

Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



Montgomery Park Business Center
1800 Washington Blvd., Ste. 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

TO: Maryland Lottery and Gaming Control Commission
John Martin, Director

FROM: Solomon Ramsey, Managing Director, Sales and Marketing

DIVISIONS: Sales and Marketing

DATE: February 22, 2024

SUBJECT: Report for the February, 2024 Commission Meeting

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

1. Sales

January 2024, Year over Year Comparison Product Category by Store Segment

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2024	\$70,148,157	\$44,786,781	\$95,318,645	\$210,253,583
	2023	\$98,522,465	\$48,414,445	\$97,973,526	\$244,910,435
	Difference	(\$28,374,308)	(\$3,627,664)	(\$2,654,881)	(\$34,656,853)
	%YoY +/-	-28.8%	-7.5%	-2.7%	-14.2%
INDEPENDENT	2024	\$49,602,370	\$37,128,032	\$55,394,232	\$142,124,633
	2023	\$65,822,265	\$40,933,350	\$59,074,814	\$165,830,429
	Difference	(\$16,219,895)	(\$3,805,318)	(\$3,680,582)	(\$23,705,795)
	%YoY +/-	-24.6%	-9.3%	-6.2%	-14.3%
	% of State Sales	70.7%	82.9%	58.1%	67.6%
CORPORATE	2024	\$20,545,788	\$7,658,749	\$39,924,413	\$68,128,949
	2023	\$32,700,200	\$7,481,095	\$38,898,712	\$79,080,007
	Difference	(\$12,154,413)	\$177,654	\$1,025,701	(\$10,951,058)
	%YoY +/-	-37.2%	2.4%	2.6%	-13.85%
	% of State Sales	29.3%	17.1%	41.9%	32.4%

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 January 18, 2024.

- a. Our *Multiplier* themed family of games launched in January 2024. Five (5) scratch off price points were launched, featuring \$1, \$2, \$5, \$10 and \$20. There was a similarly themed \$30 ticket that was launched in the month of December which helped compliment the January launch of our Multiplier themed games.
 - b. In conjunction with our instant products, we highlighted for upcoming initiatives/promotions in the form of a *Jackpot Reset Promotion, Pick 3/4/5 Double Pay on Box Play promotion, Fast Play Fridays promotion and Multiplier MLR second chance contest.*
2. District Managers with the best sales by region/territory (year-over-year) for October:

- Nicole Sample T-13
- Chuck Hamrick T-25
- Rob Austeria T-38
- **Steve Corbin T-45 (Awarded the DM of the month)**

3. Launch Team initiative meeting was conducted. This month's focus was on the development of a strategic sales plan for our second \$50 instant ticket launch.

ii. Upcoming tasks for this period:

- 1. Planning, preparation and execution of launch strategies and initiatives for the February instant ticket launch. We will be launching four (4) new price points: \$3, \$5, \$10 and \$50.
- 2. Execution of the strategic sales plan specifically developed for the launch of our newest \$50 instant ticket.

b) Field Activities

i. Key accomplishments last period:

- 1. District Managers made 6,515 retailer communication contacts during January, which includes store visits, phone calls and emails.
- 2. District Managers prepared retailers for, and increased awareness of, the upcoming \$50 instant ticket launch in February. Ensuring it was a talking point at every visit.
- 3. The Sales Department supported selling with our retailer(s) at 4 events: Chesapeake Bay Boat Show on 1/19-1/21 and Baltimore Ravens home games on 1/6, 1/20 & 1/28 in Baltimore.

ii. Upcoming tasks for this period:

- 1. Execution of the field sales plan specifically developed for the launch of our newest \$50 instant ticket.
- 2. 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.
- 3. 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 January. Eleven (11) independent applications were processed and locations installed in the month of January.

