



ADVERTISING AGENCY SERVICES RFP
Questions & Answers
April 9, 2025

1. Can you share any recent research?

Absolutely, we recently had a large segmentation project completed. Here is a link to the report: <https://docs.google.com/presentation/d/123laWj-buJwYwVq6val6yP7WV05DPFsi/edit?usp=sharing&ouid=100455549849997589067&rtpof=true&sd=true>

2. What has been working well with your current agency/agencies?

We have a great relationship with our current agencies. Everyone works well together, and we've done a lot of great things this past year and years prior.

3. What opportunities for improvements do you see with your current agency/agencies?

Having one agency for both Creative and Media creates an opportunity for a simplified, more efficient process, streamlined communication and a holistic strategy (media and creative better aligned).

4. What form of agency compensation model works best today for modern lottery marketing?

We are open to all compensation models, however, as a state agency we have to make sure we are thinking long term and watching out for liability and spend so we can return the most back to Idaho Public Schools and Buildings.

5. To what degree have your agency partners worked within the lottery's campaign/marketing analytics programs (e.g. HubSpot, etc.), to derive insights and recommendations for campaigns?

For the most part the Idaho Lottery has been the driver of our HubSpot workflows and strategies. Our Media agency has always used campaign/marketing analytic programs for digital and streaming.

6. How many agencies are invited to participate/received the same letter?

We notified approximately 50 agencies and published it on our website for public download.

7. Is the Incumbent participating?

They have been invited and are welcome to participate, however, we understand at least one of them has chosen not to participate.

8. Can you share any background information on the RFP – we received an RFP last year around this time for creative services which also seems to be included in this new version. Did you delay the effort from last year or is there another reason for this RFP being distributed a second time?

We recently did an overview of our contracts and decided to discontinue our Strategy Services contract and merge the Creative and Media Services into one contract. As mentioned in Answer #3, we see this as a beneficial change for our agency going forward.

9. Who is your current agency of record for media and creative services? Do you currently use two different agencies and looking to consolidate efforts?

Currently our agency for Media Services is CLM Northwest and our Creative Services agency is Lawrence & Schiller, and yes, we are looking to consolidate these.

10. Are you going out early for RFP or are you currently at the end of your contract with existing agency(s)?

We will be at the end of our contract with our current agencies.

11. Do you give preference to agencies within the state of Idaho?

As an Idaho State Agency, we strive to keep things in Idaho, however, we also want to do the best for our beneficiaries and remain open to out-of-state agencies.

12. Can media be placed with commission or is it at net?

Media is placed at net.

13. What is your current arrangement for agency service compensation?

Currently our agencies receive a flat monthly payment amount with a % of sales bonus at the end of the year (less the monthly payment). One of our agencies has a yearly cap.

14. Can you provide your most recent customer/player segments, or at least descriptions of the segments you'd like to target for the Monster Jackpot campaign?

Here is the recent segmentation study:

<https://docs.google.com/presentation/d/123laWj-buJwYVVq6val6yP7WV05DPFsi/edit?usp=sharing&ouid=100455549849997589067&rtpof=true&sd=true>

15. What is your greatest marketing challenge?

While it's difficult to pinpoint the greatest challenge, it's essential for us to consistently offer fun and engaging products and messaging that connect with all generations and comply with regulations. Creating a shared, transparent universe of love and admiration for the good the lottery provides to its beneficiaries thanks to its players.

16. Would you prefer separate bids/cost proposals for creative production and media placement given the difference in services?

Yes, please break out bids/costs so we can accurately compare costs between agencies. Production costs are not normally included in the agency fees for media and creative. Please provide descriptions for your costs and any proposed cost structures.

17. Have you traditionally paid your media agency using a media commission percentage model for each campaign based on total spend, or as a set monthly amount based on planning hours needed?

Traditionally we've paid our media services agency based on a flat monthly fee which has sometimes included a percentage of sales incentive at the end of year, less the monthly flat rate.

18. Can you provide the Money Monster Scratch Game ticket artwork?

Yes, here you

go: https://drive.google.com/drive/folders/1JUJ0GzxP1jn_mGdriZ2K4uLvuMoK6IRA?usp=sharing

19. Is the Idaho Lottery going to offer online tickets in the next year?

The Lottery is not statutorily allowed to offer tickets sold online, so no, we will not be offering online tickets next year.

