

RFP – LC000058 Professional Advertising and Related Services Q&A (Phase #1)

The NCEL is thrilled to have received a huge number of questions as well as requests for additional data as part of the Phase I Q&A for the Professional Advertising and Related Services RFP. Many of these questions will be beneficial to agencies as they move forward in the process, but are not critical for Phase I. To best assist with the immediate needs we are responding to those questions that we anticipate impacting Phase I responses. We are actively working to answer all questions received, and will update this document by or before Monday, June 14.

- 1) Will you consider agencies headquartered outside of North Carolina for this RFP?

Yes. The NCEL has previously worked with agencies both in and outside of North Carolina. Our current media partner is located outside of North Carolina.

- 2) If yes, do you require an office to be established in North Carolina

No. We do not require a NC office to be established.

- 3) Does the agency need to be a SAG-AFTRA agency?

No. We do not require that an agency be a signatory to SAG. We have worked with agencies who are and those who are not. We will assist agencies as needed in identifying the contract under which legacy spots were produced.

- 4) State of business: NCEL has grown a remarkable 31% in FY21 YTD compared to FY20. First, congrats. Second, what do you attribute this to?

The availability of lottery products during the pandemic, both online and at retail locations such as grocery stores, convenience stores, and gas stations, has allowed consumers to enjoy lottery entertainment at a time when other forms of entertainment were not available. As a result, many US lotteries have seen sales increases.

The NCEL has trended above the national average. We believe advertising continuity has contributed to this trend and has been highly effective in supporting strong scratch-off sales and growth. The success of the NCEL's Fast Play product launch in FY21 is also a contributing factor. Sales for Fast Play are up 218% YTD versus the projected budget. Over the last year,

online play provided the opportunity to enjoy some of the NCEL's games from the comfort of home and as a result, both sales and player registration are up over 200%.

- 5) Geography: How do sales break down across cities/towns/DMA's?

Sales information by region will be provided to Responding Contractors during Phase II.

- 6) Brand Tracker - can the NCEL marketing team provide in Phase 1?

Brand tracker information will be provided to Responding Contractors during Phase II.

- 7) Segmentation study - when will this be completed? Can we review?

Segmentation information will be provided to Responding Contractors during Phase II.

- 8) FY 2021/20 Media Plans - can NCEL provide a calendar of historical promotional activity in more detail (e.g., FY 2021 media plan) and a list of asset deliverables per campaign?

The NCEL will share advertising calendars for FY20, FY21, and FY22.

Campaign assets are typically as follows for monthly scratch-off launches: Video (:30) for TV/Cable/OTT, radio (:30) for terrestrial radio and streaming, point-of sale, and social content for Facebook and Instagram. In addition to the :30 video used for broadcast, the NCEL is interested in pursuing shorter video units (:15) for use on YouTube and in pre-roll in FY22.

In addition to the deliverables listed above, the NCEL typically adds both digital display and digital video to all other campaigns including: draw games, Fast Play games, Play Smart, and beneficiary messaging.

- 9) Media - Can the NCEL provide the FY 2022 work in progress plan?

The advertising calendars referenced in Question #7 will be shared.

- 10) New Games: Can you share a list of new games planned for FY 2022?

The advertising calendars referenced in Question #7 will be shared. Please note that the NCEL launches approximately 48 to 50 new scratch-off games each year with approximately four to five launching each month. Not all games receive advertising support. The advertising calendar includes the names of spotlight scratch-offs and families which will receive ad support.

- 11) Incumbent creative agency staffing plan - can the NCEL provide?

The NCEL is happy to provide a list of our day-to-day agency contacts. That said, we would ask that an agency make no assumptions regarding such a list as being the NCEL's recommendation or an ideal team structure. Rather we would ask the Responding Contractor to review the scope of work and propose the staffing plan in which they feel confident.

The following list represents the NCEL's day-to-day account contacts. Additional agency team members worked on the NCEL account as part of the creative development teams, but the Creative Director served as the NCEL's primary contact. Agency team members included: Managing Director, Business Director, Account Supervisor, Project Manager, Senior Producer, Producer, Print Producer, Planning Director, Creative Director, Talent Affairs Manager, Broadcast Manager, Analytics Manger, Communications Strategist, Social Content Strategist, and Budget Supervisor.

12) Production companies - who have you worked with in FY 20 and 21?

The following list is representative of the production companies the NCEL has worked with over that last two years: Gravy Films, Haven, Fivestone, Wondersmith, Tool, Cap Gun, Carbon, Chirp, Bullitt, Timber, London Alley, and Trailblazers.

13) Can you elaborate on how the media and creative agencies collaborate on strategy, creative/media ideation, delivering/trafficking assets, monitoring, and reporting on in-market campaigns?

The NCEL believes that its agencies should work in partnership with each other, including the sharing of NCEL information across both media and creative. The Successful Contractor will work directly with the Media Agency as needed. The creative services agency typically develops campaign briefs and both agencies attend creative kickoffs. We do anticipate that the creative services agency (Successful Contractor) will handle the development and distribution of broadcast trafficking instructions for TV and radio. The NCEL triple bids such services on an annual basis. The NCEL will provide guidance to the Successful Contractor with respect to this effort. The media agency also works with the NCEL to monitor and improve the ROI effectiveness of all media buys by providing specific and detailed media purchase information for analytical tools and modeling to further analyze the effectiveness of the advertising plans and to inform future media recommendations.

14) Ability to conduct business in the state of NC. Please explain.

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.

Audience

15) What gaps do you see in your understanding of current and potential players?

Recent segmentation work provides detailed information on players and potential players and this segmentation information will be provided to Responding Contractors during Phase II.

16) Do demographic groups (age, gender, race, HHI) play differently?

Player demographics are largely consistent with the general population demographics, with a few minor differences:

- 42% of lottery players are aged 35-54, whereas only 35% of the general population currently belong to that age bracket
- 52% of lottery players are male (vs. 49% of general population)
- 25% of lottery players hold a university degree (compared to 29% of the general population)
- One-in-five North Carolinians are African American (20%), whereas 23% of North Carolina Lottery players belong to this demographic

Player Motivation

17) Does awareness of the NCEL brand drive player participation? (Are those who are aware more likely to play/more likely to play more often?)

