

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, 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  
Gordon Medenica, Director

FROM: John Martin, Assistant Director for Lottery

DIVISIONS: Product Development, Creative Services, Sales and Communications

DATE: June 11, 2015

SUBJECT: Report for the June 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) Racetrax \$6 for \$5: This promotion was extended for two weeks and ended on 6/7/15.
- (b) 50,000 Reasons to Play: This promotion was the first all-games promotion launched using My Lottery Rewards as the entry platform. This promotion began on 5/25/15, and to date this promotion has resulted in 9,324 new verified Rewards club members.

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

##### (1) Upcoming game promotions:

- (a) 50,000 Reasons to Play: Continue highlighting this all games promotion, until completion on 6/21/15. As of 6/8/15, 28,240 unique enterers have accumulated 1,004,169 entries.

### b) Instant ticket products and promotions

#### i) Key accomplishments last period:

- (1) May instant ticket launches (5/22/15): Neon Family of Games, at the \$1, \$2, \$5 and \$10 price points; \$3 *Bingo Series* (3 pulses, each featuring different themed artwork. As a pulse runs out, it is seamlessly replaced with the next).
- (2) \$5 *Baseball Bucks*: After 11 weeks in market, \$5 *Baseball Bucks* is 45.5% sold. The third drawing was held 6/8 and 230,741 entries were received.
- (3) \$5 *Harley-Davidson®*: After 11 weeks in market, this game is 36.5% sold.

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

- (1) June instant ticket launches (6/22/15): \$2 *Magic 8 Ball*; \$3 *World Championship Poker*; \$5 *Amazing 8s*; \$20 *Hit It Big*.

- (2) *Baseball Bucks*: Continue to promote sales of the instant ticket and engagement with the second-chance contest. Next drawing: 7/13/15.
- (3) *Harley-Davidson®*: Continue promoting sales of the instant ticket and engagement with the second-chance contest. First drawing will be 6/29 with entries due 6/28/15 – as of 6/8/15, 162,535 entries have been received.

## 2) Creative Services

### a) Traditional Advertising

#### i) Key accomplishments last period:

- (1) 50,000 Reasons to Play Promotion: All television and digital creative elements were completed and began airing on 5/25.
- (2) Ravens:
  - (a) The Lottery's 2015 Ravens creative campaign has been approved internally and by the Ravens.
  - (b) The Lottery has finalized all point-of-sale materials.
- (3) Jackpot Support:
  - (a) Mega Millions Jackpot: The Lottery promoted the Mega Millions jackpot via Radio and Digital Outdoor from 5/11 to 6/2.
  - (b) Powerball Jackpot: The Lottery promoted the Powerball jackpot with Radio and Digital Outdoor from 5/29 to 6/3.
- (4) Buy \$5 Keno, Get \$2 Scratch Promotion (8/18 – 9/7): The Lottery finalized point-of-sale for this promotion. A total of 7,000 play center inserts will be available for Sales to distribute at retail.
- (5) Racetrax Doubler (8/18 – 9/7): The Lottery finalized point-of-sale for this promotion. A total of 7,000 play center inserts will be available for Sales to distribute at retail.
- (6) Holiday: The Lottery's 2015 Holiday second-chance contest was approved internally. New this year, in addition to cash prizes, the Lottery will award eight winners with a trip to Chicago to participate in a Warehouse Dash. Winners will have :90 seconds to collect as much merchandise as they can.

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

- (1) Ravens 2015 Sponsorship:
  - (a) The Lottery will begin working with its media agency to formulate a media recommendation to support the launch of the Ravens scratch-off.
  - (b) The Lottery's creative agency will begin the production phase of the campaign – including :30 television, :15 pre-roll, :30 radio, digital assets, print components, in-stadium assets, etc.
- (2) Sponsorships:
  - (a) University of Maryland: The Lottery is in the process of evaluating a 2015/2016 proposal from the University.
  - (b) Towson University: The Lottery's media agency has requested a 2015/2016 proposal from the University.
  - (c) Washington Redskins: The Lottery is expecting a 2015 proposal from the Redskins the week of June 8.
- (3) Keno App: The Lottery plans to promote the launch of the Keno app through a mobile download campaign. The Lottery is in the process of finalizing the media recommendation and the creative ad units.

