# Massachusetts State Lottery Commission Meeting

*Executive Director's Report*

**Delivered by Paul R. Sternburg**

**November 21, 2013**

# Lottery Sales Update

- Overall sales for October 2013 were $8 million higher than October 2012.
- The prize payout for October 2013 was 71.8 percent as compared to 70.3 percent for October 2012. This 1.5 percent increase caused the overall prize payout percentage for the fiscal year to jump from 70.63 percent to 70.74 percent, which translated into a $5.9 million decrease in net profit from the previous month; however, the prize payout for the first four months of FY13 was 72.6 percent, so our net profit in FY14 to-date is now $29.7 million ahead of last year.
- October's sales increase can be attributed to a $6 million boost in the Instant Ticket portfolio; a $3 million increase in Powerball due to a higher jackpot offering this year as compared to last year; and, a $1 million increase in KENO sales.
- Two draw games in our portfolio experienced sales decreases in October. Lucky for Life, a regional draw game, saw a $1 million decrease in sales, and The Daily Race Game, a monitor game offering, saw a $2 million decrease because there have been no ticket sales since the game officially ended in June 2013.

# Holiday 2013 Advertising Campaign

**Objectives:**

- Create buzz and increased awareness of 2013 season and instant tickets.
- Capitalize on excitement surrounding the holidays.
- Position season/instant tickets as the perfect gift for anyone.

**Timing:**

- Friday 11/29 – Tuesday 12/24 (Black Friday launch)
- Flight media to saturate market leading up to key gift-buying time period

**Geography:**

- Statewide

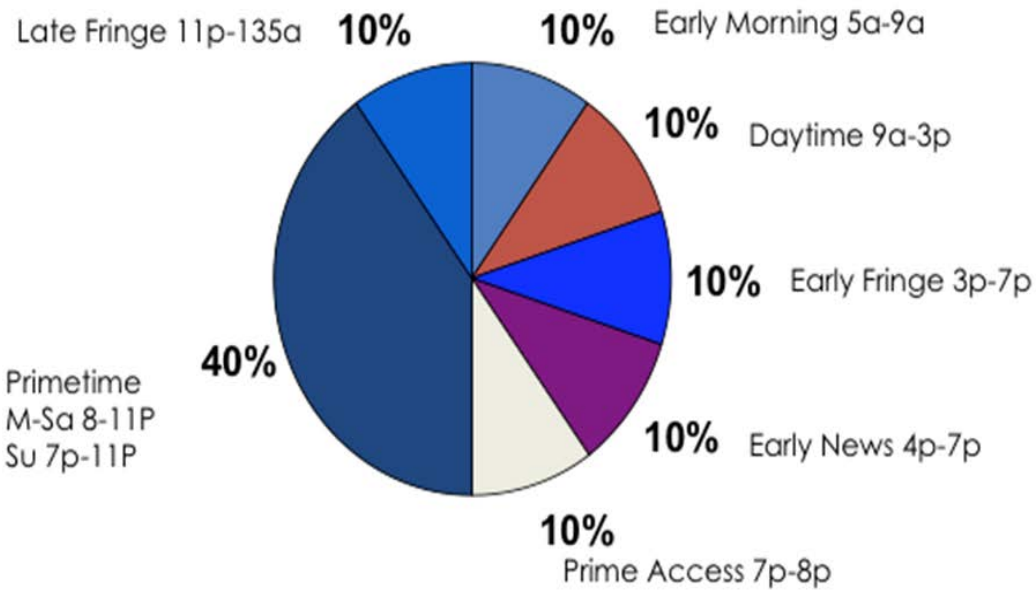
**Budget:**

- $1,220,000 net media
- $356,792 production

# Holiday 2013 Broadcast Advertising

**Television:**

- One :30 spot and two :15 spots; flight dates 11/29 – 12/24.
- Utilize aggressive TV daypart distribution to maximize visibility and reach.
- :30 spots will air in primetime hours for impact; :15 spots will run in all other dayparts for efficiency.
- Airing in both Boston & Springfield TV markets.



# Holiday 2013 Broadcast Advertising

**Television Ad (:30 second low resolution/rough cut):**

# Holiday 2013 Broadcast Advertising

**Radio:**

- Flight dates 11/29 – 12/24
- Product spots: :10 & :15 pre-recorded spots
- DJ endorsements:  :10, :15, :30, :60s on-air endorsements
- Product spots airing in Boston, Cape Cod, New Bedford, Springfield, Worcester, Greenfield, Pittsfield & Ethnic radio markets, as well as Pandora internet radio
- DJ endorsements airing in Boston, Cape Cod, New Bedford, Springfield, Worcester & Greenfield radio markets

# Holiday 2013 Print Advertising

**Valpak:**

- Unit: Single panel insert
- Insert date: 12/5 mailing
- 820,000 households
- Additional exposure on Valpak's digital network

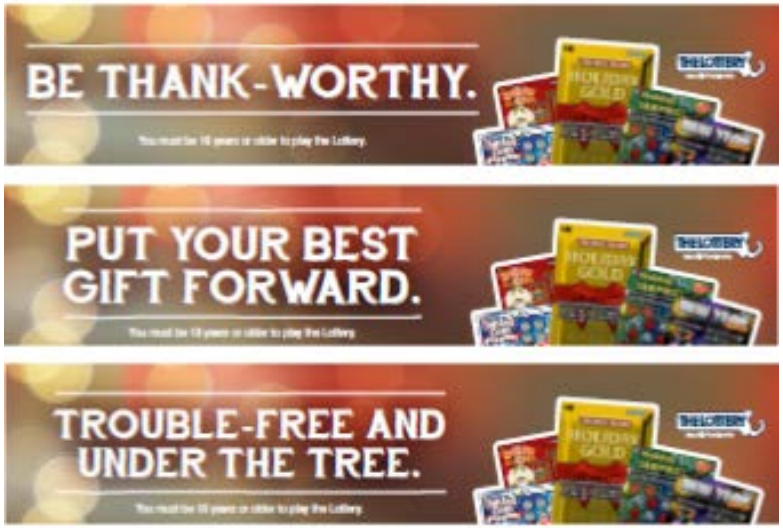
# Holiday 2013 Out of Home Advertising

**MEDIA TYPE: Bus King Panels**

- 250 total bus king and headliner panels (billboard type ads on side of MBTA buses) for Metro Boston coverage

**Headliner Unit:**

**Bus King Panel:**



# Holiday 2013 Out of Home Advertising

**MEDIA TYPE: Theater-based Advertising**

- Movie theater advertising during peak holiday attendance period; additional way to distribute/cost efficient use of the TV commercial.
- Capturing 18+ audience by restricting placement to PG-13 and R films.
- Partnering with ScreenVision at 25 theaters/approximately 224 screens statewide.
- Flight Date: 11/29 – 12/26
- :30 unit slated for Pod 1 placement (immediately prior to film start)
- Estimated reach: 644,000 theater admissions

# Holiday 2013 Digital Advertising

**MEDIA TYPE: Display**

- Components include: 56 high impact page takeovers, both overlays and interstitial space (free space on sites).
- Outlets, tactics & flight dates include:
  - Boston.com Homepage Takeover 12/12, 12/19;
  - CBS Boston Homepage Takeover 11/30, 12/13;
  - CBS Boston Sports Homepage/Content Takeover 12/4, 12/10, 12/24;
  - CBS Boston News Homepage/Content Takeover 12/19,12/23;
  - Boston Herald Homepage Takeover 12/3, 12/6, 12/9, 12/11, 12/16, 12/19, 12/23;
  - Boston Herald Sports Homepage Takeover 11/29, 12/3, 12/5, 12/10, 12/12, 12/17, 12/19;
  - Boston Herald Homepage Interstitial 12/2, 12/10, 12/13, 12/18, 12/23;
  - Boston Herald News Interstitial 12/9, 12/10, 12/11, 12/12, 12/13, 12/23;
  - Boston Herald Sports Interstitial 12/3, 12/10, 12/16, 12/17, 12/18, 12/19, 12/20;
  - NECN Homepage Takeover 11/29, 12/6, 12/13, 12/20;
  - ESPN Homepage Takeover 12/3, 12/10, 12/17, 12/24;
  - Comcast Xfinity Sign-in Takeover 12/10, 12/12, 12/17, 12/20;

- Banner Advertising (added value): 11/29 – 12/24 on Boston.com, Boston Herald; CBS Boston; NECN; and, ESPN Boston.

