

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: November 28, 2023

SUBJECT: Report for the November, 2023 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2023	\$89,581,584	\$48,251,760	\$87,605,839	\$225,439,183
	2022	\$91,053,310	\$48,929,188	\$95,373,571	\$235,356,069
	Difference	(\$1,471,726)	(\$677,428)	(\$7,767,732)	(\$9,916,886)
	%YoY +/-	-1.6%	-1.4%	-8.1%	-4.2%
INDEPENDENT	2023	\$59,597,167	\$40,047,618	\$52,048,441	\$151,693,226
	2022	\$62,862,958	\$41,454,515	\$58,911,761	\$163,229,234
	Difference	(\$3,265,791)	(\$1,406,897)	(\$6,863,320)	(\$11,536,008)
	%YoY +/-	-5.2%	-3.4%	-11.7%	-7.1%
	% of State Sales	66.5%	83.0%	59.4%	67.3%
CORPORATE	2023	\$29,984,417	\$8,204,142	\$35,557,398	\$73,745,957
	2022	\$28,190,352	\$7,474,673	\$36,461,810	\$72,126,835
	Difference	\$1,794,065	\$729,469	(\$904,412)	\$1,619,122
	%YoY +/-	6.4%	9.8%	-2.5%	2.24%
	% of State Sales	33.5%	17.0%	40.6%	32.7%

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 in person October 18, 2023.

- a. Six (6) scratch off price points were launched, featuring \$1, \$2, \$3, \$5, \$10 and \$20.
 - b. In conjunction with our instant products, we highlighted two upcoming initiatives in the form of a Holiday Cash second chance contest for our holiday instant tickets as well as a ThanksWINNING promotion which is proven very popular with our player base.
2. District Managers with the best sales by region/territory (year-over-year) for October:
- Bryan Byers T-12
 - Chuck Hamrick T-25
 - DeUnka Wade T-38
 - **Steve Corbin T-45 (Awarded the DM of the month)**
3. Retailer Advisory Board meetings were held and we hosted many of our current retailers and discussed upcoming new products, promotions as well as reinforcing lottery policies and procedures. Meetings were held in the following cities:
- Aberdeen
 - Frederick
 - Waldorf
 - College Park
 - Baltimore

ii. Upcoming tasks for this period:

1. Planning, preparation and execution of launch strategies and initiatives for the December instant ticket launch. We will be launching five (5) new price points: \$1, \$3, \$5, \$10 and \$30.
2. 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 October, which includes store visits, phone calls and emails.
2. The Sales Department supported selling with our retailer(s) at 3 events: Endless Summer Cruisin' on 10/5-10/8 in Ocean City; Baltimore Ravens home game on 10/22 in Baltimore and the Power of Age Expo on 10/26 held in Timonium.

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.

c) Retail Recruitment

i. Key accomplishments last period:

1. Recruitment Results: Fourteen (14) new independent applications were submitted by retailers in the month of October. Sixteen (16) 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 November 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. Continued development, review, and deployment of three monthly planograms for our PHD & PHDL self-service units.
3. Ongoing management and administering of both our Retailer Bonus Program and Retail Winner Awareness Program. Working directly with our District Managers to implement the awareness program in the marketplace.

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 10/31/23):
 - a. FY '24- \$297,544,030
 - b. FY '23- \$269,267,781
 - Up 10%
2. We have hired a new Director of Corporate Sales, Camille Hall, who started the position on October 18th.
3. Attended the National Association of Convenience Stores conference and met with both retailers and third-party vendors.
4. 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. Corporate will schedule business reviews with the following corporate chains:
 - a. High's of Baltimore
 - b. Walmart

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office
 - a. We have encountered an issue with tracking retail establishment owners in the system related to multiple stores owned. We are researching the cause in able to identify and reconcile the issue.
 - b. A new ADA survey will be added starting in November. To start, the survey will be used primarily in Gem Intelligence and uploaded to applications in process in Gem Office until full testing and implementation can be completed.

2. Gem Intelligence
 - a. Upgrades to Gem Intelligence should be ready for deployment early November. Overall the program is working well.
 - b. Additional field units (tablets) are being replaced as it appears the lot is nearing end of life. These are being replaced on a as needed basis.
3. Training
 - a. Sales Training Manager continues to train two (2) newly hired District Managers as well as the new Director of Corporate Sales. Work continues on improving the training process in general. This includes updating the District Manager training manual (long term project).

