AGENDA 2015

SEPTEMBER
- CSR/RESPONSIBLE GAMING SEMINAR
  Dates: 16 – 18 September
  Location: Helsinki, Finland
  Host: Veikkaus Oy

OCTOBER
- LEGAL SEMINAR
  Dates: 7 – 9 October
  Location: Budapest, Hungary
  Host: Szerencsejáték Zrt.

- JOINT EL/WLA SECURITY SEMINAR
  Dates: 27 – 29 October
  Location: Stockholm, Sweden
  Host: AB Svenska Spel

NOVEMBER
- PR, COMMUNICATION & SOCIAL MEDIA WORKSHOP
  Dates: 16 – 18 November
  Location: Brussels, Belgium
  Host: Loterie Nationale

For 2015, we are combining two topics – Public Relations / Communications and Social Media – into a single workshop entitled “The Lottery as Publisher”. This novel theme opens up many possibilities for exploring and discussing lottery story-telling; developing corporate narratives; communicating with players and opinion leaders; developing two-way relationships with players, and coordinating information flows from all departments in the Lottery to the players and public.

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DEAR EL MEMBERS,
DEAR FRIENDS,

On June 8th, at our General Assembly in Oslo, I was elected as the new President of The European Lotteries. First of all, I would like to thank you all for your trust and I promise to work hard to bring our Association to a next level. Together with the newly elected Executive Committee and strongly supported by the staff in Lausanne and Brussels, we will lead our organisation and - more than that - our important and fascinating sector towards a successful future. I am happy that by adopting the Oslo Resolution, you gave the new Executive Committee a strong and clear mandate to act in a proactive manner to advocate for our model of Unity in Diversity!

Thanks to my predecessor, Friedrich Stickler, I have been handed a well-positioned and well organised association. In more than six years, Friedrich Stickler and the team worked very hard and with unlimited commitment for our Association. Friedrich was everywhere, at any time, whenever he was needed or when it was just helpful to have him there. A special thanks again to our friend of the Lotteries and Honorary President Friedrich Stickler! I hope that we can count on your profound knowledge and your experience also in the future.

It is now my honour and my duty to serve our Association with its special business-model, operating “for the benefit of society”. Even if many are aware of our importance for the financing of good causes and our agenda for the prevention of gambling addiction and fraud, it is a real challenge to protect this model against those who want to operate only “for the benefit of the private shareholder”. On the one side, we have to take into account technical developments and behavioural changes of our customers. On the other side, there is the wish of private operators to realise a de facto single market with some recognition of licenses between Member States, putting pressure on the European Commission. There are already critical changes of regulation in some jurisdictions and discussions in other jurisdictions. There are also new phenomena such as suppliers that are becoming operators. Altogether these challenge our societal model and urge us not just to react but to anticipate in order to let our vision become reality.

This does not merely mean telling everybody in Brussels and elsewhere that our business-model is based on the best societal model. We have to develop our vision and support our strong arguments with data. We cannot wait and count on being protected. We have to offensively prove our model by conducting our business as professionally and innovatively as possible and with respect for the values we stand for: subsidiarity, solidarity, integrity and precaution. The newly elected Executive Committee has started the discussions on slightly renewing EL’s strategy already in Oslo and we are in ongoing sharing of thoughts in order to get results within the next weeks. The start is really promising.

“Touch Tomorrow” was therefore the right headline at the right time and Oslo was the right place to hold our congress. Thanks to our host, Norsk Tipping under the lead of our Executive-Committee-member Torbjorn Almlid, our Partners and our staff, we had a fantastic event and were already touching our future. Trends like touchless-access were not just shown as PowerPoint-slides or demos, but reality to every participant, exceptional keynote speakers opened our mind to new perspectives and the Young Lions developed their creative ideas for the future of our sector. Having seen this makes me very optimistic for what will come next. Thank you to all who supported this extraordinary event.

A special thanks to Bernadette Lobjois, our Secretary General. Not just for this event but for so many years of unlimited support. Oslo was the last congress she organised herself and this edition of “NEWS” is the last one she was leading before she will retire in September of this year. Thank you, Bernadette, for being the tower of strength and relentless worker for our Association. We wish you all the best for your future.

Last but not least: Beside this strategic focus the “daily business” is going on and driven by the team. European Commission initiatives like the “Digital Single Market” are being closely monitored and EL is already taking its part in the first consultations about “Contract rules for online purchases of digital content” and on the revision of the “Audio Visual Media Services Directive”. Also the Court of Justice of the EU continues to receive new referrals on complaints from private operators challenging our model. We continue to follow these developments closely.

To underline our important role to grassroots sports, EL will furthermore support the “European Week of Sport” in September, where a range of Members will contribute with activities in their home country.

I am looking forward to the way ahead. Please keep on giving us your support and your feedback!

Yours sincerely,

Hansjörg Höltkemeier
EL President
Coming
October 2015

The Dawn of a New Era
DEAR MEMBERS, PARTNERS AND ASSOCIATE MEMBERS,
DEAR FRIENDS,

It was back in 1990 when I first joined the European Lotteries (the former AELE). Still a young professional at the time, I had the enthusiasm of joining a new exciting sector. I knew that all I had to do was to learn and work hard.

I will never forget my first legal meeting in Luxemburg. It was just one month and a half after I had started and I was completely lost. As the time went by, though, I started feeling quite at ease in the Association. I started organising new seminars and activities and helped the Association develop.

Over the past 25 years, there were many key activities that I can recall, for example the European Lottery Draw, where a group of lottery friends met to organise this big European event in Eurovision, with all the stress that you can imagine; the merger with the European section of INTERTOTO in 1999, and also the merger with EL-Sport in 2012.

The integration of Lotteries from the new European countries into the Association was of great importance for me. I worked hard to make sure that they found their place in EL and at the same time to help them develop their activities. I was always touched by their warm dedication to the Association and the fantastic experience of making them part of the EL family.

Actually, working for the Members of EL was always my first and utmost priority and I did it with all my heart! It was a real pleasure working with the Members and the working groups and all together we have been able to develop strong activities and seminars of excellent quality.

During these 25 years, I have made many friends and I know that they will be always a significant part of my life. A lot of memories will accompany me. I would be pleased to mention some of them here but this would take numerous pages.

Now it is time for me to close one door and open a new one. The book of my life will now continue and a new story is about to start!

Take care!

Bernadette
A TOP-NOTCH PROGRAM
Norsk Tipping placed the EL Congress under the sign of “Touch Tomorrow”, to emphasise the need to innovate and make use of the latest technology in order for Lotteries to remain viable and competitive in the years to come. The program answered this vision. Heartfelt presentations and thought-provoking ideas accomplished what Norsk Tipping was hoping: moving people and creating excitement in the audience.

TOUCHING THE WORLD!
When Her Highness Princess Märtha Louise of Norway took the stand to welcome attendees, and before presenting the newly nominated EL President and Director of Deutsche Klassenlotterie Berlin, Hansjörg Höltkemeier, and the Congress host and CEO of Norsk Tipping, Torbjørn Almlid, she expressed a feeling shared by the public in general: the magic of the gaming world is in so many ways similar to the treasure found in Nordic folk stories. Princess Märtha Louise then remarked on the Lottery’s social duty: 26% of Norsk Tipping go to support good causes – cultural projects such as a school that teaches children to use art to go through life challenges: the touching moment was the appearance of one of these students with the most amazing voice who sang for a captivated audience. Princess Märtha Louise emphasised even more the involvement of Norsk Tipping in the community through its funding of many institutions such as the Red Cross, sport associations and institutions for the physically challenged people.

Welcoming the delegates, Hansjörg HÖLTKEMEI and Torbjørn ALMLID strongly encouraged the audience to network and learn from the business program: a must for all Lotteries facing rapid changes in consumer behaviour as well as technology innovations. They both warned their colleagues of the imminent need to address future challenges, including the latest EU regulations, in order to reach and “touch” the consumers as well as the regulators of tomorrow - a pep talk that resonated throughout the Congress program.

CONSUMER BEHAVIOUR
Nadine DEREZA, a seasoned reporter with extensive experience as an interviewer at CNN, BBC, SABC, and Sky TV among others, moderated the program with great wit and lively interaction with the speakers and the audience.

Internationally renowned Professor of Psychology & Behavioural Economics, Dan ARIELY bestowed the first keynote address. Using his own personal experience, more specifically as a burned patient in a hospital, Prof. Ariely spoke about rational and irrational behaviours in general, then applying these findings to a gambler’s reaction to losing or winning money. His research led him to discover one predictable reaction: people tend to follow others. Social influence and social proof are extremely important in society, no matter what an individual thinks. The reason behind such behaviour is that people like easy choices. Therefore, a “choice” architecture is important in any business marketing.
He had to wait 10 years before running with the mobile trend he had envisioned. A successful mobile game must develop the perfect theme and rely on proven mechanics: (1) Accessibility - cross-platform, family friendly or “free to play” option to open up a new target audience; (2) Social Concept – easy to understand and play, and (3) longevity. Another important point is timing when it comes to launch the game. With social media growing at a fast pace, future social games will be simpler and there will be more free-to-play formats. For Palm, the future for gaming is in Virtual Reality (VR), where the player actually feels he is there inside the game, and VR is expected to become a $150 billion industry in the next 5 years!

THE ROLE OF CONTENT IN THE LOTTERY OF TOMORROW

Taco KETELAAR is known as a serial entrepreneur in the international media business. Entertainment is his life and his presentation stroke a cord with the audience. Not only was he involved in the development of famous entertaining and interactive formats such as “Who wants to be a millionaire?”, Ketelaar has also been active in the launch of prime-time programmes in the likes of “Big Brother”, “Fear Factor” and many charity and lottery shows. In his view, to create the most successful game show on the planet is to go beyond TV and bring it to other platforms such as online, Apps, physical slot machines and more. To succeed, content is key. For a future on TV or other platforms, a Lottery must balance entertaining and content: very important factor for the young players. For best results, commercial focus should be placed on the 20 to 49-age category, more female, with careful selection of the game format, the time slot and the host.

DIGITAL INNOVATIVE STRATEGIES

One interesting approach was tested by La Française des Jeux through a study: "Voice of the Customer" and Anna NOWAK-RIVIÈRE explained the consequences of a digital transformation both on customers and employees' behaviour. A digital offer must be consistent to improve customer experience and all departments within a Lottery must have a coordinated communication. Implementing a "Voice of Customer" program is about cross-channel feedback consolidation and close-loop action through different steps: make feedback easier, automate voice of customer management and develop a customer-centric culture.

