

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

July 3, 2019

2. Department

California State Lottery

3. Organizational Placement (Division/Branch/Office Name)

Sales and Marketing Division/ Marketing/ Engagement & Retention

4. CEA Position Title

Chief, Engagement & Retention Marketing (NEW TITLE)

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The Lottery is proposing to revise the Chief, Instant Games CEA Concept (position is vacant) and re-title the position Chief of Engagement & Retention Marketing (CE&RM). The CE&RM will be responsible for developing and managing the team focused in driving customer engagement while building long-term brand value. This leader will manage the Lottery's marketing program via digital platforms including the public website and mobile applications.

6. Reports to: (Class Title/Level)

Assistant Deputy Director, Marketing; CEA B

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): The CE&RM will be responsible for the strategy, design and management of programs and initiatives aimed at customer experience, player retention and brand loyalty. These key components of the Lottery's marketing program will require this CEA to engage with management and staff at all levels, particularly the Directorate to enable the Lottery to meet its goals.

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Chief of Engagement & Retention Marketing will be responsible for the thought leadership, strategy, design, operational management, analytics and performance of marketing programs and initiatives aimed at creating a positive customer experience, increasing player retention, managing customer relationships, and building brand loyalty. Responsibilities include but are not limited to:

- Managing the digital marketing program specifically, Lottery-owned digital platforms, including the public website and mobile application(s); leads all email, search engine optimization/search engine management (SEO/SEM); customer relationship management (CRM) activities; and oversees marketing using social media platforms. The goal is to leverage Lottery-owned media and promotions to provide an experience that builds the Lottery brand, motivates users to play Lottery games, increases player loyalty and drives sales to generate incremental profits for public education.

- Developing the marketing strategy and managing the execution of Lottery's digital marketing presence and user experience across Lottery's digital touchpoints and platforms including web properties, social media networks, mobile apps, and emerging platforms working in partnership with internal stakeholders and vendors.

- Creating the vision and driving the evolution of CRM efforts, with the goal of delivering marketing personalization across multiple channels to maximize customer lifetime value and driving engagement. This will require the development of the strategic and tactical vision for player marketing segmentation, personalization, automation and data-driven decision making. The CEA will oversee all components from setting the vision and high-level strategy, to development, program execution, testing, reporting and optimization.

- Oversee the development and implementation of an annual Engagement & Retention Marketing Plan to help meet sales, brand and playership loyalty goals. The development of long-term strategies and plans that capitalize on evolving technology and business needs are critical to the long-term success of the Lottery.

The Chief of Engagement & Retention Marketing will also participate in the development of the overall Lottery Marketing plan by assisting in the development of key objectives and strategies through collaboration with the Chiefs of Product and Consumer Marketing & Advertising to develop and execute integrated marketing plans.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The mission of the Lottery is to generate and provide supplemental funding for California public schools through the sales of lottery games and products. The effective marketing of lottery products is essential to the Lottery's continued success. The Lottery's Marketing teams are responsible for developing new games and products to attract and retain player interest; promoting lottery products through creative advertising and promotions; and developing customer engagement strategies that build a loyal player following.

The Marketing Division and its engagement and retention programs are vital to the success of the Lottery's efforts to fulfill its mission. Engagement is the emotional and personal connection between a consumer and a brand. Highly engaged customers are likely to buy more, promote the use of the product, and demonstrate loyalty to the brand. The purpose of the engagement and retention program (also known as digital marketing) is to increase customer engagement, playership and loyalty to the Lottery brand. This is particularly important as competition for disposable income is intense, especially within California where Indian gaming casinos are legal and players can fly to Las Vegas in a little more than an hour. The Lottery's engagement and retention programs drive player awareness, create brand preference and, ultimately, drive Lottery sales.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

As a sales and marketing enterprise that generates billions of dollars in revenue and supplemental funding to public education, the Lottery is a unique entity within state government. The department's marketing organization is responsible for the administration and oversight of a multi-million dollar program that is vital to the sales effort; directly impacts the public's interaction with, and perception of, the Lottery; and is an essential component in support of the department's mission.

Marketing as a function has changed dramatically over the last 5-10 years and continues to evolve at a rapid pace to meet consumer demands in a fragmented media landscape. The new marketing playbook is characterized by increased focus on customer experience; ensuring touch points are relevant and individualized; use of social media to reach and engage with consumers where they spend time; and increased leveraging of technology and data.

To keep pace in the changing media landscape, the Lottery has reorganized its marketing program to provide customer engagement and retention by re-purposing an existing CEA to provide a dedicated high-level leader and additional resources. If approved, the new CE&R will manage Digital Properties and Direct Communications & Loyalty Programs. Digital Properties will oversee the Lottery's website (PWS), mobile application and marketing via social media programs. Digital Properties will also include the Social Media team, which will be led by a dedicated Social Media Manager to effectively manage the recently consolidated paid and organic social media functions, including influencer marketing and community management. The Lottery has a combined number of digital followers across social networking sites such as Facebook, YouTube, LinkedIn, Twitter and Instagram in excess 600K so the opportunity and the need to engage with these players from a marketing standpoint is significant.

