EL CONTRIBUTES TO THE EUROPEAN WEEK OF SPORT

EXCLUSIVE INTERVIEW WITH MEP SANTIAGO FISAS AYXELÀ

ARTICLE 165 TFEU: INTEGRITY IS FIRST!

AN AUTUMN FULL OF EL EVENTS
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Before referring to our recent activities, allow me to recall the recent dreadful attacks in Paris. Our hearts go out to the French people, and to all those who lost loved ones. As our model is notably based on the principles of subsidiarity, precaution, solidarity and integrity, we consider this attack as an attack to the universal values that we all share, and we do support all efforts towards the fostering of a peaceful, just and inclusive international society, free from fear and violence.

We continue to work for the benefit of society and now that I have been President of our Association for six months, I can say that this year has been quite eventful also on the lottery side! With the support of the Executive Committee Members and the intensive work of our teams in Lausanne and Brussels, and despite the fact that our Association is in a transition period, we have managed to build upon the achievements of the past, tackle challenges and make sure that all tasks are carried out professionally and diligently, for the benefit of our Members.

Being constantly active in the EU policy dialogues, over the past months we have participated in four recent public consultations of the European Commission and I take this opportunity to warmly thank our Members for their contribution to the preparation of our input to the Consultations. Thanks to this active participation, EL is now more than ever considered by EU institutions as a valuable and major partner and stakeholder. At the same time, the Association organised a number of very successful seminars that attracted a big number of participants.

The Executive Committee has been working hard over the past months, in order to shape up the new strategy for EL. We recently had to say goodbye to the EL Secretary General over the last 25 years, Bernadette Lobjois, who highly contributed to the development of the Association. Words cannot easily describe how thankful we are to her for everything she did for the Association and the new Secretary General, whom we are now in the process of recruiting, will surely have some large shoes to fill.

In the upcoming months, we will continue our efforts towards the successful organisation of seminars, like the upcoming EL/WLA Marketing Seminar in London (3-5 February 2016) but also the Industry Days that will be held in Marrakech from May 30 to June 1. As always we will be actively monitoring all relevant EU developments, making sure that our sustainable model is actively represented in all relevant policy dialogues and we will of course go on fighting against negative phenomena and threats, like match-fixing. The Executive Committee will also finalise the next years’ EL strategy, reviewing the EL messages and communications strategy, but at the same time building upon and maintaining all solid structures of the past.

Indeed, in this edition of the Magazine, you can find an analytical update about the EU developments related to gambling and the relevant actions of EL, including information on the public consultations EL recently took part in. At the same time, you can find some information about the seminars EL recently hosted with success. As always, we also include news and updates from our Premium Partners IGT, INTRALOT, SCIENTIFIC GAMES, NOVOMATIC LOTTERY SOLUTIONS and PLAYTECH and our Semi-premium Partner, KAMBI.

Notably, with this edition of our Magazine, we celebrate sport and physical activity! EL and its Members enthusiastically promoted the European Week of Sport, across Europe and in this way concretely displayed the core values (subsidiarity, precaution, solidarity and integrity) their special and sustainable model is based on. In this edition, you can find out about the activities of our Members to inspire citizens of their home countries to #BEACTIVE, but also about the successful policy event EL organised on the first day of the European Week of Sport in Brussels.

We are honoured and excited that in this edition we include an exclusive interview with MEP Santiago Fisas Ayxelà, who was actually one of the initiators of the European Week of Sport and we take this opportunity to warmly thank him for his significant contribution to the European sport in general. Reflecting over the role of sport as a tool for social change, we also provide some examples of societal sport projects that Lotteries have developed around Europe and considering always match-fixing as a significant threat for the credibility of sport, we look into article 165 TFEU in connection with this major issue.

Last but not least, on the occasion of the upcoming holiday season, we would like to wish you the best of everything! May this period end the present year on a cheerful note and make way for a fresh and bright new year 2016!

Yours Sincerely,

Hansjörg Höltkemeier
EL President
Built on our legacy, our learning, and our leadership, Aurora is the high-reliability, high-performance solution for lotteries the world over.

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The tools you need to grow your business today... and tomorrow. That’s the brilliance of Aurora.
Lotteries in Europe have been for decades the natural partners of sport, providing sport – and mainly grassroots sport – with a sustainable financing of around 2 bn Euros per year. Having been created in the first place for the benefit of grassroots sport and society, not only have Lotteries supported sport financially, but also they have on numerous occasions and in many countries developed projects seeking to promote the well-being of their citizens and highlight the benefits of physical activity.

In 2013 the Eurobarometer indicated that 60% of Europeans rarely or never practice any sport. The significance of such a high rate of physical inactivity has been highlighted recently by a study published by the Centre for Economics and Business Research (commissioned by ISCA) which has revealed that the cost to the European economy of “doing nothing” is over 80bn Euros per year. The European Commission, facing this reality and seeking to address the increasing rates of physical inactivity in Europe, adopted a new initiative: the European Week of Sport (EWoS).

The aim of the Week was to promote participation in physical activity and sport in Europe. In order to best promote the initiative and reach out to a big number of Europeans, the European Commission invited stakeholders who have been actively contributing to the development of the European Dimension in Sport to join the partnership.

Of course, as the traditional partners of grassroots sport, and due to the sustainable model they belong to, Lotteries in Europe could not stay idle and not promote such a significant initiative. On June 2 EL signed a partnership agreement with the European Commission and committed to promote the initiative at both a national and European level, by raising awareness about the initiative and by organising inspirational events that would encourage Europeans to #BEACTIVE.

Following the EWOS Agreement, both EL and its Members started to plan their initiatives with enthusiasm. At a European level, EL included a banner on its homepage and added a special section about the European Week of Sport in its website, which received numerous hits.

At a national level, the activities of the Members of EL were impressive. As the primary partners of grassroots sport in Europe, Lotteries were happy to use their communication platforms to promote the initiative and raise awareness about the benefits of physical activity. Relevant press releases, YouTube videos, social media posts, banners on the websites and posters and infographics at their outlets, were some of the ways EL Members communicated about the initiative.
Numerous Lotteries also tried to think of creative ways to further promote the initiative and inspire their citizens to engage in an active lifestyle. In Hungary, for instance, Szerencsejáték Zrt., the Hungarian Lottery, organised a nationwide media campaign with famous Hungarian sport athletes, promoting the main messages of the European Week of Sport, and spreading the message about what sport means to them.

The nation-wide media campaign, featuring famous Hungarian athletes, including Andrea Gyarmati (Olympic medalist in swimming), fencer Éva Hajmási and modern pentathlete Róbert Kasza.

Facebook post of our Member in Bulgaria, Bulgarian Sports Totalizator.

Banner and news item on the website of our Member LOTTO Bayern.

Facebook post of our Member in Greece, OPAP SA.
Also, in the UK, Camelot UK and The National Lottery, linked the Rugby World Cup to the European Week of Sport using their different platforms (TV, digital, retail and social media). Camelot also promoted #BeActive and grassroots sports funding throughout September.
Most importantly, Lotteries all over Europe were determined to send out a strong message for increased physical activity and organised or co-organised along with their national partners, national and regional events all over Europe.

Being the main funder of sport in Finland (3.5 million Euros were allocated to Finnish grassroots sport only in 2014), the Finnish Lottery, Veikkaus Oy, organised a week of sporting & cultural events under the theme #oletvoittaja (#youareawinner) in the City of Jyväskylä as one of the main events of Veikkaus 75 Years Celebrations. The #oletvoittaja event included presentations of the activities of Veikkaus’ beneficiaries as well as a “C’mon Everybody” theme day on 5 September on Jyväskylä promenade offering people the chance to dance in the market square, do a fitness test, and take a parkour course.

“We were very happy to combine the celebration of our 75 years anniversary with a great initiative, such as the European Week of Sport. Along with our beneficiaries we had the chance to also celebrate sport and physical activity and give everybody the chance to experience on 5 September a day full of sport in the City of Jyväskylä! Having been actually founded in 1940 by the Football Association of Finland, the Finnish Central Sports Federation and the Finnish Workers’ Sports Federation, Veikkaus has sport in its original “DNA” and of course it could not be absent from such a significant initiative.”

Juha Koponen, President & CEO of Veikkaus
In Czech Republic, **SAZKA**, in cooperation with the Czech Olympic Committee, connected their joint programme “Sazka Olympic combined events” with the European Week of Sport. This project, which gives young people around the country the possibility to perform in 8 different sport disciplines, seeks to activate girls and boys at primary schools to be physically active and encourage them to live healthily. Selected participants of the “Sazka Olympic combined events” were given the possibility to participate in the main event organised in Czech Republic during the EWOS, which was the final of the project OVOV (Odznak Všestrannosti Olympijských Vítězů - badge of universality of the Olympic champions), founded by the Olympic champions in the decathlon Robert Zmeřík and Roman Šebrle. The event took place on September 11 and 12 in Prague. 608 pupils from 170 schools across Czech Republic and 33 children from Poland, Hungary and Slovakia competed in individual and team categories. Fifty teachers also competed in ten disciplines and hundred eighty policemen and soldiers participated in the organization of the event.

