

RFP – LC000065 Professional Media Advertising and Related Services Q&A (Phase I) #1

- 1) The Phase 1 submission asks for two case studies but both seem to be solely for Media Planning & Buying Services vs. Advertising campaign, even though the rest of the RFP refers to the need for advertising services. So, do you only need a Media Buying case study, or do you also need an Advertising campaign case study?

The RFP is for media services only. Only media buying case studies are requested.

- 2) The anticipated budget refers to \$52M for total advertising budget, and \$45.6M for media budget. Does this mean the entire total budget is \$97.6M or is the media budget, part of the advertising budget total, meaning \$45.6M media + \$6.4M for advertising agency services = \$52M total)

The \$52,000,000 advertising budget includes both the media budget of \$45,600,000 as well as the production budget of \$6,400,000.

- 3) What do your current sports sponsorships and entitlements look like as part of the larger media budget?

Sports sponsorships, as well as community sponsorships, are part of the marketing budget and not part of the media budget. The media agency is not responsible for sports sponsorships. Sports sponsorships are managed solely by the NCEL.

- 4) Will your selected agency partner be managing both organic and paid social as well as SEM?

The media agency will manage all paid social and SEM. The NCEL handles community management, organic posts/activation, and boosting of organic posts.

- 5) We do not see a set MWBE participation goal listed but do note the three MWBE Affidavit forms that must be completed as part of submission. Is MWBE participation weighted towards final evaluation?

MWBE Affidavit forms must be submitted as part of Phase II submission. MWBE participation as represented by these forms will be considered in the final evaluation as part of Phase II.

- 6) If there any local preference for firms based in North Carolina, or in markets directly surrounding such as Virginia, South Carolina, etc?

There is no preference as to where an agency is located. A Contractor must be authorized and registered to do business in North Carolina. The responding Contractor must be registered, with the North Carolina Secretary of State, to do business in North Carolina and, if awarded the contract, must maintain that registration throughout the term of the Agreement. For more information on registration, visit the NC Secretary of State's website at sosnc.gov. Registration is required prior to the Deadline for Submission of Phase II Proposals.

- 7) We see that annual billings of at least \$5,000,000 are a minimum criteria but with such a large media budget for 2025 are you ideally looking for a larger agency to partner with versus a mid-size agency able to scale?

We have established a minimum for annual billings, but are open to proposals from mid-sized agencies and larger agencies. We are eager to see how individual agencies can use their unique attributes to benefit our brand.

- 8) Is this a Media Agency-only RFP as opposed to Creative to Media?

Both media agencies and full-services agencies can respond. However, with the current RFP, the NCEL is only seeking an agency to provide media planning and buying services. Creative services are not part of this RFP.

- 9) Whether companies from Outside USA can apply for this?
(like, from India or Canada)

There is no preference as to where an agency is located. A Contractor must be authorized and registered to do business in North Carolina. The responding Contractor must be registered, with the North Carolina Secretary of State, to do business in North Carolina and, if awarded the contract, must maintain that registration throughout the term of the Agreement. For more information on registration, visit the NC Secretary of State's website at sosnc.gov. Registration is required prior to the Deadline for Submission of Phase II Proposals.

- 10) Whether we need to come over there for meetings?

Assuming the question is asking about in-person meetings – Many meetings can be managed through video conferencing and phone calls, but some on locations meetings at the NCEL's headquarters in Raleigh are expected.

- 11) Can we perform the tasks (related to RFP) outside USA?
(like, from India or Canada)

There is no preference as to where an agency is located. A Contractor must be authorized and registered to do business in North Carolina. The responding Contractor must be registered, with the North Carolina Secretary of State, to do business in North Carolina and, if awarded the contract, must maintain that registration throughout the term of the Agreement. For more information on registration, visit the NC Secretary of State's website at sosnc.gov. Registration is required prior to the Deadline for Submission of Phase II Proposals.

- 12) Can we submit the proposals via email?

The requirements for Phase I proposals can be found in Section 4.3.1.

- 13) Can you identify who the incumbent is?

The NCEL's current media partner is the Spurrier Group.

- 14) What is your level of satisfaction with the incumbent's performance over the last contract period?

The following response applies to all of the NCEL's agency partners (past, current and future) – From any agency partner, we need strategic thinking and innovative approaches to help achieve our goals. With a demanding launch schedule for new products, a media partner needs industry expertise, a strong and timely evaluation process, and the flexibility to manage changes. The NCEL and its agency partner should develop a relationship based on clear and open communication, trust, respect and accountability. Our agency partner is the critical source for the NCEL's media needs. A seasoned team of experts using their experience and insights to provide solid media solutions is crucial. An agency partner should be confident in bringing forward new, insight driven ideas that challenge the Lottery, but also be willing to address the questions and concerns that arise from new ideas and approaches. Our media agency partner should be committed to ensuring continued success for the NCEL.

- 15) We saw that sales have increased year-over-year since inception. What were your sales targets last year – and were they achieved? Can you share your sales targets for next fiscal year?

As part of Phase II, sales data for FY22, FY23, and FY24 will be shared.

16) Is prior lottery experience a mandatory requirement for contractors?

When reviewing the RFP please note that lottery experience is not listed as a requirement. While the NCEL appreciates lottery experience, this may not be the case for all agencies. As a result, we focus on entertainment and retail-product categories. To that end, please submit the case history that best exemplifies your agencies capabilities.

17) Will agencies be signing an NDA during the RFP process?

No, agencies will not be asked to sign an NDA.

18) Does this RFP encompass both organic and paid media, or just paid? (Page 10, part F)

The media agency will manage all paid social media. The NCEL handles community management, organic posts/activation, and boosting of organic posts.

19) Does paid social extend beyond campaigns under this RFP, or is there a dedicated in-house/another team for promoting and boosting organic content?

The media agency will manage all paid social media. The NCEL handles community management, organic posts/activation, and boosting of organic posts.

20) (Page 9 - 4) What parts of the Phase 1 scoring criteria are most heavily weighted? (Experience, proposed services, cost/price, financial viability, etc.)

