

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: August 14, 2013

SUBJECT: Report for the August, 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. Keno with J.O was a Keno promotion that ran 7/8 – 8/4. Meant to celebrate Jonathan Ogden's induction into the Pro Football Hall of Fame, this promotion was developed using the number 75 (Ogden's number as a Raven) in the prizes. A keno purchase of \$5 or more received a trailing bonus match-up coupon with an 8-digit number. Players saved the bonus match-up coupons to try to win J.O. themed prizes including cash, autographed memorabilia and on-field passes to a Ravens game. Nearly 2 million eligible tickets were purchased, triggering bonus match-up coupons.
2. Orioles/5 Card Cash Hit It Big Promotion – This promotion began with the opening of the Oriole's season on 4/2 and although is winding down, it still captures the attention of players; 91,848 entries were received for the Batting Practice with a Former Oriole Player; 380,151 total entries have been received to date.

ii. Upcoming tasks for this period:

1. Ravens Mega Power Promotion: Significant progress has been made in developing the Ravens Mega Power Promotion, scheduled to begin 8/26. Similar to last year's Redskins Mega Power Promotion, when purchasing Mega Millions with Megaplier or Powerball with Power Play, players will receive a game ticket emblazoned with the Ravens logo. If that ticket is non-winning, the serial number may be entered online into weekly drawings where players could be selected as the 'Fan of the Game' (players win \$5,000 for being selected, and \$1,000 for an interception made), or win Ravens prizes including: Gameday tickets, Tickets with Hospitality Tent, Away Trip with the Team,

Tickets to Ring of Honor Ceremony and Game or Suite Tickets. First drawing will be held 8/29.

2. Upcoming monitor games promotions:
 - Keno Sprinkler: 8/19-9/8.
 - Racetrax Doubler: 8/19-9/8.
3. Continue monitoring the Orioles 5 Card Cash Hit It Big contest. The last drawing is 9/3 to select the next round of Hit It Big Contestants of the Game as well as the Take the Field at Oriole Park prize winner.

b. Instant ticket products and promotions

i. Key accomplishments last period:

1. July ticket launch (7/29) included the following: \$1 *Wild 1s*, \$2 *Champions Baltimore Ravens*, \$5 *Great Big Bingo* and \$10 *Winners Luck*.
2. *Champions Baltimore Ravens*: This \$2 scratch-off features the marks and logos of the World Champion, Baltimore Ravens. A second-chance contest has been created using the My Lottery Rewards platform – Players enter non-winning scratch-offs into the My Lottery Rewards Database for chances to win 2014 Ravens season tickets. As of 8/11 there were already 2,545 registered users and 19,022 entries.
3. *40 Rubies*: The final drawing will be held 8/15; over 141,000 entries have been received as of 8/12.
4. *Price is Right*: The fifth drawing was held 7/10, 78,061 entries were received; the sixth and final drawing was held 8/7, 69,890 entries were received.
5. *Summer Fun*: The drawing was held on 7/22 to choose the winners receiving a luxury vacation in either Deep Creek Lake or Ocean City from 8/10 – 8/17. 72,000 entries were received.

ii. Upcoming tasks for this period:

1. *Champions Baltimore Ravens*: Continue promoting the scratch-off and second-chance contest. The first drawing will be held 9/12.
2. Continue promoting My Lottery Rewards and developing promotions and contests around the new rewards program.
3. August ticket launches (8/26): \$1 *Nifty \$50s*, \$3 *24 Karat Cash*, \$5 *Funky 5s* and \$20 *Hit the Jackpot*.