Yes, an estimated 70% to 75% of the player base reports being familiar with the NCEL brand and its games and plays a variety of games.

18) Does awareness of NCEL's impact increase player participation?

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 most recent brand tracker shows that 20% of respondents indicated that "knowing the money goes to a good cause" is a motivation for them to play more. This is a relatively high number when compared to 33% for the highest motivator of "bigger jackpots." We also recently evaluated the impact of launching our new Play Smart responsible gaming program and discovered that 49% of players are somewhat or much more likely to play after knowing about the program, with that number going up to 62% for new players. These learnings highlight the importance of driving awareness around our CSR initiatives.

19) Does the promotion of Play Smart positively impact sales? Affinity for NCEL?

The NCEL is 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 high and our research indicates that these communication efforts have helped North Carolinians feel good about playing our games. We recently evaluated the impact of Play Smart on the likelihood to purchase and discovered that 49% of players are somewhat or much more likely to play after knowing about the program, with that number going up to 62% for new players.

20) Why the high volume/pace of new scratch-off games? Does data show a drop-off when the 'news' level recedes?

In FY14, the NCEL implemented a monthly launch strategy for scratch-offs releasing games on the first Tuesday of each month. This established cadence ensured that players knew when new games would be available and helped retailers to better manage inventory. Scratch-off sales quickly grew to over \$1 billion and then more than \$2 billion annually. With nearly 67% of the NCEL's sales coming from scratch-off games, multiple game launches are needed each month to meet demand. Although games are typically on sale for months, interest in new games has been identified as a key motivation for play, so it is important that the NCEL offer a variety of new scratch-offs each month.

21) Is there seasonality to player participation?

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.

Business/Industry/Environment

- 22) What do you believe are the primary contributing factors to the growth you're experiencing? Have there been any significant changes to the organization that may have contributed?

Please see response to Question 4.

- 23) How do you anticipate online sports betting in NC impacting participation in existing games? What demographic groups do you anticipate moving into online sports betting? Will this change the way you promote existing games?

Online sports betting has not been approved at this time in NC. In anticipation of its legalization, we did conduct a thorough study of the potential of sports betting which indicates that there is already a significant amount of unregulated sports betting occurring in the state. This means that legalizing sports betting would most likely shift current sports betting to legal operators. In addition, while there may be some cross play between lottery and sports betting, they each deliver on a different gaming need, so minimal impact is expected overall. It is however cautionary as some of this will be determined by the model that is implemented in North Carolina and how many private operators will be licensed since private operators are known to invest heavily in advertising and promotions. Basically, this will be an unknown until it is legalized and the structure is better known.

RFP Logistics

- 24) Should we complete and submit the Vendor Registration paperwork listed on the website at this time?

The NCEL Vendor Registration paperwork [Business | NC Education Lottery \(nclottery.com\)](#) is not required until the contract is awarded. However, NC business registration with the NC Secretary of State at sosnc.gov is required prior to the Deadline for Submission of Phase II Proposals.

- 25) There is a physical address listed for the full Phase 1 submission. Should paper copies be sent? If so, how many copies would you like?

The Potential Contractor should submit one (1) signed original and four (4) paper copies of each completed Contractor's Capabilities Proposal and one (1) USB flash drive containing an unredacted PDF version (or other suitable format) of the Contractor's Capabilities Proposal and a redacted PDF version (or other suitable format) of its Contractor's Capabilities Proposal with redacted information that Contractor deemed as confidential or contained trade secrets or such other proprietary rights as dictated by law.

- 26) D. Creative Development and Production of Retail Point-of-Sale materials – Must the Agency provide estimates for printing/production costs for POC materials or does NCEL have a print vendor and separate budget for these costs outside of this scope?

The Successful Contractor will be responsible for creating POS for advertised campaigns and in such a case, the Successful Contractor will be responsible for providing estimates to produce the POS they have designed.

The NCEL also creates POS as needed for other initiatives. The costs for POS produced by the lottery as well as that produced by the agency (Successful Contractor) comes from the POS budget.

- 27) G. Does the NCEL have specific multi-cultural goals or KPIs?

Our multi-cultural marketing efforts have included TV, radio, point-of-sale translation and beneficiary focused newspapers ads. Any 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.

- 28) 5. Does this mean list of accounts terminated by either party (Agency or Client)?

Yes, terminated by either party.

- 29) 8. Will the Agency have access to the analytics and tracking that is collected and reported out by the media buying/placement vendor?

The Successful Contractor will have access to data/information from the media agency.

Consumer

- 30) Is there an audience you'd like to grow more? Why that audience, and what are the growth goals for them?

Recent segmentation work provides detailed information and this segmentation information will be provided to Responding Contractors during Phase II.

31) Is there a customer type who is more profitable than others?

Recent segmentation work provides detailed information and this segmentation information will be provided to Responding Contractors during Phase II.

Creative

32) If you were to critique the creative work over the last three years - what would you say about it? What did you like? What could be better? How has it performed vs your main KPIs?

In an effort not to influence the creative development during the creative assignment, we will decline to comment.

33) Is there any work from other state lotteries that you admire?

In an effort not to influence the creative development during the creative assignment, we will decline to comment.

34) What is the process for how you will approve the work and levels within the lottery for who has to sign off on the work?

During the RFP process the creative work will be reviewed by the Evaluation Committee. After a contract is awarded, the Successful Contractor will present to a team comprised of individuals from the NCEL's advertising and marketing departments. Final selection of creative is made by the Advertising Director and Deputy Executive Director of Brand Management. Final review and approval are provided by the NCEL's Executive Director.

Marketing

35) Are you open to changing the way you market any of the three components? Is there an opportunity to re-think some of the messages, and how they work together?

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

36) What is the key marketing challenge you have right now?

The NCEL has achieved strong, consistent growth since its inception. With sales now more than \$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.

37) How much of the marketing calendar is pre-planned vs. more ad hoc requests?

The advertising and marketing calendar for the year is planned in advance and there are few ad hoc requests.

Diversity, Equity, and Inclusion

38) Can you share your commitment to Diversity, Equity, and Inclusion and the results to date?

