**AGENDA 2013**

### APRIL

- **WORKSHOP FOR NON-EU MEMBERS**  
  **Dates:** 24-26 April  
  **Location:** Vienna, Austria  
  **Host:** Austrian Lotteries

### MAY

- **JOINT EL/WLA SPORTS BETTING SEMINAR**  
  **With:** ON MAY 15, THE UEFA EUROPA LEAGUE FINAL AT THE AMSTERDAM ARENA  
  **Dates:** 14-16 May  
  **Location:** Noordwijk, Netherlands  
  **Host:** De Lotto  
  **14 May afternoon:** General Meeting of the Monitoring System

### JUNE

- **EL CONGRESS**  
  **Dates:** 3-6 June  
  **Location:** Tel Aviv, Israel  
  **Hosts:** Mifal Hapais & TOTO (The Israel Sports Betting Board)  
  **Followed by:** the EL General Assembly  
  **6 June (afternoon):** Location: Tel Aviv, Israel

- **EUROPEAN LEGAL AFFAIRS SEMINAR**  
  **Dates:** 11-13 June  
  **Location:** Vilnius, Lithuania  
  **Host:** Olifēja Inc.

### SEPTEMBER

- **ELU “EUROPEAN LOTTERY UNIVERSITY”**  
  **Dates:** 1-6 September  
  **Location:** Krakow, Poland  
  **Host:** Totalizator Sportowy Sp. z.o.o.

- **JOINT EL/WLA INTERNET & NEW MEDIA SEMINAR “DIGITALISATION OF LOTTERIES”**  
  **Dates:** 10-12 September  
  **Location:** Helsinki, Finland  
  **Host:** RAY Raha-automaattiyhdistys & Veikkaus Oy

- **JOINT EL/WLA RESPONSIBLE GAMING SEMINAR**  
  **Dates:** 23-25 September  
  **Location:** Marrakech, Morocco  
  **Host:** La Marocaine des Jeux et des Sports and Loterie Nationale

### OCTOBER

- **JOINT EL/WLA SECURITY & RISK MANAGEMENT SEMINAR**  
  **Dates:** 3-4 October  
  **Location:** Madrid, Spain  
  **Host:** ONCE

### DECEMBER

- **SOCIAL MEDIA WORKSHOP**  
  **Date:** To be confirmed  
  **Location:** To be confirmed

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**Registration for all our seminars can be made online at** [http://www.european-lotteries.org](http://www.european-lotteries.org)  
**All events are available on our website (under events). Announcements are made a few months in advance.**
Dear EL Members,
Dear Friends,

Only a few weeks are now left before we will gather again in June for our bi-annual congress and our General Assembly, in Tel Aviv. This will be once again an opportunity for us to gather and see how we should approach the challenges and opportunities that we will face in the future. We can already today thank the organisers and our hosts for the exciting programme that they have put together for us, in such an attractive location. This EL Congress is yet again one that you should certainly not miss!

The past months have again been highly active ones for our Association at the political level. Following the publication of the European Commission’s Action Plan, the European Parliament and the European Economic and Social Committee are preparing their political positions on online gambling policy in the EU in response to the European Commission’s Action Plan. The European Commission will publish its Recommendations to Member States on consumer protection and advertising in the coming months. It is up to us to reach out to these institutions in these critical final weeks and convince them of the need to protect consumers against the illegal operators who are flooding consumers in Europe with illicit and harmful products. I hope that the commitment of many of our Members, who are in continuous contact with the policymakers from their country and providing them with insights during the preparations of their political positions, will bear fruit, just as we hope that our Association’s position, communicated thoroughly and thoughtfully, will be taken into account.

In the past weeks, our Sports Working Group has drafted on the basis of our Sports Charter and the Helsinki Resolution the “EL Sports Integrity Action Plan”. The fact that our Association is publishing such an Action Plan once again marks our strong commitment to sport and shows that we are at the forefront of the discussion of sport integrity and the development of sport in general. I urge all of us to use it in all of our contacts with policymakers at the national and at the international level.

The environment in which we operate does not stand still. New technological developments provide exciting opportunities for us to accomplish our mission to provide a gambling offering that is safe yet attractive to consumers. It is important that our Association continues to serve as a platform to exchange best practices. As you will see, this edition of EL NEWS focuses on Mobile Gaming Strategy and is filled with examples of how our Members are developing their Mobile Gaming Strategy. This, like so many other fields, is one where we can learn from each other.

In June, the current term of the existing Executive Committee will come to an end. I wish to commend each and every one of our Executive Committee Members for their tireless dedication of time and effort to our Association. As for me, I can only say that it has been an extremely rewarding experience to serve the Association in these past two years. I look forward to all of us meeting in Tel Aviv to reflect together on the many developments in the past years and prepare our common future – together.

Friedrich Stickler
EL President
INNOVATION. RESULTS. REVENUE.
Driving performance for lottery and regulated gaming worldwide

- Instant, Interactive & Draw Games
- Instant Game Product Management
- Lottery Systems
- Retail Technology
- Video Gaming Terminals & Systems
- Lottery & Operations Management
- Marketing Research & Analytics
- Licensed Properties
- Loyalty & Rewards Programs
- Internet, Mobile & Social Gaming

NORTH AMERICA | LATIN AMERICA | EUROPE | ASIA PACIFIC | AFRICA
The years go by and our sector keeps facing more and more challenges. The advent of online games and the liberalisation of the gaming market in some countries have placed new pressure on all of our Members, faced with heightened competition, new Internet operations and of course illegal offerings. Our cooperation is more important than ever to protect our business model and the consumers for the good of society: we have to keep the Brussels institutions informed of our positive impact on communities and our progress as responsible entities, and we have to emphasise our values among our players. Precise information on all the good that we provide is key to promote our Lotteries’ image and stand up against shady competitors.

The new legislations in Europe are creating an uncertain world for our Lotteries and we must keep our national legislators aware of what is happening, what needs to be done to protect our business model, what is at risk for our good causes and other government-sponsored public programs. As highlighted in our EL Resolutions, EL Sport Charter and as basis to our Certification Process for example, education about illegal betting, match-fixing and unregulated gambling operations versus licensed, community-oriented lottery games is a primordial step in our fight against dangerous operations threatening our sector. With this type of knowledge, the players, the media, the European Commission, all the sports actors will be able to see the difference our Members bring in terms of honesty and commitment to public welfare.

I can’t stress enough the need for all Members to support the EL work and vision in maintaining the integrity of lottery games and sports betting. EL has been conducting many discussion groups and meetings on your behalf over the past few months because the situation is dire and we need to communicate clearly our position with policymakers both at the national and European levels. The next few months will be intense, but the effort is worth our time in order to protect our sector and our consumers.

Keeping up with new technologies is another challenge for all of us. The rapid advances in mobile infrastructure and applications are nothing short of amazing: a new marketing channel that is a source of opportunities but also of concerns. In this issue of EL NEWS, you will find interesting comments about mobile games: the advantages with fast game delivery, new customers’ reach, new emphasis on service but also the complication with providing security, reliability and transparency in a real time mobile, viral world. In the next few months, EL will focus on these developments at seminars where you will be able to evaluate and discuss the latest game environment with your colleagues. Please check the EL website regularly for updates on seminars, meetings and other educational programs specifically designed for you. As I have inquired before, if you wish to see a particular subject of interest to your organisation on the EL agenda, please let us know and we will do our best to satisfy your request.

The date of our Congress is quickly approaching and I urge you to sign up for this important event where you can share your knowledge and network with executives of other Lotteries. In addition to days of learning and strategy discussions, you will be able to experience the wonders of this ancient land and enjoy the vibrant ambiance of Tel Aviv.

