

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Maryland Lottery and Gaming Control Commission
Gordon Medenica, Director

FROM: John Martin, Assistant Director for Lottery

DIVISIONS: Product Development, Creative Services, Sales and Communications

DATE: October 9, 2015

SUBJECT: Report for the October 2015 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) Current game promotions:

- (a) Powerball Game Changes: A matrix change went into effect Sunday, 10/4/15 with the first drawing taking place on 10/7/15. The matrix was changed to 5/69 and 1/26 from 5/59 and 1/35, resulting in longer odds to win the jackpot, but better overall chances to win a prize.

ii) Upcoming tasks for this period:

(1) Upcoming game changes or promotions:

- (a) Pick 3 Doubler: This promotion will begin on 10/12 and continue through 11/8. During the promotion, players could receive a Doubler message and any prizes won on that ticket would be doubled. This promotion has run before, however, this is the first time all Pick 3 purchases of \$1 or more are eligible.
- (b) Bonus Match 5 Doubler: Also scheduled to begin 10/12, this promotion will run for 5 weeks and end 11/15. During the promotion, players could receive a Doubler message, just by playing Bonus Match 5. The Lottery will also pay taxes on top prizes won during the promotion.

b) Instant ticket products and promotions

i) Key accomplishments last period:

- (1) September instant ticket launches (9/21/15): \$1 *Lots of Loot*; \$5 *Wizard of Oz*; \$5 *Bingo Multiplier*; \$10 *Gold Hard Cash*.
- (2) \$5 *Ravens*: After 10 weeks in market, \$5 *Ravens* is already 38% sold and is tracking on pace with the last two Ravens game launches. The second drawing was held 9/21/15; 79,873 entries were received.
- (3) \$2 *Betty Boop*: After 10 weeks in market, \$2 *Betty Boop* is 31.9% sold.
- (4) \$5 *Harley-Davidson®*: After 28 weeks in market, this game is 67.5% sold.

ii) Upcoming tasks for this period:

- (1) October [Holiday] instant ticket launches (10/26/15): \$1 *Penguin Doubler*; \$2 *Cookies and Cash*; \$3 *Tic Tac Dough*; \$5 *Holiday Lucky Times 10*; \$10 *Let It Snow Tripler*.
- (2) Holiday second-chance promotion: After the holiday tickets launch, players will be able to enter \$10 worth of non-winning holiday tickets into My Lottery Rewards for one entry into the holiday second-chance contest. 192 Prizes will be awarded, including cash prizes (\$1,000 x 160; \$5,000 x 20; \$10,000 x 4) and trips to the Warehouse Dash (players will receive a trip to Chicago, each winner and a guest will have 90 seconds to race through the warehouse grabbing as much merchandise as they can. Winners get to keep everything they are able to grab during their dash). Four drawings will take place, 11/9/15, 11/30/15, 12/21/15 and 1/18/16; entries will not be cumulative.
- (3) \$5 *Ravens*: Continue to promote sales of the \$5 instant ticket and engagement with the second-chance contest. The third drawing will be held 10/19/15; as of 10/5/15, 38,361 entries have been received.
- (4) \$5 *Harley-Davidson®*: Continue promoting sales of the instant ticket and engagement with the second-chance contest. The second drawing date has been determined: 12/7/15. As of 10/5/15, there have been 111,766 entries submitted.

2) Creative Services

a) Traditional Advertising

i) Key accomplishments last period:

- (1) Holiday: The Lottery's Holiday advertising plan has been finalized and includes two phases.
 - (a) Phase 1 – The Warehouse Dash second-chance contest will be supported with a 3-week statewide advertising flight (10/26 – 11/15). In addition, Facebook advertising will run from 10/26 - 12/20.
 - (b) Phase 2 – The Lottery will position the Holiday scratch-offs as a good holiday gift option. In addition, to the gift giving message, some of the Lottery's Radio advertising during this phase will also promote the second-chance contest.
 - (i) A 4-week flight of Television will run from 11/27 – 12/20.
 - (ii) A 3-week flight of Radio will run from 11/30 – 12/20. Pandora Radio is scheduled for 4-weeks and will run from 11/23 – 12/20.
 - (iii) Digital Outdoor is scheduled to run in the Baltimore market for 3-weeks, 11/30 – 12/20.

