

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: November 21, 2024

SUBJECT: Report for the November 2024 Commission Meeting

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

1. Sales

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2024	\$73,236,120	\$47,407,410	\$92,440,194	\$213,083,723
	2023	\$89,581,584	\$48,251,760	\$87,605,839	\$225,439,183
	Difference	(\$16,345,465)	(\$844,350)	\$4,834,355	(\$12,355,460)
	%YoY +/-	-18.2%	-1.7%	5.5%	-5.5%
INDEPENDENT	2024	\$52,135,807	\$39,591,588	\$54,832,088	\$146,559,484
	2023	\$59,597,167	\$40,047,618	\$52,048,441	\$151,693,226
	Difference	(\$7,461,360)	(\$456,029)	\$2,783,647	(\$5,133,742)
	%YoY +/-	-12.5%	-1.1%	5.3%	-3.4%
	% of State Sales	71.2%	83.5%	59.3%	68.8%
CORPORATE	2024	\$21,100,313	\$7,815,821	\$37,608,106	\$66,524,240
	2023	\$29,984,417	\$8,204,142	\$35,557,398	\$73,745,957
	Difference	(\$8,884,105)	(\$388,321)	\$2,050,708	(\$7,221,718)
	%YoY +/-	-29.6%	-4.7%	5.8%	-9.79%
	% of State Sales	28.8%	16.5%	40.7%	31.2%

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 October 16, 2024.

- a. Six (6) scratch offs were launched, featuring \$1, \$2, \$3, \$5, \$10 and \$20 price points.
 - b. In conjunction with our instant products, we highlighted one promotion in the form of our *ThanksWINNING promotion*. In addition, we reviewed our annual *Holiday Second-Chance Promotion* to further support our holiday themed instant tickets.
2. District Managers with the best sales by region/territory (year-over-year) for October:
- Jon Braithwaite T-11
 - Chuck Hamrick T-25
 - **Stan Lundy** T-39 (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 November and December instant games.
4. Completion of the fall Retailer Advisory Board meetings which were conducted in College Park (10/2), Waldorf (10/3) and Linthicum (10/17).

ii. Upcoming tasks for this period:

1. Execution of launch strategies and initiatives for the December instant ticket launch. Monitor and evaluate our strategy to launch earlier in the month (12/2) to ensure additional new games were available for sale during the holiday month. The December Launch will feature four (4) tickets at the \$2, \$5, \$10 & \$30 price points.
2. Review of Retailer Advisory Board attendance and compliance for all XCAP retailers for whom attendance was mandatory.
3. Continued communication, monitoring and closing of our biennial XCAP renewal process.

b) Field Activities

i. Key accomplishments last period:

1. District Managers made 7,356 retailer communication contacts during October, which includes store visits, phone calls and emails.
2. District Managers continue to communicate with our XCAP retailers as we near the deadline for completion of the biennial XCAP renewal process.
3. The Sales Department supported 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.

ii. Upcoming tasks for this period:

1. The Sales Department will be supporting selling with our retailer(s) at two (2) events: Baltimore Ravens home games on 11/3 & 11/7.
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.

c) Retail Recruitment

i. Key accomplishments last period:

1. Recruitment results: Sixteen (16) independent applications were processed and locations installed in the month of October.

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 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 our distribution plan of our rebranded XCAP signage. Phase one included chloroplast signs and door decals.
3. 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. Creation of a distribution plan for phase two of our XCAP rebranding initiative. Phase two will include LED signage and outdoor advertising flags.
2. Continued preparation for distribution of our jackpot towers designed to increase national jackpot game awareness with a target launch of the beginning of CY 2025. All units need to be tagged for tracking purposes.
3. Place order for Digital Menu Board pilot and coordinate scheduling of training to coincide with determined delivery of said units.
4. Continued vetting, scheduling and distribution of the self-service units.

e) Corporate Sales

i. Key accomplishments last period:

1. Fiscal YoY Performance (as of 10/31/24):
 - a. FY '25- \$267,153,921
 - b. FY '24- \$298,845,517
 - Down 11%
2. The Corporate Sales team continued to monitor the Sheetz Second Chance promotion launched the previous month. During its duration, the promotion gained close to 3,000 entries.
3. The Corporate Sales team prepared for the launch of our second of five retailer-based second chance promotions being offered in FY'25. This promotion is in the form of a Holiday Second Chance promotion with Giant Foods. The promotion begins on November 11th and will run thru January 7, 2025.
4. Corporate attended the 2024 National Association of Convenience Stores (NACS) Convention, made new contacts, gained perspective on challenges faced by retailers and ideas of how to strengthen our partnerships across the industry.
5. Corporate is executing on a plan to maximize equipment in the field.

ii. Upcoming tasks for this period:

1. The Corporate Sales team is partnering with Giant Food to launch a second chance promotion. This will be the first ever second chance promotion run with a grocery chain. Customers will have a chance to win prizes throughout the holiday season. The promotion begins on November 11th,2024 and will run thru January 8, 2025.

