

# 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: February 18, 2020

SUBJECT: Report for the February 2020 Commission Meeting

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

## 1) Sales

### January 2020, Year over Year Comparison Product Category by Store Segment

		Draw/Monitor	Instant	Combined
<b>STATE</b>	2020	\$112,481,771	\$73,952,167	\$186,433,938
	2019	\$104,679,996	\$68,454,279	\$173,134,275
	Difference	\$7,801,775	\$5,497,888	\$13,299,663
	%YoY +/-	7.4%	8.0%	7.7%
<b>INDEPENDENT</b>	2020	\$91,158,501	\$47,634,825	\$138,793,326
	2019	\$87,702,378	\$45,188,513	\$132,890,891
	Difference	\$3,456,123	\$2,446,312	\$5,902,435
	%YoY +/-	3.9%	5.4%	4.4%
	% of State Sales	81.0%	64.4%	74.4%
<b>CORPORATE</b>	2020	\$21,323,270	\$26,317,342	\$47,640,612
	2019	\$16,977,618	\$23,265,766	\$40,243,384
	Difference	\$4,345,652	\$3,051,576	\$7,397,228
	%YoY +/-	25.6%	13.1%	18.4%
	% of State Sales	19.0%	35.6%	25.6%

\* - 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 began January 20 by launching the Multiplier Family of Games (FOG), which included four (4) price points (\$1, \$2, \$5 & \$10).
    - Top performers for activating all games during Blitz Week:
      - Wade Harris - 92.4
      - Chuck Hamrick - 88.2
      - DeUnka Wade - 87.8
  - The monthly sales meeting conducted on January 15 focused our “20/20 Share the Vision” on our FY20 Sales Forecast mid-year review.
  - Two district manager (DM) positions are currently open with one individual out on extended leave and the other position open for recruitment.
- Field Support/Self-Service Vending Units
  - Sales disseminated information and trained retailers on the new Fast Play lottery game that will launch in February.
    - Sales is responding to the Lottery’s hard recall notice of game #365 – \$2,000,000 Mega Bucks.
  - Sales Support continues to work with Scientific Games to coordinate scheduling of PHD self-service vending installations.
    - We are currently scheduling the replacement of 43 PHDLs (smaller machines) in the marketplace with PHD units.
      - All units being replaced to be completed by the end of February.
      - The PHDL units will be refurbished and prepared for re-deployment mid-year.
    - Sales Support has received retailer location recommendations for PHD units from the regional managers.
      - We are analyzing these locations for the next allocation of PHDs for deployment due to arrive in late spring.
      - In addition, any locations not chosen to receive a unit in this next deployment will remain on a future allocation list.
    - We review the performance of self-service machines (both PEX and PHD) currently in the field to identify opportunities for improving sales by redirecting any underperforming units.
- Events
  - Sales supported the Communications department at the Ravens playoff game.

## 2) Corporate Sales

- Field Activity
  - Business reviews were completed with the chain accounts listed below:
    - Royal Farms
    - Burchmart
    - Fastop
  - Business reviews will also be held for the following chain accounts by the end of February:

- Weis Supermarkets
- Rite Aid
- Rutter's Farm Stores
- The Corporate Sales team will continue with preparation for the next wave of vending machine installations for chain accounts such as AC&T and 7-Eleven.
- We may also provide an additional (second) vending unit to high volume locations.
- The Corporate Sales team continues to work with the Walmart launch team to finalize the installation process and move towards launching in Q2 20.

### **3) Retail Recruitment**

- Recruitment Results
  - Twenty-one (21) new applications were received and advanced to Phase II of the approval process in January.
  - Six (6) new independent locations were installed in January.
- Prospecting Activities
  - We are renewing our efforts with the Corporate Accounts team to identify small, regional chain accounts. We'll update those efforts in next month's report.

### **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: District Managers continue to update units on a regular basis; received training on the new Fast Play screens and relevant forms, as required.
- gemOffice: A new software release was downloaded into production which enhances the ability to better manage applications.
- gemRetailer: Based on retailer feedback, we will be drafting a request to add "self-service" vending reports to the menu options.
- Training: We conducted regional training sessions in our model store to allow District Managers to interact with all retail equipment selling Fast Play. A very productive training with all groups. Many questions were asked which helped clarify how the retailer would sell the game and how the customer would see the game.

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

January showed an increase of over \$13 million when compared with the previous year.

Sales of the daily numbers category lagged while instant scratch-off tickets had a healthy 8% gain. Monitor games had small increases but the multi-jurisdictional rollover jackpot games led the pack. Powerball peaked when the jackpot approached \$400 million on the final January drawing.

Next month we welcome the Fast Play category of games.