The NCEL's minority business outreach plan can be viewed on the lottery's website or through the link: [PURPOSE \(nclottery.com\)](https://www.nclottery.com/PURPOSE). The FY21 vendor purchase order distribution shows 22.9% with HUB certified vendors, 5.7% with minority/non-HUB certified vendors, and 71.4% with non HUB certified.

39) How diverse is your current team?

Employee demographics as of 5/26/21

Hispanic/Latino Female	2.7%
Asian Female	2.32%
Black/African American Female	18.92%
Native Hawaiian or Pacific Islander Female	0.39%
Two or More Races Female	1.16%
White Female	28.19%
Hispanic/Latino Male	2.7%

Asian Male	1.93%
Black/African American Male	11.58%
Native Hawaiian or Pacific Islander Male	0.00%
Two or More Races Male	0.39%
<u>White Male</u>	<u>29.73%</u>
Total	100.00%

40) Do you see a connection between this lottery and equity in our state?

It is a little unclear what equity is referring to in this question, so we will attempt to answer based on our assumed intent of the question. In regards to lottery and its impact on the state, we know that the NCEL has provided over \$8 billion to education since inception. While the legislature determines the distribution of those dollars with the goal of equitable distribution across the state, significant additional dollars have specifically gone to school construction in rural, lower income counties that would otherwise not be able to afford new schools in the hopes of raising the educational equity of those areas. This is also the case with the funds provided for free pre-k and college scholarships/grants funded by the NCEL, which are need based only. In addition, we know that roughly 95 cents of every dollar goes back to the state in the form of prizes, taxes, commission to retailers, and outstanding debts (e.g. unpaid child support). Lastly, we have thoroughly studied the demographics of lottery players and have found that the demographics of lottery players are similar to the overall demographics of the state, eliminating perceptions that the lottery is played significantly more by any specific demographic group. This should indicate that the lottery has limited impact to the equity of any one group more than another.

The NCEL also prides itself on operating one of the most responsible lottery organizations in the world. We are one of eight U.S. lotteries, and the youngest lottery, with the World Lottery Association’s Level 4 Responsible Gaming certification. This is the highest level any lottery can achieve. We are committed to the health of our players, which is also why we launched the first lottery specific responsible gaming prevention program in the U.S. with Play Smart and provide the sole funding of the North Carolina Problem Gambling program, which provides training and treatment across the state.

41) On page 33 of the RFI - Section 6.7 titled “Minority Business Participation”- a minority is used throughout, please define or specify what is meant by the term “minority”.

From N.C. Gen. Stat §143-128(g):

- (1) The term "minority business" means a business:
 - a. In which at least fifty-one percent (51%) is owned by one or more minority persons or socially and economically disadvantaged individuals, or in the case of a corporation, in which at least fifty-one percent (51%) of the stock is owned by one or more minority persons or socially and economically disadvantaged individuals; and
 - b. Of which the management and daily business operations are controlled by one or more of the minority persons or socially and economically disadvantaged individuals who own it.
- (2) The term "minority person" means a person who is a citizen or lawful permanent resident of the United States and who is:
 - a. Black, that is, a person having origins in any of the black racial groups in Africa;
 - b. Hispanic, that is, a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race;
 - c. Asian American, that is, a person having origins in any of the original peoples of the Far East, Southeast Asia and Asia, the Indian subcontinent, or the Pacific Islands;
 - d. American Indian, that is, a person having origins in any of the original Indian peoples of North America; or
 - e. Female.
- (3) The term "socially and economically disadvantaged individual" means the same as defined in 15 U.S.C. 637.

Measurement

- 42) Beyond sales, how are you measuring the effectiveness of the work? Do you have a tracking study in place that measures some of the other KPIs (awareness, purchase intent, etc) you reference in the RFI?

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, difference, relevance, saliency and persuasiveness.

RFP Approval Process

- 43) Can you share the key members of the marketing team as well as the additional committee members that the Executive Director is compiling to be included in the pitch process and also responsible for the final recommendation to commission?

To maintain the integrity of the RFP process the NCEL does not release the identity of the evaluation committee. Phase II finalists will have the opportunity to meet the evaluation committee members during final presentations.

- 44) While agency capabilities and the assignment are critical components to hiring your next agency, you can't understate the importance of chemistry between a client and agency. Are you open to adding a work session (vs Q&A) with the agency finalists in order to get a better feel for client/agency chemistry?

Unfortunately, we are not able to amend the process to such an extent at this point in the RFP process. That said, we do appreciate the role that chemistry plays in the agency/client relationship. For agencies participating in Phase II, we hope that the presentations and subsequent discussion can provide some idea of what it would be like to partner together.

Team Structure

- 45) Understanding how your marketing team is structured will help us determine how to structure our team to best service your business. Can you share your marketing structure? What worked with your last agency? What didn't?

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 Deputy Executive Director of Brand Management and Communications. We believe agency partners both past and future must be knowledgeable with respect to our goals, passionate about our business and mission, and sincerely committed to helping the NCEL succeed. Lack of understanding of the lottery business as a result of agency turn-over can hamper growth. To keep pace, agencies must also possess the strong strategic planning abilities critical for developing insightful creative campaigns. An agency partner should also be able to determine and meet deadlines for deliverables.

- 46) What are the key attributes you are looking for in an agency partner, beyond functional capability?

Our agency partner is a critical source for the NCEL's marketing and advertising needs. We most appreciate an agency who values clear and open communication, trust, respect and accountability. Experts willing to understand the lottery business and use their experience and insights to provide solid ideas and solutions is crucial. We are looking for an agency partner with strong, strategic planning

capabilities that allow for the development of salient creative campaigns to help us grow and meet our sales and in turn education support goals.

47) Are there any new media or technologies that you are interested in exploring?

No, there are not specific channels that we haven't had an opportunity to explore. That said we look to include more digital in the upcoming year including increased digital video in pre-roll and on YouTube.

48) Are there any recent consumer trends you view as opportunities or hurdles?

The shift in TV viewing to streaming and other digital video seems to have been accelerated as a result of the pandemic. Although linear TV remains a top reach device, we recognize the need to adapt to this shift in order to reach players on social and digital channels with content optimized for the channels. In addition, the continued shift to digital gaming is a significant growth opportunity for us. We continue to look for the opportunities to grow our digital game portfolio.