# Holiday 2013 Digital Advertising

**MEDIA TYPE: Online Video**

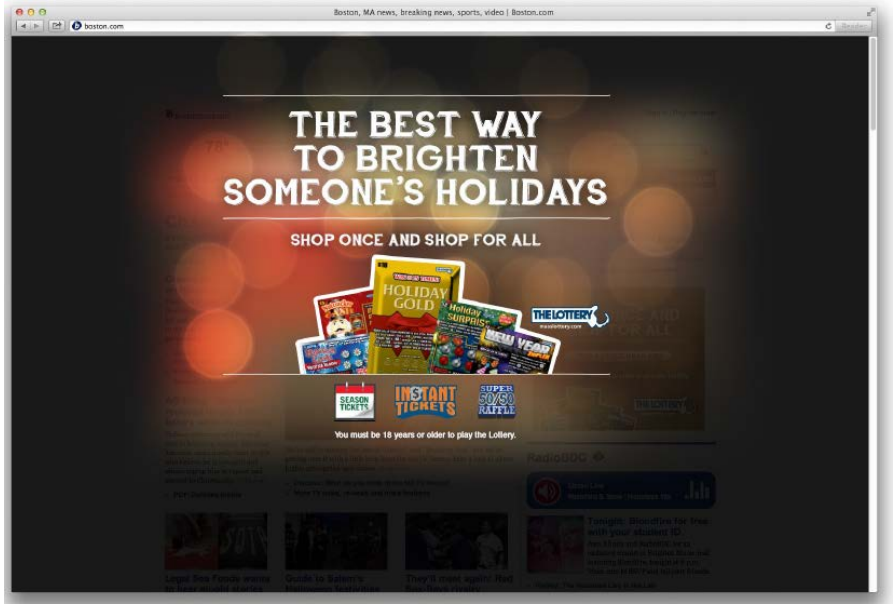
- Complement broadcast and digital display efforts with dedicated pre-roll buy.
- Components include: 2.3 million pre-roll impressions and 577,000 companion banner impressions in MA only
- Outlet: Brightroll
  - Premium online video vendor ad network with channels including: Huffington Post, Bleacher Report, ABC News, POGO

**MEDIA TYPE: Mobile Advertising**

- Educate consumer on holiday product offering through touch based, mobile engagement
- Components include: 3.3 million impressions using tap to expand mobile interstitial with swipeable gallery
- Outlet: Undertone
  - Premium network, inventory with top 350 comScore properties including: ABC News, A&E Networks, Comedy Central, MassLive.com; MTV

# Holiday 2013 Digital Advertising Examples

## Example of Homepage Takeover:




## Example of Interstitial Skin:

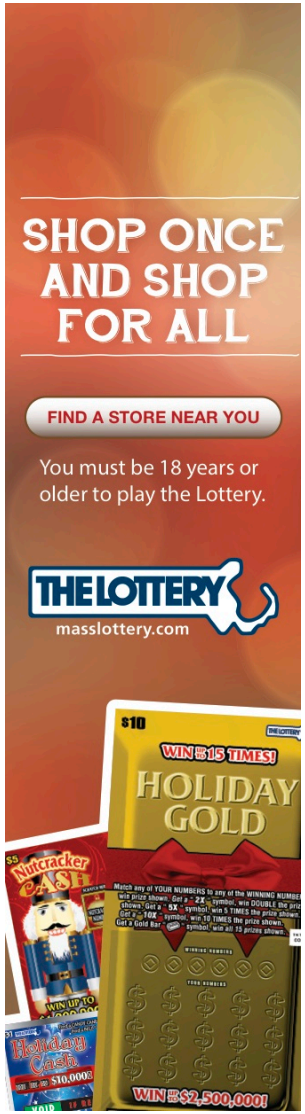
# Holiday 2013 Digital Advertising Examples

970X66 Pencil Ad

924X56 Pencil Ad

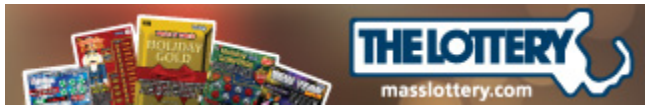
970X414 Pushdown Ad

# Holiday 2013 Digital Advertising Examples




160X600 Ad

300X250 Ad




320X50 Ad

216X23 Ad

# Holiday 2013 In-Store POS

**Pictured:**

- 8.5X11 Poster (3 options)
- 11X17 Poster (3 options)
- LED Frame
- Wobbler
- 11X17 Placemat

**Not Pictured:**

- 8.5X3.5 In-lane Cards and Supermarket
- Lottery Holiday Gift Envelopes
- 8.5X11 Poster Refresh
- Lottery Lines Newsletter
- 3” & 5” Employee Stickers
- ITVM & PAT Stickers

# Holiday 2013 Season Tickets Promotion

**Pictured**:

- 8.5X11 Poster
- 5 in Decal
- 4X4 ISYS/Season Tickets Terminal Decal
- Lottery "For Everyone" Checklist Decal

**Not pictured**:

- Masslottery.com posting

# Holiday Instant Ticket Sales

***Holiday Cash***
Price Point: $1
3 Week Sales: $1,276,079

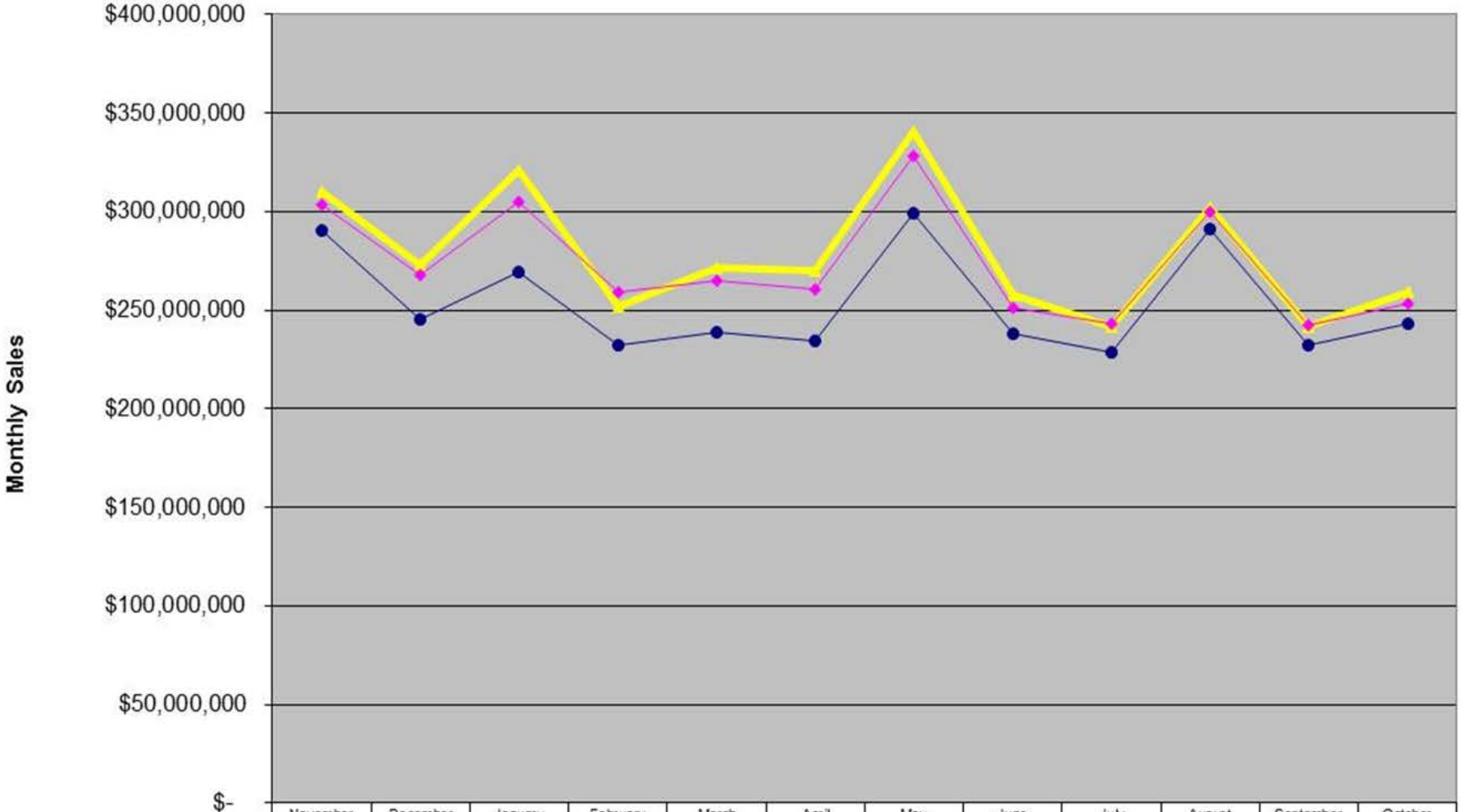
***New Year Tripler***
Price Point: $2
3 Week Sales: $2,079,810