II. Creative Services

a. Traditional media

i. Key accomplishments last period:

1. My Lottery Rewards: Multi-media campaign to launch the program concluded. Experienced increase in number of registrants when advertising was on air.
2. Keno with J.O.: Statewide radio ran 7/8-8/4 to support this promotion.
3. Raven Sponsorship/NFL Programming: This year the Ravens campaign is complex, encompassing a number of different messages

and elements. Our two Ravens-themed initiatives will be promoted by a season-long advertising campaign. Both the Champions \$2 scratch-off and the Ravens Mega Power Promotion will receive support from the Ravens sponsorship, Ravens and various NFL programming, radio and digital advertising.

ii. Upcoming tasks for this period:

1. 5 Card Cash/Orioles Sponsorship: Continue to raise awareness of the final drawing deadline.
2. My Lottery Rewards: Increase membership in the rewards program and sales for products/promotions featured in the program.
3. Complete production of Ravens/NFL television, radio and digital advertising elements.

b. Web/digital/new media

i. Key accomplishments last period:

1. Launched Ravens dedicated landing page to promote Ravens Champions second chance and Ravens Mega Power Promotion. The page can be seen at mdlottery.com/ravens.
2. My Lottery Rewards participation continues to grow with more than 15,000 registrations to date.

ii. Upcoming tasks for this period:

1. B2B website development continues.
2. Planning and development for a mobile app continues. Launch date has yet to be determined.

c. Merchandising

i. Key accomplishments last period:

1. SalesMaker: Weekly review and reporting will be ongoing.
 - o Regions 1 and 3 have completed their target SalesMaker locations.
 - o 30 retailers passed the DC Media vetting process and were installed in July.
 - o Leslie Mitchell has started a regular route to visit the 2012 SalesMaker retailers. Her focus has been to document and improve each location on every visit.

i. Upcoming tasks for this period:

1. SalesMaker:
 - o Completion of Regions 2, 4 and 5.
 - o DC Media surveys continue to be evaluated for 2nd round of window and door signage.
 - o Evaluate current merchandising inventory and identify opportunities to upgrade and/or add new items.

III. Sales Initiatives

a. Key accomplishments last period:

i. Field Activities:

1. The Sales force continues the process of reducing excess inventory from the field but change the focus from 180+ days to books that have not been activated for more than 120+ days. In July, inventory was reduced to 595 books in the 120+ day category, down from over 4,000 books at the start of the program. The project was initiated to reduce the potential high liability that may exist at these locations.
2. All five regions have been completing retailer makeovers, in association with the 2013 SalesMaker program.
3. Sales participated in six Lottery selling events in the community during June and July.

ii. Corporate Sales:

1. Corporate Sales Quota:
 - o July 2013 v. July 2012: +\$336,201 / 1.30%
2. Business Reviews:
 - o Safeway: CY12 Sales: \$10.2MM / +5% over 2011. Have installed terminals in 10 Safeway gas kiosk locations; six of which have produced total sales to date of \$52k. The remaining four locations are in the process of being trained. Early analysis indicates kiosks are producing plus sales; store sales have not decreased.
3. ITVMs: With all units distributed, we are identifying low-selling units to downgrade or remove ITVMs for new installations, selling events, etc. Ravens stadium, MD State Fair and 11 new Shoppers Food locations have received these units to date.
4. Ravens: Training Camp at M & T Bank Stadium - 8/11: \$5600 in total sales. \$5100 (17 books) of Ravens Champions tickets were sold with \$500 in online sales.

b. Upcoming tasks for this period:

i. Field Activities:

1. Sales will continue the inventory reduction campaign by setting a new bench mark goal of returning instant ticket books confirmed more than 120 days. Eventually the baseline goal of 60 days will be reached and maintained.
2. Sales will continue to complete all SalesMaker locations for each region. The target goal is 200 SalesMaker for 2013.
3. The Sales department will continue to assist the Communications department with Lottery selling events.

ii. Corporate Sales:

1. Rocky Gap: Enable Agent Plus for Cage terminal; agreement was sent to Rocky Gap for signature.
2. Ocean Downs: Adding a PAT and a second Racetrax monitor.
3. Ravens:

- Stadium: Lottery will be sold at all 10 home games beginning 8/15. Jolly's Food Mart will be the Ravens Walk selling agent, with Lottery staff selling inside the stadium.
- Club Level: Four 16-bin ITVMs are installed on club level that will sell the Champions game exclusively.
- Concourses: Online games and Champions tickets will be sold at two concourse locations (Sections 148 and 527).
- Ladies Night: 9/30 - Sales and Communications will be onsite to sell all games and promote the Champions game.

