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ALWAYS Thinking BIG

A defining moment in Mike Veverka's career was when he recognised that the internet provided the perfect avenue to sell lottery tickets. Twenty years on and his business, Jumbo Interactive, is providing revolutionary technology to people with dreams of winning big.

Images courtesy of Jumbo Interactive

Soon after the advent of the internet, computer engineer Mike Veverka decided to quit his day job and start working on business ideas to utilise this exciting new online space. He started an e-commerce business in 1995, and five years later, when the big dotcom boom hit the world, listed it on the ASX. Around that time, the Australian Government changed its laws to allow the online sale of lotteries, and Mike was quick to realise that this presented a huge opportunity.

"We were selling lots of different things on the internet, but it became quickly apparent that

lotteries were the type of product that was perfect for the internet," Mike says. "Other products needed delivery fees, warehousing, and so forth, while lotteries didn't need any of that. It is a virtual product, and on top of that it is very regular. People buy tickets every week, so we just kept on adapting our software giving people what they wanted. The more we focused on lotteries, the more we expanded. We started with basically no revenues, and today we are over \$100 million in sales."

Mike's visionary thinking, entrepreneurial spirit, and innovative approach have led to the success of Jumbo Interactive in Australia,

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Germany, and North America. The business works by having official agreements with authorised local lottery organisations and then providing customers with a secure online distribution channel to purchase game tickets. According to Mike, the worldwide lottery market is worth approximately \$250 billion, and less than 1 per cent of that is online. Some countries, such as Australia, already have 10 per cent of sales via the internet, while parts of Europe are up to 30 per cent. Mike hopes that those statistics will continue to grow, with Jumbo Interactive leading the way.

He believes that being in Australia has been an advantage because the >



“The US is a big target market, and we have been trying very hard to open that market for about five years. We have been talking to and lobbying the governments, providing information and generally making them comfortable with the internet. There are signs showing that the US is going to start allowing more lottery sales over the internet, so that will be a big win for us.”

tickets via our mobile app, and growth was immediate. Most recently, we launched the world’s first lotteries app for the Apple Watch, and we expect the uptake to be just as huge.

“We have basically taken people from buying tickets in front of their computer, to their mobile phone, and now on their wrist. It has increased the convenience so people can now play the lottery whenever and however they like. It has also made it a lot more interesting—we have special syndicates and made them easier for people to play. Lotteries have traditionally been a 40- to 50-year-old-demographic type of game, but ever since we started using technology, we found that we are able to attract a much younger crowd.”

Jumbo Interactive employs 130 technologists and computer programmers who are always looking for the next best thing with regard to technology. “We all love our gadgets and we all love

government was quick to support and adopt online sale of lotteries. Moving into overseas markets has proven to be more difficult because the required legislation has not yet been passed. “There are political debates over the benefits of internet lotteries, so our main challenge has been in providing proof that the benefits are considerable,” Mike explains. “When lotteries are properly controlled, they provide a reliable and steady revenue stream for charities and worthwhile causes. Introducing technology to the sales process only enhances that.

The fast pace of technological growth has been a huge driver behind all that Jumbo Interactive does. The business consistently makes an effort to embrace new technologies early in an effort to make lotteries better, safer, and more fun for everyone involved. “In the early days when you could buy lotteries on your computer, there were concerns over security,” Mike says. “So we developed software that showed just how secure it was and made people feel comfortable about spending money over the internet. Then mobiles came along around 2010 and we started selling

the next big thing,” Mike says. “We use that as a driver as we try to think up what the next wonderful thing is. We all thrive on innovation. While security was a concern in the early days, it is not so much an issue anymore. Customers trust Jumbo Interactive as a legitimate provider, and that is reinforced when they witness their peers hitting the jackpot. Jumbo has now had two jackpot winners that have won \$30 million each.”

Mike understands that lotteries are a form of gambling, but he also recognises that it is controlled. “The fact that games are drawn once a week regulates people and stops them from losing their heads, unlike, say, a poker machine where people can literally put a dollar in every minute and pull the handle to find out if they have won or not,” Mike says. “That quick turnaround can be quite detrimental. Lotteries are not like that; people buy a ticket and it’s typically \$10 to \$20, so it’s not a lot of money. But they do it on a weekly cycle; that’s why engaging in lotteries is so sustainable.”

In many countries, lotteries have been around for hundreds of years. The Australian games were originally set up to help fund the Sydney Opera House and it grew from there, now supporting schools and hospitals. Lotteries play an important role in many communities, and that is something that Jumbo Interactive never forgets.

“It is an integral part of every government, but we have to understand it’s a long-term view,” Mike says. “We have worked with the governments, explained how the internet works, and how it’s safe and secure. Understandably, governments and stakeholders are concerned that everything is done correctly.”

Mike hopes that Jumbo Interactive will continue to increase its market share in the online sale of lotteries by moving its operations into new geographical areas. It already has a strong presence in Australia, but hopes to grow that



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Jumbo Interactive



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further. Over the next five years, Mike foresees, the online sale of lotteries in Australia will double from 10 per cent to 20 per cent as more people start adopting the technology and buying their tickets via the internet.

This year marks 20 years of operation for Jumbo Interactive. To celebrate the milestone, the business is rebranding itself with a fresh look and communication strategy. “We want to give a consistent experience to our customers and ensure that everyone understands what we are trying to do. Our customers use our technology across such a wide range of devices, from computers to tablets to phones and now even watches; it is important to make the whole experience as consistent as possible.”

Playing the lottery can be quite an emotional experience, and the new Jumbo brand will expand on that and make the whole encounter

much more rewarding for players. “The moment you fill out a ticket is full of positivity and hope as you dream of what you could do if you won,” says Mike. “One of the most popular parts of our website is the winners’ stories section. People love to read about others who have won and how their lives have changed,” he says.

Playing the lottery is also becoming much more social. In the past, groups of friends would get together and pool their money to play a syndicate. This is an area that is booming because of the social effect that Facebook and other sites are having. “Jumbo’s online syndicates are very popular because players have the added benefit of sharing their dreams and their winnings. It’s a much more rewarding experience. We are quite excited about where lotteries are heading and what the future holds for Jumbo,” Mike concludes. ●