

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: October 14, 2022

SUBJECT: Report for the October 2022 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2022	\$73,782,951	\$53,782,839	\$84,183,826	\$211,749,616
	2021	\$87,282,176	\$52,411,162	\$83,920,823	\$223,614,161
	Difference	(\$13,499,225)	\$1,371,676	\$263,003	(\$11,864,546)
	%YoY +/-	-15.5%	2.6%	0.3%	-5.3%
INDEPENDENT	2022	\$54,081,419	\$45,434,620	\$51,688,212	\$151,204,251
	2021	\$64,203,650	\$45,535,036	\$53,221,169	\$162,959,855
	Difference	(\$10,122,231)	(\$100,417)	(\$1,532,957)	(\$11,755,604)
	%YoY +/-	-15.8%	-0.2%	-2.9%	-7.2%
	% of State Sales	73.3%	84.5%	61.4%	71.4%
CORPORATE	2022	\$19,701,532	\$8,348,219	\$32,495,614	\$60,545,365
	2021	\$23,078,527	\$6,876,126	\$30,699,654	\$60,654,307
	Difference	(\$3,376,995)	\$1,472,093	\$1,795,960	(\$108,942)
	%YoY +/-	-14.6%	21.4%	5.9%	-0.18%
	% of State Sales	26.7%	15.5%	38.6%	28.6%

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. The monthly sales meeting was conducted virtually on September 14th, 2022.
 - a. We launched five (5) scratch off price points featuring \$1, \$5 (2), \$10 & \$30.
 - b. We also highlighted the advertising plan for our Holiday Games.

2. District Managers with the best sales by region/territory (year-over-year) for August.

- Jonathan Braithwaite T-11
- **Chuck Hamrick** T-25 (**Awarded the DM of the month**)
- DeUnka Wade T-38
- Van Daniels T-44

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

1. The sales department will inspect our retailer network to ensure compliance on all COMAR regulations including cashing procedures and usage of grey machines.

b) Field Activities

i. **Key accomplishments last period:**

1. The sales team made 1428 retailer communication contacts, during August, which includes store visits, phone calls and emails.
2. The A.G. office worked with the regional managers to terminate inactive retailers and recover equipment.
3. All regions participated in a refresher course in Work Order training improving the process between the vendor and the lottery staff.

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

1. Sales will develop and implement a retailer holiday bonus program.
2. Recruitment is expected to begin in October to fill open positions.

c) Retail Recruitment

i. **Key accomplishments last period:**

1. Recruitment Results (September 10th – October 9th, 2022); Sales processed 15 independent applications.

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

1. Special emphasis and priority remain as an ongoing priority to increase recruitment in obtaining new corporate chain locations, as well as high foot traffic independent locations while giving increased effort in Baltimore City and Montgomery County.

d) Sales Support/Self-Service Vending Units

i. **Key accomplishments last period:**

1. Planning for our 50th Anniversary in CY2023. Identifying opportunities for both retailer and consumer engagement. This includes but is not limited to: initial design and copy ideas for the retailer report publication; 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.

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

1. Working with our new Director of Procurement to identify concerns and to increase efficiency in our internal procurement process. This includes meeting with vendors to establish relationships, timelines and expectations.
2. Continued development and testing of workflows and processes within our internal inventory management system to prepare for launch (expected 10/26). The Sales Support team members who will be responsible for utilizing the system have now been integrated into the training.

e) Corporate Sales

i. **Key accomplishments last period:**

1. *Business reviews:* Reviews were scheduled with the following retailers:
 - a. Check Cash Depot
 - b. Glory Days Grill
 - c. Weis Markets

2. The Corporate Sales team has been in discussions with our corporate partners to discuss ways to increase sales in their locations.
 - a. We are exploring the opportunity of running similar 2nd chance promotions with the following chains:
 1. Royal Farms
 2. 7-Eleven
 3. Weis Supermarkets

f) Corporate Recruitment

i. Upcoming tasks for this period:

1. Stratosphere Social
 - a. Awaiting installation
2. Papi's Taco's (2)
 - a. Locations being onboarded
 - i. Towson & Ocean City
3. Par Mar Stores (4)
 - a. Locations being onboarded and currently selling
4. Megamart (9)
 - a. Growing grocery chain based in Adelphi, Maryland with locations in Baltimore, Frederick, Gaithersburg, Takoma Park, Rockville, Adelphi, Laurel, Hyattsville and Riverdale.
 - i. Onboarding still underway

g) Sales Force Automation

i. Key accomplishments last period:

1. Training: The training manager provided Sexual Harassment training, for the agency, during September.
2. The Expanded Cashing Authority Program (XCAP) renewal program is well under way with 25% of the XCAP network having begun to fill out the renewal application.

ii. Upcoming tasks for this period:

1. Training: The training manager is working with the AFO department to provide agency with Maryland Charities Donation Program support that will begin in October.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

1. October Scratch-Off Launch (10/17/22):
 - \$1 – *Chillin'*
 - \$2 – *Holiday Cash Drop*
 - \$3 – *Peppermint Payout*
 - \$5 – *Holiday Ca\$h*
 - \$10 – *Blizzard Bucks*
 - \$20 – *The Game of Life®*
2. *Holiday Cash 2022 Second-Chance Contest*: Coinciding with the scratch-off launch date, the Holiday Cash second-chance contest offers players opportunities to win cash prizes. The first drawing will be held 10/25/22.

3. *Ravens Second-Chance Contest*: The second drawing was held 9/19/22; 370,885 entries were received. The third drawing was to be held 10/18/22 – as of 10/16/22, 635,457 entries have been received.

