

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: October 26, 2023

SUBJECT: Report for the October, 2023 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2023	\$84,250,045	\$51,711,086	\$88,691,503	\$224,652,634
	2022	\$73,782,951	\$53,782,839	\$84,183,826	\$211,749,616
	Difference	\$10,467,094	(\$2,071,753)	\$4,507,677	\$12,903,018
	%YoY +/-	14.2%	-3.9%	5.4%	6.1%
INDEPENDENT	2023	\$57,713,343	\$43,101,631	\$52,689,688	\$153,504,662
	2022	\$54,081,419	\$45,434,620	\$51,688,212	\$151,204,251
	Difference	\$3,631,924	(\$2,332,988)	\$1,001,476	\$2,300,411
	%YoY +/-	6.7%	-5.1%	1.9%	1.5%
	% of State Sales	68.5%	83.4%	59.4%	68.3%
CORPORATE	2023	\$26,536,703	\$8,609,455	\$36,001,815	\$71,147,972
	2022	\$19,701,532	\$8,348,219	\$32,495,614	\$60,545,365
	Difference	\$6,835,171	\$261,236	\$3,506,201	\$10,602,607
	%YoY +/-	34.7%	3.1%	10.8%	17.51%
	% of State Sales	31.5%	16.6%	40.6%	31.7%

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 September 13, 2023.

- a. Four (4) scratch off games across three (3) price points were launched, featuring \$5 (2), \$10 and \$30.
 - b. In conjunction with our instant products, we highlighted two upcoming initiatives in the form of a Hall-O-Win second chance promotion for our Pick 3,4 & 5 games as well as a Game Day Keno Kicker promotion which is proven very popular with our player base.
2. District Managers with the best sales by region/territory (year-over-year) for September:

- Jon Braithwaite T-11
- Chuck Hamrick T-25
- **DeUnka Wade T-38 (Awarded the DM of the month)**
- Sherise Rascoe T-49

ii. Upcoming tasks for this period:

1. Planning, preparation and execution of launch strategies and initiatives for the November instant ticket launch. We will be launching three (3) new price points: \$2, \$5, and \$10.
2. Execution and completion of our bi-annual Regional Retailer Advisory Board meetings held at various locations across the state.
3. Tracking and execution of our Retailer Holiday Bonus Program to support the selling of our Holiday instant tickets.

b) Field Activities

i. Key accomplishments last period:

1. District Managers made 5,667 retailer communication contacts during September, which includes store visits, phone calls and emails.
2. The Sales Department supported selling with our retailer(s) at 3 events: Baltimore Ravens home games on 9/10 & 9/24 in Baltimore and the Maryland Wine Festival on 9/16 held in Westminster.

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. Sales will continue to work with the OAG to terminate inactive retailers and recover lottery equipment.
3. Execution and completion of 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 market performance.

c) Retail Recruitment

i. Key accomplishments last period:

1. Recruitment Results: Thirteen (13) new independent applications were submitted by retailers in the month of September. Eighteen (18) independent applications were processed and locations installed in the month of September.

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 October Holiday family of games instant ticket 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 of sixteen (16) PHD self-serve units.

ii. Upcoming tasks for this period:

1. Initial planning for two merchandising pilot programs to include: digital menu board displays for instant tickets; vertical format jackpot towers for self-service units.

e) Corporate Sales

i. Key accomplishments last period:

1. Fiscal YoY Performance (as of 9/30/23):
 - a. FY '24- \$223,942,514
 - b. FY '23- \$197,273,332
 - 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.

ii. Upcoming tasks for this period:

1. Preparation for attending the National Association of Convenience Stores convention in early October.
2. Recruitment process underway for the Director of Corporate Sales position.
3. Corporate will schedule business reviews with the following corporate chains:
 - a. Royal Farms
 - b. Giant Food
 - c. Weis Markets
 - d. Walmart

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office
 - a. Implemented changes to some of the applications to ensure accurate information is being entered or prepopulated. Overall the program is working well.
2. Gem Intelligence
 - a. Overall the program is functioning as intended with very few issues.
 - b. Surface Go units utilized by the field staff are entering end of life. We have begun starting to replace units that are having issues.
3. Training
 - a. Sales Training is onboarding newly hired District Managers and working on improving training process. This includes updating the District Manager training manual (long term project).
 - b. Sales Training Manager has coordinated driver training for all Lottery staff who drive or have access to state vehicles.