“Supporting sport is an activity which has been linked with Sazka brand since the very beginning of its existence. We decided to focus on the society-wide topic of exercise and active sport of Czech children and we launched a long-term CSR project called Sazka Olympic combined events. The European Week of Sport was a great opportunity to expand the project to other activities and promote sport and a healthy lifestyle among children.”

Robert Chvátal, CEO of Sazka
In Portugal, the Portuguese Lottery, Santa Casa da Misericórdia de Lisboa, sponsored a very popular and typical short bicycle run, called “Climbing up to the Glory”. The event took place in the centre of Lisbon and was held on September 12, attracting around 300 participants.

Apart from the cycling event, the Gaming Department of Santa Casa also hosted a sporting afternoon in a public green-zone, where the public had the opportunity to practice several sports that Santa Casa currently sponsors. It was a very dynamic and sporting afternoon with the participation of many people who decided to #BEACTIVE.

“The Sports Academies program is at the epicenter of our strategy for Corporate Social Responsibility. The European Week of Sport is an opportunity to urge parents, children and their friends to participate in promoting physical activities and sport. Our philosophy is: Good athletes today, better people tomorrow”.

Petr Matejovsky, Chief Marketing Officer of OPAP

Being the traditional supporter of Greek sport at all levels, the Greek Lottery, OPAP SA, through its social responsibility program “SPORTS ACADEMIES”, which already reach the number of 125, and will be further widened up to 250 within next year, successfully completed the events organized in the framework of the European Week of Sport.

The participation of Academies exceeded 70% with more than 6,000 children with their parents in 85 OPAP academies throughout Greece playing and being entertained. The Academies organized games between children and parents in mixed teams, training sessions for parents by the Academy coaches and friendly tournaments among the children.

The OPAP Sports Academies program approaches, for the first time in Greece, the sensitive area of youth sports in an integrated, multifaceted and long-term manner. The aim of the program is to cultivate in children the values of fair play, sportsmanship and team effort, ensuring that the future of Greek sport will continue to be based on solid foundations.

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“Due to the social nature of Santa Casa, the organization is well aware of the difficulties that modern society poses to so many people. By promoting sport and encouraging people to have a more active life, as it was recently the case with the EWoS, Santa Casa advocates not only for healthy lifestyles but also for values such as solidarity and respect that hopefully will set the grounds for a fairer and more inclusive society in the future.”

Fernando Paes Afonso, CEO of the Gaming Department of Santa Casa

Boys vs girls game in the Ermis Kalamarias OPAP football academy.

A game between children and parents in Spartakos OPAP football academy.

The famous Climbing up to the Glory event organised in Lisbon on September 12.
In Italy, **Lottomatica**, in cooperation with the Italian Olympic Committee (CONI), organised special activities and events in early October as part of their joint project “*Vincere da grandi*”. The project “Vincere da grandi” is a sporting, cultural and social project that supports Italian families. Since May 2015, children between 5 and 14 years coming from families living in poor areas with a high risk of social exclusion have had the chance to try, learn and practise many sports for free. The project is held in four Italian cities: Rome, Naples, Palermo and Milan.

"With the project *Vincere da grandi*, Lottomatica supports economically disadvantaged youths so that they can enter the world of sports. Through sports activities, young people can learn values such as respect for the rules and commitment to the future. We aim to improve the quality of life for the children living in particularly disadvantaged areas and to keep them away from distractions that can be much more dangerous. Thanks to the European Week of Sport and the open day we organised in Palermo as part of the project, we managed to reach out to more young people and gain extra visibility for this significant project”.

**Fabio Cairoli, CEO of Lottomatica**

In early October in Palermo (Sicily) Lottomatica supported the "*Vincere da Grandi*" open day (which was co-organized by the Italian Olympic Committee (CONI) and by the Giovanni Falcone Institute) in one of the most disadvantaged neighbourhoods of the Sicilian capital. Before this event in Sicily, an open day was also organised in Rome and in Naples.

In Poland, the Polish Lottery, **Totalizator Sportowy**, supported its national partners in organizing the annual sport event dedicated to the late Polish Olympic champion in hammer throw, Kamila Skolimowska (LOTTO Kamila Skolimowska’s Memorial) in connection to the EWoS on 13 September 2015.

“Totalizator Sportowy has been the major source of funding for Polish sport. Indeed, every day, LOTTO Players give an average of over 1.62 million PLN to support local sport. Sharing such a strong commitment to grassroots sport, for instance promoting the European Week of Sport via the famous LOTTO Kamila Skolimowska’s Memorial was a great way to inspire the Polish youth to practice more sports”.

**Wojciech Szpil, CEO of Totalizator Sportowy**
In Bulgaria, both our two Members actively promoted the initiative. As mentioned above, our Member, Bulgarian Sports Totalizator, raised awareness about the Week and its messages though online and offline media, having shared numerous posts in social media and traditional media, managing in this way to reach a great range of audience.

“We are very happy that we were part of this significant initiative via the “SportsMax Cup” in Sofia in September. The “SportsMax Cup” was very successful and passed a strong message for the significance of sport among the Bulgarian citizens”

Nikos Arsenopoulos, CEO of Eurofootball

The 2nd EL Member in Bulgaria, Eurofootball, organized the amateur Football tournament “SportsMax Cup” in Sofia in September in connection to the European Week of Sport. The competition was between 16 teams divided into four groups.

“In Malta, MALTCO Lotteries, in close cooperation with the Malta Sports Council (KMS), organised an indoor rowing event on September 8.

Different categories included participants aged 8 to 70+ and also the Maltco Indoor Rowing Challenge where different teams from different Maltese companies competed against each other in the 1KM rowing challenge.

“As a company, we always put Sports at the centre of our Corporate Social Responsibilities’ strategy. The European Week of Sport was another opportunity for our company to promote sports within the Maltese society - a principle we always valued. It was a significant initiative for us and we are very grateful that we were a part of it. The indoor rowing challenge we organised was an enormous success with participants of all ages and backgrounds. We look forward to the next edition of the European Week of Sport in 2016”

Vasileios Kasiotakis, acting CEO of Maltco Lotteries

In Lithuania, Olifeja and its brand Perlas sponsored the Vilnius Marathon which was a part of the European Week of Sports’ #BEACTIVE campaign. The Vilnius Marathon is the biggest running event in Lithuania; it took place on September 13 and gathered more than 20,000 runners.

“Olifeja has been always caring about the well-being of Lithuanian citizens and this is why it has been promoting grassroots sport in Lithuania. The European Week of Sport provided an excellent opportunity for us to further send out a strong message for the benefits of physical activity and make the Vilnius Marathon even more popular and inclusive”

Donatas Kazlauskas, Deputy Director of Olifeja
In Norway, our Member Norsk Tipping, being the natural partner of Norwegian sport in Norway, offering 60% of the bottom line to sports of all levels (approximately 240 million Euros per year which includes around 50 million Euros to grassroots sport), Norsk Tipping, in partnership with The Norwegian Trekking Association, conducted 125 various events throughout Norway on September 6. There were around 41,000 participants at a national level, which The Norwegian Trekking Association describes as a success.

The main objective of the day was to give people a taste of outdoor life and all the fun things you can do, and at the same time encourage them to be active. This included everything from simple fun activities and games for children, with the chance to win prizes, to advanced courses in glacier walking, canoeing and longer trips into mountain terrain.

The activities were mostly free of charge, and when there was some cost, the price was subsidized. Trained tour guides and activity leaders took part in all the events, and made arrangements for bonfires and barbecues. Buses and other transportation was in place to facilitate participation.

There was a good coverage of the events, both in local and national media. In addition, The Norwegian Trekking Association received over 3,000 new members just on that day.

In Spain, the Spanish Lottery, ONCE (Organización Nacional de Ciegos Españoles), supported the events organised by the Spanish Sports Council and the Spanish Paralympic Committee with a focus on the promotion of disability sport.

“Norsk Tipping, as the primary and natural funder of Norwegian sport was happy and proud to support the initiative. I do hope that the European Week of Sport will leave a lasting legacy and its message will last for the whole year. This should be the primary objective of everybody involved.”

Torbjørn Almlid, President & CEO of Norsk Tipping
In Croatia, Hrvatska Lutrija, proudly took part in the project organized by the Croatian Ministry of Science, Education and Sports (Croatian National Sports Day Event Be CROactive) on 12 September in Bundek. The event attracted more than 30,000 individuals, 20 enterprises, 8 universities, primary and high schools, 50 experts in the field of sport and physical activity, volunteers, etc.

Hrvatska Lutrija provided a corner at the location of the main event named “Croatian National Sports Day Event Be CROactive”. Hrvatska Lutrija animated the participants of the event by giving symbolic prizes to the winners of the “Wheel of Fortune” placed at their corner. Employees of Hrvatska Lutrija also participated jointly in one of the races held during the event and produced a short story about the event that was published during their TV shows (game draws).

