

RFP – LC000056 Professional Advertising, Media and Related Services Q&A (Phase II)

1. Given the submission extension on this round of questions, do you have a revised date for providing responses?
[Answers to Phase II questions will be posted on Thursday, March 21.](#)
2. Will there be notes distributed/posted from the question/answer call this past Tuesday?
[Recap notes were provided on Friday, March 15.](#)
3. On the Questions call on Tuesday it was clarified that agencies are not required to submit creative and/or media plans in the written technical proposal. However, on Page 38 of the RFP, it details that “Written and Oral presentations of the media plan must incorporate a comprehensive description of and detailed rationale for each of the following plan components...” It also details on page 49, that “Finalists may not modify its original proposal (including written assignments).” Please confirm that we are not required to submit our response to the media assignment on 4/17.
[Knowing that agencies prefer not to distribute information in advance, the NCEL hoped to allow agencies to provided written presentations during the in-person meetings. However, after additional consideration, recognizing that this would allow some agencies more time to complete presentations than others, the NCEL has determined complete written presentations must be submitted for creative and/or media plans on April 17 when Phase II submissions are due.](#)

[Procurement Manager, Anthony Downey will check each Phase II submission to see that all required elements have been received, but no member of the evaluation committee will be given access to the submissions. No member of the evaluation committee will review any details of the submissions prior to the in-person meetings with the agencies.](#)
4. For agency fee estimates for “OPTIONAL Services,” is there a budget that these fees come out of? Does that budget impact the total expenditure for traditional in-scope services and media investment (Page 44/46 of the RFP)?
[The budget for Optional Services does not impact the traditional in-scope services fee or media fee. The Optional Services are detailed on page 22 and page 23 of the RFP and the budget area for each Optional Service is listed.](#)
5. In the event there are separate media and creative agencies, will the client be facilitating dual development and approval of media and creative strategies in parallel path? Or alternatively, will creative development be a priority before formulating and informing media tactics?
[The NCEL will be facilitating dual development and approval of media and creative strategies in parallel path.](#)

6. It has been our experience that when one agency has creative and another has media, that the broadcast trafficking responsibilities are with the media agency. If you select two different agencies do you plan for broadcast traffic to be a part of the media or the creative scope of work?

The broadcast trafficking responsibilities will be the responsibility of the media agency.

7. If state lotteries are non-competitive, do you ever share/compare successful media strategies across states?

Not all lotteries are required or choose to share such information. If the NCEL receives a request for information from another lottery, we would typically opt to share the requested information so long as nothing we provide is proprietary (trade secret) to our agency/agencies.

8. You've noted the NCEL anticipates digital campaigns will become even more critical in the future, and based on the demographics provided, you over-index in older players vs the population. To that end:

- Is your existing segmentation regularly updated to reflect the changing digital landscape and/or how the segments use various digital technologies?

The current digital segmentation has not been updated recently. The NCEL is currently undertaking a new segmentation study that will dig deeper into current digital technology usage.

- Are you open to testing radically different media mixes in different markets?

The NCEL is always looking to make its media mix as effective and efficient as possible. Prior to testing any radical changes, the NCEL would want to understand what the media agency hopes to achieve with recommended changes. For example, would these changes be designed to increase sales or designed to save money? How would the agency and NCEL determine if the test was successful? We would not want to discount new ideas without exploring those suggestions, but would want to better understand the reasons behind such recommendations. Historically, network TV has performed the best for us; however, the ideal media mix truly depends on the specific product and the overall goals for the campaign. The media mix modeling research the NCEL is pursuing is intended to help better understand the current return on advertising investment, both overall and by media type, so hopefully this will be helpful in future planning.

- Do you have specific tactics to ensure your relevancy to younger (legal) players?

The NCEL conducts qualitative/quantitative testing of new product concepts to better understand their appeal to younger players. We also explore new ways in which lottery products can be made available to players including apps, in-lane solutions, and new vending options. The NCEL also takes steps to ensure creative is relevant to a younger audience whenever possible.

