



Bishop Woosley

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This is Winning: **In Little Rock, Arkansas and in the Government-Gaming Industry**

Paul Jason: Everyone is excited about coming to Little Rock NASPL This is Winning conference and trade show. What a fabulous program you have created.

Bishop Woosley: It is very exciting for us to be welcoming everyone to Arkansas. It means a lot to us here to be hosting the premiere NASPL annual event. The business community of the entire downtown area of Little Rock is ready for us! I think the welcome will be surprising and exciting and give everyone a wonderful feeling for the great state of Arkansas and its capital Little Rock. The convention center is right underneath the biggest hotel in town where everyone will be staying. So the entire logistics of all the different the conference functions – trade show, keynotes and presentations and panel discussions, food, entertainment, receptions, dinners, award ceremonies, etc. - will be easy to navigate for everyone. Fabulous restaurants, entertainment, museums and other cultural highlights are within a few hundred yards of the hotel.

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Our theme, This is Winning, captures the essence of our industry. Everyone wins. Students who need financial support to pursue higher education are the biggest winners. But players and retailers are also winning. The mission of Lotteries and our technology partners and all our stakeholders is to support good causes and make sure everyone keeps winning!

What can we as an industry do to engender more support from our constituents and stakeholders, like state legislators, general media, and Lottery’s beneficiaries?

Bishop Woosley: The most important thing we do is respect the diversity of political and gaming cultures that inform the whole dialogue. Lottery directors are not tasked with deciding public and regulatory policy, or, in some cases, even lobbying for the interests of their stakeholders. Our job is to manage the lottery for optimum efficiency and effectiveness, respect the political process and comply with the intentions of our elected representatives as well as the letter of the law, commit to a Responsible Gaming agenda, and show consideration for everyone in the state of Arkansas. I would not presume to advise others on how to enlist support from stakeholders. I do, though, think it is our job to communicate with stakeholders for the express purpose of enlisting support and advocacy.

The Arkansas Lottery had a somewhat controversial start that engendered some hostility from the media and mixed feelings on the part of political constituents and the general public. The brand and public perception needed some repair when you took over seven years ago. What did you do to repair it?

Bishop Woosley: We wanted to normalize the lottery for everyone, to create a positive feeling for this wonderful institution that belongs to all the citizens of Arkansas. Since our Likeability Quotient was not peaking at that time, we knew we needed to enlist others to advocate for us. So we just started with some basic facts about what makes the Arkansas Scholarship Lottery a great institution deserving of love

and respect from everyone. Who benefits and what can we do to enlist them to tell their story? The Arkansas Scholarship Lottery has funded higher education for a huge number of students. And the beneficiaries of this funding include not only the students who receive the lottery scholarships. Mothers and fathers appreciate how their financial burden was lightened. So we try to give them a platform to tell their story.

Retailers have reaped the benefits of having lottery in their stores through commissions and extra prize bonuses and publicity for the stores when jackpots are won. They also appreciate the role of lottery in driving store traffic and engaging the shopper’s interest and increasing dwell-time in the store. And then we have our lottery players who have won a lot of prizes over the last ten years. All these people are fabulous ambassadors for the state Lottery.

We have also created partnerships with universities, and we loop campaigns into the sporting events that promote the Lottery and its scholarship funding. We invite all the legislators who represent the universities to join us and alumni of that college to come down on the field with us for a little celebration that typically includes presentation of an over-sized check. We are working hard to create more collaborations to promote Lottery within the whole education community. It’s not likely that legislators and academic leaders will ever appear in commercials to aggressively promote the Lottery in such public fashion. But we can create marketing events that enable them to share the stage and celebrate the wonderful contributions of their state Lottery.

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We do reach out to all these people to encourage them to participate in our advertising, marketing, and branding campaigns. And so we have lottery stakeholders from all walks of life, with different back-stories, with different relationships to the Lottery and different perspectives on what the Lottery means to them personally and to the broader society. We put actual students and their parents, lottery winners, and retailers into our commercials. We tell their story, we invite them to tell their story, and we try to create a more genuine, maybe even emotional connection between the Lottery, the Lottery stakeholders, and everyone in the state. We hope that maybe a legislator, or anyone really, who for whatever reason may not have been as warm to the lottery, would see the actual people who have benefited from the lottery and come around to seeing the Lottery in a different light, and maybe become a supporter of the Lottery after they see the positive impact it has on people. Arkansas is not a big population state. Many of the people have come into some kind of contact with the Lottery, maybe through friends or family who have won a prize or retail merchants that they know.

“We put actual students and their parents, lottery winners, and retailers into our commercials.”

Based on the rebound in sales and positive trend-lines, the strategy seems to have worked well.

Bishop Woosley: It has taken time but yes, we know that public perception of the Lottery has improved and that has translated into increased player engagement and sales.

Is there anything that can be done at the national level, with federal legislators?