Runners at the start of the race.

Employees of Hrvatska Lutrija dressed in red just before taking part in a race, as part of the Be CROactive event!

“The Croatian Lottery, in cooperation with the Ministry of Science, Education and Sports of the Republic of Croatia, was excited to be part of the Be CROactive event. We do hope that the European Week of Sport will send out a strong message about the benefits of physical activity and will lead to more Croatians integrating sport in their every-day life”

Danijel Ferić, CEO of Hrvatska Lutrija
In Slovakia, TIPOS, set as an objective to plan its actions around the main concept of the European week of sport: Inform-Inspire-Support. TIPOS during the Week organised a number of sport activities in all the eight independent regions of Slovakia. TIPOS selected the best schools in each region (according to the national rankings) with appropriate sport facilities and organized a symbolic run each day of the Week in different regions with media support of all national and regional TVs, including main print media. Before the start of each symbolic run, a representative of TIPOS explained to participants, what the European Week of Sport is all about and why it is organised across Europe. In this way, the first mission, “inform”, was covered.

The participants were mainly children from the elementary schools accompanied by seniors of local senior care homes. The mixture of generations brought up a very interesting atmosphere. The children were excited to see seniors running along with them and seniors re-charged their batteries with the enthusiasm and passion of the children. The second mission, “inspire”, was fulfilled by the participation of Olympians in the runs.

Indeed, the Slovak Olympic Committee enabled the participation of famous Olympians in each run. The involvement of Olympians was for all runners -juniors and seniors- the most inspirational part of the sporting day. The famous athletes explained to the participants the role of sport in their life and joined the runners in pre-run warm-up. And in fact, warming up next to an Olympian champion is something really special. The representatives of TIPOS handed over diplomas to all participants and provided the elementary schools and the senior care houses with sport equipment after the run. The third part of the mission, support, was thereby covered also.

The final run had a special historic flavour, as it took place during the largest and oldest historical traditional fair in the centre of Slovakia, known as “Radvansky jarmok”. The students had the chance to run around the main square of the city Banska Bystrica and the finish of the run was at the main stage of the fair. The event was mentioned, of course, in all headline news in Slovakia and in this way TIPOS had again the opportunity to send out the strong and significant message of the Week to all readers and spectators.

Being enthusiastic of having so actively promoted the initiative this year, TIPOS has already started to prepare its activities for the European Week of sport 2016.

“TIPOS welcomes the concept of European Week of Sport with the aim to promote sport and physical activity across Slovakia and Europe. Supporting grassroots sport is one of TIPOS’s key activities (just like all EL Members), and the project EWoS fits in to the CRS program of the company. We are looking forward to the next EwoS to support Slovak citizens to #BEACTIVE and fulfil the main message of EWoS: Inform-Inspire-Support.”

Ján Barczi, CEO of TIPOS
In the UK, **National Lottery** distributor Sport England registered 917 separate events as part of the European Week of Sport with Camelot supporting the promotion of this activity via its communication channels. The UK’s flagship European Week of Sport event was a festival of sport at the Queen Elizabeth Olympic Park, delivered by StreetGames, with around 30 different sports available for families and passers-by to try absolutely free. Lizzy Yarnold (Olympic, World and European skeleton champion and #BeActive Ambassador for the UK) took part in the day and met some of 70 activators and 400 people that attended the #BeActive Festival.

“The European Week of Sport is a fantastic initiative to encourage and promote sports participation across the UK and Europe. Supporting grassroots sports is very important to us at Camelot and by working in partnership with National Lottery distributor Sport England, we were able to effectively deliver this message. Using #BeActive we promoted the European Week of Sport across our channels to drive awareness and involvement.”

Sally Cowdry, Camelot Consumer & Retail Director

Also, as mentioned above, in September the Rugby World Cup (third biggest sporting event in the world) launched in the UK. The National Lottery is one of the biggest investors in the grassroots legacy of the World Cup. Therefore, The National Lottery co-ordinated their activity to align with this moment of national excitement to engage the nation in grassroots rugby and their funding of it.

In general, Sport England is investing over £200m of National Lottery funding a year in organisations and projects to get more people playing sport regularly.

Thanks to all these projects, events and communications, Lotteries are happy that they have managed to reach a wide range of citizens and age groups across Europe. Indeed, the European Week of Sport provided EL with the opportunity to once again display in the most concrete way the sustainable model Lotteries belong to and the four core values this model is based on: subsidiarity, precaution, solidarity and integrity.

Indeed, as mentioned above, many of the activities that our Members got involved in, not only had the objective to encourage citizens to adopt a healthy life style, but also used sport as a form of non-formal education, in order to disseminate values, bring together people of all ages, all abilities and different backgrounds, socially integrate and empower the weaker Members of the society, inspiring in general Europeans not only to #BEACTIVE, but also to acquire a lifestyle based on solidarity, precaution and integrity.

As has been indeed recognised by the Council Conclusions of December 2010, Lotteries have had a sustainable contribution to society. All the aforementioned examples of the activities of Lotteries on the occasion of the European Week of Sport clearly show their commitment towards society and their real interest in the well-being of the citizens of their home countries. It is exactly the special and sustainable lottery model that enables EL Members to be a force for good, to work towards making people more active, healthy and happy and making this society a better place to live in. Lotteries indeed belong to a sustainable model in the service of society, in the service of the sustainable lifestyle of citizens across Europe.

Evangelos Alexandrakis
EL Sport Executive Secretary

EL Members who would like to discuss already their activities for the next edition of the European Week of Sport in September 2016, please, contact Evangelos Alexandrakis at el-sport@european-lotteries.org
EL ORGANISES HIGH LEVEL PANEL DEBATE ON THE SUSTAINABLE FINANCING OF GRASSROOTS SPORT

As a sustainable partner of the European Week of Sport, beyond the numerous events organised by its Members across Europe, EL took the opportunity to address on this occasion the major issue of the sustainable financing of grassroots sport. On the very first day of the very first edition of the European Week of Sport (7 September 2015), EL hosted a high level panel debate to address the importance of grassroots sport and the possible ways to ensure its future sustainable funding.

Grassroots sport is a significant activity in Europe because of its contribution to the EU economy and the value it renders to society as a whole. As highlighted in the European Commission’s White Paper on Sport of July 2007, sport activities generate numerous benefits to society and as highlighted by the study of ISCA “the economic cost of physical inactivity in Europe” of June 2015, inactivity costs the European economy over €80 billion per year. Grassroots sport relies on a variety of funding sources – Lotteries being one of them – and a combination of factors, like the recent economic and financial crisis as well as regulatory framework and technological changes may impact these key funding sources.

Against this background, António Silva Mendes (Director for Youth and Sport, European Commission), Stéphane Pallez (President and CEO of La Française des Jeux) and Carlos Paula Cardoso (President, European Non-Governmental Sports Organisation ENGSO) joined the President of The European Lotteries, Hansjörg Höltkemeier, in an open and lively discussion, which touched upon the challenges being faced by grassroots sports.

All participants highlighted the importance of grassroots sports to the European economy and society, and spoke of the need for co-ordination between the diverse funding models for grassroots sport in Europe.

“Promoting increased physical activity begins at the grassroots, and “the grassroots should be the emphasis and the focus of our thinking when talking about sports” according to ENGSO President, Carlos Paula Cardoso. Participants in the debate also discussed certain challenges faced at the grassroots level such as declining membership of sports clubs and lack of investment in infrastructure. These challenges combined create a problem for European society where physical activity is declining overall.

Concluding the debate, Mr. Höltkemeier reinforced that “elite sports are just the tip of the iceberg” and attention must be paid to the grassroots and the important role they play in economic, health and societal terms. He concluded by saying “sustainable funding needs a sustainable business model. The discussion showed that a balanced approach is necessary in the regulation of those business activities that support grassroots sport.”

EL takes this opportunity to warmly thank the speakers and the participants of the event and wishes that the aforementioned points will be taken into account in the discussions at the EU Expert Group “Economic Dimension of Sport”.

The EL President, Hansjörg Höltkemeier, opening the panel debate on the sustainable financing of grassroots sport.
EXPECT BETTER

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Mr. Fisas, you were one of the initiators of the European Week of Sport (EWOS) as a project. Can you say a few words about the way this initiative was brought into light?

The idea of initiating the European Week of Sport came from the report about the European dimension of sport. I was the rapporteur for this report and I proposed to create the European Day of Sport. At that time, the Commissioner Androulla Vassiliou was very enthusiastic about the project and she suggested making a European Week of Sport instead of the initial project. I’m very proud of the result.

The first edition was very satisfactory for us. As a first experience, we think it was positive in so far as it brought sports into the spotlight. By way of example we can underline that now, and for the first time, sport is included in the portfolio of the Commissioner Tibor Navracsics. We can see then the importance the Commission attaches to sports. In the future, it would be positive to link more actors to this initiative, such as other relevant institutions.

