Competing by Becoming Better at What Lottery Does Best



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PGRI Introduction: We often describe today's lottery industry in terms of threats. Sports betting. Prediction markets. Digital-first competitors. Lottery couriers. Fragmented consumer attention. An ever-expanding universe of entertainment choices competing for the same discretionary dollar.

Those challenges are real, and they are unlikely to diminish. But what should lotteries do about them?

Sharon Strong believes the answer is neither panic nor imitation. Lottery does not strengthen its position by trying to win over sports betters or casino patrons. It succeeds by becoming better at what only lottery can be: a trusted public institution that creates compelling games, builds enduring consumer brands, modernizes retail, leverages data more effectively, and generates meaningful public benefits.

Whether discussing prediction markets, the future of Mega Millions, collaboration between national jackpot games, retail modernization, loyalty programs, stakeholder engagement, or the importance of strengthening lottery's relationship with legislators and the media, Sharon consistently returns to one central idea: sustained success comes from continuous improvement, disciplined execution, and a relentless focus on creating value for players.

As the newly elected Chair of the Mega Millions Product Group for MUSL, Sharon also offers an optimistic vision for greater collaboration across the industry. She sees an opportunity for a new generation of lottery leaders to work together, think strategically, and build stronger national brands that ultimately benefit every participating lottery.

In an industry increasingly defined by change, Sharon Strong makes a compelling case that lottery's greatest competitive advantage may not lie in becoming something different, but in becoming the very best version of itself.

Paul Jason: Do prediction markets represent an existential threat?

Sharon Strong: They represent a challenge, certainly. Traditional lottery play is facing competition from many directions that simply didn't exist, or didn't exist in their current form, even a few years ago.

In Arkansas, for example, DraftKings and FanDuel both have a legal presence, which means casinos, mobile wagering, prediction markets, digital entertainment, and other forms of gaming are all competing with the lottery for consumer attention and discretionary spending.

The larger point is that these pressures aren't going away. If anything, we should expect them to intensify. The best response isn't to fixate on any single competitor, but to become even clearer about the lottery's strengths and more effective at translating those strengths into action, execution, and results.

Continued lottery success matters a great deal in Arkansas because our proceeds fund scholarships for higher education. These dollars are critical for our colleges, universities, and most importantly our students. Since the Arkansas Scholarship Lottery launched in 2009, we've raised more than $1.6 billion, providing over 873,000 scholarships in a state with just over three million people.

So the success of the Arkansas lottery isn't

just about revenue. It's about sustaining and expanding a public benefit that has become a vital part of our state's educational infrastructure.

What concerns you most about prediction markets?

S. Strong: What concerns me most about prediction markets comes down to two things: regulation and the very real impact on young people. As a mother of two college-age sons, I'm acutely aware of the research showing that young men are particularly vulnerable to excessive sports wagering and gambling-related harm. We should be paying close attention to how much time and money young people are pouring into these activities.

On the regulatory side, Arkansas has been out front. Our Attorney General, Tim Griffin, issued an opinion stating that prediction markets are a form of gambling and should be regulated as such. And it's not just Arkansas - around forty Attorneys General from across the country have signed onto an amicus brief underscoring that the regulation of gambling is a matter for states, not for a federal agency to displace.

Think about that. When was the last time forty states' Attorneys General agreed on anything? That level of consensus tells us we're dealing with an issue that needs a clear, responsible resolution. And in my view, that resolution is straightforward: regulate prediction markets just like any other form of gambling.

The point isn't that prediction markets compete with the lottery. The point is that gambling should be regulated as gambling, no matter what label you put on it.

Lottery also competes with legally regulated sports betting and casinos. How can lottery differentiate itself in that environment?

S. Strong: Lottery differentiates itself because of its public benefit purpose. We are the only segment of the gaming industry with a designated public beneficiary. Casinos and sports betting certainly contribute tax revenue, but there is no singular, guaranteed beneficiary comparable to the scholarship mission of the Arkansas Scholarship Lottery.

At ASL, we're all state employees. After prizes and operating expenses, every remaining dollar goes into the trust fund that supports scholarships—not to private shareholders.

Now, that public mission doesn't mean players buy a ticket primarily to support education. They buy a ticket because they enjoy the game and want a chance to win. But our beneficiary is the reason we exist, and it's an important distinction in the marketplace, in public policy, and hopefully in the minds of our players.

Of course, lottery still must compete on the fundamentals: product quality, convenience, entertainment, and value. A good cause cannot make up for an unappealing product. But the scholarship mission gives the lottery legitimacy and social purpose that should be clearly conveyed to players as part of who we are and what we contribute to Arkansas.

Elevating Mega Millions and the National Portfolio

You were recently elected Chair of the Mega Millions Product Group for the Multi-State Lottery Association (MUSL). What opportunity do you see in that role?

S. Strong: Mega Millions is one of the best known lottery brands in the world. For many consumers, Mega Millions and Powerball are practically synonymous with the idea of lottery itself. The recent Mega Millions game change was significant, and we know there is still room to strengthen the game and improve performance.