- (2) Cash4Life: Several planning discussions have occurred between the Creative Services staff and the Lottery's agencies to establish strategies, target audiences, and timing for this new game launch.
- (3) Powerball – Jackpot Support: The Lottery heavily promoted the most recent Powerball jackpot run. Radio and Digital Outdoor ran from 9/11 – 9/30 and Television aired from 9/29 – 9/30.
- (4) Pick 3 WInTer CASH promotion: The Lottery finalized point-of-sale to support the upcoming WInTer CASH promotion at retail.
- (5) Washington Redskins: The Lottery finalized all Radio, In-Stadium, and Digital assets with the team. The sponsorship will continue to run through the end of the season.

ii) Upcoming tasks for this period:

- (1) Holiday:
 - (a) All Radio and Television buys need to be finalized and placed with the stations.
 - (b) All Radio scripts need to be finalized and produced.
 - (c) The Holiday Television spot will be shot at the end of October with production wrapping up in November.
- (2) Cash4Life:
 - (a) The Lottery is developing its advertising plan to launch Cash4Life. The plan will occur in three phases: pre-launch, launch, and sustaining/promotional window.
 - (b) The Lottery is working with its creative agency to identify and create all point-of-sale and retailer education materials.
- (3) Washington Redskins: The Lottery is working with the Washington Redskins to finalize its 2015 sponsorship contract.
- (4) Orioles: The Lottery is meeting with the Orioles on 10/8 to recap the 2015 sponsorship and to begin discussing the 2016 sponsorship. The Lottery will hold a similar meeting with MASN in late October.
- (5) My Lottery Rewards:
 - (a) The Lottery is working with SGI to implement mobile tracking on the My Lottery Rewards mobile app. Once the tracking is in place, the Lottery will move forward with a mobile advertising campaign to promote the app and encourage downloads.
- (6) University Sponsorships: The Lottery is working with The University of Maryland and Towson University to finalize all basketball sponsorship elements.

b) Merchandising

i) Key accomplishments last period:

- (1) Inventory management ongoing after warehouse assets and reorder points established. Warehouse inventory is monitored weekly and orders are placed accordingly to keep items in stock.
- (2) Final meetings held regarding the transfer of various responsibilities relating to self-service vending machines from Sales to Merchandising. Brief weekly meetings are scheduled to track machine movement and ensure contract terms are met. For September, there were 19 requests for ITVMs and 7 requests for PATs.

- (3) Continued implementation of SalesMaker 2015 in Region 4. Weekly reports sent to Senior Management with Region 4 meeting its projected completion date of late September. Region 3 sell-ins began late September.
- (4) Additional "After Glow" components were ordered and delivered as Merchandising worked with Sales to develop a distribution plan for these units in advance of the launch of the Holiday Family of Games.

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

- (1) Continue implementation of SalesMaker 2015 plan. Prepare for activity in Region 1, which is slated to start late October. This will be the last region to receive sell-ins and makeovers for 2015.
- (2) Begin identifying underperforming retail locations within the SalesMaker network for Senior Merchandising Coordinator visits.
- (3) Continue development of a transparent tracking system for all self-service vending machines activity. The goal is to effectively provide details of machine movement; i.e., date of requested movement, confirmation of movement, etc. Given the variety of requests, additional time and communication is needed between Merchandising and Sales.
- (4) Continue to support the Sales Department efforts with "After Glow" dispenser units. Merchandising working with Sales to identify current retailers with the display (via OnePlace) and track new units installed. Merchandising will identify prime locations within the SalesMaker network for potential placement of incremental units. Additionally, continue to work with Sales regarding future family of games initiatives such as Gold Rush and MONOPOLY.

c) **Web/Digital/New Media**

i) **Key accomplishments last period:**

- (1) Updated mdlottery.com and core mobile app to accommodate Powerball changes.
- (2) Kicked off mdlottery.com website redesign plans.
- (3) Planned update to the Keno mobile app (including Racetrax results and related features) on 10/19. Specifically, the Keno app will include Racetrax results, handicaps, How to Play section, payouts and promotions.
- (4) Implementation of Software Development Kit (SDK) code into My Lottery Rewards app to enable tracking of mobile advertising campaigns.
- (5) Completed development of Holiday "Warehouse Dash" landing page.
- (6) Launched Dooney & Bourke Purse Giveaway "Points for drawings" promotion through My Lottery Rewards.

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

- (1) Launch My Lottery Rewards mobile download campaign.
- (2) Launch EngageSciences social media marketing promotion on Facebook.
- (3) Launch Holiday landing page and digital assets.
- (4) Start Phase One of mdlottery.com website redesign.

d) **Research**

i) **Key Accomplishments last period:**

- (1) Finalized questionnaire and began fielding Player Tracking Study, designed to help in rebranding efforts.