***Holiday Surprise***
Price Point: $2
3 Week Sales: $3,652,132

***Nutcracker Cash***
Price Point: $5
3 Week Sales: $8,917,905

***Holiday Gold***
Price Point: $10
3 Week Sales: $13,205,671

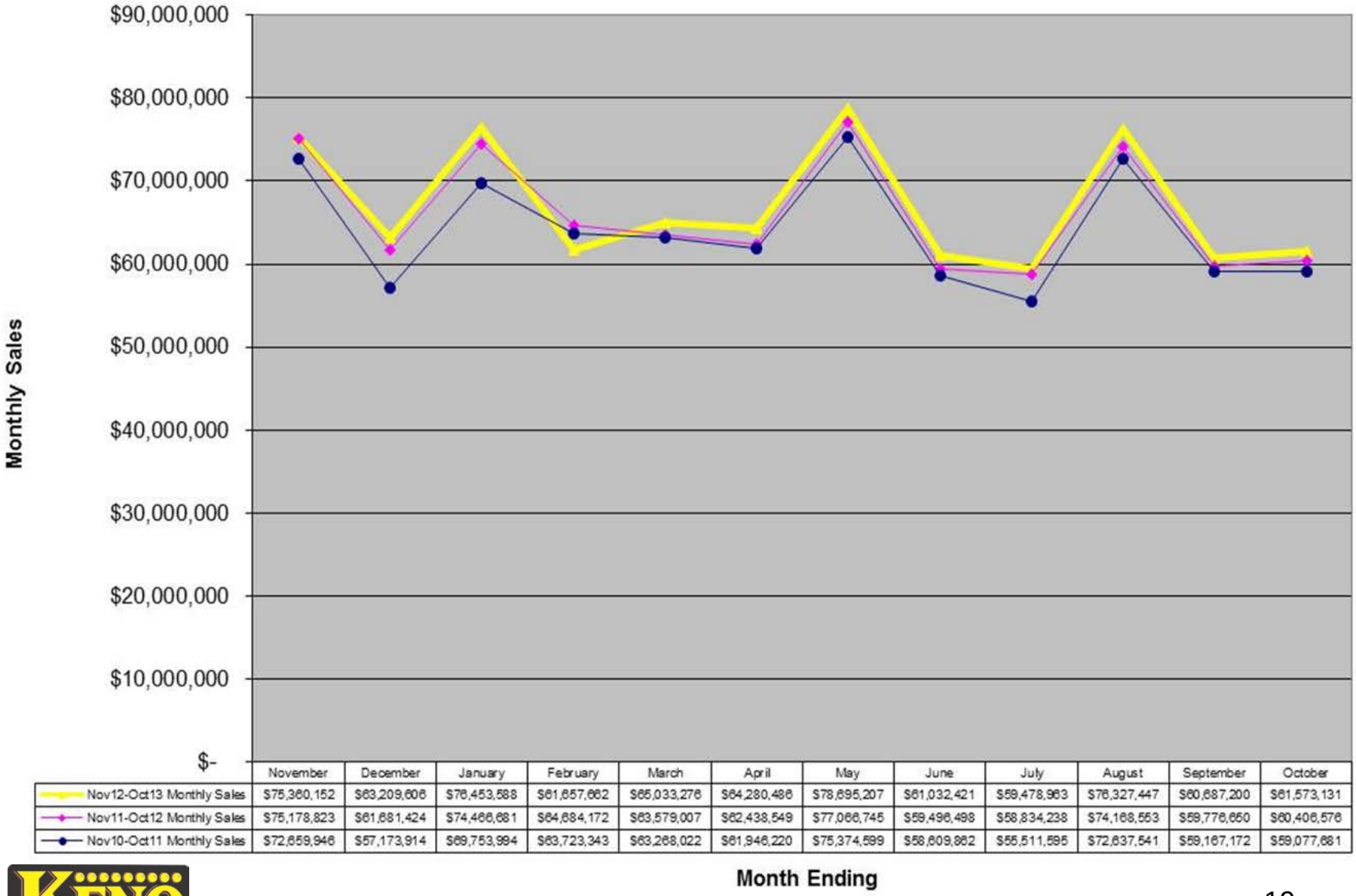
# Instant Game Monthly Sales
## November 10 thru October 13




| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $310,008,68 | $272,829,60 | $321,214,24 | $251,651,74 | $271,603,91 | $269,889,61 | $340,874,68 | $257,793,30 | $241,559,17 | $301,691,66 | $241,817,70 | $259,088,38 |
| Nov11-Oct12 Monthly Sales | $303,379,35 | $268,100,44 | $304,922,07 | $258,796,18 | $265,035,53 | $260,486,09 | $328,476,22 | $251,119,38 | $242,954,61 | $299,867,08 | $242,270,66 | $253,282,06 |
| Nov10-Oct11 Monthly Sales | $290,680,77 | $245,104,18 | $269,511,06 | $231,842,54 | $238,933,61 | $234,649,19 | $298,916,07 | $237,818,40 | $228,848,53 | $290,742,92 | $232,227,72 | $242,861,84 |

