

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: November 12, 2014

SUBJECT: Report for the November 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 began 10/13 and will continue through 11/16.
- (2) Pick 3 Double Pay on Box Play began 10/13 and ended on 11/9.
- (3) Keno Multi-State Progressive Jackpot: The RFP for this add-on feature was released on 9/17. Proposals are due on 12/17 and finalist bidders will be invited to present their bid on 12/22. The contractor will be selected 2/12/15 and the jackpot management system will go live 7/15/15.
- (4) MONOPOLY Millionaires' Club: This new National Draw game went live 10/19 with 23 jurisdictions participating. The top prize was \$21 million when hit on 11/8 in New Jersey – 14 Millionaires' Club prizes were awarded, including one sold at The Green Turtle in Ocean City, Md.

ii) Upcoming tasks for this period:

- (1) Keno Multi-state Progressive Jackpot: Bidder follow-up questions are due 11/18, responses 11/25.
- (2) MONOPOLY Millionaires' Club: Continue promoting the new game, reinforcing the three ways to become a Millionaire, and calling special attention to the first game show entry deadline of 11/25 – there are 137,396 entries to date.
- (3) Upcoming game promotions:
 - (a) Pick 3 Let It Snow: 12/15/14 – 1/18/15 (5 weeks).
 - (b) Keno Sprinkler 'Holiday': 12/22/14 – 1/18/15 (4 weeks).

b) Instant ticket products and promotions

i) Key accomplishments last period:

- (1) October ticket launches (10/13): \$1 *Holiday Doubler*, \$2 *Jolly Reindeer Winnings*, \$3 *Bingo #176*, \$5 *Nutcracker Cash Doubler*, \$10 *Winter Cash Tripler*.

- (2) Holiday Campaign: Through the My Lottery Rewards platform, players can enter any \$10 combination of eligible holiday tickets for entry into a second-chance contest for cash prizes. The first Merry Moolah drawing was held 11/3: 38,201 entries were received.
- (3) Ravens Cash Fantasy: After 15 weeks in market, this year's scratch-off is 55% sold and is outperforming our last \$5 Ravens game (Game # 946 from 2012) by 17%. The third second-chance drawing was held 10/20: 194,520 entries were received.

ii) Upcoming tasks for this period:

- (1) November ticket launches (11/24): \$1 *Double Blackjack*, \$5 *You Win*, \$20 *Black*.
- (2) Holiday Campaign: The second entry deadline is 11/23: to date, 20,908 entries have already been received.
- (3) Ravens Cash Fantasy: The fourth second-chance drawing will be held 11/17: 230,930 entries have been received to date; continue ticket distribution and sales statewide, and promoting the second-chance contest, focusing on upcoming drawing deadlines.
- (4) Bonus Crossword: Continue promoting sales of the instant ticket and engagement with the interactive mobile app.

2) Creative Services

a) Traditional Advertising

i) Key accomplishments last period:

- (1) Holiday Scratch
 - (a) The Lottery's statewide :30 radio buy was finalized and is set to run 11/24 – 12/21; Pandora Digital Radio will also run 11/24 – 12/21. The :30 radio spot was recorded on 11/12.
 - (b) The Lottery is working with All Over Media to secure holiday advertising at 250 gas stations that sell Lottery scratch-offs. As of 11/10, AOM had secured 229 gas stations. The gas station media will post on 11/24 and will remain up through 12/21. Additionally, the Lottery has provided Wawa with the same Holiday Scratch pump topper creative to be displayed at Wawa locations that sell gas.
- (2) Jackpot
 - (a) The Lottery recently promoted the Mega Millions and Powerball jackpots through live read radio and digital outdoor. Mega Millions was hit at \$321 million on 11/4 and Powerball was hit at \$202 million on Sat, 11/8.
- (3) MONOPOLY Millionaires' Club
 - (a) The Lottery has been heavily promoting MONOPOLY Millionaires' Club, the Lottery's new draw game. The multi-media campaign started on 10/18 and continues through 12/1. Television, Radio, Digital and Outdoor were all included in the paid advertising campaign.
 - (b) The MONOPOLY Millionaires' Club Top Prize at \$21 million was hit on Friday, 11/7. In addition to the Top Prize winner, there were 14 \$1 million dollar winners. The Maryland Lottery was one of the states who had a \$1 million dollar winner. The \$1 million dollar prize is such an important component of the game and to promote the winner, the Lottery will run a burst of :10/:15

