

## DIGITAL CREATIVE AGENCY – RESPONSES TO REQUEST FOR INFORMATION QUESTIONS

Responses Posted: April 6, 2022

1. With sales of Lottery tickets strong, what is your ambition and your business goal?
  - a. 2022
  - b. 2023

Specific business objectives and goals will be shared as part of the forthcoming RFP (early May - exact date TBD).

2. What is most important to you in selecting your next partner?

There are several factors that are important to us in selecting our next agency partner. First and foremost, we are looking for an agency that has demonstrated success in developing creative strategies for brands that employ a digitally led marketing strategy, while also ensuring that the strategy can live in traditional channels. Our agency partner should have diversity of talent and be able to think strategically about how multiple products and experiences will be consumed across channels. Ability to work collaboratively with our media agency is also critical as we need plans that are fully integrated.

Finally, chemistry among our teams will be essential to make sure we have strong communication and execution.

3. What challenges is the brand facing today?/ Aside from the COVID-19 pandemic, are there other changes to the market/environment that the Illinois Lottery operates in?

These will be addressed in more detail in the RFP, but the biggest market challenges facing the Illinois Lottery come from competition in the form of Casinos, an expanding video gaming terminal market as well as the expansion of sports betting.

4. Can you shed more light on the pitch process beyond the RFI stage?

We are using the RFI process to get a sense for agency qualifications and desire to participate in the pitch process. After this stage, we plan to issue an RFP in early May that will take the form of a brief, allowing agencies to respond creatively to our specific business needs. We anticipate sharing this brief in written format, but also scheduling an opportunity to brief live to responding agencies, giving them the opportunity to meet the team and ask questions in a more responsive manner. While timing is still being determined, we plan to give agencies approximately 4 weeks to prepare a pitch with the goal of awarding the business by the end of our fiscal year (June 30). Additional details on scoring will be shared when the RFP is released.

5. What brands do you admire creatively?

By thinking outside of the box and choosing more daring creative work, KFC has done a great job of turning a tired “old” brand into something for a new generation. They are also pushing boundaries into the metaverse and alternative currencies (NFT), proving they can adapt with changing times.

Geico is another brand that had the courage to take something as boring as insurance and make people seek out their advertising.

6. What is the duration of the contract period?

This is negotiable, but when we go through the RFP process, we typically like to contract for at least 3 years with the option to extend. However, we have historically amended contracts annually to represent changing scopes and needs.

7. Can you tell us more about the decision-making process and timing of award?/ Can you outline the process you have in mind to get from RFI to agency selection? What's driving key milestones?

See above response to question 4.

8. What are the characteristics of agencies, consultancies, other outside organizations who have succeeded as a partner in the past?

Agencies and other organizations that have seen success working with us have been those that have ingrained themselves in our business and have become part of the team working toward mutual goals. We are not the type of client that needs to always see a polished presentation, but instead would prefer to be taken along on the journey so we can work more effectively together as a team.

9. What does future success look like? Have you nailed down KPIs?

Specific business objectives and KPIs will be shared in the forthcoming RFP.

10. What are the business reasons for this RFI being issued? Is the incumbent participating in the RFI? /What event, strategic objective, etc. prompted this agency selection process?

The incumbent creative agency has been our partner since Camelot Illinois bid for the private manager assignment in 2017. They have done a phenomenal job getting us to this point in the contract term, but our creative needs have shifted alongside our media mix and we believe it is a prudent time to make sure we have an agency partner that can help us achieve our future ambitions. As of this posting, we don't believe the incumbent agency will be participating in the RFP process.

11. Who are the key stakeholders driving this effort? What level of access will the selected agency have to this group?

The team spearheading this effort includes CIL's Chief Commercial Officer, VP of marketing and Senior Marketing Manager. We will also be joined throughout the process by a yet to be determined member of the Illinois Lottery's staff. With the exception of the Lottery employee, this is the core team that the agency will be working with once appointed.

