

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: March 23, 2023

SUBJECT: Report for the March, 2023 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2023	\$80,264,321	\$36,149,944	\$97,619,649	\$214,033,913
	2022	\$81,678,281	\$36,460,662	\$91,996,278	\$210,135,221
	Difference	(\$1,413,961)	(\$310,718)	\$5,623,371	\$3,898,692
	%YoY +/-	-1.7%	-0.9%	6.1%	1.9%
INDEPENDENT	2023	\$58,996,426	\$30,429,083	\$59,129,282	\$148,554,791
	2022	\$62,560,685	\$31,439,956	\$57,029,334	\$151,029,975
	Difference	(\$3,564,260)	(\$1,010,873)	\$2,099,948	(\$2,475,184)
	%YoY +/-	-5.7%	-3.2%	3.7%	-1.6%
	% of State Sales	73.5%	84.2%	60.6%	69.4%
CORPORATE	2023	\$21,267,895	\$5,720,861	\$38,490,367	\$65,479,123
	2022	\$19,117,596	\$5,020,707	\$34,966,944	\$59,105,247
	Difference	\$2,150,299	\$700,154	\$3,523,423	\$6,373,876
	%YoY +/-	11.2%	13.9%	10.1%	10.78%
	% of State Sales	26.5%	15.8%	39.4%	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 virtually on February 15, 2023.
 - a. Five (5) scratch off price points were launched, featuring \$2, \$3, \$5, \$10 & \$50. This is the Maryland Lottery's first ever \$50 instant offering.

- b. In conjunction with our instant products, we highlighted two additional initiatives celebrating the Lottery's 50th Anniversary in the form of second chance contests; the *Instant Lottery* and the 50th Anniversary Cash Bash (both launching in February).
2. District Managers with the best sales by region/territory (year-over-year) for February:

- Jon Braithwate T-11
- Chuck Hamrick T-25
- **DeUnka Wade T-38 (Awarded the DM of the month)**
- Sherise Rascoe T-41

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 newest oversized instant ticket, Maryland Riches, to be launched March 20th.

ii. Upcoming tasks for this period:

1. Final planning, preparation and execution of launch strategies and initiatives for the April instant ticket launch.
2. Planning, scheduling and execution of 36 Legacy Retailer plaque presentations to honor retailers for their long-standing partnership with the Maryland Lottery as part of our 50th Anniversary celebration.

b) Field Activities

i. Key accomplishments last period:

1. District Managers made 5,949 retailer communication contacts during February, which includes store visits, phone calls and emails.

ii. Upcoming tasks for this period:

1. Prepare for and assist in legacy retailer plaque presentations honoring long standing retailers as part of our 50th Anniversary celebration.
2. Sales will continue to work with the OAG to terminate inactive retailers and recover lottery equipment.
3. District Managers have begun to update all retailer in store photos to ensure current facings and equipment location is up to date.
4. District Managers continue to prepare for the oversized ticket launch-Maryland Riches, on March 20, 2023.

c) Retail Recruitment

i. Key accomplishments last period:

1. Recruitment Results: Fifteen (15) independent applications were processed and locations installed in the month of February.

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. There has also been discussion with Montgomery County in regards to opportunities at their county managed liquor stores.

d) Sales Support/Self-Service Vending Units

i. Key accomplishments last period:

1. Preparation for and execution of merchandising initiatives for our 3rd oversized ticket, Maryland Riches, which included development of new and or different point of sale advertising pieces and distribution of our oversized capable dispensers to the field staff.

ii. Upcoming tasks for this period:

1. Preliminary planning for the upcoming Ravens season. This includes budget planning and allocation; development and design of promotional items; ordering of large-scale promotional items such as t-shirts to support our selling at Ravens home games and other stadium events.
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 3/13/23):

- FY '23 \$578,627,594
- FY '22 \$492,938,980
- %YoY +17%

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:

- Sheetz
 - Free Gas Promotion- 5.8- 6.26.23
- Walmart
 - In discussions for CY Q3/Q4
- Giant Food
 - In discussions for CY Q3/Q4

ii. Upcoming tasks for this period:

1. Continued development of a plan to reduce out of stocks at corporate chain locations.

f) Sales Force Automation

i. Key accomplishments last period:

1. GemOffice

- a. Modifications are being made to the pre-site work form to mirror what was changed/installed in Gem Intelligence the month prior. This includes the ability to add photos.
- b. Ongoing review and identification of improvement opportunities will continue with Agent Administration and Sales. One enhancement will include modifying 3 application types in the system.

