

Responsible gaming and IVT's
(Interactive Video Terminals)

The Norwegian story *- with a happy ending?*

Bjørn Helge Hoffmann

M. Sc. Senior Advisor

Norsk Tipping AS - Norwegian National Lottery



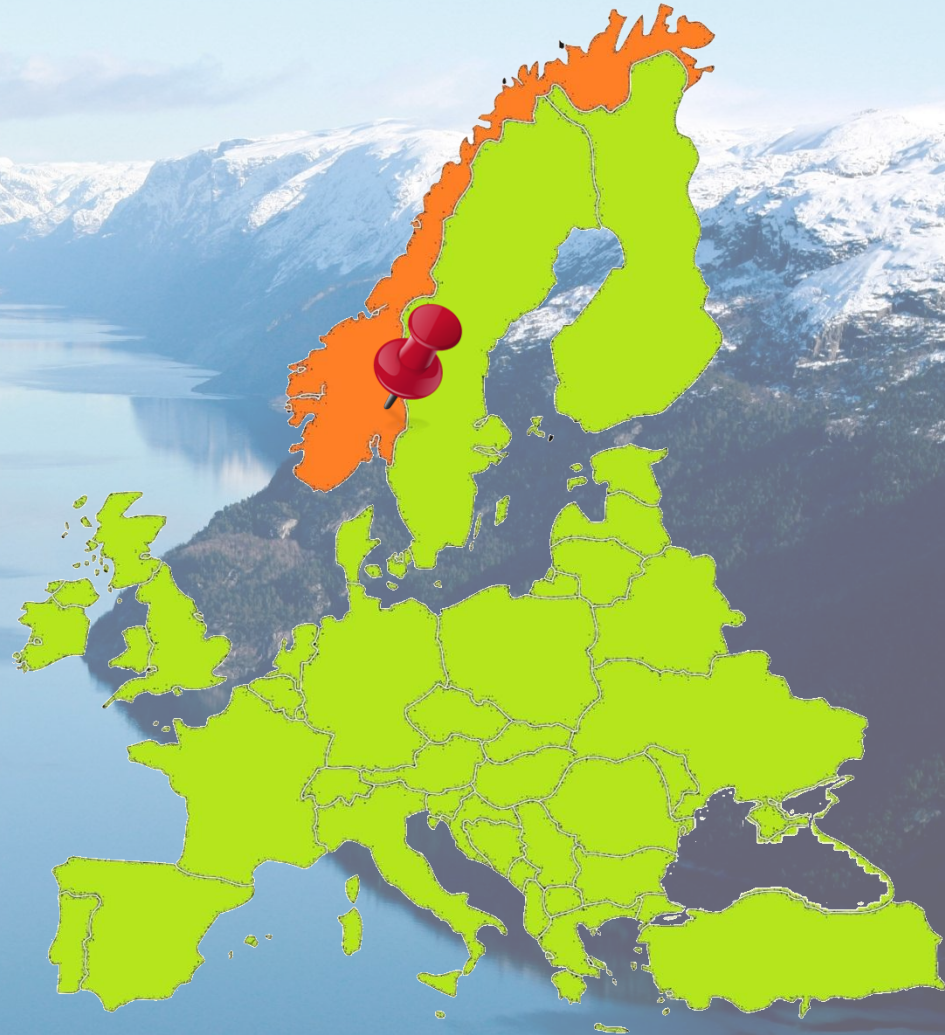
- Brief **introduction** - Norway and Norsk Tipping
- Background - The **rise** and **fall** of the **slot machines**
- Our **solution**
- **Did it work?** - The results

Thanks to:



Norway

- ❑ Population 5 million
- ❑ Density 15 persons /km²
- ❑ 3.6 mill over 18 years old
- ❑ 20% of the population never plays
- ❑ **1 - 2 %** have gambling problems (estimate)



Norsk Tipping – key facts

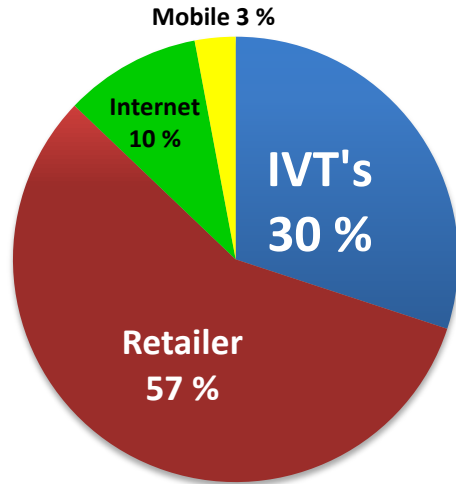
(Norwegian State Lottery)



