



Connecticut Lottery Corporation

Request for Proposals #CLC201301

Advertising and Marketing Services

ADDENDUM #1 RESPONSE TO QUESTIONS February 22, 2013

MULTICULTURAL:

1. Part 1, page 5 and part 4, page 27 :
Multicultural Marketing brings to the table language and cultural idiosyncrasies that can best be expressed through segment specific media. Up to what point will the Multicultural agency be involved in the media planning and placement process?
RESPONSE: The Account Executive for the Multicultural Marketing Services would be involved throughout in the media planning process.
2. Part B, Page 64 and Part A1 & A2, Page 6
Will you share ethnic group gaming data profiles with the selected agency? Will CT Lottery fund research (or database modeling development) to acquire consumer intelligence, if currently unavailable?
RESPONSE: No.
3. Appendix B, page 64
Do you have the multicultural share of overall business? By game? Is it reflected in the available budget?
RESPONSE: Budget data has been provided.

4. link from page 6 to Annual Report 2011, Future Projects, Page 8:
Is the Supplier Diversity Consultant participating in the evaluation of this RFP?

RESPONSE: No.

5. How deep do you see multicultural efforts? Simply translation and placement on appropriate properties or development of separate marketing strategies and plans for different cultures? Along those lines, is the CLC looking for multicultural linguistic connotation screening and sentiment analysis to be performed on existing lottery games or just weigh in on future games and marketing initiatives?

RESPONSE: It is up to the Proposer to describe how it feels it could best support the CT Lottery.

SOCIAL MEDIA MARKETING

6. How much if any social media ad buying have you done to date? (i.e Facebook ads, sponsored stories, Youtube pay per view, Twitter sponsored tweets & accounts, Stumbled Upon, Outbrain content syndication, etc) How open are you to adding this to your media mix if the agency can show you efficiency and targeted reach?

RESPONSE: Social media ad buying has not been a part of the media plan to date. Social Media Marketing will be considered during the budget development for fiscal year 2014 (July 1, 2013 – June 30, 2014).

7. How is social media currently handled today? agency/in-house? what is the % split of responsibilities? Do you approve content weekly, monthly or quarterly? Do you currently have a contract with any social media monitoring, analytics or automation softwares? If so, how long are the contracts?

RESPONSE: See response to Question 6, above.

8. Is your social community management currently being managed by a 3rd party (agency, freelancer, consultant) or within an internal department?

RESPONSE: See response to Question 7, above.

9. What role does your team see Social Media playing in your 2013/2014 (and beyond) marketing efforts? Specifically, does your team see Social Media as a key marketing and strategy driver to inform other marketing strategies and tactics, or do you see Social Media as an amplification or enhancement of your other marketing strategies and tactics?

RESPONSE: The depth of social media marketing is yet to be determined; however, the CT Lottery seeks to include social media to enhance existing strategies and tactics.

10. In your budget breakouts I do not see a line for Social Media. Can you clarify the amount of dollars that were previously allocated to Social Media?

RESPONSE: See response to Question 6, above.

11. In the RFP it says you are accepting responses for just one portion of the RFP. Since we are a social media (only) agency, we wanted to get your point of view on the honest opinions of the team on hiring a specialty agency such as ourselves for only that portion of your Advertising and Marketing Services needs?

RESPONSE: Please refer to Part I, Introduction, Page 5.

12. How advanced are your digital outreach strategies and social media efforts?

RESPONSE: Please see responses above.

13. We know you will be hiring a new director of social media / digital strategy, what will that person be charged to do?

RESPONSE: As with all other activities covered by the scope of this RFP, CT Lottery personnel will oversee and serve as a liaison with successful Proposers.

14. What channels are you looking to focus on most heavily, or will you look to the agency to inform that decision?

RESPONSE: The CT Lottery will work with successful Proposers to develop the best social media strategy for the CT Lottery.

15. Do you currently have a strong base of blogger ambassadors?

RESPONSE: No.

16. Will the scope of work include maintaining and serving as the “voice” of CLC across the various social channels in place?

RESPONSE: No, but successful Proposers may support the efforts of CT Lottery personnel.

17. Will the new agency handle overall social media strategy and positioning?

RESPONSE: No, but successful Proposers may support the efforts of CT Lottery personnel.

18. How will you measure success of social media marketing? Will you look to your agency to inform that position?

RESPONSE: Performance measurement criteria will be developed as the CT Lottery’s social media program is implemented.

GENERAL QUESTIONS

19. Part L, Page 37

Do you conduct weekly performance reviews by game and campaign? If yes, who leads these

meetings?

RESPONSE: The CT Lottery regularly reviews the performance of each of our games.

