

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: June 17, 2014

SUBJECT: Report for the June 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 5/25.
- (2) Pick 3 Double Pay on Box Play promo began 6/13 and continues through 7/13.

ii) Upcoming tasks for this period:

- (1) Upcoming game promotions:
 - (a) Summer Keno Sprinkler: 6/30 – 8/3 (5 weeks).

b) Instant ticket products and promotions

i) Key accomplishments last period:

- (1) May ticket launches (5/27 - Tuesday): \$2 *Star-Spangled Cash*, \$3 *Bonus Crossword*, \$5 *Show Me the Money*, \$10 *Twisted Bingo*.
- (2) Bonus Crossword: The \$3 extended play scratch-off, Bonus Crossword, launched on Tuesday 5/27. This is the first scratch-off to offer mobile engagement, complete with interactive play and prizing in the form of scratch-off coupons or My Lottery Rewards points. It's still very early to gauge success, but the Bonus Crossword application's ranking in the iOS store is very promising – when compared to Michigan (very successful pilot program with several extremely successful follow-up programs) and Idaho, the Maryland Lottery's app is ranked higher than both in the US Word Game category at #369 of roughly 12,300 word game apps available.
- (3) Orioles: After 10 weeks on the market, this \$5 scratch-off is 49% sold. The fourth second-chance drawing was held 6/2: 232,303 entries were received.
- (4) Monopoly: After 18 weeks on the market, this game is 95% sold. Last activation date has been announced, game will close: 7/25/14. The fourth second-chance drawing was held 5/20: 1,536,889 entries were received.

ii) Upcoming tasks for this period:

- (1) June ticket launches (6/30): \$1 21, \$2 *White Ice 7s*, \$5 *Hold 'Em Poker*, \$20 *\$1,000,000 Fortune*.
- (2) Monopoly (Game # 135): The fifth and final second-chance drawing for \$50,000 will be held 6/17 – to date, 1,642,820 entries have been received; entries are cumulative.
- (3) Orioles: Continue promoting sales of the instant ticket and the second-chance drawings for Contestants of the Game, trips to Wrigley Field and a trip to the World Series. Next drawing: 6/30. As of 6/13, 247,824 entries have been received; entries are cumulative.
- (4) Bonus Crossword: Continue promoting sales of the instant ticket and engagement with the interactive mobile app.
- (5) Monopoly Soft Launch (Game # 179): Due to the success of Monopoly game # 135, a new \$5 Monopoly is being printed and will deliver in the warehouse 7/18/14. No second-chance contest is planned to support this game.

2) Creative Services

a) Traditional Advertising

i) Key accomplishments last period:

- (1) Bonus Crossword
 - (a) The Bonus Crossword media plan kicked-off June 2 and will continue to run through early July; all print and digital creative elements were completed.
- (2) Star Spangled Cash
 - (a) A :30 radio spot was recorded; the script has a patriotic theme. The statewide radio buy will run for 3-weeks, June 16 through July 6.
 - (b) A Star Spangled Spectacular package through Maryland Public Television was finalized. The package will be used to promote the Lottery's Star Spangled Cash scratch-off. The package includes (12) :15 spots in the local specials around the Star Spangled Spectacular event airing on MPT-TV, a logo and hyperlink on MPT's website; (250) :15 spots to run late June/early July through mid-September; and MPT will produce a :15 spot featuring the Star Spangled Cash scratch-off.
- (3) My Lottery Rewards
 - (a) The media plan was finalized and is being executed by the Lottery's media agency. The media plan includes print in the Baltimore and Washington, D.C. markets, statewide radio, and statewide digital.
 - (b) The Lottery selected the creative direction for all elements and is working with its agency to finalize each piece.
 - (c) Point-of-Sale: My Lottery Rewards will be heavily promoted at SalesMaker locations via various pieces of point-of-sale. The 8"x 8" Violator, Snap Frame Insert, and ITVM Topper have been delivered. The PCI was finalized and delivered to the Lottery in mid-May. The Retailer Information Sheet was delivered to the agency in early June.
- (4) Ravens Cash Fantasy & Ravens Team Sponsorship
 - (a) The Ravens Cash Fantasy second-chance contest was finalized, including the prizes and drawing schedule.