One particular presentation captured the attention: young entrepreneur, Tommy PALM of Resolution Games is the creator of famous social games such as Candy Crush. Passionate about computer games, at one time he was convinced that someday people would play inside the computer game itself and that some games would be played on multiple channels.
ROBIN BOWLER OF PLAYTECH
• Mobile and online game growing rapidly but no cannibalisation of retail in the UK. Retail still king of ticket purchases
• Business intelligence drives player drive
• Tomorrow’s happy player: having access to a single wallet across channels and innovative and convenient payment services
• Tomorrow’s happy retailer: increased visibility and profits for retailers as well as for Lotteries
• Innovation essential for growth

PAUL BARNES OF INTRALOT
• Defining innovation: the quote of Bob McDonald, CEO of Procter & Gamble, says it all: “Promotions may win quarters, innovation wins decades”
• Focus on customer: maximise player’s lifetime value, create loyalty programs especially for online players, making the new gaming experience more personal by improving the player experience
• For best customer experience ensure a player’s unified experience through a single gaming platform by bridging any combination of interaction points (retail, desktop, wireless or home user)
• Use technology as an enabler thanks to a new generation of CRM: automate manual labour, reduce costs via artificial intelligence, eliminate unnecessary technical limits, operational independence and increase in revenues

JIM KENNEDY OF SCIENTIFIC GAMES
• As important as innovation: address and answer the customer’s preferences and problems
• Bringing technology and content at scale is essential
• Ability to drive value to the consumers for a long period of time with game offers online and on mobile and all digital channels
• In Europe, banking on successful instant games and bringing multiple jurisdictions together: success in innovation is knowing first the business

PALL PALSSON OF NOVOMATIC LOTTERY SOLUTIONS
• Less player tolerance for complexity
• Customers expect more personalisation in digital commerce and don’t mind sharing personal information in exchange for value for their money
• Importance to capture players’ information, understand it and do something about it
• Omni Channel breaks down the barriers that existed between channels and provides a seamless experience, and by removing layers of complexity creates a greater experience for the player.

CHARLES COHEN OF IGT
• The future is already here and today is no longer a solution-driven environment: Lotteries have listened to the customers and the results have not yielded major differences
• Why? Because now is not about technology, which has been in place for quite some time. Now is a revolution of the imagination (see what Facebook, Uber, Amazon do: buying directly at a push of a button – Can this be applied to Lotteries?)
• Lotteries need to learn from this revolution in the retail business
• Proposing amazing offers: pay now and play later or play anonymously
• Revolutionary innovations are the future, even if they seem to contradict the current common ideas in lottery games
The senior officers of each EL Premium Partners took part in this panel to talk about the hot topic on the agenda: innovation and discussed the pros and cons of the latest developments in the lottery industry.

Their point is that innovation is of course important and it is also an essential step in the growth of the industry. It has to be done properly to be successful and technology will make it possible. Thus, technology is seen by all CEOs as an enabler, but it has to be better for the operator. It is difficult to keep innovating: companies have to be willing to change and follow a new path in order to survive. Innovation is a way of thinking differently and doing things better such as seen with the convergence of digital and retail.

Innovation is not only happening in a lab, it has to come with a better customer experience across channels. No one can be complacent and operators have to keep in touch with their own customers and bring in more exciting content to attract new audiences. This is where it becomes more delicate: the operator needs to strike a balance between integrity to preserve and follow regulations and a new attitude to allow changes. There is much to gain from other industries such as the telephone companies that have implemented changes and increased customer acquisition.

For the CEOs, Lotteries must embrace the needs of their customers, the need to improve branding and communicate. One common point referred to by Premium Partners is: “customer-customer-customer.” As for suppliers, they are already working on the “next” technology that will allow the creation of a new transformed experience, in order to adapt to the next channel – not yet created.
We live in a world of turbulence, noted Anna KIRAH of Making Waves, introducing the Innovation Award presented for the very first time. Between a democratisation of knowledge (with Julian Assange and other whistleblowers being the heroes of the new era) and an overload of data created by the digital world, we want our basic needs to be fulfilled: safety & security, love & humanity, to be seen, heard and understood, we need everyday heroes (seeing us and not numbers) because non-heroes succeed at reaching targets but in the process destroy lives around them. Companies need to realise how high they could reach with a hero by improving the relationship between employees and the people they serve: the customers.

The other important factor is to get away from sterile data: Kirah asserted that to get real data, one must go with real people. For most effective innovation, Lotteries must think co-creation with the people and for the people.

Konrad KOMARCZUK of Totalizator Sportowy Sp. z.o.o. then explained the vision behind the creation of the Innovation working group he is heading. The group rewards the projects with best results. The first edition of this Innovation Award picked the top ten Lotteries. Trophies for the first top three were remitted to: Austrian Lotteries for TeamTipp, Sisal for SmartPoint and again Austrian Lotteries for its scratch card project.

DIFFERENTIATION & CREATION ARE KEYS!

The award was introduced by the EL Knowledge & Innovation Working Group (KIWG) with the aim to support and highlight the importance of innovation within the industry.

The eligibility requirements to participate in the competition included being a member of the EL and the submitted innovations having been introduced within the last two years. However, there was no restriction regarding the specific purpose, the submissions could have been products, services or processes.

A carefully selected, independent jury with a profound expertise in innovation was entrusted with the task of evaluating the individual submissions. Only a few members of the jury had a background in the lottery business—aiming to ensure a balance between internal and external views and opinions on the respective innovation potential.

The top ten out of 21 submitted innovations were presented during a ceremony on Tuesday. The three best-ranked innovations were presented on stage and honoured with a special trophy.

The first place was awarded to Austrian Lotteries for their innovation called the “TeamTipp”. The second place was awarded to Sisal for “Sisal Smartpoint”. The third place was also won by Austrian Lotteries for their “Mobile Scratch Card”.

TEAMTIPP BY AUSTRIAN LOTTERIES

The TeamTipp is a product designed to fit the share economy trend. People love to share their flats like they do on Airbnb, their cars as Car2Go proves, so why shouldn’t they also share dreams? The TeamTipp was launched for Lotto, EuroMillions and Toto. With this feature people can play together, dream together and win together, at their preferred outlet or online at win2day.at. The building of teams is supported through Facebook, Twitter and Google+.
The TeamTipp gives the customers a convenient way for building their teams and guarantees that winnings are divided properly through the separated tickets.

Austrian Lotteries developed the feature with their own IT department in cooperation with marketing and sales. Iterative and incremental agile software development was used, the so called scrum method.

As responsible gaming is always a main point the TeamTipp was developed with this important subject in mind. With the possibility to share costs and winnings the new feature contributes to the responsible gaming efforts in addition to being innovative.

The launch strategy was to introduce the TeamTipp for every product separately. A combination of classic channels such as TV and radio was used, accompanied by online ads and social media campaigns.

SMARTPOINT BY SISAL
Sisal Smartpoint is an innovative retail concept that offers an enhanced customer experience inside lottery stores in Italy.

Sisal’s goal was to rethink lottery experience in retail store, satisfying the customer needs (especially younger generations).

To achieve this, Sisal has created “Sisal Smartpoint”, a branded and well-recognized retail chain where the customer can use a dedicated tablet for booking lottery plays, checking lottery tickets and has access to different infotainment contents. Furthermore, Smartpoint offers access to free Wi-Fi as well as contact and cashless payment.

Moreover, Sisal Smartpoint generates several benefits for the lottery retailers, which include:
- A Premium offer with the complete portfolio of both Sisal lottery games and over 500 payment services (from bill payment to top-ups)
- Exclusive pack of Sisal Smartpoint promo materials
- Minimum guaranteed distance from any other Sisal Smartpoint stores
- Special sales training program.

Sisal Smartpoint so far has registered positive results:
- In Q1 2015, Sisal Smartpoint average lottery sales per store have been higher than the standard point of sales by +13%
- It represents a major national free Wi-Fi network with more than 250 points of sale already rolled out.

MOBILE SCRATCH CARDS BY AUSTRIAN LOTTERIES
Scratch cards are a typical instant product for the physical point of sale. In order to bring the ticket scratching experience to the digital world Austrian Lotteries developed the two most popular scratch cards “Cash” and “Ein Leben lang” as HTML5 games. This gives the customer a very modern and convenient way of purchasing scratch cards without losing the enjoyment of the unique ticket scratching experience.

The mobile scratch cards are offered through the Android and iOS app “Lotterien Shaker” and directly on the online gaming platform win2day.at. The fact that existing and already adopted structures could be used for the implementation made the innovation both for the customer and for Austrian Lotteries itself much easier to accomplish and to accept.

Representing the winning companies: Elisabeth Römer-Russwurm for Austrian Lotteries and Carlo Garuccio for Sisal.
MARKET LIBERALISATION AND RESPONSIBLE GAMING

A study of the Norwegian gaming environment was conducted to find out if society and good causes could gain from a possible market liberalisation. Håkon KAVLI of Rambell Consultants described the different scenarios they created: (1) Counterfactual (no games), (2) the Danish Model (sport, online casinos and lottery) and (3) a broad liberalisation.

Some of the results were as expected with profits going into the pockets of private operators and new licensees versus Norsk Tipping that uses its profits to fund charitable institutions. Another finding surprised a sceptical audience: private operators seem to care about battling problem gambling as much as regulated Lotteries!

If a new licensing scheme allows a liberalised market, the consequences for Norsk Tipping will be more likely higher taxes and increased advertising costs cutting into its profit margin. Although commendable, the scenarios could not estimate the actual impact of the unregulated market on the revenue funding Norwegian NGOs – a major missing tile in the puzzle.

Highlighting the role of Lotteries in society and in supporting good causes, Bjørn Helge HOFFMANN of Norsk Tipping described what tomorrow’s responsible gaming should entail:

- A Lottery’s efforts centred on tomorrow’s players and regulations
- Norsk Tipping will be the choice of tomorrow’s players by being relevant and a trusted organisation through a responsible gaming and consumer protection policy
- Norsk Tipping must show players how to differentiate regulated Lotteries from unregulated operators
- The “informed choice” principle alone might not be enough, especially with problem gamblers. So a Lottery must be better at detecting players at risk
- Offer an identified play – a way to get data on players’ behaviour and then provide a global loss limit across all games and channels (a first in the industry) with possibility to pause in playing and even exclusion.

Norsk Tipping designed PlayScan, a program that helps players control their gaming behaviour and take a corrective approach if necessary. Mandatory “Identified Plays” could be, according to Hoffmann, a good start for responsible gaming.

THE PLACE OF LOTTERIES IN THE EU

EU Commission Representative for the Internal Market, Harrie TEMMINK, described the European Commission policies on gambling and the Action Plan organised around 5 action keys. As he discussed the EU position on gambling, he also gave his recommendations on topics affecting the whole industry: protection of consumers, responsible advertising, actions against illegal operators, infringement cases, prevention of money laundering and fraud.

He went on to explore possible EU Standards on gambling equipment and software, and reiterated the EU commitment on safeguarding sport integrity and preventing match fixing. Referring to the Expert Group, he explained the group’s mission to work with Member States and advise them on online gambling services. As of now, he assured the audience that no harmonisation for online gambling was in the works.

