

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • John Martin, Director



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TO: Maryland Lottery and Gaming Control Commission
John Martin, Director

FROM: Solomon Ramsey, Managing Director, Sales and Marketing

DIVISIONS: Sales and Marketing

DATE: March 15, 2022

SUBJECT: Report for the March 2022 Commission Meeting

Following is the status update of ongoing and special projects in Sales, Product Development and Creative Services, for March.

1. Sales

February 2022, Year over Year Comparison Product Category by Store Segment

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2022	\$71,144,585	\$46,994,358	\$91,996,278	\$210,135,221
	2021	\$70,144,182	\$41,561,791	\$76,786,893	\$188,492,866
	Difference	\$1,000,403	\$5,432,567	\$15,209,385	\$21,642,355
	%YoY +/-	1.4%	13.1%	19.8%	11.5%
INDEPENDENT	2022	\$53,443,614	\$40,557,027	\$57,029,334	\$151,029,975
	2021	\$54,269,602	\$36,366,166	\$49,231,913	\$139,867,681
	Difference	(\$825,988)	\$4,190,861	\$7,797,421	\$11,162,294
	%YoY +/-	-1.5%	11.5%	15.8%	8.0%
	% of State Sales	75.1%	86.3%	62.0%	71.9%
CORPORATE	2022	\$17,700,971	\$6,437,332	\$34,966,944	\$59,105,247
	2021	\$15,874,581	\$5,195,625	\$27,554,980	\$48,625,186
	Difference	\$1,826,391	\$1,241,707	\$7,411,964	\$10,480,061
	%YoY +/-	11.5%	23.9%	26.9%	21.6%
	% of State Sales	24.9%	13.7%	38.0%	28.1%

* Instant ticket sales are based on recorded weekly settlements and may not agree with other Instant ticket sales displayed in other reports that may reflect activations or validations.

Sales Management

- The monthly sales meeting was conducted virtually on February 16, 2022. We launched five (5) price points featuring a \$2, \$3, \$5, \$10 & \$30 tickets which included the \$2 “Betty Boop” and the \$30 “\$2,000,000 Gold Rush” tickets. Also, we highlighted and recapped the launch of the new Pick 5 game that occurred on February 7th.
- District Managers with the best sales by region/territory (year-over-year) for February.
 - Jonathan Braithwaite T-11 (Awarded the DM of the month)
 - Chuck Hamrick T-25
 - DeUnka Wade T-38
 - Aaron Johnson T-49
- The Sales department continued to work with HR to recruit for two vacant district manager positions in February.

Field Activities

- During the month, Solomon Ramsey, Managing Director, Sales and Marketing, visited all four sales regions with Tyrone Williams, the field sales manager.
- The sales team made over 7,500 retailer communication contacts, during February, which includes store visits, phone calls and emails.
- Sales continued to get returned 1099’s to be corrected and re-distribute to the retailer network.
- The DMs worked with the retailers with Last Activation Date (LAD) inventory in February.
- The blitz or launch week strategy again proved invaluable in keeping scratch off ticket sales above last year’s numbers.

Sales Support/Self-Service Vending Units

- Completed the final edits of the Element 3 Retailer portion of our WLA level 4 certification submission after review of feedback from outside consultants.
- Sales finalized distribution of specialized dispensers in preparation for our oversized instant ticket launch scheduled for March 21st.
- Continued review of the Self-Service program and plan implementation for calendar year 2022. This includes:
 - Continued development of prospect location lists with Sales Department Regional Managers.
 - Vetting and analyzation of prospective locations to select locales with greatest sales potential.
 - Allocation and distribution of units.
 - Developing processes to maximize our sales potential at retail by analyzing and identifying low performing units currently in the marketplace, working with these locations to increase efficiency and productivity, and lastly relocating said units to pre-approved locations with greater potential if improvements are not made.

- Forecasting point of sale usage for the remainder of our current fiscal year as well as preliminary development of a procurement plan for FY2023.
- Continued work on the finalization of multiple procurement contracts for staple items used in the marketplace.
- Continued management and maintenance of both our Retailer Bonus and Winner Awareness program which includes the newly added PICK 5 game.

Retail Recruitment

- Recruitment Results –February 12th – March 10th, 2022
 - Four (4) new applications received
 - Eleven (11) applications advanced to Phase II of the approval processes.