- Is the role of your sponsorships to attract younger (legal) players? If so, how do you quantify?

We have not historically considered sponsorships as a way to attract younger players. Sponsorships such as community events provide opportunities to educate the public about our games and provide beneficiary information about the lottery's support for education. In addition, our goals for sponsorships include awareness of the NCEL and its specific games, developing the NCEL's image as exciting entertainment, and providing additional winning experiences with the NCEL through promotional games and activities.

Invoice Processing and Submission

9. Currently NCL billing requirements dictate that agency billing must be accompanied by vendor proof of performance
 - This requires the agency to bill after an invoice has come into the agency and is reconciled, vs billing upfront and handling changes with credits and debits
 - Will this stay the same, or will billing be allowed earlier to invoice on scheduled media with debits and credits as needed?

The NCEL requires proof of performance. We do not anticipate changing current billing requirements.

10. Current guidelines dictate that agency billing should be issued by invoice type and only on approved dates (production, agency fee, Radio media on one date, TV/Cable Media on another date).

- If an invoice cannot be billed on the approved date due to postal delays or reconciliation requirements, it must be held for an additional 30 days before it can be billed.

- Will there be relaxation to bill any media type on the approved dates?

The NCEL bills out of cycle whenever such a request is made by an ad agency. This is true for both creative and media services. At the end of the Lottery's fiscal year, typically beginning in March, the NCEL requests that the agency/agencies provide invoices to the lottery as available in order to complete fiscal year billing in an expedient manner.

11. Broadcast vendor invoicing requires significant detail and backup information each month.

- Invoices: Physical/paper copies of all original station invoices with a signed warranty statement or a notarized invoice with two signatures is required. These invoices must include all program detail and ISCI information.

A station invoice is provided as backup and contains all relevant information. It is the NCEL's experience that most vendors are able to provide detailed invoices and a warranty statement with their invoice. In the event this is not possible, the NCEL will accept a notarized statement from a station official (manager).

- Would NCEL be open to electronic invoices in lieu of paper copies if yearly signed warranty statements covering all invoices for the station were obtained? [Warranty statements are provided to ensure invoices accurately reflect which spot aired and when it aired \(to within a specified amount of time\) and further certifies that program logs will support invoicing. Attesting to this in advance does not appear in the spirit of confirming the creative and airtime.](#)
 - In the case that an electronic invoice (EDI) does not provide all programming, could quarterly station grids or Nielsen report be accepted as an alternative? Will a signed program log be required for missing program information?
[The NCEL does not currently work with any vendors who are not able to provide programming information on their invoices. However if a vendor is not able to provide programming on an invoice a program grid or log will be acceptable.](#)
12. Credits: TV/Cable programming guidelines require credits for spots that run in the same day/time but different program than originally ordered if prior agency approval is not provided.
- Will guidelines be relaxed to allow agency discretion for program changes to determine if comparable or upgrade from original program instead of required credits?
[Credits are not currently required; the media agency accepts make goods that it identifies as being in the NCEL's best interest.](#)
13. Backup Information
- Deviations from the original buy must be provided on approved NCL Makegood form by station, product and estimate
 - Credits for programming, time period, creative rotation or other violations must be provided on approved NCL Discrepancy form by station, product and estimate
 - Credits must be documented by hand on the original station invoice
 - Will there be opportunity to relax make good and credit guidelines to allow for agency discretion and stewardship without monthly documentation and notation?
[The media agency will have this discretion, however the documentation is required.](#)

Broadcast Media Specifics

14. Existing reporting and billing requirements dictate that hard copies of broadcast and cable buy summaries and schedule detail be provided in advance of schedule launch.
- Schedule detail is required to include market, station and program information with detailed rating and cost information at the buyline level.

- Any changes to the originally booked schedule must be documented and remitted by mail via revised buy or by inclusion with vendor invoice materials.

