



Break Open Ticket Development Fund
2010-2012 Workplan

Consultation Draft

November 2009

Introduction to the consultation draft

Dear Stakeholder:

Thank you for taking the time to read this consultation draft of the Break Open Ticket Development Fund's (BOTDF) proposed 2010-2012 workplan. The draft workplan was developed by the BOTDF Management Committee (BOTDFMC) , including some initial input from bingo hall operators, suppliers, and the two manufacturers – Arrow Games/Bazaar & Novelty and Specialty Print.

Consistent with previous years, this workplan reflects the ongoing mandate of the BOTDF to provide supports (information, analysis, tools, marketing materials, etc.) to BOT suppliers, charities, retailers, and manufacturers that they in turn can use to grow and develop the business. As you will see, one of the key themes in the document is the issue of the Pocket Slots brand and its continued use. This issue is highlighted on page 3.

Over the next several weeks, the Management Committee will be seeking input from charities, suppliers, bingo centre operators, and manufacturers on the ideas and proposals in this draft workplan. Each of the BOTDFMC member associations will be setting up opportunities for members to comment on the draft. Also, comments can be sent directly to any of the members of the BOTDFMC (contact information is provided on the last page of this document). The target date for completing consultations is November 30, 2009.

We are looking forward to your input.

The Break Open Ticket Development Fund Management Committee

Lynn Cassidy *Executive Director, Ontario Charitable Gaming Association*

Gary Jacob *President, Break Open Ticket Program Management Alliance*

Gail Coupland *Financial Controller, Ontario Brain Injury Association*

Peter Chappell *Ontario Convenience Store Association*

Cindy Rock *Financial Coordinator, The Canadian Deafblind and Rubella Association (Ontario Chapter) Inc.*

Peter McMahon *CEO, Commercial Gaming Association (Ontario)/Registered Gaming Suppliers of Ontario*

A note about the Pocket Slots brand

As you will see, a number of the initiatives in this workplan are predicated on the notion of having a consistent industry-wide brand and branding strategy. For the purposes of stimulating debate, this workplan presumes that the brand is Pocket Slots . For example, the draft workplan includes an initiative called: *Reinforce and support the Pocket Slots brand* (see initiative 1.3 on page 10).

The Pocket Slots brand continues to be the subject of controversy within the break open ticket industry. This workplan is a way to get the issue on the table so that we can collectively move beyond it. In the **Key questions for discussion** section on page 19, there are a few questions that deal specifically with the issue of a brand and branding strategy. The BOTDFMC needs to hear from all stakeholders on those key questions, i.e. whether the industry still wants a consistent brand and if not what are the alternatives are for a marketing strategy; whether we can get behind the Pocket Slots brand; or whether we should be developing an entirely new brand.

By way of background, the Pocket Slots brand is illustrated below at left – recognizable by its red and orange colouring and also the use of the cherry image. It's important to note that the brand is not the same thing as the “Faces” campaign, which is also shown below at right. Pocket Slots is the brand and is the identifier that remains constant. The “Faces” campaign is not the brand. It was developed for the initial launch of Point of Sale items such as posters, tent cards, wobblers, bin wraps, etc. and was to have been time limited. In the ideal, these point of sale items would be refreshed periodically. Regardless of whether we stick with the existing Pocket Slots brand or develop a new brand, the “Faces” component has run its course and would be replaced by something new for Point of Sale items. For more information about the brand and related POS you may wish to visit www.pockets-slots.com.

The brand was originally developed in 2005 in response to a request from the suppliers and charities for a consistent brand and brand strategy for break open tickets that would strengthen the product's appeal, including to potential new players and new retailers. The brand and logo were developed based on comprehensive market and consumer research and were extensively tested with consumer focus groups.