20. Part 1D, Page 7

Will the account executive be part of the weekly performance review process? In view of account executive multicultural expertise, will he be part of the media redirection process for slow performing campaigns?

RESPONSE: While the Lottery is flexible, the Account Executive must be available at the request of the Lottery. Phone or virtual presence may be acceptable in certain circumstances.

21. Part II, Page 5

Will the performance of retailers identified as over-indexing in a particular ethnic segment be shown separately in the weekly performance review?

RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.

22. Part IX, H, I – Examples/Case History, Page 29

For a more comprehensive view of our services we are preparing 3 case studies for evaluation of our capabilities; is this in compliance with RFP specifications?

RESPONSE: All minimum requirements of the RFP must be met and additional information can be supplied if helpful.

23. Part B, Page 31

Is it safe to assume that only the selected finalists will be presenting a comprehensive campaign for the four Daily Games?

RESPONSE: Yes.

24. Who has overall management responsibility for this account?

RESPONSE: The overall management falls under the responsibility of the VP of Sales & Marketing, but the daily account liaison is the Director of Communications & Public Relations.

25. In what form should our response be in?

RESPONSE: Please refer to Part IV, Section H, Page 11

26. Is there a location where we can get further information/specifications on this bid?

RESPONSE: Please visit <http://www.ctlottery.org/Modules/Bids/default.aspx>

27. A sample Marketing Flowchart is provided in Appendix D, page 66. It notes that several of the out-of-home media products are implemented by CLC staff. Are you able to tell us what percentage of the overall out-of-home media budget is planned and implemented by CLC directly (rather than through an agency or media specialist)?

RESPONSE: Successful Proposer will purchase all media for out-of-home. The CT Lottery Specialist designs approximately 20 - 25% of the digital billboard creative.

28. A sample media plan is provided in Appendix E, page 67. Would you be able to provide the Traffic Audit Bureau unit ID numbers for the current OOH plan? The Traffic Audit Bureau unit number is the unique identifier that is associated with each billboard and poster unit.
RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.
29. Aside from posting the RFP on the CT Procurement site how many agencies have you directly invited to participate?
RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.
30. On page 6 section 3 it says that the website is a product of an in-house team of 1 design and 2 developers. What level of website design and development does your agency handle in a given year?
RESPONSE: The agency has not been involved in the design and development of the website as stated on page 6. The CT Lottery is the designer and developer of the website.
31. Are you ready for a new website? Are you 100% happy with it as it stands today?
RESPONSE: The CT Lottery continuously makes enhancements and updates to the website and mobile site through its in-house staff.
32. Page 6 Do you have specific stats on re-lapsed customers?
RESPONSE: Your question is not fully understood and cannot be answered.
33. The website for bid notifications is currently down <http://www.ctlottery.org/bids-open.htm> will this be used as a communication tool in the future? How often do you recommend checking it?
RESPONSE: The correct website location is:
<http://www.ctlottery.org/Modules/Bids/default.aspx> . We recommend visiting this site every few days as you prepare your Proposal.
34. What system are your point-of-sale digital displays utilizing?
RESPONSE: The Lottery in Motion (LIM) is capable of running jpeg and Adobe Flash files.
35. Can you give any details/percentages as to the demographics of your key draw player games?
Age, Gender, HHI, etc
RESPONSE: No.
36. On page 5 you mention that traditionally you engage with a single AOR, although this bid is open to "a la carte" proposals, will there be a preference toward "do it all" shops or collaborative proposals that tackle all the services outlined in the RFP?
RESPONSE: The evaluation of the Proposals is in accordance with the RFP.

37. For PR, page 27 talks about the CLC's in-house team. Does the CLC see the Proposer as a support to the CLC's PR department or a strategic driver, which the CLC with support?

RESPONSE: It is up to the Proposer to describe how it feels it could best support the CT Lottery.

38. On page 25, the RFP outlines Trademarks, Servicemarks and Copyright symbols as items which would need creative development and production services. Do you also anticipate a need for the vendor to research availability or marks and domains? Carry out registration procedures on behalf of the CLC?

RESPONSE: We urge you to review carefully the RFP's Part XII, Section F: Intellectual Property Rights, which contains minimum terms and conditions that will become a part of the Contract.

