

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: January 25, 2024

SUBJECT: Report for the January, 2024 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2023	\$83,545,196	\$53,603,399	\$97,112,028	\$234,260,623
	2022	\$84,110,908	\$52,196,402	\$90,160,783	\$226,468,093
	Difference	(\$565,712)	\$1,406,997	\$6,951,245	\$7,792,530
	%YoY +/-	-0.7%	2.7%	7.7%	3.4%
INDEPENDENT	2023	\$57,771,017	\$44,560,912	\$58,701,650	\$161,033,579
	2022	\$60,089,141	\$44,098,605	\$55,866,835	\$160,054,581
	Difference	(\$2,318,124)	\$462,307	\$2,834,815	\$978,998
	%YoY +/-	-3.9%	1.0%	5.1%	0.6%
	% of State Sales	69.1%	83.1%	60.4%	68.7%
CORPORATE	2023	\$25,774,180	\$9,042,487	\$38,410,378	\$73,227,044
	2022	\$24,021,768	\$8,097,797	\$34,293,948	\$66,413,512
	Difference	\$1,752,412	\$944,690	\$4,116,430	\$6,813,532
	%YoY +/-	7.3%	11.7%	12.0%	10.26%
	% of State Sales	30.9%	16.9%	39.6%	31.3%

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 December 13, 2023.

- a. Five (5) scratch off price points were launched, featuring \$1, \$3, \$5, \$10 and \$30.
 - b. In conjunction with our instant products, we highlighted two upcoming initiatives/promotions in the form of *Racetrax Race Into 2024* and *Ice Cold Cash Keno second chance promotion*.
2. District Managers with the best sales by region/territory (year-over-year) for October:

- Bryan Byers T-12
- Chuck Hamrick T-25
- Rob Austerer T-38
- **Aaron Johnson T-49 (Awarded the DM of the month)**

ii. Upcoming tasks for this period:

1. Planning, preparation and execution of launch strategies and initiatives for the January instant ticket launch. We will be launching five (5) new price points: \$1, \$2, \$5, \$10 and \$20.
2. Completion and distribution of our Retailer Holiday Bonus Program for CY23. With the addition of a \$20 holiday price point, we saw an incredible sales increase within the 10-week timeframe for the holiday bonus program. The level of engagement from our retailers was much higher than year's past and will be recommended for future programs.

b) Field Activities

i. Key accomplishments last period:

1. District Managers made 4,432 retailer communication contacts during December, 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 12/10, 12/31 & 1/6 in Baltimore.

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: Thirteen (13) new independent applications were submitted by retailers in the month of December. Eleven (11) independent applications were processed and locations installed in the month of December.

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 chain accounts 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 January 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. In conjunction with our Regional Management team, we have begun vetting, planning and allocating newly received PHD self-service units. We are releasing approximately sixty units across the four regions
3. Continued development, review, and deployment of three monthly planograms for our PHD & PHDL self-service units.
4. 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. Continued vetting, scheduling and distribution of the sixty self-service units.
2. Continued 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 12/31/23):
 - a. FY '24- \$433,864,532
 - b. FY '23- \$412,242,108
 - Up 5%
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. Corporate will schedule business reviews with the following corporate chains:
 - a. Giant Food
 - b. Safeway
 - c. Dash in
 - d. Walmart

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office
 - a. New updates were completed and testing has begun in the UAT environment.
2. Gem Intelligence
 - a. New Surface Go units have arrived. Working with vendor and Lottery IT department on a distribution schedule. We have 53 units to go out over the next 4 to 5 weeks. Units will include a new keyboard, case, and charger. Anticipate distributing approx. 10/week.
3. Gem Retailer
 - a. Program is expanding. Retailers are asking for additional reporting, particularly reports on the self-serve units. Requests are being developed so we can present to the vendor.
4. Training
 - a. Initial planning of training schedule for FY25.

- b. Development of new 5-minute videos on various subjects for field staff training.

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

1. Scheduled to meet with our central systems vendor mid-January of 2024 to review JIRA's. Looking to develop new reports which will assist in maintaining the data base with accurate information.
2. Distribution/replacement of surface go units to the field staff.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

1. 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
2. Ravens 2023 Second-Chance Contest: The fifth drawing was held 12/11/23, 495,174 entries were received. The sixth drawing was held 1/2/24, 407,394 entries were received.
3. Holiday Cash Second-Chance Contest:

The sixth drawing was held 12/4/23, 7,588,946 entries were received.
 The seventh drawing was held 12/11/23, 8,917,541 entries were received.
 The eighth drawing was held 12/18/23, 10,206,319 entries were received.
 The ninth drawing was held 12/28/23, 12,264,153 entries were received.
 The tenth drawing was held 1/2/24, 13,328,999 entries were received.
 The eleventh drawing was held 1/9/24, 14,607,163 entries were received.
 The twelfth and final drawing was 1/16/24, 15,453,542 entries were received.
4. 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.).
5. Game Closing Activity:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
504	\$30	\$100,000 Extreme Cash	\$103,864,830	\$81,779,266	\$22,085,564	12/4/2023
588	\$5	Ca\$h Series	\$13,376,475	\$9,553,089	\$3,823,386	12/4/2023
591	\$2	Ravens X2	\$5,627,498	\$3,625,975	\$2,001,523	12/4/2023
598	\$10	Win \$50, \$100, or \$200	\$31,357,860	\$23,533,920	\$7,823,940	12/4/2023
606	\$3	Peppermint Payout	\$7,967,016	\$5,381,739	\$2,585,277	12/4/2023

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

1. February Scratch-Off Launch (2/19/24):
 - \$3 – Bonus Crossword 6th Edition
 - \$5 – Power Cash
 - \$10 – \$250,000 Cash Winfall
 - \$50 – \$5,000,000 CASH
2. Soft Launch (2/26/24)

- \$20 – \$500,000 Crossword 2nd Edition
- 3. *Ravens 2023 Second-Chance Contest*: The seventh and final drawing date is still to be determined.
- 4. *Multiplier Family of Games Second-Chance Contest*: The first drawing will be held 2/27/24.

b) Draw and Monitor Game Products and Promotions

i. Key Accomplishments last period:

1. *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 into My Lottery rewards 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 was to be held 1/22/24.
2. *Jackpot Reset Promotion* [1/1 – 6/30/24]: From January 1st through June 30th, for two weeks after a Mega Millions jackpot is won, players who purchase Mega Millions will have the chance to win a free \$2 Powerball ticket. Likewise, in the two weeks after a Powerball jackpot is won, players who buy Powerball tickets will have the chance to win a free \$2 Mega Millions ticket. Tickets will be awarded on an Nth ticket basis. Our first reset promotion was triggered on 1/3/24 for Powerball and ran for two weeks through 1/16/24.

ii. Upcoming tasks for this period:

1. *Ice Cold Cash Keno Second-Chance Promotion* [1/15 – 2/11/24]: The second drawing will be held 1/29/24.
2. *Leap Day, Extra Play!*: We will be celebrating Leap day this year with this one day promotion! On 2/29/24, players have the chance to win (on an Nth ticket basis) \$5 and \$10 instant win vouchers, just by playing their favorite terminal games.
3. *Pick 3, Pick 4, Pick 5 Double Pay on Box Play Promotion* [2/12 – 3/10/24]: For 4 weeks, players may receive doublers on their Pick 3, Pick 4, and Pick 5 box plays. Doublers will be awarded on an Nth ticket basis. If the players numbers are winners, their boxed winnings will be doubled. Boxed/Straight tickets will not be eligible.

c) FAST PLAY Products and Promotions

i. Key accomplishments last 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 – *Win Big*
 - \$20 – *MONOPOLY Properties (relaunch)*

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)*

2. Game Closing Activity:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
042	\$10	High Roller Blackjack	\$6,282,500	\$4,706,121	\$1,576,379	11/29/2023

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
041	\$3	Skee-Ball	\$2,083,665	\$1,382,215	\$701,450	12/3/2023
044	\$5	Sevens	\$3,323,210	\$2,347,012	\$976,198	12/3/2023
037	\$20	Monopoly Properties	\$10,078,380	\$7,141,730	\$2,936,650	12/3/2023

3. Creative Services

a) Traditional Advertising

i. Key accomplishments last period:

1. *Holiday Scratch-Offs:*
 - a. The *Holiday* statewide advertising campaign wrapped up on 12/24.
2. *Loteria:*
 - a. All *Loteria* creative materials were completed. This includes printed point-of-sale, out-of-home, digital and radio.
 - b. The *Loteria* media plan was finalized and all buys were placed by *9Rooftops*. The media is running from 1/8 – 2/4 and consists of radio, streaming audio, digital and out-of-home media. Radio and streaming audio is running in both English and Spanish language outlets.
3. *Pick 3, 4 and 5*
 - a. A statewide advertising campaign was developed to support the *Pick 3, 4 and 5* games. The campaign began on 1/1 and continues through 1/28. The media plan consists of radio, streaming audio, out-of-home, digital and social media.
 - b. All *Pick 3, 4 and 5* creative materials were completed and produced.
4. *Multiplier FOG Scratch-Offs:*
 - a. Finalized the media plan to support the launch of the *Multiplier FOG*. The media plan will run from 1/29 – 2/27 and includes TV, cable, radio, streaming audio, out-of-home, digital and social media.
 - b. Completed the creative development and production of two radio spots, out-of-home and digital media. GKV also tagged the existing “*Come and Get Your Fun*” television spot with the *MFOG* tickets.
 - c. All point-of-sale materials have delivered and been distributed to Sales.
5. *\$5,000,000 Cash*
 - a. The point-of-sale for the launch of *\$5,000,000 Cash* has been approved and released to print.
 - b. The Lottery began media planning with *9Rooftops*.
6. *Cash Pop:*
 - a. The Lottery has been working on the creative campaign to launch *Cash Pop*. The Lottery approved the television concept and is set to shoot a new television commercial in early February.
 - b. The Lottery has been working on the line up of point-of-sale pieces and is close to finalizing the art and logistics.
7. *The Big Spin Scratch-Off:*
 - a. GKV presented initial campaign ideas for the launch of *The Big Spin*, including television, radio and point-of-sale.
8. *FAST PLAY Home Run Riches:*
 - a. GKV presented initial point-of-sale concepts. The Lottery is currently working with the *Baltimore Orioles* and *MASN-TV* to secure 2024 sponsorship packages. Once sponsorships are agreed to and the

