

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

FROM: Solomon Ramsey, Managing Director, Sales and Marketing

DIVISIONS: Sales and Marketing

DATE: December 6, 2022

SUBJECT: Report for the December, 2022 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2022	\$105,076,001	\$46,013,041	\$89,880,533	\$240,969,575
	2021	\$74,430,737	\$47,404,887	\$84,720,970	\$206,556,594
	Difference	\$30,645,264	(\$1,391,846)	\$5,159,563	\$34,412,981
	%YoY +/-	41.2%	-2.9%	6.1%	16.7%
INDEPENDENT	2022	\$69,161,184	\$38,993,806	\$55,998,103	\$164,153,093
	2021	\$56,289,281	\$41,062,219	\$54,179,902	\$151,531,402
	Difference	\$12,871,903	(\$2,068,413)	\$1,818,201	\$12,621,691
	%YoY +/-	22.9%	-5.0%	3.4%	8.3%
	% of State Sales	65.8%	84.7%	62.3%	68.1%
CORPORATE	2022	\$35,914,817	\$7,019,235	\$33,882,430	\$76,816,482
	2021	\$18,141,456	\$6,342,669	\$30,541,068	\$55,025,192
	Difference	\$17,773,361	\$676,567	\$3,341,362	\$21,791,290
	%YoY +/-	98.0%	10.7%	10.9%	39.60%
	% of State Sales	34.2%	15.3%	37.7%	31.9%

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 November 21, 2022.
 - a. Three (3) scratch off price points were launched, featuring \$2, \$5 & \$10 combined with a "Holiday Keno Sprinkler" and the "Pick3/4/5 Let It Snow" promotions. Both promotions are well liked and supported by our customer base.

- b. Also highlighted were the advertising plans for the Holiday Games by means of our social media post.
- 2. District Managers with the best sales by region/territory (year-over-year) for November:
 - Jonathan Braithwaite T-11
 - **Chuck Hamrick T-25 (Awarded the DM of the month)**
 - Tim Perry T-37
 - Kent Trythall T-43

ii. Upcoming tasks for this period:

- 1. The sales department continued to encourage the retailer network to activate and display the Game of Life ticket to maximize sales for the game.
- 2. Performance Planning and Evaluation Program (PEP) will be conducted in December for all employees.

b) Field Activities

i. Key accomplishments last period:

- 1. The sales team made 6,499 retailer communication contacts, during November, which includes store visits, phone calls and emails.
- 2. The district managers (DMs) received a second allocation of dispensers capable of displaying the oversized Game Of Life ticket. The first allocation of dispensers was distributed to the retailer network to help sell the first oversized ticket, \$10 Mega 7's, last fiscal year.
- 3. We continued to contact XCAP retailers for the application renewal process.
- 4. Steve Corbin, our contractual DM was promoted and assigned to territory 45.

ii. Upcoming tasks for this period:

- 1. Sales will make a final push to notify and assist XCAP retailers with their renewals before the December 30, 2022 deadline.
- 2. Sales will continue to work with the OAG to terminate inactive retailers and recover lottery equipment.

c) Retail Recruitment

i. Key accomplishments last period:

- 1. Recruitment Results (November 4th – December 2, 2022): Three (3) independent applications were processed with six (6) new independent locations submitting applications.

ii. Upcoming tasks for this period:

- 1. The return of the Business Development Manager will help to improve the application process.

d) Sales Support/Self-Service Vending Units

i. Key accomplishments last period:

- 1. Finalization and preparation for execution of the 50th Anniversary initiatives and promotional materials that are expected to be distributed before the first of the year.

ii. Upcoming tasks for this period:

- 1. Continued inventory management system training and testing. Final preparation of all data to be imported into the new system with an expected "Go Live" date prior to the New Year.

e) Corporate Sales

i. Key accomplishments last period:

1. 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 multiple corporate chains in CY23.

f) Corporate Recruitment

i. Upcoming tasks for this period:

1. Onboarding is underway for the following corporate chains:
 - a. Megamart (9 locations).
 - b. Papi’s Tacos (2 locations)

g) Sales Force Automation

i. Key accomplishments last period:

1. Training:
 - a. Additional training was provided to our District Managers on the XCAP renewal process.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last 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 fourth drawing was held 11/16, 2,739,282 entries were received; the fifth drawing was held 11/22, 3,280,248 were received; the sixth drawing was held 11/29, 3,843,488 entries were received.
3. *Ravens Second-Chance Contest:* The fourth drawing was held 11/15/22 – 544,649 entries were received.
4. *Game Closings:*

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
539	\$1	Aces High	\$2,595,262	\$1,560,012	\$1,035,250	8/29/2022
520	\$3	Bonus Crossword	\$7,487,241	\$5,044,828	\$2,442,413	8/29/2022
532	\$5	\$500 Loaded	\$20,524,270	\$14,808,261	\$5,716,009	8/29/2022
522	\$10	CASH	\$28,922,880	\$21,654,560	\$7,268,320	8/29/2022
453	\$30	Rose Gold Black	\$83,570,070	\$65,322,106	\$18,247,964	8/29/2022
Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
531	\$2	\$100 Loaded	\$4,492,008	\$2,875,334	\$1,616,674	10/31/2022
535	\$3	Boardgame Bonus	\$5,884,092	\$3,980,000	\$1,904,092	10/31/2022
536	\$5	Find The 9s	\$14,914,775	\$10,738,638	\$4,176,137	10/31/2022
526	\$10	Willy Wonka Golden Ticket	\$34,202,360	\$25,627,828	\$8,574,532	10/31/2022
511	\$20	100X The Cash	\$53,962,060	\$42,014,860	\$11,947,200	10/31/2022

ii. Upcoming tasks for this period:

