

Maryland Lottery and Gaming Control Agency

Larry Hogan, 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: February 18, 2015

SUBJECT: Report for the February 2015 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) Current game promotions:
 - (a) Pick 3 Let It Snow: ended 1/18/15.
 - (b) 'Holiday' Keno Sprinkler: ended 1/18/15.

ii) Upcoming tasks for this period:

- (1) Keno Multi-State Progressive Jackpot: Three vendors submitted responses to the MUSL issued RFP: GTECH, Intralot and Scientific Games. All three vendors also gave oral presentations to the group, held at the Georgia Lottery. Working group is currently evaluating proposals and is on schedule to award by the end of February.

b) Instant ticket products and promotions

i) Key accomplishments last period:

- (1) January ticket launches (1/26/15): Monopoly Family of Games features a game at the \$1, \$2, \$5 and \$10 price points.
- (2) Monopoly Family of Games:
 - (a) \$1 Monopoly, #187: After 4 weeks in market, the game is already 4% settled and is out performing comparable tickets by very large margins when compared to the same period (when compared to \$1 Holiday Doubler, \$1 Monopoly is tracking 570% ahead in settlements; Compared to \$1 Roll 'Em, it's tracking 126% ahead).
 - (b) \$2 Monopoly, #188: Again, after 4 weeks in market, the game is 6.2% settled and is out performing comparable tickets (\$2 Monopoly is tracking ahead of The Walking Dead by 28% and Sweethearts by 52% in settlements).
 - (c) \$5 Monopoly, #189: Game is 11.3% settled after 4 weeks in market and is out performing comparable tickets (\$5 Monopoly #189 is tracking ahead of \$5 Monopoly #179 by 63% and The Price is Right #983 by 7% in settlements).

- (d) \$10 Monopoly, #190: Game is 9.3% settled after 4 weeks in market and is out performing comparable tickets (\$10 Monopoly is tracking ahead of Big Play Crossword by 184% and Metal Money Mania by 65% in settlements).
- (3) Holiday Scratch-off Campaign: The final *Merry Moolah* second-chance drawing was held 1/22/15; 84,078 entries were received.
- (4) Ravens Cash Fantasy: After 28 weeks in market, \$5 scratch-off is 87.6% sold. The sixth and final second-chance drawing was held 1/19/15; 343,852 entries were received.

ii) Upcoming tasks for this period:

- (1) February ticket launches (2/26/15): \$1 *Mustache Cash*; \$2 *Pinball*; \$3 *Loteria*; \$5 *Diamonds & Dollars*; \$20 *Instant Millionaire*.
 - (a) *Mustache Cash*: This \$1 game employs a new strategy to appeal to non-players and low frequency players in the 18-34 demographic. The ticket artwork features 4 different scenes with mustache art at the top of the ticket, meant to inspire players to take 'selfies'. The designs also feature a hashtag #PeopleWin to further encourage engagement with lottery social media channels. This ticket offers a much higher payout than a standard \$1 game – the higher frequency of winning experiences will help convert non/low frequency players, and increase the games rate of sale.
 - (b) *Loteria*: This \$3 instant ticket features the Loteria licensed property. Loteria is a popular Mexican game of chance, similar to bingo, and the popularity of the game extends beyond Mexican borders. Many North American Lottery jurisdictions launch the game on an annual basis with much success.

2) Creative Services

a) Traditional Advertising

i) Key accomplishments last period:

- (1) Loteria
 - (a) A 6-week :30 radio buy will run on WLZL-FM from 2/23 – 4/5 to promote the Loteria scratch-off. WLZL-FM is the Spanish language radio station serving the Baltimore and Washington, D.C. markets. The :30 radio script has been translated and will be recorded by a station personality at WLZL-FM.
- (2) Jackpot
 - (a) From 1/9 – 2/11, the Lottery ran :10/:15 radio and digital outdoor to promote what ended up being the third largest Powerball jackpot. The jackpot reached \$564.1 million and was hit on 2/11.
- (3) Orioles Sponsorship/Baseball Bucks:
 - (a) The Lottery finalized its 2015 sponsorship with the Orioles and MASN. The sponsorship elements include:
 - (i) Orioles Team Sponsorship
 1. One (1) Club Level Sign to be displayed all season.
 2. Two (2) half-innings of LED Signage at regular season home games.
 3. Scoreboard Feature - Trivia: The Lottery will sponsor the Trivia Feature during regular season home games. The sponsorship includes logo and/or tagline in the opening of the feature, during the feature, closing of the feature, and on the lower scoreboard during the feature.
 4. Radio: WJZ-FM and the Orioles affiliate network

- a. 324x :30 in-game spots (2x spots per 162 games)
- b. 1x :10 open and 1x :10 close billboard per 162 games
- c. 1x sponsorship feature throughout the regular season
- 5. Five (5) on-site activation dates
- 6. Hospitality: Season tickets - four (4) field box tickets to forty-two (42) games with two Lot A parking passes; one (1) suite night in Suite 29/30 for 35 guests; four (4) invitations for four (4) guests in the fully catered Corporate Partnership Suite; two (2) invitations for two (2) guests to watch batting practice; and one (1) invitation for two (2) guests to a Corporate Partnership VIP Event.

