

Maryland Lottery and Gaming Control Agency

Martin O'Malley, 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: May 13, 2014

SUBJECT: Report for the May 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) Bonus Match 5 Doubler, Taxes Paid Promotion ended on 5/4.
- (2) Racetrax \$6 for \$5 Promotion began 4/28 and is scheduled to run through 5/25.
- (3) Racetrax Bet Enhancements: The Racetrax Bet Enhancements went live on 4/21 and include new Exacta and Superfecta bets (also includes Box and Wheel variations of each) and a new discounted base bet amount for Trifecta Box and Wheel bets – previously \$1, now \$0.50.

ii) Upcoming tasks for this period:

- (1) Upcoming game promotions:
 - (a) Pick 3 Double Pay on Box Play: 6/13 – 7/13 (4 weeks + 3 days).
 - (b) Summer Keno Sprinkler: 6/30 – 8/3 (5 weeks).

b) Instant ticket products and promotions

i) Key accomplishments last period:

- (1) April ticket launches (4/28): \$1 *Super 7s*, \$2 *Cherry Tripler*, \$3 *Money Vault*, \$5 *5x Cash Club*, \$5 *Deluxe Cash Crossword*.
- (2) Orioles: After 6 weeks on the market, this \$5 scratch-off is 33% sold. The third second-chance drawing was held 5/5: 152,194 entries were received.
- (3) Monopoly: After 14 weeks on the market, this game is already 85% sold. The third second-chance drawing was held 4/22: 1,221,287 entries were received.

ii) Upcoming tasks for this period:

- (1) May ticket launches (5/27 - Tuesday): \$2 *Star-Spangled Cash*, \$3 *Bonus Crossword*, \$5 *Show Me the Money*, \$10 *Twisted Bingo*.
- (2) Monopoly: The fourth of five second-chance drawings for \$50,000 will be held 5/19 – to date, 1,463,124 entries have been received; entries are cumulative.
- (3) Orioles: Continue promoting sales of the instant ticket and the second-chance drawings for Contestants of the Game, trips to Wrigley Field and a trip to the

World Series. Next drawing: 6/2. As of 5/12, 170,606 entries have been received; entries are cumulative.

- (4) Bonus Crossword: Prepare the Lottery's sales team and retailers for the upcoming launch of the new \$3 scratch-off and interactive app.

2) Creative Services

a) Traditional Advertising

i) Key accomplishments last period:

(1) Bonus Crossword

- (a) All Bonus Crossword creative materials were finalized and will run the week of June 2 through the week of July 7.

(i) Print: Full Page and Half-Page print ads will run in *The Baltimore Sun, b Weekly, The Aegis, Towson Times, Columbia Flier, The Weekender, Catonsville Times, Howard County Times, Arbutus Times, Baltimore Messenger, The Record, Carroll Eagle, Laurel Leader, North County News, Northeast Booster, Owings Mills Times, and The Washington Post.*

(ii) Digital: Various digital ad units will run on *The Baltimore Sun, The Washington Post, Yahoo, and Facebook*, as well as mobile units, and search marketing through *Google*.

(2) Minor League Baseball Sponsorships

- (a) All creative materials were implemented at the six (6) stadiums, units include outfield signage, scoreboard messages, PA announcements, and in-game sponsorships; all materials promote the Orioles scratch-off.

(3) Star Spangled Cash

- (a) The radio buy was finalized and will run for 3-weeks, June 16 through July 6.

(4) Preakness

- (a) All creative materials were finalized and submitted; assets include the Race Replay sponsorship, on-site signage, a full page print ad, and booth space.

(5) The Daily Record: Twenty in their 20s

- (a) Kate Airey, the Lottery's Draw and Monitor Game Product Manager, is a "Twenty in their 20s" finalist. In support of Kate, the Lottery is a sponsor of the event and will receive a half-page print ad in the program.

ii) Upcoming tasks for this period:

(1) Star Spangled Cash

- (a) Finalize the :30 and :15 radio scripts and produce the :30 spot.

