

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • John Martin, Director



Montgomery Park Business Center  
1800 Washington Blvd., Suite 330  
Baltimore, Maryland 21230

Tel: 410-230-8800  
TTY users call Maryland Relay  
www.mdлотtery.com

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

FROM: Solomon Ramsey, Managing Director, Sales and Marketing

DIVISIONS: Sales and Marketing

DATE: June 14, 2022

SUBJECT: Report for the June 2022 Commission Meeting

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

## 1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2022	\$76,559,102	\$53,045,294	\$96,684,534	\$226,288,930
	2021	\$87,387,351	\$55,265,400	\$97,598,799	\$240,251,550
	Difference	(\$10,828,249)	(\$2,220,107)	(\$914,265)	(\$13,962,620)
	%YoY +/-	-12.4%	-4.0%	-0.9%	-5.8%
INDEPENDENT	2022	\$57,208,689	\$45,188,560	\$60,620,468	\$163,017,717
	2021	\$66,183,495	\$48,257,441	\$62,545,081	\$176,986,017
	Difference	(\$8,974,806)	(\$3,068,881)	(\$1,924,613)	(\$13,968,300)
	%YoY +/-	-13.6%	-6.4%	-3.1%	-7.9%
	% of State Sales	74.7%	85.2%	62.7%	72.0%
CORPORATE	2022	\$19,350,414	\$7,856,734	\$36,064,066	\$63,271,213
	2021	\$21,203,856	\$7,007,959	\$35,053,718	\$63,265,533
	Difference	(\$1,853,443)	\$848,775	\$1,010,348	\$5,680
	%YoY +/-	-8.7%	12.1%	2.9%	0.01%
	% of State Sales	25.3%	14.8%	37.3%	28.0%

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.

**a) Sales Management**

**i. Key accomplishments last period:**

1. Sales continue to be on pace to exceed this year's fiscal goal of \$2.578 billion.
2. The monthly sales meeting was conducted virtually on April 18th, 2022.
  - a. We launched four (4) Family of Games (FOG) scratch off price points featuring \$1, \$2, \$5 & \$10 which joined the \$20 ticket that was launched in April and already in the market
  - b. Promotions: Two phases of the Racetrax \$6 for \$5 promotion were conducted in May which coincided with the Kentucky Derby and the Preakness. The third phase will be conducted in June and coincide with the Belmont Stakes race. Pick 5 All-Games promotion which ran from May 9<sup>th</sup> – June 5<sup>th</sup> to highlight our new game, was well received by the players. This promotion awards a free \$.50 Pick 5 ticket on an Nth basis.
3. District Managers with the best sales by region/territory (year-over-year) for May.
  - Jonathan Braithwaite T-11
  - **Chuck Hamrick T-25 (Awarded the DM of the month)**
  - DeUnka Wade T-38
  - Van Daniels T-44
4. In May, Managing Director Sol Ramsey went out to DM Sandra Holland's territory and visited retail locations with Sandra.

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

1. The Sales department began interviewing candidates for the DM vacancies in Prince George's and Montgomery counties.

**b) Field Activities**

**i. Key accomplishments last period:**

1. The sales team made 7,285 retailer communication contacts, during May, which includes store visits, phone calls and emails.
2. The district managers kicked off the "Spring Clean" initiative at their retailers by replacing signage and merchandising items.

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

1. District Managers will be retrained on the auto ordering instant ticket process so they can better communicate the program to retailers.

**c) Retail Recruitment**

**i. Key accomplishments last period:**

1. Recruitment Results (May 9<sup>th</sup> – June 8<sup>th</sup>, 2022): Sales processed 11 independent applications.

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

1. Special emphasis has been given to increase recruitment in Baltimore City and Montgomery counties.

**d) Sales Support/Self-Service Vending Units**

**i. Key accomplishments last period:**

1. Final procurement of both staple and promotional items for FY22 closing. In conjunction with the procurements, final reviews and reconciliation of FY22 budgets for the Sales Department. Preliminary preparation of forecasted spending and budget allocations for FY23

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

1. Completing the procurement process for all items needed to support our partnership with the Baltimore Ravens in preparation for the upcoming season. This includes selecting, developing and creating all promotional materials.
2. Continued planning for our 50<sup>th</sup> Anniversary in CY2023 in respect to identifying opportunities for both retailer and consumer engagement, which could include retailer incentive programs, in store promotions and consumer focused promotional items.

**e) Corporate Sales**

**i. Key accomplishments last period:**

1. *Business reviews:* Reviews were scheduled with the following retailers:
  - a. Weis Markets
  - b. Save-a-Lot North
  - c. High's of Baltimore
2. The Corporate sales team continues to work with its chain portfolios to determine the best solutions for providing new equipment and other types of support for their locations.
  - a. Vending Machines: PHDL/PHD/PEX

**f) Corporate Recruitment**

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

1. Recruitment continues with third party operators in bar/restaurants in BWI airport.
2. Corporate and independent high volume locations are being identified for a fiscal year '23 new retailer recruitment campaign.

**g) Sales Force Automation**

**i. Key accomplishments last period:**

1. *Training:* A new district manager was hired during the month. Dylan Santos, our training manager, has spent several weeks reviewing process with the new hire.
2. *Sales Analysis:* Multi-Match was won at \$5.1 million making it the largest Multi Match jackpot ever. The advertising support from Creative Services help drive the sales to the record level.
3. The new Pick 5 game, due to the promotion, is seeing a large amount of \$25K winners.

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

1. *Gem Products:* Sales team will conduct internal understanding and education of the instant ticket Auto Ordering system so all our retailers can maximize the use of the system to increase sales.

