

TO: Maryland Lottery Commission
Stephen Martino, Director

FROM: John Martin, Assistant Lottery Director

DIVISIONS: Product Development, Creative Services, Sales and Communications

DATE: March 20, 2013

SUBJECT: Report for the March, 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. Bonus Match 5 Doubler: Promotion ran through 2/17.
2. Updated Keno monitor graphics went live 3/4. These new graphics include an updated ball toss, darts, fish and winter-themed concepts. The marketing screens that rotate between drawings are now being utilized for player education and cross-selling game promotions.
3. Keno Sprinkler: The popular Keno Sprinkler promotion began 3/11 and will continue through 4/8.
4. 5 Card Cash Orioles Promotion – significant developmental progress has been made on this promotion centered on the 2013 Orioles sponsorship and 5 Card Cash. Players may enter non-winning 5 Card Cash tickets at mdlottery.com/orioles for a chance to win cash by being selected Contestant of the Game and experiential Oriole-themed prizes in the second-chance contest.
 - Contestant of the Game: One Contestant of the Game will be selected for every game the Orioles play (162 total). Contestant of the Game receives \$500 just for being selected, and then will win \$100 for each hit made by an Oriole player. Additionally, during the 5th inning, the Contestant of the Game will receive \$500 for each homerun hit by an Oriole during that inning.
 - Experiential prizes: Six unique Oriole-themed prizes are offered through the web-based second-chance contest. 'Away-Game Rooftop Party at Oriole Park', 'Lunch with Buck Showalter', 'Batting Practice with a Former Oriole', 'Orioles Trip to Hall of Fame in Cooperstown', 'Baltimore Baseball Weekend' and 'Take the Field at Oriole Park'.

ii. Upcoming tasks for this period:

1. Upcoming draw/monitor games promotions:
 - o 5 Card Cash Orioles Promotion: 3/25 – end of Orioles regular season.
2. Continue developing the 5 Card Cash Orioles promotion, including web-based second-chance contest and Fan of the Game feature.

b. Instant ticket products and promotions

i. Key accomplishments last period:

1. Ravens Cash Fantasy: In celebration of the Ravens winning the Super Bowl, two \$25,000 drawings were added to the schedule. The first deadline was 2/28 and it received 92,364 entries. The second deadline is 3/28 and 38,861 entries have been received to date.
2. February ticket launch (2/25) included the following: \$1 3's *A Charm*, \$2 2x *Cash* and \$5 \$50 *Grand Slam*.
3. 40 Rubies: In the 40 Rubies second-chance contest to commemorate the Lottery's 40th Anniversary, players have the chance to win one of three \$4,000 prizes, or one \$40,000 prize. Three drawings remain, and over 50,000 entries have been received.
4. 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. To date, 116,413 entries have been received for the first drawing.
5. Summer of Fun: The \$1 scratch-off, Summer Fun is scheduled to launch on 4/29. Over the past month, significant progress has been made in developing a second-chance contest for the game. Players enter by mailing in four non-winning Summer Fun scratch-off tickets for a chance to win one of two week-long vacation getaways in Ocean City or Deep Creek Lake, MD. Vacation prize packages will include \$1,000 cash, and approximately \$5,000 in luxury add-ons that could include a personal chef, personal photographer, \$500 spa credit, digital camera and travel planning assistance.

ii. Upcoming tasks for this period:

1. Promote Price is Right; raise awareness of the scratch-off and second-chance contest. The drawing deadline for the first \$1 Million Las Vegas Game Show Experience Trip is 3/20.

2. 40 Rubies: The next second-chance drawing deadline is 5/1. Three winners will be selected to win \$4,000 each, and one winner will be selected to receive \$40,000.
3. Summer of Fun: Continue developing and preparing for second-chance contest and game launch.
4. March game launches 3/25: \$2 *Red White and Blue*, \$5 *Platinum Crossword* and \$10 *Green Streak*.

