

Maryland Lottery and Gaming Control Agency

Martin O'Malley, Governor • Stephen Martino, Director



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TO: Maryland Lottery Commission
Stephen Martino, Director

FROM: John Martin, Assistant Lottery Director

DIVISIONS: Product Development, Creative Services, Sales and Communications

DATE: February 14, 2013

SUBJECT: Report for the February, 2013 Commission Meeting

Following is a status update of ongoing and special projects in Product Development, Creative Services, Sales and Communications.

I. Product Development

a. Draw/monitor games products and promotions

i. Key accomplishments last period:

1. Focus Groups were held 1/21 – 1/23 to look into player perceptions of the Keno game, and ways to increase sales. The groups focused on regular players and light/lapsed players from across the State.
2. Bonus Match 5 Doubler: During the promotion, any prize that is won is doubled, and taxes are paid on top prizes. Promotion is currently running and is scheduled to end 2/17.

ii. Upcoming tasks for this period:

1. Upcoming draw/monitor games promotions:
 - Keno Sprinkler: 3/11 – 4/8.
 - 5 Card Cash Promotion tied to Oriole's Sponsorship: 3/25 – September 2013.
2. Keno graphics update: To refresh the Keno game, new monitor graphics will be rolled out 2/25.

b. Instant ticket products and promotions

i. Key accomplishments last period:

1. Ravens Cash Fantasy: Monthly drawings and grand prize entry counts are as follows: August: 13,598 entries; September: 54,228 entries; October: 105,520 entries; November: 56,888 entries; December: 31,680 entries; January: 58,847; February: 46,701; Seats for Life: 136,816; \$1,000,000: 287,986.
 - All 10 weekly drawings for \$25,000 have been awarded. Combined entries across all drawings totaled 92,678, an average of approximately 9,300 entries per drawing.
 - In celebration of the Ravens winning the Super Bowl, two new \$25,000 drawings have been added to the schedule. 100

yards are needed for entry, and any Ravens Cash Fantasy scratch-off is eligible for entry. First deadline is 2/28, second is 3/28.

2. January's second ticket launch (1/28) included the following: \$2 On the Money, \$3 Luck and \$5 The Price is Right.
3. Price is Right: This game launched on 1/28 and is outfitted with licensed marks and logos of the popular TV game show, The Price is Right. This game is accompanied by a web-based interactive game, as well as a robust second-chance contest. Players must enter non-winning tickets into mdlottery.com/priceisright for entry into the contest. Players could win one of six trips to Las Vegas for the Ultimate Game Show Experience. Trip includes (for winner, plus one guest): round-trip coach airfare, 4 days/3 nights deluxe room accommodations in Las Vegas, \$1,000 cash, and the opportunity to go on stage and play condensed versions of six TV game shows (The Match Game, Card Sharks, Let's Make a Deal, Family Feud, Price is Right and Press your Luck), to win cash, up to the \$1 million grand prize.

ii. Upcoming tasks for this period:

1. Promote Ravens Cash Fantasy; raise awareness of the newly added \$25,000 drawings on 2/28 and 3/28.
2. Promote Price is Right; raise awareness of the newly launched scratch-off and second-chance contest. The drawing deadline for the first \$1 Million Las Vegas Game Show Experience Trip is 3/20.
3. February game launches 2/25: \$1 3's A Charm, \$2 2x Cash and \$5 \$50 Grand Slam.

II. Creative Services

a. Traditional media

i. Key accomplishments last period:

1. Ravens Cash Fantasy: The full program of advertising support continued through the end of the regular season. As the Ravens progressed through the post-season, additional advertising was purchased in Ravens-specific programming.
2. 40 Rubies: Statewide radio ran in support of this ticket from 1/28 – 2/14. Out of home advertising in the form of signs on commuter buses began running 1/28 and will continue through 3/10.
3. Price is Right: Television, radio and digital advertising is planned to support this scratch-off and second-chance contest. All advertising materials have been produced, and media has been purchased. Slated to begin 2/18, advertising will run through 3/10.
4. Negotiations with the Baltimore Orioles and MASN are currently underway to forge a sponsorship similar to those in recent years. The product focus in this year's Orioles sponsorship will be 5 Card Cash.