(2) Complied player and retailer satisfaction benchmarks as well as general incidence level in support of Lottery's FY 2017 budget submission.

ii) Upcoming tasks for this period:

(1) Work with the Key Group to analyze and distribute key findings from Player Tracking Study.

(2) Review FY 2016 research plan with the Key Group and adjust to accommodate any unforeseen research needs.

3) Sales

i. Key accomplishments last period:

a. Field Sales

- i. Supported the launch of five new scratch-off games and instructed the retailers on the upcoming changes to the Powerball game.
- ii. Continued with the field initiatives to address the bottom 10 low sellers for sales improvement.
- iii. Continued to support the RAB by inviting retailers to attend.
- iv. Sales supported five selling events in September which includes one Ravens game and two Winner Wednesday events.
- v. One district manager and one corporate manager are on extended leave. Coverage of this western territory is being handled by other district managers (DM).
- vi. Continued phase II of afterglow installations at retailer locations. Working to install 200 additional units.
- vii. The sales team is continuing to utilize their OnePlace tablets to identify their ITVM, PAT or PCT units as well as the afterglow units installed at their respective retailer locations using the TAG feature.

b. Sales Management

- i. The September monthly sales meeting was held on September 17.
- ii. Submitted a retailer Bonus plan to help stimulate sales for the Holiday Game tickets.
- iii. Continue to work with Tel Sell on inventory reduction at retailer locations.
- iv. Work with senior management to submit an increased promotional spending budget for FY'17.
- v. Will work with Facility Management to improve mileage usage of underutilized vehicles.
- vi. Met with internal management and SGI to discuss messaging on LIM for the Wawa increased awareness program.
- vii. Met with our legal department and Baltimore's Mayor's office on ADA compliance.
- viii. Continue working with HR to fill all open positions of one regional manager and three DM positions. Each open position was posted during the month.

c. Training

- i. Continue training on OnePlace features.
 1. Developed IBook on How to retrieve the Last Game Activation Report and trained DMs on How to retrieve the Last Game Activation Report
 2. Trained DMs on How to use the My Lottery Rewards app.

- ii. The trainer continues to conduct ride-alongs with the district managers to help improve their selling and customer service skill while developing a Standard Call Visit procedure.
- d. Corporate Accounts
 - i. Work with Corporate Managers to identify and relocate PATs from low selling Rite Aid locations.
 - ii. Working with SGI to conduct a sales improvement test at the Wawa locations by using the PCT display screens. Also utilizing an ambassador program to explain units to Wawa customers.
 - iii. Each Corporate manager made a presentation to the sales management team on the State of their Accounts and their plan for growing sales at corporate accounts.
 - iv. Sale Comparison
 - 1. September sales were up over last year in all games with the exception of Mega Millions and 5 Card Cash.
 - 2. Keno and Powerball led the Draw /Jackpot category which saw a sales increase of \$7.8 Million over 2014.
 - 3. Instant Tickets continue to show double digit percentage increases with September sales up \$5.7 Million, a 13.8 percent increase.
 - 4. Increasing Powerball jackpots throughout the month resulted in a 37% increase over the previous year in corporate stores.

	<u>Draw/JP</u>	<u>Instant</u>	<u>Total</u>
State	8.30%	13.75%	9.96%
Independent	8.10%	13.43%	9.51%
Corporate	9.39%	14.48%	11.77%

- e. ITLM Program
 - i. Continuation of recruitment and adding traditional lottery strategies.
 - ii. Work with Diamond Games to address low volume sellers by conducting promotions.
 - iii. As of 10/7/15 there are 242 ITLMs in 58 unique veterans' posts that are currently operational.
 - 1. The current county breakdown for ITLM retailers:

County	# of Veteran Posts
Allegany	5
Anne Arundel	5
Baltimore	12
Carroll	4
Charles	2
Frederick	3
Garrett	2
Harford	6
Howard	1
Montgomery	4
Prince George's	9
Washington	5

ii. Upcoming tasks for this period:

- a. Field Sales
 - i. Support the launch of the Holiday Game scratch-offs.
 - ii. The DMs will be utilizing OnePlace to account for scratch-off facings in the field.
 - iii. Implement the Holiday Games retailer Bonus plan.
 - iv. Continue to grow the selling network to meet goal of 500 new retailers.
- b. Sales Management
 - i. The next Sales Meeting will be conducted on October 21, 2015.
 - ii. Developed the Holiday Tel Sell scratch-off ticket distribution schedule.
 - iii. Develop launch plan for the new Cash 4 Life game that is coming in January 2016.
 - iv. Continuation and reviews of the Sales Improvement plans for each territory.
 - v. Work with HR to fill open positions of 3 DMs and one Regional Manager.
- c. Corporate
 - i. Managing Csh4Life in-store merchandising strategies.
- d. Training
 - i. Continue with OnePlace training, develop a standard call cycle visit procedure and create a new hire training presentation.
- e. ITLM
 - i. Continuing of recruiting.
- f. Events
 - i. Support Communication with six selling event during October which include one Ravens game and the Ocean City Cruisin' event.

4) Communications

a) Events

i) Key accomplishments last period:

- (1) Held two "Winner Wednesday" events at Maryland Lottery retailers. Met with players and talked about Lottery products/promotions at Buddy's Liquors in Indian Head on 9/23 and Pikesville Chevron on 9/30.
- (2) Set up a booth and promoted Lottery games and promotions at the following sporting events: Ravens vs. Bengals game in Baltimore on 9/27; Orioles vs. Toronto game in Baltimore on 10/1; and Ravens vs. Browns game in Baltimore on 10/11.
- (3) Served as a sponsor set up a booth, sold tickets and conducted a live Pick 3/Pick 4 evening drawing on-site at the Ravens' "A Purple Evening" on 10/5 at Baltimore's M&T Bank Stadium.
- (4) Had a booth/tent and sold tickets at Ocean City's annual Endless Cruisin' event from 10/8 through 10/11.
- (5) Prepared a presentation and helped with logistics when Director Medenica hosted the Maryland House of Delegates' "Transportation and the Environment Subcommittee" here at Lottery headquarters.

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

- (1) Will have a booth at the Maryland Terps vs. Penn State game on 10/24; Ravens vs. Chargers game on 11/1; Across the Bay 10K on 11/7; Ravens vs. Jaguars on 11/15; and Ravens vs. Rams on 11/22.

b) **Casino program**

i) **Key accomplishments last period:**

- (1) Released August 2015 casino revenue numbers on 10/6. The numbers included financials from both slot machines and live table games.
- (2) Prepared and designed the monthly Commission dashboard containing September casino and lottery financial and employment information.

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

- (1) Prepare dashboard detailing October 2015 casino and lottery revenue numbers. Release casino numbers on 11/5.

c) **Media relations**

i) **Key accomplishments last period:**

- (1) Interviews: Director Medenica was interviewed on WJZ-TV and Carole Everett interviewed live on DC's WMAL-FM about the September casino numbers on 10/6.
- (2) Conducted a live Pick 3/Pick 4 drawing on WBAL-TV on 10/5 at M&T Bank Stadium.
- (3) Doug Lloyd of Communications was interviewed live on WBAL-AM from the Ravens games on 9/27 and 10/11.
- (4) Answered four Public Information Act requests regarding lottery winners and retailer sales figures.
- (5) Continued to write copy for the Retailer Report and began planning for the return of Retailer Report in a print format rather than digital-only. Content is posted twice a week on mdlottery.com's Retailer Corner.
- (6) Wrote copy for ML&G's bimonthly internal newsletter, The Gazette.
- (7) Answered more than 300 e-mail inquiries from Lottery players sent to the Communications Division's public affairs address.
- (8) 68 Maryland lottery and casino-related articles were printed in local and regional papers and on news/blog websites, including the Baltimore Sun, Washington Post, Baltimore Business Journal, the Daily Record and more.
- (9) Interviewed winners and wrote 33 news releases that were posted on the Lottery website and/or sent to the media.
- (10) Carole Everett was featured in September's "Lottery Update" segment on WBAL TV-11 on 9/26.
- (11) Continued work on the winner awareness campaign, highlighting the wins of event attendees on Facebook, Twitter and Instagram.
- (12) Finished adding copy to the Maryland Lottery & Gaming Media Center website aimed at providing members of the press with a one-stop shop for quick access to general information about the agency. The site should go live soon.

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 at events.
- (3) Roz Lane will be featured in September's Lottery Update segment on WBAL-TV 11 on 10/31.
- (4) Will begin to write and design the new print version of the quarterly Retailer Report. While the report was online-only for several months, lottery retailers expressed an interest in having a printed copy at their stores.