20. In terms of a potential in-person meeting: When do you anticipate notifying the invited participants? Given the size of the team involved, is it the expectation of Idaho Lottery that every identified account team member be present in-person at the follow up meeting or can some be present via Zoom or Teams? If selected to present, is it possible to request a date?

We will notify agencies as soon as we can after the written proposals are received, most likely the week of April 21st. Not every member of the account team needs to be present. And while we would love to see you in person, Zoom or Teams is an acceptable platform for your presentation. We will also do our best to accommodate scheduling requests, however, we will need to make sure presentations are done within a couple days to be efficient with the committee's time.

21. Can you share your annual advertising budget and what percent of that is spent on paid media?

Idaho Code requires us to limit our advertising support to 3.5% of lottery sales. We normally spend approximately 2%. Historically the allocation of budget to media has been 50% of the advertising budget. Last year this was approximately \$2.5 million.

22. How frequently do you meet in person with your existing agencies?

Currently we meet with our agencies every other week for a status/update meeting. Creative pitches happen as needed throughout the year as well as pre-production meetings, shoots, etc. These meetings are attended by out-of-town personnel via TEAMS or ZOOM.

23. Will you confirm that creative samples are submitted as a separate document (on the jump drive) outside the 30-page response?

Correct, your creative examples are outside the 30-page restriction and should be provided on a separate jump drive. You will need to submit 5 separate copies, one for each committee member.

24. You reference meeting an "index" of 120 in the sample project. Can you clarify what this means?

We use indexing as a measurement for the success of Scratch tickets. The average index for a scratch ticket is 100. Anything above 100 is better than average and thus a successful game. The index is based on a 12-week sales average.

25. You reference increasing VIP club membership as a goal - do you have examples of recent tactics that have successfully converted scratch customers to VIP members?

The most recent example of a successful VIP Club promotions was our 35th Anniversary Family of Games with a rolling jackpot. See stats below:

Draw Date	Draw Name	Month	Prize	Prize Value	Total entries	Tickets entered	Unique Players	New Players Created
3/1/2024	35th Anniversary 2nd Chance	February	Rolling Jackpot	\$57,004	491,980	27,002	5,108	707
4/1/2024	35th Anniversary 2nd Chance	March	Rolling Jackpot	\$114,500	1,048,575	55,750	8,353	1,377
5/1/2024	35th Anniversary 2nd Chance	April	Rolling Jackpot	\$84,008	800,320	40,504	6,460	923
6/3/2024	35th Anniversary 2nd Chance	May	Rolling Jackpot	\$67,076	626,934	32,038	5,552	631
7/1/2024	35th Anniversary 2nd Chance	June	Rolling Jackpot	\$57,864	541,175	27,432	5,031	704
8/1/2024	36th Anniversary 2nd Chance	July	Rolling Jackpot	\$52,712	473,615	24,856	4,414	605
			Totals...	\$433,164	3,982,599	207,582	34,918	4,947

The previous summer we did a Hot Summer Fun promotion where we gave away Delta Gift Cards and during that period, we increased our VIP Club membership by 30%. These Hot Summer Fun games sales were less than average, but the Delta Gift Cards prize proved to be motivating. This was right when people were really feeling good about traveling again after COVID.

26. Can you provide vector art for the Lottery logo and a brand guide?

Yes, you can find logo artwork here:

https://drive.google.com/drive/folders/1JUJ0GzxP1jn_mGdriZ2K4uLvuMoK6IRA?usp=sharing

27. The objective for the scratch ticket assignment is to achieve an index on 120 on each game. How does Idaho Lottery define and measure that index?

See answer to question #24.

28. Is paid search part of the current 19% budget allocation for digital advertising? Is paid search part of this RFP scope of work?

Yes, pay-per-click advertising would be considered part of the digital advertising budget, and yes, this is part of what our advertising agency would strategize, place, monitor and analyze.

