

# 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: October 16, 2013

SUBJECT: Report for the October, 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. Ravens Mega Power Promotion: This promotion began 8/26 and will continue through 12/26. As of 10/16, 7 drawings have been held – total entries exceeded 82,000.
2. Two promotions began on 10/14 and will continue through 11/10: Bonus Match 5 Doubler – Taxes Paid: During the promotional period, players will receive chances to double Bonus Match 5 prizes, included a Taxes Paid top prize; Pick 3 Double Pay on Box Play: During the promotional period, any winning Pick 3 Box ticket will receive doubled prize amount.

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

1. Mega Millions Game Changes: On 10/19 – Jackpots will start at \$15 million (instead of \$12 million); overall chances of winning a prize improve; 2<sup>nd</sup> tier prize goes from \$250,000 to \$1 million and is eligible to be multiplied if Megaplier is played; cost per play will remain \$1 for the base game, \$1 for Megaplier.
2. Ravens Mega Power Promotion: Next drawings: 10/17, 10/24, 10/31.
3. Upcoming game promotions:
  - o Keno Sprinklers: 'Thanksgiving' 11/18-12/1 and 'Holiday' 12/16-12/29.
  - o Pick 3 'Let it Snow' promotion: 12/9-1/12/14.

## **b. Instant ticket products and promotions**

### **i. Key accomplishments last period:**

1. September ticket launch (9/30): \$1 *Wild Turkeys*, \$2 *Rainbow Blackout Bingo*, \$3 *Rack Up the Cash*, \$5 *Double Take* and \$10 *\$100,000 Richer*.
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. To date, two drawings have been held; over 53,000 entries were received for the second drawing.

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

1. Tech the Halls: Significant progress has been made in the development of this second-chance contest. Five holiday themed ‘Tech the Halls’ scratch-offs will launch 10/28 at varying price points. Players enter their non-winning scratch-offs online at the My Lottery Rewards website for chances to win tech themed prizes.
2. Champions Baltimore Ravens: Continue promoting the scratch-off and second-chance contest. The next drawing will be held 11/14.
3. October ticket launches (10/28): \$1 *Tech the Halls*, \$2 *Tech the Halls*, \$3 *Tech the Halls*, \$5 *Tech the Halls* and \$10 *Tech the Halls*.

## **II. Creative Services**

### **a. Traditional media**

#### **i. Key accomplishments last period:**

1. Redskins Sponsorship: The partnership with the Washington Redskins this year focuses on the Lottery’s rewards program, My Lottery Rewards. Promotional elements include radio, digital, in-stadium signage and hospitality.
2. 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. My Lottery Rewards: Increase membership in the rewards program and sales for products/promotions featured in the program.
2. Complete production of Ravens/NFL television, radio and digital advertising elements.
3. Tech the Halls: Advertising plan has been approved; creative advertising elements are currently in production and media has been placed. The campaign includes gas station out of home, statewide television, Hulu streaming television, statewide radio, Pandora radio

and digital. Advertising elements are scheduled to run 11/18 – 11/25.

**b. Web/digital/new media**

**i. Key accomplishments last period:**

1. Conducted beta testing of Android and iOS versions of mobile app. Began work on consumer launch plan and digital elements.
2. My Lottery Rewards membership is now over 23,000. However, finished development and vetting of MLR consumer engagement plan to begin next month.
3. Began work on Tech the Halls promotion elements including landing page, digital banners and rich media.