Will electronic copies of buy summaries, schedule details, revisions and make goods be accepted in the future?

Currently, the NCEL requires a hard copy of the buy prior to broadcast. Although we will gladly look at alternatives that are helpful to a media agency, we would ask that Responding Contractors plan for the current requirements.

15. Draw station contracts stipulate strict adherence to an agreed upon share of advertising spend without regard to competitive marketplace costs and stations' buy stewardship.

- Will future draw station investments allow agency to uphold share commitments according to a stations competitive market costs, campaign goals and budgets?

• Therefore, if a station does not meet market competitive costs, they would be required to fulfill their Draw station commitments without receiving the share/dollar commitment.

Draw station partners are currently required to be competitive in the market place. If a media agency expresses a concern, the NCEL will work with a draw station to review the agreement and avoid any agency concerns.

16. Can we show/imply what people bought with their winnings?

Yes, this is acceptable.

17. Do you have any research on outlets who have stopped selling Powerball and Mega Millions tickets? Can we have a list of stores who no longer sell?

Lottery retailers, with the exception of some Keno specific retailers, carry all lottery products, so retailers do not choose to stop selling specific games. Retailers may in fact decide to stop being a lottery retailer (selling lottery games). This could happen because a location goes out of business or perhaps is sold and a new owner does not wish to continue selling lottery products. There are also circumstances under which the NCEL will end an agreement with a retail location. As reasons for terminations vary, we will not provide a list of stores who no longer sell.

18. Section: General

- Who operates/admins the social media accounts for NCEL?

The NCEL has an internal team who manages the social media accounts.

19. Section: Section 1.2 – NCEL Brand

- What role, if any, does NCEL play in legal online gambling? Do you market (via banner ads) on things like Daily Fantasy Football? Do you work with a legalized establishments within the state such as establishments operated by the Eastern Band of Cherokee? The NCEL sells four of its draw games through its Online Play platform.

Players can purchase draw game tickets for Powerball, Mega Millions, Carolina Cash 5 and Lucky for Life online. The NCEL has not historically advertised its Online Play option in the past. However, a new Online Play platform will be launched in October 2019. With the launch of this new platform, a significant increase in advertising for Online Play is planned. This will include a comprehensive player acquisition program. We do not currently sell lottery products within the Cherokee boundary, but conversations are on-going.

- Does the shared marketing budget include B2B spend? (i.e. budget for NCEL to work with Retailers)

Some supplies for retailers are included in the marketing budget such as POS/POP. Other retailer expenses come from additional budgets such as the sales budget.

- Can you provide additional insight into the retailer delivery/management process? Are the tickets distributed via a third party? Where can we learn more about legal guidelines on where lottery tickets are allowed to be sold?

Instant tickets are delivered by a carrier through agreement with NCEL's instant ticket partner, SGI. In-store display pieces (point-of-purchase pieces) are delivered by NCEL Sales Representatives. Ticket stock used to print draw games tickets is supplied by the NCEL's gaming system partner, IGT.

To learn more about the legal guidelines for becoming a lottery retailer (where lottery ticket can be sold) go to the NCEL's website at nclottery.com. Select **For Retailers** at the bottom of the home page. The downloads include specifics regarding guidelines as to what is required to become a lottery retailer. Rules and Regulation 8.01 would be the first information to review.

- Event marketing is covered in the RFP, would this include any experiential marketing ideas or opportunities beyond events specifically?

Event marketing could include experiential marketing ideas or other such opportunities. Event marketing would be captured in the Optional Services sections and depending on the idea presented could fall under: State & Local Marketing, Promotions, and/or Public Relations.