- Est **1948** – State owned by the Ministry of Culture
- 16.2 BN NOK = **\$2.8 BN** Gross Revenue (2011)
- **31 %** return to beneficiary causes
 - 45.5 % Sports
 - 36.5 % Culture
 - 18 % Humanitarian/health
 - **12 mill NOK** to fight gambling addiction

Norsk Tipping – key facts

(Norwegian State Lottery)



Lottery	49 %	(70%)
Sports	14 %	(13%)
Instant	7 %	(10%)
IVT	30%	(7%)

- **2 million** customers
= **55 %** of population 18+
(mandatory registered play)
- **4 000+** retailers
- **370** employees

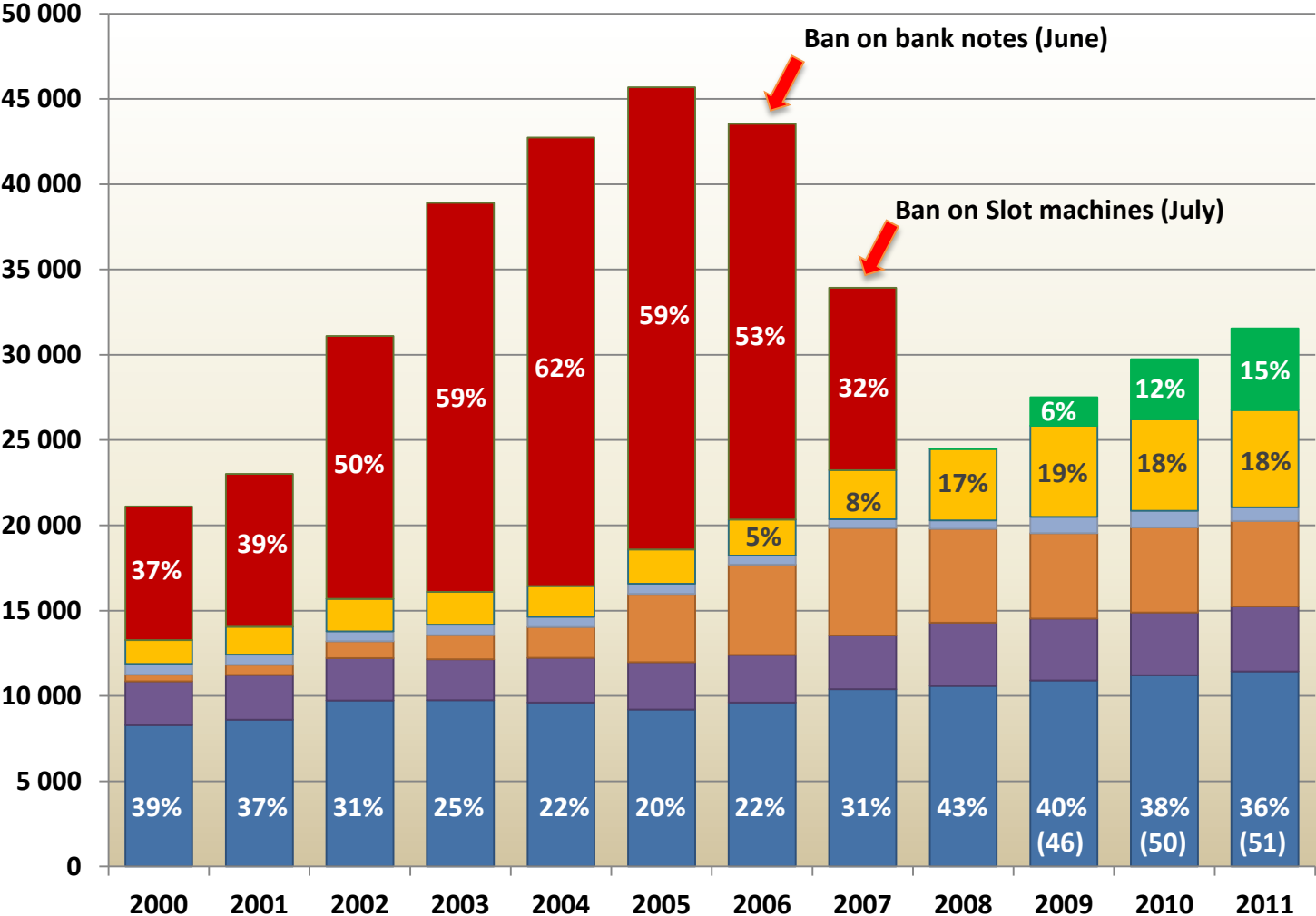
Our Mandate

- ❑ Provide **responsible** games
- ❑ Provide **attractive** games
- ❑ Profit for **good causes**



