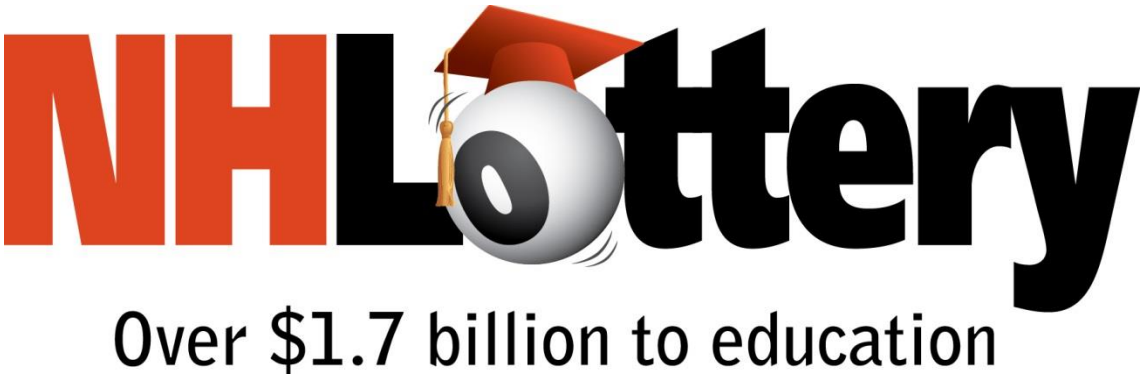
Request for Information
(RFI)

Member Loyalty Program

Issue Date:
May 23, 2016

Responses Due:
June 30, 2016



I. ISSUING OFFICE

This Request for Information ("RFI") is being issued by the New Hampshire Lottery Commission ("Lottery"). The sole point of contact for the State regarding questions and all other matters relative to this RFI is:

Leigh Tilton, Procurement Officer
New Hampshire Lottery Commission
14 Integra Drive
Concord, New Hampshire 03301
Telephone: (603) 271-3391
Fax: (603) 271-1160
E-mail Address: leigh.tilton@lottery.nh.gov

II. PURPOSE

The Lottery is conducting an industry-wide survey as part of a review of its Player Loyalty Program (NH Lottery Replay, nhlotteryreplay.com). The Lottery is specifically interested in receiving information as outlined herein and would like to invite you to participate in this market survey by submitting information to the Lottery regarding your company and its services in the form of a written response to this Request for Information ("RFI").

This RFI process is a preliminary step through which the Lottery is seeking to gather information which:

- will be utilized to assess the feasibility of procuring a contract to provide a updated Player Loyalty Program, and/or to replace the existing program and

- may be utilized to develop the requirements for preparation of a Request for Proposals ("RFP") to obtain a contract for these services, which may be issued sometime in FY 2017.

This RFI does not obligate the Lottery to procure any goods or services from any respondent. Responses to this RFI do not constitute bids or proposals and are not legally binding on the respondent. Submission of a response to this RFI, or failure to submit a response, will not preclude any potential contractor from submitting a proposal in response to an RFP that may be issued subsequent to this RFI. Any such RFP will be published to the general marketplace and open to all potentially qualified contractors on a competitive procurement basis in accordance with applicable procurement laws and regulations.

III. SUBMISSION OF RESPONSE

Please submit your response to be received by this office via e-mail or mail not later than **4:00 p.m. (Eastern Standard Time) on June 30, 2016** to the Lottery's Procurement Officer specified in Section I above.

IV. ORAL PRESENTIONS/DISCUSSIONS

Respondents may be invited to meet with the Lottery to discuss their response and make an oral presentation regarding their capabilities. Submission of a response does not guarantee the opportunity to be invited to participate in discussions or oral presentations.

V. LOTTERY BACKGROUND

The Lottery's mission is to generate revenue to support public education, kindergarten through grade 12. With annual contributions to the Educational Trust Fund now averaging more than $75 million, the Lottery is an important source of revenue for New Hampshire.

