



ADDENDUM NO. 1 TO ALL OFFERORS:

Reference: Request for Proposal: **RFP# 6623MG**

Commodity: **Creative Advertising and Media Buying Services**

Dated: **November 12, 2021**

All offerors are required to acknowledge all RFP addenda in their proposals.

A pre-proposal conference was held on November 9, 2021. The slides that were presented are attached to this addendum. If an Offeror would like a recording of the conference, please email mgerdes@valottery.com to request one.

Four (4) total case studies (one for each Section i.-iv.) for both Creative Advertising Strategy (page 13) and Media Buying Services (page 15) shall be submitted as opposed to three (3).

1st Round of Questions and Answers

1. Q: Do the provided references need to match the submitted case studies?

A: No.

2. Q: How many case studies are required?

A: Four total for each lot. Please see above.

3. Q: Are SWAM vendors preferred?

A: SWaM participation is a part of the evaluation.

4. Q: Are there any requirements for the binding of the proposal and how the proposal is presented?

A: No, as long as page sizes match the requirements in the RFP.

5. Q: Is there currently an incumbent?

A: Yes, for both lots.

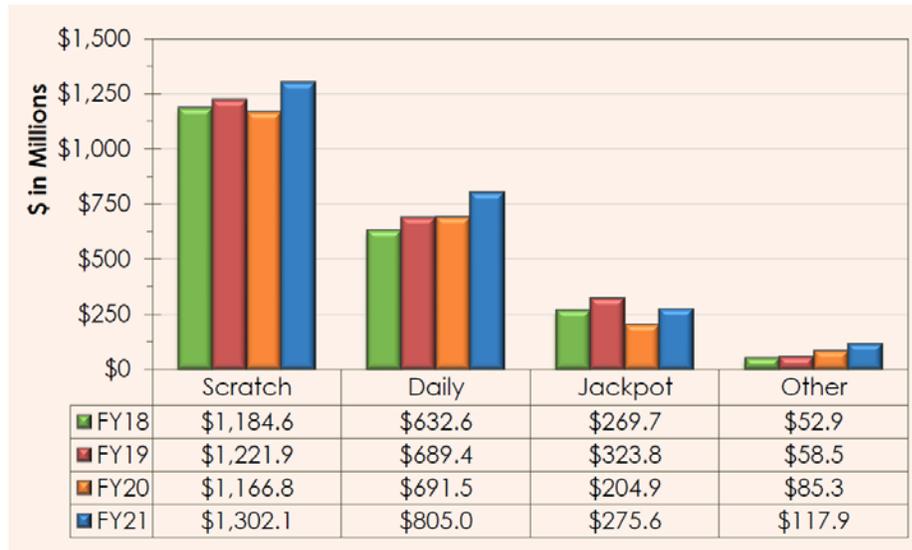
6. Q: Can video links be viewed in the electronic proposal?



A: Yes.

7. Q: Is there any past data or data trends you can share regarding sales by ticket type?

A: Please see below:



8. Q: Who is the target audience per ticket type?

A: Depends on the product, but both Scratch and Draw Players are typically 35-65 year old adults in Virginia.

9. Q: How has the competition such as FanDuel and online betting affected sales over the past 1-2 years?

A: There has been no impact on Lottery sales as a result of Sports Betting in Virginia.

10. Q: Would you consider entities such as Colonial Down, Rosie's or FanDuel direct competition?

A: Yes, we would consider all forms of gaming including, but not limited to, Colonial Downs, Rosie's, Sports Betting Entities and Casinos.

11. Q: How have you been bringing new players into the fold?



A: We use a number of traditional advertising techniques while also introducing new games and new products to the market that may be of interest.

12. Q: What is the current percentage of digital media compared to traditional media?

A: It varies by campaign and what we are trying to achieve. For Scratch games it is generally split fairly evenly. For our newest draw game, it will be digital only as the anticipated audience is 18-34 year old Virginians. Digital makes up approximately 36% of our media spend while traditional media spend is approximately 48%.

13. Q: Will you be refreshing the brand over the course of the 3-year contract?

A: No, we refreshed our brand in September of this year. We are still in the multi-year process of updating our materials statewide.

14. Q: What data/BI tool have you been using for the past 3 years? What did you like about it? What did you dislike about it?