49) Who do you see as your main competitors? Direct and other entertainment options?

The lottery sees itself as competing with entertainment options and other forms of gaming.

50) How has your business changed since COVID?

Please see response to Question #4.

51) What other marketers (in or out of the industry) do you admire?

In an effort not to influence the creative development during the creative assignment, we will decline to comment.

52) Are consumers aware of the NCEL master brand or are they mostly aware of the games themselves?

Consumers are aware of the overarching NCEL brand.

53) How do you currently reach consumers? Media budget Digital, TV, POS breakdown by % of spend?

The current FY21 ad budget of \$29,000,000 can be broken down as follows:

- Television - \$16,499,215
- Radio - \$3,957,025
- Out of Home - \$2,439,680

- Print - \$100,000
- Digital - \$1,404,080
- Production - \$4,600,000
- POS - \$900,000 (Includes agency-produced POS & NCEL-produced POS)

54) What do you consider the main contributors to your steady growth?

In addition to creating an exciting array of scratch-offs at a variety of price-points, the NCEL has supported these scratch-off games with 12 advertised launches each year. We've researched positioning and creative new games such as Fast Play to grow our portfolio. To better balance the game portfolio, we've sought to increase draw game sales by supporting promotions and multi-state jackpots during high jackpot times. We've sought to engage players through social media and with online play offerings. Finally, we recognize the value of communicating how lottery dollars benefit education through promotional opportunities and ad campaigns.

55) What is your biggest challenge as a brand?

Perhaps the most critical challenge the NCEL and its agency 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 with breakthrough creative that motivates lottery play. As existing players age, we must strive to 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.

56) Do you intend to keep your brand's positioning as the desire to dream about a possible win?

Yes, our brand research and positioning has been successful particularly in that it helped the NCEL to better define the brand purpose. With the insights gained, the NCEL has made progress on building the image of NCEL, the perception of value in playing, and the emotional connection among lottery players. Although there has been some fluctuation in quarterly brand tracker scores, the overarching trend has been a positive one. Defining the persona for the brand has also helped with creative appeal.

57) Are you able to share audience data for Phase II of the RFP?

Yes, segmentation data will be shared in Phase II.

RFP Clarifications

58) Is this a creative and brand strategy-led RFP only, or is media a part of this as well?

The RFP is for creative, advertising and marketing communications services. Media services are not part of the RFP.

59) Concept testing is referenced on page 11. Does NCEL typically conduct quantitative or qualitative concept testing?

The NCEL conducts both qualitative and quantitative testing for new product launches. Typically, this type of testing is not done for monthly instant scratch-off introductions, but rather with the launch of a new product line or a product relaunch. Creative concept testing may also occur with the development of a campaign that will last for an extended period of time (multiple flights) rather than for a single three-week flight.

60) Can you confirm that your agency contractor does not have to be bound to SAG (allowing flexible use of non-union) for any talent? Are there any other talent or production nuances we should be aware of? i.e. all filming must be done in the state of North Carolina, directors are allowed to be from outside of the state but talent must be North Carolina residents.

We do not require that an agency be a signatory to SAG. We do film exclusively in North Carolina, but there are no additional requirements regarding directors, talent, or production companies. We look for in-state production opportunities when and where available. See Question #3.

61) Please confirm if the requested organization diagram (Page 19, question 2c) is specific to the entire responding office or just the suggested NCEL team.

In Phase I, the organization diagram noted is specific to the entire responding office. In Phase II, the NCEL will ask about the specific team suggested for the account.

62) Vendor XX has submitted the Vendor Registration Form. Are there any other steps needed to be fully authorized and registered to do business in North Carolina?

Prior to the Deadline for Submission of Phase II Proposals, 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 North Carolina Secretary of State Business Registration (sosnc.gov)

63) On Page 21, please confirm the reference meant to refer back to "F" vs. item "E"?

That is correct. The reference is meant to refer back to Section 4.1(F)(1)(a) and 4.1(F)(1)(b). The RFP should read as follows:

A. Technical Proposal: Creative, Advertising and Marketing Communication Services

1. Samples of Work – Responding Contractor shall submit with its Proposal creative samples produced within the past two (2) years by Responding Contractor's office and identify the creative director that will be servicing the NCEL account. **Samples must be from at least two (2) different campaigns and must be different from the case studies submitted pursuant to Section 4.1(F)(1)(a) and 4.1(F)(1)(b) above.** For each of the samples submitted pursuant to this Section, Responding Contractor must provide a write-up of not more than two (2) pages indicating the account name, product name, marketing objective, creative strategy, and creative team(s) responsible for the work. Responding Contractor should include the following items as available in the samples submitted in connection with this Section:
 - a. TV ads on a zip drive;
 - b. Radio ads on a zip drive;
 - c. Digital ads on a zip drive;
 - d. Retail POS/POP layout samples on a zip drive;
 - e. Additional items (any medium) that illustrate Responding Contractor's unique creative strengths.

64) Please confirm Attachments A-E should only be submitted with Phase 2.

That is correct. These are part of the Phase II submission.

65) Is it expected that the agency contractor will handle the development and distribution of broadcast trafficking instructions for TV and Radio? Does NCEL currently work with a preferred vendor when shipping and trafficking broadcast creative?

We do anticipate that the creative services agency (Successful Contractor) will handle the development and distribution of broadcast trafficking instructions for TV and radio. The NCEL triple bids such services on an annual basis. The NCEL will provide guidance to the Successful Contractor with respect to this effort.

66) Is the agency responsible for any language translation needs for creative assets?

If the creative services agency (Successful Contractor) is creating assets requested by the NCEL and these require translation, we would anticipate that the Successful Contractor would be responsible for acquiring a translation and the NCEL would pay for this production need. If the creative services agency (Successful Contractor) does not have a vendor for translation services, the NCEL will connect the Successful Contractor with the translation company the NCEL uses for internally managed projects.

Business Questions

67) What will be the single most important driver/determinant of success in FY22?