In Phase I, the relevant experience and capabilities of an agency will be viewed as most significant. Please note, an agency's ability to meet minimum requirements, case histories, experience, and strategic processes are reviewed in detail during the Phase I evaluation process. Items such as cost/price are part of Phase II as outlined in the RFP.

21) Will NCEL provide the minimum spends required for Drawing Station commitments for TV/Radio before Phase 2? (Page 8, D2)

Draw station partnerships allow the NCEL to air live drawings in an efficient manner providing transparency to players regarding the drawing process and allowing the NCEL to gain additional awareness without direct impact to its media spend. Draw Station commitments will be shared with agencies as part of Phase II.

22) Will we have access to segmentation, insights, and sales data prior to Phase 2?

These segmentation research and sales data will be made available to Phase II participants.

23) Could you share any specific geographic performance data—are there regions within NC that over/underperform?

Sales data by county will be made available to Phase II participants.

24) What is the current age breakdown of the player base for retail versus online gaming?

NCEL online players skew slightly younger (under 49 years of age). Retail player personas will be shared as part of Phase II, and available online player research will be shared as available as part of Phase II.

25) Are there any underserved player demographics that NCEL is looking to engage more effectively?

Player demographics are largely consistent with the general population.

26) Do you have current partnerships with retail chains for co-branded promotions to help drive foot traffic?

No, we do not.

27) Which state lotteries do NCEL benchmark against? (Are there specific media strategies from competitors that you admire or want to improve upon?)

When benchmarking for retail lottery sales, the NCEL most often looks to surrounding lotteries such as Georgia, Virginia, South Carolina, Tennessee, and Kentucky. For online play, the NCEL can look to lotteries including: Pennsylvania, Virginia, Michigan, New Hampshire, and Kentucky. We are not at liberty to provide any recommendation and/or endorsement regarding media strategies during the procurement process.

28) Is there an expected percentage breakdown of media investment per channel (TV, radio, digital, OOH, social, etc.)?

The NCEL is most interested in a media agency's recommendation. Assuming an agency would like a feel for the NCEL's FY24 breakdown, the following percentages are being

shared. Please note that TV includes linear TV, Cable and OTT. Radio includes streaming and terrestrial radio. Production is not a part of the media agency’s budget.

FY24	
	Media % Mix
Production	13.17%
Radio	11.57%
TV	58.06%
Print	0.27%
Outdoor	5.44%
Social/Digital	11.49%
	100.00%

29) How does NCEL balance short-term sales objectives with long-term brand building, and how should media reflect that?

The NCEL’s primary goal is to raise money to support education and to that end achieving our sales objective is key. In addition to supporting existing products and new games launches, the NCEL believes greater awareness of the education programs supported by lottery dollars helps us to build a more positive image of our organization. Knowing where the money goes may make players feel better when they don’t have a winning experience, but perhaps more importantly, it establishes the NCEL as an organization that is good for our state. Our *Moving NC Students Forward* campaign highlights stories of North Carolinians who have benefitted from funds raised by the lottery. The NCEL is also committed to responsible marketing of its games. *Play Smart* messaging is not specifically designed to positively impact sales, but rather provide tips that allow lottery players to make positive choices regarding their play. Awareness of both the program and gambling resources is important, and our research indicates that our communication efforts have helped North Carolinians feel good about playing our games. In addition to ongoing annual media support of these long-term brand initiatives, microsites have been created for each so that digital and social media can be better leveraged to raise awareness, educate and engage all North Carolinians.

30) What level of creative collaboration does NCEL expect within media placements (e.g., co-branded retail content, dynamic ad insertion)?

The NCEL believes that its agencies should work in partnership with each other, including the sharing of information across both media and creative. The Successful Media Contractor will work directly with the Creative Services Agency as needed so that assets can be developed to support recommended and approved media efforts.

31) What proprietary insights or data does NCEL have that we could leverage for media planning (e.g., CRM lists, loyalty data, previous media insights)?

The NCEL has CRM lists, loyalty data, and media insights that can be shared with the Successful Contractor. These insights will not be shared however during the RFP process.

32) How does NCEL adjust its marketing strategy each year? Are there specific changes planned for 2025 beyond sales growth—such as awareness, engagement, or perception shifts?

The marketing strategy will shift each year as the NCEL identifies opportunities for growth and launches new games. In FY25, Digital Instants remain a focus as we continue to strive to increase awareness and encourage trial by new players. We continue to support monthly scratch-off launches and drive retail purchase. It will be important to establish new recently launched draw games such as Cash POP and provide support of limited-time draw game promotions to keep established games top-of-mind as well. We look to raise awareness and increase sales of multi-state games during periods of high jackpots. With the launch of our NC Play Smart site, we must continue to raise awareness and engagement with the brand. We will look to promote winner awareness through social media and solicit new beneficiary stories through the Moving NC Students platform. Finally, we will encourage enrollment in the Lucke-Rewards loyalty program to help ensure that players get to maximize their play and winning opportunities.

33) What key performance indicators (KPIs) are most important to NCEL beyond ticket sales? (e.g., audience engagement, brand sentiment, retail traffic?)

Overall ticket sales, sales growth versus prior year, and game sales indices are used to evaluate success of ad campaigns. An on-going brand tracker is used and reports on attributes such as awareness, brand sentiment, relevance, and saliency.

34) What systems/processes do you have in place for attribution across your media channels?

We do not use a system currently that provides multi-channel attribution. If the media agency has preferred platform or analytics tools, the NCEL is open to learning more. If not, we can share more about what we have reviewed and considered.

35) What are the analytics tools and data sources NCEL leverages most often?

Our media agency has created a dashboard to specifically support Digital Instants sales with GA4 data to get a picture of sales and a better understanding of ROAS.

36) What areas does NCEL need the most support in, related to performance, measurement, and data?

E-commerce marketing efforts for the lottery are still new and our efforts are rapidly growing as we add digital instants to our portfolio. Establishing a unified dataset for informed decision making would be very beneficial.

