

# 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: November 5, 2018

SUBJECT: Report for the November 2018 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 October Product Category by Store Segment

		Draw/Monitor	Instant	Combined
<b>STATE</b>	2018	\$154,766,650	\$65,290,002	\$220,056,652
	2017	\$97,633,153	\$59,276,278	\$156,909,431
	Difference	\$57,133,497	\$6,013,724	\$63,147,221
	%YoY +/-	59%	10%	40%
<b>INDEPENDENT</b>	2018	\$115,790,371	\$44,632,329	\$160,422,700
	2017	\$83,493,355	\$40,984,458	\$124,477,813
	Difference	\$32,297,016	\$3,647,871	\$35,944,887
	%YoY +/-	39%	9%	29%
	% of State Sales	75%	68%	73%
<b>CORPORATE</b>	2018	\$38,976,279	\$20,657,673	\$59,633,952
	2017	\$14,139,798	\$18,291,820	\$32,431,618
	Difference	\$24,836,481	\$2,365,853	\$27,202,334
	%YoY +/-	176%	13%	84%
	% of State Sales	25%	32%	27%

- Sales Management
  - The “Blitz Week” campaign for October began on the 22<sup>nd</sup> with five price points of \$1, \$2, \$3, \$5 & \$10 instant tickets.
    - Top Blitz Week Performers for September:
      - Rob Austerer- 107.38%
      - John Mandley – 96.72%
  - Sales supported five selling events, in October which included:
    - Endless Cruising in Ocean City
    - Das Best Octoberfest
    - Stadium Events
      - Purple Evening
      - Saints vs. Ravens
    - Numerous sales personnel also supported the Day of Service initiative.
  - We welcome Sandra Holland to cover territory #28 on the eastern shore.
  - Supported October Regional Advisory Board meetings held throughout the state.
  - Prepared XCAP retailers for the bi-annual recertification program.
- GemIntelligence:
  - Improvements in the alert display allow the DMs to work more efficiently.
  - GemOffice
    - Sales Management has been working with all stakeholders to provide gemOffice improvement and effectiveness feedback for managing the processing of retailer applications and licenses.
- Field Support/Self Service Vending Units
  - The Sales team supported the retailers during the Mega Millions and Powerball jackpot runs. Ensuring that they had enough supplies and addressing problems, in a timely manner.
  - Sales has begun development of list of viable locations, primary bars, restaurant and beverages locations that will benefit from the installation of a PEX, self-service terminal that does not require the sales of the instant ticket products.
    - The full deployment will occur beginning in late November.
  - One of our vans was heavily damaged in an accident, during the month.
- Training
  - Duty day training has become a major initiative for our staff to increase knowledge of field equipment and retailer call support tools.
  - gemIntelligence and gemOffice training is ongoing.

## 2) **Corporate Sales**

- Field Activity
  - Business Reviews for the accounts listed below have been completed. With the busy holiday season approaching, we will postpone performing business reviews until Q1 2019.
    - High's of Baltimore
    - Safeway
    - Dash In

- The corporate sales team attended the annual Wawa vendor meeting in late October. The purpose of the meeting was to introduce the various jurisdictions to the newly formed Wawa Lottery team and to discuss the potential for any joint promotions in the near future. The new Wawa Lottery team is comprised of 12 people who work in departments including marketing, loss prevention, strategic sourcing, IT, etc. The Maryland, Pennsylvania, Delaware, New Jersey, Virginia and Washington D.C. Lottery teams were present for this meeting.
- The Corporate Account Managers' schedules have been modified to allow for additional time in the field. With the increased amount of time in the field, the Corporate Account Managers are encouraged to have regularly scheduled meetings with the field management teams of their accounts in order to provide additional insights into our operations and procedures.
- Klein's Shoprite will become our first corporate partner within the grocery sector to become a member of the Expanded Cashing Authority Program. They currently have nine grocery store locations located throughout the eastern and northern Maryland corridors, which will be participating in the program.

### **3) Retail Recruitment**

- Recruitment Results
  - 20 new applications received and advanced to Phase II of the approval process in September.
  - 14 new independent locations installed during September.
- Prospecting Activities
  - Actively pursuing 35 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.

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

With over \$220 million in sales, October 2018 was the highest sales month in the history of Maryland Lottery. The jackpot rolls, which each started in Q1 of FY19, continued through the end of October producing \$58 million in total sales for the two games and \$3.2 million in sales commission to our retailers.

In addition to the jackpot games, instant ticket sales maintained a record pace and most of the remaining games were influenced positively.

Corporate stores, particularly convenience stores with gas, benefit overwhelmingly from large jackpot rolls. For example, Royal Farms experienced a 235% increase in Draw sales in October 2018 compared to the year prior and Wawa's year over year comparison was 469%.