

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: March 28, 2024

SUBJECT: Report for the March, 2024 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2024	\$70,939,929	\$46,075,170	\$103,012,594	\$220,027,693
	2023	\$69,920,571	\$46,493,694	\$97,619,649	\$214,033,913
	Difference	\$1,019,359	(\$418,524)	\$5,392,945	\$5,993,780
	%YoY +/-	1.5%	-0.9%	5.5%	2.8%
INDEPENDENT	2024	\$49,522,440	\$38,222,390	\$60,159,395	\$147,904,225
	2023	\$50,217,729	\$39,207,780	\$59,129,282	\$148,554,791
	Difference	(\$695,289)	(\$985,390)	\$1,030,113	(\$650,566)
	%YoY +/-	-1.4%	-2.5%	1.7%	-0.4%
	% of State Sales	69.8%	83.0%	58.4%	67.2%
CORPORATE	2024	\$21,417,490	\$7,852,780	\$42,853,199	\$72,123,468
	2023	\$19,702,842	\$7,285,914	\$38,490,367	\$65,479,123
	Difference	\$1,714,648	\$566,866	\$4,362,832	\$6,644,345
	%YoY +/-	8.7%	7.8%	11.3%	10.15%
	% of State Sales	30.2%	17.0%	41.6%	32.8%

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 February 14, 2024.

- a. Five (5) scratch off were launched, featuring \$3, \$5, \$10, \$20 and \$50 price points. This is the lottery's second \$50 instant ticket introduced to the marketplace.
- b. In conjunction with our instant products, we highlighted one upcoming promotion in the form of *Leap Day, Extra Play!*
2. District Managers with the best sales by region/territory (year-over-year) for October:
 - Bryan Byers T-12
 - Chuck Hamrick T-25
 - **Tim Perry T-37 (Awarded the DM of the month)**
 - Steve Corbin T-45
3. Launch Team initiative meeting was conducted. This month's focus was on the development of a strategic sales plan for our newest oversized ticket.

ii. Upcoming tasks for this period:

1. The sales team will be provided more detailed information and general training on two new upcoming initiatives by our Product Development team.
2. Planning, preparation and execution of launch strategies and initiatives for the March instant ticket launch. We will be launching five (5) tickets: \$1, \$2, \$5 and \$10 (2).
3. Execution of the strategic sales plan developed for the launch of our newest \$10 oversized instant ticket.

b) Field Activities

i. Key accomplishments last period:

1. District Managers made 6,435 retailer communication contacts during February, which includes store visits, phone calls and emails.
2. District Managers successfully executed the sales plan for the February launch of our newest \$50 instant ticket.
3. The Sales Department supported selling with our retailer(s) at 1 event: Maryland Home and
4. to update all retailer profiles which include confirming and Garden Show on 3/2-3/3 and 3/8-3/10.

ii. Upcoming tasks for this period:

1. Continued execution of the field sales plan specifically developed for the launch of our newest \$50 instant ticket.
2. District Managers continue 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: Eighteen (18) new independent applications were submitted by retailers in the month of February. Ten (10) independent applications were processed and locations installed in the month of February.

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 March 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.
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. Preparation for upcoming launch of The Big Spin instant ticket as well as Cash Pop, the Lottery's new daily draw game launching in May. Each game is receiving extra attention in terms of POS and support in the marketplace.
2. Continued vetting, scheduling and distribution of the self-service units.
3. 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 2/29/24):
 - a. FY'24- \$573,502,034
 - b. FY'23- \$559,045,461
 - Up 3%
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. High's of Baltimore
 - b. Giant Foods
 - c. Safeway
 - d. Walmart
2. Work with the following corporate partners on potential second chance promotions in their locations:
 - a. Royal Farms
 - b. Sheetz
 - c. High's of Baltimore
 - d. Giant Foods

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office
 - a. After reconfiguration, new updates were retested in the lab and proven successful. One item pertaining to the masking of social security and FID numbers remains that needs to be revisited by the vendor.
 - b. There is consideration of changing the flow of the application process but details have yet to be discussed.
2. Gem Intelligence
 - a. New Surface Go units have been tested by Director of Sales Force Automation and Sales Training Manager and configuration/set up protocol has been developed. IT is beginning the set-up process and the intent is to have units available for distribution mid to late March.
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 March initial allocation of our newest oversized ticket. A listing of retailers who are willing and able to carry the ticket has been provided to our vendors Tel-Sell team for distribution.
5. Training
 - a. State wide agency training is being moved forward. Sales Training Manager is working with the Director on special initiatives.
 - b. Sales Training Manager is setting up new “short” training videos for District Managers to be able to access on Gem Intelligence.

ii. Upcoming tasks for this period:

1. Follow up and work with vendor to complete the update pertaining to the masking of SS and FID numbers in the system.
2. Final testing and initial distribution of new Surface Go units to the field staff.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last 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 for one winner of \$50,000 cash was held on 2/27/24; 5,384,581 entries were 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 are cumulative and will be carried over after each drawing.