29. How are you measuring ROMI today?

Currently we measure Return on Marketing Investment (ROMI) using a number of methods, usually specific to the campaign. We always set goals for each campaign prior to starting the creative and media process. We use these goals to measure our success. We also look at spend vs sales. You will notice many of our campaigns throughout the year focus on what we call a “Family of Games”, this helps maximize our ROMI because we are promoting several price points/games at once for the marketing spend.

30. What level of detail will be provided to the selected agency in terms of sales? Or phrased another way, is there anything that is considered “restricted”?

No, there is no significant information that would be considered restricted. Any selected agency is welcome to all information considered Public Information.

31. In section 1.3 you note that a main goal is to ‘Responsibly maximize net revenue from the lottery sales for the benefit of ID Public Schools & Buildings’ – can you share the most recent highest net revenue number and the year you achieved it?

In 2024 the Idaho Lottery returned a record dividend of \$84 million to the People of Idaho on July 19, 2024.

32. Deliverables – could you verify that this is the list of deliverables for the written submission?

- **Five printed copies of written response (not to exceed 30 pages)**
- **Five printed copies of work samples**
- **Five jump drives with creative samples**
- **One jump drive with two electronic copies of written response, one complete and one redacted for trade secrets**
- **One sealed envelope with price worksheet response**

Yes, the above list is correct.

33. 2.2 B – Can you provide any more clarity on what level of response is appropriate for this ask?

2.2.b is meant to assess financial stability as an agency. The documentation provided should give the Idaho Lottery a sense of your creditworthiness and financial history. It is the responsibility of the Idaho Lottery to enter into agreements with companies that are financial stable and responsible.

34. 2.2 C – inside of this ‘6 largest accounts’ ask, you ask respondents to indicate how many hours per month we spend on these accounts. Our agency does not bill for time but rather deliverable and therefore, we may not be able to provide an ‘hours per month’ response – is this acceptable?

If there is an alternate measurement, please provide that. This can be an approximation. For instance, you could provide a percentage of deliverables for each account.

35. 2.4 Routine Expenditures – can you provide an estimate of how many editing sessions you held in-person in 2024?

To answer this question, considering fiscal year 2025 which started July 1, 2024. In FY2025 we produced the following campaigns:

Money Multiplier – This was produced by Creative Agency (no travel needed)
Name That Scratch Game – This was produced by Creative Agency (no travel needed)
\$1,000,000 Raffle – Used existing creative (no travel needed)
Holiday Scratch – **In person, travel was required**
Love is in the Air – Produced by Creative Agency (no travel needed)
Lucky for Life Promo – Used existing creative (no travel needed)
Bucks N Trucks – **In person, travel was required**
Cash Spectacular - Produced by Creative Agency (no travel needed)
Jurassic World – Licensor providing creative (no travel needed)
Benefits/Do Good Corporate spot – TBD

The calendar for FY2026 is in Appendix D of the Request for Proposal document.

36. There are a few spots in the RFP that ask for creative examples – are these in addition to the ‘five creative samples’ ask that doesn’t count in our page count and if so, can we reference creative in those samples in these asks? (Specifically looking at Section 3.2 – “Provide an example and give the objectives, strategies, creative approach (examples), media mix, and results against those objectives” as well as sections 3.6 and 3.7.

You may choose to use the same creative examples or provide additional ones. You may put all creative examples outside the 30-page limit if that helps. Our goal with the 30-page limit is to make proposals concise and manageable for our evaluation team.

37. The overall/final scoring process is very clear here (thank you!) but, wondering if you can provide any more information on the written response portion of this evaluation. Outside of the requirements review, is Phase 3 merely a portion of

the overall scoring where agencies will receive up to 30 points and then a certain set of top scorers will be invited to an in-person presentation? If so, could you estimate how many top scorers you anticipate inviting?

Yes, Phase 3 is just a portion of the overall scoring. It will be up to the Evaluation Committee to determine how many are invited for Creative Presentations.

38. In the assignment objective, your first listed objective is to achieve an index of 120 on each game; can you share how you're calculating this index?

See answer to question #24.

39. Do you have typical budget allocations inside of your stated goals of growing dividends, growing community, and growing people and if so, can you share them?