2. 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.
3. Corporate will facilitate the launch of multiple promotions.

f) Sales Force Automation

i. Key accomplishments last period:

1. Gem Office:
 - a. Biennial XCAP renewal process continues with approximately 80% of XCAP retailers submitting their applications.
2. Gem Intelligence:
 - a. 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.
3. Gem Retailer:
 - a. The program overall continues to expand. Access to the program and its capabilities was a talking point at our recent Retailer Advisory Board meetings which increased interest and added several dozen more retailers.
4. Training
 - a. Preparation for training/onboarding of Sales District Managers. We currently have three openings to be filled in the coming month(s).
 - b. The Sales Training Manager is working with the EEO Director to facilitate the migration of training from “The Hub” to Workday.
 - c. Sales Training Manager is working with the new Sales Coordinator to get him acclimated to his new duties and responsibilities.

ii. Upcoming tasks for this period:

1. Completion of tracking of the XCAP renewal applications.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last 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 was held 10/29/24, 817,159 entries were received. The second drawing was held 11/7/24, 2,129,939 entries were received. The third drawing was to be held 11/14/24; as of 11/10/24, 2,655,888 entries were received. The fourth drawing was to be held 11/20/24.
3. *Ravens Second-Chance Promotion*: The third drawing of 15 winners was held on 10/15/24, 1,081,054 entries were received. The fourth drawing of 11 winners was to be held on 11/12/24; as of 11/10/24, 781,274 entries were received.
4. *Game of Thrones™ Second-Chance Promotion*: The first drawing was held 10/22/24, 1,997,605 entries were received. The second drawing was to be held on 11/19/24; as of 11/10/24, 982,270 entries were received.
5. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	
574	\$30	\$2,000,000 Gold Rush	94,829,790	74,053,803	\$20,775,987	10/28/2024
623	\$5	Lucky Riches	19,089,580	13,561,799	\$5,527,781	10/28/2024
626	\$1	MD Lottery Logo	2,942,138	1,727,979	\$1,214,159	10/28/2024
629	\$10	Maryland Riches	13,335,080	9,853,934	\$3,481,146	10/28/2024
642	\$10	Bingo X10 6th Edition	29,119,580	21,407,740	\$7,711,840	10/28/2024
657	\$2	Unwrap the Cash	3,803,988	2,434,552	\$1,369,436	10/28/2024

ii. Upcoming tasks for this period:

1. December Scratch-Off Launch (12/2/24):
 - \$2 – *Magic 8 Ball™*
 - \$5 – *Cash To Go*
 - \$10 – *Mega Bucks*
 - \$30 – *Monopoly™ X200*
2. *Holiday 2024 Second-Chance Promotion*: The fifth drawing will be held 11/26/24.
3. *Ravens Second-Chance Promotion*: The fifth drawing will be held on 12/2/24.
4. *Game of Thrones™ Second-Chance Promotion*: The third drawing will be held on 12/17/24.

b) Draw and Monitor Game Products and Promotions

i. Key Accomplishments last period:

1. *Sheetz Gift Card Giveaway* [9/4 – 10/30/24]: *Sheetz Gift Card Giveaway* [9/4 – 10/30/24]: The sixth drawing for four winners to each receive a \$250 Sheetz Gift Card was held 10/16/2024, 1,960 entries were received. The seventh drawing for four winners to each receive a \$250 Sheetz Gift Card was held 10/23/24, 2,516 entries were received. The eighth and final drawing for four winners to receive a \$250 Sheetz Gift Card, and two winners to receive a \$1,500 Sheetz Gift Card was held 10/30/24, 2,995 entries were received.
2. *Hall-o-WIN Promotion* [10/1 – 10/31/24]: The drawing for 5 x \$5,000 and 5 x \$10,000 occurred on 11/1/24, 2,484,515 entries were received.
3. *NASCAR® Powerball Playoff™ Second-Chance Promotion*: The four finalists to win the VIP trip to NASCAR Championship Weekend™ at Phoenix Raceway® was publicly announced on 11/3/2024 during the Xfinity 500 in Martinsville, VA. The final drawing to determine the one winner of the \$1,000,000 grand prize was broadcast live from the NASCAR Cup Series Championship Race on 11/10/24.
4. *ThanksWINNING All Games Promotion* [11/4 – 12/1/24]: During this All-Games Promotion, 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.
5. *Giant Holiday Gift Card Giveaway* [11/11 – 1/8/25]: Starting on 11/11/24, every purchase of a \$10 Mega Millions ticket at participating Giant 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 Giant location. This promotion is intended to raise awareness and participation in My Lottery Rewards and increase lottery sales at Giant locations in Maryland.

ii. Upcoming tasks for this period:

1. *Holiday Keno Sprinkler* [12/2 – 12/29/24]: The Holiday Keno Sprinkler promotion is back! From 12/2 through 12/29, players could receive Doubler or Tripler messages on their Keno tickets – any prizes won on those tickets will be doubled or tripled.

