

Maryland Lottery and Gaming Control Agency

Martin O'Malley, Governor • Stephen Martino, 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
Stephen Martino, Director

FROM: John Martin, Assistant Director for Lottery

DIVISIONS: Product Development, Creative Services, Sales and Communications

DATE: October 15, 2014

SUBJECT: Report for the October 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 will continue through 11/9.
- (3) Keno Multi-State Progressive Jackpot: The RFP for this add-on feature was released on 9/17. Questions have been submitted by prospective bidders – group will hold conference call to discuss and craft responses 10/14, with answers due 10/15. Proposals are due 11/17.

ii) Upcoming tasks for this period:

- (1) Keno Multi-state Progressive Jackpot: Next steps: Distribute responses to questions submitted by prospective bidders; Wait for proposals – due 11/17.
- (2) MONOPOLY Millionaires' Club goes on sale 10/19. This brand new National Lottery game will have 23 jurisdictions participating at launch – tickets go on sale 10/19 and the first drawing will be held 10/24. The game offers players 3 ways to win – there is a top prize drawing held every Friday at 11:15pm. If the top prize is won, a secondary drawing will be held awarding many Millionaire club prizes. The third way to win is by entering web codes found on every MONOPOLY Millionaires' Club ticket into playmmc.com or My Lottery Rewards to collect property sets and enter for a chance to be flown to Las Vegas to participate on the MONOPOLY Millionaires' Club game show, hosted by Billy Gardell; Continue educating retailers on the new product and make sure supplies are available and ready to go for the game launch.
- (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) September ticket launches (9/22): \$1 *Deuce's Wild*, \$3 *Triple Tripler*, \$5 *Fabulous 5s Doubler*.
- (2) October ticket launches (10/13): \$1 *Holiday Doubler*, \$2 *Jolly Reindeer Winnings*, \$3 *Bingo #176*, \$5 *Nutcracker Cash Doubler*, \$10 *Winter Cash Tripler*.
- (3) Holiday Campaign: Five holiday themed instant tickets launched on 10/13, at the \$1, \$2, \$3, \$5 and \$10 price points. 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. Drawings were strategically planned throughout the pre-holiday and holiday season to encourage early purchase of holiday games. Five prizes of \$10,000 will be awarded each drawing – the grand prize drawing will have an additional prize of \$50,000. Drawing dates are as follows: 11/3/14; 11/24/14; 12/22/14; 1/23/15. Another recommended tactic to highlight the holiday games will be brought into retail this year: the Tower of Power. The Tower of Power is a quad dispenser encased in a neon 'afterglow' product. The Tower is meant to be set-up outside of traditional dispenser configurations to attract attention from non-players, infrequent players and core players alike.
- (4) Ravens Cash Fantasy: After 11 weeks in market, this year's scratch-off is 41% sold and is outperforming our last \$5 Ravens game (Game # 946 from 2012) by 12%. The second second-chance drawing was held 9/22: over 130,000 entries were received.
- (5) Orioles: After only 29 weeks on the market, this \$5 scratch-off is 93.4% sold.

ii) Upcoming tasks for this period:

- (1) November ticket launches (11/24): \$1 *Double Blackjack*, \$5 *You Win*, \$20 *Black*.
- (2) Ravens Cash Fantasy: The third second-chance drawing will be held 10/20 – 175,971 entries have been received to date; continue pushing ticket distribution and sales statewide, and promoting the second-chance contest, focusing on upcoming drawing deadlines.
- (3) 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) The Walking Dead
 - (a) Season 5 of The Walking Dead began on October 12, 2014. The Lottery's television buy, which runs on AMC during The Walking Dead programming and other similar type cable and network programs, began running on September 29th and will continue through November 23rd.
- (2) Holiday Scratch
 - (a) All Holiday POS was delivered in September and was distributed to retailers in time for the October 13th launch of the Holiday scratch-offs.
 - (b) The Lottery's creative agency presented radio and outdoor creative. The Lottery approved the radio creative and is the process of working with the agency to fine tune the outdoor creative.

