



## M E M O R A N D U M

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**Date:** September 23, 2021

**To:** California State Lottery Commission

**From:** Alva V. Johnson, Director 

**Prepared By:** Jim Hasegawa, Deputy Director, Business Planning and Research

**Subject:** Item 8(d) - Advertising Tracking Services Contract Amendment

### **ISSUE**

The contract between the California State Lottery (Lottery) and Ipsos Limited Partnership (Ipsos) will expire on October 31, 2021. The Lottery has the authority to exercise two separate one-year options to extend the Ipsos contract (Contract# 50107) and continue to receive Ad Tracking research services. This amendment will exercise the first option to extend the contract term by one additional year. This one-year option will not require any additional funding from the original contract amount.

### **BACKGROUND**

Ad Tracking services are an ongoing need for the Lottery as this research measures the recall and persuasiveness of the Lottery's television advertising commercials as well as the main message retained by consumers from the ad. This helps to gauge the impact of the marketing campaigns as well as determine if these efforts contributed to increased sales of Lottery products.

Contract #50107 was approved in November 2018. The original contract expenditure authority was approved for \$384,000. The contract term is from November 1, 2018 through October 31, 2021 and includes two options to extend up to one year at the Lottery's discretion.

Ipsos was awarded the contract after a competitive bidding process. Its experience was far superior to the other bidders; Ipsos's advertising research unit is among the largest providers of advertising research in the world, and they serve more than half of the Lottery jurisdictions in North America. Its contract pricing was lower than the other companies that bid on the project.

## **DISCUSSION**

Over the contract term, Ipsos has provided the Lottery with accurate data and insights about the attitudes, perceptions, and effectiveness of Lottery advertising among California adults and Lottery players for multiple television and media campaigns for the Lottery such as the Pac Man launch and Monopoly Scratchers.

Ipsos has delivered excellent service throughout its tenure by meeting all timelines for the delivery of a final report as well as providing assistance and recommendations to potentially improve the effectiveness of the ad on the key metrics. Given its flexibility, accuracy, quality, and competitive cost, Ipsos continues to provide the best value to the Lottery for these services. With upcoming advertising campaigns such as the anticipated Scratchers Brand Repositioning Effort, the Ad Tracking services provided through Ipsos are essential to accurately measuring the success of these efforts.

Due to the advertising hiatus in the spring and summer of 2021 during the COVID-19 pandemic, the planned research was not needed. As a result, the funding and budget approval of the original executed contract has sufficient funds to continue the Ad Tracking efforts for the one-year extension and will not need any additional funding.

## **RECOMMENDATION**

Staff recommends the California State Lottery Commission approve the use of one of the two optional one-year contract extensions, retaining the maximum contract expenditure of \$384,000, as this research is critical in developing and measuring advertising efforts, product linkage, emotional connection, and call-to-action associated with the Lottery.