

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: November 7, 2022

SUBJECT: Report for the November 2022 Commission Meeting

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

1. Sales

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

		Draw	Monitor	FAST PLAY & Instant	Combined
STATE	2022	\$91,053,310	\$48,929,188	\$95,373,571	\$235,356,069
	2021	\$81,046,838	\$49,839,175	\$90,144,943	\$221,030,956
	Difference	\$10,006,473	(\$909,988)	\$5,228,628	\$14,325,113
	%YoY +/-	12.3%	-1.8%	5.8%	6.5%
INDEPENDENT	2022	\$62,862,958	\$41,454,515	\$58,911,761	\$163,229,234
	2021	\$60,348,388	\$43,157,676	\$58,413,526	\$161,919,589
	Difference	\$2,514,571	(\$1,703,161)	\$498,235	\$1,309,644
	%YoY +/-	4.2%	-3.9%	0.9%	0.8%
	% of State Sales	69.0%	84.7%	61.8%	69.4%
CORPORATE	2022	\$28,190,352	\$7,474,673	\$36,461,810	\$72,126,835
	2021	\$20,698,450	\$6,681,500	\$31,731,417	\$59,111,367
	Difference	\$7,491,902	\$793,174	\$4,730,393	\$13,015,469
	%YoY +/-	36.2%	11.9%	14.9%	22.02%
	% of State Sales	31.0%	15.3%	38.2%	30.6%

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 on October 12, 2022.
 - a. Six (6) scratch off price points were launched, featuring \$1, \$2, \$3, \$5, \$10 for our holiday tickets & a \$20 oversize license product ticket known as "The Game of Life (GOL).
 - b. Three (3) FAST PLAY games were launched on November 7th, the \$1 and \$5 were new games, the \$10 is a relaunch from FY22.
 - c. Also highlighted were the advertising plans for The Game of Life (GOL) and Holiday Games.

2. A recap of the quarterly goals was presented to the field staff while highlighting the special achievements earned by the district managers with outstanding performances.
3. District Managers with the best sales by region/territory (year-over-year) for October:
 - Jake Jaeger T-14
 - **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 visit the retailer network to ensure all retailers that can sell the GOL has the proper display units. This will help to maximize sales for the game.
2. Sales continues to inspect the 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 7,599 retailer communication contacts, during October, which includes store visits, phone calls and emails.
2. Regional managers have been contacting XCAP retailers for the renewal process.
3. All regions participated in sexual harassment prevention training as offered by the Human Resource department.

ii. Upcoming tasks for this period:

1. Sales will continue to work with OAG to terminate inactive retailers and recover equipment.

c) Retail Recruitment

i. Key accomplishments last period:

1. Recruitment Results (October 9th – November 4th, 2022): 21 independent applications were processed.

ii. Upcoming tasks for this period:

1. Obtaining and onboarding new corporate chain locations remains an ongoing priority, as well as high foot traffic independent locations. Priority and focus placed on Baltimore City and Montgomery County.

d) Sales Support/Self-Service Vending Units

i. Key accomplishments last period:

1. Final planning for the agency's 50th Anniversary in CY2023 is underway, identifying opportunities for both retailer and consumer engagement. This includes initial design and copy ideas for the retailer report publication; development and procurement of POS and promotional items; development of a retailer bonus program to coincide with the anniversary; planning of legacy retailer spotlight events in conjunction with our Communications department (media, sales support, giveaways, plaque presentation).

ii. Upcoming tasks for this period:

1. Research of merchandising options (signage, displays etc.) and opportunities to support in-lane selling initiatives. This includes procuring samples of products from various sources/vendors.

e) Corporate Sales

i. Key accomplishments last period:

1. Stratosphere Social, a large social amusement location was installed and is now selling.
2. The Corporate Sales team has been in discussions with corporate partners to discuss ways to increase sales in their locations.
 - a. Second-chance promotional opportunities are being explored with the following chains in CY23:
 1. Wawa
 2. Giant Food
 3. Weis Supermarkets
 4. High's of Baltimore
 5. Walmart

f) Corporate Recruitment

i. Upcoming tasks for this period:

1. Papi's Taco's (2)
 - a. Locations being onboarded: Towson & Ocean City
2. Megamart (9)
 - a. Growing grocery chain based in Adelphi, Maryland with locations in Baltimore, Frederick, Gaithersburg, Takoma Park, Rockville, Adelphi, Laurel, Hyattsville and Riverdale. Onboarding still underway.

g) Sales Force Automation

i. Key accomplishments last period:

1. Training:
 - a. The training manager continued to provide Sexual Harassment prevention training for the agency.
 - b. A review of training for the Work Order process was facilitated by sales management; the training was well received and is having a positive impact on employee knowledge of the process.
 - c. The training manager worked with the AFO department to provide agency with Maryland Charities Donation Program support that began in October.

ii. Upcoming tasks for this period:

1. The Expanded Cashing Authority Program (XCAP) renewal program is well under way with 70% of the XCAP network having begun to fill out the renewal application with 45% of the network completed. Increased messaging to XCAP locations has had a positive impact.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

