

Maryland Lottery and Gaming Control Agency

Wes Moore, 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: February 15, 2023

SUBJECT: Report for the February, 2023 Commission Meeting

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

1. Sales

January 2023, Year over Year Comparison Product Category by Store Segment

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2023	\$98,522,465	\$48,414,445	\$97,973,526	\$244,910,435
	2022	\$80,943,324	\$46,838,062	\$87,299,318	\$215,080,704
	Difference	\$17,579,141	\$1,576,383	\$10,674,208	\$29,829,732
	%YoY +/-	21.7%	3.4%	12.2%	13.9%
INDEPENDENT	2023	\$65,822,265	\$40,933,350	\$59,074,814	\$165,830,429
	2022	\$58,283,350	\$40,456,587	\$54,389,918	\$153,129,855
	Difference	\$7,538,915	\$476,763	\$4,684,896	\$12,700,573
	%YoY +/-	12.9%	1.2%	8.6%	8.3%
	% of State Sales	66.8%	84.5%	60.3%	67.7%
CORPORATE	2023	\$32,700,200	\$7,481,095	\$38,898,712	\$79,080,007
	2022	\$22,659,974	\$6,381,475	\$32,909,400	\$61,950,849
	Difference	\$10,040,227	\$1,099,620	\$5,989,312	\$17,129,158
	%YoY +/-	44.3%	17.2%	18.2%	27.65%
	% of State Sales	33.2%	15.5%	39.7%	32.3%

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 in person on January 19, 2023.
 - a. Four (4) scratch off price points were launched, featuring \$1, \$2, \$5 & \$10.

- b. Also highlighted were additional initiatives celebrating the Lottery's 50th Anniversary including two second chance contests; the *Gold Multiplier* FOG (January) and the upcoming 50th Anniversary Cash Bash (February).
- 2. District Managers with the best sales by region/territory (year-over-year) for December:
 - Bryan Byers T-12
 - **Chuck Hamrick T-25 (Awarded the DM of the month)**
 - Mike Marcos T-30
 - Steve Corbin T-45
- 3. Launch Team initiative meeting was conducted. This month's focus was on the development and execution of a strategic sales plan for Maryland's first \$50 instant ticket, 50 Years! to be launched on February 20th.

ii. Upcoming tasks for this period:

- 1. Final planning, preparation and execution of launch strategies and initiatives for the March instant ticket launch which includes our third oversized ticket, Maryland Riches.

b) Field Activities

i. Key accomplishments last period:

- 1. District Managers made 5,267 retailer communication contacts during January, which includes store visits, phone calls and emails.
- 2. The new work order pre-site program with uploaded location photos was launched. All District Managers have been trained in person and have begun utilizing it in the field.

ii. Upcoming tasks for this period:

- 1. Prepare execution strategies for the upcoming launch (March) of our third oversized ticket, Maryland Riches.
- 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: Sixteen (16) independent applications were processed and locations installed in the month of January.

ii. Upcoming tasks for this period:

- 1. Recruitment will continue to focus on high foot traffic locations and where rapid development and retailer expansion opportunities exist.

d) Sales Support/Self-Service Vending Units

i. Key accomplishments last period:

- 1. Preparation for the launch of the 50 Years! \$50 instant ticket which included the following: Development and distribution of a Retailer Information Sheet which was packed in initial allocation mailings as well as instant ticket orders starting 2/6; Development and distribution of strategic "coming soon" type 07 (terminal) messaging sent to retailers; Distribution of "coming soon" POS stickers to the field sales team; Distribution of POS (Play center insert, door cling & fin) starting on 1/31. All in an effort to increase awareness and excitement for Maryland's first \$50 instant ticket.

ii. Upcoming tasks for this period:

- 1. Preparation and planning for the upcoming 50th anniversary merchandising initiatives with our main focus now turning to our next oversized ticket launch

(Maryland Riches – March launch). This includes POS and ordering of additional oversized ticket capable dispensers for use in the field.

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 2/9/23):

• FY '23	\$512,282,644
FY '22	\$432,420,212
%YoY	+18%

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
 - Free Gas Promotion- CY Q2/Q3
 - High's of Baltimore
 - Safeway

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)- Concerns have been expressed by ownership of Megamart over MD Lottery policies and procedures. Discussions are ongoing.

f) Sales Force Automation

i. Key accomplishments last period:

1. GemOffice
 - a. XCAP renewal apps are still being finalized and processed through the Gem system.
 - b. Eight (8) Jira's were tested and made ready for deployment. Upgrades include: Fixes to the COO app; Capability to add a 0% owner; Notifications to sales dept; Formatting data to default to all caps upon submission (request by Dept of Taxation); Fixing a bug in authorization statements on the applications.
2. GemIntelligence
 - a. Software updates completed and working. Created a new game type column on the dashboard to identify Fast Play high tier winners.
 - b. Jira was created to update various modules of the program to reflect the addition of the \$50 scratch ticket.
 - c. New work order form was finalized and loaded into the system.
3. Training:

- a. Processes written to assist DM's with the updated work order forms. Training was provided to the sales staff on the new process which includes uploading of photos for equipment locations.
- b. A process was written to help transition the Multi Match jackpot determination process to another group.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last 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*: The winner of the *Seats For Life* prize (Ravens Season Tickets for 20 years) was revealed on February 1st. All six finalists gathered at M&T Bank Stadium with personnel from the Ravens and the Lottery as well as an ex-Ravens player; the winner's name was revealed on the video board in stadium: Angelo Contrino III of Pasadena, Maryland.
3. *Gold Multiplier Family of Games Second-Chance Contest*: The first of five drawings to each award one winner of \$50,000 is to be held 2/21/23; as of 2/12/23, 1,598,353 entries have been received.
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.
5. *Game Closings*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
550	\$1	Blazing 777	\$2,865,277	\$1,720,594	\$1,144,683	1/2/2023
540	\$2	Match 3 Tripler	\$3,897,798	\$2,497,709	\$1,400,089	1/2/2023
541	\$5	Diamond Bingo 2nd Edition	\$9,097,347	\$6,134,401	\$2,962,946	1/2/2023
542	\$10	Multiplier Money	\$17,754,660	\$12,765,148	\$4,989,512	1/2/2023
538	\$10	Bingo X10 4th Edition	\$23,739,930	\$17,642,467	\$6,097,463	1/2/2023
534	\$20	\$5,000 Loaded	\$31,935,570	\$24,696,488	\$7,239,082	1/2/2023
546	\$5	Ravens X5	20,053,405	14,432,436	\$5,620,969	1/30/2023
549	\$5	Gold Bar Bingo 2nd ed.	19,320,420	13,816,032	\$5,504,388	1/30/2023

ii. Upcoming tasks for this period:

1. March Scratch-Off Launch (3/20/23):
 - \$1 – *MD Logo Ticket*
 - \$3 – *Frogger*
 - \$5 – *Big Money*
 - \$10 – *Bingo X10 [6th Edition]*
 - \$10 – *Maryland Riches (Oversized Ticket)*
2. *Gold Multiplier Family of Games Second-Chance Contest*: The second drawing date will be held 3/21/23.

3. *Instant Lottery Second-Chance Contest*: The first of five second-chance drawings will be held 3/14/23.
4. *Frogger Second-Chance Contest*: This \$3 scratch-off game features a popular nostalgic arcade brand: Frogger. To complement this throwback title, a second-chance contest will award three Frogger Home Arcade Units so gaming enthusiasts can play the arcade game from the comfort of their own home.

b) Draw and Monitor Game Products and Promotions

i. Key Accomplishments last period:

1. *50th Anniversary Cash Bash Promotion*: Between 2/20/23 and 8/1/23, players can enter any non-winning Scratch-offs and winning or non-winning draw tickets into My Lottery Rewards to participate in the 50th Anniversary Cash Bash Promotion for chances to win cash prizes or a place as a contestant in the Cash Bash stage event to win up to \$5,000,000!

ii. Upcoming tasks for this period:

1. *Keno Sprinkler Promotion*: The Spring Keno Sprinkler is coming back, just in time for March Madness! From March 8 through April 7 (4 weeks + 3 days), the Keno Sprinkler promotion will display Doubler and Tripler messages on an Nth ticket basis. Only winning tickets will have prizes doubled or tripled.

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. February FAST PLAY Launch (2/6/23):
 - \$3 – *Slingo* (Relaunch)
2. Game Closings:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
023	\$1	7-11-21	\$1,822,443	\$1,076,398	\$746,045	11/20/2022
002	\$2	Cherry Twist	\$7,634,098	\$4,878,475	\$2,755,623	11/20/2022
012	\$3	Moneycomb	\$2,393,070	\$1,584,288	\$808,782	11/20/2022

ii. Upcoming tasks for this period:

1. March FAST PLAY Launch (3/6/23):
 - \$5 – Home Run Riches (relaunch)

3. Creative Services

a) Traditional Advertising

i. Key Accomplishments

1. *Gold Multiplier FOG Scratch-Offs*
 - a. The *Gold Multiplier FOG* advertising campaign began on 1/30 and continues through 2/26.
2. *Cash Bash Promotion*
 - a. The *Cash Bash* media buys have been placed. Statewide media support, including television, radio, digital and social media, will run from 2/20-3/12, 3/27-4/16, and 5/1-5/21.
 - b. The point-of-sale has been printed and distributed to retailers.
 - c. The Lottery approved the creative campaign and is moving into production on the television and radio spots.
3. *50 Years! Scratch-Off*
 - a. The *50 Years! Scratch-Off* media buys, including radio, out-of-home, digital, and social media, have been placed. The media will run from 2/27 – 3/26.
 - b. The point-of-sale has been printed and distributed to retailers.

