

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: September 26, 2024

SUBJECT: Report for the September 2024 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play	Instant	Combined
STATE	2024	\$76,717,289	\$51,477,414	\$7,395,018	\$86,797,968	\$222,387,689
	2023	\$91,336,839	\$48,756,017	\$6,734,472	\$83,065,008	\$229,892,336
	Difference	(\$14,619,550)	\$2,721,397	\$660,546	\$3,732,960	(\$7,504,647)
	%YoY +/-	-16.0%	5.6%	9.8%	4.5%	-3.3%
INDEPENDENT	2024	\$54,109,618	\$42,796,149	\$3,359,322	\$52,304,236	\$152,569,325
	2023	\$61,796,479	\$40,702,218	\$3,062,876	\$50,574,016	\$156,135,588
	Difference	(\$7,686,861)	\$2,093,931	\$296,446	\$1,730,220	(\$3,566,264)
	%YoY +/-	-12.4%	5.1%	9.7%	3.4%	-2.3%
	% of State Sales	70.5%	83.1%	45.4%	60.3%	68.6%
CORPORATE	2024	\$22,607,671	\$8,681,265	\$4,035,696	\$34,493,732	\$69,818,364
	2023	\$29,540,360	\$8,053,800	\$3,671,596	\$32,490,992	\$73,756,748
	Difference	(\$6,932,689)	\$627,466	\$364,100	\$2,002,740	(\$3,938,383)
	%YoY +/-	-23.5%	7.8%	9.9%	6.2%	-5.3%
	% of State Sales	29.5%	16.9%	54.6%	39.7%	31.4%

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 virtually on August 8, 2024.
 - a. Three (3) scratch offs were launched, featuring \$2, \$5, and \$10 price points.
 - b. In conjunction with our instant products, we highlighted two promotions in the form of a *Keno Sprinkler* and *Racetrax 6 for \$5 Promotion*. In addition, we previewed the Cash Heatwave and Ravens 2024 second chance promotions.

2. District Managers with the best sales by region/territory (year-over-year) for August:

- Jon Braithwaite T-11
- Chuck Hamrick T-25
- **DeUnka Wade** **T-38** (Awarded the DM of the month)
- Van Daniels T-44

3. Launch Team initiative meeting was conducted. This month's focus was on the development of a strategic sales plan for our September instant games.

ii. Upcoming tasks for this period:

1. Planning, preparation and execution of launch strategies and initiatives for the October instant ticket launch. We will be launching our 2024 Holiday games: six (6) tickets: \$1, \$2, \$3, \$5, \$10 and \$20.
2. Continued communication of upcoming Fall Retailer Advisory Board meetings.
3. Continued support and monitoring of our biennial XCAP renewal process.

b) Field Activities

i. Key accomplishments last period:

1. District Managers made 5,947 retailer communication contacts during August, which includes store visits, phone calls and emails.
2. District Managers continued communication information for the start of our XCAP renewal process and time period for completion to their respective XCAP retailers.
3. Maryland State Fair was held during the following timeframes: 8/22-8/25, 8/29-9/2, & 9/5-9/8. The sales team along with the communication team and an independent retailer were on site at the event. Communications provided giveaways to customers on one side of the aisle, while one of our retailers was set up on the other side providing a full-service selling atmosphere for customers. The Lottery sales team was onsite to lend support to both the retailers and customers as well. Over the course of 13 days, total sales were at \$146,055.

ii. Upcoming tasks for this period:

1. The Sales Department will be supporting selling with our retailer at 1 upcoming event: Baltimore Ravens games on 9/29.
2. District Managers will communicate and follow up with their retailers, most notably XCAP retailers, in regards to Retailer Advisory Board correspondence, session sign up and attendance throughout the month of September and October.
3. District Managers continue updating contact information (email and cell phone numbers) as well as store photos.
4. Sales continues to work with the OAG to terminate inactive retailers and recover lottery equipment.

c) Retail Recruitment

i. Key accomplishments last period:

1. Recruitment results: Nine (9) independent applications were processed and locations installed in the month of August.

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 September 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. This launch includes our new Game of Thrones instant ticket offering.
2. Preparation set for the upcoming Baltimore Ravens season which includes retailer staffing, promotional item distribution plan, delivery schedule for promotional item drop off to stadium and scheduling of equipment installation & updating at M&T Bank stadium.
3. Completed initial planning and logistics for our fall Retailer Advisory Board meetings.
4. In conjunction with our Regional Management team, we continue vetting, planning and allocating PHD and PEX self-service units.