The panel discussion that followed clearly placed the focus on EU attitude toward the future work of European Lotteries. Hansjörg Hötikemeier, EL President along with Fernando PAES AFONSO, CEO of the Games’ Department of Santa Casa da Misericórdia de Lisboa and EL 1st Vice-President and Philippe VLAEMINCK, EL Legal Advisor, expressed warnings about the future of Lotteries in Europe.

The EU Commission tends to propose “soft” descriptions of private operators calling them “unregulated companies”. The panel showed concern about this lame presentation: we are not talking here about simple unregulated organisations; we are talking about people illegally building companies, which are against the law: therefore they are criminals and should be prosecuted. The panellists recommended to improve the dialog between all stakeholders and concurred that changes needed to happen, even if it takes time. They reminded the audience that EL Members all fight the same battle against money laundering, manipulation of sports and illegal operators who are not interested in the benefit of society. As for consumer protection, let’s not forget that EL has been at the forefront of establishing the best practices for more than 10 years.

"Read my lips: there will be no harmonisation"
SPORT: THE ATHLETE, THE SUPPLIER AND THE EU POINT OF VIEW

The theme of the Congress, “Touch Tomorrow” could not have resonated more with the presentation of keynote speaker, Tyler HAMILTON, former professional cyclist.

“Truth and transformation”, as titled by Hamilton, described his double life in the cycling world of the Tour de France and the various doping methods used by the American USPS Team. Giving an insight of the life of a professional athlete, sometimes in a very emotional voice, he faced the dilemma of having only a few years worth of racing and making the ill-fated decision to win at all costs. Hamilton described his descent in hell, being delusional about his doping, lying to keep doing what he loved most: his sport. Then at the peak of his career, he got caught and came to realise that he had spent 14 years protecting a “culture” not worth protecting. Hamilton admitted that, as painful as it was, telling the truth is what saved him in the end. Like so many athletes, he only wanted one thing - race, discarding what came with it: corporate corruption, cheating, doping. Under pressure by sports associations, most athletes, as Hamilton explained, convince themselves that doing illegal activities is normal. Hamilton finally realised that after working so hard to be part of a “fraternity”, this was his achievement as well as his downfall. Taking a look at today’s sport, he admits that the industry has gotten better with more tracking, checking and stringent rules, but there is still a way to go for improvement. At least, with so many revelations on the sport’s inner world, we hope the younger generation of athletes knows what to look for.

The EU Sports Policy has implemented a series of developments. Yves LE LOSTECQUE, Head of Unit – Sport DG Education and Culture at the EU Commission, recounted the key elements that marked 2014 and presented all developments with to EU Sports policy. After referring to various developments, including the EU Work Plan for Sport 2014-2017 and the Erasmus+ programme, he presented the European Week of Sport, a new initiative of the European Commission, seeking to encourage Europeans to #BeActive. He welcomed the involvement of EL in the promotion of this initiative.

YVES LE LOSTECQUE
HEAD OF UNIT, DG EDUCATION & CULTURE
UNIT C2-SPORT, ERASMUS+, EUROPEAN COMMISSION

This was your first time at an EL Congress. What were your impressions of the congress and how would you describe this experience?

I already had the chance to meet the European Lotteries representatives and appreciate their interest for EU issues and their dedication to the promotion of sport. However, it is true that this EL Congress has been my first one. I must admit my impression about this congress has been extremely positive. It has been organized in a very professional way. I was also impressed by the number and quality of participants. During a couple of days, it was “the place to be” for European sport.

You participated in the sport panel. What did you think about the presentations and panel discussions?

You managed to put in place a very balanced panel where a large diversity of experiences was represented. It is always good to have a mix of all sorts of background taking part in a discussion, from the policy conception level to the implementation on the ground. I appreciated particularly the testimony of Tyler Hamilton who highlighted in very concrete and clear words what is the meaning of what we are all doing and promoting in terms of equity and integrity. It has been a good and lively panel with a great moderator, and it allowed me to promote our future European Week of Sport!

In your presentation you provided an overview of the EU sports policy. What is in your opinion the role of Lotteries in the future EU policy?

Lotteries have a major role to play in a period when we are putting particular emphasis on grassroots sport. I know the major role of European Lotteries in the financial support of sport, at all levels, including the more modest ones. I particularly appreciate the interest shown by European Lotteries to EU activities and initiatives in the field of sport. The partnership agreement signed by EL with Commissioner Navracsics concerning the European Week of Sport is a very positive signal. I am sure we will have opportunities to develop and extend our cooperation in the future.
Sportsbooks have a unique challenge said Kristian NYLÉN of Kambi Sports Solutions. They must offer entertainment while remaining profitable despite the uncertainty of this environment. To obtain a competitive advantage, these organisations must provide a leading entertainment-driven user experience.

Nylén recommends the importance of properly evaluating players’ data in order to detect the unseen: by understanding the players, sportsbooks will be able to overcome operating on a premise of uncertainty.

Tyler Hamilton and Yves Le Lostecque then joined Friedrich STICKLER, GLMS President and Thierry PUJOL, Director of Risk Management and Security at La Française des Jeux, to discuss the consequences of cheating in the gaming industry.

The panellists discussed about the impact of match-fixing on the credibility of sports, the relation between match-fixing and doping and methods to tackle these problems.

“THE EUROPEAN COMMISSION IS VERY HAPPY THAT EL HAS ENTHUSIASTICALLY SUPPORTED THE EUROPEAN WEEK OF SPORT”

INVENTIVE AND CREATIVE YOUNG LIONS

Once again, the Young Lions have impressed with their brilliant ideas on complex issues. Three teams of young and eager participants were asked to develop and present their best advertising campaigns on three different topics: Reinventing Retail, Lottery Refresh and Next Generation of Games.

Each project was presented in a lively manner and the creative and fun ideas inserted in the advertisements gave food for thought to the audience. As it is now a tradition, the audience voted on the presentations that offered the most possibilities and the most adaptable features, and the winning teams were awarded for their creations.
Invited to speak at the EL Congress 2015, Göran Carstedt used his long experience in the business world and his success at launching brands and new businesses to talk about business leadership.

To become a business leader is to develop something meaningful, specified Carstedt: First, what you do has to be relevant to the times you live in; second you must invite people to participate and co-create with your team, as it is good to get outside ideas. The emerging new world is interconnected, mobile and digital. What does that mean for the business community? The old logic was about things - it was a tangible world. The new logic is about ideas and knowledge. Sharing is also important in the new world as we can create from a variety of ideas put together. The problem is that we see the world as we are and not as it is. We need to open our eyes. For that we must re-organise our strategy: we invite others to join and co-create with us.

The true purpose of a business is much more than just make money, which is a given in business. Instead, we must ask ourselves: what is my company good for? Then we must rethink our attitude towards customers: we start with caring about our employees, making them proud of the company, and in return, they will make the company’s customers happy. We also need to adjust to the new environment: At IKEA North America, we took our original business idea and mixed it with the American culture to co-create an idea that works in the US.

Today’s businesses need to be viewed in a different dimension, looking into the purpose of a product, which usually goes much further than the simple material meaning. Let’s take a look at Volvo! The company sells cars – that’s the material point, but in fact it creates car ownership – the true purpose of the product. CREATING A BRAND IS A PROMISE TO CUSTOMERS, EMPLOYEES AND SHAREHOLDERS – THIS IS A TRUST-BUILDING BUSINESS – a purpose shared by every business.

A business should be a learning organisation and we should learn from our customers: sharing is the most efficient step.

Tomorrow’s challenge will require that each business create a sustainable future, which is an ethical challenge of course, but more than that. It will have to be something desirable, something that will bring transformational changes (look at the industrial revolution or the social transformation with non-smoking policies for example). Change is not about restructuring, it is about re-conceiving, making people see the world with new eyes. When people have a meaningful cause to believe in, it liberates human creativity. In my view, concluded Carstedt, tomorrow’s leadership is more about people than technology.

IS CUSTOMER-CENTRICITY THE RIGHT APPROACH TO INNOVATION?

Among the many discussions and comments about innovation heard throughout EL Congress 2015, one panel in particular attracted a lot of attention: Would placing customers at the centre of all lottery activities make sense?

Anna KIRAH of Making Waves, who has done extensive research on the impact of digital lifestyle on organisations and the new ways to address consumers’ psychology, thinks that “customer-centricity” might not be the correct wording. More important for her should be the focus on people who are not using lottery products instead of focusing on those who already know the products and are buying customers. Similarly the other panellists did think improvement on knowing and communicating with the customers needed to happen, but they expressed some doubts: there is still a long way to go before Lotteries are able to put the customers at the heart of every single operation. For Lottomatica, noted Fabio CAIROLI, retailers are the people who first need to be at the centre of lottery transactions and activities. With so many points of sale throughout Italy, this category is as important as the players. Taco KETELAAR warned that if a Lottery sticks to traditional games, then this will only attract the same traditional customers. Therefore the point in the new gaming environment is to change and offer innovative, compelling content to attract new players and excite existing customers.

Panellists mentioned the struggle that most Lotteries seem to face with understanding on how to get the job done. However creativity and quicker answers to today’s expectations are among the important steps to take. Andy DUNCAN explained that Camelot has designed a customer panel in order to get insight feedback on new ideas/projects launched on the market. This has helped Camelot make quicker decisions.

All concurred that both existing and potential customers are important factors in a Lottery’s strategy. With today’s technological opportunities, customers are all over the place. It is therefore essential for Lotteries to be on as many platforms as possible to reach them successfully. In a digital world, there is danger to use an analogue-type mind set and Lotteries must have the ability to build a quality digital footprint to be understood. The industry will need to go through radical changes in the next few years in order to get on board.

The panel concluded that indeed innovation remains a key to success, but an ability to change and flexibility in decision-making will create a business environment more open to the new gaming world. Among the changes to be made: remove organisational silos that kill an industry and create a single system; attack fragmentation and offer a direct line to customers to get feedback and also to learn from them.

TOUCH TOMORROW
From June 2014 to June 2015, one Lottery has been certified for the first time: Totolotek in Poland; and five others have fulfilled the requirements for the re-certification:
- Staatliche Lotterieverwaltung, Germany
- Íslands Getspá, Iceland
- Happdætti Háskóla Íslands, Iceland
- Športna Loterija d.d., Slovenia
- Hrvatska Lutrija d.o.o., Croatia

The Association is proud to have 41 certified Members, of which 30 have already obtained the 2nd certification, representing 53% of our Members having completed the certification process according to the Responsible Gaming Standards,

We would like to thank all our certified Members for their ongoing commitment to the EL Responsible Gaming Standards. As regards the non-certified Members, the CSR/Responsible Gaming Working Group is ready and willing to help them prepare for certification.

PASSING ON THE BATON TO POLAND EL 2017!

The European Lotteries Congresses have always been considered the most relevant meeting places due to amazing opportunities for networking and sharing.

At the end of the EL Congress 2015 program, the CEO of Totalizator Sportowy in Poland, Wojciech Szpil, invited attendees to join their colleagues in 2017 at the next EL Congress in Kraków.