In this new role, I'm excited to work closely with Harj Shergill Chima, the lead director of the Mega Millions Consortium. Our partnership creates a real opportunity for both Game Groups to coordinate our efforts and enhance the overall results of these flagship national games.

When Mega Millions performs well, every participating lottery benefits. In Arkansas, that directly supports our ability to generate scholarship proceeds. The same is true in every jurisdiction, whether the beneficiary is education, parks, veterans, senior services, or another public purpose.

I look forward to contributing to the continued improvement of a national game and to strengthening every participating state lottery along the way.

Powerball has placed considerable emphasis on becoming a world-class consumer brand. Should Mega Millions pursue a similar ambition?

S. Strong: Powerball has made impressive progress in defining itself as a major consumer brand, and Mega Millions has also built a strong identity. The MUSL and Mega groups are working closely to optimize the performance of both games and to identify synergies that produce the best overall results.

Like Powerball, Mega Millions has its own distinct brand, and we certainly want to preserve that differentiation. At the same time, there may be opportunities to better coordinate our strategic approaches—more of a portfolio optimization mindset—to strengthen the combined impact of these two flagship games. Both brands should be managed intentionally, promoted creatively, and supported as national assets for the lottery industry.

Harj and I have a strong desire to collaborate closely. The governance structures of the two groups are different, and building the necessary consensus can be challenging. But the desire to drive progress is there. There is a real opportunity to explore how Mega Millions and Power;ball can reinforce each other rather than operating as separate brands.

Should the industry think beyond those two games and manage multistate games as a national portfolio?

S. Strong: I do think "national portfolio" is the right phrase.

As someone relatively new to the industry, I'm not tied to the mindset of "this is the way it's always been." The industry has many new leaders bringing fresh eyes and forward thinking perspectives. We're all trying to serve our states, the industry, and our beneficiaries. We understand that the more effectively we work together as a community of lotteries with shared interests and objectives, the better each of us will perform individually for the people we serve.

One of the things I value most about this industry is how collegial it is. My fellow directors aren't just professional counterparts—they've become trusted friends. That makes genuine collaboration possible.

Continued on page 35

By managing national games more strategically as a portfolio, we have the chance to create a mutually reinforcing dynamic in which the whole performs better than the sum of its parts. It's an opportunity to elevate our collective performance, strengthen our beneficiaries, and continue modernizing how we think about national games.

Building Advocates Beyond the Lottery

How can lotteries strengthen their relationships with legislators, governors, the media and beneficiaries?

S. Strong: We have to tell our story more effectively. As directors, it's simply not possible to be in every room where gaming policies are being discussed.

In Arkansas, we enter a general legislative session every other year, and there are always proposals involving lottery revenue or how proceeds should be allocated. The more our stakeholders understand what we do, how the lottery operates, and what the scholarship program means to Arkansas, the more likely it is that advocates will speak for us when we aren't physically present.

We recently held an event at the retail location that sold a major Powerball winning ticket. The Arkansas Speaker of the House and the state senator representing that area both attended and delivered prepared remarks. Events like that mean a great deal to me because they command media attention and shine a positive spotlight on the lottery.

In some parts of the country, lottery is deeply embedded in the culture. In parts of the South, there can still be some hesitation. Public support from respected elected officials is incredibly important because it reinforces that the lottery is a legitimate state enterprise producing meaningful public benefits.

The media tends to focus on enormous jackpots. How can lottery broaden the story?

S. Strong: I think it's important to proactively give the media stories that are interesting beyond the size of the jackpot.

Last year, we partnered with the Arkansas Hunger Relief Alliance and Lotto.com on an initiative focused on food insecurity among college students. As part of that promotion, Lotto.com donated $5,000 to support campus food pantries. In planning that project, I learned that roughly forty percent of Arkansas college students experience some level of food insecurity. Many people assume every student has a meal plan or family support, but that's simply not the reality, especially for nontraditional students.

This partnership aligned naturally with our scholarship mission. It allowed us to highlight the broader challenges students face and to show how the lottery can support the communities we serve, not just through sales and revenue. Those are the kinds of meaningful, real world stories that help broaden public understanding of what lottery contributes to Arkansas.

A jackpot winner also generates benefits beyond the individual winner.

Absolutely. Even when it isn't a record breaking jackpot, the ripple effect of someone winning a large prize in Arkansas is tremendous.

The winner typically spends or invests a portion of that money in the state economy. The state benefits from tax revenue. The retailer earns a commission and often reinvests it back into the business. And of course, the lottery generates proceeds that fund scholarships. Ultimately, those dollars help Arkansas students pursue higher education with less financial burden because of the funding from the Arkansas Scholarship Lottery.

So, the impact is far greater than one person's life being changed. It's really a conversation about the lottery serving as an economic driver for our state.

Modernizing a Traditional Retail Lottery

Arkansas does not currently sell lottery products directly online. How are you modernizing within a retail-based model?

