as this are trying to gain a foothold in the industry, offering a way for consumers to purchase tickets using their mobile devices. The New Jersey Lottery recently established regulations for just such a service (see article page 10).

As the systems vendors work on a standard API solution which should help provide in-lane solutions

for lotteries, companies providing signage, dispensers and play centers are ready with streamlined products for new retail environments, including checkout lane signage and other options.

Some of these companies were first-time exhibitors. **Enhance America** specializes in neon signs for the beer and liquor industry, and the company is looking to diversify its customer base by expanding into other markets such as lottery. It already provides some product for the California and New York lotteries. **The Global Display Solution** showcased its steel play





station, a cost-effective solution, at NASPL for the first time. Washington's Lottery has used its products and the company recently added Idaho to its customer base. **CM Global** offers a variety of retail merchandising products, from signage to ticket dispensers and merchandisers.

Play station manufacture **Go Plastics** was back on the show floor after a brief hiatus. With sleeker designs and new features, its play stations are easy to maintain.

Other suppliers have been regular supporters of NASPL over the years, showcasing their retail products and

innovating as needed. Companies specializing in ticket dispensers, like **Schafer Systems** and **Take-a-Ticket**, have adapted their product lines to attract attention and to fit new lottery products, including the oversized super tickets that have become popular in some markets. Signage companies, such as **Carmanah Signs** and **Pro-Lite**, have created digital menu boards and other digital signage as lotteries demand these options. They are also ready for in-lane sales with new formats.

A myriad of other products and services also exist to support the

lottery industry and they continue to have a presence on the NASPL trade show floor. For more than two decades, **Smartplay International** has provided secure ball and digital drawing systems. Firms specializing in market research, consulting, control systems, audits and testing include **Berry Dunn**, **Ipsos**, **Spectra Systems** and **Szrek2Solutions**.

Newer companies are still finding their way in the North American industry, but some have a larger international presence. **Inspired Entertainment** had a very busy booth, showcasing its virtual sports line. The



Michigan Lottery will launch its product next year. **Abacus** provides in-lane solutions and retail integration, hoping to expand upon its success in Europe to help lotteries attract new and younger customers.

Game providers such as **EquiLottery**, with a unique live event for lotteries, and **Tournament One** also made their presence felt on the show floor.

Other relative newcomers to the NASPL trade show were **Incomm**, with its prepaid and gift card solutions, and **Delivery Distribution Solutions** and **Montenegro Paper**, there to continue building industry relationships. **Grover Gaming** showcased some of its video gaming products, noting that it has the number one game in Georgia.

A first-time exhibitor was **Advantech**, which supplies some of the technology that goes into slot machines, digital signage and tablets, and thus serves the industry through manufacturers of those products. Representatives on hand were excited to actually see the end products that use its computers, products that were on display in other booths.

**Alchemy3** celebrated its tenth anniversary this year and set up a campsite on the trade show floor for a fun way to present its full line of products and services. Initially specializing licensed properties, the company has expanded into promotions and other products to help lotteries achieve their objectives. "Brands themselves are becoming less important – it's so much more than brands now," said President Jeff Schweig.

Play-at-the-Pump purveyor **Linq3** showed off its Retail Lottery Card which uses some of the same technology. The card offers a simple way for lotteries to sell products in-lane with no new IT integration required.

**Diamond Game** showcased its new suite of NexPlay products, which include a unique self-service terminal and a ticket checker.

The largest industry vendors, which are NASPL Level 1 and 2 associate members, continue to offer lotteries a broad range of products and services. Self service, online and mobile solutions were among the hottest properties on the show floor. But a few other items were of special interest.



IGT has been working on self-service solutions using smartphones – “Self service reimagined,” said Paul Riley, Vice President of Innovation and Lottery Transformation, with tickets going straight to phones. Enhancing the retail experience is important for future growth, and the company has developed advanced augmented reality options to visualize product placement in stores and provide new ways to engage with consumers.

INTRALOT clearly hopes that sports betting will become ubiquitous in the United States, as it is in the rest of the world. Much of the floor space in its booth was dedicated to sports betting options. “There should be a place for lotteries in sports betting given our retail network here,” said John Donahue, the company’s USA President

and Chief Executive Officer. “We wanted to create more understanding of the product.”

Novomatic continues to promote itself as an alternative to the three systems vendors currently operating in the U.S. market. Extolling the virtues of its system, Chief Executive Officer and Managing Director Frank Cecchini is convinced that it won’t belong before lotteries will recognize the value proposition of Novomatic’s technology, things like time to market and API functionality. “We are very different.”

Scientific Games wowed attendees with private showings of SciQ, its revolutionary retail instant ticket system that combines ticket display, sales and accounting. Players can build a “shopping list” of tickets on an app, present that to a retailer, and the

tickets are automatically dispensed. It dramatically simplifies selling tickets for the retailer, which is attractive to big box stores, explained Vice President of Retail Development Jeff Sinacori, adding that retailers can do shift changes in just 30 seconds.

Pollard Banknote, while a leader in “space between” products for the physical and digital world, continues to innovate with traditional scratch tickets. “There is more pressure on tickets to sell themselves,” noted Vice President of Product Innovation Nancy Bettcher, and visually impressive tickets will attract purchasers. Pollard’s latest innovation is the clear ticket – a recyclable ticket that allows for interesting imagery and a unique look and feel. ■



NASPL 2017  
**PHOTO  
RECAP**



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# NASPL 2017 Awards Winners

## TV Advertising - Instant Games

**California Lottery**  
Holiday Scratchers - Pennies  
David&Goliath

## TV Advertising - Daily Draw Games

**Michigan Lottery**  
Connections  
SMZ

## TV Advertising - Lotto/Spiel Games

**Georgia Lottery Corporation**  
Jumbo Bucks Lotto - Motorcade  
Georgia Lottery - BBDO Atlanta

## TV Advertising - Corporate/Beneficiary

**Washington's Lottery**  
More than a dollar  
Cole & Weber

## TV Advertising - Coordinated Campaign

**Interprovincial Lottery Corporation**  
Daily Grand - Cruisin', Indulge  
Interprovincial Lottery Corporation

## Radio Advertising - Instant Games

**California Lottery**  
Holiday Scratchers - Carol of the Scratchers  
David&Goliath

## Radio Advertising - Daily Draw Games

**Nebraska Lottery**  
New Technology  
SKAR

## Radio Advertising - Lotto/Spiel Games

**California Lottery**  
SuperLotto Plus - Parrot  
David&Goliath

## Radio Advertising - Corporate/Beneficiary

**Washington's Lottery**  
Face to Face  
Cole & Weber

## Radio Advertising - Coordinated Campaign

**California Lottery**  
SuperLotto Plus - Parrot, Polo  
David&Goliath

## Print Advertising -

### Retailer Signage/Merchandising

**Lotto-Québec**  
Walking Dead  
Loto-Québec

### Print Advertising - Outdoor

**Florida Lottery**  
Cash4Life - Cash 4 Days  
PP+K, Inc.

### Print Advertising - Color or Black & White

**Arizona Lottery**  
Arizona Cardinals Game Day Water Cooler  
OH Partners

### Print Ad - Corporate Beneficiary

**Virginia Lottery**  
Game for Education  
Virginia Lottery

## Print Advertising -

Coordinated Print Campaign  
**Minnesota State Lottery**  
PAC-MAN Campaign  
Periscope