37) Do you have existing first-party data or CRM tools that the agency will have access to for audience insights and targeting? If so, what tools do you use and/or subscribe to?

The NCEL has first party data, CRM lists, loyalty data, that can be shared with the Successful Contractor. This data is available through the vendor who provides e-commerce support to the NCEL. This data will not be shared however during the RFP process.

38) Has NCEL conducted any segmentation analysis, or do they have interest in exploring this type of analysis in the future?

Segmentation work will be shared as part of Phase II.

39) Do you have additional consumer insight data available that we can incorporate into the media strategy?

Additional information from the NCEL's brand tracker can be shared as part of Phase II.

40) What is the percentage of NCEL website traffic/game purchasing versus NCEL official mobile app usage/game purchasing?

It is approximately 80% mobile and 20% website.

41) What attribution models are currently in use, and how is multi-touch attribution being handled?

Please see responses to questions 34, 35, and 36.

42) How is the budget allocated amongst the various games?

Generally, budget is allocated based on sales goals by game or product line.

43) How many new scratch-offs are launched per year?

As noted in the RFP, the NCEL typically launched 48 to 52 scratch-offs per year.

44) How is the budget typically allocated across quarters?

Budget is allocated based on the number of initiatives in a given quarter.

45) Are there seasonal patterns in lottery participation that we should know about?

Participation does not vary greatly over the year, but there is typically some seasonality for play with sales being higher in February and March each year and dipping slightly in the summer months.

46) What percentage of the budget typically goes toward jackpot-driven advertising vs. ongoing brand awareness and product launches?

On average, we set aside \$2,290,000 (\$572, 500 per quarter) for high jackpot messaging. For FY24, this accounted for 5.3% of the budget. In regards to outdoor, we spent \$2,226,885.21 or roughly 5.1% of budget.

47) For the \$5,000 triple bid requirement, what does this specifically refer to? (Is it for out-of-pocket/production costs or media vendors as well?)

The triple bid requirement is specific to production related costs.

48) In Section (I – 4), does this refer to media vendors needing to be NC-based if possible?

NC media vendors are utilized whenever possible.

49) Will NCEL make full or partial payments where vendors require advance payments based on contract agreements?

Partial payments are anticipated. Full payments will be reviewed on a case by case basis.

50) Is there a preference for agency fee to be a fixed fee or a mix of fee and media commissions?

Please review the RFP thoroughly and note in Section 4.2 B, the NCEL will not pay commissions or a percentage markup to the selected media partner for media. The annual fee is the only compensation.

51) How does NCEL anticipate House Bill 14 will impact player behavior? (e.g., will

it encourage more frequent play, larger purchases, or higher engagement from certain demographics?)

If the bill were to pass, we do not know if or how it could impact play.

52) Has NCEL conducted or reviewed economic impact analyses on how this tax change may affect lottery participation?

We do not know or if or how House Bill 14 could impact play.

53) Does NCEL foresee an opportunity to use House Bill 14 in player engagement strategies? (e.g., incorporating educational messaging into digital, retail, or CRM communications?)

Not at this time.

54) Can we get the current NCEL brand guidelines and logo?

The NCEL brand guidelines will be provided to Phase II participants.

55) How is NCEL's internal marketing organization structured?

The Brand Management and Communications Division includes the Advertising, Marketing, and Communications departments. Each department is headed by a director with various managers, supervisors, coordinators and analysts supporting each department's day-to-day functions. Each department reports to the Chief Brand Officer.

56) For the minimum of twice-per-month in-person meetings at NCEL offices, how many team members are required to attend?

Meetings can be on-site meetings at NCEL headquarters or through video conferences. Who attends will presumably be determined based on the topics that will be discussed and planning efforts for specific initiatives.

57) Can the required tear-sheets be digital copies/photos, or do they have to be physically mailed to NCEL offices?

Tear sheets can be scanned and emailed to the NCEL by the media agency.

58) Are invoices submitted through a specific system? If so, which one?

A specific system for invoice submission is not required by the NCEL.

- 59) Is there a template for a notarized invoice, or is it mandatory to have every media invoice notarized?

Invoices are notarized; North Carolina media outlets are familiar with this requirement.

- 60) It is our impression that this RFP is focused on Media Services. As a result, while we are capable and would be honored to provide creative and production services to develop the creative assets placed in the media plans, we assume that we should not include assumptions about creative development and production in our budget and support scenarios. Please confirm if this is the correct assumption.

Both media-only agencies and full-services agencies may respond, however, with the current RFP, the NCEL is only seeking an agency to provide media planning and buying services. Creative services are not part of this RFP.

- 61) Who is the agency and team that would be providing the creative assets?

The NCEL's creative services partner is Cactus in Denver, Colorado.

- 62) Is this agency/team also the team with primary responsibility for developing new brands/games? (We are trying to understand that for service deliverable of Business Development and Collaboration, in addition to the NCEL team, with how many other agencies would we be interfacing on a regular basis? Who are these agencies currently? What is the current structure for this collaboration across teams?)

The development of lottery games is handled by the NCEL's product development team in partnership with gaming vendors. Game development is not handled by the creative services agency or the media agency. The brand management and communications team along with the creative services agency team would be the groups the media agency would interface with on a regular basis. Typically, weekly meetings are held with the NCEL and both agency partners through video conferencing.

- 63) Which team would be responsible for trafficking assets to media organizations?

The creative services agency will traffic broadcast and can traffic digital assets or provide those to the media agency as desired.