Kraków, often called “the Jewel of the Crown”, is Poland’s former royal capital and boasts stunning historical monuments and a lively cultural and art scene. As a preview, a video of this fascinating medieval city was presented in Oslo to the rhythms of a musical and vocal group from Poland.

RESPONSIBLE GAMING CERTIFICATION CEREMONY

For more information and advice, visit the private section of the EL website.
You just hosted EL cornerstone event - the 2015 Congress. Tell us what in your opinion seemed to have been the most inspiring in the program.

As CEO of Norsk Tipping, I have to say that I’m very satisfied with the EL 2015 Congress and extremely proud of my staff that worked very hard to make it such a successful event. The feedback I got during the Congress was overwhelmingly positive and it seems to me like the visitors enjoyed their stay in Oslo. The social events were very successful and from my own perspective, there were a lot of interesting insights to gain from throughout the conference. Personally, I have to admit that the highlights were the contributions from Professor Ariely and Mr. Carstedt, and I know that I was not the only one who was touched by Tyler Hamilton’s story, impressed by the way he told it. You could almost literally hear a pin drop in the conference hall while he was on stage.

You have presided years of successful innovations at Norsk Tipping and you must be very proud of your team. What is the real secret of your Lottery’s success?

Yes, of course I am proud of my team. I feel lucky to have been heading a company like Norsk Tipping in a period of very positive development for the Lottery.

There are several factors behind this success. The last 4-5 years have been a time of profound changes and renewal for the company. This renewal has been a result of systematic work focused on doing the things exactly as we had planned, and with high attention to quality throughout the organisation. Most importantly, we have renewed our existing products, launched several new products and established new products categories. We also have had a strong focus on building attractive digital services and are both surprised and proud of our strong mobile growth these last years. In addition we placed a strong focus on changing the way we approach the consumers and how we communicate with modern customers through digital platforms, based on customer data. In parallel, we have rebuilt our core systems in order to have the necessary platforms for future development of our games and services. Last but not least, we are very proud of the responsible gaming framework that has been established after 2010.

How do you see the future of Lotteries in Europe in this digital and social media environment and what would be your recommendations?

The quick answer to this is that we all have a need to speed up our level of innovation and digitalisation.

Let’s take a look at innovation first: We must accept that we are facing a new reality with new consumer behaviour and expectations and an industry that will change radically. Our current offering is not able to attract the segments that are in the lower half of the age range. We also see evidence that our existing customers expect renewal from us. To meet this requirement, we have to offer new products and services and also change our operational approach with regard to customers. We can’t expect our future customers to be interested in whatever we offer. We have to meet them where they are, in contexts where we are relevant. In short, we have to become a part of their everyday life in the same way as we managed to become a part of the everyday life of the previous generations.

Which brings me over to the digitalisation concern: Lotteries are lucky to offer products that are perfect for digital distribution. We should not view digitalisation as a threat, but as an opportunity for further growth and success. Retail has been extremely important for us and will be important for many years, but if we are not able to build a strong digital offering, we will be in a very difficult position within the next 5-10 years.
How does it feel to lead an association like EL?

**HH:** First of all, it’s really an honour to be the President of such an important and powerful association like EL. There are lots of challenges for our value- and society-oriented model, but I am confident, that the new Executive Committee constitutes a very effective team and with the support of the members and the very capable and motivated staff, we will achieve some great results.

**FPA:** Indeed. Lotteries in Europe share a commitment to society. EL exists for the benefit of society, all our activities have the benefit of society as their objective and it is my privilege to serve such an association.

**RC:** I would like to thank all the Member Lotteries that gave us their vote. It is both an honour and a great obligation for us as the new Executive Committee team. I hope we will demonstrate our commitment to move our Association forward to be able to reflect and thrive in a changing environment. Our customers are changing, regulatory frameworks are changing and unfortunately we have to face unfair competition from illegal operators. The Association needs to address that.

What are your plans and what main challenges do you see?

**HH:** First of all, we are fortunate and thankful to be able to rely on the important achievements of our predecessors, namely our Honorary President Friedrich Stickler. We have been handed an association that is in excellent shape and can hit the ground running to take new challenges in stride and introduce changes to our Association.

In the current context, where our model is under threat, we need not just to defend the lottery model “for the benefit of society” but to convince decision-makers in a more offensive and proactive manner – towards all policy-makers and I think in particular the ones at EU level. We need to build a successful future for our model, which is the most appropriate one to limit crime and protect consumers.

One of the ways to achieve this is by communicating clearly about what is the benefit from our model, about disadvantages of liberalized alternatives. This is no more about estimations but about experience, we can point on. The European Week of Sport, where our individual Members actively participate to spread the #BEACTIVE message at the national level through their activities, is one example and there will also be an event in Brussels aimed at the EU policy community.

**FPA:** I agree. It’s time to be actively offensive in talking about our model. Some actors, which include commercial operators as well as policy makers, are very keen on seizing any opportunity to question the lottery model, and to set up a regulatory framework where gambling would be considered and treated as any other service in Europe, with notably the application of the mutual recognition which has been ruled out by the European Court of Justice. Our Lotteries together contribute more than 20 billion EUR per year to the financing of the general interest. This is a message that we must say loud and clear.

**RC:** My plan is to move our Association to be a more efficient forum for knowledge sharing. We are part of a dynamic sector and should learn from each other and reflect together. It is time to upgrade our working methods and think about introducing new meeting formats. We need to seek to find a way to involve as many Members as possible in the reflection on where we want to go, not only with regard to our Association as such, but also in terms of development of the sector overall. It is very clear in our mission statement that we wish to serve as a laboratory for the design and implementation of the further development and architecture of the lottery model as well as the games provided. We now need to put this into practice even further and we are currently engaged in the process of how this can be done.

Speaking about achievements, could you refer to the achievements of the Association so far?

**RC:** First of all, EL is recognized as an important party in the field of gaming and gambling. Being part of the network, we are able to participate in consultations and to give our view into ongoing legislative work. On top of this, our sport projects and activities have greatly increased and EL is considered a well-known and respectable stakeholder of the European and international sports sector and a worldwide leader in the fight against match-fixing. Not to forget our services to our Members: We are organizing so many successful seminars every year, which give our Members the chance to interact and learn from the success stories and failures of other Members. These are undoubtedly a huge success and more and more recognized by third parties, who ask for participation.

**HH:** Subsequently sharing of information and experiences is really beneficial for all of us. The EL Secretary General has contributed a lot to making this As...
Members can find a great deal of information and relevant documents, which include all reports on meetings held, the Sport Issue Tracker and the EU Issue Tracker, as well as all institutional and legal documents our Members need for their day-to-day operations. Probably, we have to re-structure the content in an appealing way and see how we can direct EL Members to the private section of the website and generate more traffic.

**HH:** Exactly. EL Members should visit more the private section of the website and consult all the vital information there. We will think about a way to make this more visible and convenient. The possibility of having a more public newsletter or bulletin should be discussed and assessed.

**FPA:** You mentioned that the work of EL within the sport sector has been successful. What would your priorities be for the future?

**HH:** Match-fixing has been undermining the credibility of our operations and Lotteries should lead the fight. Thanks to our active involvement in the IRIS project in 2013-2014 both EL at a European level and Lotteries at national level were recognised as key players. Through this project, the EPAS Convention against the manipulation of sport events was promoted around Europe and, as a result, was already signed by many countries. EL should further support EPAS in the promotion of the Convention, as this is the most elaborate initiative against match-fixing at this stage.

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**FPA:** It is too early for details, but as EL is part of all relevant sport fora and expert groups, we should use this asset. The contribution of EL to sport is now well recognised and its contribution to sports integrity also well-known. Thanks to the new project with the Council of Europe and the IOC (co-funded by the Commission), this contribution will be further reiterated.

**RC:** I agree with Fernando. We can certainly look at the organisation of some more public events. The recent cooperation with the International Sport Convention, regarding the organisation of a Sports Integrity Conference, as part of the International Sport Convention in 2016, is a good example.

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EL President Hansjörg Höltkemeier: “We always recognized, how hard Friedrich worked for our Association and we knew, that he is straightforward and diplomatic at the same time but looking back and seeing, what he achieved within the last six years for the network, the visibility and the influence of our Association is even more admirable”.

The EL 2015 Congress in Oslo marked the end of the Presidency of Friedrich Stickler from Austria. A member of the board of Österreichische Lotterien GmbH (Austrian Lotteries) since 1986, Friedrich was the President of the European Lotteries (EL) from 2009 until 2015.

Throughout his Presidency, Friedrich dynamically represented the interests of the European lottery sector towards the EU institutions, the sport organisations and other relevant stakeholders and tirelessly fought for the preservation of the lottery model based on the principles of subsidiarity, precaution, solidarity and integrity.

Those who know Friedrich know that he is a fierce defender of a strong public profile for our Association. During the 6 years of his mandate, EL dramatically increased its visibility. EL gave public press conferences, obtained wide media coverage and adopted a number of position papers, such as the EL White Paper on a sound and sustainable gambling policy for the benefit of society in 2012, the EL Sports Integrity Action Plan, the 7-point programme in 2013 and an updated version of the EL Code of Conduct on Sports Betting which was adopted in 2014. Friedrich also attached great importance to the EL Responsible Gaming Certification Framework and many EL Members have been certified/re-certified during his Presidency.

Contributing further to the visibility and positioning of EL, Friedrich led concluding partnerships with many organisations. Indeed, sports integrity was always a high priority for Friedrich and in 2011 EL along with the WLA concluded an agreement with SportAccord and sponsored the first Global Programme on Sports Integrity. In May 2013 an agreement was also concluded with the International Centre of Sports Security (ICSS) and during the years 2013-2014 EL participated in one of the most advanced sports integrity initiatives: the IRIS project, which sought to create national networks against match-fixing in 23 Member States of the EU.

The good cooperation with the European Non-Governmental Sport Organisation (ENGSO) also continued during his years of Presidency and also, with the cooperation with the European Disability Forum (EDF), which was concluded in 2011 and renewed in 2014, EL demonstrated once again its commitment to society, equality and inclusion.

"The cooperation between ENGSO and EL started already before Friedrich Stickler was the President, but it was during his Presidency when it became well established and our collaboration deepened. The IRIS project, which President Stickler was actively initiating, on the fight against match-fixing, was very important for us and our members. Mr. Stickler has a great vision on the importance of grassroots sport which we share and truly value in ENGSO."

Birgitta Kervinen, ENGSO President 2007-2015

EL would like to wholeheartedly thank Friedrich Stickler for his impressive contribution to our sector, for his leadership, availability, guidance, support and friendship. His contribution is lasting. Friedrich Stickler has been given the title of Honorary President of our Association and we look forward to continuing to work with him. Thank you, Friedrich! We are in touch and we are sure to see you soon.
As President of the European Lotteries Association, you have worked tirelessly to create the best services for your members and you have committed yourself to promote responsible gaming. What have been EL's greatest accomplishments in that regard?