## Special Category -

### Original Music for TV or Radio

**New York Lottery**  
Have Fun For Life  
New York Lottery / McCann New York

### Special Category - Use of Humor (Radio)

**Texas Lottery Commission**  
Instant Millionaire - Out of Gas  
LatinWorks

### Special Category - Use of Humor (TV)

**Georgia Lottery Corporation**  
Holiday Scratchers - First Office Party  
Georgia Lottery - BBDO Atlanta

### Special Category - Use of Cinematography

**California Lottery**  
Holiday Scratchers - Pennies  
David&Goliath

### Special Category - TV or Radio Spot Fitting No Other Category

**Western Canada Lottery Corporation**  
Requiem  
Phoenix

### Special Category - Corporate/Beneficiary Video

**California Lottery**  
Thank a Teacher  
Society/INI/D&G

### Special Category -

#### TV Campaign Under \$25,000

**Maryland Lottery**  
Powerball Jackpot Alert - Road Trip, That Guy, Bucket List, Commute, Rush Hour  
GKV

### Corporate Communications - Employee/Player Newsletter

**New York Lottery**  
Play by Play - February 2017  
New York Lottery / MRM/McCann

### Corporate Communications - Retailer Newsletter

**Arizona Lottery**  
Scratchers Season Retailer Webinar  
OH Partners

### Responsible Gambling Communications - Print

**Wisconsin Lottery**  
Stuck  
Hoffman York

### Responsible Gambling Communications - Video

**Connecticut Lottery Corporation**  
Responsible Gaming  
CT Lottery / Fuseideas

## Responsible Gambling Communications - Electronic

**Ontario Lottery and Gaming**  
PlaySmart Live Lucky Lanes - Randomness Campaign  
FCB Toronto

## Responsible Gambling -

### Coordinated Campaign

**Ohio Lottery**  
Your Chemistry  
Northlich

## Best New Media

**Georgia Lottery Corporation**  
Hawks/Diggi Games Promotion  
Georgia Lottery - BBDO Atlanta

## Multi-Cultural Advertising

**Illinois Lottery**  
Holiday Hero  
Illinois Lottery

## Hickey - Special Events Promotion

**Minnesota State Lottery**  
#VikingsShipMe  
Periscope

## Hickey - Audio/Visual Presentation

**Virginia Lottery**  
Journey of a Ticket  
Virginia Lottery

## Hickey - Potpourri Promotion

**New York Lottery**  
Untangling the Holiday Spirit Instantly  
New York Lottery / McCann New York

## Hickey - Web Site

**Ontario Lottery and Gaming**  
OLG.ca  
Nurun

## Best New Instant Game

**D.C. Lottery**  
DC 7's  
MDB Communications

## Best New Draw Game

**Montana Lottery**  
Big Sky Bonus  
Montana Lottery

## BEST OF THE BATCH

### Ontario Lottery and Gaming

PlaySmart Live Lucky Lanes - Randomness Campaign  
FCB Toronto

### New York Lottery

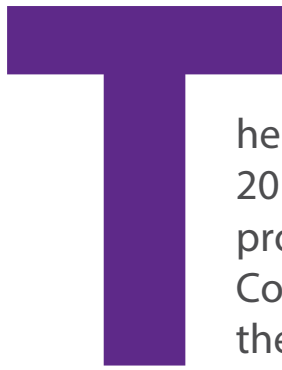
Untangling the Holiday Spirit Instantly  
New York Lottery / McCann New York



# REALITY CHECK

As expected, North American lotteries suffered from a lack of big jackpots in fiscal 2017, but there was plenty of good news in with the bad.

**By Patricia McQueen**



The world record \$1.6 billion Powerball jackpot in January 2016 had everybody giddy in fiscal 2016, as sales and net proceeds to beneficiaries smashed records everywhere. Coincidentally, Canada's lotteries also had a landmark year then, as its own national games also soared.

Why start a report on fiscal 2017 with old news? Because history has shown that an exceptionally good year driven by the luck of the draw often means the follow-up year struggles in comparison. To some, it will never matter that fiscal 2017 was the second-best year on record overall, behind only the record-smashing year before. What they see is a small decline in overall sales and transfers, yet that is truly a minuscule bump in the road in the overall upward trend of recent years.

In total, sales of traditional lottery products in the U.S. were just shy of \$73 billion in fiscal 2017, down 0.7 percent from fiscal 2016. Add in net revenues from casino gaming operated by some lotteries – still growing overall – and total sales were almost \$80.4 billion, down just 0.2 percent.

In Canada, traditional lottery sales were C\$8.7 billion, down 3.1 percent from fiscal 2016. Add in net revenues from the VLTs offered by two lottery operators and total sales were down 2.6 percent to about C\$10.1 billion.

Lotteries exist to generate revenues for their beneficiaries – education, economic development, the environment, cities and towns, senior citizens and more. U.S. lotteries transferred a total of \$22.3 billion to those beneficiaries in fiscal 2017, down about one percent from the year before. Canadian lotteries sent almost C\$3.3 billion to their beneficiaries, down less than two percent from the previous year.

Due to differences in accounting methodologies and other factors, the amounts transferred don't always move in lock step with sales, so year-to-year comparisons in transfers are

often less meaningful and may be misleading.

Canada's lotteries end their year on March 31, while in the United States most years end June 30; the exceptions are New York (March 31), Texas (August 31), and Michigan and the District of Columbia (September 30).

## American Leaders

The New York Lottery continues to lead the nation in terms of total sales, and return to beneficiaries, with almost \$7.7 billion in sales of traditional games, plus \$2 billion in net revenues from electronic gaming machines, for a total of almost \$9.7 billion, down ever so slightly from fiscal 2016. In total, more than \$3.2 billion was sent to education in the state.

The California Lottery holds second with just over \$6.2 billion in sales, returning more than \$1.5 billion to education. Threatening to take back second place, which it lost in fiscal 2016, is the Florida Lottery, coming in at just under \$6.2 billion in sales and more than \$1.6 billion to education after a strong year (reporting a 1.6 percent gain in sales). Two other lotteries exceeded \$5 billion in sales, Massachusetts and Texas, both coming in just under \$5.1 billion with Texas closing the gap between them after a solid year with sales up slightly.

Some lotteries were able to overcome the dearth of big jackpots and grow sales – 11 of the 45 U.S. lotteries covered in this report increased sales of traditional lottery products in fiscal 2017. Most of the others were down by less than five percent, but for a handful, specific

circumstances made the impact far worse. Two lotteries (North Dakota and Wyoming) don't have the instant tickets that help lotteries weather jackpot game fluctuations, so they were understandably the industry's poorest performers in fiscal 2017 through no fault of their own. Those same lotteries, of course, led the industry in percentage gains the year before. With limited product lines, it has to be expected that they will have more volatile swings in sales based on the performance of the big jackpot games. That is the choice made by their politicians when they were originally formed.

Leading the way in terms of percentage increase in sales from fiscal 2016 to fiscal 2017 was the Michigan Lottery, recording an impressive 7.3 percent gain. Coming in a distant second by this measure was the South Carolina Education Lottery, with a 2.2 percent increase, followed in short order by the Missouri Lottery (up 2.1 percent) and the North Carolina Education Lottery (up 1.9 percent).

## The Games

As a result of jackpot game woes, instant games increased market share in fiscal 2017 despite their slowest growth in recent memory – up just 2.8 percent year to year. At \$46.5 billion, instant tickets accounted for 63.7 percent of traditional game sales in U.S. markets, up from 61.5 percent in fiscal 2016. Twenty-six of the 43 American lotteries offering instant games reported an increase, but only two achieved double-digit growth, by far the fewest at that level over the

# United States Sales Summary

(Dollars in millions)

	FY16	FY17	Increase (Decrease)	Percent Change
Instants	\$45,226.6	\$46,482.1	\$1,255.5	2.8%
Pulltabs	170.3	209.5	39.2	23.0%
Powerball	6,587.0	4,593.2	(1,993.8)	-30.3%
Mega Millions	2,501.3	2,325.2	(176.1)	-7.0%
Hot Lotto	72.1	73.5	1.4	1.9%
For Life games	407.4	446.6	39.1	9.6%
All other lotto games	3,627.9	3,565.2	(62.7)	-1.7%
Daily numbers (2-5 digits)	10,253.5	10,384.7	131.2	1.3%
Monitor games	3,958.8	4,131.2	172.4	4.4%
Daily keno	64.6	62.7	(1.9)	-3.0%
Terminal-based instant games	307.8	411.1	103.4	33.6%
Raffles	77.0	68.6	(8.4)	-10.9%
Hybrid instant/draw games	50.8	56.8	6.1	12.0%
All other games	175.2	163.2	(12.0)	-6.9%
Total draw-based games	28,083.5	26,282.1	(1,801.4)	-6.4%
Total traditional games	73,480.4	72,973.7	(506.7)	-0.7%
Electronic gaming machines (net)	6,437.1	6,646.1	209.0	3.2%
Table games (net)	627.5	768.7	141.2	22.5%
<b>Grand total sales</b>	<b>\$80,545.0</b>	<b>\$80,388.5</b>	<b>(\$156.5)</b>	<b>-0.2%</b>

past few years. They were led by the Michigan Lottery, with a remarkable 16.3 percent increase; next was Maryland with a 10.8 percent increase in instant sales.