One of the objectives of the European Week of Sport was also to promote sports values and the societal role of sport. Nowadays, however, these values as well as the credibility of sport in general are undermined by certain negative phenomena, like match-fixing, illegal betting, as well as governance issues. What is, in your opinion, the role of the EU in terms of the fight against these phenomena?

Sport has very positive aspects; it plays a crucial role in the transmission of values such as solidarity and tolerance for example, it contributes to the education of our children, improves our health etc. We cannot deny that nowadays sport has specific issues that have to be resolved from the institutions. We should promote mechanisms against match-fixing, illegal betting and to improve the good governance of sport. We have seen these last months that sport is not guarded from corruption issues, and we have to fight against that. Corruption and lack of transparency is a danger for the principle of autonomy of sport.

An exclusive interview with MEP Santiago Fisas Ayxelà from Spain

"We should promote mechanisms against match-fixing, illegal betting and to improve the good governance of sport."

The first edition of the European Week of Sport is now behind us. Did this first edition live up to your expectations and do you believe it will have a lasting impact? Do you have any proposals for the future editions of the EWOS?

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"The partnership between Lotteries and grassroots sport is the most efficient way to consolidate sport practice in Europe in the future."

As you know, Lotteries, having been for decades the primary partners of grassroots sport in Europe, enthusiastically embraced the European Week of Sport and signed a partnership with the European Commission concerning its promotion. Indeed, Lotteries organised various national and regional events all over Europe to promote sport and physical activity. How do you see the future role of Lotteries in promoting and supporting grassroots sport and in the EU sport policy in general?

There’s no sport without grassroots sport. We need to protect that. The partnership between lotteries and grassroots sport is the most efficient way to consolidate sport practice in Europe in the future. From the EU, we have to keep launching and supporting initiatives such as the Erasmus+ Sport programme.
Lotteries have always perceived sport as something going far beyond competitions, fun and play. Lotteries have always seen sport as a means to achieve social objectives and, thus, consider September 25 as a historic day for sport and the Olympic Movement. On September 25 the United Nations General Assembly adopted the post-2015 Development Agenda and sport was included in the final outcome of the document as an “important enabler” of sustainable development for the goals, which were adopted by the UN Member States with a commitment to implement them by 2030.

Indeed, convinced that sport and physical activity brings a number of socio-economic returns to society and thanks to the special and sustainable model they belong to, Lotteries beyond the support they have been securing to grassroots sport for decades, have been also pro-actively supporting sport as a driver of social change and have developed relevant projects in numerous countries around Europe.

ADDRESSING INTOLERANCE AND PROMOTING NON-FORMAL EDUCATION AND VALUES

In Israel, for instance, with the goal of adding an extra competitive dimension to sport which would also indirectly serve as an educational tool, the President of the State of Israel launched in 2015 for the first time, the ‘Shield of Honor’ contest, in partnership with the Israel Sports Betting Board (TOTO), and Israeli sport organisations. The contest is based on how teams have expanded their community and social projects in helping to combat racism and to promote cooperation between clubs throughout the country.

In Greece, OPAP SA has formulated a holistic, innovative program which established a national network of 125 amateur football academies across Greece. 10,000 children and 450 coaches are involved, building the future of football in the country at grassroots levels. Most importantly apart from encouraging children to choose sport, through this project OPAP also aims at instilling the value of fair play and team work in children ensuring a solid foundation for the future of Greek sport.

SOCIAL INCLUSION IN AND THROUGH SPORT AND ACTIVE CITIZENSHIP

Traditionally, in many European countries the Lottery has been supporting the Paralympic movement, making sure that people with disabilities get the chance to participate in international competitions. Beyond this support, some Lotteries have gone one step further in terms of the integration of people with disabilities. In Germany our Member Lotto-Toto GmbH Sachsen-Anhalt has supported regional sport games for people with disabilities as well as a Wheelchair sports festival in 2014 and in Spain, our Member ONCE (Organización Nacional de Ciegos Españoles), has contributed to the creation of the Spanish Federation of Blind Sports (FEDC) in 1993 and since then is its main funder.

Our Member Lotto-Bayern in Germany as well, through its Quantensprung 2020 project, supports 5 Bavarian clubs which promote social inclusion through sport, volunteerism and other social developments. Lotto-Bayern is also a partner of “Special Olympics Bayern”, supporting events for people with intellectual disabilities.

GENDER EMPOWERMENT

Many Members of ours have been supporting sport in order to address gender equality and as a tool to empower youth and women. In Portugal, in particular, our Member Santa Casa, in partnership with the Portuguese League Against Cancer – has been sponsoring the Women’s Run, which promotes interpersonal relationships and solidarity to raise funds for such a noble cause. In the UK, also, our Member Camelot has been supporting the “This Girl Can” initiative, which is a 1 £m Lottery funded advertising campaign, run by Lottery Distributor Sport England, and designed at inspiring a generation of women to get active.

“Sport is also an important enabler of sustainable development. We recognise the growing contribution of sport to the realisation of development and peace in its promotion of tolerance and respect and the contributions it makes to the empowerment of women and of young people, individuals and communities as well as to health, education and social inclusion objectives.”

Paragraph 37 of “Transforming our World: The 2030 Agenda for Sustainable Development”

REFLECTIONS & THOUGHTS FOR THE FUTURE

Sport indeed has a significant role to play when it comes to societal issues and could and should be there for society and its weakest members. Sport activities can no doubt also help to address war-related trauma and promote healing by providing safe spaces for activities that enable victims of war to regain a sense of security and normalcy. During the current significant refugee crisis, sport needs to be highly considered as a tool for the social integration of refugees, especially the younger ones, and as a means of war-related trauma relief. Sport activities and play in general can create a sense of belonging and can help individuals re-gain their self-confidence.

Lotteries, fully acknowledging the societal role of sport, and thanks to the sustainable model they belong to, have always seen sport as a tool for social inclusion and integration, youth and gender empowerment, as a means for non-formal education and as a way to address negative societal phenomena.

Evangelos Alexandrakis
EL Sport Executive Secretary
Dear Members,
Dear Partners,
Dear colleagues,

We would like to extend our best wishes for a wonderful holiday season and a new year filled with peace and happiness.

One of the real joys of this holiday season is the opportunity to say thank you! And we indeed would like to wholeheartedly thank you for the great collaboration we had with you over the past year and your continuing support.

While EL is undergoing changes, the EL team actively and enthusiastically embraces the new opportunities to come while continuing to deliver on all tasks, fulfill all obligations and maintain the positive working relations with all Members, Partners and Stakeholders.

Of course, we also count on your valuable support and look forward to our ongoing fruitful cooperation in the year 2016 and beyond for the benefit of the society!

With our sincere wishes for health, happiness and joy in the new year!

EL President
Hansjörg Höltkemeier

The EL Executive Committee & Team

EL Executive Committee
Fernando Paes Afonso, 1st Vice-President
Robert Chvátal, 2nd Vice-President
Torbjørn Almlid
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Jutta Buyse
Clémence Vatier
Alvise Angelini
The European Union has been involved in sport issues for decades, yet it was only in 2009 that it was conferred a formal competence in the area of sport with the entry into force of the Lisbon Treaty in 2009: article 165 of the Treaty on the Functioning of the European Union (TFEU).

According to this provision, the Union ‘shall contribute’ to the promotion of European Sporting issues, taking into account its specific nature, including its structures based on voluntary activity and its social and educational function. From a legal perspective, Article 165 TFEU is a so-called “complementary competence” meaning that it is not meant to replace Member State action by EU action, but that the EU is to support the Member States in developing sport policy. A stand-alone competence in sports is nevertheless a crucial development since 2009, since before that time, the EU was legally obliged to link its sport-related activities and funding programmes to existing competencies in the Treaty, such as education policy.

The new sports competence of Article 165 allowed the EU to provide direct funding for sport, without having to justify this action on other Treaty competencies. More generally, it allows the European Commission to tackle sports in a more comprehensive way, without having to attach it to other competences or objectives in the Treaties. In order to implement this, already in February 2010 a Working Party on Sport was created to assist the Council and the Committee of Permanent Representatives (COREPER) in daily work. As regards incentive measures to “develop the European dimension in sport”, the EU can – on the basis of Article 165 (4) TFEU – adopt incentive measures (though no harmonizing rules) on the basis of the ordinary legislative procedure. Furthermore, the Council may – on a proposal from the European Commission – adopt recommendations to the Member States. On this basis, on 26 November 2013 the Council adopted the first ever Council Recommendation in sport, notably on promoting health-enhancing physical activity (HEPA).

Notwithstanding this statement, the question remains how in a changing regulatory environment, this support can be upheld in a fashion which is sustainable in the long-term. As sport betting activities are more-and-more liberalized across Europe, this will negatively affect (grassroots) sports if the large contribution from lotteries is not safeguarded. One must therefore consider that all sport betting operators must in an equal manner make a contribution to the sport sector, not only to uphold the contribution to sport, but also to create fair competitive circumstances.

