

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor



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TO: Maryland Lottery and Gaming Control Commission
Gina Smith, Acting Director

FROM: John Martin, Assistant Director for Lottery

DIVISIONS: Product Development, Creative Services, Sales and Communications

DATE: April 15, 2015

SUBJECT: Report for the April 2015 Commission Meeting

Following is a status update of ongoing and special projects in Product Development, Creative Services, Sales and Communications.

Product Development

a) Draw/monitor games products and promotions

i) Key accomplishments last period:

- (1) Current game promotions:
 - (a) 'Spring' Keno Sprinkler: ended 4/12/15.
 - (b) Bonus Match 5 Doubler – Taxes Paid: began 3/30 and continues through 4/26/15.

ii) Upcoming tasks for this period:

- (1) Upcoming game promotions:
 - (a) Racetrax \$6 for \$5: scheduled to begin 4/27 and continue through 5/24/15. Timing coincides with horse racing season in Maryland. Players receive \$1 discount on every \$6 purchase.
 - (b) 50,000 Reasons to Play: This all games promotion is scheduled to begin 5/25 and run through 6/21/15. Any terminal game purchased and entered into My Lottery Rewards during the promotional period will receive 1 entry into the second-chance contest for cash prizes and rewards points. 11 lucky players will win the following prizes: 1 x \$50,000 and 50,000 My Lottery Rewards Points; 5 x \$20,000 and 20,000 My Lottery Rewards Points; 5 x \$10,000 and 10,000 My Lottery Rewards Points.

b) Instant ticket products and promotions

i) Key accomplishments last period:

- (1) March instant ticket launches (3/23/15): \$2 *Electric Loot*; \$3 *Twisted Treasures*; \$5 *Baseball Bucks*; \$5 *Harley Davidson®*; \$10 *10x Cash*.

- (2) \$5 *Baseball Bucks*: This is the ticket featured in this year's Oriole Sponsorship, and the entry vehicle for the second-chance contest. Through My Lottery Rewards, players can enter non-winning *Baseball Bucks* scratch-offs for a chance to be selected as the 'Contestant of the Game'. Winners will receive \$500 for being selected and an additional \$500 for every Orioles home run during the game. The first drawing was held 4/2; 16,753 entries were received. The second drawing was held 4/13; 53,035 entries were received.
- (3) \$5 *Harley-Davidson®*: The Lottery has partnered with Harley-Davidson® to launch this licensed scratch-off and second-chance contest. Players enter non-winning \$5 *Harley-Davidson®* tickets into My Lottery Rewards for a chance to win a 2015 Harley-Davidson® Breakout motorcycle, Harley-Davidson® Prize Pack, and \$100 Harley-Davidson® Gift Card.

ii) Upcoming tasks for this period:

- (1) April instant ticket launches (4/27/15): \$1 *Trip 7s*; \$2 *Reel Money*; \$5 *Hot Hand*; \$5 *Cash Money Blowout*; \$10 *Blingo Bingo*.
- (2) *Baseball Bucks*: Continue to promote sales of the instant ticket and engagement with the second-chance contest. Next drawing will be held: 5/11/15.
- (3) *Harley-Davidson®*: Continue promoting sales of the instant ticket and engagement with the second-chance contest. First drawing will be held 6/29 with entries due 6/28/15 – as of 4/12/15, 37,913 entries have been received.

2) Creative Services

a) Traditional Advertising

i) Key accomplishments last period:

- (1) *Baseball Bucks*:
 - (a) To increase advertising exposure in the market, the Lottery added a flight of :30 television to run in Baltimore, Salisbury and Hagerstown for 3-weeks, w/o 5/4 – w/o 5/18.
 - (b) Orioles & MASN Sponsorships: All in-stadium and MASN elements as well as all creative materials have been completed in time for the start of the season.
 - (c) Minor League Sponsorships: All in-stadium elements for each of the six (6) teams have been completed – all teams, with the exception of the Aberdeen Ironbirds, kick-off their season in April.
- (2) *Harley Davidson*: All Radio and Outdoor media elements began running the week of April 6th. The list of retailers (120) that are participating in the gas station advertising program has been finalized.
- (3) *Neon Family of Games*: The Neon Family of scratch-off games is the next family of games scheduled to launch at the end of May. A piece of point-of-sale was developed to be displayed on top of the family dispenser.
- (4) *50,000 Reasons to Play Promotion*: The Lottery has signed-off on a media plan to support the 50,000 Reasons to Play promotion. The media plan runs 5/25 – 6/21 and will include statewide TV and Digital. Additionally, the Lottery has approved a television spot concept as well as point-of-sale and retailer education materials.
- (5) *Preakness*: The Lottery is in the process of reviewing the signage and program ad for the Preakness Day "Race Replay" Sponsorship elements.

- (6) Keno: The Lottery has been working with its creative agency to develop a branding campaign to support Keno and the launch of the new Keno mobile app. The Lottery will test creative materials to determine their effectiveness among consumers. Testing will begin in late April/early May. In the meantime, the Lottery will begin working with its agencies to develop a plan to announce and support the launch of the new Keno mobile app.
- (7) Ravens: The Lottery submitted the 2015 Ravens licensing and prizing contract to the Board of Public Works for approval. Once approval is received, the Lottery will move forward with the 2015 Ravens sponsorship contract.

ii) Upcoming tasks for this period:

- (1) Baseball Bucks: The Lottery's agency will negotiate the television buy scheduled to run for three weeks beginning May 4.
- (2) Neon Family: Once point-of-sale is produced, all pieces will be delivered to Sales for distribution at retail.
- (3) Keno: The Lottery will continue to work its agencies to review the Keno campaign research and to develop a plan to launch the Keno app.
- (4) 50,000 Reasons to Play Promotion: The Lottery's media agency will move forward with negotiating and placing the statewide television and digital media. At the same time, the Lottery's creative agency will produce the :30 television spot and all digital assets.
- (5) Ravens 2015 Sponsorship: The Lottery will work with the Ravens to finalize its 2015 advertising sponsorship agreement. The Lottery will also work with its agencies to begin developing all point-of-sale materials and begin discussing advertising plans to support the launch of the 2015 Ravens ticket.

b) Research

i) Key accomplishments last period:

- 1) Launched Retailer Satisfaction Survey online. To date, 70 responses have been collected.
- 2) Finalized questionnaire and screening criteria for Keno creative testing project. Survey in field week of April 13th.

ii) Upcoming tasks for this period:

- 1) Evaluate results of Retailer Satisfaction and Keno creative surveys. Also develop recommendations and present finding to appropriate groups.
- 2) Initiate discussion with Key about Lottery's annual player satisfaction survey.

c) Merchandising

i. Key accomplishments last period:

- 1) Inventory management ongoing after warehouse assets and reorder points established. All items are stocked accordingly. 1 of 3 blanket purchase orders approved. Remaining 2 blanket purchase orders in process.
- 2) Implementing new plan and protocol for Jackpot Sign management. Regional meetings to review locations for improved placement and effectiveness.
- 3) Final SalesMaker 2014 Review delivered. Meeting held with key stakeholders to discuss all aspects of the program for 2014. Also, Merchandising has continued planning for SalesMaker 2015. Meeting with Region 2 has taken place with the program slated to begin on May 4. Further development of the plan ongoing with anticipated meetings with remaining Sales Regions and Scientific Games.

- 4) Targeted LIMS HUB established for “Loteria” instant ticket. The HUB, or sub network, consists of retail locations identified by Sales Management.
- 5) Began contacting Harley-Davidson dealerships in an effort to promote the instant ticket. Several locations have agreed to install POS in their location.

ii. Upcoming tasks for this period:

- 1) Continue implementation of SalesMaker 2015 plan and review with Sales. Sell-ins and makeovers are slated to begin on May 4th with Region 2. Also, begin preparations for Region 4.
- 2) GKV is in the process of installing door decals for the Harley-Davidson initiative. 178 locations were identified for installation. The Lottery will review all installations to ensure they were completed properly.
- 3) Continue moving forward with Jackpot Sign review. Follow up from Regional meetings target new locations after evaluation and work with Scientific Games to move and install new locations. Input from Sales and evaluation from Merchandising will determine if current placement is effective and where new placement will take place.

