

Welcome to ILAC Congress 2002

April 2002

PublicGaming

I N T E R N A T I O N A L

A woman with dark, wavy hair and blue eyes, wearing a white blazer and a necklace, is sitting at a desk. She is looking towards the camera. In front of her is a laptop and some papers. A Mexican flag is visible in the background.

National Lottery of Mexico
An Interview with Laura Valdés, Director General

Best Selling International Instant

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The ILTS Intelimark is built around the Epson IR 300

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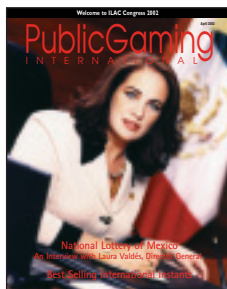
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ON THE COVER:

Laura Valdés de Rojas

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The lottery industry is a socially responsible industry. Lotteries and vendors are extremely sensitive to problem and compulsive gambling, and have taken significant steps to address these issues. I believe that we need to be equally diligent with issues related to underage gambling. It's the right thing to do, and it's also important for our business because critics are always watching us.

Virtually every North American lottery has a program that encourages responsible play, and has had one for several years. Play Responsibly messages are prominent on point-of-sale material, in radio and television advertising, and in print and outdoor advertising. Many lotteries publicize toll free help line numbers for problem and compulsive gamblers. Some have produced public service announcements to air on radio and TV. In addition to these things, in Kentucky we have placed brochures in play centers with Gamblers' Anonymous' 20 Questions and we continually work to educate our retailers about issues related to problem gambling.

Several North American lotteries have also made significant efforts to prevent underage gambling. It is important that more of our lotteries do the same, not only because our governing laws prohibit play by minors, but also because making serious efforts along this line enhances our industry's image. The exact percentage of youth gamblers who play lottery games is unknown. Research over the last decade has estimated the prevalence of adolescent gambling at between 66% and 85% during their lifetime.

While you and I know that we are socially responsible and don't target minors, there are those who mistakenly believe that we do. Critics are constantly watching all of us in the lottery business, waiting for a misstep so that they can bring it to the attention of the media and give us a black eye. For example, the Kentucky Lottery has been under the magnifying glass of a Canadian watch-

dog group in recent months because of a promotional game we did with Pepsi-Cola. The group contacted us a second time because of the upcoming launch of our CD-ROM scratch-off game. While we know these games were not geared toward minors, the watchdog group believed differently. Another example of such concern is legislation pending in Kentucky to require that all lottery vending machines be relocated within the line of sight of lottery retailer personnel or be removed. This legislation appears likely to be adopted. Being unable to convince the sponsoring legislator that it was not necessary, we are supporting the bill after he incorporated our suggested revisions.

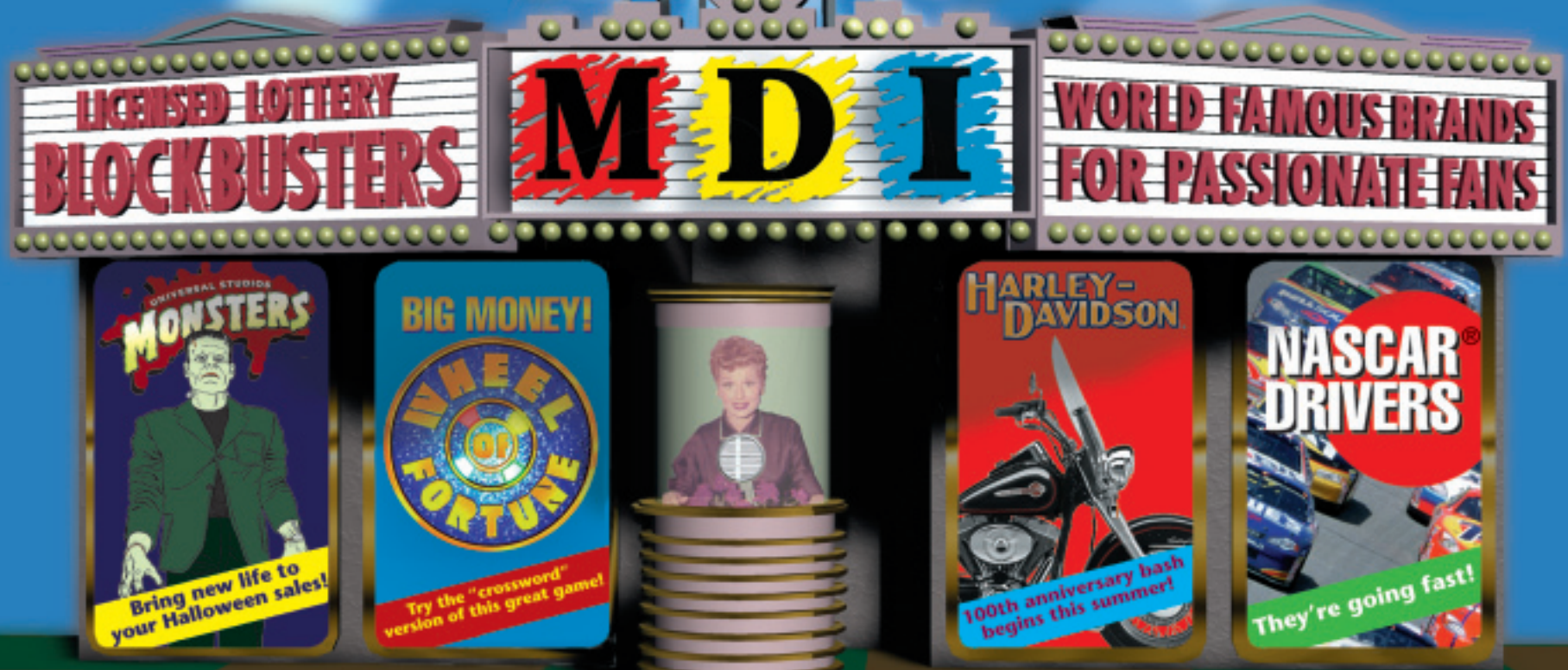
As we're all keenly aware, perception can be reality in the minds of the public and in the viewpoints of those who provide oversight to us. I believe that we all should be very careful when putting together promotions and advertising campaigns. We should be certain to review everything from the perspective of those who seek to criticize us. If there's even the slightest question as to whether something is appropriate, it's better to err on the side of caution.

Further, we should appreciate the watchdog groups for what they do. Their roles are important, but let's not give them even the slightest chance to criticize our socially responsible industry.



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Industry News

Scientific Games Signs Letter of Intent to Acquire MDI

Scientific Games Corporation and MDI Entertainment, Inc. have executed a Letter of Intent for Scientific Games to acquire all of the outstanding shares of MDI (except for the 708,333 shares which are currently owned by Scientific Games) by exchanging its shares for MDI shares at \$2.10 per MDI share. Steve Saferin, CEO, President and principal stockholder of MDI, will escrow approximately \$1.8 million of Scientific Games common stock. The closing of the transaction is subject to certain conditions including execution of definitive agreements, the completion of due diligence and shareholder approval by MDI shareholders.

Saferin will continue as CEO and President of MDI, which will become a wholly owned subsidiary of Scientific Games. MDI will operate as an autonomous business unit and will continue to offer its products and services to all lotteries.

MDI Opens Office in Texas

MDI Entertainment, Inc., has opened a second office in Fort Worth, Texas. MDI President and CEO Steve Saferin said the Texas location provides a more centralized staging area for the company's North American and worldwide sales and marketing efforts, enabling the company to be more accessible to its lottery customers.

The company, which was founded in Fort Worth in 1986, can now be reached at Mallick Tower; One Summit Avenue, Suite 610; Fort Worth TX 76102. Phone: 817-877-8960

BellSouth to Support State Lottery With VPN

BellSouth and Scientific Games Corporation are working together with the South Carolina Education Lottery (SCEL) to deliver the first-ever state lottery virtual private network (VPN) in the Southeast. The VPN solution connects retailers to the SCEL's central computer.

VPN combines multiple technologies, including several methods of secure Internet access to SCEL's data centers and regular phone lines, as well as managed security, encryption and firewall applications.

The VPN solution is a cost-efficient, innovative alternative to high-bandwidth, secure connectivity for lotteries throughout the Southeast.

Editec Signs Contract with LONACI

Editec S.A. has signed a contract with the National Lottery of Ivory Coast (LONACI). The French company will deliver a PMU system including 500 TPM 3000 terminals and 500 OMR that will be connected to 7 regional Centers. This system is expected to be launched in July 2002.

Editec had already supplied computerized lottery systems to the National Lottery of Togo (LONATO) and the Footpools Lottery of Cameroon.

Intralot in Bulgaria

Intralot signed an agreement in Sofia, with the shareholders of the Bulgarian operator of fixed odds betting "Eurofootball" for the acquisition of 49% of the company share capital. Intralot also holds the option of acquiring another 2% of the company.

The price of the takeover amounts to 11.75 million euros. Furthermore, the agreement foresees that "Eurofootball" will modernize its technological infrastructure by the implementation of Intralot's on-line lottery system and new generation terminals "Coronis" with touch-screen design. In addition, the company will proceed with the expansion of the sales network.

Washington State Lottery Extends With Interlott

Interlott Technologies, Inc. has received a pair of one-year extensions on its contract with the Washington State Lottery for the operation and service of the Lottery's 987 ITVMs. With the extensions, the Washington State Lottery contract runs through November 5, 2004.

Spielo Wins Big Contract in Quebec

Spielo Gaming International has been awarded its largest video lottery terminal (VLT) contract. The company will provide 6,100 PowerStation terminals to Loto-Quebec.

The largest VLT contract awarded before this one was also with Loto-Quebec in 1994 when Spielo supplied them with 4,000 VLT's.

WinTV in Slovenia

WinTV, a division of Editec, has delivered the latest Venus System to Loterija Slovenije in Slovenia. This system offers many unique features including the control of all drawing parameters through the use of a PC, the automated recognition of drawn balls, and the integration with proprietary TV bingo software to enable the rapid draw and instant file manipulation necessary for the presentation of this game.

GTECH Introduces Progressives in Rhode Island

GTECH and the Rhode Island Lottery activated the first technically integrated, multi-vendor, wide area, progressive jackpot system on 72 VLTs from four vendors – GTECH, IGT, Spielo and Williams. The flexibility of the GTECH-supplied central system allows each of the vendors to use any of their existing games, while only requiring them to have identical winning odds and display a universal jackpot icon on the screen.

Each of the companies have 18 machines participating. The minimum jackpot for the progressive network is \$15,000. ■

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Around the World

India

Four Indian state lotteries in Maharashtra, Karnataka, Sikkim and Punjabcare finally began selling games online. The games are similar to Lotto in the U.S., and terminals can be found in supermarkets, bookstores, restaurants, phone booths, and other types of venues. When fully operational, it is estimated that there will be 3,500 terminals in the country. ILTS is responsible for putting the network in place.

