

Break Open Ticket Development Fund

Current Initiatives

New Horizons – Canada's Charitable Gaming Conference
May 8/9, 2006



Break Open Ticket Development Fund: Current Initiatives

Governance

- OCGA Board of Directors:
 - overall direction, plan, major initiatives
- Management Committee:
 - ✓ Recommending the plan & major initiatives, operational advice and decisions, detailed fund management
- Administered/chaired by OCGA
- Advice and support from the AGCO



Break Open Ticket Development Fund: Current Initiatives

Flow of Money

- \$0.001/per ticket
- From the charities to the manufacturers
- From the manufactures to the AGCO
- From AGCO to the Development Fund



Break Open Ticket Development Fund: Current Initiatives

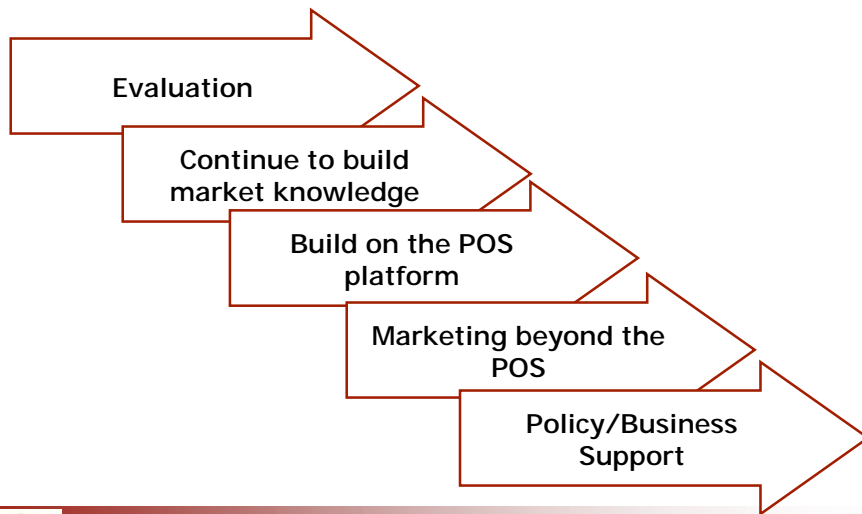
Overall Strategic Focus

- Revitalize and re-energize the industry
- Promote a new industry focus on marketing and promotion
- Provide information and tools that can be used to increase sales, increase the size of the marketplace
- Support beneficial business, policy and regulatory changes



Break Open Ticket Development Fund: Current Initiatives

2005-06 Directions



Break Open Ticket Development Fund: Current Initiatives

Evaluation (1)



- Quality
- Usefulness
- Sales impact
- Changes, new items, etc.



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Retailer POS Evaluation

Status:

- Research completed Nov/Dec 05
- 431 stores, 31 cities

Findings:

- 7% had POS in-store: higher in Northern Ontario
- 1% of those without POS had heard about it from their supplies
- 1/3 of those using the POS felt it had positively impacted sales
- When shown the POS, retailer reaction was positive:
 - Strong positive feedback re quality, colours, etc.
 - 45% in Southern Ontario would use it
 - 80% in Northern Ontario



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Evaluation (2)

On-line industry POS survey

- Put on hold in light of retailer survey results.

- For industry members
- General feedback
- Quality, value
- Changes, new items, unnecessary items



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Evaluation (3)

Year 3 review of the BOTDF

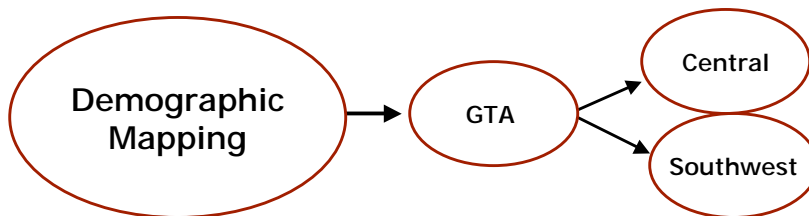
- Worked/not worked?
- Changes?
- Continue?

- Planning getting underway.
- To be completed this summer.



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Building Market Knowledge



- Map customers against retail licences
- Potential top, middle, and poor performing neighbourhoods
- Under-serviced/over-serviced areas
- Postal code road map in a user-friendly guide
- GTA first (most under-serviced), assess, potentially expand



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Building Market Knowledge

Demographic Mapping

- GTA Mapping completed
- Limited industry response to GTA mapping project
- Where targeted discussion has occurred, enthusiasm generated
- Currently assessing whether to expand to other regions



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Building Market Knowledge (2)

Market Penetration Refresh

- Revisit original market penetration research
- Has it changed? (awareness, sales, frequency of play, etc.)
- Gauge response to the new brand
- Being assessed in light of Retailer Survey
- Tied to Year 3 evaluation



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Supporting the POS (2)

Ongoing POS Distribution

- Reprinting and distributing POS items as required
- Periodic reprints
- Tent cards are most frequently reordered



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Supporting the POS

New Product Promotional POS

- Keep POS fresh/generate interest
- New products, rule changes
- Demonstrate retailer support
- Pocket Slots Extra
- New bin toppers



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New Bin Topper



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Marketing Beyond the POS

On-line use
of proceeds
brochure

- On-line Pocket Slots charity brochure builder
- Communicate to local partners
- Upload graphics, text, using templates
- Approve and order copies

- About to go live with a prototype
- Expected to roll out in late May



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Policy & Business Advice

New Revenue Model

- New revenue model options
- Sound, credible, neutral advice: best practices

Advocacy re the 5%

- Advocate to govt re returning some or all of the 5%



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Policy & Business Advice

New Revenue Model



Advocacy re the 5%

- Deloitte study underway
- Analysis expected to be completed this month
- Not fundamentally broken
- Opportunities to simplify and streamline
- Retail commissions are competitive
- Need a retail strategy to grow sales
- Significant reinvestment required: not possible "from within".



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Questions or Comments?



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