Bishop Woosley: We can and should all be communicating with our representatives in the U.S. congress as well as the representatives at the state level. It's just that none of us can presume to speak for our colleagues. Some policy positions, like the rights of states to decide regulatory policy as opposed to the federal government passing laws that abrogate that authority of the states, are embraced by

everyone and so the association of NASPL can actually come forth with a policy statement and position. I think we can all agree that Lottery serves a valuable mission by channeling economic benefit to good causes. And so we can communicate that to everyone as frequently and compellingly as possible. But, in spite of many points of commonality, we need to respect the differences. For instance, some of us, perhaps even most of us, would like the state lottery to be authorized to make the traditional products available online. But it is the policy position of some state legislatures that iLottery is not a part of their foreseeable future and do not want to affiliate with an association or advocacy group that is lobbying for iLottery.

The most important common advocacy position is, of course, state lotteries' support for the good causes. The relentless talking-point with both state and federal representatives, with the general media, and with all influencers should be the tremendous good that lotteries do for society and the good causes funded by Lottery. We probably need to remind them on a regular basis about what happens if money raised for those good causes goes away or is diminished. And I think when something at the federal level threatens that fundamental role of states to operate lotteries for good causes, the lotteries should step up to make sure everyone is aware of the facts and held accountable for their policy decisions. We protested the Coalition to Stop Internet Gambling, a thinly disguised gambit to protect the interests of Sheldon Adelson and land-based casinos. We protested the U.S. Department of Justice attempts to abrogate states' rights to regulate gambling and re-interpret the Wire Act. And we should always be ready to act when something represents a threat to all state lottery members of NASPL.

Another point of common interest is our dedication to Responsible Gaming. Other games-of-chance sectors may comply with the letter of the law and rules relating to issues like Responsible Gaming, but not necessarily embrace the spirit of the law. Lottery's mission is to serve society - so there is never a conflict of interest when it comes to games and promotional methods that may maximize sales but may not be wholly consistent with the interests of society. For instance, if a game or promotion is too appealing, it may be addictive and contribute to problem gambling. Government lottery avoids

those game and promotions. Unlike private commercial gaming operators which exist to maximize shareholder value, Lottery's business objectives and methods of operation are always in alignment with the best interests of society. That's not to imply that commercial companies do not comply with the laws. It's just that they do not always make the right choice when deciding between serving the best interests of society or the goal of maximizing profits and shareholder value.

Isn't there a fine line between advocating on behalf of our industry and calling attention to our lottery that may end up back-firing on us?

Bishop Woosley: And that is why it is so important that we be cautious, conservative, and not over-reach. The last thing we want is to inadvertently create a PR or political problem for the industry or even one of our Association members. It can be frustrating because others in the games-of-chance industry can aggressively lobby for their stakeholders while Lottery needs to be vigilantly mindful of the political process and avoid the appearance of lobbying for itself. In general, I do not have a problem getting someone to sponsor a bill. But it is difficult to get politically influential people, even stakeholders who benefit from lottery funding, to advocate for us in a publicly outspoken way. There is little political advantage for a politician to publicly champion the state Lottery.

What can NASPL do to help its members implement a more proactive posture towards effecting change and political action?

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Bishop Woosley: The waffling of the U.S. DoJ on the question of states' rights to implement iLottery and re-interpreting the Wire Act has prompted lots of discussion over that very issue. How much advocacy, how should it be conducted, and who should be the ones to communicate the message of Lottery and its value to good causes. We are definitely moving the bar

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sustainable growth of Powerball.

Rockin' New Year's Eve ...

Gregory Mineo: Dick Clark Productions is managing this and overseeing it. It's been great working with them. More than 300 Powerball winners who entered a second-chance draw will be brought to New York for the event. The planning for these winner trips is ongoing and the ABC broadcast will result in a compelling, once-in-a-lifetime experience for Powerball players that will culminate with the \$1 million drawing on New Year's Eve. It will be a big night for Powerball and we are thrilled to share it with viewers across America.

You come from the liquor industry and are now Director of the Bureau of Alcoholic Beverages and Lottery Operations. I'm thinking there might be some lessons learned in how to refresh a brand that never really changes in attributes or basic value-proposition.

Gregory Mineo: There sure is. Think about brands like Johnnie Walker or Bacardi or Smirnoff and so many others. They have their ups and downs over many decades, but the brand management component is similar to Powerball in that you have to constantly reinvent the brand image for new generations of consumers - with a product that doesn't really change. Too, you can think creatively about how to position, or re-position as the case may be, the product in the market-place. A big part of brand messaging is defining

for the consumer who or what they should perceive as the "competition". For instance, Crowne Royal and Jack Daniels are two very different kinds of liquor. Crowne Royal aspired to position itself as a premium brand of alcohol. Since Jack Daniels had such an iconic and ubiquitous place in the consumer market, Crowne Royal always made sure that it was priced at least 10% higher than Jack Daniels to reinforce the perception of being premium. And its advertising was always created with a keen eye towards both differentiating itself from Jack Daniels, and appealing to Jack Daniels customers. This may not be a direct lesson for Powerball, but we could certainly ask ourselves the kinds of questions that Crowne Royal brand managers asked. How does the consumer perceive Powerball relative to other traditional lottery games; relative to other games-of-chance; relative to casino gambling and sports-betting; relative to impulse-buy indulgences like candy; relative to the broader category of entertainment and recreation, etc.? How can we position Powerball to align with and complement the self-image of the consumer who is thinking about whether or not to play Powerball?