The first drawing took place in Sikkim on March 5. To make sure the game started with a bang tickets were given away for free. Future tickets will cost Rs 10.

Ireland

Electronic payments company Alphyra joined with Ireland's Rehab Lotteries to collaborate on a new electronic game called the Daily Lottery. The game will be played through Alphyra's terminal network, which currently has over 6,000 machines in the country. The machines are generally used to add credit to pre-paid mobile phones.

In other news, the Irish National Lottery kicked off a new scratch game, Olé Olé, that offers as many as thirty players trips for two to see the Irish soccer team play in the World Cup in Japan. Winners will also receive 2,000 Euros for spending money. The prize package is valued at 7,000 Euros.

Korea

Kolotto, a Korean company, has launched a new lottery targeting foreigners visiting or residing in Korea. The Lottery offers poker, blackjack, a Korean bar-tossing game (yutnori) and casino games, and is available in three languages: English, Japanese and Chinese.

With a grand prize of 10 million won, the games offer a 35 percent payout, the highest among Korean lotteries. The game is available at tax-free shops, souvenir shops, major hotels, and some convenience stores.

New Zealand

In an effort to reverse a \$16 million drop in sales for FY 2001, the New Zealand Lottery tried to lure Lotto players back with three dream holidays. First prize was a vacation for two that comes with a \$30,000 accommodation allowance and \$20,000 spending money. The holidays are different from other dream vacation promotions because they allow for the winners to choose their own destination.

Russia

In an attempt to prevent the use of lotteries as a means of legalizing illegal incomes, the Russian government is considering a bill that would change the Lottery tax. The bill suggests changing the tax applied to lottery prizes, currently 35 percent, to 13 percent. The organizer of the Lottery would then be subject to a 10 percent tax on

Lottery net revenue. Government officials are also seeking a set minimum prize amount that would be subject to tax.

Sweden

Net sales for the Svenska Spel Group increased by more than 11.8% to EURO 1,658.5 million (EURO 1,483.9 in '01). Svenska Spel's profits rose, despite extensive investments for building up Casino Cosmopol, digital TV and the Internet venture. Growth was strongest for the video lottery terminals 'Jack Vegas' and 'Miss Vegas,' for which sales rose by 51%. The subsidiary Casino Cosmopol, which is in the midst of the comprehensive build-up phase of four international casinos, had 125,809 visitors to the two new casinos and revenues of EURO 3.5 million from casino games.

Other points of interest include Internet gaming revenue increasing more than 250 percent, Keno sales jumping by more than 12 percent, and sales of Oddset increasing by more than 20 percent.

Taiwan

Taiwan's Minister of Finance Lee Yung-san stated that the government will change the days for drawing the Public Welfare Lottery to Wednesdays and Saturdays, instead of Tuesdays and Fridays.

The government hopes this change will cut down on the number of workers who have been taking time off work to stand in line to buy tickets.

The minister also said that a warning message will be added to the tickets when current supply of tickets runs out.

Thailand

The Thai government may create a Lottery intended to get voters to the polls. People would register for the Lottery when they vote, and the draw would be held after the election.

The country has a history of widespread vote buying and other voting irregularities, and past campaigns to encourage citizens to go to the polls have not met much success. The government hopes such a Lottery would increase the number of voters and add legitimacy to election results.

UK

UK's Camelot successfully installed a major new IT system with no disruption to the National Lottery network. The change was the result of a year-long £90 million project involving GTECH, Compaq Computers, and Deloitte Touche. The new system allows confirmed results on an evening's draw to be ready two hours sooner.

The Lottery also unveiled a new logo. The centerpiece is a handpainted image of a figure reaching for a star, and is intended to give an impression of integrity and efficiency. The company's new slogan is "Serving the nation's dreams". A full re-launch of the lottery is planned for May. ■



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Lotería Nacional para la Asistencia Pública

Changing the Corporate Culture

An Interview with Mexican National Lottery Director Laura Valdés de Rojas

Public Gaming International recently interviewed Laura Valdés de Rojas to be able to cast a spotlight on our host lottery for ILAC 2002. Read on to find out how this forward thinking Lottery is stepping into the new millennium.

Public Gaming International (PGI): *What can you tell us about the plans for Lotería Nacional para la Asistencia Pública?*

Laura Valdés de Rojas (LN): Lotería Nacional is focused on four main strategic goals: to increase our sales revenues, to reduce our operating expenses, to root out corruption, and to engender a spirit of entrepreneurship, rather than paternalism, within the organization.

Our first two goals are well aligned with those of our sister lotteries all around the world, and therefore can be benchmarked and measured against objective criteria. On the other hand, the other two goals I mentioned, are perhaps more unique to institutions such as Lotería Nacional, which as an aged institution requires modernization, updating and complete change of corporate culture. We are finding of course that these are a different set of challenges, which require a high level of energy and attention to achieve the desired results.

PGI: *I understand you are charged with combining Lotería Nacional and Pronósticos para la Asistencia Pública. What can you tell us about developments in this regard?*

LN: Lotería Nacional para la Asistencia Pública and Pronósticos para la Asistencia Pública share a common mission, to generate funds to support public education and health programs. Although each organization is constituted under a different legal charter, it seems logical that there are synergies to be unlocked by fusing certain operational functions, and savings to be recovered by eliminating duplication. We have formed an internal team to evaluate the processes and make recommendations as to the most viable means of accomplishing these objectives. It is my expectation that we will have a final set of recommendations within six months, and be in a position to take decisive steps before the end of the year.

PGI: *What are your goals for this year and for 2003?*

LN: With respect to marketing and sales, Lotería Nacional para la Asistencia Pública is preparing the ground for the relaunch of instant lottery tickets in the Mexican market. Over the recent past, instant tickets have become an impor-

tant marketing tool- used by a broad range of consumer product firms, as well charities, to generate interest and excitement with young consumers. Our market research indicates that there is more than enough room in the Mexico market for the re-introduction of an instant ticket by Lotería Nacional. We are looking forward to stimulating interest, awareness and sales by the addition of the highly promotable scratch-off or other types of instant ticket to the Lotería Nacional portfolio.

As you know, Mexico is a full-partner with the United States and Canada in NAFTA, which has become a driving force in the integration of the three economies, and is opening up new channels of commerce, communications and culture. Not only do the three countries share a continent, but we also share the reality of finding attractive and lawful ways to raise funds for essential social programs, such as education and health care. In each country, the lottery is not only a state sanctioned fundraising vehicle, but an important cultural icon, which provides a strong sense of identity and participation.

We will also continue to streamline processes through the use of modern management tools and programs, and to automate as many of the outmoded methods and practices, which in the past have been paper-based, thus requiring a significant bureaucracy.

In 2001, Lotería Nacional adopted an official code of conduct promulgated by the President of Mexico, Vicente Fox, which outlines the broad ethical framework in which we now operate. The members of the team are all receiving professional development courses and training in the ethics of the organization. This program is one of the fundamental blocks in building a new institutional culture.

PGI: *What can you tell us about new games on the horizon that will help increase revenue?*

LN: Since the traditional passive lottery is a key component of Lotería Nacional's product portfolio, with a rich history that has developed over the past 231 years and a special direct relationship between the seller ("a billetero") and his or her customer, we are planning to offer a full range of

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Mayor, Superior and Zodiaco sorteos (drawings) throughout the coming years.

PGI: *Do you see a game show in the future of Lotería Nacional para la Asistencia Pública?*

LN: Television is one of the most important media in the entertainment mix in Mexico. We believe that a game show that is culturally relevant and attractive in content would be an important addition to our portfolio. And, with a large group of media savvy young people in Mexico, we would also be interested in more adventurous and unique game solutions that would reach younger Mexicans who are also attracted to and consume video, music and film.

PGI: *What are you doing to support the public image of Lotería Nacional?*



*President Fox, at the El Gordo drawing and the "Billetero's" Day celebration.
El Presidente Fox, en el sorteo de El Gordo y la celebración del Día del Billetero.*

LN: In August of 2001, Lotería Nacional established the Transforma México trust fund. The Fund's mission is to identify non-profit organization programs that support education and health programs for Mexico's most vulnerable. The Board of Directors periodically meets to authorize the distribution of grants from the funds that are generated by Lotería Nacional through cost savings or other economic efficiencies.

In 2002, Transforma México has distributed \$120 million pesos to 42 organizations, not only in Mexico City and its metropolitan area, but also in the states of Puebla, Nuevo León, Sinaloa, Jalisco, Guanajuato, Oaxaca, Guerrero and Coahuila. ■

La Lotería Nacional para la Asistencia Pública Transformando la Cultura Corporativa

Entrevista con Laura Valdés de Rojas, Directora General de la Lotería Nacional para la Asistencia Pública

Public Gaming International entrevistó recientemente a Laura Valdés de Rojas, con la finalidad de poner en la mira pública a nuestra Lotería anfitriona de ILAC 2002. A continuación ilustraremos la manera en la cual esta Lotería, enfocada al futuro, ve de frente al nuevo milenio.

Public Gaming International (PGI): *¿Qué nos puede contar de los planes que tiene la Lotería Nacional para la Asistencia Pública?*

Laura Valdés de Rojas (LN): La Lotería Nacional concentra sus esfuerzos en cuatro metas estratégicas, a decir: incrementar nuestros ingresos a través de las ventas, reducir nuestros gasto operativo, erradicar la corrupción, y engendrar un espíritu empresarial –en lugar del paternalismo– dentro de nuestra organización.

Las dos primeras metas están bien alineadas con los objetivos de nuestras loterías hermanadas en todo el mundo, lo que permite que sean referenciadas y medidas contra criterios objetivos. Por otro lado, las otras dos metas citadas quizá sean más típicas de instituciones como nuestra Lotería Nacional para la Asistencia Pública, la cual,

como una institución que tiene cierta antigüedad necesita ser modernizada, actualizada y dotada de un cambio radical en su cultura corporativa. Naturalmente, nos hemos percatado que este conjunto de desafíos tan diferentes requieren de un nivel alto de energía y atención si se han de lograr los resultados deseados.

PGI: *Entiendo que Usted es la responsable de combinar la Lotería Nacional para la Asistencia Pública y Pronósticos para la Asistencia Pública. ¿Qué nos puede contar acerca de los avances que llevan al respecto?*

LN: La Lotería Nacional para la Asistencia Pública y Pronósticos para la Asistencia Pública comparten una misión común: la de generar fondos para apoyar la educación pública y los programas de salud. Aún cuando las cartas consti-

tucionales de las instituciones son diferentes, me parece lógico decir que existe una sinergia que se puede desencadenar al fusionar ciertas funciones operativas, a la vez que se producirá un ahorro al eliminar las funciones que se duplican. Hemos formado un equipo interno cuya tarea será evaluar los procesos y presentar las recomendaciones más viables para poder cumplir con estos objetivos. Yo espero que dichas recomendaciones estén listas en seis meses y entonces podremos tomar pasos decisivos antes de que finalice el año.

