

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: June 22, 2023

SUBJECT: Report for the June, 2023 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2023	\$75,559,350	\$53,006,519	\$102,805,525	\$231,371,394
	2022	\$76,559,102	\$53,045,294	\$96,684,534	\$226,288,930
	Difference	(\$999,752)	(\$38,775)	\$6,120,991	\$5,082,464
	%YoY +/-	-1.3%	-0.1%	6.3%	2.2%
INDEPENDENT	2023	\$55,340,817	\$44,511,247	\$61,833,633	\$161,685,697
	2022	\$57,208,689	\$45,188,560	\$60,620,468	\$163,017,717
	Difference	(\$1,867,872)	(\$677,313)	\$1,213,165	(\$1,332,020)
	%YoY +/-	-3.3%	-1.5%	2.0%	-0.8%
	% of State Sales	73.2%	84.0%	60.1%	69.9%
CORPORATE	2023	\$20,218,534	\$8,495,271	\$40,971,892	\$69,685,697
	2022	\$19,350,414	\$7,856,734	\$36,064,066	\$63,271,213
	Difference	\$868,120	\$638,538	\$4,907,826	\$6,414,484
	%YoY +/-	4.5%	8.1%	13.6%	10.14%
	% of State Sales	26.8%	16.0%	39.9%	30.1%

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 May 17, 2023.

- a. Five (5) scratch off price points were launched, Hot 7's Family of Games plus Red Hot Cash featuring \$1, \$2, \$3, \$5 & \$10.
 - b. In honor of our 50th Anniversary, we ran a "Thanks for Playing" one-day promotion on May 24th. During the promotion, more than 15,000 cash vouchers worth \$50 or \$500 were awarded to random players who purchased terminal game tickets. The *Thanks for Playing* promotion delivered more than \$1 million to our players as we marked the 50th anniversary of the Lottery's first drawing on May 24, 1973.
2. District Managers with the best sales by region/territory (year-over-year) for May:

- Jon Braithwaite T-11
- Chuck Hamrick T-25
- Steve Corbin T-45
- **DeUnka Wade T-38 (Awarded the DM of the month)**

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

1. Planning, preparation and execution of launch strategies and initiatives for the June instant ticket launch. We will be launching three new price points: \$1, \$5, and \$10.
2. Preparation for the end of FY23 as well as final preparation for the beginning of FY24.

b) Field Activities

i. **Key accomplishments last period:**

1. District Managers made 6,396 retailer communication contacts during May, which includes store visits, phone calls and emails.
2. The Sales Department will be supporting selling with our retailers at 1 event: Capital Jazz Fest on Saturday 6/3 & Sunday 6/4.

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

1. 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.
2. Vending units are currently being prepared for installation by Scientific Games and the Sales department will work on qualifying retail locations for placement.
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: Fifteen (15) independent applications were processed and locations installed in the month of May.

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

1. We continue monitoring turnaround 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.

d) Sales Support/Self-Service Vending Units

i. **Key accomplishments last period:**

1. Preparation for and execution of merchandising initiatives for our June 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. Received responsibilities of the SciQ program. Completed initial debrief and conducted meetings with Lottery Director of Sales and Scientific games Marketing department to discuss strategies and establish policies and procedures.
3. Completed all end of fiscal year ordering and began final reconciliation of Sales Department budget for FY23. Started budget and forecasting process for FY24.

ii. Upcoming tasks for this period:

1. In conjunction with the Sales Force Automation team and Communications Department, execute plan of action for communication of new Sci Guard plus system changes and manual checking of terminal printed ticket processes.
2. 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.
3. Review initial Sales Department budget and forecasting of spending for FY24 with Director of Sales.

e) Corporate Sales

i. Key accomplishments last period:

1. Corporate Sales Fiscal YoY Performance (as of 5/31/23):
 - a. FY '23- \$767,739,987
 - b. FY '22- \$667,865,230
 - Up 15%
2. The Corporate Sales team is working with the stakeholders in respective chains to work on improvements for inventory replenishment with vending locations. Continued conversations are being had regarding the implementation of delegated tasks for their store associates to complete this task on a proposed regular basis.
3. The Corporate Sales team has been in discussions with our corporate partners to discuss ways to increase sales in their locations.
 - a. We are exploring the opportunity of running similar 2nd chance promotions with the following chains in CY 23:
 - Sheetz
 - In-Store Sales Promotion- 5.8- 6.26.23- Underway
 - Safeway
 - In discussions for CY Q3
 - High's of Baltimore
 - CY Q3 23
 - Walmart
 - In discussions for CY Q4

ii. Upcoming tasks for this period:

1. Corporate will schedule business reviews with the following corporate chains:
 - a. Walmart
 - b. Highs of Baltimore
 - c. Giant Food
 - d. Weis Markets

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office
 - a. Made changes to two types of applications, change of business structure & change of business name, to prevent certain business information from being copied or editable according to the application type. This will aid in identifying a retailer's ownership change.
 - b. New Pre-Site form released on 5/26/23 to allow for picture uploads to match the Gem Intelligence Work Order format. Issues discovered with form on 5/30/23 that would not allow the drawing schematic to save within Gem Office. Using the form via Gem Intelligence would not allow for picture uploads or the ability to save. We tested the fix with Scientific Games in UAT on 6/5/23 and should be in production on 6/7/23.
2. Gem Intelligence
 - a. Field units for some District Managers continue to have issues with maintaining cellular connection. We have been troubleshooting as necessary and a hard reset seems to correct the issue at time. We will continue to monitor and search for a solution.
3. Training
 - a. Utilizing new video editing software, Sales Training Manager in tandem with Director of Sales Force Automation and Field Sales Manager, have produced topics and material for video trainings to be provided to the Sales staff.

ii. Upcoming tasks for this period:

1. Final testing of the new Sci Guard plus security enhancements on our terminal based games printed tickets.
2. Preparation for and execution of training and the communication strategy surrounding the new Sci Guard plus security enhancements.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

1. June Scratch-Off Launch (6/19/23):
 - \$3 – *Diamond Bingo 4th Edition*
 - \$5 – *Ca\$h Multiplier*
 - \$10 – *Ultimate Cash*
2. *Gold Multiplier Family of Games Second-Chance Contest*: The fourth drawing was held 5/23/23, 1,082,091 entries were received. The fifth and final drawing was to be held 6/20/23; as of 6/11/23, 603,896 entries were received.
3. *Frogger Second-Chance Contest*: One drawing was held 5/23/23 to select three winners to each receive one Frogger Home Arcade Unit, 223,577 entries were received.
4. *Instant Lottery Second-Chance Contest*: The fourth drawing was held 5/16/23, 26,339 entries were received. The fifth and final drawing was held 6/6/23, 17,968 entries were received.
5. *Corvette® Cash Second Chance Contest*: The first drawing was held 6/6/23, 207,443 entries were received.

6. *Closed Game Activity:*

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
523	\$30	VIP Club	\$90,308,250	\$71,144,839	\$19,163,411	5/1/2023
562	\$20	Win \$100, \$200, or \$500	\$67,808,000	\$52,585,104	\$15,222,896	5/1/2023
565	\$5	Monopoly™ X20	\$23,615,455	\$17,052,720	\$6,562,735	5/1/2023
566	\$10	Monopoly™ X50	\$33,286,950	\$25,041,772	\$8,245,178	5/1/2023
567	\$1	Red Ball Cash Doubler	\$2,822,551	\$1,694,935	\$1,127,616	5/1/2023

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
560	\$5	Power 5s	\$16,060,745	\$11,565,342	\$4,495,403	5/29/2023
563	\$1	Monopoly™ X5	\$4,233,817	\$2,574,584	\$1,659,233	5/29/2023
568	\$5	Ca\$h To Go!	\$18,436,130	\$13,292,450	\$5,143,680	5/29/2023

