

RFP IL 23-02 Media Planning & Buying Service Questions and Answers

GENERAL QUESTIONS

What is the Iowa Lottery's expectation in an agency supporting organic and paid search?

The media agency will not be expected to support organic search or any elements of our website within this contract. Paid search is not currently being utilized by the Iowa Lottery, if that should change or a test is approved, the media agency could implement this within the media planning and buying contract.

Will the Iowa Lottery first-party/VIP Club data be available to the media agency?

Yes, VIP Club data will be shared with the selected media agency.

What market/consumer research has the Iowa Lottery conducted recently? Is this available to participating firms in this RFP? Have you, in the last five years, conducted a formal audience segmentation analysis, brand lift study, or awareness polling? And if so, can you share high level results? We understand from our meeting with you that this is not likely available, however is this something you'd be interested in your agency providing you with and would you like to see capabilities on this front included? Do you have any demographic information regarding players – Lottery vs scratch/instant vs online terminal? Do you have any documented demographic data or audience personas you can share?

Over the past several years, the Iowa Lottery has focused its research efforts on product expansion and retailer satisfaction and has not conducted a formal audience segmentation analysis. Earlier this year, the Iowa Lottery began the implementation of our new CRM system. This CRM system houses player data for our over 150,000 VIP Club Members. Built on the Optimove platform and customized for lotteries, this CRM system will be available to the selected media agency as we work together on better understanding our VIP Club Members and defining player segments.

With regards to an agency providing a more formal audience segmentation analysis, such an effort is of interest to us and we certainly would like to learn more regarding the capabilities that a media agency might be able to provide in this area. However, we require that any response or proposal with regard to additional services for consumer/player segmentation research and analysis be provided as a separate additional quote if desired and should not be included in the core response as noted in the RFP.

Do you have a calendar of tickets to be promoted for the year?

Promotions and any calendar of tickets will be shared with the selected media agency.

Do you have a TV partner that broadcasts the live drawings?

The Iowa Lottery does not have a TV partner for live broadcasts of lotto game drawings.

What areas of the state are stronger geographically in sales? Could you rank the four noted state “quadrants” by sales volume? Are there particular areas that are stronger for certain games?

The Iowa Lottery has 4 sales regions with regional headquarters based in Clive, Cedar Rapids, Mason City & Storm Lake. In Fiscal Year 2022, the Iowa Lottery experienced sales revenue of \$432,663,770. In terms of regions, Clive (Region 1) was the top performing region with roughly 38% of total sales revenue followed by Cedar Rapids (Region 2) with 30%, Mason City (Region 3) with 18% and Storm Lake (Region 4) with 14%. Within their regions, Region 2 has historically performed slightly better in the Lotto category compared to the other regions, while Region 4 has experienced a slightly higher performance in the Pull-Tab category.

Do you sell scratch/instant tickets on the app?

The Iowa Lottery only sells its products through its over 2,500 retailer partners across the state of Iowa.

In what sports & event sponsorships do you participate? Are there any game tie-ins with specific sports?

The Iowa Lottery has focused on a variety of sports and other events in order to provide our players with exceptional opportunities that are not available to the general public throughout the state of Iowa and elsewhere. These types of promotions can best fit into the broad categories of sports, trip experiences, and cash. In terms of sports event promotions, we have had a wide variety of large sports promotion including such events as a suite promotion at the University of Iowa, away game trip experiences for Iowa State University in Las Vegas, NV and Austin, TX, a suite experience for the Minnesota Timberwolves as part of an overall Iowa Wolves promotion, and the Hy-Vee INDYCAR race weekend. Trip promotions have included Powerball’s First Millionaire of the New Year in New York City, a trip to Chicago for a warehouse dash promotion, an upcoming opportunity for a Powerball trip and cash prize at the NASCAR Cup Series Championship Race at Phoenix Raceway in Avondale, Arizona, and an upcoming country music experience for an exclusive Luke Combs concert at the Ryman Auditorium in Nashville, TN. More recently, we are expanding promotions for such concerts as the upcoming HY-Vee INDYCAR concerts featuring Carrie Underwood, Kenny Chesney, Zac Brown Band and Ed Sheeran. And of course, we continue with cash promotions as well.