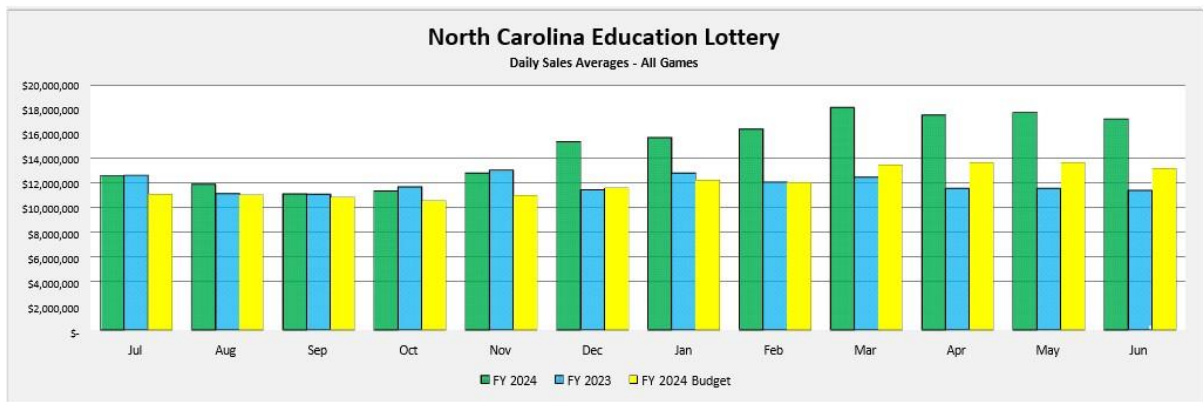
- 64) What creative testing would be conducted on the advertising effectiveness of ads and who is it assumed would be doing that ad effectiveness testing?

Creative testing would be conducted by the NCEL in partnership with the creative services agency.

- 65) We note that it is mentioned that sales increased 23.8% over FY 23; however, earnings for education increased 5.5% over FY23. What are the primary reasons for the differences in growth over FY 23 for sales vs earnings for education?

The simple answer is that not all lottery products are equally profitable. Games which offer a higher payout to players (more prizes) net less profit (return). The Lottery strives to balance its portfolio of games such that funds raised for education exceed goal each year.

- 66) On page 4 of the RFP, there is a chart that appears to have transmitted or converted improperly. Can you please provide clarification on this chart?



- 67) Approximately what percentage of media dollars or sales are invested in Play Smart on an annual basis? (We are trying to understand if it is a significant portion of our services/support will be used in support of the responsible gaming and prevention program.)

The NCEL will provide direction to its media partner as to its goals for increased awareness of the Play Smart brand and player engagement on the NC Play Smart website. These goals will be reviewed by the media agency and recommendations made as to the desired spend level to achieve these goals.

- 68) Are there any agency capabilities or gaps with your current partner(s)?

The following response applies to all of the NCEL's agency partners (past, current and future) – From any agency partner, we need strategic thinking and innovative approaches to help achieve our goals. With a demanding launch schedule for new products, a media partner needs industry expertise, a strong and timely evaluation process, and the flexibility

to manage changes. The NCEL and its agency partner should develop a relationship based on clear and open communication, trust, respect and accountability. Our agency partner is the critical source for the NCEL's media needs. A seasoned team of experts using their experience and insights to provide solid media solutions is crucial. An agency partner should be confident in bringing forward new, insight driven ideas that challenge the Lottery, but also be willing to address the questions and concerns that arise from new ideas and approaches. Our media agency partner should be committed to ensuring continued success for the NCEL.

69) What are your current brand challenges?

Perhaps the most critical brand challenges the NCEL and its media partner will face is to maintain and build on the lottery's previous success. Although new products will always be introduced, the NCEL must rely on effectively reaching new lottery players in a constantly evolving media landscape. As existing players age, we must strive to reach and be relevant to younger players. As new products continue to be introduced, the NCEL must also find effective ways in which to strategically drive and maintain awareness across all games in our portfolio.

70) 1.1. When working in cooperation with the NCEL Brand Management and Communications teams, what do you envision those teams taking the lead on?

Prior to the start of each Fiscal Year, the NCEL will provide a marketing plan to the Successful Contractor, including product introduction schedules and business priorities, as well as an estimated annual budget. The plan shall clearly define marketing and advertising strategies. The NCEL staff and the Successful Contractor staff will meet as needed to review the marketing objectives and strategies, with modifications being made as market and/or business needs arise in order to best maximize net revenues for education.

71) 2.5.1 (C) - Are there any specific syndicated research tools that you require your agency partners to provide for insights and data?

The agency can recommend appropriate research tools.

72) 2.5.1 (D)(3) - When asking for auditing of media outlets, what are the audit expectations for digital and social bid-based platforms?

At a minimum, determine that the outlet delivers within the required parameters.

73) 2.5.1 (D)(7) - When mentioning the allocation of dollars by media type and market, is there any expectation that planned dollars must be guaranteed and reported on by market?

Yes; there would be an allocation and flowchart for each market. Reporting is by market.

74) 2.5.1 (D)(7) - When mentioning the analysis of the fiscal effectiveness of high jackpot media spending, is there a media mix model or current methodology already in place to measure this effectiveness?

No, there's not.

75) 2.5.1 (E) - For digital media services, does this only include paid digital placement, or does it also include any creative service needs for elements like DPA, custom ad units, copywriting, digital asset versioning, performance influencer ad sourcing, etc.?

Only paid digital placement is needed. Creative services will be provided by the NCEL's creative partner. That said, a media partner can make recommendations for elements such as social influencers or dynamic product ads as parting of a media campaign and the lottery will work to develop the creative assets which are needed in-house or in partnership with the creative services agency.

76) 2.5.1 (F) - For social media services, does this only include paid media placement or does it also include any additional needs like:

- o Organic social media activation
- o Boosting or amplification of organic posts
- o Community management
- o Paid ad comment surveillance and management
- o Influencer management
- o Ambassador program management
- o Affiliate or similar program management
- o In-platform creative asset production

The media agency will manage all paid social media. The NCEL handles community management, organic posts/activation, and boosting of organic posts. Creative asset production will be handled by the creative services agency.

77) 2.5.1 (I) Are there any specific needs or requirements for billing and accounting management outside of general billing and accounting services practices?

Please review the RFP for billing guideline details.

78) 2.5 (1)(2) - When asking for a triple bid - how does that apply to digital/bid-based media types - social, search, and programmatic?

