

# 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: August 29, 2024

SUBJECT: Report for the August 2024 Commission Meeting

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

## 1. Sales

### July 2024, Year over Year Comparison Product Category by Store Segment

		Draw	Monitor	Fast Play/Instant	Combined
<b>STATE</b>	2024	\$72,198,348	\$47,442,773	\$92,017,748	\$211,658,869
	2023	\$107,729,730	\$47,858,615	\$92,390,202	\$247,978,547
	Difference	(\$35,531,383)	(\$415,842)	(\$372,454)	(\$36,319,679)
	%YoY +/-	-33.0%	-0.9%	-0.4%	-14.6%
<b>INDEPENDENT</b>	2024	\$51,670,747	\$39,407,879	\$54,361,485	\$145,440,111
	2023	\$70,672,880	\$39,995,594	\$55,506,030	\$166,174,504
	Difference	(\$19,002,133)	(\$587,715)	(\$1,144,545)	(\$20,734,393)
	%YoY +/-	-26.9%	-1.5%	-2.1%	-12.5%
	% of State Sales	71.6%	83.1%	59.1%	68.7%
<b>CORPORATE</b>	2024	\$20,527,601	\$8,034,894	\$37,656,263	\$66,218,758
	2023	\$37,056,850	\$7,863,022	\$36,884,172	\$81,804,044
	Difference	(\$16,529,250)	\$171,873	\$772,091	(\$15,585,286)
	%YoY +/-	-44.6%	2.2%	2.1%	-19.05%
	% of State Sales	28.4%	16.9%	40.9%	31.3%

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 July 17, 2024.

- a. Five (5) scratch offs were launched, featuring \$1, \$5 (2), \$10 and \$20 price points.
  - b. In conjunction with our instant products, we highlighted two promotions in the form of a *Cash Pop Sampling Promotion* and *Lottery Week Promotion*. In addition, we reviewed two second chance promotions in our ongoing *Mega Millions Team USA* second chance promotion as well as our upcoming *Cash Heatwave* second chance promotion.
2. The District Manager of the Year award for fiscal year 2024 was presented to **DeUnka Wade – Territory 38**.
  3. District Managers with the best sales by region/territory (year-over-year) for July:
    - Bryan Byers T-12
    - Sandra Holland T-28
    - **Tim Perry T-37** (Awarded the DM of the month)
    - Steve Corbin T-45
  4. Launch Team initiative meeting was conducted. This month’s focus was on the development of a strategic sales plan for our August instant games.

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

1. Planning, preparation and execution of launch strategies and initiatives for the September instant ticket launch. We will be launching four (4) tickets: \$5 (2), \$10 and \$30.
2. Continued preparation and communication of upcoming fall Retailer Advisory Board meetings.
3. Continued communication and monitoring of our biennial XCAP renewal process.

**b) Field Activities**

**i. Key accomplishments last period:**

1. District Managers made 6,890 retailer communication contacts during July, which includes store visits, phone calls and emails.
2. District Managers communicated information for the start of our XCAP renewal process and time period for completion to their respective XCAP retailers.

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

1. The Sales Department will be supporting selling with our retailer(s) at 3 events: Baltimore Ravens preseason games on 8/9 & 8/17; Maryland State Fair for three straight weekends starting 8/22.
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.
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: Eight (8) independent applications were processed and locations installed in the month of July.

**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 August 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 2024 Ravens instant ticket offerings.
2. Final preparation 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. Began 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. Final planning 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 6/30/24):
  - a. FY '24- \$875,043,531
  - b. FY '23- \$833,464,763
    - Up 5%
2. Fiscal YoY Performance (as of 7/30/24):
  - a. FY '25- \$64,063,363
  - b. FY '24- \$79,358,716
    - Down 22%
3. 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.
4. The Corporate Sales Team worked with partners to discuss a potential pairing for joint promotions for the second half of the fiscal year.
5. Corporate has completed business reviews with corporate chains.
6. Corporate is executing on a plan to maximize equipment in the field.