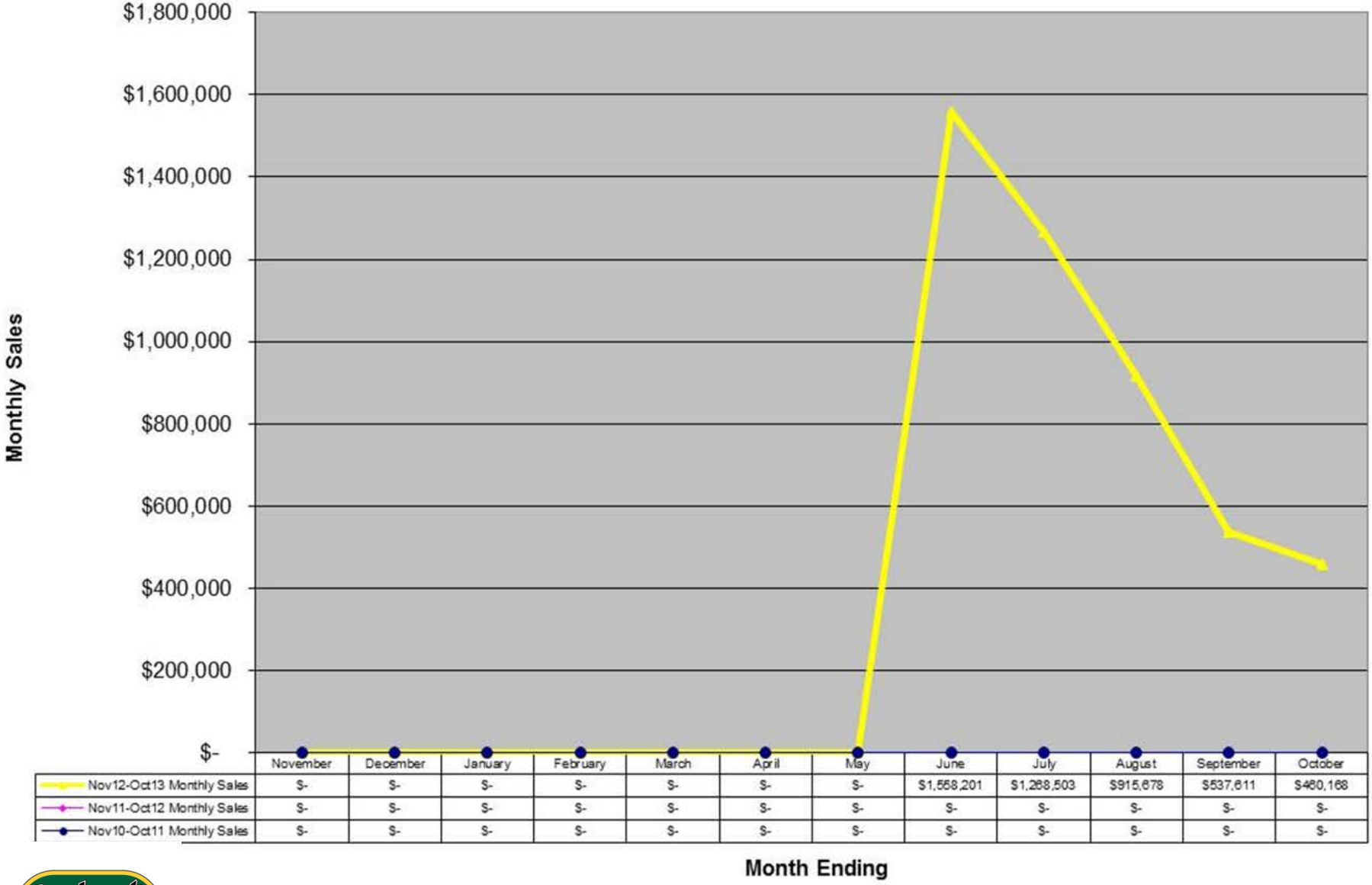
**Month Ending**

# KENO Game Monthly Sales
## November 10 thru October 13



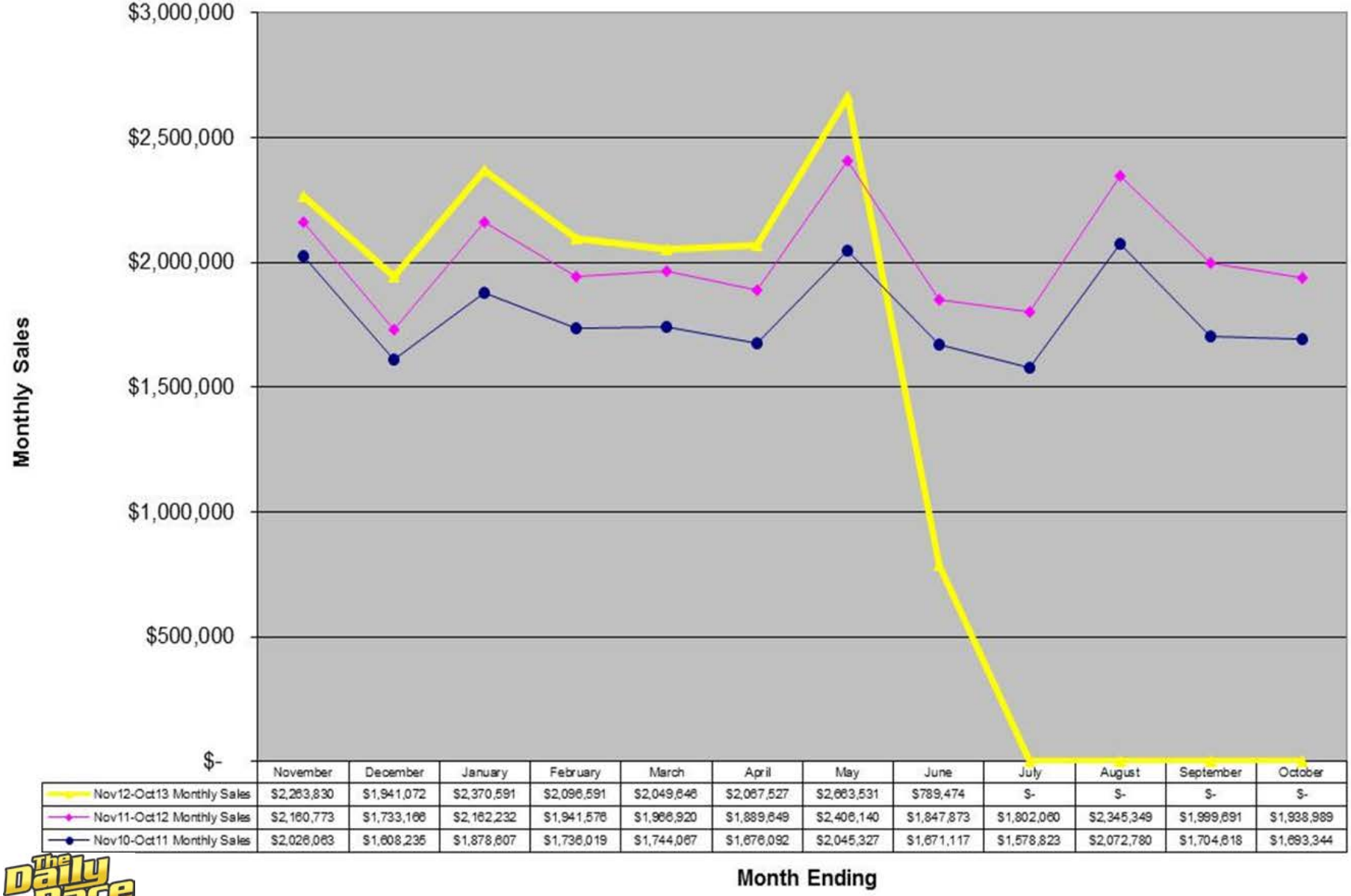

| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $75,360,152 | $63,209,606 | $76,453,588 | $61,657,662 | $65,033,276 | $64,280,486 | $78,695,207 | $61,032,421 | $59,478,963 | $76,327,447 | $60,687,200 | $61,573,131 |
| Nov11-Oct12 Monthly Sales | $75,178,823 | $61,681,424 | $74,466,681 | $64,684,172 | $63,579,007 | $62,438,549 | $77,066,745 | $59,496,498 | $58,834,238 | $74,168,553 | $59,776,650 | $60,406,576 |
| Nov10-Oct11 Monthly Sales | $72,659,946 | $57,173,914 | $69,753,994 | $63,723,343 | $63,268,022 | $61,946,220 | $75,374,599 | $58,609,862 | $55,511,595 | $72,637,541 | $59,167,172 | $59,077,681 |

# Poker Game Monthly Sales
## November 10 thru October 13



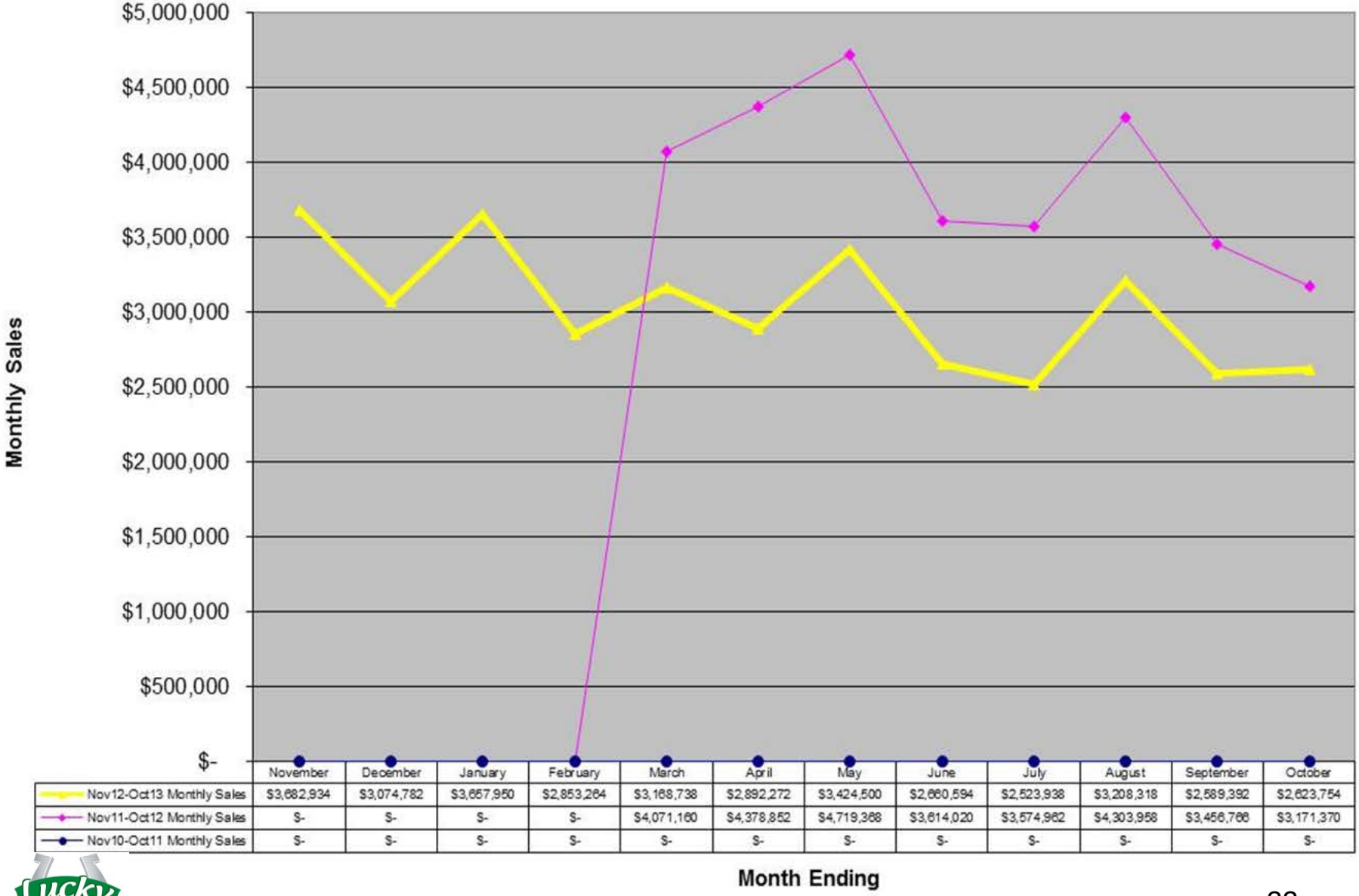

| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $- | $- | $- | $- | $- | $- | $- | $1,558,201 | $1,288,503 | $915,678 | $537,611 | $460,168 |
| Nov11-Oct12 Monthly Sales | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- |
| Nov10-Oct11 Monthly Sales | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- |

# Race Game Monthly Sales
## November 10 thru October 13



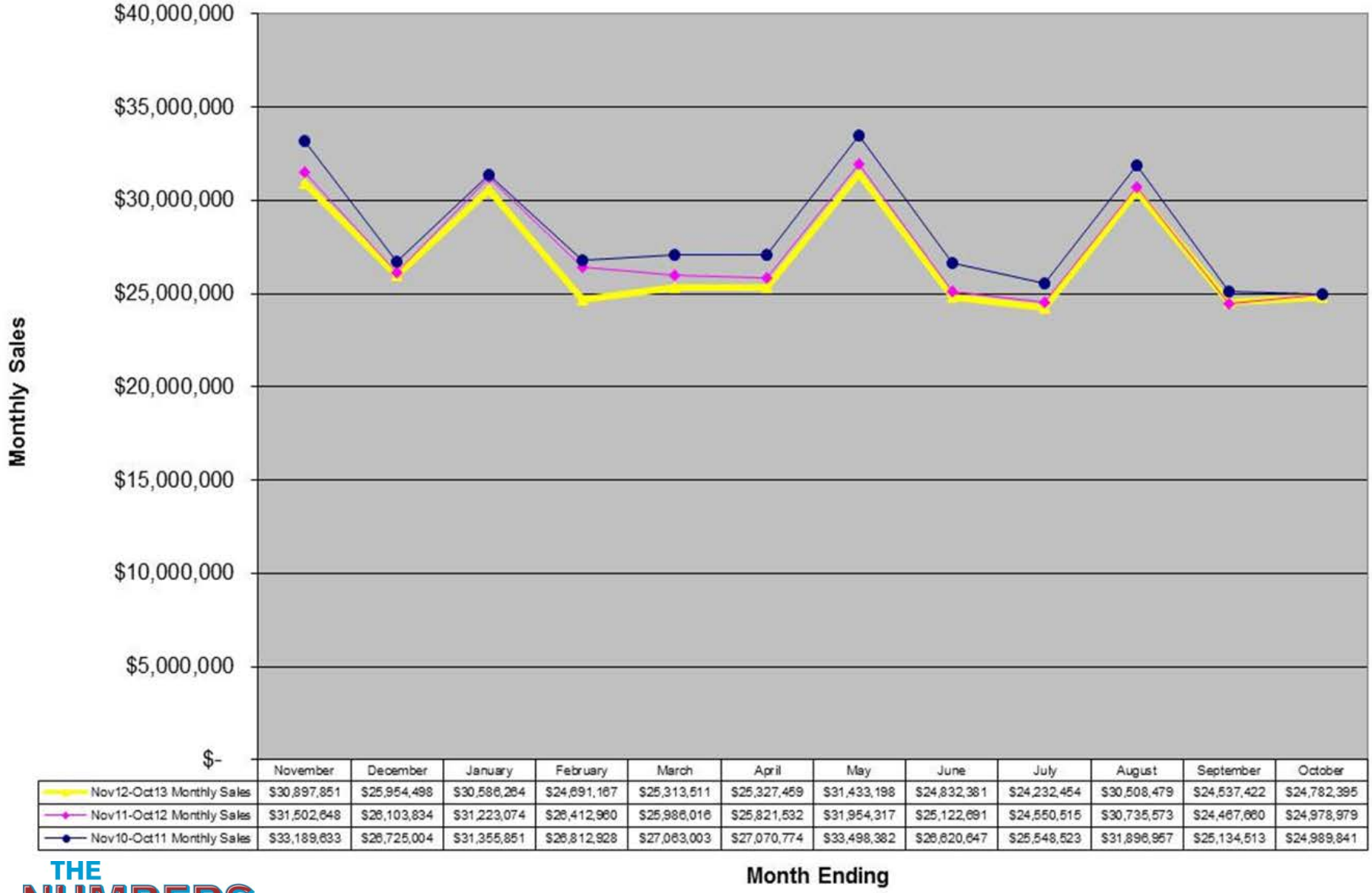

| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $2,263,830 | $1,941,072 | $2,370,591 | $2,096,591 | $2,049,646 | $2,067,527 | $2,663,531 | $789,474 | $- | $- | $- | $- |
| Nov11-Oct12 Monthly Sales | $2,160,773 | $1,733,166 | $2,162,232 | $1,941,576 | $1,966,920 | $1,889,649 | $2,406,140 | $1,847,873 | $1,802,060 | $2,345,349 | $1,999,691 | $1,938,989 |
| Nov10-Oct11 Monthly Sales | $2,026,063 | $1,608,235 | $1,878,607 | $1,736,019 | $1,744,067 | $1,676,092 | $2,045,327 | $1,671,117 | $1,578,823 | $2,072,780 | $1,704,618 | $1,693,344 |