Maintaining and building on the success of the previous fiscal year will be a significant challenge in FY22. Both retaining new players and introducing them to additional products will be key. Advertising continuity will continue to be necessary to support scratch-off sales as these are often the first games explored by new players. It will also be important to continue to support newly launched products such as Fast Play so that awareness is maintained. With this in mind, effectively reaching new lottery players with breakthrough creative that motivates lottery play is a critical driver for success. Finally, although scratch-offs clearly drive the majority of our sales, it is important to note that they are less profitable than draw games. For this reason, on-going support of draw games is advantageous to the NCEL's growth. Powerball, Mega Millions, Cash 5, Lucky for Life, and Carolina Keno offer opportunity for future growth.

68) Where do you see the most growth coming from? (e.g. reaching new players or more sales from existing audiences)

Please see response to Question 67. In addition to retaining new players, as existing players age, we must strive to be relevant to younger players and grow this audience.

Asset Requests

69) Are you able to share the marketing plan from the two previous years? If so, can you please send?

Please see response for Question #8.

70) Are there any relevant audience segmentation documents you could provide that you use currently or reference as potential opportunities?

Segmentation work will be shared in Phase II

71) Are you able to provide a sample multicultural media plan? Are all products supported or just specific ones?

Only some products are supported and multi-cultural marketing efforts have included TV/Cable, radio, point-of-sale translation and beneficiary focused newspapers ads. We would endeavor to incorporate MCM into approximately two to four campaigns annually.

72) How has NCEL demonstrated corporate social responsibility as an organization and what are plans to do so in the future?

As the only U.S. lottery to increase sales every year since inception, we have seen unparalleled growth and success. The only way we – as a business – can achieve such success every year is because of sustainable and responsible business practices. Our commitment to providing fun and fair games is matched by our desire to make a positive difference in the community. We are operating responsibly to protect those who play our games. We are operating sustainably to maximize our return to education. Our commitment to doing good for North Carolinians is best reflected in our goal to be one of the most responsible lotteries in the world – a goal we are proud to say we achieved. The NCEL publishes an annual Report to the Public which details our CSR efforts each year. The most recent version can be found at https://nclottery.com/Content/Docs/Annual_Report_FY2019.pdf.

73) How are you ensuring CSR when targeting multicultural audiences?

The NCEL makes every effort to grow sales in a responsible manner. By statute, the NCEL does not target any specific demographic groups. Rather, the NCEL strives to be inclusive in its support by ensuring that less represented groups in the state are also part of the NCEL's audience and that media vehicles supported by those groups are also supported by the NCEL through marketing spend. As mentioned in previous responses, the NCEL has done a rigorous demographic study across the state that proves that our marketing efforts are not driving significantly more players to come from any one demographic group than would be represented in our general state population. This includes groups that would be classified as multicultural marketing audiences. The NCEL's annual Report to the Public which details our CSR efforts can be found at https://nclottery.com/Content/Docs/Annual_Report_FY2019.pdf.

74) You referenced a 70% minimum score for phase 1 - can you provide the scoring criteria with how each area is weighted?

In Phase I, the relevant experience and capabilities of an agency will be viewed as most significant. An agency must score 70% at a minimum for consideration for Phase II. Ability to meet minimum requirements, case histories, experience, and strategic processes are reviewed in detail during the Phase I evaluation process.

75) What is included in the estimated \$5.5M marketing budget?

The majority of the marketing budget is allocated to event and sports sponsorships, point-of-sale, and premium items.

76) What is the breakdown of the \$29M advertising budget? We were originally told that production would be approximately \$4.6M and agency fee, \$2.8M. Is that still accurate?

The NCEL's advertising budget is capped at 1% of its annual sales. The advertising budget was \$29 million for FY21, but could be different in FY22. The RFP shows the growth of the advertising budget over the last several years. The production costs and agency fee for FY22 are not yet determined. The exact production costs will be established when the NCEL and the Successful Contractor make that determination. Likewise, the agency fee will be determined when the RFP is awarded to the Successful Contractor. The production amount of approximately \$4.6 million and the agency fee of approximately \$2.8 million are correct for the existing FY21 budget.

77) If the budget does not include media, what is the estimated annual spend?

The advertising budget includes both media and production.

78) What will be the division of labor between NCEL's media agency and ourselves?

The RFP details the expectation for the creative services agency. The media agency is responsible for developing the media plan based on individual campaign goals utilizing the most effective media channels including television, radio, print, out-of-home and digital communications including social media. They negotiate and place all media and ensure that it was broadcast or published according to any contracts or placement instructions. The media agency also works with the NCEL to monitor and improve the ROI effectiveness

of all media buys by providing specific and detailed media purchase information for analytical tools and modeling to further analyze the effectiveness of the advertising plans and to inform future media recommendations.

79) For social media services, please confirm that community management is not included in the primary scope.

Community management of social media is not included in the primary scope of work.

80) Are production hard costs included in the scope of services?

Responding Contractor's cost quotations in Phase II should cover all services and other items required by the RFP as well as services deemed necessary by the Responding Contractor including charges incidental to the routine conduct of business. With respect to travel, the NCEL will reimburse for travel expenses for up to three employees at the NCEL's State Rate for production related expenses.

81) Are there any tangible sales goals or awareness metrics? If so, over what period of time? Overall, how will define success?

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.

82) Is there any existing audience research and customer segmentation available?

The NCEL's segmentation study will be made available in Phase II.

83) What is the general structure of NCEL's marketing team so that we can align our personnel accordingly?

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 Deputy Executive Director of Brand Management and Communications.

84) Will campaigns be built on existing brand strategy and look/feel?

Yes, please see response to Question 56. In regards to look and feel, the NCEL is always evolving its brand guidelines to ensure that it is relevant and feels contemporary.

85) What are your highest priority and highest performing channels?

Historically, network TV has performed the best and has been a focus; however, the ideal media mix truly depends on the specific product and the overall goals for the campaign and all creative elements are important in the campaign.

86) What type of audience and sales data will we have access to?

Please see response to Questions 5 and Question 7.

87) After the September selections, when are campaigns expected to be in market?

The first campaign is anticipated in January.

88) What would be considered sufficient evidence of the annual billings required as outlined in 4.1.D.2.a?

