

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: January 15, 2014

SUBJECT: Report for the January 2014 Commission Meeting

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

I. Product Development

a. Draw/monitor games products and promotions

i. Key accomplishments last period:

1. Ravens Mega Power Promotion: After running the length of the regular football season, this promotion ended on 12/26. 18 drawings were held, total entries exceeded 207,000.
2. Completed promotions:
 - Keno Sprinkler promotion ended 12/31/13
 - Pick 3 Let It Snow promotion ended 1/12/14
3. Medal Madness: Development of this all-games promotion has been completed – the promotion goes live on 1/20/14. Players may win several ways when purchasing any terminal game ticket:
 1. There is the opportunity to receive an instant play voucher of \$2, \$5 or \$10.
 2. Players could receive a Gold, Silver or Bronze medal image – it is intended that players collect all 3 and mail them into Lottery headquarters. On 3/4/14 there will be a drawing for: Gold Grand Prize of \$250,000, Silver Prize of \$50,000, Bronze Prize of \$25,000 and 25 runner-up prizes of \$1,000.
 3. This third option is new to this year's Medal Madness promotion and is meant to raise awareness of both the promotion and the Lottery's Facebook page.
 - The first goal is to increase total Facebook likes to 60,000 – if this is achieved, a 'Brooks Velour Wildcard' will be issued. This Wildcard can be used in place of any Gold, Silver or Bronze medal to complete an entry set. The Wildcard may be used multiple times, but only once in an entry set.

- The second goal is to reach 62,500 Facebook likes – this would trigger the selection of 25 additional \$1,000 winners at the end of the promotion.
- The third goal is to reach 65,000 likes, triggering two additional \$25,000 winners.

ii. Upcoming tasks for this period:

1. Powerball Game Changes: Effective 1/22/14, Powerball's Power Play option is changing to a multiplier, with 2, 3, 4 and 5 as multiplier options. The jackpot is not eligible for multiplication, and the match 5 prize of \$1,000,000 will be \$2,000,000 if Power Play is selected, regardless of the multiplier number.
2. Upcoming game promotions:
 - Medal Madness: The popular All-Games promotion inspired by the Winter Olympics is scheduled to run 1/20–2/23/14.

b. Instant ticket products and promotions

i. Key accomplishments last period:

1. December ticket launches (12/23/13): \$1 *Cash is King*, \$2 *Spades*, \$5 *Biggest Taxes Paid Ever*, \$10 *Club Casino*.
2. Champions Baltimore Ravens: The final drawing for the second-chance contest associated with this \$2 scratch-off was held 12/19 and received 37,051 entries. Overall, the contest received more than 220,000 entries.
3. Tech the Halls: Now that the holidays have passed, a My Lottery Rewards point multiplier program was put in place to help encourage sales of the Tech the Halls family of games prior to the second-chance contest deadline on 1/22/14 – all reward points for any Tech the Halls game entered will be doubled. Listed by price point, below is an update on the family of games that includes percent sold, tech-themed prize and entry count information for each game (as of 1/12/14):
 - \$1: 92% activated, Sony Digital Camera – 88,695 entries;
 - \$2: 70% activated, Sony X Headphones – 66,408 entries;
 - \$3: 43% activated, Sony Xperia Tablets – 47,863 entries;
 - \$5: 48% activated, Sony HD LED TVs – 84,980 entries;
 - \$10: 46% activated, Sony VAIO Laptops – 41,705 entries.
4. Monopoly: The \$5 Monopoly branded instant ticket launched in FY12 was so successful; the Lottery has decided to do it again. \$5 Monopoly launches on 1/27/14 – the robust second-chance contest has been developed and includes 5 bonus drawings for \$50,000 each and a web-based interactive game designed to play similar to the board game.
5. Bonus Crossword: \$3 Bonus Crossword is an extended play crossword scratch-off with a bonus app to play Crossword – just for fun, or for prizes on your smartphone or computer. This ticket is scheduled to launch in February. Extensive iOS platform testing for the app is completed – Android testing is next on the schedule.

ii. Upcoming tasks for this period:

1. January ticket launches (1/27/14): \$1 *Roll 'Em*, \$2 *Sweethearts*, \$5 *Monopoly*, \$10 *Metal Money Mania*.
2. Tech the Halls: The second-chance drawing for tech prizes will be held 1/22/14.
3. Bonus Crossword: Continue testing the bonus app and prepare for ticket launch in February.