II. Creative Services

a. Traditional media

i. Key accomplishments last period:

1. 40 Rubies: Out of home advertising in the form of signs on commuter buses ran through 3/10.
2. Price is Right: Television, radio and digital advertising ran through 3/10.
3. 5 Card Cash/Orioles Sponsorship: Sponsorship negotiations are complete, in park elements and television campaign are currently being developed.
4. Summer of Fun: Advertising plans have been approved – advertising support will include 30 second radio and gas pump topper signs at select lottery retailers.

ii. Upcoming tasks for this period:

1. 5 Card Cash/Orioles Sponsorship: Finish development and produce advertising elements; traffic media.
2. 40 Rubies: Continue to raise awareness of the scratch-off and second-chance contest.
3. Price is Right: Continue to raise awareness of the scratch-off and second-chance contest.
4. Summer of Fun: Continue developing and execute advertising support.

b. Web/digital/new media

i. Key accomplishments last period:

1. Launched enhancements to mdlottery.com interior pages including internal advertising space, top 10 lottery news items, and Twitter. Example can be seen at [Lottery News](#).
2. Launched landing page for 40th Anniversary and 40 Years / 40 Stories. Players can share their top Maryland Lottery moments within the landing page and on Twitter with hashtag #mdlottery40.
3. Launched and completed a responsible gambling campaign from 3/3-9 to support National Problem Gambling Awareness week. Campaign included a news release, homepage graphic, social media and email blast.

ii. Upcoming tasks for this period:

1. Development continues for player loyalty program with SGI/MDI. Program name has been selected and will be branded as My Lottery Rewards. Marketing planning has begun.

2. Developing microsite for Baltimore Orioles sponsorship promotion Hit It Big with 5 Card Cash. Players will be able to enter non-winning 5 Card Cash tickets for a chance to win cash and Orioles prizes.
3. Summer Fun 2nd chance landing page will be launched at mdlottery.com detailing the promotion.
4. Planning and development for a business-to-business website for the retailer network has begun. The goal of the website is to expand and improve overall direct communications with retailers to ultimately help them improve the Lottery experience at their location.
5. Planning and development for a mobile app (android and ios) has begun. The app will target moderate to light players to help engage them on their mobile devices. To engage the users the objective is to include jackpot alerts/results, drawing results, scratch-off data, tutorials, video and more to allow for a more informed/educated consumer when they are in retailer locations. A local vendor, [Mindgrub](#), has been selected to help build the product.

c. Merchandising

i. Key accomplishments last 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.
 - o 3/21- College Park Seminar for Region 3.
 - o 3/21- Region 1 Direct Sell- Ins slated to begin.
2. Digital Jackpot Signage: 641 signs have been installed. Locations are being added to the installation schedule on a case by case basis.

i. Upcoming tasks for this period:

1. Digital Jackpot Signage:
 - o MSLA has received permission to install remaining signs in 7-11 stores.
 - o Once all signs are installed, performance review will be conducted to optimize placement and usage of Jackpot Sign asset.
2. The merchandising team is working with the sales team to review current POS inventory to identify areas for cost effective upgrades. New POS items have been ordered that are SalesMaker program specific as well additional items for the entire retailer network.
3. 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:

1. The District Managers continue converting to a four-week cycle visit of their retailer network during the month, allowing for more productive and higher quality visits.
2. The Sales force is in the process of reducing excess inventory from the field that has not been activated for more than 180 days. This will potentially reduce the high liability that may exist at these locations.

ii. Facings Report: The goal for FY13 is 105,000. As of 3/18: 106,541 facings were achieved, meeting 101.5% of the goal.

iii. Corporate Sales:

1. Corporate Sales Quota:

- o Monthly Quota 2/4 - 3/3/13: -8.4%
- o FY To Date Quota 6/25/12 - 2/3/13: 3.7%

2. Loss Prevention

- o Stolen Ticket Policy: Policy is now available to retailers via the General Information terminal screen. Broadcast messages were sent to the retailer network on 3/8, 3/9 and 3/11 with policy handouts to be distributed via UPS instant ticket deliveries at the end of the month. Other distribution channels include the retailer newsletter, Order pad and the Intranet.

3. PAT Training: All Regional and District Managers attended PAT refresher training to review reports and functions.

4. 7-11 In-Counter Dispensers: Ongoing initiative; seventy 7-11 stores have been upgraded from 24 to 32 games.