PGI: *¿Cuáles son sus metas para el presente año y para el 2003?*

LN: En lo que se refiere a comercialización y ventas, la Lotería Nacional para la Asistencia Pública está preparando el terreno para el relanzamiento de billetes instantáneos en el mercado mexicano. Durante los últimos años, los billetes instantáneos se han convertido en una herramienta importante en la comercialización, utilizada por una amplia gama de empresas de productos consumibles, así como las organizaciones de asistencia social. Esto ha generado un gran interés y expectativa en los consumidores jóvenes. Nuestra investigación de mercado indica que estamos en el momento óptimo para la reintroducción del billete instantáneo de la Lotería Nacional en México. Estaremos fomentando el interés, informando acerca del producto y las ventas al agregar el billete instantáneo de tipo ráscale u otros tipos, a la cartera de productos de la Lotería Nacional para la Asistencia Pública.

Como bien saben, México es socio del TLCAN –con Canadá y los Estados Unidos. Este acuerdo se ha convertido en el motor de integración de las tres economías, y está abriendo paso a nuevos canales de negocios, comunicaciones y cultura. No sólo compartimos un continente entre los países, sino que también compartimos la realidad de encontrar formas atractivas y legales de recaudar fondos para los programas sociales básicos, como lo son la educación y el cuidado de la salud. En cada uno de los países la lotería es un vehículo autorizado por el Estado para la recaudación de fondos, y es a la vez un importante icono social que promueve sentimientos profundos de identidad y participación.

Seguiremos agilizando los procesos mediante el uso de herramientas y programas de gestión modernos, automatizando los métodos y las prácticas anticuadas, mismos que hasta ahora se han manejado en papel, por lo que requieren de un alto nivel de burocracia.

En 2001, la Lotería Nacional adoptó un código de conducta oficial, promulgado por el Presidente de México, Vicente



Laura Valdés and the children and organizations with checks.

Laura Valdés con los niños y las organizaciones, sosteniendo cheques.

Fox, que describe el marco ético general bajo el cual operamos. Los miembros del equipo están recibiendo cursos profesionales de desarrollo y capacitación en la ética de la organización y este programa constituye una pieza clave en la construcción de una nueva cultura institucional.

PGI: *¿Qué nos puede contar acerca de los nuevos juegos en el horizonte que están diseñados para ayudar a incrementar sus ingresos?*

LN: Dado que el billete pasivo tradicional es un componente clave de la cartera de productos

de la Lotería Nacional, una rica tradición que se ha desarrollado a lo largo de los últimos 231 años y que resulta en una relación directa y muy especial entre el billettero y su cliente, queremos ofrecer la gama completa de sorteos –Mayor, Superior y Zodiaco– en años venideros.

PGI: *¿Imagina usted la posibilidad de un programa de concurso televisivo en el futuro de la Lotería Nacional para la Asistencia Pública?*

LN: La televisión es uno de los medios más importantes en el área de entretenimiento en México. Creemos que un programa de concurso–que sea culturalmente relevante y de contenido atractivo– agregaría un valor importante a nuestra cartera. Con el gran segmento de jóvenes conocedores de los medios que tenemos en México, nos interesaría también un género de concursos diferente, de más aventura, que pudiera alcanzar a los mexicanos jóvenes que son atraídos por (y consumen) videos, música y películas.

PGI: *¿Qué pasos han tomado para apoyar la imagen pública de la Lotería Nacional?*

LN: En agosto del 2001, la Lotería Nacional creó el fideicomiso Transforma México, cuya misión es la de identificar programas de organizaciones no-lucrativas que apoyen a los programas de educación y salud para los mexicanos más vulnerables. El Consejo de Administración se reúne periódicamente para autorizar la distribución de subvenciones provenientes de los fondos generados por la Lotería Nacional para la Asistencia Pública –resultado del ahorro en costos y ot.

En 2002, Transforma México ha distribuido la cantidad de 120 millones de pesos a 42 organizaciones, no solo en la Ciudad de México, sino también en los estados de Puebla, Nuevo León, Sinaloa, Jalisco, Guanajuato, Oaxaca, Guerrero y Coahuila. ■

A Glimpse at the Latin American Lottery Market

In the spirit of ILAC, Public Gaming International recently interviewed representatives from four different Latin lotteries to see what was happening in various jurisdictions. The result is an interesting blend of information on everything from what games are played and the revenue they generate, to marketing ideas that are floating around the region. Enjoy!

Public Gaming International (PGI): *How many Instant games is your Lottery currently selling at the same time?*

Loteria de El Salvador (El Salvador): Three.

Loteria Nacional del Ecuador (Ecuador): Currently we are selling 17 types of instant games.

Loteria del Valle del Cauca (Colombia): Currently the reglament 643 prohibits the sale of instant lotteries games. We are in the process of getting this regulation change.

PGI: *What are the ticket prices for the various Instant games?*

El Salvador: \$0.50 and \$0.60

Beneficencia del Valle (Colombia): Our only product is the Lotería del Valle, which sells to the public for \$2.50 a ticket and \$1.25 a fraction.

Ecuador: Our ticket prices are equal to \$0.25 US for each ticket of Raspadita (instant).

PGI: *Do you offer any "licensed," instant games featuring internationally known brand names like Harley Davidson or Caesars Palace?*

Ecuador: Actually we offer licensed instant games featuring well known national personalities or brands from Ecuador and Latin America like Condorito and Peter el Escamoso. In the past we have used Betty la fea, a famous soap opera character.

PGI: *If you do offer "licensed" games, is merchandise being offered as prizes in any of these games?*

Ecuador: We have not had the opportunity yet.

PGI: *Do you have "second chance" drawings in connection with any of your games or do you plan to have them?*

Del Valle de Cauca: Yes, we are planning to release an instant game called "Raspa – Raspa", (Scratch, Scratch) that will play at the same time as the Lotería del Valle.

Ecuador: Yes, we are planning to have the instant game "Juega Doble" (Play Double)

PGI: *What new online games, if any, are planned?*

El Salvador: Lotto

Lotería del Cauca (Colombia): The Magic Ticket

Lotería del Tolima (Colombia): Together with two other government lotteries, we are planning a game called The Magic Ticket (El Billete Mágico) that will be played on the Web of companies and with profits going to UNICEF in Colombia.

Beneficencia del Valle: Virtual Play of the Lotería del Valle.

PGI: *Does your Lottery offer any games that do not fall into the instant, online or video category? If yes, please describe.*

Beneficencia del Valle: Yes, the Beneficencia del Valle, also has the Betting Game where the player takes an active role in determining how to play – it is not pre-printed. The player can play from 1 to 4 numbers. On a form he indicates how many numbers he wishes to bet, the amount of each bet, and with which lotteries he wishes to play. This game is distributed by permanent gaming outlets. The game is regulated by the Reglament 643, 2001.

Ecuador: In Lotería Nacional Ecuador we have 2 additional weekly draw-

ings of traditional games. The one is called Lotería with 100,000 numbers and 20 fractions. Each ticket is combined with a tear off instant ticket. The price of each number with 20 fractions is \$10 and each fraction is \$0.50. The major prize is \$250,000 and the list of prizes amounts more than \$500,000. The other traditional game is called Lotto with a weekly printing of 1 million numbers. The price of each ticket/number is \$ 0.25 and the big prize is \$40,000.

PGI: *What were your overall sales in Fiscal Year 2001?*

El Salvador: \$46.3 million. Instant 23.8 %, traditional lottery 76.22%

Lotería del Tolima (Colombia): Traditional lottery sales \$4,799,515; permanent gaming (concesions) \$23,588,592.

Cauca: Col \$14.345.526.00

Del Libertador (Colombia): 16,000,000,000.00 Colombian Pesos

Beneficencia del Valle: In the year 2001, the gross sales for the Lotería del Valle went up to (\$12,043,453) and the Permanent Gaming reached up to (\$8,465,673).

Ecuador: \$52 million. Instant 4%; 74%; Lotto 22%.



Javier Castillo (Ecuador)
Administrador General

PGI: *What are you doing in marketing that might be of interest to others?*

El Salvador: As a result of our market study, we have established points of sale in the main cities with the following two objects: to establish our brand name, and to open permanent points of sale.

Del Tolima: In August last year, the Lottery of Tolima started to operate as a Government industrial and commercial corporation, changing its image. Based on market research, we have a new communication strategy that concentrates on why people buy lottery tickets. We are now implementing new channels of distribution like e-commerce, and direct sales through community leaders. Also, we have established a recreational cultural program in neighborhoods close to our main office. We have an office to serve the clientele in Bogota, Colombia.

Del Libertador: We publicly describe our plan for prizes, put a lot of thought into web page design and marketing through the Internet, we advertise better prizes every year, create incentives for retailers, and expand sales more in individual regions by adding more retailers.

Ecuador: Promotions with co-branding (General Motors, LG electronics and others). We also Provide marketing and public relations on our projects for the poor; training of our street vendors which are informal small.

PGI: *What sort of marketing/advertising help would you like to receive from others?*

El Salvador: Establishing campaigns to market the lottery as

an innovative commercial enterprise, and to do a marketing plan by zone.

Del Tolima: Information on new games directed at young people between 18 and 30 years old, creating a wide range of new products and games, to serve the growing market. Other publicity and marketing alternatives are also needed. We are also trying to get to a point where we get a repetitive sale of products, 2 to 3 times per month, from our existing customers. We are working to Expand Channels of Distribution, adding 3 channels, to reach a wider geographic area of the Lottery market, during next year. We've begun implementing service Training Programs, directed to distributors, sellers and distribution channels that have been established during the year 2002. During 2002 we were also striving to strengthen the presentation and image of the product to gain credibility and more interest, and be more attractive. Period: January to December year 2002. Finally, we are looking to attract special markets generated by external factors like holidays, and sporting events.

Ecuador: Retailing and distribution on-line

Beneficencia del Valle: We would like to know about other marketing strategies currently in use by other Lotteries in the Global Markets; which new products in the gaming industry are about to be released by the Multinationals; and how the Multinationals distribute their gaming products and plan their strategies and what publicity are using. ■

PGRI 2002 Conferences

International Lottery Expo 2002

Co-Host: Florida Lottery

August 1-4, 2002

Loews Miami Beach Hotel,
Miami Beach, Florida USA

For more information on PGRI conferences, please contact Elsie Grote.

