

# 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: April 19, 2022

SUBJECT: Report for the April 2022 Commission Meeting

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

## 1. Sales

### March 2022, Year over Year Comparison Product Category by Store Segment

		Draw	Monitor	Fast Play/Instant	Combined
<b>STATE</b>	2022	\$79,328,338	\$54,089,286	\$99,919,451	\$233,337,075
	2021	\$82,364,875	\$51,915,055	\$99,935,248	\$234,215,178
	Difference	(\$3,036,537)	\$2,174,231	(\$15,797)	(\$878,103)
	%YoY +/-	-3.7%	4.2%	0.0%	-0.4%
<b>INDEPENDENT</b>	2022	\$59,370,278	\$46,377,139	\$62,619,591	\$168,367,008
	2021	\$63,560,770	\$45,508,373	\$64,412,160	\$173,481,303
	Difference	(\$4,190,492)	\$868,766	(\$1,792,569)	(\$5,114,295)
	%YoY +/-	-6.6%	1.9%	-2.8%	-2.9%
	% of State Sales	74.8%	85.7%	62.7%	72.2%
<b>CORPORATE</b>	2022	\$19,958,060	\$7,712,147	\$37,299,860	\$64,970,067
	2021	\$18,804,105	\$6,406,682	\$35,523,088	\$60,733,874
	Difference	\$1,153,955	\$1,305,466	\$1,776,772	\$4,236,193
	%YoY +/-	6.1%	20.4%	5.0%	7.0%
	% of State Sales	25.2%	14.3%	37.3%	27.8%

\* 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**

- Sales is currently on pace to meet and exceed this year's fiscal goal of 2.578 billion.
- The monthly sales meeting was conducted virtually on March 16, 2022. We launched four (4) scratch off price points featuring a \$1, \$3, \$5 & \$10 tickets combined with four (4) Fast Play price points (\$1, \$2, \$3, & \$10) which both product lines included the \$3 "Skee Ball".
- District Managers with the best sales by region/territory (year-over-year) for March.
  - Jonathan Braithwaite T-11
  - Chuck Hamrick T-25 (Awarded the DM of the month)
  - Rob Austerer T-33
  - Ken Trythall T-43
- The Sales department continued to work with HR and is currently planning to start interviewing candidates for the two DM vacancies.

## **Field Activities**

- The sales team made about 9,600 retailer communication contacts, during March, which includes store visits, phone calls and emails.
- The DMs reported minor issues with the Mega 7's display bins but that has not dampened the successful launch of this ticket with over 7800 activations and 5000 settlements within the first two weeks of sale. Pre-planning with oversized ticket bins has been a success for the Mega 7's launch, which is Maryland's first oversized ticket.
- The DMs have been receiving some retailer concerns about not receiving enough inventory when using the Auto Ordering system. We are getting specific information and will analyze these concerns with Scientific Game's Tel-Sel department.

## **Retail Recruitment**

- Recruitment Results –March 14<sup>th</sup> – April 10<sup>th</sup>, 2022
  - Sales processed 8 COO & 7 independent applications.

## **Sales Support/Self-Service Vending Units**

- Working with the District Managers we have completed site visits to locales that have been flagged for damaged or worn advertising signage and striping.
  - A list of these locations has been compiled and sent over to our vendor, DC Media, for updating.
  - In addition, we have approved the site list for door cling advertising updates starting in April.
- In preparation for the upcoming Ravens season we have begun reviewing inventory, discussing and evaluating which items provided were deemed successful and started development of new promotional items and graphics.
- Sales Support continues to review our ordering and inventory processes
  - To identify opportunities for improvement and promote change where needed
  - To better manage materials and supplies and support our sales staff in the field.
- We are continuing to review the performance of self-service machines (both PEX and PHD's) currently in the field to identify opportunities for improving sales.
- Developed criteria for qualification of retailers to be approved for a 3rd PHD self-service unit.
- Compiling and analyzing feedback from our field staff in regards to our new GEN2 instant ticket dispensers and working with our vendor to identify, troubleshoot and remedy any issues that arise.

## **Corporate Sales**

### Field Activity

- Business reviews have been scheduled with the following retailers:
  - Royal Farms
  - Giant Food
  - Safeway
- The Corporate sales team continues to work with their 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: Currently we have 20 SCIQ units installed
    - Slimline Units: Installed at 10 of 21 locations. Includes Eight (8) 7-Eleven locations. The remaining units will be installed in April.
    - Vista Units: 10 Vista units installed

## **Corporate Recruitment**

- C&D Corporation (Onboarded): Convenience stores with gas stations (3). Installations to be completed in April.
- Recruitment continues on National Chains:
  - Applebee's
  - Buffalo Wild Wings
- Double T Diner
  - Seven (7) possible locations.
  - Owner has requested to install Lottery in one location for now, with plans to install additional locations later this year. While Double T's flagship location (Catonsville) will begin renovations in the near future, an alternate pilot location will be provided.

## **Sales Force Automation**

### Training

- Dylan Santos, our new training manager, began employment on March 23<sup>rd</sup>. He will provide technical support training for the Sales team and also work with our HR department to deliver agency wide training.

