

February 9, 2010

Exciting New Direction for “Voluntary” OBDF \$100,000 Monthly Linked Game Bottom-line Competitive Advantage for Members Sign on Today!

Dear OBDF Member:

On January 19, 2010, we wrote to you to let you know that we would be getting back to you with a very exciting plan for 2010. The purpose of this document is to tell you about that plan and to ask your bingo centre to be part of this exciting new direction.

But first, we want to express our thanks for your continuing confidence in the OBDF. A lot of good has been accomplished since the Fund began developing and delivering initiatives. But it’s also been a steep learning curve for everyone involved. We are confident that our proposed new direction will more than justify your support and patience and we are looking forward to working together over the course of this year.

Looking back at the OBDF’s first phase

The first phase of the OBDF (when it was mandatory) was actually quite productive. Once we finished the lengthy process of incorporating the OBDF, we were able to move on many fronts. The major products were:

- Extensive and unprecedented market and consumer research, including a User’s Guide to the research that will be available to members in the very near future.
- The *Bingo Night in Ontario* event with Don Cherry.
- The *Rev up the Fun Dodge Charger* promotional contest.

Voluntary means Stronger

We believe that a voluntary OBDF will actually be much stronger in the long run than a mandatory approach.

A voluntary OBDF demonstrates that our sector is maturing.

A voluntary OBDF also means that the membership will be made up of organizations that really want to be part of the OBDF and that see the value of marketing and promotion at the provincial as well as local level.

- The development and roll out of the new *Gametime Bingo* brand as part of changing public perceptions of our charitable bingo, including province-wide television and radio advertising.
- The Bring a Buddy to Bingo promotion.
- The Marketing 101 workshops.
- The development of the marketing template and making support resources available.

Each of these products was unprecedented for our sector and without the OBDF we simply wouldn't have been able to attempt anything like this on a provincial scale.

But most importantly, through designing, developing, and implementing these initiatives, we have learned a great deal about what works and doesn't work and how best to leverage the Fund to have the biggest impact for our members. **And by "impact", our members have been very clear – the Fund needs to focus on initiatives that add directly to the *bottom line*.**

Towards the future: the next phase of the OBDF

We're taking what we have learned to date and what we have heard from members and turning it into a major province-wide initiative that will change how your players and potential new customers in your communities think about bingo. And it does so in a way that will give OBDF member bingo centres a significant local competitive advantage.

At the end of this memo is a more detailed and technical description of the initiatives, but here are the highlights:

- A monthly, "must-go", simultaneous bingo game between member bingo centres on the first Saturday of each month – the initial timeframe will be from May (always a difficult trading period for our sector) to December 2010.
- A monthly provincial prize of \$100,000 provided by the OBDF as well as in-hall prizes of 50% of sales from within bingo centres.
- Advertising to build on the investment already made in the *Gametime Bingo* brand as part of continuing to redefine how Ontario consumers think of bingo.
- The use of special paper.
- Most likely cross-hall communications similar to what we had for Bingo Night in Ontario, although all options are being investigated.
- Provincial OBDF funding for mass media and local bingo centre POS materials, in addition to local marketing and promotion activities.

The budget

We anticipate that an initiative of this size, scope, and duration will necessarily consume the bulk of the OBDF's budget for this year. The final figures will depend on the number of bingo centres that will participate as members of the OBDF.

How to get on board

Building on the experience and expertise we gained through the *Bingo Night in Ontario* and *Rev Up the Fun* initiatives, we are confident that the May to December timeframe is do-able.

But in order to be up and running by May, we need confirmation that your bingo centre will:

- Continue to be an OBDF member through to December 2010 (which means being up to date in your payments and continuing to make monthly payments based on 2% of win as before).
- Participate in the May-December \$100,000 monthly initiative.

The way the game is constructed, we need each bingo centre to participate for the full eight months. There's just no feasible way to allow bingo centres to pick and choose individual months and also the biggest benefit will come from a sustained program.

In order to meet the May deadline, we need to hear from your bingo centre (both the HCA and hall operator) by FRIDAY FEBRUARY 28.

To confirm your continuing membership in the OBDF (and participation in this promotion), please send an email to obdf@rogers.com

If you are not planning to remain as member of the OBDF, we would also appreciate hearing from you via email to obdf@rogers.com

If you have some exceptional local circumstances that will prevent you from giving us an answer by that time, please call the OBDF's administrator Connie Drossos at 416-214-9677 or email her at obdf@rogers.com. Connie will connect you to the appropriate Board member who can work out a solution with you. The February 28th deadline is critical to being able to move ahead; but at the same time, we want to make sure that as many bingo centres as possible are able to be members of the OBDF and part of this exciting new direction.

What happens after your hall confirms its membership/participation?

Shortly after February 28, we will get back to you with information about how many bingo centres have confirmed their membership/participation.