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. November Scratch-Off Launch (11/27/23):
 - \$2 – *Triple 333*
 - \$5 – *Winning 7*
 - \$10 – *Electric 8s*
2. *Ravens 2023 Second-Chance Contest*: The third drawing was held 10/23/23, 667,129 entries were received. The fourth drawing was held 11/13/23, 406,989 entries were received.
3. *Holiday Cash Second-Chance Contest*: The first drawing was held 10/30/23, 678,077 entries were received. The second drawing was held 11/6/23, 2,003,506 entries were received. The third drawing was held 11/13/23, 3,391,415 entries were received. The fourth drawing was held 11/20/23, 3,391,415 entries were received. The fifth drawing was to be held 11/27/23.
4. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
544	\$20	Money Explosion	56,632,960	43,760,050	\$12,872,910	10/2/2023
569	\$10	Big Cash Riches	27,337,450	20,362,671	\$6,974,779	10/2/2023
576	\$3	Skee-Ball®	9,877,269	6,592,839	\$3,284,430	10/2/2023
579	\$2	Blazing Hot Cash	4,701,180	2,986,538	\$1,714,642	10/2/2023
589	\$10	Bingo X10 5th Ed.	21,014,030	15,580,927	\$5,433,103	10/2/2023
595	\$10	Money Rush	29,004,990	21,745,041	\$7,259,949	10/2/2023
602	\$10	Lady Luck	24,477,820	18,392,634	\$6,085,186	10/2/2023
604	\$1	Chillin'	2,809,046	1,687,113	\$1,121,933	10/2/2023
605	\$2	Holiday Cash Drop	4,005,608	2,566,794	\$1,438,814	10/2/2023
607	\$5	Holiday Cash	13,981,055	10,067,758	\$3,913,297	10/2/2023

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
577	\$5	Fat Wallet	18,517,470	13,209,328	\$5,308,142	10/29/2023
578	\$10	Mega 7s	18,786,890	13,953,812	\$4,833,078	10/29/2023
590	\$1	Double Blackjack	2,548,005	1,506,890	\$1,041,115	10/29/2023

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

1. December Scratch-Off Launch (12/28/23):
 - \$1 – *Fast Roll*

- \$3 – *Loteria™*
 - \$5 – “\$”
 - \$10 – *Money Drop*
 - \$30 – *200X The Cash*
2. January Scratch-Off Launch (1/22/24):
 - \$1 – *5X The Cash*
 - \$2 – *10X The Cash*
 - \$5 – *20X The Cash*
 - \$10 – *50X The Cash*
 - \$20 – *100X The Cash*
 3. *Ravens 2023 Second-Chance Contest*: The fifth drawing will be held 12/11/23; as of 11/19/23, 2,051,593 entries were received.
 4. *Holiday Cash Second Chance Promotion*: The sixth drawing will be held 12/4/23.
 5. *Multiplier Family of Games Second-Chance Contest*: Beginning 1/22/24, players may enter non-winning “X The Cash” Multiplier tickets into My Lottery Rewards for a chance to win a cash prize of \$50,000 (4 winners) or \$75,000 (1 winner). Entries will be determined by price point (\$1 5X The Cash = 1 entry, \$2 10X The Cash = 2 entries, etc). The first drawing will be held 2/27/24.

b) Draw and Monitor Game Products and Promotions

i. Key Accomplishments last period:

1. *Hall-o-WIN Second-Chance Promotion*: The drawing was held 11/1/23, 2,891,511 entries were received.
2. *ThanksWINNING All-Games Promotion* [11/6 – 11/26/23]: On an Nth ticket basis, players received \$2 or \$5 Instant Win Vouchers or free \$1 Candy Cane Cash FAST PLAY tickets automatically, just by playing their favorite terminal-based games.

ii. Upcoming tasks for this period:

1. *Holiday Keno Sprinkler* [12/4 – 12/31/23]: The Holiday Keno Sprinkler promotion is back! From 12/4 through 12/31, players could receive Doubler or Tripler messages on their Keno tickets – any prizes won on those tickets will be doubled or tripled.
2. *Pick 3 Pick 4 Pick 5 Let it Snow* [12/4 – 12/31/23]: Any Pick 3, Pick 4 or Pick 5 purchase may generate (on an Nth basis) a \$2 or \$5 instant win vouchers, or free \$5 Snowflake Ca\$h FAST PLAY tickets, just by playing their favorite Pick games.
3. *Racetrax Race Into 2024* [12/31 – 1/2/24]: The popular \$6 for \$5 Racetrax promotion will help ring in the new year. Beginning 12/31, players who purchase \$6 increments of Racetrax will receive \$1 discounts – maximum discount is \$5 on purchases of \$30 or more.
4. *Ice Cold Cash Keno Second-Chance Promotion* [1/15 – 2/11/24]: This brand new 4-week promotion (similar to the Cash Heatwave Promotion) will award a variable prize based on the lowest recorded temperatures at BWI the previous week! Players may enter winning and non-winning Keno tickets and receive one (1) entry per every \$1 in Keno tickets entered. 5 winners will be selected each week (20 winners total) to win a cash prize ranging from \$2,500 - \$10,000. Entries will be cumulative. The first drawing will be held 1/22/24.

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. *Holiday Cash Second-Chance Contest*: See section a)i.)3. for the latest My Lottery Rewards entry data for this promotion.

