
Charitable Gaming Development Funds:

An industry opportunity

April 2010

ontario charitable gaming association
oega

CGAO
Commercial Gaming Association Ontario

What is a Development Fund?

- Central provincial development fund – to support the charitable gaming industry
 - Mandated by the regulator or voluntary
 - Managed by the industry through partnerships
 - Ontario - a pioneer in these funds for the charitable gaming sector over the last 6 years
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Why Go this Route?

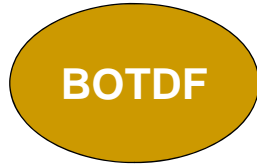
- Continuing decline in the two major charitable gaming sectors – Bingo and Break Open Tickets
- No way to initiate Funds through consensus
- Registrar prepared to take the lead in both areas
- There was a perceived benefit to consolidating money to promote the industry

Ontario - Two Development Funds

- Break Open Ticket Development Fund established June 2003
- Ontario Bingo Development Fund established June 2007

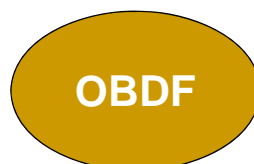
Annual Fund Revenues

Break Open Tickets



\$400,000

Bingo



\$2 million

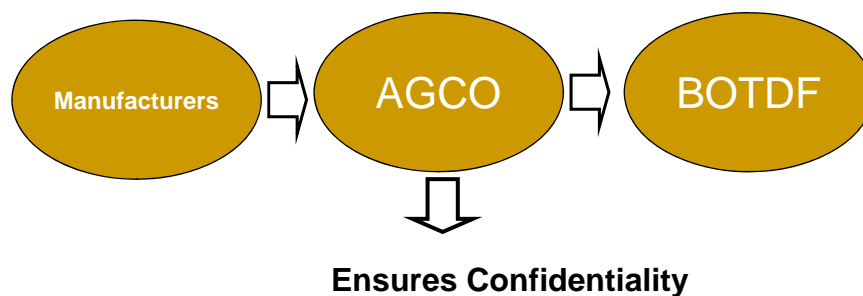
How Did They Evolve?

Break Open Ticket Development Fund

- In Ontario - 1,000's of small organizations and retailers
- Gaming suppliers and two manufacturers
- This first industry centralized development fund was established through the Registrar with agreement of the industry in June 2003
- In conjunction with new approach to regulator's agreement with manufacturers

Break Open Ticket Development Fund Mechanics

- \$0.001 from each ticket sold



Break Open Ticket Development Fund Governance

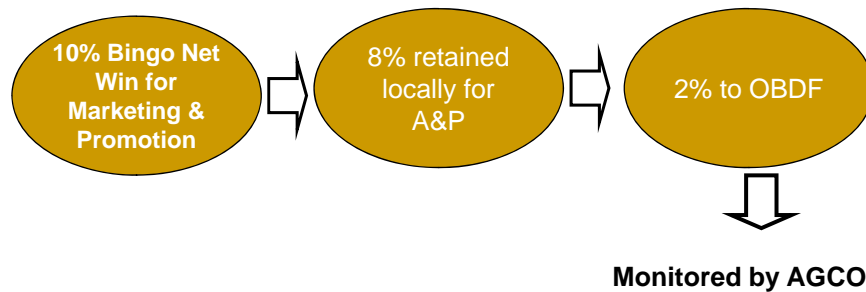
- Money is contributed by charities - this fund is governed by the Ontario Charitable Gaming Association (represents majority of charities)
- Accountable governing body - OCGA Board
 - Approves annual plan and expenditures
- Day to day planning and recommendations through management committee:
 - Chaired by the OCGA Executive Director
 - Industry associations – charities, suppliers, retailers

Ontario Bingo Development Fund

- Marketing and promotion was identified as a gap for the industry in the development of a new revenue sharing model for bingo – little \$\$ spent
- In 2007- 72 Bingo Centres with 3,000 charities/non-profits
- Attempts at industry voluntarily establishing a centralized marketing fund had failed
- Registrar used new revenue model to mandate contributions to a central development fund

Bingo Development Fund Mechanics

- 2% of bingo net win monthly



Ontario Bingo Development Fund Governance

- Separate non-profit corporation with a Board of Directors:
 - Sector associations appointments
 - Elected directors from the industry – charities and operators
 - Advisors - Alcohol and Gaming Commission of Ontario and municipal sector
- Voting membership :
 - Participating hall operators and hall charities associations

Spending the money

Break Open Ticket Development Fund

- **Started with Research as the foundation:**
 - Comprehensive consumer/market baseline
 - More research:
 - Market penetration
 - Market potential: lapsed and never-played
 - Mapping market data against retail locations
 - Potential new channels

Break Open Ticket Development Fund



Major Brand Development and Branding Strategy focus

Promotional Materials



Break Open Ticket Development Fund – Current Activities

- Retailer Incentives
 - Retailer research in convenience store locations
 - How are tickets marketed, what motivates retailers
 - Proposal for a retailer incentive program – expansion and increasing sales
- Consumer research on BOTs in Bingo Centres
 - What motivates Bingo player to buy Break Open Tickets

Ontario Bingo Development Fund

- Started with a strategic business plan
- Research as the foundation again:
 - Comprehensive consumer and market research by Pollara
- Some tactical initiatives:
 - Don Cherry event – linked game
 - Bring a Buddy provincial campaign
 - Marketing courses developed for industry