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

1. Continue working on upgrades for our Gem Intelligence program and our field units.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last 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. *Ravens 2023 Second-Chance Contest*: The second drawing was held 9/26/23, 822,725 entries were received. The third drawing was to be held 10/23/23; as of 10/15/23, 487,231 entries were received.
3. *Corvette® Cash Second-Chance Contest*: The fourth and final drawing was held 10/10/23, 498,873 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.
5. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
571	\$3	Bonus Crossword 4th Ed.	8,498,844	5,674,483	\$2,824,361	9/4/2023
575	\$1	2 For \$1	3,564,777	2,124,759	\$1,440,018	9/4/2023
580	\$5	Family Feud®	18,020,915	12,763,469	\$5,257,446	9/4/2023
581	\$10	\$600 Cash In Hand	28,719,990	21,212,552	\$7,507,438	9/4/2023

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

1. November Scratch-Off Launch (11/27/23):
 - \$2 – *Triple 333*
 - \$5 – *Winning 7*
 - \$10 – *Electric 8s*
2. *Ravens 2023 Second-Chance Contest*: The fourth drawing will be held 11/13/23.
3. *Holiday Cash Second Chance Promotion*: The first drawing will be held 10/30/23.

b) Draw and Monitor Game Products and Promotions

i. Key Accomplishments last 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.

ii. Upcoming tasks for this period:

1. *ThanksWINNING* All-Games Promotion [11/6 – 11/26/23]: The All-Games Promotion, *ThanksWINNING*, is back. Beginning on 11/6, on an Nth ticket basis, players could receive \$2 or \$5 Instant Win Vouchers or free \$1 Candy Cane Cash FAST PLAY tickets automatically, just by playing their favorite terminal-based games.
2. *Hall-o-WIN Second-Chance Promotion*: The drawing to determine the five \$5,000 winners and five \$10,000 winners, will be held 11/1/23. As of 10/15/23, 1,005,907 entries have been received.

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. November FAST PLAY Launch (11/6/23):
 - \$1 – *Candy Cane Cash (relaunch)*
 - \$2 – *Snowflake Ca\$h (relaunch)*
 - \$10 – *Holiday Money Match (relaunch)*
2. *Closed Game Activity:*

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
051	\$1	Candy Cane Cash	\$633,390	\$371,998	\$261,392	9/3/2023
050	\$2	Bean Bag Bucks	\$824,559	\$567,358	\$257,201	9/3/2023
032	\$10	Holiday Money Match	\$3,666,840	\$2,711,890	\$954,950	9/3/2023
049	\$5	Falling into Cash	\$1,771,780	\$1,214,085	\$557,695	9/3/2023

ii. Upcoming tasks for this period:

1. *Holiday Cash Second-Chance Contest*: For the first time, winning and non-winning holiday themed FAST PLAY tickets are eligible for entry into the Holiday Cash second-chance promotion.

3. Creative Services

a) Traditional Advertising

i. Key Accomplishments

1. *Holiday Scratch-Offs*:
 - a. 9Rooftops presented the *Holiday Scratch-Off* media plan on 10/10. The Lottery to provide feedback/approval the week of 10/16. The media is set to begin on Thanksgiving and run through Christmas Eve.
 - b. GKV presented radio scripts and various forms of digital, out-of-home and social media creative. The Lottery provided feedback and requested revisions. GKV to present round 2 of creative for final approval.
2. *Loteria*:
 - a. The Lottery began planning for the launch of *Loteria*, scheduled for late January.
 - b. The Lottery received a media planning brief from 9Rooftops and will provide feedback to aid in the development of the media plan.
 - c. GKV is working on *Loteria* point-of-sale, radio, digital and potential out-of-home creative options.
3. *Cash Pop*:
 - a. The Lottery has been working with GKV to develop logo options for the new *Cash Pop* game, launching in 2024.
 - b. GKV presented logo options on 10/10. The Lottery to decide between two finalists.