2. Gem Intelligence

- a. Updates were made to accommodate the newly launched \$50 instant ticket price point.
- b. Work order training was completed on the newly designed form with ability to add photos of sites. Support to the field staff will continue to ensure all are using the form as it is designed.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

1. March Scratch-Off Launch (3/20/23):

- \$1 - *MD Lottery Logo Ticket*
- \$3 - *Frogger*

- \$5 – *Big Money*
 - \$10 – *Bingo X10 [6th Edition]*
 - \$10 – *Maryland Riches (oversized)*
2. *Gold Multiplier Family of Games Second-Chance Contest*: The first of five drawings to each award one winner of \$50,000 was held 2/21/23; 2,361,913 entries were received. The second drawing was to be held 3/21/23; 1,354,559 entries have been received as of 3/12/23.
 3. *Instant Lottery Second-Chance Contest*: The first drawing was to be held 3/14/23, as of 3/12/23 54,827 entries have been received.
 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.
 5. *Game Closings*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
547	\$10	\$100,000 Crossword 5th Ed.	\$25,554,200	\$18,916,599	\$6,637,601	2/27/2023
551	\$5	Lucky	\$16,567,330	\$11,895,881	\$4,671,449	2/27/2023
564	\$2	Monopoly X10	\$5,770,514	\$3,679,866	\$2,090,648	2/27/2023

ii. Upcoming tasks for this period:

1. April Scratch-Off Launch (4/24/23):
 - \$2 – *Gold Fish®*
 - \$5 – *Corvette Cash®*
 - \$10 – *Money Bag Multiplier*
 - \$20 – *Hot 777*
2. *Gold Multiplier Family of Games Second-Chance Contest*: The third drawing date will be held 4/25/23.
3. *Instant Lottery Second-Chance Contest*: The second drawing date will be held 4/5/23.
4. *Frogger Second-Chance Contest*: One drawing will be held on 5/23/23 to select three winners to each receive one Frogger Home Arcade Unit.

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! As of 3/12/23, 537,142 entries have been received.
2. *Keno Sprinkler Promotion*: The Spring Keno Sprinkler is back, just in time for March Madness! From 3/8 through 4/7 (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.

ii. Upcoming tasks for this period:

1. *Racetrax Triple Crown promotion*: The popular Racetrax \$6 for \$5 promotion is coming back for the Triple Crown racing season. Three week-long promotional periods, each coinciding with a Triple Crown race, will offer \$1 discounts on every \$5 purchase (maximum discount is \$5 on a purchase of \$30 or more).
 - 5/1 - 5/7/2023 (Kentucky Derby race: 5/6/23)

- 5/15 - 5/21/2023 (The Preakness race: 5/20/23)
- 6/5 - 6/11/2023 (Belmont race: 6/10/23)

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. March FAST PLAY Launch (3/6/23):
 - \$5 – *Home Run Riches* (Relaunch)
2. Game Closings:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
008	\$5	Payday	\$14,268,225	\$10,004,379	\$4,263,846	1/16/2023
006	\$1	Hot Dice	\$3,562,822	\$2,095,551	\$1,467,271	3/5/2023
029	\$3	Invaders From Planet Moolah	\$2,071,839	\$1,377,738	\$694,101	3/5/2023
035	\$5	I Heart Cash	\$2,400,850	\$1,680,140	\$720,710	3/5/2023
005	\$10	Lucky Numbers	\$26,652,780	\$19,873,425	\$6,779,355	3/5/2023

3. *Contestant of the Game Second-Chance Contest:* Pairing the \$5 FAST PLAY game, Home Run Riches, with the Oriole Sponsorship’s second-chance contest has been a winning match-up and we expect this year’s contest to really knock it out of the park. Like previous years, a Contestant of the Game is selected for every home game – they receive \$500 for being selected and \$500 for every home run hit by an Oriole player during their selected game. An exciting new layer was added for the 2023 contest, to keep our 50th Anniversary celebrations going strong – this year, the 50th home run of the year (hit by an Oriole player) is worth \$50,000! There will be an additional \$50,000 winner selected at the end of the contest.

ii. Upcoming tasks for this period:

1. April FAST PLAY Launch (4/3/23):
 - \$1 – *Lucky Star*
 - \$2 – *Bloomin’ Bucks* (relaunch)
 - \$3 – *Fortune Cookie*
 - \$10 – *Mega Multiplier*
2. *Spring Fling All Games Promotion:* For four weeks, beginning 4/10/23, players could receive one of the newly launched FAST PLAY games (\$1 *Lucky Star*, \$2 *Bloomin’ Bucks*, \$3 *Fortune Cookie* or \$10 *Mega Multiplier*) FREE, just by playing their favorite lottery games. Any terminal game purchase can trigger the Nth ticket award tiers.
3. *Contestant of the Game Second-Chance Contest:* The first drawing for the Contestant of the Game second-chance contest will be held 3/28/23 to select 28 winners who will each serve as a Contestant of the Game for an Orioles home game. As of 3/12/23, 5,547 entries have been received.