live read radio and digital outdoor from Wed, 11/12 through Fri, 11/14. The winners' creative congratulates the winner and promotes the next drawing.

(4) Big Play Crossword

- (a) The Lottery developed two pieces of point-of-sale, a Play Center Insert and an ITVM Vertical Sign, to promote the Big Play Crossword at retail; the two pieces of POS delivered on 11/5.

(5) University Sponsorships

- (a) University of Maryland: The Lottery is gearing up for the basketball portion of its sponsorship with UMD. All creative elements, including the in-arena signage, radio, digital and print, have all been updated or developed.
- (b) Coppin State University: The Lottery renewed its Men's and Women's Basketball sponsorship at CSU. The sponsorship includes in-stadium signage and announcements and web exposure.

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

(1) University Sponsorships

- (a) Towson University: The Lottery will create/develop all creative elements for the TU basketball sponsorship. The basketball sponsorship includes in-stadium signage, print and digital.
- (b) Coppin State University: The Lottery to provide CU with all in-stadium signage and live read announcements.

(2) Planning

(a) Orioles Sponsorship:

- (i) The Lottery met with the Orioles to recap the 2014 season and to begin discussions surrounding the 2015 sponsorship. The Lottery and the Orioles will continue to work together to develop a sponsorship package for the 2015 season.

(b) Loteria:

- (i) The Lottery is developing a Play Center Insert to be displayed at retail. Additionally, the Lottery has begun exploring advertising opportunities to reach the Hispanic market in Maryland. The Lottery will decide whether it will promote Loteria via paid advertising; if so, the Lottery will develop a formal media plan along with corresponding creative.

(c) Monopoly Family – Scratch-offs:

- (i) The Lottery is developing point-of-sale that will promote the family of Monopoly scratch-offs at retail. The Lottery to finalize POS designs and determine the types of POS pieces that will be developed and their quantities.

b) **Research**

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

- (1) Initiated focus group project to solicit feedback on several potential Keno messaging alternatives concepts. Will utilize results to develop new advertising campaign.

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

- (1) Review discussion guide for Keno focus groups and prepare materials.
- (2) Continue to utilize segmentation report to develop advertising campaigns that will raise awareness in underserved markets.

c) **Merchandising**

i) **Key accomplishments last period:**

- (1) The SalesMaker 2014 program continued to grow as 15 makeovers have now been completed in Region 4. The SM task force began sell-ins for Region 4 on October 20th and completed the region on October 30th. All 15 of the makeovers from Region 4 were refreshed locations from 2012. This was the last region to complete makeovers for 2014 with a total of 124 retail locations receiving a makeover this year.
- (2) DC Media SalesMaker installations started the week of October included both a door decal swap in existing Sales Maker locations (from My Lottery Rewards to MONOPOLY Millionaires' Club), window stripping and door decal installation in new 2014 Sales Maker location that meet the criteria. All locations were completed by October 24th.
- (3) Currently supporting the Holiday Family of Games launch, Merchandising is working with Sales and Product Development to install instant ticket towers that are outfitted with Schafer neon dispenser panels. In each territory, 9 locations have been identified for placement at retail. The proper price point mix has been established with each unit to be fully stocked with holiday instant tickets set to launch on October 13th. All locations that had the neon tower installed are being monitored by Merchandising and Sales.
- (4) Met with Schafer, via Skype, to outline test procedures for new After-Glow dispenser panels that will be used in conjunction with the "family of games" implementation. Merchandising obtained 8 locations from the Regional Managers to test effectiveness and potential for increased sales over 12 weeks. All locations have been outfitted with the After-Glow product. Sales measurement started the week of September 1st. Currently, 65% of the test period has been completed.