# Lucky For Life Game Monthly Sales
## November 10 thru October 13




| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $3,682,934 | $3,074,782 | $3,657,950 | $2,853,264 | $3,168,738 | $2,892,272 | $3,424,500 | $2,660,594 | $2,523,938 | $3,208,318 | $2,589,392 | $2,623,754 |
| Nov11-Oct12 Monthly Sales | $- | $- | $- | $- | $4,071,160 | $4,378,852 | $4,719,368 | $3,614,020 | $3,574,962 | $4,303,958 | $3,456,766 | $3,171,370 |
| Nov10-Oct11 Monthly Sales | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- |

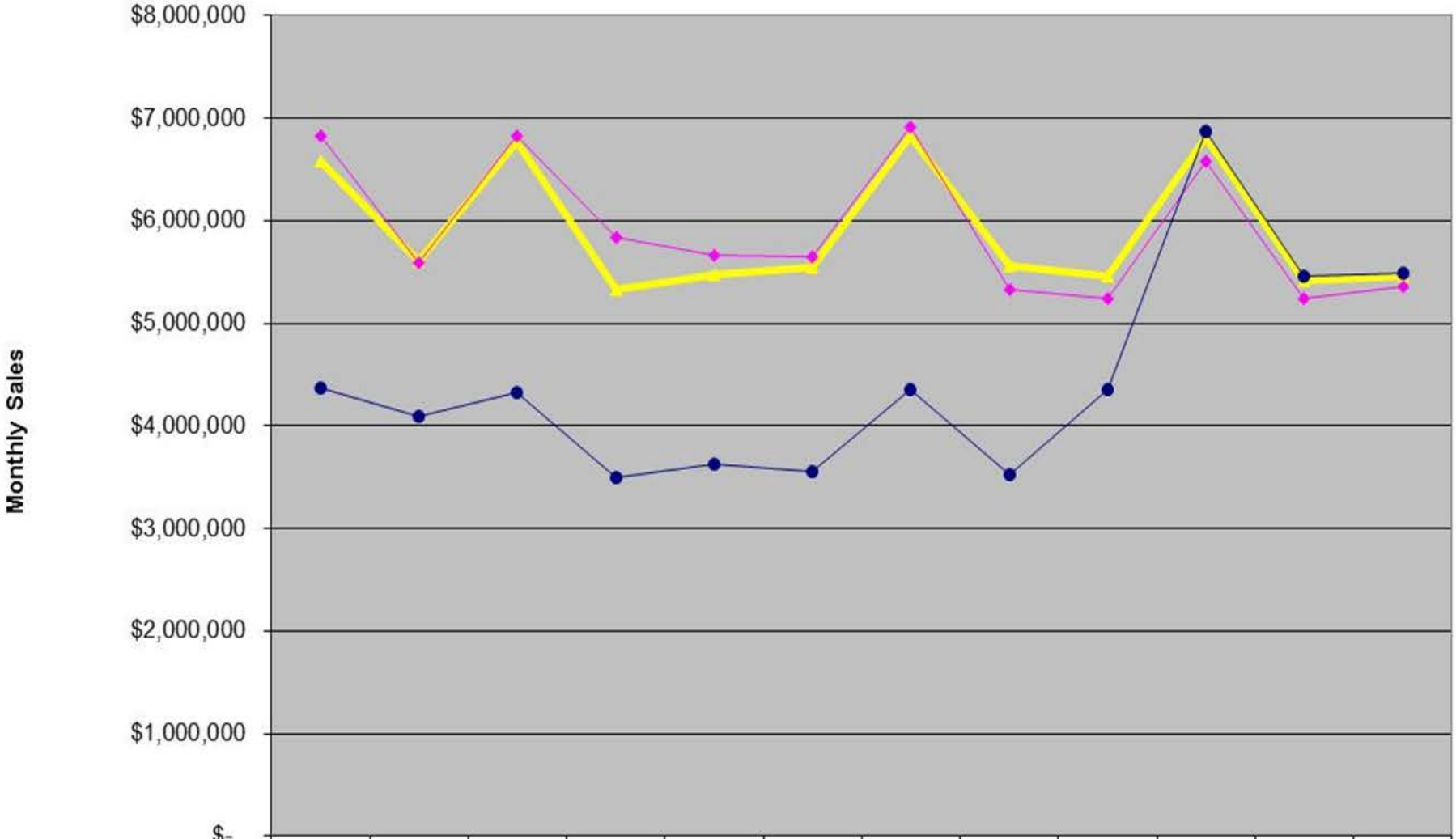
# Numbers Game Monthly Sales
## November 10 thru October 13




| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $30,897,851 | $25,954,498 | $30,586,264 | $24,691,167 | $25,313,511 | $25,327,459 | $31,433,198 | $24,832,381 | $24,232,454 | $30,508,479 | $24,537,422 | $24,782,395 |
| Nov11-Oct12 Monthly Sales | $31,502,648 | $26,103,834 | $31,223,074 | $26,412,960 | $25,986,016 | $25,821,532 | $31,954,317 | $25,122,691 | $24,550,515 | $30,735,573 | $24,467,660 | $24,978,979 |
| Nov10-Oct11 Monthly Sales | $33,189,633 | $26,725,004 | $31,355,851 | $26,812,928 | $27,063,003 | $27,070,774 | $33,498,382 | $26,620,647 | $25,548,523 | $31,896,957 | $25,134,513 | $24,989,841 |

THE NUMBERS GAME

# Mass Cash Game Monthly Sales
## November 10 thru October 13

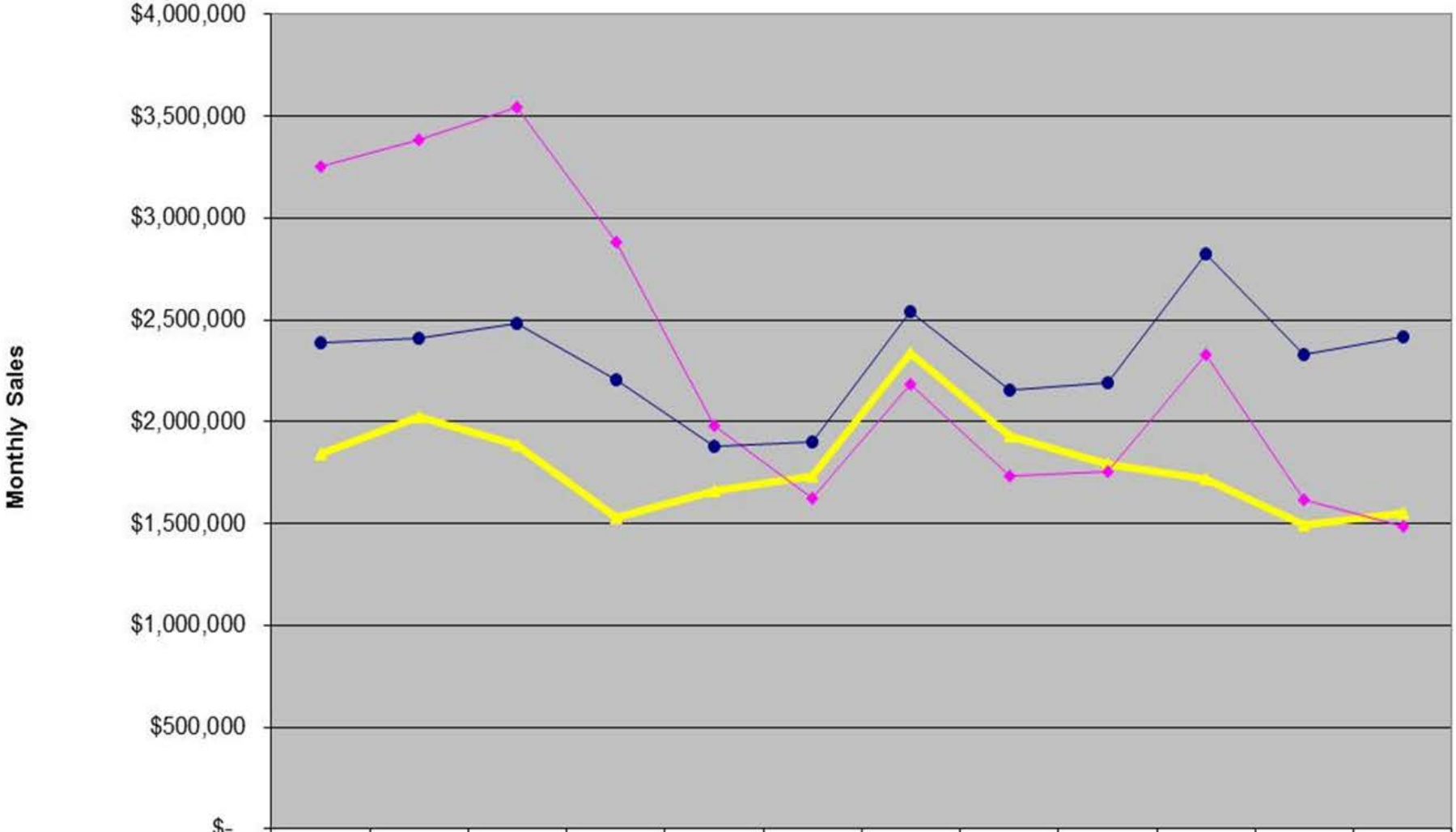



| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $6,585,156 | $5,598,851 | $6,768,918 | $5,326,593 | $5,469,026 | $5,546,389 | $6,830,128 | $5,565,559 | $5,451,722 | $6,804,235 | $5,419,261 | $5,464,350 |
| Nov11-Oct12 Monthly Sales | $6,829,977 | $5,588,976 | $6,820,344 | $5,835,398 | $5,665,639 | $5,644,277 | $6,913,184 | $5,330,344 | $5,240,615 | $6,578,888 | $5,246,274 | $5,354,883 |
| Nov10-Oct11 Monthly Sales | $4,373,524 | $4,089,223 | $4,317,543 | $3,495,779 | $3,618,711 | $3,555,492 | $4,356,495 | $3,519,588 | $4,354,434 | $6,861,992 | $5,461,313 | $5,491,049 |