These three Idaho Lottery overarching goals are supported in the Marketing Plan both with strategies and budget. You can access the Idaho Lottery's Marketing Plan here for more specifics:

https://drive.google.com/drive/folders/1pSal8W_opsHtAU4kN2QMFBtYemxRoB9i?usp=sharing

Reviewing the FY2025 Advertising budget, the breakout per goal is as follows:

Grow Dividend received 79% of the Advertising budget.

Grow Community received 20% of the Advertising budget.

Grow People received 1% of the Advertising budget.

Grow People is a focus on Idaho Lottery employees so the funds for this goal tend to come from the Administration/Operation budget and not the Advertising budget.

40. Are there sales restrictions we should take into account (e.g. cash/debit only)?

The Idaho Lottery has the following legislative restrictions:

- Idaho Code requires us to limit our advertising support to 3.5% of lottery sales.
- Idaho Code restricts us from selling Idaho Lottery products through the internet.
- Idaho Code restricts us from allowing debit or credit transactions via our vending machines. Debit and credit transactions must be made through a face-to-face transaction.

41. Are there other state lotteries that you feel do a particularly good job of marketing and promotion?

That's a great question. We see some great work from our neighbors, in the form of the Oregon Lottery's Beneficiary spots and Washington's Department of Imagination. I would also say that the Hoosier Lottery has really embraced CRM systems that have made their communications with their customers more relevant and impactful. While there are lotteries who are doing a good job, we try not to limit our inspiration to other state lotteries. We feel we must look at other companies who are doing inspirational work such as Apple, Nike and even Airbnb with their "Live Anywhere" campaign.

42. Does the 30-page minimum include the requested examples for a post client report, an actual multi-market media plan, production planning examples, etc?

You may put all examples outside the 30-page limit, if that helps. Our goal with the 30-page limit is to make proposals concise and manageable for our evaluation team.

43. Are there any format restrictions for the written proposal? For example, is there a page size or format request?

There are no format restrictions for the written proposal.

44. We had a few questions on Section 6 - Pricing. We are assuming that the Agency Services Bid should include all agency fees to create the campaign deliverables listed in Appendix E - Agency Produced Creative, for ten to twelve campaigns. Should our bid include production costs for radio, video and photography partners as well? Is it possible to provide guidance on what you have spent in previous calendar years with your creative agency? We have never bid on the Idaho Lottery account and want to be sure that we are competitive.

Yes, you should include agency fees to create the campaign deliverables listed. Production costs from radio, video and photography should not be included in your bid. In fiscal FY2025 the Idaho Lottery will spend approximately \$380,000 on production.

45. For the creative samples, we'd like to provide them as a designed PDF with embedded links. Is that appropriate, or would you prefer the files be delivered on a jump drive as stand-alone files.

Providing your creative samples as a .pdf file with embedded links is acceptable. Please still provide the .pdf files with the links on 5 separate jump drives to avoid confusion and to provide consistency.

46. Can the committee elaborate on what qualities they value most during the 2-hour agency presentation? (Visuals, drawn-out concepts, explanations, strategy, etc.)

No, this will not be provided.

47. Are you able to share last year's creative presentation?

We did not record the creative presentations, however, if you would like to have last year's creative presentation booklet, please fill out a Public Information Request form. You can find it on our website at:

https://www.idaholottery.com/images/uploads/general/Request_For_Records_Fillable_updated2025_email2.pdf

48. What have been your most significant challenges/pain points (specifically with your scratch ticket programs/offerings) in recent years?

Scratch tickets are a product we have the most control over. But even then there are challenges. These challenges include the following:

- Creating excitement with just a paper ticket
- Optimizing the portfolio to maximize engagement
- Visibility of products
- Discretionary spending limits – recessions
- No in-lane grocery option
- No debit accepted in vending machines

49. In addition to what's been included in the assignment brief section of the RFP, do you have any additional strategic insights/info. about your primary target markets (audience demographics, psychographics, lifestyle, education, etc.). that you'd be willing to share?

Additional information on the target markets for this assignment can be found in the recent segmentation study found here:

<https://docs.google.com/presentation/d/123laWj-buJwYVWq6val6yP7WV05DPFsi/edit?usp=sharing&ouid=100455549849997589067&rtpof=true&sd=true>

50. Who do you consider to be your primary and secondary competition?

I would consider other forms of entertainment that Idahoans spend their money on to be our primary competition. This could include movies, apps, social activities. Secondary competition would be tribal casinos, neighboring casinos and other gaming options.

