

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: September 28, 2023

SUBJECT: Report for the September, 2023 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2023	\$91,336,839	\$48,756,017	\$89,799,480	\$229,892,336
	2022	\$73,482,683	\$51,889,980	\$87,431,891	\$212,804,554
	Difference	\$17,854,156	(\$3,133,963)	\$2,367,589	\$17,087,782
	%YoY +/-	24.3%	-6.0%	2.7%	8.0%
INDEPENDENT	2023	\$61,796,479	\$40,702,218	\$53,636,892	\$156,135,588
	2022	\$54,266,882	\$44,004,362	\$53,850,069	\$152,121,313
	Difference	\$7,529,597	(\$3,302,144)	(\$213,177)	\$4,014,276
	%YoY +/-	13.9%	-7.5%	-0.4%	2.6%
	% of State Sales	67.7%	83.5%	59.7%	67.9%
CORPORATE	2023	\$29,540,360	\$8,053,800	\$36,162,588	\$73,756,748
	2022	\$19,215,802	\$7,885,618	\$33,581,822	\$60,683,242
	Difference	\$10,324,559	\$168,182	\$2,580,766	\$13,073,506
	%YoY +/-	53.7%	2.1%	7.7%	21.54%
	% of State Sales	32.3%	16.5%	40.3%	32.1%

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 virtually August 16, 2023.

- a. Four (4) scratch off price points were launched, featuring \$2, \$5 & \$10 (2) .
 - b. In conjunction with our instant products, we highlighted one additional initiative in the form of a Ravens Second-Chance promotion which is proven very popular with our player base.
2. District Managers with the best sales by region/territory (year-over-year) for August:

- Jon Braithwaite T-11
- Chuck Hamrick T-25
- DeUnka Wade T-38
- Sherise Rascoe T-49

ii. Upcoming tasks for this period:

1. Planning, preparation and execution of launch strategies and initiatives for the October instant ticket launch of our Holiday games. We will be launching six (6) new price points: \$1, \$2, \$3, \$5, \$10, and \$20.

b) Field Activities

i. Key accomplishments last period:

1. District Managers made 6,884 retailer communication contacts during August, which includes store visits, phone calls and emails.
2. The Sales Department supported selling with our retailer at 2 events: Baltimore Ravens preseason game on 8/12 and the Maryland State Fair.

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 is underway to reimplement our Retailer Advisory Board meetings in various cities throughout the state. These meetings provide an opportunity for retailers to gain additional information and also provide critical feedback on the market performance as well. The meetings are being scheduled for various dates in October 2023.

c) Retail Recruitment

i. Key accomplishments last period:

1. Recruitment Results: Twenty-Four (24) new independent applications were submitted by retailers in the month of August. Seventeen (17) independent applications were processed and locations installed in the month of August.

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 September 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. Vetting, allocation and distribution planning for allotment of sixteen (16) PHD self-serve units that have become available.

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

1. Preparation for the launch of our Holiday Instant tickets in October. This includes POS distribution, development and distribution of our planograms and instant ticket retailer order sheets as well as development of our Tel-Sell Holiday schedule information sheet to be provided to our retailer network.

e) **Corporate Sales**

i. **Key accomplishments last period:**

1. Fiscal YoY Performance (as of 8/31/23):
 - a. FY'24- \$155,297,229
 - b. FY'23- \$136,840,389
 - Up 12%
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 working with corporate chains to run 2nd chance promotions in CY 23:
 - High's of Baltimore
 - High's Free Gas Promotion – 7/31-9/4/23
 - a. 5,734 entries were received

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. Walmart

f) **Sales Force Automation**

i. **Key accomplishments last period:**

1. Gem Office
 - a. Continued monitoring and review of Jira lists that have been provided to Scientific Games for improved functionality and efficiency of systems.
2. Gem Intelligence
 - a. Overall the program is functioning as intended with very few issues.
3. Training
 - a. Sales Training videos are still in production and topics will be released on a monthly and semi-monthly basis.
 - b. Sales will see two new District Managers start in September and October (T10 and T39). Training will begin upon hire.

