

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: August 16, 2022

SUBJECT: Report for the August 2022 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2022	\$105,439,014	\$50,900,032	\$90,310,063	\$246,649,109
	2021	\$76,474,479	\$50,646,807	\$87,452,969	\$214,574,254
	Difference	\$28,964,536	\$253,225	\$2,857,094	\$32,074,854
	%YoY +/-	37.9%	0.5%	3.3%	14.9%
INDEPENDENT	2022	\$70,738,236	\$43,385,771	\$56,124,172	\$170,248,179
	2021	\$58,841,040	\$44,162,334	\$55,572,205	\$158,575,579
	Difference	\$11,897,196	(\$776,564)	\$551,967	\$11,672,599
	%YoY +/-	20.2%	-1.8%	1.0%	7.4%
	% of State Sales	67.1%	85.2%	62.1%	69.0%
CORPORATE	2022	\$34,700,778	\$7,514,261	\$34,185,891	\$76,400,930
	2021	\$17,633,439	\$6,484,473	\$31,880,764	\$55,998,675
	Difference	\$17,067,340	\$1,029,789	\$2,305,127	\$20,402,255
	%YoY +/-	96.8%	15.9%	7.2%	36.43%
	% of State Sales	32.9%	14.8%	37.9%	31.0%

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 exceeded this year's fiscal goal of \$2.578 billion, and achieved the best sales year in Maryland Lottery history.
2. Several members of the Sales and Marketing team were among the Maryland delegation that attended the NASPL Professional Development conference in Indianapolis. The conference provided opportunities to learn what's innovative, being utilized in other states, and what could be adapted to benefit the state of Maryland.
3. July had some high Jackpot runs in Mega Million and Powerball. The staff supported all activities associated with maintaining maximum sales at retailer locations.
4. The new Pick 5 game continues to see a large amount of \$25K & \$50K winners.
5. The monthly sales meeting was conducted in person on July 13, 2022.
 - a. We launched five (5) scratch off price points featuring \$1, \$5(2), \$10 & \$20.
6. 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 year**)
 - **DeUnka Wade** T-38 (**Awarded the DM of the month**)
 - Aaron Johnson T-49
7. In July, Managing Director Sol Ramsey went out to DM DeUnka Wade's territory and visited retail locations with her.
8. In July, veteran District Manager, Vivian Bell-Comer retired from the lottery, after 24 years of service.

ii. Upcoming tasks for this period:

1. The Sales department will receive a new sales goal that will be divided into regions and territories. The Sales and Marketing is ready to get us off to a good start during our first quarter of FY'23.

b) Field Activities

i. Key accomplishments last period:

1. The sales team made 6,347 retailer communication contacts, during May, which includes store visits, phone calls and emails as the summer vacations dominated our field presence.
2. Sales worked with security and management to suspend several retailers that have been violating the Lottery policies and procedures.

ii. Upcoming tasks for this period:

1. District Managers were trained on how to present a business review to their retailers.

c) Retail Recruitment

i. Key accomplishments last period:

1. Recruitment Results (June 8th – August 9th, 2022): Sales processed 10 independent applications.

ii. Upcoming tasks for this period:

1. Special emphasis and priority remain to increase recruitment in obtaining new corporate chain locations, as well as high foot traffic independent locations.

d) Sales Support/Self-Service Vending Units

i. Key accomplishments last period:

1. Finalized procurement of both staple and promotional items for FY22 closing. Sales also began forecasting for spending and budget allocations for FY23.

ii. Upcoming tasks for this period:

1. Continued planning for our 50th Anniversary in CY2023. Identifying opportunities for both retailer and consumer engagement. This includes but is not limited to: development and procurement plans for POS and promotional items; development of a retailer bonus program to coincide with the anniversary; identification of long standing retailers to be highlighted.
2. Final preparation for upcoming Baltimore Ravens season and partnership which includes but is not limited to: load in of self-service PHD units scheduled; receipt of promotional items; allocation and distribution schedule of said promotional items completed; scheduling of staff and retailer to work the home games and represent the Maryland Lottery on Ravens Walk.

e) Corporate Sales

i. Key accomplishments last period:

1. The corporate sales division finished FY '22 with **\$728,534,189** in sales, an increase of 12% over FY21.
2. *Business reviews:* Reviews were scheduled with the following retailers:
 - a. Weis Markets
 - b. BFS Foods
 - c. 7-Eleven
 - d. Harris Teeter
 - e. Food Lion
 - f. AC&T
3. The Corporate Sales team has been in discussions with our corporate partners discussing ways to increase sales and awareness in their locations.
 - a. A second chance promotion with Sheetz, Inc. will run between 7/21- 8/23/22 in all of their Maryland locations.
 - b. We are also exploring the opportunity of running 2nd chance promotions with the following chains as well:
 - i. Wawa
 - ii. High's of Baltimore
 - iii. Weis Supermarkets
4. 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
 - i. PHDL/PHD/PEX
 - b. The SCIQ system is installed in all 31 pilot locations and performance is being evaluated.

