

» LUCA ESPOSITO

WLA (World Lottery Association)
Executive Director



COMBINING DEDICATION TO SERVICE WITH PROACTIVE LEADERSHIP IN TROUBLING TIMES

PGRI INTRODUCTION: The World Lottery Association (WLA) is an international trade organization that serves the interests of state-authorized lotteries and suppliers to the global lottery industry. The WLA serves over 150 state lotteries and more than 75 lottery sector suppliers worldwide. WLA lottery members exist to support good causes in their respective jurisdictions through the sale of responsible, ethical, and entertaining gaming products.

Paul Jason: What are some the direct here-and-now impacts of the pandemic?

LUCA ESPOSITO: As we now speak, the number of confirmed coronavirus infections has globally surpassed 23 million. By the time this interview goes to press, the number of confirmed infections will likely be significantly higher. Of course, the pandemic lockdown had an adverse effect on the global economy, and consequently on the lottery and sports betting industries. Here and now, I would say that the industry is, on the whole, still in recovery mode. In a few countries, such as Brazil, India, or Australia, the pandemic arrived later than it did in other parts of the world. In other areas, where the lockdown has been eased, they are already seeing a resurgence of the virus. A second wave of the virus is likely to come, however I feel that first wave taught us what to expect and how we can better cope with another lockdown.

How has the global pandemic changed the methods that WLA serves its members?

L. ESPOSITO: I would say that the pandemic lockdown has strengthened the bond that we have with our members. We

know that across the globe many of WLA members have had to endure losses as a result of the lockdown. For that reason, we acted quickly to cut membership fees by 50% for 2020. And, although we have had to cancel all of our live events this year, we have adapted some of our seminars to be held virtually. This past June we held a sports integrity webinar in cooperation with the European Lotteries (EL) and GLMS. The event was a resounding success. Coming up in September we have week-long webinar on Corporate Social Responsibility and Responsible Gaming and in October we have planned a webinar on information security; both events will be held in collaboration with the EL. Details for both webinars can be found on the WLA website at www.world-lotteries.org. Once the pandemic is over, we may even consider partially keeping the webinar format alive. Live seminars are certainly good for bringing our members together to meet, mingle, and share experiences. But there are members in some countries that have always had travel restrictions, and the webinar format provides these members access to ideas and information that they might have otherwise missed out on. We

have also significantly stepped up our communications, especially on information concerning the pandemic.

We have released two special issues of the WLA Quarterly Lottery Sales Indicator that provide an in-depth look, in facts and figures, as to how the pandemic has impacted the lottery and sports betting industry worldwide. The WLA Quarterly Lottery Sales Indicator will continue its extensive reportage on the pandemic as long as the pandemic continues to have repercussions on the industry. We also launched the WLA News Update, which aggregates industry news from around the globe. The WLA News Update goes out to our members via email on a weekly, or sometimes bi-weekly basis. Although the WLA News Update prioritizes information on the COVID-19 pandemic, it also covers general industry news, news on cybersecurity, sports integrity, sports betting, and responsible gaming. We have had a positive echo from the membership on both of these efforts.

For the world lottery community, the key to success going forward will be continued global cooperation. Now, more than ever, the sharing of information among our members is paramount. Thus, on top of keeping the community informed via the WLA News Update and the WLA Quarterly Sales Indicator, we will do all that we can to disseminate best-practice information, including sharing the experiences our members have had in dealing with the pandemic crisis, as well as providing learning tools such as the WLA-SCS Crisis Management Guidance

Continued on page 29

Moving forward, I see several areas where we can make ourselves more relevant as retailers continue their modernization and technological advancement. Number one – brick and mortar is not going away so we must continue our support of that critical sales avenue. Number two is that app-based ordering is going to continue to expand and lotteries must be a part of this trend.

For retailers, it is important that we understand their different needs. What is important to C-stores isn't necessarily important to supermarkets. If we're treating them all the same, we're missing opportunities to truly help improve lottery operations

Esposito from page 24

(issued by the WLA SRMC to facilitate the execution of WLA-SCS certification assessments in times of crisis). With such measures we aim to provide WLA members a 360-degree view of what is happening now and what we can learn from it to better prepare for the future.

Has the impact of the global pandemic been profound enough to cause a re-imagining of the fundamental mission and purpose of the WLA?

