

# Maryland Lottery and Gaming Control Agency

Martin O'Malley, Governor • Stephen Martino, Director



Montgomery Park Business Center  
1800 Washington Blvd., Suite 330  
Baltimore, Maryland 21230

Tel: 410-230-8800  
TTY users call Maryland Relay  
www.mdlottery.com

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: December 8, 2014

SUBJECT: Report for the December 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) MONOPOLY Millionaires' Club:

(a) The first drawing for Las Vegas Game Show participants was held on Tuesday, 12/2. 12 lucky Maryland Lottery players were selected to receive a five day/four night trip to Las Vegas that also includes airfare, hotel, meals and spending money.

(b) To increase awareness and participation with the new game, Retailer selling commissions have been doubled for MONOPOLY Millionaires' Club. The Retailer Bonus program began 12/1 and will continue through 2/8/15. Selling commission for all games is 5.5% - during the Bonus program period, commissions will be 11% for MONOPOLY Millionaires' Club sales only.

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

(1) MONOPOLY Millionaires' Club: Continue promoting the new game, reinforcing the three ways to become a Millionaire, calling attention to the next game show entry deadline and making sure retailers are aware of the double commission bonus program, available through 2/8/15.

(2) Upcoming game promotions:

(a) Pick 3 Let It Snow: 12/15/14 – 1/18/15 (5 weeks).

(b) Keno Sprinkler 'Holiday': 12/22/14 – 1/18/15 (4 weeks).

### b) Instant ticket products and promotions

#### i) Key accomplishments last period:

(1) November ticket launches (11/24): \$1 *Double Blackjack*, \$5 *You Win*, \$20 *Black*.

(2) Holiday Campaign: Through the My Lottery Rewards platform, players can enter any \$10 combination of eligible holiday tickets for entry into a second-chance contest for cash prizes. The second Merry Moolah drawing was held 11/23: 57,503 entries were received.

(3) Ravens Cash Fantasy: After 17 weeks in market, this year's scratch-off is 59.7% sold and is outperforming our last \$5 Ravens game (Game # 946 from 2012) by 15%. The fourth second-chance drawing was held 11/17: 244,670 entries were received.

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

(1) December ticket launches (12/29): \$1 *Cloud 9*, \$2 *I Love Cash*, \$5 *Lucky 7*, \$10 *Big Play Crossword*.

(a) \$10 Big Play Crossword: For the first time, the Maryland Lottery is launching a crossword extended play ticket at the \$10 price point. To offer additional value comparable to the investment, a third puzzle is included on the back of the ticket – players fold the ticket over to play with the same word bank used on the first two puzzles.

(2) Holiday Campaign: The third entry deadline is 12/21: to date, 15,742 entries have been received.

(3) Ravens Cash Fantasy: The fifth second-chance drawing will be held 12/15: 260,672 entries have been received to date; continue ticket distribution and sales statewide, and promoting the second-chance contest, focusing on upcoming drawing deadlines.

**2) Creative Services**

**a) Traditional Advertising**

**i) Key accomplishments last period:**

(1) MONOPOLY Millionaires' Club

(a) The Lottery had its first one million dollar MONOPOLY Millionaires' Club winner on Friday, November 7<sup>th</sup>. To promote the million dollar winner, the Lottery ran :10/:15 live read radio in Baltimore, Hagerstown, Frederick and Salisbury and digital outdoor in Baltimore, Cambridge and Salisbury from Wed, 11/12 – Fri, 11/14.

(b) MDI is providing the Lottery with three (3) new pieces of point-of-sale to promote the launch of the game show in February. The Lottery will receive a wobblers, a door/window cling and a retailer button in early to mid-January.

(2) My Lottery Rewards

(a) The Lottery has worked with SGI/MDI to develop 6-month plans for Points-for-Drawings and Multipliers.

(i) The Points-for-Drawings include a variety of prizes at varying entry points; prizes include a Home Fitness package, a Game Room package, TAG watches, a Go Pro bundle, and a Popcorn cart.

(ii) Multipliers will be used to promote games and give players an extra incentive at key sales times for particular games. Multipliers include our Holiday family of scratch-offs, I Love Cash and Sweethearts (Valentine's Day), the new MONOPOLY family of scratch-offs and MONOPOLY Millionaires' Club, Loteria (Cinco de Mayo), Keno (March Madness), and Powerball (new game changes).

(3) MONOPOLY Scratch – Family of Games

(a) The Lottery has finalized point-of-sale for the launch of the first ever MONOPOLY scratch family of games. A PCI and a Dispenser Topper will be

used to promote the family at retail. The point-of-sale is set to deliver mid to late December.

(4) University Sponsorships

- (a) Towson University: The Lottery finalized all creative elements for the basketball portion of its sponsorship. New this year, the Lottery will receive two-minutes of LED signage on the ribbon board and lower and upper center rings. The ribbon board will be used to promote the Lottery's benefits message and the jackpot amounts for Powerball and Mega Millions.

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

(1) MONOPOLY Millionaires' Club

- (a) The Lottery is developing phase II of the MMC effort to begin sometime in February to coincide with the launch of the game show. Additional details will be shared in the coming months.