Month Ending

MASS CA$H

# Megabucks Game Monthly Sales
## November 10 thru October 13

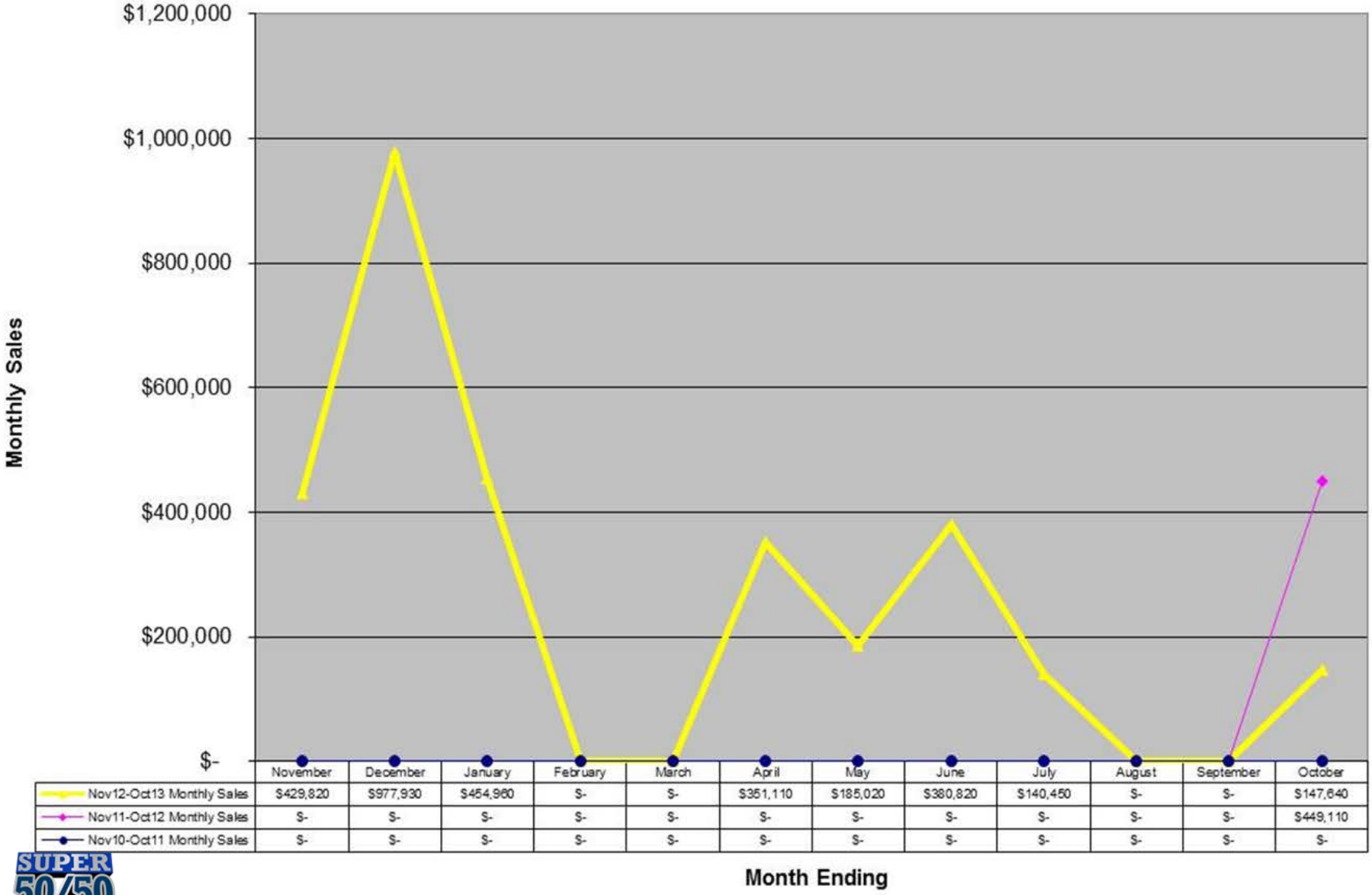



| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $1,843,099 | $2,023,565 | $1,884,472 | $1,526,764 | $1,661,201 | $1,730,065 | $2,333,804 | $1,926,569 | $1,791,849 | $1,716,724 | $1,491,130 | $1,551,280 |
| Nov11-Oct12 Monthly Sales | $3,249,651 | $3,381,264 | $3,540,270 | $2,879,330 | $1,980,570 | $1,626,691 | $2,186,470 | $1,730,305 | $1,754,484 | $2,330,748 | $1,616,040 | $1,482,273 |
| Nov10-Oct11 Monthly Sales | $2,389,826 | $2,409,018 | $2,481,937 | $2,205,105 | $1,878,503 | $1,900,644 | $2,538,472 | $2,155,685 | $2,194,423 | $2,823,960 | $2,327,303 | $2,418,913 |