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

1. Corporate will work with partners in attempt to launch at least 1 second chance promotion per quarter in FY25.

**f) Sales Force Automation**

**i. Key accomplishments last period:**

1. Gem Office:

- a. In preparation for the XCAP biennial renewal process the applications have been loaded into the system and activated for retailer access as of 7/22/24.
  - b. 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. We experienced minor issues with Crowd Strike on several field unit devices. Those personnel whose devices were affected were directed to our IT department for resolution.
    - b. FY25 sales goals have been added into the system.
  3. Gem Retailer:
    - a. The program updates to accommodate the new commissions set forth by the MD Legislation were completed.
  4. Training
    - a. The Special Assignments representative was fully trained and is now operating in the field covering vacant territories.
- ii. **Upcoming tasks for this period:**
1. Tracking of the XCAP renewal applications.

## 2. Product Development

### a) Scratch-Off Products and Promotions

#### i. **Key accomplishments last period:**

1. July Scratch-Off Launch (7/22/24):
  - \$1 – *Lucky 13*
  - \$5 – *Joker's Wild*
  - \$5 – *Gold Bar Bingo 5<sup>th</sup> Edition*
  - \$10 – *Money Rush*
  - \$20 – *Millionaire's Club*
2. August Scratch-Off Launch (8/19/24):
  - \$2 – *Ravens X2*
  - \$5 – *Ca\$h Plu\$*
  - \$10 – *Ravens X10*
3. *Multiplier Family of Games Second-Chance Promotion*: The final drawing for one winner of \$75,000 cash was held on 7/16/24; 18,460,790 entries were received.
4. *Ravens Second-Chance Promotion*: Starting on 8/19/24, players can enter non-winning \$2 and \$10 Ravens tickets into My Lottery Rewards to receive entries into the Ravens second-chance promotion. Players can choose which prizes they put their entries toward; one \$2 *Ravens X2* ticket equals 2 entries and one \$10 *Ravens X10* ticket equals 10 entries. Prizes include season tickets, cash, trips and more. The first drawing for 11 winners was held on 8/27/2024.

5. *Game Closing Activity:*

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
596	\$20	Million Dollar Mega Multiplier	40,698,180	31,308,819	\$9,389,361	6/3/2024
611	\$5	Crazy 8s	15,881,765	11,367,983	\$4,513,782	6/3/2024

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
615	\$5	Cash Money	18,459,460	13,157,846	\$5,301,614	7/6/2024
617	\$1	Gold X5	3,990,772	2,392,633	\$1,598,139	7/6/2024
621	\$2	Instant Lottery	3,565,896	2,266,126	\$1,299,770	7/6/2024
624	\$10	In The Money	28,141,690	20,797,377	\$7,344,313	7/6/2024

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

1. September Scratch-Off Launch (9/23/24):
  - \$5 – *Game of Thrones™*
  - \$5 – *Deluxe Crossword 9<sup>th</sup> Edition*
  - \$10 – *\$2,000 Large*
  - \$30 – *\$5,000 Large*
2. *Ravens Second-Chance Promotion*: The second drawing of 9 winners will be held on 9/17/2024.
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 seven million dollars.

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

**i. Key Accomplishments last period:**

1. *Jackpot Reset Promotion* [7/1 – 12/31/24]: Our first reset for this promotion was triggered on 7/3/24 when the Powerball \$139 Million jackpot was hit. The promotion began on 7/6/24 and ran for two weeks through 7/19/24. Our second reset was triggered on 8/12/24 when the Powerball \$213.8 Million jackpot was hit. The promotion began on 8/14/24 and ran for two weeks through 8/27/24. On an Nth ticket basis during these promotions, players who purchased Powerball received a free Mega Millions ticket.
2. *NASCAR® Powerball Playoff™ Second-Chance Promotion*: The fourth drawing for seven finalists was held on 6/25/2024; 49,390 entries were received. The final drawing for seven finalists was held on 7/2/24; 52,338 entries were received. All 35 Maryland finalists each won \$1,000 and were included in MUSL’s Playoff Drawings, the first of which was held on 8/12/24. One Marylander won a spot as one of 16 semi-finalists; the 16 semi-finalists will be eliminated through a series of drawings in the coming weeks.
3. *Mega Millions Team USA Second-Chance Promotion*: The first drawing for one trip winner and ten merchandise pack winners was held on 7/2/24; 91,738 entries were received – the first trip winner chose the 2026 Italy Olympics as their prize. The second drawing for one trip winner and ten merchandise pack winners was held on 7/23/24; 136,205 entries were received. The final drawing was held on 8/13/24; 160,743 entries were received.
4. *CASH POP Sampling Promotion* [7/8 – 8/4/24]: Players who purchased any terminal game received a free CASH POP ticket on an Nth ticket basis. The