A: Power BI is our Virginia Lottery system, but we also use Tableau for a variety of advertising data.

15. Q: Will the new Governor be willing to use Lottery profits to continue to help education in VA?

A: Please see section 58.1-4022 of the Code of Virginia.

16. Q: Can your web site be pixeled?

A: Yes

17. Q: How do you currently collect first party data?

A: We have a secure registration portal available on our website and mobile app.

18. Q: How are statewide & digital campaigns different?



A: Statewide campaigns include all mediums, typically TV, radio, POS, digital, etc. Digital campaigns is primarily digital with POS support.

19. Q: Are you open to including sales data in our BI tool for deeper analytics purposes?

A: Yes.

20. Q: What are your current analytics capabilities as it pertains to media performance and attribution?

A: We look at a host of metrics and establish benchmarks for performance. Ultimately, sales are the key metric of any of our efforts.

21. Q: Are you engaging with an identity resolution partner like Live Ramp or Snowflake?

A: The Virginia Lottery systems employ an identity resolution partner through our online gaming vendor.

22. Q: What kind of dashboard or software are you currently using?

A: Power BI and Tableau, Power BI is preferred.

23. Q: Do you have any segmentation data available?

A: Yes. Please see below:



VA Lottery: Segment Sketches (1 of 2)

SEGMENT 1 – 9%

"This is the smallest size, highest married segment, but is worth double its size in spend. Predominantly in the Valley, Eastern and Northern regions of Virginia, this younger playing segment are fun loving lottery optimists. They are big pro-sports fans, with the D.C. based teams at the core of their support. They are incredibly tech savvy and device centric – they visit the lottery website regularly, have the highest use of vending machines (heavy Scratch players, especially the higher priced tickets), and are 'gamers' in terms of both at-home and Casino/sports betting play. More male dominant, with an over-index on Monday and Wednesday lottery play, and especially play in the mornings."

Core 'playing/opportunity' segment



SEGMENT 2 – 26%

"The oldest segment, this slightly lottery adverse group have low lottery play and spend. They are 'mom and pop' shop players when they do play, and they love the clerk interaction. Definitely behind the curve on technological advances, they may buy a \$1 ticket for Scratch, or a \$2 jackpot ticket, but that's the extent of their range. Not gamblers or gamers of any sort, they are the lowest segment of those currently working, with more than half of the segment in the 55+ age range."

'Lower priority' segment.

SEGMENT 3 – 14%

"Another younger segment, which leans more educated, who like to dabble in the lottery, especially on Mega Millions and Pick 3. These are the midweek middleers who have an over-index on Wednesday and Thursday lottery play, and search for games with lots of prizes. They skew more towards enjoying college sports. More than 1/3 of the segment are single, and appear to enjoy the treat of a \$3 scratch game, as well as a dabble with online casino gambling and fantasy sports."

'Potential playing' segment



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VA Lottery: Segment Sketches (2 of 2)

SEGMENT 4 – 22%

"The second largest segment, this segment has a big mix of very frequent and infrequent players, and offers a good opportunity for the VA Lottery. They are outgoing and upwardly mobile in both senses of the word. They always have their cell phone with them, while they are eating out and going to events, movies and concerts. They research for the best deals, but still seem like creatures of habit, who often buy lottery at Wawa while on their travels. They are weekend warrior players, and rank #1 for evening play, and lottery is just a small attachment for their lifestyle. Strong on both \$1 and \$5 Scratch play, they rank #2 for buying draw game tickets on the same day, and letting the computer pick for them."

'Opportunity' segment



SEGMENT 5 – 19%

"Big lottery promoters, this segment loves the Virginia Lottery. Skewing female, you can find these players in the Hampton Roads and Central regions. They are daily game players, but they also over-index for Supermarket play, especially at the Food Lion. Friday is their day to play, but afternoons and evenings are prominent. When they are not playing, they love TV, game shows and movies. They always want to win (and get paid immediately), but at the same time they consistently search for a 'deal'. They love the adrenalin rush of scratch games, and will always play the new scratch tickets."

Core 'playing' segment.