Is there a website we can access to provide marketing plans for the past few years?

No. Past marketing results, promotions and campaigns can be shared during onboarding of selected media agency.

Can you outline some of the challenges around the Code Green decisioning (when to activate, what channels, attributable results)? We understand you run advertising for big jackpots – Powerball & Lotto? We heard you mention Code Green – what is the threshold for advertising? Is TV advertising included for the jackpot rollover advertising? If not, why?

By way of background, “Code Green” advertising had been set up to increase awareness of bigger jackpots for Powerball and Mega Millions up to the point when the local/national news would pick up the story and provide even broader exposure and game awareness. Capturing the attention of frequent and less frequent players for these games has become more of a challenge, due in part to increased sources of media, increased competition for entertainment dollars, as well as simply due to the increase in messages that consumers receive on a daily basis.

With the increase in jackpot sizes for Powerball and Mega Millions over the past several years, the threshold for determining advertising has steadily increased from what was once a \$200

million jackpot threshold. With jackpots increasing to higher levels over the past few years, player engagement has also changed. This threshold has increased to \$400 million or even to \$600 million jackpots and above. We look forward to working with the selected media agency to assist us on when it would be most beneficial to run advertising for big jackpots and when to cease these efforts due to diminishing returns.

In the past, TV advertising was not included in “Code Green” efforts, but the Iowa Lottery is open to looking at options that make the most sense in terms of promoting these big jackpots to raise awareness and to encourage appropriate sales.

Is having a person in state to represent and attend in-person meetings for the Media Planning & Buying Services partner important?

It is preferred, but not required that the selected media agency have a person in state to represent and attend in-person meetings.

Can you please provide details on your paid media attribution methodology, by channel?

Paid media attribution has been tracked primarily by last click attribution on digital media, as well as new VIP signups, and promotion entries. On other mediums, attribution is considered when reviewing sales numbers, promotion entries, and new VIP club members, but there is less methodology developed here. The Iowa Lottery will continue to work with media agency partners to grow this methodology.

Do you see a correlation or causation between the more frequent promotions and the uptick in revenue over the last two fiscal years?

Like many organizations, the Iowa Lottery was impacted by COVID in FY 2020 and FY 2021. As a result, it is difficult to compare years to determine precisely if the increase in revenue experienced during these time frames are fully the result of more frequent promotions or not. However, results through the past 12 to 18 months are pointing towards a positive impact for more frequent promotions. This is an area that we will be working closely with our selected media agency to ensure that media efforts are delivering the type of results desired.

What are the three most significant challenges the Iowa Lottery needs to solve in the next two years?

As we look ahead, the Iowa Lottery has been focused on two major efforts. The first of these is an extensive analysis of our entire product portfolio. This analysis is designed to help us review and assess in detail the different games offered by the Iowa Lottery in order to identify opportunities for improvement for each game category as well as to best understand and determine the best mix of products across the overall offering. We are excited about the opportunity that this analysis will provide as we look to enhance and expand the games offered by the Iowa Lottery.

In addition to the above, we are also working on ways to work closer with our retail partners. A key part of this effort is to research and identify retailer compensation best practices of top lotteries as well as the best practices from best in class suppliers to retailers. This effort will significantly assist the Iowa Lottery as we work on enhancement opportunities for our retailer commission structure in order to strengthen our retail partner relationships.

Do you consider any of the “area” lotteries or casinos, tracks and resorts/hotels to be competitors? If so, which? Has there been focus on earning marketshare from the competitive set of area lotteries or

casinos, tracks and resorts/hotels? Has there been any focus on reviewing calendars and media campaigns for any of these?

The Iowa Lottery doesn't look at lotteries in other states as competition to our efforts. As a result, we have not actively sought to earn marketshare from other lotteries. With regards to casinos, tracks, resorts/hotels, while there is some overlap in terms of players, the Iowa Lottery has not focused its efforts on gaining marketshare from these other gaming options for players. In addition, there has not been a conscious effort to analyze calendars and media campaigns for these other offerings.

In the four noted state "quadrants" please share any market insights where you've seen spends in other cities/states be efficient (ex. Omaha and Rochester are receiving Iowa State Lottery media investment dollars)? How has your agency been measuring efficiency of in-state vs. out of state spends?