Month Ending

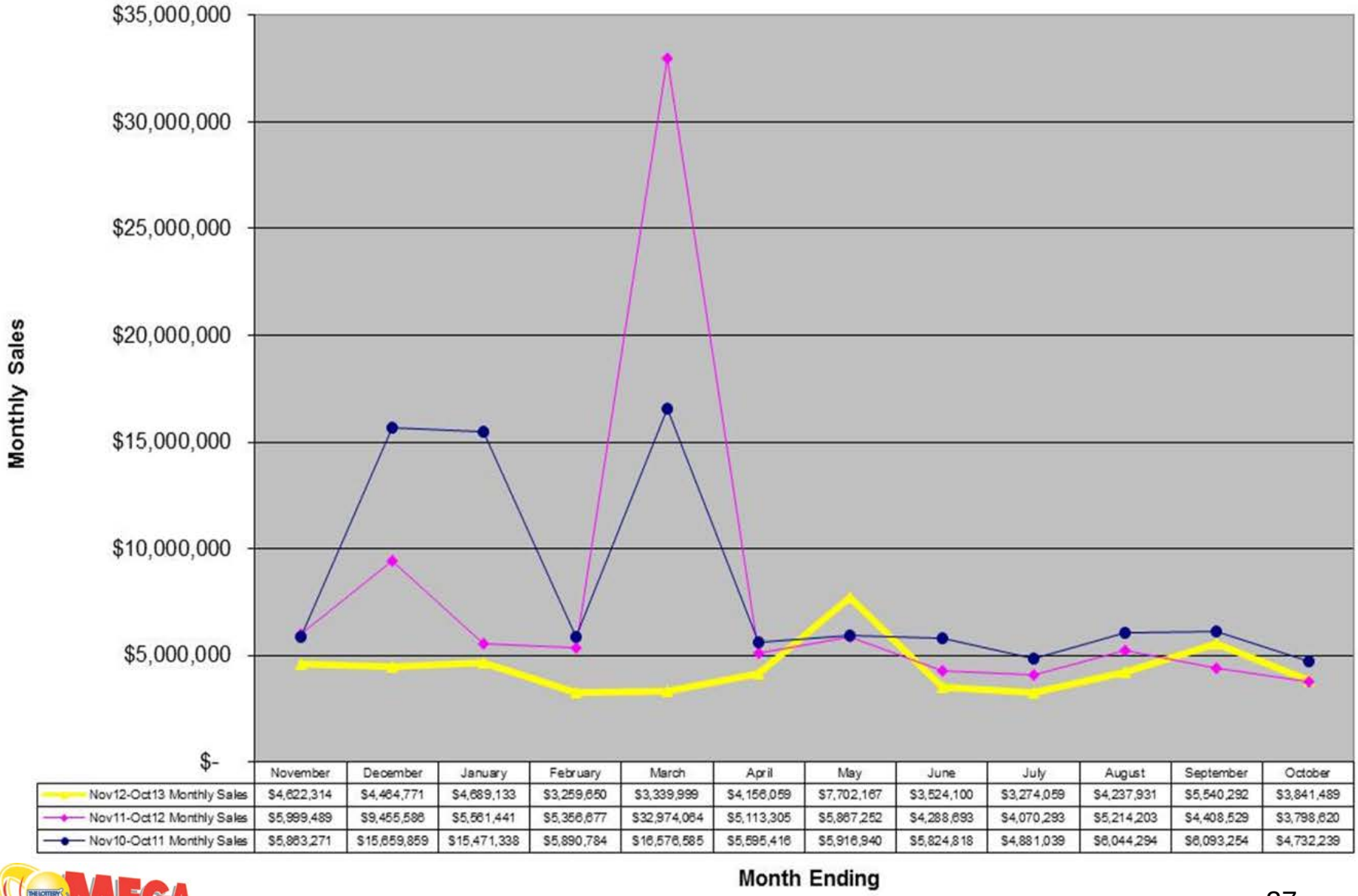
MEGABUCKS DOUBLER

# Super 50-50 Raffle Game Monthly Sales
## November 10 thru October 13



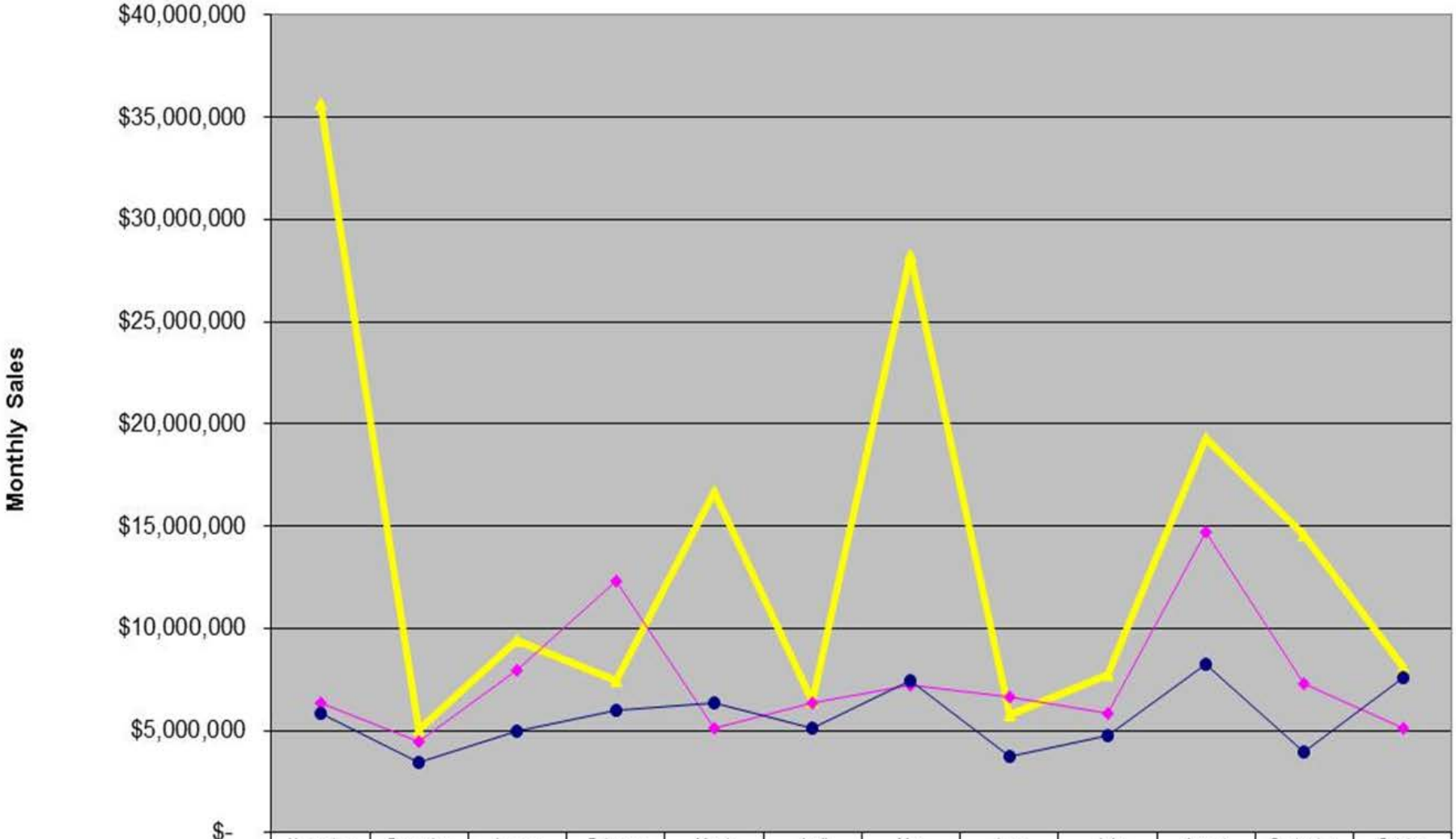

| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $429,820 | $977,930 | $454,960 | $- | $- | $351,110 | $185,020 | $380,820 | $140,450 | $- | $- | $147,640 |
| Nov11-Oct12 Monthly Sales | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $449,110 |
| Nov10-Oct11 Monthly Sales | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- | $- |

# Mega Millions Game Monthly Sales
## November 10 thru October 13




| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $4,622,314 | $4,464,771 | $4,689,133 | $3,259,650 | $3,339,999 | $4,156,059 | $7,702,167 | $3,524,100 | $3,274,059 | $4,237,931 | $5,540,292 | $3,841,489 |
| Nov11-Oct12 Monthly Sales | $5,999,489 | $9,455,586 | $5,561,441 | $5,356,677 | $32,974,064 | $5,113,305 | $5,867,252 | $4,288,693 | $4,070,293 | $5,214,203 | $4,408,529 | $3,798,620 |
| Nov10-Oct11 Monthly Sales | $5,863,271 | $15,659,859 | $15,471,338 | $5,890,784 | $16,576,585 | $5,595,416 | $5,916,940 | $5,824,818 | $4,881,039 | $6,044,294 | $6,093,254 | $4,732,239 |

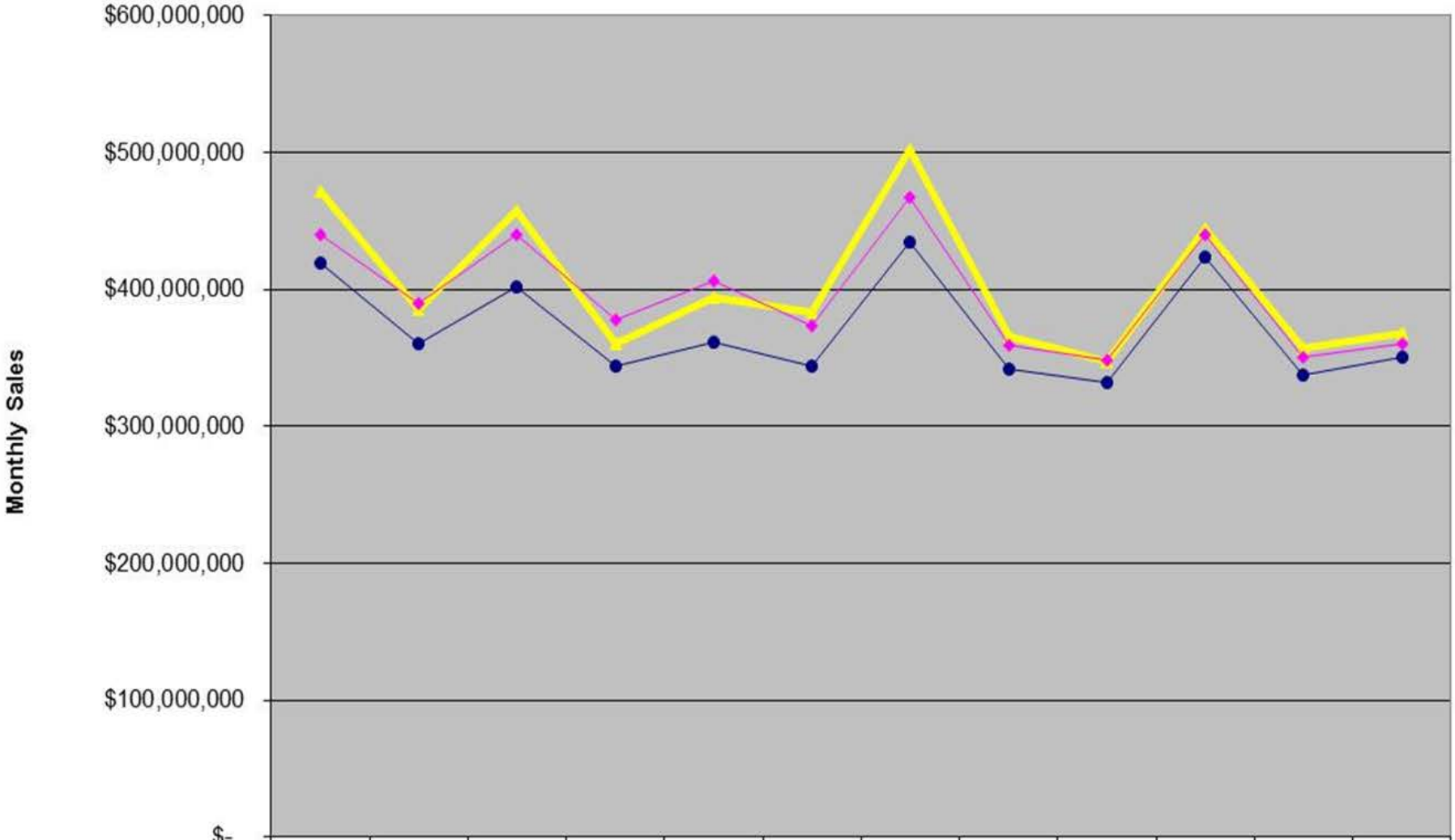
# Powerball Game Monthly Sales
## November 10 thru October 13




| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $35,640,312 | $5,066,533 | $9,395,862 | $7,424,722 | $16,688,031 | $6,444,726 | $28,262,940 | $5,741,443 | $7,726,066 | $19,304,321 | $14,581,647 | $8,103,188 |
| Nov11-Oct12 Monthly Sales | $6,321,130 | $4,483,881 | $7,978,580 | $12,278,938 | $5,144,580 | $6,370,478 | $7,234,375 | $6,655,330 | $5,871,261 | $14,703,908 | $7,305,907 | $5,143,446 |
| Nov10-Oct11 Monthly Sales | $5,870,310 | $3,433,022 | $4,937,356 | $5,963,943 | $6,366,434 | $5,096,333 | $7,405,291 | $3,714,064 | $4,759,451 | $8,203,762 | $3,960,797 | $7,572,365 |

