

TO: Maryland Lottery and Gaming Control Commission

John Martin, Director

FROM: Solomon Ramsey, Managing Director, Sales and Marketing

DIVISIONS: Sales and Marketing

DATE: October 24, 2024

SUBJECT: Report for the October 2024 Commission Meeting

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

1. **Sales**

**September 2024, Year over Year Comparison**

**Product Category by Store Segment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  | **Draw** | **Monitor** | **Fast Play/Instant** | **Combined** |
| **STATE** | 2024 | $72,508,329 | $49,010,696 | $87,573,432 | $209,092,457 |
| 2023 | $81,898,529 | $50,288,532 | $85,456,374 | $217,643,434 |
| Difference | ($9,390,200) | ($1,277,836) | $2,117,058 | ($8,550,977) |
| %YoY +/- | -11.5% | -2.5% | 2.5% | -3.9% |
|  |  |  |  |  |  |
| **INDEPENDENT** | 2024 | $51,127,859 | $41,010,609 | $52,361,431 | $144,499,898 |
| 2023 | $56,216,141 | $41,921,405 | $50,721,268 | $148,858,814 |
| Difference | ($5,088,282) | ($910,796) | $1,640,163 | ($4,358,915) |
| %YoY +/- | -9.1% | -2.2% | 3.2% | -2.9% |
|  | % of State Sales | 70.5% | 83.7% | 59.8% | 69.1% |
|  |  |  |  |  |  |
| **CORPORATE** | 2024 | $21,380,471 | $8,000,087 | $35,212,001 | $64,592,559 |
| 2023 | $25,682,388 | $8,367,127 | $34,735,106 | $68,784,621 |
| Difference | ($4,301,918) | ($367,039) | $476,895 | ($4,192,062) |
| %YoY +/- | -16.8% | -4.4% | 1.4% | -6.09% |
|  | % of State Sales | 29.5% | 16.3% | 40.2% | 30.9% |

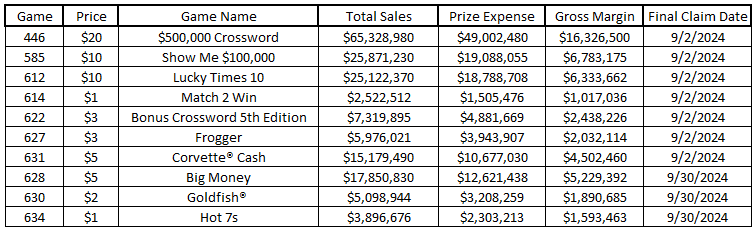
Instant ticket sales are based on recorded weekly settlements and may not agree with other Instant ticket sales displayed in other reports that may reflect activations or validations.

* 1. **Sales Management**
     1. **Key accomplishments last period:** 
        1. The monthly sales meeting was conducted virtually September 18, 2024.

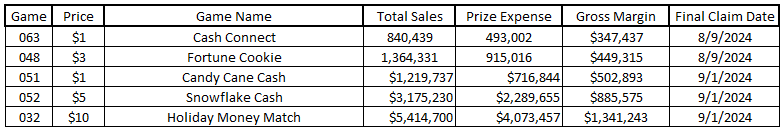
1. Four (4) scratch offs were launched, featuring $5 (2), $10 and $30 price points.
2. In conjunction with our instant products, we highlighted two promotions in the form of a *Hall-o-Win Promotion and Fast Play Fridays.* In addition, we reviewed a new second chance promotion in the form of *Game of Thrones™ Second-Chance Promotion* to further support our *Game of Thrones™* instant ticket*.* 
   * + 1. District Managers with the best sales by region/territory (year-over-year) for September:

* Bryan Byers  T-12
* Cindy Limbert                         T-27
* **Tim Perry                  T-37** (Awarded the DM of the month)
* Steve Corbin                   T-45
  + - 1. Launch Team initiative meeting was conducted. This month’s focus was on the development of a strategic sales plan for ourOctober instant games.
      2. Completion of the first two fall Retailer Advisory Board meetings conducted in Aberdeen on 9/17 and Frederick on 9/19.
    1. **Upcoming tasks for this period:** 
       1. Planning, preparation and execution of launch strategies and initiatives for the November & December instant ticket launches. We will be soft launching one (1) additional holiday ticket at the $1 price point in November to further maximize our holiday sales. In addition, we have restructured our launch schedule for December and will be launching new games the beginning of the month (12/2) verses the end in an attempt to further maximize sales by capitalizing on holiday spending. The December Launch will feature four (4) tickets at the $2, $5, $10 & $30 price points.
       2. Execution of the remainder of our fall Retailer Advisory Board meetings located in College park, Waldorf and Linthicum.
       3. Review of Retailer Advisory Board attendance and compliance for all XCAP retailers for whom attendance was mandatory.
       4. Continued communication, monitoring and closing of our biennial XCAP renewal process.
  1. **Field Activities**
     1. **Key accomplishments last period:**

1. District Managers made 6,583 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. The Sales Department supported selling with our retailer(s) at three (3) events: Maryland Wine Festival on 9/14 and two (2) Baltimore Ravens home games on 9/15 & 9/29.
   * 1. **Upcoming tasks for this period:**
        1. The Sales Department will be supporting selling with our retailer(s) at four (4) events: Endless Summer Cruisin’ 10/10-10/13; Baltimore Ravens home game on 10/13; Baltimore Ravens A Purple Evening on 10/14; and the Power of Age Expo on 10/30.
        2. District Managers continue updating contact information (email and cell phone numbers) as well as store photos.
        3. Sales continues to work with the OAG to terminate inactive retailers and recover lottery equipment.
   1. **Retail Recruitment**
      1. **Key accomplishments last period:**
         1. Recruitment results: Thirteen (13) independent applications were processed and locations installed in the month of September.
      2. **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.
   2. **Sales Support/Self-Service Vending Units**
      1. **Key accomplishments last period:**
         1. Preparation for and execution of merchandising initiatives for our November/December instant ticket launches which includes development of POS as well as identification of both types and quantities of pieces to be distributed to the field.
         2. Execution of set up and logistics as well as tracking of attendees for our fall Retailer Advisory Board meetings.
         3. In conjunction with our Regional Management team, we continue vetting, planning and allocating PHD and PEX self-service units.
      2. **Upcoming tasks for this period:**
         1. Final preparation for, and distribution of, our rebranded XCAP signage to be utilized in the marketplace. Initial distribution, or phase one, will include chloroplast signs and door decals.
         2. Prepare, complete and execute a distribution plan for newly received jackpot towers designed to increase national jackpot game awareness. These units were designed for use on top of our full-service vending units in large scale retail locations.
         3. Final execution and completion of our fall Retailer Advisory Board meetings. Cross checking attendees with our active XCAP retailer network to ensure those retailers remain compliant and eligible to continue in the program.
         4. Continued vetting, scheduling and distribution of the self-service units.
   3. **Corporate Sales**
      1. **Key accomplishments last period:**
4. Fiscal YoY Performance (as of 9/30/24):
   1. FY ’25- $237,829,680
   2. FY ’24- $224,922,548
      * Up 5%
5. In conjunction with other departments, the Corporate Sales team launched a Sheetz Second Chance promotion that has gained over 1,300 entries and will run through October.
6. The Corporate Sales team has gained agreement from four (4) retail partners to each launch one Second Chance Maryland Lottery Promotion in FY’25.
7. Corporate is executing on a plan to maximize equipment in the field.
   * 1. **Upcoming tasks for this period:**
8. Corporate will continue to work 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.
9. Corporate will facilitate the launch of multiple promotions.
   1. **Sales Force Automation**
      1. **Key accomplishments last period:**
10. Gem Office:
    1. Biennial XCAP renewal process is under way with approximately 25% of XCAP retailers submitting their applications.
    2. Central systems vendor has added memory but performance is still lagging overall in the Lottery office.
    3. We have identified updates to a few applications that are needed including the Corporate applications set up. Working on details currently in order to have a JIRA created.
11. Gem Intelligence:
    1. We have a small subset of field units that are having issues holding a charge and are looking into possible causes. Overall new units are performing well with little to no issues.
12. Gem Retailer:
    1. Retailers are asking for self-service specific reporting that is currently unavailable to them. This would be an enhancement by the vendor.
13. Training
    1. Preparation for training/onboarding of Sales District Managers. We currently have three openings to be filled in the coming month(s).
       1. **Upcoming tasks for this period:**
          1. Continued tracking of the XCAP renewal applications.
14. **Product Development**
    1. **Scratch-Off Products and Promotions**
15. **Key accomplishments last 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. *Ravens Second-Chance Promotion*: The second drawing of 9 winners was held on 9/17/2024; 1,005,556 entries were received. The third drawing of 15 winners was to be held on 10/15/24, as of 10/13/24, 970,110 entries were received.
        3. *Game of Thrones™ Second-Chance Promotion*: 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. The first drawing was to be held 10/22/24, as of 10/13/24, 1,389,510 entries had been submitted.
        4. *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.
        5. *Game Closing Activity:*