d) Web/Digital/New Media

i. Key accomplishments last period:

- 1) Finished Phase 2 of Mustache Cash social media app on Facebook.
- 2) Launched Baseball Bucks and Harley-Davidson landing pages.
- 3) Updated website headers on mdlottery.com, gaming.mdlottery.com, mlgca.com, and retailercorner.mdlottery.com.
- 4) Updated all MLGCA websites with new 1-800-GAMBLER number.
- 5) Launched several on-going initiatives through My Lottery Rewards including:
 - a. Baseball Bucks Contestant of the Game
 - b. Harley-Davidson 2nd-Chance Game
 - c. Harley-Davidson Multiplier
 - d. iMac Bundle Giveaway
 - e. Keurig Coffee Brewing System Giveaway

ii. Upcoming Tasks for this period:

- 1) Develop *50,000 Reasons to Play* landing page.
- 2) Add new drop-down on gaming.mdlottery.com
 - (a) MD SDAT Standing
- 3) Continue development of Keno and Racetrax website upgrades and mobile app.
- 4) Continue development of My Lottery Rewards mobile app.
- 5) Create Retailer Corner email template.
- 6) Send last Bonus Crossword re-engagement email.
- 7) Launch Baseball Bucks social promotion.

3) Sales

i. Key accomplishments last period:

- a. Field Sales
 - i. Worked with DMs in support of territory reassignments.
 - ii. Work with HR to fill two open DM positions.
 - iii. Worked with training manager during duty days to improve knowledge of OnePlace, Workday and Google apps programs.
 - iv. Monitor acceptance of bi-lingual product (Loteria) via retailer network.

- v. Sales supported four Lottery selling events in March.
 - vi. Conducted Retailer Parties in support of major sales initiatives to run in conjunction with March Madness.
- b. Sales Management
- i. Participated in the vendor's meeting on 3/24.
 - ii. Maintaining coverage of territories continued to dominate the month due to two retirements and four personnel on leave.
 - iii. Worked to develop attendance list for the upcoming April Retailer Advisory Board Meetings.
 - iv. Implement XCAP at the Horseshoe Casino.
 - v. Prepared and conducted corporate business reviews.
 - vi. Monitor and track the sales of the Bonus Crossword and Loteria instant ticket launches.
- c. Training
- i. Dana Washington, Training Manager, visited the Virginia Lottery to survey their field representative training program to help improve our program.
 - ii. Work with Hudson Alley, to implement software improvements in OnePlace (sales force automation system) and upgrade to version 5.
 - iii. Continued during duty days to work with DMs, as needed, to improve knowledge of OnePlace, Workday and Google apps programs.
- d. Corporate Accounts
- i. Sales were mixed for March.
 - 1. Instant ticket sales continued their good run, up 10.9%.
 - 2. Multi Match was up 40.5% and Pick 4 managed a meager 0.6% increase. All other games declined. Mega Millions took the big hit... -61.3% (\$8,135,198).
 - 3. Jackpots were the culprit. They totaled only \$265 million in March 2015 compared to \$1.6+ billion in 2014.
 - a. The largest jackpot reached \$400 million.

	Draw/JP	Instant	Total
State	-9.59%	10.85%	-3.75%
Independent	-8.12%	10.48%	-3.49%
Corporate	-17.14%	11.68%	-4.83%

- e. ITVM
- i. Sales deployed 150 new units to our retailer network during March.
- f. ITLM Program:
- i. Total sales as of 4/7/2015 equaled \$24,478,581.
 - ii. The ITLM Program hit another milestone in March. As of March 8th, over \$1 million of total profit had been contributed by 42 participating posts.
 - iii. As of 4/7/15, 160 ITLMs in 44 unique posts are operational. With new installs and upgrades currently underway through 4/13/15, there will be 192 ITLMs in 48 veteran posts operational by mid-April. A complete list of all ITLM locations can be found at mdlottery.com/veterans.
 - iv. Recruitment continued during March at American Legion Posts in Allegany and Howard counties combined with VFW recruitment in Howard and Baltimore counties.

