

Maryland Lottery and Gaming Control Agency

Martin O'Malley, Governor • Stephen Martino, Director



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TO: Maryland Lottery and Gaming Control Commission
Stephen Martino, Director

FROM: John Martin, Assistant Director for Lottery

DIVISIONS: Product Development, Creative Services, Sales and Communications

DATE: April 14, 2014

SUBJECT: Report for the April 2014 Commission Meeting

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

1) Product Development

a) Draw/monitor games products and promotions

i) Key accomplishments last period:

- (1) Keno Sprinkler promotion ended on 4/6.
- (2) Bonus Match 5 Doubler, Taxes Paid Promotion began on 3/31 and is scheduled to continue through 5/4.

ii) Upcoming tasks for this period:

- (1) Upcoming game promotions:
 - (a) Racetrax \$6 for \$5 Promotion: 4/28 – 5/25.
- (2) Racetrax enhancements are scheduled to go live 4/21.

b) Instant ticket products and promotions

i) Key accomplishments last period:

- (1) March ticket launches (3/24): \$2 *20 Grand Fortune*, \$5 *Orioles*, \$10 *Sparkling 7s*.
- (2) Orioles: The \$5 Major League Baseball licensed branded scratch-off launched on 3/24. After 15 days on the market, this \$5 scratch-off is out-performing the \$5 Monopoly scratch-off by 5% when comparing activated books.
- (3) Monopoly: After 70 days on the market, this game is already 66% sold. The second second-chance drawing was held 3/25: 842,557 entries were received.

ii) Upcoming tasks for this period:

- (1) April ticket launches (4/28): \$1 *Super 7s*, \$2 *Cherry Tripler*, \$3 *Money Vault*, \$5 *5x Cash Club*, \$5 *Deluxe Cash Crossword*.
- (2) Monopoly: The third of five second-chance drawings for \$50,000 will be held 4/22 – to date, 1,059,107 entries (equivalent to 245,000 tickets entered) have been received; entries are cumulative.
- (3) Orioles: Continue promoting sales of the instant ticket and the second-chance drawings for Contestants of the Game, trips to Wrigley Field and a trip to the World Series. Next drawing: 5/5. As of 4/9, 49,624 entries have been received; entries are cumulative.

- (4) Bonus Crossword: Prepare the Lottery's sales team and retailers for the upcoming launch of the new \$3 scratch-off and interactive app.
- (5) Walking Dead: The lottery is exercising a free licensed property from MDI. 'The Walking Dead' scratch-off will launch in August. The game will have an exclusive early launch at the Maryland State Fair on 8/22, while the remaining games in that month's instant ticket launch will become available on 8/25.

2) Creative Services

a) Traditional Advertising

i) Key accomplishments last period:

- (1) Orioles:
 - (a) All in-stadium assets were completed and debuted on Opening Day. Assets include a LED moment of exclusivity, a club-level permanent sign, a feature that runs after every Oriole's home run, as well as a customized fan engagement feature that runs during each game and scoreboard messages.
 - (b) MASN began promoting the Orioles scratch-off and the Contestant of the Game contest via its in-game announcers. MASN will announce the Contestant of the Game at the beginning of every game and again after every Oriole's home run.
 - (c) All four (4) Television spots were finished and began airing on MASN on Monday, 3/31 – Opening Day; the market-wide TV buy will begin airing on 4/14.
 - (d) One (1) Radio spot was produced and will begin running on 4/14.
 - (e) The Light Rail half-wraps were produced and will be visible in the market starting on 4/14.
 - (f) All digital units were finished and will begin running on 4/14.
- (2) Bonus Crossword
 - (a) The media plan, consisting of a heavy print and digital buy, was finalized and will begin running on 6/2.
- (3) My Lottery Rewards
 - (a) Conducted research to aid in the development of a re-launch strategy and to shape the creative message to introduce terminal games to the MLR program.
- (4) Minor League Teams: Sponsorships were negotiated with all six (6) Minor League Teams in Maryland. Teams include the Aberdeen Ironbirds, Delmarva Shorebirds, Hagerstown Suns, Frederick Keys, Southern Maryland Blue Crabs, and the Bowie Baysox. The sponsorships include in-stadium signage, in-game sponsorship, and on-site opportunities. The Lottery will use the sponsorship assets to promote the Orioles scratch-off.

ii) Upcoming tasks for this period:

- (1) Minor League Baseball Teams
 - (a) Develop creative materials for each of the six (6) minor league teams. Determine on-site dates for each of the teams.
- (2) Bonus Crossword
 - (a) Continue to work with GKV to develop the digital and print assets.
- (3) My Lottery Rewards – Terminal Game Launch
 - (a) The Lottery is working with its advertising agencies to develop a marketing and advertising strategy that not only supports the launch of the terminal games but also promotes the many benefits of the MLR program. In addition

to the launch strategy, the Lottery and its vendors are working on a long-term annual strategy to promote the MLR program.

