

Maryland Lottery and Gaming Control Agency

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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: August 6, 2014

SUBJECT: Report for the August 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 8/3/14.
- (2) Significant progress has been made on the Multi-State Progressive Jackpot Add-on Feature for Keno. Multiple states have worked with MUSL to draft an RFP (that MUSL will release on behalf of lotteries) for the Central Jackpot Management System. A preliminary draft of game rules has also been created.

ii) Upcoming tasks for this period:

- (1) Keno Multi-state Progressive Jackpot: Next steps: An internal meeting for Maryland only is scheduled for 8/6 to discuss RFP and Rules; a conference call is scheduled for 8/15 with MD, MI, OH and GA to finalize the RFP.
- (2) Upcoming game promotions:
 - (a) Racetrax \$6 for \$5 promotion 8/18 - 9/7/14 (3 weeks).

b) Instant ticket products and promotions

i) Key accomplishments last period:

- (1) July ticket launches (7/18 Soft Launch): \$5 *Monopoly*; (7/28/14): \$2 *Hit \$20,000!*; \$3 *Cash Lines*; \$5 *Ravens Cash Fantasy*; \$5 *Bingo Times 10*; \$10 *Jackpot!*.
- (2) Ravens Cash Fantasy: Back to a \$5 price point, this year's Ravens Cash Fantasy ticket not only has the robust second-chance contest our players have come to know and love, but the prize structure was modeled after another very successful ticket, with a very large volume of a lower top prize. The instant prize structure offers 160 top prizes of \$5,000, over 28,000 prizes between \$50 - \$500 and over \$10,000,000 in total prizes. The second-chance contest offers players even more ways to win. Available prizes include: 1 pair of Season Tickets for Life (aka Seats for Life; 6 finalists will be chosen), 10 pairs of Season Tickets (1x2014; 9x2015), 10 Game Day Packages (includes 4 game tickets, a jersey and parking), 10 Away

- Trips on Team Plane (includes air fare, hotel plus \$500 cash), Cash (\$10k to each Seats for Life finalist, plus 5 drawings for \$10,000 and 3 drawings for \$50,000).
- (3) Monopoly (Game # 135): The fifth and final second-chance drawing for \$50,000 was held 6/17 – 1,669,613 entries were received. This ticket is 99.5% settled.
 - (4) Bonus Crossword: The \$3 extended play scratch-off, Bonus Crossword, launched in May, and has been a bit of a slow grow, but is well on its way to achieving the objectives set out for the product. As the first scratch-off to ever offer an app with mobile engagement, complete with interactive play and prizing, it wasn't surprising to see week 1 statistics capturing the same scratch-player demographic as our other games. However, the current statistics have begun to tell a different story: The target demo (18-34) went from 20% in week 1 to 36% of play in week 10. Coupon and reward point redemptions are also very high at 52% and 65%, respectively.
 - (5) Orioles: After 19 weeks on the market, this \$5 scratch-off is 74.1% sold. The fifth second-chance drawing was held 7/1: 302,111 entries were received.

ii) Upcoming tasks for this period:

- (1) August ticket launches (8/25): \$1 *Quick Cash*, \$2 *The Walking Dead*, \$5 *Get Lucky!*, \$10 *Emerald Riches*.
- (2) Ravens Cash Fantasy: First second-chance drawing will be held 8/26; continue pushing ticket distribution and sales statewide, and promoting the second-chance contest, focusing on upcoming drawing deadlines.
- (3) Orioles: Continue promoting sales of the instant ticket and the second-chance drawings for Contestants of the Game and the trip to the World Series. Last drawing: 9/2. As of 8/5, 372,574 entries have been received; entries are cumulative.
- (4) Bonus Crossword: Continue promoting sales of the instant ticket and engagement with the interactive mobile app.

