

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: April 27, 2023

SUBJECT: Report for the April, 2023 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2023	\$77,158,851	\$56,377,875	\$112,502,269	\$246,038,994
	2022	\$79,328,338	\$54,089,286	\$99,919,451	\$233,337,075
	Difference	(\$2,169,487)	\$2,288,588	\$12,582,818	\$12,701,919
	%YoY +/-	-2.7%	4.2%	12.6%	5.4%
INDEPENDENT	2023	\$56,224,975	\$47,504,119	\$68,402,054	\$172,131,148
	2022	\$59,370,278	\$46,377,139	\$62,619,591	\$168,367,008
	Difference	(\$3,145,303)	\$1,126,980	\$5,782,463	\$3,764,140
	%YoY +/-	-5.3%	2.4%	9.2%	2.2%
	% of State Sales	72.9%	84.3%	60.8%	70.0%
CORPORATE	2023	\$20,933,876	\$8,873,756	\$44,100,215	\$73,907,846
	2022	\$19,958,060	\$7,712,147	\$37,299,860	\$64,970,067
	Difference	\$975,816	\$1,161,608	\$6,800,355	\$8,937,779
	%YoY +/-	4.9%	15.1%	18.2%	13.76%
	% of State Sales	27.1%	15.7%	39.2%	30.0%

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 March 15, 2023.
 - a. Five (5) scratch off price points were launched, featuring \$1, \$3, \$5, & two (2) \$10.

- b. In conjunction with our instant products, we highlighted one additional initiative in the form of a second chance contest for our \$3 *Frogger* ticket. Players may enter non-winning tickets into My Lottery Rewards for a chance to win a *Frogger* home arcade unit.
2. District Managers with the best sales by region/territory (year-over-year) for February:

- **Bryan Byers** T-12 (**Awarded the DM of the month**)
- Chuck Hamrick T-25
- DeUnka Wade T-38
- 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 our newest licensed instant product, *Corvette Cash* and our \$20, *Hot 777's*, which is a teaser ticket for the following months launch of the *Hot 7s* family of games.
4. We have begun our plaque presentations honoring our 36 Legacy Retailers for their long-standing partnership with the Maryland Lottery. The kick off event for the presentations was held at Costas Inn (Legacy Retailer and owner) on April 5th with Lottery Director John Martin in attendance.

ii. **Upcoming tasks for this period:**

1. Final planning, preparation and execution of launch strategies and initiatives for the May instant ticket launch. This includes our *Hot 7s* family of games.
2. Completion of the 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 6,795 retailer communication contacts during March, which includes store visits, phone calls and emails.
2. The Sales Department supporting selling with our retailers at 3 events: Maryland Home & Garden Show, Beer Bourbon and BBQ festival and the Baltimore Orioles opening day.

ii. **Upcoming tasks for this period:**

1. Completion of our legacy retailer plaque presentations honoring long standing retailers as part of our 50th Anniversary celebration.
2. District Managers continue to update all retailer profiles which include confirming and updating contact information (email and cell phone numbers) as well as store photos.
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: Nineteen (19) independent applications were processed and locations installed in the month of March.

ii. **Upcoming tasks for this period:**

1. We have begun monitoring turn around time for application processing to allow us to identify any issues or possible areas of improvement which in turn will facilitate more efficient processing.
2. Recruitment will continue to focus on high foot traffic locations and where rapid development and retailer expansion opportunities exist. Discussions continue

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 April instant game launch which includes development of POS as well as identification of both types and quantities of pieces to be distributed to the field.
2. Scheduling and coordination of the 2023 calendar year selling events for the Sales Department. This includes: working with Communication's to identify the selling events; working with Regional Managers to secure retailers for each event; scheduling of staff to work the events; ensuring proper support and promotional materials/items are identified for each event; recording of sales figures post event.
3. Planning and execution of 50th Anniversary Legacy retailer visits. This includes the overall coordination of scheduling, packing of promotional bags for each event, providing plaques to each Regional Manager as well as the planning of our kickoff event held at Costas Inn on 4/5/23.

ii. Upcoming tasks for this period:

1. Completion of 50th Anniversary Legacy Retailer plaque presentations and distribution of all materials needed for the events.
2. Work with Sales Force Automation team and Communications Department on plan of action for communicating Sci Guard plus system changes and manual checking of terminal printed ticket processes.
3. Continued 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.

e) Corporate Sales

i. Key accomplishments last period:

1. Corporate Sales Fiscal YoY Performance (as of 3/31/23):
 - FY '23 \$630,384,914
 - FY '22 \$538,277,651
 - %YoY +17%
2. 50th Anniversary celebrations continue as the Corporate Sales team recognizes several Legacy Retailer locations from both 7-Eleven and Royal Farms who've been in continuous operation since the Maryland Lottery began operations in 1973.
3. 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. Corporate will begin scheduling business reviews for the following corporate chains:
 - a. Wawa
 - b. High's of Baltimore
 - c. 7-Eleven

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office
 - a. Submission made to SG for system enhancements with a target time line of the end of April to commence testing. In, addition we are working on other internal system notifications to better increase staff awareness of processing completions.
2. Gem Intelligence
 - a. Newly launched (prior month) work order is working properly and has proved beneficial to both the MD Lottery and SG for our installation processes

ii. Upcoming tasks for this period:

1. Begin initial testing of the new Sci Guard plus security enhancements on our terminal based games printed tickets.
2. Begin putting together training presentations (slide show with voice over) for both internal and external uses. This includes screen shots and terminal images, step by step instructions and FAQ's & trouble shooting documents. Once completed, training will be scheduled for the sales staff and documents and presentations will be sent to the retailer network before launch.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last 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 second drawing was held 3/21/23; 1,905,034 entries were received. The third drawing was to be held 4/25/23; as of 4/16/2023, 1,299,108 entries were received.
3. *Instant Lottery Second-Chance Contest*: The first drawing was held 3/14/23, 59,706 entries were received. The second drawing date was held 4/5/23, 27,027 entries were received. The third drawing was to be held 4/25/23; as of 4/16/23, 16,436 entries were received.
4. *Corvette® Cash Second Chance Contest*: Starting 4/24/23, players can enter non-winning Corvette Cash Instant Tickets into My Lottery Rewards and receive one entry per ticket for a chance to win a cash prize (4 winners total). Winners from the first three drawings will be awarded \$10,000 and the fourth and final drawing winner will be awarded \$150,000. Entries will be cumulative.

ii. Upcoming tasks for this period:

1. May Scratch-Off Launch (5/22/23):
 - \$1 – *Hot 7s*
 - \$2 – *Hot 7s Doubler*
 - \$3 – *Red Hot Cash*
 - \$5 – *Hot 7s Tripler*

- \$10 – *Hot 7s Multiplier*
- 2. *Gold Multiplier Family of Games Second-Chance Contest*: The fourth drawing date will be held 5/23/23.
- 3. *Instant Lottery Second-Chance Contest*: The fourth drawing date will be held 5/16/23.
- 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! The first drawing was held on 3/28/23, 930,512 entries were received. The second drawing was to be held 4/26/23; as of 4/16/23, 1,373,406 entries have been received.

ii. Upcoming tasks for this period:

1. *“Thanks For Playing” Promotion*: May 24, 2023 is the Lottery’s 50th Anniversary, to celebrate we wanted to thank our players with a one-day-only all games promotion. Eligible purchases (any terminal game, any price point) could trigger an award of \$50 or \$500 vouchers on an Nth ticket basis.
2. *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. 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 was held 3/28/23, 21,799 entries were received. The second drawing was to be held 4/25/23; as of 4/16/23, 55,377 entries were received.

ii. Upcoming tasks for this period:

1. *Contestant of the Game Second-Chance Contest*: The third drawing will be held 5/23/23.