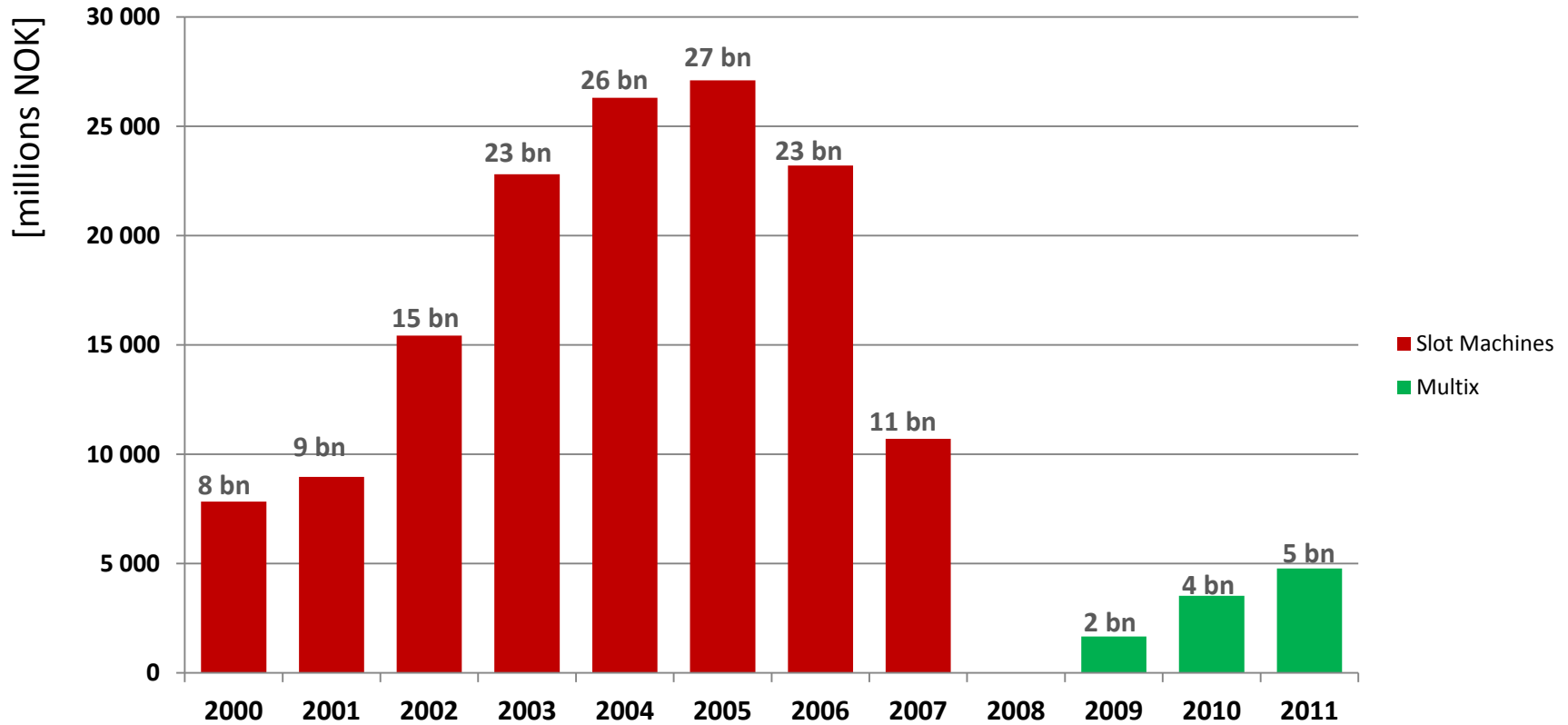
- Brief **introduction** - Norway and Norsk Tipping
- Background - The **rise** and **fall** of the **slot machines**
- Our **solution**
- **Did it work?** - The results