(2) Orioles Sponsorship:

- (a) The Lottery is in the process of working with the Orioles and MASN to develop its 2015 sponsorships and the second-chance contest. Meetings have been held with both organizations and as a next step, both the Orioles and MASN are developing 2015 proposals for the Lottery's consideration.

(3) Loteria:

- (a) The Lottery is working to finalize a Play Center Insert (PCI) that will be displayed at select Lottery retailers. The PCI will be bi-lingual and include English and Spanish headlines and instructions.
- (b) The Lottery is also working with its media agency to develop a media plan to reach the Hispanic population in Maryland. Hispanic newspapers, radio and television are all being considered as part of the Lottery's effort.

**b) Digital**

**i) Key accomplishments last period:**

- (1) Implemented "Ravens in History" social media contest, designed to increase fan engagement late in season. Contest continues through December 7<sup>th</sup>. Results through week two were promising when compared to previous efforts.
- (2) Completed design and development work for "Media Center" that will be implemented on mdlottery.com. This area will contain press releases and other important content for media outlets to access. Communications now finalizing copy. Scheduled to go live before end of year.
- (3) Finalizing statements of work and hosting agreements with Hello World, the vendor selected to provide redesigned Keno and Racetrax web and mobile applications for the Lottery.
- (4) Completed assessment of MMC digital activity undertaken by other lotteries. Will review to determine if there are opportunities for Maryland to increase player engagement.

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

- (1) Implement Merry Moolah "Merriest Makeover" social media contest. Contest can be accessed through the Lottery's Facebook page and will help support holiday scratch tickets with a fun, holiday-themed promotion. Begins on December 8<sup>th</sup> and runs through December 22<sup>nd</sup>.

- (2) Complete work required to implement Merry Moolah scratch ticket multiplier on My Lottery Rewards. Players will receive double the rewards points for every holiday themed scratch ticket entered beginning on December 15 through January 18, 2015.
- (3) Begin development of Keno and Racetrax web upgrades and mobile applications with GKV and Hello World. Kick off meeting scheduled for December 15, 2014.

**c) Research**

**i) Key accomplishments last period:**

- (1) Completed discussion guide, development various benefits statements and attended three focus groups designed to narrow messaging focus for Keno rebranding campaign.

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

- (1) Work with the Key Group to interpret focus group results and use to develop advertising brief for Keno rebranding campaign.
- (2) Continue to use segmentation study to understand target markets for upcoming products and promotions.

**d) Merchandising**

**i) Key accomplishments last period:**

- (1) Worked with Sales to administer “After Glo” dispenser test in locations. Also provided sales results, which were somewhat inconclusive, to vendor.
- (2) Began debriefing sessions from SalesMaker 2014 with goal of providing final report by end of year.
- (3) Worked with Sales and Facilities/Warehouse staff to update inventory system and develop reorder points for key items.

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

- (1) Finalize SalesMaker 2014 overview and report. Present to Sales management and solicit input for 2015.
- (2) Continue to develop solutions for inventory management and reorder points.

**3) Sales**

**A. Key accomplishments last period:**

a. Field Sales

- i. The Sales force stepped up our effort to ensure that retailers are in compliance with Lottery regulation and procedures.
- ii. Assistant Regional Managers are working with district managers to improve quality of calls and reviewing instant ticket management procedures.
- iii. Sales worked with SGI to identify viable locations for monitor replacement.
- iv. Sales met with the warehouse personnel to help improve operations.
- v. Sales contractual personnel, Steven Borsa began employment mid-November. There are still two district managers out on medical leave.
- vi. Sales continued the education and training of MONOPOLY Millionaires’ Club (MMC) and also continued to encourage retailers to activate the holiday games.

- vii. Continued to conduct retailer parties to promote Lottery sales of MMC and holiday games, during the month.
- viii. Continued identifying retailer locations that would benefit from replacing original monitors with new flat screen monitors for Keno and/or Racetrax.
- ix. Sales supported six Lottery events during November which includes four retailer parties and two Ravens games.
- b. Reconsideration Hearing
  - i. Two reconsideration hearings were conducted by John Martin and Patricia Regalbuto for Bmore Grocery and Randallstown Pharmacy. The decision was made to uphold the denial of each location.
- c. Training
  - i. The sales training manager has been conducting duty day training sessions to help the district managers improve their sales call skills. Topics include Time Management, MONOPOLY Millionaires' Club and PACE (Professional, Accountable, Customer-focus & Efficient).
- d. Corporate Accounts
  - i. Sales participated in a Wawa grand opening on Friday, November 14<sup>th</sup> at their Halethorpe location.
  - ii. A meeting with Rite Aid resulted in an agreement for onsite training that will be conducted by SGI and include Rite Aid regional managers and store managers; timeframe TBD. The meeting also produced an updated POS agreement for two door decals, a 2'x2' coroplast sign, a snap frame and a play center.
  - iii. Horseshoe Casino
    - a. Sam Coscia and Fred Masterson met with the VP of Marketing to finalize plans for an instant ticket promotion utilizing our \$5 Nutcracker Cash Doubler ticket.
    - b. For the month of December, new members to Horseshoe's Total Rewards program will receive \$20 in free slot play and a \$5 Maryland Lottery instant ticket. Horseshoe expects to distribute 10,000 tickets (\$50k) during the promotion.
  - iv. Preparation continues to be made for the Safeway change of ownership that has been moved to early January 2015.
  - v. With the exception of Multi-Match, all other draw/jackpot games were down in November. Pick 3, Mega Millions and Keno combined for a \$5.286 million loss that effectively wiped out the \$5.377 million gain in instant ticket sales resulting in a flat month.

