

# 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: November 12, 2013

SUBJECT: Report for the November 2013 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: This promotion began 8/26 and will continue through 12/26. As of 11/7, 11 drawings have been held – total entries exceeded 98,000 (as of 11/5).
2. Two promotions began on 10/14:
  - Bonus Match 5 Doubler – Taxes Paid: During the promotional period, players will receive chances to double Bonus Match 5 prizes, includes Taxes Paid top prize. Extended to 11/17/13.
  - Pick 3 Double Pay on Box Play: During the promotional period, any winning Pick 3 Box ticket received doubled prize amount. Promotion ended 11/10/13.
3. Mega Millions Game Changes: On 10/19 there were several changes made to the Mega Millions game design: Jackpots start at \$15 million (instead of \$12 million); overall chances of winning a prize improved; 2<sup>nd</sup> tier prize went from \$250,000 to \$1 million and is now eligible to be multiplied if Megaplier is played; cost per play remains \$1 for the base game and an additional \$1 for Megaplier.

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

1. Ravens Mega Power Promotion Drawings: 11/14, 11/21, 11/26.
2. Upcoming game promotions:
  - Keno Sprinklers: ‘Thanksgiving’ 11/18-12/1 and ‘Holiday’ 12/16-12/31.
  - Pick 3 ‘Let it Snow’ promotion: 12/9-1/12/14.

### b. Instant ticket products and promotions

#### i. Key accomplishments last period:

1. October ticket launches (10/28): \$1 *Tech the Halls*, \$2 *Tech the Halls*, \$3 *Tech the Halls*, \$5 *Tech the Halls* and \$10 *Tech the Halls*.

2. Champions Baltimore Ravens: This \$2 scratch-off features the marks and logos of the World Champion Baltimore Ravens. A second-chance contest has been created using the My Lottery Rewards platform. Players enter non-winning scratch-offs into the My Lottery Rewards database for chances to win 2014 Ravens season tickets. To date, two drawings have been held; over 53,000 entries were received for the second drawing.
3. Tech the Halls: The Tech the Halls family of games launched on 10/28. Upon launch, non-winning tickets were immediately eligible for entry into the My Lottery Rewards second-chance contest for tech prizes. Each price point in the Tech the Halls family of games corresponds to a specific second-chance tech prize: \$1 Tech the Halls – 30 Sony Compact Zoom Digital Cameras; \$2 Tech the Halls – 30 Sony X Headphones; \$3 Tech the Halls – 30 Sony Xperia Tablets; \$5 Tech the Halls – 30 Sony LED HDTVs; \$10 Tech the Halls – 30 Sony Vaio Laptops.

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

1. Tech the Halls: The Tech the Halls second-chance drawing for tech prizes will be held 1/22/14.
2. Champions Baltimore Ravens: Continue promoting the scratch-off and second-chance contest. The last two drawings will be held 11/14 and 12/19.
3. November ticket launches (11/18): \$2 *Money Bag Bonus*, \$3 *Hearts are Wild Tripler*, \$5 *Big Cash Multiplier*, \$5 *Super Slots*, \$10 *10x Cash*.
4. Medal Madness: The popular All-Games promotion inspired by the Winter Olympics is in development and scheduled to run 1/20-2/23/14. Promotion details provided in next director's reports.

**II. Creative Services**

**a. Traditional media**

**i. Key accomplishments last period:**

1. Powerball Jackpot Support: To support the growing Powerball jackpot, the Lottery began airing :10/:15 radio on 10/18 and digital outdoor on 10/22; the jackpot was hit on 10/23 and both were cancelled.
2. "Tech the Halls" Instant tickets: Significant progress was made in the development of the Tech the Halls advertising campaign. The campaign is extensive and includes television in the Baltimore market; statewide radio and digital; and gas pump toppers and handles at approximately 250 Lottery retailers throughout the state. Creative materials for each of these items are in the final stages of production and include a :30 and :15 animated television spot, a :30 radio spot, several digital units, and gas pump toppers and handles. The campaign is scheduled to begin on 11/18 and will run through 12/24.