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

1. November Scratch-Off Launch (11/21/22):

- \$2 – *\$15,000 CASH*
- \$5 – *Crazy 8s*
- \$10 – *Lucky Times 10*

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

i. **Key accomplishments last period:**

1. *Powerball's First Millionaire of the Year!* [9/5 – 10/1/22]: Powerball + Double Play tickets purchased and entered during the promotional period gave players the opportunity to win one of three trips (exclusive trip to NYC for New Year's Eve to watch the ball drop in times square plus cash), one trip winner is also a finalist for the "First Powerball Millionaire" drawing to be conducted just after midnight on New Year's Eve. The promotion's drawing was held 10/4/22 – 43,202 entries were received.
2. *Hall-O-WIN* [10/10 – 11/1/22]: This brand new second-chance promotion for the Pick game category began on 10/10 and will run through 11/1/22. Any Pick 3, Pick 4 and Pick 5 tickets purchased (\$1 purchase = 1 entry, two \$0.50 tickets are needed to complete one entry) during the promotional period may be entered into My Lottery Rewards for a chance to win one of five cash prizes of \$10,000 (5 winners x \$10,000 = \$50,000 promotional liability).

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

1. *Hall-O-WIN* [10/10 – 11/1/22]: The drawing for this second-chance promotion is scheduled for 11/2/22, as of 10/16/22, 264,676 entries have been received
2. *ThanksWINNING* All-Games Promotion [11/7 – 11/27/22]: The All-Games Promotion, *ThanksWINNING*, is back. Beginning on 11/7, on an Nth ticket basis, players could receive \$2 or \$5 Instant Win Vouchers or free \$1 Candy Cane Cash FAST PLAY tickets automatically, just by playing their favorite terminal-based games.

c) **FAST PLAY Products and Promotions**

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

1. November FAST PLAY Launch (11/7/22):
 - \$1 – *Candy Cane Cash*
 - \$5 – *Snowflake Ca\$h*
 - \$10 – *Holiday Money Match* (Relaunch from FY22)
2. *FAST PLAY Game Closing*: The next batch of FAST PLAY games are scheduled to be closed Sunday, November 6th. Games #040 *Sunny Money* and #038 *Diamond Dollars* are to be closed at system shut down on 11/6/22. Progressive games #039 *Home Run Riches Bases Loaded* and #028 *Hit The Jackpot* will close after the next progressive top prizes are won on or after 11/7/22.

3. **Creative Services**

a) **Traditional Advertising**

1. *The Game of Life Scratch-Offs*:
 - a. Completed production on all *Game of Life* creative elements, including :30 and :15 television spots, a :30 radio spot, and various forms of out-of-home, digital and social elements.

- b. *The Game of Life* media plan was reviewed and approved. The statewide media effort includes TV, cable, OTT, radio, out-of-home, digital and social media. The media will begin running on 10/17 and conclude on 11/27.
- 2. *High Jackpot Support*
 - a. Supporting the *Mega Millions* jackpot with TV, radio and out-of-home and the *Powerball* jackpot with radio and out-of-home. The Lottery will continue to support these high jackpots until they are either hit or the amounts become news worthy.
 - b. Filmed new high jackpot television commercials on 10/14. Will complete production of the new campaign by mid-November.
- 3. *Holiday*
 - a. Approved the direction for all *Holiday Scratch-Off* creative elements and have moved into production. The Lottery is shooting its *Holiday* television spot on 10/19 and continues to work on producing the radio, out-of-home, digital and social assets.
 - b. The *Holiday* media plan was reviewed and approved. The statewide media effort includes TV, cable, OTT, radio, streaming audio, out-of-home, digital and social media. The media will begin running on 11/21 and conclude on 12/24.
- 4. *50th Anniversary*
 - a. The Lottery is working with GKV to produce a new television spot, “*I Thank You*,” in celebration of the Lottery’s *50th Anniversary*. Various photo shoots for the images that will be used in the TV spot were completed.
 - b. A number of other elements to support the Lottery’s *50th Anniversary* are in development, including a 2023 wall calendar, two videos and several website landing pages.
- 5. *FY’23 Planning, January – June*: The Lottery began planning for product launches and promotions occurring from January through June.
- 6. *Conversation to RNG Drawings*
 - a. Working extensively with Communications, GKV and SmartPlay to develop a new drawing animation that will display winning numbers.
 - b. Developing materials for retailers and consumers that will explain the conversion to RNG drawings and where winning numbers may be found after the conversion. Also developing a script and graphics for a short video that will explain the RNG drawing process.

b) My Lottery Rewards

- a. Monthly average users, as well as monthly registrations, trended down in September. The current *Powerball* and *Mega Millions* jackpots will help boost these numbers, but we have asked SG to investigate possible reasons for the declines.
- b. Program engagement with the MLR mobile app is strong as we saw 7,035 new users out of 61,642 total app users in September; approximately 82% of these used the iOS platform and 18% used Android.
- c. *Win \$50, \$100 or \$200* led scratch-off games in entries with 140.6K tickets entered during September. Second for entries was *Ravens X5* with 135.8K tickets entered. Third was *Money Rush* with 86.5K entries.
- d. *Pick 3* and *Pick 4* continue to lead draw entries with over 1.9M entries combined. *Pick 5* was third with over 491K entries. *Mega Millions*, *Powerball*, and *Multi-Match* lead unique enterers with 22.7K, 22.5K, and 13.4K, respectively.

c) Web, Digital and Social

- a. Promoted the new *Lady Luck* and *Cash is King* Scratch-Offs, *Ravens* Scratch-Offs and second-chance promotion, *Holiday* Scratch-Offs, *The Game of Life* Scratch-Off, *Powerball First Millionaire of the Year* promotion and various winners through social media and the website.
- b. Updated the *Play Responsibly* page on mdlottery.com to offer more information about how to play within your limits.