In Phase I, a Responding Contractor will self-certify this information with a statement to that effect. Financial information will be reviewed in Phase II.

89) If Contractors plan to subcontract any of the Optional Services as outlined in 2.5.2 and have identified partners who could handle the services (which would be less than 25% of the overall scope), how should those subcontractors be treated in the Phase 1 response, if at all?

It will not be necessary to identify in Phase I. Optional Services are addressed in Phase II.

90) Can the NCEL share any details about what falls out of the POS budget outlined in section 2.4? Is that budget specific to POS print production only?

Yes, the budget is specific to POS print only. The budget is literally for the cost of producing the various POS pieces. The creative services agency produces the POS associated with advertised campaigns and the NCEL produces other pieces as needed which are not associated with an advertised campaign. Both the production costs for the Successful Contractor and the NCEL will come from this budget.

91) In sections 4.1.3 and 4.1.4 where we are asked to provide total billings, are broad ranges acceptable?

It is challenging to address the question regarding broad ranges. That said, in Phase I, a Responding Contractor will self-certify total billings with a statement to that effect. Financial information will be reviewed in Phase II.

92) In section 4.2.A.5.c you reference that the NCEL is on-air for 12 scratch-off, four draw game, and two brand/beneficiary campaigns in a fiscal year. Of these 18 campaigns, approximately how many are typically net-new creative inclusive of broadcast production in that same year?

The NCEL estimates approximately 11 to 13 net-new campaigns per year. The NCEL will work with the Successful Contractor to create a more streamlined way to create scratch-off campaigns, as scratch-offs are supported on a monthly basis. The NCEL will also explore ways to reuse and update existing creative when possible. That said, the total number of campaigns varies by year and a Responding Contractor should be prepared for 18 campaigns.

93) Can you share your current media mix / spend?

Please see answer to Question #53.

94) Can you elaborate on your target audience(s)? Are there any audience nuances by brand?

Please see response to Question 7.

95) Has the NCEL seen any shift in player demographics in the last 5-10 years?

Please see response to Question 16.

96) Can you share the most recent Brand Guidelines document and any hi-res logos?

The Brand Guidelines are now posted.

97) How satisfied are you with the current brand look and feel?

Please see response to Question #84.

98) Can you confirm when you anticipate the first work from the selected winning agency launching?

Please see the answer to Question #87.

99) Can you describe the current Brand Persona? How happy is the lottery with the current persona?

Please see answer to Question # 84 and reference the NCEL's brand guidelines for additional information.

100) Can you share any historical data for Brand Awareness and Consideration? How does this compare to your targets?

Please see the response to Question 6.

101) Are there any lotteries the NCEL admires for their brand building efforts?

In an effort not to influence the creative development during the creative assignment, we will decline to comment.

102) What do you consider your biggest brand challenges and opportunities?

Please see response to Question 55.

103) What do you consider your biggest digital marketing challenges and opportunities?

The shift in TV viewing to streaming and other digital video has accelerated as a result of the pandemic. We recognize the need to adapt to this shift in order to reach players and hope to include additional digital units such as :15 units on YouTube and in pre-roll.

104) Can you confirm that the NCEL office will be open to visitors on 6/22 if we are hand-delivering responses on that day?

NCEL offices are still closed due to the COVID-19 emergency. However, if you plan to hand deliver your proposal, Anthony Downey, Purchasing Administrator, will be available at NCEL Headquarters (the delivery address listed in the RFP) to receive proposals. Please email him (bid.submission@lotterync.net) in advance to schedule a time to deliver your proposal. You will also need to call him (919-301-3433) when you arrive so he can meet you at the door.

Business & Performance

105) In your opinion, what has contributed most to the significant growth you've experienced over the past few years?

In addition to creating an exciting array of scratch-offs at a variety of price-points, the NCEL has supported these scratch-off games with 12 advertised launches each year. We've researched positioning and creative new games such as Fast Play to grow our portfolio. To better balance the game portfolio, we've sought to increase draw game sales by supporting promotions and multi-state jackpots during high jackpot times. We've sought to engage players through social media and with online play offerings. Finally, we recognize the value of communicating how lottery dollars benefit education through promotions and ad campaigns.

106) What is the overall favorability of the NC Education Lottery among NC residents? Any mis-perceptions you feel need to be addressed?

Overall advertising likeability among player remains relatively strong at 67%. Although not a misperception, there is an opportunity to strengthen the connection of the NCEL to its support of education programs. An estimated 73% of players and an estimated 64% of nonplayers associate the NCEL with education. We believe these numbers can continue to be improved.

107) How much is typically invested in Lottery proceeds campaigns, and what tactics have historically worked well?

Beneficiary initiatives are typically supported with two flights annually which are each three or four weeks in length. The creative and media investment is the same as an instant or draw game launch. Historically, network TV has performed the best and has been a focus; however, social and digital elements have also performed well based on the specific campaign goals.

In addition to the advertising campaigns, we have seen amazing success in the utilization of beneficiary focused promotions along with our advertising, like our N.C. School Heroes promotion that celebrated the unsung heroes who work at public schools in our state. This was a strong link to one of our beneficiaries, non-instructional public school personnel. This promotion was a way for us to engage North Carolinians by asking them to nominate their NC School Hero and have people across the state vote on the nominations. The overall goal was to drive increased understanding of our beneficiary programs and the impact to education in each person's county, while also obtaining a positive halo and connection to education. It was a resounding success with two million unique visitors to the website and a 569% increase in visits to our beneficiary web pages.

- 108) How does a successful agency engage and support the in-house creative team, aside from brand and campaign guidelines?

The creative deliverables for various campaigns often service as a starting point for internal teams to create additional elements for the website or social media.

- 109) Please describe your internal marketing and sales teams by positions/titles?

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 Deputy Executive Director of Brand Management and Communications. The NCEL has six regional offices. Each office includes sales representatives and a sales manager. These teams in turn report to a director and the Deputy Executive Director of Sales.

Strategy Planning

- 110) Do you currently utilize the ONE segmentation from Scientific Games Research, or do you have your own segmentation study?

The NCEL's segmentation study will be made available during Phase II.