(b) Finalize a sponsorship with MPT to commemorate the 200th Anniversary of the Star Spangled Banner. A preliminary sponsorship has been presented and the Lottery's media agency needs to finalize the details; the sponsorship is planned around the actual anniversary in early September.

(2) My Lottery Rewards – Terminal Game Launch

- (a) Terminal games will be added to My Lottery Rewards on June 23. To promote the launch, the Lottery and its agencies are developing a marketing plan which will begin in early July.

(b) Acquiring new My Lottery Rewards members is a key goal of the launch campaign. To help in achieving this goal, the Lottery will run a direct mail test in early July. If successful, the Lottery plans to follow the test with subsequent direct mail drops in the fall.

(3) Ravens Sponsorship & Ravens Cash Fantasy

- (a) The Lottery finalized the Ravens prizes it will purchase as part of the Ravens Cash Fantasy second-chance contest. The Lottery needs to finalize the cash prizes to be awarded through the second-chance contest and the drawing schedule for all prizes.
 - (b) The Lottery has agreed on the advertising sponsorship elements and is in the process of finalizing.
 - (c) The Lottery kicked-off the development of the advertising and marketing campaign with its agencies the week of May 5. The Lottery will continue to work with both agencies to determine the strategy and tactics to promote Ravens Cash Fantasy.
- (4) The Walking Dead
- (a) The Lottery held a planning meeting the week of May 5 and The Walking Dead was discussed. The Lottery will explore creative produced by other lotteries with the hope of repurposing existing materials; using existing materials will not only save the Lottery money, but it will ease the approval process through AMC. In the meantime, both agencies will begin to develop their advertising and marketing recommendations to support the scratch ticket.

b) Merchandising

i) Key accomplishments last period:

- (a) Merchandising, with input from SGI, has completed evaluations for SalesMaker locations in each region. Retailers for the 2012 class, identified for improvement, will be added to the 2014 SalesMaker schedule.
- (b) A rolling 3 month plan was developed to track SalesMaker program components and execution results.
- (c) Jackpot procedures have been reworked and updated for removal of Jackpot Signs from underperforming locations. Most recent quarter sales data to be delivered to Merchandising from IT to assist in evaluation.

ii) Upcoming tasks for this period:

- (a) Merchandising will continue updating the rolling 3 month plan. The focal point will be finalizing Region 1's direct sell-in and makeover schedule.
- (b) Jackpot sign performance to be fully evaluated to keep ongoing optimization plan on schedule.
- (c) Additional meetings with Sales Management and Corporate Account Managers to determine Corporate Account target for SalesMaker 2014.
- (d) Explore recommendations for dispenser configurations that are practical and can be applied at retail (i.e., family of scratch games). Continue to identify new types of POS for use by entire retailer network.

c) Web/Digital/New Media

i) Key accomplishments last period:

- (1) My Lottery Rewards Player Loyalty Program
 - (a) The program has generated more than 55,000 users as of May 9.
 - (b) Results from various promotions includes:
 - (i) [Monopoly Second Chance](#)
 1. **ONGOING**
 2. Players can enter non-winning Monopoly scratch-off tickets into MLR for a chance to win one of five \$50,000 cash prizes.
 3. The promotional period is 1/27 through 6/16.

4. More than 300,000 tickets have been entered as of May 9.
5. The winners are:
 - a. Drawing 1 – Eddie Staples from Conowingo, MD
 - b. Drawing 2 – Ginger Keogh from Brooklyn Park, MD
 - c. Drawing 3 – Yolanda Drumwright from Baltimore, MD
 - d. Drawing 4 – 5/20/14
 - e. Drawing 5 – 6/17/14

(ii) [Orioles Second Chance](#)

1. **ONGOING**
2. Players enter non-winning Orioles scratch-off tickets into MLR for a chance to win cash, trip to Wrigley Field or trip to 2014 World Series.
3. The promotional period is 3/24 through 9/1.
4. More than 161,000 tickets entered into the contest as of May 12.

(iii) [Spring BBQ Package](#)

1. **ONGOING**
2. Players can enter 20 points for a chance to win a Spring BBQ package including a grill, Omaha steaks for a year and an Igloo cooler.
3. The promotional period is 3/31 through May 11.