2. *Pick 3 Pick 4 Pick 5 Let it Snow* [12/2 – 12/29/24]: Any Pick 3, Pick 4 or Pick 5 purchase may generate (on an Nth basis) a \$2 or \$5 instant win voucher, or free \$5 Merry Money Match FAST PLAY tickets, just for playing their favorite Pick games.
3. *Friday the 13th Promotion* [12/13/24]: 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. *Racetrax Race Into 2025* [12/30 – 1/5/25]: The popular \$6 for \$5 Racetrax promotion will help ring in the new year. Beginning 12/30, players who purchase \$6 increments of Racetrax will receive \$1 discounts – maximum discount is \$5 on purchases of \$30 or more

c) FAST PLAY Products and Promotions

i. Key accomplishments last 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*: See section a)i.)2. for the latest My Lottery Rewards entry data for this promotion.

ii. Upcoming tasks for this period:

1. *Holiday 2024 Second-Chance Promotion*: The fifth drawing will be held 11/26/24.

3. Creative Services

a) Traditional Advertising

i. Key accomplishments last period:

1. *Holiday Scratch-Offs*:
 - a. GKV completed production of the majority of *Holiday* creative materials; including television, out-of-home, and digital.
 - b. Lottery approved the *Holiday* media plan which will run from Thanksgiving to Christmas Eve and includes statewide television, radio, out-of-home and digital media.
2. *Monopoly FOG Scratch-Offs*:
 - a. Lottery approved the *Monopoly FOG* point-of-sale and the television concept.
 - b. Lottery approved the *Monopoly FOG* media planning brief.
3. *FY'25 Sports Sponsorships*:
 - a. GKV worked with the *University of Maryland, Towson University, and Morgan State University* on updates to all creative assets for the 2024-2025 basketball season.

ii. Upcoming tasks for this period:

1. *Holiday Scratch-Offs*:
 - a. GKV to produce three *Holiday* radio commercials.
 - b. 9Rooftops to place all television and radio media buys.
2. *Monopoly FOG Scratch-Offs*:
 - a. Lottery to review several radio scripts and select 2-3 spots to produce.
 - b. 9Rooftops to present the recommended media plan in mid-November.
3. *FY'25 Planning*:
 - a. Lottery to work with GKV and 9Rooftops on the campaign planning for several upcoming initiatives that launch from January through June 2025. These include 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*.

4. *FY'25 Sports Sponsorships:*
 - a. Lottery to work with the *University of Maryland, Towson University, and Morgan State University* on all on-court promotions and on-site activations for the 2024-2025 basketball season.

b) Web, Digital and Social

i. Key accomplishments last period

1. 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, ThanksWINNING Promotion, Giant Holiday Gift Card Giveaway Second-Chance Promotion, new FAST PLAY games*, and various winners and events through social media and the website.
2. Made additional progress on the redesign of the *Retailer Corner* website by reorganizing the current website content and working with GKV to create wireframes for the new site.
3. Created a new email template to showcase winner photos and stories.

ii. Upcoming tasks for this period:

1. Develop social media and digital plans for the *Monopoly Scratch-Offs FOG and Second Chance Promotion*.
2. Continue work on the *Retailer Corner* website redesign project.
3. Showcase our second-chance winners' experience on the *Ravens Away Trip* to the 12/17 Giants game on social media.

c) My Lottery Rewards

i. Key accomplishments last period:

1. There were almost 40,000 monthly active users in October, a slight decrease from the prior month.
2. We had 1,904 new players that registered for the program in October, representing a 16% increase from September. A quarter of these registrants were in the 35-44 age range. Total MLR registered users is 443,408.
3. The most entered scratch-off ticket for October was *Game of Thrones*, with 146K entries from 15K unique players. The most entered draw game ticket continues to be *Pick 4* with 1.65M tickets entered by 13k unique players.
4. There were 98.8k MLR app users in October, a 29.8% increase from September. Almost 9k of these were new users representing a 1.5% increase from September.

ii. Upcoming tasks for this period:

1. Prepare FY 25 Q3 Points for Drawings®.
2. Develop a strategy and campaign to promote *CASH POP* via coupons emailed directly to players.
3. Analyze initial results of the first stage of our *Snapshots* email acquisition campaign.