The European Lotteries Responsible Gaming Standards were defined and released in 2007. This is a key tool for the Association to have a concrete example of the model that we promote and also of the high level of integrity requirement that we share inside EL membership.

These standards aim at ensuring integrity in the functioning of Lotteries, protecting the interest of players and promoting responsible gaming best practices. In 2009, the EL Certification Framework strengthened the Responsible Gaming Standards, and I am proud to say that during my mandate as EL President, many EL Members have been further certified.

Tools such as this standard are of utmost importance for an association like EL. In terms of accomplishments, in the past six years we have defined different positions. Positions papers such as the “sports integrity action plan: 7 points-programme”, the “EL White Paper on a sound and sustainable gambling policy for the benefit of society”, or the “ambitious model for the best protection of consumers” are instruments, which I believe show the strength, importance and sustainability of the model that we defend and at the same time help consolidate the Association.

I would also like to stress the important role of the Association when it comes to sharing good practices and exchanging on current and future challenges. All the members have many great opportunities of discussion and reflection through several high-quality seminars and conferences that EL organizes throughout the year on a wide range of issues.

Under your guidance, EL membership has grown over the years. What does that mean in terms of the Association’s future impact as well as responsibilities at EU level?

It is an important asset for EL to have a strong membership. We are the only association in the gaming sector to have members from all the EU Member States. This means that we have a strong position that needs to be taken into account when we reach out to EU policy makers.

For an association that brings together stakeholders involved in one particular sector, a larger membership provides a great added value when it comes to sharing good practices or discovering how other Lotteries, in different national contexts, face the current challenges that we may have in common.

As gambling is a field where historical, cultural and societal features play a significant role in the definition of national regulations, it is a great opportunity for our members to discover and exchange on the national particularities and cultural traditions that coexist in Europe.

Lotteries across Europe are facing more competition: what should be their most imminent concerns and what type of approach would you recommend?

In the days of Facebook, Xbox Life and thousands of sites offering entertainment, it is no longer necessary to leave home to be entertained or play the lottery. Consumer behaviour is changing fundamentally. Young people have different values and wants than the previous generation; they consume differently, often via the Internet or new media. But the average lottery player in most countries still goes to his favourite outlet and buys his ticket the traditional way.

To deal with this specific challenge, Lotteries must examine, review and adapt their strategies in particular with regard to the needs and preferences of young players. Once again it should be emphasised that most important of all, Lotteries must learn how to deal with the challenges the digital age poses. I would go as far as proposing a Lottery 4.0 (comparable with industry 4.0) to meet the enhanced requirements deriving from new technological developments – without of course forgetting other influential factors in the success of a Lottery: development of a coherent national regulatory framework for the gaming sector, consistent and successful fight against illegal operators, permanent optimisation of business processes and constant improvement of product development and distribution.

Your last words, reflecting on your long experience in the lottery sector

After 29 years on the board of Austrian Lotteries, I still believe that working in this sector is one of the most intriguing and rewarding challenges a person can face. I feel privileged to have been heading the team who prepared the launch of Lotto in Austria, and to have overseen the policies in marketing, sales, responsible gaming, procurement and corporate communication.

In 2009, I was elected President of European Lotteries and I have had the honour over the last six years, to represent EL Members and fight for the interests of Lotteries toward the European institutions.

Looking back, I can only say that we have seen a phenomenal boom of Lotteries, paired with an increased professionalization in all areas. Lotteries in Europe have a promising future as long as – and I must insist on that point – they make every effort to deal with the challenges of the digital age: the right strategy will make the difference.
In 1993 at the (now) Court of Justice of the European Union, Advocate General Gullman’s Opinion in the Schindler case (Case C-275/92) stated that competition law and free movement principles is intended to result in an appropriate allocation of resources. His Opinion added that this intended outcome did not apply in gambling as competition would only lead to the market “overheating” and ultimately to more addiction. Today, his words are even more important; particularly, if we look at the so-called “race to the bottom” initiated by the remote gambling operators, who continue to offer more products, higher pay-out ratios, more bonuses etc. to attract and keep consumers.

In principle, competition law is intended to secure the correct functioning of the market so that consumers can purchase goods and services of good quality at reasonable prices. It is ultimately intended to establish a legislative and regulatory framework that benefits consumers and in most industries it works well. When it comes to gambling and lotteries, however, there are in each Member State specific, national rules that are intended to protect consumers from fraud and compulsive gambling. The gambling sector is in essence set up with a restrictive channelling policy that permits a moderate and controlled offer to consumers. Monopolies, often detrimental in regular industries, are beneficial in the gambling sector due to the natural, inherent limitation of the offer to consumers.

Member States tend to allow a certain degree of gambling to be offered, but only whilst retaining sufficient control and limiting the offer to what is required to channel the natural desire to gamble towards the safe and legal alternative. The objective is not to encourage as many people as possible to gamble but rather to make sure that those who would like to gamble can do so in a secure environment. It is definitely not the objective to create a market where gambling products are offered that are so cheap and so heavily marketed that a consumer would almost be foolish not to purchase them. Yet letting various companies compete on the quality and price of their products is essentially competition law’s ultimate aim. The unrestricted application of competition law to the gambling sector would lead to negative results for society and could thwart the pursuit of a consistent gambling policy.

The Court of Justice has indicated several times in its recent judgments that free competition and gambling do not mix very well. Indeed, it has stated: “the Court has consistently noted the particular nature of the gambling sector, where, unlike the establishment of free, undistorted competition in a traditional market, the presence of that kind of competition in that very specific market, that is to say, between several operators authorised to run the same games of chance, is liable to have a detrimental effect owing to the fact that they would be led to compete with each other in inventiveness in making what they offer more attractive than their competitors and, in that way, increasing consumers’ expenditure on gaming and the risks of their addiction”. This is a confirmation of the Advocate General’s Opinion in the Schindler case, namely that free competition between the different lotteries of the EU Member States would have a substantially negative impact.

The gambling markets are primarily dealt with under specific national laws. These rules should prevail over more general competition rules. Indeed, competition law is not the overarching epitome of legislation for the benefit of consumers. It is a pity that not every competition authority in the EU seems to understand and share this viewpoint. There are various cases where competition law has been applied to lottery and gambling sector, not only taking into account the specificities associated with them.

In 2006, the German Federal Cartel Office issued a formal decision stating that the German lottery operators were engaging in anti-competitive practices. One of the reasons given was that the operators would not accept stakes via stationary private undertaking intermediaries, such as Faber or Tip24, who would offer the various lottery operators’ lottery games outside their respective jurisdictions throughout the German Länder. Earlier, in 1999, the Dutch competition authority prohibited a merger between Dutch lottery operators Staatsloterij, De Lotto and BankGiro Loterij because that proposed merger was held to distort the lottery market. The Dutch competition authority found that, despite the strict regulations with a limited number of operators, there is and should remain competition in the Dutch lottery market.

These are a few examples of how competition law has been applied to lottery markets both in the past and today; it can be assumed that more instances will follow and this is not always for the better. Are consumers in EU Member States really better off with competing lottery operators and products? Is the final goal really to create abundant choice, high pay outs and easy accessibility for gambling? National competition authorities aiming to genuinely serve and protect consumers should not let themselves be used as a tool by companies offering gambling activities that only have private profit and shareholder value in mind. In our opinion, when it comes to a sector as specific as gambling, the main focus should always lie with society’s general interest and not with the individual concerns of private undertakings. Given the fact that various competition authorities do not (yet) understand the specificities of the gambling sector, there seems to be the need for awareness-raising and education on this issue.

By Philippe Vlaeminck & Robbe Verbeke
EL Legal advisers
During EL Congress in Oslo, EL NEWS caught up with Professor Carlos Paula Cardoso, President of the Portuguese Sports Confederation and the European Non-Governmental Sports Organisation (ENGSO) to discuss his goals and priorities in the new sport environment.

Thank you very much for taking the time to meet with EL News. As the newly elected President of ENGSO, how do you view sport and grassroots sport in Europe? What will be your priorities for the next four years?

First I have to say that we appreciate our close relationship with EL and our two institutions will keep working closely. Our aim is to have a better sport, a cleaner sport without interferences from match fixing and other illegal activities. This situation is bad for EL Lottery Members and everyone involved, but it can also destroy the sport. When we look back at the 1999 scandal when some IOC officials were accused of bribery for the Salt Lake City approval to hold Olympic Games, the IOC reacted very fast and helped defuse a potential explosive situation. The sport then was not really impacted and no lesson seemed to have been learnt. Now is another story: the latest developments with FIFA are highly damaging for football and for the sport as a whole.

To get back to your question about ENGSO, as you know we are an organisation dedicated to promote best sport policies across Europe. One thing that many people question is the huge gap between professional sport clubs participating in highly visible national and international competitions with best paid athletes and small, poorly funded grassroots clubs – competing locally in what is often seen as the people’s sports. So it is one of my priorities to make sure all of our members care about grassroots sport because it impacts our own communities. My other priority is that at ENGSO, we all cooperate for the development of all areas of sport.

With regard to ENGSO-EL collaboration, how important is it for you and what is the future of this collaboration? ENGSO members have sport policies that are very specific to their own country, but they are all facing the same challenges, mainly because of the globalisation of sport. To help them find adequate answers and be prepared, ENGSO has joined forces with a variety of organisations and partnered in different projects. Collaborating therefore with European Lotteries is extremely important: EL has been a strong voice in the fight against match fixing and manipulation of sports competitions. Both our organisations have similar aims: clean sports, stronger ethics, good governance principles, better information among all stakeholders, etc. Since match fixing for example is so widespread, we all have to work together to tackle the issue.

This kind of problems can destroy the sport, as I said earlier. So working with national, international and European institutions such as EL, IRIS and others with similar goals in terms of sport integrity, has become part of ENGSO agenda. We must do our best to support our members and grassroots sport as well as ensure strong values and principles in the sport environment. Everyone has to be involved in this battle.

With all the talks at EU level about autonomy of sport and more, what is your main priority for the sport in Europe? If you consider the Declaration on sport annexed to the Treaty of Amsterdam, or the conclusions on sport of the Nice European Council (2000) both stipulate the importance of the sport movement, which must be the nucleus that the EU must rely upon in order to contribute to the promotion of European sporting issues. Despite those promising principles, the EU’s strategy has been changing over the years and in fact was never clearly defined. Remember that an article on sport in the EU Constitution was only introduced after the Lisbon Treaty (2007).

If we look at the sports’ full spectrum, we can go from “sports for all” on one side, to full professional sports on the “opposite” side and we must understand all intermediate levels and their importance towards the wellbeing of the European population. What I regret is that when sport matters are discussed, the middle “layers” like grassroots sport and nonprofessional organised sport, which is basically something good for the communities working together in voluntary – therefore unpaid – activities, are often forgotten. Fortunately those are the areas in which several countries benefited from the Lotteries’ valuable support otherwise they would have in many cases difficulties to survive.

