

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: May 19, 2020

SUBJECT: Report for the May 2020 Commission Meeting

1) Sales

April 2020, Year over Year Comparison Product Category by Store Segment

		Draw/Monitor	Fast Play	Instant	Combined
STATE	2020	\$91,828,291	\$4,700,821	\$60,433,653	\$156,962,765
	2019	\$112,974,590	\$0	\$70,668,140	\$183,642,730
	Difference	(\$21,146,299)	\$4,700,821	(\$10,234,487)	(\$31,380,786)
	%YoY +/-	-18.7%	100%	-14.5%	-17.1%
INDEPENDENT	2020	\$74,422,549	\$2,695,933	\$39,857,103	\$116,975,585
	2019	\$94,579,795	\$0	\$47,030,934	\$141,610,729
	Difference	(\$20,157,246)	\$2,695,933	(\$7,173,831)	(\$24,635,144)
	%YoY +/-	-21.3%	100%	-15.2%	-17.4%
	% of State Sales	81.0%	57.4%	66.0%	74.5%
CORPORATE	2020	\$17,405,742	\$2,004,888	\$20,576,550	\$39,987,180
	2019	\$18,394,795	\$0	\$23,637,206	\$42,032,001
	Difference	(\$989,053)	\$2,004,888	(\$3,060,656)	(\$2,044,821)
	%YoY +/-	-5.4%	100%	-13.0%	-4.9%
	% of State Sales	19.0%	42.6%	34.0%	25.5%

* - 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 April was suspended. We continue to feature the James Bond 007 ticket which has a second chance Las Vegas trip contest.
 - Highest ranking April Year-over-Year sales by territory:
 - Sandra Holland T-28
 - Bill Wineland T-10
 - Jon Braithwaite T-11
 - The April 15th monthly sales meeting focused our “20/20 Share the Vision” strategy on presenting the Regional Retailer Advisory Board meeting.
- Field Support/Self-Service Vending Units
 - Emergency essential personnel were identified to handle retailer visits for only the most urgent in-store activities.
 - All non-essential personnel were assigned activities to telework from home.
 - Terminal messages were sent to retailers encouraging them to clean the self-service screens frequently in the effort to stop the spread of the coronavirus.
 - All levels of the Sales Management team are using video conferencing, to meet and direct staff activities.
 - Sales Support
 - Continues to work with SG to track the arrival of the next shipment of self-service vending units. Developing an allocation and distribution plan for installations once the units arrive and we are able to install.
 - Working with Corporate Sales to prepare for Walmart's onboarding: preparation of PHDL self-service vending units; design and procurement of Walmart specific point of sales items; and helping with planning a training schedule along with SG.
 - Monitor and identify winning tickets sold for eligible retailers to receive compensation from the Retailer Bonus program.
- Events
 - All events are on hold pending the return to normal operations.

2) Corporate Sales

- Field Activity
 - With the corporate sales portfolio being made up of mostly convenience and grocery stores, these locations were deemed essential and have remained open. Lottery operations have continued in these retailer locations, however, they have adopted the Maryland Lottery protocols for promoting safe play, as well as implementing their own protocols.
 - The Corporate Sales team continues to work with the Walmart launch team to finalize the onboarding process and move towards launching in Q3 20. We are currently reviewing store layout plans with the Walmart operations team to determine quantity and placement of the forthcoming Maryland Lottery equipment in their stores.

3) Retail Recruitment

- Recruitment Results
 - Six (6) new applications were received and advanced to Phase II of the approval process over the last month.
 - Seven (7) new independent locations were installed in the same time frame.
- Prospecting Activities
 - During this time, we remain restricted to phone and email communication only with prospective retailers. Prospects continue to be slowed due to the difficulty in gathering outstanding paperwork, namely Electronic Funds Transfer forms signed and notarized by the bank, as well as difficulty in finding a location that is still doing fingerprinting. We will continue to stay in touch with prospects and provide support in completing applications. Field visits for the most part will be deferred until we get an “all clear.”

4) Sales Force Automation

- gemIntelligence/field units: Improving Tel-Sell’s ability to maximize scratch-off ticket sales at retail by updating the “facings” count for each retailer and eliminating any confusion by removing the “bins” field.
- gemOffice: The new feature added on the last upload, “Check box for XCAP retailers”, is working fine. Not many apps are being processed at this time due to the SOE.
- gemRetailer: Under current social distancing guidelines, we decided to use the gemRetailer platform to present our semi-annual Retailer Advisory Board meeting in a video format. Working with SG, a Google survey was developed to track when retailers viewed the RAB content as well as collect important feedback on several new initiatives. Testing was performed internally and with several retailers to provide feedback on the performance and viability of the format. With a few tweaks, the new video format was launched to the retailer base late April.
- Training: Best practices are updated on a regular basis with District Managers. A brief refresher training exercise was also presented to the group on gemRetailer. The gemRetailer training focused on how to login to the site (requirements) as well as where to find the RAB information on the site to assist retailers.

5) Analysis & Reporting

The second half of April and early May have seen a gradual return to “normalcy” in a few product categories: daily Pick games (both Pick 3 and Pick 4); scratch-off instant tickets and Multi-Match.

Interestingly, the suspension of our scheduled April launch of new scratch-off games, scheduled for the week of April 20th, seemed to have a counterintuitive effect as players sought economical entertainment options among the various price points of available scratch-off games. We anticipate the return to our monthly scratch-off launch cycle of new games with May’s Lucky 7s family of games at five price points: \$1, \$2, \$5, \$10 and \$20.