3. Creative Services

a) Traditional Advertising

i. Key Accomplishments

1. *Cash Bash Promotion*
 - a. The second flight of media supporting this promotion was on-air through 4/16. The third and final flight of media is scheduled to run from 5/1 – 5/21.
 - b. Continued to update and refresh *Cash Bash* creative materials on an as-needed basis.
 - a. Met with several of our partners – GKV, REJ and Atlas Experiences – to discuss the planning of the *Cash Bash Promotion* grand prize award event in September. The group met to review responsibilities, define the roles of each partner, and further discuss the event and how to enhance the experience for the contestants and attendees.
2. *Frogger Scratch-Off*
 - a. The *Frogger* media plan began on 3/27 and will conclude on 4/30; the media includes video units on Twitch, digital banners and social media.
3. *Maryland Riches Scratch-Off*
 - a. The *Maryland Riches* media plan began running on 3/27 and will continue through 4/30. The media consists of radio, out-of-home, digital and social elements.
4. *Corvette Cash Scratch Off:*
 - a. GKV completed the majority of *Corvette Cash* creative assets, including the edited television spot, two radio spots, out-of-home materials, and digital units.
 - b. Approved the media plan that will launch on 5/1 and run for 4-weeks until 5/28. Television, radio, out-of-home, digital and social media will air statewide.
5. *Thanks a Million Promotion*
 - a. Worked with GKV and 9Rooftops to develop an advertising plan that will support the *Thanks a Million Promotion* on 5/24 – the Lottery's actual 50th Anniversary.
 - b. The media plan was approved and will run from Sat, 5/20 – Wed, 5/24 and includes radio, DJ endorsements, streaming audio, Royal Farms radio, digital and social media.
6. *Hot 7s FOG*
 - a. Finalized the media plan that will launch on 5/29 and run for 4-weeks until 6/25. Television, radio, out-of-home, digital and social elements will all air statewide.
 - b. Selected the campaign direction for the launch of the *Hot 7s FOG*.
7. *Sports Sponsorships:*
 - a. *Baltimore Ravens:* Worked with 9Rooftops to finalize the *Baltimore Ravens* advertising sponsorship for the 2023 season. The Lottery is in the process of finalizing the sponsorship agreement.

ii. Upcoming Tasks

1. *Cash Bash Promotion*
 - b. Continue working with GKV, REJ and Atlas Experiences to further develop the *Cash Bash Promotion* grand prize award event.
2. *Corvette Cash Scratch-Off*
 - a. 9Rooftops to place all media buys in support of the launch of *Corvette Cash*.
 - b. Finalize remaining *Corvette Cash* creative materials, including out-of-home and digital assets.
3. *Million Dollar Day Promotion*

- a. 9Rooftops to place the media buys in support of the *Thanks a Million Promotion*. Work with the Lottery's Communications' Department on materials needed for the DJ endorsements.
 - b. Work with GKV to develop all creative materials for the *Thanks a Million Promotion*.
 - 4. *Hot 7s Family of Games Scratch-Offs*
 - a. 9Rooftops to place all media buys in support of the launch of the *Hot 7s FOG*.
 - b. Produce all creative assets, including the television and radio spots.
- b) Web, Digital and Social**
 - i. Key Accomplishments**
 - 1. Promoted the *Corvette Cash Scratch-Off*, *FAST PLAY Home Run Riches* ticket and second-chance contest, *Spring Fling Promotion*, *Frogger Scratch-Off* and second-chance contest, the *Mega Millions* jackpot and various winners through social media and the website
 - 2. Made various updates on the backend of the website in order to improve site efficiency and processing speed.
 - ii. Upcoming Tasks**
 - 1. Launch digital and social campaigns for the *Hot 7s Family of Games*.
 - 2. Begin planning for FY 24 initiatives.
- c) My Lottery Rewards**
 - i. Key Accomplishments**
 - 1. In the absence of large jackpots, monthly average program users declined 11.7% from the previous month, and 7.2% from March 2022.
 - 2. *Lucky Riches* led scratch-off games in entries with 93K tickets entered during March. Second for entries was *In the Money* with 87K entries. Third was *Gold X20* with 80K entries.
 - 3. *Pick 3* and *Pick 4* continue to lead draw entries with approximately 1.6M combined. *Racetrax* was third with 315K entries.
 - 4. SG has partnered with *Medallia* to implement surveys on the MLR website that allow us to get player feedback about specific program elements. We can use the data collected to inform our decision making about messaging and achievements.
 - ii. Upcoming Tasks**
 - 1. Continue to survey players via *Medallia* and email through *Optimove*.
 - 2. Create the next round of Points for Drawings prizes for July through September.