Media spending has been focused on Iowa markets. While there is some inevitable spread to neighboring states, neither the Iowa Lottery nor our media agency partner have actively sought any significant media spends outside of Iowa.

Any media campaigns that you've seen other lotteries do that you'd like to see learnings for the Iowa State Lottery that may be applicable? Is your current agency providing you with this type of intelligence?

The Iowa Lottery is always looking to learn from what other lotteries are doing to drive player appropriate player engagement. To date, there hasn't been a significant amount of information shared between lotteries regarding media and media strategy, but that will likely change significantly ahead. Our current media agency has not provided us with this type of intelligence, nor has this type of information been requested of them since the original contract went into effect.

Does the Iowa Lottery encourage the use of Tier I and Tier II diverse supplier partners?

Yes, Iowa does encourage the use of Targeted Small Business within the State of Iowa. You may find more information on Iowa Economic Development.

website:<https://www.iowaeda.com/small-business/targeted-small-business/>

Historically, what has been the added value target for traditional media placements (broadcast, cable and radio)?

The Iowa Lottery hasn't required or utilized added value targeting for traditional media placements. As we look ahead, it is the Iowa Lottery's desire to continue to be more data driven and we would look forward to working with the selected media agency to determine how best to track and maximize our traditional media spend.

Is all added-value media used for responsible gaming advertising, and/or is there additional budget allocated to responsible gaming?

By way of background here, the Iowa Lottery prioritizes responsible gambling messaging on nearly everything we do from brochures, to signage and websites where we can all year long at no set or limited budget amount. It's an important message for us and organizations we work with and it's place at the forefront.

With regard to the Problem Gambling Awareness Month efforts in March of past years, the Iowa Lottery pauses all other paid advertising and promotional messaging during one week of that month to promote awareness. During that time, all of our messaging is to support the cause, and that includes both mediums the lottery controls as well as the requested support of our media

partners. Where applicable, media dollars could be spent to ensure that our efforts are widespread, but positive relationships with our media partners, including our media agency, have proved to be supportive of this great cause.

Can Iowa Lottery share existing long-term sponsorship agreements that will be in effect during the new contract period?

The Iowa Lottery will share any long-term sponsorship agreements with the selected media agency that will be in effect for the new contract period.

Can you share details for OOH contracts that are in effect or will be in effect during the contract period?

The Iowa Lottery has current contracts with Reagan, MediaQuest, Verde and Lamar for both digital and static boards in Iowa. These contracts are in the process of renewal before July 1 and details of those renewals will be shared with the awarded media agency vendor as part of a further discussion on the role it plays in the future media planning and buying efforts.

Are three written price quotes needed when purchasing digital and traditional media?

No.

Will we have access to the member data from the VIP Club? What does this data include? Can you confirm the active member count (we assume a segment of the 160,000)?

The selected media agency will have full access to the VIP Club member data for our over 150,000 members.

RFP SPECIFIC QUESTIONS

1.12 Responsive Proposal Submission Criteria

This section indicates three items due in Phase 2 Technical Proposal, with the third being Case Studies and Samples of Work – See Appendix G. Appendix G cannot be located in the RFP request – should this refer to Appendix F?

To clarify the requirements under Section 1.12. The reference for Case Studies and Samples of work does refer to Appendix F.

If so, please confirm the three items due at the time of agency presentation/site visit (June 12-16, 2023) are: Letter of Transmittal – see Section 1.14, Pricing – see Section 5, Case Studies and Samples of Work – see Appendix F.

The Letter of Transmittal and Pricing are due May 19, 2023. Pricing will not be reviewed until after the Finalists have been selected. For those vendor's selected as Finalists, they will be required to complete Appendix F by the time of the media agency presentation/site visit (June 12-16, 2023).

1.17 Public Records and Request for Confidentiality

In regards to Section 1.17, "Any request for confidential treatment of specific information must be included in the transmittal letter with the Vendor's Proposal". What level of detail should be included in the transmittal letter to note a request for confidential treatment? For example, would citing answers (I.e Section 4.1 question #5) to specific questions in the RFP be enough? Or would noting page numbers that contain confidential information suffice? Or, for example, would a categorical request that all vendor client billing information be confidential be enough for the transmittal letter requirement? We

understand that any confidential information must be clearly marked within the proposal itself. This question pertains to level of detail in the transmittal letter.