California once again sold the most instant tickets, with almost \$4.6 billion in sales (a 5.2 percent gain), but Florida continues to close in with a 7.3 percent increase to more than \$4.2 billion in instant sales. New York was third with \$4.0 billion (a 2.3 percent increase), with Texas right behind at \$3.9 billion (a 5.9 percent increase).

Other lotteries with much better than average increases in instant ticket sales were Arizona (up 7.1 percent) and Idaho (up 6.2 percent).

As expected, Powerball sales were down 30 percent in fiscal 2017, a drop of almost \$2 billion that landed the game with just under \$4.6 billion in sales. Mega Millions was down by \$176

million, or 7.0 percent, to \$2.3 billion; a few jurisdictions even managed to increase their Mega Millions sales during the year. Tiny by comparison, Hot Lotto was actually up by 1.9 percent to \$73.5 million; that game was nearing the end of its lifespan, having just been replaced by the all new Lotto America in November.

The 'for life' category of lotto games grew by 9.6 percent (to \$447 million) due to continued expansion to new markets; same-lottery sales were down in many cases. All other lotto games, mostly in-state games, accounted for just over \$3.5 billion in sales, down 1.7 percent. There were bright spots, however. Favorable jackpot rolls helped in-state lotto games for some lotteries, led by Michigan's 54 percent increase in lotto sales after its Lotto 47 rolled to its second-highest jackpot ever last February. The Kansas Lottery

led the industry in percentage increase in cash lotto games, with Super Kansas Cash gaining 22 percent during the year thanks to two record jackpot runs during the year.

Daily numbers games continue to be the second largest game category after instant tickets; sales of two through five digit games reached almost \$10.4 billion in fiscal 2017, up 1.3 percent. The Colorado Lottery saw a 22.9 percent increase in its Pick 3 game, thanks to the addition of a midday drawing and an associated advertising campaign featuring amusing animated images of the Pick 3 number balls.

Promotions helped the North Carolina Education Lottery increase sales of its daily numbers games by more than any other lottery in absolute dollar terms – combined sales of Carolina Pick 3 and Pick 4 increased by more than \$29.8 million in fiscal

2017, or 7.2 percent. During the year, three promotions were offered, two on Pick 3 and one on Pick 4, involving doublers, extra draws and extra prizes. Sales during the promotions increased incrementally by at least two percent above what the games had been trending heading into the promotions. "Offering promotions helped the lottery keep its products fresh and fun," said Executive Director Alice Garland.

Some lotteries have had success introducing add-on games to various lotto and numbers games. This option can be a way to generate incremental sales at a low cost. The Hoosier Lottery is one that has gone this route with several of its games – and happened to be one of the lotteries that grew sales in fiscal year, coming in at \$1.2 billion, up 0.5 percent. It currently offers four different add-on games, which add incremental sales to its daily numbers games, daily keno and lotto/cash lotto. "Just as the cadence of launching new scratch-off games is

critical to sales growth, introduction of 'new' to the draw game category is important," said Director of Public Relations Dennis Rosebrough. "Over the past year and half, the Hoosier Lottery has focused on enhancing the draw game portfolio with new add-on games to drive engagement and sales of our existing portfolio. This effort has been worthwhile as shown by top line growth and attachment rates."

Although it wasn't introduced until after fiscal 2017 ended, Hoosier was also the first lottery to try a new form of hybrid game. For a few years, it offered Poker Lotto, a terminal-based game that has an instant win component combined with an evening draw game. Recently, it introduced Black Pearl, a hybrid game developed by IGT using a printed scratch ticket as its base. The player scratches the ticket to reveal any instant win, and also reveal numbers for one of the associated evening drawings. The twist is that players can choose which nightly drawing to enter; it doesn't

have to be the day of purchase. They enter a code on the ticket online, on the Lottery's mobile app or at retail, in order to be entered into a nightly draw. "We believe that Black Pearl promotes cross play across draw games and scratch-offs as well as potential to drive participation with an infrequent player that may enjoy this unique experience," said Rosebrough.

## Outstanding in Michigan

As already noted, the Michigan Lottery led the way in instant sales growth with a remarkable 16.3 percent increase, which contributed greatly to its industry-leading overall 7.3 percent increase in sales – a gain of \$225 million to reach \$3.3 billion.

What makes it even more remarkable is that the Lottery also offers online game sales, including online instant games. Michigan's positive experience should put to rest

## "DELIVERY EXCELLENCE GUARANTEED"

The advertisement features a central circular logo with the text "Delivery & Distribution Solutions". Surrounding the logo are four images illustrating services: "BAR CODE SCANNING" (a hand holding a smartphone scanning a QR code), "ROUTE OPTIMIZATION" (a map with highlighted routes), "SIGNATURE CAPTURE" (a hand signing a document on a tablet), and "SYSTEMS INTEGRATION" (a diagram showing interconnected nodes for Marketing, Sales, and Finance, with a "SUCCESS" banner).

- Dedicated Couriers
- Scheduled Deliveries
- Medical Deliveries

- Small Package
- Pool Distribution
- Customized Logistics Program

[www.deliveryanddistribution.com](http://www.deliveryanddistribution.com)  
708-798-7907

for good any notion that online sales will hurt bricks and mortar sales, as many in the retail industry continue to fear.

Michigan's increase in instant sales was a landmark achievement in year where many lotteries struggled to grow that product line at all. Commissioner Aric Nesbitt attributed that to a combination of things, including a great partnership with its ticket printer to find great games and implement best practices, dedicated sales reps that have worked hard to increase facings, and a unique arrangement that provides incentives to retailers who can both increase their instant sales and accept cashless forms of payment, including both debit and credit cards. The incentive is an extra percentage of commission, seven percent instead of six percent, helping to offset the fees incurred for using cashless payments; at this writing, about 45 percent of the Lottery's retailers accept these payment options.

In the fourth quarter of the fiscal year, Michigan introduced Fast Cash, its version of instant tickets purchased through a lottery terminal (also known as Fast Play, Insta Play and EZ Play). In less than three months, the product produced almost \$31 million in sales, twice what was expected. Nesbitt noted that both a well-executed introduction at retail and a game design that linked all available games to a common progressive jackpot helped achieve that outstanding launch.

All of the Michigan Lottery's recent initiatives are designed "foster a culture of continuous improvement and innovation between all of our channels, and that's really the key component of ongoing efforts to stay competitive in the entertainment marketplace, and really increase the support we provide to public education," explained Nesbitt. For fiscal 2017, which in Michigan ended September 30, he expects to transfer some \$923 million to K-12 education in the state, yet another record result.

He's convinced that iLottery has helped sales through all channels – younger players who become familiar with the Lottery's online products are more likely to purchase them at retail. And several initiatives are in the works

to keep retailers active and engaged, with new products and more tie-ins to iLottery products. "We're trying to show that it's not 'us vs. them' with iLottery vs. traditional retail, that we are able to grow together." And by all measures, Michigan seems to be succeeding at doing just that.

## Online Sales

The Michigan Lottery is clearly the most successful online experience to date in the United States, both in terms of absolute dollars generated and the high-profile way the new channel has been handled. But others have also ventured into this world since Illinois became the very first American lottery to offer single-draw sales in March 2012. Sales through online channels are included in the relevant categories in the accompanying charts.

The numbers are still small, but critically important. In fiscal 2017, Michigan reported almost \$92 million in play through its online channels, net of about \$5.7 million in promotional costs for its successful online game cards, which involve retailers in the purchase. The lion's share of that was in online instant games, although those are reported net of prizes.

