

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: September 16, 2014

SUBJECT: Report for the September 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) Racetrax \$6 for \$5 promotion ended 8/18.
- (2) Keno Multi-State Progressive Jackpot: The RFP for this add-on feature has been completed and approved by all parties – MUSL plans to release RFP on 9/17, with proposals due 11/17. A draft of game rules has also been created and is currently being reviewed.
- (3) The 'Last 20' race recap screen was recreated and added back into the Racetrax game display. When graphics were upgraded, this screen was removed, and in response to players continually asking for this screen to return, it has been added back into the rotation.

ii) Upcoming tasks for this period:

- (1) Keno Multi-state Progressive Jackpot: Next steps: Issue RFP and observe response schedule.
- (2) Upcoming game promotions:
 - (a) Bonus Match 5 Doubler, Taxes Paid: 10/13 – 11/16/14 (5 weeks).
 - (b) Pick 3 Double Pay on Box Play: 10/13 – 11/9/14 (4 weeks).

b) Instant ticket products and promotions

i) Key accomplishments last period:

- (1) August ticket launches (8/25): \$1 *Quick Cash*, \$2 *The Walking Dead*, \$5 *Get Lucky!*, \$10 *Emerald Riches*.
- (2) Ravens Cash Fantasy: After 7 weeks in market, this year's scratch-off already 26% sold and is outperforming our last \$5 Ravens game (Game # 946 from 2012) by 18%. The prize structure strategy is paying off; to date, over \$3 million in instant cash prizes have already been awarded. The first second-chance drawing was held 8/26: 57,129 entries were received.

(3) Bonus Crossword: The \$3 extended play scratch-off, Bonus Crossword, launched in May, is well on its way to achieving objectives set out for the product, including increased engagement with younger player demographics through mobile. The game is holding the interest of the target younger demographic, which still comprises approximately 36% of players. Comparing to successful programs in other states, in Maryland, 44% of paid games are played on mobile devices, compared to 21% in Michigan. It's clear those playing see the value: 64% of coupons and rewards points have been redeemed.

(4) Orioles: After 25 weeks on the market, this \$5 scratch-off is 86.6% sold. The final second-chance drawing was held 9/1: 418,506 entries were received.

ii) Upcoming tasks for this period:

(1) September ticket launches (9/22): \$1 *Deuce's Wild*, \$3 *Triple Tripler*, \$5 *Fabulous 5s Doubler*.

(2) Ravens Cash Fantasy: The second second-chance drawing will be held 9/22 – 109,876 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) Orioles: Continue promoting sales of the instant ticket through the end of ticket inventory and the Oriole season.

(4) Bonus Crossword: Continue promoting sales of the instant ticket and engagement with the interactive mobile app.

2) Creative Services

a) Web/Digital/New Media

i) Key accomplishments last period:

(1) My Lottery Rewards Player Loyalty Program

(a) Current registered members stand at more than 100,000 players.

(2) Launched several on-going initiatives through My Lottery Rewards including:

(a) Ravens Cash Fantasy Second Chance

(b) Home Theater Package

(c) Redskins Tickets Packages

(d) Points Multiplier featuring Bonus Crossword and Star Spangled Cash

(3) Launched The Walking Dead website at mdlottery.com/thewalkingdead

(a) Website includes product and prize information, key drawing dates and links to television spot.

(4) Received bid to re-develop Keno and Racetrax website applications and introduce mobile apps.

ii) Upcoming tasks for this period:

(1) Continued development for MONOPOLY Millionaires' Club

(2) Media Relations website

(3) Holiday Second chance website

(4) Continue work towards selecting vendor for Keno and Racetrax website applications and introduction of mobile apps

b) Merchandising

i) Key accomplishments last period:

- (1) The SalesMaker 2014 program continues to grow as 37 makeovers have now been completed in Region 3. The SM task force began sell-ins for Region 2 on September 2nd and is slated to finish by October 3rd. The target for Region 2 is to complete 35 retail makeovers.
- (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 Wawa implementation by managing custom POS installation process through DC Media. Schedule developed in advance of September 2nd launch date and Merchandising working with GKV and SGI to coordinate installations efficiently.
- (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 2 SalesMaker installations while also begin building Region 4 schedule. Meetings to be 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 (4) 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.

c) Research

i) Key Accomplishments for this period:

- (1) Delivered Employee survey results summary presentation to executive management.
- (2) Completed data collection for Legislative mandated casino spending and player demographic report

ii) Upcoming tasks for this period:

- 1) Schedule a meeting to discuss employee survey results with Key Group and executive management and clarify analysis.
- 2) Prepare report to address Legislative request for broad information about casino and Lottery spending, as well as player counties of residence.
- 3) With Key Group, prepare MFR measures to accompany FY 16 budget submission.

d) Traditional Advertising

i) Key accomplishments last period:

- (1) Ravens Cash Fantasy & Ravens Team Sponsorship
 - (a) All creative elements were completed, these include:
 - (i) All in-stadium assets, including signage, LEDs, Smartvision, etc.
 - (ii) Five (5) :15 television spots, highlighting both the instant and second-chance prizes. One of the :15 spots promotes the monthly drawing deadline and will run prior to each deadline.
 - (iii) Four (4) :30 Radio Spots
 - (iv) Digital Web Banners
 - (v) Print Ads
 - (b) The media plan kicked-off on 9/1/14 and will run for 6-7 weeks and includes:
 - (i) Network and Cable TV in Baltimore from 9/1 – 9/21 and 9/29-10/19. Select NFL and Ravens games were purchased from 9/1 – 10/19.
 - (ii) Radio will run in Baltimore and Salisbury from 9/1 – 9/21 and 9/29 – 10/19. Pandora Radio was also purchased to reach the Sports Fan and will run during the same time.
 - (iii) Digital was purchased to cover the Ravens geography in Maryland and will include coverage on desktop, mobile and tablet; digital media was purchased for 7-weeks and will run from 9/1 – 10/19.
- (2) The Walking Dead
 - (a) The Hoosier Lottery's The Walking Dead spot was updated to include the Maryland Lottery's ticket art and logo. The spot has been approved by MDI and AMC.
 - (b) A targeted media plan to reach The Walking Dead fan was approved and purchased. The plan consists of a highly targeted TV buy that will run on AMC during The Walking Dead programming and other similar type programming on cable and network television. The buy is scheduled to run 9/29 – 11/23. In addition to television, the Lottery will also run a digital takeover on Xfinity's homepage the Friday before The Walking Dead series begins.
- (3) Holiday Scratch
 - (a) The Lottery approved a media plan to support the Lottery's 2014 Holiday scratch-offs and second-chance contest. The media will run from 11/24 – 12/21 and includes statewide :30 Radio, Pandora Digital Radio, Gas Station Pump Toppers and Fillboards at approximately 250 Lottery retailers, and Sky Banners, Standees, and Floor Clings at Arundel Mills.
 - (b) All point-of-sale and a retailer information sheet has been approved and are expected to deliver mid-September.
- (4) MONOPOLY Millionaires' Club
 - (a) The Lottery has been working closely with MDI and the Lottery's agencies to develop the advertising and marketing plan to launch Monopoly Millionaires' Club on Sunday, October 19, 2014. The Lottery is close to finalizing the media plan and fully expects to have a significant advertising effort in place for the launch of the game.
- (5) Washington Redskins
 - (a) The Lottery negotiated a 2014 season sponsorship with the Washington Redskins. The sponsorship includes Pre/In/Post Game Radio, select TV

programs, Web Banners, Social Media, In-Stadium LED Signage, Tower Banner on the exterior of the stadium, and Tickets.

(b) Including in the agreement, the Lottery has the opportunity to award Redskins themed prizes through a points for drawing on My Lottery Rewards.

(i) 2015 Redskins Season Tickets: 5 winners will receive two (2) lower level tickets to every home 2015 regular season Redskins game, a premium parking pass, and two (2) replica jerseys.

(ii) Trip with the Redskins to the New York Giants game on December 14, 2014: 2 winners will receive round trip train travel to New York, hotel accommodations, dinner with front office executives the night before the game, two (2) game tickets and pre-game field passes.

(6) Baltimore Orioles

(a) In anticipation of the Orioles post-season run, the Lottery has approved an American League Divisional Series package. The package includes logo placement on a rally towel that will be handed out to fans at the game, in-stadium signage, radio and tickets.

(7) University of Maryland & Towson University

(a) The Lottery's 2014-2015 season athletic sponsorships kicked-off with the start of the football season. The Lottery will continue to update print, digital and in-stadium creative elements as needed.

ii) Upcoming tasks for this period:

(1) My Lottery Rewards – Terminal Game Launch

(a) The Lottery's agencies will continue to monitor the number of sign-ups through late September and will provide a wrap-up report detailing the number of sign-ups received from each mode of advertising. These results will guide the team in making decisions for future Rewards campaigns.

(2) The Walking Dead

(a) The Lottery is working with its creative agency to finalize the Xfinity takeover creative. Once complete, the creative will be submitted to MDI and AMC for approval.

(3) Holiday Scratch

(a) A creative presentation is scheduled for Tuesday, September 16, 2014. The Lottery's creative agency will present :30 Radio, Gas Station Pump Toppers and Fillboards, and several mall advertising elements (sky banners, standees, floor clings).

(4) Monopoly Millionaires' Club

(a) The Lottery will work with its media agency to finalize the media plan that will be in place at the launch of Monopoly Millionaires' Club on Sunday, October 19, 2014. Preliminary plans include Television, Radio, Digital and Outdoor.

