



**RFP: Creative & Marketing Communications Services  
Media Planning & Buying Services**

**VENDOR ACKNOWLEDGEMENT OF ADDENDUM**

Amendment Number: Five (Includes Question & Answer Summary)

Date Issued: August 12, 2014

By signing below, the bidder attests to receiving and responding to the amendment number indicated above.

FIRM NAME: \_\_\_\_\_

REPRESENTATIVE SIGNATURE: \_\_\_\_\_



REQUEST FOR PROPOSALS  
FOR CREATIVE & MARKETING COMMUNICATIONS SERVICES  
AND MEDIA PLANNING & BUYING SERVICES

Questions and Answers

August 12, 2014

**PART ONE**

Q.189:

- a) Page 15 [of the RFP] references that the "...contents of the Technical Proposal, Volume III must follow this outline:
1. Signed transmittal letter.
  2. Response to Assignments described in Part 4 – Phase Two."

Please confirm that the content of the signed transmittal letter should align to the description provided earlier on page 13, stated thus:

"Transmittal Letter: The transmittal letter must be signed and shall contain names, addresses (including e-mail), and telephone numbers of individuals who are authorized by the bidder to address matters related to the Proposal including, but not limited to, contractual, technical, site visit, and background investigation. The transmittal letter must also contain explicit formal agreement by the bidder to comply with all contractual provisions and contain a statement that the Proposal will remain valid at least 180 days from due date of the Phase Two Technical Proposals."

- b) Additionally, should there be a signed Phase Two, Volume III Document Submittal Checklist as an element of the outline/required documents?
- c) Should there also be signed acknowledgements of any Amendments that the Gaming Commission would issue as a result of this round of clarifying questions?

A.189:

- a) **The Transmittal Letter does not need to duplicate the Phase One Transmittal Letter. Please ensure the letter identifies the company, the LOT that pertains to the submission, and the contents of the submission, and is signed by an authorized**

representative.

- b) **Yes, the Document Submittal Checklist (see Amendment 4, Revised Checklist) should be completed for the Phase Two components and included with your submission.**
- c) **Yes, the acknowledgement that accompanies this Question and Answer period, Amendment 5, as well as any additional amendments that may be published prior to the submission deadline, need to accompany your Phase Two Technical Proposal (Volume III).**

Q.190: Page 16 states that the "...Technical Proposals (**Volume III**) will remain with the Commission's Contracts unit for initial review of document submission as provided in this RFP and subsequently distributed to the Evaluation Committee members at the start of the Phase Two evaluation process."

Please clarify whether the Phase Two Oral Presentation Evaluation Committee attendees will have read/evaluated Volume III written proposals prior to the Oral Presentations.

**A.190: Any proposals received prior to the Phase Two proposal due date and time (September 3, 2014 at 3:00 p.m.) will be held by the Contract Unit until the due date and then distributed to the evaluation committee. All members will have had an opportunity to review the written proposals prior to the Oral Presentations.**

Q.191: If not pitching jointly, can media proposals incorporate the creative work of our creative agency partners?

**A.191: No.**

Q.192: Is there a required format of the Phase Two submission, i.e. PowerPoint or Word?

**A.192: There is not a required format.**

Q.193: Can we submit videos with our submission to support our response to the Phase II assignments?

**A.193: Yes.**

### **PART THREE**

Q.194: Question + Answer 131 on page 43 of Final RFP Amendment One asks about current research, to which the Commission responded:

"Some of the research planned for 14/15 is as follows: On-going attitude and usage study; consumer focus groups on Instant Scratch-off Games and Jackpot Games; Consumer Segmentation Study; Consumer Retail Experience Qualitative study; Various Copy Testing."

Is it possible to share any findings from this research, if it has been completed?

**A.194: The most recent tracking study data tables (A&U) have already been provided to all finalists. We will provide the report from Jackpot Games Focus Groups conducted in May 2014. The Instant Scratch-off Games research is not relevant to this RFP and the remaining research referenced above has not yet been completed.**

**The information related to this question is confidential and is being shared only with the Finalists from Phase One of this RFP process.**

Q.195: Does the NYS Lottery have contractual obligations on advertising spend with respect to the multi-state games? If so please provide any required spend for each multi-state game.

**A.195: There are no contractual obligations on advertising spend for the multi-state games.**

Q.196: Are there any mandatory requirements for media coverage by county? If so please provide us with those requirements.

**A.196: No. There are no mandatory requirements for media coverage by county.**

Q.197: Are there any particular watch-outs we need to consider legally, when exploring new partnerships/sponsorships? If so please provide the details of any restrictions or requirements when establishing a new partnership/sponsorship.