The Norwegian Gaming Market (gross Revenue)



- Slot Machines
- Multix (IVT)
- Bingo (Data/electronic)
- Other
- Internet (international)
- Horse betting
- Norsk Tipping (excl Multix)

Slot machines and Multix development



- Brief **introduction** - Norway and Norsk Tipping
- Background - The **rise** and **fall** of the **slot machines**
- Our **solution**
- **Did it work?** - The results

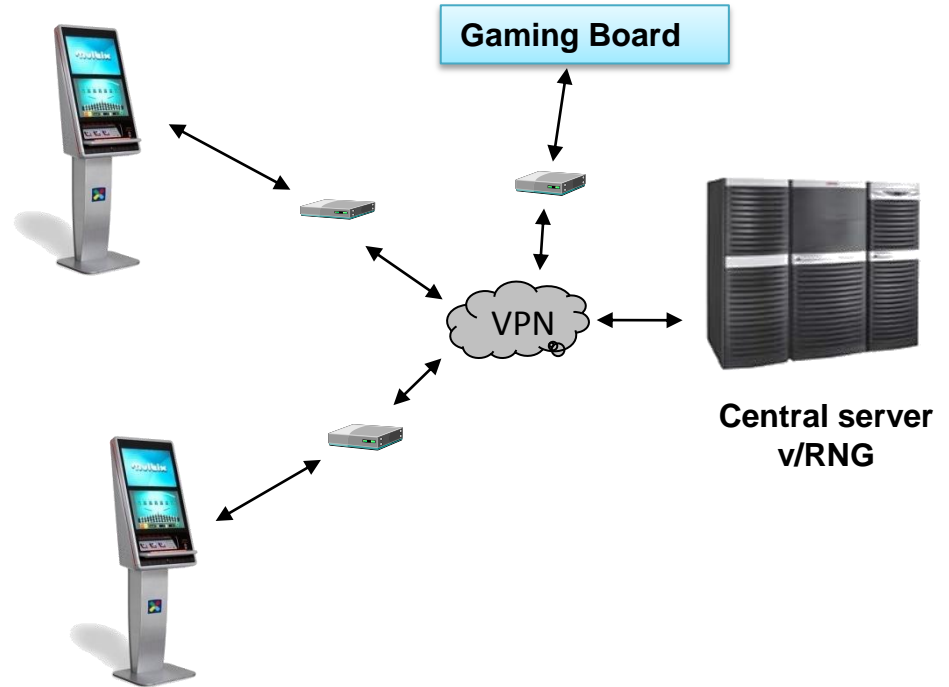
Introducing **Multix** (2008)



Norsk Tipping introduced a **new** state of the art gaming **terminal** to meet **strict gaming demands** of the Norwegian regulators

Delivered by *Aristocrat Lotteries*

What makes our solution special?



= Opens totally new possibilities in responsible gaming



**Second
screen**

**Touch
screen**

Pinpad

**Playercard
slot**

Multix (IVTs) terminals

- **2 750** terminals in 1 200 venues (mostly kiosks)
- **Cash less** (player account, ID on player card)
- Age limit **18** years old
- Global **limits** (net loss):
 - NOK **400** (\$ 75) per day
 - NOK **2 200** (\$ 390) per month
 - Mandatory break after **1** hour
- All terminals connected to one **central server**
- More restrictive distribution



Multix (IVTs) terminals

- **Personal** limits (time and money)
- Personal player breaks: day/week/month
- Permanent exclusion

- Max bet: NOK 50 (\$ 10)
- Min. game duration: 3 sec
- Max win: NOK 1 500 (\$ 300) per game round



Players ID card – Multichannel Identification & Payment



Examples of player card data:

Demographic data:

- Age, gender, address, phone number

Transaction data per customer

All sales and pay-out transactions are stored in our data warehouse:

- What game did you buy, how many tickets, what did you pay, for how many weeks, when did you buy, where did you buy? (pr day/month/year, channel, game etc)
- Did you win/lose, how much, on what game, at what date?