51. Is there anything in the past that the Idaho Lottery has tried from an advertising/marketing perspective that you'd specifically like to avoid moving forward?

In general, we avoid print and theater ads because results in those channels have historically been dismal.

52. Is there anything you think would be good to know about this pitch effort that only an Idaho Lottery employee/insider would know (and we wouldn't be able to find anywhere online)?

The monsters illustrated on these tickets are original illustrations are created in house by the Idaho Lottery graphic artist. He is able/willing to provide more illustrations of these monsters in different scenes or for animation if appropriate. All of these games are quick play key number match games which have the broadest appeal.

53. On a scale from 1-10, how would you rate awareness for Idaho state residents when it comes to your scratch ticket programs/offerings/games?

When it comes to awareness among Idaho residents, there are specific games that rank higher than others:

Powerball is our most well-known brand at 90% awareness (9 rating).

Scratch is the next at 70% awareness (7 rating).

Specific campaigns are a little trickier and programs and depending upon the goals. Specific campaigns might be more like 50% awareness (5 rating).

54. Outside of gas stations, participating grocery stores and the website, where else does the Idaho Lottery sell scratch tickets?

Scratch tickets are not sold on our website. Scratch tickets are sold at approximately 1,200 locations statewide. These locations include convenience stores, grocery stores, liquor stores, bowling alleys and community markets. These locations are all available on the Idaho Lottery website.

55. What would you consider to be your most successful scratch ticket promotion to date? Why do you think it was so successful?

The Idaho Lottery introduced 3 special edition 35th Anniversary Scratch tickets that featured the first ever 2nd chance rolling jackpot. Players could enter their non-winning tickets to win a jackpot, which was given away each month. The jackpot rolled with each ticket that was entered. The more tickets entered, the higher the jackpot. From all those entries we selected 5 finalists to compete in a final cake event at the 35th Anniversary held at the Village in Meridian.

This event was an opportunity to thank players, retailers, beneficiaries and all Idahoans and invite them to join in the celebration. Because of this campaign the Idaho Lottery received the highest number of entries at 207,582 tickets. In addition, sales from the three 35th Anniversary scratch games totaled \$12,941,835. Approximately \$2.5 million of this went directly to benefit Idaho public schools and buildings.

Advertising efforts included: social media posts/videos, digital banners, email, digital animated entry spin game, a microsite, television, radio, out of home (OOH), apparel, merchandise, 35 retailer events, one large community event, 35 retailer parties for top sellers, POS in-store, and much more. We believe this was so successful because of the mass appeal of the entertainment of Scratch with the added interest of a rolling jackpot. We planned for this for a full year and maximized our creativity in media placement and in creative execution. It was also a long campaign – not consecutive but spanned a total of 5 months. Having this amount of time on one campaign allowed us to get more frequency of messaging.

56. How do participants participate in the 2nd chance promotion mentioned in the assignment - is this an online exercise or through some other channel?

Participants will be able to enter online through our VIP Club site. They will enter the 8-digit alphanumeric code on the front of their non-winning Money Monster Scratch tickets and play a game online to reveal their entries into the 2nd Chance rolling jackpot drawing. The jackpot starts at \$3,000 and rolls until the cut-off at midnight on Halloween. The more tickets entered, the faster the jackpot grows. There will be a monthly \$500 winner from all entries leading up to the Monster Jackpot drawing.

57. For the assignment, are you willing to provide budget parameters you'd suggest planning for? If we were your partner for the full year we'd have a full budget and build out allocations for each campaign but knowing all RFP process participants will be looking at just one campaign for this exercise, it'd be great to level-set a bit so it will be easier for you to see 'what you get', apples to apples, in this exercise.

Because media for this campaign will be over a two-month period we would estimate the media budget to be approximately \$250,000 and the production budget to be \$50,000. If you have suggestions/feedback about this budget, feel free to explain in your Creative Presentation.