objective of this promotion was to increase awareness and penetration of the newly launched game, by encouraging core players to adopt CASH POP.

5. *Lottery Week Promotion* [7/15 – 7/21/24]: In celebration of NASPL’s National Lottery Week, players could purchase any draw game and on an Nth ticket basis receive a free draw game ticket.
6. *Cash Heatwave Second-Chance Promotion* [8/5 – 9/1/24]: Starting on 8/5/24 players can enter Pick 3, Pick 4, Pick 5 and/or CASH POP tickets into My Lottery Rewards for a chance to win cash prizes based on the highest recorded temperature at BWI the prior week. As temperatures increase, so do the cash prize amounts. The first drawing for five winners was held on 8/12/24; 256,707 entries were received. The highest recorded temperature was 96° and our winners won \$7,500 each. The second drawing was held on 8/19/24; as of 8/19/24 946,716 entries were received. The third drawing was held on 8/26/24; as of 8/19/24 946,716 entries have been received.
7. *State Fair Keno Sprinkler* [8/22 – 9/8/24]: From 8/22 to 9/8/24 players have the chance to Double or Triple their prizes when playing Keno. Doublers and Triplers may be produced on an Nth ticket basis for Keno, Keno Bonus, Keno Super Bonus and Packaged Keno to Go tickets. If the player’s numbers are winners, their winnings will be doubled or tripled.
8. *State Fair Racetrax \$6 for \$5* [8/22 – 9/8/24]: Starting on 8/22/24 any player that makes a \$6 Racetrax purchase will receive a \$1 discount. The maximum discount that can be received will be \$5 on any ticket valued at \$30 or more.

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

1. *Cash Heatwave Second-Chance Promotion* [8/5 – 9/1/24]: The final drawing for five winners will be held on 9/3/24; as of 8/19/24 946,716 entries have been received.
2. *Sheetz Gift Card Giveaway* [9/4 – 10/30/24]: 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.
3. *NASCAR® Powerball Playoff™ Second-Chance Promotion*: The next MUSL elimination round drawing will take place 9/12/24. Four players will be eliminated, each winning \$2,500.
4. *Friday the 13<sup>th</sup> Promotion* [9/13/24]: For one day, players will be awarded \$5 and \$10 instant win vouchers on an Nth ticket basis, just by playing their favorite terminal games.

**c) FAST PLAY Products and Promotions**

**i. Key accomplishments last period:**

1. July FAST PLAY Launch (7/1/24):
  - \$1 – *Burger Bucks*
  - \$5 – *The Game of Life™*
  - \$10 – *Fat Wallet*
  - \$30 – *Gold Rush*
2. August FAST PLAY Launch (8/5/24):
  - \$2 – *Cobweb Cash*

3. *Home Run Riches Contestant of the Game Second-Chance Promotion*: The fourth drawing for 24 winners was held on 6/25/24; 232,274 entries were received. The fifth drawing for 28 winners was held on 7/30/24; 282,860 entries were received. The final drawing for 25 winners was held on 8/27/24; as of 8/19/24 306,317 entries were received.
4. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
022	\$5	Home Run Riches	\$8,155,270	\$5,726,879	\$2,428,391	5/28/2024