S. Strong: Couriers provide some digital convenience, but we don't have the direct player relationship or behavioral data that comes from operating our own digital sales channel. That can feel limiting when we compare ourselves with lotteries generating substantial digital sales. But we're using the tools available to us as intelligently as possible.

We've introduced a newer CRM platform with real time dashboards for the sales team. Representatives can see inventory, sales performance, and store level comparisons before they ever walk into a retailer.

Instead of reacting to whatever they find when they arrive, they walk in already knowing where the opportunities likely are. They may see from the dashboard that the store across the street is selling significantly more of a particular game, and they can immediately start a conversation about placement, visibility, inventory, or product mix.

The relationship becomes more consultative and more data driven. And the message to retailers is simple: we have a common goal. When you do well, we all do well.

So, the goal is to move from backward-looking reporting to forward-looking decision-making?

S. Strong: Exactly. Historically, KPIs mainly told us what had already happened. Now we're using real time and analytical information to ask what action is most likely to improve the outcome.

That's a significant shift. We're becoming more proactive, more performance oriented, and more willing to adjust based on what the data tells us.

We're also exploring ways to manage our sales and marketing functions more like a market driven enterprise. Lottery is a state agency, but it's also a commercial operation competing in the marketplace. That requires clear performance expectations, strong talent, and management practices that recognize the importance of productivity.

I have strong support from our cabinet secretary for this performance driven approach, which may include new forms of incentivization. We're still working through what the final model will look like, but I believe it can help us attract, retain, and motivate high performing employees while preserving the advantages of state employment.

Continued on page 37

Connecting Retail and Loyalty

Without direct online sales, can your player club and loyalty program help create a stronger relationship with players?

S. Strong: That's the direction we're heading.

Arkansas launched its loyalty program when the lottery began in 2009, and we now have more than 400,000 registered members, with thousands joining each month. In a state of about 3.3 million people, including residents under 18, that level of participation is significant.

The program includes second chance promotions, Play It Again cash drawings, and Points for Prizes. Players can enter nonwinning tickets and redeem their points for merchandise.

And interestingly, one of the most popular redemption items is toilet paper, which always makes me smile. It's a reminder that players appreciate practical rewards just as much as the flashier ones.

Not something fun, like computers, sports equipment, toys? Toilet paper?

S. Strong: I find the psychology of it fascinating. You might assume people would use their points for a luxury or non essential item, but many choose something they would otherwise have to buy anyway. They're effectively transforming a nonwinning ticket into a household necessity.

Maybe everyone remembers the shortage at the beginning of COVID and decided never to be caught unprepared again! But more seriously, it shows that players perceive real value in the program. The next step is making the experience more seamless.

Our app is getting a facelift and additional investment under a new vendor agreement. Ideally, we want to connect the loyalty app directly with purchases at vending machines. A player could scan the app, complete age verification, and have the purchase automatically tied to their account without the need to manually enter a nonwinning ticket later.

The broader goal is consistency across every touchpoint: retail, vending, loyalty, advertising, website, and digital communications. Players should encounter one coherent Arkansas Scholarship Lottery message, wherever they engage with us.

Does remaining retail-centered provide any competitive advantage?

S. Strong: I think there's an opportunity to lean into what makes lottery different from so many other parts of consumers' lives: it's tangible, social, and familiar.

We live in a world where almost everything is shifting to a screen, but we're also seeing a growing desire to step back from constant digital interaction. People are rediscovering more analog experiences. I've even noticed a trend in bringing landline phones back into the home. Schools across the country are placing meaningful limits on student cell phone use.

The lottery can benefit from that shift. There's something uniquely nostalgic about walking into a retailer, seeing the tickets, choosing your numbers or a scratch off, and walking out with something you can hold in your hand. For many people, that experience is part of what makes playing fun. Retailers often tell us stories about the small communities they've formed around lottery—they know their regular players well; there is a shared excitement around their favorite games.

We should absolutely embrace digital channels where they make sense, but not everything has to be digital to remain relevant. Our competitive advantage may actually lie in offering an experience that isn't entirely online as an opportunity for people to step away from the screen, share a moment with friends or family, and participate in something connected to the broader community.

Looking Forward

What is the big-picture strategy for competing in this changing environment?

S. Strong: The strategy is not to become preoccupied with every new threat or to imitate every competitor. It's to execute better.

We need to continue developing stronger games, stronger brands, better collaboration, modern retail execution, meaningful loyalty programs, better data, and deeper support from our stakeholders.

Mega Millions can become stronger. Powerball can continue building on its momentum. National games can be managed more collaboratively. State lotteries can tell their public benefit stories more effectively. And traditional retail lotteries can use data and technology to operate in much more modern, disciplined ways.

We all face constraints. The question is whether we treat those constraints as an excuse or as motivation to become more creative.

Every lottery has its own culture. Arkansas is not trying to become someone else's lottery. We want to become the best version of the Arkansas Scholarship Lottery, because when the lottery succeeds, it provides tremendous benefit to our retailers, our players, our educational system, and ultimately, our state.

That is what makes the work worth doing. ■