4. *Game Closing Activity:*

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
584	\$5	Show Me \$50,000!	\$14,507,640	\$10,253,678	\$4,253,962	1/29/2024
592	\$5	Gold Bar Bingo 3rd Ed.	\$17,535,640	\$12,470,726	\$5,064,914	1/29/2024

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

1. April Scratch-Off Launch (4/22/24):
 - \$3 – *SKEE-BALL*®
 - \$5 – *THE BIG SPIN*®
 - \$10 – *Jumbo Cash*
 - \$30 – *Mega Money*
2. *THE BIG SPIN*®: On April 22nd we will be launching *THE BIG SPIN*®, a \$5 scratch-off game that offers a unique player experience. In addition to instant cash prizes, players that reveal a ‘SPIN’ symbol will know they’ve won but won’t know what amount they have won until they take their ticket to retail or scan with the Lottery app. When the ticket is taken to retail, an animated digital spin will be displayed on the LIM monitor that reveals the winning prize amount. Every digital spin is a winning outcome and will reveal either a cash prize ranging from \$10 to \$250 or a ‘BIG SPIN’! If the digital spin wheel lands on ‘BIG SPIN’, players will then schedule an appointment to come to the Maryland Lottery Claims Center and spin The Big Spin Wheel for a chance to win between \$50,000 and \$250,000!
3. *PAC-MAN™ Second Chance Promotion*: The first drawing for one winner of \$2,500 cash will be held on 4/16/2024.
4. *Multiplier Family of Games Second-Chance Promotion*: The second drawing will be held on 4/2/2024; as of 3/11/24 7,881,233 entries have been received.

b) **Draw and Monitor Game Products and Promotions**

i. **Key Accomplishments last period:**

1. *Leap Day, Extra Play!*: We celebrated Leap day this year with a one-day promotion. On 2/29/24, players had the chance to win (on an Nth ticket basis) \$5 and \$10 instant win vouchers, just by playing their favorite terminal games.
2. *FAST PLAY Fridays*: Every Friday during the month of February, players who purchased a \$5 FAST PLAY game during the promotional period received free \$10 or \$20 FAST PLAY tickets on an Nth ticket basis. The promotion generated such a positive response, an additional Friday was added: March 1, 2024.
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. *Keno Sprinkler* [3/18 – 4/14/24]: The Spring Keno Sprinkler promotion is back! 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.
2. *Spring Fling All Games Promotion*: For four weeks, beginning on 4/1/2024, players could receive one of the newly launched FAST PLAY games (\$1 *Hi-Lo*, \$2 *7-11-21*®, \$3 *Prize Pyramid*, or \$10 *Grand Progressive*) FREE, just by playing their

favorite lottery games. Any terminal game purchases can trigger the Nth ticket award tiers.

c) FAST PLAY Products and Promotions

i. Key accomplishments last 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 as of 3/18/24 we have received 21,546 entries. The first drawing will be 3/26/2024.

ii. Upcoming tasks for this period:

1. April FAST PLAY Launch (4/1/24):
 - \$1 – *Hi-Lo*
 - \$2 – *7-11-21®*
 - \$3 – *Prize Pyramid*
 - \$10 – *Grand*

3. Creative Services

a) Traditional Advertising

i. Key accomplishments last period:

1. *\$5,000,000 Cash Scratch-Off*:
 - a. The media for *\$5,000,000 Cash* began running on 2/26 and will continue through 3/24. Media includes radio, streaming audio, out-of-home, digital media, and social media.
 - b. All creative assets were produced and completed.
2. *Problem Gambling Awareness Month* (March 2024):
 - a. The media plan to promote *Responsible Gaming* during *Problem Gambling Awareness Month* began on 3/4 and will continue through 3/31. The media includes television, radio, out-of-home, digital and social media.
3. *FAST PLAY Home Run Riches*:
 - a. GKV is continuing to work with the *Orioles* and *MASN-TV* to provide and/or update creative materials for the upcoming season. Both contracts have been finalized. Additionally, GKV to produce four radio spots that will air throughout the season.
4. *Pac-Man Scratch-Off*:
 - a. The Lottery approved the media plan for the launch of the *Pac-Man Scratch-Off*. The media will run from 3/25 through 4/28 and include streaming audio, various forms of out-of-home, online videos, digital banners and social media.
 - b. GKV to complete production of the online video, audio spots, digital and social media ads.
5. *The Big Spin Scratch-Off*:
 - a. The Lottery and GKV are moving forward with production of *The Big Spin* creative assets. The television shoot will take place the week of 3/25 and point-of-sale has been finalized and released to the printer.