Do not wait longer to register through the EL Congress website: el2013.org

I look forward to seeing you all in Tel Aviv in June.

Bernadette Lobjois
Secretary General
With the amazing growth of smartphones, mobile technology is now ubiquitous and global. It’s everywhere in our lives. The mobile device has become a true communication tool to surf the Web, manage emails or follow leads on Facebook, Twitter, Pinterest or Foursquare for instance. Our mobile phone is like a personal assistant, giving us the possibility to shop, find deals, discover new itineraries or data on companies or professionals... and the list of services keeps growing as more apps are being added.

We have become connected cultures. In the UK, according to Nielsen, a measurement and information agency, smartphone ownership was about 61% in Q1 2012 and every day, mobile users access social networks on their phones while getting engaged in different ways to upload photos, read messages, browse profiles, post blogs or play online games. Mobile is a global phenomenon and mobile apps are revolutionizing consumers’ behavior. App revenues have grown at an almost 130 percent compound annual growth rate since 2008. According to the app analytics company Flurry, mobile app consumption has exploded and these mobile apps are now challenging television – a fact that is indeed supported by a slowing down in TV manufacturing around the globe. Simon Khalaf, Chief Executive at Flurry, told attendees at the January Flurry Source 13 Conference in San Francisco: “if your company hasn’t gotten on board the mobile bandwagon, then you’re pretty late.” His company’s surveys show that social networks such as Facebook account for 47 percent of time spent in mobile social apps; for media and entertainment apps, prime time mirrors the prime time for television viewing in the early evening. These numbers are pretty indicative of the mobile success.

Mobile apps in particular are disrupting – positively – the way we communicate, we conduct business, we organize our daily chores and we play. Retailers have taken note of that shift and are beginning to better address that new mobile app economy: mobile devices are always on, always connected and retail apps can serve as virtual, portable showrooms that consumers can use to shop anytime, anywhere. Mobile is enabling interaction with consumers on a personal level, providing retailers and brands with new digital sale opportunities.

This has become the perfect channel to reach the new population of social/mobile gamers. The demographics speak for themselves, according to SponsorPay, a value-exchange advertising platform providing high-quality brand engagement. In the UK, statistics show that there were only 5 million social gamers in 2000 but the numbers exploded in 2008; then mobile gaming appeared, bringing the numbers of social gamers at 20 million in 2011. A year later that number jumped to 34 million gamers – a 70% growth since 2000: quite remarkable! Also particularly interesting, indicates SponsorPay, is the fact that 45% of app sessions on smartphone are games. In actual demographics, women surpass slightly men in social gaming (54% women, 46% men) and in mobile games (53% for women, 47% for men.) In terms of mobile games, the largest group is the 25-34-year-old range, while social games are more evenly split between 35-44-year-olds and 45-54-year-olds. SponsorPlay took a look at different analytics from companies such as Nielsen, Newzoo, PopCap and AppStats, about who plays the more popular social mobile games:
MOBILE TECHNOLOGY REVOLUTION

- Over half of Zynga’s Texas Holdem Poker’s players are older than 26 and 75% of users are male.
- Zynga’s FarmVille 2 attracts 68% of female players with 80% of users older than 25.
- Candy Crush Saga registers the highest percentage of female players: 72% with 66% over 26-years old.
- But Angry Birds Star Wars has 60% of its players above the age of 25 and 50% of users are men.

Virtual games only offer virtual rewards, but mobile has made playing a lot more fun. Now, gaming companies are trying to find a way to monetize these fun virtual games, and it was just a question of time before social-media game creators – Zynga, one of the best known names in that industry, Electronics, King.com, Rovio and others – tried their hands at social online betting games. Early this year, Zynga is planning to launch a betting game for the UK market only. Facebook is already offering online gambling to British users with its Jackpotjoy game. And in the US, different states such as Nevada and Delaware are making online gambling legal. Classic gaming companies (PC/Consoles-based games), Web gaming, social gaming and now mobile gaming companies are all fighting for a share of the market but the competition is about to heat up fast thanks to mobile apps. Lotteries cannot afford to ignore a platform that might take a big bite at their own market. Mobile is the gaming ecosystem of the future.

MOBILE STRATEGY FOR LOTTERIES
Lotteries, involved in mobile operations, have done so mainly driven by the level of connectivity of their audience. In Sweden, Svenska Spel, with a long tradition of leading digital gaming operations – started as early as 2005 with the launch of a Java app for its lottery games and sports betting – has seen the huge potential of mobile applications. Mobile phone penetration in Sweden has one of the highest levels in the world and with the launch in 2008 of the iPhone, smartphone penetration rate is almost at 100% in this country: a number that will no doubt influence mobile commerce and that will revolutionize the online gaming market – a reason why Svenska Spel has adopted an app solution on iPhone and mobile Web platforms in 2010 and on Android in 2011.

The same goes for other organizations such as Tipos in Slovakia that has been offering since 2007 free mobile apps for its authorized games on Apple and Android and soon on Windows Mobile. The evolution of consumption usage via mobile requires offers in real time and easily accessible, and the new priorities with players preferring to engage with a wide range of services on their cell phone have convinced Tipos to launch new game formats. A lot of Lotteries see the added value of mobile gaming applications and have invested in this business model, as explained by Camelot and La Française des Jeux in articles published in this issue.

KEY QUALITY OF MOBILE GAMES: A MEMORABLE EXPERIENCE
Customer Relations are facing a serious upheaval because of the viral factor of mobile environment and Lotteries in Europe see a necessity of improving the service aspect of mobile offers much more than the product itself. In addition to stand out against the current flurry of mobile applications, a lottery gaming app must provide an amazing experience to drive players to favor it instead of other operators’ apps or even social games. With the mobile gaming market becoming more competitive, it is essential for the actors to be different.

In Croatia, Hrvatska Lutrija, in cooperation with iON Studio has developed a unique and innovative mobile application that allows players to track sport events results. The application, Score Alarm HL, enables the player to scan his ticket, store it in the application, thus activating the live score functionality. The player can then select a set of alarms to stay informed of any major changes of the events via push notifications. The application was released on AppStore without advertising and registered in just three days almost 1,000 downloads, more than 6,000 openings and 160 scanned tickets. Given the size of the Croatian market and the iPhone penetration, these figures demonstrate the potential of this solution. Hrvatska Lutrija, that is facing a lot of competition, expects rapid growth sustained by an increased engagement from new users, and a competitive advantage. Android version of Score Alarm HL is being offered on the market since March. Sports fans as well as lottery players will be inter-
ested by this mobile app that will let them track live results of their preferred sport games and that represents a new promotional channel for the lottery brand on a new platform.

De Lotto in the Netherlands has the flexibility to add new functionalities to its sport betting Toto applications, without having to download updates on iTunes in the App Store. De Lotto knows perfectly that an easy access to gaming apps and a pleasant user’s experience are key to the success of mobile marketing. To that effect, the Lottery also offers free apps, with no advertising and no videos or other disruptions. The Swiss Loterie Romande proposes apps for checking results and playing the EuroMillions and the Swiss Lotto via texting. Downloading the app is free, but true to its responsible game policy, Loterie Romande puts its mobile offers through the same identity controls as for its Internet games, requiring players to open an account with “jeux.loto.ch” online platform. The latest developments have been new games proposed in HTML5.