- (4) My Lottery Rewards: The Lottery is working with its creative agency to develop materials to promote the launch of the My Lottery Rewards app later this summer. Materials will include point-of-sale, a retailer information sheet and other internal assets.
- (5) Holiday: The Lottery will schedule a planning meeting with its agencies to discuss plans to support the holiday second-chance contest and the holiday scratch-offs during the holiday season.

## **b) Web/Digital/New Media**

### **i. Key accomplishments last period:**

- (1) Launched new Keno and Racetrax applications on mdlottery.com.
- (2) Updated "super marketing banner" to promote new Keno section on mdlottery.com.
- (3) Finalized Keno mobile app landing page, banner ads and other promotional materials.
- (4) Launched several on-going initiatives through My Lottery Rewards including:
  - a) iPad Air Bundle Giveaway.
  - b) Harley-Davidson® Prize Pack Giveaway.
  - c) "Neon" Scratch-Off Family Multiplier.

### **ii. Upcoming Tasks for this period:**

- (1) Launch Keno mobile app.
- (2) Continue development of My Lottery Rewards mobile app.
- (3) Develop new Facebook promotion through Offerpop.
- (4) Revise Media Relations website, currently in development.
- (5) Update editorial calendars for MD Lottery social networks.

## **c) Merchandising**

### **i. Key accomplishments last period:**

- 1) Inventory management ongoing after warehouse assets and reorder points established. All items are stocked accordingly. Final FY15 budget submitted to Senior Advertising Manager for reconciliation.
- 2) Various service-related responsibilities for self-service vending machines were transferred from Sales to Merchandising. Several meetings held to clarify ongoing responsibilities and how to effectively manage the assets across departments. Initial protocols have been developed.
- 3) Continued implementation of SalesMaker 2015 in Region 2. Seventeen locations received sell-ins and makeovers by the first week of June.

### **ii. Upcoming tasks for this period:**

- 1) Continue implementation of SalesMaker 2015 plan once Senior Merchandising Coordinator position is filled. Preparations for activity in Region 4 have been underway and will continue when program starts up again in late June/early July.
- 2) Develop and maintain a transparent tracking system for all self-service vending machines. Effort is currently in process and should be complete by end of June. Merchandising has scheduled meetings with various vendors, along with follow up meetings with Sales Management, to properly develop and implement the tracking system.

- 3) Continue moving forward with Jackpot Sign review. Merchandising will continue to prioritize new locations and work with Scientific Games to implement. Merchandising will also work with Sales to determine optimum placement criteria, keeping in mind that some flexibility may be necessary. Jackpot sign management will be ongoing until further notice.
- 4) Develop forecast for Merchandising budget for FY16 based on FY15 trends and upcoming initiatives.

#### **d) Research**

##### **i. Key accomplishments last period:**

- 1) Worked with the Key Group to complete analysis of respondent data for both the Retailer Satisfaction Survey and the Keno Ad Concept Testing. Retailer Satisfaction project report provided to Lottery Sales executives. Key presented an executive summary of the Keno Ad Concept findings and followed with a hard copy report.
- 2) Worked with Key and Lottery HR Director to develop 2016 version of Employee Satisfaction survey. Timing TBD.

##### **ii. Upcoming tasks for this period:**

- 1) Work with Key to develop 2016 research recommendation that includes more consistent consumer polling. Also plan to include new concept testing as requested by Product Development and Sales.
- 2) Determine need for follow up to both the Retailer Satisfaction and Keno initiatives.

#### **3) Sales**

##### **i. Key accomplishments last period:**

###### **a. Field Sales**

- i. Sales made contact with retailers affected by the civil unrest to get them operational or work with them to clear their accounts until they can become operational.
- ii. Region two concluded their SalesMaker refresher campaign.
- iii. Worked with HR to interview for two district manager positions.
- iv. Two district managers are out on extended leave.
- v. Sales supported five selling and two Winner Wednesday events.