ENGSO’s aim is to establish an effective communication with all the EU sports political bodies and promote, in those circles, the advantages, for the society, of good sport policies. We would like to have our own voice, our own experience, and have the opportunity to offer our experience on the matter. To pursue this objective, we have already organised meetings at the European Parliament with invited MEPs. Obviously we don’t expect to find at the European Parliament a very large number of MEPs with a strong knowledge on grassroots sport structures, financing and policies. So often they tend to place all sport groups (professional and organised sport based on voluntary clubs) in the same bag. This is unfair for grassroots sport, in which each stakeholder cares about the sport, the teams and their community. ENGSO is designed to be the voice of organised sport and we must fight to obtain fair reviews and proper actions from regulators to protect grassroots sport throughout Europe.
FROM ANONYMITY TO VISIBILITY
THE OMNI-CHANNEL JOURNEY
FOR LOTTERY

AN OPEN INDUSTRY DISCUSSION

Over the last year or so much has been said, claimed and written about technology vendors’ abilities to deliver an omni-channel solution to their operator customers, and thus an omni-channel experience to those customers’ players. At the recent European Lotteries Congress in Oslo, so many presenters referred to the term “omni-channel” that it began to take on a somewhat unreal sense of what was being talked about, as different interpretations of what is meant by the term were offered up.

This open industry discussion is, of course, a very healthy thing and will help to move the lottery industry forward into a new era of seamless product delivery and targeted and timely player engagement.

But the industry isn’t there yet.

The clearest indication that there is still a long way to go in the realisation of a true omni-channel solution in the lottery industry is to look at where sales are coming from today, and the nature of those sales. An analysis of all online lottery sales1 for 2014 in the Euro currency reveals that just 12% of total lottery sales were reported as having been made online. This also thus further reveals that retail sales still account for the vast majority of lottery sales across Europe, at no less than 88% of total Euro currency sales. This simple overall statistic disguises the fact that some territories have much higher levels of online sales – above 40% in Finland – but the average across all Euro currency sales is just 12% nonetheless.

So retail is still king, and those 88% of retail sales are anonymous i.e. there is no link between the player who has bought that ticket and the purchase that has been made, other than the transaction itself. The operator can see the product(s) purchased and the amount spent, but cannot see who has interacted with the brand. So there is no visibility.

The central theme of this article is, therefore, to question what is required to make those retail purchases more fruitful to the operator, in terms of player data that is linked to the transaction, and thus to take a major step forward in the delivery of a true omni-channel solution to the operator and a true omni-channel playing experience to the player. This article does not concern itself with the questions that relate to whether players actually wish to give up their anonymity in purchasing lottery tickets, although it is acknowledged that this area also requires careful consideration by the operator to deploy responsible and choice-bearing options to its players.

BUILDING ON THE PAST

So what options are available to European lottery operators to start to deploy the sort of Business Intelligence capabilities that are associated with online and mobile purchases, to those that come from the retail channel?

The longest-standing approach to this question has been the use of so-called player cards, through which players can associate themselves with a lottery purchase made at retail by offering the card at the time of the purchase. This then creates the vital link to a central player account, by adding an all-important unique identifier to the transaction. This approach is best exemplified by the Norwegian state lottery operator Norsk Tipping which has required compulsory use of player cards for many years now, and has 100% visibility of retail purchases as a result. So why hasn’t this approach been widely used elsewhere? The answer lies primarily in the cost of delivering such a solution when prioritised against other business goals, and the difficulties in achieving widespread player and retailer adoption where such a scheme is optional, not mandatory as it is Norway.

So at Playtech, where we have specialised for many years in cutting-edge online technology development and marketing programmes, we have looked at how we could provide a simple-to-deploy solution that builds on the past to enable a link between retail purchases and the player database, as part of our lottery solution. To be successful, such a solution needs to provide an attractive option to operators without the attendant drawbacks and limitations associated with player card schemes of the past; and to offer to players an attractive proposition so they feel it is worth their while to use their player account when making retail lottery purchases. So that’s what Playtech is able to offer today as part of its lottery solution.

FROM ANONYMITY TO VISIBILITY

At Playtech we believe passionately in the value of a true omni-channel solution and experience. In other gaming verticals we have seen the growth in sales when our omni-channel solutions have been deployed and we believe the same opportunities should be available to lottery operators and players.

So, through the mechanism of an integrated pre-paid debit card under either the Visa or Mastercard schemes, Playtech now offers a simple solution to allow lottery purchases made at retail to be linked to a player account and single wallet solution, managed by the same platform which also drives the online and mobile sales channels. Registration to one account, and to one wallet, enables all lottery purchases to be captured in the player database; which opens up a whole new world of opportunities for targeted and timely segmented marketing campaigns and individual offers to be made to players to enhance their playing experience and thus drive growth of sales revenues.

The key to this solution is its simplicity. By registering for the pre-paid debit card, players can make any high-street purchases using the card but when they make a lottery ticket purchase, that purchase is automatically linked to the player account, and thus bridges today’s gap between retail lottery purchases and the operator’s player database. In terms of retail implementation, there is no additional requirement for hardware in the point of sale, as all retailers are already equipped with the necessary tools to accept Visa or Mastercard transactions, all within the necessary PCI Compliance requirements. Retailers will certainly understand that multi-channel sales have been seen to grow sales at retail so they will be happy. Retailers will also be aware that using the solution means players could even be receiving promotional encouragement to buy lottery products in their store.

In one simple step, the retail lottery purchase has gone from anonymity to visibility, to the benefit of operators, retailers and players alike. A true omni-channel solution for the lottery industry has arrived, and the omni-channel journey for lottery has begun.

1 Data Source: La Fleur’s World Lottery Almanac 2015
NOVOMATIC LOTTERY SOLUTIONS’ HIGH PROFILE DEBUT AS AN EL PREMIUM PARTNER

June 2015 has been a great month for the lottery industry! Lotteries and suppliers from across Europe met in Oslo to discuss the future of the industry during the 2015 European Lotteries’ “Touch Tomorrow” Congress. An impressive crowd of over 500 market professionals visited the trade show organized for the Congress.

It was the first EL Congress for Novomatic Lottery Solutions since adopting its new brand identity, following its acquisition of Betware. The Premium Partner of the Congress, NLS boasted a daring presence on par with the other big industry suppliers. The NLS booth was undoubtedly one of the most impressive spots at the show - a feeling shared by all who made a point of stopping by to congratulate NLS on its growing success. With its flashy lighting and catchy demonstration pods, the NLS booth reported a high volume of visitors. The sales area featured a huge 18m² video message wall with a first floor VIP hospitality suite, bar and demonstration zone. The booth struck a brilliant balance between serious business and light-hearted lottery fun. Topping off the event, a promotional wine tasting featured renowned Austrian winemaker, Willi Opitz. The wine he lovingly cultivated at his vineyard near the Novomatic HQ was a big hit with the audience. Congress participants were given the opportunity to help him compose his latest cuvee, making the experience unforgettable. The notes Mr. Opitz received from the guests allowed him to present an NLS 2015 Oslo Cuvee of unusual taste and character!

NLS’ product strategy and its unique approach to the market has already resonated well within the industry. The hardware-independent, thin client retail solution helps lotteries to choose the hardware that best suits their retail requirements – allowing them to even use their pre-existing terminal network. The Lottery can therefore leverage existing investment in retail hardware while at the same time operating a modern, flexible and secure lottery solution. NLS develops a single technology platform utilizing modern, 21st century applications, and a state-of-the-art, open architecture that allows for the integration of any third party system or content. The system supports all channels, simultaneously giving a true OMNI Channel approach to generating lottery revenues with a high return rate to good causes. The Omni-Channel solution allows lottery players to enjoy a seamless 24/7 playing experience across the various channels.

NLS has grown tremendously over the past two years and will continue to expand, ensuring a high level of customer service that will always adhere to the highest possible standards. Having entered the big leagues, NLS intends to move forward and become the top market leader in Lottery Solutions. The NLS’ message is summed up in the slogan “EXPECT BETTER” which translates into not only better solutions and services, but better working partnerships with clients who have benefitted from the innovation and success that NLS has brought to them.

For further information please visit the NLS’ website www.novomaticls.com.
As an industry, we have an obligation to protect consumers and ensure responsible and safe play. Not only is this a vital consideration for every reputable lottery, it can serve as a valuable differentiator from unregulated commercial gambling services. Lotteries, in concert with a vendor that provides solid social responsibility programs, offer something unregulated, cross-border operators frequently do not: a full range of compelling gaming options based on a platform of responsibility and player protection.

Luckily, lottery operators do not have to traverse the Responsible Gaming road alone. For decades, IGT (and its predecessor company, GTECH) has been committed to helping lotteries responsibly deliver growth. IGT’s commitment to developing and implementing responsible technology and solutions not just to its customers, but to lottery retailers and players around the world, was recently validated when the Company’s lottery systems were awarded certification by the World Lottery Association (WLA) Associate Member Corporate Social Responsibility (CSR) Standards and Certification Framework – making IGT one of just two vendors so recognized. With this certification, IGT is able to demonstrate to lottery operators around the world that Responsible Gaming is no longer viewed as the sole province of lottery operators but as a shared responsibility.

The WLA framework includes a set of standards for vendors and suppliers that could ultimately change the social responsibility landscape for the entire gaming industry. IGT’s certification, which reflects the fact that Responsible Gaming is embedded throughout its entire organization, was awarded after an informed, impartial appraisal performed by a WLA-approved external assessor, Gaming Laboratories International (GLI). IGT also received letters in support of its application from key stakeholders, including several customers and world-renowned problem gambling scholars.

“Responsible gaming is fundamental to our business success, and our corporate social responsibility initiatives are part of our DNA. These principles govern the protection of our lottery customers and their players.”

– Robert K. Vincent, IGT Senior Vice President, Human Resources and Public Affairs

GLI’s assessment focused on and acknowledged IGT’s compliance with eight sections of the WLA CSR standards: research (important because it flows directly into the development of all of IGT’s products and services); employee program (every person in the Company, from the executive team to call center staff, has been educated on Responsible Gaming); product and service development; advertising and marketing communications; client awareness; stakeholder engagement (sharing with customers Responsible Gaming best practices and technological offerings that can ultimately benefit their players); reporting, and remote gaming environment. The remote gaming standard is especially significant in today’s changing world, as increasingly, people are turning to the Internet and mobile devices for more of their entertainment needs. As gaming continues its expansion into interactive and mobile channels, it is ever more critical that operators and vendors work together to include player protection, security, and fraud-prevention tools throughout all systems and portals. IGT’s technology solutions, including remote gaming products, embrace as a core element in their system architecture modules that allow lottery operators to easily customize a Responsible Gaming program that addresses all of their business needs. This includes system- or user-selected play limits as well as tools that help protect players, help them make informed decisions, monitor player behavior, and assess any potential excessive or illegal activities. And since players play a variety of games, IGT offers robust Responsible Gaming tools seamlessly across every game type – Lottery, Interactive, Gaming, and Sports Betting – to safeguard the interests of players and address regulators’ concerns across all gaming verticals.

