

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: June 16, 2020

SUBJECT: Report for the June 2020 Commission Meeting

1) Sales

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

		Draw/Monitor	Fast Play	Instant	Combined
STATE	2020	\$113,335,105	\$4,854,841	\$80,557,824	\$198,747,770
	2019	\$122,722,456	\$0	\$72,004,621	\$194,727,077
	Difference	(\$9,387,351)	\$4,854,841	\$8,553,203	\$4,020,693
	%YoY +/-	-7.6%		11.9%	2.1%
INDEPENDENT	2020	\$91,731,203	\$2,646,358	\$53,392,598	\$147,770,159
	2019	\$101,049,246	\$0	\$47,757,073	\$148,806,319
	Difference	(\$9,318,043)	\$2,646,358	\$5,635,525	(\$1,036,160)
	%YoY +/-	-9.2%	100%	11.8%	-0.7%
	% of State Sales	80.9%	54.5%	66.3%	74.4%
CORPORATE	2020	\$21,603,902	\$2,208,483	\$27,165,226	\$50,977,611
	2019	\$21,673,209	\$0	\$24,247,548	\$45,920,757
	Difference	(\$69,307)	\$2,208,483	\$2,917,678	\$5,056,854
	%YoY +/-	-0.3%	100%	12.0%	11.0%
	% of State Sales	19.1%	45.5%	33.7%	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 returned in May posting an all-time record for instant activations.
 - The monthly sales meeting conducted on May 13th focused our “20/20 Share the Vision” on the 120 day settlement period, Regional Advisory Board (RAB) survey results and returning our staff to normal duties.
 - One contractual district manager (DM) position is currently open for recruitment.
- Field Support/Self-Service Vending Units
 - Emergency Essential Personnel continued to handle retailer visitations for only the most urgent in-store activities.
 - All non-essential personnel were assigned activities to telework from home only.
 - All levels of the Sales Management team continue to use 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, helping with training planning along with our vendor SG. Awaiting Walmart specific display items (play centers) to be delivered to warehouse the week of June 8th.
 - Monitor and identify winning tickets sold and retailers eligible to receive compensation from the Retailer Bonus check program.
- Events
 - All events are now on hold pending the return to normal operations.

2) Corporate Sales

- Field Activity
 - The Corporate Sales team is in the process of preparing for the next wave of self-service vending machine installations. Some locations are being qualified for their first vending machine, where some higher volume locations may receive an additional unit to help support the needs of their location.
 - Coordinating with the corporate headquarters for each account in order to schedule inventory collection, as well as any other needs of their retail locations when field operations resume.
 - The Corporate Sales team continues to work with the chain accounts on the auto order scratch-off ticket replenishment program to ensure that all inventory needs are met in a timely and efficient manner.
 - The Corporate Sales team continues to work with the Walmart launch team to finalize the onboarding process and move towards launching in Q3 20.

3) Retail Recruitment

- Recruitment Results
 - Two (2) new applications were received and advanced to Phase II of the approval process over the last month.
 - Three (3) new independent locations were installed in the same time frame.
- Prospecting Activities
 - Over the last month, we have been restricted to phone and email communication only with prospective retailers. In preparation for field visits happening sooner rather than later we have increased the amount of prospects in the pipeline by about 35%. We are contacting each and then prioritizing to help with a fast start. Goal is to be up to our average monthly recruitment numbers as soon as possible.
 - In the past 90 days we have been pursuing 67 new retailer prospects (60 independent and 7 corporate locations). They are 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

- gemIntelligence/field units: Modifications are being made to the software to allow for the information in gemIntelligence identifying “facings” for a retailer to flow to SciTrak to help facilitate the auto order system for replenishing scratch-off tickets. The process of moving information from gemIntelligence to SciTrak is a manual update currently.
- gemOffice: The XCAP renewal application is being updated. We should have something in UAT within the next month; anticipating completion in early September. We plan to launch the new app in October of 2020 to coincide with our bi-annual renewal process.
- gemRetailer: May was a great month for this site with over 500 logins. While retailers needed to complete the RAB project, many retailers accessed the site multiple times to review information to better manage their business. The next goal is to have more independent retailers utilize the site. We are posting more news items here as another resource for retailers to access relevant information.
- Training: In an effort to improve upon our Blitz Week monthly sales process, two of our four sales regions were assigned the task of sharing their experiences: what works well; what obstacles were encountered; what is a good balance of visits and phone calls from the District Manager’s perspective. This information will be presented at the June sales meeting. The intent is that other District Managers may better respond to best practices from their peers versus sales management telling them what are the best practices.

5) Analysis & Reporting

A couple of impressive sales records were set in May as we saw players respond favorably to both our new scratch-off games launch as well as supporting our daily numbers games.

- The Lucky 7s family of games scratch-offs launched on May 18th and helped lead the way to a new high water mark of \$22 million in weekly sales activations.
- Equally noteworthy is the mention that Pick 4 sales exceeded the \$7 million weekly sales mark four times in the month.