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

- (1) Review and document the progress of the SalesMaker 2014 campaign. Meetings are being scheduled with the Task Force Team Leaders, SGI Marketing Reps, Regional Managers and District Sales Managers to determine effectiveness regarding all aspects of the project.
- (2) Continue to monitor the Schafer After-Glow product on the instant ticket displays in the test locations. Four (4) locations will carry the product and the remaining four will be used as control locations to measure effectiveness. Merchandising is in the process of scheduling a meeting with Schafer and HKC, Inc. to discuss sales results.
- (3) Jackpot sign performance to be fully evaluated to keep ongoing optimization plan on schedule. Quarterly information has been requested from I.T. to evaluate current retail locations that have a jackpot sign installed.
- (4) Continue to identify new types of POS for use by entire retailer network.

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

i) **Key accomplishments last period:**

- (1) Held My Lottery Rewards planning session with MDI to review site performance against industry norms/expectations and discuss six month promotion calendar.
- (2) Utilized new drop down marketing area on mdlottery.com to promote MMC.

- (3) Finalized deal points and reviewed scope of work for Hello World, the vendor selected to re-develop web and mobile applications for Keno and Racetrax.
- (4) Launched social media campaign to promote Ravens Cash Fantasy scratch-off. Players can enter a FB contest, guessing the “correct year” of key Ravens events, for the opportunity to win scratch-offs.

ii) Upcoming tasks for this period:

- (1) Monitor mobile app development from MDI/SGI for MONOPOLY Millionaires’ Club.
- (2) Schedule kick off meeting with Hello World to begin Keno/Racetrax web upgrades and mobile app development.
- (3) Develop My Lottery Rewards promotional planning calendar.
- (4) Implement “Merry Moolah” social media promotion to coincide with general market promotion of holiday scratch tickets.

3) Sales

A. Key accomplishments last period:

- a. Field Sales
 - i. Sales management filled two permanent and one contractual district manager positions with John Taylor (terr. 17), Jonathan McIntosh (terr. 18) and Steven Borsa (contractual) who will begin mid-November.
 - ii. Sales continued training of MONOPOLY Millionaires’ Club (MMC) to ensure a successful launch.
 - iii. Sales continued to identify and setup retailers with the After-Glow dispensers for the sale of the holiday games.
 - iv. Help support and ensure retailer participation in the upcoming Regional Retailer Advisory Board meetings on October, 7th, 8th, 9th, 14th, 15th, 16th & 17th which will occur at various locations throughout the state.
 - v. Began conducting a series of retailer parties to promote Lottery sales of MMC and holiday games, during the month of October and November.
 - vi. Continued identifying retailer locations that would benefit from replacing original monitors with new flat screen monitors for Keno and/or Racetrax.
 - vii. Sales supported four Lottery events during October including the Purple Evening Event at the stadium (14.4 Raven ticket books were sold - \$4,321).
- b. Reconsideration Hearing
 - i. A reconsideration hearing was conducted by John Martin and Alvin Ringgold for Neighborhood Store located in Baltimore, MD. The outcome is pending due to request for further investigation of area based upon need of an additional terminal.
- c. Corporate Accounts
 - i. Preliminary preparation being made for the Safeway December 2014 change of ownership
 - ii. Sales were up in all categories. The bleeding has somewhat subsided in Powerball...only down 21.8% compared to last month's -40%. Mega Millions was October's shining star -- up \$4.54 Mil (an 80.2% increase).

	Draw/JP	Instant	Total
State	2.33%	17.31%	6.40%
Independent	0.87%	15.59%	4.34%
Corporate	10.54%	21.29%	15.14%

- d. ITLM Program:
 - i. Began installation of an additional 60 ITLMs that will occur from October–December ‘14.
 - ii. The grand total for sales from 9/4 – 10/31 has equaled \$4,125,160 for average sales of \$515,645 per week.
 - iii. Sales continues with the recruitment process of the VSO organizations.
- e. SalesMaker Program
 - i. SalesMaker teams completed the makeovers in region 4 with district managers by revisiting existing program participants and refreshing their merchandising makeovers where appropriate.