The Georgia Lottery, which offers a robust online portfolio of draw games, keno and instant games, reported \$33 million in online sales. The Illinois Lottery, limited to Powerball, Mega Millions and Lotto, had \$19.7 million in online sales in fiscal 2017. The Kentucky Lottery launched its online sales platform in April 2016, and now offers instant games, Powerball, Mega Millions, Lucky for Life and Cash Ball 225. Total online sales in fiscal 2017 were \$6.6 million.

Two more lotteries began their online path with subscription-based sales, but now offer single-draw sales. First was the North Dakota Lottery, which added that option beginning in July 2014; online sales in this very small lottery state, which only offers draw games, were almost \$889,000 in fiscal 2017. The North Carolina Education Lottery began offering single draw sales in June 2016, and available games are Powerball, Mega Millions, Lucky for Life and Cash 5. Total sales in fiscal 2017 were \$3.2 million.

Other lotteries continue to offer subscriptions through an online system, but have thus far stopped short of single draw sales – New Hampshire, New York and Virginia. New Hampshire, however, is gearing up to launch a full online sales system next spring.

The Delaware Lottery has gone a different route – offering online sales of casino gaming products in partnership with its racetrack casinos; the tiny state brought in \$2.7 in net gaming revenue online during fiscal 2017.

Canada's lotteries have much more online experience than those in the United States, with two operators launching online sales back in 2004 and others following suit, but for the most part their online sales figures are not released.

## The Canadian Experience

Looking at the broader picture of total sales, Canada's record year in fiscal 2016 was also a tough act to follow, and sales sagged for most lotteries. Loto-Québec was the lone exception, growing traditional lottery sales by 1.7 percent and total sales (including net VLT revenues) by 1.6 percent. Canada's second largest lottery, Loto-Québec brought in C\$1.8 billion in traditional sales in fiscal 2017.

Daily Grand became the first new national lotto game since Lotto Max was introduced in 2009. Four of the five Canadian lottery operators launched the game in October 2016; Atlantic Lottery didn't join until fiscal 2018. The game in the 'for life' category is modeled after its American counterparts, offering C\$1,000 a day for life as its top prize and C\$25,000 a year for life as a second prize. Drawn twice weekly, Daily Grand is a C\$3 game; the provincial lotteries also offer their spiel games (Extra, Encore, Tag) on the product. In just a few months (Canada's fiscal year ends March 31), the game brought in \$107 million in sales across the four participating lotteries.

Western Canada Lottery Corp. launched Poker Lotto across its five member provinces and territories

# Canada Sales Summary

(Canadian dollars in millions)

	FY16	FY17	Increase (Decrease)	Percent Change
Instants	\$2,257.3	\$2,335.4	\$78.1	3.5%
Pulltabs	163.4	162.8	(0.5)	-0.3%
Lotto 6/49	1,682.3	1,430.8	(251.5)	-14.9%
Lotto Max	2,179.0	1,927.0	(252.0)	-11.6%
For Life games		107.4	107.4	N/A
All other lotto games	398.8	397.1	(1.7)	-0.4%
Daily numbers (2-4 digits)	211.2	219.0	7.8	3.7%
Spiel games	657.5	627.1	(30.5)	-4.6%
Sports betting	544.3	560.4	16.1	2.9%
Club Keno	274.4	293.3	18.9	6.9%
Daily keno	260.1	261.1	1.0	0.4%
Hybrid instant/draw games	182.7	179.5	(3.2)	-1.8%
All other games	168.9	199.7	30.8	18.2%
Total draw-based games	6,559.3	6,202.4	(\$356.9)	-5.4%
Total traditional games	8,980.0	8,700.7	(279.3)	-3.1%
Electronic gaming machines (net)	1,381.8	1,391.6	9.8	0.7%
Table games (net)	1.6	1.9	0.3	20.5%
<b>Grand total sales</b>	<b>\$10,363.4</b>	<b>\$10,094.2</b>	<b>(\$269.2)</b>	<b>-2.6%</b>

on March 20, hoping to capture some of the success the hybrid game has experienced in other Canadian provinces, especially Ontario.

Instant games in Canada, although not nearly as dominant in the marketplace as in the United States, actually outperformed those of their southern neighbor, at least in percentage terms. Total instant sales grew by 3.5 percent overall, marginally better than growth in the United States. They were exceptionally strong in Ontario and British Columbia.

The success of Loto-Québec's C\$100 instant game *Ultime*, a finalist for NASPL's best new instant game in 2017, helped push that lottery's total sales forward as others declined. And improvements in sports betting options increased Quebec's sales in

that category by 16.5 percent. But there was more than product that contributed to the province's success in fiscal 2017.

"Loto-Québec's overall sales and market share for the 2016-2017 fiscal year were up," noted Marie-Claudel Lalonde, Director of Marketing Communications and Strategies. "We believe that we were able to stimulate sales by showcasing our record number of winners and increasing and diversifying our commercial activities by launching new games and implementing more dynamic and innovative advertising strategies and content."

For example, instead of relying solely on a couple of executions a year in traditional media outlets for Lotto 6/49, Loto-Québec created an

extremely flexible campaign with the hashtag #YOUSHOULDBUYA649. "Because this catchphrase became hugely popular among the general population in response to any lucky situation, we were able to produce a campaign with an infinite number of executions, both in traditional media and by means of media stunts."

Some creative media initiatives included painting the hashtag on prime parking spots, placing banner ads near 'unbelievable but true' news stories, and creating add-ons to official Ministry of Transportation 'traffic fluid' messages on outdoor media. The same strategies were used on a smaller scale with most of Loto-Québec's other brands.

"The cumulative effect of a record number of winners, the vigorous use

## Recent Trends in Sales - United States

(Dollars in millions)

United States	FY13	FY14	FY15	FY16	FY17
Instants/pulltabs	\$37,615.1	\$39,224.2	\$42,171.3	\$45,396.9	\$46,691.6
Monitor games	3,318.5	3,484.7	3,660.1	3,958.8	4,131.2
Lotto and all other games	22,105.1	22,269.6	21,307.4	24,124.7	22,150.9
Total traditional games	63,038.8	64,978.5	67,138.8	73,480.4	72,973.7
Gaming (net)	5,639.4	6,150.0	6,731.8	7,064.6	7,414.8
<b>Total sales</b>	<b>\$68,678.2</b>	<b>\$71,128.5</b>	<b>\$73,870.6</b>	<b>\$80,545.0</b>	<b>\$80,388.5</b>

## Recent Trends in Sales - Canada

(Canadian dollars in millions)

Canada	FY13	FY14	FY15	FY16	FY17
Instants/pulltabs	\$2,253.6	\$2,408.7	\$2,351.7	\$2,420.7	\$2,498.3
Club Keno	238.7	242.7	252.3	274.4	293.3
Sports betting	490.1	523.3	544.2	544.3	560.4
Lotto and all other games	5,103.4	5,026.9	4,660.7	5,740.6	5,348.7
Total traditional games	8,085.7	8,201.6	7,808.9	8,980.0	8,700.7
Gaming (net)	1,367.5	1,327.7	1,319.7	1,383.4	1,393.5
<b>Total sales</b>	<b>\$9,453.3</b>	<b>\$9,529.3</b>	<b>\$9,128.6</b>	<b>\$10,363.4</b>	<b>\$10,094.2</b>

of social media to showcase those winners, and a successful multi-faceted 6/49 campaign combined to create a positive opinion of the Loto-Québec brand in general," said Lalonde. "This goodwill translated into increased purchases at points of sale, benefiting all lottery products and more specifically Lotto Max with its large advertised jackpot amounts."

### Casino Gaming

As always, revenue from casino gaming is included for eight American lotteries in this analysis; the numbers reported are net win from electronic gaming machines (video lottery terminals or slot machines) and table games, where offered. A ninth lottery, Kansas, owns casinos in its jurisdiction but farms out their operation; as

the model is somewhat different, its gaming revenues are not included here.