(3) MONOPOLY Millionaires' Club

- (a) The Lottery approved the MMC media plan and its media agency has negotiated/executed all aspects of the plan. The majority of the coverage will be provided to the Baltimore and Salisbury markets with secondary coverage in Prince Georges and Montgomery counties. Media coverage includes:
- (i) :30 Network Television in Baltimore and Salisbury 10/20 – 11/23. :30 Cable Television in the Baltimore market and in Prince Georges, Montgomery and Charles counties. Select NFL games were purchased in Baltimore from 10/20 – 11/30.
 - (ii) :30 Radio will run in Baltimore, Salisbury, Hagerstown and Frederick from 10/20 – 11/16.
 - (iii) Digital media will run statewide from 10/20 – 12/1.
 - (iv) Digital Outdoor will run in Baltimore the week of 10/20. 30-Sheet Posters in Baltimore and Metro Two-Sheet Posters and Dioramas will run in Prince Georges and Montgomery counties from 10/27 - 11/23.
- (b) The Lottery has received all television and radio spots from MDI along with the digital and outdoor creative. Additionally, the Lottery is producing a :30 radio spot that will run at launch.

(4) Baltimore Orioles, Post-Season

- (a) Through the Baltimore Orioles, the Lottery sponsored the Baltimore Orioles ALDS and ALCS series and has agreed to a World Series package. The ALDS package included logo placement on the rally towel, in-stadium signage, radio and tickets. The ALCS and World Series packages include radio, in-stadium signage and tickets; the cost for any game not played by the Orioles will be refunded to the Lottery.
- (b) Through Fox (WBFF-TV), the Lottery's media agency negotiated a World Series television package. The package includes one (1) :30 spot in games 1-4 of the series. The Lottery will use this high-profile opportunity to promote the new Monopoly Millionaires' Club.

ii) Upcoming tasks for this period:

(1) Holiday Scratch

- (a) The Lottery's media agency is moving forward with executing and negotiating the approved media plan:
- (i) Statewide :30 Radio will run 11/24 – 12/21; Pandora Digital Radio will run 11/24 – 12/21.
 - (ii) In-mall advertising at Arundel Mills Mall will run 11/24 – 12/21.
 - (iii) Gas Station media will run late November through late January. The gas station vendor, All Over Media, is working to finalize the list of Lottery retailers who will participate in the campaign. Additionally, Wawa has agreed to run the Lottery's holiday scratch pump topper creative at each of its retailers at no cost to the Lottery.
- (b) The Lottery's creative agency will finalize the in-mall and gas station creative and set a date to record the :30 radio spot.

(2) MONOPOLY Millionaires' Club

- (a) The Lottery and its agencies will work to develop a winner awareness plan so the Lottery can be ready to promote a top prize or million dollar winner. The plan is likely to include live read radio, digital outdoor and internal assets.

b) Web/Digital/New Media

i) Key accomplishments last period:

- (1) Launched internal assets for MONOPOLY Millionaires' Club including:
 - (a) How To Play
 - (b) Winning Numbers
 - (c) Game Payout Structure
 - (d) Rules
 - (e) Back-end website updates
- (2) Launched new drop down marketing area on mdlottery.com to promote products and promotions.
- (3) Selected Hello World as the vendor of choice to re-develop web and mobile applications for Keno and Racetrax
- (4) Launched [social media campaign](#) to promote The Walking Dead scratch-off. Players follow along with a countdown to the premier of the show on October 12th and have the opportunity to enter to win scratch-offs.
- (5) Launched the Merry Moolah Second Chance campaign page to promote the holiday promotion. The page can be viewed at [holiday.mdlottery.com](#).

ii) Upcoming tasks for this period:

- (1) Mobile App Update for MONOPOLY Millionaires' Club
- (2) Work with Keno/Racetrax partner to begin redeveloping web and mobile applications
- (3) My Lottery Rewards planning calendar

c) Merchandising

i) Key accomplishments last period:

- (1) The SalesMaker 2014 program continues to grow as 34 makeovers have now been completed in Region 2. The SM task force will begin sell-ins for Region 4 on October 20th and is slated to finish by October 30th. The target for Region 4 is to complete 19 retail makeovers, all of which will be refreshed locations from 2012.
- (2) DC Media SalesMaker installations slated to begin the week of October 13th. This effort will include 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.
- (3) Currently supporting the Holiday Family of Games launch. Merchandising is working with Sales and Product Development to install neon towers that are outfitted with Schafer dispenser panels. Currently, 9 retail locations in each territory 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
- (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.

ii) Upcoming tasks for this period:

- (1) Complete Region 4 SalesMaker installations. Meetings have been held with Region 4 and Task Force teams to determine optimal candidates and execution.

- (2) Start process of identifying 2014 DC Media installation candidates for Regions 2 and 4 once makeovers are complete. Process is ongoing until all regions have completed the makeover installations.
- (3) 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.
- (4) Jackpot sign performance to be fully evaluated to keep ongoing optimization plan on schedule.
- (5) Continue to identify new types of POS for use by entire retailer network.

d) Research

i) Key accomplishments for last period

- (1) Delivered Maryland Gaming and Lottery Play survey results to James Butler as required by law.
- (2) Compiled key MFR performance metrics and delivered to CFO for inclusion in Lottery's FY 2016 budget submission.

ii) Upcoming tasks for this period

- (1) Participate in focus group development to solicit feedback on several potential scratch concepts.
- (2) Assist in summarizing relevant findings from 2014 Employee Survey for dissemination and discussion to larger employee groups.

3) Sales

A. Key accomplishments last period:

a. Field Sales

- i. Primary focus was the progressive retailer network training for the MONOPOLY Millionaires' Club game. All sales regions also attended training facilitated by Dana Washington, our Sales Training Manager.
- ii. Sales began communicating and educating the retailer network on the launch of the holiday games, a six-week retailer bonus program, and the sell-in of the "After Glow" neon ticket dispensers that will be utilized for merchandising a "family" of instant scratch-off tickets.
- iii. Charles Johnson (17) has accepted reassignment to territory 14.
- iv. The sales department continues to perform at less than 100% coverage due to two district managers out on extended medical leave.
- v. Sales supported five Lottery events during September.
- vi. The district managers supported an ambassador training program at each of the Wawa installations, during September.
- vii. Two Sales Managers, Pat Regalbuto and Tyrone Williams attended the NASPL annual conference in Atlantic City.

b. Corporate Accounts

- i. All Wawa installations were completed with minimal issues.
- ii. Preliminary preparation being made for the Safeway December 2014 change of ownership
- iii. Training of Corporate Account Manager, Zina Howard was completed.
- iv. Lower Powerball jackpots this year continue to negatively impact Draw/Jackpot sales. Current year September Powerball sales were \$7.75

million compared to \$12.86 million last year. A difference of \$5.11 million which equates to a sales drop of 40%.

	Draw/JP	Instant	Total
State	-9.07%	13.88%	-3.10%
Independent	-7.80%	12.80%	-3.12%
Corporate	-15.02%	16.38%	-3.03%

- c. ITLM Program:
 - i. The first 100 ITLM units were installed with combined cumulative sales of \$1.8 million.
 - ii. Sales continued with the recruitment process of the VSO organizations and preparing for phase II of the installation process.
- d. SalesMaker Program
 - i. Region 2 participated in the SalesMaker program 2014 version.
 - ii. SalesMaker teams completed the makeovers in region 2 with district managers by revisiting existing program participants and refreshing their merchandising makeovers where appropriate while selectively adding new locations.