1. January Gold Family of Games Scratch-Off Launch (1/23/23):
 - \$1 – Gold X5
 - \$5 – Gold X10
 - \$10 – Gold X20
 - \$20 – Gold X50
2. *Holiday Cash 2022 Second-Chance Contest*: The seventh drawing was to be held 12/7, as of 12/4, 4,365,988 entries were received.
3. *Ravens Second-Chance Contest*: The fifth drawing was to be held 12/6, as of 12/4 349,380 entries were received.
4. *Gold Multiplier Family of Games Second-Chance Contest*: Coinciding with the launch on 1/23/23, a second-chance contest for the Gold Family of Games will begin: Players enter non-winning Gold Multiplier tickets into My Lottery Rewards for a chance to win one of five cash prizes of \$50,000.

b) Draw and Monitor Game Products and Promotions

i. Key accomplishments last 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.

ii. Upcoming tasks for this period:

1. *Racetrax Race Into 2023* [12/30 – 1/1/23]: The popular \$6 for \$5 Racetrax promotion will help us ring in the new year. Beginning 12/30, players who purchase \$6 increments of Racetrax will receive \$1 discounts – maximum discount is \$5 on purchases of \$30 or more.

3. Creative Services

a) Traditional Advertising

1. *High Jackpot Support*
 - Completed production of a new television campaign to support high jackpots for Powerball and Mega Millions. Also finalized new digital bulletin creative and various other graphics that will support the new campaign.
2. *Holiday Scratch-Offs*
 - Completed production of our 2022 Holiday campaign including a television spot, two radio spots, out-of-home, digital and social assets. The *Holiday* media plan began running in early November and will continue through Christmas Eve.
3. *50th Anniversary*
 - Completed production of a new television spot called “*I Thank You*” to announce and support the *50th Anniversary* celebration.
 - Reviewed and approved the “*I Thank You*” media plan. The media will run from 1/2/23 through 1/22/23 and will include television, cable, MPT-TV, OTT, video on demand, digital bulletins, metro station live boards, the Caton Avenue bulletins, and social media.

4. *Gold Multiplier FOG Scratch-Offs*:
 - In the process of developing various creative assets to support the launch of the *Gold Multiplier FOG Scratch-Offs*. These include a :30 tagged version of the "I Thank You" television spot, two radio commercials, various out-of-home and digital units, and social media. Approved the *Gold Multiplier FOG* point-of-sale and these pieces are now in production.
 - Reviewed and approved the *Gold Multiplier FOG* media plan. This extensive campaign begins on 1/30/23 and continues through 2/26/23 and includes television, cable, OTT, radio, streaming audio, digital bulletins, 30-sheet posters, metro station live boards, the Caton Avenue bulletins, digital and social media.
5. *FY'23 Planning, January – June*: The Lottery has begun planning for several upcoming initiatives:
 - *All Games Promotion*: Reviewed and approved the media and creative briefs for this promotion, which is a key part of the 50th Anniversary celebration.
 - *\$50 - 50 Years! Scratch-Off*: Reviewed and approved the media and creative briefs for the *50 Years! Scratch-Off* which is scheduled to launch on 2/20/23.
6. Sports Sponsorships:
 - Met with the *Baltimore Orioles* to recap the 2022 season and discuss the 2023 sponsorship. The *Orioles* have submitted a proposal for 2023 and 9 Rooftops is in the process of evaluating the elements.
 - i. Began the basketball portion of our sponsorships with *University of Maryland, Morgan State University, and Towson University*.

b) Web, Digital and Social

1. Promoted the *Holiday Scratch-Offs* and second chance promotion, the *Game of Life Scratch-Off* and second chance promotion, new FAST PLAY games, *ThanksWINNING* and *Let it Snow* promotions, *Keno Sprinkler* promotion, and various winners through social media and the website.
2. Conducted a social media contest where we gave away five *Ravens* Electric Football Games to players. We received over 100 entries.
3. Featured our winner's experience on the *Ravens* away trip second-chance prize by posting photos and videos on social media.

c) My Lottery Rewards

1. Monthly average users, as well as monthly registrations, increased from last month. Registrations showed the large jump in growth in November with a 137% increase from October.
2. Program engagement with the *MLR* mobile app was strong as we saw 98,175 users in November. Of these, 24,859 were new to the app platform. 83% of these used the iOS and 17% used Android.
3. *Holiday Ca\$h* led scratch-off games in entries with 124.8K tickets entered during November. Second for entries was *Win \$50, \$100 or \$200* with 109.9K tickets entered. Third was *Blizzard Bucks* with 96K entries.
4. *Pick 4* lead draw entries with approximately 1.29M. The large *Powerball* jackpot drove entries for this game, coming in second with 796 K.