Bidding will not be required where not customary and/or beneficial as in the case of media space.

79) 4.4. When submitting joint proposals, while each of the intended participants will submit completed Capabilities Proposals for Phase 1, can we submit an integrated pitch upfront and approach to working together?

The language of Section 4.4 of the RFP is self-explanatory as to our requirements for RFP responses that wish to make use of joint Proposals. In this Answer, we do not attempt to define or address what is specifically meant in the question by an “integrated pitch” or “approach to working together.” However, any response that is structured as a joint Proposal must follow all requirements of the RFP, especially Section 4.4. Those requirements include, but are not limited to, the requirement of the joint Proposal to “clearly identify one company to serve as the principal contractor,” and the requirement to “define completely the roles, responsibilities, duties and obligations that each entity that is a part of a joint venture, strategic partnership or prime contractor team proposes to undertake, as well as the proposed responsibilities of each subcontractor of each entity.

80) We work in partnership with other agencies on US and Canadian state/provincial lotteries. Are we able to respond to this brief for digital paid media only?

The RFP is a request for full media services including television, cable, streaming video, radio, print, out-of-home and digital communications including social media.

81) We video conference with our ilottery partners weekly and monthly, with half yearly F2F visits. Would twice yearly visits to to N.C be a barrier to us submitting a proposal?

Many meetings can be managed through video conferencing and phone calls, but some on locations meetings at the NCEL’s headquarters in Raleigh are expected.

82) Who is involved in the RFP decision making process?

The NCEL’s Executive Director will be appointing the evaluation committee members. Phase II participants will meet the evaluation committee during presentations.

83) How does the NCEL define success in multicultural marketing? Are there specific populations you feel have been underserved in past campaigns?

Our multi-cultural marketing efforts up to this point have included some point-of-sale translation and beneficiary focused newspapers ads for the Latinx community, so our efforts have been fairly limited. Any future considerations would be reviewed to make sure that we are striving to be inclusive and not that we are targeting a group or economic class. We would endeavor to incorporate MCM into approximately two to four campaigns annually.

84) Do you conduct any of your own audience research currently?

The NCEL utilizes a monthly brand tracker as well as segmentation research. Google Analytics and social media analytics are also used to analyze traffic and social media platform data.

85) How does NCEL define "effective media planning"—is it purely ROI-driven, or does it include other strategic brand-building metrics?

Overall ticket sales, sales growth versus prior year and game sales indices are tracked and evaluated to measure advertising campaign success. In addition, the NCEL tracks game and advertising awareness year-round to ensure awareness of key games or brands is being maintained or growing.

86) How does NCEL currently allocate budget across traditional and digital media, and do you anticipate any shifts in investment?

The NCEL is most interested in a media agency’s recommendation. Assuming an agency would like a feel for the NCEL’s FY24 breakdown, the following percentages are being shared. Please note that TV includes linear TV, Cable and OTT. Radio includes streaming and terrestrial radio. Production is not a part of the media agency’s budget.

FY24	
	Media % Mix
Production	13.17%
Radio	11.57%
TV	58.06%
Print	0.27%
Outdoor	5.44%
Social/Digital	11.49%
	100.00%

87) Are there specific markets or regions within North Carolina where you feel your lottery products underperform and need focused media strategies?

Sales data by game for each county will be provided as part of Phase II.

88) What does success look like in terms of advertising? What are your priority KPIs, and how do you showcase ROI internally?

Overall ticket sales, sales growth versus prior year and game sales indices are tracked and evaluated to measure advertising campaign success. In addition, the NCEL tracks game and advertising awareness year-round to ensure awareness of key games or brands is being maintained or growing. As we review digital campaigns, we review revenue generated, acquisition costs and conversion rates.

89) What key performance indicators (KPIs) have been most critical for evaluating past media campaigns? Are there benchmarks we should aim to exceed in our proposal?

Overall ticket sales, sales growth versus prior year and game sales indices are tracked and evaluated to measure advertising campaign success. In addition, the NCEL tracks game and advertising awareness year-round to ensure awareness of key games or brands is being maintained or growing.

90) What level of first-party data access does NCEL provide to agencies for reporting and targeting?

The NCEL has CRM lists, loyalty data, and media insights that can be shared with the Successful Contractor. These insights will not be shared however during the RFP process.

91) Will the NCEL allow purchase value to be passed back into platforms such as Meta and Google to allow for better optimisation?

We would need to understand if that is a possibility with our current system for both purchases and deposits, but conversion tracking currently happens so it would seem possible. Certainly, something we are open to exploring.

92) Does your creative agency produce the performance creatives or is this something that our team would need to account for within our proposal?

The creative services agency does not currently produce performance creative but have the ability to do so if that was proposed by the media agency and approved by the NCEL.

93) What level of creative flexibility does NCEL allow? When working with other lotteries we have a different set ups for our creative freedom

The RFP is for media services. Media will be recommended by the media agency and

approved by the NCEL. Ads will be developed by the creative services agency.

94) What is most important to you in terms of client / agency partnerships?

We believe our agency partner must be knowledgeable with respect to our goals, passionate about our business and mission, and sincerely committed to helping the NCEL succeed. The Successful Contractor will play a vital role in the future growth of the NCEL. As a result, we desire a partnership with an experienced agency partner who is committed to understanding the lottery business and our portfolio of products. To further aid the NCEL, the agency partner must possess the strong media planning and buying abilities to best support our campaigns. An agency partner should be confident in bringing forward new, insight driven ideas that challenge the Lottery, but also be willing to address the questions and concerns that arise from new ideas and approaches. Our agency partner should ultimately feel ownership over the NCEL business and brand, by making protecting the brand and ensuring the continued success of the NCEL, its top priorities.

95) What key challenges have you experienced with previous agency partners?