	Draw/JP	Instant	Total
State	-5.30%	14.74%	0.07%
Independent	-6.00%	13.98%	-1.37%
Corporate	-1.50%	16.48%	6.04%

- e. ITVM
  - i. Sales conducted a semi-annual meeting with GTECH on 11/17 to ensure maximum performance from our instant ticket vending machines and to discuss the distribution strategy of the additional 150 units requested.

f. ITLM Program:

- i. The program is in the process of adding 60 ITLMs to be installed over the three-month period of October–December.
- ii. Currently there are 40 Veteran Service Organizations (VSO) in the ITLM program with a total of 137 ITLM units installed.
- iii. The grand total for sales from 9/4 – 11/30 has equaled \$7,720,548 for average sales of \$643,379 per week.
- iv. Tom Slevin, ITLM Corporate Account Manager and Randee Kerns, Diamond Game continued the recruitment process by meeting with several VFW posts. Leaders from other posts that have ITLM’s spoke of the positive effect that our product has had on their organization.
- v. During the month, eight current ITLM locations were visited and pre-site surveys were completed to upgrade each of them with an extra ITLM unit.
- vi. The current county breakdown for ITLM retailers are as follows:

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

**B. Upcoming tasks for this period:**

- a. ITLM
  - i. Recruitment of VFW #521 in Owings Mills and VFW #8950, to be conducted in December.
- b. Training
  - i. This is an on-going initiative to help improve field personnel’s performance.
- c. Events:
  - i. Two Ravens home games
  - ii. Four Retailer parties to be conducted in December.
- d. Sales will make a final drive for activations of the holiday games and continue with the sell-in of the MMC television show.
- e. Completion of Performance Evaluation Plan (PEP) for sales personnel.

**4) Communications**

**a) Events**

i) **Key accomplishments last period:**

- (1) Staffed a booth, promoted and sold products at the Ravens vs. Chargers game on 11/30 and the Ravens vs. Jaguars on 12/14.

(2) Continued a series of Maryland Lottery retailer parties, designed to promote specific games and engage players throughout the state. Parties took place at Aspen Hill Beer & Wine in Silver Spring on 12/4; Tempo Lounge in Essex on 12/5; Bowie Exxon in Bowie on 12/11; and Glory Days Grill in Eldersburg on 12/12.

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

- (1) Continuing to promote holiday scratch-offs in the community and the media throughout the holiday season. Work with “The Hook Up” at Security Mall on their holiday promotion on 12/20.
- (2) Have a presence – both on site and on the radio – at WNAV’s annual Midnight Madness in Annapolis on 12/18.
- (3) Working with the National Council on Problem Gambling on their responsible giving holiday program.
- (4) Staff a booth, promote and sell products at the Ravens vs. Browns game on 12/28.

b) **Casino program**

i) **Key accomplishments last period:**

- (1) Released November 2014 casino revenue numbers on 12/5. 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) Prepared a dashboard detailing November 2014 casino and lottery revenue numbers.

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

- (1) Prepare a dashboard detailing December 2014 casino and lottery revenue numbers.

c) **Media relations**

i) **Key accomplishments last period:**

- (1) Promoted the Maryland Lottery’s holiday tickets and second-chance contest, responsible holiday ticket gifting, MONOPOLY Millionaires’ Club (MMC) and more.
- (2) Communications staff visited radio stations throughout the state and spoke on air about lottery holiday gifts.
- (3) Notified winners regarding their second-chance and points for prizes drawings. Notified twelve winners about being selected to travel to Las Vegas for the first few MMC taped game shows.
- (4) Wrote and designed the November/December 2014 Retailer Report.
- (5) Answered more than 300 inquiries from Lottery players sent to Communications’ public affairs e-mail.

- (6) 22 Lottery-related articles and 45 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
- (7) Interviewed winners and wrote 33 news releases that were posted on the Lottery website and/or sent to the media.
- (8) Roz Lane was featured in September's "Lottery Update" segment on WBAL TV-11 on 11/29.
- (9) 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) Communications Director Carole Everett will appear on WBAL-TV on 12/20 as the lottery's Gift Guru – detailing the agency's holiday tickets.
- (2) Erica Palmisano will appear on the monthly Lottery Update on WBAL-TV on 12/27.
- (3) Will continue to promote the Maryland Lottery's Lottery Voluntary Exclusion Program.
- (4) Will continue to promote the My Lottery Rewards program and the new mobile app on tablets at events.