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Una Percepción del Mercado de Loterías en América Latina

Con motivo del Congreso de ILAC, Public Gaming International recientemente entrevistó a representantes de cuatro diferentes organismos de loterías de América Latina para enterarse de nuevas actividades que se están realizando en sus jurisdicciones. El resultado es una interesante mezcla de información general desde lo que hacen, los ingresos que generan y hasta las ideas de mercadotecnia que están presentes alrededor de la región.

Public Gaming International (PGI): ¿Cuántas variedades de juegos instantáneos está vendiendo su lotería?



Lotería Nacional del Ecuador (Ecuador): En los momentos actuales tenemos 17 diferentes instantáneas que se están comercializando.

Lotería Nacional de El Salvador (El Salvador): Tres

PGI: ¿Cuáles son los precios de los diferentes juegos instantáneos?

Beneficencia del Valle del Cauca (Colombia): Nuestro único producto es la Lotería del Valle, el cual tiene un precio al público de \$2.50 el billete y \$1.25 la fracción.

Ecuador: Nuestra política de precios apunta a mantener precios iguales a 0.25 USD cada boleto de raspadita (instantánea)

El Salvador: \$0.50 y \$0.60

PGI: ¿Ofrece usted alguna clase de juegos instantáneos con "licencia" que representan nombres de marcas internacionalmente conocidas como Harley Davidson o Ceasars Palace?

Ecuador: En los actuales momentos si ofrecemos juegos instantáneos con licencia de personajes o marcas conocidas en el ámbito nacional (Ecuador) y a nivel latinoamericano tales como Condorito y Pedro el Escamoso. En el pasado hemos usado Betty la fea, personaje principal de una telenovela exitosa.

PGI: ¿Si es que usted ofrece juegos con "licencia", incluye también la mercadería como parte del premio?

Ecuador: No hemos tenido la oportunidad aún.

PGI: ¿Tiene usted sorteos de "2 oportunidades" en conexión con alguno de sus juegos o está planeando tenerlos?

Beneficencia del Valle (Colombia): Si, estamos proyectando lanzar al mercado un juego instantáneo "Raspa - Raspa", que juegue paralelo con la Lotería del Valle.

Ecuador: Si tenemos planificado la instantánea "Juega Doble".

PGI: ¿Qué juegos en Línea está planeando?

Lotería del Tolima (Colombia): En asocio con otras dos

loterías estatales, se está realizando un proyecto para el juego Billete Mágico que jugaría a través de las páginas Web de las empresas y cuyos ingresos serán destinados a respaldar la labor de UNICEF en Colombia.

Beneficencia del Valle (Colombia): Juego Virtual de la Lotería del Valle.

El Salvador: LOTTO

PGI: ¿Su lotería ofrece algunos juegos que no están dentro de la categoría de los Instantáneos, En Línea o Video?

Beneficencia del Valle (Colombia): Si, la Beneficencia del Valle, paralelamente tiene en el mercado el Juego de Apuestas Permanentes, es un juego activo, no es preimpreso, por el contrario el jugador, hace parte activa del juego, determinando de que forma quiere jugar. El apostador puede jugar desde una cifra hasta cuatro cifras. En un formulario describe los números que desea apostar, el valor de cada apuesta y con que Loterías desea jugar. Es distribuido por casas de apuestas permanentes. El juego es regulado por la Ley 643 de 2001.

Ecuador: ¿En Lotería Nacional Ecuador tenemos dos juegos tradicionales de sorteo semanal. El uno se llama Lotería con 100,000 números y 20 fracciones. Cada boleto es combinado con instantáneo desprendible. El precio de cada número con 20 fracciones es de \$10 y de cada fracción es de \$0.50. El premio mayor es de \$250,000 y el plan de premios total suma más de \$500,000. El otro sorteo tradicional se llama Lotto con una emisión semanal de 1 millón de números. El precio de cada boleto / número es \$ de 0,25 y el premio mayor es de \$40,000.

PGI: ¿Cuál fue el total de sus ventas en el año fiscal del 2001?

Lotería Del Tolima (Colombia): Venta de Lotería Tradicional: \$4,799,515. Venta Apuestas Permanentes: \$23,588,592 (Concesión)

Beneficencia del Valle (Colombia): En el año 2001, el valor de las ventas brutas por el producto Lotería del Valle ascendieron a (\$12,043,453) y por concepto de Apuestas permanentes alcanzaron la suma de (\$8,465,673).

Ecuador: 52 millones de dólares. Instantáneo 4%; Nombres de juegos Lotería 74%; Lotto 22%.

Lotería del Libertador (Colombia): Diez y seis mil millones de Pesos Colombianos (\$16,000,000,000.00).



José Pito Zamora,
Gerente General,
Lotería del Cauca



El Salvador: \$46.3 millones. Instantáneo 23.8%, Lotería Tradicional 76.22%

PGI: *¿Qué es lo que esta haciendo en marketing que pueda ser de interés para otros?*

Del Tolima (Colombia): A partir del mes de agosto del año anterior la lotería inició operaciones como Empresa Industrial y Comercial del Estado, por lo cual se realizó un cambio de imagen

corporativa y una estrategia de comunicaciones motivada a las principales razones de compra de lotería, resultado de la investigación de mercados realizada a nivel local. Actualmente se están implementando nuevos canales de distribución, como e-commerce, venta directa a través de líderes comunitarios, con un programa de esparcimiento cultural en las comunas de la ciudad donde tenemos la sede principal. Apertura de oficina de atención al cliente en la capital del país.

Ecuador: Promociones con co-branding (General Motors, LG electronics y otros); Relaciones públicas mercadológicas sobre nuestra obra de beneficencia; Capacitación a nuestro vendedores microempresarios informales ambulantes.



Del Libertador (Colombia): Solamente vendemos Lotería Tradicional. De la emisión vendimos el 17%.

El Salvador: Con los resultados del estudio de mercado, se han preparado brigadas de venta en las principales ciudades con dos objetivos: Presencia de marca; Apertura de puntos de venta fijos.

PGI: *¿Qué tipo de asistencia en marketing / publicidad le gustaría recibir de otros?*

Del Tolima (Colombia): Información sobre otros juegos de suerte y azar novedosos, que puedan ir dirigidos a jóvenes entre los 18 y 30 años de edad, alternativas y diversificación de productos de juegos de suerte y azar, tendientes al aumento de participación en este mercado. Propuestas alternativas de publicidad.

Beneficencia del Valle (Colombia): Conservar la actual base de Clientes-Distribuidores del Producto Lotería del Valle durante el año 2002. Lograr una repetición de compra de 2 a 3 veces por mes de nuestro producto, entre los compradores finales (atraer al consumidor final). Ampliar los Canales de Distribución, adicionando 3 canales, para lograr un mejor cubrimiento del mercado de Lotería, durante el próximo año. Implementar Programas de Cultura de Servicio, dirigido a distribuidores, loteros (as) y canales de distribución que se hayan establecido durante el año 2002. Fortalecer la presentación e imagen del producto logrando aumentar la credibilidad y atracción. Período: enero a diciembre año 2002. Atraer mercados volátiles generados por fac-



tores externos como "puentes" festivos, eventos deportivos. Período: enero a diciembre año 2002.

Ecuador: Retailing y distribución on-line

Del Libertador (Colombia): Mostramos actualizaciones de planes de premios, diseño de página web, comercialización a través de internet, premios mejorados, incentivos a loteros, bajamos valor de fracción y queremos establecer la venta por regiones a través de concesiones.

PGI: *¿Qué tipo de asistencia en marketing / publicidad le gustaría recibir de otros?*

Beneficencia del Valle (Colombia): Nos gustaría conocer cuales son las estrategias de marketing que actualmente ejecutan las Loterías en Mercados Globalizados. Que productos nuevos en el mercado de Juegos y Azar están próximos a ser lanzados por las Multinacionales. Que productos de Juegos y Azar tienen las Multinacionales y que canales de distribución y estrategias publicitarias emplean.

El Salvador: Campañas emotivas de comunicación en cuanto a la lotería como empresa comercial, innovadora, plan de mercadeo por zona. ■

A P P O I N T M E N T N O T I C E



loto-québec

GAÉTAN FRIGON
CHAIRMAN AND CHIEF
EXECUTIVE OFFICER

MR. GAÉTAN FRIGON HAS BEEN APPOINTED THE NEW CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF LA SOCIÉTÉ DES LOTERIES DU QUÉBEC (LOTO-QUÉBEC), EFFECTIVE FEBRUARY 18, 2002.

MR. FRIGON HAS NUMEROUS YEARS OF EXPERIENCE IN THE RETAIL SALES SECTOR, MOST NOTABLY IN THE FOOD INDUSTRY. PRIOR TO JOINING LOTO-QUÉBEC, HE WAS PRESIDENT AND CHIEF EXECUTIVE OFFICER OF LA SOCIÉTÉ DES ALCOOLS DU QUÉBEC (SAQ).

CREATED IN 1970, LOTO-QUÉBEC CURRENTLY HAS A WORKFORCE OF OVER 6,000 AND TOTAL PROFITS OF \$1.3 BILLION. WITH A MANDATE TO MARKET GAMES OF CHANCE, THE CORPORATION IS COMPRISED OF SEVERAL SUBSIDIARIES, INCLUDING LA SOCIÉTÉ DES LOTERIES DU QUÉBEC, LA SOCIÉTÉ DES CASINOS DU QUÉBEC AND RESTO-CASINO, LA SOCIÉTÉ DES BINGOS DU QUÉBEC, LA SOCIÉTÉ DES LOTERIES VIDÉO DU QUÉBEC, INGENIO, AS WELL AS TECHNOLOGIES NTER — A JOINT VENTURE COMPANY ACTIVE PRIMARILY ON INTERNATIONAL MARKETS.

www.loto-quebec.com

From the Publisher,



A Window of Opportunity

Every eight or ten years it seems that economies of all countries take a hit of some type that sets-back the finances of governments. Now is such a time.

When that happens there are often major dislocations in government programs - people lose their government jobs, agencies reduce their services to the public and plans for improvements and expansion of government programs for the public good are shelved. As painful as these events are, there is at least one positive effect; legislators are more willing to recognize the public's desire to raise money voluntarily, for good causes, through the lotteries and hence the legislatures may approve expansion of the games.

This is a window of opportunity for the legislatures and for the lotteries to get expansion plans approved and implemented that would have faced greater legislative resistance during more favorable economic times.

If you believe that your lottery is a good thing and if you believe that the beneficiaries of the lotteries are

worthwhile, then this is the chance to help extend the benefits and provide more services for the public good, without the need for increased taxes, by encouraging your legislators to approve lottery expansion plans.

Like the NASA launch of a satellite into space, there is only a limited window of time for that launch to get the resulting orbit that they want. They either launch in that window of time or else they have to wait until the next favorable time frame.

So it is with the lotteries. Now is the window of opportunity for governments to make better use of their lotteries by approving new games that result in added benefits. If legislators fail to approve legislation to launch new games in this time frame, the wait for another chance may be lengthy.