(iv) [\\$3 Price Point Multiplier](#)

1. **ONGOING**
2. Players receive triple the points on all \$3 non-winning scratch-offs.
3. The promotion period is 3/31 through 5/11.

(2) Implemented website changes for Racetrax enhancements

ii) Upcoming tasks for this period:

- (1) Begin planning for Phase 3 of Mobile App.
- (2) Begin planning for My Lottery Rewards mobile app (separate from “Core app”).
- (3) Begin planning for My Lottery Rewards enhancements including the addition of terminal games to the program.
- (4) Plan and implementation of next My Lottery Rewards engagement opportunities including:
 - (a) Points Giveaway
 - (b) Kitchen Appliance Package
 - (c) Home Theatre Package
 - (d) Ravens Premium Game Day Packages
 - (e) Funky 5s Points Multiplier
 - (f) Ravens Cash Fantasy Second Chance

d) Research

- e) Upcoming tasks for this period
 - i) Continue monitoring data collection for segmentation study.
 - ii) Schedule review of data analysis.
 - iii) Discuss how to move forward with Pick 3 product enhancement project, Casino spending analyses and other MFR related efforts.
- f) Tasks for next period
 - i) Distribute and review segmentation analysis.

3) Sales

a) **Key accomplishments last period:**

- i) Sales will continue to help develop and support the 24 month product plan that has been implemented by the agency.
- ii) Continued meetings with Tony Molica to evaluate Sales processes and performance and develop recommendations to improve efficiency.
- iii) Continuation of the "I'm A Winner" retailer events with Communications.
- iv) Sales is now accepting request from retailers to become Expanded Cashing Authority Program (XCAP) locations. The program, formerly known as Agent Plus, allows cashing up to \$5,000, growth of the network and removes previous geographical borders as long as the retailer meets the required criteria.
- v) ITLM Program:
 - (1) Field visits on 4/17 with Diamond Game to VFW Post and Bingo World to observe operation and develop recruitment process for VSOs.
 - (2) First off-site demo held on Sunday, 5/4 for Southern MD district American Legion locations.
- vi) Field Activities:
 - (1) Recruitment
 - (a) Sales interviewed and selected a Lottery Rep I candidate for the upper eastern shore. Waiting on DBM to approve posting for another Lottery Rep I in the Ocean City area.
 - (2) Sales supported the Regional Advisory Board meeting held throughout the state.
- vii) Horseshoe Casino
 - (1) Site visit 4/16 - Lottery and SGI Field Service met with Marketing, IT and Operations Management to discuss Lottery process, equipment and installation requirements.
- viii) CY13 Corporate Business Reviews:
 - (1) 4/11 - High's - Total sales: \$10.6MM; increase of 8.5% over CY12 (instant sales up 10%, draw sales up 8%). Added six new locations.
 - (2) 4/21 - Dash In - Total sales: \$10.8MM; increase of 5.7% over CY12 (up 7% in draw games; down 10% in instant). Added four new locations.
- ix) Corporate accounts outpaced independents and the overall state by showing a 5.97% growth overall with majority of the growth in the instant ticket category.
 - (1) 2014/13 Sales Comparison - April:

	Draw	Instant	Total
(a) State	0.11%	9.24%	2.70%
(b) Independent	0.10%	7.54%	1.94%
(c) Corporate	0.16%	13.32%	5.97%

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

- i) Sales management will continue to work with Human Resources to recruit and fill open positions within the organization, which includes Assistant Regional Manager positions and a Lottery Rep I position.
- ii) Field Activities:
 - (1) Sales and Communications will continue to conduct "I'm A Winner" events at selected retailers during May.
 - (2) Sales will begin retrieving completed applications from the veteran organization that are currently lottery retailers and define the placement of ITLM equipment within their locations.