B. Upcoming tasks for this period:

- a. Field Activities:
 - i. Sales will ensure in the upcoming months that retailers are in compliance with Lottery regulation and procedures.
 - ii. Sales will work with SGI to identify viable locations for monitor replacement.
 - iii. Sales will meet with the warehouse personnel to help improve operations.
- b. ITVM
 - i. Sales will conduct a semi-annual meeting with GTECH on 11/17 to ensure maximum performance from our instant ticket vending machines.
- c. ITLM Program:
 - i. Planning for additional 60 ITLMs to be installed over the three-month period of October–December.
- d. Corporate Sales:
 - i. Sales will participate in a Wawa grand opening on Friday, November 14th at their Arbutus location.
 - ii. Horseshoe Casino
 - 1. Sales has been assigned to manage an ongoing instant ticket marketing promotion in conjunction with their player rewards program. A meeting will be conducted between the Horseshoe Casino and Lottery personnel.
- e. Events:
 - i. Two Ravens home games
 - ii. Retailer parties (9) to be conducted between 10/30 -12/12.

4) Communications

a) Events

i) **Key accomplishments last period:**

- (1) Staffed a booth, promoted and sold products at the Across the Bay 10k in Annapolis on 11/8 and the Ravens vs. Titans game on 11/9.
- (2) Began a series of Maryland Lottery retailer parties, designed to promote specific games and engage players throughout the state. Parties took place at Firehouse

Tavern in Parkville on 10/30; Sole D'Italia in Silver Spring on 11/6; Bill Bateman's in Reisterstown on 11/13; Holiday Liquors in Waldorf on 11/20; and Goose Creek in Princess Anne County on 11/21.

(3) Worked with the lottery sales department on the Wawa grand opening kickoff in Halethorpe. This is one of 47 Wawa stores to recently begin selling Maryland Lottery tickets.

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

(1) Will roll out communications plan to promote lottery products throughout the 2014 holiday season.

(2) Working with the National Council on Problem Gambling on their responsible giving holiday program.

(3) Staff a booth, promote and sell products at the Ravens vs. Chargers game on 11/30 and the Ravens vs. Jaguars on 12/14. Holding retailer parties in Silver Spring, Essex, Bowie and Eldersburg.

b) **Casino program**

i) **Key accomplishments last period:**

(1) Released October 2014 casino revenue numbers on 11/5. 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) Prepared a dashboard detailing October 2014 casino and lottery revenue numbers.

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

(1) Prepare a dashboard detailing November 2014 casino and lottery revenue numbers.

c) **Media relations**

i) **Key accomplishments last period:**

(1) Promoted MONOPOLY Millionaires' Club, My Lottery Rewards, Maryland Lottery App, Ravens Cash Fantasy scratch-off and second-chance contest, Redskins Points for Drawing Promotion, terminal tickets eligible for MLR, Mega Millions, Merry Moolah scratch-offs and second chance promotion, and recent winners.

(2) Notified winners regarding their second-chance and points for prizes drawings.

(3) Wrote, designed and distributed the November/December 2014 Retailer Report.

(4) Answered more than 300 inquiries from Lottery players sent to Communications' public affairs e-mail.

(5) 14 Lottery-related articles and 42 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.

(6) Interviewed winners and wrote 26 news releases that were posted on the Lottery website and/or sent to the media.

(7) Carole Everett was featured in September's "Lottery Update" segment on WBAL TV-11 on 9/27.

(8) Promoted the Maryland Lottery's Lottery Voluntary Exclusion Program.

(9) Incorporated 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 new My Lottery Rewards program via tablets and the new mobile app at events.
- (3) Will prepare for and promote the new MONOPOLY Millionaires' Club.