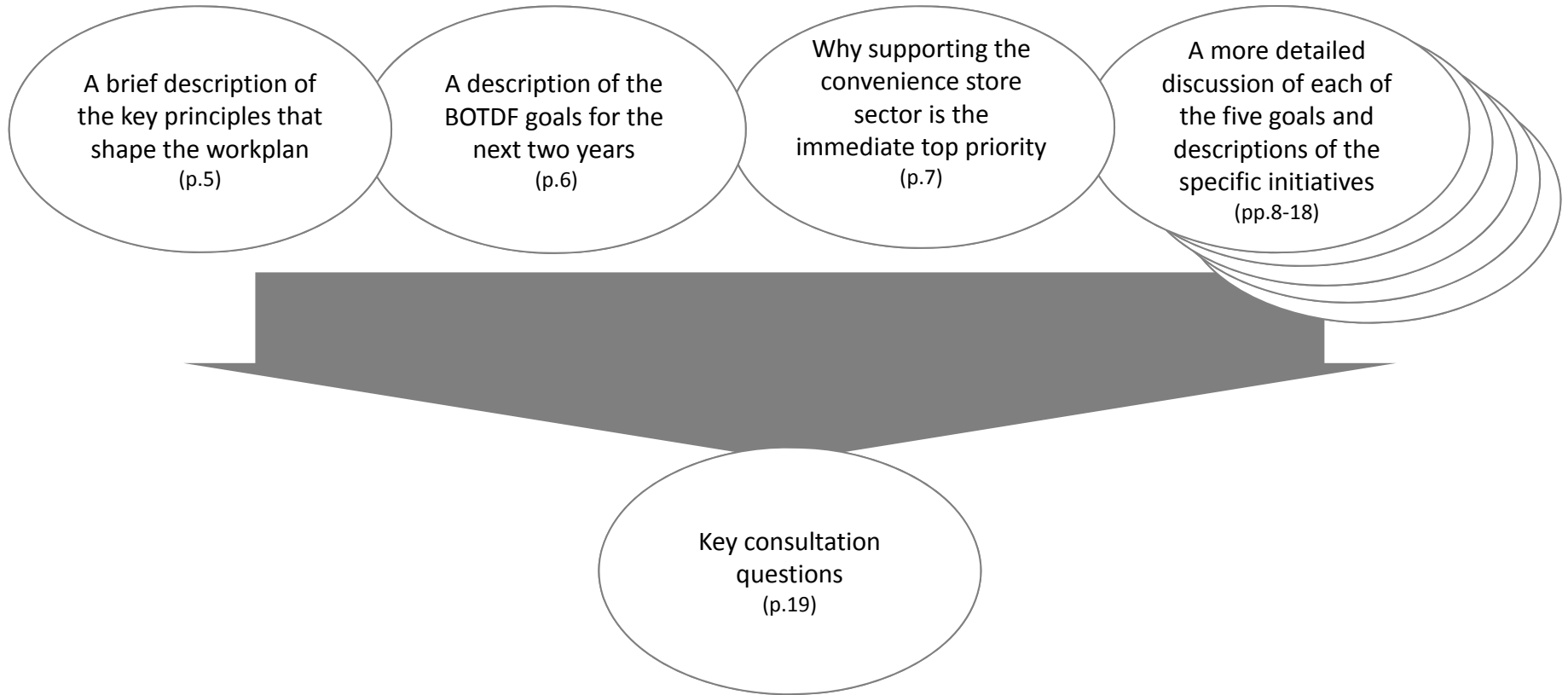
*Pocket Slots
brand logo*



*“Faces” point
of sale
campaign*

Structure of the workplan

This workplan is organized in the following sections:



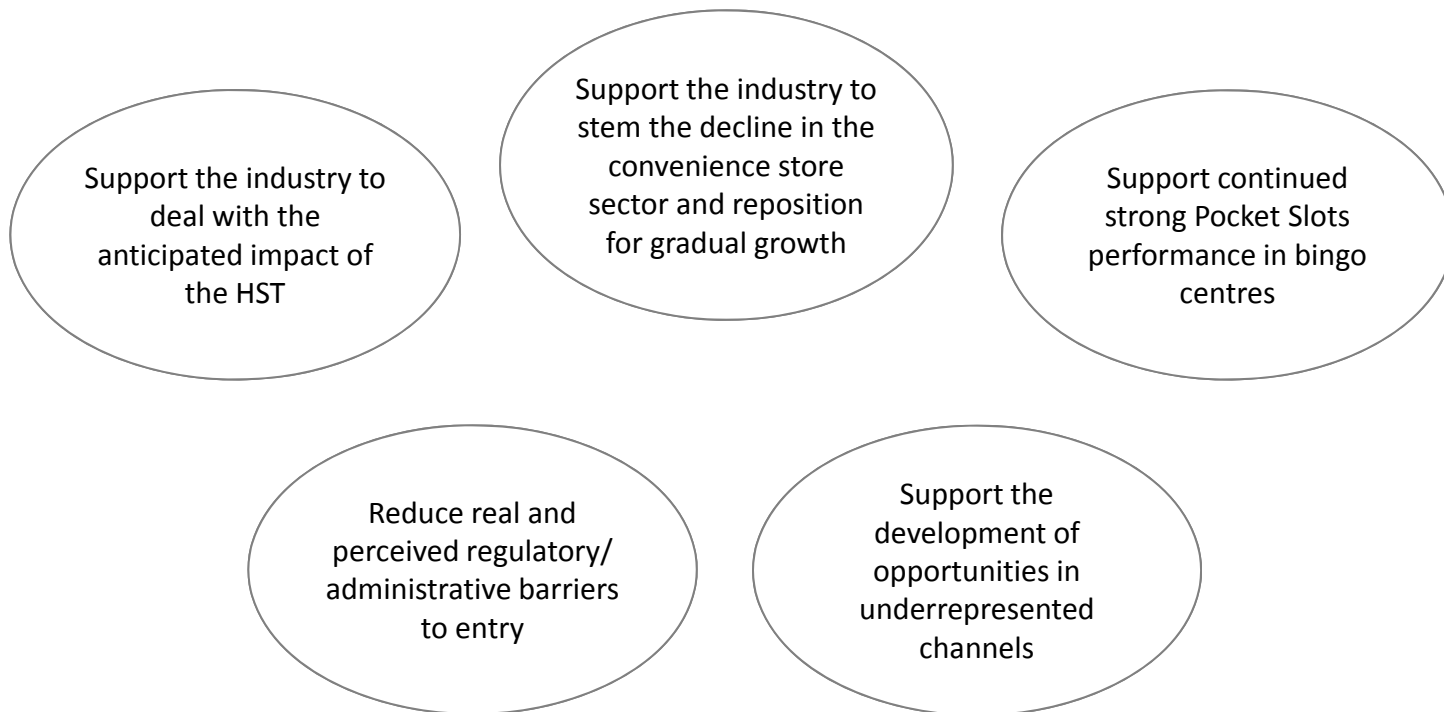
Key principles that shape the workplan

The BOTDFMC has identified a number of principles that have shaped the development of the workplan:

- Staying focused on the goals and in the first 6-12 months, on the priority convenience store goal in particular.
- Recognizing that the Fund does not have the levers to directly impact sales and growth, i.e. it has an indirect impact on these through providing tools, information, analysis, etc. that other sector stakeholders will use to achieve the outcomes.
- Emphasizing initiatives that will have demonstrable impacts, including successful implementation through the commercial sector as well supporting and strengthening charity participation.
- A recognition that suppliers and bingo centre operators are key actors and that workplan initiatives have to be developed in the context of what will work for these groups.
- Ensuring that the number of initiatives and their timing are manageable in terms of available Fund resources.

Goals for the next two years

Recognizing the need for focus and maximum impact, the BOTDF workplan will be driven by five overarching goals over the next two years :



Convenience stores as the immediate top priority

Recognizing the significance that the convenience store market plays in terms of total sales and charity revenues, the largest single area of focus during the first 6-12 months of implementation will be on supporting the convenience store sector at the retail level to stem the ongoing decline and to position it to begin to grow during the second 12 months of implementation.



Goal 1

Support the industry to stem the decline in the convenience store sector and reposition for gradual growth

Initiatives

Increased convenience store retailer awareness of Pocket Slots to the same level of awareness that they have for other, more “mainstream” POS products

A stronger in-store presence for Pocket Slots that will meet the needs of retailers

Reinforce and support the Pocket Slots brand

Goal 1

Support the industry to stem the decline in the convenience store sector and reposition for gradual growth

<i>Initiatives</i>	<i>Description</i>	<i>Timeline</i>
<p>1.1 Increased convenience store retailer awareness of Pocket Slots to the same level of awareness that they have for other, more “mainstream” POS products</p>	<p>Develop and implement a convenience store retailer awareness strategy through contracting with a professional marketing/communications agency with retail experience to assess the current level of awareness, evaluate current activities such as Trade Show appearances, recommend a comprehensive strategy to achieve the goal, and develop a practical, manageable implementation plan.</p> <p>Specific recommendations could deal with, but would not necessarily be limited to:</p> <ul style="list-style-type: none"> • Changes to how Trade Shows are utilized. • Placement strategy for Trade magazine ads and Trade magazine articles • Trade association website information • Direct mail to retailers <p>In the meantime, the BOTDFMC will proceed with participation in the Convenience U Trade Show in March 2010.</p> <p>The implementation strategy will include a component directed at keeping suppliers, manufacturers, and charities informed as the strategy proceeds and sharing materials (ads, articles, etc.) with them so that these materials can be utilized in their own marketing/sales efforts.</p>	<p>Strategy and implementation plan to be developed within the first 6 months.</p> <p>Implementation to begin within the first 6 months and to continue (duration to depend on the consultants’ recommendations).</p>