f) Corporate Recruitment

i. Upcoming tasks for this period:

1. Working with the vendor in BWI airport on having lottery installed multiple locations.

a) Sales Force Automation

i. Key accomplishments last period:

1. *Training:* The training manager is working on procedures for a number of items including Multi Match determination, steps in completing certain applications, and completing surveys, new hire training procedures.
2. *Sales Analysis:* Multi-Match is on another roll and the current JP has crossed the \$2 million mark.

ii. Upcoming tasks for this period:

1. *Gem Products:* The Sales team is preparing for the upcoming XCAP renewal period.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

1. July Scratch-Off Launch (7/18/22):
 - \$1 – *Double Blackjack*
 - \$5 – *Extreme Green*
 - \$5 – *Gold Bar Bingo 3rd Edition*
 - \$10 – *Money Rush*
 - \$20 – *Million Dollar Mega Multiplier*
2. August Scratch-Off Launch (8/22/22):
 - \$2 – *Ravens X2*
 - \$5 – *Ravens X5*
 - \$10 – *Win \$50, \$100, or \$200*
 - \$10 – *\$100,000 Crossword 6th Edition*
3. *MONOPOLY™ Second-Chance Contest:* The fifth drawing was held 6/14/22, 1,448,550 entries were received. The sixth and final drawing was held on 7/12/22, 1,549,994 entries were received.
4. *Family Feud® Second-Chance Contest:* The second drawing was held 6/28/22, 131,944 entries were received. The third and final drawing was held 7/26/22, 83,026 entries were received.
5. *Ravens Second-Chance Contest:* As of 8/22/22, players are able to enter non-winning *Ravens X2* and *Ravens X5* instant tickets for a chance to win Season Tickets for 20 years, 2022 & 2023 Season tickets, “Pass for Cash” Game Day Experience, and \$10,000 cash. Entries will not be cumulative.
6. *Game Closing Activity:*

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
527	\$1	I Love To Win	2,441,302	1,466,734	\$974,568	5/30/2022
516	\$2	10X The Cash	5,866,830	3,779,412	\$2,087,418	5/30/2022
471	\$3	Super Tic Tac Toe	5,874,120	3,971,420	\$1,902,700	5/30/2022
517	\$5	20X The Cash	20,550,795	14,835,619	\$5,715,176	5/30/2022
514	\$10	Bankroll Bucks	23,537,220	17,652,915	\$5,884,305	5/30/2022

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
476	\$2	Summer Fun	3,962,174	2,538,169	\$1,424,005	6/27/2022
521	\$5	Double Your Money	19,411,045	13,977,893	\$5,433,152	6/27/2022
529	\$10	Royal Cash Fortune	18,487,220	13,865,415	\$4,621,805	6/27/2022

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

1. September Scratch-Off Launch (9/19/22):
 - \$1 – *Fast Ca\$h*
 - \$5 – *Power Spot Multiplier*
 - \$5 – *Deluxe Crossword 7th Edition*
 - \$10 – *Lady Luck*
 - \$30 – *Cash Is King*
2. *Ravens Second-Chance Contest*: The first drawing will be held 8/30/22.

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

i. **Key accomplishments last period:**

1. *Cash Heatwave Promotion*: From 8/1 – 8/21/22 players entered Pick 3, 4 or 5 tickets into My lottery Rewards to win cash prizes. This contest is the first of it's kind for Maryland Lottery. Winner's will be awarded a variable cash prize amount based on the highest recorded temperature at BWI the week before the drawing. The first & second drawings were held 8/15/22, 918,633 entries were received.
2. *State Fair Keno Sprinkler*: From 8/26 – 9/11/22 players 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.
3. *Racetrax State Fair \$6 for \$5*: From 8/26 – 9/11/22 any player that makes a \$6 Racetrax purchase received a \$1 discount. The maximum discount received was \$5 off any ticket valued at \$30 or more.