A Vendor requesting confidential treatment of specific information must refer to the section of its Proposal that it believes should be confidential and the specific grounds in Iowa Code chapter 22 which support treatment of the material as confidential. Further, the Vendor must indicate why disclosure is not in the best interest of the public. Pricing information cannot be considered confidential information. The request must also include the name, address, email and telephone number of the person authorized by the Vendor to respond to any inquiries by the Lottery concerning the purported confidential status of the materials.

2.2.2 Marketing Structure and Objectives

Recognizing that the Lottery's goal is to have more lowans buy into the Lottery rather than fewer lowans buying more (from the Vendor briefing), is there available data that allows us to know when a ticket is sold or a game is played by a new customer or a repeat customer?

The Iowa Lottery sells all of its products through its over 2,500 partner retailers across the State of Iowa. That relationship can best be described as a business to business relationship where we sell lottery products to the retailer and they in turn sell those products to the consumer. The Iowa Lottery is not part of the business to consumer transaction, and as a result we don't have the ability to track consumer level data at the time of purchase for a Lottery ticket or game. The closest we can get to that data is through our VIP Club where members can note their favorite type of game (scratch ticket, draw game, etc.). In addition, we now have the ability to more quickly leverage our new CRM system (Optimove) to identify the types of games that members have played as they sign up for second chance promotions.

2.6 Marketing Plan

This section mentions "The Lottery's Marketing Plan is considered confidential."

Will these existing and/or previous plans and reports be made available to the Successful Vendor?

The Iowa Lottery's marketing plan and reports will be made available to the successful media agency vendor.

2.10 Customer Relationship Management Marketing

Are you able to share which newly onboarding CRM system you have implemented?

The Iowa Lottery has worked with our gaming system vendor Scientific Games to implement Optimove as our CRM system. This system has been customized for the lottery industry.

Will the Successful Vendor have access to the CRM system? If so, what will the Successful Vendor's access include?

The successful media agency vendor will have full access to the Iowa Lottery's CRM system.

3.5 Term of the Contract

What approved media plans/buys will be in place when the contract begins in July 2023? Will the Successful Vendor be expected to execute on the previous vendor's buy for a period of time, or will the Successful Vendor be expected to have a plan ready to launch immediately?

The Lottery's current marketing contract states that its media agency will help to complete advertising for up to 60 days beyond July 1st, or whatever time frame is feasible for a successful transition. The successful media agency vendor will not be required to have a plan ready to launch immediately. However, it is expected that the selected media agency vendor will work

with the Iowa Lottery and with the current and selected media agency vendors in order to determine how best to transition media buying & placement.

4.2 Corporate Background Overview

Item F: Please define the terms “associated companies” and “consultants.” Would this include media partners i.e., media companies and/or digital/programmatic partners?

To the extent that you have organizations or contract individuals that perform work for your organization for either subcontract or outsource purposes, you would need to include those entities here provided they would be involved at an estimated 25% or more of any phase of the project or scope of services being procured by the Iowa Lottery in this RFP.

4.3 Applicable Experience

This section begins with “An Experience Summary titled “Media Experience Summary” is to be provided,” followed by a series of experience-related bullet points (4.3a through 4.3p). Does answering 4.3a through 4.3p satisfy the media experience section, or are we to submit a brief writeup of our experience in addition to answering 4.3a through 4.3p?

Vendor experience is a key evaluation criteria that the Iowa Lottery will use to rank respondents to this RFP. We would encourage respondents to fully answer 4.3a through 4.3p as well as to submit any additional writeups that helps the Iowa Lottery fully understand the level of experience that the organization brings in responding to this RFP.

The bullet points in this section appear to request information that are a mixture of media-specific information and services that encompass but go beyond media. For example: the top 5 accounts (4.3c), major client losses (4.3d), and new account volumes (4.3d). Can you confirm these requests are meant to include information that encompasses all of services and not just media-specific volumes and clients?

