

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor

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  
Gina Smith, Acting Director

FROM: John Martin, Assistant Director for Lottery

DIVISIONS: Product Development, Creative Services, Sales and Communications

DATE: May 20, 2015

SUBJECT: Report for the May 2015 Commission Meeting

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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) Bonus Match 5 Doubler – Taxes Paid: came to an end 4/26/15.

(b) Racetrax \$6 for \$5: began 4/27 and will continue through 6/7/15.

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

(1) Upcoming game promotions:

(a) 50,000 Reasons to Play: This all games promotion begins 5/25 and runs through 6/21/15. Any terminal game purchased and entered into My Lottery Rewards during the promotional period will receive one entry into the second-chance contest for cash prizes and rewards points. 11 lucky players will win the following prizes: 1 x \$50,000 and 50,000 My Lottery Rewards Points; 5 x \$20,000 and 20,000 My Lottery Rewards Points; 5 x \$10,000 and 10,000 My Lottery Rewards Points.

### b) Instant ticket products and promotions

#### i) Key accomplishments last period:

(1) April instant ticket launches (4/27/15): \$1 *Trip 7s*; \$2 *Reel Money*; \$5 *Hot Hand*; \$5 *Cash Money Blowout*; \$10 *Blingo Bingo*.

(2) \$5 *Baseball Bucks*: After 8 weeks in market, \$5 *Baseball Bucks* is 34.6% sold. The third drawing was held 5/11 and 152,783 entries were received.

(3) \$5 *Harley-Davidson®*: After 8 weeks in market, this game is already 27.4% sold.

**ii) Upcoming tasks for this 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) *Baseball Bucks*: Continue to promote sales of the instant ticket and engagement with the second-chance contest. Next drawing will be held: 6/8/15.
- (3) *Harley-Davidson®*: Continue promoting sales of the instant ticket and engagement with the second-chance contest. First drawing will be held 6/29 with entries due 6/28/15 – as of 5/11/15, 107,303 entries have been received.

**2) Creative Services**

**a) Traditional Advertising**

**i) Key accomplishments last period:**

- (1) Orioles: To increase the Lottery's brand presence inside Camden Yards, the Lottery took advantage of an additional opportunity that recently became available by adding the Out-of-Town scoreboard sign to our sponsorship.
- (2) 50,000 Reasons to Play Promotion: All media buys have been finalized and placed; the media will run from 5/25-6/21.
- (3) Preakness: All Preakness sponsorship elements were finalized. Purchased a spot in WBAL-TV's coverage of the Preakness to promote Baseball Bucks scratch off.
- (4) Ravens: Selected a creative direction for upcoming 2015 Ravens campaign. Met with members of Ravens Marketing and Sales staff to discuss activation elements.
- (5) Mega Millions Jackpot: The Lottery began promoting the Mega Millions jackpot via Radio and Digital Outdoor on 5/11.

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

- (1) 50,000 Reasons to Play Promotion: The Lottery is working with its creative agency to finalize the :15 and :30 TV spots and all digital creative.
- (2) Keno:
  - (a) In the process of finalizing plans to promote the new Keno web changes as well as launching the Keno app. Materials will include internal digital assets, digital POS, and a mobile download campaign through our media partner.
  - (b) The Keno web changes are scheduled to launch on 5/19. The Keno mobile app is scheduled to be available for download in early June.
- (3) Ravens 2015 Sponsorship:
  - (a) The Lottery and its media agency will finalize the Lottery's 2015 advertising sponsorship with the Ravens.
  - (b) The Lottery will seek approval from the Ravens on its 2015 advertising campaign and begin developing all broadcast and in-stadium materials.
  - (c) The Lottery will begin working with its media agency to formulate a media recommendation to support the launch of the Ravens scratch-off.
- (4) State Fair Promotions – Keno & Racetrax: The Lottery will work with its creative agency to develop point-of-sale for the Keno and Racetrax State Fair promotions.
- (5) Sponsorships: The Lottery is working with both the Washington Redskins and the University of Maryland to develop 2015/2016 sponsorships.
- (6) Holiday: The Lottery is working internally to finalize the second-chance promotion for the 2015 Holiday Scratch-Offs.

## **b) Research**

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

- 1) Closed link for Retailer Satisfaction Survey. One hundred twenty seven (127) online responses were received.
- 2) Implemented online consumer survey to test various Keno creative concepts. Goal is to receive 1,000 responses (250 each from various player segments). Anticipate reaching goal within the next week.