Is there a trade-off between serving the interests of your in-state stakeholders versus the interests of the nation-wide industry of state lotteries and the industry groups like NASPL and MUSL?

Gregory Mineo: No. Two things about that. First, if there is ever a trade-off, the director is obligated to put the interests of her or his in-state stakeholders first. Period.

At least I am. Second, the interests of the in-state stakeholders are almost always best-served by lotteries working together with our colleagues all around the country to forge initiatives that benefit each and every one of our states individually. The beauty of our industry is that we all operate within the boundaries of our own state. So, we do not compete with each other. That enables us to collaborate on multi-state initiatives that are bigger and better than anything we could do as individual lotteries. We all benefit tremendously by working together to produce Powerball and Mega Millions and all the multi-state games. We all benefit by working together to standardize reporting/auditing and other business processes to enable the large multi-state retailers to do business with us. We all benefit when some of our members go to the nation's capital to inform congressional rep's about the importance of lottery and respecting states' rights to regulate gaming, gambling, and lottery. We all benefit by participating in NASPL educational seminars and conferences to spread best-practices and optimize all standards of performance throughout the industry. Clearly, we are all so much better off for actively collaborating to accomplish so much more than any one of us could do individually. Nobody is ever asked to compromise the interests of their in-state stakeholders. And if they were, they would have to decline such request. ■

to allow further consideration for ways that NASPL can advocate for its members. As we discussed, it is important that NASPL not over-reach. We need our actions and advocacy agendas to stay aligned not just with the general consensus of our members but with each and every one of NASPL members.

Of course, individual states can still get together with others of like mind to forge a united front to carry a message to legislators in Washington. That is what has been happening and will likely happen even more going forward. A group of state lottery directors may even formalize a political action relationship to enhance the influence and impact we have. It does not need to be directly affiliated with NASPL which represents the interests of all of its members. It will never rise to

the level of lobbying. The goal would just be to inform and educate and make sure everyone is aware of the facts and that the dialogue includes the Lottery perspective as they assess the pros and cons of different regulatory decisions and models. We really need to employ somebody within the unique political culture and infrastructure of Washington to assist in the process. I think we are slowly moving towards solutions like that. I hope so because it is needed. And I hope we have maximum participation from lotteries because strength in Washington is in our numbers with as full and complete a representation as we can muster. Our mission is just to make sure our political constituents are aware of all the good that is accomplished by state lotteries and the funding they generate for good causes.

That precisely defined mission should be

agreeable to everyone.

Bishop Woosley: Well, we do need to respect our differences and the obligation of each individual lottery to comply with the directives and political culture of their state. We need to stay in our lane and not get sideways with any of our colleagues. For instance, we advocate for states' rights, not for iLottery. You know, we have lots of experience with multi-state collaboration and consensus-building. Every decision regarding multi-state games like Powerball needs to comply with the agenda of each and every participating state lottery. Frankly, the community of lottery directors has always done an amazing job at working together and overcoming differences and forging collaborative strategies and pathways to advance the industry.

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What do you see as the highest priority initiatives for NASPL over the next couple of years?

Bishop Woosley: In addition to the one that we have already discussed - advocating for the industry - NASPL is about education. NASPL provides excellent conference and seminar programs that elevate the quality and integrity of the industry and enhances the career development opportunities for everyone who serves the mission of Lottery and support for good causes. Third, we want to smooth a path for the advancement of technology and innovation in the industry. The dedication of the Big Four technology partners is so appreciated and respected by all of us. But the industry thrives on the innovation being introduced by third-party suppliers who are creating new games, new

ways to deliver the games, creative solutions to prickly problems, new approaches and tools to bring in new consumer groups, etc. The ingenuity and fortitude of these smaller vendors is so impressive to me. New ideas sometimes take years of persistence and multiple iterations before they achieve acceptance by lotteries. And an innovation needs to promise a multi-million-dollar ROI to even get on the radar of state lotteries which have limited resources to generate outsized returns for good causes. I think the leadership of these smaller vendors will be especially key to connecting with the next generation of players.

What are the highest priority initiatives for the Arkansas Lottery in the coming year?

Bishop Woosley: Authorization to allow debit cards was granted eighteen months

ago and that has positively impacted sales. We are trying to build on the success of that regulatory change to encourage our political constituents to consider further innovation. So next spring, we will launch an in-lane solution. We are in the middle of launching POS's in 69 Walmart stores. That is a lot for a smaller state like Arkansas and we have very high expectations for the impact that will have on our brand image as well as on our sales. And we are always pushing hard to try new Instant games. Innovation is key to increasing the sales of Instant games as we are determined to hold the line on margins. We want to increase the net at a rate that is very close to the increase in top-line sales. Other than that, we're going through a conversion right now so our focus is on execution and any major innovation is on hold until we can complete that. ■