SEGMENT 6 – 10%

"Another lottery loving segment, this the 2nd oldest segment, with the 2nd highest income and home ownership. They love the good causes the Virginia lottery promotes, but they also fantasize about winning a big prize. They love their D.C. area pro sports, but are also fond of travelling and eating out. These optimists spread their money around different lottery games, and are social players who love their lottery pools, chatting with the clerk and gifting lottery whenever they can. They are weekend warriors for play, with an emphasis on C-stores with gas, especially Sheetz. Playing more than ever, some of this segment loves the \$10 and \$30 Scratch tickets."

Core 'playing' segment



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24. Q: If we know a digital vendor cannot get us an invoice by the 5th of the month, do we not buy them? For Example, ESPN+ is notoriously late on invoicing, sometimes by 30 days. Also, our ad server, which provides enhanced digital reporting and monitors for invalid traffic doesn't come until the 5th of the month, but typically around 8pm. Is there any flexibility around the 5th for providing invoicing? Or would this be a case where we provide the invoices we have by the 5th and anything not available then, we would just provide by the 5th of the month following?

A: Invoices must be submitted by the 5th of each month but expenses that come in after the 5th may be rolled over to the next month.

25. Q: How do Lottery Cost Estimates/Media Authorizations work? Do they have to be exact? The RFP mentions that there will be invoice training specific to lottery requirements, but we had questions about whether these cost estimates were station specific or media specific?

A: Cost Estimates and Media Authorizations are estimates of what the agency anticipates spending for a particular campaign and since they are estimates they do not need to be exact, but if the actual invoice runs more than 10% over the estimate a written explanation with back up is required.

26. Q: Media-Section 5-Case Studies—we're submitting 3 case studies of past performance where similar work was performed and then 1 ADDITIONAL case study that covers one of the four topics listed—or should that additional case study cover as many of those four topics as possible?

A: Please Question #2.

27. Q: Is the only pricing you want our monthly fee? Or are you hoping to see a more specific quarterly spend to get an idea of how we break out media between TV/cable/premium digital, etc for a particular campaign?

A: Yes, please provide a monthly fee. The Lottery will provide the budget for each campaign.

28. Q: Do you all handle search in house? Just want to make certain that should not be a part of the media submission.

A: Yes.

29. Q: p1 – Cover page – The cover of this RFP lists two different due dates: November 30, 2021, and December 6, 2021; 3:00 PM EST. Please confirm that December 6, 2021; 3:00 PM EST is the correct due date for responses to this RFP.



A: Due date and time is December 6, 2021: 3:00 PM EST.

30. Q: p9 – RFP Section III.B.3. Account Team – Are any of the listed roles considered Key Personnel for this effort?

A: Yes, all.

31. Q: p11 – RFP Section IV.A. General Proposal Requirements - May Offeror's use smaller than 12 point font for graphics and tables?

A: 8 point font may be used for graphics and tables.

32. Q: p15 – RFP Section IV.B. Specific Proposal Requirements – In the instructions for Lot 2: Media Buying, the section headings go from “Section 3: Media Campaign Strategy, Planning, and Purchasing” to “Section 5: Case Studies.” It appears either Section 4 is missing, or the numbering is off. Please clarify how many sections are required for Offeror responses to Lot 2, and what the correct headings should be.

A: Case Studies should be Section 4 and SWaM should be Section 5. Please use those headings when submitting.

33. Q: p15 – RFP Section IV.B. Specific Proposal Requirements – “Section 5: Case Studies,” requests Offerors provide “three (3) examples of past performance” or “case studies,” but then later in the same paragraph states that “Offerors shall submit one (1) case study...” Please clarify how many case studies offerors must submit in response to Lot 2.

A: Please see Question #2.

34. Q: p25-26 RFP Section V.P. References – Please clarify the following:

- a. Do these three (3) references need be provided with our proposal?
- b. If so, do they have to align with the case study examples we submit, or can they be from different projects for similar good/services?
- c. If we need to include these references in our proposal, can you please indicate in which section of the proposal they should be included?

A: a. Yes
b. No.

c. References can be located in Section 1.



35. Q: Can you confirm how many total case studies are required for the media services section?

A: Please see Question #2.

36. Q: If there are going to be presentations, do you have an idea of when they would be held?

A: Unknown at this time.

37. Q: If there are going to be presentations, do you have an idea of when the selected agencies would be notified?

A: Unknown at this time.