(b) MDI is providing a comprehensive creative campaign that will be used by lotteries launching MMC. The Lottery will receive TV and Radio spots, traditional and rich media digital units and outdoor creative. The Lottery and its creative agency are assessing all creative elements and deciding what to move forward with and where customizations may need to be made.

3) Sales

a) Key accomplishments last period:

i) Field Sales

- (1) Filled an open position (territory 29) on the eastern shore by hiring Earl Wells and also promoted Sherise Rascoe from contractual to a permanent position (territory 48).
- (2) Sales began to inform the retailer network about our new upcoming MONOPOLY Millionaires' Club product the will launch in October.
- (3) Supported nine (9) Lottery events including the 11-day run of the State Fair.
- (4) Trained the retailer network on the aspects and procedures of the launch of keyless validation.

ii) Corporate Accounts

- (1) Corporate Accounts worked diligently to ensure the successful launch of the Horseshoe Casino on August 26th. Also worked with Wawa to prepare site surveys for equipment placement within each of their store locations.
- (2) Lower Powerball jackpots this year continue to negatively impact Draw/Jackpot sales. Current year August Powerball sales were \$5.78 million compared to \$15.59 million last year. A difference of \$9.82 million which equates to a sales drop of 63%.

	Draw/JP	Instant	Total
(a) State	-8.18%	18.26%	-1.44%
(b) Independent	-6.02%	18.97%	-0.47%
(c) Corporate	-18.86%	16.65%	-5.25%

iii) ITLM Program:

- (1) Sales continued with the recruitment process of the VFW organizations.

iv) SalesMaker Program

- (1) SalesMaker teams worked with region 2 district managers during August. Revisiting existing program participants and refreshing their merchandising makeovers where appropriate while selectively adding new locations.

b) Upcoming tasks for this period:

- i) 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.

ii) Field Activities:

- (1) Sales will begin a communication and education program for 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.
- (2) Continue training retailers on the launch of MONOPOLY Millionaires' Club.
- (3) 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.
- (4) Identify retailer locations to conduct Retailer Parties to promote Lottery sales during the month of October and November.
- (5) Continue identifying retailer locations that would benefit from replacing original monitors with new flat screen monitors for Keno and/or Racetrax.

iii) ITLM Program:

(1) Planning for 160 ITLMs to be installed over the four-month period of Sept. – December. Phase one (the initial 100 units) is expected to be complete by the end of September.

iv) Corporate Sales:

(1) 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.

4) Communications

a) Events

i) **Key accomplishments last period:**

(1) Held Winner Wednesday event at Towson Center Market in Riverdale on 8/20 and Maiden Choice Liquors in Baltimore on 9/3.

(2) Conducted a live remote drawing at the State Fair on 8/22 in Timonium.

(3) Held a \$30,000 State Fair Giveaway at the State Fair on 8/31 in Timonium.

(4) Staffed a booth and promoted products at the Ravens vs. Bengals game on 9/7, Delmarva Bike Week in Salisbury on 9/11-14, Ravens vs. Steelers on 9/11, In The Street Event in Frederick on 9/13, and Zero Prostate Cancer Race in Towson on 9/14.

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

(1) Continued event winner awareness campaign, highlighting the wins of event attendees.

(2) Will staff 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 and Ravens vs. Panthers on 9/28.

(3) Hold Winner Wednesday event at Crabtowne USA in Glen Burnie on 9/17.

b) Casino program

i) **Key accomplishments last period:**

(1) Worked with local and national media covering the agency's regulatory role in respect to the opening of Horseshoe Baltimore Casino.

(2) Released August 2014 casino revenue numbers on 9/5. The numbers included financials from both slot machines and live table games.

(3) Continued to answer media inquiries about the status of Maryland's casino program, monthly revenue and the individual facilities.

(4) Prepared a dashboard for Commissioners identifying the breakdown of risks and violations at Maryland casinos.

(5) Prepared a dashboard detailing August 2014 casino and lottery revenue numbers.

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

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

c) Media relations

i) Key accomplishments last period:

- (1) Promoted My Lottery Rewards, The Walking Dead scratch-off and app, Maryland Lottery App, Ravens Cash Fantasy scratch-off and second-chance contest, Mega Millions, Racetrax betting options, Keno Sprinkler, terminal tickets eligible for My Lottery Rewards, State Fair promotion and recent winners.
- (2) Answered more than 300 inquiries from Lottery players sent to Communications' public affairs e-mail.
- (3) 12 Lottery-related articles and 46 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
- (4) Interviewed winners and wrote 34 news releases that were posted on the Lottery website and/or sent to the media.
- (5) Roslyn Lane was featured in August's "Lottery Update" segment on WBAL TV-11 on 8/30.
- (6) Incorporated winner awareness campaign, highlighting the wins of event attendees on Facebook, Twitter and Instagram.
- (7) Wrote, taped, edited and recorded Lottery Minute Radio for WNAV.

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.

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.
- (4) Distributed the agency-wide September/October Retailer Report 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 October.