The CEA of Engagement and Retention will develop strategy and manage the Player Loyalty & Communication team which is focused on loyalty and retention programs and direct communication channels. This team will also enhance the existing 2nd Chance and Jackpot Captain programs; explore future loyalty programs; and handle direct communication programs to players, including planning and managing millions of emails each month.

Finally, the reorganization will include additional management to oversee each unit within engagement and retention branch and reporting into the CEA.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Chief of Engagement & Retention Marketing is responsible for ensuring the successful execution of three of the five key strategies in the Lottery's Business Plan which include building sales in Jackpot Games and Hot Spot; clearing up myths about the Lottery and elevating the Brand's perception; and increasing the Lottery's customer focus to improve the customer experience. Each of these strategies will require ongoing development and implementation of new and updated policies as well as ensuring the appropriate interpretation and application of existing policies.

The CEA will participate in the development of the overall Marketing plan by assisting in the development of key objectives and strategies and will partner with the Chiefs of Product and Consumer Marketing & Advertising to develop and execute integrated marketing plans. The Chief of Engagement & Retention Marketing will develop, implement and manage marketing activities associated with player engagement and retention (the digital marketing program). In this role, the development of policies to guide and direct staff in each of the following areas is essential.

- The CEA will be responsible for marketing strategy and execution of Lottery's digital presence, content strategy, and user experience across Lottery's owned digital touchpoints and platforms including web properties, social media networks, applications, and emerging platforms working in partnership with ITSD, Corporate Communications and other internal stakeholders as well as third-party vendors.
- The CEA will work cross-functionally with designers, software developers, quality assurance staff, and all internal stakeholders to ensure that the Lottery's owned media addresses the public's need for Lottery information and that it is functioning effectively.
- Chief of Engagement & Retention Marketing will provide strategic leadership for current Lottery loyalty programs to maximize customer value and brand engagement while collaborating with internal partners and with advertising and promotional agencies to create engaging promotional elements. The CEA will continually drive innovation to retain existing customers while researching evaluating and developing new loyalty and retention programs such as rewards programs, subscriptions and casual games for fun.
- The CEA will lead the vision and drive the evolution of the Lottery's customer relationship management (CRM) efforts, with the goal of delivering marketing personalization through the creation, management, implementation and optimization of multi-channel strategies such as email, push, social, etc.to maximize customer lifetime value and drive engagement.
- The CEA will oversee the development and implementation of an annual Engagement & Retention Marketing Plan and develop long-term strategies and plans that capitalize on evolving technology and business needs.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Chief of Engagement & Retention Marketing is responsible for leading the Lottery's customer experience and digital marketing strategy to support Lottery sales in excess of \$7 Billion.

The CEA is responsible for defining the Lottery's long-term customer engagement strategy, overseeing all digital marketing initiatives and implementation plans to ensure they are consistent with long-term business strategies. The CEA has independent decision-making authority in the planning, developing, and organizing digital marketing activities. This role oversees all facets related to the planning and execution for all related activities, including any research, concept development, and program launches as well as ongoing maintenance and operations. The CEA works closely with the Chiefs of Product and Consumer Marketing & Advertising to input and direction on the strategies and associated tactics for all consumer and retailer promotional efforts. The CEA provides strategic oversight and direction on digital marketing initiatives that will provide more effective communication to the Lottery's more than 23,000 retailers.

The Chief works closely with ITSD and Legal on determining policies surrounding use of data and software applications. The CEA also leads the CX (Customer Experience) initiative for the Lottery working closely with Business Planning and ITSD. The CEA mentors Branch Chiefs and other managers/supervisors and ultimately provides solutions for a wide range of difficult management and administrative problems. Given the responsibilities described above, the CEA will have strong policy influence and decision-making authority to ensure full implementation of marketing policies and initiatives. The decisions made by the Chief of Engagement & Retention Marketing will have state-wide impact and directly affect the Lottery's ability to meet the projected targets to provide supplemental funding for the education.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The use of social media and digital technology as a marketing tool to further engagement and retention is constantly evolving within the lottery industry. Accordingly, the Chief of Engagement and Retention will develop and implement new policy with regard to the engagement and retention programs such as the existing 2nd Chance and Jackpot Captain programs while developing future loyalty programs. The CEA will collaborate with other members of the marketing management team, the Directorate, the Information Technology Division and Lottery Public Relations, as well as consulting with peers within the industry and stakeholders during the development of policy, best practices, and guidelines for this rapidly evolving area of responsibility. The CEA serves as a key member of the marketing management team and is responsible for the interpretation and application of existing policy as well as the ongoing development and implementation of new and updated policies.