**A.197: There are no legal restrictions. However, all partnerships/sponsorships must be in good taste and must not be controversial in any way. New York Lottery partnerships must be held to the highest level of integrity.**

#### **PART FOUR**

Q.198: For the Oral Presentation in September, does the Evaluation Committee require that all of the agency attendees from the Phase One Oral Presentation be involved?

**A.198: Yes. The same requirement holds for Phase Two that was in effect for Phase One that all participants of the Oral Presentations must be individuals who would be assigned to work on the New York Lottery account if the Agency is awarded a contract under this RFP process.**

Q.199: On the "Active Retailers Chart" under the Quick Draw column, there are Retailers marked with a "Y" and others with an "S". What does this mean?

**A.199: Quick Draw Retailers with a "Y" identification are those with Quick Draw Monitors in their establishment where players can watch the draws live. Quick Draw Retailers with a "S" Quick Draw retailers are able to sell Quick Draw, but do not have monitors on site.**

Q.200: Is it possible to obtain a breakdown of the number of retailers by class of trade?

- A.200: The information related to this question is confidential and is being shared only with the Finalists from Phase One of this RFP process.**
- Q.201: Is it possible to obtain game sales by class of trade by county and/or by region?
- A.201: The information related to this question is confidential and is being shared only with the Finalists from Phase One of this RFP process.**
- Q.202: Is it possible to obtain Jackpot sales (Lotto, Powerball, Mega Millions) by retailer?
- A.202: No. That information is proprietary.**
- Q.203: You provided FY Lotto sales by county – thank you. Can you also provide FY Powerball and Mega Millions by county? And if at all feasible, other game sales as well?
- A.203: Sales data by county will be provided for all games to all finalists.**
- The information related to this question is confidential and is being shared only with the Finalists from Phase One of this RFP process.**
- Q.204: Can you please provide overall NY Lottery flowcharts for 2012, 2013, 2014 by game?
- A.204: No. It is the intent of these assignments to get new thinking for the Lottery’s advertising program. What has been implemented in the past is not relevant.**
- Q.205: Regarding Media Assignment – “Growing Lotto”:
- a) Are there sales targets for Powerball or Mega Millions during the Lotto campaign?
  - b) Has there / would there be any consideration to changing the drawing nights for Lotto or Powerball?
  - c) What are the Lotto campaign dates?
  - d) Should we assume a specific start date in 2015 based on their budget management process?
  - e) Are there any budget requirements for supporting Lotto that should be considered
  - f) Regarding the statement, “determination of project budget as part of the annual media allocation,” can the Lottery confirm that the annual media allocation is \$70 million, which is referenced in the “Segmenting the State” assignment?
  - g) What is historical spend and channel allocation for Lotto?
  - h) What has been done to support Lotto historically and what other products were supported in-market at the same time? Is there any data (media mix model, ROI, etc.) to share related to these efforts?

- i) What is profit margin vs. payout for Lotto (40% payout is mentioned on page 73) in comparison other jackpot games as well as scratch-off games?
- j) What messaging/media were used to communicate the various changes to the game outlined on page 74?
- k) Please confirm the sales goal is 15% over [REDACTED]
- l) Can you share any existing Lottery consumer information by product/product type, specifically Lotto?
- m) In evaluating the historical data for Lotto, we found that one county, Schenectady, suddenly increased their sales of Lotto over 15 fold in October 2010, which skews the Albany Historical performance. Can you confirm that the bump in sales is accurate?
- n) Can you provide ROI by market?
- o) Can the Lottery provide us with Hispanic sales by market or city?
- p) What is the percentage that Hispanic represents of the total sales market and/or city?

**A.205:**

- a) There are no specific sales targets for Powerball or Mega Millions. However, when developing the Lotto recommendation, the focus should be on increasing aid to education. If the recommended change would draw away from other games, that should be factored into the calculated benefit of the Lotto recommendation.**
- b) There is a great deal more flexibility in changing the draw schedule for Lotto, as it is a New York-only game. Any changes to the multi-state games, such as Powerball and Mega Millions, must go through an extensive review process by all the participating lotteries and the ultimate decision cannot be made by New York State alone.**
- c) There are no set dates for the Lotto campaign. It is for the bidder to determine when and how to structure any campaign for Lotto as part of the assignment. For the purposes of the RFP assignment, assume that the media must run during the Lottery's 2015/2016 Fiscal Year, which runs from April 1, 2015 – March 31, 2016.**
- d) See Response to Question 205 (c).**
- e) No. There are no budget requirements. However, the recommended spend for the Lotto initiative should be reflective of its projected impact on sales.**
- f) For the purposes of the Assignments within the RFP, the annual media allocation to support all Lottery products and initiatives is \$70 million.**
- g) There has been no advertising spending in support of Lotto in more than 5 years.**
- h) There has been some point of sale support for lotto promotions and also social media for lotto subscriptions and lotto jackpots on occasion in the last year. There**

has been no advertising spending in support of Lotto in more than 5 years.