The sections noted in this question are meant to include those accounts that are media-specific. 4.3m indicates the Vendor must describe how it can help the Lottery in any public relations planning or idea implementation. Is public relations considered a separate scope or should it be included in this identified scope of work?

For the purposes of this RFP, section 4.3m and assistance with public relations is considered to be included in the identified scope of work. More specifically, we are interested in how a media agency could assist the Iowa Lottery with regards to the media components related to public relations planning or idea implementation. We are not looking for extensive public relations planning or implementation efforts here, but we are seeking the input and guidance in matters that may arise.

4.4 Financial Data

Section 4.4 of the RFP indicates you’d like past years’ agency/business financials from us. Can those be supplied separately from the RFP response, and would you like multiple printed copies, or just digital?

The following information may be separate from the technical response and may be place on a flash drive.

APPENDIX F asks for two years of media spend breakdown, but page 37 of the RFP asks for three years. Should we simply include two years using the APPENDIX F template?

While the information may seem somewhat similar, we are requiring interested media agency vendors to provide the information as requested on page 37 and then to include additional information in Appendix F should they be selected as a finalist.

5.3 Pricing Format

This section references “Once a month planning meetings (1-2 hours) for concepting new campaigns, as requested” as something to include into a monthly proposed fee. Can you provide more detail into what “concepting new campaigns” typically entails?

Planning meetings could include the Lottery team sharing information upcoming on the promotional calendar for the agency to consider as they prepare a media plan for the individual promotion that also works with any overlapping media already in the market. These hours could also include a meeting that would follow where the agency would present back a proposed media plan and the two entities would work to finalize the placement plan.

Appendix B - B1 General Information

This section includes “It is incumbent upon the Vendor(s) to develop campaigns, promotions and media plans that, in the view of the Lottery, warrant the expenditure of funds.” Does the Lottery have clearly defined measures for media campaign performance (e.g. awareness, new players generated, ticket sales, etc.) or does it vary by campaign?

Each promotion that the Iowa Lottery runs will have different goals and objectives related to the initiative. We will work with the selected media agency to jointly establish measures for media campaign performance and will also work together regarding performance tracking reports, etc.

Appendix B - B2 Work and Deliverables

Media: Will the Successful Vendor have access to Google Tag Manager to place tracking on the Lottery website(s) for reporting? If not, how is this process handled? Will the Successful Vendor have access to Google Analytics?

Yes, the awarded media agency vendor will have access to the Iowa Lottery Google Properties for reporting. If additional or new tracking codes need to be implemented to the website, they will be provided by the media agency to the Iowa Lottery website team internally for placement.

The Traffic section includes “Utilize and maintain a secure Internet-based asset management solution to view and transfer files between the Vendor, the Lottery, and other Lottery vendors.” Will this asset management solution be deemed by the Successful Vendor or by Lottery?

The Iowa Lottery will look to the awarded media agency vendor to determine the asset management solution for file sharing that best accommodates.

Appendix B Section B2 of the RFP notes: Please provide clarification of Production services requested specifically for RFP 23- 02 Media Planning & Buying Services. The Production section includes mention of many responsibilities and deliverables we previously understood to reside with the Lottery’s creative agency or agencies. Can you clarify the specific creative deliverables that are included within this Media Planning & Buying Services RFP?

In Appendix B, 2B, Production was mistakenly noted as a scope of services requirement. Respondents are not required to complete this portion of the RFP. All other sections of Appendix B, B2 are required to be completed (including Marketing, Media and Traffic).

Appendix B- B5 VIP Club Plan & B6 Promotions

These sections indicate the Vendor “may” be requested to provide support. If this occurs, will a separate scope/budget (outside this RFP) be defined at the time of the request?

Both B5 VIP Club Plan and B6 Promotions are included in scope for the RFP. Since our VIP Club is a major source of player data for the Iowa Lottery, and since our promotions have historically been tied closely to our media, it is critical that we work closely with our selected media agency vendor to best understand media impact on players and on specific promotions.

B8 Conferences and Meetings

Will the meetings and conferences referenced in this section be paid for by the Lottery or the Successful

Vendor?

The meetings referenced are to be paid for by the successful media vendor.