

Marketing Plan



Executive Summary

MyLottoMobile is a smartphone application (app) designed to make Lotto's 'MyLotto' experience available to consumers on the go. Consumers today are demanding convenience and mobility. Service brands must take steps to meet these demands.

- MyLottoMobile's target market consists of Lotto players age 15 years and older who own a smartphone. I estimate there to be approximately 536,000 potential consumers.

Key promotional objectives are to:

- Create MyLottoMobile awareness of 100% amongst the target audience.
- Pass 300,000 MyLottoMobile app downloads over the six month campaign.

The MyLottoMobile smartphone app will be released in July 2012 followed by a six month promotional campaign ending in December 2012.

This marketing campaign will cost approximately \$53,000. The app will be free to download, offering long-term benefits to consumers with greater convenience and mobility, leading to increased long-term Lotto sales.



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Introduction

This report will begin with an analysis of the market by identify the targeted market segment and market opportunities. We then estimate the size and dimensions of the market segment and discuss the marketing mix. Next we discuss an implementation plan, including the promotional mix, timeline and budget. We finish by discussing programs with which to monitor the effectiveness of the marketing mix.

1.0 Market Segment Analysis

MyLottoMobile's target market segment selection is based on two key consumer attributes; New Zealand Lotto players and smartphone users. Due to the nature of this service product, the smartphone app will only offer benefits to those who play Lotto, and is only able to be used by those who have access to a smartphone on the Apple, Google and Windows platforms.

Secondary research will be used to determine the size and dimensions of the market, as this research is accurate and readily available. *E.g. HSC's Participation in Gambling and Betting Activities Problem Gambling report, and published reports by IDC New Zealand on smartphone penetration and purchasing.*

The market segment is analysed for market attractiveness and competitive position using a five-step method (Mullins & Walker Jr, 2010). The MyLottoMobile app was shown to be in a strong position to enter the market, with high market attractiveness and a strong competitive position.

(See appendix 1 to view Market Attractiveness and Competitive Position Analysis)

(See appendix 2 to view Market Attractiveness and Competitive Position Factor Weightings)

(See appendix 3 to view Market Attractiveness/Competitive Position Matrix)



2.0 Market Dimensions

MyLottoMobile's target market comprises of New Zealanders age 15 years and older who purchase Lotto tickets at least one time per year, and who own a smartphone. Based on secondary research and my own calculations and assumptions, I estimate there to be approximately 536,000 consumers in this target market.

(See appendix 4 to view workings and assumptions)

New Zealand has over 4.7m mobile phone users (Hails, 2011) with more than 800,000 (and rising) of them using smartphones (Jericho, 2012). According to Vodafone NZ, smartphones now account for two-thirds of mobile phone sales and they expect 20m devices to be connected to their network in the next 10 years (NZ Herald, 2011).

Lotto is the single most popular and most socially accepted gambling activity in New Zealand. During the year to April 2011 67% of New Zealanders over the age of 15 years purchased a Lotto ticket at least one time, 57% purchased Lotto at least one time per month and 27% purchased Lotto once per week. Lotto is played across all ethnic groups (HSC, 2011).

3.0 Marketing Mix

3.1 Pricing Plan

MyLottoMobile will earn no direct revenue from the free app download. By offering a free download it is more likely that Lotto players will use the app, creating an opportunity for Lotto to engage further with players. By creating greater user convenience and mobility there is potential for greater Lotto sales. The app also creates an opportunity for Lotto to customise future marketing directly to consumers.

3.2 Product Overview

MyLottoMobile is an extension of the MyLotto online service in the form of a smartphone app. The app will integrate with existing 'MyLotto' accounts for the 'Purchase Ticket' feature. All other features will be available for use with no registration required. MyLottoMobile will be released on three mobile platforms; iOS, Android and Windows Phone.

(See appendix 5 to view product features overview)



3.3 Promotion Plan

MyLottoMobile will use existing Lotto marketing channels to introduce the service to market. This will reduce costs. An awareness campaign will be launched via TV advertising, live Lotto draws, print advertising, in-store advertising, printed Lotto tickets and the MyLotto website. In store advertising will be the only new form of promotion required.

(See appendix 6 to view promotion plan)

3.4 Distribution Plan

The MyLottoMobile app will rely on a very simple, but logical distribution plan. The app will be available for download free of charge on all three mobile platforms from the MyLotto website and via the appropriate application stores; App Store (iOS), Google Play (Android) and Windows Marketplace (Windows Phone).

