

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: August 24, 2023

SUBJECT: Report for the August, 2023 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2023	\$107,729,730	\$47,858,615	\$92,390,202	\$247,978,547
	2022	\$105,439,014	\$50,900,032	\$90,310,063	\$246,649,109
	Difference	\$2,290,716	(\$3,041,416)	\$2,080,139	\$1,329,439
	%YoY +/-	2.2%	-6.0%	2.3%	0.5%
INDEPENDENT	2023	\$70,672,880	\$39,995,594	\$55,506,030	\$166,174,504
	2022	\$70,738,236	\$43,385,771	\$56,124,172	\$170,248,179
	Difference	(\$65,356)	(\$3,390,177)	(\$618,142)	(\$4,073,675)
	%YoY +/-	-0.1%	-7.8%	-1.1%	-2.4%
	% of State Sales	65.6%	83.6%	60.1%	67.0%
CORPORATE	2023	\$37,056,850	\$7,863,022	\$36,884,172	\$81,804,044
	2022	\$34,700,778	\$7,514,261	\$34,185,891	\$76,400,930
	Difference	\$2,356,072	\$348,760	\$2,698,281	\$5,403,114
	%YoY +/-	6.8%	4.6%	7.9%	7.07%
	% of State Sales	34.4%	16.4%	39.9%	33.0%

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 July 12, 2023.

- a. Five (5) scratch off price points were launched, featuring \$1, \$5 (2), \$10 & \$20.
 - b. In conjunction with our instant products, we highlighted one additional initiative in the form of a Lottery Week (July 16th - 22nd) promotion in which players could receive free lottery games when paying any draw or Fast Play game.
2. The District Manager of the Year award for fiscal year 2023 was presented to **Steve Corbin – Territory 45**.
 3. District Managers with the best sales by region/territory (year-over-year) for July:
 - Jon Braithwaite T-11
 - **Chuck Hamrick T-25 (Awarded the DM of the month)**
 - DeUnka Wade T-38
 - Aaron Johnson T-49
- ii. **Upcoming tasks for this period:**
 1. Planning, preparation and execution of launch strategies and initiatives for the September instant ticket launch. We will be launching four new price points: \$5 (2), \$10, and \$30.
- b) Field Activities**
- i. **Key accomplishments last period:**
 1. District Managers made 5,957 retailer communication contacts during July, which includes store visits, phone calls and emails.
 2. The Sales Department supported selling with our retailer at 1 event: Baltimore Ravens training camp stadium practice on 7/29.
 - 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.
 4. Preparation for the Maryland State Fair in which we will have a lottery retailer onsite as well as have the sales team participate in overall duties for the three-weekend long event.
- c) Retail Recruitment**
- i. **Key accomplishments last period:**
 1. Recruitment Results: Seventeen (17) new independent applications were submitted by retailers in the month of July. Ten (10) independent applications were processed and locations installed in the month of July.
 - 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 August 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. Final preparation for the upcoming Baltimore Ravens season which includes retailer staffing, promotional item distribution plan, delivery schedule for promotional item drop off to stadium and scheduling of equipment installation & updating at M&T Bank stadium.
3. Prepared invitation for bid in conjunction with our Procurement Department for a new playcenter kiosk contract.

ii. Upcoming tasks for this period:

1. Complete Maryland Lottery sales department staffing schedule for all Baltimore Ravens home games.

e) Corporate Sales

i. Key accomplishments last period:

1. Corporate Sales Fiscal YoY Performance (as of 6/30/23):
 - a. FY '23- \$833,464,763
 - b. FY '22- \$728,534,189
 - Up 14%
2. Fiscal YoY Performance (as of 7/31/23):
 - a. FY '24- \$115,956,953
 - b. FY '23- \$100,010,774
 - Up 14%
3. 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.
4. The Corporate Sales team has been in discussions with our corporate partners to discuss ways to increase sales in their locations.
 - a. We are working with corporate chains to run 2nd chance promotions in CY 23:
 - High's of Baltimore
 - In-Store Sales Promotion- 7.31- 9.4.23- Underway
 - Walmart
 - In discussions for CY Q4

ii. Upcoming tasks for this period:

1. Corporate will schedule business reviews with the following corporate chains:
 - a. Royal Farms
 - b. 7-Eleven
 - c. Giant Food
 - d. Weis Markets
 - e. Food Lion

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office

- a. Continued efforts are being made to improve the functionality of the system. A new Jira list is currently being compiled to submit to Scientific Games (central systems provider) for review.
2. Gem Intelligence
 - a. Overall the program is functioning as intended with very few issues.
 - b. Sales goals for FY24 have been uploaded to the system.
 - c. Field units for some District Managers are beginning to show some wear and tear with the most common concerns related to keyboards and cases. We will continue to monitor and replace as necessary.
3. Training
 - a. User guidelines and processes continue to be developed and placed on our Google share drive for ease of access/reference by our field staff.
 - b. Training manager is developing short training videos on various subjects as an additional method to support the field staff.
- ii. **Upcoming tasks for this period:**
 1. Compilation and review of Jira lists to be provided to Scientific Games for improved functionality and efficiency of systems.

2. Product Development

a) Scratch-Off Products and Promotions

i. **Key accomplishments last 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 – *BONUS BUCK\$*
 - \$10 – *\$100,000 Crossword 6th edition*
3. *Gold Multiplier Family of Games Second-Chance Contest*: The fifth and final drawing was held 6/20/23, 901,862 entries were received.
4. *Corvette® Cash Second Chance Contest*: The second drawing was held 7/18/23, 340,870 entries were received. The third drawing was to be held 8/22/23; as of 8/14/23, 385,914 were received.

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

1. September Scratch-Off Launch (8/21/23):
 - \$5 – *Cash Boom*
 - \$5 – *Deluxe Crossword 8th Edition*
 - \$10 – *\$10,000 Ca\$h*
 - \$30 – *\$100,000 Ca\$h*
2. *Corvette® Cash Second Chance Contest*: The fourth drawing will be held 10/10/23.
3. *Ravens 2023 Second-Chance Contest*: Players were able to start entering eligible tickets on Monday 8/22/23. The first drawing will be held 8/29/23.

b) Draw and Monitor Game Products and Promotions

i. Key Accomplishments last period:

1. *50th Anniversary Cash Bash Promotion:* The fourth drawing was held 6/28/23, 2,986,995 entries were received. The fifth and final drawing was held 8/2/23, 3,308,626 entries were received.
2. *Lottery Week Promotion - 7/16 - 7/22/23:* The Lottery celebrated NASPL's National Lottery Day by awarding players with a buy any draw game, get a draw game free promotion for one week only. Eligible purchases triggered the award of a free draw game on an Nth ticket basis which printed immediately after the purchased ticket printed. Eligible games included: Cash4Life, Mega Millions, Powerball, Multi-Match, Bonus Match 5, Pick 3, Pick 4, Pick 5, Keno, Racetrax, and Fast Play.
3. *Cash Heatwave Promotion:* The first drawing was held 7/31/23, 337,688 entries were received. The second drawing was held 8/7/23, 911,029 entries were received. The third drawing was held 8/14/23; as of 8/13/23, 1,514,866 entries were received. The fourth and final drawing was to be held 8/21/23.

ii. Upcoming tasks for this period:

1. *State Fair Keno Sprinkler:* From 8/24 – 9/10/23 players have the chance to Double or Triple their prizes when playing Keno. Doublers and Triplers may be produced on an Nth ticket basis for Keno, Keno Bonus, Keno Super Bonus & Packaged Keno to Go tickets. If the player's numbers are winners, their winnings will be doubled or tripled.
2. *Racetrax State Fair \$6 for \$5:* From 8/24 – 9/10/23 any player that makes a \$6 Racetrax purchase received a \$1 discount. The maximum discount received was \$5 off any ticket valued at \$30 or more.
3. *Buy Bonus Match 5, Get Multi-Match Free Promotion:* From 9/4 – 10/1/23, players purchasing Bonus Match 5 tickets will have the chance to win a free Multi-Match ticket. Qualifying purchase will be a \$1.00 Bonus Match 5 ticket and free Multi-Match tickets will be awarded on an Nth ticket basis.