###### **b. Sales Management**

- i. Sales participated in a weekly open house format in May to allow the 40 retailers affected by the civil unrest to meet with the management, security and AFO to address their accounts and to help them to get back to normal business.
- ii. Met with GTECH (IGT) and Creative Services to discuss transition of select self-service vending machine duties to Anissa Carter (MLGCA).
- iii. Worked with Facilities Operation management to ensure vehicle compliance is maintained by staff assigned a state vehicle.
- iv. Began process for establishing standards for a retailer sales call.
- v. Work with HR to fill open Sales Support Manager's positions.

###### **c. Training**

- i. Continued OnePlace version 5 software upgrade training.
  1. Completed four training session on adding retailer tags and creating better retailer profiles.

- ii. Sales Training Manager, Dana Washington, participated in the Responsible Gambling meeting.
  - iii. Sales Training Manager also participated in three ride-along sessions with District Managers in Hagerstown, Eldersburg and Glen Burnie.
  - iv. Conducted five audit visits reports in May.
- d. Corporate Accounts
- i. Work with Royal Farms to identify and install remaining PCT units.
  - ii. Three corporate account managers attended the La Fleur's conference
  - iii. Sales were mixed for May but all categories ended up in the black.
    - 1. Instant ticket sales continued their good run, up 11.33%.
    - 2. Multi Match was up 83.95%.
    - 3. Mega Millions 22.53% and Racetrax up 5.9%.
    - 4. Those games combined for an increase of \$9,251,111.
    - 5. All other draw games declined slightly.
    - 6. Those sales were down \$2,853,466 resulting in a net gain of \$6,397,645 for the month

	<u>Draw/JP</u>	<u>Instant</u>	<u>Total</u>
State	1.26%	11.33%	4.25%
Independent	0.64%	11.54%	3.44%
Corporate	4.82%	10.86%	7.64%

- e. ITLM Program:
- i. Total sales as of 5/31/2015 equaled \$35,020,278.
  - ii. Since the second week of March, the ITLM Program has had 12 straight weeks with \$1,000,000+ in sales.
  - iii. In May there were 4 new installations.
  - iv. 30 new ITLMs arrived in Maryland the week of May 11<sup>th</sup>.
  - v. As of 5/31/2015, 205 ITLMs in 52 unique posts are operational. A complete list of all ITLM locations can be found at [mdlottery.com/veterans](http://mdlottery.com/veterans).
  - vi. The current county breakdown for ITLM retailers as of 5/4/15:

County	# of Veteran Posts
Allegany	4
Anne Arundel	4
Baltimore	12
Carroll	2
Charles	2
Garrett	2
Frederick	3
Harford	6
Howard	1
Montgomery	4
Prince George's	7
Washington	5

ii. **Upcoming tasks for June 2015:**

- a. Field Sales
  - i. One district manager is still out and expected to return in June.
  - ii. Conclude the interview process for two district managers.
- b. Sales Management
  - i. Conduct interviews for Sales Support Manager.
  - ii. Work with HR to fill open contractual position.
  - iii. Regional Manager expected to return in June.
- c. Corporate
  - i. Work with BJ Warehouse to help secure terminals to eliminate access by general public.
- d. Training
  - i. Continue training on OnePlace features.
- e. ITLM
  - i. In June, there are 1 new installations scheduled.
  - ii. Continue with recruitment.
  - iii. Attend VFW Convention in June.
  - iv. Prepare for American Legion Convention in July.
  - v. Visit current ITLM locations and assist in coin testing the units.
- f. Events
  - i. Sales will support seven upcoming selling events in June including two Winner Wednesday events and one minor league baseball game.