(ii) MASN TV Sponsorship

- 1. :30 Television: 75x Orioles in-game spots, 25x Orioles post-game spots, and 120x spots to air within sports programming (Encores, Classics, ESPN, etc.).
- 2. Contestant of the Game Activation: During a 150x Orioles games, the Orioles announcers will introduce the "Contestant of the Game" in the 1st or 2nd inning accompanied by a graphic with the contestant's name and home town. The announcers will incorporate additional mentions after an Orioles' home run.
- 3. Digital Ad Banners: 1,000,000 impressions will run across three digital units (728x90, 300x250, 320x50)
- 4. Integrated Promotional Content published on MASNSport.com and MASN.mobi (4x articles)
- 5. Hospitality: One (1) suite night for 35 guests; Two (2) VIP invites for Orioles Opening Day; and a bank of twenty-four (24) field level tickets with parking for the 2015 regular season.

(4) Harley-Davidson:

(a) The Lottery reviewed and approved the media plan to support the launch of Harley-Davidson. The media plan includes:

- (i) :30 Radio: 5-weeks, 4/6 – 5/10; statewide coverage.
- (ii) :30 Pandora Digital Radio: 5-weeks, 4/6 – 5/10; Maryland coverage
- (iii) 30-Sheet Posters: 4-weeks, 4/6 – 5/3; Baltimore market (30 posters), Prince George's and Southern Maryland (10 posters) and Salisbury (5 posters).
- (iv) Gas Station Media: 120 stations in Maryland will receive pump toppers and approximately 60 of those stations will also receive fillboards (gas pump handles). The gas stations will be selected from a list of retailers who sell scratch-offs; the list will be ranked based on scratch sales and the gas vendor will work down the list from highest to lowest.

(b) All point-of-sale has been finalized and is being printed. POS includes: Play Center Insert (10,000), Fin (2,500), Stand-Up Insert (2,000), and Retailer Information Sheet (5,500).

ii) Upcoming tasks for this period:

(1) Orioles Sponsorship:

(a) Production of the :30 television spots will take place in March.

- (b) The Lottery's creative agency is scheduled to present the remainder of the Baseball Bucks marketing materials, including :30 Radio spots and all in-stadium assets, mid-February.
- (c) Last year the Lottery was a sponsor of all six (6) of the Minor League Baseball teams in Maryland. The Lottery's media agency is currently reviewing and negotiating 2015 sponsorship proposals from each team.
- (2) Harley-Davidson
 - (a) The Lottery's media agency will move forward with negotiating the :30 statewide Radio buy and securing the 30-sheet and gas station locations.
 - (b) All creative materials have been approved and are moving to production. The :30 Radio spot, the 30-sheet posters and the gas station pieces will all be produced in March.
- (3) 50,000 Reasons to Play Promotion:
 - (a) The Lottery held a meeting with its agencies to kick-off the development of a marketing campaign to promote the 50,000 Reasons to Play promotion. The promotion will receive significant support. As a next step, the Lottery's media and creative agencies will provide a Media Brief and a Creative Brief for the Lottery's review.
 - (b) Creative Services will work with Product Development and MDI to finalize the second-chance contest details and to set the promotion up through My Lottery Rewards.
- (4) Ravens 2015 Sponsorship:
 - (a) Creative Services will be meeting with the Ravens Team in the coming weeks to discuss the Lottery's 2015 sponsorship.
 - (b) Creative Services will also be discussing the logistics of various second-chance scenarios with MDI to understand what is feasible through the My Lottery Rewards program.

b) Web/Digital/New Media

i. Key accomplishments last period:

- (1) Signed-off on the My Lottery Rewards mobile app SRS – approximate launch date March 31.
- (2) Development of Harley-Davidson Second-Chance and Baseball Bucks landing pages to promote each promotion. Both pages will be live on March 23.
- (3) Finished the creative development of multi-phased “Mustache Cash” social media campaign. Phase 1 of campaign launches February 16, a week before the release of the Mustache Cash scratch-off.
- (4) Added several new drop-down menu options on gaming.mdlottery.com including:
 - a. Contractors.
 - b. Exemptions.
 - c. Manufacturers.
 - d. Renewals.
- (5) Launched several on-going initiatives through My Lottery Rewards including:

- a. Game Room Package.
- b. My Lottery Rewards 20% Off Sale.
- c. Points Multiplier featuring Sweethearts and I Love Cash scratch-offs.
- d. Go-Pro Bundle.

ii. Upcoming tasks for this period:

- (1) Development of Keno and Racetrax website applications and mobile app.
- (2) Launch Media Relations Website.
- (3) Launch Mustache Cash social apps.
- (4) Continue development of My Lottery Rewards mobile app.
- (5) Add gated webpages to gaming.mdlottery.com for training webinars .

c) Research

i) Key accomplishments last period

- (2) Initiated Retailer Satisfaction Survey project and instituted process changes to make data collection faster and more efficient.
- (3) Reviewed questionnaire with Director of Sales and worked with Key Group to incorporate revisions.
- (4) Initiated discussion with Key Group about additional research for Keno rebranding campaign. Plan is to get consumer feedback on various creative campaigns concepts prior to production.

ii) Upcoming tasks for this period.

- (2) Develop project timeline for execution of Retailer Survey.
- (3) Initiate discussion with Key about Lottery's annual player satisfaction survey.
- (4) Continue to develop plans for Keno creative review.

d) Merchandising

i. Key accomplishments last period:

- 1. Inventory management ongoing after warehouse assets and reorder points established. All items were reviewed and new orders were placed accordingly.
- 2. Continued implementing new plan and protocol for Jackpot Sign management. Updated quarterly sales have been delivered from IT to help identify underperforming locations. All regions and locations are under review for improved placement and effectiveness.
- 3. GKV completed installation of door decals for Monopoly Family of Games initiative. 178 locations were identified and installed. GKV has requested that the Lottery provide further review to ensure all locations were installed properly.
- 4. Delivered draft of SalesMaker 2014 Review. Comments and adjustments received for final document. Also, Merchandising has begun planning for SalesMaker 2015. Initial meeting held internally. Further development of the plan ongoing with anticipated meetings with Sales and Scientific Games.
- 5. Targeted LIMS HUB established for "Loteria" instant ticket. The HUB, or sub-network, consists of retail locations identified by Sales Management.

ii. Upcoming tasks for this period:

- 1) Continue development of SalesMaker 2015 plan and review with key stakeholders. Produce final document outlining process and timeline for the project. Begin planning implementation.
- 2) Continue to track progress of the “Family of Games” initiatives for the recent holiday and Monopoly launches.
- 3) Finalize Jackpot Sign review. 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.
- 4) Work with internal group to review past, current and future interactive initiatives with significant focus on mobile apps.

3) Sales

i. Key accomplishments last period:

- a. Field Sales
 - i. Conducted inventory audits at all retailers.
 - ii. Work with HR to replace open district manager positions.
 1. Tim Torba, district manager for territory 20, retired on 1/20/15. This leaves two vacant territories and one district manager out on medical leave.
 - iii. Sales worked to remove Monopoly Millionaires’ Club POS from all retailers.
 - iv. Continued the operation of placing additional units of After-Glow dispenser cubes for Monopoly family of games.
 - v. John Mandley, DM for territory 39, was awarded Rep of the Quarter for his outstanding performance in the 2nd quarter.
- b. Sales management
 - i. Worked on finalizing the MS-22 for Lottery Reps I/II to ensure maximum performance from all district managers.
 - ii. Developed and executed the Ravens Cash Fantasy – Retailer Bonus Program. The program resulted in 3,770 books activated and increased sell-thru by 9.9% to 82.5% or \$1.4 million in sales.
 - iii. Presented a 6 month plan that highlighted previous accomplishments and future plans to support the major initiatives.
 - iv. Sales supported one Lottery event, the Polar Bear Plunge, in January.
- c. Training
 - i. On-going initiative to help improve field personnel’s performance. January training focused on SPS Workday.
- d. Corporate Accounts
 - i. Sales continued to assist Safeway with their pending COO which is now expected to occur in February 2015.
 - ii. January sales got off to a great start fueled by double digit year over year sales increases in Mega Millions, Keno & Powerball.

| | Draw/JP | Instant | Total |
|-------------|---------|---------|--------|
| State | 8.90% | 15.68% | 10.86% |
| Independent | 8.42% | 14.97% | 9.30% |
| Corporate | 17.02% | 17.22% | 17.11% |