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. *Contestant of the Game Second-Chance Contest:* The fourth drawing was held 6/27/23, 201,184 entries were received. The fifth drawing was held 7/25/23, 239,206 entries were received.
2. *Closed Game Activity:*

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
039	\$5	Home Run Riches Bases Loaded	3,954,360	2,802,869	\$1,151,491	6/6/2023
005	\$10	Lucky Numbers Progressive	26,652,780	19,865,430	\$6,787,350	6/13/2023

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
017	\$1	\$20 On The Spot	1,875,640	1,092,852	\$782,788	7/2/2023
030	\$2	Betty Boop Lady Luck	2,541,018	1,627,890	\$913,128	7/2/2023
028	\$20	Hit The Jackpot	13,867,760	11,651,615	\$2,216,145	7/3/2023

ii. Upcoming tasks for this period:

1. September FAST PLAY Launch (9/4/23):
 - \$2 – *Connect 4*
 - \$3 – *Battleship*
 - \$5 – *Yahtzee*
2. *Contestant of the Game Second-Chance Contest:* The sixth and seventh final drawings will be held 8/29/23.

3. *FAST PLAY Game Closing*: The next batch of FAST PLAY games are scheduled to be closed on September 7th. Games #024 *Bloomin' Bucks* and #036 *Winfall Doubler* are to be closed at system shut down on 9/7/23. Progressive games #046 *Slots of Fun* and #031 *World Championship Poker* will close after the next progressive top prizes are won on or after 9/7/23.

3. Creative Services

a) Traditional Advertising

i. Key Accomplishments

1. *Cash Bash Promotion*
 - a. The Lottery continued to work with various partners to finalize the details of the *Cash Bash Promotion* grand prize event on 9/8 at the State Fair. Multiple meetings have taken place and the details of the event have been finalized.
2. *FAST PLAY Home Run Riches & Contestant of the Game*:
 - a. The Lottery has been working with GKV to update various *Orioles* and *MASN-TV* assets to promote the final deadline of the *Contestant of the Game* promotion and the \$50,000 grand prize. The final entry deadline is 8/28.
3. *Spotlight Television Campaign*
 - a. The Lottery has been working with GKV to develop a television campaign that allows the Lottery to “*spotlight*” various games and promotions throughout the fiscal year without creating a new spot each time.
 - b. The TV spot for this campaign was shot on 8/10 and is now in the editing phase.
4. *FAST PLAY – Battleship, Connect 4 and Yahtzee*
 - a. The three (3) *FAST PLAY* board-themed games, launching on September 4th, will be the first products highlighted in the new *Spotlight* advertising campaign.
 - b. The media plan to launch the *FAST PLAY* board games has been finalized. The media will run statewide from 9/7 – 9/24 and include television, cable, OTT, radio, streaming audio, digital bulletins, metro liveboards, digital banners, and paid social.
5. *Ravens Scratch-Offs*
 - a. The *Ravens* TV spot from 2022 has been edited to promote the 2023 *Ravens* scratch-offs and will air again during the 2023 season advertising campaign. Radio and out-of-home creative were also finalized and produced.
 - b. The media plan to launch the *Ravens* scratch-offs has been finalized. The media will run from 9/7 – 10/1 and include television, cable, OTT, radio, streaming audio, out-of-home bulletins and posters, digital banners, and paid social.
 - c. The in-stadium graphics and digital components that will support these scratch games have been finalized.
6. *\$10,000 Cash and \$100,000 Cash*
 - a. The point-of-sale for the *\$10,000 Cash* and *\$100,000 Cash* scratch-offs has been finalized and is in production.
7. *Mega Millions Jackpot*
 - a. The Lottery promoted the *Mega Millions* jackpot with paid advertising through the end of July and then continued support until it was hit on 8/8 with internal assets.
8. *Sponsorships*