3.5 People

The staff in Lotto outlets are key. They must understand the basics of what the app offers and how to use it. These staff members will inevitably be asked questions by app users, so it is critical that they are trained in using the app.

3.6 Processes

- Development of the MyLottoMobile app will be contracted to a professional developer who will also be responsible for the maintenance and updating of the app.
- Lotto's internal marketing team will manage distribution via the app stores and the monitoring of the marketing mix, as well as managing the Initial research and marketing of the app.

4.0 Implementation Plan

The MyLottoMobile smartphone application will be launched via an integrated marketing campaign with a shotgun style approach, making use of both online and offline media channels. The campaign will be targeted specifically to Lotto players, reaching them in all instances where they may be engaged with the Lotto brand.



4.1 Promotional Mix

4.1.a Promotional Objectives

The key promotional objective is to raise awareness of Lotto's new mobile service and encourage the download of the app.

- Create MyLottoMobile awareness of 100% amongst the target audience.
- Pass 300,000 MyLottoMobile app downloads over the six month campaign.

4.1.b Creative Elements

MyLottoMobile will utilise existing promotional activities but update them to include the MyLottoMobile logo.

(See appendix 7 to view a description of the creative elements)

4.1.c Timeline

The MyLottoMobile smartphone app will be released in July 2012. TV advertising and the live Lotto draw will be supported by print, online and in-store advertising throughout the course of the campaign. The campaign will commence at the end of December 2012 where the in-store advertising will finish. MyLottoMobile will however continue to be promoted on all other promotional media, included in Lotto's annual marketing budget. The MyLottoMobile logo will be added to fixed in-store signage.

(See appendix 12 to view timing and budget matrix)

4.2 Promotional Budget

The MyLottoMobile marketing campaign will cost approximately \$53,000 including the cost of the smartphone application development. This cost is relatively low considering the scope of the campaign due to making use of existing promotional activities with minimal change. The promotional costs will be recouped over the long-term as there are no new revenue streams created by the launch of the app. The theory is that long-term benefits to consumers with greater convenience and mobility will increase long-term Lotto sales.

(See appendix 12 to view timing and budget matrix, plus budget explanations)



5.0 Monitoring of Marketing Mix Effectiveness

5.1 Monitoring Program

After launch date the following monitoring programs will be put into place:

- App downloads to gauge the uptake of the new initiative.
- Level of activity from app to monitor transition to mobile Lotto playing and assess any change in playing habits and behaviour.
- MyLottoMobile web page traffic to measure interest in the app service as well as conversion rate of downloads.

5.2 Advertising Effectiveness Measurement

Awareness and app downloads will be measured against promotional objectives.

Awareness

Marketing research of target audience. If awareness of MyLottoMobile is 100%, objective is achieved.

Downloads

Generate reports from app stores, with total number of downloads calculated. If >300,000 at campaign end, objective is achieved.

This measurement will give an indication of the effectiveness of advertising, based on results.

5.3 The Product Life Cycle

Smartphone apps are relatively new products, in the growth stage of the product lifecycle. Advancing technology and a shift to mobile suggests continued growth. Lotto is in the maturity stage of the product lifecycle, is the most popular and socially accepted gambling activity in New Zealand and is not looking like declining any time soon. MyLottoMobile therefore shows potential for long-term sustainable growth.

5.4 Contingencies

If uptake of MyLottoMobile is slow then the following measures can be taken.

- Conduct focus group research to determine why Lotto players are not interested in using MyLottoMobile. Identify reasons, rectify problem, promote the change.
- Incentivise downloading of MyLottoMobile by offering a promotion. E.g. download the app over a given time period, go in the draw to spin the 'MyLottoMobile Winning Wheel' for a chance to win \$50k.



Conclusion

Lotto is New Zealand's most popular and socially accepted gambling activity. Coupled with mobile technology, MyLottoMobile is the future of Lotto playing, offering convenience and mobility, making it easier for users to play more often. With analysis of the target market segment it was found that an opportunity existed in providing such a service.

Implementation of an appropriate marketing campaign as per this report is a relatively simple and inexpensive process, due to Lotto's already established brand and marketing strategy. To remain relevant and current Lotto must make the shift to mobile. They will achieve this by launching MyLottoMobile.