As gaming, particularly online gaming, continues to proliferate, lotteries the world over – and particularly in Europe, the largest online gambling market in the world – face growing competition for customers’ attention and gaming spend. The inclusion of sound, robust social safeguards has truly become a competitive differentiator and necessary pillar for an operator’s organizational sustainability, and the WLA Framework is a very comprehensive and excellent transparency tool for our industry to embrace.

IGT is proud to support its customers in their Responsible Gaming ventures, and honored by the acknowledgment of the Company’s ongoing global commitment to provide them with best-in-class solutions and maximum value through the adherence of the highest levels of integrity, responsibility, and innovation.

“At every point in the history of our Responsible Gaming program development, Svenska Spel has required innovation and reliability in the solutions designed and implemented by our technology vendor, GTECH. In fact, GTECH collaborated very closely with Svenska Spel during the design and development of our RG system. The Company has been a reliable technology partner with a genuine commitment to advancing Responsible Gaming initiatives for our industry.”

– Zenita Strandänger, Head of CSR, Svenska Spel
Reflecting on the recent Congress in Oslo, three words come to mind: innovation, innovation, innovation. But innovation is one of those words that means something different to every one of us. At Scientific Games, we approach innovation in three ways.

Our first and most important area of innovation begins with the consumer. In our business, products and technology must be consumer-focused. The consumer – the player – who purchases our games is at the epicenter of the complex financial ecosystem of lottery. We study consumers and follow their lead on what kinds of games excite them, which price points they prefer and which prizes peak their interest. We continually innovate, guided by our research and analytics, to meet the gaming entertainment demands of today’s consumer.

Secondly, we know that we must innovate to scale – to the size of our consumer base. The lottery industry is a nearly $300 billion (USD) global consumer product category, one of the largest in the world. Individually, lotteries manage businesses in the tens and hundreds of millions and, in many cases, billions of dollars. This is big business. So our ability to innovate to scale, to innovate across large populations and to generate recurring revenue that builds value is key to long-term success.

Our third focus on innovation is the local, jurisdictional nature of the lottery business. There isn’t a customer relationship in any other business quite like the lottery-provider relationship. Government rules, regulations, content, distribution channels, security, responsibility and the general oversight involved require a provider who can innovate with all of these complexities in mind and who can bring decades of knowledge to their innovation and a depth of experience to problem-solving based on the uniqueness of each local jurisdiction. As I reflect, almost every innovation at Scientific Games actually developed through problem-solving for one of our customers and working through the challenges in their jurisdiction.

Our lottery innovation started with the world’s first secure instant game created for one of our customers in 1973 and today instant games are a more than $79 billion global consumer product. With more than $42 billion in retail sales last year, instant games are the largest lottery product category in North America. In Europe, instant games are the fastest growing lottery product category, with more than $27 billion in sales annually. If you take a close look at European product mixes, there is a great deal of potential to grow the instant category. And growth will come through innovation.

The digital future is critical, but there are lottery managers and CEOs in Europe who are responsible for driving performance at scale today. And we can see that the largest contribution to growth in Europe over the last 10 years has been the instant game. Growth has come to these lotteries because of a new approach and a new focus on instant games. These lotteries have established, positioned and managed instant games like a product category. The instant game is tying into gaming systems at retail, it is tying into mobile and internet systems, and it is essentially extending at scale the size of core lottery products that touch consumers every day throughout Europe.

Innovation is not just a buzz word in our industry. Success in innovation is derived from leveraging the business that we’re in today. Our business must focus on consumers. It must focus on scale. And it must focus on each jurisdiction’s unique ability to drive entertainment value for the consumer over extended periods of time.
MDJS AND INTRALOT: BUILDING BRANDS & THE VALUES OF SPORTS WITH NO PRODUCT ADVERTISING IN MOROCCO

The Moroccan Market: Dynamism and the Advancement of Sports

La Marocaine Des Jeux et Des Sports or MDJS is one of the two state-owned lottery monopolies in Morocco, a lottery market growing double digit year on year; it has the monopoly of sports betting and instant games and 76% market share. INTRALOT Maroc is the single technology supplier and commercial operator of both lotteries and is contractually accountable to MDJS to grow its brands, i.e. Cote&Sport, TotoFoot, Grattez&Gagnez and Chrono.

MDJS mission is to advance sports and the values of sports in the Moroccan society, and it has even incorporated the phrase ‘l’esprit sportif’ (the spirit of sports) within its corporate logo. It is distributing all its profits to the National Fund of Sports Development and it is sponsoring the development of sports all around the country (rural and urban neighborhoods, women and men, the disadvantaged, the disabled, all ages, grassroots sports, etc.). MDJS is a respectable, state-owned lottery that has been raising a lot of money for Morocco sports; its funding represents over 20% of the Ministry of Youth and Sports’ overall budget.

2. ‘Brand is a Beacon’ Workshop in Casablanca, facilitated by external experts. Two ad agencies, two digital agencies, one media buying agency, three research agencies, lottery experts from INTRALOT and MDJS and marketing teams laid down the values of the Moroccan society, brand personalities, user profiles, concepts, proof of positioning and reasons to believe and expanded brand equities to drive the values of sports MDJS aims to advance within Moroccan society.

3. ‘Brand Pyramids & Communication Choices’ Workshop in Athens, wherein teams finalized choices, i.e. aligned and put down the main dimensions of all brand pyramids. While making Communication Choices, we identified the value of exchanging experiences with other markets facing similar challenges and brought MDJS closer to Inteltek -Turkey’s successful fixed-odds betting operator.

4. ‘Reinventing the Network’ Workshop in Casablanca, facilitated by an external expert and attended by the marketing, trade marketing and retail teams of MDJS and INTRALOT, but also by the leadership of Inteltek. The workshop identified best practices & creative solutions to obstacles related to the POS, the sales agent and product placement and informed our action and investment plans for the year ahead.

La passion nous rassemble”, or passion unites us

We were passionate to win, determined to overcome the effects of the TV ban. But in doing so, we sought to energize our teams in producing a whole that would be greater than the sum of its parts. All our brand communications in Morocco now tell inter-related stories and support common values. The extra bonus is that we have been building a sharing and learning culture.

Our marketing teams are learning the most: inability to advertise games on TV has been helping them ‘sharpen the saws’ to increase their brand building capability. Teams have been thinking outside the box to establish a more coherent portfolio and establish higher consumer relevance.

In Morocco, MDJS and INTRALOT Maroc have more than doubled the market so far and keep setting inspiring targets. La Passion Nous Rassemble!

For details or information, pls. contact: Ms. Boudalii (MDJS), Ms. Markou (INTRALOT)

*Established in April 2001, Inteltek is a joint venture between Turkey’s largest mobile phone operator Turkcell and INTRALOT, one of the leading companies in the global gaming market. On behalf of the Directorate of the Sports Into Organization, under the Ministry of Youth and Sports, Inteltek has been successfully carrying out the work and related services for the establishment and operation of the central betting system for sports- and games-based fixed-odds betting.

Market Development & Brand Building without Television Advertising

Television reaches wider audiences than all other media. For most markets and businesses, TV remains the most effective and most efficient –highest ROI- medium. It builds awareness the fastest and brand equities the strongest way with the same investment, allowing marketers to convey lively, creative, compelling messages. So how have we been growing and building equities without it?

Despite the de facto TV ban, the awareness of the MDJS corporate brand and of each separate game brand increased because of two strategies: first, budgets were not cut; game brands communication plans became smarter and better spread across available media. Second and very important, MDJS corporate brand was re-launched and its communication was strengthened in a very conscious effort to drive credibility and ‘give a helping hand’ to the game brands.

But doing our separate jobs better was not enough for us. We had to join forces and share the accountability of brand building by establishing brand pyramids that would accommodate both corporate and game brands. We had to maximize the impact of each brand’s communication by creating spill-over, or ‘halo’ effects from one brand to the other. We shared our vision at top level and took our teams and our partners in a strategy and branding journey that lasted a bit over a year.

The milestones of this journey were 4 workshops:

1. ‘Common Language & Joint Plans’ Workshop in Casablanca: it involved training into Brand Building and sharing of plans and ideas and located important synergies. Quick wins were identified and the roadmap to brand building was laid.

2. ‘Opening the Network’ Workshop in Athens: wherein teams finalized choices, i.e. aligned and put down the main dimensions of all brand pyramids. While making Communication Choices, we identified the value of exchanging experiences with other markets facing similar challenges and brought MDJS closer to Inteltek -Turkey’s successful fixed-odds betting operator.

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From left to right: Mr. El Mechrafi, CEO MDJS and Ms. Boudali Marketing Director MDJS watching a role play.

From left to right: The Moroccan Special Olympics team in LA; Mr. El Mechrafi awards winners of a girls football tournament, the corporate banner of MDJS, emphasizing number 1 partner of National Sports and supporter of Responsible Olympics team in LA; Mr. El Mechrafi awards winners of a girls football tournament.
KEEPING UP WITH CHANGING RETAIL
MALTA, 4–6 MAY 2015

Maltco were the gracious hosts of this 2015 Retailing Seminar, with the theme “Keeping up with Changing Retail”, which attracted more than 50 participants to this most hospitable of islands. While the island is small and the total number of retail outlets is just over 200, they have a unique and intimate approach to retail - which participants directly experienced in visits to retail outlets.

The four keynote speakers – Alan O’NEILL, Toby DESFORGES, Nigel SCULLY and Sandro GAUCI were generally in agreement that retail was really changing. Online retail is experimenting with creating a physical presence (Amazon shops); online shopping, and the inexorable growth of discounters and small specialist retail shops lead to the fragmentation of the shopping basket, which in turn will have a negative effect on the profitability of the “big-box” supermarkets. These big-box outlets were reducing in numbers with knock-on effects on high street retail configurations. It was generally accepted that if you were still operating retail outlets in the same way as you were doing 10 years ago, then there was a problem.

The participants were urged to help and encourage agents to introduce more “theatre” at the point of sale. The Maltese case was particularly appropriate here, as most of the agents had developed friendships and relationships with their regular customers. Dr Ioannis KATAKIS (CEO Maltco) emphasised the need to speak the “language” of the retailer to be successful. This “engagement” with the customer was a recurring theme of the Seminar. “Showrooming” was further proof that the customer could not successfully purchase certain products without having access to a terrestrial display space.

Staffan LINDBERG updated the group on omnichannel developments in Sweden with the move from product-centric to customer-centric and an aim to have players “meet Svenska Spel” rather than just play their games. Rodolphe BARQUIN explained the La Française des Jeux approach to finding new retail outlets to compensate for the fall in numbers of retail outlets in France. Linda ENG STRAND explained how Norsk Tipping could leverage their 100% registered players so that they could have consistent communication through all channels – before, during and after the sale. Christian DUCARMON shared the National Lottery experience with Carrefour project in Belgium where the success of their in-lane operation trials was greatly helped by the belief, which Carrefour Managers displayed in the product.