II. Creative Services

a. Traditional media

i. Key accomplishments last period:

1. The Lottery finalized its advertising elements to support the launch of the Monopoly scratch-off. All creative elements, including a :30 television spot, multiple digital units, and point-of-sale pieces were completed. Olympic packages on WBAL-TV in Baltimore and WRC-TV in Washington, D.C. were negotiated and purchased. Spots will run from 2/7-2/13 and will include high-profile placements (opening and closing ceremonies) throughout the two week period. Additional support includes a television flight on WHAG, the NBC affiliate in Hagerstown, to run from 2/7-2/23; a television flight in Baltimore and Salisbury markets from 3/10-3/23; and a digital media buy scheduled to run statewide from 2/7-3/23.
2. The Lottery has planned a one-week advertising burst leading up to Valentine's Day for our \$2 Sweethearts instant ticket. The media plan will consist of digital outdoor in the Baltimore and Salisbury markets from 2/6-2/14; statewide radio from 2-10-2/14; and Facebook advertising from 2/10-2/14. The digital outdoor creative has been approved as has the radio script.
3. The Lottery finalized its sponsorship agreement with the Baltimore Orioles for the 2014 season. Details of the sponsorship will be provided in the coming months, but the sponsorship includes in-stadium permanent and digital signage, MASN television and digital inventory, as well as on-site merchandising opportunities.

ii. Upcoming tasks for this period:

1. Complete the creative development for Sweethearts, including recording the radio spot in late-January and developing the Facebook creative.
2. The Lottery is working with its advertising and digital agencies to develop a marketing plan to support the launch of Bonus Crossword; the ticket is set to launch February 24th. Marketing initiatives may include newspaper advertising, digital and mobile units, social media, website support, and LIM monitors.
3. The Lottery will work with the Orioles and its creative agency to develop all of the sponsorship assets. In addition, the Lottery will work with its agencies to develop a marketing plan to support the Orioles branded scratch-off outside of the team sponsorship.

b. Web/digital/new media

i. Key accomplishments last period:

1. Mobile app - More than 17,000 downloads as of January 10.
2. My Lottery Rewards - More than 37,000 registered users. Results from various promotions:

a. [Ravens Champions](#)

- i. Enter to win 2014 Ravens Season tickets.
- ii. Promotion period complete:
 1. Draw 1 – 82,333 entries
 2. Draw 2 – 53,328 entries
 3. Draw 3 – 48,323 entries
 4. Draw 4 – 37,051 entries
 5. TOTAL – 221,035

b. [Tech the Halls](#)

- i. Enter to win Sony tech prizes.
- ii. Promotional period 10/28 through 1/21/14:
 1. Entries as of 1/6/14
 2. \$1 – 82,348
 3. \$2 – 61,305
 4. \$3 – 43,773
 5. \$5 – 78,784
 6. \$10 – 38,458

c. [1,000,000 Point Giveaway](#)

- i. Enter to win up to 30,000 MLR points to redeem for other prizes in the store.
- ii. Promotional period complete:
 1. Drawing – 80,770

d. [Holiday Points Multiplier featuring Lucky 7s Game Book](#)

- i. Double points on all Lucky 7s Game Book entries.
- ii. Promotional period complete:
 1. Average sales for the five weeks with the multiplier were 5% higher than the average of the previous five weeks.
 2. Lucky 7s Game Book entries into MLR increased 70% during the multiplier promotion.

e. [Trip to Bojangles Southern 500 at Darlington Raceway \(SC\)](#)

- i. Enter 50 points for a chance to win a trip to race in April 2014.
- ii. Promotional period 1/6 through 2/16:
 1. 2,552 as of 1/10

f. [Tech the Halls Holiday Multiplier](#)

- i. Double points on all Tech the Halls entries.
- ii. Promotional period 12/30 through 1/21:
 1. Evaluation of promotion underway

ii. Upcoming Tasks for This Period:

1. Develop website maintenance list.
2. Begin planning for Phase 3 of Mobile App.
3. Begin planning for My Lottery Rewards mobile app (separate from “Core app”).
4. Revise digital assets to accommodate Powerball changes.
5. Bonus Crossword mobile application and website development with Product Development.
6. Plan and implementation of next My Lottery Rewards engagement opportunities including:
 - i. Monopoly second chance
 - ii. Baltimore Orioles second chance
 - iii. Alaskan cruise vacation
 - iv. Price Point Multiplier

c. Merchandising

i. Key accomplishments last period:

1. All regions have completed their target Sales Maker locations for 2013. As of 9/6, 199 retail locations received a merchandising makeover. Leslie Mitchell has begun coordinating reviews of locations that had makeovers in Region 3.
2. Leslie Mitchell has also completed her initial visit for each 2012 Sales Maker location. She has begun email correspondence with each District Manager to set up visits for refreshing locations. These locations are taking priority in her weekly schedule.
3. Final Sales Maker year-end review document was discussed with John Martin. Program direction and focus for 2014 is being shaped from the 2013 findings.
4. Inventory survey was completed and distributed during Sales Meeting on November 21st. Results tabulated and presented at December 19th Sales Meeting. Further follow up with vendors taking place to address inventory variety.
5. Initial 2014 Sales Maker campaign meeting took place on January 6th. Additional meeting scheduled for January 17th to determine final direction for 2014 program.