References

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- NZ Herald.** (2011, August 2). Retrieved May 11, 2012 from http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=10742524



Appendices

Appendix 1 – Market Attractiveness and Competitive Position Analysis

Market Attractiveness and Competitive Position Analysis	
Market Attractiveness Factors	Competitive Position Factors
<ul style="list-style-type: none"> • A current inability to check Lotto tickets automatically with accuracy and confidents, from your smart phone, without having to enter a store (.3) • A current inability to purchase Lotto tickets on the go, from your smart phone, without the need to enter a store or go online (.3) • No automated notification of winning the 'Winning Wheel' (.1) • 67% of NZ's over 15yrs purchased a Lotto ticket in 2011, 800,000 NZ's are using smartphones (2011) (.2) • There is a significant shift in the way that consumers interact with onine services, evolving from the internet at home and work to mobile connectivity. (.5) • Consumers are becoming more time poor and are seeking convenience in the way that they shop and purchase items (.2) • Growth in mobile connectivity and reduced hardware prices is seeing more consumers purchasing smart phones over traditional mobile phones (.2) • Smart Phones are becoming the social norm, particularly with younger population (.1) 	<ul style="list-style-type: none"> • Key advantage of being the official MyLotto smart phone app, not a third-party app (.4) • The ability to integrate with printed Lotto tickets i.e. Ticket checker and 'Winning Wheel' notifier (.3) • Ability to purchase Lotto tickets via the app (.3) • Is a natural, logical brand extension (.1) Can utilise existing marketing channels and established distribution channels at little cost (.2) • Lotto is the dominant lotteries organisation in NZ with little competition (.2) • App is an extension of Lotto's service so does not compete for market share with alternative apps as the app will be free to download (.3) • Revenue will be generated by making purchasing easier and more convenient for Lotto users (.2) • There is no real threat of substitutes as MyLottoMobile will be the only official app, and be the only app with the capability of purchasing and checking Lotto tickets as well as offering 'Winning Wheel' notifications (.4)
<p>Discussion</p> <p><i>This analysis identifies key factors concerning the market attractiveness and competitive position of MyLottoMobile in assessing its potential market segment. Factors are listed and weighted according to their level of importance and relevance to the services success. The three key/highest-weighted factors from each category are then transferred to the market attractiveness and competitive position table, as per appendix 2.</i></p>	

(Source: adaption of table (Mullins & Walker Jr, 2010))



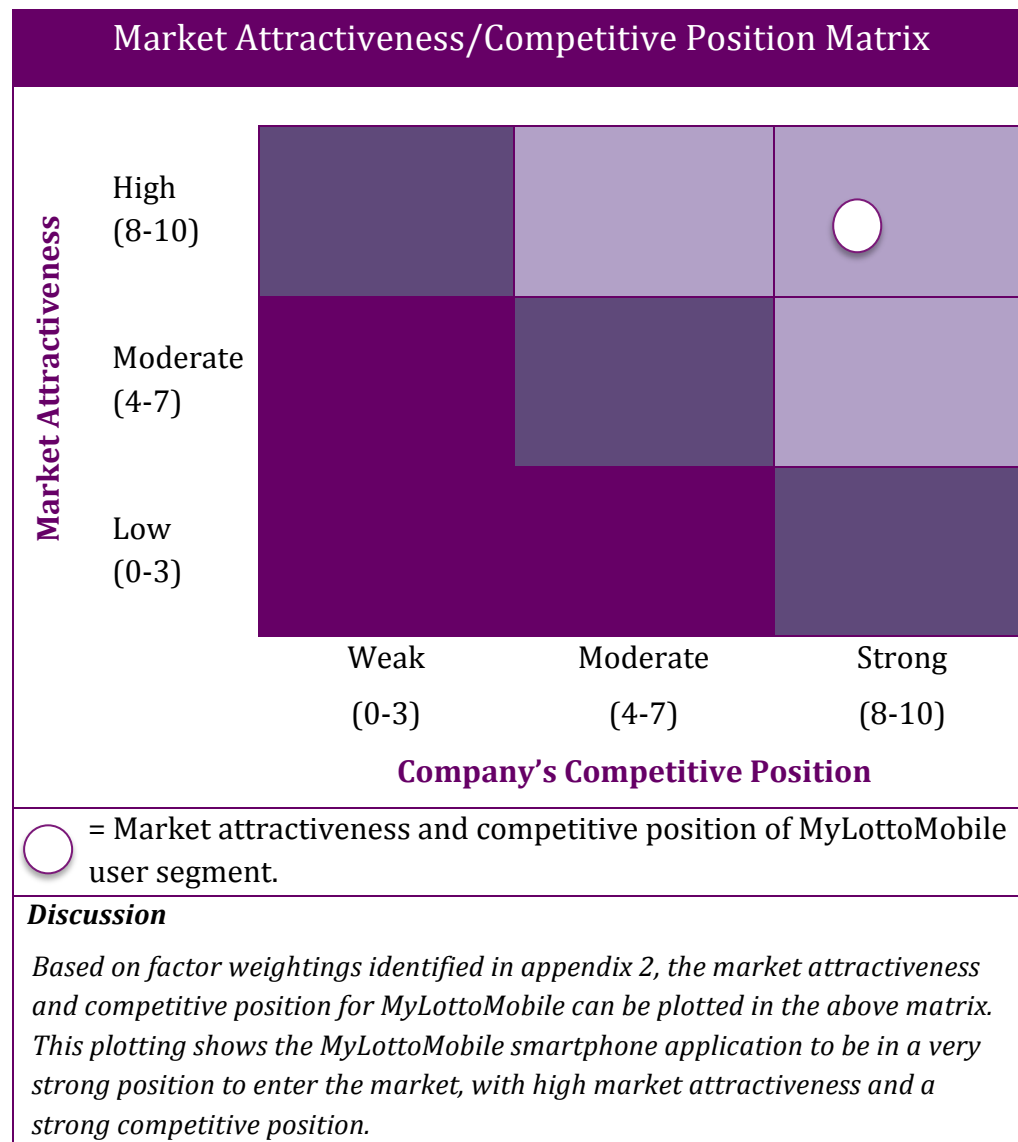
Appendix 2 – Market Attractiveness and Competitive Position Factor Weightings