### Gem Products

- Sales is working with Scientific Games on streamlining the Lottery application process by:
  - Updating the authorization step.
  - Eliminating unnecessary steps on summary page.
  - Adding new pop up screens which will give applicants clear directions on specific forms.
  - Sales is also working with Scientific Games to allow additional users to utilize the mileage tracking feature of the program.

## **2. Product Development**

### **a) Scratch-Off Products and Promotions**

#### **i. Key accomplishments last 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. *MONOPOLY™ Second-Chance Contest*: The second drawing was held 3/22/22, 2,669,179 entries were received. The third drawing was to be held 4/19/22; as of 4/17/22, 1,895,337 entries were received.

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

1. May Scratch-Off Launch (5/23/22):
  - a. \$1 – *Show Me \$1,000!*
  - b. \$2 – *Show Me \$10,000!*
  - c. \$5 – *Show Me \$50,000!*
  - d. \$10 – *Show Me \$100,000!*

**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 had the chance to Double or Triple their prizes playing Keno. Doublers and Triplers were produced on an Nth ticket basis for Keno, Keno Bonus, Keno Super Bonus & Packaged Keno to Go tickets. If the player’s numbers were winners, their winnings were doubled or tripled.
2. *Spring Fling All-Games Promotion*: From 4/4 – 5/1/22 (4 weeks) players 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*

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

1. *Try Pick 5 Promotion*: From 5/9/22 – 6/5/22, players purchasing any terminal games will have a chance to receive a free \$.50 or \$1 Pick 5 straight bet ticket. Pick 5 tickets will be awarded on an Nth ticket basis.
2. *Racetrax \$6 for \$5 Triple Crown*: During the following 3 sets of dates, any player that makes a \$6 Racetrax purchase will receive a \$1 discount. The maximum discount received will be \$5 off any ticket valued at \$30 or more.
  - a. 5/2/22 – 5/8/22 (7 days to coincide with the Kentucky Derby),
  - b. 5/16/22 – 5/22/22 (7 days to coincide with the Preakness),
  - c. 6/6/22 – 6/12/22 (7 days to coincide with the Belmont Stakes)

**c) FAST PLAY Products and Promotions**

**i. Key accomplishments last 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)*
2. *MONOPOLY™ Second-Chance Contest*: The second drawing was held 3/22/22; please see above section a.i.2 for the most recent entry data.
3. *Home Run Riches Bases Loaded “Contestant of the Game” Contest*: The contest kicked off on 3/28/22. The first drawing was held 4/5/22, 12,330 entries were received. The second drawing will be held 4/26/22; as of 4/17/22, 30,527 entries were received.
4. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
018	\$5	Chili Pepper Payout	\$3,615,390	\$2,544,235	\$1,071,155	3/28/2022

### 3. Creative Services

#### a) Traditional Advertising

1. *Skee-Ball Scratch-Off*:
  - a. The *Skee-Ball* media plan began airing on 3/28 and will conclude on 4/24.
2. *Family Feud Scratch-Off*:
  - a. Approved the creative direction for all materials. Finished production of the :30 and :15 television spots.
  - b. Approved the Family Feud media plan which includes television, OTT, radio, out-of-home, digital and social media. The media will run from 4/25 – 5/29.
3. *Show Me Family of Games*:
  - a. Signed off on the creative campaign for the *Show Me FOG*.
  - b. Approved the *Show Me* media plan that will run from 5/30 – 6/26 and includes television, OTT, radio, out-of-home, digital and social media.
4. *Orioles & MASN-TV 2022 Season Sponsorships*:
  - a. Completed the production of all elements needed to fulfill the *Orioles* and *MASN-TV* sponsorships.
  - b. Produced three *Home Run Riches* television commercials to air on *MASN-TV*.
  - c. Produced three *Home Run Riches* radio commercials to air on *Orioles* game day broadcasts.
5. *Ravens*
  - a. Reviewed and approved the advertising sponsorship with the *Ravens*. The sponsorship includes in-stadium signage and promotions, television, radio, and digital assets.

#### b) Web, Digital and Social

1. Promoted the Family Feud Scratch-Off and second-chance contest, FAST PLAY Home Run Riches Bases Loaded Contestant of the Game promotion, Skee-Ball Scratch-Off, Mega 7s Scratch-Off, Spring Fling promotion, Keno Sprinkler promotion and various winners through social media and the website.
2. Completed search engine optimization updates on the swarc.org website.

#### c) My Lottery Rewards

1. Monthly average users for March fell 2% when compared to the prior month and 9% when compared to the previous year.
2. Monthly Registrations increased 7.3% from February, but were up 51.6% from March 2021.
3. Average entries per player increased 12.9% in March from the previous month.
4. MONOPOLY X20 led Scratch-Offs for both total entries and unique players.
5. Pick 3 and Pick 4 continue to lead draw entries with over 2.2M combined, while Powerball, Mega Millions, and Multi-Match lead unique enterers with 22.6K, 20.5K, and 14.6K, respectively
6. The program continues to be mobile first as we saw 65,472 app users in March 2022; 83.7% of these used the iOS platform and 16.3% utilized Android.