Goal 1

Support the industry to stem the decline in the convenience store sector and reposition for gradual growth

continued

<i>Initiative</i>	<i>Description</i>	<i>Priority/Timeline</i>
<p>1.2 A stronger in-store presence for Pocket Slots that will meet the needs of retailers.</p>	<p>Engage a professional retail consulting firm with significant convenience store experience to review current approaches and to recommend changes in the form of one or more templates that will achieve the goal of a stronger in-store presence that will be seen positively by existing and new convenience store retailers. Key areas to be part of the review include:</p> <ul style="list-style-type: none"> • How to merchandise the product better • Evaluating and making recommendations re the current POS and potential new POS • Opportunities with respect to the “power wall” • Whether/how to signal from the outside of the store that it sells Pocket Slots • Digital messaging; and whether an industry-focused brand website has value. <p>In addition, the BOTDFMC will monitor the new bin being rolled out by Bazaar Marketing.</p>	<p>Strategy and implementation plan to be developed within the first 6 months.</p> <p>Implementation to begin within the first 6 months and to continue (duration to depend on the consultants’ recommendations).</p>
<p>1.3 Reinforce and support the Pocket Slots brand.</p>	<p>Consult with suppliers and charities with respect to any changes to existing POS or new POS developed as a result of the recommendations of the external merchandising firm review in order to gauge level of support/likelihood of uptake.</p> <p>Request that the AGCO make the Pocket Slots brand mandatory for all break open tickets sold in Ontario.</p> <p>Rename the BOTDF as the Pocket Slots Fund and communicate the change within the industry.</p>	<p>Consult with industry with respect to a new POS campaign based on the recommendations of the merchandising consultant (see 1.2 above).</p> <p>Make request of AGCO in first 6 months to make Pockets Slots mandatory.</p> <p>Rename BOTDF at same time as Pocket Slots brand becomes mandatory.</p>

Goal 2

Support continued strong Pocket Slots performance in bingo centres

Initiatives

Provide bingo centre operators with information and analysis on the behaviour of current Pocket Slots players/non-players and also offer strategies to expand the number of people playing Pocket Slots products

Provide professional analysis and options to bingo centre operators with respect to the most effective ways to merchandise and sell Pocket Slots in bingo centres

Design, develop, and provide new Pocket Slots themed POS in support of new product launches in bingo centres

Goal 2

Support continued strong Pocket Slots performance in bingo centres

continued

Initiative	Description	Timeline
2.1 Provide bingo centre operators with information and analysis on the behaviour of current Pocket Slots players/non-players and also offer strategies to expand the number of people playing Pocket Slots products.	Conduct in-bingo centre research on Pocket Slots sales and consumer behaviour, i.e. what percentage of bingo centre patrons are buying Pocket Slots and how the bingo event tickets fit? If recent growth in Pocket Slots sales in bingo centres is being driven by bingo event tickets, who is playing and why?	Retain research firm and complete the study in the first 12 months.
2.2 Provide professional analysis and options to bingo centre operators with respect to the most effective ways to merchandise and sell Pocket slots in bingo centres.	Engage a professional retail/merchandising consulting firm to review current approaches to selling Pocket Slots in bingo centres and to provide analysis, options, and advice to bingo centres with respect to the most effective ways to merchandise and sell Pocket Slots.	The timing of this initiative is dependent on the results of the preceding initiative (2.1).
2.3 Design, develop, and provide new Pocket Slots themed POS in support of new product launches in bingo centres.	Consult with manufacturers with respect to POS opportunities as new products come to market.	Engage in an ongoing dialogue with manufacturers.

Goal 3

**Support the
development of
opportunities in
underrepresented
channels**

Initiatives

**To the extent possible,
minimize barriers to existing
Tier 1 demonstration projects
and complete and
communicate evaluation of
barriers**

**Evaluate the potential of a
Pocket Slots seal card in
licensed establishments**

Goal 3

Support the exploitation and expansion of opportunities in underrepresented channels

continued

Initiatives	Description	Timeline
3.1 To the extent possible, minimize barriers to existing Tier 1 demonstration projects and complete and communicate evaluation of barriers.	Follow-up with Loblaw re whether they are experiencing barriers and whether the Fund and/or Management Committee can assist with their removal. Once the Loblaw and CT demonstrations are operational, conduct a follow-up evaluation re barriers, determine whether any actions are required, and communicate results.	Follow-up with Loblaw is currently underway. Conducting and communicating the evaluation is dependent on timing of the demonstration project actually operating but projected within the first 6 months.
3.2 Evaluate the potential of a Pocket Slots seal card in licensed establishments .	Engage a market research firm to test the potential of seal cards in licensed establishments. Make a decision, based on the results of the above research, whether there are other channels that should be researched.	Retain a research firm at the end of Year 1.