3. "Scratch-offs Make Great Gifts": The Lottery plans to promote instant tickets as a great gift option around the holidays. Digital outdoor in the Baltimore market was approved to run 12/16-12/25.
4. "Medal Madness": Super Olympic athlete, "Brooks Velour" will return for the 2014 Winter Olympics. The Lottery will use "Brooks" to promote the All Games Medal Madness promotion that runs 1/20 - 2/23. A photo shoot with "Brooks" took place on 11/1 and included him in a variety of winter sports – ice skating, hockey, snowboarding, skiing, and the luge. The photos will be used in printed POS, Lottery in Motion screens, gallery graphics, promotional landing page, and social media.
5. University Sponsorships: While our football sponsorships with the University of Maryland and Towson University are on-going, we have switched gears to basketball. Towson had its first home men's basketball game on 10/24 and the University of Maryland followed on 11/3. Both sponsorships include ads in the basketball program, signage in the basketball arena and web banners; the University of Maryland sponsorship also includes radio.

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

1. Tech the Halls: Production of all Tech the Halls creative materials will be completed and the media will begin on 11/18.
2. "Scratch-offs Make Great Gifts": Creative will be developed for digital outdoor, the Lottery In Motion screens at retail, and the gallery graphics featured on the home page of our website.
3. Medal Madness: Finalize the printed POS and continue work on the various digital elements.
4. Monopoly: Finalize the media plan, including Olympic packages in Baltimore and Washington, D.C. Finalize and release POS materials. Begin working to revise the Lottery's existing Monopoly spot to include the new Monopoly ticket art.
5. University Sponsorships: The Lottery has renewed its Men's and Women's Basketball sponsorship with Coppin State University for the third year. The sponsorship includes signage, in-stadium reads, and video board messages.

**b. Web/digital/new media**

**i. Key accomplishments last period:**

1. Our new Digital Community Coordinator, Amber Prata, started on Wednesday, October 2. Amber has hit the ground running and is a valuable asset to the team. Amber will focus much of her time on maintaining and developing content for mdlottery.com, social media and email marketing.
2. For the first time in Lottery history, the Lottery website was visited more from mobile devices than PC at 51% to 49%.
3. A new social media partnership with Wildfire by Google was initiated. The agreement will give us unlimited access to use Wildfire's social media platform to promote our products and

promotions through Wildfire's interactive and engaging social media tools.

4. A revamped Numbers Finder was launched on mdlottery.com. The tool now has its own dedicated server for faster search results. The new, cleaner interface is easier for players to use and most notably the tool is now available for mobile phone users.
5. Now players can take the Lottery everywhere they go with the first Maryland Lottery mobile app. The app is available for Apple and Android devices and was made available for download on November 4 with marketing for the app beginning on November 18. It is important to note that the app cannot be used to purchase Lottery tickets. It is for informational purposes only. The app features the Lottery's core information, as well as several interactive elements for players:
6. The My Lottery Rewards interactive engagement plan has been established for the next 6 months and is being implemented. The engagement plan will include second chance drawings like Ravens Champions going on now, all-new points for drawings where players can use a small amount of points for a chance to win big prizes, points multipliers for selected games and more as additional opportunities arise. Recent initiatives include:
  - COMPLETE: Double Take 2x Points Multiplier - 9/30 - 10/27
    - During the promotional period players could enter non-winning Double Take scratch-offs and receive 2x the number of points than a normal \$5 ticket. The multiplier showed great success when comparing to the previous month's \$5 launch Funky 5s. Sales for the first four weeks of Double Take were up 29% compared to the first four weeks of Funky 5s. Entries in My Lottery Rewards for the first four weeks of Double Take were up 89% compared to the first four weeks of Funky 5s.
  - NEW: Tech the Halls Family of Games Holiday Second Chance - 10/28 - 1/21
    - During the promotional period players can enter non-winning Tech the Halls scratch-offs to win one of 150 Sony prizes. Players can learn more about what they can win at Tech the Halls landing page and enter at My Lottery Rewards. The first Wildfire social media campaign was developed and launched to support Tech the Halls. Players can visit our Facebook page to electrify a photo of themselves with Tech the Halls themed artwork. Players can then share their creation on Facebook and help spread the word about the Tech the Halls promotion.
  - NEW: 1,000,000 Point Giveaway - 11/4 - 12/15

- During the promotional period we're giving away 1,000,000 My Lottery Rewards points. To participate, players enter with 10 points for a chance to win up to 30,000. There will be a total of 85 winners.