**ENGAGEMENT FACTORS**

Svenska Spel has set up a dedicated CRM program for players on mobile devices. This is how the Lottery can evaluate consumption usage, best entertaining features and preferred games. Nonetheless, the basic principle for a mobile game is to be quick and easy. The Swedish Lottery, by ways of new rewards, tries to encourage increased interaction, which has led the organization to create an absolute bridge between all its game platforms including Facebook, website, mobile apps, etc. The player’s experience remains the same whichever platform is used.

Additionally Svenska Spel plays on tested advantages by having appointed ambassadors on social media to talk about the winners, the results or to give tips on betting; by having created fan pages on Facebook for its most popular brands. There is continuity throughout the game offers, seamlessly accessible. Another key advantage is that the Lottery can identify the various segments of its customers and optimize all of its distribution channels.

In Slovenia, Športna Loterija has also be making use of a dedicated survey to gain a better idea of the different segments of mobile players: a certain amount of smartphones were given to a group of players in order to follow their purchase behaviors, their experiences with mobile payments and to get their recommendations and wishes for necessary improvements.

**THE BRAND ON MOBILE PLATFORM**

Mobile performance in terms of engagement is no longer questionable, but mobile apps – especially applied to gaming – are far from being a viable economic solution. The security of mobile transactions still needs to be optimized and once this objective is achieved, then mobile gaming moneti-
Currently, lottery tickets offered on its website are programmed in HTML in order for them to be accessible on mobile devices. The Lottery website is also betting on Responsive Design to guarantee an adaptation to the resolution of smartphones, tablets, classic computers or even interactive TV.

Saarland Sportoto is getting ready to launch a mobile Internet site as well as a free gaming application, more likely in conjunction with other German Lotteries. The Lottery hopes to create a new loyalty channel for the brand by engaging players even more with mobile devices.

In Germany, the mobile course is a little different, as Internet games have just been authorized. For now, mobile will be used for service apps to facilitate online registration or track games or sport betting results.

In 2010, LOTTO Hamburg already experienced success with its “Wincheck App” on iPhones and this year, it will launch a new presence on mobile Internet. The ROI of the mobile economy is slowly improving. For Loterie Romande, the Internet turnover represents about 7% of the total turnover but only 1% of Internet sales is attributed to the mobile apps turnover. Svenska Spel uses advertising in the form of displays and this type of promotion has been particularly successful for the brand. The Swedish Lottery has noticed as well the central role of mobile in rejuvenating the brand and acquiring new customers for example by up-selling on some sport products through smartphone interaction. In Slovenia, the Lottery has invested tens of thousands of Euros to realize its conversion to a mobile platform and in less than 6 years, its mobile turnover is about 3 Million Euros. Lotteries make use of all kind of features to develop their mobile gaming services: QR codes, message banners, mobile games presentation on web pages, announcements at POS, presenting as well a more modern image and an adaptation to new consumption usages.

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For GKL, that offers SKL and NKL game mix, the purely mobile approach is not yet possible and therefore the mobile offer will be done via its mobile website. The next step will be to improve the presentation of content on its mobile Internet pages by including videos of its strongest brands’ drawing events.

**THE FUTURE**

Integrating a mobile offer with a gaming strategy simply means that you have to listen to the public and this will only strengthen the reputation of all game brands being offered across platforms from physical networks to virtual environments. As indicated by all European Lotteries, in order to avoid becoming obsolete, a Lottery must respond to the sector’s evolution and above all engage a new player generation hooked on interactive devices. It will take a while for lottery games and the mobile ecosystem to achieve a successful and profitable convergence, but this is an essential step in a growth strategy. Taking a look at the mobile social gaming groups such as Zynga, we can see that the potential of gaming offers is real but progress can be difficult. Social games register great success, but continuity is rare. However, due to their long established business model, Lotteries are planning greater development of mobile games because this is a platform where player interaction can be easy, entertaining, social and personal: exactly what the mobile user looks for in applications.
We Expect You

7th European Lotteries Congress | June 3-6, 2013 | Tel Aviv, Israel

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The mobile progression with the support of smartphones and tablets has been particularly strong in the past two years. In France, with already 40 Million people who are connected to the Internet – or 70% of the population – a number quadrupled in the past 10 years, the jump to the mobile market will accelerate fast. 30% of French users own a smartphone and among them, 44% belong to the 15-24-years-old group; and 4.5 Million have tablets. The other impressive numbers come from m-commerce and social media development: €38 Billion in terms of mobile turnover and 55% of the French population connected to social media.

In 2011, La Française des Jeux took third place among European Lotteries with €374 Million in digital turnover behind Camelot (€1.149 Million) and Veikkaus (€541 Million), but digital sales are still lagging, representing only 3.3% of the global turnover. At the beginning of 2013 mobile gaming apps usage is especially strong for the EuroMillions: 13% of the digital turnover of that game with 1.8 Million downloads; and for Loto, 10% of the digital turnover with 1.2 Million downloads. Besides about 17% of new online players get registered by mobile. All FDJ apps can be accessed now on iPhone, iPad and Android platforms through native application and Web app. Those user-friendly apps allow players to place a bet in three clicks. FDJ offers as well mobile service applications to facilitate online subscription. For other games, the engagement is more casual with about 600,000 downloads.

**THE MOBILE PLAYER AND THE VALUE OF MOBILE GAMING**

Users’ engagement follows different usage patterns, which must be taken into account for any mobile offering in order to bring added value to the players: **off-line players** require a certain type of information – drawing results, range of games proposed online, list of up-coming events (jackpot, news…) and localization maps of offline retailers. The **regular player** seems to have a need for services and FDJ mobile site provides safe payments, simple identification, push and game alerts and even an FDJ store. The third player category is the “game fan” looking for a rich experience with the Lottery apps such as access to the Web and mobile games anytime, anywhere, or a gaming environment favorable to social multi-players.

Being aware of these differences, FDJ has concluded that the best mobile activity must present simple and efficient applications. As an example, to attract someone who is doing a search, a mobile site must be simple to navigate with responsive design (jackpots, results, play.) Besides simplicity, another important factor is efficiency achieved by developing the business through dedicated apps that will only focus on the key brands of Loto and EuroMillions, and by working only on the iOS and Android platforms, which are the most dominant operating systems in France; and finally cross sell all games through the FDJ store and ads.
WHAT IS AT STAKE AND THE OBJECTIVES IN MOBILE GAMING

Introducing a new gaming ecosystem can be challenging. Maintaining its Lottery Model is of utmost importance for FDJ in order to keep a large clientele, keep reasonable average stakes and respect the guideline of its responsible game standards. To introduce the players to the FDJ mobile offering also means that the Lottery Model must adapt to the evolution of consumers’ habits. The Lottery must as well change the perception that players have of the brand’s image by proposing games that are more and more entertaining.

With a clear, simple and fun mobile proposal, FDJ wishes to recruit both the younger players and the occasional players at points of sale; make the play experience more fulfilling with new game formats, because for these mobile users, experience with gaming apps is more important than the results; convey a new, modern image; ensure a variety of attractive services from simple geolocalization of POS to prizes simulations and more.

Games of chance become true play formulas essentially based on fun, skills and modern design. The Lottery proposes free gaming apps and makes its mobile gaming offering fun and challenging: players’ competitions based around 7 disciplines (heads or tails, battle of game, crab races, etc.), games where one faces an artificial intelligence or other players, rewards in the form of virtual money (a subscriber to fdj.fr will win more).