- Is there a scoresheet that you will be judging agencies that against that you can share? Particularly with percentage weighting of different tasks

Phase I score:	15%
Phase II score:	54%
Cost:	25%
Minority Participation:	6%

20. Section 2.8.3.1 - Optional Professional Services (6. Direct Marketing...)

What technologies or capabilities does NCEL have in place today to support Direct Marketing/Database Management/CRM initiatives (e.g. data integration, identity management, profile enrichment, activation, campaign management tools, ESP)? Can you provide any additional information regarding these toolsets/technologies/capabilities that would be available to us? Would any need to be sourced by us?

The NCEL currently uses Sales Force Management Cloud to manage email marketing. The NCEL's Online Play and loyalty partner NPI (NeoPollard Interactive) is currently developing for the NCEL a new online play platform and enhanced loyalty program that will be available at the end of October 2019. The NCEL will work with NPI for CRM initiatives and we do not anticipate needing an agency to source technologies.

Can NCEL provide the raw data tables behind the Demo Study & Segmentation?
Raw data for the demographic study will be provided as well as the questionnaire and the raw data from the segmentation study.

21. Section 1.2 NCEL Overview

In 1.2 NCEL overview, a grid on page 10 outlines a specific Advertising Budget and a specific Marketing Budget. Is the labeled "Marketing Budget" where Creative, Advertising and Marketing Communication Services costs are derived (to include fee)? If not, what specific services are funded from this budget?

The NCEL has not determined specifically where the Creative, Advertising and Marketing Communication Services fee will be budgeted, but it could be the marketing budget. The grid provided includes historical budgets for marketing and not a budget designed to include a Creative, Advertising and Marketing Communication Services fee. That said, the historical marketing budget numbers include sponsorships, premium items, point-of-purchase material, and web development and hosting services.

Which budget would Optional Services fall under, "Advertising Budget" or "Marketing Budget"?

The Optional Services are detailed on page 22 and page 23 of the RFP and the budget area for each Optional Service is listed. Several Optional Services may come from the marketing budget, but others fall under budgets such as communications and research. No Optional Services costs are anticipated to come from the advertising budget.

22. Section 2.4.2 Phase II – Submission

Will cost proposals be kept confidential or will a redacted version of the cost proposal need to be submitted as well?

Cost proposals will be kept confidential, but please provide a redacted version to fulfill any mandatory public records request. The NCEL will only release redacted proposals (technical and/or cost) that have confidential or trade secret information.

23. Section 4.6.1 Minority Business Participation

Do HBCU's count towards utilization of minority owned businesses?

It does not for purposes of HUB reporting as required by the State; however, we encourage the use and disclosure of diversity resources. Such information will be evaluated accordingly.

24. Attachments B & D

Can we hold PII such as SSN and Driver's license numbers until successful award notification? Or propose different PII during this phase in order to individual background checks to be completed at a later time, as applicable?

You may send all documents containing PII via encryption by contacting our Director of Security directly at jcosgriff@lotterync.net or 919-301-3557.

25. Section 4.3 Background information and Bond requirement

"Contemporaneously with the delivery of a Phase II Finalist Proposal, Responding Contractor must post a bond or letter of credit from a bank or credit provider acceptable to the NCEL in the amount of not less than five percent (5%) of the Cost Proposal. The calculation of the amount of the bond or letter of credit (5%) must be substantiated and explained in the Contractor's Proposal."

How can we confirm whether a bank is acceptable to NCEL prior to submission?

Any banks properly registered to do business as a financial institution.

Would it be correct to assume, in the matters of a joint proposal, that the Prime Offeror for each proposal (i.e. Creative and Media) submit a bond equivalent to 5% of their individual Contractor proposed Cost Proposal?

Yes, one for the creative and one for the media.

PROCESS

How will the meetings be scheduled the week of 4/22. Can we request specific days/time slots?

The NCEL will provide available dates/times and work with Responding Contractors to schedule the in-person presentations.

Does a subcontractor that is an affiliate of the responding contractor need to post a bid bond and performance bond?

No, because the subcontracting cost should be included in the total cost proposal. However, if the subcontractor will be providing 25% or more of the services required under the RFP, all disclosure requirements apply to such subcontractor.