- c. The Lottery approved all creative elements and is moving forward with production.
- 4. *Problem Gambling Awareness Month*
 - a. The *Problem Gambling Awareness Month* media buys, including television, radio, out-of-home, digital and social, have been placed. The media will run statewide from 3/6 – 3/26.
- 5. *FAST PLAY Home Run Riches*
 - a. The creative campaign for the launch of the *FAST PLAY Home Run Riches Contestant of the Game* promotion was approved.
 - b. Point-of-sale has been released to the printer.
- 6. *Frogger Scratch-Off*
 - a. Reviewed and approved the overall creative campaign for the launch of *Frogger*.
 - b. Point-of-sale has been finalized and released to the printer.
- 7. *Maryland Riches Scratch-Off*
 - a. Reviewed and approved the creative campaign for *Maryland Riches*. Creative assets include two radio spots, out-of-home posters and bulletins, digital units, and social media.
 - b. Point-of-sale has been finalized and released to the printer.
- 8. *Corvette Cash and Hot 7s Family of Games Scratch-Offs*:
 - a. Began planning for *Corvette Cash* and *Hot 7s FOG Scratch-Offs* with 9 *Rooftops* and *GKV*.
- 9. *Sports Sponsorships*:
 - a. *Baltimore Orioles*: Finalized the 2023 sponsorship agreement with the *Baltimore Orioles*.
 - b. *MASN-TV*: Reviewed and approved the 2023 sponsorship with *MASN-TV* for the upcoming *Baltimore Orioles* season.
 - c. *Minor League Baseball*: Reviewed and approved sponsorship proposals with the *Aberdeen Ironbirds*, *Bowie Baysox*, *Delmarva Shorebirds*, *Frederick Keys*, and *Southern Maryland Blue Crabs*.
 - d. *Baltimore Ravens*: Working with the *Baltimore Ravens* to finalize the 2023 prizing and licensing agreement. Also met with the team to begin discussing the 2023 advertising sponsorship.

ii. Upcoming Tasks

- 1. *Cash Bash Promotion*
 - a. Complete production of the *Cash Bash* television and radio spots as well as all digital and social media elements.
- 2. *50 Years! Scratch-Off*
 - a. Complete production of the *50 Years!* radio spots, out-of-home, digital, and social media elements.
- 3. *Problem Gambling Awareness Month*
 - a. Complete production of the *Problem Gambling Awareness Month* television and radio spots as well as out-of-home, digital and social assets.
- 4. *FAST PLAY Home Run Riches*
 - a. Move forward with the production of *Home Run Riches* television and radio spots for the 2023 baseball season.
- 5. *Frogger Scratch-Off*
 - a. Complete the production of all *Frogger* creative assets, including digital and social media.
 - b. Review and approve the *Frogger* media plan which is scheduled to launch on 3/23.
- 6. *Maryland Riches Scratch-Off*
 - a. Complete the production of all *Maryland Riches* creative assets, including radio spots, out-of-home, digital and social media.

- b. Review and approve the *Maryland Riches* media plan which is scheduled to launch on 3/23.
- 7. *Corvette Cash* and *Hot 7s FOG Scratch-Offs*: Review and approve the creative and media campaigns for both launches.
- 8. *Sports Sponsorships*:
 - a. *Baltimore Orioles*: Update and/or develop sponsorship assets for the 2023 season.
 - b. *MASN-TV*: Finalize the 2023 sponsorship agreement with *MASN-TV*. Update and/or develop all sponsorship assets for the 2023 season.
 - c. *Minor League Baseball*: Finalize creative assets for the *Minor League Baseball* sponsorships.
 - d. *Baltimore Ravens*: Finalize the advertising sponsorship for the *Baltimore Ravens* 2023 season.

b) Web, Digital and Social

i. Key Accomplishments

- 1. Promoted the *50 Years! Scratch-Off*, *Instant Lottery Scratch-Off* and second-chance contest, *50th Anniversary Cash Bash* second-chance contest, the *Powerball* jackpot and various winners through social media and the website.
- 2. Promoted the *Ravens* Season Tickets for 20 Years winner reveal event with Facebook and Instagram Live videos.

ii. Upcoming Tasks

- 1. Launch digital and social campaigns for the *Frogger Scratch-Off* and second-chance contest, *Maryland Riches Scratch-Off*, *FAST PLAY Home Run Riches Contestant of the Game* second-chance contest and *Problem Gambling Awareness Month*.
- 2. Plan digital and social campaigns for the *Corvette Cash Scratch-Off* and second-chance contest and the *Hot 7s Scratch-Offs*.

c) My Lottery Rewards

i. Key Accomplishments

- 1. Partly fueled by the high Mega Millions jackpot, monthly average users increased 7.5% in January compared to the prior month.
- 2. Program engagement with the MLR mobile app was up in January, with a total of 87,567 monthly users. Of these, 14,663 were new to the app. 84% of these used iOS devices and 16% used Android.
- 3. *Cash Money* led scratch-off games in entries with 117.6K tickets entered during January. Second for entries was *Win \$50, \$100 or \$200* with 102K entries. Third was *Six Figures* with 100.5K entries.
- 4. *Pick 4* led draw entries with approximately 1.4M entries. *Pick 3* was second with 910K entries. *Mega Millions* was third with 544K entries and saw an increase in entries this month, likely due to the high jackpot.

ii. Upcoming Tasks

- 1. Analyze results from Medallia surveys and continue to improve program based on player feedback.
- 2. Plan Points for Drawings prizes for April through June.