Creative Production & Media

- 111) Are there any requirements or preferences for the production of creative to be handled in North Carolina, or will agencies be able to, at times, produce work in other states if there are cost efficiencies and/or creative benefits?

Please see the answer to Question #60.

- 112) While media is not included in this RFP what can you tell us about the media firm and their interaction with the agency regarding strategy and comms planning?

The media agency is responsible for developing the media plan based on individual campaign goals utilizing the most effective media channels including television, radio, print, out-of-home and digital communications including social media. The agencies work together during the brief development for channel and communication alignment.

- 113) What is the current structure for PR/social media asset creation and management between NCEL and the current vendor, and how would this ideally be managed going forward?

As part of the creative presentation for campaigns, the creative services agency presents social media concepts and manages creative development as needed. The goal of the social program is to build brand advocacy by increasing engagement with the NCEL brand among players, communicating product news, and reinforcing the NCEL's advertising and marketing initiatives in the social arena. The Successful Contractor should be a part of the performance analysis reviews and should use this information to optimize future creative. PR and community management is not part of the scope of work; please refer to Section 2.5.2.5 for PR.

Projects & Campaigns

- 114) Can you please provide a list of the projects the agency delivered as a part of their contract in the last full fiscal year?

The NCEL is happy to provide a list of agency projects. That said, we would ask that a Responding Contractor not interpret or make assumptions regarding such a list representing the volume of work planned for the future. Rather we would ask the Responding Contractor to review the scope of work currently detailed in the RFP.

For the last full fiscal year (FY20) the following were created:

Seven instant scratch-off campaigns including: Video for TV/Cable/OTT, radio for terrestrial radio and streaming, point-of sale, and social content for Facebook and Instagram.

Two spots for Carolina Keno including: Video for TV/Cable/OTT, radio for terrestrial radio and streaming, point-of sale, and social content for Facebook and Instagram, and digital ads.

One update to an existing scratch-off spot including: Video for TV/Cable/OTT, radio for terrestrial radio and streaming, point-of sale, and social content for Facebook and Instagram.

One update to an existing online play :30 video and creation of digital assets.

Pick 3 digital promotional assets and Powerball/Mega Millions digital assets.

NC School Heroes/Beneficiary radio spot.

Updates to Play Smart logo, updates to brand guidelines. Updates to Play Smart TV and radio.

Development of a Fast Play logo. Qualitative and quantitative testing for Fast Play creative development

Fast Play TV and POS creative development.

- 115) What role will the agency play in any Website updates and digital engagement ideas such as apps and promotions?

This work is not part of the planned scope of work for the creative services agency. However, the NCEL would like to have these types of services included as optional services if an agency has these abilities so that they could be utilized if needed in the future.

Phase 1 Response

- 116) What format would you like to receive examples of videos and/or TV creative? What format do you want the exhibits in?

MP4 would be preferable for video.

- 117) 2.5 Scope of Services: Proposals must include fees associated with such out-of-scope services if the Successful Contractor anticipates providing any or all of these out-of-scope services and 2.5.2 OPTIONAL PROFESSIONAL SERVICES. What if the proposer does not provide these services? Are they required capabilities? Or should a proposer have partnerships in place for out-of-scope services?

The Optional Professional Services listed are optional; they are not required. As explained in Section 2.5.2, Responding Contractors will not be penalized for services not offered. From time to time the NCEL may need the type of out-of-scope services identified in the RFP. When this happens the NCEL can opt to work with the Successful Contractor and compensate the Successful Contractor accordingly for this additional assistance.

118) What are three characteristics that you are looking for in an agency partner?

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 strategic planning abilities critical for the development of insightful creative campaigns that are relevant and breakthrough. 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.

119) What have been your biggest challenges from a production perspective?

With a demanding launch schedule for new products, agency partners need strong project management and executional capabilities and the flexibility to manage changes when dealing with productions. Lack of strategic thinking and adequate planning can negatively impact productions and result in challenges with both quality and meeting production deadlines.

120) Do you conduct concept/message testing with new campaigns before going to market?

For new product launches, product relaunches, or long-term campaigns, we may conduct research. For monthly scratch-off launches we have not typically conducted research but with appropriate lead time can consider this.

121) Can you share general demographics of your key target audiences?

Please see the response for Question 16 for demographic information. The segmentation work which will be provided in Phase II will identify audiences.

122) How would you describe the 360-degree big idea platform that is referenced in the RFP?

360° big idea platforms include creative executions for TV (story-boards required), radio (scripts required), digital, POS/POP layouts, and social media. All of these elements should be presented during creative presentations by the Successful Contractor. See RFP Section 2.5.1 for more information.

123) Roughly, what percentage of the current advertising budget is spent in optional services channels - direct marketing, retail design, promotions, PR?

None. Optional Professional Services are paid for from other existing budgets if they are required.

124) When do the Vendor Registration and Vendor Electronic Payment forms need to be submitted?

Vendor Registration and Vendor Electronic Payment paperwork is not required until the contract is awarded. However, NC business registration with the NC Secretary of State at sosnc.gov is required prior to the Deadline for Submission of Phase II Proposals.

125) Section 2.4. – Budget – Can you clarify the budget table? It lists Total Advertising Budget, Total Marketing Budget and POS Budget – are all of these separate line items that are additive or are they subsets? Are the Marketing and POS budgets captured in the Advertising Budget? Is the Advertising budget media plus production?

The Advertising Budget is the total advertising budget for both Media and Production. The POS budget is a subset of the marketing budget. Marketing and Advertising budgets are two separate budgets.

- 126) Are there defined production budget ranges for the different types of campaigns, i.e. scratch-off games, draw games or branding/beneficiary/responsible gaming? Are they available broken out by media deliverables? And if so, will they be shared as part of Phase II assignment to serve as guidelines?

The budgets do not differ based specifically on the type of product. The NCEL may choose to invest more in campaigns that will air for a longer period of time; that is longer than the three-week flight typical for instant scratch-off launches. The only production budget information that will be shared for the Phase II assignment is the estimated \$350,000 budget for television. See RFP Attachment F.

- 127) Section 2.5.1 D - Can you better define or provide an estimated range of units for what you describe as an "extensive array" of POS materials?