* + 1. **Upcoming tasks for this period:**
       1. November Scratch-Off Soft Launch (11/18/24):
          - $1 – *Snowflake Cash*
          - There is no initial distribution/full launch in November
       2. *Holiday 2024 Second-Chance Promotion*: The first drawing will be held 10/29/24. The second drawing will be held 11/7/24.
       3. *Ravens Second-Chance Promotion*: The fourth drawing will be held on 11/12/24.
       4. *Game of Thrones™ Second Chance Promotion:* The second drawing will be held on 11/19/24.
  1. **Draw and Monitor Game Products and Promotions**
     1. **Key Accomplishments last period:**
        1. *Sheetz Gift Card Giveaway* [9/4 – 10/30/24]: The third drawing of four winners to each receive a $250 Sheetz Gift Card was held 9/25/24; 827 entries were received. The fourth drawing for four winners to each receive a $250 Sheetz Gift Card and one winner to receive a $1,000 Sheetz Gift Card was held 10/2/2024; 1,172 entries were received. The fifth drawing for four winners to each receive a $250 Sheetz Gift Card was held 10/9/24; 1,603 entries were received.
        2. *NASCAR® Powerball Playoff™ Second-Chance Promotion*: The next MUSL elimination round drawing took place on 10/3/24. Four players were eliminated, each winning $5,000; Eight players – including one lucky Maryland finalist – move one step closer to winning a VIP trip for two to NASCAR Championship Weekend™ and entry into a nationally televised drawing to win $1 million.
        3. *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.
        4. *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.
     2. **Upcoming tasks for this period:**
        1. *NASCAR® Powerball Playoff™ Second-Chance Promotion*: The next elimination drawing will determine the four finalists who will win the VIP trip to NASCAR Championship Weekend™ at Phoenix Raceway® November 8-10th. Winners will be publicly announced on November 3rd.
        2. *Hall-o-WIN Promotion* [10/1 – 10/31/24]: Drawing for 5 x $5,000 and 5 x $10,000 is scheduled for 11/1/24, as of 10/13/24, 702,629 entries were received.
        3. *Sheetz Gift Card Giveaway* [9/4 – 10/30/24]: The sixth drawing for four winners to each receive a $250 Sheetz Gift Card was to be held 10/16/2024; as of 10/13/24, 1,865 entries were received.
        4. *ThanksWINNING All Games Promotion* [11/4 – 12/1/24]: The All-Games Promotion, *ThanksWINNING*, is back. Beginning on 11/4, on an Nth ticket basis, players could receive $2 or $5 Instant Win Vouchers or free $1 Hi Lo FAST PLAY tickets automatically, just by playing their favorite terminal-based games.
  2. **FAST PLAY Products and Promotions**
     1. **Key accomplishments last period:**
        1. *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.
        2. *Game Closing Activity*:



* + 1. **Upcoming tasks for this period:**
       1. November FAST PLAY Launch (11/4/24):
          - $1 – *Reindeer Riches*
          - $5 – *Merry Money Match*
          - $10 – *Winning Wonderland*
       2. *Holiday 2024 Second-Chance Promotion*: Starting on 11/4/24, 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**

1. **Traditional Advertising**
   1. **Key accomplishments last period:**
2. *Holiday:*
   1. GKV is in production for all *Holiday* creative materials, including radio, out-of-home, and digital. Additionally, the *Holiday* television commercial was filmed on October 9th at a Lottery retailer in Baltimore County
   2. 9Rooftops presented the *Holiday* media plan on October 1st. Lottery is in the process of reviewing the recommendation.
3. *Monopoly FOG:*
   1. GKV presented initial *Monopoly FOG* creative concepts, including television, radio, and point-of-sale the week of October 7th. Lottery reviewing internally.
4. *FY’25 Sports Sponsorships:*
   1. Finalized the *Maryland 5 Star* sponsorship creative elements.
   2. **Upcoming tasks for this period:**
5. *Holiday:*
   * 1. GKV to finalize the production of all *Holiday* creative assets; 9Rooftops to place all media buys.
6. *Monopoly FOG:*
   * 1. Lottery to review all creative concepts and select a campaign direction.
     2. 9Rooftops to present the media brief.
7. *FY’25 Planning:*
   * 1. Lottery to continue working with GKV and 9Rooftops on the planning of several upcoming initiatives, including a new $50 scratch-off, the *Back to the Future Scratch-Off*, the *Let’s Make a Deal Scratch-Off,* and planned changes to *Mega Millions*.
8. *FY’25 Sports Sponsorships:* 
   * 1. GKV and the Lottery to work with the *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.
9. **Web, Digital and Social** 
   1. **Key accomplishments last period**
   2. Promoted the Holiday Scratch-Offs and Second-Chance Promotion, Game of Thrones Scratch-Off and Second-Chance Promotion, Ravens Scratch-Offs and Second-Chance Promotion, Hall-o-WIN Promotion, and various winners and events through social media and the website.
   3. Progressed in the redesign of the Retailer Corner website by reorganizing the current website content and working with GKV to create wireframes for the new site.
   4. Created a new page on mdlottery.com to showcase videos answering commonly asked questions about the lottery, created by our Communications department.
   5. **Upcoming tasks for this period:**
      1. Continue to execute social media and digital plans for the Holiday Scratch-Offs and Second Chance promotion.
      2. Continue work on the Retailer Corner website redesign project.
      3. Create social media and digital plans for the Monopoly Scratch-Offs and Second Chance promotion.
10. **My Lottery Rewards**
    1. **Key accomplishments last period:**
11. In September, 6.12M tickets were entered into the program, equating to approximately $33M in retail value; a slight decrease as compared to August.
12. September had 41,531 Monthly Active Users which is comparable to the prior month.
13. There are 441,642 registered users in the program, with 1,636 new registrants for September. Half of these new registrations are players between the ages of 25-44.
14. The most entered scratch-off ticket for September was $10 Ravens X10 with 116K entries, followed by $5 Joker’s Wild with 100K entries. The most entered draw ticket continues to be Pick 4 with 1.1M tickets entered, followed by Pick 3, with 748K tickets entered.
    1. **Upcoming tasks for this period:**
       1. Preparing for the launch of the Holiday 2024 Second-Chance Promotion in October.
       2. Finalizing all documents for the upcoming Giant® Gift Card Giveaway Second-Chance Promotion launching in November.
       3. Planning FY25 Q3 PFDs.