(4) Star Spangled Cash

- (a) Continue to explore local sponsorship opportunities that celebrate the 200th anniversary of the Star Spangled Banner.
- (b) Develop a media plan to support the ticket at the time it launches.
- (c) Begin the creative development to support the Star Spangled Cash media plan; elements are most likely to include Radio and Outdoor.

b) Merchandising

i) Key accomplishments last period:

- (a) Merchandising has met with SGI to conduct evaluations of the 2012 class for Region One. Those evaluations will be used as one component of the 2014 SalesMaker campaign to refresh sales growth from the original class.
- (b) Additional inventory has been finalized for distribution with SalesMaker 2014 via GKV. Merchandising received sample items from the Howard Company and is determining how their products fit into our inventory plan.
- (c) Task Force document was delivered and approved. Complete SalesMaker 2014 execution document was delivered for review. At this time, the program is slated to start in early June.
- (d) OnePlace training was conducted by Hudson Alley with Merchandising, along with Region 4 in attendance on 3/14.
- (e) To increase winner awareness for any of Lottery's portfolio of games, custom banners have been developed and are being deployed to the District Managers to display at appropriate retail locations.
- (f) Jackpot procedures have been reworked and updated for removal of Jackpot Signs from underperforming locations.

ii) Upcoming tasks for this period:

- (a) Merchandising will continue weekly evaluations of the remaining regions to identify opportunities to refresh locations from the 2012 SalesMaker class.
- (b) Most recent quarter sales data to be delivered to Merchandising from IT regarding Jackpot sign performance.
- (c) Additional meetings with Sales Management and Corporate Account Managers to determine Corporate Account target for SalesMaker 2014.
- (d) Explore new recommendations for dispenser configurations that are practical and can be applied at retail. Continue to identify new types of POS for use by entire retailer network.

c) Web/Digital/New Media

i) Key accomplishments last period:

(1) Mobile app

- (a) The app has received more than 35,000 downloads as of April 6.

(2) My Lottery Rewards Player Loyalty Program

- (a) The program has generated more than 47,000 users as of April 6.

(b) Results from various promotions includes:

(i) [Alaskan Cruise Vacation](#)

- 1. Players entered 50 points for a chance to win an Alaskan Cruise Vacation for two. The prize also includes a digital camera and luggage.
- 2. The promotional period is complete.

3. 24,088 entries were submitted.
4. The winners are:
 - a. Phillip Carroll of St. Inigoes, MD
 - b. John Whitman, Jr. of Edgewater

(ii) [Monopoly Second Chance](#)

1. **ONGOING**
2. Players can enter non-winning Monopoly scratch-off tickets into MLR for a chance to win one of five \$50,000 cash prizes.
3. The promotional period is 1/27 through 6/16.
4. More than 245,000 tickets have been entered into the contest as of April 6
5. The winners are:
 - a. Drawing 1 – Eddie Staples from Conowingo, MD
 - b. Drawing 2 – Ginger Keogh from Brooklyn Park, MD
 - c. Drawing 3 – 4/22/14
 - d. Drawing 4 – 5/20/14
 - e. Drawing 5 – 6/17/14

(iii) [Orioles Second Chance](#)

1. **ONGOING**
2. Players enter non-winning Orioles scratch-off tickets into MLR for a chance to win cash, trip to Wrigley Field or trip to 2014 World Series.
3. On Friday, March 21 we launched the campaign landing page at mdlottery.com/orioles.
4. The promotional period is 3/24 through 9/1.
5. More than 41,000 tickets entered into the contest as of April 6.

(iv) [Spring BBQ Package](#)

1. **ONGOING**
2. Players can enter 20 points for a chance to win a Spring BBQ package including a grill, Omaha steaks for a year and an Igloo cooler.
3. The promotional period is 3/31 through May 11.