To conclude, it can be observed that in the case-law of the Court since the famous Schindler ruling, gambling has been considered a ‘special economic sector’. In a similar vein, it must be recalled that sport is only subject to EU law insofar as it constitutes an economic activity. This was first stated in the well-known Bosman case, and confirmed many times thereafter (Meca-Medina and other cases). This is part of what we have previously called the ‘EU public order’, which ought to be recognized more explicitly by the EU Court of Justice. Namely, the recognition that even if the EU Treaties are based on four freedoms with a distinctly economical and free-market orientation, there are other values which deserve recognition. The specificity of sport, and the specificity of Lotteries (as recognized by the unanimous conclusions of the Council of Ministers in 2010) is an important foundation to such an EU public order: integrity, fairness, openness, transparency, precaution... must all be recognized to be of equal value to economic considerations – be this in sport or gambling. The intimate connection between lotteries and sport, through a deep-rooted commitment to funding good causes, is an important expression of that.
From the first recorded Lottery (KENO slips from the Chinese Han Dynasty between 205 and 187 BC) to the modern multi-million EUR jackpots, the actual game has evolved little.

Lotteries, in their effort to attract players and increase both participation and wagering, have promised excessively big prizes in the past. However, despite the marketing effort, in terms of accessibility and participation, Lotteries have still a long way to go in order to meet the standards of similar industries (e.g. betting). In a world of continuous movement and mobility, the majority of lottery customers need to go to the retail outlet in order to participate. In order to balance the space, Lotteries turned to a solution that has proven to be effective for other industries, the mobile application.

**Going mobile, not an easy path**

Transferring the existing lottery games to a mobile device and adding extra features such as the ticket checker or the store finder was seen as the solution to all customer experience and engagement problems. Based on a recent report, 50% of all Lotteries in Europe, US and Canada operated a mobile app with draw results, news, and store finder being the most common features. This is a staggering 141% increase since 2013. However, the same report depicts that lottery app user satisfaction is consistently below satisfaction levels when compared to average apps in the app stores. The most often cited complaints are bugs/malfunctions, missing functionality (like ticket checker) and poor design/user experience.

Recent data clearly shows that simply offering a mobile application that transfers the existing lottery experience to the mobile device, without taking into consideration the UI/UX trends and paradigms as well as the unique characteristics and capabilities of the device, is not the solution to the problem. On the contrary, it may augment the problem if the offered experience is not up to the customer standards.

**INTRALOT Mobile Lottery, a Game Changer**

That is why, at INTRALOT we designed the Mobile Lottery application based on the fundamental principle that we should deliver a product that offers lottery players a superb playing experience and clearly stands out from the crowd. At the same time, this product should assist Lotteries in achieving their main targets: player engagement, participation and attracting new demographics.

INTRALOT’s Mobile Lottery is the product that will help Lotteries better evolve and take them one step further to the future. An innovative, patent awarded, native mobile application, with a dynamic, exciting and modern user interface that is back-end platform agnostic, enables anytime/anywhere participation in all games and allows operators to offer and monetize the complete lottery experience on mobile devices. The UI that has been designed after extensive usability tests and enhanced from real user feedback, incorporates a flat design in combination with interactive elements, such as the flip animation that enhance the user experience and the excitement of the Mobile Lottery product overall. Touch and gesture based control, allows players to navigate to the games of their choice, see previous results, manage their e-wallets, and even connect with the Lottery retailers.

The results from the field (on a sample of more than half a million iOS and Android downloads and more than four thousand user reviews) show an impressive rating of 4.5 (versus the average 3.9 average app review rating) that is accompanied by significant engagement levels (e.g. more than 94% returning users).

**Focus on engaging millennials**

Attracting millennials is probably the secret for building an evolving customer base and this has become the Holy Grail for the Lotteries. The specific demographic is significantly technology-savvy and uses mobile purchasing more than any other population segment. At the same time they are not easily influenced by brands and are extremely selective in the use of applications. A conventional, unexciting application will most probably not attract their interest. On the contrary, a well-designed app that is easy and exciting to use, will engage and, more importantly retain this demanding audience. Mobile Lottery usage has shown that the majority of user sessions (more than 50%) belong to the 18-35 demographic. Also these are loyal users, since the majority of sessions (more than 60%) originate from multi-session instances and are not just one-time visits.

**Mobile Lottery, a powerful marketing tool**

Another element that has not been fully exploited, is the power of the mobile application as a branding and advertising tool. An engaging app that will not be deleted by the user is a powerful marketing tool. It is not only the player that can access the Lottery anytime, anywhere, but also vice versa. By utilizing push notification marketing campaigns, the Lottery can directly communicate with the customer and affect purchasing behavior. In order to assist Lotteries, INTRALOT has enhanced Mobile Lottery with a push notification and campaign management tool, which allows operators to not only send highly targeted and relevant campaigns to their customers based on their actual activity but also promote offers, special events (Jackpots etc.) or cross-sell other products. The clever use of this campaign management tool has enabled INTRALOT’s customers to achieve more than 170% increase of the Jackpot-related mobile coupons, versus the respective paper coupons played at the retail outlet (despite heavy TV advertising of the Jackpots).

To conclude, jumping onto the mobility bandwagon by itself does not guarantee success. Lotteries must carefully plan these initiatives and more importantly invest to the correct partner that could help them really achieve the quantum leap towards a natively mobile and personalized experience.
By Jonathan Doubilet, Senior Operations Manager
Playtech Sports

A large part of Playtech’s recent focus on development and investment has been in sport and in particular on the mobile channel, and this has resulted in some of the fastest sales growth seen in years by our customers. As both sports and mobile are also key to the future sales growth of lotteries, there are large benefits to lottery operators to leverage these key areas where their regulation allows.

The biggest trend, however, lies away from vertical or channel specific software and in the emergence of omni-channel, an area of development we have largely focused on within the gaming and sports sector in regulated markets such as the UK, and one where we are seeing a growth in demand for across Europe and beyond.

The industry term of omni-channel can be defined as follows:

**The application of the same business strategy for all channels resulting in a consistent brand experience wherever and whenever the customer chooses to engage.**

Consumers today live and play in a world without restrictions and we firmly believe their experience should be the same no matter what the content, where, when or on what device you play. To cater to this demand, where players can play any game, on any platform and on any device using a single wallet anywhere in the concerned jurisdiction and at any time, we have given a name to our unique omni-channel offering, Playtech ONE.

Playtech ONE has enabled our licensees to bridge retail, online and mobile, giving their customers what they want, when they want it, in any location or time and on whatever technology they choose to use. And it now incorporates all our verticals, including sports and lottery technology too, presenting players with the ultimate gaming experience.

**Sport and mobile**

Omni-channel thinking is at the core of every product we develop and deliver. The prime example was the launch of Coral Connect with UK bookmaker Coral, witnessing the industry’s first deployment of a unique, single log-in, omni-channel solution – presenting an innovation that we believe is the future of the sports betting and gaming industry, and for other verticals such as lottery too.

Connect has generated 260,000 new players with Coral omni-channel players contributing more than 40% of Coral.co.uk net revenue.

The growth trend for this product vertical across web, mobile and retail is not about to stand still. It is projected to continue at an even faster rate as further business wins continue and the importance of sports betting to our recently signed agreements and other potential customers gathers speed.

Sports is our number two grossing product and we plan to invest more across a wider base, with the plan of consolidating all our different leading sports technology and products into one, complete omni-channel offering.

**Emerging trends**

There are a number of trends that we expect to see continuing to grow in importance. In the UK – arguably the world’s most regulated and competitive sports betting market – leading operators either offer additional functionality or subtle differences within their offerings with more focus placed on front end user engagement and mobility.

Mobility is a key word with operators paying more attention to mobile-optimised solutions, yet many claim they are mobile optimised, but instead offer an app stretched onto a tablet format, for example. We however, have developed front-end technology that offers a seamless experience across any device, no matter what the screen size, content or location. A retail player, for instance, can now experience the same view, gameplay and offering as a player placing a bet or looking for the best offer on a mobile, tablet or online.

We are seeing a large number of operators re-think mobile solutions and in response we are in the process of going one step further, offering Self Service Betting Terminals (SSBT) players the same experience as mobile devices and desktop. The purpose of this approach is to increase familiarity, cross-sell more effectively, and create greater lifetime value with multi-channel players proven to spend 2.5 times more than other online players.

**Challenges**

We understand the complexities of working within regulated markets with our highly experienced compliance teams routinely working closely with officials in newly regulating or regulated jurisdictions.

However, the sports betting and gaming industry changes rapidly, and we can see there will be even greater change in the coming 12 months and beyond. UK Point of Consumption tax is a perfect example of the major changes that are happening within the world’s most established and regulated jurisdictions.

Market consolidation is an inevitable consequence of this and we have already seen several significant moves. We expect there will be a further ramp up in M&A activity in the coming years, both from operators and suppliers, while we are also likely to see an increase in the number of takeovers of businesses that have a strong brand presence but whom are struggling to compete for reasons of profitability.

This, alongside other increased tax measures, will force many retail-led operators to look to diversify their offerings and adopt the omni-channel approach.

