

# 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: September 17, 2019

SUBJECT: Report for the September 2019 Commission Meeting

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

## 1) Sales

### August 2019, Year over Year Comparison Product Category by Store Segment

		Draw/Monitor	Instant*	Combined
<b>STATE</b>	2019	\$111,244,090	\$66,820,777	\$178,064,867
	2018	\$108,514,664	\$62,550,912	\$171,065,576
	Difference	\$2,729,426	\$4,269,865	\$6,999,291
	%YoY +/-	2.5%	6.8%	4.1%
<b>INDEPENDENT</b>	2019	\$93,038,902	\$44,079,612	\$137,118,514
	2018	\$92,533,952	\$43,003,802	\$135,537,754
	Difference	\$504,951	\$1,075,810	\$1,580,761
	%YoY +/-	0.5%	2.5%	1.2%
	% of State Sales	83.6%	66.0%	77.0%
<b>CORPORATE</b>	2019	\$18,205,187	\$22,741,165	\$40,946,352
	2018	\$15,980,712	\$19,547,110	\$35,527,822
	Difference	\$2,224,475	\$3,194,055	\$5,418,530
	%YoY +/-	13.9%	16.3%	15.2%
	% of State Sales	16.4%	34.0%	23.0%

\* - 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 began August 26<sup>th</sup> by launching five games within three price points (\$2, \$5 [2] & \$10 [2]) featuring our \$5 Deal Or No Deal Ticket.
    - Top performers in July for activating all games during Blitz Week:
      - Roger Insley - 106.5
      - DeUnka Wade - 105.6
      - Rob Austeria - 102.8
  - The monthly sales meeting was conducted on August 21<sup>st</sup> and focused on the completion of self-service unit installations for grocery and chain locations.
  - The sales team also focused on the Surface Go tablets with on-going training sessions and updating retailer profiles.
- Field Support/Self-Service Vending Units
  - Sales support continued to work with both IGT (ITVM Vendor) and Scientific Games (PHD Vendor) to coordinate scheduling of ITVM removals and PHD installations.
    - The Lottery has successfully removed all ITVM's from the marketplace and concluded our ITVM support contract with IGT as of August 31<sup>st</sup>.
  - Sales support is in the process of assigning and scheduling the next allotment of PHD's to be dispersed into the marketplace. In addition, we are reviewing the performance of self-service machines (both PEX's and PHD's) currently in the field along with Sales Management to identify opportunities for improving sales.
  - In collaboration with Scientific Games, we have placed two PHD's on the Club Level of M&T Bank Stadium for the 2019 Baltimore Ravens season. Sales will be providing two Maryland Lottery Ambassadors to help familiarize consumers and staff with the PHD's for both preseason games as well as the first two regular season home games.
  - Sales support is currently reviewing our ordering and inventory process in an effort to manage materials and supplies better.
  - Sales supported the Communications department at three events during the month, which included two (2) Raven's preseason games and eleven days at the Maryland State Fair.
  - Sales management continued working with Human Resources (HR) to fill an open position by hiring David Rogers, as a Special Assignment District Manager, working under the Field Sales Manager to fill voids throughout the state, where needed.
- Training
  - The Sales team participated in a refresher training for proper PHD instant ticket loading procedures during their duty day activities.

## 2) **Corporate Sales**

- Field Activity
  - Vending Machine Installations
    - Phase 2 of the PHD roll out is now complete with accounts such as Wegmans, Harris Teeter, Shoppers Food, etc. upgraded to the new self-service vending machines (PHD).
  - The Corporate Sales team participated in the Q3 sales rallies for 7-Eleven to discuss opportunities on how to improve sales and operations within their locations and discuss any opportunities for the upcoming Q4 Holiday season.
  - Business reviews have been scheduled in October with the following accounts:
    - Rite Aid
    - Weis Supermarkets
    - Food Lion
  - Corporate Sales will be attending the upcoming NASPL conference in which meetings have been scheduled with the national teams of the following accounts:
    - Giant Food (Ahold)
    - Safeway (Albertsons)
    - Harris Teeter (Kroger)
    - Walmart
    - 7-Eleven

## 3) **Retail Recruitment**

- Recruitment Results
  - Twenty-two (22) new applications received and advanced to Phase II of the approval process in August.
  - Thirteen (13) new independent locations installed during August.
- Prospecting Activities
  - In the past 90 days we have been pursuing 60 new retailer prospects with 46 being new independent and 14 corporate locations; 15 of the locations were cold calls. They are all at different stages of completion. Working to get all paperwork submitted so we can 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: Point-of-Sale (POS) items will be displayed on a new tab in gemIntelligence along with a picture and quantity available. This gives the DM the ability to review items with the retailer and make a better decision if the item is actually beneficial to the site.
- gemOffice: Release 4 is being loaded for testing which should begin in September. A schedule for monitoring applications is now in place that provides Regional and Asst. Regional managers greater awareness of changes happening in their respective areas, thus creating a more consistent and accurate database.
- gemRetailer: Additional retailers are being added weekly and all are using the reporting tool on a greater scale.
- Application Portal: Developing a new design to direct applicants to the correct document to submit.
- Training: Conducted a review with the DM staff on how to utilize the Surface Go. The learning curve for the DM staff varies greatly so we are working on developing a “voluntary” workshop for those who need additional training.

#### 5) **Analysis & Reporting**

August sales were strong in the numbers category and Instants were up 5% year over year.

Most impressive is that both monitor games continue to show strength; Racetrax up 9% and Keno up 4%. The jackpot games were slow, due to recent hits.