Contestant of the Game locked in for 2024, the Lottery will move forward with releasing the point-of-sale to printers.

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

1. *Multiplier FOG Scratch-Offs:*
 - a. *9Rooftops* to finalize the television and radio buys with all stations.
 - b. *GKV* to complete all digital and social media creative materials.
2. *\$5,000,000 Cash*
 - a. *9Rooftops* presented the media plan for the launch of *\$5,000,000 Cash* on 1/11. The Lottery to review and provide any feedback. Once approved, *9Rooftops* to move forward with placing all media.
 - b. *GKV* to continue working on the creative development and production for all radio, out-of-home, digital and social media elements.
3. *Cash POP:*
 - a. The Lottery to continue to work on all point-of-sale materials for the launch of *Cash POP*. The point-of-sale plan includes two “coming soon” pieces, one that will be used to communicate to retailers and the other is designed for players. The plan also includes mailing a point-of-sale kit to the Lottery’s *XCAP* retailers.
 - b. *GKV* to continue working on the creative development for all radio, out-of-home, digital and social media assets. The television production will take place in early February; *GKV* will continue to work on the logistics and production elements leading up to the shoot.
 - c. *9Rooftops* to present the media plan to launch *Cash POP*.
4. *The Big Spin:*
 - a. The Lottery to select a campaign direction for the launch of *The Big Spin*, including point-of-sale.
 - b. *9Rooftops* to present the media plan to launch *The Big Spin*.
5. *FAST PLAY Home Run Riches:*
 - a. The Lottery and *9Rooftops* to continue working with *MASN-TV* and the *Baltimore Orioles* to finalize the Lottery’s sponsorships for the 2024 season.
 - b. The Lottery to finalize the point-of-sale for the launch of *FAST PLAY Home Run Riches* and the 2024 *Contestant of the Game*.

b) **Web, Digital and Social**

i. **Key accomplishments last period**

1. Promoted the *Loteria* scratch-off, new *FAST PLAY* games, the *Powerball* jackpot, the *Race into 2024* 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. Continued working on a refresh of the mdlottery.com homepage to coincide with the launches of *Cash Pop* and the new mobile app.
4. Completed the transition to a new website hosting provider.
5. Held two social media giveaways that garnered over 1,000 entries each.

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

1. Execute social and digital campaigns for the *Multiplier Family of Games* scratch-offs and second chance contest.
2. Develop social and digital plans for the *\$5,000,000 Cash* scratch-offs.
3. Continue working on changes required on the website and mobile app for the launch of *Cash Pop*.
4. Begin developing launch plans for *Cash Pop* and the new mobile app social media.

c) **My Lottery Rewards**

i. **Key accomplishments last period:**

1. Monthly Active Users (MAUs) in December increased 15.6% from November. We saw approximately 6,800 Daily Average Users (DAUs) in December, a 9.4% increase from November.
2. There were 3,963 New Player Registrations in December, a 76% increase from November. The greatest number of new registrants were in the 25-34 and 35-44 age ranges. The number of new registrants in the 18-24 age range saw an increase of 125% from last month.
3. *Pick 4* lead as the most entered draw ticket in December, followed by *Pick 3*, and then *Powerball*.
4. The top 3 scratch-off tickets entered for December were *Holiday Cash*, followed by *Win \$100, \$200 or \$500* and *Winning 7's*.
5. The MLR app saw 88,037 users in December - 78.5% on iOS, and 21.5% on Android. The app has been downloaded 18.9K times from the Google Play Store since its release on 7/27/23.
6. Conducted a *My Lottery Rewards* social media giveaway, where we asked Maryland Lottery social media followers to like and comment on an MLR Social Giveaway post for a chance to win 5,000 Prize Points. We selected 5 winners and saw a pronounced boost in engagement.

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

1. Implement messages on draw game tickets to promote MLR.
2. Continue to promote PFDs and Draw Points through CRM communications in an effort to increase engagement with the program
3. Develop a quarterly schedule for MLR points giveaways on social media.