Month Ending

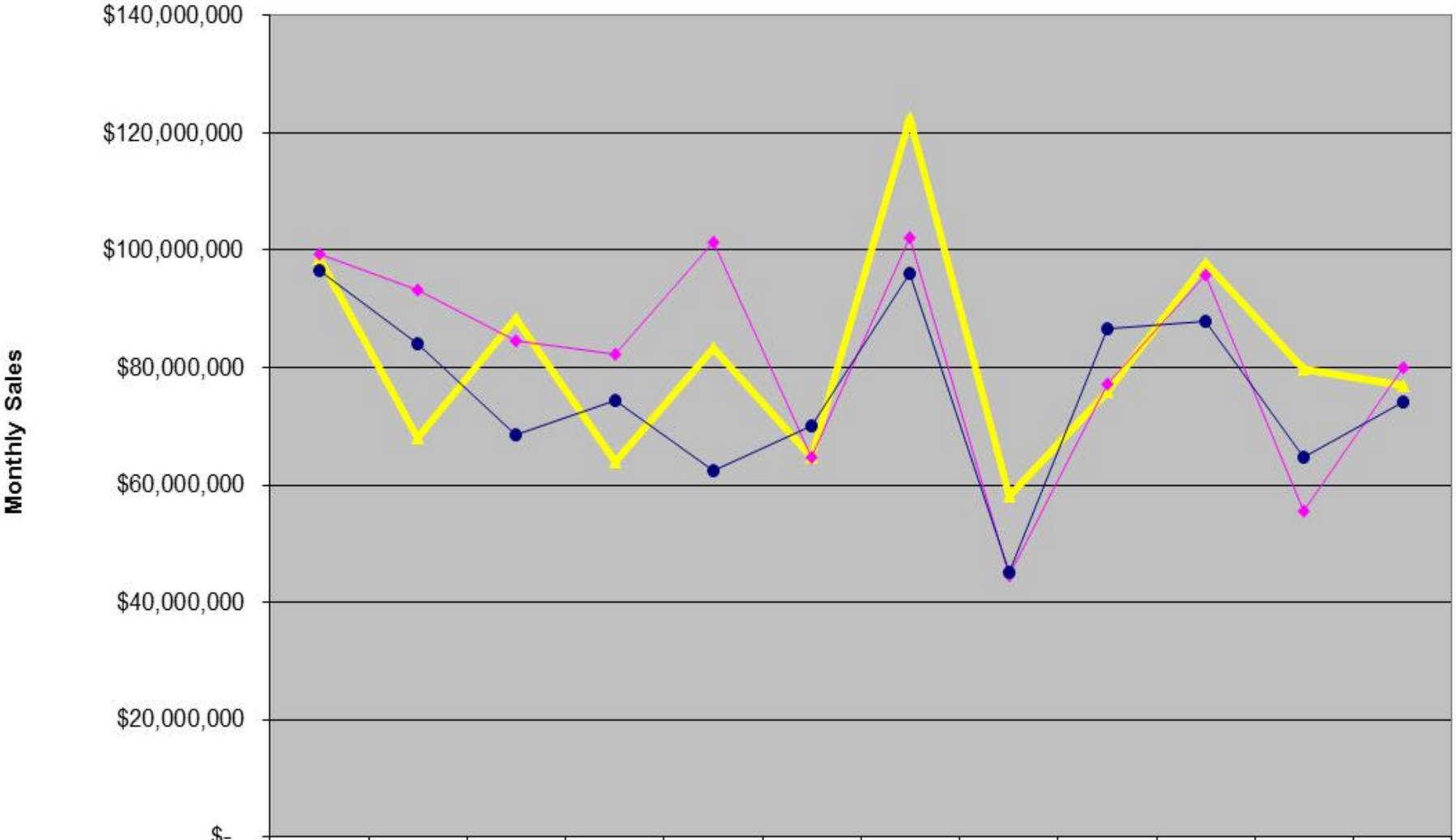
# All Game Monthly Sales
## November 10 thru October 13




| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $471,334,14 | $385,141,21 | $457,475,98 | $360,488,15 | $394,327,36 | $382,685,71 | $502,405,17 | $365,804,86 | $347,447,17 | $444,714,79 | $357,201,67 | $367,635,77 |
| Nov11-Oct12 Monthly Sales | $439,409,55 | $389,381,14 | $439,555,90 | $378,185,23 | $406,403,48 | $373,769,43 | $466,824,07 | $359,205,13 | $348,653,04 | $440,248,26 | $350,548,19 | $360,006,31 |
| Nov10-Oct11 Monthly Sales | $419,433,11 | $360,673,19 | $402,014,40 | $343,565,06 | $361,290,35 | $343,489,86 | $434,978,67 | $341,858,51 | $332,006,02 | $423,385,04 | $337,777,46 | $350,610,08 |

Month Ending

# Net Profit Monthly Sales
## November 10 thru October 13




| | November | December | January | February | March | April | May | June | July | August | September | October |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Nov12-Oct13 Monthly Sales | $98,530,009 | $68,098,157 | $88,350,612 | $63,831,385 | $83,247,700 | $64,700,836 | $122,384,34 | $58,210,530 | $75,993,683 | $97,853,188 | $79,772,328 | $76,974,196 |
| Nov11-Oct12 Monthly Sales | $99,423,933 | $93,223,593 | $84,691,278 | $82,308,062 | $101,260,15 | $64,761,884 | $102,125,17 | $44,615,500 | $77,166,925 | $95,717,106 | $55,661,146 | $80,090,803 |
| Nov10-Oct11 Monthly Sales | $96,430,121 | $84,170,140 | $68,451,086 | $74,453,739 | $62,358,850 | $70,068,974 | $96,061,179 | $45,144,893 | $86,577,862 | $87,865,153 | $64,635,311 | $74,241,696 |

**Month Ending**

# MSLC Revenue Results

## October FY14 vs. FY13

($ millions)

Through October 26, 2013

| | | FY14 | % of Total | FY13 | % of Total | $ Change | % Change |
|---|---|---|---|---|---|---|---|
| Instant Tickets | 69.9 to 80.4 | $259 | 70.5% | $253 | 70.4% | $6 | 2.3% |
| MegaMillions | 50.0 | 4 | 1.0% | 4 | 1.1% | 0 | 0.0% |
| Powerball | 50.0 | 8 | 2.2% | 5 | 1.4% | 3 | 58.8% |
| Keno | 70.0 | 62 | 16.8% | 60 | 16.8% | 1 | 2.0% |
| Mass Cash | 55.0 | 5 | 1.5% | 5 | 1.5% | 0 | 0.0% |
| Race Game | 70.0 | 0 | 0.0% | 2 | 0.5% | -2 | -100.0% |
| Lucky For Life | 60.0 | 3 | 0.7% | 3 | 0.9% | -1 | -18.8% |
| Numbers Game | 63.0 | 25 | 6.7% | 25 | 6.9% | 0 | -0.8% |
| Super 50-50 Raffle | | 0 | 0.1% | 0 | 0.1% | 0 | -55.5% |
| Megabucks | 55.0 | 2 | 0.4% | 1 | 0.4% | 0 | 8.0% |
| Jackpot Poker | | 0 | 0.1% | 0 | 0.0% | 0 | 0.0% |
| Total | | $368 | 100.0% | $360 | 100.0% | $8 | 2.1% |
| | | | | | | | |
| | | | | | | | |
| Instant Tickets | 69.9 to 80.4 | $259 | 70.5% | $253 | 70.4% | $6 | 2.3% |
| Online Games | 50.0 to 70.0 | 109 | 29.5% | 107 | 29.6% | 2 | 1.7% |
| Total | | $368 | 100.0% | $360 | 100.0% | $8 | 2.1% |

# MSLC Revenue Results

## Year-to-Date FY14 vs. FY13

($ millions)

Through October 26, 2013

| | | FY14 | % of Total | FY13 | % of Total | $ Change | % Change |
|---|---|---|---|---|---|---|---|
| Instant Tickets | 69.9 to 80.4 | $1,044 | 68.8% | $1,038 | 69.3% | $6 | 0.6% |
| MegaMillions | 50.0 | 17 | 1.1% | 17 | 1.2% | -1 | -3.4% |
| Powerball | 50.0 | 50 | 3.3% | 33 | 2.2% | 17 | 50.6% |
| Keno | 70.0 | 258 | 17.0% | 253 | 16.9% | 5 | 1.9% |
| Mass Cash | 55.0 | 23 | 1.5% | 22 | 1.5% | 1 | 3.1% |
| Race Game | 70.0 | 0 | 0.0% | 8 | 0.5% | -8 | -100.0% |
| Lucky For Life | 60.0 | 11 | 0.7% | 15 | 1.0% | -4 | -24.5% |
| Numbers Game | 63.0 | 104 | 6.9% | 105 | 7.0% | -1 | -0.6% |
| Super 50-50 Raffle | | 0 | 0.0% | 0 | 0.0% | 0 | -35.9% |
| Megabucks | 55.0 | 7 | 0.4% | 7 | 0.5% | -1 | -8.3% |
| Jackpot Poker | | 3 | 0.2% | 0 | 0.0% | 3 | 100.0% |
| **Total** | | $1,517 | 100.0% | $1,499 | 100.0% | $18 | 1.2% |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Instant Tickets | 69.9 to 80.4 | $1,044 | 68.8% | $1,038 | 69.3% | $6 | 0.6% |
| Online Games | 50.0 to 70.0 | 473 | 31.2% | 461 | 30.7% | 12 | 2.6% |
| **Total** | | $1,517 | 100.0% | $1,499 | 100.0% | $18 | 1.2% |

Thank you for the opportunity to share this information. We look forward to your feedback and to further discussion on these figures, as well as other Lottery initiatives.

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