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 February 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 continue vetting, planning and allocating newly received PHD self-service units. We are releasing approximately sixty units across the four regions. Thirty units were installed in retail locations in the month of January.
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 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 1/31/24):
 - a. FY'24- \$501,693,797
 - b. FY'23- \$491,185,515
 - Up 2%
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 is working with corporate partners to discuss potential partnerships for joint promotions for the second half of the fiscal year.

ii. Upcoming tasks for this period:

1. Corporate will schedule business reviews with the following corporate chains:
 - a. Royal Farms
 - b. Giant Foods
 - c. Dash in
 - d. Walmart

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office
 - a. New updates were tested in the lab. Unfortunately, most items tested did not pass and need to be revisited by the vendor. This request has been

sent and we are waiting on confirmation the issues have been corrected so a second round of testing can begin.

2. Gem Intelligence

- a. New Surface Go units have arrived. Director of Sales Force Automation and Sales Training Manager have met with Maryland Lottery IT department to discuss what was needed on the Surface Go units. IT will create a template and set up two units for initial testing. Target for testing to begin is 2/1.

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. Timeline for enhancements is unknown at this time.

4. Sci Trak

- a. Updates were entered into the system for the February initial allocation of our newest \$50 ticket. Approximately 3400 retailers will receive the new game on launch day (2/19), with an additional 350-400 receiving the game via auto orders or call in orders.

5. Training

- a. State wide training for EEO is being evaluated. Looking to offer several avenues for employees to be trained, (The Hub, in person or virtual). Development of new 5-minute videos on various subjects for field staff training.

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

- 1. Testing of surface go units to prepare for distribution to the field staff.

2. **Product Development**

a) **Scratch-Off Products and Promotions**

i. **Key accomplishments last 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 Promotion*: The Seats for 20 Years winner, selected from six finalists, will be announced at an event later this month.
- 4. *Multiplier Family of Games Second-Chance Promotion*: The first drawing for one winner of \$50,000 cash will be held 2/27/24.
- 5. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
583	\$2	Show Me \$10,000!	5,019,208.00	3,183,215.36	\$1,835,993	1/4/2024
587	\$3	Diamond Bingo 3rd Ed.	9,321,048.00	6,257,633.77	\$3,063,414	1/4/2024
597	\$5	Extreme Green	17,002,270.00	12,217,319.49	\$4,784,951	1/4/2024
599	\$1	Fast Ca\$h	2,348,700.00	1,406,230.34	\$942,470	1/4/2024
608	\$10	Blizzard Bucks	19,933,600.00	14,933,014.88	\$5,000,585	1/4/2024

ii. Upcoming tasks for this period:

1. March Scratch-Off Launch (3/18/24):
 - \$1 – *Corner Payout*
 - \$2 – *PAC-MAN*
 - \$5 – *Money Money Money*
 - \$10 – *Bingo X10 7th Edition*
 - \$10 – *\$150,000 Extreme (Oversized Ticket)*
2. *Multiplier Family of Games Second-Chance Promotion*: The first drawing is scheduled for 2/27/24; as of 2/11/24 3,069,289 entries have been received.
3. *PAC-MAN Second Chance Promotion*: Beginning 3/18/24, players may enter non-winning PAC-MAN tickets into My Lottery Rewards for a chance to win a cash prize of \$2,500 (2 winners) or a PAC-MAN Arcade unit with White Glove Delivery Service. 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. *Ice Cold Cash Keno Second-Chance Promotion* [1/15 – 2/11/24]: The first drawing was held on 1/22/2024; 387,212 entries were received. The second drawing was held 1/29/24; 1,089,850 entries were received. The third drawing was held 2/05/2024; 2,047,138 entries were received. The fourth and final drawing was held 2/12/2024; 2,920,915 entries were received.
2. *Jackpot Reset Promotion* [1/1 – 6/30/24]: Our first jackpot reset promotion was triggered on 1/1/24 after the Powerball jackpot was hit on New Year's Day. The first iteration of this promotion began on 1/3/24 and ran for two weeks before concluding on 1/16/24 – 114,418 free Mega Millions tickets were awarded.
3. *Pick 3, Pick 4, Pick 5 Double Pay on Box Play Promotion* [2/12 – 3/10/24]: For four weeks, players may receive doubler messages on their Pick 3, Pick 4, and Pick 5 box plays. Doublers will be awarded on an Nth ticket basis. If the player's numbers are winners, their boxed winnings will be doubled. Boxed/Straight tickets will not be eligible.