Duane Burke
CEO and Publisher

Una Ventana de Oportunidad

Cada ocho o diez años parece que la economía de todos los países sufren un contratiempo que afecta el estado económico de sus gobiernos. Esto es lo que está sucediendo ahora.

Frecuentemente cuando esto sucede se eliminan programas gubernamentales - hay los que pierden trabajos estatales, agencias reducen servicios para el público; y planes de mejoramiento y desarrollo de programas de gobierno para el bienestar público quedan paralizados. Tan dolorosos como son estos eventos, al menos tienen un efecto positivo. Legisladores están más dispuestos a reconocer el deseo del público para recaudar fondos en forma voluntaria para causas benéficas a través de las loterías y de allí que las legislaturas podrían aprobar con más facilidad la expansión de los juegos.

Esta es una buena oportunidad para la legislatura y para las loterías, para la aprobación e implementación de planes de expansión que anteriormente hubieran enfrentado más resistencia legislativa durante tiempos económicamente más favorables.

Si usted cree que su lotería tiene buenas causas y si

crea que los que se benefician valen la pena, entonces ésta es su oportunidad para ayudar a extender los beneficios y proporcionar mayores servicios para el bienestar público, sin necesidad de incrementar los impuestos, y alentar a su legislador que apruebe planes de expansión a las loterías.

Como un lanzamiento espacial de la NASA de un misil entrando a una órbita específica, sólo hay una ventana limitada de tiempo para ése lanzamiento, o si no habrá que esperar hasta otro momento más favorable.

Así es con las loterías. Ahora hay una ventana de oportunidad para que los gobiernos hagan mejor uso de sus loterías aprobando sus nuevos juegos. Si los legisladores fallan en su aprobación de legislaciones para lanzar nuevos juegos en estos momentos, la espera para otra oportunidad quizás pueda ser demasiado larga.

Duane Burke
CEO and Publisher

Scientific Games to Acquire 65% of Serchi

Scientific Games Corporation has signed a Letter of Intent to acquire 65% of Serigrafica Chilena S.A. (Serchi). The purchase price will be a maximum of \$8,255,000, of which \$3,900,000 will be paid in cash at closing and up to \$4,355,000 in cash or stock will be paid upon the achievement of certain earnings targets over the next four years. The acquisition is expected to take place within sixty days and is subject to certain conditions including execution of definitive agreements and the completion of due diligence. After completion of the agreement, Serchi will change its name to Scientific Games Latino America.

Lorne Weil, Chairman and CEO of Scientific Games said, "Historically there have been significant duties on the import of instant tickets and phone cards to Latin America which, together with logistical issues, made doing business there prohibitive. This acquisition opens the door to a significant new market for Scientific Games. In Central and South America, approximately 1.1 billion instant tickets and 360 million prepaid phone cards were sold last year and none of these products incorporated the product development, advanced communications, printing technology and

security that Scientific Games uses to protect issuers and their customers."

"We will work closely with Serchi to offer Latin American customers the same high quality products and services we offer to our customers in other parts of the world," Mr. Weil continued. "While we will provide our expertise in manufacturing, design and security, Serchi will give us the benefit of its twelve years serving the Latin American market. The fact that Serchi is well known in the marketplace should also enable us to increase sales quickly once the acquisition is complete."

Eugenio Gonzalez, Managing Director of Serchi said, "This acquisition will give us much more marketing power in Latin America. We will have access to Scientific Games' huge library of games, its creative and engineering staff, as well as the knowledge Scientific Games has gained from having sold over 100 billion tickets since 1973. In addition, we can leverage Scientific Games' relationships with many of the telephone companies in this region to sell more mobile phone cards. We are looking forward to working with Scientific Games to significantly expand our market share throughout Latin America." ■

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Best Selling

International Instants

Recently, Public Gaming International conducted a survey on the best selling instant tickets in North America. It became a forum for each lottery to share the ideas that made their hot selling scratchers such big sellers. The article was so well received that we've expanded the idea to include international lotteries. While not everyone was in a position to share at the present time, we certainly did come across some great tickets, each with its own interesting selling point. So sit back and enjoy as we take you on a whirlwind trip across the planet to see what's selling in the different corners of the world.

Western Australia:

Game: Hit Me

Price Point: \$4

Payout: 75%

Odds of Winning: 1:3.97

Top Prize: \$80,000

Lowest Cash Prize: \$6

The television commercial produced for this ticket was quite different, and achieved significant cut-through to the target market (males 18 - 35). However, while the advertising drove customers into stores to try the game, it was the ticket design (based around a gaming theme) and the high payout percentage that ensured repeat purchase.

The initial order for this game was one pool of 500,000 tickets, which sold out in just 5 weeks. Another pool was ordered and has nearly sold out already - based on this success the game will keep running indefinitely. However, the Lottery will be dropping the payout percentage to 65%, as the volume of tickets they are selling is costing far too much in excess prize payouts (the usual percentage is 60%).

National Lottery of Kazakhstan

Game: Signs of Zodiac

Price Point: 50 tenge (current \$1=152 tenge)

Payout: 50%

Odds of Winning: 1:3.85



Top Prize: 100,000 tenge (1st game) and car 'Niva' (2nd game)

Lowest Cash Prize: 59 tenge

This game was successful due to the 12 different designs of the tickets, all based on the signs of the Zodiac. Also, this Instant featured two games on one ticket, one with the a prize of cash, the other with a car.

Four million tickets were printed for this game, but the Lottery is not planning to run the ticket again in the near future, because they don't want their players to get bored with it.



Colorado Lottery

Game: Colorado Crossword

Price Point: \$3

Payout: 65%

Odds of Winning: 3:11

Top Prize: \$75,000

Lowest Cash Prize: \$3.00

Colorado Crossword created a base \$3 game. Players say they like the play style and the failure concept.

The Lottery will update the game with new graphics and look at other changes to enhance the product.

Camelot (UK)

Game: Millionaire
 Price Point: £2
 Payout: 68%
 Odds of Winning: 1:5.18
 Top Prize: 5 top prizes of £1million
 Lowest Cash Prize: £2



Millionaire was the first National Lottery scratch card ever to offer a top prize of £1 million. It also didn't hurt that the game had a massive above and below the line advertising campaign including TV, Radio and POS in store. Research was conducted after the first series of Millionaire showing that new players were playing this game.

Due to the success of Millionaire a second series was launched on 3rd November 2001. This second series was color pulsed blue. No decision as yet has been made as to whether Camelot will be running another series of Millionaire.

The Romanian National Lottery

Game: Zodiac
 Price Point: 6 000 lei = \$0.20
 Payout: 48.8 %
 Odds of Winning: 1:3.40
 Top Prize: Apartments
 Lowest Cash Prize: 6 000 lei = \$0.20



The game was successful because it's an intelligent combination of the four Ps in marketing: attractive product, best price, proper place & correct promotion. The horoscope theme is very popular in Romania. The Lottery intends to extend the concept of the game in a TV show (Zodiac Univers or LotoZodiac).

This year (2002) the Lottery launched a new Zodiac ticket.

Esti Loto (Estonia)

Game: LOTOSPORT
 Price Point: 10 EEK
 Payout: 51%
 Odds of Winning: 1:3
 Top Prize: 100,000 EEK
 Lowest Cash Prize: 10 EEK

The success of this game began in its design (especial-

MDI Licensed Games – Excitement in the Air!

Bob Kowalczyk, Senior VP and General Manager, MDI Entertainment, Inc.

Welcome, ILAC attendees!

There's a saying that goes, "You could feel the excitement in the air!" A goal by your favorite team during a crucial World Cup contest; any time smiling Elvis Presley strolled on stage in Las Vegas; a legendary movie celebrity getting their personal star on the Hollywood Walk Of Fame – they represent occasions when we could literally "feel the excitement in the air."

As the leading provider of licensed lottery games, MDI's job is to capture that value out of the air and put it into lottery games. Since 1986 MDI has offered to lotteries famous licensed brands that all have something in common – game themes that rise above generic instant tickets in their ability to generate interest, enthusiasm and EXCITEMENT among players and ticket sellers alike.

FIFA's World Cup 2002®, Elvis Presley®, HOLLYWOOD and many other world famous brands are available from MDI to lotteries around the world. Our promotions feature memorable ticket images and dream-come-true merchandise and experience prizes that a lottery can use to recruit new players or to bring back lapsed players, or just to give your core players some fun that is out of the ordinary.

Evelyn Yenson, former Executive Director of the Washington State Lottery, leads MDI's International Sales Division. Evelyn and the rest of MDI's team of lottery veterans can customize a licensed game program to create such a consumer stir in your marketplace that you will be able to "feel the excitement in the air!" ■



ly the die-cut shape) and the idea of the project – the 13 best-known and most favorite sportsmen in Estonia are involved with it. Also the three different games on the ticket (three out of five; two similar figures, collection of five letters –S,P,O,R,T) helped with the popularity. Although it was successful, the Lottery will probably not going to run this game again, because it will lose its novelty.

Westdeutsche Lottery GmbH (Germany)

Game: Extra-Gehalt
 Price Point: 1,00 DM
 Payout: 50 %
 Odds of Winning: 1:4.1
 Top Prize: 4,000 DM monthly for 10 years
 Lowest Cash Prize: 1,00 DM



The following points were important for the success of this game. The top prize, the "Extra-Gehalt", is a highly attractive top prize. It means that the winner gets a monthly sum of 4,000 DM paid for ten years. It could be seen as an extra salary. If the winner doesn't want a monthly payment he can get the top prize in one sum, equal to 363,000 DM. Other contributing factors include radio advertising with an attractive spot, and advertising methods at the sales points

The Lottery reintroduced the game on January 2, 2002 with the introduction of the Euro. In 2001, the game ran from March to July. This year they'll be selling from January to June. The price point is now 0,50 Euro - which means the game is cheaper than last year. They decided not to change the name of the game because they believe that their customers have the "Extra-Gehalt" still in mind and remember it positively.

Iceland

Game: Launamidinn
 Price Point: 200 kr. (appx. \$2)
 Payout: 57%
 Odds of Winning: 1:5
 Top Prize: 100.000 IKR per month for 10 years (appx. \$1,000 US per month)
 Lowest Cash Prize: 200 kr. or the ticket price.



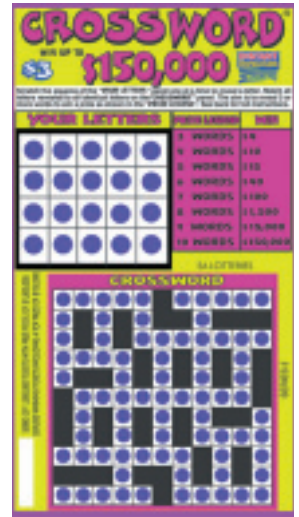
Loosely translated, Launamidinn means the pay-slip or pay check. The name and marketing strategy refers to the fact that the winner will subscribe to pay checks every month. The perpetual top prize was a novelty on the

Icelandic lottery market and helped position instants as a flexible and interesting form of lottery. The ticket was profitable since it has a higher price point than the regular purchase of the average customer and did not cannibalize the existing products.