Corporate Sales

- Field Activity
 - Business reviews have been conducted with the following retailers:
 - Wawa
 - Dash In
 - Walmart
- The Corporate sales team continued to work with its chain portfolios to determine the best solutions for providing new equipment and other types of support for their locations.
 - Vending Machines
 - PHDL/PHD/PEX
 - SCIQ System
 - Slimline- various independent, and corporate locations (7-Eleven and Check Cash Depot) have been qualified and are in the process of having the slimline system installed as part of our pilot program.

Corporate Recruitment

- C&D Corporation
 - Convenience stores with gas stations (3)
- Double T Diner
 - Restaurants (7)
 - Owner has requested to install Lottery in one location for now and hopes to install additional locations later this year.

Sales Force Automation

- Interviews were conducted on 12 applicants.
 - The field was narrowed down to a final two who presented a PowerPoint presentation to the group.
 - A decision was made and we are waiting for the background checks to be completed and an offer will be made.
 - The process should be wrapped up by mid-March.
- Gem Products
 - Sales is working with Scientific Games to correct minor software issues that will allow proper usage of retailer application portal and the DM to process retailer pre-site properly.

- Sales worked with Scientific Games to update software to include the addition of the Pick 5 games in the Gem products.
- Sales continue to work with SGI and self-service support to develop a report that will identify Out of Stock (OOS) bins in PHD's.
- Sci Trak:
 - Some adjustments are being made for certain retailers to ensure proper levels of books are being shipped both on auto order and initials.
 - Working well as sales continue to grow.
 - Most retailers are on board with the process
- Sales Analysis:
 - P5 began on 02/07/22.
 - We are watching sales closely to determine if other categories are being cannibalized.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

1. March Scratch-Off Launch (3/21/22):
 - a. \$1 – 2 For \$1
 - b. \$3 – Skee-Ball®
 - c. \$5 – Fat Wallet
 - d. \$10 – Mega 7s
2. MONOPOLY™ Second-Chance Contest: The first drawing was held 2/22/22, 4,021,258 entries were received. The second drawing was to be held 3/22/22; as of 3/13/22, 1,911,402 entries were received.
3. Game Closing Activity:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
500	\$1	Quick Hit 777	\$2,754,175	1,653,881	\$1,100,294	1/31/2022
512	\$1	Cash On The Spot	\$2,431,039	1,459,839	\$971,200	1/31/2022
492	\$2	Baltimore Ravens	\$6,218,014	3,981,394	\$2,236,620	1/31/2022
483	\$3	UNO	\$6,978,048	4,731,117	\$2,246,931	1/31/2022
475	\$5	\$25,000 Loose Change Multiplier	\$16,028,130	11,396,000	\$4,632,130	1/31/2022
493	\$5	Ravens	\$20,771,360	14,959,533	\$5,811,827	1/31/2022
502	\$5	\$50,000 Bingo Doubler	\$20,405,690	14,590,068	\$5,815,622	1/31/2022
498	\$10	\$100,000 Crossword 4th Edition	\$22,225,410	16,546,663	\$5,678,747	1/31/2022
409	\$20	Max-A-Million	\$53,184,160	41,283,877	\$11,900,283	1/31/2022
473	\$20	2020 Cash	\$67,385,820	51,618,569	\$15,767,251	1/31/2022

ii. Upcoming tasks for this period:

1. April Scratch-Off Launch (4/18/22):
 - a. \$2 – Blazing Hot Cash
 - b. \$5 – Family Feud®
 - c. \$10 – \$600 Cash In Hand
 - d. \$20 – Show Me \$1,000,000!
2. Family Feud® Second-Chance Contest: Starting 4/18/22, players can enter non-winning Family Feud® tickets into My Lottery Rewards and receive one entry per ticket. There will be 3 drawings for cash prizes in the amount of \$50,000 (1 winner), \$10,000 (5 winners) and \$5,000 (10 winners). Entries will not be cumulative, and will be wiped clean after each drawing.
3. MONOPOLY™ Second-Chance Contest: The third drawing will be held 4/19/22.

b) Draw and Monitor Game Products and Promotions

i. Key accomplishments last period:

1. *Spring Keno Sprinkler*: From 3/14 – 4/10/22 (4 weeks) players will have the chance to Double or Triple their prizes when playing Keno. Doublers and Triplers may be produced on an Nth ticket basis for Keno, Keno Bonus, Keno Super Bonus & Packaged Keno to Go tickets. If the player's numbers are winners, their winnings will be doubled or tripled.