- (b) The Ravens Team Sponsorship was finalized and the Lottery is in the process of reviewing the sponsorship contract.
- (c) The Retailer Information Sheet was approved and is expected to be delivered by mid-June.
- (5) Jackpot Support
 - (a) The Lottery began using :10/:15 radio and digital outdoor to promote the Mega Millions jackpot on May 19-20, but the jackpot was hit in Pennsylvania on May 20.
 - (b) At the same time the Lottery began promoting Mega Millions, jackpot support for Powerball also began. :10/:15 radio and digital outdoor began running on May 20 and concluded on June 12 when the jackpot was hit in Tennessee.
- (6) Point-of-Sale
 - (a) A second Orioles PCI was developed without mention of the Wrigley trip (deadlines 6/30). The PCI was delivered mid-June and will be posted following the June 30 deadline.
 - (b) A door decal promoting XCAP (Expanded Cashing Authority Program) was finalized and delivered to the warehouse in mid-June.
 - (c) The Lottery runs several Keno Sprinkler, Bonus Match 5 Doubler, and Pick 3 Doubler promotions each year. To promote these initiatives at retail, the Lottery worked with its creative agency to create new point-of-sale.

ii) Upcoming tasks for this period:

- (1) Star Spangled Cash
 - (a) Work with Maryland Public Television to produce a :15 spot promoting Star Spangled Cash.
- (2) My Lottery Rewards – Terminal Game Launch
 - (a) Finalize all creative materials:
 - (i) Produce :30 radio; finalize :10/:15 traffic sponsorship scripts.
 - (ii) Finalize various print ad executions including: Front Page Notes (post-it-notes appearing on the front page of the newspaper), Full-Page, Half-Page, Quarter-Page and Strip ads. Each ad will include a code that is redeemable for “250 Free Points”; the code will allow us to track redemptions by publication.
 - (iii) Finalize all digital creative – promotion of the “250 Free Points” will be the predominate message.
 - (iv) Acquiring new My Lottery Rewards members as well as increasing brand awareness of the program are key goals of the launch campaign. To help in achieving these goals, the Lottery will run a direct mail test. The direct mail will be issued the week of July 7th. The Lottery and its creative agency are finalizing the direct mail creative and the mailing list.
- (3) Ravens Sponsorship & Ravens Cash Fantasy
 - (a) The Lottery received a creative presentation from its agency the week of June 9th. The presentation included television, radio, and various in-stadium elements. The Lottery to select a broadcast campaign and provide feedback on the in-stadium creative.
 - (b) The Lottery’s media agency is developing a media plan and is expected to present the plan mid to late June.
 - (c) Finalize all point-of-sale: PCI, Change Mat, Top of Terminal, and Terminal Fin.

(4) The Walking Dead

- (a) The Lottery met with its agencies the week of June 9th to discuss how to move forward with a plan to promote The Walking Dead. The Lottery is exploring the possibility of using the creative materials developed by the Hoosier Lottery when they launched The Walking Dead. Potential elements could include the use of their :30 television spot, point-of-sale materials, and print and digital assets. The Lottery's creative agency is exploring the use of the Hoosier Lottery's creative and the Lottery's media agency is working to develop a media recommendation.

b) Merchandising

i) Key accomplishments last period:

- (1) SalesMaker 2014 has started with Region 1 as they began the direct sell-in process and makeover execution. The task force was scheduled to start on June 2nd and is slated to finish by July 3rd. The target for Region 1 is 34 makeovers.
- (2) Various department groups met via Skype with our Schafer Systems representative to discuss dispenser options to be applied at retail for the family of games concept.
- (3) Jackpot procedures have been reworked and updated for removal of Jackpot Signs from underperforming locations. IT to provide sales data for most recent quarter to Merchandising for evaluation.