2) Creative Services

a) Traditional Advertising

i) Key accomplishments last period:

- (1) My Lottery Rewards – Terminal Game Launch
 - (a) All creative materials were completed and the media plan began running the week of July 7, and will continue through the week of August 25. The plan consists of statewide Radio, statewide Digital, Baltimore and Washington, D.C. Print, and a Direct Mail test.
- (2) Ravens Cash Fantasy & Ravens Team Sponsorship
 - (a) The Ravens Team Sponsorship contract was reviewed and approved.
 - (b) All point-of-sale pieces were delivered to the Lottery and distributed to the sales staff.
 - (c) Pre-Season: A :30 Radio spot has been created to run during the pre-season Ravens games; the spot promotes the August second-chance deadline. A :30 graphic spot has been created and will run as the Lottery's Smartvision feature at M&T Bank Stadium and during televised pre-season Ravens games.
 - (d) Regular Season: The Lottery selected the creative direction for the Ravens Cash Fantasy advertising campaign. The campaign's tagline is "Win Big" and promotes the Ravens themed second-chance prizes and the 160 instant

- \$5,000 top prizes. Digital and print assets have been created and a Television and Radio campaign will be produced in the coming weeks.
- (e) The media plan has been approved and will include :30 Television that will run in Ravens/NFL games and network TV in Baltimore, :30 Radio in Baltimore and Salisbury, and select Digital properties.
- (3) The Walking Dead
- (a) The Lottery received approval to use the Hoosier Lottery's :30 Television spot. The spot is being revised to include the Maryland Lottery's ticket art and logo.
 - (b) The Lottery approved a targeted media plan to run October through November. The media consists of Television only – The Walking Dead programming and select network programs of a similar genre are planned.
- (4) Holiday Scratch
- (a) The Lottery approved a media plan to support the Lottery's 2014 Holiday scratch-offs and second-chance contest. The media is tentatively scheduled to run Thanksgiving to Christmas and includes statewide Radio, Gas Station media at approximately 250 stations, and mall advertising at Arundel Mills.
 - (b) The Lottery approved all point-of-sale creative: Play Center Insert, Change Mat, and a piece that will sit atop of the dedicated dispenser. A retailer information sheet detailing the second-chance contest will follow.
- (5) Towson University
- (a) The Lottery negotiated a one-year sponsorship package with Towson University for the 2014/2015 football, basketball and lacrosse seasons. The sponsorship package includes signage, program ads, and digital assets.

ii) Upcoming tasks for this period:

- (1) My Lottery Rewards – Terminal Game Launch
- (a) Unique tracking codes were created for each newspaper and direct mail piece. Third-party tracking is also in place for the digital media. Upon completion of the launch campaign, the Lottery, along with its agencies, will determine the number of sign-ups that came from each media outlet and the cost per acquisition. These results will guide the team in making decisions for future Rewards campaigns.
- (2) Ravens Cash Fantasy
- (a) All in-stadium assets to be completed in time for the pre-season game on Thursday, August 7.
 - (b) Regular Season: The television campaign will be filmed on Tuesday, August 12. The spots will be finalized in time for the media buy that begins the first week of September. The radio campaign will also be recorded in August and will be ready to air the first week of September.
 - (c) The Lottery's media agency is in the process of negotiating the Television, Radio, and Digital buys that will run from September through October. The buys will be finalized and placed with all media vendors in August.
- (3) The Walking Dead
- (a) The Television spot will be finalized and ready for air in early October.
 - (b) The Television buy will be negotiated and purchased in the coming weeks.
- (4) Holiday Scratch
- (a) Approved media plan to be negotiated; all buys placed in the coming weeks.

(b) The radio and outdoor creative needs to be developed and approved.

b) Web/Digital/New Media

i) Key accomplishments last period:

- (1) Added draw games to My Lottery Rewards Player Loyalty Program on June 23
 - (a) The addition of draw games has provided a significant increase in registrations and participation in the program
 - (b) Current membership stands at more than 85,000 players as of July 31
- (2) Launched several on-going initiatives through My Lottery Rewards including
 - (a) Kitchen Appliance Package Promotion
 - (b) \$30,000 State Fair Giveaway
 - (c) Ravens Cash Fantasy Second Chance
- (3) Launched Ravens Cash Fantasy website at mdlottery.com/ravens
 - (a) Website includes product and prize information, key drawing dates and links to My Lottery Rewards to enter.

ii) Upcoming tasks for this period:

- (1) Monopoly Millionaires' Club digital development
- (2) Media Relations website
- (3) The Walking Dead product landing page
- (4) Holiday Second chance website
- (5) Re-develop Keno and Racetrax website applications and introduce mobile apps

c) Merchandising

i) Key accomplishments last period:

- (a) SalesMaker 2014 continues to move forward as Region 1 completed 35 makeovers. The task force began sell-ins for Region 3 on July 11th and is slated to finish by August 18th. The target for Region 3 is to complete 34 retail makeovers.
- (b) DC Media SalesMaker installations completed in late June. Door decals expected to stay at locations until Late September in advance of Monopoly Millionaire's Club.
- (c) Started process to identify and order POS signage for Wawa installations. Merchandising working with GKV and SGI to determine schedule and coordinate installations efficiently.
- (d) Met with Schafer, via Skype, to outline test procedures for new After-Glow product that will be used in conjunction with the Family of Games implementation. Merchandising obtained 8 locations from the Regional Managers to measure for 12 weeks. Testing slated to begin in mid-August.

ii) Upcoming tasks for this period:

- (a) Complete Region 3 SalesMaker installations while also begin building Region 2 schedule. Meetings to be held with Region 2 and Task Force teams to determine optimal candidates and execution.
- (b) Start process of identifying 2014 DC Media installation candidates for Region 1 and Region 3 once makeovers completed. Process is ongoing until all regions have completed the makeover installations.

- (c) Install the Schafer After-Glow product on the instant ticket displays in the test locations. Four (4) locations will carry the product and the remaining four (4) will be used as control locations to measure effectiveness.
- (d) Jackpot sign performance to be fully evaluated to keep ongoing optimization plan on schedule.
- (e) Continue to identify new types of POS for use by entire retailer network.

d) Research

i) Key accomplishments last period:

- (1) Completed Lottery Segmentation Study and presented detailed version to key stakeholders. Abbreviated version presented to Vendor meeting attendees on July 31st.
- (2) Implemented online version of Employee Survey. Response period closes on August 8th.
- (3) Complete questionnaire for collection of MFR data, required for budget submission.

ii) Upcoming tasks for this period:

- (1) Continue to field questions and cross tab requests from Segmentation Study.
- (2) Review Employee Survey Report and distribute to Executive Management.
- (3) Prepare MFR data for submission with budget.

3) Sales

a) Key accomplishments last period:

i) Field Sales

- (1) Three Sales personnel retired at the end of June.
- (2) Sales concluded and finalized the Orioles retailer and rep bonus program. During the program 2092 retailers qualified and activated a total of 18,919 books of game #140 resulting in sales of \$5,675,700 in instant ticket sales. The program awarded grand prizes to three retailers and recognized the top performing district managers in each region and one regional manager. A good job by all!
- (3) All four regions reorganized to accommodate changes in the Assistant Regional Manager's territory which now spans the entire region.

ii) Corporate Accounts

- (1) Following the trouncing we took in May from the lack of comparable jackpots with the prior year, June results were somewhat improved. Instant tickets continue to shine. 2014/13 Sales Comparison - June:

	Draw	Instant	Total
(a) State	-2..76%	5.25%	-0.48%
(b) Independent	-3.44%	4.44%	-1.51%
(c) Corporate	1.19%	7.12%	3.84%

iii) ITLM Program:

- (1) Sales attended the American Legion Convention in Ocean City from 7/14 – 7/17. The Lottery's presence at the convention reassured the VFW members and encouraged other posts to join the program. 31 total applications were distributed at the convention. The first 100 units are now allocated. Attendance at this convention will contribute to allocating the next 60 units. As of 7/28,

Sales received 20 additional completed applications and 15 were pending towards the next goal.

iv) SalesMaker Program

- (1) Began the 2014 campaign in Region 1 and 3 in June. Revisiting existing program participants and refreshing their merchandising makeovers where appropriate while selectively adding new locations.

b) Upcoming tasks for this period:

i) Sales management working with Human Resources to recruit and fill open territories within the organization which includes four District Manager positions.

ii) Field Activities:

- (1) Launch of the Ravens Cash Fantasy ticket and the four- week retailer bonus program.
- (2) Sales will support the Lottery's events at the Maryland State Fair.
- (3) Sales will train our personnel and retailers in preparation of the launch of keyless validation.
- (4) Continue identifying retailer locations that would benefit from replacing original monitors with new flat screen monitors for Keno and/or Racetrax. Planning for about 100 monitors during the summer months.

iii) ITLM Program:

- (1) Planning for 160 ITLMs to be installed over the four-month period of Sept. – December. Phase one is expected to begin on or before September 4th.

iv) Corporate Sales:

- (1) Wawa Launch: 49 locations in September. Lottery and SGI Marketing staff to conduct an ambassador program where each location will be visited weekly to support and educate Wawa employees and Lottery customers on the Play Central Terminal (PCT) self-service vending machine.
- (2) Horseshoe Casino Launch
 - (a) Installation of two Extrema terminals and two Player Activated Terminals (PAT) by August 6th. Grand opening is scheduled for Tuesday, August 26th.