All channels: Retailer, Multix, Internet, Mobile

- Brief **introduction** - Norway and Norsk Tipping
- Background - The **rise** and **fall** of the **slot machines**
- Our **solution**
- **Did it work?** - The results

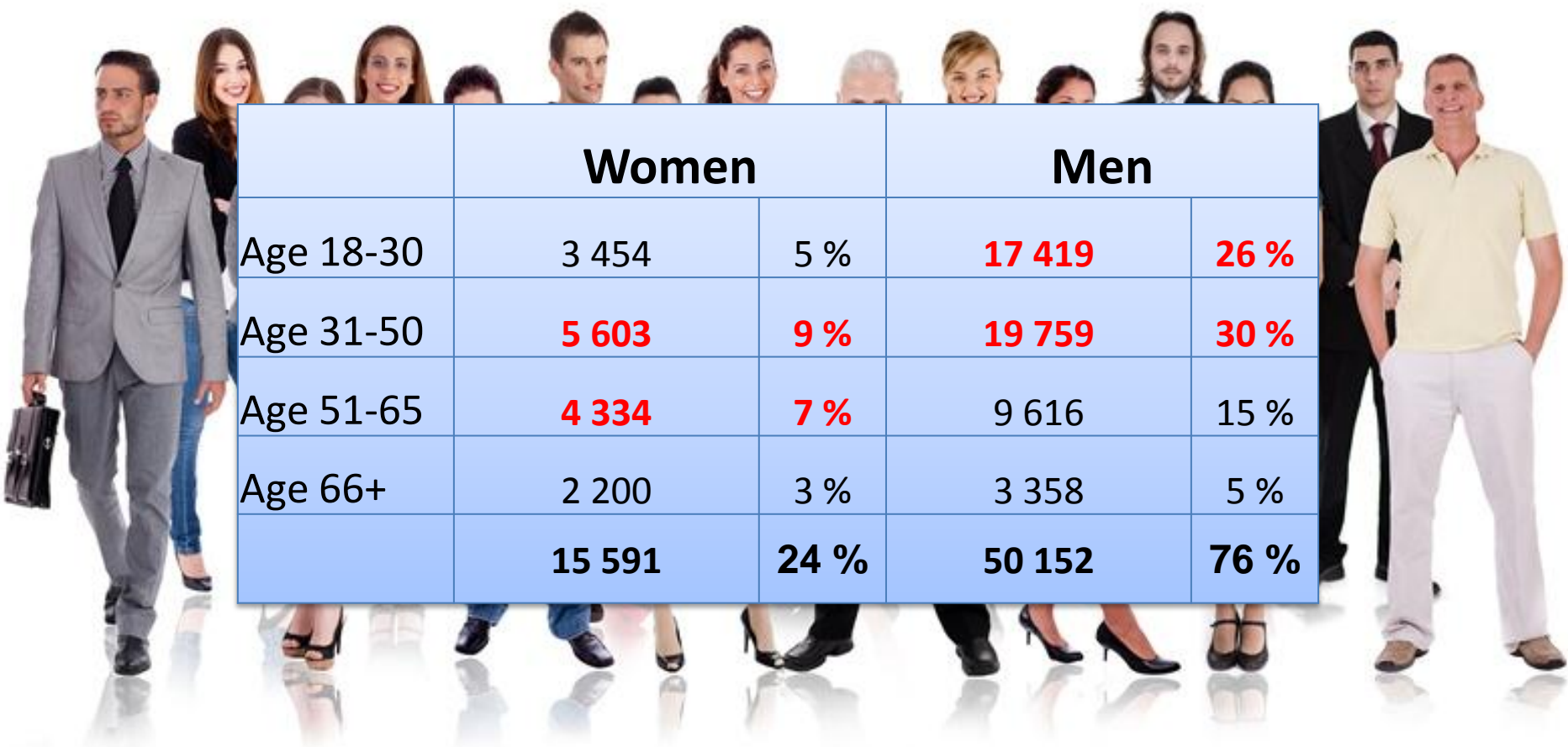
Multix – figures 2011



Quarterly limit:
 $2200 \times 3 = 6600$

	Q1	Q2	Q3	Q4
Number of players	58 785	59 425	62 500	65 743
Average age	42	42	42	42
GGR per player NOK (cash box)	1 600	1 705	1 661	1 632
Average days played	12,1	12,7	12,9	13,1

Multix – figures Q4 2011



	Women		Men	
Age 18-30	3 454	5 %	17 419	26 %
Age 31-50	5 603	9 %	19 759	30 %
Age 51-65	4 334	7 %	9 616	15 %
Age 66+	2 200	3 %	3 358	5 %
	15 591	24 %	50 152	76 %

Monthly pattern – monthly limits

Cashbox pr day



Before

Hypothesis - Slot machines:

- **20 %** of the players -> **80 %** of the revenue

After

Facts – Multix Q4 2011:

- ✓ **26 %** of the players -> **80 %** of the revenue
(Average loss = 4250 NOK, Max = 6600)
- ✓ **15 %** plays maximum (6600) -> **45 %** of cash box

Did it work?