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

1. Mobile App - phase 2, scheduled for 11/18 or before.
2. Add Numbers Finder to mobile app functionality.
3. Wildfire Social Media Campaigns.
4. Holiday Countdown.
5. Facebook My Lottery Rewards Points Giveaway.
6. Alaskan Cruise Giveaway.
7. Holiday Points Multiplier.
8. Price Points Multiplier.

**c. Merchandising**

**i. Key accomplishments last period:**

1. All regions have completed their target SalesMaker locations for 2013. As of 9/6, 199 retail locations received a merchandising makeover. Continuing evaluation of each makeover underway.
2. Additional 30 retailers were installed for window and door, which brings the total to 60 installations for 2013.
3. Leslie Mitchell has completed her initial visit for each 2012 SalesMaker location. Her focus has been to document and improve each location on every visit. Tiered evaluation is currently being developed. Action plan forthcoming.
4. Meetings were held for the 2013 SalesMaker campaign with Lottery staff and vendor partners.

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

1. Target date for SalesMaker year-end review document is Nov. 15th.
2. DC Media surveys continue to be evaluated for an additional round of window and door signage. Locations from 2012 and 2013 have been recommended.
3. Evaluate current merchandising inventory and identify opportunities to upgrade and/or add new items. Survey is near completion. Target date for distribution is November 21<sup>st</sup> Sales Meeting.

**d. Research**

**i. Key Accomplishments**

1. Presented results of Declining Sales survey to key stakeholders at executive session and again at Lottery vendor summit meeting.
2. Prepared summary document for use at various budget presentations.

**ii. Upcoming tasks**

1. Determine next/future research needs with executives at Key Group; most likely survey to non-players.
2. Develop implementation plan.

**III. Sales Initiatives**

**a. Key accomplishments last period:**

- i. Regional Retailer Advisory Board Program:

1. The fall 2013 Regional Retailer Advisory Board meetings were completed. John Martin and a team of lottery personnel met with a group of retailers in Baltimore on 10/8, traveled to Waldorf on 10/9, Hunt Valley on 10/10, Rockville on 10/16 and Annapolis on 10/17.
  - ii. Sales department re-organization was implemented with an East and West sector consisting of two regions in each while also including two corporate account managers in each sector. Our fifth sales region was dissolved; the regional and district managers incorporated into the four existing regions.
  - iii. Field Activities:
    1. The Sales force continues the process of reducing excess instant ticket book inventory in the field. The focus has shifted from 180+ days to books that have not been activated for more than 120+ days. The project was initiated to reduce the potential high liability that may exist at certain retailer locations.
    2. All sales regions have completed their SalesMaker retailer makeovers. Sales met with the merchandising department to discuss the 2013 SalesMaker program and plan for 2014.
    3. Sales participated in two Lottery selling events with Communications during October.
  - iv. Facings:
    1. Sales maintained a network of 106,673 instant ticket facing units at 4,056 retailers (average of 26.3 units per location). This decreases facing units by 59 while increasing the retailer locations by nine.
  - v. Statewide Sales - October 2012 vs. 2013:
    1. Online: + 2.96% (Independent: +1.40% / Corporate: +12.71%)
    2. Instant: -6.28% (Independent: -8.45% / Corporate: -.84%)
    3. Total: +.26% (Independent: -1.10% / Corporate: +6.47%)
  - vi. Maryland Live:
    1. Meeting on 10/4 to address issues with SGI service calls, PAT self-service vending functionality, instant ticket inventory and increasing Lottery awareness in facility. Both PATs are included in testing of upgraded software to address burster issues; initial results are promising in relation to decreasing downtime of units.
- b. Upcoming tasks for this period:**
- i. Sales management is working with Human Resources to recruit for open positions within the new organization.
  - ii. Full scale implementation of the "Tech the Halls" sales strategies in most retailer locations. Preparing retailers for the soft launch of the Holiday games from the 2012 holiday season.
  - iii. Field Activities:
    1. 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.
    2. The Sales department will continue to assist the Communications department with Lottery selling events. In November and December, Sales will provide retailer locations and work with Communications

