

# 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 Commission  
Stephen Martino, Director

FROM: John Martin, Assistant Lottery Director

DIVISIONS: Product Development, Creative Services, Sales and Communications

DATE: May 15, 2013

SUBJECT: Report for the May, 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. The Racetrax \$6 for \$5 promotion began 4/29 and will continue through 5/26. During the promotional period, players receive a \$1 discount per \$6 wager with the goal of encouraging Trifecta bets.
2. Orioles/5 Card Cash Hit It Big Promotion – This promotion began with the opening of the Oriole's season on April 2<sup>nd</sup> and seems to be a favorite among players; 39,312 entries were received for the Away Game Rooftop Deck Party at Oriole Park prize; 93,267 were received for the Baltimore Baseball Weekend prize.

#### ii. Upcoming tasks for this period:

1. Upcoming draw/monitor games promotions:
  - o Keno - 5 Card Cash promotion: 6/3 – 6/30. Reprise the 5 Card Cash launch promotion where a \$10 (or more) Keno spend generates a free 5 Card Cash ticket.
2. Continue monitoring the Orioles 5 Card Cash Hit It Big contest. Next drawing is 6/4 to select the next round of Hit It Big Contestants of the Game as well as the Trip to Hall of Fame in Cooperstown prize winner.

### b. Instant ticket products and promotions

#### i. Key accomplishments last period:

1. April ticket launch (4/29) included the following: \$1 *Summer Fun*, \$3 *Fire & Ice Multiplier*, \$5 *7x The Money* and \$10 *Super Jackpot*.
2. 40 Rubies: Two drawings remain; over 102,000 entries have been received to date.
3. Price is Right: The second drawing was held 4/18, 59,264 entries were received.

4. Summer Fun: The \$1 scratch-off launched 4/29; hundreds of entries for the mail-in second-chance contest have been received.

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

1. Price is Right: Raise awareness of the scratch-off and second-chance contest. Four drawings remain; to date, 31,377 entries have been received for the third drawing which will be held 5/16.
2. 40 Rubies: The next second-chance drawing deadline is 6/25. Three winners will be selected to win \$4,000 each, and one winner will be selected to receive \$40,000.
3. Summer of Fun: Monitor sales and second-chance contest entries; contest entry period closes 7/22.
4. May ticket launches (5/24): \$1 *Cherry Slots Tripler*, \$2 *High Card*, \$5 *Double Dice* and \$20 *Double Dollar Fortune*.

## II. Creative Services

### a. Traditional media

**i. Key accomplishments last period:**

1. 5 Card Cash/Orioles Sponsorship: Sponsorship is on-going, in-park elements have posted and 30 second television commercials are running in-game on MASN and WJZ throughout the regular baseball season.
2. Summer of Fun: Advertising campaign began 5/6 and includes statewide radio and gas station out of home.
3. 2013 Ravens Licensing, Sponsorship and Prize Agreement: finalized negotiations for 2013 season Ravens sponsorship package and promotion elements. BPW approval anticipated on 5/29.

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

1. 5 Card Cash/Orioles Sponsorship: Continue to update and traffic television commercials, pushing pertinent prize drawings.
2. Summer of Fun: Continue to raise awareness of the scratch-off and second-chance contest.
3. My Lottery Rewards: Finalize and implement advertising plans for the upcoming launch of the new player loyalty program, *My Lottery Rewards*. Prelaunch digital and social elements to begin on May 20<sup>th</sup>. Also, prepare materials for introduction to field staff and other key lottery contact points in late May.
4. Keno with Jonathan Ogden: finalize details of sponsorship with Jonathan's agent and begin production.

### b. Web/digital/new media

**i. Key accomplishments last period:**

1. Launched Summer Fun second-chance landing page. Site provides details to players regarding the second-chance contest and how they can win a luxury vacation in Ocean City or Deep Creek Lake from August 10<sup>th</sup> – 17<sup>th</sup>. The landing page can be seen at [mdlottery.com/summerfun](http://mdlottery.com/summerfun).

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

1. Development continues for *My Lottery Rewards* player loyalty program with SGI/MDI. At launch, only scratch-offs will be eligible for entry. The target launch date for the program is 6/3.
2. B2B website development continues; targeting an end of June launch.
3. Website development for both the Ravens and Redskins sponsorship second-chance contests has begun. Each site will detail the team's respective promotion and give players the opportunity to enter to win related prizes.
4. Planning and development for a mobile app continues. Launch date has yet to be determined.

**c. Merchandising**

**i. Key accomplishments last period:**

1. SalesMaker: The merchandising team has developed an action plan and strategy for the 2013 campaign. SalesMaker began on 3/21 with two of the five Sales Regions participating initially. The remaining three regions are being phased in on a monthly basis. Weekly review and reporting will be ongoing.
  - o Seminars – completed in Waldorf and Annapolis.

**i. Upcoming tasks for this period:**

1. SalesMaker:
  - o Region 5 to begin direct sell-in process
  - o DC Media surveys to be evaluated for window and door signage.
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 as additional items for the entire retailer network.

**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 that has not been activated for more than 180 days. This will potentially reduce the high liability that may exist at these locations.

