

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: January 14, 2015

SUBJECT: Report for the January 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) MONOPOLY Millionaires' Club: Sales of the MONOPOLY Millionaires' Club were suspended after the drawing on 12/26/14. The lottery industry is developing plans that will determine the future of this game.
- (2) Current game promotions:
 - (a) Pick 3 Let It Snow: Began 12/15/14 and will end 1/18/15 (5 weeks).
 - (b) 'Holiday' Keno Sprinkler: Began 12/22/14 and will end 1/18/15 (4 weeks).

ii) Upcoming tasks for this period:

- (1) Keno Multi-State Progressive Jackpot: Proposals in response to the MUSL issued RFP have been received. Committee is reviewing and in the coming weeks many conference calls are set to review. Dates have been tentatively set for the vendor presentations – they will be held at the Georgia Lottery.

b) Instant ticket products and promotions

i) Key accomplishments last period:

- (1) December ticket launches (12/29): \$1 *Cloud 9*, \$2 *I Love Cash*, \$5 *Lucky 7*, \$10 *Big Play Crossword*.
- (2) Holiday Scratch-off Campaign: Although coming to an end, players can still enter any \$10 combination of eligible holiday tickets in the *Merry Moolah* second-chance contest through 1/22/15. The third *Merry Moolah* drawing was held 12/21; 87,731 entries were received.
- (3) Ravens Cash Fantasy: After 24 weeks in market, this year's scratch-off is 78% sold and is outperforming our last \$5 Ravens game (Game # 946 from 2012) by 12%. The fifth second-chance drawing was held 12/15; 290,132 entries were received.

ii) Upcoming tasks for this period:

- (1) January ticket launches (1/26/15): Monopoly Family of Games will feature a game at the \$1, \$2, \$5 and \$10 price points.
 - (a) Monopoly Family of Games: Following the Holiday games, this is the next collection of games to be featured in the Tower of Power dispensers. To recap, the Tower of Power dispensers are a way to highlight four games outside of the traditional dispenser configuration. This is a tactic to draw the attention of those that don't typically engage with lottery (non and low frequency players).
- (2) Holiday Scratch-off Campaign: The fourth *Merry Moolah* entry deadline is 1/22; to date, 64,524 entries have been received. The final drawing will award five prizes of \$10,000 and one grand prize of \$50,000.
- (3) Ravens Cash Fantasy: The sixth second-chance drawing will be held 1/19; 329,097 entries have been received to date. After the January drawing, only one drawing remains, and that will be to select a winner from the finalists drawn monthly, to receive Season Tickets for 20 years.

2) Creative Services

a) Traditional Advertising

i) Key accomplishments last period:

- (1) Loteria
 - (a) The Lottery finalized the Play Center Insert (PCI) creative for Loteria. The Loteria scratch-off is intended to appeal to the Hispanic market and like the ticket; the PCI includes bi-lingual copy. A total of 5,000 copies have been ordered.
 - (b) The Lottery selected a :30 radio script and has submitted the script to MDI for licensor approval.
 - (c) The Lottery approved the media plan that consists of running :30 radio on WLZL-FM, the Spanish language radio station serving the Baltimore and Washington, D.C. markets. The media plan has also been submitted to MDI for licensor approval.
- (2) Monopoly Family of Games
 - (a) A PCI and a Dispenser Topper were ordered to promote the Monopoly family at retail. Both pieces of POS arrived in the warehouse.
- (3) Ravens Cash Fantasy
 - (a) As a season-long sponsor, the Lottery's participation with the team extended into the post-season. For the Wild Card and AFC Divisional games, the Lottery received :30 radio spots in the pre-game, in-game and post-game radio broadcasts, :30 television spots in the Ravens Report and Ravens Wrap Up programs, and digital assets.
- (4) Jackpot
 - (a) On Thursday, January 8th, the Lottery began running :10/:15 radio and digital outdoor to promote the high jackpots of Mega Millions and Powerball. Mega Millions will run on Mon/Tues and Thurs/Fri and Powerball will run on Tues/Wed and Fri/Sat.

ii) Upcoming tasks for this period:

(1) Orioles Sponsorship

(a) The Lottery has been working closely with the Orioles and MASN to develop 2015 sponsorships to promote both the Lottery brand as well as the Baseball Bucks scratch-off. The scratch-off will be the entry for the “Contestant of the Game” second-chance contest. The Lottery expects to wrap up its negotiations with both the Orioles and MASN within the coming weeks.

(b) The Lottery approved the creative brief for the Baseball Bucks/Orioles & MASN creative and the next step is for the Lottery’s creative agency, gkv, to present point-of-sale.

(2) Harley Davidson

(a) The Lottery approved a creative brief to kick-off the creative development for the launch of the Harley Davidson scratch-off. The next step is for gkv to present point-of-sale.