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

1. *Powerball's First Millionaire of the Year!* [9/5 – 10/1/22]: Any Powerball + PowerPlay tickets purchased during the promotional period may be entered into My Lottery Rewards for a chance to win a NYC trip plus cash, and a chance to become a finalist for the "First Powerball Millionaire" drawing.

c) **FAST PLAY Products and Promotions**

i. **Key accomplishments last period:**

1. July FAST PLAY Launch (7/5/22):
 - \$2 – *Crazy 8s*
 - \$5 – *Sevens*
 - \$10 – *Towering 10s*
 - \$5 – *Falling Into Cash*
2. *Home Run Riches Bases Loaded "Contestant of the Game" Contest*: The fourth drawing was held 6/28/22, 132,009 entries were received. The fifth drawing was held 7/26/22, 174,560 entries were received.
3. *MONOPOLY™ Second-Chance Contest*: The two final drawings were held 6/14 and 7/12/22. Please see above section a.i.3 for the most recent entry data.
4. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
022	\$5	Home Run Riches Progressive	4,067,730	2,879,477	\$1,188,253	6/4/2022

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
025	\$10	Jackpot Party Progressive	3,717,830	2,422,668	\$1,295,162	6/13/2022

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
026	\$1	Perfectly Peared	793,275	466,855	\$326,420	7/17/2022
020	\$3	Why Did The Chicken Cross The Road	1,701,030	1,134,860	\$566,170	7/17/2022
004	\$5	Hit \$250	17,840,780	12,659,550	\$5,181,230	7/17/2022
009	\$10	Money Multiplier	9,510,340	7,046,390	\$2,463,950	7/17/2022

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

1. September FAST PLAY Launch (9/5/22):
 - \$1 – *Slots of Fun (progressive)*
 - \$2 – *Gold Fish (progressive)*
 - \$3 – *Bean Bag Bucks*
 - \$5 – *Falling Into Cash*
2. *Home Run Riches Bases Loaded “Contestant of the Game” Contest*: The sixth drawing will be held 8/30/22; as of 8/14/22, 200,997 entries were received.

3. **Creative Services**

a) **Traditional Advertising**

1. *Ravens Scratch-Offs*:
 - a. Approved the media plan that will support the launch of the *Ravens Scratch-Offs*. Media will begin running on 9/5 and continue through 10/2. Media placements include broadcast and cable television, OTT, radio and streaming audio, out-of-home, print, digital and social media.
 - b. The “Electric Football” television spot was filmed on 8/4. Also completed production of the pre-season radio spots and finalized all out-of-home assets.
2. *Lady Luck & Cash Is King Scratch-Offs*:
 - a. Approved the media plan that will support the launch of the *Lady Luck & Cash is King Scratch-Offs*. Media will begin on 9/26 and run through 10/23 and will include radio and streaming audio, out-of-home, digital and social elements.
 - b. Finalized the *Lady Luck & Cash is King* point-of-sale.
3. *Game of Life Scratch-Offs*:
 - a. Approved *The Game of Life* point-of-sale.
 - b. Initiated planning with GKV and 9Rooftops to develop an advertising campaign that will support *The Game of Life*.
4. *Sports Sponsorships*:
 - a. Finalized FY23 sponsorships with the *Washington Commanders* and the *University of Maryland*. All sponsorship elements were agreed upon and the Lottery is working to finalize the creative elements

b) **Web, Digital and Social**

1. Promoted the new *Fast Play* games, the high *Mega Millions* jackpot, the *Cash Heatwave* promotion, the *Sheetz Free Gas* promotion and various winners through social media and the website.
2. Executed a social media contest to give away four (4) *Pass for Cash Game Day Experience* prizes for winners to attend Ravens pre-season games. The contest received almost 400 entries.

c) My Lottery Rewards

1. Monthly average users increased 23% in July from the previous month, and 114% from July 2021. The increase was driven by the large Mega Millions jackpot.
2. Monthly registrations in July increased 71% from June, and a whopping 320% from July 2021. Again, the large Mega Millions jackpot has been identified as the driver.
3. Two one-day *Mega Millions Only Jackpot Achievements* ran on 7/15 and 7/22 awarding 7,591 \$2-off coupons to MLR members.
4. The MLR mobile app experienced a 30% increase in July with 86,537 app users recorded; 86% of these used the iOS platform and 13% utilized Android.
5. *Ca\$h Series* led the scratch-off game category for MLR entries with 112.3K tickets entered. Second for entries was *Family Feud* with 86K tickets entered. Third was *Win \$100, \$200 or \$500* with 83.7K entries
6. *Pick 3* and *Pick 4* continue to lead draw game entries with over 2.3M combined. *Mega Millions* was third with almost 490K entries. *Mega Millions*, *Powerball*, and *Multi-Match* lead unique enterers with 35.6K, 24.7K, and 14.5K.