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

1. January FAST PLAY Launch (1/8/24):
- \$1 – *My Lucky Day*
 - \$3 – *Why Did the Chicken Cross the Road? (relaunch)*
 - \$5 – *Lightning Cash*
 - \$10 – *Big Win*
 - \$20 – *MONOPOLY™ Properties (relaunch)*

3. Creative Services

a) Traditional Advertising

i. **Key accomplishments last period:**

1. *Holiday Scratch-Offs*:
- a. The *Holiday* media plan has been finalized and will run statewide from 11/23 – 12/24. The plan consists of TV, cable, radio, streaming audio, out-of-home, digital and social media.
 - b. GKV has completed production of all *Holiday* creative materials.
2. *Loteria*:
- a. The *Loteria* media plan has been finalized and will run from 1/8 – 2/4. This plan consists of radio, streaming audio, digital and out-of-home media, which will run in both English and Spanish language outlets.
 - b. The *Loteria* point-of-sale has been finalized and is in production. GKV will complete development of radio, digital and out-of-home creative.
3. *Cash Pop*:
- a. Finalized the logo for the new *Cash Pop* game and received approval from IGT.
 - b. GKV presented initial rounds of television creative and point-of-sale. The Lottery to review and provide feedback.
4. *The Big Spin Scratch-Off*:
- a. The Lottery finalized *The Big Spin* logo and wheel artwork.
5. *Multiplier FOG Scratch-Offs*:
- a. Began planning for the upcoming *Multiplier FOG* that launches in January. The Lottery is scheduled to review the first round of creative the week of 11/13.
 - b. Finalizing the procurement request for the *MFOG* point-of-sale.
6. *FY'24 Planning*:
- a. Worked with both GKV and 9 Rooftops to outline advertising plans for the remainder of FY'24. We have identified all product launches and promotions that will receive paid advertising support, as well as those that will be supported through internal assets.
7. The Maryland Lottery and our advertising partner GKV were awarded Best Radio - Instant Games for our Maryland Riches ad campaign by the North American Association of State and Provincial Lotteries (NASPL) at their annual convention in October.

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

1. *Holiday Scratch-Offs*:
- a. 9 Rooftops to finalize the *Holiday Scratch-Off* television and radio buys.
 - b. Select *Holiday* gift-giving radio scripts and have GKV produce the spots for air on 11/23.

2. *Loteria*:
 - a. 9 Rooftops to place all *Loteria* media buys to begin on 1/8.
 - b. GKV to finalize the creative materials for *Loteria* radio, out-of-home and digital.
3. *Multiplier FOG Scratch-Offs*:
 - a. GKV presented creative options for the *Multiplier FOG* in mid-November. We will review and provide feedback.
 - b. Begin media plan development for the launch of the new *Multiplier FOG Scratch-Offs* with 9 Rooftops.
4. *Cash Pop*:
 - a. Finalize the *Cash Pop* point-of-sale launch plan.
 - b. Select a creative direction and move forward with the development of the materials necessary for the game launch.
 - c. Begin development of the *Cash Pop* media plan with 9 Rooftops.
5. *The Big Spin*:
 - a. Begin developing the advertising plan for *The Big Spin* with GKV and 9 Rooftops.
 - b. Finalize the point-of-sale plan for the launch of *The Big Spin*.
6. *FY'24 Planning*:
 - a. Continue working with 9 Rooftops and GKV to fine tune the advertising plans for the remainder of the fiscal year.

b) Web, Digital and Social

i. Key accomplishments last period

1. Promoted the new *Holiday FAST PLAY* games, *Holiday* scratch-offs and second-chance promotion, *ThanksWINNING* promotion, and various winners and events through social media and the website.
2. Continued planning sessions with GKV and our mobile app vendor, Mindgrub, for the new MD Lottery mobile app.
3. Started planning a refresh of the mdlottery.com homepage to coincide with the new app launch.
4. Initiated a transition to a new website hosting provider.

ii. Upcoming tasks for this period:

1. Execute social and digital campaigns for the *Loteria* scratch-off.
2. Develop social and digital plans for the *Multiplier FOG* scratch-offs.
3. Complete the transition to new web hosting provider.
4. Develop a plan for increased video content across social platforms and our website.

c) My Lottery Rewards

i. Key accomplishments last period:

1. Monthly Active Users (MAUs) increased 14.13% from last month and 14% year-over-year.
2. Average Entries per Player (AEP) increased 12.54% from last month and total entries into the program increased by 28.44% from the previous month.
3. October saw a 102% increase in eligible registrations, and a 115% increase in First Tickets Entered (players entering their first ticket into the program). Total registrations for October increased 8.8% year-over-year.
4. Top 3 draw tickets by entries for October are 1) *Pick 4* with 1.9M tickets entered, 2) *Pick 3* with 1.2M tickets entered, and 3) *Powerball* with 651K tickets entered.
5. Top 3 scratch-off tickets by entries for October are 1) *Ravens X5* with 115K tickets entered, 2) *Cash Boom* with 103K tickets entered, and 3) *\$10,000 Ca\$h* with 79K tickets entered.

6. A post-high jackpot coupon awareness email was sent after the 10/11 *Powerball*. We also implemented a jackpot game themed, limited-time achievement at the same time. We saw a retail value uplift of \$207,000 in the following 3 days.

ii. Upcoming tasks for this period:

1. Complete development of January and February Achievements.
2. Develop an MLR awareness and acquisition campaign for social media, including a giveaway to take place in December.
3. Complete development of Q3 PFDs, including an exciting *Gucci* package as one of the Tier 2 prizes.