As a result of our pioneering omni-channel technology licensees that have opted to integrate our full solution have generated significantly higher revenues, while we are in an excellent position to take further advantage of opportunities across the globe with many discussions already under way in the UK, other parts of Europe and elsewhere.

Equally, our commitment to our existing licensees is one of the most important elements of our strategy. It is evident that many companies in our industry face increasing competition. We are highly focused on ensuring that we provide a framework and specific tools that allow our customers to differentiate and position themselves to gain market share from other competitors.
Thankfully the days of arguing the merits of mobile as a player-facing sales channel appear to be over. Lottery after lottery has shown that adding a player-facing mobile sales channel increases overall sales. Furthermore, having mobile as a full partner in the channel mix reduces player confusion; players won’t understand why some games are available in some channels and not in others.

This lack of understanding isn’t without merit. The only reason a game available on a traditional Internet channel cannot be made available on mobile or tablet is the technical limitations of the outdated solution on which the game is played. Not something players think about as a general rule but to put it another way, no one would dream of telling players that they could only call the lottery’s customer service desk from their landlines and not from their mobiles.

It is now time to look at opportunities for mobile devices beyond the obvious player-facing solution that many lotteries already have and others are looking to add, barring legal restrictions. Mobile devices, be they tablet or smartphone, are compact yet powerful devices built for internet connectivity and human interaction. Go to any mall in Europe, walk through the stores and notice the POS solutions in use. Many, if not most, will be tablet or mobile devices. The retail industry is rapidly moving away from large, boxy cash registers and towards compact, mobile POS systems. The solutions we provide for our retail networks must follow. There is a genuine opportunity to change the business of running a retail network. In recent years our industry has been focused on “retail network optimization” which has a nice ring to it but it effectively means the number of retailers, and therefore the number of players, which can be reached are reduced.

The benefit of “retail network optimization” is clear: a traditional retail setup approach is expensive and many lower volume retailers simply do not generate enough revenue to justify the expense.

The downside is equally clear: a reduced retail footprint limits the public’s exposure to games and reduces the number of players from which revenue is being gathered. This has serious implications with regards to responsible gaming and further weakens the lottery’s ability to react to sudden changes in trade styles or consumer behaviour in retail. To put it another way, purebred dogs have a small gene pool and suffer from more health issues than mutts who often seem impervious to anything short of the slow march of time.

But there is another, more beneficial way of dealing with retailers who do not sell enough to justify the current setup: reduce the cost of managing a retailer.

There is no doubt that large volume retailers merit special treatment. They need the large terminals with fast printers and big paper rolls. Depending on the volume, a dedicated line and often a backup line from a different provider can be justified just to ensure that all steps have been taken so the retailer can continue selling no matter what happens. The opportunity today is in making low volume retailers profitable.

The growth opportunity is not “optimizing” but expanding the retail network by making retailers of any size affordable. To do this mobile device and mobile solutions are key. Imagine a retailer with a tablet based POS system, or even just a tablet or smartphone in the store, who downloads an app capable of selling lottery tickets. Tickets can be delivered to players either wirelessly or through shared or dedicated printers. Communication for this retailer can be done over the retailers own internet connection, wired or wireless. The cost of setting up this retailer is close to zero. This retailer may not become the biggest retailer in the network but add enough of these small retailers into the network and the proverbial retail gene pool will deepen, making the lottery less susceptible to changes in trade styles. These retailers can also seriously grow revenue. 2000 retailers generating €100 ($107.77) per week in sales adds up to €200.000 ($215,460) per week, or €10.400.000 ($11,204,308) per year. A lot of good could be done with that kind of money and the use of mobile devices, internet technologies and a different way of thinking is key to accessing that untapped revenue.
What do your Lottery’s mobile App and a pair of Nike Air Jordan basketball sneakers have in common? One thing they definitely do not have in common is that your App is not likely to be banned by the NBA, which is what happened to the shoe when it first came out. Nike had paid millions to Michael Jordan for his endorsement ($25 million, reportedly), but because the shoe was not in regulation colors, the NBA ruled them out of bounds. Every time he wore them on court they fined him $5,000.

Disaster? Hardly. As soon as the ban was handed down, Nike’s marketing team moved into top gear. They put out a moody ad with a serious voiceover. “On September 15th,” it intoned, “Nike created a revolutionary new basketball shoe. On October 18th, the NBA threw them out of the game. Fortunately, the NBA can’t stop you from wearing them.” They totally nailed it. People went crazy for these contraband shoes, and Jordan was on his way to becoming one of the richest sportsmen of all time. Thirty years later, sales of Air Jordans are still topping $2 billion annually. So I guess you’re hoping that it’s this unbelievable popularity that your Lottery App has in common with the fancy shoes. That’s up to you, because if you want to make out like Jordan, the way to do it is to be a bit more Nike.

It’s all about understanding the three steps to product greatness – fundamental laws of consumer product success – of which there is no better example than the Air Jordan. There was nothing really new or special about those first 1984 Air Jordan 1s in themselves. The new Jordans featured technology available in plenty of other Nike products. Even the endorsement by Mike Jordan wasn’t unique or groundbreaking. In fact, the only unique feature was the price – $65 – the most expensive shoes in Nike’s range. In many ways, the Air Jordan 1s were a classic first generation new product. The tech wasn’t revolutionary, but the packaging was. The Air Jordan 1 had something in its DNA that consumers fell in love with.

“...something in its DNA that consumers fell in love with.”

That’s the job of your first generation Lottery App: to make a promise, to capture imaginations, to hint of a better future.

The last step to product greatness is an invisible line that products cross where they start to be called “iconic.” It’s too early to think about how a Lottery App might ever make that step, and maybe none ever will. However, it’s not too early to start thinking about how to put your Lottery App strategy on the path to greatness. Ironically, the next step might well be to start replacing your favorite features with your best ones.

If this had been Nike’s strategy, the Air Jordan could well have gone the way of other now defunct lines from the same period. But this isn’t what they did. Twelve months after the Air Jordan 1, they deliberately knocked their own satellite out of orbit. Instead of the colors that had got them banned from the NBA, the Air Jordan II was made in white so Jordan could wear it on court. The shoe-buying crowd went wild. In making this change, Nike had taken the second step to product greatness: The Grounding. Phil Knight, Nike’s CEO, explained it thus: “We used to think that everything started in the lab. Now we realize that everything spins off the consumer.” Initially, the product was all about what the designer thought the customer wanted. Now, the customer had a voice – and Nike listened. They got grounded.

“It’s a brave Lottery director who starts to take things away, but the examples of Nike and Facebook show how.”

Even in the still young world of mobile Apps, this is already a recurring theme among high-performing products. Look at the evolution of Facebook’s smartphone App. At first, Facebook made its App as close as possible in form and functionality to the desktop version. And it was truly a monstrosity – ugly, cumbersome, buggy, slow. But the company was smart. They took data from customer usage, and all the feedback they received, to identify the functionality people used, and what they didn’t. Pretty soon, Facebook was taking features out of their App and improving the capabilities that had earned the right to stay in. The process is ruthless. Recently, they even threw out the Messenger function, once considered integral, and made it a stand-alone App – a decision based 100% on observation of consumer behavior.

iLottery Apps will need to take the step of being grounded if they aspire to greatness. Today’s first generation Apps are chock full of features, from ticket scanners to second chance draws; store locators to directories of good causes. It’s a brave Lottery director who starts to take things away, but the examples of Nike and Facebook show how – you pay attention to what people are doing and you respond. This is not easy. The signals that customers send can be confusing. So learn from the masters. Make lots of small changes, and measure and respond each time. Pick an objective measure of success and be prepared to backtrack if you turn out to have been wrong. Just never, ever, stop trying.

The last step to product greatness is an invisible line that products cross where they start to be called “iconic.” It’s too early to think about how a Lottery App might ever make that step, and maybe none ever will. However, it’s not too early to start thinking about how to put your Lottery App strategy on the path to greatness. Ironically, the next step might well be to start replacing your favorite features with your best ones.
Just about everyone carries a mobile phone. “Mobile first” has become the modern mantra for consumer engagement. Today, 84 percent of Europeans use mobile, and that number is on the rise. So when it comes to entertainment, shopping and other aspects of life, many consumers and companies now have a mobile-first strategy.

While web designers once created the desktop view of a website first and then followed with the development of the mobile version sometime later, today that process is turned on its head. Designers now focus first on developing mobile apps. In the lottery sector, mobile has become an important consumer touch point.

“Aligning with consumer trends, more and more lotteries are realizing the importance of offering a mobile app to their players,” said Michael Lightman, Senior Vice President, Lottery Interactive for Scientific Games. “By design, mobile apps are meant to make consumers’ lives easier and more enjoyable. Because of this, we develop interactive content and technology to integrate easily into the lives of lottery consumers and into the lottery retail experience.”

The three primary ways that interactive lottery products enhance the player experience are through convenience, promotions and e-commerce.