L. ESPOSITO: Absolutely not. If anything, the impact of the global pandemic has confirmed our purpose as a global trade organization of state lotteries and has given added meaning our mission of advancing the interests of our members around the globe. We will always be there for our members, especially in times of crisis. We will remain close to our members throughout this ordeal and for as long as we exist as an association.

I was impressed to see how our member lotteries endeavored to support their beneficiaries despite the lockdown-imposed austerity that they endured. In some cases, participant lotteries additionally donated revenue to help fight the coronavirus and to help protect the most vulnerable during the crisis. Lottery staff also provided valuable community outreach services, as in the case of FDJ employees who donated over 1,400 leave days – the equivalent of EUR 300,000 – in support of medical staff and persons of need afflicted by the crisis.

Likewise, the Hong Kong Jockey Club (HKJC) set up an HKD 100 million emergency fund during the COVID-19 pandemic and donated 100,000 mobile Internet data cards to underprivileged students who may not have Internet access at home.

and, ultimately, sales.

Technological integration is critical. Last year, millennials placed 622 million app-based orders for delivery. Wouldn't we like to be a part of that trend? In Kentucky, we have seen a direct link between our digital media activity and visits to retail. In fact, in 2019, we found that our digital media spend during the first six months drove 1.8 million visits to Kentucky retailer. Needless to say, this digital activity will only continue to grow.

So how will these retail changes impact the long-term plans of lotteries? This question can only be properly answered if lotteries and retailers are working together towards the

La Marocaine des Jeux et des Sports (MDJS) also allocated MAD 100 million to a special fund established to support the costs of upgrading medical devices and to help support the national economy weather the impact of the crisis.

And in the UK, the National Lottery directed around GBP 600 million toward charities and organizations to help alleviate the impact of the pandemic.

These and other efforts by our members show the true spirit of the world lottery community, and give credence to the mission of the WLA.

It must be hard to plan for a future that is so uncertain. How do you do that when we do not know how external circumstances and conditions will evolve? Without knowing when the pandemic will be eradicated, how can we know when in-person educational seminars, conferences, and trade-shows will resume? And will they resume in a fashion similar to what they were pre-COVID-19?

L. ESPOSITO: The future, in any case, is uncertain. It is important that we remain proactive as an association and not sit passively by while the situation unfolds. As I mentioned previously, we currently have a solution for the seminars. Webinars will play a vital role in the WLA's educational program throughout the pandemic and will remain an essential educational tool post pandemic. More challenging will be the WLA's flagship event the World Lottery Summit (WLS), which is slated to be held in Vancouver, Canada in October 2022. But that is still two years down the road and I am optimistic that the coronavirus will be brought under control by then.

same goals. And that means communicating with each other. We can't do everything at once. Neither lotteries nor our vendors have unlimited resources. The answer is to prioritize our activities and projects and start working on those projects that will have the greatest impact.

I'll end where I started – have lotteries lost their edge? We are certainly behind in implementing technology to match what is taking place in retail. But with open communication between lotteries, retailers and vendors, we can develop plans that are based on the needs of all us as we work towards our common goals. ■

Besides, working together with our friends at NASPL and BCLC, I am certain the we will, in any case, find a solution for WLS 2022 that will indeed make it an historical and memorable event.

In what ways will the methods of operation, services provided by WLA, be more permanently changed or impacted by the current crisis?

L. ESPOSITO: I believe that the pandemic crisis has taught us a few lasting lessons. I think state lotteries around the globe have come to see online gaming as an essential tool for business continuity in the face of a pandemic lockdown. It is clear from our research that lotteries and sports betting operators that have robust online gaming platforms in place, were better able to weather the pandemic than those that do not. I believe that the WLA can play a vital role in promoting online gaming throughout the industry. The WLA and the whole world lottery community must do all that they can to help convince regulators in countries with online-gaming restrictions that online gaming is mission critical for lotteries in their quest to raise fund for good causes.

We also need to continue collecting and analyzing data on how the pandemic has affected the industry in order to prepare for the future. We need to continue finding out what some of our members have done to endure the crisis in order to learn what worked and what didn't. And we need to work closely with our associate members to find out, from a supplier's perspective, what can be done to withstand another lockdown should one occur in the near future. ■