ii. Upcoming tasks for this period:

1. Ravens Cash Fantasy: Update creative materials to announce the new \$25,000 drawings on 2/28 and 3/28.
2. Price is Right: Continue to raise awareness of the scratch-off and second-chance contest.

b. Web/digital/new media

i. Key accomplishments last period:

1. After 28 weeks, the Ravens Cash Fantasy microsite, used as the entry mechanism for the second-chance contest, has 91,088 registered users, and 884,912 active entries.
2. The Price is Right website went live on 1/28 with the launch of the scratch-off. Non-winning scratch-offs are entered at mdlottery.com/priceisright in exchange for entries into the prize drawings and to play 'The Game Show Gallery'. 'The Game Show Gallery' is an interactive game where players select from the list of TV game shows (The Match Game, Card Sharks, Let's Make A Deal, Family Feud, Price is Right and Press Your Luck), and play the game skinned with the theme of the selected TV game show.
3. Planning and development has begun for a Players Club and Properties Plus program, targeting a launch in the spring.

ii. Upcoming tasks for this period:

1. Continue to develop and implement Players Club and Properties Plus program.
2. Explore new ways/technologies to incorporate digital platforms into product and promotion communications plans.

c. Merchandising

i. Key accomplishments last period:

1. Sales Maker: 178 retailers requested makeovers in 2012; and to date, all store makeovers have been completed. ALL participating retailers received a letter in the mail certifying their spot in the program.
2. Digital Jackpot Signage: 619 signs have been installed. Locations are being added to the installation schedule on a case by case basis.

ii. Upcoming tasks for this period:

1. Sales Maker: The merchandising team has developed an action plan and strategy for the 2013 campaign. SalesMaker will begin on 3/21 with two of the five Sales Regions participating initially. The remaining three regions will be phased in on a monthly basis. Weekly review and reporting will be ongoing.
2. Digital Jackpot Signage:
 - MSLA has received permission to install remaining 38 signs in 7-11 stores.
 - Once all signs are installed, performance review will be conducted to optimize placement and usage of Jackpot Sign asset.

3. The merchandising team is working with the sales team to review current POS inventory to identify areas for cost effective upgrades.
4. Sales team is working with Virginia Lottery to develop a proposal for shared corporate accounts to increase Lottery visibility via point of sale.

III. Sales Initiatives

a. Key accomplishments last period:

- i. Field Activities: The District Managers converted to a four-week cycle visit of their retailer network during the month, allowing for more productive and higher quality visits.
- ii. Facings Report: The goal for FY13 is 105,000. As of 2/12: 105,624 facings were achieved, meeting 100.6% of the goal.
- iii. Corporate Sales:
 1. Ravens Cash Fantasy: After observing a marked decrease of Ravens Cash Fantasy field inventory, an 07 report was sent to highlight the remaining prizes during "Ravens Mania". A second 07 report was sent on Monday 2/7 to announce the two new \$25,000 prize drawings.
 - o Stadium: Removal of lottery equipment was delayed due to post-season activities. ITVMs, terminals were removed 2/12.
 2. Corporate Sales Quota:
 - o Monthly Quota 1/7-2/3: -4.3%
 - o FY To Date Quota 6/25-2/3: +5.5%
 3. Loss Prevention
 - o MDBEP: A loss prevention training class was held on 1/16 for Maryland Business Enterprise (MDBEP) counselors to increase their awareness of available resources which will assist them in loss prevention investigations and the development of preventative procedures.
 - o Stolen Ticket Policy: Working with IT and SGI to display the policy on a terminal screen for retailer access. Currently, the policy is distributed as part of a new retailer approval package. The policy has been added as an Order Pad document, as well.
 4. 1099/Year-end: All corporate 1099s were processed, sorted and forwarded to Support Services for mailing.
 5. VA Lottery/POS Initiative: Awaiting clarification and additional information from VA Lottery following the recent conference call. Upon receipt, Sales and Merchandising departments will meet to discuss.
 6. Rocky Gap Casino: 1/25 – conducted conference call with Gaming Manager and IT staff to discuss VSAT, facility cabling and equipment requirements.

