

Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



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

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

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

FROM: Solomon Ramsey, Managing Director, Sales and Marketing

DIVISIONS: Sales and Marketing

DATE: January 18, 2023

SUBJECT: Report for the January, 2023 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2022	\$84,110,908	\$52,196,402	\$90,160,783	\$226,468,093
	2021	\$88,304,233	\$52,998,946	\$91,732,360	\$233,035,539
	Difference	(\$4,193,325)	(\$802,544)	(\$1,571,577)	(\$6,567,445)
	%YoY +/-	-4.7%	-1.5%	-1.7%	-2.8%
INDEPENDENT	2022	\$60,089,141	\$44,098,605	\$55,866,835	\$160,054,581
	2021	\$64,975,265	\$45,729,219	\$58,652,597	\$169,357,082
	Difference	(\$4,886,125)	(\$1,630,614)	(\$2,785,762)	(\$9,302,501)
	%YoY +/-	-7.5%	-3.6%	-4.7%	-5.5%
	% of State Sales	71.4%	84.5%	62.0%	70.7%
CORPORATE	2022	\$24,021,768	\$8,097,797	\$34,293,948	\$66,413,512
	2021	\$23,328,968	\$7,269,727	\$33,079,763	\$63,678,457
	Difference	\$692,800	\$828,070	\$1,214,185	\$2,735,055
	%YoY +/-	3.0%	11.4%	3.7%	4.30%
	% of State Sales	28.6%	15.5%	38.0%	29.3%

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 December 14, 2022.

- a. Four (4) scratch off price points were launched, featuring \$1, \$5, \$10 & \$20 combined with a Racetrax “Race Into 2023” promotion. This promotion is well liked and supported by our customer base.
 - b. Also highlighted were the advertising plans for celebrating the Lottery’s upcoming 50th Anniversary and the *Gold Multiplier* FOG Scratch-Offs slated to launch in January of 2023.
2. District Managers with the best sales by region/territory (year-over-year) for December:
- Jonathan Braithwaite T-11
 - **Sandra Holland T-28 (Awarded the DM of the month)**
 - DeUnka Wade T-38
 - Kent Trythall T-43
3. Launch Team initiative meeting was conducted. This will continue on a monthly basis to prepare and establish execution strategies for upcoming game launches and initiatives.

ii. Upcoming tasks for this period:

1. Final planning, preparation and execution of launch strategies and initiatives for the upcoming \$50 instant ticket launch.

b) Field Activities

i. Key accomplishments last period:

1. District Managers made 4,950 retailer communication contacts during December, which includes store visits, phone calls and emails.
2. District Managers continued to contact XCAP retailers to offer their assistance regarding the application renewal process as we approached the 12/30/22 deadline for submission.
 - a. 440 of 443 XCAP retail locations completed and submitted their renewal applications by the deadline. 3 locations were issued a 90 day suspension for not completing the process on time.

ii. Upcoming tasks for this period:

1. A new work order pre-site pilot program will be launched with select District Managers for testing.
2. Launch strategies prepared for the upcoming \$50 ticket (February) and our third oversized ticket (March).
3. 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: Nine (9) independent applications were processed with six (6) new independent locations submitting applications.

ii. Upcoming tasks for this period:

1. Recruitment will focus on Montgomery County where rapid development and retailer expansion opportunities exist.

d) Sales Support/Self-Service Vending Units

i. Key accomplishments last period:

1. Execution, packing and initial distribution of the 50th Anniversary initiatives and promotional materials to the field sales staff.
2. Launch and usage of the inventory management system.

ii. Upcoming tasks for this period:

1. Preparation and planning for the upcoming 50th anniversary merchandising initiatives.
2. Continued inventory management system training for additional Sales Support staff. Trouble shooting and documentation of any new issues or system errors that need to be addressed.

e) Corporate Sales

i. Key accomplishments last period:

1. Corporate Sales Fiscal YoY Performance (as of 12/31/22):

• FY '23	\$411,882,108
FY '22	\$352,528,230
%YoY	+16%

2. The Corporate Sales team has been in discussions with our corporate partners to discuss ways to impact sales in their locations.
 - a. Currently exploring 2nd chance promotional opportunities with the following corporate chains in CY23:
 - Walmart
 - Giant Food
 - Sheetz
 - High's of Baltimore
 - Safeway
 - Wawa

ii. Upcoming tasks for this period:

1. Developing a plan to reduce out of stocks at corporate chain locations (this could include incentives).
2. Corporate Recruitment
 - a. Megamart (9)- Onboarding underway; Seven of the nine locations have ample space for our equipment, where two locations will need to have their floor plans reviewed and adjusted in order place lottery equipment in the customer service area.
 - b. Working with Managing Director, Sales and Marketing, Sol Ramsey to set up both virtual and in person meetings with key stakeholders of potential corporate chain locations.