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

1. July Scratch-Off Launch (7/17/23):
 - \$1 – *Ca\$h Crush*
 - \$5 – *Gold Bar Bingo 4th edition*
 - \$5 – *Bonus Cash Doubler*
 - \$10 – *\$600 Cash In Hand 2nd Edition*
 - \$20 – *\$1 Million Royale*
2. August Scratch-Off Launch (8/22/23):
 - \$2 – *Ravens X2*
 - \$5 – *Ravens X5*
 - \$10 – *Win \$50 or \$100 4th Edition*
 - \$10 – *\$100,000 Crossword 6th edition*
3. *Corvette® Cash Second Chance Contest*: The second drawing will be held 7/18/23; as of 6/11/23, 226,594 entries have been received. The third drawing will be held 8/22/23.
4. *Ravens 2023 Second-Chance Contest*: Starting 8/22/23, players will be able to enter non-winning *Ravens X2* and *Ravens X5* instant tickets for a chance to win Season Tickets for 20 years, 2023 & 2024 Season tickets, “Pass for Cash” Game Day Experience, and \$10,000 cash. Entries will not be cumulative.

b) **Draw and Monitor Game Products and Promotions**

i. **Key Accomplishments last period:**

1. *50th Anniversary Cash Bash Promotion*: The Third drawing was held 5/31/23, 2,376,069 entries were received.
2. *Racetrax Triple Crown promotion*: The popular Racetrax \$6 for \$5 promotion came back for the 2023 Triple Crown racing season. Each of the three week-long promotional periods coincided with a Triple Crown race, and offered \$1 discounts on every \$5 purchase made (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)

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

1. *50th Anniversary Cash Bash Promotion*: The fourth drawing will be held 6/28/23; as of 6/11/23, 2,644,551 entries have been received. The fifth and final drawing will be held 8/2/23.

2. *Lottery Week Promotion - 7/16 - 7/22/23:* In celebration of NASPL's National Lottery Day, Lottery will be awarding players with a buy any draw game, get any draw game promotion for one week only. Eligible purchases will trigger the award of a free draw game on an Nth ticket basis and will print immediately after the purchased ticket prints. Eligible games will include: Cash4Life, Mega Millions, Powerball, Multi-Match, Bonus Match 5, Pick 3, Pick 4, Pick 5, Keno, Racetrax, and Fast Play.
3. *Cash Heatwave Promotion: From 7/24/23 – 8/20/23, players who purchase Pick 3, Pick 4, and Pick 5 tickets may enter winning and non-winning tickets for a chance to win a variable cash prize based on the highest temperature recorded by the National Weather Service at BWI the week before. The hotter the temperature, the bigger the prize!*
 - 100°+ = \$10,000
 - 90° - 99° = \$7,500
 - 80° - 89° = \$5,000
 - Below 80° = \$2,500

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. *Contestant of the Game Second-Chance Contest:* The third drawing was held 5/23/23, 132,589 entries were received.
2. *Closed Game Activity:*

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
	\$1	Sunny Money	\$903,534	\$579,549	\$323,985	5/7/2023
	\$2	Diamond Dollars	\$817,041	\$478,645	\$338,396	5/7/2023

ii. Upcoming tasks for this period:

1. July FAST PLAY Launch 7/3/23):
 - \$1 – *Cash Connect*
 - \$5 – *Double Win*
 - \$10 – *Wild Bonus X10*
 - \$30 – *VIP Club*
2. *Contestant of the Game Second-Chance Contest:* The fourth drawing will be held 6/27/23; as of 6/11/23, 175,544 entries have been received. The fifth drawing will be held 7/24/23.

3. Creative Services

a) Traditional Advertising

i. Key Accomplishments

1. *Hot 7s FOG*
 - a. All television and radio spots for the *Hot 7s FOG* campaign were completed.
 - b. The media buy for this campaign began on 5/29 and will run until 6/25; the plan includes television, radio, out-of-home, digital and social media.
2. *Cash Bash Promotion*
 - a. A flight of advertising for the *Cash Bash Promotion* is planned for July ahead of the final entry deadline on 8/2.
 - b. Continue to lead the planning group for the *Cash Bash Promotion* grand prize event in September. The group is working through event timing,

staging production, audience participation, winners and game play logistics.