The latest statistics show that mobile gaming carries strong promises for La Française des Jeux. Therefore, FDJ is already planning the next steps toward a larger development of this offering. With the prospect of greater penetration of mobile devices in France in the near future and the opportunities presented by players’ behavior on mobile, FDJ is looking at ways to attract more visitors to its mobile apps. Through push notifications or personalized emails, FDJ can improve access to its mobile apps; Mobile advertising can inform on all services available across sales channels such as the Web and points of sale; Tracking the way people engage with mobile applications will help increase the digital turnover by qualifying the audience. FDJ understands that knowing the players’ interactions with the games whether on the Web or mobile apps, evaluating regularly the Lottery mobile apps’ performance and favoring customer satisfaction are necessary steps to take in order to gain specific knowledge of the audience and mobile game usage patterns and to be successful on that new platform at providing the strongest added value.
Our approach at Camelot is to provide a fully integrated multi-channel access to our brands, which are channel agnostic whether purchased in-store, online or on your mobile phone or tablet - thus providing UK National Lottery’s brands anytime, anywhere to suit player preference.

Ten years ago we launched Play-by-Text, which was a new and exciting way to play Lotto, EuroMillions, Thunderball and Lotto HotPicks using a mobile phone. As long as you had a mobile phone that is registered with a UK Network Operator and had the ability to send and receive a text message, then you could sign up to Play-by-Text on The National Lottery website. Once registered, you can send your selected line(s) of numbers to us by text message, or ask to play Lucky Dip.

In December 2010 we launched the iPhone results checker free app. The app included top news stories, results, results checker, store locator and jackpot push notifications. Since the launch we have had over 3.1 million downloads and continue to get around 2,000 downloads a day. On average half a million players use the app on a daily basis. The National Lottery app was launched to support retail players – in easy results checking, to encourage play by providing jackpot push notification and the ability to locate the nearest store for you to be able to purchase a ticket.

In March 2012, we launched a mobile website, making it easier for players to play draw-based games, check results and manage their accounts while on the move. The mobile site is a simplified view of the full website, and has been designed to be quicker and easier to use across a range of popular smartphones. This strategy of screen mapping our existing site was taken so that we could gain the highest player reach for our mobile transactional experience within the fastest time period. Visitors accessing through a mobile device have doubled since the launch and sales are already 10% of direct draw-based games sales. Our site also renders well on tablet devices, but we are investing in the experience to make sure it offers players the consistent and coherent experience they and we require.

**A MOBILE STRATEGY**

Camelot’s strategy is to put the consumer first through offering a truly integrated multi-channel experience. In order to do this, we have to continue to innovate and keep track of people’s changing lifestyles and habits. We have to ensure access to our products is convenient.

From our experience, player acquisition on a mobile website follows many of the principles of a desktop site. We are new to this area though with less than
1-year practical experience so we are still finding our feet and embarking on a test and learn program to develop our learnings. We don’t currently have in place any partnerships with media owners for example, in the way that we do with desktop. We have expanded our affiliate programme to apply through the mobile website, though the level of active affiliates and partners is significantly diminished.

We have found that acquiring traffic through mobile media (search engines and display) can be cheaper than desktop, but the challenge lies in the conversion of the traffic to plays/registrations. Our approach to App downloads was to use our owned real estate / media to promote to players. The app was heavily promoted on the website and through email communications at launch which helped to gain momentum before the app featured in the relevant iTunes charts.

Player uptake of the National Lottery mobile offering is increasing rapidly with the rise in smartphones/ tablets in the marketplace and the expectation of the mobile experience is already high. Our aim is to provide a seamless multi-channel experience whatever platform a player wants to engage with the National Lottery: one account whatever device/platform, core game experiences across all, and bespoke experience offerings where appropriate and enabled by the platform. There are more than 200,000 people signed-up to receive notifications on their phones, for example the latest jackpot amount.

THE MOBILE GAMING PLATFORM
Our mobile strategy is one part of our overarching growth strategy. At present, our National Lottery App is only available on iTunes – currently it is in the top 5 in the reference free apps charts. As mentioned above, the app is promoted on the website, through email communications and through our social media channels. The App is non-transactional.

The mobile site is a simplified view of the full website; all draw-based games are available to play and any banners that we use on the main website are captured on the mobile site. The mobile site was built to ensure our players have the convenience to play depending on their life style habits. This channel also provides greater access to more players. At present we do not host any interactive games on our mobile platforms but clearly this is something that we will continue to look into and explore.

We have a holistic approach to channel management and consistently work to ensure we future proof our games to guarantee medium to long-term returns on revenues. Online play is incremental to retail play and often can be more valuable in today’s world. We offer a consistent look and feel to all National Lottery brands, consumer touch points and channels. We also ensure we offer all players ease of access, no matter which channel they use to purchase our products.

Over the coming years we will continue to innovate, always keeping our players’ interests and habits at the heart of any decisions we take. As a business, Camelot will continue to invest in the future of these channels - we want to keep innovating, giving players new ways to play our games through emerging channels.
The principle of Subsidiarity is often used to justify the regulatory competence of Member States in the gambling field but the stakeholders of the lottery sector do not seem to be aware of the true effects and possibilities offered by the said principle. The present article aims at explaining the consequences of such principle and its practical implications.

Under previous treaties regulating the European Union, the objectives were clearly internal market driven while the Treaty of Lisbon is at least starting to focus more on the social welfare of EU citizens.

Art. 3 TEU omits the protection of undistorted competition from the catalogue of aims to be pursued by the EU. Especially France insisted on this question. The drafters of the Treaty have been heavily influenced by the debate on the need to avoid that the application of internal market rules would come at the expenses of the functioning of national welfare systems. However, read in conjunction with Protocol n°27 on the Internal Market and Competition, the omission remains without any substantive impact. The protocol clarifies that the internal market includes a system of undistorted competition. The Court of Justice of the EU has in its most recent case law confirmed that pursuing undistorted competition remains as such an aim of the EU. The protocol has indeed the same legal value as the articles of the treaty.

As an author said: *There is, thus, a clear need for rebalancing of the economic and social dimension within the European legal order, so to buffer the disruptive effects of the internal market on the welfare state*.¹

This unbalanced situation can still affect the position of Lotteries in the EU if no political consensus can be established. The draft recommendations on consumer protection and advertising as today on the table of the Commission can help to improve the defence of the Member States in court if the recommendations fulfill the ambition of establishing very high levels of consumer protection as advocated by EL (the maximum protection model), but should in optimal circumstances be supplemented by a formal decision of the Council under art. 26.3 TFEU. Art. 26 TFEU states that in the perspective of the Internal Market: "The Council, on a proposal from the Commission, shall determine the guidelines and conditions necessary to ensure balanced progress in all sectors concerned."

To aim at such balance between the Internal Market, undistorted competition and the Member States competence to safeguard of public order and maximum protection of consumers in the gambling sector, the Court of Justice of the EU has given us from its very first discussion on Lotteries in 1993 some guidance. Indeed in 1993, in the conclusions of the Advocate General Gulmann issued in the case Schindler of the CJEU (C-275/92, §2 and 115), it was emphasized that free competition was not to be achieved regarding lottery activities given the specific characteristics inherent to the sector concerned.

The aforementioned principle was recalled by Advocate General Bot in the *Liga Portuguesa* case (C-42/07) and finally, in its most recent ruling on gambling, the *Stanleybet v. Opap* case (C-186/11 and 209/11, §45), the CJEU points to the risks and dangers inherent to the implementation of free competition in terms of player protection in the following wording:

§ 45 It is also common ground that, unlike the introduction of free, undistorted competition in a traditional market, the presence of that kind of competition in the very specific market of games of chance, that is to say, between several operators authorised to run the same games of chance, is liable to have detrimental effects owing to the fact that those operators would be led to compete with each other in inventiveness in making what they offer more attractive and, in that way, increasing consumers expenditure on gaming and the risks of their addiction (see, to that effect, Case C-203/08 Sporting Exchange [2010] ECR I-4695, paragraph 58).