The following response applies to all of the NCEL's agency partners (past, current and future) – From any agency partner, we need strategic thinking and innovative approaches to help achieve our goals. With a demanding launch schedule for new products, a media partner needs industry expertise, a strong and timely evaluation process, and the flexibility to manage changes. The NCEL and its agency partner should develop a relationship based on clear and open communication, trust, respect and accountability. Our agency partner is the critical source for the NCEL's media needs. A seasoned team of experts using their experience and insights to provide solid media solutions is crucial. An agency partner should be confident in bringing forward new, insight driven ideas that challenge the Lottery, but also be willing to address the questions and concerns that arise from new ideas and approaches. Our media agency partner should be committed to ensuring continued success for the NCEL.

96) How important is previous lottery experience in an agency partner?

Lottery expertise is not required.

97) Would you have any reservations about working with an agency based in the UK?

We would hope that the RFP process would allow such an agency to explain their familiarity with NC media markets and their approach to managing collaboration with a significant time difference in work days/office hours.

98) Is any creative development included in this proposal or is this solely media?

This RFP is media only.

99) Will the creative development portion be bid out separately (if not included in this)?

Creative services are not being bid at this time.

100) Are items E. Digital Advertising and F. Social Media solely media placements or are they content and creative deliverables as well?

Media placement only.

101) Can you provide any insights into your current and/or past media mix?

The NCEL is most interested in a media agency’s recommendation. The breakdown for the last three years is listed below. Please note that TV includes linear TV, Cable and OTT. Radio includes streaming and terrestrial radio. Production is not a part of the media agency’s budget.

FY24		FY23		FY22	
	Media % Mix		Media % Mix		Media % Mix
Production	13.17%	Production	10.80%	Production	12.02%
Radio	11.57%	Radio	12.89%	Radio	13.46%
TV	58.06%	TV	59.72%	TV	58.84%
Print	0.27%	Print	0.33%	Print	0.30%
Outdoor	5.44%	Outdoor	6.63%	Outdoor	6.63%
Social/Digital	11.49%	Social/Digital	9.63%	Social/Digital	8.75%
	100.00%		100.00%		100.00%

102) How does the mix of current lottery players correlate with the general population of NC?

Brand tracker information will be shared as part of Phase II.

103) How are you currently tracking ROI?

The media agency report ROAS. As we review digital campaigns, we review revenue generated, acquisition costs and conversion rates.

104) Beyond the media scope, is there an opportunity for the selected agency to expand into creative executions, content development, or strategic brand positioning?

The current RFP is specific to media. Creative services are not being bid at this time.

105) In Section 2.2 (Goals and Objectives), paragraph two states: “Simply put, we stay busy. With this rapid pace, it is critical that the Successful Contractor demonstrates proficiency in developing television, radio, social, and digital media campaigns to support these initiatives.” Does this imply potential involvement in campaign development or collaboration within an Integrated Agency Team (IAT)?

We are not asking the media agency to develop a campaign, but we are certainly open to ideas that they may have for media which will best help the lottery meet our campaign goals and objectives, and we will work with the creative services agency to produce assets needed for approved media initiatives.

106) Are there any anticipated changes or shifts in allocation anticipated that could impact the scope of work over the contract term?

There is not an anticipated shift at this time.

107) Will NCEL provide historical performance data from previous media campaigns to inform strategic recommendations?

The NCEL will provide performance information to the Successful Contractor.

108) To what extent does NCEL allow for media optimization and reallocation across channels based on ongoing campaign results?

Optimization for social media, digital and OTT has been possible within campaigns. The NCEL would ask to review any agency recommendations.

109) What role does emerging media (e.g., OTT, programmatic, influencer marketing) play in NCEL’s future media strategy?

The NCEL currently utilizes OTT and programmatic. We are open to discussing influencer marketing.

110) Are there any priorities or hesitations about testing new channels?

As long as new channels meet the NCEL’s advertising standards and can help meet campaign goals we are open to reviewing and testing.

111) Are there any restrictions or guidelines for using first-party data, audience segmentation, or programmatic media buying?

Please review the NCEL’s advertising standards, included in the RFP, to avoid placement

in media that may have a unique appeal to minors or primarily featuring minors. Additional guidelines can be provided as part of the onboarding process to avoid content such as political debates or conventions, religious content and holidays.

112) Does NCEL require or prohibit any specific platforms or vendors for digital media execution?

TikTok is not currently approved for use by state agencies (areas of government) in North Carolina. Although other digital platforms or vendors have not been specifically identified, please review the NCEL’s advertising standards, included in the RFP, to avoid placement in media that may have a unique appeal to minors.

113) Are there any contractual obligations or preferred media partners that should be factored into planning and buying?

Draw station partnerships allow the NCEL to air live drawings in an efficient manner providing transparency to players regarding the drawing process and allowing the NCEL to gain additional awareness without direct impact to its media spend. Draw Station commitments will be shared with agencies as part of Phase II.

114) Is there an opportunity to integrate new strategic partnerships into the media strategy?

We are open to discussing new approaches and the testing of new approaches.

115) Can you share an estimate of budget allocation by media platform for prior fiscals?

The NCEL is most interested in a media agency’s recommendation. The breakdown for the last three years is listed below. Please note that TV includes linear TV, Cable and OTT. Radio includes streaming and terrestrial radio. Production is not a part of the media agency’s budget.

FY24		FY23		FY22	
	Media % Mix		Media % Mix		Media % Mix
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Outdoor	5.44%	Outdoor	6.63%	Outdoor	6.63%
Social/Digital	11.49%	Social/Digital	9.63%	Social/Digital	8.75%
	100.00%		100.00%		100.00%

116) What percentage of the overall budget is allocated to multicultural audiences?

Our multi-cultural marketing efforts up to this point have included some point-of-sale

translation and beneficiary focused newspapers ads, so our efforts have been fairly limited. Any future considerations would be reviewed to make sure that we are striving to be inclusive and not that we are targeting a group or economic class. We would endeavor to further incorporate MCM into approximately two to four campaigns annually. There is not a set budget at this time.