- a. The Lottery and 9Rooftops have finalized the 2023-2024 sponsorships with the *Washington Commanders*, *Towson University* and *Morgan State University*.
- b. The Lottery has executed the 2023-2024 sponsorship agreement with the *University of Maryland*.

ii. Upcoming Tasks

1. *Cash Bash Promotion*
 - a. The *Cash Bash Grand Finale* event will take place on Friday, 9/8. The Lottery to finalize any remaining details leading up to the event.
2. *Spotlight TV Campaign*
 - a. The *Spotlight TV* campaign to be finalized/edited in time to air on 9/4 and will promote the *FAST PLAY* games launching on 9/4.
3. *FAST PLAY – Battleship, Connect 4 and Yahtzee*
 - a. 9Rooftops to place all media buys for the statewide plan running 9/7 – 9/24.
 - b. The Lottery and GKV to finalize all radio, digital, out-of-home and social media creative to support the launch of the *FAST PLAY* board games.
4. *Ravens Scratch-Offs*
 - a. 9Rooftops to place all media buys for the plan running 9/7 – 10/1.
 - b. GKV to finalize any remaining graphics and the social media campaign for this launch.
5. *\$10,000 Cash and \$100,000 Cash Scratch-Offs*
 - a. 9Rooftops to provide a media plan for the launch of the *\$10,000 Cash* and *\$100,000 Cash* scratch-offs. The statewide media is tentatively planned to begin on 10/2.
 - b. The *\$10,000 Cash* and *\$100,000 Cash* scratch-offs will be the second product promoted via the new *Spotlight TV* campaign. GKV to edit the new spot to include these scratch-offs and present the remaining creative materials to include radio, out-of-home, digital and social media.
6. *Holiday Scratch-Offs*
 - a. The Lottery to begin planning for the launch of its *2023 Holiday* scratch-offs with 9Rooftops and GKV.
7. *Sponsorships*
 - a. The Lottery to work with 9Rooftops to finalize the sponsorship agreements with the *Washington Commanders*, *Towson University* and *Morgan State University*.
 - b. The Lottery to work with GKV to provide the various assets and creative needed for each of the upcoming football sponsorships.

b) Web, Digital and Social

i. Key Accomplishments

1. Promoted the four (4) new *Fast Play* games, *Cash Bash* second chance contest and final entry deadline, *Cash Heatwave* and *Lottery Week* promotions, the large *Powerball* and *Mega Millions* jackpots, and various winners and events through social media and the website.
2. Finalized social and digital communication plan for the *Cash Bash Grand Prize Event*.
3. Continued to fine tune the 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 launch of the *Ravens* Scratch offs and second chance contest.
2. Develop social and digital plans for the September launch of the new *Spotlight* advertising campaign.

3. Finalize and implement the Lottery's annual digital media plan.

c) My Lottery Rewards

i. Key Accomplishments

1. Fueled by the large multi-state games' jackpots, monthly active users increased 23.5% in July. Monthly registrations also increased 167% in July when compared to the previous month.
2. *My Lottery Rewards* entries also increased approximately 18% in July, as the less frequently active program members, who purchased tickets for the large jackpots, engaged with the program.
3. *Cash Multiplier* led scratch-off games in entries with 104k tickets entered during July. Second for entries was *Ultimate Cash* with 99k entries. Third was *Hot 7's Tripler* with 80k entries.
4. *Pick 4* lead draw entries with approximately 1.4m during July. *Pick 3* was second with just over a million entries. *Powerball* was third with 592k 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 edit/refresh emails for all CRM workflows as they are transferred to the Optimove templates.
3. Implement new prize reveal graphics utilized when players complete Achievements.