

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: September 15, 2020

SUBJECT: Report for the September 2020 Commission Meeting

1) Sales

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

		Draw	Monitor	Instant and Fast Play	Combined
STATE	2020	\$73,019,107	\$45,534,633	\$83,876,648	\$202,430,388
	2019	\$65,144,799	\$46,099,291	\$66,820,777	\$178,064,867
	Difference	\$7,874,308	(\$564,658)	\$17,055,871	\$24,365,521
	%YoY +/-	12.1%	-1.2%	25.5%	13.7%
INDEPENDENT	2020	\$57,572,947	\$40,393,960	\$54,841,273	\$152,808,180
	2019	\$50,938,824	\$42,100,078	\$44,079,612	\$137,118,514
	Difference	\$6,634,123	(\$1,706,119)	\$10,761,661	\$15,689,665
	%YoY +/-	13.0%	-4.0%	24.4%	11.44%
	% of State Sales	78.8%	88.7%	65.4%	75.5%
CORPORATE	2020	\$15,446,160	\$5,140,673	\$29,035,375	\$49,622,208
	2019	\$14,205,975	\$3,999,212	\$22,741,165	\$40,946,352
	Difference	\$1,240,185	\$1,141,461	\$6,294,210	\$8,675,856
	%YoY +/-	8.73%	28.54%	27.7%	21.2%
	% of State Sales	21.2%	11.3%	34.6%	24.5%

* - 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
 - All levels of the Sales Management team continue to use video conferencing to conduct meetings and direct staff activities. The management team, on a rotating basis, visits the office periodically to ensure that team activities are being conducted per assigned schedules and in compliance with social distancing requirements. All procedures are working as planned.
 - The monthly sales meeting conducted on August 19th focused on a variety of retailer related topics including the scratch-off ticket auto ordering process. Also discussed was the first step in the settlement stepdown phase from 120 to 100 days which began on August 24th.
 - The “Blitz Week” campaign continued to produce positive growth results of \$2.0 million dollars and double-digit percentage gains year over year. This achievement was aided by the District Managers’ ability to utilize the newly developed near real time update in gemIntelligence.
 - District Managers with the best August sales by territory (year-over-year) were:
 - Jon Braithwaite T-11 (Awarded District Manager of the Month)
 - Sandra Holland T-28
 - DeUnka Wade T-38
 - Van Daniels T-44
- Field Support/Self-Service Vending Units
 - Field personnel are working three days per week conducting retailer store visits as we adhere to agency guidelines for eventually returning to normal operations.
 - We continue to work with Scientific Games (SG) to synchronize retailer scratch-off facing counts in the stores with the SciTrak inventory management system.
- Sale Support
 - Provided additional support to the warehouse by receiving returned scratch-off tickets from District Managers.
 - Development, updating and tracking of proposed retail locations for the PHD units as well as facilitating the work order and approval process with Sales, Agent Administration, Contract Management and SG. Working with SG to complete an install schedule for approved retail locations. Five test units will be installed the week of 9/7 with the intent to begin the full-scale installations the following week.
 - Continue to fine-tune the newly developed Retail Bonus Program process in conjunction with Agent Administration, CRC, Security and Finance.

2) **Corporate Sales**

- Field Activity
 - The Corporate Sales team continues its preparation for the next wave of vending machine installations in Q4 of CY20.
 - Business reviews are underway and have been completed for Royal Farms. Additional reviews are scheduled with Wawa, High’s, Safeway, and others.

- The Corporate Sales team reiterates the importance of the auto order program to ensure that all inventory needs are met in a timely and efficient manner.
- The Corporate Sales team is working with the Walmart team to finalize the training/installation process and move towards launching in Q1 of CY21.

3) Retail Recruitment

- Recruitment Results
 - Seventeen (17) new applications received and advanced to Phase II of the approval process over the last month.
 - Ten (10) new independent locations installed in that time frame.
- Prospecting Activities
 - In the past 90 days we have pursued 53 new retailer prospects (51 new independent and 2 corporate). They are at different stages of completion. We are currently working to get the paperwork submitted so we may approve and move on to Phase II for the clearances from Agent Administration and Security Departments.
 - Back up to full strength with Business Development team managing their time in the field per agency guidelines.

4) Sales Force Automation

- gemIntelligence/field units: The process of moving scratch-off ticket facing information at retail locations from gemIntelligence to SciTrak is a manual update currently. We are planning to modify this process to make this information flow automatically. Near real time updating of scratch-off book movement instant proved be very helpful to the field. Many District Managers reported near real time updates made blitz week more efficient as they were able to concentrate on retailers who needed more help.
- gemOffice: The new XCAP bi-annual renewal application was revised by Scientific Games. This streamlined process for renewal improves the work flow for both the retailer and the Lottery. Expected launch of the new app is 9/28/20 and it will be available until 12/31/20.
- gemRetailer: The site is updated with relevant information for retailers to better manage their Lottery business. More retail locations are added monthly with the goal to have the majority of retailers interacting with the site. Additional training for District Managers will be conducted soon to support this important retailer initiative.
- Training: Sales training continues on many fronts with a plan to review the new XCAP renewal application for September before the application is launched. Longer term, we will work with the District Managers to better manage the monthly distribution of new scratch-off games with the intent to lower our warehouse costs and improve sales in the critical first few weeks of new game introduction.