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

1. Sales will see two new District Managers start in September and October (T10, T39). Training will begin upon hire.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

1. September Scratch-Off Launch (9/18/23):
 - \$5 – *Cash Boom*
 - \$5 – *Deluxe Crossword 8th Edition*
 - \$10 – *\$10,000 Ca\$h*
 - \$30 – *\$100,000 Ca\$h*
2. *Ravens 2023 Second-Chance Contest*: The first drawing was held 8/29/23, 154,750 entries were received.
3. *Corvette® Cash Second Chance Contest*: The third drawing was held 8/22/23, 418,914 entries were received.
4. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
570	\$2	Betty Boop™	4,594,038	2,954,885	\$1,639,153	8/4/2023
572	\$5	Diamond Mine X9	17,179,320	12,372,540	\$4,806,780	8/4/2023
573	\$10	\$250,000 Gold Rush	28,996,730	21,730,149	\$7,266,581	8/4/2023
582	\$1	Show Me \$1,000	2,657,860	1,597,374	\$1,060,486	8/4/2023

ii. Upcoming tasks for this period:

1. October Scratch-Off Launch (10/23/23):
 - \$1 – *OH, SNAP*
 - \$2 – *Unwrap the Cash*
 - \$3 – *Peppermint Payout Multiplier*
 - \$5 – *Holiday Cash*
 - \$10 – *Snow Globe 7s*
 - \$20 – *Win \$100, \$200 or \$500!*
2. *Corvette® Cash Second Chance Contest*: The fourth drawing will be held 10/10/23; as of 9/17/23, 464,052 entries were received.
3. *Ravens 2023 Second-Chance Contest*: The second drawing was to be held 9/26/23; as of 9/17/23, 584,509 entries were received.
4. *Holiday Cash Second Chance Contest*: Players may enter non-winning Holiday scratch-off and winning and non-winning Fast Play tickets into the Holiday Cash 2023 promotion for a chance to win a cash prize (62 winners total). Entries will be based on ticket price point (\$1 OH, SNAP= 1 entry, \$2 Unwrap the Cash= 2 entries, \$3 Peppermint Payout Multiplier= 3 entries, etc.). Entries will be cumulative and will be carried over after each drawing.

b) Draw and Monitor Game Products and Promotions

i. Key Accomplishments last period:

1. *Cash Heatwave Promotion*: The fourth and final drawing was held 8/21/23, 2,154,842 entries were received. The highest recorded temperature the week prior was 93°, making the cash prize awarded \$7,500.
2. *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.

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

1. *Hall-o-WIN Second-Chance Promotion:* From 10/1 – 10/31/23, players may enter \$1 Pick 3, Pick 4 or Pick 5 tickets purchased during the promotional period into My Lottery Rewards for a chance to win cash prizes of either \$5,000 or \$10,000. Entries are dollar for dollar (\$0.50 tickets are eligible for entry, 2 X .50 tickets will equal one entry.) Drawing will take place on 11/1/23.
2. *Game Day Keno Kicker Promotion:* From 8am – 10pm on every Sunday in October (10/1, 10/8, 10/15, 10/22 & 10/29), an extra number could be drawn during Keno drawings, giving players an additional number to match with. During a standard Keno drawing, 20 winning numbers are selected from a field of 80. During a Keno Kicker drawing, 21 winning numbers will be selected.

c) **FAST PLAY Products and Promotions**

i. **Key accomplishments last 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 drawing was to determine the final batch of “Contestants of the Game” and the seventh drawing was to identify the winner of \$50,000 in honor of the Lottery’s 50th Anniversary. Both drawings were held on the same date of 8/29/23 and 289,539 entries were received.