4) Communications

a) Events

i) **Key accomplishments last period:**

- (1) Staffed a booth and promoted products at the IronBirds game on 7/1, Wind Down Thursdays in Largo on 7/3, Shorebirds game on 7/8, Racetrack Mascot Race in Ocean Downs on 7/16, Frederick Keys game on 7/25, Wind Down Thursday in Largo on 7/31 and Summer Beach Patrol with Froggy 99.9FM in Ocean City on 7/31.
- (2) Staffed a booth and sold products at Orioles vs. Washington game on 7/10, Annapolis Irish Festival on 7/11-12, Hagerstown Suns game on 7/16, IronBirds game on 7/26 and Ravens Training Camp on 7/28.
- (3) Held Winner Wednesday events at Drug City Pharmacy in Dundalk on 7/9, Aspen Hill Liquor and at Beer & Wine in Silver Spring on 7/23.
- (4) Conducted a live remote drawing at the Annapolis Irish Festival on 7/11.

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

- (1) Staff a booth, promote and sell products at the Latino Festival in Timonium on 8/3, Ravens vs. 49ers game on 8/7, Southern Maryland Blue Crabs vs. Long Island

in Waldorf on 8/8, the Maryland State Fair in Timonium 8/22-9/1 and Redskins vs. Ravens on 8/23.

(2) Staff a booth and promote products at MACo Summer Conference in Ocean City 8/13-16.

(3) Hold Winner Wednesday events at Soda Pop Shop in Timonium on 8/3 and at Town Center Market in Riverdale on 8/20.

(4) Conduct a live remote drawing at the Maryland State Fair on 8/22 in Timonium.

b) Casino program

i) Key accomplishments last period:

(1) Released June 2014 casino revenue numbers on 7/7.

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

(3) Prepared a dashboard for Commissioners identifying the breakdown of risks and violations at Maryland casinos.

(4) Prepared a dashboard detailing June 2014 casino and lottery revenue numbers.

ii) Upcoming tasks for this period:

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

(2) Prepare a dashboard detailing July 2014 casino and lottery revenue numbers.

c) Media relations

i) Key accomplishments last period:

(1) Promoted My Lottery Rewards, Bonus Crossword Scratch-off and app, Maryland Lottery App, Monopoly scratch-off and second-chance contest, Orioles scratch-off and second-chance contest, Mega Millions, Racetrax betting options, Keno Sprinkler, terminal tickets eligible for My Lottery Rewards, Kitchen Appliance Package, Stare Fair promotion and recent winners.

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

(3) Answered more than 300 inquiries from Lottery players sent to Communications' public affairs e-mail.

(4) 19 Lottery-related articles and 37 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.

(5) Interviewed winners and wrote 25 news releases that were posted on the Lottery website and/or sent to the media.

(6) Carole Everett was featured in July's "Lottery Update" segment on WBAL TV-11 on 7/26.

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

(8) Incorporated winner awareness campaign, highlighting the wins of event attendees on Facebook, Twitter and Instagram.

(9) Redistributed the July/August 2014 Retailer Report.

(10) Wrote, taped, edited and recorded Lottery Minute Radio for WNAV.

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 new My Lottery Rewards program via tablets and the new mobile app at events.

(3) Will prepare the September/October 2014 Retailer Report for distribution.

d) Internal communications

i) Key accomplishments last period:

- (1) Continued event winner awareness campaign, highlighting the wins of event attendees.
- (2) Wrote and taped the agency-wide on-hold message for month of July.
- (3) Posted the agency current events board.
- (4) Distributed the agency-wide July/August Gazette newsletter.

ii) Upcoming tasks for this period:

- (1) Update the agency current events board.
- (2) Write and tape the agency-wide on-hold message for the month of August.