- v. The current county breakdown for ITLM retailers as of 4/7/15:

County	# of Veteran Posts
Allegany	3
Anne Arundel	4
Baltimore	10
Carroll	2
Charles	2
Frederick	3
Garret	2
Harford	6
Montgomery	4
Prince George's	7
Washington	5

ii. **Upcoming tasks for March 2015:**

- a. Field Sales
 - i. Expect personnel to return to work from extended leave
 - ii. Will continue to work with HR to fill open positions in April.
- b. Sales Management
 - i. Support Regional Advisory Board meetings by securing retailer attendance through the DMs.
 - ii. Meet with Security to clarify credit request issues. Also meet with AFO to ensure proper accounting procedures are being followed by Sales after selling events.
- b. Corporate
 - i. Conduct business review with Sheetz.
- c. Training
 - i. Begin OnePlace version 5 software upgrade training during duty days.
- d. ITLM
 - i. Continue with recruitment.
 - ii. Presentation to be made to the VFW #6506 Rosedale on April 20th.
 - iii. Conduct pre-site visits for April upgrades.
- e. Events
 - i. Support two upcoming selling events in April including the Orioles opening day and winner Wednesday events.

4) Communications

a) Events

i) **Key accomplishments last period:**

- (1) Staffed a booth and promoted/sold products at Opening Day at Orioles Park at Camden Yards on 4/10; the Ronald McDonald House "Red Shoe Shuffle" 5K on 4/12; the Hagerstown Suns' Minor League baseball game on 4/16 and the 11th Annual Privateer Festival 4/18-19.
- (2) Held a Winner Wednesday retailer/player event at All in One Convenience in Belcamp on 4/22.

ii) **Upcoming tasks for this period:**

- (1) Will have a presence at the Savor Bowie Food, Wine and Music Fest in Bowie and the BrewFest at Power Plant Live on 4/25.
- (2) Will hold a Winner Wednesday retailer event at 2 Go Convenience & Deli in Savage.
- (3) Prepare for the annual Promotional Partners' luncheon, to be held at Johnny Sanchez Restaurant at the Baltimore Horseshoe Casino.

b) Casino program

i) Key accomplishments last period:

- (1) Released March 2015 casino revenue numbers on 4/6. The numbers included financials from both slot machines and live table games.
- (2) Worked with the Center for Excellence on promoting responsible gambling in March (Problem Gambling Awareness Month).
- (3) Prepared and designed the monthly Commission dashboard containing both March casino and lottery financial and employment information.
- (4) Answered media inquiries about Director Martino's departure, the status of Maryland's casino program, monthly revenue and the individual facilities.

ii) Upcoming tasks for this period:

- (1) Prepare a dashboard detailing April 2015 casino and lottery revenue numbers.

c) Media relations

i) Key accomplishments last period:

- (1) Answered eight Public Information Act requests regarding lottery winners, casino complaints, regulations and policies, etc.
- (2) Wrote copy for the new electronic-only Retailer Report. Content is now posted twice a week on mdlottery.com's Retailer Corner.
- (3) Wrote and designed the newest version of the Lottery Gazette (the agency's internal newsletter).
- (4) Answered more than 300 inquiries from Lottery players sent to Communications' public affairs e-mail.
- (5) 26 Lottery-related articles and 46 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
- (6) Interviewed winners and wrote 38 news releases that were posted on the Lottery website and/or sent to the media.
- (7) Roslyn Lane was featured in March's "Lottery Update" segment on WBAL TV-11 on 3/28.
- (8) Continued work on the winner awareness campaign, highlighting the wins of event attendees on Facebook, Twitter and Instagram.

ii) Upcoming tasks for this period:

- (1) Will continue to promote the Maryland Lottery's Lottery Voluntary Exclusion Program.
- (2) Will continue to promote the My Lottery Rewards program and the mobile app on tablets at events.