Since its inception in 1964, being the oldest legal lottery, the Lottery has well evolved into a mature business with an established brick and mortar retailer network of more than 1,250 locations. Annual sales from this network are projected to exceed $300 million in state fiscal year 2016. More than 70% of total ticket sales are generated from the scratch ticket product while the other 30% is made up of revenue from the online game category. Lottery games include:

- Tri-State Pick 3
- Tri-State Pick 4
- Tri-State Gimme 5
- Tri-State Megabucks
- NH Powerball
- NH Mega Millions
- NH Hot Lotto
- Lucky For Life
- Scratch Tickets

VI. NH Lottery Replay

The NH Lottery Replay (nhlotteryreplay.com) Program began in June 2006. Lottery players may "replay" or enter their non-winning New Hampshire Lottery tickets (all games) to accumulate Replay points within their Replay account. There are 3 ways to win with Replay:

- Members may win "instantly" while entering their non-winning lottery tickets
- Members may enter to win one of the monthly prizes that are offered (12 to 15 prizes per month)
- Members may enter to win the quarterly Ultimate Replay prize which is offered 4 times per year.

Currently the program has approximately 300,000 members with approximately 200,000 considered "active" players – entering a non-winning ticket within the past year. At this time, approximately 185,000 lottery tickets are entered into Replay each week.

To accumulate points, a member types in information from their non-winning Lottery ticket. For on-line lottery tickets (Megabucks, Powerball, Hot Lotto and more), the member types in the six digit terminal number and the 30 digit serial number found below the terminal number. For scratch tickets, the member types in, from the front of the ticket, the 13 digit serial number and the three digit ticket

number. Once the serial number matches within the non-winning ticket database, points are awarded at a rate of five points per $1 in lottery purchases. During periodic promotions, additional or bonus points are awarded for entering specific games or scratch tickets.
As mentioned, while entering tickets via the website, members may win prizes instantly. Those prizes range from coupons for free donuts, Slurpees, coffee, admission tickets to local museums/amusement parks/mini-golf courses, scratch tickets, ski tickets, tubing tickets, restaurant gift cards and more. A message pops up telling members they have won this prize and/or it further tells them they may exchange it for 250 Replay points in lieu of the prize. Of the instant prizes won, 30% of winners choose to accept the physical prize. The others accept the 250 Replay points. An email is sent to the member confirming their choice of the prize. Prizes are sent to the winner via USPS (United States Postal Service) mail by the Lottery. At this time, the Lottery does all physical fulfillment and mails out 300 to 400 instant win prizes on a weekly basis.

Members may use their points to enter into the Replay monthly prize drawings and/or the Ultimate Replay quarterly prize drawing. For the Replay monthly prizes, 1 point equals 1 entry. For the Ultimate Replay quarterly prize drawing, 100 points equals 1 entry (this is due to the higher value of that prize). For the Replay monthly prize drawings, the Lottery has offered, among other things, restaurant gift certificates, store gift certificates, gas grills, local hockey game tickets, local baseball game tickets, and auto-racing tickets. Prizes offered for the Ultimate Replay quarterly prize drawings include two season tickets to local music venue along with a $1,000 onsite restaurant credit and parking pass (currently posted), a $3,500 Visa gift card, two airline tickets to anywhere in the United States plus scratch tickets, outlet shopping gift cards along with restaurant/gas gift cards, and weekend overnight hotel accommodations with local restaurant gift cards. Some of these prizes are provided free of charge to the Lottery. In exchange, and depending on the value of prize(s) provided, the Lottery will provide advertising of its marketing partner's products via the Replay program. To supplement prizes, some prizes are purchased from the Lottery's advertising budget.

The ad agency of record maintains the nhlotteryreplay.com and as well as our other internet sites, makes program upgrades and enhancements, suggests next generation upgrades, uploads prize information and inventory data, researches member problems with the Replay site as directed by the Lottery, develops software upgrade/enhancement specs, completes software upgrades requested by the Lottery, and does new programming of the site. The ad agency also pursues new marketing partners for prize exchange, signs those marketing partners as part of the Replay program, and maintains the contracts for those prizes. The prize inventory is onsite at the lottery office and fulfillment of all prizes is currently done by the Lottery.