As to your first question, subpart 5 on p. 36 of the RFP states in relevant part that "[t]he successful Proposer will, at its sole cost and expense, obtain and pay for Federal trademark and/or service mark and/or copyright searches, and state trademark or servicemark searches within Connecticut, on names or any aspect (i.e., music, artwork, composition or phrases) chosen for games, taglines, advertisements or promotions by the CLC and obtain a written opinion at its sole expense from outside intellectual property counsel"

As to your second question, subpart 5 on p. 37 of the RFP states that, "[a]t the CLC's request, the successful Proposer shall obtain, cause to obtain, or assist in obtaining or causing to be obtained, trademark, service mark, or copyright registrations, as the case may be, of any such chosen name or other aspect for a game, tagline, advertisement or promotion on behalf of the CLC."

39. What is the best way to handle the Price Proposal? Until there is a clearer roadmap or we have developed a marketing plan that has been approved, allocating monthly costs is difficult, as such would depend heavily on how many different initiatives were overlapping. Is a breakdown of hourly rates sufficient?

RESPONSE: Depending upon what type of Service you are bidding on, you will need to fill out Attachment C: Price Proposal according to the pricing listed on that form (page 46).

40. How many people are on the evaluation committee and what are their functions?

RESPONSE: The evaluation committee consists of members of the Lottery's management team.

41. What is the structure for the internal team at CLC that the winning agency will be working with to implement the final recommendations?

RESPONSE: Your question is not fully understood and cannot be answered.

42. What State Lotteries does the CLC aspire to be more like? And in what ways?

RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.

43. Which state lottery corporations and/or games do you consider to be biggest competitors to CLC?

RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.

44. What historically has been the greatest challenge in marketing the CT State Lottery and why?

RESPONSE: Since the CT Lottery is a mature Lottery (41 years in operation), our challenge is growth.

45. What Demographic data on CLC consumers can you share by games played as well as by heavy, medium and light users?

RESPONSE: None.

46. You increased market research by 68% 2011 to 2012. Can you please advise what you did and why? Can we see the research?

RESPONSE: Proprietary research for game development.

47. Is there an incumbent agency? If so, who is that, and how long have they had the account?

RESPONSE: On July 1, 2005, Cashman + Katz Integrated Communications was awarded AOR status through a competitive RFP process. On July 1, 2010, Cashman + Katz Integrated Communications was again awarded AOR status through a competitive RFP process.

48. Is the current agency contract at its end, and have all renewal options been exercised?

RESPONSE: The current contract term is July 1, 2010 – June 30, 2013. Two (2) one-year extensions at higher prices were not exercised.

49. The budget for 2012 shows agency fees at \$432,480---does the agency also receive other compensation, i.e., what was the total compensation for the agency on the \$10 million budget?

RESPONSE: The agency fee is the only compensation.

50. Is there opportunity for production markups, creative fee income and media commissions, or are all products bought at net, including media?

RESPONSE: There is no opportunity for production markups or creative fee income. Please refer to Part IX, Section F Scope of Services, Documentation, Accounting and Billing, W and X in regards to media billing.

51. Do you have background/brand research available that outlines how you arrived at your previous brand positioning?

RESPONSE: No.

52. Are you looking for PR and communication activities that solely focus on Connecticut and New England states or are you interested in efforts that may extend nationally/ internationally?

RESPONSE: CT Lottery consumers are adults 18 years and older. CT Lottery tickets are only sold in Connecticut.

53. Can you define your primary target audience by market (key feeders – all drive distance or New England key markets) demographics and psychographics?

RESPONSE: See response to Question 52, above.

54. Do you have any research you could share about your consumer target in particular?

RESPONSE: See response to Question 52, above.

55. What are the advantages that CT has over other New England states or other point of differentiation that will remain appealing to customers?

RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.

56. Will there be a specific focus on one of the game categories over another (instant vs. draw games), or will the agency be measured on support for each category separately? Will the agency be measured by individual game awareness within each category?

RESPONSE: This question is unclear and cannot be answered.

57. Please list any new games, service, products you expect to launch this year?

RESPONSE: Please refer to Part III, Products and Services Covered by this RFP, Section A, and Appendix D: Sample Marketing Flowchart.

58. Where do you see your biggest opportunity for future growth coming from? Are you investing in anything that will help continue your growth?

RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.

59. If the contract is signed July 1, 2013, when do you require materials to be in-market?

RESPONSE: The CT Lottery expects selected Proposers to provide the contracted services from the start of the contract.

60. Can you describe what have been successful programs in the past? What has been your most successful campaign or annual themed effort?

RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.

61. What kinds of past programs would you describe as unsuccessful or ones that provided interesting key learnings?

RESPONSE: This question is not relevant in that a response to it will not assist in the submission

of a complete and competitive Proposal.

62. How would you describe a successful agency relationship for CLC?

RESPONSE: Proposers are encouraged to describe how they will build a successful collaboration with the CT Lottery.

