

E.B. Lane Wins \$80 Million Contract with Arizona Lottery

Written by Interview by Claire Perkins & Michael Dee

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Luck of the draw? No way. When CEO Beau Lane and his team at advertising firm E.B. Lane set out to win back a five-year, \$80 million contract with the Arizona Lottery, nothing was left to chance.



The advertising, public relations and interactive firm managed the many layers of marketing, advertising and public relations for the Arizona Lottery account for two five-year increments (1995 through 2005) and lost the account to another agency in 2005. This year, at a critical point for the state when lottery revenue is heavily depended-upon, E.B. Lane beat three other agencies with a winning plan to penetrate younger markets with new technologies and interactive lotto methods.

Here, Lane spoke exclusively with *AFM* about the Arizona Lottery, his strategies and what he did when he found out he'd reclaimed the account.

Beau, how were you determined to win back such a huge account after losing it in 2005?

The day it left us in 2005 was the day we started thinking about winning it in 2010- it was an account we won in 1995 and kept for ten years. [We] had done some tremendous work and really helped them build sales over that time period. It was really a core account for the agency for a long time, and as you know with state accounts we have to undergo a procurement process [every five years]. We gave it our all in 2005, it

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didn't work out and somebody else had the privilege of having the account. We understood that and were not delighted that happened, but know that's how it happens sometimes, so we just were determined that when there was another shot at it that we'd be ready.

Where were you when you'd found out you'd gotten it?

Well, I was on my way to a meeting and I got a call from the staff saying the Lottery Director wanted to meet with me that day, at a Hilton hotel that's right down the street from the lottery- they use it for a lot of off-site meetings because it's so close. I'd been there before- we met there at 4:00 and went into the lobby bar and I sat there with Jeff Hatch-Miller who is the Director and two of the lottery executives and they informed me right there and it was quite exciting.

So when did you share it with your staff?

I was anxious to inform the staff. [Jeff and I] were having a conversation that went on for a half an hour so finally I said "Would you excuse me? I need to tell the staff" and they said "Oh yeah, if you need to go, go tell 'em," so I got in the car and called our President Todd Breshnahan and said "Gather everyone in the lobby, I have some news," so I got back and was able to announce it and of course there was a lot of celebration and we all went to the SideBar and had an open tab for a few hours, made sure everyone got home safely- had a nice little celebration.

How have things changed since you last held the account?

We kept abreast with the industry- many of the same people who worked on the business those years are still with the agency so we were just very prepared to compete and competed for it very strongly and delivered a very dynamic offering and presentation to the lottery in 2010. It's amazing how much things have changed in five years. All marketing and communications have evolved- especially from a digital standpoint- so we've kept abreast of that and went to the lottery with lots of good experience and lots of new ideas and ways of moving forward.

Can you share any of your winning ideas with us?

The assignment was to put together a campaign that would appeal to a younger audience. The core players tend to be middle-aged, and of course you can't play the lottery until you're 21, so you have this 21-35 age group that is the future of all our businesses, right?

Most people in their 20's don't know where the money goes...

The assignment was to help them solve this problem. They call it the emerging market, and that audience is much more diverse- a lot of people from diverse backgrounds and ways of thinking about things. They're very digitally-savvy; many of these people have never even touched a newspaper. Lots of social media, mobile devices, many different ways of consuming media. So we came in with a very robust iPhone or mobile device application and ways people can interact with the lottery that way. They're still watching television, consuming traditional media- but just on their terms; in different ways. With a very intelligent approach on how to appeal to this audience, I think we managed the assignment very well and the lottery responded very well to it.

For those of our readers who may not know, where do the Arizona Lottery funds specifically go?

Traditionally it's gone into conservation, education, transportation, arts & culture- some of that has changed in the current legislature- I'm waiting to get a briefing on that- about a third of the money gets returned to the state- some to dedicated funds and some to a general fund- it's well over \$100 million each year being returned to the state budget. The legislature is responsible for deciding where the money goes- with the current economic environment some of the "buckets" have been diverted into the general fund. Part of our mission will be to educate people about that.

Why is this more important in these times?

The lottery is in a very interesting position right now because it's depended on more than ever for revenue for the state. The state is looking to the lottery more than ever to generate additional revenue to accommodate shortfalls and progressive and interesting marketing to try to build the audience and sales. We're coming in at a critical time and an important and interesting time.

You say you're focusing on those 21-35- are there any income levels or other factors that matter?

Well, it's a buck to play. It's pretty much available to anybody who wants to give it a try and the income levels pretty much match the typical income levels of the state, you don't see too much variation in the players.

One thing that is important to the lottery and all businesses is the multi-cultural aspect in this marketplace. We've partnered with a Hispanic firm called Lopez Negrete- which is one of the top Hispanic firms in the country- I have a personal relationship with Alex Lopez for ten or 15 years- we share an account together- we both work on Wal-Mart together so we brought them on as a partner in this presentation- they're opening an office here in Phoenix in our office, so they'll have a presence here and this brings a whole other level of excellence when it comes to the multi-cultural aspect of the lottery.

When will we see this new campaign starting?

Our contract begins July 1 which matches up with the state's fiscal year so we're in a transition period now, sort of ramping up. It's interesting because we have so much experience with the account so there isn't a whole lot of learning curve in terms of how to handle an account like this-

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you know it's one of these multi-faceted pieces of business from PR to Web to advertising to promotions to sales support and partnerships, it's a very diverse piece of business. We have a month and a half now of transitions, we take over in July, you'll probably start seeing our work in the fall, I would think it would take us a little while to pick up steam- we'll be sure to give you a peek at it before it rolls out.

There is Powerball, scratch-off- there are so many different games. Do you market them each separately?

Yeah they're all a little bit different, with a different audience- there's crossover, but every game is kind of looked at as a product- it's kinda like a house of brands. There's Powerball and now there's Mega Millions which is another multi-state game equivalent to Powerball but it's drawings are on different days than Powerball so literally now we can really do big-drawing games now in Arizona four days a week. That campaign has just been introduced so you're probably now just getting familiar... Powerball is Wednesday and Saturday, and there are daily drawing games, there are probably 25 scratcher products that are out at all times- you can either buy at a store, you can buy in a vending machine- you'll see that more and more like at the grocery stores.

Do you play the lottery?

I do play the lottery- it's interesting I guess the rules have changed and we can play the lottery. When we first had the account it wasn't allowed, but that rule has changed so I think we'll continue to play.

What are your Powerball numbers?

I'm a Quick Pick guy- leave it up to fate.

Photo by Jackie Mercandetti

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