Multix – more details (Q4 2011)

- 15 % stopped by Global monthly limit (NOK 2 200)
- 1.6 % of gambling sessions stopped with the mandatory break (after 1 hour continuous play)
- 1.1 % have set personal limits for time
- 2.3 % have set stricter personal limits for money spent

MIN SIDE

Mine spillgrenser

Player can set personal limits for spend per day, week or month

... also on time spent per day, week or month

MAKS PENGEBELØP



Per dag

Endre

400

Maks (400)

Per uke

Endre

1200

Maks (1200)

Per måned

Endre

2200

Maks (2200)

MAKS ANTALL TIMER



Per dag

Endre

1

0=Ingen Grense

Per uke

Endre

3

0=Ingen Grense

Per måned

Endre

10

0=Ingen Grense

Tilbake

Lagre



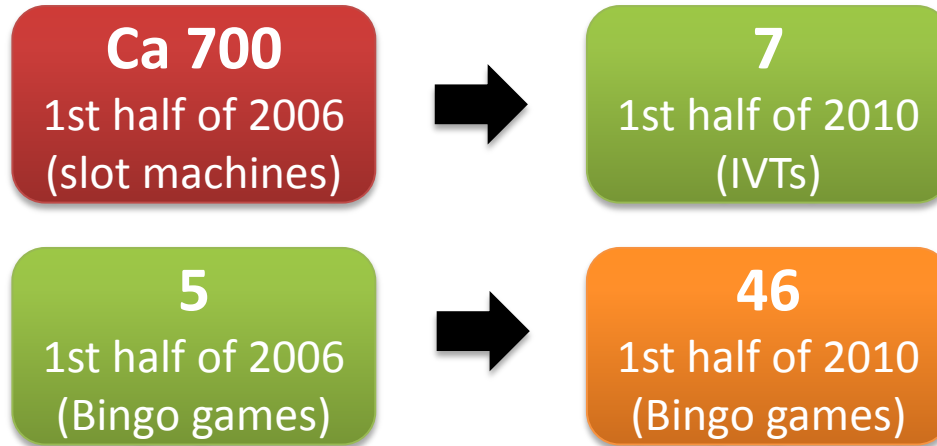
JOE



kr 0,00

Other indications

- Calls to Help line (problem gambling)



So, did it work?



	2005 (Slot machines)	2011 (Multix)	Reduction
Sales/Revenue [millions NOK]	27 000	4 800	82 %
Number of players	490 000	105 000	79 %
Number of machines/units	>20 000	2 750	86 %
15% of the players reached their monthly limit of NOK 2,200 (USD 380) in 2011. 3% of the players uses personal limits/exclusions.			
	1st half 2006	1st half 2010	
Calls to Help line (slot/IVT)	711	7	99 %

- **Yes**, it is definitively a success, but ...?

Yes, but ...

- Ban on bank notes and the later ban of slot machines had the biggest effect
 - **but introduction of Multix didn't bring problems back = SUCCESS**
- Bingo games GROWTH in the market (indicate players moved)
- The Player Card imposes some challenges
 - Impulse (transfer of money, availability)

Yes, but ...

- No clear answer to the **Philosophical dilemma**:

Should players regulate themselves?

or

Should government regulate players?

Responsible Gaming Platform - **Next steps**

- Increased focus on this in Norsk Tipping
- **Monitoring** (in process of purchasing a tool)
- Cooperation with **R&D institutions** (public procurement)
- Customer data/monitoring + cooperation R&D
 - > Insight and knowledge
 - > better basis, tools and communication

... and **One** more thing



2011: Introducing BELAGO (IVT)

- ❑ Computer bingo was «forgotten» in the 2008 Multix discussion
- ❑ The Bingomarket experienced a large growth
- ❑ BELAGO is another new state of the art IVT introduced to meet strict gaming demands of the Norwegian regulators
- ❑ Same platform as Multix



Thank you



Bjørn Helge Hoffmann

M.Sc. Senior Advisor

bjorn-helge.hoffmann@norsk-tipping.no