SCOPE

Can you describe how your Account team currently structured?

The NCEL currently has a single agency for both Creative, Advertising and Marketing Communications and Media Planning and Buying Services. The current account team includes an Account Director VP, Account Supervisor, and Account Executive.

Approximately how many research presentations or testing events occur annually that would be attended by a Strategic Account Planner?

This is somewhat challenging to estimate as it is dependent on the particular initiatives taking place within a given year and the research that is needed to support those initiatives. For planning purposes four to six times each year seems in keeping with current needs.

Approximately how many game name/logo design projects occur annually?

Name and logo projects are not common; possibly one annually. For example, if the NCEL develops a new draw game, the Creative, Advertising and Marketing Communications Services agency may be asked to assist in game name/logo development.

Is the agency responsible for POS and educational material distribution? If so, what is the typical cadence (i.e., bi-weekly, monthly, quarterly) and how far in advance of a game launch are these materials delivered?

The agency is responsible for creative development of most of the POS material displayed in retail locations and ensuring delivery to the NCEL regional offices. Pieces are then typically distributed approximately one month prior to launch by the NCEL sales team, which gives them adequate time to place pieces and educate retailers on the new games launching.

To be clear under Creative Concepts, based on the reading of the RFI, the winning agency can be expected, at a minimum, to develop 10 scratch off campaigns, 2 unique draw game campaigns, a Powerball/Mega Millions campaign, and campaigns/messaging specifically for NCEL branding, beneficiary and responsible gaming?

The successful Creative, Advertising and Marketing Communications Services agency, over time, would produce all of the types of campaigns listed in the question. On an annual basis however, the NCEL has produced approximately 10 instant scratch-off campaigns, two draw game campaigns, and one brand campaign, which may focus on beneficiary messaging, or responsible gaming messaging, or general branding.

While the RFI described the scratch-off and unique draw campaigns as “broadcast,” is it safe to assume that all elements listed under “Creative Concepts” would be expected in addition to television/radio?

That is correct. Typical deliverables for a campaign include: TV/Cable, Radio spots (:45 & :60), POS/POP pieces, digital extensions, and social extensions for Facebook, Twitter, and Instagram.

Does NCEL have an in-house creative or design team, and if so, how would you distinguish between that team’s responsibilities vs. those of the agency?

The NCEL does have an in-house design team. The Creative, Advertising and Marketing Communications Services agency creates the majority of the pieces that are displayed in retail locations. General communications pieces, newsletters, training materials and some unadvertised POS fall to the in-house team.

Do you see the scope growing from year to year?

(The answer provided makes the assumption that “scope” refers to the overall volume of work and not a redefining what constitutes an Optional Service (out-of-scope)).

Our goal is to continue to grow sales each year in an effort to return more to education. We hope that over time both our advertising budget and initiatives will grow as well. A Responding Contractor should anticipate some year over year growth. For example, the ad budget typically grows by approximately \$1,000,000 each year, over the previous year.

Brand/Strategy

Will you be providing a brand brief

There will not be an additional brief for the Powerball and Mega Millions assignment. If this question references the NCEL brand, we will present a branding overview presentation and conduct onboarding for the Successful Contractor to aid in better understanding the brand development and current positioning.

Can you sum up your challenge/opportunity.

(The answer provided makes the assumption that the “challenge” mentioned relates to the overall challenges for the brand.)

The NCEL has achieved strong, consistent growth since its inception. As sales begin to approach \$3 billion, maintaining that growth becomes increasingly difficult. The largest challenges for the NCEL are as follows: (1) Increasing and maintaining relevance with consumers, (2) Breaking through the clutter to drive increased awareness, and (3) Establishing our brand as a more integral part of the state’s culture, enabling it to grow in an organic way.