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

- 1) Complete evaluation of Retailer Satisfaction and Keno creative survey results and work with the Key Group to develop conclusions/recommendations.
- 2) Continue discussion with the Key Group about the Lottery's annual Player Satisfaction survey and begin planning for the annual Employee Satisfaction survey.

## **c) Merchandising**

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

- 1) Inventory management ongoing after warehouse assets and reorder points established. All items are stocked accordingly.
- 2) Implementing new plan and protocol for Jackpot Sign management, which includes Regional meetings to review locations for improved placement and effectiveness. Tracking system developed and movement of inventory has begun.
- 3) Began implementation of SalesMaker 2015 starting with Region 2. Targeted completion date is the 1<sup>st</sup> week of June. Currently, there are 17 locations receiving sell-ins and makeovers.

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

- 1) Continue implementation of SalesMaker 2015 plan and review with Sales. Preparations for activity in Region 4 to begin this month. Execution of sell-ins and makeovers to begin when new Senior Merchandising Coordinator is hired.
- 2) Develop and maintain a transparent tracking system for all self-service vending machines. Merchandising has scheduled meetings with various vendors and will meet with Sales Management to properly develop and implement the process.
- 3) Continue moving forward with Jackpot Sign review. Will prioritize new locations and work with Scientific Games to implement. Merchandising to work with Sales to determine optimum placement criteria, keeping in mind that some flexibility may be necessary.

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

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

- 1) Launched "50,000 Reason to Play" landing page.
- 2) Launched Baseball Bucks "What's Your Play" Facebook promotion.
- 3) Assisted in development of Keno educational landing page and various promotional materials to support web upgrades.
- 4) Prepared recommendation for Phase 3 of Mustache Cash social media program.
- 5) Launched several on-going initiatives through My Lottery Rewards including:
  - a. Outdoor Theater Package Giveaway
  - b. Callaway Strata Ultimate Golf Set Giveaway

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

- 1) Support launch of Keno and Racetrax website applications and mobile apps.
- 2) Continue assisting in development of My Lottery Rewards mobile app.
- 3) Work with Communications and GKV to complete development of Media Relations web portal.
- 4) Implement new Sn@pshots email template.

## **3) Sales**

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

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

- i. The civil unrest in Baltimore dominated the last week of April. Some equipment damage, theft of instant tickets and money were the results of the action.
- ii. Two Region 1 district managers returned to work from extended leave. The regional manager is still out and expected to return in June.
- iii. Sales worked with HR to post two district manager positions which closed on April 26th.
- iv. Sales continued to emphasize \$20 instant tickets at retailer locations.
- v. The sales force continued to work with our training manager during duty days to improve knowledge of OnePlace, Workday and Google apps.
- vi. Sales continued to monitor acceptance of our bi-lingual product (Loteria) via the retailer network.
- vii. The district managers supported the Regional Advisory Board meetings.
- viii. Sales supported five selling and two Winner Wednesday events in April.

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

- i. Met with the Executive management, security and AFO to discuss and formulate a plan of action to help the retailers affected by the civil unrest.
- ii. Two Sales department personnel were granted permission to enter the Voluntary Separation Program (VSP).
- iii. Supported Regional Advisory Board meetings by securing retailer attendance through the district managers.
- iv. Met with Security to clarify credit request issues. Also met with AFO to ensure proper accounting procedures are being followed by the Sales department after selling events.
- v. Worked with the Facilities Operation Director to resolve fuel consumption issues for some state vehicles.
- vi. Worked on bid for the order of Change Mats.
- vii. Continued to monitor and track the sales of the Bonus Crossword and Loteria instant ticket launches.
- viii. Worked with SGI to incorporate a Lottery best practices portion for the retailer training program.

#### **c. Training**

- i. Began OnePlace version 5 software upgrade training during duty days.

#### **d. Corporate Accounts**

- i. Conducted a business review with High's.
- ii. Working with Royal Farms to install 10 Player Central Terminals (PCT) in specific locations. The first one was installed in April.
- iii. Sales were mixed for April.

1. Instant ticket sales continued their good run, up 10.5%.
2. Multi Match was up 67.8%.
3. Pick 4 managed a small 0.25% increase.
4. All other games declined.
5. Draw sales were down \$2,789,226 while Mega Millions and Powerball accounted for 80% of this decline.