When gaming revenues are included, the Maryland Lottery becomes the growth leader in percentage terms. A new casino opened during the year (MGM National Harbor), pushing gaming revenues up 24 percent. Combined with strong sales of traditional lottery products – another record-setting year – and total sales were up 9.9 percent, with more than \$1 billion transferred to beneficiaries.

Ohio's VLT program is still fairly new, and revenues grew by 6.6 percent in fiscal 2017, helping the Ohio Lottery pretty much break even in total sales despite a small decline in traditional lottery sales. Gaming revenues were also up in New York, Oregon, Rhode Island and South Dakota;

only Delaware and West Virginia sagged, continuing to be affected by competition all around them.

In Canada, Loto-Québec's net VLT revenues grew by 1.4 percent to just shy of \$950 million. In Atlantic Canada, two of the four provinces reported an increase in gaming revenues.

Again for the purposes of this report, casino operations in British Columbia, Ontario and Quebec are not included, even though a single entity runs both lottery and gaming in each of these provinces. Also excluded are VLTs operated by other entities in Alberta, Manitoba and Saskatchewan.

### Up Next

While no one has a crystal ball that can forecast lottery performance, several developments enacted or



expected during fiscal 2018 are aimed at driving revenue growth. On the national front, Mega Millions provided the first salvo, relaunching with a \$2 price point and a new matrix in late October – pushing the odds of winning the jackpot to a whopping one in 302,575,350. The change is designed, of course, to allow the jackpot grow to the heights consumers now expect.

Next spring, an enhancement to Powerball is coming that designers hope will attract sales for drawings on Mondays and Thursdays, currently unserved nights for the two big national games.

Among smaller games, Hot Lotto ended in October, replaced with Lotto America in November. If that sounds familiar it should

– it was the name of the game that launched the Multi-State Lottery Association and was the precursor to Powerball. What's old is new again, and lotteries offering Lotto America hope it will gain critical mass to become a good \$1 option to the \$2 national games in the jurisdictions in which it is available.

Lotteries can't afford to rest on their laurels – there is too much at stake for their beneficiaries. They can't always do what they would like to do because of regulatory restrictions, but they are always looking for something new. Some of the bright spots highlighted in this report show that it's not always about finding another grand slam, it might just be about getting a series of base hits. ■

“We're trying to show that it's not 'us vs. them' with iLottery vs. traditional retail, that we are able to grow together.”

Aric Nesbitt,  
Michigan Lottery

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# Fiscal 2017 Lottery Sales and Revenues

United States

Jurisdiction	Instants	Pulltabs	Daily Numbers			
			2-digit	3-digit	4-digit	5-digit
Arizona	\$632,781,377	\$7,751,982		\$11,124,467		
Arkansas	368,454,561			7,128,685	\$4,238,553	
California	4,576,028,713			145,591,966	29,531,617	
Colorado	380,249,492			10,995,867		
Connecticut	720,623,419			121,760,039	118,322,946	
Delaware	69,284,712			27,535,863	22,752,704	
D.C.	50,325,472			42,030,738	56,321,343	\$21,933,657
Florida	4,243,601,604		\$23,931,437	348,723,689	249,312,449	50,995,537
Georgia	3,117,156,089			553,670,235	278,419,464	7,267,419
Idaho	137,285,048	40,094,208		2,307,494		
Illinois	1,871,857,290			262,257,729	228,913,340	
Indiana	907,583,688			36,346,175	35,068,275	
Iowa	237,617,703	11,292,740		7,318,686	3,946,273	
Kansas	142,572,474	8,451,645		6,811,012		
Kentucky	609,065,000			145,315,000	44,666,000	
Louisiana	206,293,946			52,348,516	47,274,931	
Maine	208,020,354			5,274,380	4,290,629	
Maryland	685,125,563			239,153,634	291,588,159	
Massachusetts	3,517,783,000	748,000		324,506,000	*	
Michigan	1,394,986,893	32,896,362		369,008,109	441,407,665	
Minnesota	398,311,141			17,401,351		
Missouri	868,860,724	107,177,118		74,930,283	48,728,248	
Montana	17,130,487					
Nebraska	101,580,620			5,127,615		
New Hampshire	223,368,115			5,830,725	4,978,232	
New Jersey	1,839,632,803			429,547,423	273,443,338	
New Mexico	72,399,000			5,365,000		
New York	4,001,246,000			897,644,000	920,766,000	
North Carolina	1,695,232,342			306,018,460	135,797,947	
North Dakota						
Ohio	1,527,082,602			339,589,122	201,044,781	38,101,390
Oklahoma	67,988,294			5,354,850		
Oregon	126,498,948				1,475,180	
Pennsylvania	2,726,625,523		7,011,306	283,826,984	229,633,798	45,873,222
Rhode Island	94,225,864			23,886,085	*	
South Carolina	1,186,644,355			196,197,831	97,226,529	
South Dakota	26,068,946					
Tennessee	1,331,858,299			63,673,957	37,684,661	
Texas	3,935,220,022			255,451,625	101,499,492	
Vermont	96,248,375			1,320,609	1,240,755	
Virginia	1,117,709,151			276,560,578	291,852,118	
Washington	472,252,828			17,748,008	13,434,736	
West Virginia	94,368,751			8,144,181	4,796,896	
Wisconsin	384,817,222	1,049,397		24,114,476	13,012,077	
Wyoming						
<b>Total U.S.</b>	<b>\$46,482,066,809</b>	<b>\$209,461,452</b>	<b>\$30,942,743</b>	<b>\$5,956,941,446</b>	<b>\$4,232,669,134</b>	<b>\$164,171,225</b>

**General notes:** All figures should be considered preliminary and unaudited; Lotto games include all lotto-style games other than those specifically identified; Add-on games are generally included with the host game sales; exceptions are if a game is available on several base games, then it is included in the "other" category; Internet sales where applicable are included in the relevant game categories; Revenues to beneficiaries may reflect either actual fiscal year transfers or net income available for distribution; includes revenue from gaming operations where applicable and itemized funding of state problem gambling programs.

**Specific note:** \* Massachusetts and Rhode Island do not separate sales of 3- and 4-digit daily numbers games

# Fiscal 2017 Lottery Sales and Revenues

United States

Jurisdiction	Lotto	Powerball	Mega Millions	Hot Lotto	For Life games
Arizona	\$49,932,798	\$102,449,615	\$41,374,249		
Arkansas	7,047,543	32,755,119	14,313,090		\$2,889,910
California	461,449,739	449,866,730	294,501,881		
Colorado	49,301,561	73,002,056	25,789,410		15,995,104
Connecticut	48,384,637	78,619,022	29,106,586		20,405,410
Delaware	4,268,594	22,774,734	8,877,979	\$2,655,063	3,404,412
D.C.		11,544,391	5,193,281	469,781	2,306,086
Florida	618,138,115	434,263,737	147,380,521		28,774,638
Georgia	127,798,268	127,426,034	90,352,192		11,153,918
Idaho	2,880,960	28,501,559	9,334,536	2,505,619	3,378,658
Illinois	225,285,768	151,725,090	98,341,494		
Indiana	61,314,495	97,868,685	32,747,027		7,041,223
Iowa		54,292,902	14,957,109	8,210,714	5,599,966
Kansas	18,048,077	36,781,987	12,336,420	6,739,519	4,183,191
Kentucky	10,402,000	72,087,000	29,084,000		7,811,000
Louisiana	35,774,177	84,999,892	28,274,755		
Maine	12,125,671	20,751,794	6,042,526	1,760,187	3,921,681
Maryland	43,817,983	100,133,706	66,344,693		16,193,704
Massachusetts	102,206,000	119,334,000	60,985,000		25,614,000
Michigan	129,432,049	153,383,477	102,388,149		14,698,752
Minnesota	24,295,166	64,761,249	17,136,242	10,957,403	7,743,223
Missouri	51,344,247	94,886,472	32,172,193		7,818,884
Montana	6,422,609	12,038,168	3,550,002	2,589,701	2,816,278
Nebraska	18,932,565	36,953,225	11,225,081		
New Hampshire	10,196,252	32,445,820	11,287,424	2,749,292	5,319,096
New Jersey	217,262,065	213,478,553	135,511,283		40,690,422
New Mexico	7,141,000	26,329,000	9,656,000	4,294,000	
New York	313,279,000	348,685,000	284,698,000		89,316,000
North Carolina	68,275,475	148,510,627	54,332,136		19,904,592
North Dakota	4,475,440	12,532,538	4,444,137	2,425,043	3,743,086
Ohio	86,510,363	129,779,882	93,318,843		19,879,025
Oklahoma	3,955,690	46,339,573	18,238,718	8,450,755	
Oregon	31,768,618	44,856,176	17,913,809		3,569,776
Pennsylvania	241,342,458	252,588,752	94,406,907		22,492,390
Rhode Island	3,967,038	29,378,496	9,365,827		5,096,898
South Carolina	20,756,104	82,625,999	34,839,371		14,376,338
South Dakota	2,906,380	13,475,678	3,634,116	3,089,187	150,472
Tennessee	16,539,210	102,338,912	37,009,981	11,707,665	11,091,812
Texas	233,896,628	341,159,961	166,622,170		
Vermont	4,695,273	9,133,647	3,441,679		1,775,788
Virginia	44,888,736	112,705,215	84,351,249		15,314,148
Washington	64,757,960	60,008,237	39,312,625		
West Virginia	4,938,032	34,514,013	11,057,403	4,848,437	
Wisconsin	64,984,598	81,982,217	25,949,118		
Wyoming	10,034,810	9,164,190	4,038,990		2,095,314
<b>Total U.S.</b>	<b>\$3,565,174,151</b>	<b>\$4,593,233,130</b>	<b>\$2,325,238,202</b>	<b>\$73,452,366</b>	<b>\$446,565,195</b>