Included in the RFP are both the design and bidding of Point-of-sale or point-of-purchase (POS/POP) materials. For example, an instant scratch-off launch might include a poster, yard sign, and window cling displayed at a lottery retail location. Different pieces are produced for various campaigns. A POS Spec Sheet has been posted which provided additional detail regarding the types and specifications of the POS.

- 128) Section 2.5.1 H 2 – Monthly Activity Report – it says the Monthly Activity Report is to include a Media Review with brief summary and recommendations ... is that in coordination with the Media agency? Will the Creative and Media agencies have permission for direct contact for planning and sharing work?

The NCEL believes that its agencies should work in partnership with each other, including the sharing of NCEL information across both media and creative. The Successful Contractor will work directly with the Media Agency as needed.

- 129) Section 2.5.2 Optional Professional Services - Can the Successful Contractor subcontract out any of these services to affiliated agency partners or freelancers under the guidance of the Agency throughout the 3-year term without identifying them during the RFP process?

Yes. You should state that you do not provide the service, but would be willing to subcontract, if requested to do so.

- 130) Section 4.1 D 2 - Experience and Personnel - For Phase I, how specific do you need us to be in outlining/defining the staff assigned to NCEL versus providing a broader view of our agency headcount by functional area and via an org chart?

Phase I requests an organization diagram which indicates reporting relationships and location of staff overall. Any positions that are new hires should also be noted. In Phase II Responding Contractors will outline the staff which will be assigned to the NCEL agency team. See RFP Section 4.1 (D) for more information.

131) Is the incumbent agency participating in this review?

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

132) What are the objectives you have set for your current advertising initiatives and how well are they being met?

Overall ticket sales, sales growth versus prior year, and game sales indices are tracked and evaluated to measure advertising campaign success.

133) How many FTEs are on your current agency team and do you believe that has been sufficient to meet your needs and expectations?

Understanding that each agency's model maybe different, please review the work identified in the RFP and propose the agency team you believe is best suited to accomplish the scope of work.

134) Can you provide more detail about the projected agency fee for the 3-year term of the contract?

Responding Contractors will share their proposed fee for each year of the 3-year term when Phase II proposals are submitted. This fee will be the Successful Contractors full compensation for the in-scope services outlined in the RFP. Please note however, the NCEL will reimburse the Successful Contractor at the State Rate for travel related expenses for up to three (3) employees, with prior NCEL approval, for production related travel expenses. Any additional mileage and meal related expenses will be the responsibility of the Successful Contractor. Please see section 4.2.B of the RFP. In FY 21, the total advertising budget, including media, was \$29 million. The production budget was approximately \$4.6 million and the approximate agency fee was \$2.8 million. The advertising budget could be different in FY22. The RFP shows the growth of

the advertising budget over the last several years and the advertising budget is capped at 1% of annual sales. 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. A Responding Contractor should anticipate some year over year growth.

135) 2.5.1 A – Were NCEL and contractor monthly marketing and strategy review meetings held in person prior to COVID? Are these separate from the state of the business and planning meetings referenced in 2.5.1 A.1.?

- a. Will the expectation be to have these meetings held primarily in-person in the future (as opposed to virtual and in-person, as outlined in the RFP)?

With the fast-paced nature of our business, it can be easy to fall into a pattern where meetings focus exclusively on the work that is due. We believe that committing time to planning of upcoming initiatives and discussion of higher-level marketing objectives and strategies on an ongoing basis is critical in keeping an agency well-informed, providing an opportunity to learn the lottery industry, and develop a strong partnership. For these reasons, the NCEL anticipates that at least twice a month there will be meetings to specifically discuss plans for upcoming initiatives. In addition, on a monthly basis, we want to review marketing objectives and strategies for the fiscal year. Meetings can be virtual and/or in-person. We are interested in establishing solid, on-going communications.

136) 2.5.1.B – Will the incoming contractor be able to develop the Annual Advertising Plan for the current fiscal year, or has this already been developed? If the latter, will the successful contractor be able to suggest revisions or enhancements to the existing plan?

The overarching plan for FY22 has been developed. Certainly, additional input and suggestions are welcomed.

137) 2.5.1.C – What market research has been conducted in the past that you have found most beneficial in developing advertising and marketing plans? Would you be willing to share any of this research?

Both the brand tracker and segmentation work are useful in our planning and will be shared in Phase II.

138) 2.5.1.D – Will the contractor be expected to manage the NCEL's social media accounts in addition to providing strategic and creative development of campaigns and monthly reports?

No, please see answer to Question #79.

- 139) 4.1.E.10 – For responding contractors who are not currently registered in North Carolina, will this registration/authorization need to be completed prior to submission of Phase I materials?

Prior to the Deadline for Submission of Phase II Proposals, 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.

However, the NCEL Vendor Registration ([Business | NC Education Lottery \(nclottery.com\)](http://Business | NC Education Lottery (nclottery.com))) is not required until the contract is awarded.

- 140) 4.4 – Would you please confirm the following:
- a. Contractors submitting a joint proposal with a subcontractor who will provide less than 25% of the specifications will only need to submit one response to Part IV Proposal Requirements, but must include a detailed overview of partnership and division of responsibilities.
 - b. Contractors submitting a joint proposal with a subcontractor who will provide more than 25% of the specifications must fulfill the requirements mentioned above and must also have the subcontractor submit all sections of Part IV Proposal Requirements.

Yes, that is correct. For clarity, in Phase II, only one bond (RFP section 6.3) is required per proposal.

- 141) Should we assume the four paper copies of this proposal and flash drive need to be delivered to the NCEL address by 4:00PM EDT on June 22nd?

Yes. The proposals must be received by 4:00pm EDT.

- 142) Are there any size, formatting, or page count restrictions or preferences we should be aware of that are not mentioned in the proposal?

No, there are not.

- 143) What have been the greatest challenges with past agency partnerships that you are hoping to alleviate moving forward?

Please see responses to Questions 118 and 119.

144) What is one industry trend you are most excited about exploring in the future?

An e-Instant product line has been added to the portfolio of several US lotteries. The NCEL believes these games have an opportunity to reach new lottery players not currently playing lottery games and so this would be an exciting opportunity at a future date.