ii) Upcoming tasks for this period:

- (1) Merchandising will continue updating the rolling 3 month plan. Starting on July 7th, Region 2 will begin working with the task force teams as they introduce the concept and remerchandise retailers in that region.
- (2) Jackpot sign performance to be fully evaluated to keep ongoing optimization plan on schedule.
- (3) Additional meetings with Sales Management and Corporate Account Managers to determine Corporate Account target for SalesMaker 2014.
- (4) Continue to identify new types of POS for use by entire retailer network.

c) Web/Digital/New Media

i) Key accomplishments last period:

- (1) Launched new business-to-business website for current and prospective retailers. The site can be viewed at mdlottery.com/retailercorner.
- (2) My Lottery Rewards Player Loyalty Program
 - (a) The program has generated more than 58,000 users as of June 12.
 - (b) Results from various promotions include:
 - (i) Monopoly Second Chance (ONGOING)
 - 1) Players can enter non-winning Monopoly scratch-off tickets into MLR for a chance to win one of five \$50,000 cash prizes.
 - 2) The promotional period is 1/27 through 6/16.
 - 3) More than 460,000 tickets entered into the contest as of June 12.
 - (ii) Orioles Second Chance (ONGOING)
 - 1) Players enter non-winning Orioles scratch-off tickets into MLR for a chance to win cash, a trip to Wrigley Field or a trip to the World Series.
 - 2) The promotional period is 3/24 through 9/1.
 - 3) More than 250,000 tickets entered into the contest as of June 12

ii) Upcoming tasks for this period:

- (1) Development for My Lottery Rewards enhancements continues including the addition of terminal games to the program.
- (2) Planning for Phase 3 of Mobile App.
- (3) Begin planning for My Lottery Rewards mobile app (separate from "Core app").
- (4) Plan and implementation of next My Lottery Rewards engagement opportunities including:
 - (a) Kitchen Appliance Package.
 - (b) Ravens Cash Fantasy Second Chance.
 - (c) Home Theatre Package.
- (5) Begin discussions for FY2015 Digital Marketing Planning.
- (6) Begin discussions for digital marketing plans for Monopoly Millionaires' Club.

d) Research

i) Key Accomplishments Last Period:

- (1) Completed fielding of segmentation study. Key Group currently performing data analysis in preparation for presentation to agency on June 24th.
- (2) Began planning for collection of data required for MFR/budget submission later this summer.

ii) Upcoming Tasks for this period

- (1) Finalize employee survey questionnaire and implement online.
- (2) Distribute segmentation study results and begin utilizing findings.
- (3) Implement data collection for any MRF measures required.

3) Sales

a) Key accomplishments last period:

i) Field Sales

- (1) Promoted four (4) District Managers to the newly created Assistant Regional Manager position. Vanessa Fountain, Shelise Hagen, Ralph Henderson and Matt Boone are transitioning into their new roles effective July 1st.
- (2) Continuing to process requests from retailers to become Expanded Cashing Authority Program (XCAP) locations. The program, formerly known as Agent Plus, allows cashing up to \$5,000, growth of the network and removes previous geographical borders as long as the retailer meets the required criteria.

ii) Corporate Accounts

- (1) Corporate accounts outpaced independents in Instant Ticket sales for the month but fell behind on the Draw/Jackpot side. Jackpots had everything to do with the big decline. There was a \$600 Million Powerball jackpot in May last year and combined Powerball and Mega jackpots were almost 1 \$Billion higher in 2013 compared to 2014.