**2. Product Development**

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

**i. Key accomplishments last period:**

1. June Scratch-Off Launch (6/20/22):
  - \$1 – *Diamond Bingo 3<sup>rd</sup> Edition*
  - \$2 – *Ca\$h Series*
  - \$10 – *Bingo X10 5<sup>th</sup> Edition*
2. *MONOPOLY™ Second-Chance Contest:* The fourth drawing was held 5/17/22, 1,676,721 entries were received. The fifth drawing was to be held 6/14/22; as of 6/12/22, 1,317,432 entries were received.

3. *Family Feud® Second-Chance Contest*: The first drawing was held 5/24/22, 213,634 entries were received.
4. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
515	\$1	5X The Cash	3,527,353	2,143,572	\$1,383,781	5/2/2022
495	\$2	Ruby 6s	4,386,790	2,808,423	\$1,578,367	5/2/2022
513	\$5	Plu\$ The Money	18,642,950	13,417,220	\$5,225,730	5/2/2022
510	\$10	Terrific 10s	22,995,252	17,260,236	\$5,735,016	5/2/2022

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

1. July Scratch-Off Launch (7/18/22):
  - \$1 – *Double Blackjack*
  - \$5 – *Extreme Green*
  - \$5 – *Gold Bar Bingo 3<sup>rd</sup> Edition*
  - \$10 – *Money Rush*
  - \$20 – *Million Dollar Mega Multiplier*
2. *Family Feud® Second-Chance Contest*: The second drawing will be held 6/28/22; as of 6/12/22, 77,476 entries were received.

b) **Draw and Monitor Game Products and Promotions**

i. **Key accomplishments last period:**

1. *Keno Kicker Blitz Promotion*: From 6/9/22 to 7/3/22 on Thursdays, Fridays, Saturdays, and Sundays only from 8am to 10pm (16 days), an extra number could be drawn during Keno drawings, giving players an additional number to match with.
2. *Racetrax \$6 for \$5 Triple Crown*: During the following dates, any player that made a \$6 Racetrax purchase received a \$1 discount. The maximum discount received was \$5 off any ticket valued at \$30 or more.
  - 6/6/22 – 6/12/22 (These 7 days coincided with the Belmont Stakes)

c) **FAST PLAY Products and Promotions**

i. **Key accomplishments last period:**

1. *Home Run Riches Bases Loaded “Contestant of the Game” Contest*: The third drawing was held 5/24/22, 81,752 entries were received.
2. *MONOPOLY™ Second-Chance Contest*: The fourth drawing was held 5/17/22; please see above section a.i.2 for the most recent entry data.
3. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
021	\$20	Diamond Mine	18,471,320	15,262,182	\$3,209,138	4/21/2022

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

1. July FAST PLAY Launch (7/4/22):
  - \$2 – *Crazy 8s*
  - \$5 – *Sevens*
  - \$10 – *Towering 10s*
2. *Home Run Riches Bases Loaded “Contestant of the Game” Contest*: The fourth drawing will be held 6/28/22; as of 6/12/21, 108,102 entries were received.

### 3. Creative Services

#### a) Traditional Advertising

1. *Show Me Family of Games*:
  - a. Completed production of the *Show Me FOG* radio spots, digital and all out-of-home assets.
  - b. The *Show Me FOG* media plan began running on 5/30 and will continue through 6/26.
2. *Pick Family*:
  - a. Approved art for a new piece of point-of-sale that promotes all three *Pick* games (*Pick 3*, *Pick 4* and *Pick 5*) at retail.
3. *FAST PLAY July*:
  - a. FY '23 will begin with a *FAST PLAY* ad campaign running in July. We will support both the *FAST PLAY* brand and the specific games launching on July 4th with a mid-level media plan that includes radio, out-of-home, digital, and social media.
  - b. Approved out-of-home designs and LIMs graphics to support this *FAST PLAY* launch.
4. *Ravens Scratch-Offs*:
  - a. Approved the artwork for the *Ravens Scratch-Offs* point-of-sale.
  - b. Other elements are currently in development
5. *Annual Out-of-Home Contracts*:
  - a. Worked with 9 Rooftops to complete negotiations-for all of annual out-of-home contracts for FY'23.
  - b. These contracts include the jackpot bulletins, the jackpot metro dioramas and live boards, digital bulletins, and the Caton Ave board.

#### b) Web, Digital and Social

1. Promoted the *Show Me Family of Games Scratch-Offs*, *Try Pick 5* promotion, *Racetrax 6 for \$5* promotion and various winners through social media and the website.
2. Executed enhanced email strategy, sending emails to segmented groups created based on interests. Open rates for these emails are almost double the rate of emails that are sent to our entire email list.

#### c) My Lottery Rewards

1. Monthly average users for May are down 3.3% from the previous month and 13.3% from May 2021. The year over year decline is likely due to a large Mega Millions jackpot at this time last year.
2. Monthly registrations in May increased 9.4% from April, and 31% from May 2021
3. Average entries per player increased 2.4% in May from the previous month, while overall entries decreased 1%
4. *Family Feud* led Scratch-Offs for both total entries and unique players.
5. *Pick 3* and *Pick 4* continue to lead draw game entries with over 2.2M combined, while *Powerball*, *Mega Millions*, and *Pick5* lead unique enterers with 22.K, 21.2K and 16.2K, respectively
6. The program continues to be mobile first as we saw 66,256 app users in May 2022; 83% of these used the iOS platform and 17% utilized Android. We saw 12,672 new app users in May.