

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: April 17, 2013

SUBJECT: Report for the April, 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 Sprinkler ran through 4/8.
2. Orioles/5 Card Cash Hit It Big Promotion – This promotion began with the opening of the Oriole's season on April 2nd; 17,036 entries were received for the first drawing to select Contestant of the Game winners for the first 8 games.
 - 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:
 - 5 Card Cash Orioles Promotion: 3/25 – end of Orioles regular season.
 - Racetrax \$6 for \$5: 4/29 – 5/26.
2. Continue monitoring the Orioles 5 Card Cash Hit It Big contest. Next drawing is 5/7 to select the next round of Hit It Big Contestants of the Game as well as the Baltimore Baseball Weekend prize winner.

b. Instant ticket products and promotions

i. Key accomplishments last period:

1. Ravens Cash Fantasy: The last prize drawing for \$25,000 was held on 3/28 – 89,448 entries were received.
2. March ticket launch (3/25) included the following: \$2 *Red White & Blue*, \$5 *Platinum Crossword* and \$10 *Green Streak*.
3. 40 Rubies: Three drawings remain; over 85,000 entries have been received to date.

ii. Upcoming tasks for this period:

1. Price is Right: Raise awareness of the scratch-off and second-chance contest. Five drawings remain; to date, 44,198 entries have been received for the second drawing which will be held 4/18.
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: Launch the \$1 scratch-off and continue developing and preparing for second-chance contest.
4. April ticket launches (4/29): \$1 *Summer Fun*, \$3 *Fire & Ice Multiplier*, \$5 *7x The Money* and \$10 *Super Jackpot*.

II. Creative Services

a. Traditional media

i. Key accomplishments last period:

1. 5 Card Cash/Orioles Sponsorship: Sponsorship negotiations are complete, 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 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: Continue to update and traffic television commercials, pushing pertinent prize drawings.
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. Developed microsite for Baltimore Orioles sponsorship promotion Hit It Big with 5 Card Cash. Players are able to enter non-winning 5 Card Cash tickets for a chance to win cash and Orioles prizes.

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. Summer of Fun second-chance contest landing page will be launched at mdlottery.com, providing contest details and marketing the two vacations players could win through the promotion.
3. 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.
4. 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 – Region 1 began Direct Sell-Ins.
 - o 4/3 – Second College Park Seminar for Region 3 and one territory in Region 1.
2. Digital Jackpot Signage: 644 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. SalesMaker:
 - o 4/17 – Waldorf Seminar for Region 3.
 - o 5/2 – Annapolis Seminar for Region 2.
2. 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.
3. 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.

4. 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 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.
2. The district managers begin the 2013 SalesMaker Campaign by attending seminars with their assigned retailers. During the month they will work in the retailer locations to merchandise the locations to help increase sales especially in the scratch-off product line.

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 – CY12 vs CY11

- o Total Sales: \$349 MM / +10.3%
- o Corporate network: 1090 / +43 locations / +4%

2. Corporate Sales Quota:

- o Monthly Quota 3/4 - 3/31/13: - 24.1%
- o FY To Date Quota 6/25/12 - 3/31/13: - .3%

3. Orioles: Terminal and ITVM up and running in Orioles gift shop.

4. Business Reviews:

- o High's – 3/20: Met with Steve Thrush, Director of sales and marketing, and Richard Phelps, CEO of Carroll Fuels. With the Carroll Fuel acquisition, 19 High's stores closed late 2011/early 2012 (locations without gas). 2012 sales dropped 5.5% to \$9.8MM.
- o 7-11 – 3/25: Met with Chris Stewart, Zone merchandiser, Dallas. Total sales: \$142MM – a 13.1% sales increase over 2011 (6.4% increase in instant sales). 6.9% increase in number of stores, bringing total to 374 locations. 5.8% increase in per store sales average - \$380k.
- o Mars Supermarkets – 3/22: Met with Chuck Levee, Operations manager. Total sales: \$11MM, a 21.7% increase over 2011. 60% sales increase in instant sales with installation of ITVMs in all 17 locations / \$1.4MM.