f) Sales Force Automation

i. Key accomplishments last period:

1. GemOffice
 - a. XCAP renewal process ended on 12/30/22.
 - 440 of 443 possible XCAP renewal applications were successfully submitted.
2. Training:
 - a. Reviewed XCAP renewal processes with the sales staff for them to further assist retailers in the completion and submission process.
 - b. Created a "How to" file on completing lottery applications.
 - This will enable lottery staff to email clear directions to retailers (current or prospective) on how to complete an application.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

1. January Gold Multiplier 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 held 12/7, 4,598,185 entries were received; the eighth drawing was held 12/13, 5,078,016 entries were received; the ninth drawing was held 12/19, 5,534,657 entries were received; the tenth drawing was on 12/28, 6,457,723 entries were received; the eleventh drawing was held on 1/3, 7,046,416 entries were received; the twelfth and final drawing was held on 1/11, 7,630,627 entries were received.
3. *Ravens Second-Chance Contest*: The fifth drawing was held 12/16, 384,111 entries were received; the sixth drawing was held on 1/3, 532,071 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.
5. *Game Closings*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
545	\$2	Ravens X2	\$6,029,096	\$3,859,224	\$2,169,872	11/28/2022
556	\$3	Peppermint Payout	\$7,930,959	\$5,364,501	\$2,566,458	11/28/2022
543	\$10	Win \$50 or \$100	\$31,312,330	\$23,490,510	\$7,821,820	11/28/2022
558	\$10	Gold	\$19,699,960	\$14,774,970	\$4,924,990	11/28/2022

ii. Upcoming tasks for this period:

1. February Scratch-Off Launch (2/20/23):
 - \$2 – *Instant Lottery*
 - \$3 – *Bonus Crossword 5th Edition*
 - \$5 – *Lucky Riches*
 - \$10 – *In The Money*
 - \$50 – *50 Years!*
2. *Ravens Second-Chance Contest*: One drawing remains to identify the winner of the *Seats For Life* prize which awards Ravens seasons tickets for 20 years from a pool of finalists. The date of this drawing will be scheduled to take place at M&T Bank stadium, date and entry counts will be included in next month's report.
3. *Gold Multiplier Family of Games Second-Chance Contest*: The first drawing date to select one winner of \$50,000 will be 2/21.
4. *Instant Lottery Second-Chance Contest*: Coinciding with the launch on 2/20/23, a second-chance contest for the *Instant Lottery* scratch-off game will begin. Players enter non-winning *Instant Lottery* tickets into My Lottery Rewards for a chance to win one of five cash prizes of \$10,000.

b) Draw and Monitor Game Products and Promotions

i. Key accomplishments last period:

1. *Racetrax Race Into 2023* [12/30 – 1/1/23]: Beginning 12/30, players who purchased \$6 increments of Racetrax received \$1 discounts – maximum discount was \$5 on purchases of \$30 or more.

ii. Upcoming tasks for this period:

1. *50th Anniversary Cash Bash Second-Chance contest:* Between 2/20/23 and 8/1/23, players can enter non-winning Scratch and winning or non-winning draw tickets into My Lottery Rewards for chances to win cash prizes or a chance to win UP TO \$5,000,000!

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. January FAST PLAY Launch (1/2/23):

- \$1 – *We’re 50 Win \$50*
- \$5 – *Big Money Doubler*
- \$10 – *Casino Royale*
- \$20 – *Extreme Green*

2. Game Closings:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
14	\$1	Snow Me The Money	\$3,927,454	\$743,961	\$3,183,493	9/4/2022
15	\$3	Jack Frost Jackpot	\$4,168,315	\$2,310,896	\$1,857,419	9/4/2022
32	\$10	Holiday Money Match	\$1,885,370	\$1,401,230	\$484,140	9/4/2022