The Replay website resides on a secure server hosted by Tidal Media. The Replay database, the non-winning ticket database information and the coding of the application, resides on the same. The database structure is written in SQL. The web pages are written in ASP or .net. Each night the Lottery's on-line gaming vendor, Intralot, compiles the non-winning ticket database for the on-line tickets. That data is imported via an automatic script into the Replay database between 8 and 9 AM each morning. Tickets for the previous evening's drawing may be entered after 9 AM each day. For each scratch game printed, Scientific Games also provides the same data which is imported into the Replay database prior to the game going on sale.

The Replay site has an administrative area that the ad agency utilizes so prizes may be uploaded to Replay, marketing partner's logos may be added, monthly draw and quarterly drawings processes are held, and more. Winners of the monthly and/or quarterly drawings are chosen at random from a draw

file. The software to perform drawings has been certified as being random by an independent vendor. The databases are sizable. To date, some drawing entry files have contained 5-7 million entries.

The administrative area is also utilized by Lottery personnel for customer service on behalf of members to make email, address updates, point adjustments, etc.

VII. AREAS OF INTEREST

The Lottery is exploring options to enhance or replace its member gaming experience through a **member loyalty program**. It is expected that updating the existing program or the introduction of a new program to the existing member base will have a positive impact on Lottery sales and revenue. The options are:

New Member Loyalty Program – Possible desired features include the following:

- the development, design, hosting, maintenance and upgrading (when necessary) of a Member Loyalty website
- a user-friendly content management system
- the ability to integrate with nhlottery.com
- the ability to integrate web analytics tools with user friendly analytics and tracking tools
- the ability to capture and report consumer spending habits
- a user friendly member management system
- a best fit by type of loyalty program (or combination of) for the Lottery
    - (Rewards, Rebates, Appreciation, Affinity, Partnership, Social)
- the ability to integrate with Lottery's back-end systems for entry validation
- the ability to cross sell Lottery products and promotions within the platform, and
- the ability to transition current program membership to new program.

Enhance the Member Loyalty Program – Possible desired features include the following:

- further development, design, hosting, maintenance and upgrading (when necessary) of the nhlotteryreplay.com website
- the ability to continue with the user-friendly content management system
- the ability to continue the integration with nhlottery.com
- the integration of web analytics tools
- the ability to continue to capture and report consumer spending habits
- the ability to provide a user friendly member management system
- the ability to provide a user friendly analytics and tracking tools
- best fit by type of loyalty program (or combination of) for the Lottery
    - (Rewards, Rebates, Appreciation, Affinity, Partnership, Social)
- the ability to continue the integration with Lottery back-end systems for entry validation, and
- the ability to continue with the ability to cross sell Lottery products and promotions within platform

VIII. RESPONSE PROCEDURE

Respondents should submit information that addresses the technical areas outlined in Section VI and Section VII above as well as:

- a description of the company's background including years in business, number of employees, and current clients
- the name, title, address, phone number and e-mail of the company representative to contact for follow-up
- descriptions of how your company can integrate the Lottery's desired features from an enhanced/updated member loyalty program or a new member loyalty program into its current business goals and objectives to the extent possible based on your general knowledge of the Lottery

Respondents are welcome to partner with additional vendor(s) in order to provide information covering the scope of work outlined in the RFI.

VIII. GENERAL TERMS

1. Ownership of Material - All materials submitted in response to this RFI become the property of the New Hampshire Lottery Commission upon receipt and will not be returned to the respondent.

2. Incurred Expense and Economy of Preparation - The Lottery will not be responsible for any costs incurred by a respondent in preparing and submitting a response, in making an oral presentation if requested, or in performing any other activities relative to this RFI. Responses should be prepared simply and economically, providing a straightforward, concise presentation.

3. Public Information Act Notice – A respondent should give specific attention to and clearly identify those portions of its response that it deems to be confidential, proprietary commercial information or trade secrets, and provide justification of why such materials, upon request, should not be disclosed by the State pursuant to the RSA Chapter 91-A governing access to public records in the State of New Hampshire.

VIIII. TIMEFRAME

Issuance of RFI	May 23, 2016
RFI Responses	June 30, 2016 by 4 PM Eastern Standard Time

Responses may be sent by email or mail to:

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