Mobile apps add convenience to every step of a player’s experience with lottery products. While online play is not authorized in all jurisdictions, where it is available, players can use their mobile devices to find lottery – either to play a game online or to locate a retail store. They can also use their mobiles to create ePlayslips, play second-chance and for-fun games, scan lottery tickets, receive promotions, use loyalty points to make purchases in a rewards store and more.

Mobile can also become the player’s wallet that carries the funds they use to purchase lottery products at retail, as permitted by law.

“In a world where lottery is primarily a retail-based sales channel, more and more, lotteries use mobile as a way to modernize the purchase experience,” Lightman said. “The lottery app also provides new ways for players to interact with the lottery’s brand and its games.”

In addition to providing convenience to players, mobile and web provide unique insights into lottery consumers’ purchasing preferences. These insights allow Scientific Games to fine tune value to players by developing more focused products and marketing strategies for lotteries. These digital channels also enable lotteries to create more effective responsible gaming messaging and give players ways to create controls for themselves.

With their new My Loyalty Rewards app released in September, the Maryland Lottery has experienced insights in action. The app, which supports the lottery’s My Lottery Rewards player loyalty program, enables players to scan both draw and instant tickets to find out if they won. Since it was released, it has generated more than 17,000 installs and 7.5 million ticket entries.

“The Maryland Lottery’s new app enables the lottery to enhance the value of games by rewarding players for their loyalty,” said Lightman. “In the process, it provides the Lottery with a much more direct understanding of player preferences.”

In the U.S., Scientific Games is currently the leading provider of lottery interactive content and programs, offering 12 mobile apps available for free download in the iTunes App Store or Google Play Store. Scientific Games’ mobile apps feature a variety of functionality that enhance player experiences with lotteries, as evidenced by the 1.1 billion entries into lotteries’ second-chance games and promotions.

“The consumer experience in all industries has been revolutionized by mobile,” Lightman said. “While the lottery industry has previously been tied to cash, bet slips and pencils, lotteries now have the tools to connect with players in a way that feels natural to them.”

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A year after the European Commission headed by Jean-Claude Juncker took office, several important proposals are moving ahead. The ‘Juncker Commission’ announced that it would focus its work on key package proposals, in President Juncker’s words: “I want a European Union that is bigger and more ambitious on big things, and smaller and more modest on small things”.

A consequence of this approach is that no sector-specific legislation is expected to be proposed on gambling. This has been repeated on several occasions by European Commission officials from the Directorate General responsible for Internal Market, Industry, Entrepreneurship and SMEs which is responsible for gambling.

Although not directly targeted, gambling may be impacted by other pieces of legislation, and notably the “Digital Single Market Strategy” or the “Internal Market Strategy for goods and services”.

The Digital Single Market (DSM) has been published in May, and is a communication from the European Commission which announces 16 initiatives –legislative or not- that will be proposed before end 2016. Each of these forthcoming initiatives is now following its own process, with notably “Public consultations” that will be or have already been launched and whereby the European Commission seeks to receive contributions from various stakeholders and individuals on a specific issue where it considers proposing an initiative.

The European Lotteries has submitted a contribution to the public consultations on “contract rules for online purchases of digital content and tangible goods”, and on the review of the “Audiovisual Media Services Directive”.

EL has submitted a contribution to the public consultations on “contract rules for online purchases of digital content and tangible goods”, and on the review of the “Audiovisual Media Services Directive”.

In parallel to these package proposals which are closely monitored by the EL. EU Representation and the relevant Working-Groups and for which action may be undertaken by the Association, the EL is following the work announced already in the 2012 Action Plan on online gambling, and more specifically on the question of the standardisation of gambling equipment, the assessment of Member States’ national regulatory frameworks on gambling, the cooperation between regulators and the monitoring of the application of the Recommendation on Online Gambling.

Regarding the issue of standardisation, the European Commission held a second workshop on 6 November with stakeholders and is focusing its work on the questions of "reporting obligations of operators to gambling regulatory authorities for supervision purposes" and “Gambling system controls and software”. Three of EL’s experts have participated to this workshop. The outcome of this ongoing work is yet unknown but it is clear that the association will keep a close eye on the follow-up to the workshop.

The European Commission is also urging the national regulatory authorities to sign a ‘Cooperation arrangement’ among themselves. At the time of writing of this article, the ‘Cooperation arrangement’ was not yet signed, but we can expect the cooperation between the regulators to be one of the main important areas in the year to come.

2016 also be the year in which Member States will be asked to report to the Commission on the measures taken pursuant to the Recommendation on Online Gambling and communicate annual data on protection measures and commercial communications.

Many different initiatives from the European Commission, legislative or not, require a precise attention, monitoring and information exchange among EL members. Some of these initiatives may be directly targeting gambling and others aiming at addressing more general sectors, such as the follow-up initiatives to big package proposals. However it remains essential for EL to be active and involved in the discussions at EU level. These opportunities to defend and present the lotteries model and to stress the specificity of gambling require EL to follow closely the initiatives undertaken by EU institutions. It is already clear now that the year 2016 will be no exception.
A TRIBUTE TO BERNADETTE LOBJOIS

During my time as President, Bernadette was a prolific and super-active Secretary General. In that period she proposed many innovations such as the establishment of the Legal Working Group, New Media Working Group, the engagement of professional Lobbying/PR consultants in Brussels and the now legendary European Lottery University. She carried out all of her tasks in a most professional way, serving the needs of EL Members without giving up any of her strongly held principles.

Over her 25 years as Secretary General I have watched her grow and develop the most impressive network of colleagues and “fans” among the lottery community at all levels in Europe and beyond. Her commitment to the job and to the EL Members was never less than total and the extent to which she shall be missed by me, the Members, and the Partners is a measure of the respect and high regard we all have for her.

Ray Bates
EL President 1995-2001

When a European association made up of public sector or quasi-public sector companies has its head office in Lausanne, people start asking questions. When a newly-elected EL President with no previous experience of working with others in the Executive Committee rather surprisingly takes on this new role, even more eyebrows are raised. To all these questions there is a clear answer: Bernadette Lobjois.

She has run, administered and breathed new life into European Lotteries right from its early days. She knows the Members, provides advice and support and is always there. It doesn’t matter whether the Members’ Lottery is large or small, whether the winner is a European from an EU country or lives in the north, south east or west – Bernadette Lobjois notes any problems, takes care of them, brings partners together and points out where a solution may lie.

Our partners in the industry value her because she has made European Lotteries into a fair, transparent and clearly positioned partner. Living proof of this attitude was the Industry Days event, where an interesting idea was turned into a sustainable concept that will always be associated with Bernadette’s signature.

The team working with Bernadette has demonstrated its ambition to put European Lotteries in the spotlight at seminars, conferences and in publications. Only in this way is it possible for the President and the committee to focus on the political struggle to keep gaming for the common good in State hands in Brussels, Luxembourg or at home – a happy medium between an honorary appointment and a full-time position.

Presidents come and go. But throughout the years, there has only been one Secretary General – Bernadette Lobjois!

Thank you – and best wishes!

Dr. Winfried Wortmann
EL President 2005-2009

Bernadette Lobjois, Secretary General of ESLTA since it was founded, is taking a well-deserved retirement.

The new Association of European Lotteries (EL) communicates in four different languages, and thanks to her excellent language skills, Bernadette Lobjois is a master of global communication.

She has demonstrated her talent for HR management and organisation in developing the Association’s magazine, planning and running qualified EL seminars, and preparing for conferences, conventions and meetings of the Executive Committee, including drafting the agenda and taking minutes.

The early years, when I was 1st Vice-President from 1999 until 2001, and then President until 2005, can be described as pioneering. The need to have a presence in Brussels became a success thanks to the assistance of our committed colleague Tjeerd Veenstra (NL).

The personality and profound expertise that Bernadette Lobjois brought enabled her to examine the issues raised in sometimes controversial discussions, with our Association’s interests always at heart.

Bernadette Lobjois is also acknowledged for her work towards EL’s development and high-quality service offer in her 16 years with us. For that she deserves our respect, our recognition and our gratitude.

In Oslo, the new President, Hansjörg Höltkemeier, emphasised the significance of maintaining a permanent presence in Brussels – an integral part of EL’s current overall image. Bernadette Lobjois can be proud to have played a part in writing this history.

Hans-J. Reißiger
EL President 2001-2005

Bernadette Lobjois has been Secretary General of EL for 25 years, the last six of which she spent working with me as EL President. I thank her sincerely for all her work and commitment to me and to the Executive Committee. It goes without saying that all our achievements would not have been possible without her incredible support. She was a totally committed worker for EL and all of its Member Lotteries.

She worked seven days a week to make sure that the Members received the best service possible from their Association. When she believed that something was right for the Association she would not give up until she succeeded in getting her way. She never took the easy path and was never short of ideas for solving all problems both at a local level and further abroad. She was good for the Association and will be difficult to replace. I wish her every success in her future endeavours.