The game will be developed gradually and stay constantly on the market alongside other instant products. The Icelandic market is small and therefore the supply of new games and game concepts is limited.

SA Lotteries (Australia)

Game: Crossword Series 2
 Price Point: \$3 (Aus)
 Payout: 60%
 Odds of Winning: 1:3.99
 Top Prize: \$150,000
 Lowest Cash Prize: \$4



Crossword retained its excitement as it was a relatively new product which had been launched only months earlier. SA Lotteries produced a dedicated television commercial for the product which created interest in the Extended Play concept. The television was supported by full point of sale material and in addition, the ticket design contrasted with other colors and designs in Instant Scratchie dispensers. Finally, no other Extended Play games existed in the market place during this time, which reduced cannibalization.

The game has continued with the current Crossword game in its seventh series. Crossword is produced four times per year, with each run having a life of approximately 9.43 weeks.

SAZKA

Game: Stastna Cisla (Lucky Numbers)
 Price Point: CZK 20
 Payout: 50%
 Odds of Winning: 1:3.11
 Top Prize: CZK 20.000
 Lowest Cash Prize: CZK 20



This game was very marketable, especially to women. The game played on a numerology theme, and numerology (as well as horoscopes) is usually very popular.

This game was just relaunched in March. ■

Base Games Vital To Long-Term Instant Strategy

Kevin Anderson, Business Development Director-EMEA, Scientific Games International

Instant game variety is the spice of life in North America. Currently, the five Canadian lotteries launch an average of 50 new games annually – as do the Top 16 per capita U.S. instant lottery jurisdictions. Overlays of year-round base games (and base game line extensions) play a supporting role to this overarching strategy.

The majority of Europe's leading lotteries employ a multiple-game strategy to some extent and with varying degrees of success. The markets have been segmented – on a macro-level – with game mechanics, concepts and themes that would be instantly recognisable in North America. Extended play games, Win for Life, Licensed products, Theme games are all to be found amongst the instant product offering of most European Lottery Organisations. And yet it is the BASE product, the CORE game, the PILLAR product – call it what you will – which is at the very heart of the most successful instants in the Old Continent.

Indeed, lotteries throughout Europe build their instant sales and marketing strategies predominantly around base games (and base game line extensions), with variety playing the supporting role.

To the typical consumer, base games – positioned and man-

aged as brands – become much more than names; they also become familiar, recognizable, tangible, comforting and performing partners, as opposed to strict impulse purchase items.

Building sales and marketing strategies around established brands have multiple benefits, including:

- The predictability of a routine, regular sales pattern from base games enables lottery management to more comfortably absorb the risks associated with introducing the more novel game concepts designed to appeal to a broader base of players or reach a specific niche market.

- Creative and/or cutting-edge concepts – which occasionally test well but do not respond according to research – can be tested, in effect, in a real-world environment without fear of alienating regular, repeat purchasers upon whom the European lotteries depend.

- The strongest brands can be leveraged into brand extensions – a cost-effective method of injecting fresh appeal and novelty without sacrificing name recognition.

Establishing a core offering of base games requires time and patience but should be considered a vital part of any long-term instant game marketing strategy. ■

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Ohio Improves Access to Instant Ticket Information

In February, the Ohio Lottery made it easier for agents to access instant ticket prize information. The information, listing prizes of \$20 or more, is updated each Monday and available on the Lottery's Web site, at ohiolottery.com. If there are no prizes available at a specific prize level, that information is included as well. The information is e-mailed to all on-line agents every Monday, and is available to instant-only agents by request during their sales representative's bi-weekly visit. In May, all agents are expected to have access to a gaming terminal report that will list top prizes available in all instant games. Agents are also sent monthly posters with instant ticket prize information to share with customers.

House Committee Approves Internet Gambling Law

Bob Goodlatte is at it again, and this time his efforts to regulate Internet gambling are showing real promise. The latest version of his anti-Internet gambling legislation was unanimously approved by the House Judiciary Subcommittee on Crime. His bill, which will update the Wire Act of 1961 to apply to Internet and Mobile commerce is a little more lenient this go-round. This time tribes will be allowed to regulate Internet gambling within their own borders, and the bill would also allow for exemptions on state lotteries, horse racing and dog racing.

New Zealand May Use Internet to Boost Lotto Sales

A decline in sales for the New Zealand National Lottery's Lotto could receive a boost from online computer games. A Lotteries Commission official suggested online gambling to a parliamentary committee in late February, and ensured legislators that the Lottery had means of controlling online games so that under-aged players could not participate.

If implemented, the games would come with a personal computer, or be found on the Internet. A Lottery paradigm that could only be accessed by adults would be hidden within the game.

The Commission is also considering selling Lotto tickets via mobile phones, through a site on the Internet, and even electronic kiosks.

China Online

A website designed specifically for Chinese users has been launched in China. This is significant because to date, most websites operating in China have been marketed for foreigners. The site, run by Sunny Casinos and found at 888883333.net, is not only in Chinese, but the

layout of the site has a very Chinese flavor to it, and sports a God of Fortune.

China, the most populous country in the world, currently houses 33.7 million Internet users – a figure that is expected to climb extensively. Players can use several payment options, including NETeller, Western Union, Bank Draft, Cashiers Check, Money Order and Wire Transfer.

New Californian Internet Gambling Bill – Bad News for Bettors

The California State Assembly has voted 61-2 on a bill to make it a crime to do business in Internet gambling and also makes bettors a target for prosecution.

Under the bill, any operator of any online gambling game would be guilty of a misdemeanor and could face up to 90 days in jail and a fine of \$1,000 per transaction.

Those who are convicted of betting on an Internet game would be found guilty of an infraction and fined up to \$25 per transaction.

The bill, introduced by Assemblyman Dario Frommer, would allow online bets on horse races.

Rimpac Launches Lottery Promotional Web Site At InternetLOTO.com

Rimpac Resources Ltd. has launched a promotional Internet lottery Web site introducing to potential lottery players worldwide the upcoming debut of InternetLOTO.com.

The company is developing and producing InternetLOTO.com, a premiere global Internet lottery Web portal, where worldwide players may purchase e-tickets online to win huge jackpots offered by various state and government sanctioned lotteries. Players around the world will be able to view live Webcasts of weekly drawings.

The promotional site contains information describing the advantages when players log onto InternetLOTO.com to purchase e-tickets versus waiting in line at various ticket distribution outlets. Also, players may request to be notified of company's news releases and announcements.

Australia's Tattersall's Goes Online

Australia's oldest gaming company has launched its own online casino. In business in Australia since 1896, the company showed you can teach an old dog new tricks by kicking off TattsGames.com. The site is operating under a license from the Tasmanian Gaming Commission.

Player options include blackjack, poker or slot. There's a 20% sign-up bonus available to attract new players.

The company has taken measures to ensure that players from certain countries, including Canada, the U.S., and Australia cannot place real money bets at the site. ■

Lotteries and the Internet Part 3

Public Gaming International recently conducted a survey to find out how lotteries worldwide are using the Internet. Last month we showed how lotteries were using the Internet for VIP Clubs and entry into second chance drawings. In this installment of the series we provide a forum to allow lotteries to show how they are using the Internet for ticket sales and ecommerce.

Ticket sales and ecommerce

Delaware Lottery: The Delaware Lottery is in the early development and planning stage to offer a subscription service online, with implementation planned for late 2002 or early 2003.

Maryland Lottery: There is not a lot we can do in E-Commerce until the laws change regarding the sale of lottery products on the internet. Currently we offer applications for subscriptions on-line; however, we cannot have any electronic transfer of funds. Eventually, we plan to put procurement solicitations on-line.

Other than that we can use the Internet to promote new games and special promotions. The website does feature interactive scratch-off tickets for players to test.

Kentucky Lottery: Like most other lotteries, we're watching to see what unfolds. On-line sales would have to be limited to within a state's borders. That presents some challenges. On-line sales would also take a significant investment of financial and human resources, if it ever becomes politically and socially acceptable to do so. At this point no U.S. lottery seems to be prepared to make the investment or face the political questions that will certainly be raised.

We have a complete e-business strategy outlined that we have started to implement and will continue to implement over the next several years. In addition to all of the player information, the Kentucky Lottery presently issues bids on-line, posts job openings on-line, accepts resumes on-line, conducts player research on-line, and has its televised drawings on-line. We're in the process of developing the framework for our retailers to do their business with us on-line. They'll be able to check their account status, review game sales history, order games, give us feedback on potential new games, and do many other things through the website.

Veikkaus (Finland): We have all our online games (lottery, sports betting, etc.) on the internet today. Scratch Tickets are not there yet, but we're looking at them for future product development.

We are currently selling games at the rate of 1,000,000 Euros per week via our self-service channel. Along with the basic Internet site we are selling through WAP, VRU (voice response unit) and Nokia Communicator retailed light interface. Other technologies will follow as they hit the market

(digital TV, 3rd Generation mobile etc.)

New Zealand National Lottery: We see the Internet as an interesting potential distribution channel, but probably more in terms of what we can learn from it and then apply to future interactive channels (eg mobile phone telephony, interactive TV, etc).

Traditional lottery games are not particularly well suited to distribution via new and emerging e-commerce channels. The industry in general, therefore, faces the challenge of coming up with new games which, while still essentially being lottery games, must also be better suited to distribution via new media.

Mifal Hapais (Israel): We are facing some legal issues with remote purchases and are awaiting an amendment to the law in order to go forward with this issue. We are planning to go forward with Internet sales once it is legally possible.

Currently the Israeli National Lottery uses the interactive media in order to back up off line campaigns, promote awareness of our products via simulations over our web site (non selling activity), promote awareness of our good deeds, and approach a market share that is not exposed to our products on the streets.

The National Lottery of Kazhakstan: We are planning ticket sales over the Internet, maybe by the end of the year for tickets of TV Bingo.

New Jersey Lottery: New Jersey has no immediate plans for ticket sales on the Internet.

The Lottery does have a Retailer Web Site which went live in August of 2001. The Retailer Web Site reduces administrative time and costs for the Retailers and the Lottery. The Web Site provides coordinated, real-time accounting sales data for licensed chains and stores, as well as Lottery Personnel. It also provides merchandising and training materials for the retailers to promote all lottery products. Just recently the web site was expanded to include instant pack inventory tracking. Retailers can now track on-line, at any given time, the status of any instant book of tickets beginning from shipment to their store through settlement.