5. Rocky Gap: Site visit with SGI on 3/21. Met with Blake Lyon, the Gaming Manager and the IT and Restaurant Managers. Three lottery installations: Lakeside Bar & Signature Restaurant will sell all games with monitors; Casino to sell via PAT. Met with SGI on 3/28 to discuss installation timeline.

6. Maryland Live!: Site visit on 3/20 to address the requested relocation of the casino PAT due to the addition of table games; PAT to remain in existing location until further notice. Total weekly sales average: \$9,450.

b. Upcoming tasks for this period:

i. Corporate Sales:

1. Business Reviews: Giant Food scheduled for 4/8. Pending reviews: Sheetz, Royal Farms, Mid Atlantic Petroleum and Safeway.
2. Rocky Gap: Installation of communications and lottery equipment, employee training, etc.

IV. Communications

a. Events

i. Key accomplishments last period:

1. Staffed a booth and promoted products at the Northern Chesapeake Modern Living Expo on 3/22-24 at the APGFCU Arena at Harford Community College.
2. Hosted Keno parties to promote the game, increase Keno sales, educate and entice new players to give the game a try and continue to encourage current Keno players at DeSantis Pizza Bar & Grill in Baltimore on 3/28, Lucky's Superette in Odenton on 3/29, Jad's Caddyshack in Essex on 3/29, and Aspen Hill B&W in Silver Spring on 4/4.
3. Staffed a booth, promoted and sold products at Orioles' Opening Day on 4/5 at Camden Yards.
4. Staffed a booth and promoted the Lottery at the Delmarva Shorebirds game in Salisbury on 4/18.
5. Staffed a booth, promoted and sold products at Orioles vs. Dodgers game on 4/19 at Camden Yards.

ii. Upcoming tasks for this period:

1. Bowie Baysox game on 4/30 in Bowie.
2. Promotional Partners Luncheon on 5/2 at Dave & Busters in Arundel Mills.
3. Naptown BarBAYq on 5/4-5 at the Anne Arundel County Fairgrounds.
4. MWMCA Breakfast on 5/10 at Martin's West.
5. Preakness on 5/18 at the Pimlico racetrack.
6. Wine in the Woods and second 40 Rubies second-chance reveal on 5/18-19 at Merriweather Post Pavilion.

b. Casino program

i. Key accomplishments last period:

1. Released March 2013 casino revenue numbers on 4/5. The numbers included financials from both slot machines and Hollywood Casino's new table games.

2. Continued to answer media inquiries about the status of Maryland's slots program, monthly revenue, decisions made during the legislative session and the individual facilities.
3. Updated the casino revenue chart and press release to include table games.
4. Issued a press release about Maryland Live's successful table game controlled demonstrations (4/5 and 4/9).

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 Keno Sprinkler, Summer Fun, 5 Card Cash, Ravens Cash Fantasy, The Price is Right, 40 Rubies and the Lottery's 40th anniversary.
2. Conducted drawings for second-chance and Internet contests and notified winners regarding their prizes in the Ravens Cash Fantasy, The Price is Right and Hit it Big with 5 Card Cash.
3. Answered more than 150 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 and taped April's on hold message for the phone system at WBAL.
7. 32 Lottery-related articles (including iLottery) and 49 Maryland casino-related articles were printed in local and regional papers and on news websites.
8. Interviewed winners and wrote 34 press releases that were posted on Lottery website and/or sent to the media.
9. Carole Everett was featured in March's "Hot Five" segment on WBAL on 3/30.
10. Carole Everett was interviewed live for FOX45's Hometown Hotspot segment on 4/12 at the Baltimore Museum of Industry's 40 Years/40 Stories Lottery exhibit.

ii. Upcoming tasks for this period:

1. Begin writing the summer 2013 Retailer Report newsletter, for publication in 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.