3. *FAST PLAY Home Run Riches & Contestant of the Game:*
 - a. The *Orioles* hit their 50th home run of the season on May 16th and the Lottery awarded the *Contestant of the Game* \$50,000.
 - b. Leading up to the 50th home run, the Lottery worked with *MASN-TV* to do a pre-game interview with our Director of Communications and the *Orioles* on their radio broadcast.
 - c. Following the 50th home run win, the Lottery arranged for a check presentation on field at *Camden Yards* which took place on May 30th.
4. *Baltimore Ravens & Ravens Scratch-Offs*
 - a. Finalized our advertising sponsorship agreement with the *Baltimore Ravens* for the 2023 season.
 - b. Selected the point-of-sale direction to support the launch of the \$2 and \$5 *Ravens Scratch-Offs*.
5. *FY'24 Planning*
 - a. *Product Campaigns:* Mapped out paid advertising support for the first 6-months of FY'24. We have also developed a point-of-sale plan for the same time period.
 - b. *Out-of-Home Agreements:* Finalized renewals for several annual out-of-home commitments including jackpot bulletins, metro platform displays, and digital bulletins. Currently working to finalize contracts with each vendor.

ii. Upcoming Tasks

1. *Cash Bash Promotion*

- a. Continue to develop the *Cash Bash Promotion* grand prize event scheduled for September 8th at the Maryland State Fair.
- b. Work with GKV and 9 Rooftops to execute the final advertising flight that will highlight the final promotion entry deadline on 8/2.

2. *Ravens Scratch-Offs*

- a. Continue working with 9Rooftops and GKV to develop the advertising campaign that will promote the *Ravens Scratch-Offs*.
- b. Work with GKV and the *Baltimore Ravens* to develop creative materials for the in-stadium assets included in our *Ravens* sponsorship.

3. *FY'24 Planning*

- a. *Product Campaigns:* Continue working on plans for FY'24, focusing on the July – December time period.
 1. Sports Sponsorships: Finalize sponsorships with the *Washington Commanders*, *University of Maryland*, *Towson University*, and *Morgan State University*

b) Web, Digital and Social

i. Key Accomplishments

1. Promoted the *Hot 7's FOG*, *Corvette Cash Scratch-Off* and second-chance contest, *FAST PLAY Home Run Riches* \$50,000 winner, *Racetrax \$6 for \$5 promotion*, and various winners and events through social media and the website.
2. Planned social and digital communications for the *Cash Bash* promotion final entry deadline.
3. Continued to support the *Fast Play Home Run Riches* second-chance contest.
4. Finalized annual digital media buy for FY24 which provides an “always on” strategy at an efficient rate.

ii. Upcoming Tasks

1. Execute social and digital campaigns for the *Lottery Week* and *Cash Heatwave* promotions in July.

2. Develop social and digital plans for the *Ravens* Scratch-offs and second chance contest.

c) My Lottery Rewards

i. Key Accomplishments

1. Monthly active users decreased 3.6% in May, but increased 5.7% when compared to May, 2022. Monthly registrations also increased 5.6% when compared to the previous month.
2. My Lottery Rewards entries in May increased 3.69% from April, and average entries per player increased 7.41% from April.
3. *Corvette Cash* led scratch-off games in entries with 155k tickets entered during May. Second for entries was *Big Money Multiplier* with 100k entries. Third for the third month in a row was *Gold X20* with 86.7k entries.
4. *Pick 3* and *Pick 4* continue to lead draw entries with approximately 2.13M combined. *Pick 5* was third with 488k entries.

ii. Upcoming Tasks

1. Review results from the Medallia player surveys with Scientific Games to gain insight on player activity and motivations, then use this information guide future Achievement and promotion planning.
2. Continue to monitor player activity through Medallia.
3. Edit/refresh emails for all CRM workflows as they are transferred to the Optimove templates.
4. Implement new prize reveal graphics utilized when players complete Achievements.