B. Upcoming tasks for this period:

- a. Sales management is working with Human Resources to recruit and fill open territories within the organization which includes two permanent and one contractual District Manager positions.
- b. Field Activities:
 - i. Continue training of MMC to ensure a successful launch.
 - ii. Ensure the proper setup of the After-Glow dispensers for the sale of the holiday games.
 - iii. 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.
 - iv. Identify retailer locations to conduct Retailer Parties to promote Lottery sales during the month of October and November.
 - v. Continue identifying retailer locations that would benefit from replacing original monitors with new flat screen monitors for Keno and/or Racetrax.
- c. ITLM Program:
 - i. Planning for additional 60 ITLMs to be installed over the three-month period of October–December.
- d. Corporate Sales:
 - i. Wawa Launch: 49 locations in September. Lottery and SGI Marketing staff to conduct an ambassador program where each location will be visited weekly to support and educate Wawa employees and Lottery customers on the Play Central Terminal (PCT) self-service vending machine.
- e. Events:
 - i. Endless Cruisin’- OC 10/10th – 11th
 - ii. A Purple Evening – 10/13
 - iii. Ravens home games
 - iv. 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 Maryland Wine Festival in Westminster on 9/20-21, MPT Motor Week Carnival in Adamstown and 98 Rock Shindig in Baltimore on 9/27, Ravens vs. Panthers on 9/28, Terps vs. Ohio State in College Park on 10/4, Endless Cruisin' in Ocean City on 10/10-12, Ravens Purple Evening on 10/13, and Ravens vs. Falcons on 10/19. Conducted a live remote drawing at the Ravens Purple Evening on 10/13.
- (2) Organized a MONOPOLY Millionaires' Club running team for the Baltimore Running Fest on 10/19 in Baltimore.

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

- (1) Will launch new series of retailer parties highlighting Lottery products and promotions.
- (2) Staff a booth, promote and sell products at the Wawa Grand Opening on 10/31 in Baltimore, Across the Bay 10k on 11/8 in Annapolis, Ravens vs. Titans on 11/9 in Baltimore, Across the Bay Run on 11/19 on the Eastern Shore and at the Ravens vs. Chargers game on 11/19 in Baltimore.

b) Casino program

i) **Key accomplishments last period:**

- (1) Released September 2014 casino revenue numbers on 10/5. 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 September 2014 casino and lottery revenue numbers.
- (4) Prepared talking points detailing Maryland's casino program.

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

- (1) Generate an annual fiscal year report and communications plan on Lottery and casino facilities.
- (2) Prepare a dashboard detailing October 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 prizes for the Ravens Cash Fantasy promotion.
- (3) Answered more than 300 inquiries from Lottery players sent to Communications' public affairs e-mail.

- (4) 10 Lottery-related articles and 50 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
- (5) Interviewed winners and wrote 30 news releases that were posted on the Lottery website and/or sent to the media.
- (6) Erica Palmisano was featured in September's "Lottery Update" segment on WBAL TV-11 on 9/27.
- (7) Promoted the Maryland Lottery's Lottery Voluntary Exclusion Program.
- (8) Incorporated winner awareness campaign, highlighting the wins of event attendees on Facebook, Twitter and Instagram.
- (9) Wrote, taped, edited and recorded Lottery Minute Radio for WNAV.
- (10) Distributed MONOPOLY Millionaires' Club press kits to identified regional media outlets.
- (11) Organized a MONOPOLY Millionaires' Club media tour with the Mr. MONOPOLY costume to support the game's launch.

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 November/December 2014 Retailer Report for distribution.
- (4) Will prepare for and promote the new MONOPOLY Millionaires' Club.

d) Internal communications

i) Key accomplishments last period:

- (1) Wrote and taped the agency-wide on-hold message for month of October.
- (2) Posted the agency current events board.
- (3) Distributed the agency-wide September/October Gazette newsletter.

ii) Upcoming tasks for this period:

- (1) Update the agency current events board.
- (2) Write and tape the agency-wide on-hold message for the month of November.
- (3) Begin writing and editing of the Winter Gazette.