(v) [\\$3 Price Point Multiplier](#)

1. **ONGOING**
2. Players receive triple the points on all \$3 non-winning scratch-offs.
3. The promotion period is 3/31 through 5/11.

(3) mlottery.com online network server migration

- (a) The server migration was completed on Monday, March 24.
- (b) We enabled responsive design on mlottery.com. This change allows the website to respond to the user's device accordingly.

ii) Upcoming tasks for this period:

- (1) Begin planning for Phase 3 of Mobile App.
- (2) Begin planning for My Lottery Rewards mobile app (separate from "Core app").
- (3) Begin planning for Racetrax enhancements.
- (4) Begin planning for My Lottery Rewards enhancements including the addition of terminal games to the program.
- (5) Plan and implementation of next My Lottery Rewards engagement opportunities including:
 - (a) Points Giveaway

- (b) Dream Kitchen Package
- (c) Home Theatre Package
- (d) \$20 Price Point Multiplier

d) Research

i) Key accomplishments last period:

(1) Finalized segmentation study plan and questionnaire.

ii) Upcoming tasks for this period:

(1) Complete beta testing and begin fielding.

(2) Results expected by May 31.

3) Sales

a) Key accomplishments last period:

i) Sales, as directed by Director Martino, began working with Tony Molica to evaluate and look for ways to improve the field performance.

ii) Sales and Communications conducted "I'm A Winner" events at selected retailers beginning Wednesday, March 12th.

iii) Sales supported the Orioles ticket launch on March 24th by implementing a retailer and District Manager incentive to help drive the game at launch. Sales also participated as the selling retailer for the opening day event at Camden Yards.

(1) Excellent sales on Opening Day...24 books were sold by booth staff and three teams of hawkers, which was a new venture this year.

(2) Total sales: \$8813, Total cashes: \$2838 / 32% of sales. Four remaining selling events this season.

(3) For the season, there are two 24-bin ITVMs located at the park; one in the Orioles Store and one in the O Say Pub located on the club level.

iv) ITLM Program:

(1) Demo was held on 3/19 for VSO Commanders.

(2) Pre-site has been finalized, recruitment assignments for the American Legion locations have been completed and application package is nearing completion. Interviews scheduled for VSO Corp. Acct. Mgr.

v) Field Activities:

(1) The Sales pilot group completed field testing a new sales force automation application and the rollout to the entire group Sales force began on March 10th.

vi) Corporate Business Reviews:

(1) Mars Supermarket:

(a) The Corporate Sales team met with Mars on 3/19.

(b) CY13: 1.9% increase in total lottery sales and 1.7% increase in average store sales. Discussed several SalesMaker initiatives, sample signage which has been delivered; waiting for HQ approval.

(2) Maryland Live Casino:

(a) The Corporate Sales team and John Martin met with executive staff on 3/25.

(b) The discussion of CY13 performance was aimed at increasing visibility and sales. 83.5% of total sales are generated from the casino's gift shop terminal. ML exceeds state sales average for draw games as well as cashing ratio in six of our nine products.

(c) Will be adding an ITVM to increase instant sales.

vii) Corporate accounts outpaced independents and the overall state by showing an 8.54% growth overall with most of the growth in the instant ticket category.

(1) 2014/13 Sales Comparison - February:

	<u>Draw</u>	<u>Instant</u>	<u>Total</u>
(a) State	-2.33%	2.97%	-0.87%
(b) Independent	-3.03%	0.87%	-2.09%
(c) Corporate	1.41%	7.87%	8.54%

viii) Sales continue to participate in the development of ITLM licensing, retailer identification and launch activities.

ix) Sales supported the Retailer Advisory Board Meetings:

- (1) Baltimore - 4/8
- (2) College Park - 4/9
- (3) Hagerstown - 4/15
- (4) Salisbury - 4/16
- (5) Aberdeen - 4/17

b) Upcoming tasks for this period:

i) Sales management will work with Human Resources to recruit to fill open positions within the organization, which includes two Corporate Account Managers, a District Manager on the Eastern Shore and four Assistant Regional Manager positions.

ii) Field Activities:

- (1) Sales and Communications will continue to conduct "I'm A Winner" events at selected retailers during April.
- (2) Sales will begin visiting veteran organization that are currently lottery retailers, to complete applications and define the placement of ITLM equipment within their locations.
- (3) Inventory management will remain an on-going project currently set at limiting inventory that has been in the "Confirmed" status for more than 90 days.

iii) Corporate Sales:

- (1) Horseshoe Casino:
 - (a) 4/16 - Onsite meeting with casino staff and SGI to determine placement, installation requirements, etc.
 - (b) High's business review is scheduled for 4/11.
- (2) SalesMaker Program
 - (a) Continue planning and selection process for 2014. This year we look to include a chain account where we believe the program will help drive sales.