- e. ITVM
 - i. Sales met with GTECH to discuss the list of potential locations that will be suitable for ITVM placement when we receive 150 new units in February 2015. Both the lottery's and GTECH's recommendation were incorporated into the pending list.
- f. ITLM Program:
 - i. Total sales as of 2/1/15 equaled \$16,099,690.04.
 - 1. The last accounting week of January resulted in our second million dollar week of ITLM sales (\$1,022,048.24 from 1/26/15 -2/1/15).
 - ii. As of 2/12/15, 146 ITLMs in 41 unique posts are operational. In January, 6 ITLM locations received additional units.
 - iii. Both the Lottery's ITLM Corporate Account Manager and the Diamond Game rep continued their recruitment process by meeting with American Legion Post 214 in Grantsville (Garrett County) and American Legion Post 155 in Westernport. Post 214's board approved installation of the ITLMs and will receive them in the March/April deployment. An application was also received from VFW Post 10077 in Oakland. A presentation was made to VFW Post 467 in Westminster which also approved installation of the ITLM units and is also slated for installs in the March/April deployment.
 - iv. The current county breakdown for ITLM retailers are as follows:

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

ii. Upcoming tasks for January 2015:

- a. Field Sales
 - i. Work with HR to fill open DM positions.
 - ii. Working with Hudson Alley to implement software improvement for OnePlace, our sales force automation system.
 - iii. Work with Safeway to complete the change of ownership of 80 locations.

- iv. Support the re-launch of Bonus Crossword \$3 instant game featuring a mobile app component.
- v. Monitor acceptance of bi-lingual product via retailer network.
- b. Training
 - i. Will continue during duty days to improve knowledge of OnePlace, Workday and Google apps programs.
- c. ITLM
 - i. Continue with recruitment.
 - ii. Conduct pre-site visits for March upgrades.
- d. Events:
 - i. Support upcoming selling events in February.

4) Communications

a) Events

i) **Key accomplishments last period:**

- (1) Staffed a booth, promoted products and participated in live television interviews at the annual Maryland State Police Polar Bear Plunge on 1/24.
- (2) Had a booth and promoted products at two local college basketball games: Towson University on 1/29 and Coppin State vs. Morgan State on 2/2.
- (3) Staffed a booth, and promoted products at the annual WNAV Gumbo Cook-off in Annapolis on 2/15.
- (4) Participated in a new event: the Winter Wine Expo at Harford Community College in Bel Air.

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

- (1) Will have a presence at the Maryland Home and Garden Show in Timonium from 2/28 – 3/1; City Paper's Cosmic Cocktail Party on 3/5; and Beer, Bourbon and BBQ on 3/14 and 3/14.

b) Casino program

i) **Key accomplishments last period:**

- (1) Released January 2015 casino revenue numbers on 2/5. The numbers included financials from both slot machines and live table games.
- (2) Prepared and designed the monthly Commission dashboard containing both casino and lottery financial and employment information.
- (3) Continued to answer media inquiries about the status of Maryland's casino program, monthly revenue and the individual facilities.

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

- (1) Working with the Center for Excellence on promoting responsible gambling in March (Problem Gambling Awareness Month).
- (2) Prepare a dashboard detailing February 2015 casino and lottery revenue numbers.

c) Media relations

i) Key accomplishments last period:

- (1) Announced the newest winner of the Ravens Cash Fantasy “Season Tickets for 20 Years” winner. The winner was unveiled in front of media at M&T Bank Stadium on Wednesday, 2/11.
- (2) Promoted the ever-rising Powerball jackpot to local and national media. The drawing, which was hit with a jackpot prize of \$564.1 million, produced two new millionaires in the state.
- (3) Answered several Public Information Act requests regarding lottery winners, casino complaints, etc.
- (4) Arranged and followed up on media interviews for Director Martino throughout the month.
- (5) Wrote copy for the new electronic-only Retailer Report. Beginning Wednesday, 2/18, content will be posted twice a week on mdlottery.com’s Retailer Corner.
- (6) Wrote and designed the newest version of the Lottery Gazette (the agency’s internal newsletter).
- (7) Answered more than 300 inquiries from Lottery players sent to Communications’ public affairs e-mail.
- (8) 32 Lottery-related articles and 42 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
- (9) Interviewed winners and wrote 37 news releases that were posted on the Lottery website and/or sent to the media.
- (10) Carole Everett was featured in January’s “Lottery Update” segment on WBAL TV-11 on 1/31.
- (11) 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 new mobile app on tablets at events.