

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Maryland Lottery and Gaming Control Commission  
Gordon Medenica, Director

FROM: John Martin, Managing Director and Chief Revenue Officer

DIVISION: Sales

DATE: January 15, 2019

SUBJECT: Report for the January 2019 Commission Meeting

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Following is a status update of ongoing and special projects in the Sales Division.

## 1) Sales

### Year over Year Sales Growth for December Product Category by Store Segment

		Draw/Monitor	Instant	Combined
<b>STATE</b>	2018	\$116,804,798	\$67,234,986	\$184,039,784
	2017	\$116,859,063	\$61,315,811	\$178,174,874
	Difference	(\$54,265)	\$5,919,175	\$5,864,910
	%YoY +/-	-0.1%	9.6%	3.3%
<b>INDEPENDENT</b>	2018	\$97,592,331	\$45,496,068	\$143,088,399
	2017	\$97,402,216	\$42,322,934	\$139,725,151
	Difference	\$190,114	\$3,173,134	\$3,363,248
	%YoY +/-	0.2%	7.5%	2.4%
	% of State Sales	83.6%	67.7%	77.8%
<b>CORPORATE</b>	2018	\$19,212,468	\$21,738,918	\$40,951,386
	2017	\$19,456,846	\$18,992,877	\$38,449,723
	Difference	(\$244,379)	\$2,746,041	\$2,501,662
	%YoY +/-	-1.3%	14.5%	6.5%
	% of State Sales	16.4%	32.3%	22.2%

- Sales Management
  - The “Blitz Week” campaign for December began on the 26<sup>th</sup> with four price points of \$1, \$5 (2) and \$10 instant tickets.
    - Top Blitz Week Performers for November:
      - Rob Austerer- 108.1
      - Jonathan McIntosh - 98.8
      - John Mandley - 97.6
  - Finalizing the XCAP retailer bi-annual recertification program. Notification letters sent to all 360 XCAP retailers by year-end.
  - All PEPs for sales personnel completed and submitted to Human Resources in December.
- Field Support/Self-Service Vending Units
  - Game #399 (\$5 Winning Streak) which launched on November 26<sup>th</sup> was recalled immediately due to a production problem. We utilized all field personnel to return packs to the warehouse.
  - Continued assessment and placement of both self-service vending machines.
  - We will deploy the full-service PHD units (selling both instant and draw games) in over 600 additional locations beginning in the first quarter of the calendar year. Currently we have nearly 550 PHDs in service.
  - We are primarily targeting the PEX (draw games only) machines for social settings with a prevalence towards monitor game (Keno and Racetrax) locations. Planning on approximately 250 of these machines installed statewide through 2019.
  - Sales supported two Ravens events at the stadium.
- Training
  - While gemIntelligence and gemOffice training is ongoing, bi-weekly duty day training has become a major initiative for our Sales staff to increase knowledge of field equipment and retailer call support tools.
- Sales Support
  - Multiple software updates reviewed, tested and approved for usage, combined with a dozen enhancements successfully downloaded by year-end.
  - Working with procurement to decide on a course of action to secure a new vendor to supply take one boxes for retailer locations.
  - Evaluating the Microsoft Surface Pro as a replacement for the iPad tablets currently in use by our District Managers in the field.

## **2) Corporate Sales**

- Field Activity
  - Planning for the upcoming transition of grocery chain locations from the instant ticket vending machines to the new self-service (PHD) vending machines is underway and will begin in mid-February.
  - Business reviews scheduled for the first half of the calendar year. In addition to discussing retailer performance, we will also be discussing the upcoming launch of the retailer reporting portal and self-service vending machine conversion.

- Corporate Sales team will introduce the retailer reporting portal to select accounts in waves until it is launched to all accounts. The first wave of corporate accounts to utilize the portal are as follows:
  - Royal Farms
  - Wawa
  - High's of Baltimore
  - Giant Foods
  - Wegman's

### **3) Retail Recruitment**

- Recruitment Results
  - 23 new applications received and advanced to Phase II of the approval process in November and December.
  - 19 new independent locations installed during November and December.
- Prospecting Activities
  - Actively pursuing 42 retailers with incomplete applications that are at different stages of completion. Working to get all paperwork submitted so we may approve and move on to Phase II for all the clearances from Agent Administration and Security Departments.
  - Requested updates completed for Gem intelligence to help to organize prospects by being able to delete retailers as we complete an application package or retailers who do not qualify.

### **4) Analysis & Reporting**

The calendar year ended on a high note, with the Numbers category in positive territory, when measured against last year's sales.

Pick-4 had an all-time record week in early December. Instant sales continue at a strong pace, but the Jackpot games are lagging.