4) Communications

a) Events

i) Key accomplishments last period:

- (1) Staffed booth, promoted/sold products at Orioles Opening Day on 3/31.
- (2) Staffed booth and promoted products at Red Shoe Shuffle in Baltimore on 4/6.
- (3) Staffed and promoted, "Winner Wednesday" at Soda Pop Shop in Catonsville on 3/26; King Liquors in Baltimore on 4/9; and Soda Pop Shop in Glen Burnie on 4/23.

ii) Upcoming tasks for this period:

- (1) Host annual Promotional Partners Luncheon at Dave & Busters at Arundel Mills on 5/1.
- (2) Staff a booth and promote products at the MWMCA Breakfast in Baltimore on 5/9, Ride Across Maryland in Jessup on 5/31 and Frederick Keys and Hagerstown Suns games TBD.

(3) Staff a booth, promote and sell products at the Charm City Folk & Bluegrass Festival in Baltimore on 4/26, MULBA Beverage Show in Timonium on 5/10, Brew Fest in Baltimore on 5/10, Preakness in Baltimore on 5/17, Wine in the Woods in Columbia on 5/17-18 and the Orioles vs. Cleveland game in Baltimore on 5/22.

(4) Internal agency-wide event on 5/15.

b) Casino program

i) Key accomplishments last period:

(1) Released March 2014 casino revenue numbers on 4/7. The numbers included financials from both slot machines and live table games.

(2) Continued to answer media inquiries about the status of Maryland's casino program, monthly revenue and the individual facilities.

(3) Worked with the Department of Legislative Services on fiscal note requests.

(4) Tracked bills during the legislative session.

ii) Upcoming tasks for this period:

(1) Generate an annual fiscal year report on Lottery and casino facilities.

(2) Prepare a dashboard identifying the breakdown of risks and violations at Maryland casinos.

c) Media relations

i) Key accomplishments last period:

(1) Promoted My Lottery Rewards website and promotions, Maryland Lottery App, Monopoly scratch-off and second-chance contest, Orioles scratch-off and second chance contest, Keno sprinkler, winner awareness, Bonus Match 5 Doubler promotion and the Mega Millions jackpot.

(2) Notified winners from the second and third Monopoly second-chance promotions.

(3) Notified winners regarding their prizes for the Orioles Fan of the Game promotion.

(4) Answered more than 170 inquiries from Lottery players sent to Communications' public affairs e-mail.

(5) 18 Lottery-related articles and 34 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.

(6) Director Stephen Martino was interviewed by 12 media outlets, including the Today Show and Good Morning America following the \$414 Mega Millions win on 3/18.

(7) Interviewed winners and wrote 30 news releases that were posted on the Lottery website and/or sent to the media.

(8) Roz Lane was featured in March's "Lottery Update" segment on WBAL TV-11 on 3/29.

(9) Promoted the Maryland Lottery's Lottery Voluntary Exclusion Program.

(10) Promoted National Problem Gambling Awareness Month.

ii) Upcoming tasks for this period:

(1) Continue promoting the Lottery Voluntary Exclusion Program.

(2) Continue promoting the new My Lottery Rewards program via tablets and the new mobile app at events.

(3) Will prepare the May/June 2014 Retailer Report for distribution.

d) Internal communications

i) Key accomplishments last period:

- (1) Incorporated a winner awareness campaign, highlighting the wins of event attendees.
- (2) Wrote and taped the agency-wide on-hold message for month of April.
- (3) Posted the agency current events board.

ii) Upcoming tasks for this period:

- (1) Distribute the agency-wide Spring Gazette newsletter.
- (2) Update the agency current events board.
- (3) Write and tape the agency-wide on-hold message for the month of May.