

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: October 13, 2020

SUBJECT: Report for the October 2020 Commission Meeting

1) Sales

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

		Draw	Monitor	Instant and Fast Play	Combined
STATE	2020	\$70,781,470	\$50,370,492	\$81,389,804	\$202,541,766
	2019	\$63,121,539	\$43,191,028	\$65,309,758	\$171,622,324
	Difference	\$7,659,932	\$7,179,464	\$16,080,046	\$30,919,441
	%YoY +/-	12.1%	16.6%	24.6%	18.0%
INDEPENDENT	2020	\$55,772,966	\$44,676,276	\$53,036,137	\$153,485,379
	2019	\$49,185,290	\$39,295,233	\$43,346,150	\$131,826,673
	Difference	\$6,587,676	\$5,381,043	\$9,689,987	\$21,658,706
	%YoY +/-	13.4%	13.7%	22.4%	16.4%
	% of State Sales	78.8%	88.7%	65.2%	75.8%
CORPORATE	2020	\$15,008,504	\$5,694,216	\$28,353,667	\$49,056,387
	2019	\$13,936,249	\$3,895,795	\$21,963,608	\$39,795,651
	Difference	\$1,072,256	\$1,798,421	\$6,390,059	\$9,260,735
	%YoY +/-	7.7%	46.2%	29.1%	23.3%
	% of State Sales	21.2%	11.3%	34.8%	24.2%

* - 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 monthly sales meeting conducted on September 16th focused on a variety of retailer related topics: dealing with illegal grey machines in retailer locations; doubling of initial price points for the upcoming scratch-off launch; retailer inventory ordering process; XCAP bi-annual renewal process; feedback from the recent Retailer Survey; and, a reminder that the second step in the settlement stepdown phase from 100 to 80 days began on September 21st.
 - The “Blitz Week” campaign continued to produce positive results with double-digit percentage gains year over year and growth of \$8.3 million dollars.
 - Scratch-off sales recorded its 4th highest week of activated sales since 2008. This is the 5th time that we have exceeded the \$20 million mark.
 - The launch of the \$30 ticket (\$100,000 Extreme Cash) represented \$3.5M or 17% of total activated sales.
 - Scratch-off sales fiscal YTD represent 38.3% vs. 37.9% last year.
 - District Managers with the best September sales by region/territory (year-over-year) were:
 - Jon Braithwaite T-11
 - Scott Kershow T-26
 - DeUnka Wade T-38 - (District Manager of the month)
 - Aaron Johnson T-49
- Field Activities
 - Our field personnel continue to increase the number of days per week conducting retailer store visits. The current strategy is set at 3-1-1 which correlates to three field days, one duty day and one work from home day.
 - The field staff continues to work with Scientific Games (SG) to synchronize retailer scratch-off facing counts merchandised at retail with the SciTrak ordering system to better manage availability of key games for purchase.
- Sales Support/Self-Service Vending Units
 - Continues to provide additional support to the warehouse by receiving returned scratch-off tickets back to the warehouse from District Managers.
 - Development, updating and tracking of proposed retail locations for the PHD self-service vending units as well as facilitating the work order and approval process with Sales, Agent Administration, Contract Management and SG.
 - Working with Corporate Sales as they develop their retail location list for the next wave of self-service vending machine installations.
 - 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 the process of self-service vending machine installations for Q4 20 with a number of 7-Eleven franchisee locations.
 - Conducting business reviews with our corporate chains as many are curious of their performance during the pandemic compared to last year.
 - Working with SG to address implementation plans for Walmart. Coordinating with resources to address associate training, in-store merchandising and installing two pilot store locations soon.

3) **Retail Recruitment**

- Recruitment Results
 - Fourteen (14) 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 45 new retailer prospects (42 new independent and 3 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.

4) **Sales Force Automation**

- gemIntelligence/field units: Continue to add new forms for District Managers (DMs) to use. We are limiting the amount of paper the DM's carry and distribute to retailers. As much as possible, these documents are placed within gemIntelligence. Forms can be reviewed/mailed to retailers from their Surface Go units. We are exploring enhancements to gemIntelligence so DMs may access email addresses more efficiently.
- gemOffice: Assisting retailers who need to update their records (for example, change their bank account). Many of these retailers are first time users to our application portal. The XCAP bi-annual renewal application was launched on 09/30 and will accept renewal applications through the end of the calendar year. Plan to develop a feedback survey regarding this process to monitor continuous improvement. Working with DMs on an individual basis to get them more comfortable with best practices.
- gemRetailer: New retailers are added regularly as this enhancement gathers momentum. The posting of a monthly video (*Retailer Review*) and other important information has proven to be helpful to retailers as we continuously update gemRetailer with relevant news and information. Easy access for those retailers using the site. DMs need training (TBD) to improve their understanding of the site's full capabilities.
- Training: Training for DMs is being conducted via video conferencing which has proven to be very successful and extremely efficient for both trainer and trainee. We are encouraging one-on-one training sessions for any DM on a variety of subjects, ranging from basic Microsoft training to web-based applications being used by the Lottery.