- i) **The Powerball and Mega Millions games are 50% payout games and Scratch-off games range from 62% to 78% based on the proposition of the ticket and its price point. In general, for the New York Lottery, as instant scratch-off ticket prices increase the prize payout increases as well.**
- j) **There has not been any advertising support of the Lotto game in more than 5 years. Any communications before that time are not relevant to this RFP.**
- k) **The updated sales projection for Lottery's FY 14/15 for Lotto [REDACTED]. This figure should be used as the base for the +15% sales goal.**
- l) **Consumer data from the most recent tracking study was provided to all Phase Two finalists.**
- m) **That data relates to the Lotto subscription program being headquartered in Schenectady. All the subscriptions from around the state show up as having been sold in Schenectady because that is where they are processed.**
- n) **No. ROI cannot be calculated because there has not been any advertising investment in Lotto.**
- o) **No. Such data is not available.**
- p) **Available information about Hispanic playership is addressed in the tracking study data provided to all finalists.**

Q.206: Regarding Strategic Assignment – "Segmenting the State", Can you provide 2014 buying targets for all advertised initiatives?

**A.206: No. It is the expectation of the Lottery that the buying targets would be developed by each bidder based on the data provided as part of their response to the assignment.**

Q.207: Has the Lotto ticket ever been modified? If so please elaborate on how.

**A.207: The game has changed several times over the years and at times in the distant past has been rebranded. Ticket modifications can be done, but are limited by systems and software.**

Q.208: Do your retailers have to go through any sort of training? If so please expand upon what they are trained on and how that training is administered.

**A.208: All retailers go through a training program when they first become a licensed Lottery retailer. Additional details on retailer training will not be provided as it is not germane to this RFP.**

Q.209: You provided us with the sales of Lotto for the past five years. If available please share the same level of information for all of the games in the New York State Lottery portfolio (by game, by county).

**A.209: See Response to Question 203.**

Q.210: Is it possible to receive advertising spend by game, by county, (by medium) for the last five years?

**A.210: No. The assignments are designed to give each bidder the opportunity to present a fresh approach to the Lottery's advertising program. Specific advertising schedules will not be provided for the last five years as historical advertising efforts are not relevant to this RFP.**

Q.211: For Assignment A are there any budget parameters (both media & creative/production) around the campaign to support the Lotto? If so please provide the details of those parameters or requirements.

**A.211: There are no specific budget parameters, however the bidder must understand that the annual budgets provided must cover advertising for all products within the Lottery's portfolio.**

Q.212: Other than sales are there any metrics that you currently review to evaluate the success of a campaign? If so please provide details of those metrics.

**A.212: There are a variety of metrics that are used to evaluate the effectiveness of a campaign and depend on the unique nature of each initiative. Metrics can include, but are not limited to, the following and relate to creative or media, as appropriate:**

- **Attitude and Awareness numbers (e.g., new game awareness, advertising recall, change in perception of the Lottery, etc.)**
- **Product Usage (e.g., change in frequency of play, change in Lottery spend, etc.)**
- **Click-through rates**
- **Achieving delivery goals**
- **Increasing fan base or engagement on Social Media**

Q.213: Do you have a target launch date for the "Grow Lotto" campaign?

**A.213: See Response to Question 205 (c).**

Q.214: Lotto sales now represent 1.3% of sales of total portfolio. What percent did Lotto represent at its height and how many other Lottery products were in the portfolio at that time?

**A.214: Such historical information can be found on Tab E-29 at the link below.**

**[http://www.rockinst.org/nys\\_statistics/2013/E/](http://www.rockinst.org/nys_statistics/2013/E/)**

Q.215: Knowing that you've done "Buy \$X, Get \$X Quickpick Free" in the past, are there any plans for you to run similar promotions in the future that we should take into consideration when planning?



**A.215: At this time, there are no plans for future Lotto promotions. For the RFP, each bidder should determine the optimal promotional strategy to be followed as part of their overall response to the Lotto assignment.**

Q.216: You mention the Hispanic community in terms of the importance of the “Growing Lotto” challenge. Do you have measures of success within the Hispanic community, from a historical perspective, specific to NY Lotto?

**A.216: Available information about Hispanic playership of Lotto is addressed in the tracking study data previously provided to all finalists.**

## **PART FIVE**

Q.217: Will the oral presentation be scored separately from the written submission?

**A.217: The oral presentation will be considered in the overall scoring of the Phase Two technical proposal. A separate set of points was not designated for this oral presentation.**