ii. Upcoming tasks for this period:

1. Jackpot Sign procedures to be updated for removal of Jackpot Signs from underperforming locations. Will evaluate sales data for most recent quarter once delivered from IT.
2. Ensure schedule of Monopoly door decal by DC Media stays on track. At this point, installation cycle on target to begin at the end of January.
3. Continue preparing for 2014 Sales Maker campaign. Program changes to be documented shortly following January 17th meeting.
4. Meeting scheduled with Schafer Systems to determine additional dispenser and display configurations that could be added to our merchandising inventory for District Manager use.

d. Research

i. Key Accomplishments

1. Worked with Key Group executives to organize two-step planning exercise for Lottery Sales and Marketing staff utilizing Porter Model. Facilitator subsequently conducted session one with Lottery on January 10th.

ii. Upcoming tasks

1. Continue to work with Key Group on execution of Porter Model for planning.
2. Develop segmentation study plan based on results from planning process.

III. Sales

a. Key accomplishments last period:

- i. Internal interviews were conducted for the Region IV Sales Manager and the position was awarded to Fred Masterson, a former Corporate Account Sales Manager.
- ii. PEP's were completed for all Sales Personnel in December.
- iii. Field Activities:
 1. Sales participated in nine Lottery selling events with Communications during December.
 - o In December, Sales provided retailer locations and worked with Communications to conduct seven Lottery Parties to help rejuvenate interest in the Keno and instant ticket products.
- iv. Statewide Sales - December 2012 vs. 2013: Statewide sales showed an increase of online sales which can be directly attributed to the high Mega Millions jackpot run.
 1. Online: 10.71% (Independent: 3.9% / Corporate: 53.14%)
 2. Instant: -1.42% (Independent: -3.06% / Corporate: 2.62%)
 3. Total: 7.38% (Independent: 2.24% / Corporate: 30.88%)

b. Upcoming tasks for this period:

- i. Sales management is working with Human Resources to recruit for open positions within the new organization.
- ii. Field Activities:
 1. All terminals will receive a software download to improve functionality, such as improvements in self-service ticket checker functionality.
 2. Sales continues the instant ticket inventory reduction campaign by setting a new bench mark goal of returning instant ticket books confirmed more than 90 days. Eventually the goal of 60 days will be reached and maintained.
 3. The Sales department will continue to assist the Communications department with Lottery selling events.
- iii. Corporate Sales:
 1. Corporate Account Audits will begin on 1/10
 2. ITLM RFP:
 - o The RFP process is still on-going.

IV. Communications

a. Events

i. Key accomplishments last period:

1. Staffed a booth, promoted and sold products at Ravens vs. Patriots, 12/22.

ii. Upcoming tasks for this period:

1. Staff a booth, promote and sell products at 18th Annual Polar Bear Plunge at Sandy Point Park on 1/25; Timonium Motorcycle Show on 2/7-10.

b. Casino program

i. Key accomplishments last period:

1. Released December 2013 casino revenue numbers on 1/7. 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. 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. Work with the Department of Legislative Services on fiscal note requests.
3. Will work with Commissioner Morton and create a risk dashboard for upcoming commission meetings.

c. Media relations

i. Key accomplishments last period:

1. Promoted My Lottery Rewards, Tech the Halls scratch-offs and second chance promotion, Maryland Lottery app, Pick 3 "Let it Snow" promotion, Keno Sprinkler, 2X the reward points promotion, the Mega Millions jackpot, Champions scratch-off and the Ravens Mega Power Promotion..
2. Conducted drawings for second-chance and Internet contests and notified winners regarding their prizes for Ravens Mega Power Promotion, the 1 Million Point Giveaway and Tech the Halls.
3. Answered more than 250 inquiries from Lottery players sent to Communications' public affairs e-mail.
4. Posted winners' photographs on mdlottery.com's Instagram account.
5. Wrote and taped the agency-wide on-hold message for month of January.
6. 28 Lottery-related articles and 54 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
7. Interviewed winners and wrote 34 news releases that were posted on the Lottery website and/or sent to the media.
8. Carole Everett was featured in December's "Hot Five" segment on WBAL TV-11 on 12/21.
9. Promoted the Maryland Lottery's Lottery Voluntary Exclusion Program.
10. Promoted the My Lottery Rewards program via tablets at events.
11. Distributed the January/February 2014 Retailer Report newsletter.

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 March/April 2014 Retailer Report for distribution.