Technical presentations from INTRALOT, IGT, SCIENTIFIC GAMES, Carmanah Signs and Fastrak Retail showed that suppliers were very much across the retail space with new products and facilities. Sharon DUNCALF from IGT won the prize for the best anagram of the Seminar presentations when she converted “seamless” operation into “sale mess”.

Ray Bates
Moderator
The seminar opened with the welcome address of EL President, Friedrich STICKLER who, referring to the threat of illegal betting, highlighted that the best way to fight against illegal operators is to develop an innovative and competitive offer. He also encouraged all Lotteries in Europe and beyond to support and promote the new initiative of the EU: “the European Week of Sport”. The CEO of Totalizator Sportowy, Wojciech SZPIL also warmly welcomed the participants in Poland and wished them a fruitful seminar.

POLISH MARKET & MARKET UPDATES
Katarzyna WAL from Roland Berger Strategy Consultants provided some very interesting insights in the Polish sports betting market, including information on the market share, the contributions to society, the taxation and the illegal offer, which leads to the loss of considerable amounts of money for the state. Younès EL MECHRAFI, Louis BEAUDET, Raphael DE CARVALHO SERRÃO, and Rupert BOLINGBROKE presented the sports betting market in Africa, the Americas and Asia respectively.

In terms of Europe, Christian KALB and Walter WATSON, delivered a very interactive presentation about the operations of private bookmakers in Europe. Christian Kalb presented as well the effects that the opening of the market could have on the sustainable financing of sport and Gernot UHLIR gave the first results of the study of SportsEconAustria on “the impact of Lotteries as a funding source for European sport”. Finally, Walter Watson, Thomas HÄNSLER, Lennart NILSSON and Raffaele LEONI provided some updates on the Dutch, German, Swedish and Italian market respectively.

SOCIAL MEDIA & MOBILE
The session started with a dynamic presentation by Aidan O’CONNELL from Facebook on the dynamics of Facebook as a communication platform, mentioning that already many private bookmakers take a full advantage of this platform. The session continued with some success stories from the Lotteries. Olivier VINET, Rupert Bolingbroke, Alexis DE SAUGÈRE and Jens NIELSEN analysed how their Lotteries have been using internet, social media and new technologies. Finally, Cian MURPHY from Paddy Power, explained how his company has optimised their marketing operations and visibility, providing concrete examples of their strategy.

SPORTS INTEGRITY & RESPONSIBLE GAMING
Harri SYVÄSALMI, Chairman of the EU Expert Group “Match-Fixing”, cited the recent developments in the fight against match-fixing at an international and EU level. He particularly referred to the EPAS Convention against the manipulation of sport events and stated that he is happy that EL and WLA have been very active in the field. Inger NICOLAISEN from PDA Academy Denmark delivered a very interesting presentation about the way consumers can be driven to gambling addiction. Jean JØRGENSEN also updated the participants on the GLMS which takes the relay
from ELMS in monitoring sport competitions.

A debate on the topic of “Players’ identification and stake limits” was also held. From the one side, Lennart Nilsson and Thierry Pujol advocated for the need for players’ identification and stake limits, underlining that there is actually no other option as not identifying players could lead to public and social order risks (match-fixing, money-laundering and addiction). From the other side, Tatiana Alviti and Niels Erik Fölmann advocated against players’ identification, highlighting that such measures could drive players to illegal operators. Afterwards a vote took place and the majority of the participants agreed that there is a need for players’ identification and stake limits.

CUSTOMERS’ SOLUTIONS, DAILY OPERATIONS AND INNOVATION
Representatives from the EL Premium Partners & WLA Platinum/Gold Contributors (International Game Technology - IGT, Scientific Games, Intralot Group and Playtech) analysed their customer management solutions for sports wagering. From his side, Sándor Szabó from Szerencsejáték Zrt. informed the participants of the way the sports betting business is done in his Lottery and Per Emil Granmorken presented the “Simple Bet”, an innovative game of Norsk Tipping seeking to target consumers with little understanding of sports betting and sports in general. This presentation was followed by a discussion on innovation in sports betting. Finally, Kambi Sports Solutions spoke about their sportsbook and the way both players’ experience and responsible gaming can be optimised.

EUROPA LEAGUE FINAL & TOTALIZATOR SPORTOWY 60TH ANNIVERSARY
Apart from the interesting business programme, the participants of the seminar had the chance to attend some exciting social events. As usual, the participants had the opportunity to attend the final of the Europa League and saw the Spanish team Sevilla winning a record fourth Europa League trophy. In addition, in the first evening of the seminar, the participants joined in the celebration of the 60th anniversary of Totalizator Sportowy in a glamorous event organised on May 26.

EL and WLA warmly thank Totalizator Sportowy for the amazing hospitality.
The next EL/WLA Sports Betting Seminar will be held in Nice on 21 – 23 June 2016 during the Euro 2016.

Jean Jørgensen, WLA Executive Director - Moderator
Evangelos Alexandrakis, EL Sport Executive Secretary
The 2015 EL Public Order Seminar “Keeping your Operations Clean and Compliant”, graciously hosted by the Czech Lottery, SAZKA, was attended by more than 50 delegates and had 2 main topics: the fight against money-laundering and the fight against match-fixing. The CEO of SAZKA, Robert CHVÁTAL, after welcoming the participants in Prague and after providing some facts and figures about SAZKA, highlighted how important the EL seminars are for the growth and well-being of the lottery sector.

Philippe DE KOSTER, Vice-Chair of the Belgian Financial Intelligence Processing Unit (and Advocate General of the Prosecutor General Office at the Court of Appeal in Mons), presented the 4th AML Directive and referred to its extension to gambling. He noted that he would like to see EL more involved in the relevant discussions at an EU level. Philippe de Koster’s presentation was followed by a public authorities’ panel discussion with the participation of Erik SJÖHOLM, from the Swedish Gambling Authority, Albert ALLO, from SCN TRACFIN in France and Alessandra CUZZOCREA from the Italian FIU. The panellists provided their national perspective in terms of the fight against money-laundering.

As the new Directive brings about major changes for the Lotteries, the EL Public Order & Security Working Group is preparing some AML guidelines (that will be reviewed by the Legal Working Group) which will seek to facilitate EL Members to implement the AML Directive. Maurizio RUBINI from Lottomatica and Philippe LEMAIRE from La Française des Jeux provided an overview of the results of the AML questionnaire sent to operators as part of the drafting process. Following this presentation they both provided some insights in the way their Lotteries have been mitigating risks related to money laundering.

In addition, Carlos BACHMAIER from SELAE gave some insights into a very sensitive issue: the balance between the fight against money laundering and the protection of personal data in the EU. In respect of the fight against match-fixing, Michael TRINKER from the Council of Europe-EPAS presented the state of play of the EPAS International Convention against the Manipulation of Sport Events and he also referred to the project proposal submitted by the EPAS in response to the European Commission’s call for proposals in February 2015. After his presentation, Michael joined Stein LANGBERGET from Norsk Tipping and Yann GOISNARD, from La Française des Jeux, in a panel discussion about the EPAS Convention and sports integrity in general.
Friedrich MARTENS from the International Olympic Committee (IOC) and Karl DHONT from UEFA also delivered a presentation on sports integrity. Friedrich Martens presented his “baby”, the IOC Integrity Betting Intelligence System (IBIS), which seeks to safeguard Olympic sports from any negative influence potentially connected to betting and Karl Dhont, member of the UEFA match fixing inspectorate, delivered a very realistic presentation about how significant the problem of match-fixing has now become. He mentioned that monitoring reports only provide an indication, but that most prosecutions are not based upon such reports. Finally Chris RASMUSSEN, the GLMS coordinator, after making a historical background of the creation of the GLMS, gave some insights into the operations of the GLMS. Their presentations were followed by an interactive discussion among the participants.

Beyond the fight against money-laundering and match-fixing, Antonio GORRASI from Lottomatica presented the global technological risk landscape related to cyber-attacks and data fraud, underlining that understanding threats is a vital element towards protecting cyber assets.

From his side, Ondřej PLEŠMÍD, from the Czech Ministry of Finance, presented the new Czech Gambling Act, which includes enforcement measures against illegal betting and, finally, Ivo KESSLER from Nederlandse Staatsloterij referring to the audit scandal of September 2014, explained that being “in control” and compliant does not necessarily prevent an organization from being in the newspapers, but does prevent further damage.

Closing the seminar, the moderator, Ray BATES, warmly thanked the participants for their active participation, the speakers for their valuable input, the EL Public Order & Security Working Group for having developed the programme and SAZKA for the warm hospitality.

Ray Bates, Moderator
NEW MEMBER

MÁRTON BRAUN, DR. JUR.
CHAIRMAN OF THE BOARD & CEO
SZERENCSEJÁTÉK ZRT., HUNGARY

A law graduate, Márton Braun also holds a degree in Economics. His professional career as a lawyer started at a commercial bank where he subsequently held the position of branch Manager. In 1998, he became Member of the National Assembly of Hungary, where he worked until 2014 in the Committee on European Affairs. He also held several positions as Member of the Parliamentary Assembly of the Council of Europe. In 2001, he became Managing Director of the Hungarian Foundation for Enterprise Development.

Recently Márton Braun was nominated as the new CEO of Szerencsejáték Zrt., replacing Dr. Kálmán Szentpétery, who had been heading the Lottery for the last five years and who now will be assisting as lottery advisor. Mr. Braun’s extensive experience in business, law and strategy will be instrumental in securing a new vision and a new direction for the future of the Lottery. Aware that the next steps will be a challenge, especially in today’s situation of economic turmoil, more demanding consumers and fast changing technologies, Mr. Braun reflects on his new duties: “One of my priorities will be to continue developing the responsible and sustainable model of the company, and harmonizing the customers’ demands with the company’s aims under the principles and directives of the EL Association. I strongly believe that the company has to preserve its essential values, but at the same time it has to keep up with tomorrow’s challenges. Szerencsejáték Zrt. is a dynamic and prominent gaming organisation not only in Hungary but in the European market as well. I will follow in the footsteps of my predecessor and work at expanding the successful trend in the years ahead.”

Contemplating his Lottery’s relationship with EL, Mr. Braun enthusiastically voiced his trust in the Association: “To be an EL Member is definitely beneficial. The Association is the umbrella organisation for national Lotteries operating games of chance for the public benefit. Furthermore the collective cooperation between EL Members could be an effective way to reach our Lottery’s aims and objectives in an aggressive competitive world, especially helping us promote and protect our responsible and sustainable gaming model that is based on the values of subsidiarity, precaution, solidarity and integrity. EL values are here to help all of us achieve our objectives. And that is the challenge that we must take on together.”
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