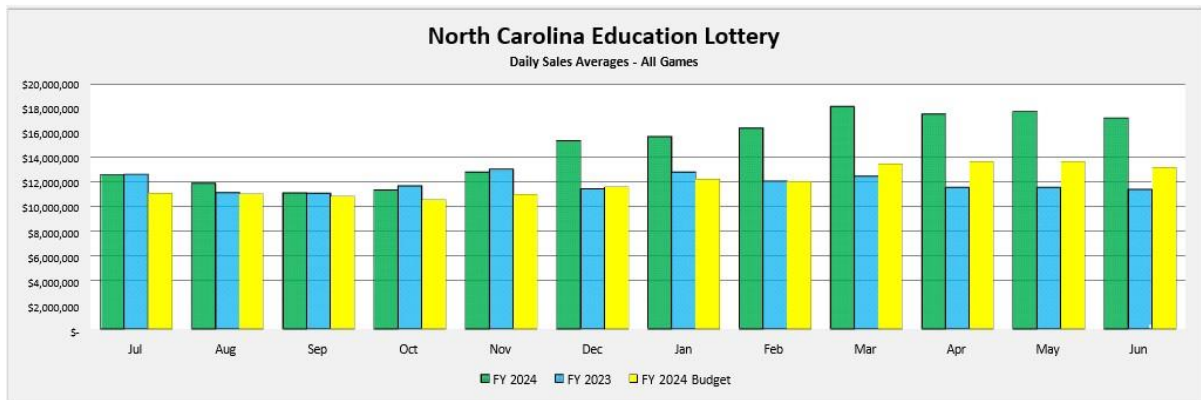
117) Regarding section 4.1(F)(1)(b) under Case Histories, the RFP requests two distinct case studies, with one specifically relevant to entertainment environments and/or competitive retail-driven product categories (e.g., soft drinks, candy, etc.). Is it mandatory that one of the case studies aligns with this requirement? Would an agency be excluded or disqualified if both case studies demonstrate strong capabilities in all other areas but do not fall within these specific industries?

The NCEL recommended experience focused on entertainment and retail-product categories. To that end, please submit the case history that best exemplifies your agencies capabilities.

118) Your FY is noted as beginning July 1. As agency selection date will not happen until May 14, 2025, followed by contract execution, is it your intention to extend the contract with your current agency to allow for onboarding, planning, and implementation?

The transition process has not been determined at this time.

119) Chart at the bottom of page 4 appears to be missing x and Y axis details and legend. Could this be provided?



120) Winning Numbers – Request and audit the airing and/or publishing of NCEL winning numbers from all radio stations, TV stations, digital sites and newspapers included in a NCEL buy. Is this at a weekly cadence? At present, how many weekly vendor partners

does this include?

This is only necessary if the media agency is purchasing such announcements. The NCEL will manage this as it pertains to draw station partners.

121) Could you estimate how many new initiatives and high-level jackpots (beyond those noted for annual planning cycle – i.e., those requiring **incremental** planning and implementation) happen over the course of the year?

Of course, it's not possible to predict high jackpots, but one high jackpot run per quarter is a reasonable estimate. Every effort is made to anticipate all initiatives during planning prior to the start of the fiscal year, but perhaps one incremental initiative per year would be a reasonable estimate for new initiatives.

122) **Section 2.5.1 D #4** – confirming **all** broadcast makegoods require client approval in advance of accepting? (Particularly in a tight marketplace ... like political), makegood volume can be significant. Question 1: Is there an opportunity to place parameters around acceptable makegoods to expedite the process? Question 2: If no, was this put into place due to mismanagement of the makegood process?

We will work with a media agency to create a system with appropriate parameters such that approvals are expedited.

123) **Section 2.5.1 I #1-3** - Does this relate to negotiation of paid media? Given the size of the markets you operate in and your sizeable advertising budget, it is likely that all relevant media will exceed \$5K. Additionally, the lowest priced vendor may not always be the best vendor. Is this perhaps relevant to other asks outside of paid media? Or could you provide clarity as to how this is handled currently?

The agency is not required to bid media. As identified, this process is only relevant to asks outside of paid media.

124) For media planning and placement are there syndicated and/or proprietary research or analytical tools that the selected agency is required to use?

The media agency partner may recommend the tools used.

125) Are your digital efforts exclusively in support of your Digital Instants products or do they also support your other products.

If multiple products, are KPIs different by product? Could you define your current digital KPIs?

Digital media is used to support all products. KPIs can vary based on the overall goals for the campaign. Generally overall ticket sales, sales growth versus prior year, and game sales indices are used in evaluating campaigns. As not all products are available for purchase on line, we review measures such as CPM or CPV as well.

Meta campaigns are benchmarked against a rolling average of the last several similar campaign types as well as industry and competitor benchmarks on a quarterly basis. These campaigns typically fall into one of three types:

Awareness campaigns

- a. Primary KPIs : Thruplays, Cost Per Thruplay, Impressions, CPM
- b. Secondary KPIs: Reach, Clicks

Social Engagement Campaigns (goal to create engagements on social platforms)

- c. Primary KPIs: Engagements (reactions, comments, shares), Cost Per Engagements
- d. Secondary KPIs: Reach

Website Conversion Campaigns (goal to create activity on website, typically either a promotion entry or ecommerce activity)

- e. Primary KPIs: Link Clicks, First Clicks on Site[GA4 event], Form entry fills[GA4 event], Account Creation [GA4 event], Deposit [GA4 event], Purchase [GA4 event] Cost Per...all.
- f. Secondary KPIs: Other site engagement (video play, scroll, time, second page, etc) Reach, Social Engagements

126)Is there any geographic skew to revenue?

Do certain products perform better in certain geography?

Are there any restrictions to adjusting paid media based on geographic performance?

(I.e., are you required to allocate budget equitably?)

Sales information by county for all products will be shared as part of Phase II. There are no restrictions on adjusting paid media based on performance in a DMA or region.

127)Is there a required spend for diverse audiences?

No, there is not.

128)Could you confirm your paid social KPIs?

