

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: April 25, 2024

SUBJECT: Report for the April, 2024 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2024	\$95,403,690	\$53,903,157	\$108,233,122	\$257,539,969
	2023	\$77,158,851	\$56,377,875	\$112,502,269	\$246,038,994
	Difference	\$18,244,839	(\$2,474,718)	(\$4,269,147)	\$11,500,974
	%YoY +/-	23.6%	-4.4%	-3.8%	4.7%
INDEPENDENT	2024	\$63,206,982	\$44,688,334	\$64,473,515	\$172,368,830
	2023	\$56,224,975	\$47,504,119	\$68,402,054	\$172,131,148
	Difference	\$6,982,007	(\$2,815,786)	(\$3,928,539)	\$237,682
	%YoY +/-	12.4%	-5.9%	-5.7%	0.1%
	% of State Sales	66.3%	82.9%	59.6%	66.9%
CORPORATE	2024	\$32,196,708	\$9,214,823	\$43,759,607	\$85,171,138
	2023	\$20,933,876	\$8,873,756	\$44,100,215	\$73,907,846
	Difference	\$11,262,833	\$341,068	(\$340,608)	\$11,263,292
	%YoY +/-	53.8%	3.8%	-0.8%	15.24%
	% of State Sales	33.7%	17.1%	40.4%	33.1%

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 March 11, 2024.

- a. Five (5) scratch off were launched, featuring \$1, \$2, \$5 and \$10 (2) price points.
 - b. In conjunction with our instant products, we highlighted two upcoming promotions in the form of a spring *Keno Sprinkler* and *Spring Fling All Games Promotion*.
2. District Managers with the best sales by region/territory (year-over-year) for March:
- Jon Braithwaite T-11
 - **Chuck Hamrick** T-25 (Awarded the DM of the month)
 - John Mandley T-34
 - Sherise Rascoe T-41
3. Launch Team initiative meeting was conducted. This month's focus was on the development of a strategic sales plan for *CASH POP*.

ii. Upcoming tasks for this period:

1. Planning, preparation and execution of launch strategies and initiatives for the April instant ticket launch. We will be launching four (4) tickets: \$3, \$5, \$10 and \$30.
2. Execution of the strategic sales plan developed for the launch of our newest daily draw game offering, *CASH POP*.
3. Planning, preparation for April Retailer Advisory Board meetings in Annapolis and Ocean City.

b) Field Activities

i. Key accomplishments last period:

1. District Managers made 6,402 retailer communication contacts during March, which includes store visits, phone calls and emails.
2. District Managers successfully executed the sales plan for the March launch of our newest oversized instant ticket, \$150,000 Extreme.
3. The Sales Department supported selling with our retailer(s) at 2 events: Beer, Bourbon & BBQ 3/22-3/23 and the Baltimore Orioles Opening Day 3/28.

ii. Upcoming tasks for this period:

1. Continued training and development for the field sales staff on our upcoming new instant game, *THE BIG SPIN*.
2. Continued execution of the field sales plan specifically developed for the launch of *CASH POP*.
3. District Managers continue updating contact information (email and cell phone numbers) as well as store photos.
4. 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: Sixteen (16) new independent applications were submitted by retailers in the month of March. Eleven (11) independent applications were processed and locations installed in the month of March.

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 April 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. Preparation for *CASH POP*, the new daily draw game offering that will be launching in May. Execution of phase one of the merchandising plan included development and distribution of “Coming Soon” point of sale to be used at retail as well as introductory information sheets for retailers. Continued preparation for phase two of the merchandising plan which includes launch point of sale materials.
3. In conjunction with our Regional Management team, we continue vetting, planning and allocating newly received PHD self-service units.

ii. Upcoming tasks for this period:

1. Execution of merchandising strategy surrounding *CASH POP*. This includes mailing of marketing point of sale kits to our XCAP retailers, preparation for distribution of multiple types and quantities of point of sale for use at retail as well as sales staff and retailer education. This 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 3/31/24):
 - a. FY '24- \$658,273,660
 - b. FY '23- \$630,384,913
 - Up 4%
2. Ongoing discussions 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 worked with corporate partners to discuss potential partnerships for joint promotions for the second half of the fiscal year.
4. Executed business reviews with the following corporate chains:
 - a. High's of Baltimore
 - b. Giant Foods
 - c. Safeway
 - d. Walmart
 - e. Sheetz
 - f. Harris Teeter
 - g. Dash-in

ii. Upcoming tasks for this period:

1. Corporate is onboarding a new corporate retail partner:
 - a. Primanti Brothers (Primanti Corporation)

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
 - e. Walmart

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office
 - a. Multiple Jira's are in the works for improvements to the system in general.
2. Gem Intelligence
 - a. New Surface Go units have been distributed to 95% of the field sales staff. All are functioning as they should with no major issues to report. We will continue to monitor and solicit feedback.
3. Gem Retailer
 - a. Program continues to expand with retailers asking for additional reporting, particularly reports on the self-serve units. Requests are being developed so we can present to the vendor. We have made this program and its capabilities a recurring point of emphasis to our retailers in our monthly retailer email and included it in our Retailer Advisory Board meeting presentations to occur late April.
4. Training
 - a. Sales training videos for District Managers are in the beginning stages of production with the intent that topics will be released on a monthly and semi-monthly basis.
 - b. Sales training and onboarding was completed for newly hired District Manager in territory 27.

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. Complete 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. 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 4/22/24 we launched *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 a prize 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, a digital spin will be displayed on a screen at retail 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. *Multiplier Family of Games Second-Chance Promotion*: The second drawing for one winner of \$50,000 cash was held on 4/2/24; 9,671,128 entries were received.
4. *PAC-MAN™ Second Chance Promotion*: The first drawing for one winner of \$2,500 cash was held on 4/16/24; as of 4/15/24 97,547 entries were received.
5. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
561	\$10	Power 10s	28,626,530	21,336,845	\$7,289,685	2/26/2024
593	\$5	Ravens X5	20,376,960	14,610,675	\$5,766,285	2/26/2024
594	\$10	\$100,000 Crossword 6th Ed	26,443,430	19,539,042	\$6,904,388	2/26/2024
620	\$10	Gold X50	27,018,010	20,008,392	\$7,009,618	2/26/2024

ii. Upcoming tasks for this period:

1. May Scratch-Off Launch (5/20/24):
 - \$1 – *Gold Rush 7s*
 - \$2 – *Gold Rush 7s Doubler*
 - \$5 – *Gold Rush 7s Tripler*
 - \$10 – *Gold Rush 7s Multiplier*
 - \$20 – *Gold Rush 777*
2. *Multiplier Family of Games Second-Chance Promotion*: The third drawing will be held on 5/7/24; as of 4/15/24 11,034,499 entries have been received.
3. *PAC-MAN™ Second Chance Promotion*: The second drawing for one winner of \$2,500 cash will be held on 5/7/24; as of 4/15/24 97,547 entries have been received.

b) Draw and Monitor Game Products and Promotions

i. Key Accomplishments last period:

1. *Keno Sprinkler* [3/18 – 4/14/24]: Through 4/14, players received Doubler or Tripler messages on their Keno tickets – any prizes won on those tickets were doubled or tripled.
2. *Spring Fling All Games Promotion* [4/1 – 4/28/24]: 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*) FREE, just by playing their favorite lottery games. Any terminal game purchases triggered the Nth ticket award tiers.
3. *Jackpot Reset Promotion* [1/1 – 6/30/24]: Our second reset promotion was triggered on 3/26/24 when the Mega Millions \$1.130 Billion jackpot was hit. The promotion began on 3/29/24 and ran for two weeks through 4/11/24 – on an Nth ticket basis during the promotion, players who purchased Mega Millions received a free Powerball ticket. Our third reset promotion was triggered on 4/6/24 when the Powerball \$1.3 Billion jackpot was hit. The promotion began on 4/8/24 and ran for two weeks through 4/21/24 – on an Nth ticket basis during the promotion, players who purchased Powerball received a free Mega Millions ticket.