SA Lotteries (Australia): Restrictions currently imposed by Government Internet gaming legislation have prevented online ticket sales implementation and limited development related to electronic wagering, as well as other forms of e-commerce related to online gaming.

Eesti Loto (Estonia): AS Eesti Loto has been using the Internet for ticket sales since December 2001. The games available are Keno-Loto (10/20/64 keno, draws twice daily) and the Nordic joint game Viking Lotto. The player's interest has been quite promising. ■

Wincor World 2002

The Ultimate Trade Fair for Future-Oriented IT Solutions

You simply had to be there. If you weren't – you definitely missed out. The Wincor World in-house fair was more than just a product exhibition. The innovative products and solutions for retail, lotteries and banks presented at Wincor World 2002 from January 29 - 31 were a true demonstration of Wincor Nixdorf's ability to satisfy all the special requirements of a highly complex market.

The Company once again presented itself as a total solutions provider and put the spotlight on the topics of IT enterprise management, customer relationship management and multi-channel banking and retailing. As well as the now traditionally large group of customers from the retail and banking sectors, this year saw a larger number of visitors who were interested in solutions for lottery and service station companies, postal services, and the hospitality sector. In addition to visitors from other European countries, guests traveled from as far away as the U.S. and Taiwan.

What was evident as soon as visitors entered the Wincor Nixdorf pavilion is that the Company wanted to offer something special to its international visitors from 40 countries. Light-flooded and transparent, the spacious floor plan gave a clear view of the stands belonging to the individual business units. Even without a trade fair guide, visitors were able to find their way around easily and always knew exactly where they were in the large exhibition area. The space never felt confined, even given the crowds of up to 14,000 visitors.

The promise of the first impression was then fulfilled at the stands of the individual business units. All the products and solutions were presented both fully functional and in realistic environments – entirely in keeping with what is expected from Wincor Nixdorf, whose product philosophy is firmly focused on people and their natural interaction with

technology. As a result, visitors were able to experience a wide number of innovations for themselves without requiring the assistance of the stand staff. For example, at the scent terminal, users were actually able to experience the newest perfumes.

What does today's ideal lottery outlet look like? The Lottery Solutions business unit had the answer to this question.

Having teamed up with store design specialist, Selecta, the business unit combined its state-of-the-art lottery products with a professional shop design to unveil a visionary lottery outlet. This meant that customers witnessed infotainment of the highest caliber. The key features were the innovative lottery terminal Xion /M, equipped with Ximotion, the very first multimedia board for lottery terminals, and Xion /XS, the brand new mini-terminal for lottery outlets with low customer frequency.

In the self-service area, the individually configurable Lotto-InfoBoard and Certo kiosk terminals show-cased their user-friendliness. TIVOLI – the perfect back office solution with integrated monitoring system – completed Lottery Solutions' remarkable exhibition.

At this year's fair, Wincor Nixdorf was not only concerned with what customers currently need, but even more so with demonstrating what was technically feasible – and often went far beyond the scope of visitors' imaginations. That's why it was so important to be there. ■



Connecticut Turns 30

The Connecticut Lottery Corporation celebrated its 30th Anniversary on Friday, Feb 15. The festivities were kicked off with a ceremony and reception in the Autorino Great Hall of the Bushnell Center for the Performing Arts. Former Connecticut Gov. Thomas J. Meskill, who signed the lottery bill into law, and John "Tony" Miscikoski, the former Torrington state representative who pushed the passage of that bill, were both in attendance.

Since 1972 the Lottery has generated \$12 billion in sales, awarded nearly \$7 billion in prizes to its players, granted over \$500 million in commissions to its retailers, and has transferred over \$4.6 billion to the General Fund. The first tickets sold for 50 cents and the first prize was \$5,000.

Pennsylvania Beneficiary Reorganizes Programs to Stretch Dollar

The State of Pennsylvania is implementing new programs to enhance long-term care services to older Pennsylvanians. The programs, which receive funding from the Pennsylvania Lottery, allow more elderly people to decide how and where they receive long-term care – which should translate into more seniors receiving in-home care. It had been recently reported that even with Lottery dollars pouring in, the programs were having financial difficulties due to an increasing number of seniors.

One new program, called the "Bridge" program, implements cost sharing, which is structured to require only those who can pay for services to do so. Pennsylvanians who are 60 and older, have an income of no more than \$1,635 per month, and have assets under \$40,000 qualify. They will pay a portion of the services they need until their resources decrease down to Medicaid eligibility.

By the end of 2002, the departments of Aging and Public Welfare expect to serve an additional 11,000 seniors who are in need of long-term care services, but who wish to remain at home or in their community.

Washington Senate Wants Big Game – Other Lottery Expansions Possible

The Washington State Senate voted 27-22 to let the state Lottery join a multi-state game. The idea, championed by Gov. Gary Locke, is also included in the House version of the state's budget. Locke has his sites set on The Big Game, and if successful, Washington would be the first western state to join the game.

The state is in such dire financial straits that even gambling opponents have looked at the estimated \$24 million the game could bring in, if tickets were selling by October, and voted in favor the game.

Things are looking favorable for The Big Game to make it through the House, where the Democratic majority is not only pushing for the Big Game, but is also looking to

add Keno at retailers and let bingo halls install electronic scratch games. Combined, the new games would bring in an estimated \$135 million for the state.

South Carolina Senate Okays Spending Plan

The South Carolina State Senate gave the nod to a Lottery proceeds spending plan that sends proceeds to area colleges and universities, allows for free tuition at technical and two-year colleges, gives money for maintenance and repair at historically black universities, and pumps money into LIFE and Hope scholarships, among other things. The bill now heads to the State House of Representatives. Some House members have expressed concern that grades K-12 are being left out, but others feel higher education should get the emphasis, since that's what voters believed they were voting in at the polls.

New Mexico Lottery Wins Advertising Awards

New Mexico advertising industry representatives have recognized the New Mexico Lottery with three awards for broadcast and direct marketing campaigns at the 36th annual ADDY awards.

The Lottery received awards for its radio commercial touting the Slingo scratch game, a television campaign highlighting Lottery retailers and the Lottery's fifth anniversary in 2001, and a direct marketing campaign featuring a computer mousepad designed as a graduate's mortarboard.

Loto-Quebec appoints new CEO

Mr. Gaétan Frigon has been appointed the new Chairman and Chief Executive Officer of la Société des loteries du Québec (Loto-Québec), effective February 18, 2002.

Mr. Frigon has numerous years of experience in the retail sales sector, most notably in the food industry. Prior to joining Loto-Québec, he was President and Chief Executive Officer of La Société des alcools du Québec.

Bill Hennessey, Instant Games Manager for CT Lottery To Retire.

Twenty years and millions of scratch tickets later, Bill Hennessey, who has served for many years as the Instant Games Manager for the CT Lottery, will retire on April 1 (no fooling!). In the early days of his lottery experience, Bill traveled throughout the state with a drawing team, conducting hundreds of lottery second-chance drawings. Over the years, he acted as host on "The Rainbow Jackpot" and "The Money Tree," two of the Lottery's televised game shows. Bill has been instrumental in building CT's instant game program to the successful level that it is today. Pete Donahue, former Assistant Games Manager for the CT Lottery has taken over for Bill. ■

Atlantic Lottery

The Atlantic Lottery Corporation has entered into a cross promotion with Greco Pizza for the new Scratch'n Win product Pizza Dough. The \$1 game is unique in that Greco has donated almost enough Greco prizes to make every ticket a winner. A typical \$1 Scratch'n Win game offers odds of 1 in 3.5 to 1 in 4.0. The odds of winning any prize on the Pizza Dough ticket are 1 in 1.0001. Top prize is \$5,000, other prizes include free pizzas. ALC is supporting the product with television advertising as well as POS materials.

Colorado

Soon, Colorado Scratch players will have the opportunity to win a Harley-Davidson motorcycle. The new \$3 game, Harley-Davidson features a top prize of \$75,000. Players can submit non-winning H-D tickets for a chance at one of six Harley-Davidson 1200 Custom Sportster motorcycles, or one of 1,130 merchandise packs.

The Lottery's new Cash 5 Promotion was developed to create an exclusive on-air feature, culminating with prominent event presence at the Cinco de Mayo Celebration in downtown Denver.

Every Monday through Saturday, a Denver radio station (KOOL 105) will announce the previous nights Cash 5 numbers and draw the winner of 105 Cash 5 tickets.

All daily winners will be automatically entered to win weekly "Dream Prizes" and ultimately a trip for 5 to Mexico. The winner of the trip will be announced on-stage at the Cinco de Mayo Celebration in Denver.

The five "Dream Prizes" consist of: 5 months worth of utility payments; 5 months worth of grocery payments; 5 months worth of car payments; 5 months worth of credit card payments; and 5 months worth of mortgage payments.

Delaware

This month the Delaware Lottery is introducing its new comprehensive signage program to identify Lottery Retailers.

The Delaware Lottery has developed a signage program with a full range of materials that include its new logo and tag line. The program was designed to provide a variety of options to meet the needs of the Lottery's network of more than 440 Retailers. Outdoor, entry and indoor signage promotes all the Delaware Lottery Games, including outdoor sidewalk signs, banners, business hour signs, and jackpot awareness signs for Powerball and Lotto.

Signage components included in this program were selected based on feedback from Retailers and Lottery field representatives. Each component was created to inform current Lottery players and potential players of licensed Delaware Lottery Retailer locations and encourage players and non-players to buy tickets. These signs have been designed not only to identify Retailer locations, but also to enhance a Retailer's exterior and interior décor.

A sign catalog also has been developed that includes spec-

ifications and proposed usage for each sign. Lottery field representatives will use the catalog as a marketing tool to present components to Retailers and determine where and how signs will be displayed prior to delivery of the items.

Florida

Florida Lottery players once again have a chance to win a new Harley-Davidson Sportster 1200 Custom motorcycle or Heritage Softail Classic motorcycle with the HARLEY-DAVIDSON Instant.

This is the second year the Lottery has offered H-D motorcycles as a prize for one of its Scratch-Off games. Players have a chance to win more than \$10 million in cash prizes, including a top prize of \$10,000.

Players also have a chance to win a Harley-Davidson Heritage Softail Classic motorcycle and other H-D merchandise in one of four second chance bonus drawings. Four-hundred Harley-Davidson merchandise prize packages will be awarded in each drawing.

Also, the Lottery recently polled players with the question: "If you won the LOTTO jackpot, what would you do about your job?" Nearly 2,000 players voted, and 30 percent, the most in any category, said they would keep working for a few months until they decided what to do with their LOTTO millions. Right behind at 26 percent, or 527 voters, said they would retire the next day! Third place, with 17 percent, would provide the standard two-week notice before going on a permanent vacation. Fourth place (14 percent) were concerned that \$9 million just may not be enough to retire on! This group would only consider retiring if the jackpot were \$10 million or more. Nine percent said they love working so much that they would keep their job and continue working indefinitely. Four percent said they would keep working at their job, but donate their salary to charity - while of course living lavishly off their winnings!