**General notes:** All figures should be considered preliminary and unaudited; Lotto games include all lotto-style games other than those specifically identified; Add-on games are generally included with the host game sales; exceptions are if a game is available on several base games, then it is included in the "other" category; Internet sales where applicable are included in the relevant game categories; Revenues to beneficiaries may reflect either actual fiscal year transfers or net income available for distribution; includes revenue from gaming operations where applicable and itemized funding of state problem gambling programs.

**Specific note:** \* Massachusetts and Rhode Island do not separate sales of 3- and 4-digit daily numbers games

# Fiscal 2017 Lottery Sales and Revenues

United States

Jurisdiction	Daily Keno	Monitor Games		Raffles	Terminal-based	Hybrid lotto/
		Keno	Others		Instant games	Instant-win
Arizona						\$3,717,420
Arkansas					12,313,567	
California		\$255,808,131				
Colorado						
Connecticut		72,182,406				
Delaware		8,168,946				
D.C.		7,854,219	\$9,187,789		11,550,642	
Florida				\$11,357,080		
Georgia		189,659,000			11,112,902	8,695,384
Idaho				3,000,000	10,641,784	
Illinois				7,792,080		
Indiana	\$18,490,425				11,956,746	79,846
Iowa					5,820,274	
Kansas		15,494,968	2,611,650	4,000,000		
Kentucky		75,750,000				6,321,000
Louisiana						
Maine						3,760,533
Maryland		303,244,461	180,398,546			5,545,217
Massachusetts		914,787,000	18,816,000			
Michigan	9,000,828	640,851,475		201,540	30,586,461	10,956,423
Minnesota				6,998,580	12,754,636	
Missouri		56,746,940				
Montana				3,000,000	4,928,157	
Nebraska						
New Hampshire					2,979,741	
New Jersey					26,851,239	10,492,768
New Mexico					741,000	
New York	29,426,000	794,055,000				
North Carolina						
North Dakota						
Ohio		396,317,777		3,638,506	166,436,722	
Oklahoma						1,174,623
Oregon		101,501,143		2,499,750		
Pennsylvania				18,788,160	55,007,649	
Rhode Island		82,984,608	972,663			
South Carolina					3,031,854	
South Dakota						
Tennessee						
Texas						
Vermont					4,513,937	
Virginia				6,600,000	39,890,998	
Washington	5,816,005					
West Virginia		3,811,709				
Wisconsin				764,477		6,099,195
Wyoming						
<b>Total U.S.</b>	<b>\$62,733,258</b>	<b>\$3,919,217,783</b>	<b>\$211,986,648</b>	<b>\$68,640,173</b>	<b>\$411,118,308</b>	<b>\$56,842,409</b>

**General notes:** All figures should be considered preliminary and unaudited; Lotto games include all lotto-style games other than those specifically identified; Add-on games are generally included with the host game sales; exceptions are if a game is available on several base games, then it is included in the "other" category; Internet sales where applicable are included in the relevant game categories; Revenues to beneficiaries may reflect either actual fiscal year transfers or net income available for distribution; includes revenue from gaming operations where applicable and itemized funding of state problem gambling programs.

**Specific note:** \* Massachusetts and Rhode Island do not separate sales of 3- and 4-digit daily numbers games

# Fiscal 2017 Lottery Sales and Revenues

United States

Jurisdiction	Other	Traditional Games		EGMs (Net)	Table Games (Net)
		Total Sales	% Change		
Arizona	\$2,872,714	\$852,004,622	-2.2%		
Arkansas		449,141,028	-1.4%		
California	20,689,646	6,233,468,423	-0.7%		
Colorado		555,333,490	-6.6%		
Connecticut	6,857,556	1,216,262,021	-1.2%		
Delaware	46,114,508	215,837,515	0.7%	\$355,536,046	\$53,117,142
D.C.		218,717,398	-4.1%		
Florida		6,156,478,806	1.6%		
Georgia	6,238,832	4,528,949,737	-0.6%		
Idaho		239,929,866	1.6%		
Illinois		2,846,172,791	-0.5%		
Indiana	4,579,788	1,213,076,371	0.5%		
Iowa	3,186,443	352,242,810	-4.0%		
Kansas		258,030,943	-5.1%		
Kentucky		1,000,501,000	0.3%		
Louisiana		454,966,217	-10.3%		
Maine		265,947,755	-2.3%		
Maryland		1,931,545,666	1.4%	885,867,966	535,074,397
Massachusetts		5,084,779,000	-2.6%		
Michigan		3,329,798,182	7.3%		
Minnesota	3,144,011	563,503,002	-5.0%		
Missouri		1,342,665,109	2.1%		
Montana	229,600	52,705,002	-12.1%		
Nebraska		173,819,106	-3.2%		
New Hampshire		299,154,697	-1.4%		
New Jersey		3,186,909,893	-3.1%		
New Mexico	116,000	126,041,000	-18.3%		
New York		7,679,115,000	-0.3%	1,996,607,000	
North Carolina		2,428,071,579	1.9%		
North Dakota		27,620,244	-22.5%		
Ohio		3,001,699,013	-1.9%	926,646,264	
Oklahoma		151,502,503	-20.1%		
Oregon	2,147,834	332,231,233	-5.9%	914,071,291	
Pennsylvania	23,438,224	4,001,035,373	-3.2%		
Rhode Island	4,475	249,881,954	-4.2%	482,404,252	140,090,213
South Carolina		1,635,698,381	2.2%		
South Dakota		49,324,779	-10.8%	212,376,196	
Tennessee		1,611,904,497	-0.9%		
Texas	43,611,754	5,077,461,652	0.2%		
Vermont		122,370,063	-1.5%		
Virginia		1,989,872,193	-0.8%		
Washington		673,330,399	-3.1%		
West Virginia		166,479,422	-11.5%	872,612,129	40,425,737
Wisconsin		602,772,777	-3.9%		
Wyoming		25,333,304	-24.0%		
<b>Total U.S.</b>	<b>\$163,231,385</b>	<b>\$72,973,685,814</b>	<b>-0.7%</b>	<b>\$6,646,121,144</b>	<b>\$768,707,489</b>

**General notes:** All figures should be considered preliminary and unaudited; Lotto games include all lotto-style games other than those specifically identified; Add-on games are generally included with the host game sales; exceptions are if a game is available on several base games, then it is included in the "other" category; Internet sales where applicable are included in the relevant game categories; Revenues to beneficiaries may reflect either actual fiscal year transfers or net income available for distribution; includes revenue from gaming operations where applicable and itemized funding of state problem gambling programs.