At that point, you will be getting a formal *letter of agreement* from the Board of the OBDF that outlines the commitment your bingo centre is making to the Fund and the \$100,000 monthly game initiative. This commitment will be for the remainder of 2010 beyond which you will have the option to renew for 2011. Both HCAs and bingo centre operators will be asked to sign and return a copy of the *letter of agreement*.

Questions?

If you have any questions or would like to discuss the OBDF's 2010 direction, please give us a call at 416-214-9677 or email to obdf@rogers.com. Our administrator Connie Drossos will arrange for a Board member to contact you.

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As OBDF volunteer Board members and also as representatives of OBDF-member bingo centres and HCAs, we are very excited at the prospect of working together with OBDF members from across the province on this exciting opportunity. We hope you will agree that our new direction for 2010 provides the kind of value that only a provincial fund like the OBDF can deliver. And most importantly, it's run *by* and *for* member charities and bingo centre operators.

The OBDF Board of Directors

Tracey Degruyter, Thunder Bay Community Bingo Association
Diane Austen, Delta Oakville Charity Association
Joe Meuleman, Valley Bingo Charity Association (Sudbury)
Ron Foster, Bingo Country Association of Windsor

Cam Johnstone, Delta Bingo
Jordan Gnat, Boardwalk Bingo
Paul Nitsopoulos, Dolphin Bingo (Toronto)
Lynn Cassidy, Ontario Charitable Gaming Association
Peter McMahan, Commercial Gaming Operators Association

Ontario Bingo Development Fund
\$100,000 Monthly Must Go
Overview

The following objectives were established in order to evaluate the different options that the Board evaluated:

- (i) The emphasis for 2010 is on providing contributing centres with tangible business building activities.
- (ii) Provide all contributing centres with an ongoing tactical program to boost attendance levels for both current and new players, with an emphasis on infrequent players. During these difficult economic times, maintaining attendance is a significant challenge for most centres.
- (iii) Continue to establish the Gametime Bingo brand of charitable bingo gaming and create stronger links between this brand and the centres that deliver it.
- (iv) Provide the players in contributing centres with the opportunity to participate in an experience that would not be feasible on an individual centre basis.
- (v) Provide a simple, easy to execute program in order to minimize the staffing resources required for successful implementation.

Based on the above objectives, the OBDF Board is proposing the introduction of a monthly, big jackpot game that would be simultaneously played in all participating centres. The following is an overview of the program:

- 'Gametime Bingo 100' (working title) is a province-wide bingo game played simultaneously in all contributing centres.
- The game is played during the evening session (i.e. sometime between 7:00-9:00 pm - with exact timing TBD) on the first Saturday of each month between May-December 2010.
- The \$100K game will replace one of the centre's current games.
- Special paper will be made available to participating centres.

- As alluded to in the working title, the '100' refers to the size of the jackpot - \$100K will be made available by the OBDF for each monthly game.
- Specific game details are still to be finalized but current thinking is that it will be for a full card with \$100K jackpot. Following the announcement/verification of provincial winner(s), each centre will continue to play until an in-centre player wins the full card. The consolation prize for this in-centre winner will be based on 50% of in-centre sales for the game and paid out by the centre.
- Options for delivery of the game are being investigated, but will likely be based on the format used for Bingo Night in Ontario.
- 'Gametime Bingo 100' will be promoted via the following channels: (i) in-centre POS materials that will be supplied at no cost to participating centres, (ii) the Gametime Bingo website will provide details on the game as well as contact information for all participating centres, and (iii) mass media. The details of this last element will be finalized once centre participation has been determined but is expected to be based on local radio (Creative templates will also be provided to any centres wishing to supplement the OBDF-funded media with their local marketing budgets).

The Board believes that this initiative fulfills all of the objectives that were established for the 2010 Fund:

- (i) 'Gametime Bingo 100' is a tangible business-building activity that will encourage players to make the first Saturday of every month a 'must go to bingo' night. Further, since it will only be available to OBDF contributing members, those centres will have a competitive advantage
- (ii) In addition to being motivated to play bingo because of the social aspects, 25% of current players are motivated by the jackpots/prizes. As such, a game that offers a significant jackpot should boost attendance for those sessions. While it could be argued that these sessions might have some cannibalistic effect on the attendance at other sessions, it is believed that there will be a net increase for all participating centres
- (iii) By positioning this initiative as 'Gametime Bingo 100' we are creating a direct link between the brand and the game. Further, the marketing support for the game will link 'Gametime Bingo 100' to the centres where it is offered

- (iv) An individual centre cannot offer this type of program to its players - it requires the critical mass that only an industry-based Fund can support
- (v) The ongoing nature of this program ensures that it will become part of the centre's regular activities and not require additional resources to implement or manage it