ii. Upcoming tasks for this period:

1. Spring Fling All-Games Promotion: From 4/4 – 5/1/22 (4 weeks) players will have a chance to receive a free FAST PLAY ticket with any lottery purchase except scratch-offs. On an Nth ticket basis, players could be awarded one of the following 4 FAST PLAY games launching in April:
 - a. \$1 *Sunny Money*
 - b. \$2 *Diamond Dollar*
 - c. \$3 *Skee-Ball*®
 - d. \$10 *High Roller Blackjack*

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. March FAST PLAY Launch (3/7/22):
 - a. \$5 – *Home Run Riches Bases Loaded*
2. *MONOPOLY™ Second-Chance Contest*: The first drawing was held 2/22/22. The second drawing was to be held 3/22/22; please see above section a.ii.2 for the most recent entry data.
3. *Home Run Riches Bases Loaded "Contestant of the Game" Contest*: The contest start date has yet to be determined, as the MLB lock-out delayed the opening of the 2022 baseball season.

ii. Upcoming tasks for this period:

1. April FAST PLAY Launch (4/4/22):
 - a. \$1 – *Sunny Money*
 - b. \$2 – *Diamond Dollar*
 - c. \$3 – *Skee-Ball*®
 - d. \$10 – *High Roller Blackjack (progressive)*

3. Creative Services

a) Traditional Advertising

i. Key accomplishments:

1. *Gold Rush \$10 and \$30 Scratch-Offs*: *Gold Rush* media began running on 2/28 and will continue through 4/3. Included are several out-of-home and digital units.
2. *Skee-Ball Scratch-Off*: Finished production of television, radio and out of home materials to support the game launch. The media plan airs from 3/28 through 4/24.
3. *Mega 7s Scratch-Off*: *Mega 7's* creative elements have been produced and all media has been placed. Radio begins airing on 3/28 and continues through 4/24.
4. *Family Feud Scratch-Off*: Received approval from the licensor for *Family Feud* television and radio concepts. GKV is now in production with these campaign elements. We also approved the media brief from 9 Rooftops and they are developing a detailed recommendation. Media to support this game launch will begin on 4/25 and continue through 5/29

5. *Show Me Family of Games* – GKV presented creative concepts for the *Show Me FOG*, launching in late May. This will be our last large advertising campaign for the fiscal year.
6. *Orioles 2022 Season*: Completed production of creative elements necessary to fulfill *Orioles* in-stadium sponsorship and *Contestant of the Game* components.

ii. **Upcoming tasks:**

1. *Family Feud Scratch-Off*: Review and approve the *Family Feud* media plan. Finalize all *Family Feud* creative elements.
2. *Show Me Family of Games* – Continue to move creative and media elements forward for this *FOG* launch.
3. *Orioles 2022 Season*: Adjust *Orioles* sponsorship and *MASN-TV Contestant of the Game* elements to reflect the change in the start date of the MLB season. Finalize and traffic all elements in advance of April 7th season start.

b) **My Lottery Rewards**

i. **Key accomplishments:**

1. New player registrations for February dropped 41% from the prior month, but registrations were up when compared to February 2021. The average number of users in February was down 15% when compared to activity in January. Both performance indicators are likely down because of low multi state jackpot amounts for the month.
2. Average entries per player increased almost 13% in February. *Monopoly X20* was the most entered scratch-off game in February with 203,800 tickets entered.
3. *Pick 4* and *Pick 3* continue to lead draw game entries with over 2.2M combined; while *Powerball* lead unique enterers with 22,800.
4. We saw approximately 65,400 MLR mobile app users in February.

ii. **Upcoming Tasks:**

1. Continue to implement emails and push notifications consistent with overall CRM strategies.
2. Maintain player communication about the conversion of prize points to draw points.

c) **Web, Digital and Social**

i. **Key accomplishments:**

1. Promoted *Skee-Ball* Scratch-Offs, *Mega 7's* Scratch-Offs, *Betty Boop* Scratch-Offs, *Gold Rush* Scratch-Offs, *Problem Gambling Awareness Month* and various winners through social media and the website
2. Executed a giveaway of *Betty Boop* Scratch-Offs on Facebook and Instagram with over 200 entrants.

ii. **Upcoming Tasks**

1. Execute digital and social plans for *Family Feud* Scratch-Off and second chance contest launching in April.
2. Create social and digital plans for the *Show Me Family of Games* launching in May.