4) **Communications**

a) **Events**

i) **Key accomplishments last period:**

- (1) Set up a booth and promoted products/promotions at the 20<sup>th</sup> Annual Hagerstown Blues Fest in Hagerstown on 5/29 and 5/30; Harley-Davidson Mullet Fest in Williamsport on 5/30; Ride Across Maryland in Columbia on 5/31; Capital Jazz Fest in Columbia on 6/5, 6/6 and 6/7; Great Grapes in Hunt Valley on 6/6 and 6/7; Bowie Baysox minor league baseball game in Bowie on 6/10; Baltimore Orioles vs. Boston Red Sox baseball game in Baltimore also on 6/10; and Honfest in Baltimore on 6/13 and 6/14.
- (2) "Winner Wednesday" event at Singer Road Exxon in Abingdon on 6/17.
- (3) Currently developing Governor's initiative, Maryland Unites with plans to execute an agency-wide volunteer event for MLGCA employees.

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

- (1) Will have a presence at Beer, Bourbon & BBQ at National Harbor on 6/19 and 6/20; the African-American Heritage Festival in Baltimore on 6/20 and 6/21; the Verano Zol Festival in Fort Washington on 6/28; the Aberdeen Ironbirds minor league baseball game in Aberdeen on 7/1; the Delmarva Shorebirds minor league baseball game in Salisbury on 7/2; WAYZ Cancun Cantina Bike Week in Hagerstown on 7/2; Jazzy Summer Nights at Horseshoe Casino in Baltimore on 7/2; Wind Down Thursdays in Largo (two July dates TBD); Winner Wednesday events (two July dates TBD); Annapolis Irish Fest in Crownsville on 7/10 and 7/11; the Bowie Baysox minor league baseball game in Bowie on 7/16; the Food Truck Gathering at Power Plant Live in Baltimore on 7/18; Racetrack Mascot Races at Ocean Downs in Berlin on

7/24; the Baltimore Orioles vs. Atlanta Braves baseball game in Baltimore on 7/27; Baltimore Ravens training camp in Baltimore (July date TBD); Frederick Keys minor league baseball game in Frederick on 7/31; Aberdeen Ironbirds minor league baseball game in Aberdeen on 8/5; Festival Latino de Maryland in Timonium on 8/9; Winner Wednesday event (early August date TBD); MACo Summer Conference in Ocean City on 8/12 through 8/14; Baltimore Ravens vs. New Orleans Saints NFL preseason game in Baltimore on 8/13; BassMaster Elite Festival in Cecil County on 8/15 and 8/16.

**b) Casino program**

**i) Key accomplishments last period:**

- (1) Released May 2015 casino revenue numbers on 6/5. The numbers included financials from both slot machines and live table games.
- (2) Prepared and designed the monthly Commission dashboard containing both May casino and lottery financial and employment information.

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

- (1) Prepare dashboards detailing June 2015 and July 2015 casino and lottery revenue numbers. Release casino revenue numbers on 7/6 and 8/5.

**c) Media relations**

**i) Key accomplishments last period:**

- (1) Answered five Public Information Act requests regarding lottery winners, casino complaints, regulations and policies, etc.
- (2) Wrote copy for the electronic-only Retailer Report. Content is posted twice a week on mdlottery.com's Retailer Corner.
- (3) Held a remote drawing for Pick 3 and Pick 4 at the Hagerstown Blues Fest on 5/29 that was televised on WBAL-TV 11.
- (4) Responded to media requests about the results of the late-April unrest in Baltimore City and how it affected casinos and lottery retailers.
- (5) Created and distributed the MLGCA's bimonthly internal newsletter, The Gazette.
- (6) Answered more than 300 inquiries from Lottery players sent to Communications' public affairs e-mail.
- (7) 21 Lottery-related articles and 32 Maryland casino-related articles were printed in local and regional papers and on news/blog websites, including the Baltimore Sun, Washington Post and The Daily Record.
- (8) Interviewed winners and wrote 32 news releases that were posted on the Lottery website and/or sent to the media.
- (9) Roz Lane was featured in May's "Lottery Update" segment on WBAL TV-11 on 5/30.
- (10) 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 mobile app on tablets at events.
- (3) Will be featured in June's Lottery Update segment on WBAL-TV 11 on 6/27.