IV. Communications

a. Events

i. Key accomplishments last period:

1. Staffed a booth, promoted and sold products at the Verano Zol Festival in Gaithersburg on 6/23, the Maryland Municipal League Convention 6/23-26, Orioles vs. Yankees game on 6/28, Bowie Baysox game on 7/2, African American Heritage Festival in Baltimore on 7/6-7, Summer Movie Nights at National Harbor on 7/18, 21 and 28, Delmarva Shorebirds game on 7/18 and 8/1, Latino Festival in Timonium on 8/4, Ravens Training Day on 8/11, Maryland Association of Counties Conference in Ocean City on 8/14-17, Ravens vs. Falcons game on 8/15 and Frederick Keys game on 8/21.
2. Concluded a series of Keno parties throughout the state to promote the game, increase Keno sales, educate/entice new players and continue to engage current Keno players on 6/27 and 6/28.

ii. Upcoming tasks for this period:

1. Maryland State Fair 8/23-9/2 with a remote drawing on 8/23 and Maryland Lottery Day on 8/31.
2. Delmarva Bike Week 9/12-15 in Salisbury.
3. In the Street Festival on 9/14 in Frederick.
4. Ravens vs. Browns game on 9/15; Ravens vs. Texans game on 9/22.
5. ZERO Prostate Cancer Race on 9/29 in Towson.
6. Orioles vs. Red Sox on 9/29 in Baltimore.

b. Casino program

i. Key accomplishments last period:

1. Released June 2013 casino revenue numbers on 7/5. The numbers included financials from both slot machines and live table games.
2. Released July 2013 casino revenue numbers on 8/5. 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.

ii. Upcoming tasks for this period:

1. Generate an annual fiscal year report on Lottery and casino facilities.

c. Media relations

i. Key accomplishments last period:

1. Scheduled interviews with media for Director Martino to discuss the fiscal year 2013 revenue.
2. Promoted My Lottery Rewards, Summer Fun, 5 Card Cash, 40 Rubies, The Price is Right, Champions, Keno with J.O., Powerball and the Lottery's 40th anniversary.
3. Conducted drawings for second-chance and Internet contests and notified winners regarding their prizes for Summer Fun, Keno with J.O., 40 Rubies, The Price is Right and "Hit it Big" with 5 Card Cash.
4. Answered more than 300 inquiries from Lottery players sent to Communications' public affairs e-mail.
5. Created and posted winners' videos on mdlottery.com's MDLottery TV and on Instagram.
6. Recorded weekly Lottery Minute Radio for WNAV.
7. Wrote/taped the agency-wide on-hold message for July and August.
8. 57 Lottery-related articles and 68 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
9. Interviewed winners and wrote 70 news releases that were posted on the Lottery website and/or sent to the media.
10. Erica Palmisano was featured in June's "Hot Five" segment on WBAL TV-11 on 6/28.
11. Roz Lane was featured in July's "Hot Five" segment on WBAL TV-11 on 7/26.
12. Distributed July/August Retailer Report newsletter.
13. Prepared the Sept/Oct Retailer Report newsletter for distribution.
14. Promoted the Lottery's new Lottery Voluntary Exclusion Program.
15. Promoted the My Lottery Rewards program via tablets at events.

ii. Upcoming tasks for this period:

1. Continue to promote the "40 Years/40 Stories" exhibit at the Baltimore Museum of Industry.
2. Continue to follow up with local media about the Lottery's Museum of Industry exhibit
3. Will continue to promote the Maryland Lottery's new Lottery Voluntary Exclusion Program.
4. Will continue to promote the new My Lottery Rewards program via tablets at events.