- b. 9Rooftops will present the media plan the week of 3/18.
- 6. *Cash Pop*:
 - a. The Lottery and GKV continue to work through the creative elements for the launch of *Cash Pop*; including the completion of the television and radio spots, and all out-of-home, digital and social media units.
 - b. The Lottery has finalized all point-of-sale materials and have begun releasing pieces to the printer.
 - c. 9Rooftops will present the media plan the week of 3/18.
- 7. *Team USA*:
 - a. The Lottery began planning for the upcoming *Team USA* promotion. We have approved media and creative briefs for the development of the advertising support.

ii. Upcoming tasks for this period:

- 1. *FAST PLAY Home Run Riches*:
 - a. The Lottery and GKV to complete production of the *Home Run Riches* television and radio spots and all in-stadium assets.
- 2. *PAC-MAN Scratch-Off*:
 - a. The Lottery to work with GKV to finalize and produce all *Pac-Man* creative elements.
- 3. *The Big Spin Scratch-Off*:
 - a. The Lottery and GKV to complete the production of all of *The Big Spin* creative materials.
 - b. Lottery to finalize the media plan for *The Big Spin*, which will begin airing the week of 4/22.
- 4. *Cash Pop*:
 - a. The Lottery and GKV to complete production of all *Cash Pop* creative materials, including all retailer point-of-sale.
 - b. Lottery to finalize the media plan for *Cash Pop* which will begin airing the week of 5/6.
- 5. *Team USA*:
 - a. The Lottery and GKV to begin working on the point-of-sale and creative materials for the launch of the *Team USA* campaign.
 - b. The Lottery to finalize the media plan for *Team USA* which will begin airing in mid-June.
- 6. *NASCAR Powerball Promotion*:
 - a. The Lottery to initiate planning for the upcoming *NASCAR Powerball Promotion* that will begin in late May

b) Web, Digital and Social

i. Key accomplishments last period

- 1. Promoted the *Pac Man Scratch-Off* and second change promotion, *\$5,000,000 Cash Scratch-Off*, *Problem Gambling Awareness Month*, *FAST PLAY Home Run Riches Based Loaded Contestant of the Game* promotion, *Double Play on Box Play* promotion, *Leap Day* promotion, high jackpots, and various winners and events through social media and the website.
- 2. Completed testing and QA on the new MD Lottery mobile app to ensure the best player experience at launch.
- 3. Conducted two giveaways on social media which garnered a total of more than 2,500 entries.

ii. Upcoming tasks for this period:

- 1. Execute comprehensive communication and advertising plan for the new MD Lottery mobile app.

2. Launch the refresh of the mdlottery.com homepage to coincide with the launch of the new mobile app.
3. Develop social and digital plans for *The Big Spin Scratch-Off*.
4. Continue developing communication plans for *Cash Pop*.

c) My Lottery Rewards

i. Key accomplishments last period:

1. While monthly users decreased slightly in February (41.2K), daily users increased almost 4% (6.4K).
2. February saw 1,745 new registrations, with the majority of people falling in the 25-44 age range.
3. The most entered scratch-off ticket in February was *20X The Cash*, with 151K non-winning tickets entered. The most entered draw game ticket is again *Pick 4*, with over 1.1M tickets entered.
4. Initiated a “Redeem Coupons” push notification campaign to encourage program members to check their accounts for any unused coupons. Coupon redemption rate for February was 70%, 2% higher than last month. The overall coupon redemption rate for the program is 64%.

ii. Upcoming tasks for this period:

1. Continuing to plan for the prize store platform change with SG, including PFD development, PFD visibility of the site and communications with members.
2. Launching FY 24 Q4 *Points for Drawings* promotions on 4/2.
3. Complete development of rules and specifications for the *Mega Millions Team USA Second Chance promotion*, *Powerball NASCAR Second Chance promotion* and the *2024 State Fair PFD*.