Market Attractiveness and Competitive Position Factor Weightings			
	Weight	Rating (1-10)	Total
Market Attractiveness Factors			
• Check ticket and purchase Lotto using smart phone technology	.3	8	2.4
• 536,000 consumers	.2	6	1.2
• A shifting trend to mobile connectivity	.5	10	5.0
Total: Market Attractiveness	1.0		8.6
Competitive Position Factors			
• Official MyLotto smart phone app	.4	10	4.0
• Can utilise existing marketing and established distribution channels	.2	6	1.2
• No substitute as MyLottoMobile will be official app with full integration	.4	8	3.2
Total: Competitive Position	1.0		8.4
Discussion			
<p><i>From the market attractiveness and competitive position analysis we are able to identify the most significant factors by their individual weighted scores. The three most significant factors from each category are then rated and multiplied by their weighting to calculate the weighted scores for each factor. Weighted scores are added together to give a total weighted score for both market attractiveness and competitive position. These total weighted scores are then plotted on the marketing attractiveness/competitive position matrix, as seen in appendix 3</i></p>			

(Source: adaption of table (Mullins & Walker Jr, 2010))



Appendix 3 – Market Attractiveness/Competitive Position Matrix



(Source: adaption of table (Mullins & Walker Jr, 2010))



Appendix 4 – Market Dimensions Workings

Number of Lotto Players in New Zealand Who Own a Smartphone	
<ul style="list-style-type: none"> 67% of New Zealanders over the age of 15 years purchased a Lotto ticket during the year to April 2011 (HSC, 2011). An estimated 800,000 of New Zealand's 4.5m mobile phones are smartphones (2011) (Jericho, 2012) 	
Lotto/Smartphone owners	800,000 x 67% = <u>536,000 consumers</u>
Assumptions <ul style="list-style-type: none"> The large majority of smartphone users are 15 years and over. The percentage of Lotto players in New Zealand as a whole applies to smartphone users also. The large majority of smartphones are on the iOS, Android and Windows Phone platforms 	



Appendix 5 – Product Overview

Product Overview MyLottoMobile Smartphone Application	
Feature	Description
Purchase Ticket	The ability to purchase a secure online Lotto ticket through the user's MyLotto account, via the app. The eTicket will be stored both online and on the app, and will be checked automatically on request from the user.
Generate Numbers	A feature that will generate the appropriate random numbers for the ticket selected. The ticket will then be able to be purchased via the app or a code will be generated which can then be taken to a Lotto store to purchase the selected numbers as a paper ticket.
Statistics and Analysis	A feature that will display all relevant Lotto data in relation to frequency of drawn numbers, sales and winning statistics over a given period.
Winning Wheel Alert	This feature will alert the user if a checked Lotto ticket (online or paper) has won the weekly 'Winning Wheel' draw.
Ticket Checker	On request ticket checker will check online tickets for winning lines and alert the user of the results. The app will also have a built in QR reader which will be able to check paper Lotto tickets (which will be printed with a QR code loaded with ticket details) for winning numbers by scanning the tickets QR code.