ii. Upcoming tasks for this period:

1. *CASH POP™ New Draw Game Launch* 5/6/24: Put a little POP in your Day! On 5/6/24 we will be launching the new draw game, CASH POP™! Players select

their POP (single number selection) from a range of 1-15, or use Quick Pick to select their POP. Players can choose to play each POP for \$1, \$2, \$5, or \$10 as well as the number of advanced drawings at 9 a.m., 1 p.m., 6 p.m., and 11 p.m. where a single winning number will be revealed. At purchase, each POP will be assigned a prize from a predetermined table of prizes based on the amount played. Due to the variable prize assignment, tickets are printed individually for each drawing. All prizes won will be at least 5X the cost of a single POP. CASH POP™ is a trademark of IGT Global Solutions Corporation.

2. *Racetrax Triple Crown \$6 for \$5 [4/29 – 6/9/24]*: The popular Racetrax \$6 for \$5 promotion is coming back for the Triple Crown racing season. The six week-long promotional period will coincide with the Kentucky Derby, Preakness, and Belmont Races. This promotion will offer \$1 discounts on every \$5 purchase (maximum discount is \$5 on a purchase of \$30 or more).
3. *NASCAR® Powerball Playoff™ Second-Chance Promotion [5/20 – 7/1/24]*: Starting on 5/20/24 any Powerball tickets purchased and entered during the promotional period are eligible for entry into My Lottery Rewards. This is a national promotion; each participating state selects finalists to be entered into the Playoff Drawings to win cash prizes or a VIP trip to Phoenix for the 2024 NASCAR Championship Weekend at Phoenix Raceway™. There are two parts to this promotion:
 - *Maryland Drawings*: The Maryland Lottery will select 35 finalists, all of whom will receive \$1,000 for being selected. They then go on to participate in the Playoff Drawings, conducted by MUSL.
 - *MUSL Drawings*: The Playoff Drawings are a series of drawings from a national pool of entrants that mirror the elimination rounds of the NASCAR Playoffs. They will determine the four finalists who will win a VIP trip for two to NASCAR Championship Weekend at Phoenix Raceway, 11/8 – 11/11/24, and entry into the \$1 million drawing. Maryland is not guaranteed to send a player to the event.

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. April FAST PLAY Launch (4/1/24):
 - \$1 – *Hi-Lo*
 - \$2 – *7-11-21®*
 - \$3 – *Prize Pyramid*
 - \$10 – *Grand*
2. *Contestant of the Game Second-Chance Promotion*: The first drawing for 29 winners was held on 3/26/24; 37,086 entries were received. The second drawing for 27 winners was held on 4/23/24; as of 4/15/24 76,514 entries were received.
3. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
024	\$2	Bloomin' Bucks	1,483,576	1,001,376	\$482,200	3/7/2024
036	\$10	Winfall Doubler	9,706,420	7,218,415	\$2,488,005	3/7/2024

ii. Upcoming tasks for this period:

1. *Contestant of the Game Second-Chance Promotion*: The third drawing for 29 winners will be held on 5/28/24; as of 4/15/24 76,514 entries have been received.

3. Creative Services

a) Traditional Advertising

i. Key accomplishments last period:

1. *FAST PLAY Home Run Riches*:
 - a. GKV completed production of all *Orioles* and *MASN-TV* marketing assets, as well as the *Home Run Riches* television and radio spots that will run throughout the season.
2. *Pac-Man Scratch-Off*:
 - a. The *PAC-MAN* media plan began running on 3/25 and will continue through 4/28. This plan includes streaming audio, various forms of out-of-home, online videos, digital banners and social media.
 - b. GKV completed production of the *Pac-Man* online video, audio spots, out-of-home, digital media units and social media ads.
3. *THE BIG SPIN Scratch-Off*:
 - a. *THE BIG SPIN* media plan was approved and will run statewide for 6-weeks, 4/22 – 5/19 and 6/3 – 6/16. The media plan includes television and cable, radio, out-of-home, online video and banners, and social media.
 - b. The point-of-sale was completed and delivered to retailers. The television shoot for *THE BIG SPIN* took place the week of 3/25 and the spot is being finalized. Radio spots were recorded the week of 4/8 and all out-of-home and digital units have been approved.
4. *CASH POP*:
 - a. The *CASH POP* media plan was approved and will run statewide for 6-weeks, 5/6 – 6/2 and 6/17 – 6/30. The media plan includes television and cable, radio and streaming audio, out-of-home, standard and rich media banners, online video, and social media.
 - b. The Lottery and GKV are finalizing the production on all *CASH POP* creative materials, including radio and television spots, out-of-home and digital media. All will begin running on 5/6.
5. *Team USA*:
 - a. The *Team USA* media plan was approved and will run statewide for 2-weeks in FY'24, 6/10 – 6/23. The media plan includes radio and social media.
 - b. GKV to present *Team USA* creative, include point-of-sale, radio and social media concepts.
6. *NASCAR Powerball Promotion*:
 - a. The Lottery began planning for the upcoming *NASCAR Powerball Promotion* that will begin in late May. The promotion will be supported with internal assets.
7. *Mega Millions Jackpot*:
 - a. The Lottery supported the latest *Mega Millions* jackpot from February – March with television, radio, out-of-home and social media.

ii. Upcoming tasks for this period:

1. *FAST PLAY Home Run Riches*:
 - a. The Lottery and GKV to produce a *Home Run Riches* branding spot, *7th Inning Stretch*, that will run begin running mid-season. The shoot is scheduled for April 24th.
2. *THE BIG SPIN Scratch-Off*:

- a. The Lottery and GKV to complete production of *THE BIG SPIN* television and radio spots.
 - b. 9Rooftops to negotiate and finalize all media buys.
3. *CASH POP*:
 - a. The Lottery and GKV to complete production of all remaining *CASH POP* creative materials.
 - b. 9Rooftops to negotiate and finalize all media buys.
4. *Team USA*:
 - a. The Lottery and 9Rooftops to determine the media to support for *Team USA* in FY'25.
 - b. GKV and the Lottery to finalize all creative materials.
5. *NASCAR Powerball Promotion*:
 - a. The Lottery to review and approve all graphics that will be used to promote the *NASCAR Powerball Promotion*.

b) Web, Digital and Social

i. Key accomplishments last period

1. Promoted the *Big Spin Scratch-Off*, the *Skee-Ball Scratch-Off*, the *PAC MAN Scratch-Off* and second chance promotion, *FAST PLAY Home Run Riches Bases Loaded Contestant of the Game* promotion, *Keno Sprinkler*, high jackpots, and various winners and events through social media and the website.
2. Successfully launched the new MD Lottery mobile app and refresh of mdlotttery.com.

ii. Upcoming tasks for this period:

1. Execute comprehensive communication and advertising plans for *CASH POP*.
2. Develop social media and digital plans for the *NASCAR Powerball* and *Team USA* promotions.
3. Monitor feedback on the new mobile app and respond to any player concerns that may arise.

c) My Lottery Rewards

i. Key accomplishments last period:

1. The average number of monthly users increased in March to 46k, a 11.8% increase from the previous month and a 10% increase over the prior year.
2. March saw 2,565 new MLR registrations, a 47% increase from the prior month. Total registered users have now reached over 430k.
3. The most entered scratch-off ticket in March was *Power Cash*, followed by *20X the Cash*. The most entered draw game ticket continued to be *Pick 4*, with over 1.3M tickets entered in March.
4. Launched an achievement in March for Problem Gambling Awareness Month, where members could follow a link to watch a Maryland Lottery video about responsible gaming in order to receive Draw Points.

ii. Upcoming tasks for this period:

1. Continuing to implement changes relating to the prize store platform switch with SG; including PFD development, PFD visibility of the site and communications with members.
2. Completing FAQs and other information required for the MLR site to accommodate the *CASH POP* launch in early May.