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

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

3. **Creative Services**

a) **Traditional Advertising**

i. **Key accomplishments last period:**

1. *Cash Pop*:
  - a. *CASH POP* phase II media ran from 7/22 – 8/25 and included *Olympics TV*, general market radio, out-of-home, digital and social media.
2. *Cash Heatwave Promotion*:
  - a. The retailer information sheet and marketing materials that support this promotion are complete.
3. *Ravens Scratch-Offs*:
  - a. The media plan has been approved and will run from 9/2-9/29. It includes television, cable, radio, streaming audio, out-of-home, digital banners and online video, and social media.
  - b. All point-of-sale to support this initiative has been produced and delivered. Two television commercials were shot in early August and are in the process of being edited. All remaining creative assets are near completion.
4. *Game of Thrones Scratch-Offs*:
  - a. The media plan has been approved and will run from 9/30-11/10. The plan includes television, cable, radio, streaming audio, out-of-home, digital banners and online video, and social media.
  - b. The Lottery has been working with Scientific Games to customize their existing television and radio spots that were provided as part of our licensing agreement.
5. *Holiday Scratch-Offs*:
  - a. Selected the creative direction for the 2024 Holiday campaign, as well as the point-of-sale.
  - b. Provided direction to 9 Rooftops to assist them in the development of a media brief.
6. *FY'25 Planning*:
  - a. Worked with GKV and 9 Rooftops to determine product campaigns for the January – June timeframe.
7. *FY'25 Sports Sponsorships*:
  - a. Finalized sponsorship agreements with the *University of Maryland, Towson University*, and *Morgan State University* for the 2024-2025 school year. All

three sponsorships primarily focus on football and basketball marketing assets.

- b. Finalized sponsorship with the *Washington Commanders* for the 2024 season.

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

1. *Ravens:*
  - a. Finalize the television, radio, out-of-home, digital and in-stadium creative assets.
  - b. 9 Rooftops will place all media buys.
2. *Game of Thrones:*
  - a. Continue working with Scientific Games to finish customizing the television and radio spots. Also continue working with GKV on all remaining creative assets, including out-of-home, digital and social media.
  - b. 9 Rooftops will place all media buys.
3. *Holiday:*
  - a. Film the *Holiday* television commercial in early October. All other creative assets will be finalized with GKV.
  - b. Work with 9 Rooftops to begin developing the media plan that will run in November and December.
4. *FY'25 Planning:*
  - a. Allocate funds by initiative through the end of FY'2025 to determine those campaigns that will receive paid advertising support and at what level.
5. *FY'25 Sports Sponsorships:*
  - a. Work with *University of Maryland, Towson University, and Morgan State University* on all creative assets, on-field football promotions, and on-site activations.
  - b. Work with the *Washington Commanders* to develop and fulfill all creative assets for the start of the regular season

b) **Web, Digital and Social**

i. **Key accomplishments last period**

1. Promoted the *Team USA* promotion, *Home Run Riches Second Chance* contest, *Jackpot Reset* promotion, *Racetrax* and *Keno Sprinkler* promotions, *Cash Pop Free Play* promotion, and various winners and events through social media and the website.
2. Conducted a social media contest to select *Pass for Cash* contestants for the on-field contests held during the two Ravens home preseason games. Almost 250 entries were received.
3. Added new *Keno* animations to the MD Lottery mobile app, as well as Hot and Cold numbers for *Cash Pop* on the website and mobile app.

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

1. Execute social media and digital plans for the new *Ravens Scratch-Offs* and second chance promotion.
2. Create social media and digital plans for the *Game of Thrones Scratch-Off* and second-chance promotion.

c) **My Lottery Rewards**

i. **Key accomplishments last period:**

1. Lower level multi-state jackpots translated to average monthly MLR users being down 3.4% in July when compared to the prior month. Monthly registrations for July were also down 18.1% when compared to the prior month.



2. *The Big Spin Scratch-Off* continues to lead scratch-off game entries for the third straight month.
3. *Pick 4* and *Pick 3* continue to lead draw game entries with over 1.9 million (combined) for July.
4. We saw 71,285 MLR mobile app users in July; 75.6% were iOS users and 24.4% were Android. In addition, we had 7,665 new app users for the month.

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

1. Develop FY '25 Q2 PFDs, with a trip to *Kent Island* featured as the Q2 Maryland Getaway.
2. Finalize all documents for the *Game of Thrones* second chance promotion launching on 9/23.
3. Finalize all materials for the *Sheetz Gas Card Giveaway* promotion beginning on 9/4.