3. **Creative Services**

a) **Traditional Advertising**

i. **Key Accomplishments**

1. *Cash Bash Promotion:* Held the *Cash Bash Grand Finale* event on 9/8 at the Maryland State Fair. The grand prize winner was Virginia from Berlin who won \$100,000.
2. *Spotlight Television Campaign:* Completed the production of the new “spotlight” television spot, *Come and Get Your Fun!* The spot will be used to highlight various product launches throughout the fiscal year. The first products to be featured are *FAST PLAY – Battleship, Connect 4* and *Yahtzee*. The new *\$10,000 Cash* and *\$100,000 Cash* scratch-offs will be featured in October.
3. *FAST PLAY – Battleship, Connect 4 and Yahtzee*
 - a. Production for various assets, including two radio spots, out-of-home, and digital media, were all completed for the launch of the new *FAST PLAY* boardgame-themed games.
 - b. The media plan to launch these *FAST PLAY* boardgames began airing on 9/7 and will continue through 9/24.
4. *Ravens Scratch-Offs:* The media plan to support the *Ravens* scratch-offs launched on 9/7 and will continue through 10/1.
5. *\$10,000 Cash and \$100,000 Cash*
 - a. The media plan to support the launch of the *\$10,000 Cash* and *\$100,000 Cash* has been finalized. Media will run for 4-weeks from 10/2 – 10/15 and 10/23 – 11/5 and will include television, cable, OTT, radio, out-of-home, digital and social media.
 - b. The point-of-sale for the *\$10,000 Cash* and *\$100,000 Cash* scratch-offs has been delivered to the Lottery’s warehouse.
6. *Holiday Scratch-Offs:* Began advertising planning for the *Holiday* scratch-offs with GKV and 9 Rooftops. We also finalized the *Holiday* scratch-off point-of-sale and it is currently in production.

ii. Upcoming Tasks

1. *\$10,000 Cash* and *\$100,000 Cash Scratch-Offs*
 - a. 9 Rooftops to book all media for this campaign which begins on 10/2.
 - b. Record two radio spots, complete editing the “spotlight” TV spot to feature the *\$10,000 Cash* and *\$100,000 Cash* scratch-offs, and finalize all remaining digital and out-of-home assets.
2. *Holiday Scratch-Offs*: Continue working with 9Rooftops and GKV to develop the advertising plan to support this year’s *Holiday* scratch-off line-up.
3. *Cash Pop*: Met with 9 Rooftops and GKV to begin planning for the launch of a new draw game named *Cash Pop* in March, 2024.

b) Web, Digital and Social

i. Key Accomplishments

1. Promoted the new *Ravens* scratch-offs and second-chance contest, new *FAST PLAY* games, *Keno Sprinkler* and *Racetrax \$6 for \$5* promotions, *Bonus Match 5/Multi-Match* promotion, the *Powerball* jackpot and various winners and events through social media and the website.
2. Attended the *Cash Bash Grand Finale* event and supported with numerous social media posts.
3. Developed a plan for FY24 to increase engagement with players and non-players on our social media pages.

ii. Upcoming Tasks

1. Execute social and digital campaigns for the launch of the *\$10,000 Cash* and *\$100,000 Cash* scratch-offs.
2. Develop social and digital plans for the *Holiday* scratch-offs and second-chance contest.
3. Work with GKV to develop and implement a new Maryland Lottery mobile app.

c) My Lottery Rewards

i. Key Accomplishments

1. Monthly active program users decreased 2.06% from last month, but increased 20.9% when compared to August 2022. Lower-level multi-state game jackpots are the likely reason for the decline.
2. The new *FAST PLAY Friday* achievement launched on September 1st with good results, as approximately 2,800 players reached the achievement on each of the first two Fridays in September.
3. There were 93,289 MLR app users in August, including 16,291 new downloads. Since its July release to the Google Play Store, the MLR app has been downloaded by 4,286 Android users.
4. Q2 PFDs have been developed and are ready to go live on 10/4, featuring a trip to Whistler, British Columbia as the top tier prize.
5. *Bonus Cash Doubler* lead scratch off game entries in August with 106K entries. Among unique players, the most entered scratch-off game was also *Bonus Cash Doubler*.
6. *Pick 4* continues to lead draw game entries with approximately 1.3m during August. *Pick 3* was second with just over 900K entries.

ii. Upcoming Tasks

1. Continue to monitor new app downloads on Android devices since the launch of the MLR app in Google Play Store. Marketing the news through email and on MLR site will continue through the end of September.
2. Monitor new *FAST PLAY Friday* Achievement engagement and implement recommended approaches to the development of future achievements as per SG’s Medallia survey findings.

3. Continue to edit/refresh emails for all CRM workflows as they are transferred to the Optimove templates.
4. Develop a plan for FY24 to increase MLR program engagement that includes increasing MLR's presence on social media, amending achievements offered, and developing MLR point-specific promotions.