3. Creative Services

a) Traditional Advertising

i. Key Accomplishments

1. *Cash Bash Promotion*
 - a. Completed production of the *Cash Bash Promotion* radio spots and all digital creative materials.
 - b. Completed production of the *Cash Bash* television spot that will begin airing in late March.
2. *50 Years! Scratch-Off*
 - a. Completed production of the *50 Years!* radio, out-of-home, digital and social media elements that support this launch.
 - b. Media for *50 Years!* began running on 2/27 and continues until 3/26

3. *Problem Gambling Awareness Month*
 - a. *Problem Gambling Awareness Month* media began running on 3/6 and will continue through the end of the month.
 - b. Completed production of a new *Responsible Gambling* marketing campaign which we timed to launch during *PGAM*. The new campaign includes television, radio, out-of-home, digital and social assets.
4. *FAST PLAY Home Run Riches*
 - a. Finished production of the *FAST PLAY Home Run Riches* creative campaign.
5. *Frogger Scratch-Off*
 - a. Finalized the media plan to support the launch of *Frogger*. The media runs from 3/27 through 4/30 and includes digital video on Twitch, digital banners and social media.
 - b. Approved all *Frogger* creative materials and completed production of the Twitch video.
6. *Maryland Riches Scratch-Off*
 - a. Finalized the media plan to support *Maryland Riches*. The media will run for 5-weeks from 3/27 – 4/30 and include radio, out-of-home, digital and social media.
 - b. Completed production on all *Maryland Riches* creative materials.
7. *Corvette Cash Scratch Off*:
 - a. Finalized the point-of-sale for *Corvette Cash*.
8. *Sports Sponsorships*:
 - a. *Baltimore Orioles*: Working with GKV to update and produce in-stadium materials and radio commercials for the Lottery’s 2023 sponsorship with the *Baltimore Orioles*.
 - b. *MASN-TV*: Finalized the sponsorship with *MASN-TV* for the 2023 *Orioles* season.

ii. Upcoming Tasks

1. *Cash Bash Promotion*
 - a. Begin working with GKV and Atlas Experiences, a Lottery-focused production company, to develop specifications for the Cash Bash Promotion grand prize award event in September.
2. *Corvette Cash Scratch-Off*
 - a. Complete production of all Corvette Cash creative assets, including repurposing a North Carolina Education Lottery television spot, recording two radio spots, and finalizing all out-of-home and digital materials.
 - b. Review and approve the media plan to support the launch of *Corvette Cash*.
3. *Hot 7s Family of Games Scratch-Offs*
 - a. Begin production of campaign elements to support the launch of the *Hot 7s FOG*.
 - b. Review and approve the media plan to support the launch of the *Hot 7s FOG*.

b) Web, Digital and Social

i. Key Accomplishments

1. Promoted the *Frogger Scratch-Off* and second-chance contest, *Maryland Riches Scratch-Off*, *FAST PLAY Home Run Riches Contestant of the Game* second-chance contest, *Problem Gambling Awareness Month*, the *Keno Sprinkler* promotion, the *50th Anniversary Cash Bash* second-chance contest and various winners through social media and the website
2. Updated the *Responsible Play* page on the website to reflect new graphics and branding, as well as responsible play tips.

ii. Upcoming Tasks

1. Launch digital and social campaigns for the *Corvette Cash Scratch-Off* and second-chance contest and *Spring Fling* promotion.
2. Plan digital and social campaigns for the *Hot 7s Scratch-Offs*.

c) My Lottery Rewards

i. Key Accomplishments

1. In the absence of large jackpots, monthly average program users declined 12.9% from January, but monthly users were up 2.7% from February, 2022.
2. Entries into the program decreased 11.2% in February from the previous month, while average entries per player increased 1.9%
3. *Gold X20* led scratch-off games in entries with 165K tickets entered during February. Second for entries was *Gold X50* with 133K entries. Third was *Gold X10* with 81K entries.
4. *Pick 3* and *Pick 4* continue to lead draw entries with approximately 1.8M combined. *Powerball* was third with 432K entries.

ii. Upcoming Tasks

1. Continue analyzing results from Medallia surveys and apply learning to improve the program based on player feedback.
2. Finalize Points for Drawings prizes for April through June.