ii. Upcoming tasks for this period:

1. *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.
2. *Keno Sprinkler*: [3/18 – 4/14/24]: The Spring Keno Sprinkler promotion is back! From 3/18 through 4/14, players could receive Doubler or Tripler messages on their Keno tickets – any prizes won on those tickets will be doubled or tripled.

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. *FAST PLAY Fridays Promotion* [2/2, 2/9, 2/16, 2/23/24]: Every Friday during the month of February, players who purchased any \$5 FAST PLAY game had the chance to receive a free \$10 or \$20 FAST PLAY ticket on an Nth ticket basis.

ii. Upcoming tasks for this period:

1. March FAST PLAY Launch (3/4/24):
 - \$5 – *Home Run Riches Bases Loaded (relaunch)*
2. *Contestant of the Game Second-Chance Promotion*: With the return of the \$5 Home Run Riches Bases Loaded FAST PLAY game comes the Oriole's Contestant of the Game Second-Chance Promotion, similar to years past but with a new way to win. Like previous years, a Contestant of the Game is selected for every Oriole's home

game – they receive \$500 for being selected and \$500 for every home run hit by an Oriole player during their selected game. An exciting new layer was added for the 2024 promotion, for every Grand Slam hit by an Oriole player during their selected game, the Contestant of the Game will win an additional \$5,000! Entries will be cumulative and first drawing will be 3/26/2024.

3. Creative Services

a) Traditional Advertising

i. Key accomplishments last period:

1. *Multiplier FOG Scratch-Offs:*
 - a. All *Multiplier FOG* creative materials were completed. The media plans were finalized and began running on 1/29 and will continue through 2/27.
2. *\$5,000,000 Cash Scratch-Off:*
 - a. The point-of-sale for the launch of *\$5,000,000 Cash* has been produced and is being distributed to retailers.
 - b. The media plan was approved and will run statewide from 2/26 through 3/24 and includes radio, streaming audio, out-of-home, digital media, and social media.
 - c. The Lottery finalized the majority of the creative assets for this launch, including the radio scripts, out-of-home creative and digital units.
3. *Problem Gambling Awareness Month (March 2024):*
 - a. The Lottery finalized the media plan to promote *Responsible Gaming* during *Problem Gambling Awareness Month*. The media will run from 3/4 - 3/31 and includes television, radio, out-of-home, digital media and social media.
4. *FAST PLAY Home Run Riches:*
 - a. The Lottery finalized the point-of-sale for the launch of the *FAST PLAY Home Run Riches* second chance contest and all pieces were released to the printer.
 - b. The Lottery approved the direction for the 2024 creative campaign.
 - c. The Lottery finalized its sponsorships with the *Baltimore Orioles* and *MASN-TV*. These sponsorships provide in-stadium, television, radio and digital coverage. GKV to work with the *Orioles* and *MASN-TV* to update creative materials for the upcoming season.
5. *Pac-Man Scratch-Off:*
 - a. The Lottery approved the campaign direction for the launch of the *Pac-Man Scratch-Off*. The point-of-sale and LIM graphics have been approved.
6. *The Big Spin Scratch-Off:*
 - a. The Lottery signed off on the campaign direction for the launch of *The Big Spin Scratch-Off*, including television, radio and point-of-sale.
7. *Cash Pop:*
 - a. The Lottery approved the creative campaign elements for *Cash Pop*. The television spot was filmed on 2/8.
 - b. The Lottery has continued to make progress on the extensive point-of-sale materials that will be used to launch the *Cash Pop* game.

ii. Upcoming tasks for this period:

1. *\$5,000,000 Cash*
 - a. GKV to produce two radio spots for the launch of *\$5,000,000 Cash*.
2. *Problem Gambling Awareness Month (March 2024):*
 - a. Lottery to work with GKV to update and finalize all creative materials.
 - b. 9Rooftops to finalize and place all media buys.
3. *FAST PLAY Home Run Riches:*

- a. The Lottery and GKV to begin production of the *Home Run Riches* campaign, including TV and radio.
- b. The Lottery to finalize its sponsorship agreements with the *Baltimore Orioles* and *MASN-TV*. GKV to work with both partners to produce and update in-stadium creative materials for the 2024 season.
4. *PAC-MAN Scratch-Off*:
 - a. The Lottery to work with 9Rooftops to finalize the *Pac-Man* media plan.
 - b. The Lottery to work with GKV to finalize all *Pac-Man* creative elements.
 - c. The Lottery to release the point-of-sale to the printer.
5. *The Big Spin Scratch-Off*:
 - a. The Lottery and GKV to move into the production phase for *The Big Spin* radio and television commercials and finalize the creative direction for out-of-home, digital and social media.
 - b. 9Rooftops to present the media plan to support the launch of *The Big Spin*. The media is tentatively planned to launch in late April.
6. *Cash Pop*:
 - a. The Lottery and GKV to continue production of all *Cash Pop* creative materials.
 - b. Lottery to finalize all point-of-sale materials and move into production.
 - c. 9Rooftops to develop the media plan to launch *Cash Pop* that will begin in early May.

b) Web, Digital and Social

i. Key accomplishments last period

1. Promoted the *X the Cash Scratch-Offs* and second-chance promotion, *Keno Ice Cold Cash* promotion, *Pick* games, *FAST PLAY Fridays* promotion, and various winners and events through social media and the website.
2. Continued planning sessions with GKV and our mobile app vendor, Mindgrub, to refine the design and functionality of the Lottery's new mobile app.
3. Continued working on a refresh of the mdlotttery.com homepage to coincide with the launches of *Cash Pop* and the new mobile app.
4. Initiated a new digital "always on" advertising plan for the remainder of the fiscal year.

ii. Upcoming tasks for this period:

1. Execute social and digital campaigns for the \$5,000,000 *Cash* scratch-off.
2. Develop social and digital plans for the *Pac-Man* scratch-offs and second chance contest.
3. Continue developing communication plans for *Cash Pop* and the new mobile app.

c) My Lottery Rewards

i. Key accomplishments last period:

1. While MAUs (Monthly Active Users) and DAUs (Daily Active Users) both decreased slightly this month, the program saw increases in total tickets entered, average entries per player, and the total retail value of tickets entered.
 - a. Total Entries – 6.78M (1% increase from Dec.)
 - b. Average Entries Per Player – 152 (8.26% increase from Dec.)
 - c. Total Retail Value of tickets entered - \$34.82M (0.8% increase from Dec.)
2. The top 3 most entered scratch-off tickets in January were: 1) *Win \$100, \$200 or \$500!* 2) *\$*, and 3) *Winning 7*.
3. The top 3 most entered draw tickets in January were: 1) *Pick 4* (1.3M), 2) *Pick 3* (871K), and 3) *Keno* (480K).
4. The MLR app saw 80,165 users in January (77.4% iOS; 22.6% Android). There were 10,830 new MLR app users during the month.

ii. Upcoming tasks for this period:

1. The *MLR* Prize Store will be switching over to Amazon, offering members a larger variety of inventory items, faster shipping and more delivery options. The change is expected to take place in April.
2. Continue planning for FY24 Q4 Points for Drawings.
3. An acquisition email campaign to encourage Lottery players to join *MLR* will begin in February.
4. A campaign to highlight *MLR* PFD and second chance winners via email communications will begin in February.
5. Begin collaborating with the Corporate Sales Team to develop consumer promotions with specific corporate accounts.