58. Section 3.9 Creative Samples, how do you define "outdoor" vs. "out-of-home"?

We realize these could be the same thing and could seem redundant. "Outdoor" refers to outdoor billboards and "out-of-home (OOH)" encompasses any outdoor signs, initiatives, strategies.

59. Section 3.9 Creative Samples, how do you define "digital advertisements"? Are you looking for programmatic digital specifically?

This can be any digital advertisement but would include programmatic.

60. Can you provide any media budget guidance for the Assignment in Appendix C? We can provide a recommendation but wanted to see if you have any parameters that you'd like us to work within.

Because media for this campaign will be over a two-month period we would estimate the media budget to be approximately \$250,000 and the production budget to be \$50,000. If you have suggestions/feedback about this budget, feel free to explain in your Creative Presentation.

61. Historically, is there a preference to work with agencies who have Lottery experience?

No. The Idaho Lottery is open to any agency, regardless of Lottery experience.

62. Can you provide a list of key roles at the Idaho Lottery who will be engaged throughout the partnership with your selected vendors?

Absolutely. The following individuals will play an active role in the partnership:

Sherie Moody-St.Clair, Deputy Director of Marketing
Cory Schreiner, Graphic Design Specialist
Kait Inman, Graphics & Media Production Specialist
Chy Boyle, Social Media and Customer Marketing Specialist
David Workman, Public Information Specialist
Abby Flores, Marketing Assistant
Becky Schroeder, Chief Operating Officer
Andrew Arulanandam, Director

63. Can you provide any guidance on previous Agency Fees and production budgets with past vendors?

Currently our agencies receive a flat monthly payment amount with a % of sales bonus at the end of the year (less the monthly payment). One of our agencies has an annual cap. Both Creative and Media Services contract combined are currently less than \$400,000/yr. Production budgets vary from year to year. For fiscal year 2025, the production budget is approximately \$380,000.

64. Are there any specific audience segments the Idaho Lottery is aiming to grow—particularly within the Spanish-speaking population or by geographic region? Are there sales growth goals associated with bilingual campaigns or particular market segments?

Historically we have not had overall sales growth goals associated with bilingual campaigns. It's been difficult to isolate sales associated with those campaigns. When we do bilingual retailer events, we have goals for the number of participants for those events. We have been working to do more Spanish advertising.

65. Are there established KPIs or media benchmarks (e.g., engagement rate, reach, frequency, ROAS) that the agency should aim to meet? Alternatively, is the Lottery looking for the agency to propose appropriate performance goals?

The short answer is Yes. With each campaign, depending upon the goal, our media agency has made recommendations to meet those goals. A post analysis is presented after the campaign to determine if the plan was successful. Absolutely we want our agency to propose appropriate performance goals.

66. Are there any existing sponsorships, vendor contracts, or mandatory media placements that should be factored into the FY26 media plan? Likewise, are there any vendors, sites, or content categories that should be blacklisted or avoided in media placements?

Currently we have several sponsorships we've committed to for FY26. None of these sponsorships includes mass media or should interfere with agency planning/budgets. Yes, our outdoor billboard contracts will be set for FY26 media plan. We typically purchase live read radio annually, but this will be up to the new agency to recommend/secure.

The following are the channels we do not purchase:

- TikTok
- Snapchat
- Broadcast March Madness

We also typically don't purchase media on news talk radio formats.

Can the Lottery clarify how the Game Index Metric is calculated for each game? Is this based on sales volume (number of tickets sold) or revenue (total dollars generated)?

This is based on the total revenue generated compared to other tickets in that same prize point in a 12-week period. The average index for a scratch ticket is 100. Anything above 100 is better than average and thus a successful game.

67. Can the Lottery clarify how they intend to structure the media agreement? Specifically, will media be billed at net cost to the Lottery, in which case the agency would need to establish a retainer based on estimated labor hours to manage planning, buying, managing, reconciling and reporting? Or is the Lottery open to a hybrid model (retainer + commission on media placements)?

The Idaho Lottery would prefer that media be billed at net cost to the Lottery and that the agency estimate the labor hours to manage planning, buying, reconciling and reporting. We don't want our agency to make choices that might not be in our best interest, based on the amount of commission they stand to make in a specific channel.