to conduct Lottery Parties to help rejuvenate interest in the Keno and instant ticket products.

**iv. Corporate Sales:**

1. Hollywood Casino:
  - Process change of ownership for Hollywood from Penn National to GLP Holdings, Inc.
2. ITLM RFP:
  - Vendor responses due mid-November. Updating VFW eligibility list to begin Lottery recruitment. Developing licensing requirements for ITLMs.
3. Lottery System RFP:
  - Meeting scheduled for Nov. 18 with IT to discuss future needs for inclusion into RFP.

**IV. Communications**

**a. Events**

**i. Key accomplishments last period:**

1. Staffed a booth, promoted and sold products at the Ravens vs. Jets on 10/24 and vs. Bengals on 11/10; Maryland vs. Clemson homecoming game on 10/26 in College Park (no selling); and Towson University basketball game on 11/8 in Towson (no selling).

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

1. Ravens vs. Steelers on 11/28.
2. Keno/Holiday Parties on 11/21 in Ellicott City, 11/22 in BelAir, 12/5 in Glen Burnie and 12/12 in Edgewater. Additional parties are scheduled for 12/6, 12/13, 12/14, 12/9, 12/20.
3. Midnight Madness on 12/5 and 12/11 in Annapolis.
4. Holiday mall tour 12/7 in Security Mall at The Hook Up, on 12/14 in the Columbia Mall at Short Stop and on 12/21 in Arundel Mills Mall at Tobacco Leaf.

**b. Casino program**

**i. Key accomplishments last period:**

1. Released October 2013 casino revenue numbers on 10/7. The numbers included financials from both slot machines and live table games.
2. Staffed the public hearings at Friendly High School in Prince George's County on 10/21, 10/23 and 10/25.
3. Released a press release about the site tour and public hearings in Prince George's County.
4. 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. 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. Scheduled interviews with media for Director Martino to discuss the site tour and public hearings in Prince George's County.
2. Promoted Bonus Match 5 Doubler, Tech the Halls scratch-offs and second-chance promotion, Pick 3 Double Pay for Box Play, My Lottery Rewards, Mega Power promotion, Champions scratch-off, Powerball and Mega Millions.
3. Conducted drawings for second-chance and Internet contests and notified winners regarding their prizes for Ravens Mega Power Promotion.
4. Gail Pelovitz, drawings manager of special games and promotions, accompanied and supervised The Price is Right Las Vegas Game Show Experience trip and the Ravens Trip with the Team away game to Cleveland.
5. Organized a meeting with 20 Ravens Trip with the Team away game winners/guests and obtained press coverage with WBAL.
6. Answered more than 130 inquiries from Lottery players sent to Communications' public affairs e-mail.
7. Created and posted winners' videos on mdlottery.com's MDLottery TV and on Instagram.
8. Wrote and taped the agency-wide on-hold message for month of October.
9. 27 Lottery-related articles and 52 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
10. Interviewed winners and wrote 28 news releases that were posted on the Lottery website and/or sent to the media.
11. Carole Everett was featured in October's "Hot Five" segment on WBAL TV-11 on 10/26.
12. Promoted the Maryland Lottery's new Lottery Voluntary Exclusion Program.
13. Promoted the My Lottery Rewards program via tablets at events.

**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 new mobile app at events.
3. Will distribute the November/December 2013 Retailer Report newsletter for distribution.
4. Will prepare the January/February 2014 Retailer Report for distribution.