ii. Upcoming tasks for this period:

1. Continued vetting, scheduling and distribution of the self-service units.
2. Continued planning and execution for the fall Retailer Advisory Board meetings. This includes working with Scientific Games to finalize scheduling, locations and other logistics as well as communication to our internal staff and the retailer network.

e) Corporate Sales

i. Key accomplishments last period:

1. Fiscal YoY Performance (as of 8/30/24):
 - a. FY '24- \$133,429,379
 - b. FY '23- \$153,832,426
 - Down 13%
2. The Corporate Sales team is working with stakeholders of respective chains on improvements for inventory replenishment within vending locations. Continued conversations are being had regarding the implementation of delegated task for store associates to complete specific tasks on a proposed regular basis.
3. The Corporate Sales team worked with partners to discuss a potential pairing for joint promotions for the second half of the fiscal year.
 - a. Giant Food has agreed to participate in a 2nd chance promotion that will take place in FY 25 Q2.
4. The Corporate sales team is executing on a plan to maximize performance of equipment in the field by shifting equipment around to locations with a higher potential of success.

ii. Upcoming tasks for this period:

1. Sheetz Free Gas Giveaway 2nd Chance promotion will run from September 4th-October 29th, 2024.
2. Corporate will work with partners in attempt to launch 1-2 second chance promotions per quarter in FY25.
 - a. Upcoming conversations with Dash In and Royal Farms regarding 2nd chance promotions which would run in the second half of FY25.

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office:
 - a. 2 YR XCAP renewal is under way. Retailers are responding well with the project. 25% of XCAP network has submitted their application. Vendor added memory to the program which has enhanced speed and efficiency. General incomplete application and system cleanup has been completed. This process removes unnecessary or excess information from the system to improve efficiency.
2. Gem Intelligence:
 - a. Wi-Fi connection to tablets was corrected. A few DM's reporting keyboard issues, but nothing major. Some data clean up being done. New JIRA's are being worked on by SGI.
3. Gem Retailer:
 - a. Retailers are asking for self-serve reporting. This would be an enhancement by the vendor.
4. Training
 - a. The Training manager is working on several processes currently, including a work order process and the bonus check process. 3 vacancies exist for DM positions, the training manager will be busy in the coming month.

ii. Upcoming tasks for this period:

1. Continued monitoring and tracking of the XCAP renewal applications.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

1. September Scratch-Off Launch (9/23/24):
 - \$5 – *Game of Thrones™*
 - \$5 – *Deluxe Crossword 9th Edition*
 - \$10 – *\$2,000 Large*
 - \$30 – *\$5,000 Large*
2. *Ravens Second-Chance Promotion*: The first drawing of 11 winners was held on 8/27/24; 321,196 entries were received. The second drawing of 9 winners was held on 9/17/2024; as of 9/15/2024 914,150 entries had been received.
3. *Game of Thrones™ Second-Chance Promotion*: Starting on 9/23/2024, players can enter non-winning \$5 *Game of Thrones™* tickets into My Lottery Rewards to receive entries into the *Game of Thrones™* second-chance promotion. Four winners will be chosen over four drawings, each winning a trip to Napa Valley, California to participate in The Seven Kingdoms Experience to win cash prizes up to \$7,000,000.

ii. Upcoming tasks for this period:

1. October Scratch-Off Launch (10/21/24):
 - \$1 – *Gift Tag Cash*
 - \$2 – *It's Gold Outside*
 - \$3 – *Peppermint Payout*
 - \$5 – *Holiday Luck Doubler*

- \$10 – *Snowflake Tripler*
 - \$20 – *Win \$100, \$200 or \$500 3rd Edition*
2. *Holiday 2024 Second-Chance Promotion*: Starting on 10/21/2024, players may enter non-winning Holiday scratch-off tickets into the Holiday 2024 Second-Chance promotion for a chance to win cash prizes (62 winners total). Entries will be based on ticket price point (\$1 Gift Tag Cash = 1 entry, \$2 It's Gold Outside = 2 entries, \$3 Peppermint Payout = 3 entries, etc.). Entries will be cumulative and will be carried over after each drawing.
 3. *Ravens Second-Chance Promotion*: The third drawing of 15 winners will be held on 10/15/24.
 4. *Game of Thrones™ Second-Chance Promotion*: The first drawing for one winner of a trip for two to Napa Valley, California to participate in The Seven Kingdoms Experience will be held on 10/22/24.

b) Draw and Monitor Game Products and Promotions

i. Key Accomplishments last period:

1. *Jackpot Reset Promotion* [7/1 – 12/31/24]: Our third jackpot reset was triggered on 8/19/24 when the Powerball \$44.3 Million jackpot was hit. The promotion began on 8/21/24 and ran for two weeks through 9/3/24. On an Nth ticket basis during these promotions, players who purchased Powerball received a free Mega Millions ticket. Our fourth jackpot reset was triggered on 9/10/24 when the Mega Millions \$800 Million jackpot was hit. The promotion began on 9/13/24 and ran for two weeks through 9/26/24. On an Nth ticket basis during these promotions, players who purchased Mega Millions received a free Powerball ticket.
2. *Cash Heatwave Second-Chance Promotion* [8/5 – 9/1/24]: The third drawing for five winners was held on 8/26/24; 1,620,488 entries were received. The highest recorded temperature was 88° and our winners won \$5,000 each. The final drawing was held on 9/2/24; 2,417,172 entries were received. The highest recorded temperature was 97° and our winners won \$7,500 each.
3. *State Fair Keno Sprinkler* [8/22 – 9/8/24]: From 8/22 to 9/8/24 players had the chance to Double or Triple their prizes when playing Keno. Doublers and Triplers were produced on an Nth ticket basis for Keno, Keno Bonus, Keno Super Bonus and Packaged Keno to Go tickets. If the player's numbers were winners, their winnings were doubled or tripled.
4. *State Fair Racetrax \$6 for \$5* [8/22 – 9/8/24]: From 8/22 to 9/8/24 any player that made a \$6 Racetrax purchase received a \$1 discount. The maximum discount that could be received was \$5 on any ticket valued at \$30 or more.
5. *Sheetz Gift Card Giveaway* [9/4 – 10/30/24]: Starting on 9/4/24 every \$10 purchase of Powerball tickets at participating Sheetz locations are eligible to be entered into a My Lottery Rewards second-chance promotion to win a free gift card in the denomination of \$250 (weekly drawing prize), \$1,000 (midway grand prize) or \$1,500 (grand prize), which can be used at any Sheetz location. This promotion is intended to raise awareness and participation in My Lottery Rewards and increase Powerball sales at Sheetz locations in Maryland. The first drawing of four winners was held on 9/11/2024; 171 entries were received. The second drawing of four winners was held 9/17/2024; as of 9/15/2024 312 entries were received.

6. *NASCAR® Powerball Playoff™ Second-Chance Promotion*: The next MUSL elimination round drawing took place on 9/12/24. Four players were eliminated, each winning \$2,500.
7. *Friday the 13th Promotion* [9/13/24]: For one day, players were awarded \$5 and \$10 instant win vouchers on an Nth ticket basis, just by playing their favorite terminal games.

ii. Upcoming tasks for this period:

1. *Hall-o-WIN* [10/1 – 10/31/24]: For the month of October, players may enter \$1 worth of Pick 3, Pick 4 or Pick 5 tickets purchased during the promotional period into My Lottery Rewards for a chance to win cash prizes of either \$5,000 or \$10,000. Entries are dollar for dollar (\$0.50 tickets are eligible for entry, two \$0.50 tickets will equal one entry). Additionally, with the purchase of any Pick game, players could win a free \$2 Cobweb Cash FAST PLAY ticket on an Nth ticket basis. Drawing will take place on 11/1/2024.
2. *Sheetz Gift Card Giveaway* [9/4 – 10/30/24]: The third drawing for four winners to each receive a \$250 Sheetz Gift Card will be held 9/25/2024.

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. September FAST PLAY Launch (9/2/24):
 - \$3 – *Lucky 7s Slots*
 - \$5 – *Sevens (relaunch)*
 - \$20 – *Super 777*

ii. Upcoming tasks for this period:

1. November FAST PLAY Launch (11/4/24):
 - \$1 – *Reindeer Riches*
 - \$5 – *Merry Money Match*
 - \$10 – *Winning Wonderland*
2. *FAST PLAY Fridays* [10/4,10/11,10/18, 10/25/24]: Every Friday during the month of October, players who purchase any \$5 FAST PLAY game could receive free \$1, \$2, \$3, \$10, \$20 or \$30 FAST PLAY tickets. Tickets will be awarded on an Nth ticket basis.

Holiday 2024 Second-Chance Promotion: Starting on 11/4/2024, players may enter winning and non-winning holiday themed FAST PLAY tickets into the Holiday 2024 Second-Chance Promotion for a chance to win cash prizes.