As part of the evaluation each Responding Contractor must provide an example of an ROI analysis and media measurement model that will illustrate the type of modeling to be utilized for measurement and optimization of NCEL media.”

a. Do they mean media optimization or is that separate from an ROI model?

Responding Media Planning and Buying Services agencies should provide an example of the ROI analysis and modeling they use for measurement. In addition, we would ask how that information is then used to optimize the media mix which would be recommended to the NCEL in the future.

Key Message: “Powerball and Mega Millions offer four chances every week to dream bigger.” We’re clear on what you want in terms of deliverables and the games we’re focused on, but wanted to ask if you can provide additional input/content on the brand.

(The answer provided makes the assumption that this request is for additional content for the Powerball and Mega Millions brands.) In addition to the information provided in the RFP and the NCEL’s website, both Powerball and Mega Millions have websites that may be useful in providing more insight into the games –

www.powerball.com

www.megamillions.com

According to the Q4 PARAGRAPH quarterly report, gen pop and lower frequency players pretty consistently feel better about the NCEL than they did a year ago while high frequency players pretty consistently feel worse about it than they did a year ago (eg page 30-31). Do we have any theories as to why it might be that higher frequency players feel worse while lower frequency players feel better?

In regards to the NCEL image measures on page 30, the change in measures for frequent players would not be considered statistically significant from the year before, so we would not consider that a true lowering in measures. The lower frequency players would only reflect one statistically significant change, which is the measure for “an organization that is good for NC”. We would assume that this was due to some of our social media campaigns that targeted toward a broader, not player only audience, during the graduation period for the states schools (both high school and college).

When evaluating the value in playing and emotional connection measures on page 31, it is evident that the statistically significant drops for frequent players were around “new and interesting games” and “feel good about playing their games”. Most of this can be explained by the fact that the previous year had a more robust set of new games and offers during the same time period. We had launched a new “Taxes Paid” scratch-off family, a new draw game combo offer called “The Works” and featured a new Jeep licensed scratch-off in Q4 FY17. During the same period in FY18, we ran the same “The Works” offer, 7’s themed tickets and a new theme on our oversize ticket that had been launched already in December. We would venture to hypothesize that current players felt like there was less innovation in FY18 than the same period the year before. The change for lower frequency players is a more difficult trend to understand. We would only venture to guess that we continue to increase lower frequency

players and our offerings in FY18 were newer to that group. Also, they would have been more influenced by our broader reaching beneficiary message.

The brand tracking deep dive study is great. One thing we'd love to explore if possible is delineating between the elements that make up the Emotional Fulfillment Role and its power as a driver of players vs non/lapsed players via regression analysis. Specifically would like to see any difference in correlations between measures having to do with winning (eg gives me hope) vs those that have to do more with identifying as a player (is for people like me/I feel good about playing their games) vs those that have to do with value for entertainment (good form of entertainment/worth the price to play/provides a fun experience)

An Excel sheet that shows the full results of the regression analysis done for the Fall '18 Deep Dive will be provided. It provides the coefficients for the individual statements within each of the four factors identified. The imagery rating question (QB8) was used for this analysis. For Players, QS7 (frequency of lottery play) was used as the dependent variable, and for Lapsed/Non-Players QA17 (consideration of games) was used. The scores across the different games in QA17 were combined, and because of this, you'll notice two tabs for Lapsed/Non-Players - a Max and a Mean. Although it was reviewed both ways, the Mean version was used in the Deep Dive presentation.

Creative Assignment

The assignment is to create a Mega Millions + Powerball Campaign. Does this mean that we'll create one overarching campaign umbrella, and create executions for Mega Millions and separate creative executions for Powerball? Or should the two games be advertised together within the same executions? [Powerball and Mega Million should be advertised together in the same execution.](#)

Should we stick to existing colors and brand guidelines for the respective games, or create a new look and feel for the overarching campaign umbrella.

[Powerball and Mega Millions are national games and only minimal deviation from the national logos is permitted. Please stay with the brand guidelines.](#)

Retailers

Can you identify your top partner retailers? For the period July 1-March 23, 2019 the top ten selling retailers are below.