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

1. Numbers Finder – a new Numbers Finder tool will launch on [mdlottery.com](http://mdlottery.com) and [mdlottery.com](http://mdlottery.com) mobile. The tool will feature an improved interface and faster searching to see if a player won and if their favorite numbers are hot or not.
2. My Lottery Rewards – Currently planning the My Lottery Rewards engagement calendar to increase participation with the program. The first planned item is a 1,000,000 point giveaway. Players will be able to enter to win up to 30,000 Rewards points. There will be 85 winners in all.
3. Mobile Application: On 11/11, the Maryland Lottery and Gaming Control Agency will be announcing the launch of our “core” mobile app for Android and iOS handheld devices. It is planned to be the first of several Maryland Lottery apps available in the future. This core app is designed to deliver fun information and relevant content, while serving as a secondary source to all of the information published at the Lottery’s website [mdlottery.com](http://mdlottery.com). It is also important to note that this app has no selling or cashing capabilities. The app will have 7 key areas of functionality:
  - Winning Numbers: Players will be able to view a quick snapshot of the last 10 draws for each game.
  - Current Jackpot: Players will be able to view the current jackpot amount for Multi-Match, Mega Millions and Powerball.
  - Alerts: Players will have the ability to set up winning numbers and jackpot alerts.
    - Winning Numbers: For any game selected, a player will be alerted when a winning number is available for their game of choice.
    - Jackpot: For any jackpot game selected, a player will be alerted when the selected jackpot games reach their desired threshold.
  - Scratch-off Details: Players will be able to easily scroll and sort through all current scratch-off games, view ticket artwork and prizes remaining.

- Find My Game: This interactive element asks players five distinct questions and depending on their answers, matches them with a game.
  - Number Generator: Intended for entertainment purposes only, this feature randomly generates numbers for players to wager with.
  - Cross Sell Marketing Graphics: Graphics at the bottom of the app will display marketing messages from the Lottery and link to our website for further information
4. B2B website development continues.

### c. Merchandising

#### i. Key accomplishments last period:

1. SalesMaker: Weekly review and reporting will be ongoing.
  - The 2013 SalesMaker campaign has wrapped; 199 retail locations received merchandising makeovers during this period.
  - Additional 30 retailers were approved for window and door installation, which brings the total to 60 locations for 2013.
  - Leslie Mitchell continues a regular route, visiting 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:
  - Analyze and review the 2013 campaign with various program participants both internally and externally. Meetings have been scheduled with Lottery staff and Scientific Games. Target date for management review is 10/29.
  - DC Media surveys continue to be evaluated for an additional round of window and door signage. Currently, installation is scheduled for the last week of October. Change outs of current locations would also be completed.
  - Evaluate current merchandising inventory and identify opportunities to upgrade and/or add new items. Survey in development for Sales Department feedback.

## III. Sales Initiatives

### a. Key accomplishments last period:

#### i. Regional Advisory Board Program:

1. The fall 2013 Regional Advisory Board Session is underway. John Martin and a team of lottery personnel met with a group of Baltimore retailers on 10/8, traveled to Waldorf on 10/9, Hunt Valley on 10/10, Rockville on 10/16 and Annapolis on 10/17.

#### ii. Field Activities:

1. The Sales force continues the process of reducing excess inventory from the field but changed the focus from 180+ days to books that have not been activated for more than 120+ days. In September,

inventory was maintained at less than 500 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 completed their retailer makeovers, in association with the 2013 SalesMaker program.
3. Sales participated in 7 Lottery selling events in the community during September.

**iii. Facings:**

1. Sales maintained a network of 106,732 facing units at 4,049 retailers for an average of 26.3 units per location. This was an increase of 249 facing units and slight increase of .1 units per location.

**iv. Corporate Sales:**

1. Corporate Sales Quota:
  - Corporate sales for September increased by 11.3% over 2012; Increases were seen in both online (22%) and instant (2%). For 3QCY, Corporate sales increased by 4.7%.
2. ITLM RFP:
  - Attended pre-bid conference on 9/12. RFP response due date has been extended to 10/30/13. A list of eligible veteran organizations was obtained from James Butler to develop a recruitment plan.
3. SalesMaker:
  - A total of 10 makeovers were completed at MDBEP and Mid-Atlantic Petroleum locations. Instant ticket facings and POS materials were added to increase sales, awareness and visibility of lottery products.
4. Ravens: Sales of the \$2 Champions scratch-off as of 9/30:
  - 281 books / \$84,000 in total sales.