¹Costamagna, Fr., *The Internal Market and the Welfare State after the Lisbon Treaty*, Ose paper series, N°4, 2011
Safeguarding the Member States’ Competence in the Lotteries and Gambling Sector Through the Court of Justice and the National Parliaments

Just before the Court reiterated the basic competence of the Member States in this area:

§ 44 It should be borne in mind that, in the specific area of the organisation of games of chance, national authorities enjoy a sufficient measure of discretion to enable them to determine what is required in order to ensure consumer protection and the preservation of order in society and provided that the conditions laid down in the Court’s case law are in fact met, it is for each Member State to assess whether, in the context of the legitimate aims which it pursues, it is necessary to prohibit, wholly or in part, betting and gaming or only to restrict them and, to that end, to lay down more or less strict supervisory rules (Garkalns, paragraph 38 and the case-law cited).

This brings us back to the principle of subsidiarity as defined in Article 5 of the Treaty on European Union (TEU).

Art 5 TEU states: Under the principle of subsidiarity, in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level.

A specific Protocol, attached to the TEU, regulates the procedures related to the application of the principle of subsidiarity ("Protocol on the application of the principles of subsidiarity and proportionality").

According to the Protocol, any (amended) draft legislative act proposed by the EU Institutions has to be forwarded to national parliaments with a clear statement exposing the reasons why the proposed act is compliant with the principle of subsidiarity. Member States parliaments have then two months to provide EU Institutions with their reasoned opinions, in case they consider the proposal non-compliant with the principle of subsidiarity.

Depending on the number of Member States against the draft legislative act, such reasoned opinions can lead to either, an optional review, a mandatory review of the draft legislative act by the European Commission and also, the blocking of the legislative procedure leading to the non-adopted of a draft legislation. It has also to be pointed out that the European Parliament and the EU Council must be provided with all legal opinions.

Given the above, and as long as the Council of Ministers has not been able to consolidate the position of Lotteries, the subsidiarity principle and its procedure foreseen under the Lisbon Treaty are accordingly, the most important and useful tool and mechanism for Member States to express their opinions before any EU legislation is adopted as well as to force the EU Institutions to comply with national authorities’ competences granted in specific areas such as gambling activities.

It is an issue that Lotteries should pay special attention to.

By Philippe Vlaeminck
EL Legal Adviser
The mobile and wireless market is one of the fastest growing markets in the world. The direct and constant point-of-sale connection to the consumer is unprecedented, surpassing previous computer/Internet sales opportunities simply because the point of connection between consumer and product is continually, and literally, in the hands of the consumer.

To leverage growth opportunities generated by this constant consumer contact, lottery products need to be accessible through the mobile channel. To grow, the lottery has to be where the players are, offering a rewarding experience. Providing the optimal mobile solution that will create value-added services for players while helping lotteries drive incremental revenue for good causes is now a primary goal in every lottery/vendor partnership.

GTECH is responding by offering both mobile Web apps and native apps with value-added features. Apps offer an effective way to distribute lottery products because smartphone users have become predisposed to going to the app store as their first port of call when looking for digital products and experiences. On the other hand, players go to mobile Websites often only when exposed to specific advertising created by gaming operators at a substantial acquisition cost. For this reason, the provision of apps, in addition to a Web presence, best supports distribution, acquisition, brand awareness, and revenue growth.

We are constantly monitoring which consumer devices are getting traction in the market, emphasizing the customer experience by delivering high-end gaming and products. Our mobile strategy is tailored to the player and play location, acknowledging, for example, that smartphones are for single-handed use on the go, and tablets for two-handed comfort in the home.

As a result, we have adopted an Open API-based solution to interactive channels, supporting smartphones, tablets, and smart TVs through our API gateway. Regardless of the device, the user experience is seamless. Our portfolio includes convenience applications such as retailer locators, jackpot alerts, and reading bar code readers. Wagering applications include mobile Web Bingo and Casino clients, Poker, and e-Instants, with Skill games in production. Our games are available as both real money and play for fun, with social gaming scheduled to be released later this year.

GTECH supported the Illinois Lottery in its goal of being the first U.S. lottery to sell tickets using a dedicated smartphone solution. The Illinois Lottery mobile solution went live successfully at the end of February 2013. This is an example of collaboration among GTECH, the lottery, and third parties to support one of the lotteries top priorities.

- **Defining the Growth Plan**
  Recruiting best practice is accomplished through both paid and organic search methods, since data show that smart-device users are easily persuaded to perform searches by ads they see on TV and elsewhere. Television advertising with a call to action has proved to be effective for mobile recruitment because it involves customers ‘going second screen’ during the ad break of the broadcast. It is particularly effective in generating Sports betting activity when ads are shown during a relevant sporting event watched by a prime target audience.

  Social media have proved to be the least expensive form of acquisition, with high conversion rates. The best acquisitions utilize a combination of media and applications to hit the widest possible group of potential customers.

- **Quality in the User Experience**
  Ease of use will feed repeat use. A good first-time user experience helps to ensure that the player will use the lottery app again. It is important to unify reward offers across all platforms (Facebook, Website, mobile applications, etc.) in order to maintain messaging. Funneling is also important; certain betting types feed other betting types. For example, Lottery feeds Bingo because both have similar audiences; likewise, Sports betting feeds Casino. CRM should be customized to take advantage of this as well as mobile Website development. The days of all-in-one portals are behind us; today, it is imperative to allow players to easily switch from one application to the next while maintaining an identical gaming environment. In the mobile channel, context is king. Knowing who your customers are, where they are, and what they are doing, and presenting consistent and coherent branding, is absolutely critical to success.
BY GEORGE ZENZEFLIS, GENERAL DIRECTOR OF INTRALOT INTERACTIVE

It is now widely accepted that society and global economy are in the midst of a communication revolution; the new era that is dominated by mobile. From the advent of human language thousands of years ago, to the evolution of the stylus and written communication, to the invention of the printing press and the personal computer, there have been a number of moments in history that have changed the way we entertain ourselves, share ideas and ultimately, live our lives. The enthusiasm for mobile satisfies a universal need of “being always connected” and stems in part from its ability to liberate people by provoking an instinct for exploration and a desire for novelty.

Gaming is itself perfectly positioned to take advantage of this new era, and provides exciting new opportunities for entertainment. Statistics of usage and downloads of gaming applications as well as market data revealing the increasing contribution of the mobile-generated revenue vs. revenue from more traditional forms of gaming, give further evidence for a rising new industry.

At INTRALOT Interactive we are developing the next generation of Mobile Gaming based on the primary ingredients that define the New User Experience, in particular the Convenience, Relevance and Excitement pillars. Our strategy and product roadmaps center around developments at the very nature of the Game Mechanics, but also at the level of the Games Ecosystem Platform that aggregates and integrates the gaming content together with novel player features that extend the experience to include social characteristics, optimized payment processes, embedded registration processes, and a unique Loyalty & Reward program configurable to individual player's profile.

Convenience. The most inherent advantage of the mobile platform is the convenience of use and access enabled at all places and times. A mobile user has immediate access to his mobile for most part of the day, which opens up a new manner of gaming that has not been possible before. It certainly includes the possibility of direct participation during a live gaming session but also allows the purchase of lottery tickets. The term convenience also encompasses new and emerging technology concepts such as the QR Codes that allow for personalized & location based marketing communications and the Near Field Technology (NFC) that enables the mobile wallet embedded within the device. We are now able to even accelerate the registration process, by using personal data provided for example for the purpose of purchasing the mobile device, as long as the player has given us his consent. This needs to be done by balancing the considerations of responsible gaming and applicable laws in each territory and the operator's need for optimal conversion rates.