Appendix 6 – Promotion Plan

MyLottoMobile – Promotion Plan	
Promotion Element	Description
TV Advertising	The MyLottoMobile logo will be added to all existing and any new TV advertising.
Live Lotto Draws	The MyLottoMobile service will be promoted onscreen during live draws, with the logo being displayed as well as the presenter describing where it can be downloaded.
Print Advertising	The MyLottoMobile logo along with a 'download app' message will be included in all print advertising.
In-store Advertising	Printed material will be displayed in-store at Lotto outlets nation-wide promoting the mobile app.
Lotto Tickets	The MyLottoMobile logo will be added to printed Lotto tickets.
Website	The MyLotto website will display advertising for the MyLottoMobile app on the home page and offer links to download the app via a 'MyLottoMobile' page on the website.



Appendix 7 – Creative Elements

MyLottoMobile Promotion – Creative Elements	
Creative Element	Description
TV Advertising	Current TV advertising would continue as is but would have the addition of the MyLottoMobile logo added to the bottom right hand corner of the final screen, along side “Lotto, What would you do?” This is a very simple and cost affective method of promoting MyLottoMobile to a mass media audience, creating awareness of the new service. <i>(See appendix 8 to view a sample final screen advertising)</i>
Live Lotto Draws	The Live Lotto draw on both Wednesday and Saturday nights would be an opportunity to promote the launch of the MyLottoMobile app with a logo, as well as the nightly host offering a brief description and where to download from. Another cost affective method of creating awareness for MyLottoMobile. <i>(See appendix 9 to view a sample logo advertising)</i>
Print Advertising	All future printed advertising would include the MyLottoMobile logo and the “download app” message.
In Store Advertising	Within Lotto Outlets nationwide, posters and counter cards will be displayed promoting MyLottoMobile. Displays will describe key features and available mobile platforms as well as offering a QR code to download the app right there and then. In store promotion will connect the target audience at a time when they are already actively engaging with Lotto. <i>(See appendix 10 to view a sample in store advertising)</i>
Lotto Tickets	All Lotto tickets will be printed with the MyLottoMobile logo as well as the QR code for checking tickets via the app. This is a simple method of informing relevant and engaged consumers while building awareness of the new service. <i>(See appendix 11 to view a sample Lotto ticket)</i>
Website	MyLottoMobile will be advertised on the MyLotto homepage as well as the Lotto purchasing page. MyLottoMobile will also have a dedicated page providing information on the app’s features. The app will be able to be downloaded from here also.



Appendix 8 – TV Advertising, MyLottoMobile Logo



Appendix 9 – Live Lotto Draw, MyLottoMobile Logo



Appendix 10 – In Store Advertising



Appendix 11 – Lotto Ticket, redesigned



Appendix 12 – Budget and Timing Matrix

Commence 2012	July	Aug	Sept	Oct	Nov	Dec	Totals
Application Build	\$20,000						\$20,000
TV Advertising	\$5,000						\$5,000
Live Lotto Draws	\$5,000						\$5,000
Print Advertising	\$1,000						\$1,000
In-store Advertising	\$10,000			\$10,000			\$20,000
Lotto Tickets	\$500						\$500
Website	\$1000						\$1,000
Logo Design	\$500						\$500
							\$53,000

Budget Explanation	
Budget Item	Description
Application Build	To have a professional app building agency design, build, test and release the app on three mobile platforms.
TV Advertising	To have the MyLottoMobile logo added to existing TV commercials.
Live Lotto Draws	To have the MyLottoMobile logo added to the live screen of the Lotto draws.
Print Advertising	To have the MyLottoMobile logo and messages added to existing and future print templates.
In-Store Advertising	To have wall and counter display advertising designed, printed and distributed to Lotto outlets nation-wide on two print runs. The second print run will have a redesign to keep the campaign fresh.
Lotto Tickets	To have the printed lotto tickets redesigned to include the MyLottoMobile logo and QR code.
Website	To have the MyLotto website updated to facilitate the MyLottoMobile web page and home screen advertising.
Logo Design	To have the MyLottoMobile logo designed and created in digital formats.