Friedrich Stickler
EL President 2009-2015
Subjects covered this year included the lottery business in Europe, game design, game strategy, retail channels, social media, marketing and brand positioning, multijurisdictional games, digital marketing, sports betting, outsourcing and RFPs, advertising and communications, loyalty programmes, business strategy, corporate social responsibility, financial control and risk management.

Insights were also given into the latest global technology and consumer trends and the current status of European gaming law. Group case studies, under tight time constraints, were undertaken throughout the week covering lottery organisation structures, game strategy, social media, game launches and financial management. Extensive workshops were held on Instant product design and CSR as well.

A wide range of issues were addressed this year, including responsible gaming awareness campaigns, risks and protective factors for problem gambling and reporting mechanisms. Professor David Forrest delivered a fascinating presentation on how problem gamblers rate on a “Happiness Scale” compared to other groups. The participants also had the chance to have an open discussion on the future of Responsible Gaming, to share best practices in terms of the certification process and its implementation and discuss the EU relevant landscape.

Those not yet embarked on the EL Certification process were strongly urged to do so as soon as possible.
This year the seminar focused on issues related to the impact of the Anti-Money-Laundering Directive on the Lotteries’ day-to-day activities, the EU developments, including the Digital Single Market Strategy of the Commission and the relevant case-law. Anti-trust law, matters related to gaming addiction and legal aspects of social games were also discussed. Updates on national regulatory frameworks were also given and there was also a “big legal debate” with the active participation of all attendees, focusing on matters relevant to advertising, the role of regulators and the case of the Danish regulatory market.

The same message was repeated by 2 keynote speakers: “There are two types of companies – those that know they have been hacked and those that do not know that they have been hacked”. When considering the security of communication networks you must be aware that your network extends right down to the end-user. You must design your communications system for failure. While Security is essentially about TRUST there has been a recent shift in sentiment in that there has been a decline in trust among users of the Internet. The subject of Random Number Generators (RNG’s) was discussed in depth – both from the European and the North American perspective - and it was agreed that while the integrity of RNG’s was extremely important, they were just one element in a larger system for which total security and integrity was essential. Security of scratch cards was debated, with the ticket printers asking lotteries to consider preparing standard and agreed forms of printing requirements to help them focus on providing the most secure ticket rather than continuing printing practices and features that were no longer relevant, but were still included in requests for proposals.
Under the general theme “The Lottery as a publisher” the PR/Communications & Social Media Workshop provided the participants with the opportunity to find out about best practices examples, work on real-life case scenarios and learn from each other. Keynote speakers included Danny Devriendt of Mediabrands Publishing and Walter Gelens of akkanto, who provided insights into how to successfully tackle risks that might undermine the Lottery’s reputation. Jack Murray along with Ray Bates supervised the case work exercises of the participants, who managed to find creative and entertaining solutions to the problems set in connecting with two distinct age groups – 18 to 25 year olds and 60 plus players.

The EL organized its first ever seminar on the theme of innovation. World-class keynote speakers such as Professor Alf Rehn and Niklas Modig, digital gurus such as Dietmar Dahmen, researchers, academics, entrepreneurs and executives from leading innovative companies such as UBER and La Poste made impressive presentations to help Lotteries find unique and compelling ways to develop their future offerings.

The sub-theme of the event was “Start-up Spirit”. Three highly innovative Lotteries (Veikkaus, FDJ and Camelot) presented the ways they have developed productive collaborations with a host of different kinds of start-ups and their investors. Seenit, one of the start-ups working with Camelot on capturing winning experiences on video, made a great presentation and a summary video of the seminar.

The event was also highly interactive. Participants were particularly active in social media and in networking assignments on the subject of innovation. Attendees left with a new set of insights on how to help their Lotteries find their own path towards greater innovation.
# Agenda

## Events in 2016

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<th>Month</th>
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| **February** | Joint EL/WLA Marketing Seminar | Dates: 3 – 5 February  
Location: London, UK |
| **May** | Industry Days | Dates: 30 May – 01 June  
Location: Marrakech, Morocco  
Host: La Marocaine des Jeux et des Sports |
| **June** | Joint EL/WLA Sports Betting Seminar | Dates: 21 – 23 June  
Location: Nice, France  
Host: Française des Jeux |
| **December** | Sport Integrity Conference | Date: 7 December  
Location: Geneva, Switzerland |

Registration for all our seminars can be made online at [www.european-lotteries.org](http://www.european-lotteries.org)

All events are available on our website (under events). Announcements are made a few months in advance. **Stay Tuned!**

## Other Events to Come

**2017**
- EL 9th Congress in Krakow, Poland “New Directions”

**2019**
- EL 10th Congress in Moscow, Russia “Inspire to Win”
The startling statistic that smartphone users look at their phones around 150-200 times per day, confirms how mobile devices have completely transformed our lives.

Suffice to say, they’ve also transformed our way of gaming. Not only has mobile made gaming products available everywhere but they’re now more accessible to players than ever before. The successful products are quick to engage and allow players to access a world of excitement and entertainment, anywhere, any time. These products tap directly into the lifestyle of young adults who lead busy lives and look to their smartphone for moments of entertainment throughout the day. Without doubt, mobile is the only way to reach these young adults.

Staying relevant in the age of mobile
For many lotteries, reaching and engaging with this younger demographic is a hugely important challenge. In order to stay relevant, it’s crucial to offer products that fit their lifestyle in a natural way, and for young adults, the most natural way of reaching them is through their smartphone. It means lotteries have to offer a gaming experience that is widely available, easily accessible and offers instant entertainment. Otherwise, the potential player looking for quick entertainment or a brief distraction will head for Facebook or Candy Crush Saga.

The younger demographic are used to excellent user experience across the board. It’s something they’ve become accustomed to from using the world’s most polished and enticing mobile games and apps. So it’s clear that being competitive in the mobile market is all about delighting the players with user experience, sharpening the quality and delivering new features and functionality based on data and consumer insights. Players are more informed than ever with switching costs minimal, and alternative options, many. Everyone is competing for their time. So there is simply no room for lesser products on the mobile.

Redrawing the industry landscape – the mobile opportunity and threat
Mobile gaming has existed for over a decade but it’s only during recent years that it’s really taken off. Looking at the market trends, it’s evident that the mobile boom has had a massive impact on the competitive landscape. Several previous market leaders were caught off guard and as a consequence lost vital market share to new entrants and operators who proved vastly successful by embracing the mobile trend. In the same way that online has disrupted retail, there’s no doubt that mobile will disrupt web in the coming years. The entire industry is increasingly focusing on mobile, as this is where the biggest growth is. This focus provides many new challenges for the lotteries, not least, offering an omni-channel product portfolio with a stand-out mobile offering.

However, the lotteries are in an ideal position to pick and choose what to retain in-house and what to outsource to a supplier. This enables the lotteries to quickly adapt to the changing market conditions and to partner up with a supplier who can provide maximum value for their players. Ensuring, in the age of mobile, that they emerge as winners.

Reconnect with young adults through a modern mobile sportsbook
One of the biggest and fastest growing products in the mobile channel is the sportsbook. A modern mobile sportsbook offers players not only the option to play on what they want, when they want, but as long as young adults remain interested in sports, the sportsbook is guaranteed to stay relevant and attractive. Additional content such as statistics and streaming helps keep them even more engaged. Of course, this needs to be powered by personalisation algorithms to make the displayed content as relevant as possible for them.

Today, sportbook growth is driven by in-play betting in the mobile channel, with player behaviour differing from that in the retail channel or on desktop. Looking at the evolution of the sports betting experience, this is the natural next step. The industry has moved from retail, to web, to mobile, and the betting cycles are becoming increasingly faster, which naturally fit the mobile behaviour of short recreational sessions. Mobile is not just a channel. The consumer behaviour displayed on mobile is already driving new requirements for innovation in the sportsbook. And this is just the beginning.

We believe lotteries now have a fantastic opportunity. By partnering with a leading sportsbetting supplier like Kambi, lotteries can offer their players new and innovative products, specifically designed to fit the mobile consumer behaviour. This enables the lottery brand to connect with young adults, positioning itself as fresh, relevant and innovative. But it also provides a valuable way in for the players to explore the rest of the lottery product portfolio in mobile as well as other channels.

Truly, a win-win outcome.

Kamil Gajewski is heading Kambi’s Business Development and Business Intelligence departments. He has spent the majority of his career in various business development and product roles in the gaming industry and has been working with Kambi since 2011. He holds a M.Sc. in Business and Economics from the University of Uppsala.
Vic engineers ways to extend your lottery’s reach.

In the Digital Content Studio at Scientific Games, Vic Marinelli embraces a “mobile first” approach to digital development: “Our goal is for all players to interact with an optimized experience, regardless of how they are permissibly accessing lottery content.” From bonusing and second chance, to loyalty rewards and iLottery, let Vic and his team show you how you can engage your players in new and exciting ways.

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Responsible Gaming is an integral part of INTRALOT’s solutions. Our state-of-the-art technology and operational expertise enable us to implement responsible gaming practices on behalf of our customers. At INTRALOT we care a LOT.