Retailer Name	County	City	Zip Code	Region
Calabash Food & Fuel	BRUNSWICK	Calabash	28467	WILMINGTON
Carlton's Tanglewood	FORSYTH	Clemmons	27012	GREENSBORO
Eagles Express	WAKE	Knightdale	27545	RALEIGH
Circle V Mart	CUMBERLAND	Fayetteville	28303	WILMINGTON

Winners Food Mart	PERSON	Roxboro	27573	RALEIGH
C Mart # 4	LENOIR	Kinston	28501	GREENVILLE
Dolphins	WAKE	Cary	27519	RALEIGH
Shell 115	IREDELL	Statesville	28625	CHARLOTTE
D Mart 1	MECKLENBURG	Charlotte	28208	CHARLOTTE
Ms. Sudy's	CUMBERLAND	Fayetteville	28312	WILMINGTON

How many retailers have vending machines and what type/where are they located?

Currently 1,500 touch vending machines are in the field with approximately 80% located in grocery stores.

Can you provide retailer outlet counts by channel – also broken down by regional office

If by channel refers to trade style, please know that the majority of retail locations are conveniences stores and convenience stores with fuel. Count by regional office is provided below:

Asheville	1,051
Charlotte	1,583
Greensboro	1,381
Greenville	821
Raleigh	1,738
Wilmington	1,016
Total Active	7,590

Can your provide retail sales by channel:

All games

Draw

MM/PB

Total sales by game for the past three years has been provided. Please see sales data Excel sheet.

What types of equipment and POS are provided to the retailers?

Typically retailers receive: Flex terminals, ESMM display monitors, ticket printers, bins for displaying instant scratch-off tickets, and ticket checkers (which allow players to check their tickets). In addition, some higher volume retailers may receive touch screen vending machines. Keno retailers receive large monitors as well so that the animated drawings can be viewed on-site. Some retailers have equipment specific to their chain, specifically a GT20 which is a smaller version of the standard touch vending machine. An image of these pieces of equipment will be provided as well.

Lottery retailers receive play centers which house supplies players need such as play slips, pencils, how-to-play brochures, and beneficiary brochures. POS/POP varies by launch but can include the following: large play center unit displays, play center posters, mini-posters,

violators, dispenser toppers, window clings, counter mats, banner, pole signs, and shelf-talkers (wobblers).

How is the electronic presentation delivered to the outlets? Satellite?

These are delivered through the gaming system. The gaming system communicates via satellite primarily. About 40% of retailers have a dual communication system that provides cellular communication as backup in the event the satellite connection is unavailable.

Do retailers receive emails directly from NCEL

Yes they do.

Media

Do you anticipate the media spend to be consistent in 2019, 2020 and 2021?

The media spend is based on the ad budget, which is currently 1% of sales. The budget is fairly consistent increasing by approximately \$1,000,000 each year over the previous year. If the 1% cap is removed, the budget could increase more significantly.

Can you tell us more about how, and with what research, you track your brand health?

The NCEL has partnered with a research company to create a survey that is in-field each month. Although the majority of questions remain consistent, ads are updated as needed and a limited number of additional questions will be included if there is a topic into which the NCEL would like to gain insight. Data from the tracker is received on a monthly basis with quarterly updates and deep dive presentation twice each year. A brand scorecard is used to track for detailed metrics for each of the following goals:

- Build a greater understanding of the NCEL
- Build a more positive image of the NCEL
- Maintain the value in playing
- Establish an emotional connection with the NCEL

Two quarterly reports and one deep dive have been shared with Phase II participants.

Would we be able to talk with a NCEL retailer and/or district office during Phase II?

Unfortunately, the NCEL is not able to offer additional calls during the Phase II process, but will gladly facilitate such calls for the Successful Contractor(s) as part of the on-boarding process.