(b) The Lottery also approved a brief from Media Works, the Lottery’s media agency. The Lottery expects the first draft of a media plan at the beginning of February.

(3) Horseshoe Baltimore Promotion

(a) The Lottery and gkv have been working with Horseshoe Baltimore on a joint promotion with the casino. The contract will be finalized in the coming weeks and the Lottery will be able to share details at that time.

(4) 50,000 Reasons to Play Promotion

(a) The Lottery has a call with MDI scheduled to discuss the specifics surrounding the 50,000 Reason to Play promotion. The promotion would be the first terminal game promotion that will be implemented through My Lottery Rewards. The Creative Services team, in conjunction with MDI’s My Lottery Rewards Team, will work closely with Product Development to finalize the promotion.

b) Web/Digital/New Media

i) Key accomplishments last period:

1) Implemented MLR “Points for Drawings” promotions:

- a) Home Fitness Package
- b) His & Hers TAG Heuer Watches

2) Launched social media campaign to promote Ravens Cash Fantasy scratch-off. Players had the opportunity to answer Baltimore Ravens and Maryland Lottery trivia questions for a chance to win \$100 worth of Ravens Cash Fantasy tickets.

3) Launched “Merry Moolah Merriest Makeover” [social media campaign](#) to promote the 2014 holiday tickets. Players could upload a photo of their holiday decorations for a chance to win holiday scratch-offs. Users could then vote on their favorite decorations or promote their own entry. The three photos with the most votes were selected as winners at the end of the campaign.

4) Selected digital engagement agency “Hello World” to develop Keno and Racetrax website applications and introduce mobile app.

5) Finished development of Media Relations Website.

ii) Upcoming tasks for this period:

- 1) Continue development of new Keno and Racetrax web and mobile applications
- 2) Launch Media Relations Website.
- 3) Launch Mustache Cash social media apps.
- 4) Develop Harley Second-Chance landing page.
- 5) Develop Baseball Bucks Second-Chance landing page.
- 6) Continue development of My Lottery Rewards mobile app.

c) Merchandising

i. Key accomplishments last period:

1. Worked in conjunction with Director of Project Planning, Facilities Management and Sales to establish solutions for inventory management of Sales support materials. Division of warehouse assets and reorder points established to help build tracking system of items.
2. Continued debriefing sessions with various departments in assessing SalesMaker for 2014. Current year end summary in development and will be delivered by mid-January.
3. Established new plan and protocol for Jackpot Sign management. All regions and locations are under review for improved placement and effectiveness.
4. Delivered final sales figures for “After Glo” dispenser test to participating vendors. Performing additional review of results to determine best practices for future deployment.

ii. Upcoming tasks for this period:

- 1) Provide LIM support for “Loteria” instant ticket by setting up a concentrated HUB, or network, for locations identified by Sales Management.
- 2) Track progress of the “Family of Games” initiative for the recent holiday launch and upcoming Monopoly launch.
- 3) Finalize Jackpot Sign review. Target new locations after evaluation and work with Scientific Games to move and install new locations. Input from Sales and evaluation form Merchandising will determine if current placement is effective and where new placement will take place.
- 4) Work with gkv on installation of door decals for Monopoly Family of Games initiative. 178 locations have been identified to replace current door decal.

d) Research

i. Key accomplishments last period:

- 1) Received first draft of Keno focus group report from Key Group. Worked with analyst to modify/clarify and finalize.

ii. Upcoming tasks for this period:

- 1) Coordinate presentation of focus group results to larger group.
- 2) Begin development of phase 2 of this Keno research. Based on focus group findings, goal is to have gkv develop rough commercials (called animatics) and test appeal to potential consumers.

3) Sales

A. Key accomplishments last period:

a. Field Sales

- i. The Sales force continued with the program to ensure that retailers are in compliance with Lottery regulation and procedures.
- ii. Sales continued identifying retailer locations that would benefit from replacing original monitors with new flat screen monitors for Keno and/or Racetrax.
- iii. Sales continued the education and training of MONOPOLY Millionaires' Club (MMC) and also continued to encourage retailers to activate the holiday games.
- iv. Sales implemented a Monopoly Millionaires' Club (MMC) retailer bonus to help renew interest in the game.
- v. Sales prepared for the suspension and removal of MMC material from retailer locations after the 12/26/14 draw.
- vi. Marvin Henderson, district manager for territory 42, retired on 12/31/14 leaving only one district managers out on medical leave.
- vii. Sales supported six Lottery events during December which includes four retailer parties and two Ravens games.
- viii. Sales worked with Creative Services to develop a listing of retailers that would benefit from bilingual POS that is being developed for an upcoming Loteria product launch.
- ix. Sales management completed Performance Evaluation Plan (PEP) for all sales personnel.

b. Training

- i. The sales training manager continued conducting duty day training sessions to help the district managers improve their sales call skills. The topic was PACE (Professional, Accountable, Customer-focus & Efficient).
- ii. The Sales management team participated in an off-site meeting on 12/11/14 and a follow-up meeting on 12/19/14 designed to strengthen team alignment and improve communication among departments.

c. Corporate Accounts

- i. Sales continued to assist Safeway with their pending COO which is now expected to occur in January 2015.
- ii. December sales this year were mixed. While instant tickets continued their strong performance, jackpot games had a poor showing directly attributable to vastly lower Mega Millions jackpots. December jackpots in 2013 totaled \$2.07 billion while this year saw them cut in half to only \$1.05 billion. This resulted in a 70.9% loss of \$17.15 million in sales.