(2) 2014/13 Sales Comparison - May:

	Draw	Instant	Total
(a) State	-15.00%	6.16%	-9.63%
(b) Independent	-11.19%	4.52%	-7.63%
(c) Corporate	-31.86%	10.08%	-17.10%

iii) ITLM Program:

- (1) Completed four (4) regional demonstrations around the state.
- (2) Attended annual VFW convention in Ocean City in early June.

iv) SalesMaker Program

- (1) Began the 2014 campaign in Region 1 on June 2nd. 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 working with Human Resources to recruit and fill open territories within the organization which includes four (4) District Manager positions.

ii) Field Activities:

- (1) Sales and Communications continue to conduct "I'm A Winner" events at selected retailers on Winner Wednesdays through September.
- (2) Identifying retailer locations that would benefit from replacing original monitors with new flat screen monitors for Keno and/or Racetrax. Planning for about 100 monitors during the summer.

iii) ITLM Program:

- (1) Follow up on applications and pre-sites from previous contacts.
- (2) Planning to attend American Legion conventions in mid-July.

iv) Corporate Sales:

- (1) Identifying new corporate partner relationships and looking to expand current ones.

4) Communications

a) Events

i. **Key accomplishments last period:**

- (1) Staffed a booth and sold products at Frederick Keys game 5/30, Beer, Bourbon BBQ at National Harbor 6/6-7, Capital Jazz Fest in Columbia 6/7-8, Orioles vs. Boston game 6/11, Bowie Baysox game 6/13, Honfest in Baltimore 6/14-15, IronBirds game 6/20 and at the African American Heritage Festival in Baltimore 6/21-22.
- (2) Staffed a booth and promoted products at the Ride Across Maryland in Columbia 5/31 and at the Bowie Baysox game 6/25.
- (3) Conducted a live remote drawing at Beer, Bourbon BBQ at National Harbor 6/6.

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

- (1) Staff a booth and promote products at the IronBirds game 7/1, Wind Down Thursdays in Largo 7/3, Shorebirds game 7/10 and the Frederick Keys game 7/25.
- (2) Staff a booth and sell products at the Verano Zol Festival in Gaithersburg 6/29, Orioles vs. Washington game 7/10, Annapolis Irish Festival 7/11-12, Hagerstown Suns game 7/16 and the IronBirds game 7/26.

b) Casino program

i) **Key accomplishments last period:**

- (1) Released May 2014 casino revenue numbers on 6/5. 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 for Commissioners identifying the breakdown of risks and violations at Maryland casinos.
- (4) Prepared a dashboard detailing May 2014 casino and lottery revenue numbers.

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 June 2014 casino and lottery revenue numbers.

c) Media relations

i) Key accomplishments last period:

- (1) Promoted My Lottery Rewards, Bonus Crossword Scratch-off and app, Maryland Lottery App, Monopoly scratch-off and second-chance contest, Orioles scratch-off and second-chance contest, Mega Millions, new Racetrax betting options, Spring BBQ second chance contest, MLR Triple Points promotion and recent winners.
- (2) Notified winners regarding their prizes for the Orioles Fan of the Game promotion.
- (3) Answered more than 250 inquiries from Lottery players sent to Communications' public affairs e-mail.
- (4) 21 Lottery-related articles and 48 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
- (5) Interviewed winners and wrote 33 news releases that were posted on the Lottery website and/or sent to the media.
- (6) Carole Everett was featured in "Lottery Update" segment on WBAL TV-11 5/31.
- (7) Promoted the Maryland Lottery's Lottery Voluntary Exclusion Program.
- (8) Incorporated a new event winner awareness campaign, highlighting the wins of event attendees on Facebook, Twitter and Instagram.
- (9) Redistributed the May/June 2014 Retailer Report.
- (10) Held the annual Promo Partners luncheon.
- (11) Wrote, taped, edited and recorded Lottery Minute Radio for WNAV.

ii) Upcoming tasks for this period:

- (1) Continue promoting the Maryland Lottery's Lottery Voluntary Exclusion Program.
- (2) Continue promoting the new My Lottery Rewards program via tablets and the new mobile app at events.
- (3) Will prepare the June/July 2014 Retailer Report for distribution.

d) Internal communications

iii) Key accomplishments last period:

- (1) Incorporated a new event winner awareness campaign, highlighting the wins of event attendees.
- (2) Wrote and taped the agency-wide on-hold message for month of June.
- (3) Posted the agency current events board.
- (4) Distributed the agency-wide Spring Gazette newsletter.

iv) 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 July.