Relevance. The number of mobile users presents a lucrative opportunity for the Lottery and Gaming operators as the near ubiquity of mobile handsets in the 18-35 years old male demographic, which is considered to be a prime demographic for gaming, will own a mobile handset. Mobile gaming is also advantageous in that it attracts the more casual gamer. This casual player now has the option to ‘try out his chance’ from the privacy of his home, the local park, bar etc. However accessibility to this consumer base is also a challenge for the operator since the communication needs to be relevant to the state of the consumer during his daily activities. Evidently the consumer desires different gaming and information content while he is on-the-go compared to the state of relaxing at home. Market research indicates that mobile usage is also increasing while at home, which enhances the position of the mobile devices importance even for “stationary” engagement. Relevance is also connected to the capabilities of the consumer device at hand, differentiating the models of tablets and those of Smartphones.

Excitement. This is the core reason that the consumer consumes the gaming services offered by a Lottery and Gaming operator. It is the game itself and those elements that make a successful game stand out from competition and be consumed for a longer period of time. We expect a proliferation of new gaming concepts that introduce smart gaming mechanics, which will combine traditional RNG gaming with elements that extend the game-play and involve player's friends and his wider social graph. We design games that make “progress visible” in the sense that the result of an activity gives the possibility to the player to enter a tournament with friends and aim for a higher value price. New technologies will render the visual appearance of games with the introduction of 3D graphic assets to complement the game mechanics and produce an aesthetic result that appeals to the new, savvy players.
Although nearly 75% of Europeans use the internet regularly, a growing number — over 75 million users — now access the internet with a mobile device every day or almost every day.

The internet plays an important role in Europeans’ daily life, education, work and social participation. A more mobile lifestyle has forever influenced the way Europeans purchase and consume goods — including books, movies, music and games.

Although many European lotteries have not yet added internet sales channels, the earliest adopters to introduce internet-based games and content to their players have been the most successful in impacting returns to good causes.

“Offering draw games to players on their mobiles allows players to purchase them whenever they like — or whenever they’re reminded about an exciting jackpot through the lottery’s other promotional efforts such as radio, TV, billboards, email alerts and Facebook®,” said Bowskill. “Mobile apps can allow players to pre-select their favorite numbers and can generate a saved barcode which makes purchases at retail even more convenient with no play slips to complete or scan.”

Bowskill advocates designing all interactive content in HTML5 so it is displayable on mobile browsers, giving the lottery an immediate presence in the mobile channel. However, it’s mobile apps that unlock the real opportunity. A mobile app should be able to handle the generic functions associated with player authentication, account access and security, as well as be able to dynamically load and “skin” lottery content for mobile. And it should be free — distributed from both the lottery’s website as well as via the app store.

Most definitely, lottery apps should allow players to leverage their use of mobile — for example, find lottery retailers based on their location. Lotteries can build features like mobile check-in, ticket scanning and mobile couponing that drive players to retailers. A QR (Quick Response) code can also be printed on tickets for players to scan with their mobile devices to enter a 2nd Chance drawing. Internet-based loyalty programs can cross-promote games and offer players rewards points — all from the convenience of a mobile device.

Internet and mobile platforms allow the lottery to manage the player relationship directly and more effectively than when games are sold only through retail locations. Through Customer Relationship Management (CRM) tools, lotteries can market their brand and their games. These tools help analyze player preferences and provide rich opportunities to deliver customized, one-to-one messaging to players on their mobile phones. In the end, CRM can help retain players and ultimately, grow playership.

As more and more Europeans use mobile devices throughout their day, it becomes more important that lotteries learn from the early adopters of internet channels when, as regulation allows, they begin to mobilize their product portfolio. Europe is a changing landscape of consumers. But one thing is certain, traditional lottery games should be positioned at the core of the lottery’s interactive offerings.
NEW MEMBERS

DANIJEL FERIĆ
NEW CHAIRMAN OF THE BOARD OF HRVATSKA LUTRIJA D.O.O.

Mr. Danijel Feric was appointed as the new Chairman of the Board of the Croatian National Lottery in October 2012. He started his career at the Croatian Post where he worked for 15 years. He then became Director of the Entrepreneur Centre at Zagrebacka banka, one of the leading banks in Croatia, after which he went to the City of Pula, where he served as Head of the Department of Finance and General Administration.

This year, the Lottery is celebrating its 40th anniversary as an independent company. During the past two years, the Croatian National Lottery was certified to ISO/IEC 27001:2005 and the WLA Security Control Standard: 2012 and achieved the Certificate of Alignment with the European Lotteries Responsible Gambling Standards and the Certificate of Accreditation for Level 4 of the WLA Responsible Gaming Framework.

Mr. Feric and his team started working on better management efficiency as well as development strategies. With the opening of a competitive gaming market in Croatia with betting, slot machines and casino games, the task ahead will be challenging. The Lottery will conduct market-oriented reorganization with an accent on improving the retail network and on the use of multiple sales and interactive channels, as well as land-based slot-machine venues and casinos. The Croatian National Lottery is also undertaking numerous projects such as new products and better customer service with the support of the latest technology. In 2012, online instant games were successfully introduced and new ones are being launched regularly. In January 2013, the Croatian National Lottery joined in the Eurojackpot, which instantly proved to be very popular among Croatian players. Two new projects are in the works – the implementation of Live Betting and mobile applications development. The Croatian Lottery recently licensed a smartphone application allowing to track live scores of sports matches and to receive notifications of results and status of tickets in real time. The development of a multi-platform availability of this application is currently in progress.

Mr. Feric also sees a necessity for his Lottery to achieve its goals in an appropriate and responsible manner, especially with the upcoming accession of Croatia to the European Union, and he emphasizes the importance of cooperation between the Croatian Lottery and EL in the field of promoting a sustainable gaming model founded on subsidiarity, integrity, precaution and solidarity, as endorsed by all EL Members.

WOJCEICH SZPIL
NEW CEO OF TOTALIZATOR SPORTOWY

The Sport Lottery of Poland, Totalizator Sportowy, owner of the LOTTO™ brand, has nominated Mr. Wojciech Szpil as its new CEO. With a background in Marketing and Management, Wojciech Szpil has worked for years at well-known international companies such as Young & Rubicam in different management positions. A few years ago he was hired by Totalizator Sportowy to supervise and manage the Lottery’s Sales & Marketing Department.

Mr. Szpil has made it clear that his main focus will be on development and creativity, two main components in any successful strategy. He has also emphasized a strong customer service and a well-organized lottery team. He is looking forward to an exciting future for the organisation, and with the support of his staff he sees the upcoming challenges in a very positive way. Asked about his vision, Mr. Szpil talks about reinforcing the strength of the organisation to help secure even more the public confidence and the Lottery’s position as a leading sponsor of Polish sports and culture. As a first step, says Mr. Szpil, I will “push for the launch of the next stage of an advertising campaign for our standard product – Lotto, as well as a new campaign about that game’s jackpot.”

