

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

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

FROM: John Martin, Managing Director and Chief Revenue Officer

DIVISION: Sales

DATE: June 18, 2019

SUBJECT: Report for the June 2019 Commission Meeting

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

1) Sales

May 2019, Year over Year Comparison Product Category by Store Segment

		Draw/Monitor	Instant*	Combined
STATE	2019	\$122,722,456	\$72,004,621	\$194,727,077
	2018	\$108,024,430	\$69,485,663	\$177,510,093
	Difference	\$14,698,026	\$2,518,958	\$17,216,984
	%YoY +/-	13.6%	3.6%	9.7%
INDEPENDENT	2019	\$101,049,246	\$47,757,073	\$148,806,319
	2018	\$92,600,222	\$47,934,087	\$140,534,309
	Difference	\$8,449,024	(\$177,014)	\$8,272,010
	%YoY +/-	9.1%	-0.4%	5.9%
	% of State Sales	82.3%	66.3%	76.4%
CORPORATE	2019	\$21,673,209	\$24,247,548	\$45,920,757
	2018	\$15,424,207	\$21,551,576	\$36,975,783
	Difference	\$6,249,002	\$2,695,972	\$8,944,974
	%YoY +/-	40.5%	12.5%	24.2%
	% of State Sales	17.7%	33.7%	23.6%

- 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.

- Sales Management
 - The “Blitz Week” campaign for the Gold Rush Family of Games (FOG) began May 20th with five price points (\$1, \$2, \$5, \$10 & \$20).
 - Top Blitz Week Performers for April:
 - John Mandley - 116.8
 - Rob Austeria - 107.2
 - Roger Insley - 101.5
 - We are in the process of restructuring territory routes and retailer assignments. Presented this plan to the sales staff at the most recent monthly Sales meeting. Allows for better productivity and efficiency in making retailer visits.
 - Sandra Holland, district manager from the Salisbury area, won the Rep of the Quarter for the 3rd quarter of FY19.
- Field Support/Self-Service Vending Units
 - Sales continues to work with both IGT (ITVM vendor) and SG (PHD vendor) to coordinate scheduling of ITVM removals and PHD installs at the four larger grocery chains in May. We met our target completion date of Friday, May 24.
 - PAT self-service vending removals will be complete in June.
 - Sales supported the Communications department at four events during the month, which included two Orioles games.
 - Recent inventory of signs and dispensers have arrived in the warehouse. Ordered an additional quantity of Take-One boxes (3- and 6-bin units) to support play slip distribution at retail.
 - Completed SalesMaker door decal updates with new “The Price is Right” messaging. Visited all locations to ensure quality of work.
- Staffing
 - Sales management is working with Human Resources (HR) to fill an open Sales Support Manager plus two district manager positions.
 - Conducted Sales Support Manager interviews in April with an anticipated offer in May.
 - Sales also conducted interview for two district manager postings, which include a permanent and a contractual positions.
 - In addition, regional managers reassigned personnel to cover vacant areas.
- Training
 - Selected sales personnel have been testing a new tablet that the sales team will utilize for retailer route management.

2) Corporate Sales

- Field Activity
 - Corporate Grocery Locations
 - Phase 1 of the roll out of the PHD self-service vending machines concluded in early May. Since March, we have installed 116 of 220 stores.

- Phase 2 of the PHD roll out is underway. We are upgrading accounts such as Wegman's, Harris Teeter and Shoppers Food with our latest vending solutions.
- The Corporate Sales team participated in the 7-Eleven sponsored sales rallies all across the state for the month of June. Select 7-Eleven employees as well as franchisees attended the rallies.
- The following accounts are scheduled for Business Reviews in June:
 - Safeway
 - Sheetz
 - Rite Aid
 - Burchmart
 - Fastop
- Expansion
 - CVS Health is interested in expanding their Lottery presence in Maryland. We are evaluating their requirements and are deciding on how best to proceed.

3) Retail Recruitment

- Recruitment Results
 - Twenty-five (25) new applications received and advanced to Phase II of the approval process in May.
 - Eighteen (18) new independent locations installed during May.
- Prospecting Activities
 - Actively pursuing 20 new retailer prospects that have attempted to complete an application. They are all 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) Sales Force Automation

With increased importance on the use of technology to increase sales and generate additional revenue, here is an update on the application of technology to accomplish these goals.

- gemIntelligence: Lottery IT department is configuring 10 Surface Go units for the field with the plan to begin distribution June 2019. Several additional units will have VPN access that will allow Regional and Asst. Regional Managers the ability to work on gemOffice outside of the main office.
- gemOffice: Release 3 for Gem Office is currently in testing. Provided an outline of the new XCAP renewal application for review. The target date for testing on the new app is March 2020, with the intent of making the application live by September 2020.
- gemRetailer: Most corporate accounts now have access to the reporting portal. Addressing items as retailer feedback comes in. The process is going well at this time.
- Application Portal: Retailers are pleased with the efficiency and performance of the Application portal. Troubleshooting calls have slowed down considerably with some

applicants reporting issues with uploading documents in support of licensing as their only concern.

- Training: Our Sales Training Manager, Dana Washington, continues to ride along with District Managers to evaluate the usage and proficiency of gemIntelligence as well as other programs used by the staff. She provides feedback so we may develop future relevant training topics for the staff.

5) **Analysis & Reporting**

The month of May performed well on all fronts, with sales totals \$16 million above last year.

The Numbers category was up every week. Jackpot games all continued to roll throughout the month. Monitor games were firm, with Keno maintaining strength after a bonus period. Racetrax established all-time weekly sales records three times during May. The Instant games continued at a record pace.