**Specific note:** \* Massachusetts and Rhode Island do not separate sales of 3- and 4-digit daily numbers games

# Fiscal 2017 Lottery Sales and Revenues

United States

Jurisdiction	Total FY17 Lottery Sales	Total FY16 Lottery Sales	% Change	FY17 Prizes Traditional Games	FY17 Total Transfers to Beneficiaries
Arizona	\$852,004,622	\$870,945,825	-2.2%	\$551,057,535	\$198,171,753
Arkansas	449,141,028	455,599,402	-1.4%	306,429,388	85,157,060
California	6,233,468,423	6,275,597,288	-0.7%	3,963,453,360	1,545,525,481
Colorado	555,333,490	594,411,905	-6.6%	341,518,549	133,474,981
Connecticut	1,216,262,021	1,230,769,399	-1.2%	756,288,867	332,300,000
Delaware	624,490,703	631,780,369	-1.2%	134,995,643	205,669,495
D.C.	218,717,398	228,162,288	-4.1%	130,035,425	45,600,000
Florida	6,156,478,806	6,062,353,446	1.6%	4,069,679,875	1,656,348,387
Georgia	4,528,949,737	4,555,890,277	-0.6%	2,737,542,285	1,101,062,911
Idaho	239,929,866	236,079,628	1.6%	160,304,895	48,500,000
Illinois	2,846,172,791	2,859,819,484	-0.5%	1,820,110,269	723,240,889
Indiana	1,213,076,371	1,207,614,558	0.5%	774,409,540	288,038,493
Iowa	352,242,810	366,910,924	-4.0%	215,620,567	80,774,727
Kansas	258,030,943	272,017,364	-5.1%	149,709,855	75,255,881
Kentucky	1,000,501,000	997,319,000	0.3%	628,831,000	248,571,000
Louisiana	454,966,217	507,036,087	-10.3%	242,945,296	159,191,670
Maine	265,947,755	272,339,484	-2.3%	172,707,793	58,661,048
Maryland	3,352,488,029	3,049,516,212	9.9%	1,196,511,295	1,040,227,766
Massachusetts	5,084,779,000	5,222,058,000	-2.6%	3,669,653,000	1,039,697,000
Michigan	3,329,798,182	3,104,582,813	7.3%	2,016,423,571	924,689,317
Minnesota	563,503,002	592,852,808	-5.0%	348,382,658	139,158,294
Missouri	1,342,665,109	1,315,624,846	2.1%	932,097,045	291,583,694
Montana	52,705,002	59,940,778	-12.1%	30,594,840	9,224,000
Nebraska	173,819,106	179,472,755	-3.2%	101,901,594	41,277,657
New Hampshire	299,154,697	303,341,947	-1.4%	191,778,504	76,119,818
New Jersey	3,186,909,893	3,289,846,714	-3.1%	1,927,302,259	994,000,000
New Mexico	126,041,000	154,344,768	-18.3%	67,184,150	37,835,459
New York	9,675,722,000	9,690,511,057	-0.2%	4,639,012,000	3,267,883,000
North Carolina	2,428,071,579	2,383,591,144	1.9%	1,543,158,180	624,509,674
North Dakota	27,620,244	35,624,903	-22.5%	14,437,939	6,942,500
Ohio	3,928,345,277	3,928,515,957	0.0%	1,910,007,203	1,043,723,098
Oklahoma	151,502,503	189,621,594	-20.1%	73,342,027	53,813,688
Oregon	1,246,302,524	1,229,498,698	1.4%	212,612,721	662,425,216
Pennsylvania	4,001,035,373	4,135,164,810	-3.2%	2,588,266,918	1,045,731,338
Rhode Island	872,376,419	875,361,988	-0.3%	157,023,937	362,696,628
South Carolina	1,635,698,381	1,600,384,426	2.2%	1,086,200,472	410,525,548
South Dakota	261,700,975	262,894,988	-0.5%	28,740,301	118,135,995
Tennessee	1,611,904,497	1,626,950,000	-0.9%	962,245,592	386,697,150
Texas	5,077,461,652	5,067,517,923	0.2%	3,327,052,263	1,333,967,949
Vermont	122,370,063	124,261,839	-1.5%	79,648,891	25,651,795
Virginia	1,989,872,193	2,006,897,950	-0.8%	1,214,303,447	558,314,958
Washington	673,330,399	694,875,068	-3.1%	422,536,021	161,899,855
West Virginia	1,079,517,288	1,136,635,699	-5.0%	97,579,251	480,425,070
Wisconsin	602,772,777	627,164,937	-3.9%	362,965,780	183,752,226
Wyoming	25,333,304	33,348,627	-24.0%	14,497,128	2,720,758
<b>Total U.S.</b>	<b>\$80,388,514,447</b>	<b>\$80,545,049,975</b>	<b>-0.2%</b>	<b>\$46,371,099,129</b>	<b>\$22,309,173,226</b>

**General notes:** All figures should be considered preliminary and unaudited; Lotto games include all lotto-style games other than those specifically identified; Add-on games are generally included with the host game sales; exceptions are if a game is available on several base games, then it is included in the "other" category; Internet sales where applicable are included in the relevant game categories; Revenues to beneficiaries may reflect either actual fiscal year transfers or net income available for distribution; includes revenue from gaming operations where applicable and itemized funding of state problem gambling programs.

**Specific note:** \* Massachusetts and Rhode Island do not separate sales of 3- and 4-digit daily numbers games

# Fiscal 2017 Lottery Sales and Revenues

Canada

Jurisdiction	Instants	Pulltabs	Daily Numbers	
			3-digit	4-digit
British Columbia	\$258,477,617	\$26,538,150		
Ontario	1,192,754,898		\$68,454,908	\$62,708,793
Quebec	390,966,000		42,961,000	
Alberta	169,380,166		18,446,419	
Manitoba	64,216,134		5,738,708	
NW Territories	7,238,932		287,536	
Saskatchewan	49,851,907		2,466,095	
Yukon	3,195,063		78,541	
<b>WCLC Total</b>	<b>293,882,202</b>		<b>27,017,299</b>	
New Brunswick	53,238,892	19,122,379		233,259
Newf. & Lab.	70,297,122	85,097,579		123,287
Nova Scotia	64,882,934	24,629,061		210,667
Prince Edward Island	10,933,790	7,430,469		29,002
<b>ALC Total</b>	<b>199,352,738</b>	<b>136,279,487</b>		<b>596,215</b>
<b>Total Canada</b>	<b>\$2,335,433,455</b>	<b>\$162,817,637</b>	<b>\$138,433,207</b>	<b>\$63,305,008</b>

	Lotto	Lotto Max	Lotto 6/49	For Life	Spiel
British Columbia	\$34,944,232	\$232,039,778	\$166,439,658	\$13,901,382	\$66,418,010
Ontario	140,178,799	819,409,537	597,395,604	37,858,195	223,498,892
Quebec	113,163,000	351,785,000	327,380,000	32,616,000	135,988,000
Alberta	53,328,524	282,277,173	163,925,399	16,676,917	93,617,374
Manitoba	9,831,157	61,303,201	38,287,043	2,795,552	21,418,065
NW Territories	598,966	4,186,381	2,228,509	202,560	1,163,748
Saskatchewan	12,192,593	61,861,943	37,600,191	3,209,385	23,029,782
Yukon	484,824	2,372,067	1,537,954	159,226	900,162
<b>WCLC Total</b>	<b>76,436,064</b>	<b>412,000,765</b>	<b>243,579,096</b>	<b>23,043,640</b>	<b>140,129,131</b>
New Brunswick	10,523,477	31,352,147	29,757,138		19,027,197
Newf. & Lab.	8,953,569	37,918,642	26,916,891		19,503,894
Nova Scotia	11,182,233	37,805,894	34,931,298		19,749,274
Prince Edward Island	1,676,720	4,659,573	4,434,655		2,738,821
<b>ALC Total</b>	<b>32,335,999</b>	<b>111,736,255</b>	<b>96,039,981</b>		<b>61,019,186</b>
<b>Total Canada</b>	<b>\$397,058,094</b>	<b>\$1,926,971,335</b>	<b>\$1,430,834,339</b>	<b>\$107,419,217</b>	<b>\$627,053,219</b>

Notes: All figures in Canadian dollars; Internet sales, where applicable, may be listed in "other" or in the specific game categories, depending on the types of games and the individual lottery; ALC net proceeds for PEI include revenues from operations at the racetrack entertainment centers and from the harness racing industry.