12. What information can you share about your target audiences?

Details around the Lottery's target audiences will be shared in the RFP.

13. What shifts in the category are you most excited or concerned about?

While this will be outlined in much greater detail in the forthcoming RFP, we have seen impressive growth in our online lottery sales and are excited about the prospects for growth in this space. We continue to be concerned about the state of Retail given employee shortages and the need for staff to support lottery in store.

14. Who are your competitors in this space? What areas do they succeed in that you're looking to close the gap on and vice versa?

There are two different ways to look at our competitive set. We are part of the gaming/gambling industry, so in that respect, our biggest competitors are casinos, VGTs, sports betting and other online gambling outlets. However, in the retail space, we are also competing against other impulse purchases (e.g. candy).

15. What media channels or tactics are most important currently, and moving forward?

As part of the forthcoming RFP, we will share our current media mix. While our media plans incorporate almost every channel, we have made a significant shift from more traditional channels (e.g. linear tv, roadside billboards, terrestrial radio) to digital channels like OLV, CTV, programmatic OOH and digital display, social media, etc.).

16. What does the business strategy for the next five years look like? How will the new creative strategy ladder up to the overall business strategy?

This will be outlined in the forthcoming RFP.

17. The RFI says "The chosen provider (Subcontractor) will be expected to provide strategic, creative and production services to best serve the objectives of the Illinois Lottery." Please provide what the objectives are for the Illinois Lottery? As for each objective, how are you measuring them?

This will be outlined in the forthcoming RFP.

18. What is the expected workload/cadence? How many "campaigns" a year, how many (if any) "always on" activations each year? What kinds of timelines are established for a typical campaign?

Media for the Illinois Lottery is always on, so at any given point we are running multiple campaigns. We've moved to a cadence with our media agency where they are briefed bi-annually on our objectives and we are able to plan media out for a longer period of time. With that said, we typically have 2-3 new initiatives or products per year and we aim to brief our creative agency 6-8 months in advance. We'll go into more detail in the RFP on existing creative platforms and how those will be used over the next year.

19. How is digital work measured/what does success look like? What is the current baseline reporting of ROI for digital activities?

Our digital work is measured by media performance. Based on the campaign objective, we develop KPIs that we evaluate every quarter. These metrics include CPR, CPA, ROAS and CTR. We are constantly adjusting benchmarks based on our own performance. For campaigns that don't drive to online sales, we typically have metrics based around engagement, views, completion rates, etc.

20. Is what the digital agency creates meant to be complementary to the traditional agency? For Illinois Lottery, who is considered the lead agency?

The agency awarded this business will be our creative agency of record (lead agency), hence why we are looking for an agency that can develop work that can sit across all channels.

21. Does the website and mobile app sit within the digital team or is that a whole different team/group/area/discipline? What is the process used to update the website to reflect/support campaign work?

Our internal team can update copy and banners on our website fairly quickly and easily. Anything that requires wholesale changes to the wireframe or user experience needs to be done by our development team in Athens, Greece and typically requires significant lead time and business prioritization.

22. What is the structure of the Marketing team/where does Digital fit within this/to whom does this relationship report and what is that person/team's role within the Marketing team?

Both the VP of Marketing and the Director of Digital Performance sit on our Commercial team and report directly to our Chief Commercial Officer. These two functions, and their respective teams, work hand in hand to execute marketing plans. The Marketing team is responsible for all creative execution, paid media planning and executing, retail marketing execution, owned social media and partnership and activation marketing. The Digital Performance team is responsible for trading our online portfolio, managing CRM (email and push marketing) and managing online promotions.

23. What technology and tools are you presently using in the digital space and are you looking to continue use or explore new opportunities? Include CRM/MA tools if applicable?

For owned media, we use Adobe tools to manage our website, CRM, email, push, etc. We aren't currently looking to switch this up. For paid media, we use the M1 DMP for audience building and buy programmatic media through the Trade Desk. We can provide more detail around this during the RFP process, if needed.