3. Creative Services

a) Traditional Advertising

i. Key accomplishments last period:

1. *Ravens Scratch-Offs*:
 - a. GVK completed all television, radio, out-of-home, digital and in-stadium creative materials for the start of the season on 9/5. Home opener is 9/15.
 - b. 9 Rooftops placed all media buys, which run from 9/2-9/29.
2. *Game of Thrones Scratch-Off*:
 - a. GKV completed creative production for this licensed property, including television, radio, digital and out-of-home assets.
 - b. 9 Rooftops placed all media buys, which run from 9/30-11/10.
3. *Holiday Scratch-Offs*:

- a. Finalized the *Holiday* point-of-sale. The television commercial will be shot on October 9th.
 - b. Reviewed and approved the media brief that will aid 9 Rooftops in developing the media plan.
- 4. *Mega Millions Jackpot*:
 - a. Began advertising the Mega Millions high jackpot amount on August 1st with radio, out-of-home and social media.
- 5. *FY'25 Planning*:
 - a. *Monopoly FOG*: Began planning for the launch of *Monopoly FOG*. Met with Scientific Games to review the licensor assets and any creative restraints.
 - b. *Back to the Future Scratch-Off*: Met with Pollard to review the licensor's creative assets available to the Lottery to use for the ticket launch.
 - c. *Let's Make a Deal Scratch-Off*: Met with Alchemy 3 to review the licensor's creative assets that are available for use by the Lottery for this game show themed scratch-off.
- 6. *FY'25 Sports Sponsorships*:
 - a. Finalized creative materials for the *University of Maryland, Towson University*, and *Morgan State University* for the 2024 football season.
 - b. Finalized all creative assets for the *Washington Commanders* 2024 sponsorship.
 - c. Finalized the *Maryland 5 Star* sponsorship creative materials.

ii. Upcoming tasks for this period:

- 1. *Holiday Scratch-Offs*:
 - a. Produce all *Holiday* creative assets, including the television and radio commercials, digital and social media, and out-of-home.
 - b. Review and approve the *Holiday* media plan from 9 Rooftops.
- 2. *FY'25 Planning*:
 - a. Work with GKV and 9 Rooftops on planning for the *Monopoly FOG*, *Back to the Future*, and *Let's Make a Deal Scratch-Offs*.
 - b. Continue to work on mapping out the remainder of the marketing campaigns for the second half of FY'25.
- 3. *FY'25 Sports Sponsorships*:
 - a. Work with *University of Maryland, Towson University* and *Morgan State University* on all creative assets, on-court promotions, and on-site activations for the 2024-2025 basketball season.
 - b. Produce all creative assets for the *Maryland 5 Star* sponsorship.

b) Web, Digital and Social

i. Key accomplishments last period

- 1. Promoted the *Ravens Scratch-Offs* and *Second Chance* promotion, *Cash Heatwave* promotion, *Friday the 13th* promotion, *Racetrax* and *Keno Sprinkler* promotions, the high *Mega Millions* jackpot, the *Maryland State Fair* and various winners and events through social media and the website.
- 2. Created a new page on the *Responsible Play* section of the website to promote *Responsible Gaming Education Month*. This includes videos created by our Communications Department about how to play responsibly.
- 3. Surveyed our email subscribers about the new *MD Lottery app*, with positive results.

ii. Upcoming tasks for this period:

- 1. Execute social media and digital plans for the *Game of Thrones Scratch-Off* and *Second Chance* promotion.

2. Create social media and digital plans for the *Holiday Scratch-Offs* and *Second Chance* promotion.

c) My Lottery Rewards

i. Key accomplishments last period:

1. We saw 41,486 monthly average users in the *My Lottery Rewards* program for August, which represented a 4% increase from the prior month.
2. There were 2,057 new registrants into *My Lottery Rewards* during August, which represented a 13% increase from the prior month. We saw a 45% increase in registrants between the ages of 25 and 34. Eligible registered users in the program topped 440k during August.
3. *Jokers Wild* lead scratch-off game entries for the first month, with 134k entries. *The Big Spin* is a strong second with 114K entries.
4. *Pick 4* and *Pick 3* continue to lead draw game entries with over 2 million (combined) for August.
5. We saw MLR mobile app users climb 4% in August to 74,166. Of these, 8,644 were new users.

ii. Upcoming tasks for this period:

1. Prepare for the launch for the *Holiday Second Chance* promotion on October 21st.
2. Finalize all documentation required for the upcoming *Giant Gift Card Giveaway Second Chance* promotion, beginning on November 11th.
3. Finalize FY25 Q2 PFDs, with a trip to Kent Island as Q2's featured Maryland Getaway.