# Fiscal 2017 Lottery Sales and Revenues

Canada

Jurisdiction	Hybrid	Club Keno	Daily Keno	Sports	Other
British Columbia	\$5,923,460	\$281,385,482		\$47,056,049	\$31,677,052
Ontario	134,393,076		\$88,934,009	297,879,994	17,286,796
Quebec	36,897,000		160,496,000	76,724,000	158,920,000
Alberta	1,391,386	5,809,659		60,675,828	
Manitoba	508,080	1,752,122		22,883,366	
NW Territories	36,920	476,983		1,184,246	
Saskatchewan	347,944	2,918,023		13,399,044	
Yukon	26,220	992,212		354,503	
WCLC Total	2,310,550	11,948,999		98,496,987	
New Brunswick			3,284,326	10,483,943	2,074,995
Newf. & Lab.			2,817,438	8,758,086	3,221,763
Nova Scotia			5,082,992	18,496,836	3,335,635
Prince Edward Island			527,893	2,504,505	444,150
ALC Total			11,712,649	40,243,370	9,076,544
<b>Total Canada</b>	<b>\$179,524,086</b>	<b>\$293,334,481</b>	<b>\$261,142,658</b>	<b>\$560,400,400</b>	<b>\$216,960,392</b>

Jurisdiction	Traditional Games		EGMs (Net)	Table Games (Net)
	Total Sales	% Change		
British Columbia	\$1,164,800,870	-1.8%		
Ontario	3,680,753,501	-2.8%		
Quebec	1,827,896,000	1.7%	\$949,544,000	
Alberta	865,528,845	-11.4%		
Manitoba	228,733,428	-7.9%		
NW Territories	17,604,781	-4.1%		
Saskatchewan	206,876,907	-7.7%		
Yukon	10,100,772	-5.7%		
WCLC Total	1,328,844,733	-10.1%		
New Brunswick	179,097,754	-2.7%	134,012,611	
Newf. & Lab.	263,608,270	-5.7%	141,691,451	
Nova Scotia	220,306,823	-4.7%	134,845,889	
Prince Edward Island	35,379,577	-5.3%	31,501,339	\$1,906,045
ALC Total	698,392,424	-4.6%	442,051,289	1,906,045
<b>Total Canada</b>	<b>\$8,700,687,528</b>	<b>-3.1%</b>	<b>\$1,391,595,289</b>	<b>\$1,906,045</b>

Notes: All figures in Canadian dollars; Internet sales, where applicable, may be listed in "other" or in the specific game categories, depending on the types of games and the individual lottery; ALC net proceeds for PEI include revenues from operations at the racetrack entertainment centers and from the harness racing industry.



# Fiscal 2017 Lottery Sales and Revenues

Canada

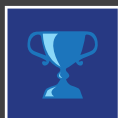
Jurisdiction	Total FY17 Lottery Sales	Total FY16 Lottery Sales	% Change	FY17 Prizes Traditional Games	FY17 Proceeds to Beneficiaries
British Columbia	\$1,164,800,870	\$1,186,356,813	-1.8%	\$662,077,324	\$280,181,530
Ontario	3,680,753,501	3,785,595,538	-2.8%	2,035,482,000	1,081,440,000
Quebec	2,777,440,000	2,733,573,000	1.6%	987,611,000	1,024,340,000
Alberta	865,528,845	976,770,175	-11.4%	433,483,744	315,218,036
Manitoba	228,733,428	248,377,811	-7.9%	118,195,146	62,518,541
NW Territories	17,604,781	18,354,120	-4.1%	9,537,361	5,696,650
Saskatchewan	206,876,907	224,207,138	-7.7%	105,038,257	68,114,301
Yukon	10,100,772	10,715,180	-5.7%	5,338,862	3,273,838
WCLC Total	1,328,844,733	1,478,424,424	-10.1%	671,593,370	454,821,366
New Brunswick	313,110,364	319,217,796	-1.9%		128,229,000
Newf. & Lab.	405,299,721	426,511,237	-5.0%		138,884,000
Nova Scotia	355,152,712	363,774,582	-2.4%		136,964,000
Prince Edward Island	68,786,961	69,964,053	-1.7%		17,944,000
ALC Total	1,142,349,758	1,179,467,668	-3.1%	392,266,654	422,021,000
<b>Total Canada</b>	<b>\$10,094,188,862</b>	<b>\$10,363,417,443</b>	<b>-2.6%</b>	<b>\$4,749,030,348</b>	<b>\$3,262,803,896</b>

Notes: All figures in Canadian dollars; Internet sales, where applicable, may be listed in "other" or in the specific game categories, depending on the types of games and the individual lottery; ALC net proceeds for PEI include revenues from operations at the racetrack entertainment centers and from the harness racing industry.

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# WHERE ARE YOU GOING?

SEPTEMBER 25-28, 2018



## 2018 CALENDAR

**January 5-7, 2018**  
*NCLGS Winter Meeting - Miami 2018*  
Miami, FL  
Hyatt Regency Miami Hotel

**February 8-10**  
*Marketing Seminar '3 B's of lottery' Seminar in cooperation with the EL/WLA*  
The Bloomsbury Hotel  
London, UK

**March 2018**  
*NCPG Problem Gambling Awareness Month*

**April 9-12, 2018**  
*NASPL Lottery Leadership*  
Embassy Suites Downtown  
Des Moines, IA  
Hosted by the Iowa Lottery

**June 11-14, 2018**  
*NASPL Directors Meeting & Dialogue*  
Westin Portland Harborview  
Portland, ME  
Hosted by the Maine Lottery

**July 23-26, 2018**  
*NASPL Professional Development Seminar*  
Swan Hotel  
Orlando, FL  
Hosted by the Florida Lottery

**September 25-28, 2018**  
*NASPL 2018 Annual Conference*  
Hilton Cleveland Downtown Hotel  
Cleveland, OH  
Hosted by the Ohio Lottery

**November 18-22, 2018**  
*World Lottery Summit 2018*  
Buenos Aires, Argentina

**December 2018**  
*NCPG/McGill University RG Lottery Holiday Campaign*

## 2019 CALENDAR

**March 2019**  
*NCPG Problem Gambling Awareness Month*

**April 15-18, 2019**  
*NASPL Lottery Leadership*  
Hyatt Regency Cleveland  
Cleveland, OH  
Hosted by the Ohio Lottery

**June 17-20, 2019**  
*NASPL Directors Meeting & Dialogue*  
KingsMill Resort  
Williamsburg, VA  
Hosted by the Virginia Lottery

**July 29 – August 1, 2019**  
*NASPL Professional Development Seminar*  
Arizona Grand Resort  
Phoenix, AZ  
Hosted by the Arizona Lottery

**December 2019**  
*NCPG/McGill University RG Lottery Holiday Campaign*

## 2020 CALENDAR

**March 2020**  
*NCPG Problem Gambling Awareness Month*

**April 20-23, 2020**  
*NASPL Lottery Leadership*  
Drury Plaza Hotel  
Pittsburgh, PA  
Hosted by the Pennsylvania Lottery

**June 15-18, 2020**  
*NASPL Directors Meeting & Dialogue*  
Westin San Diego  
San Diego, CA  
Hosted by the California Lottery

**July 20-24, 2020**  
*NASPL Professional Development Seminar*  
Grand Hyatt Denver  
Denver, CO  
Hosted by the Colorado Lottery

**December 2020**  
*NCPG/McGill University RG Lottery Holiday Campaign*



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