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

**i. Regional Advisory Board Program:**

1. The last meeting for the fall 2013 session will be held 10/17 in Annapolis. After the meetings have completed for this session, a survey will be sent to participating retailers for feedback. The program may be revised going forward to include training elements for retailers. Next session is scheduled for spring 2014.

**ii. 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. The Sales department will continue to assist the Communications department with Lottery selling events.
3. Tyrone Williams was promoted to Western Sales Manager in September.
  - Sales will be filling open positions as created by the new organizational chart.

- iii. Corporate Sales:
  - 1. VFW RFP:
    - Continue work on eligible locations, work with Sales management to develop recruitment plan, begin evaluation process.
  - 2. Sales Department Reorganization:
    - Effective 10/21, begin working with sales personnel in the Eastern sector of the state to increase sales, drive recruitment and address retailer issues.
  - 3. Maryland Live!:
    - Working with Maryland Live! and Scientific Games to address PAT issues to increase sales. Have developed a plan to increase visibility and sales of instant tickets by adding an ITVM in the near future.
  - 4. Hudson News/Airport:
    - Will be working with Hudson News and Fire Marshall's office to determine the best placement for ITVMs to produce maximum sales while complying with airport regulations.

#### IV. Communications

##### a. Events

###### i. Key accomplishments last period:

- 1. Staffed a booth, promoted and sold products at the Maryland Wine Festival on 9/21-22 in Westminster, Ravens vs. Texans game on 9/22, MPT Motor Week Carnival on 9/28 in Adamstown, the ZERO Prostate Cancer Run on 9/29 in Towson, the Orioles vs. Red Sox game on 9/29, A Purple Evening on 9/30 in Baltimore, Endless Cruisin' on 10/10-13 in Ocean City and the Ravens vs. Packers game on 10/13.
- 2. Conducted a remote *Pick 3/Pick 4* drawing at the Renaissance Festival on 10/4 in Crownsville.

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

- 1. Ravens vs. Jets on 10/24.
- 2. Maryland vs. Clemson homecoming game on 10/26 in College Park.
- 3. Ravens vs. Bengals on 11/10.
- 4. Ravens vs. Steelers on 11/28.

##### b. Casino program

###### i. Key accomplishments last period:

- 1. Released September 2013 casino revenue numbers on 9/5. The numbers included financials from both slot machines and live table games.
- 2. Released a press release about the status of controlled demonstration at Maryland Live Casino's new poker room.
- 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. Communications Director Carole Everett spoke with several members of the media regarding the recent \$189 million win. The Maryland Lottery was featured on all local television news stations, the Baltimore Sun, the Gazette, the Washington Post and more.
2. Scheduled interviews with media for Director Martino to discuss the fiscal year 2013 revenue.
3. Promoted My Lottery Rewards, Mega Power Promotion, Champions scratch-off, Powerball and Mega Millions.
4. Conducted drawings for second-chance and Internet contests and notified winners regarding their prizes for Ravens Mega Power Promotion.
5. Answered more than 300 inquiries from Lottery players sent to Communications' public affairs e-mail.
6. Created and posted winners' videos on mdlottery.com's MDLottery TV and on Instagram.
7. Recorded weekly Lottery Minute Radio for WNAV.
8. Wrote and taped the agency-wide on-hold message for month of October.
9. 26 Lottery-related articles and 54 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
10. Interviewed winners and wrote 29 news releases that were posted on the Lottery website and/or sent to the media.
11. Erica Palmisano was featured in September's "Hot Five" segment on WBAL TV-11 on 9/28.
12. Promoted the Maryland Lottery's new Lottery Voluntary Exclusion Program.
13. Promoted the My Lottery Rewards program via tablets at events.
14. Promoted the \$189 million Mega Millions winner in Anne Arundel County.

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

1. Continue to promote the Maryland Lottery's Voluntary Exclusion Program.
2. Continue to promote the new My Lottery Rewards program via tablets at events.
3. Will prepare and distribute the November/December 2013 Retailer Report newsletter.