63. Have you engaged any ambassadors or external spokespeople?

RESPONSE: The CT Lottery has not regularly retained a celebrity spokesperson.

64. What marketing research is currently in place and how often do you measure?

RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.

65. At the end of the first year, how will you know the agency has succeeded? Do you have goal in mind for increases in awareness, ticket purchases, etc.?

RESPONSE: Success is measured by sales revenue and General Fund transfers.

66. How do you prioritize and allocate the budget to promote the different products-- instant games, in-state draw games, and national draw games?

RESPONSE: The CT Lottery's marketing priorities are determined by the corporation's strategic goals. Scratch games make up approximately 60% of revenues, draw games account for the remaining revenues. Refer to APPENDIX D: Sample Marketing Flowchart.

67. Is there a pre-established budget for communications services/agency support for the next fiscal year? What are any possible parameters for an annual budget?

RESPONSE: For purposes of preparing responses to this RFP, Proposers should assume budget levels similar to the current year.

68. How is the agency fee currently derived from agency resources?

RESPONSE: This question is unclear and cannot be answered.

69. Can the agency or agencies influence a redistribution of the budget with the goal of building a stronger marketing program?

RESPONSE: The agency is involved in the budgeting process to ensure the CT Lottery has the most effective allocation of dollars.

70. Are you amenable to a redesign of the current logo as part of the marketing effort?

RESPONSE: Yes.

71. Are the majority of instant games provided by a wholesale supplier or does the agency have influence in designing the selection of custom games available?

RESPONSE: The CT Lottery collaborates with gaming vendors for game development but is open to ideas from other vendors.

72. *Appendix C, Marketing, Advertising & Promotion Expenses* identifies that \$1,723,876.55 spent last year on Creative & Production, is a more detailed breakdown of expense type available?
RESPONSE: No.
73. Please indicate the types or any specific strategic marketing alliances and partnerships that have previously worked best for CLC?
RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.
74. How would you characterize the working relationship between the CLC and local tourism entities and industry partners?
RESPONSE: Good.
75. Do you have any partnerships or programs in place that extend beyond July 1st?
RESPONSE: Marketing and sponsorship contracts typically end June 30th, but contracts for the future, may be renewed prior to the conclusion of this RFP process.
76. How would you describe your marketing culture and/or willingness to get edgy?
RESPONSE: Please refer to Part II, About the Lottery, page 5, APPENDIX A: Code of Good Practice.
77. Are there any competitive brands agencies may represent that would be considered a conflict?
RESPONSE: Refer to Part IX, TECHNICAL REQUIREMENTS, Section D, Item 2, p. 22 of the RFP.
78. Minimum staffing levels are referenced in the RFP, what are the staffing levels and structure in the current agency?
RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.
79. Can the agency suggest new revenue opportunities?
RESPONSE: Yes.
80. Do you require hourly reporting against monthly fees?
RESPONSE: The agency could be asked to produce this from time to time.
81. Would the CT Lottery be amenable to setting up an FTP site for secure transfer of files?
RESPONSE: Yes, pending any restrictions or security issues.
82. Is CLC issuing the RFP due to contract re-negotiation obligations?
RESPONSE: Please see response to Question 48, above.

83. Are you pleased with the current partner relationship and efforts to date?

RESPONSE: This question is not relevant in that a response to it will not assist in the submission of a complete and competitive Proposal.

84. We did not see any indication for additional communications or PR support for any crisis, public affairs, internal communications or other communications support in the RFP. Will you look to your new PR agency to assist in these areas?

RESPONSE: It is up to the Proposer to describe how they feel they could best support the CT Lottery. Successful Proposers may serve to support the efforts of CT Lottery personnel.

85. Are the results of the last RFP process, including detail on agencies that pitched and did not win, available?

RESPONSE: Yes.

86. Do you have a previous scope of work provided to the current agency available?

RESPONSE: Yes.

87. When submitting a collaborative proposal, do all agencies have to return Attachments A, B, D, E, F, G and H or just the lead Proposer? *(See Section H., Submission Requirement)*

RESPONSE: Just the Proposer. Please refer to Part IX, Section A Proposer Collaboration, page 19.

88. In a collaborative proposal, must all agencies and not simply the lead proposer submit all of the following sections:

- Proposer's Business Structure, Credentials & Operations
- Proposer's Prior Performance Issues
- Proposer's Financial Statements
- Minimum Proposer Qualifications
- Proposer's Information

(See Section H., Submission Requirement)

RESPONSE: All of the Attachments must be filled out by the Proposer who will be the party to the Contract with the CT Lottery. Please refer to Part IX, Section A Proposer Collaboration, page 19.