

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: September 11, 2013

SUBJECT: Report for the September, 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. When playing Mega Millions and Powerball, purchases that include the multiplier option for each game produce 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, Away Trip with the Team, Tickets to Ring of Honor Ceremony and Game or Suite Tickets. As of 9/8, two drawings have been held – total entries exceeded 8,800.
2. Keno Sprinkler and Racetrax Doubler promotions ran 8/19 through 9/8 to coincide with the Maryland State Fair.
3. Orioles/5 Card Cash Hit It Big Promotion: This last drawing for Contestants of the Game and the final experiential prize was held 9/3. One winner was selected to win the 'Take the Field at Oriole Park' prize out of 55,612 entries; 435,768 total entries were received for this promotion.

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; 2nd tier prize goes from \$250,000 to \$1 million; cost per play will remain \$1.
2. Ravens Mega Power Promotion: Next drawings: 9/12, 9/19, 9/26.
3. Upcoming game promotions:
 - Bonus Match 5 Doubler: 10/14-11/10.

- Pick 3 Double Pay for Box Play: 10/14-11/10.

b. Instant ticket products and promotions

i. Key accomplishments last period:

1. August ticket launch (8/26) included the following: \$1 *Nifty \$50s*, \$3 *24 Karat Cash*, \$5 *Funky 5s* and \$20 *Hit the Jackpot*.
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.
3. 40 Rubies: The final drawing was held 8/15; approximately 150,000 entries were received.

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 first drawing will be held 9/12; so far, over 60,000 entries have been received.
3. Continue using the My Lottery Rewards platform to develop promotions and contests.
4. September ticket launches (9/30): \$1 *Wild Turkeys*, \$2 *Rainbow Blackout Bingo*, \$3 *Rack Up the Cash*, \$5 *Double Take* and \$10 *\$100,000 Richer*.

II. Creative Services

a. Traditional media

i. Key accomplishments last period:

1. Jackpot Advertising: In addition to the state-wide permanent jackpot signage, radio and digital outdoor advertising is currently running to support both the Mega Millions and Powerball jackpots.
2. Grand Prix Sponsorship: Over Labor Day weekend, the Lottery partnered with other State Agencies to sponsor a hospitality tent at the Baltimore Grand Prix. In addition to event tickets, this sponsorship offered onsite advertising in the form of signs and a full page ad in the Fan Guide.
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. 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 plans are in development for the upcoming holiday promotion. The proposed plan includes television, radio and digital advertising.

b. Web/digital/new media

i. Key accomplishments last period:

1. Launched dedicated second-chance microsite for the Ravens Mega Power Promotion. The site can be seen at mdlottery.com/ravens.
2. My Lottery Rewards membership is now over 20,000 members.
3. New feature called Local Discounts was launched for My Lottery Rewards. Players can use their points to purchase discounts at local retailer establishments in their zip code.

ii. Upcoming tasks for this period:

1. Testing is on-going for a new Numbers Finder tool on mdlottery.com. This tool will allow players to better search and find numbers they have played, as well as drawing results.
2. B2B website development continues.
3. Development for mobile app continues for iOS. Testing has begun for Android. Anticipated launch date yet to be determined.

c. Merchandising

i. Key accomplishments last period:

1. SalesMaker: Weekly review and reporting will be ongoing.
 - o All regions have completed their target SalesMaker locations for 2013. As of 9/6, 199 retail locations received a merchandising makeover.
 - 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 Analyze and review the 2013 campaign with various program participants both internally and externally. The next step would be to document the findings and deliver a report to executive management.
 - o DC Media surveys continue to be evaluated for 2nd 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.

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 August, inventory was maintained at 500 - 600 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. The yearly program will conclude by mid-September.
3. Sales participated in five Lottery selling events in the community during August, which included 11 days at the state fair.

ii. Facings:

1. Sales maintained a network of 106,483 facing units at 4057 retailers for an average of 26.2 units per location.

iii. Corporate Sales:

1. Corporate Sales Quota:

- Corporate sales for August, 2013 increased by 2.42% over August, 2012; attributed to jackpot sales and equipment upgrades.

2. SalesMaker:

- Working with Dash In, MDBEP and Mid-Atlantic Petroleum HQ to move forward with the SalesMaker Program in select locations.

3. Ocean Downs:

- The casino installed a 2nd monitor for Racetrax to accompany the installation of a PAT to capture overflow Keno/RT sales.

4. Vendor Planning Meeting Follow-up:

- Contacted California Lottery to obtain information on their CVS initiative.
- Contacted VA Lottery to inquire about their QR for instant games.

5. Ravens: Training Camp and 2 pre-season game sales:

- 75 books / \$22,000 in total 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.
 4. Sales will be filling open positions as created by the new organizational chart.
- ii. Corporate Sales:
1. SalesMaker:
 - Corporate and district managers, along with SGI marketing staff, will complete makeovers in the selected locations.
 2. ITLM RFP:
 - Pre-bid conference scheduled for 9/12.
 3. Ravens:
 - Will continue to promote and sell the Champions game at the 9/15 and 9/22 games as well as the event, A Purple Evening, on 9/30.

IV. Communications

a. Events

i. **Key accomplishments last period:**

1. Staffed a booth, promoted and sold products at the Maryland State Fair on 8/23-31, Wind Down Thursday on 9/5 in Largo, Delmarva Bike Week on 9/12-15 in Salisbury, In the Street Event on 9/14 in Frederick, 98 Rock Shindig on 9/14 in Carroll Park and Ravens vs. Browns game on 9/15.
2. Conducted a remote *Pick 3/Pick 4* drawing at the Maryland State Fair on 8/23.
3. Maryland Lottery Day on 8/31 at the Maryland State Fair.

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

1. Ravens vs. Texans game on 9/22.
2. ZERO Prostate Cancer Race on 9/29 in Towson.
3. Orioles vs. Red Sox on 9/29 in Baltimore.
4. Renaissance Festival Remote Drawing on 10/4 in Crownsville.
5. Endless Cruisin' on 10/10-13 in Ocean City.
6. Maryland vs. Clemson homecoming game on 10/26 in College Park.

b. Casino program

i. **Key accomplishments last period:**

1. Released August 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. Scheduled interviews with media for Director Martino to discuss the fiscal year 2013 revenue.
2. Promoted My Lottery Rewards, Mega Power Promotion, Summer Fun, 5 Card Cash, 40 Rubies, The Price is Right, Champions scratch-off, Keno with J.O., Powerball, Mega Millions and the Lottery's 40th anniversary.
3. Conducted drawings for second-chance and Internet contests and notified winners regarding their prizes for "Hit it Big" with 5 Card Cash and Ravens Mega Power Promotion.
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 and taped the agency-wide on-hold message for month of September.
8. 38 Lottery-related articles and 46 Maryland casino-related articles were printed in local and regional papers and on news/blog websites.
9. Interviewed winners and wrote 31 news releases that were posted on the Lottery website and/or sent to the media.
10. Carole Everett was featured in August's "Hot Five" segment on WBAL TV-11 on 8/31 and on a Multi-Match segment on FOX45 on 9/4.
11. Distributed September/October 2013 Retailer Report newsletter.
12. Promoted the Maryland Lottery's new Lottery Voluntary Exclusion Program.
13. Promoted the My Lottery Rewards program via tablets at events.

ii. Upcoming tasks for this period:

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