Idaho

The Idaho Lottery introduced the licensed \$2 Harley-Davidson Instant Scratch Ticket at the end of March. Idaho players can win one of seven Harley-Davidson Sportster 1200 Custom Motorcycles, Harley-Davidson merchandise valued at \$390, or cash prizes instantly! In addition there will be a second-chance drawing providing players with the opportunity to win an eighth Harley-Davidson motorcycle. There will be a total of 5 drawings to select a finalist from each to attend the Grand Prize Scratchoff at the Boise River Festival in June.

Promotion for this game will be at the "Firebird Roadster Show," on the Idaho Lottery web site, on-air radio promotions and a remote will be done at one of the Harley-Davidson retailers the first weekend of ticket sales. And this retailer will also sell the ticket as well. In addition, sales representatives will conduct smaller promotions with their retailers in their territories.

The Idaho Lottery is also using this 2nd Chance drawing as a way to increase members to their VIP Club. Non-win-

ning ticket submissions can be done in 2 ways: 1. Mail into the Idaho Lottery; and 2. Register online as a VIP member through the VIP Club. The Idaho Lottery is looking forward to this game which should generate a lot of fun and excitement among their vehicle game players, and their thrill-seeker audience segment.

In other Lottery news, Twenty-four schools competed in the 2nd Idaho Lottery SCRATCH FOR SCHOOLS fundraising event in March 9th. The event gave these 24 schools the opportunity to win money for their school.

Each participating school provided a team of 2 adults (age 18 years or older) that were given an equal number of promotional scratch tickets. For five minutes each team scratched off as many tickets as they could. All prizes uncovered were given to the school that the team represented. The team that uncovered the largest total dollar amount and the team that scratched off the most tickets each won an additional 1,000 scratch tickets for their school.

Indiana

The Hoosier Lottery is offering players an exciting opportunity to name and design their own Lottery scratch-off ticket.

The "Design A Game From Scratch" contest, which runs through April 3, provides an opportunity for Lottery VIP Club members to submit their ideas for a new \$1 scratch-off ticket game. Entries are judged on originality, game format, overall appeal and appropriateness. The goal of the contest is to reward VIP Club members, enhance the Lottery's Web site value to players and encourage players to join the VIP Club.

Participants are encouraged to submit their entries online via the Lottery's Web site at www.hoosierlottery.com, and attach their scratch-off game designs as a JPEG, GIF or PNG file.

The Lottery will choose the top 10 entries and post them on the Lottery's VIP Club site to allow members to vote for their favorite game design. First place will receive \$2,000; second place will receive \$1,000; third place will receive \$500; and the remaining seven finalists each will receive \$100.

Entry designs may become actual Hoosier Lottery scratch-off tickets.

Kentucky

The Kentucky Lottery has various promotions going on right now. Players have a chance to win a Deck Boat prize package with Deck Boat Dollars. There are eight instant win prize packages on the ticket. Also, non-winning tickets can be sent in for a second chance entry for the Deck Boat grand prize package. The Grand Prize Package consists of a Godfrey Hurricane FunDeck GS-170 (white with blue accent color), a Tennessee Trailer, and several boating accessories, including an Interstate Cranking Battery, life jackets, ski belts, and five gallons of TXWIII Oil.

The Lottery's Win Dough 2002 also offers a second chance promotion. Players can either enter their non-win-

ning tickets through the mail or on the Kentucky Lottery's web site. Players can enter to win a trip to Treasure Island in Las Vegas, a home computer system, or a one-year subscription to America Online.

Finally, Kentucky offered a promotion for Kentucky Cash Ball, which just expanded to six drawings per week. The statewide promotion called "Big Six" ran through March 10. Players were encouraged to purchase a six-day multi-draw ticket worth \$6 or more for a chance to receive a fourteen-day multi-draw ticket free. The ISYS terminal were programmed to automatically produce a FREE fourteen-day multi-draw ticket for every 10th \$6 or more Cash Ball multi-draw purchase across the state.

In other Kentucky news, the Lottery introduced a \$1,000 top prize for its \$1,000 Grand pull-tab game. The previous highest top prize for pull-tab was \$300.

Michigan

A new Michigan Lottery commercial debuted in February, in hopes of clearing up some common misconceptions about how the Lottery's revenue is used. The beneficiary spot explains where the money goes and how it is used in school districts. Never in the Lottery's 30 years of operation has there been a message of this sort produced.

The Michigan Lottery's first-ever two-sided instant ticket, "Double Feature," will hit ticket counters statewide on May 9, 2002. The ticket offers 15 different ways to win, with three scratch games on the front and three pull-tab games on the back of the ticket.

Missouri

April will be an opportune month for Missouri Lottery players. Three promotions are underway: "Speedway Getaway," "Explore Missouri" and "Missouri Road Trip."

"Speedway Getaway" is a second-chance Scratchers promotion in which players can enter two non-winning tickets from the new "Fast Tracks" instant game for a chance to win one of six trips to a stock car race plus \$1,000 or \$5,000 cash. Players could also win one of 1,050 racing merchandise prize packages. The prizes will be awarded through three drawings: April 4, May 2 and June 6.

"Explore Missouri" is also a second-chance promotion in which players can enter with one non-winning \$2 "Explore Missouri" instant ticket. Thirty trip packages to destinations within Missouri will be awarded through 10 drawings. In addition to the second-chance promotion, players could also win one of five Missouri-made Ford Explorers and \$500 cash in the Scratchers game. The first drawing is April 19 and the final drawing is June 21.

"Missouri Road Trip" is a promotion involving an entry slip produced with each \$3 single-ticket Pick 3 purchase. Entrants will vie for one Ford Excursion, one of 75 big-screen televisions, or one of 40 prizes of \$598 in cash (same amount as the top prize in Pick 3). Entry slips will be pro-

duced with purchases from April 15 through May 12, and the drawing will be held on June 12.

New Hampshire

New Hampshire's Tri-State WinCash ended with the winning numbers drawn on Tuesday, February 26, 2002. Tri-State Cash Lotto went on sale in February! Players now operate on a 4:33 matrix with a bonus number also being drawn from a field of 33. Top prize in Tri-State Cash Lotto is \$200,000 – in one lump sum payment. Overall odds of winning a prize are 1:11.

New Jersey

The New Jersey Lottery recently started a big ad campaign. Very big. The campaign features 9-by-22 foot ads on transit busses. The ads are so big they virtually cover the entire side of transit busses – including windows. The ads show a person flying through the air holding the Big Money Spectacular game, and features the slogan "Winners by the busload! Grab one today!"

During the week ending February 6, 2002, the Lottery experienced a record breaking sales week for its instant ticket products. Instant ticket sales reached \$17.7 million, surpassing the previous record of \$15.9 million, set in December 2001. Contributing to this surge in instant sales has been the Lottery's recent addition, Big Money Spectacular, the state's first instant ticket with a 70 percent prize payout.

Since its debut on January 2, 2002, Big Money spectacular has surpassed sales expectations. When compared to similar \$2 instant tickets, it sells at a 50 percent higher rate. In all, ticket sales are averaging just over \$1 million per week.

Ohio

Beginning the week of April 1, the Ohio Lottery's Buckeye 5 game will be drawn Monday through Saturday. Since July 1, 1993, Buckeye 5 has been drawn Monday, Tuesday, Thursday and Friday. Information on the new drawing schedule will be included in how-to-play brochures, the Lottery's Web site, agent training materials, on Cash Explosion Double Play, during the nightly drawing announcement and in select customer fliers. The Lottery will also support the new Buckeye 5 drawing scheduled with TV and radio advertising.

The Ohio Lottery's Altura terminal pilot promotion increased Buckeye 5 sales at the Discount Drug Mart chain by more than 111 percent, compared to a similar, four-week control period in 2001. The promotion, which ran Jan. 13 to Feb. 8, offered customers a free auto pick Buckeye 5 ticket for Buckeye 5 ticket purchases of \$5 or more. The pilot Buckeye 5 promotion is scheduled to be taken statewide May 1.

After the successful Buckeye 5 promotion, Discount Drug Mart and the Lottery are continuing the momentum with an instant ticket promotion for Discount Drug Mart customers. Discount Drug Mart's Instant Ticket Sweepstakes

runs March 17 through April 13, 2002. Each week of the four-week promotion, one lucky person will win \$25 worth of instant tickets from each Discount Drug Mart store. At the end of the promotion, one grand prizewinner, chosen from the weekly winners' pool, will win \$200 in instant tickets. To enter, players are asked to fill in their name and daytime phone number on the back of any non-winning instant ticket. Entry boxes are located at each of Discount Drug Mart's 52 store locations.

Pennsylvania

Get ready for St. Patrick's Day when Four Leaf Fortune, a new instant game from the Pennsylvania Lottery, goes on sale Tuesday, February 5, 2002. With a top prize of \$170,000, and nine chances to win, this \$5 ticket makes a great St. Patrick's Day gift.

The Pennsylvania Lottery will conduct four, second-chance drawings for their Elvis Instant. The Lottery will select four trips-for-two to Graceland and 260 entries to win an Elvis Presley prize package consisting of a limited edition print, a movies and music collection, a jacket, watch, T-shirt and a playing card set. Each trip winner will receive two Elvis Presley prize packages. The Pennsylvania Lottery will award a total of 16 Graceland trips.

Texas

The Texas Lottery Commission voted in favor of creating the first-ever-day-drawing for the Texas Lottery's mix of online games. The first Pick 3 Day Drawing will be on Monday, April 29th, at 12:27 p.m. The game will remain exactly the same, only now it will occur twice daily, Monday through Saturday, with the second Pick 3 drawing of the day at 9:59 p.m.

In other developments, the Texas Lottery also proposed changes to the lottery's Cash 5 game. The proposal included the following modifications: overall odds of winning change from 1 in 100 to 1 in 8, making it easier to win prizes; players will win a guaranteed prize of \$2 for matching just two numbers; drawings will be held six nights a week instead of four; players will choose five numbers out of 37 instead of 39.

Virginia

The Virginia Lottery is teaming up with MDI once again, this time with Fast Cash, a NASCAR-themed Scratcher. Players probably will want to collect some of their non-winning tickets because seven popular drivers are featured. In the second-chance feature of the game, drawing winners choose any NASCAR race weekend in 2002 or 2003 as their prize. Drawings will allow mailed and Internet entries. Top cash prize is \$20,000. The Lottery introduced three Scratchers at the end of March, and will do so again at the end of April. And, with the success of its first two \$10 games, the Lottery plans to release its third \$10 Scratcher in May. ■

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