b. Upcoming tasks for this period:

i. Field Activities:

1. Each District Manager will be required to recruit one new retailer during the month.
2. Clean up excessive scratch-off inventories.
3. Work through a full four-week retailer visit cycle.

ii. Corporate Sales:

1. CY Sales: Working with IT on calendar year 2012 reports. Will prepare and schedule business reviews with top ten accounts.
2. 7-11 Upgrade Program:
 - o Jackpot Signs – A nationwide franchisee trade show and a Dallas reorganization have delayed the process. In communication with our new contact, Chris Stewart, to move this project forward.
 - o Instant Ticket Upgrade – To date, 60 locations have been upgraded (480 additional facings). For phase 2, ten locations have been installed with ten pending.
3. Rocky Gap Casino: A facility visit will be scheduled within two weeks to complete pre-site.

IV. Communications

a. Events

i. Key accomplishments last period:

1. Staffed a booth, sold tickets, and hosted a stage event at the Polar Bear Plunge at Sandy Point Park on 1/26.
2. Staffed a table and promoted products at the Coppin State vs. Morgan State basketball game on 2/10.
3. Staffed a booth at the Timonium Motorcycle Show 2/8 – 10.
4. Staffed a booth and promoted products at the WNAV Gumbo cook-off on 2/10.

ii. Upcoming tasks for this period:

1. Debut 40 YEARS/40 STORIES, the 40th anniversary exhibit at the Baltimore Museum of Industry on 3/2. The Lottery will host a live drawing on-site and present the first 40 Rubies second-chance contest winners with their prizes.
2. Cosmic Cocktail event at the Visionary Arts Museum on 3/7.
3. Work with the sales staff on several Keno parties throughout the state in March.

b. Casino program

i. Key accomplishments last period:

1. Released January 2013 casino revenue numbers on 2/5.
2. Answered media inquiries about the status of Maryland's casino program.

ii. Upcoming tasks for this period:

1. Release February's casino revenue numbers on 3/5.
2. Continue to respond to media queries about the state's casino program.

c. Media relations

i. Key accomplishments last period:

1. Promoted Keno Sprinkler, Ravens Cash Fantasy, 40 Rubies, The Price is Right and Bonus Match 5 Doubler (Taxes Paid) promotions.
2. Conducted drawings for second-chance and Internet contests and notified winners regarding their prizes in the Ravens Cash Fantasy and 40 Rubies promotions.
3. Picked winners for the Ravens Cash Fantasy grand prizes: \$1 million cash and Season Tickets for Life. Media is invited for the official winner introduction/photo session on 2/15.
4. Answered over 150 inquiries from Lottery players sent to Communications' public affairs e-mail.
5. Wrote, taped, edited and posted bi-weekly Lottery Minute videos as well as a special Ravens edition Lottery Minute video on mdlottery.com.
6. Wrote and taped the Lottery's on hold message at WBAL.
7. Wrote and distributed the Lottery's Retailer Report newsletter, which is distributed on a bi-monthly basis to over 4,300 Lottery retailers.
8. 53 Lottery-related articles and 78 casino articles were printed in local and regional papers and on news websites.
9. Interviewed winners and wrote 31 press releases that were posted on Lottery website and/or sent to the media.
10. Erica Palmisano was featured in January's "Hot Five" segment on WBAL on 1/26.
11. Lottery spokesperson participated in nine on-air radio interviews regarding the Ravens Cash Fantasy promotion.

ii. Upcoming tasks for this period:

1. Host a media open house at the Baltimore Museum of Industry on Friday, 3/1 to showcase the upcoming 40 YEARS/40 STORIES exhibit. All local media is invited.
2. Begin writing the spring 2013 Retailer Report newsletter, for publication in early March.
3. Write and distribute the agency's quarterly internal newsletter, the Lottery Gazette.