**ii. Corporate Sales:**

**1. Corporate Sales Quota:**

- o Monthly Quota 4/1 - 4/28/13: - 5.7%
- o FY To Date Quota 6/25/12 - 4/28/13: - .9%

**2. Business Reviews:**

- o Giant Food – 4/8: Met with Chris Darling, Director of Customer Service. CY12 Total Sales: \$33.4M / +8% over 2011. Increased average sales per store by 6% to \$333,637.

Instants accounted for 45% of total, jackpot – 28%, online and monitor – 27%.

- Food Lion – 4/23: Conferenced with Sheila Hyde, Customer & Retail Service Analyst. CY12 Total Sales: \$8.6M / +16.2% over 2011 (\$1.2M). Instant sales increased 11.4% with an increase of 22.5% in online sales. Instant sales accounted for 54% of total sales, online – 23%, jackpot – 21%.
- 3. Royal Farms: Processed their request for crossover social media promotion via Facebook and Twitter.
- 4. High's: New HQ contact. Met with Director of Purchasing on 5/8 to review sales and initiatives (increase instant sales, possible rewards program partnership, etc.).

**b. Upcoming tasks for this period:**

**i. Corporate Sales:**

1. Business Reviews: Royal Farms: 5/9. Pending reviews: Sheetz, Mid Atlantic Petroleum, MDBEP and Safeway.
2. Rocky Gap: Installation of VSAT, PAT and two terminals scheduled for 5/8. On-site training of casino, accounting and restaurant/bar staff to be scheduled week of 5/13. Assuming a successful demo on 5/20, a soft opening is scheduled for 5/22 with grand opening either 6/5 or 6/6. Will have SGI Marketing and Lottery sales staff onsite for support and promotional ticket giveaway.
3. ITVMs/PATs:
  - ITVMs: Business review meeting with GTECH: 5/16. Field audit due 5/24; will identify low-selling units for relocation.
  - PATs: In process of identifying locations where PATs serve as the primary selling terminal. Intention is to have these locations receive level 1 service vs. level 2.

**IV. Communications**

**a. Events**

**i. Key accomplishments last period:**

1. Staffed a booth, promoted and sold products at the following events: City Paper Brew Fest, 4/27 in Baltimore; Redskins Draft Day Party at FedEx Field, 4/27; the Naptown BarBAYq Festival, 5/4-5 at Anne Arundel County Fairgrounds; Maryland Washington Minority Contractors Association Breakfast, 5/10 at Martin's West; MULBA Beverage Show, 5/17 in Baltimore; Preakness Stakes, 5/18 at Pimlico; and Frederick Keys game, 5/22 in Frederick.
2. Held the annual Promotional Partners Luncheon on 5/2 at Dave & Buster's at Arundel Mills. Hosted over 80 radio and television staff members/media personalities from all over the state.
3. Staffed a booth and sold tickets at Wine in the Woods on 5/18 and 5/19. Held 40 Rubies second-chance contest "winner reveal" on 5/18 at Symphony Woods in Columbia.

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

1. Will hold a series of Keno parties to promote the game, increase Keno sales, educate and entice new players to try the game and engage current Keno players on 6/6, 6/7, 6/13, 6/14, 6/20, 6/21, 6/27 and 6/28.
2. Orioles vs. Nationals game, 5/30 at Camden Yards.
3. Ride Across Maryland Music Festival, 6/1 in Blob's Park.
4. Frederick Keys game, 6/5 in Frederick.
5. Capital Jazz Festival, 6/7-9 at Merriweather Post Pavilion.
6. Honfest, 6/8-9 in Hampden.
7. Swinetastic BBQ Festival, 6/14-15 at the Frederick County Fairgrounds.
8. Bowie Baysox game, 6/20 in Bowie.

**b. Casino program**

**i. Key accomplishments last period:**

1. Released April 2013 casino revenue numbers on 5/6. 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.

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

1. Generate an annual report on VLT and casino facilities.

**c. Media relations**

**i. Key accomplishments last period:**

1. Promoted Racetrax, Summer Fun, 5 Card Cash, 40 Rubies, The Price is Right and the Lottery's 40<sup>th</sup> anniversary.
2. Conducted drawings for second-chance and Internet contests and notified winners regarding their prizes for 40 Rubies, The Price is Right and "Hit it Big" with 5 Card Cash.
3. Answered more than 100 inquiries from Lottery players sent to Communications' public affairs e-mail.
4. Created and posted several winners' videos on mdlottery.com's MDLottery TV.
5. Wrote, taped, edited and posted bi-weekly Lottery Minute videos on mdlottery.com.
6. Wrote, edited and recorded Lottery Minute Radio for WNAV-AM.
7. Wrote and taped the agency-wide on-hold message for May.
8. 29 Lottery-related articles and 37 Maryland casino-related articles were printed in local and regional papers and on news websites.
9. Interviewed winners and wrote 34 news releases that were posted on the Lottery website and/or sent to the media.
10. Erica Palmisano was featured in April's "Hot Five" segment on WBAL on 4/27.
11. Wrote and distributed May/June 2013 Retailer Report newsletter.
12. Worked with the Washington Post on an article about Rocky Gap's controlled demonstration on 5/20.

13. Scheduled media interviews regarding Rocky Gap Casino Resort's opening for Director Martino in Western Maryland.

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

1. Continue to promote the "40 Years/40 Stories" exhibit at the Baltimore Museum of Industry.
2. Follow up with Museum of Industry exhibit to garner additional media coverage.
3. Will promote the Maryland Lottery's new Voluntary Exclusion Program specifically for Lottery players.