4. *The Big Spin Scratch-Off*:
 - a. The Lottery has been working with GKV to develop logo options and wheel graphics for *The Big Spin*, launching in April 2024.
 - b. GKV presented several options for the Lottery to consider on 10/10. Expect a decision the week of 10/17.

ii. Upcoming Tasks

1. *Holiday Scratch-Offs*:
 - a. Finalize the *Holiday* scratch-off media plan. 9Rooftops to move forward with negotiating and purchasing all media.
 - b. Work with GKV to complete the editing of the 2022 television spot, produce new radio spots, and to finalize all out-of-home, digital and social media creative.
2. *Loteria*:
 - a. 9Rooftops to develop a small media plan to support the launch of *Loteria*.
 - b. GKV to finalize the creative development for *Loteria* point-of-sale, radio, etc.
3. *Multiplier FOG Scratch-Offs*:
 - a. Begin discussing the advertising planning for the launch of the new *Multiplier Family of Games* in late January.
4. *Cash Pop*:
 - a. Finalize the logo selection.
 - b. Finalize the point-of-sale launch plan.
 - c. Move forward with the creative development for the launch of *Cash Pop*.
 - d. Initiate development of the launch media plan with 9Rooftops.
5. *The Big Spin*:
 - a. Finalize the logo selection and wheel graphics.
 - b. Begin planning the advertising campaign with GKV and 9Rooftops.

b) Web, Digital and Social

i. Key Accomplishments

1. Promoted the new *Holiday* scratch-offs and second-chance promotion, the *Powerball* jackpot, *Hall-O-Win* Promotion, *Keno Kicker*, *Ravens* scratch-offs and second-chance promotion and various winners and events through social media and the website.
2. Began planning sessions with GKV and our app vendor, Mindgrub, for the new MD Lottery mobile app.
3. Created initial plan for adding *Cash Pop* game information and results on mdlottery.com.

ii. Upcoming Tasks

1. Execute social and digital campaigns for the launch of the new *Holiday* FAST PLAY games.
2. Develop social and digital plans for the *Multiplier FOG* scratch-offs.
3. Continue development of the new MD Lottery app with input from various stakeholders.

c) My Lottery Rewards

i. Key Accomplishments

1. Monthly Active Users (MAUs) decreased 13% from last month, but increased 11% from September 2022. Average Entries per Player in September increased 5% vs. August.
2. The most entered scratch-off games in September were *Ravens X5* with 140K entries, *Ravens X2* with 83K entries, and *BONUS BUCK\$* with 73K entries. These three scratch-off games (in the same order) were also the top ranked among Unique Players.

3. The most entered draw games in September were *Pick 4* with 1M entries, *Pick 3* with 731K entries, and *Powerball* with 442K entries. Among Unique Players, *Powerball* ranked first, followed by *Mega Millions*, and then *Multi-Match*.
4. There were 10,867 new MLR App users in September.
5. September saw the launch of our new, weekly, one-day achievement *FAST PLAY Friday*. Engagement started strong and continued to steadily rise over the month.
6. Our first collaborative Achievement Development meeting with SG was a success with November and December Achievements developed with optimal player engagement in mind.

ii. Upcoming Tasks

1. Continue the development and implementation of numerous campaigns/tactics to increase player engagement with the program. These campaigns include email communications with MLR members and non-members, social media posts, promotions, and ad hoc marketing in various media.
2. Complete Q3 PFD recommendation, with an upscale Gucci package as one of the Tier 2 prizes.