- (3) Inventory management will remain an on-going project currently set at limiting inventory that has been in the “Confirmed” status for more than 90 days.

iii) ITLM Project:

- (1) Follow up on applications and pre-sites from Southern MD demo of 5/4.
- (2) Demo scheduled for 5/19 in Harford Co for area VSOs.
- (3) Demo scheduled for 5/27 in Cumberland.
- (4) Demo pending for 5/20 in Frederick.
- (5) Plans completed to attend VSO conventions (2) in June/July.

iv) GTECH (ITVM) Business Review: May 22

v) Corporate Sales:

- (1) SalesMaker Program
 - (a) Continue planning and selection process for 2014. This year we look to include a chain account where we believe the program will help drive sales.

4) Communications

a) Events

i) **Key accomplishments last period:**

- (1) Staffed a booth, promoted and sold products at Orioles opening day on 3/31, at the Charm City Folk & Bluegrass Festival in Baltimore on 4/26, Delmarva Shorebirds game in Salisbury on 5/7, Brew Fest at Power Plant Live on 5/10 and at the MULBA Beverage Show in Timonium on 5/10, at Wine in the Woods in Columbia on 5/17-18, at the Orioles vs. Cleveland game on 5/22 and at the Frederick Keys game on 5/30.
- (2) Staffed a booth and promoted products at Preakness in Timonium on 5/17 and at Ride Across Maryland in Columbia on 5/31.
- (3) Held Winner Wednesday events at Kings Liquors in Baltimore on 4/9 and at Soda Pop Shop in Glen Burnie on 4/23.

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

- (1) Staff a booth and promote products at the Beer, Bourbon BBQ at National Harbor on 6/6-7, Capital Jazz Fest in Columbia on 6/7-8, Orioles vs. Boston game on 6/11, Bowie Baysox game on 6/13, Honfest in Baltimore on 6/14-15, IronBirds game on 6/20, African American Heritage Festival in Baltimore on 6/21-22 and at the Bowie Baysox game on 6/25.
- (2) Live remote drawing at Beer, Bourbon BBQ at National Harbor on 6/6.

b) Casino program

i) **Key accomplishments last period:**

- (1) Released April 2014 casino revenue numbers on 4/7. 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) Worked with the Department of Legislative Services on fiscal note requests.
- (4) 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) Prepare a dashboard identifying the breakdown of risks and violations at Maryland casinos.

c) **Media relations**

i) **Key accomplishments last period:**

- (1) Promoted My Lottery Rewards, Maryland Lottery App, Monopoly scratch-off and second-chance contest, Orioles scratch-off and second-chance contest, Mega Millions, new Racetrax betting options, Bonus Match 5 Doubler Taxes Paid promotion, Spring BBQ second chance contest, MLR Triple Points promotion and recent winners .
- (2) Notified winners regarding their prizes for the Orioles Fan of the Game promotion.
- (3) Answered more than 180 inquiries from Lottery players sent to Communications' public affairs e-mail.
- (4) 18 Lottery-related articles and 35 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
- (5) Interviewed winners and wrote 27 news releases that were posted on the Lottery website and/or sent to the media.
- (6) Erica Palmisano was featured in April's "Lottery Update" segment on WBAL TV-11 on 4/26.
- (7) Promoted the Maryland Lottery's Lottery Voluntary Exclusion Program.
- (8) Incorporated a new event winner awareness campaign, highlighting the wins of event attendees on Facebook, Twitter and Instagram.
- (9) Distributed the May/June 2014 Retailer Report.
- (10) Organized the annual Promo Partners luncheon.
- (11) 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 June/July 2014 Retailer Report for distribution.

d) **Internal communications**

i) **Key accomplishments last period:**

- (1) Incorporated a new event winner awareness campaign, highlighting the wins of event attendees.
- (2) Wrote and taped the agency-wide on-hold message for month of May.
- (3) Posted the agency current events board.
- (4) Organized an internal agency-wide meeting on May 15.
- (5) Completed a project for the Governor's administration related to Lottery accomplishments over the past eight years.
- (6) Designed, ordered and received new Mega Millions and Powerball jackpot signs to use for media interviews.

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

- (1) Distribute the agency-wide Spring Gazette newsletter.
- (2) Update the agency current events board.
- (3) Write and tape the agency-wide on-hold message for the month of May.