	Draw/JP	Instant	Total
State	-11.93%	13.59%	-5.49%
Independent	-8.19%	11.57%	-3.73%
Corporate	-27.72%	18.32%	-11.81%

- d. ITVM
 - i. Sales began work to develop a listing of potential locations that will be suitable for ITVM placement when we receive them in February 2015.
- e. ITLM Program:
 - i. A significant milestone was achieved during the last accounting week of December. The first million dollar week of ITLM sales was from 12/29/14 – 1/4/15. \$1,034,270.96 was the total, surpassing the previous ITLM sales record from the week before (12/22 – 12/28) of \$904,321.20.
 - 1. As of 1/6/15, 146 ITLMs in 40 unique posts are operational. In December, 8 ITLM locations received additional units.
 - ii. Tom Slevin, ITLM Corporate Account Manager and Randee Kerns, Diamond Game continued their recruitment process by meeting with VFW post in Owings Mills and Lanham. Both voted and approved participation in the ITLM program.
 - iii. The current county breakdown for ITLM retailers are as follows:

County	# of Veteran Posts
Allegany	3
Anne Arundel	4
Baltimore	6 (+2 in January = 8)
Carroll	2
Charles	2
Frederick	3
Harford	5
Montgomery	4
Prince George's	7
Washington	4

B. Upcoming tasks for January 2015:

- a. Sales Field
 - i. Conduct inventory audits at all retailers.
 - ii. Continue with the removal of MMC point of sales.
 - iii. Work with HR to replace open district manager positions.
- b. ITLM
 - i. Continue with recruitment.
 - ii. Conduct pre-site visits for March upgrades.
- c. Training
 - i. On-going initiative to help improve field personnel's performance.
- d. Events:
 - i. Support the Poplar Bear Plunge in January.

4) Communications

a) Events

i) Key accomplishments last period:

- (1) Staffed a booth, promoted products and participated in live radio interviews at WNAV's annual Midnight Madness in Annapolis on 12/18.
- (2) Promoted holiday scratch-offs in the community. Worked with "The Hook Up" at Security Mall on their holiday promotion on 12/20.
- (3) Staffed a booth, promoted and sold products at the Ravens vs. Browns game on 12/28.

ii) Upcoming tasks for this period:

- (1) Maryland Lottery to have its yearly booth/sales presence – and possible staff participant – at the annual Maryland State Police Polar Bear Plunge on 1/24.
- (2) Will have a table at the Morgan State/Coppin State basketball game on 2/2.
- (3) Will staff a booth and sell tickets at the Timonium Motorcycle Show from 2/6-2/8 at the Maryland State Fairgrounds.

b) Casino program

i) Key accomplishments last period:

- (1) Released December 2014 casino revenue numbers on 1/5. The numbers included financials from both slot machines and live table games.
- (2) Prepared and designed the monthly Commission dashboard containing both casino and lottery financial and employment information.
- (3) 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) Prepare a dashboard detailing January 2015 casino and lottery revenue numbers.

c) Media relations

i) Key accomplishments last period:

- (1) Promoted the Maryland Lottery's holiday tickets and Merry Moolah second-chance contest, responsible holiday ticket gifting, and more.
- (2) Communications staff visited radio and television stations throughout the state and spoke on air about holiday-themed lottery gifts ideas. Communications Director Carole Everett appeared on WBAL-TV 11 as the lottery's "Gift Guru" on 12/20.
- (3) Arranged and followed up on media interviews for Director Martino throughout the month.
- (4) Communicated the suspension of MONOPOLY MILLIONAIRES' CLUB to the press – and answered a large amount of media and constituent questions.
- (5) Wrote and designed the November/December 2014 Retailer Report. Worked on content for the Lottery Gazette (the agency's internal newsletter).
- (6) Answered more than 320 inquiries from Lottery players sent to Communications' public affairs e-mail.
- (7) 44 Lottery-related articles and 29 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.

- (8) Interviewed winners and wrote 41 news releases that were posted on the Lottery website and/or sent to the media.
- (9) Erica Palmisano was featured in December's "Lottery Update" segment on WBAL TV-11 on 12/27.
- (10) Continued work on the 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 My Lottery Rewards program and the new mobile app on tablets at events.