3. Creative Services

a) Traditional Advertising

i. Key Accomplishments

1. *High Jackpot Support*
 - a. Supported the current *Mega Millions* jackpot roll with radio and digital out-of-home through the end of the calendar year.
2. *50th Anniversary*
 - a. The “*I Thank You*” statewide media plan is currently running and will wrap up on 1/22/23.
3. *Gold Multiplier FOG Scratch-Offs*
 - a. Completed various creative assets to support the launch of the *Gold Multiplier FOG Scratch-Offs*. These include television and radio commercials, out-of-home, digital and social media. All point-of-sale was printed and delivered.
 - b. The *Gold Multiplier FOG* media has been finalized and will begin running on 1/30 and continue through 2/26.
4. *Cash Bash Promotion*
 - a. The *Cash Bash* media plan has been approved. Statewide media support will run in three separate flights throughout the promotion: 2/20-3/12, 3/27-4/16, and 5/1-5/21. The media plan consists of television, radio, digital and social media.
 - b. The point-of-sale has been finalized and is in the process of being printed.
5. *50 Years! Scratch-Off*
 - a. The *50 Years! Scratch-Off* media plan has been approved and will include radio, digital, out-of-home and social media. The media will run from 2/27 – 3/26.
 - b. The point-of-sale has been finalized and is in the process of being printed.
6. *Problem Gambling Awareness Month*
 - a. Reviewed and approved a new “*Play Responsibly*” campaign that includes television, radio, out-of-home and digital media. The new campaign will debut in March during *Problem Gambling Awareness Month*.
 - b. Reviewed and approved the media plan that will run in March in support of *PGAM*. The media will run statewide from 3/6 – 3/26.
7. *Home Run Riches – FAST PLAY*

- a. Reviewed and approved point-of-sale for the launch of the *FAST PLAY* game *Home Run Riches*.
 - 8. *Frogger Scratch-Off*
 - a. Reviewed and approved point-of-sale for the upcoming launch of *Frogger*.
 - 9. *Maryland Riches Scratch-Off*
 - a. Reviewed various options of point-of-sale for launch of the Lottery's next oversized scratch-off, *Maryland Riches*.
 - 10. *Sports Sponsorships*:
 - a. *Baltimore Orioles*: Approved the Lottery's sponsorship with the *Baltimore Orioles* for the 2023 baseball season.
 - b. *Baltimore Ravens*: Executing post-season assets for the *Ravens Wild Card* game on Sunday, January 15th.
- ii. **Upcoming Tasks**
 - 1. *Cash Bash Promotion*
 - a. Finalize all *Cash Bash* creative elements in preparation for the 2/20 media launch. Receive and post *Cash Bash* point-of-sale.
 - b. Finalize all media buys for the kick-off on 2/20.
 - 2. *50 Years! Scratch-Off*
 - a. Review and finalize all creative materials for the launch of *50 Years!*
 - b. Receive and post *50 Years!* point-of-sale.
 - c. Finalize all media buys for the *50 Years! Scratch-Off*.
 - 3. *Problem Gambling Awareness*
 - a. Move forward with production of the new "*Play Responsibly*" creative materials.
 - b. Move forward with placing all media for *Problem Gambling Awareness Month*.
 - 4. *FY'23 Planning*
 - a. Continue to work through the creative development and media plans in support of *Home Run Riches – FAST PLAY, Frogger, and Maryland Riches*.
 - 5. *Sports Sponsorships*:
 - a. *Baltimore Orioles*: Begin working with the *Orioles* and *GKV* to develop the creative assets for all sponsorship elements.
 - b. *MASN-TV*: Finalize the 2023 sponsorship package for *MASN-TV*

b) Web, Digital and Social

i. Key Accomplishments

- 1. Promoted the kickoff of our *50th Anniversary* campaign, *Gold Multiplier Scratch-Offs*, the *Mega Millions* jackpot and various winners through social media and the website.
- 2. Launched the *50th Anniversary* page on our website, complete with information about our new products and promotions in the upcoming months, as well as historical and fun facts and retrospective videos.

ii. Upcoming Tasks

- 1. Launch digital and social campaigns for the *50 Years! Scratch-Off, Instant Lottery Scratch-Off* and second-chance contest and the *50th Anniversary Cash Bash* second-chance promotion.
- 2. Plan digital and social campaigns for *Problem Gambling Awareness Month, Frogger Scratch-Off* and second-chance contest and *Maryland Riches Scratch-Off*.

c) My Lottery Rewards

i. Key Accomplishments

- 1. Fueled by the holidays and growing *Mega Millions* jackpot, the average retail value per player increased almost 11% from the prior month.

2. Program engagement with the *MLR* mobile app was down a bit in December, but we still saw 77,675 users. Of these, 11,661 were new to the app platform. 84% of these used the iOS and 16% used Android.
3. *Holiday Ca\$h* led scratch-off games in entries with 148K tickets entered during December. Second for entries was *Peppermint Payout* with 117K tickets entered. Third was *Win \$50, \$100 or \$200* with 111K entries.
4. *Pick 4* lead draw entries with approximately 1.22M. *Pick 3* was second with 764k entries. The *Pick 3/4/5 Let it Snow* promotion was well received and likely drove entries.

ii. Upcoming Tasks

1. Analyze results from Medallia surveys and continue to improve program based on player feedback.
2. Plan March and April achievements.