His vision also encompasses the possibility of a change in gambling law in his country, hoping to have someday an opportunity to offer Internet games. However, he expresses concerns about the grey market and illegal offerings, highlighting the need for his organisation to be recognized not only as the defender of legal games in his country but also as a strong partner with international institutions. Therefore, “the support of EL in a variety of activities is vital to our industry” argues Mr. Szpil, adding that the key with EL is the opportunity to exchange experiences.
Staatliche Toto-Lotto Baden-Württemberg in Germany has nominated a new director: Ms. Marion Caspers Merk. A graduate of the Universities of Freiburg and Berlin with a degree in Politics, History, German Language and Literature, she has made a solid career in politics. For almost 20 years, she has handled a variety of functions within the Social Democratic Party and became Member of the German Parliament. As Parliamentary State Secretary at the Federal Ministry of Health, she chaired the Anti-drugs Commission. She then worked as a consultant on Healthcare Policy and an Associate Professor.

Ms. Caspers Merk’s political background makes her very responsive to the importance of state-run gaming organizations, and as head of the Lottery, she sees her role as the promoter of her Lottery’s commitment to public welfare and the benefits to society provided by legal and responsible games of chance. She wants to emphasize all the good that the Lottery is doing: for her, it is essential that the public know about how secure, reliable and committed Staatliche Toto-Lotto is. It is even more important for a Lottery, as she puts it, in the challenging times presented by the current economic and competitive environment to present an image of responsibility and dedication.

She believes that with a strong and trusted brand such as the LOTTO 6/49, her Lottery will continue to thrive. The other positive aspect she sees for her Lottery is its highly motivated and skilled staff. In addition, “if we want to have a successful future as state Lottery,” she says, “we have to meet the challenges especially in the technological area, but it has to be done in a responsible way.” She is looking at new ways to respond to the consumers’ latest requirements. Already Staatliche Toto-Lotto has joined the EuroJackpot in March 2012, and in May of this year extensive changes should be introduced in the LOTTO 6/49 such as higher payouts and more exciting prizes. The other step will be to adopt Internet games, which are now legal in Germany. This is going to be a challenging task but something she views as necessary to adapt to the players’ new preferences.

At the EU level, Ms. Caspers Merk recognizes the importance of EL due to its involvement with the Brussels institutions on behalf of Member Lotteries. The fact that EL is one voice in Brussels for all European Lotteries makes the participation in this Association a serious advantage in the view of Staatliche Toto-Lotto. The other advantage of EL, indicates Ms. Caspers Merk, is the opportunity provided through seminars and conferences to meet other Members to exchange experiences and knowledge. For her, the preservation of state-run Lotteries is unequivocal because society greatly benefits from the returns of our Lotteries and wagering products.

GTECH® is an advocate of socially responsible gaming. Our business solutions empower customers to develop parameters and practices, appropriate to their needs, that become the foundation of their responsible gaming programs.

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“Our agents needed a fast, secure method of tracking lottery sales on their own accounting systems, so they could accurately distinguish lottery revenues from other revenue. GTECH designed and implemented a barcode solution that lets agents rapidly scan — and accurately
Robert Chvátal was appointed CEO of SAZKA sázková kancelár, a.s. in February. He is replacing Mr. Kamil Ziegler who managed the company through a difficult period of stabilization and restructuring. A graduate of Prague School of Economics, Robert Chvátal started his professional career in the consumer goods industry, joining Procter & Gamble, and later moved on to Reckitt Benckiser. In 1997, Mr. Chvátal followed his passion for new technologies and joined T-Mobile Czech Republic (part of the Deutsche Telekom Group) as Chief Marketing Officer. In 2002, he pursued an international career and worked with T-Mobile International until his last post in 2012 in Vienna, Austria as CEO of T-Mobile Austria.

After a decade abroad, Mr. Chvátal would like to bring his experience in various competitive industries and the international environment to his home country. “The appointment to lead Sazka is a great challenge – it is a traditional and iconic brand in the Czech market, which is known and trusted by the Czech customer,” Robert Chvátal says. “I see Sazka as an entertainment company. We compete with other forms of entertainment for the share-of-wallet and we need to be able to create a market for us in our core lottery business. It is about customer insight and ability and drive to innovate.” SAZKA has a unique position in the country because it is owned by one of the strongest Czech investment groups, with its lottery operations under strict state control. It also operates in an open market, which allows competition in lottery games, instant lotteries and sports betting.

To fulfill its aims, SAZKA knows that an international cooperation is a matter of utmost importance. Without a platform for cooperation among lottery companies and strong support provided by EL, our main goal to bring entertainment and benefit to society would be rather difficult, explains Mr. Chvátal adding: “I hope my background from the consumer goods industry as well as mobile telecommunications will be beneficial for realizing Sazka’s future ambitions and I look forward to team-up and get to know new colleagues in this exciting industry.”

Jim O’Connor, Key Account Manager, The Lottery, Ireland

For more about this story and others like it, visit us at gtech.com/testimonials.
More than 30 speakers addressed more than 100 participants at the 2013 EL/WLA Marketing Seminar under the title of “Marketing in the Brave New World”. This joint EL/WLA Seminar has become not only an institution and a brand, but one of the most popular education events on the EL and WLA calendar.

Keynote addresses from Paul Leblanc (founder and CEO, Karma Gaming International, Canada) and John Fanning (Advertising Professor and Author) set the tone at the beginning of each of the two days.

Paul focussed on the topic of innovation and, highlighting the growth in casual gaming and social gaming, demonstrated that while Lotteries were not growing old, their games were. He urged the participants to work to “gamify” lottery products by introducing levels, badges, quests, rewards and more into our products. Lottery companies must ensure that in the future they have products that live in Social Media. Lotteries must develop a digital road map to ensure that lottery companies have as much right to own the digital customer as any other gaming or social media company in the space.

John Fanning argued that we were experiencing a societal fracture and a complete break with the past. Reminding us that we live in a society and not a market he proposed that we must all become ethnographers and story tellers. It was only by these means, and rebalancing between “Logos” and “Mythos” that we can develop brands and products to reach and engage with prospective customers. He ended with a quote from Douglas Holt that, in the future, marketing communications were not just about selling but should be addressing “the collective anxieties and desires of the nation”.

There were interesting papers on the development of EuroMillions and EuroJackpot as well as an account of how MegaMillions and Powerball recently “joined up to cross-sell” in the US in spite of political and territorial issues, suggesting a tantalising portent of what may be the future for Europe.

The “Lottery and TV” session offered many insights into the future of TV and TV viewers, with the introduction of the phrase “second screen” to describe the 77% of people who do something else...
on a second screen (i.e. use smartphone, iPad, laptop, games console, Xbox, etc.) while watching TV.

The message was we must bring lottery into the living room.

The Facebook-Twitter-blogger session gave glimpses of the Facebook approach of everything starts with a page and don’t be afraid to “move fast and break things”; Twitter offering an inside-out “new world view” where Twitter is the shortest distance between you and your interests, and blogging which, if done properly will give your company “space on the digital shelf”. The clear message was talk with these developers, and cultivate cooperative relationships.

The authenticity and nostalgia in advertising block provided much food for thought and specific TV ads proved to be big hits with the participants.

The Suppliers/Partners shared most interesting experiences of the value of Collaboration – Cooperation – Collective Action (SCIENTIFIC GAMES); how to work through Partnership with Veikkaus to understand retail potential in Finland (GTECH); think “omnichannel” and study “netnography” rather than ethnography (INTRALOT), and the importance of “tryvertising” (Pollard Banknote).

Other presentations shared experiences of combining two existing games into an interesting combined game (National Lottery Ireland); how to exploit player information in BIG DATA to provide actionable insights to target specific offerings at
the new rules for marketing in Germany; build customer centric culture to respond to new paradigm (Norsk Tipping - Norway), and exploit the social media opportunities for new players and offering new ways to play lottery (France and Belgium).