Our campaigns are benchmarked against a rolling average of the last several similar campaign types as well as industry and competitor benchmarks on a quarterly basis. These campaigns typically fall into one of three types:

Awareness campaigns

- g. Primary KPIs : Thruplays, Cost Per Thruplay, Impressions, CPM
 - h. Secondary KPIs: Reach, Clicks
- Social Engagement Campaigns (goal to create engagements on social platforms)
- i. Primary KPIs: Engagements (reactions, comments, shares), Cost Per Engagements
 - j. Secondary KPIs: Reach
- Website Conversion Campaigns (goal to create activity on website, typically either a promotion entry or ecommerce activity)
- k. Primary KPIs: Link Clicks, First Clicks on Site[GA4 event], Form entry fills[GA4 event], Account Creation [GA4 event], Deposit [GA4 event], Purchase [GA4 event] Cost Per...all.
 - l. Secondary KPIs: Other site engagement (video play, scroll, time, second page, etc) Reach, Social Engagements

129) Could you confirm your media mix for 2024?

The NCEL is most interested in a media agency’s recommendation. The NCEL’s FY24 breakdown is listed below. Please note that TV includes linear TV, Cable and OTT. Radio includes streaming and terrestrial radio. Production is not a part of the media agency’s budget.

FY24	
	Media % Mix
Production	13.17%
Radio	11.57%
TV	58.06%
Print	0.27%
Outdoor	5.44%
Social/Digital	11.49%
	100.00%

130) You show annualized revenue percentages for FY24 by product category, can you also share month over month revenue for your Digital Instants product as well as Instant Scratch Off tickets (i.e., revenue for each)?

Sales information for all products by county will be shared as part of Phase II.

131) Could you share revenue by DMA for Digital Instants and Instant Scratch Off tickets (by each product)?

Sales information for all products by county will be shared as part of Phase II.

132) Can you provide demographic profiles/personas for Digital Instants and Scratch of tickets, if they differ?

Existing segmentation work will be shared as part of Phase II.

133) Could you confirm media mix for Digital Instants and Scratch Off tickets (or confirm if it varies dramatically from your overall media mix)?

We are interested in a Responding Contractors recommendation based on the additional data that will be shared as part of Phase II.

134) Do you utilize Nielsen or ComScore for buying and planning.

Nielsen is currently used by the media agency.

135) Do you post television and radio?

We post TV and Cable, not radio.

136) **Question:** Will you accept Virginia SWaM certification as small businesswomen owned business while **MWBE** is being conducted?

There is no requirement to submit a certification during Phase I.

137) #9. "Media invoices being paid after the flights run" – Clarification: All media vendors bill monthly. Question: Is this indicating NCEL will not pay invoices until the campaign is complete? We bill the month of to ensure funds are in to pay within 45 days of being billed by media vendors. Is this a problem?

No, this is not a problem. We pay for media after it airs and the appropriate proof of performance documentation is received. The NCEL did not mean to imply the flight must be complete if a flight spans a month.

138) Part VI This may be answered with Phase II questions: 6.3 Background Investigation Contemporaneously with the delivery of a Proposal, responding Contractors are required to submit a bond or letter of credit in an amount equal to but not less than five percent (5%) of the Cost Proposal and submit a check or other similar financial instrument of immediately available funds (the "Record Check Fee") to the NCEL to cover the cost of criminal record check conducted under N.C.G.S. §143B-1209.28 pursuant to §18C-151(a)(3) of the Act.

See answer to #139.

139) Question: for the Bond or letter of credit; Is the 5% of the Cost Proposal 5% of our fees for the contract period? The first year? Or the entire contract period. For Example: If fees are \$1,000,000 - agency shall provide a bond or letter of credit for \$50,000.

Section 6.3 of the RFP provides that:

Contemporaneously with the delivery of a Proposal, responding Contractors are required to submit a bond or letter of credit in an amount equal to but not less than five percent (5%) of the Cost Proposal and submit a check or other similar financial instrument of immediately available funds (the "Record Check Fee") to the NCEL to cover the cost of criminal record check conducted under N.C.G.S. §143B-1209.28 pursuant to §18C-151(a)(3) of the Act.

We interpret this to mean that Potential Contractors must submit, at the time of submission of a Proposal, both of the following: (1) a bond or letter of credit in an amount equal to but not less than 5% of the total cost of the contract for the Initial Term of the contract (exclusive of any optional Renewal Terms) and (2) funds sufficient to cover the cost of the proposal's Record Check Fees for criminal record checks as required by the Lottery Act.

140) Question: is the Bond or letter of credit due with Phase 1 or with Phase 2?

The bond or letter of credit is due as a part of Phase II responses.

141) What prompted this RFP?

Per the NC State Lottery Act, any contract over \$300,000 must be procured pursuant to a competitive selection process. This competitive selection process is required for media services at the end of the current agreement period. The purpose of this RFP is to identify and award a contract to the agency who proves to be the most strategic partner for the NCEL to plan, develop, and execute effective media programs to help the NCEL meet its objectives.

142) Are there any existing partnerships or commitments (e.g., media outlets, sports teams) that the selected contractor will need to work with or honor?

Agencies invited to participate in Phase II will be provided with additional information regarding minimum spends required for draw station commitments.

143) Are there specific tools or platforms NCEL prefers for analysis and reporting?

The selected agency may recommend tools and platforms for reporting.

- 144) Will the NCEL continue working with its current creative agency as part of this engagement, or will a new creative agency be selected alongside the media services contractor?

The NCEL will continue to work with its current creative services partner, Cactus.

- 145) Does the NCEL have any preferred methodologies, workflows, or project management tools that the selected contractor is expected to use for collaboration, communication, and task management? If not, is the contractor free to propose their own tools and processes?

The selected agency may propose the tools and processes it desires. Please note as identified in section 2.5.1 A of the RFP, we ask that the selected agency manages the NCEL account without over-dependence on email or other electronic correspondence.

- 146) Will the incumbent agency be participating in this RFP process?

By law, the RFP is opened to all agencies, including the incumbent agency, that meet the requirements of the RFP. The NCEL does not know which or if any agencies will be submitting a proposal until the Phase I deadline.