1. November Scratch-Off Launch (11/21/22):
 - \$2 – \$15,000 CASH
 - \$5 – Crazy 8s
 - \$10 – Lucky Times 10

2. *Holiday Cash 2022 Second-Chance Contest*: The first drawing was held 10/25/22, 571,961 entries were received. The second drawing was held 11/1/22, 1,206,788 entries were received.
3. *Ravens Second-Chance Contest*: The third drawing was held 10/18/22 – 678,889 entries were received.
4. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
554	\$1	Holiday Cheer	\$3,227,876	\$1,939,631	\$1,288,245	10/3/2022
555	\$2	Cookies and Cash	\$3,915,432	\$2,507,834	\$1,407,598	10/3/2022
557	\$5	Holiday Riches	\$13,979,340	\$10,069,319	\$3,910,021	10/3/2022
533	\$10	\$1,000 Loaded	\$23,576,360	\$17,679,912	\$5,896,448	10/3/2022

ii. Upcoming tasks for this period:

1. December Scratch-Off Launch (Thursday 12/29/22):
 - \$1 – *Match 2 Win*
 - \$5 – *Cash Money*
 - \$10 – *Six Figures*
 - \$20 – *\$50,000 CASH*
2. *Holiday Cash 2022 Second-Chance Contest*: The third drawing was to be held 11/9; as of 11/6, 1,806,593 entries were received.
3. *Ravens Second-Chance Contest*: The fourth drawing was to be held 11/15; as of 11/6, 369,763 entries were received.

b) Draw and Monitor Game Products and Promotions

i. Key accomplishments last period:

1. *Hall-O-WIN* [10/10 – 11/1/22]: This second-chance promotion for the Pick game category ran through 11/1/22. The drawing for the promotion was scheduled for 11/2/22, 1,866,865 entries were 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.

ii. Upcoming tasks for this period:

1. *Holiday Keno Sprinkler* [12/5 – 12/25/22]: The Holiday Keno Sprinkler promotion is back! From 12/5 through 12/25, players could receive Doubler or Tripler messages on their Keno tickets – any prizes won on those tickets will be doubled or tripled.
2. *Pick 3 Pick 4 Pick 5 Let it Snow* [12/5 – 12/25/22]: The Let it Snow promotion is new and improved, now including Pick 5 as an eligible purchase to trigger the awards offered in this promotion, designed to reward our most loyal players. On an Nth ticket basis, players could see \$2 or \$5 instant win vouchers, or free \$5 Snowflake Ca\$h FAST PLAY tickets, just by playing their favorite pick 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)

3. Creative Services

a) Traditional Advertising

1. *The Game of Life Scratch-Offs: The Game of Life* media plan began running on 10/17 and will continue through late November, wrapping up on 11/27.
2. *High Jackpot Support*
 - a. Supported the rising *Powerball* jackpot with paid media (TV, radio and out-of-home) through late October when the jackpot amount reached a newsworthy level. After our paid media ended, we continued to support the jackpot through numerous internal assets, including the website marquee, LIMs, and social media posts.
 - b. Shot our latest jackpot television campaign on 10/14. The campaign consists of six total spots; three for *Powerball* and three for *Mega Millions*. Currently working with GKV to complete editing of this new campaign.
3. *Holiday Scratch-Offs*
 - a. Shot our 2022 *Holiday* television spot on 10/19 and now working with GKV to finalize editing. Also selected and recorded two new holiday radio spots.
 - b. The *Holiday* media plan has been finalized. Radio will begin running on 11/7, with all other media starting on 11/21 and concluding on 12/24.
4. *50th Anniversary*
 - a. Working with GKV to complete production of a new television spot, “*I Thank You*” to celebrate the Lottery’s *50th Anniversary*.
 - b. Approved the media brief for the “*I Thank You*” campaign. Media is expected to start the week of 1/2.
5. *GOLD Multiplier FOG Scratch-Offs*: Approved both media and creative briefs for this initiative and now developing the *GOLD Multiplier FOG* campaign.
6. *FY’23 Planning, January – June*: Identified all remaining campaigns we will support with paid advertising through the end of FY’23 and have begun allocating resources.

b) Web, Digital and Social

1. Promoted the new *Holiday Scratch-Offs* and second chance promotion, *The Game of Life Scratch-Off* and second chance promotion, *Ravens Scratch-Offs* and second-chance contest, *Hall-O-Win* promotion, high jackpots and various winners through social media and the website.
2. Continued to work on *50th Anniversary* materials, including a comprehensive website landing page with information about promotions and more.
3. Planning website changes for Lottery’s switch to digital drawings, including expanded *Watch the Drawings* section. Social media posts and consumer emails are also in development.

c) My Lottery Rewards

1. Monthly average users, as well as monthly registrations, increased from last month. Registrations showed the largest jump in growth in October with an 80% increase from September.
2. Program engagement with the MLR mobile app is strong as we saw 10,984 new users out of 70,898 total app users in September; approximately 83% of these used the iOS platform and 17% used Android.
3. *Power Spot Multiplier* led scratch-off games in entries with 124.5K tickets entered during October. Second for entries was *Win \$50, \$100 or \$200* with 112.5K tickets entered. Third was *Ravens X5* with 105.3K entries.
4. *Pick 3* and *Pick 4* continue to lead draw entries with over 2.78M entries combined. This is a larger than usual number of entries, possibly due to the *Hall-O-Win* promotion. *Pick 5* was third with over 475K entries. *Mega Millions*, *Powerball*, and *Multi-Match* lead unique entrants with 257.2K, 381.5K, and 116.5K, respectively.