	<u>Draw/JP</u>	<u>Instant</u>	<u>Total</u>
State	-2.68%	10.46%	1.28%
Independent	-2.56%	10.23%	0.78%
Corporate	-3.38%	11.98%	3.40%

e. ITLM Program:

- i. Total sales as of 5/3/2015 equaled \$30,342,211.
- ii. April 2015 was the first month in which every accounting week was a \$1 million+ sales week.
- iii. In April there were 6 new installations combined with 7 upgraded ITLM locations.
- iv. As of 5/4/2015, 192 ITLMs in 48 unique posts are operational. A complete list of all ITLM locations can be found at [mdlottery.com/veterans](http://mdlottery.com/veterans).
- v. Recruitment continued during April at VFW Post #6506 in Rosedale and American Legion Post #108 in Cheverly.
- vi. The current county breakdown for ITLM retailers as of 5/4/15:

County	# of Veteran Posts
Allegany	3
Anne Arundel	4
Baltimore	10
Carroll	2
Charles	2
Garrett	2
Frederick	3
Garret	2
Harford	6
Montgomery	4
Prince George's	7
Washington	5

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

- a. Field Sales
  - i. Continue to make 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.
- b. Sales Management
  - i. Continue to support the Retailer Open House forum to address the needs of the retailers affected by the civil unrest.
  - ii. Ensure vehicle compliance is maintained by staff assigned a state vehicle.
  - iii. Establishing standards for a retailer sales call.

- iv. Work with HR to fill two open district manager positions.
- c. Corporate
  - i. Continue to work with Royal Farms to identify and install remaining PCT units.
  - ii. Three corporate account managers will attend the La Fleur's conference.
- d. Training
  - i. Continue training on OnePlace features.
- e. ITLM
  - i. In May, there are 4 new installations scheduled.
  - ii. Continue with recruitment.
  - iii. Prepare for VFW Convention in June.
  - iv. Visit current ITLM locations and assist in coin testing the units.
- f. Events
  - i. Sales will support seven upcoming selling events in May including two Winner Wednesday 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 Savor Bowie Food, Wine and Music Fest in Bowie on 4/25; "Bikes to the Beach" in Ocean City on 5/1 & 5/2; Delmarva Shorebirds games on 5/6; the 12th Annual Spring Breakfast & Business Expo for the Maryland Washington Minority Companies Association in Baltimore on 5/8; the Maryland Unified Licensees Beverage Association Expo in Timonium on 5/9; the 140<sup>th</sup> Annual Preakness Stakes in Baltimore on 5/16; and Wine in the Woods in Columbia on 5/16 & 5/17.
- (2) Held the Maryland Lottery's annual luncheon for media and promotional partners. The successful event, which took place at the Johnny Sanchez restaurant at Horseshoe Casino Baltimore, hosted more than 85 contacts throughout the state.
- (3) Held "Winner Wednesday" retailer events at 2 Go Convenience & Deli on 4/29 in Savage and at An's Lucky World on 5/13 in Randallstown.
- (4) Was tasked by the Governor's office with developing and executing a "State Employees' Recognition Day" for employees here at MLGCA headquarters. Employees were entered for randomly drawn prizes (with values staying below the state ethics limit), participated in "we appreciate you" photos and more.

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

- (1) Will have a presence at Brew at the Zoo on 5/23-5/24; Frederick Keys baseball game on 5/28; Capital Jazz Fest 6/5-6/7; Great Grapes Food & Wine Festival 6/6-6/7; Bowie Baysox on 6/10; Baltimore Orioles 6/10; and HonFest 6/13-6/14.
- (2) Will hold a Winner Wednesday retailer event at Express Mart in Bowie on 5/20.

##### b) Casino program

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

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

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

- (1) Prepare a dashboard detailing May 2015 casino and lottery revenue numbers. Release casino revenue numbers on 6/5.

c) **Media relations**

i) **Key accomplishments last period:**

- (1) Answered eight 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) Responded to media requests about Director Martino's departure, the appointment of the incoming director, results of the late-April unrest in Baltimore City and how it affected casinos and lottery retailers, etc.
- (4) Created and distributed that MLGCA's bimonthly internal newsletter, The Gazette.
- (5) Answered more than 300 inquiries from Lottery players sent to Communications' public affairs e-mail.
- (6) 24 Lottery-related articles and 34 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) Erica Palmisano was featured in April's "Lottery Update" segment on WBAL TV-11 on 4/25.
- (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) 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.