Participants left with no fear of the Brave New World, and ready to grapple with the societal, technological and ethnographical changes taking place in their marketing worlds.

Ray Bates, Moderator
The 2013 EL Public Order Seminar “Gaming within the context of Public Order”, graciously hosted by the Belgian Lottery, was attended by 35 delegates from 24 Lottery and Betting companies in Europe. The seminar had 3 main topics: the integrity of sport, the new Anti-Money Laundering Directive (AMLD) and cybersecurity threats.

The CEO of the Belgian National Lottery, Ivan Pitevils, welcomed the delegates and highlighted that the timing for this seminar could not have been better, given the current developments and issues related to the integrity of sports and the 4th Anti-Money Laundering Directive (AMLD).

**INTEGRITY IN SPORT**

John Abbott, Chairman of the INTERPOL ‘Integrity in Sport’ Steering Group, pointed out that 5 key elements should be considered in every strategy seeking to protect the integrity of sport: partnership, information sharing, coordination, prevention and pro-activity at a national, regional and global level. He also asked the EPAS to go for a simple, clear and brief definition of match-fixing in its international convention. Valérie Berset-Hemmer, Vice-Chair of the EPAS drafting group, from her side, after delivering a presentation about the Council of Europe, the EPAS and the process required for the adoption of an international convention, replied that EPAS will take Mr. Abbott’s suggestion into consideration.

Professor Laurent Vidal, Chairman of the ICSS-Sorbonne Integrity Programme, presented the ongoing activities and research of the Chair and described the aims, the methodology and main areas of the Chair’s research and studies. Trond Laupstad, Chief Security Officer of Norsk Tipping, described in detail the match-fixing scandal that took place in Norway last summer and presented the Action Plan adopted by Norsk Tipping in January 2013 with the purpose to minimize the risk of match fixing and to better monitor retailers that could be possibly involved. Trond was afterwards congratulated by the participants for the transparency of his Lottery with regards to this incident.
Sylvia Schenk from Transparency International (TI) informed the participants about the work of TI in the field of sports integrity and highlighted that strengthening good governance in sport organizations is a fundamental pre-requisite for the fight against match-fixing.

**MONEY-LAUNDERING**

Philippe de Koster from the Belgian Financial Intelligence Unit presented the Belgian preventive anti-money laundering and counter-terrorist financing (AML/CFT) system and referred to the extension of the AML Directive to gambling. He mentioned that the football sector is vulnerable to money laundering and underlined the need for setting up “football fraud” contact persons/points within the police and for enhancement of the powers of the supervisory authority of gambling services.

The EL Legal Advisor, Philippe Vlaeminck, delivered an analytical presentation about the AML Directive. He guided the participants through its provisions and focused on the obligations for lotteries / betting operators under the new AML Directive, especially with regards to the consumers due diligence measures (identification of players, verification of identities) and to reporting obligations. The general feeling was it could be 2016 before the Directive was finally approved.

Maurizio Rubini from Lottomatica described the measures Lottomatica adopted in response to the 3rd AML Directive, highlighting the client identification and verification measures, the reinforced obligations for adequate client control, the creation of a specific IT Archive for the warehousing of information and the notification of suspicious transactions to the Italian Money Laundering Authority. Holger Jakob, Legal Advisor of Deutsche Klassenlotterie Berlin, from his side, presented the obligations of betting operators in Germany under the new German Anti-Money Laundering Act (AMLA) and the measures taken by his Lottery in response to this Act. While the requirement to “know your customer” was appreciated there were practical problems associated with fulfilling this obligation.

Thierry Pujol, Director of Risk Management and Security of FDJ, delivered an informative presentation about the ways money could be laundered in offline and online betting, how operators should monitor transactions and what the content of their duty of vigilance should be in both their online and offline offer. He concluded that in a land-based network, constraints linked to the retailer’s intermediary role and the difficulty of obtaining reliable information about players should be taken into account. This necessitates recording winners with an identity card above a certain limit as well as a good coordination between operators and financial and criminal investigation units. In terms of online betting, risks related to forgery of ID documents, circumvention of stake limits and use of prepaid cards call for an effective control system managed by appropriate technical, human and legal resources.
CYBERSECURITY THREATS

Paul Jay from Camelot delivered a presentation, describing how his Lottery managed cyber threats during the London 2012 Olympics. He concluded that WLA:SCS and ISO27001 establishes a strong foundation to deal with potential issues and underlined the importance of proactive planning and preparation. Scenario planning and stress testing both proved to be very effective in preparing for the 2012 Olympics. Vincent Maret from CGI Business Consulting spoke about the new dimension of cybersecurity threats. He stated that information security risk analysis, policies and tools have to be reviewed regularly against new or evolving cyber threats and stressed that ongoing testing and monitoring is of pivotal importance.

MISCELLANEOUS

Piet Van Baeveghem from the Belgian National Lottery described the structure of the Belgian Gaming market and the organisation and missions of the Belgian Regulation.

Christian Kalb presented the results of a survey he conducted for EL on online gaming consumers’ policies. The results presented demonstrated significant differences between Lotteries and other betting operators in terms of the legality and responsibility of their operations. Online Lotteries were found to act more responsibly than non-Lottery online operators across a number of parameters, such as identity and age check, bank account verification, stake limits and withdrawal limits.

Thierry Pujol, Chair of the EL Public Order & Security Working Group, recapitulated the main points of the presentations and closed the seminar by thanking the participants, the moderator, Ray Bates and the EL Secretary General, Bernadette Lobjois, for the organisation.

Ray Bates, Moderator, March 2013
THANK YOU!

DANKE!

MERCI!

¡GRACIAS!
The social responsibility of ONCE is one of the features that makes the Organization a unique model in the world. Its work to promote the social inclusion of people who are blind or with other disabilities through education, employment, culture, new technologies, or leisure, is also extrapolated to its role as a gaming operator.

Therefore, the Certification in Responsible Gaming by the European Lotteries (EL) strengthens even more the role of ONCE: with games of chance as its most important financial source, the Lottery closely follows its ways and values by providing games that will not become a problem and instead will benefit society.

ONCE is the first State-wide operator in Spain to be certified in Responsible Gaming, something that we show with pride in advertisements in the media, on posters in our kiosks and points of sale, in our website www.juegosonce.es, or in our nightly spot that announces the winning numbers on Spanish Television. The impact of this media display is very prominent and is most often linked to our social work-related messages.

All that, to ensure that society knows and remains aware that ONCE conceives games as a way to participate in and support our social objective: the full inclusion of persons with disabilities.

Internally, ONCE raises its sales network’s awareness that the game should not become a problem for those who purchase our products. The player must be just as protected as the Organization itself, since they are part of us and help us make our social demands come true. This has also helped us achieve Certification.

The use of the Responsible Gaming Certification logo offers many benefits for ONCE: improving the brand image; allowing us to differentiate ourselves from those who practise unfair competition; it has also improved our relationships with players associations, and will even increase the possibilities of attaining new games.

Promoting Responsible Gaming Certification sustains our commitment to a game offering that is the conduit for the highly recognized social work that ONCE has been doing inside and outside of Spain for 75 years. What makes us a unique model is that we show society a different gaming philosophy.
A whole new generation at your fingertips

INTRALOT’s novel multifunctional tablet, Gablet, reinvents self-service gaming in land-based retail. Slim, light and stylish, with an impressive 22” multi-touch screen, it offers intuitive touch/gesture-based navigation to eye-catching, high-definition gaming content. Gablet empowers players to view live content while playing primary and side games. Cashless and Paperless, it supports registered and anonymous players and paves the way to the Universal Gaming Experience.

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