Bring A Buddy Creative




Ontario Bingo Development Fund

- Strategic initiatives to brand charitable bingo
 - Development of a “brand” GameTime bingo
 - Branding pair with a major contest “Rev up the Fun – Win and Drive” – car give away in every bingo centre
- Current strategic initiative
 - GameTime Bingo – provincial branding
 - GameTime Bingo Big Win – provincial branding with radio ads, print media and \$100,000 monthly linked game May 1st to December

Ontario Bingo
Development Fund
Branding:

Gametime Bingo





**IMAGINEZ-VOUS
DANS UNE DODGE
CHARGER 2010!**

PARTICIPER AU
**Concours
Accélérez
le plaisir!**

POUR AVOIR LA CHANCE DE GAGNER

détails du concours :
participer offre une Dodge Charger en prix.
Mise au concours chaque fois que vous participez à une
maison de bingo ou à un événement, et dans certains
cas un bulletin de participation personnel ou imprimé
de la loterie en fonction de la province. Vous pouvez aussi
être tenu de remplir de la Déclaration d'Intention de 1 bulletin
décembre avant la clôture de remise de la CA.
Arrive avec le 00 d'une Dodge Charger toute neuve.
Ne vous en faites pas!



Courtesy Bingo High-Five.
(Et when you win Bingo.)



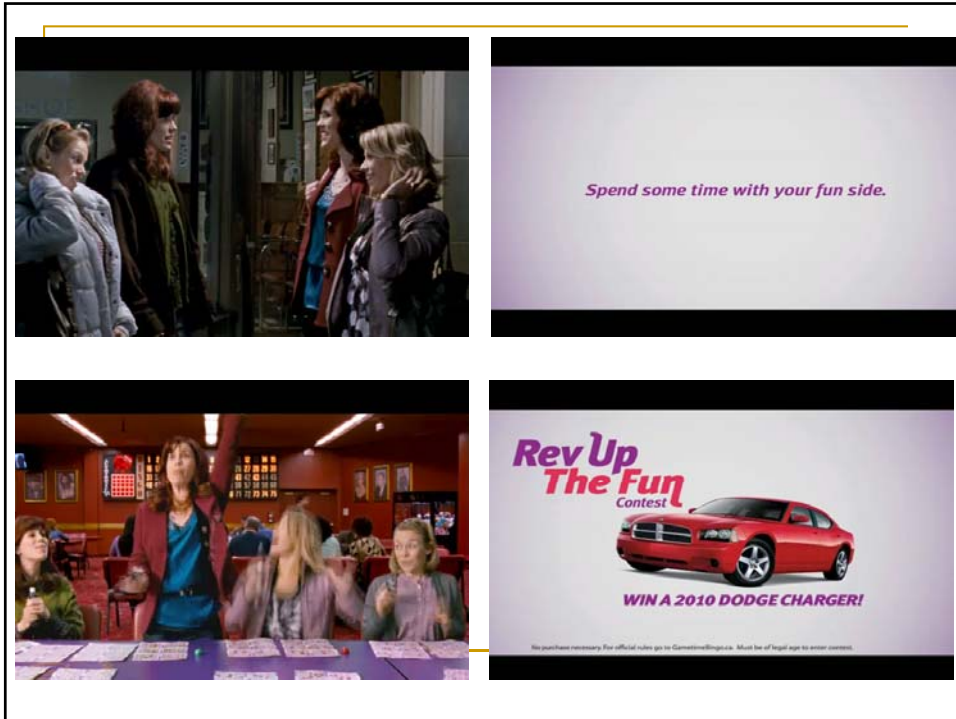
Free Bingo Dabber Practice.
(Et when you come and play Bingo.)

Spend some time with your fun side.
Gametime
www.fun, feel good.

Spend some time with your fun side.
Gametime
www.fun, feel good.

Please play responsibly.
Bingo Centre name address, city, province postal code

Please play responsibly.
Bingo Centre name address, city, province postal code



How are we doing?

Break Open Ticket Development Fund

- Initial industry excitement re professionally developed brand
- Struggled with industry using tools developed
- Not enough agreement on the “brand”
- Needed to refocus efforts on retail part of the industry
- Limited resources mean carefully determining priorities
- Still strong support for Fund remains after 6 yrs

Bingo Development Fund

- Minority of industry challenged the Fund and registrar’s authority
 - Resulted in unnecessary legal costs and delays in activities
 - Some refused to submit payments
- Fund became “voluntary” as December 09
- Challenge of maintaining participation
 - Have over 60% participation of those contributing
 - Actually easier to manage on voluntary basis

Retrospective

Preconditions

- Strong regulatory support
- Majority need to understand benefits and role of a provincially managed fund
- Strong partnerships and capacity in Associations to manage and support
 - Funds are a lot of work!
- Realistic expectations in terms of:
 - Potential impact of a fund
 - Complexity of new initiatives/industry's ability to execute
- Engagement of the industry in designing Fund

Challenges

- Greater pressure in times of weak markets
- Lack of consensus
- Industry's capacity to execute
- Manage expectations re what a provincial fund can and can't deliver, magnitude of impact and how quickly
- Execution by industry/take-up
- Maintaining focus, energy, and engagement

On-going success factors

- Continued industry and regulator support
- Demonstrating value of initiatives
- Keeping industry focused on value of strategic initiatives in addition to the tactical activities
- Ability to assess industry support, results, and successes or lessons learned
- Regroup and change direction when needed – no use beating a dead horse!
- Effective feedback loop
- Effective and timely communications a must

Contacts

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