5. Business Reviews: To date, have prepared annual business reviews for six of the top ten corporate accounts; High's and 7-11 dates are scheduled; awaiting meeting request responses from four. Presentations include CY comparisons of 2011/12 total sales, product sales and account-to-statewide sales. Discussion points: upcoming lottery initiatives and account-specific recommendations to increase sale.

b. Upcoming tasks for this period:

i. Corporate Sales:

1. Business Reviews: Conduct reviews with High's and 7-11. Finalize meeting schedule with Mars, Giant Food, Royal Farms and Mid-Atlantic Petroleum.
2. Rocky Gap: On-site visit scheduled for Thursday, 3/21 with Blake Lyon (Gaming Manager) and SGI.
3. Maryland Live: Received request from Ted Mazotas to relocate PAT as a result of adding table games. Will schedule on-site visit

IV. Communications

a. Events

i. Key accomplishments last period:

1. Debuted the "40 Years/40 Stories" exhibit to 400+ attendees at the Baltimore Museum of Industry (BMI) on 3/2.
2. Staffed, hosted and entertained guests at the annual BMI Bull Roast fundraiser on 3/2.
3. Staffed a booth and promoted products for the Cosmic Cocktail event at the American Visionary Arts Museum in Baltimore on 3/7.
4. Staffed and hosted a Keno party at 29 Convenience Mart on 3/14.
5. Staffed and hosted a Keno party at Rams Head Roadhouse on 3/15.
6. Staffed and hosted a Keno part at the Stained Glass Pub on 3/15.

ii. Upcoming tasks for this period:

1. Seven Keno parties at various locations 3/21-4/4.
2. Northern Chesapeake Modern Living Expo on 3/22-24 at the APGFCU Arena at Harford Community College.
3. Orioles' Opening Day on 4/5 at Camden Yards.

b. Casino program

i. Key accomplishments last period:

1. Released February 2013 casino revenue numbers on 3/5.
2. Disseminated a press release on the success of the table games controlled demonstration at Hollywood Casino/Perryville on 3/6.
3. Continued to answer media calls about casino revenue.
4. Continued to answer media inquiries about the status of Maryland's slots program and the individual casinos.
5. Promoted and secured media coverage for the Lottery's Voluntary Exclusion Program and the National Problem Gambling Awareness Week.

ii. Upcoming tasks for this period:

1. Update the casino revenue chart and press release for March 2013 to include table games.
2. Generate an annual report on VLT and casino facilities.

c. Media relations

i. Key accomplishments last period:

1. Hosted a Media Open House and spoke with several members of the media at the Baltimore Museum of Industry on 3/1 to promote the "40 Years/40 Stories" exhibit.
2. Promoted Keno Sprinkler, Ravens Cash Fantasy, 40 Rubies, The Price is Right and the Lottery's 40th anniversary.
3. Conducted the live Pick 3 and Pick 4 drawing at the Baltimore Museum of Industry and broadcast the drawing on partner station WBAL-TV 11 on 3/2.
4. Conducted drawings for second-chance contests and notified winners regarding their prizes in the Ravens Cash Fantasy and 40 Rubies promotions.

5. Answered more than 150 inquiries from Lottery players sent to Communications' public affairs e-mail.
6. Created and posted several vignette videos on mdlottery.com's MDLottery TV.
7. Wrote, taped, edited and posted bi-weekly Lottery Minute videos on mdlottery.com.
8. Wrote/taped March's hold message for the Lottery's phone system.
9. Distributed the Retailer Report on a bi-monthly basis to over 4,300 Lottery retailers.
10. 57 Lottery-related articles and 79 slots articles were printed in local and regional papers and on news websites.
11. Interviewed winners and wrote 29 press releases that were posted on Lottery website and/or sent to the media.
12. Erica Palmisano was featured in February's "Hot Five" segment on WBAL on 2/26.
13. Conducted several interviews regarding the \$26 million Mt. Airy Mega Millions winners.

ii. Upcoming tasks for this period:

1. Begin writing the summer 2013 Retailer Report newsletter, for publication in early May.
2. Continue to promote the "40 Years/40 Stories" exhibit at the Baltimore Museum of Industry.
3. Follow up with Museum of Industry exhibit to garner additional media coverage.