Goal 4

**Reducing real and
perceived regulatory
and/or administrative
barriers to entry**

Initiatives

Ensure that existing and potential new Pocket Slots charities have access to information that promotes involvement with Pocket Slots and demystifies the current process.

Encourage municipalities that do not allow Pocket Slots to allow them in the future. Identify where municipalities that currently allow Pocket Slots may have local barriers to entry in place

Goal 4**continued**

Reducing real and perceived regulatory and/or administrative barriers to entry

<i>Initiative</i>	<i>Description</i>	<i>Timeline</i>
<p>4.1 Ensure that existing and potential new Pocket Slots charities have access to information that promotes involvement with Pocket Slots and demystifies the current process.</p>	<p>Contract with a communications specialist to prepare a consumer-friendly information kit for charities (e.g. brochure, etc.).</p> <p>Develop strategy to disseminate the tool to existing charities, suppliers, and municipalities and to reach new charities, potentially including a strategy through AMCTO to have municipal licensing officers as part of the distribution network.</p>	<p>The development of the tool would begin during the first 6 months.</p> <p>Finalizing and distributing the tool will be, in part, dependent on the time of any revenue model changes in response to the HST so as to ensure that it has the most up-to-date/accurate information.</p>
<p>4.2 Encourage municipalities that do not allow Pocket Slots to allow them in the future.</p> <p>Identify where municipalities that currently allow Pocket Slots may have local barriers to entry in place.</p>	<p>BOTPMMA to survey members in order to :</p> <ul style="list-style-type: none"> • Confirm which municipalities do not allow Pocket Slots to be sold and collect information to determine why. • Identify where individual municipalities may have local barriers to entry in place and what those barriers are. <p>Based on the results of the BOTPMMA member survey, evaluate next steps, including a potential contact strategy.</p>	<p>First 6 months to complete survey, evaluate results, and determine appropriate next steps.</p>

Goal 5

**Support the industry
to deal with the
anticipated impact of
the HST**

Initiatives

**Develop options for potential
revenue model changes in
order to deal with the short
term impact of the HST and
consult with the industry**

**Develop a broader longer-term
HST response**

Goal 5**continued**

**Support the industry
to deal with the
anticipated impact of
the HST**

Goal	Initiative description	Timeline
5.1 Develop options for potential revenue model changes in order to deal with the short term impact of the HST and consult with the industry.	Request HLT to develop options and analysis for revenue model changes specific to accommodating the HST and potentially sharing the impact among charities and suppliers. Conduct consultation with the sector. Develop recommendations to the AGCO.	Immediate/first 6 months
5.2 Develop a broader longer-term HST response.	No specific initiative is planned. As per the October HLT report, the long term strategy to mitigate the impact of the HST should focus on growth in sales/revenues.	TBD

Key consultation questions

The brand and branding strategy

- Does the industry still want a consistent brand and brand strategy that would appeal to existing and potential new customers and retailers? If not, what has changed since the original request came from the industry and what are the alternatives?
- If yes:
 - Should this brand still be based on consumer research and professional brand development advice?
 - Should the Pocket Slots brand (not the “Faces” campaign) be the basis for moving forward ?
 - Should the BOTDFMC develop new research and a new brand (which would become the primary focus of the BOTDF for the next 12 months)?

The goals/top priority:

- Are these the right 5 goals? Is there something missing? If you had to drop something to accommodate what’s missing, what would you drop?
- Do you agree with the emphasis in first year on the convenience store sector? Is there an alternative emphasis you would suggest and why?

Individual initiatives:

- Which initiatives do you believe will be particularly useful *a)* for the industry as a whole and *b)* to you and your organization?
- Are there initiatives that you do not believe will be effective and should be reconsidered? What are they and why do you believe they will be ineffective?
- Are there any initiatives that you are strongly opposed to (as opposed to initiatives that you simply would not be interested in) and, if so, why? For example: is something that you think just won’t work or that could have actual negative impacts on the industry?

BOTDFMC member contact information

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