

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: April 13, 2021

SUBJECT: Report for the April 2021 Commission Meeting

1) Sales

March 2021, Year over Year Comparison Product Category by Store Segment

		Draw	Monitor	Instant and Fast Play	Combined
STATE	2021	\$82,364,875	\$51,915,055	\$99,935,248	\$234,215,178
	2020	\$64,323,739	\$37,885,586	\$77,666,644	\$179,875,969
	Difference	\$18,041,136	\$14,029,469	\$22,268,604	\$54,339,209
	%YoY +/-	28.0%	37.0%	28.7%	30.2%
INDEPENDENT	2021	\$63,560,770	\$45,508,373	\$64,412,160	\$173,481,303
	2020	\$50,024,274	\$33,895,981	\$51,128,271	\$135,048,525
	Difference	\$13,536,497	\$11,612,393	\$13,283,889	\$38,432,778
	%YoY +/-	27.2%	34.3%	26.0%	28.5%
	% of State Sales	77.2%	87.7%	64.4%	74.1%
CORPORATE	2021	\$18,804,105	\$6,406,682	\$35,523,088	\$60,733,874
	2020	\$14,299,465	\$3,989,605	\$26,538,373	\$44,827,443
	Difference	\$4,504,640	\$2,417,077	\$8,984,715	\$15,906,431
	%YoY +/-	31.5%	60.6%	33.9%	35.5%
	% of State Sales	22.8%	12.3%	35.6%	25.9%

* - 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 via videoconferencing on March 17th continued to highlight the debit card reader rollout, new game launches and a general approach to spring cleaning at retail locations. A new concept of interactive polling was introduced to engage attendees during the presentation. We also introduced Joanne Grant, our new HR Director, to our staff.
 - District Managers with the best February sales by region/territory (year-over-year):
 - Jonathan Braithwaite T-11
 - Sandra Holland T-28
 - Rob Austera T-33 - (Awarded the DM of the month)
 - Ken Trythall T-43
 - Recruitment is ongoing to staff open positions.
- Field Activities
 - Todd Cearfoss, our newly appointed regional manager for western Maryland, worked with his team to chart a new direction for the region to improve their Blitz Week performance.
 - The field staff increased retailer store visits in March, focusing on returning low selling or expiring inventory to help drive sales growth.
 - March also posted record sales for weekly scratch-off ticket activations and Pick 4 weekly sales on two occasions during the month.
- Sales Support/Self-Service Vending Units
 - Worked with our Creative Services Department to develop and order proper amounts of advertising/POS. In addition, coordinated with sales support staff and our warehouse to supply merchandising items (dispensers, take one boxes, play centers, signage, bollard covers, etc.) to staff on their duty days for use at retail.
 - Updated our self-service vending machine contracts for all units installed over the last 12 months that have yet to be completed due to our absence from the field. Target lists have been broken down by territory and provided to the staff.
 - Continued collaboration with multiple departments on the development of new processes for procurement and inventory management systems.
 - Worked in conjunction with Communications and Creative Services Digital Manager to update the Retailer Corner portion of our website with the intent to encourage retailers to utilize this resource more efficiently.

2) Corporate Sales

- Field Activity
 - With many corporate partners having delayed their expansion plans in 2020 due to the pandemic, we have seen a substantial increase in store applications for 2021. Partners such as Sheetz, Royal Farms, Wawa and others will have multiple new locations opening in 2021.
 - The Corporate Sales team continues to work with its partners to ensure that all of their Lottery sales needs are met.

- Certain locations with higher sales volume have requested additional self-service vending equipment which will be deployed in the coming weeks.
- A pilot program for 7-Eleven (10-15 locations) within the next 4-6 weeks will include installing a new scratch-off ticket merchandising and sales system provided by Scientific Games.

3) **Retail Recruitment**

- Recruitment Results
 - Thirteen (13) new applications received and advanced to Phase II of the approval process from March 15th - April 9th.
 - Eleven (11) new independent locations installed from March 15th - April 9th.
- Prospecting Activities
 - We are pursuing 44 new independent retailer prospects. They are at various stages of completion. Working to get the paperwork submitted so we may approve and move on to Phase II for the required clearances from Agent Administration and Security departments.
 - The Retail Recruitment Department is working to improve the application approval process. Currently we are testing software to identify retail applications with potential issues such as tax clearances, articles of incorporation, etc. that may need to be reviewed a second time. This will help us keep applications on the established timeline based on when the application was originally submitted. This follow up step will be available for all application types.

4) **Sales Force Automation**

- gemIntelligence/field units: Update to gemIntelligence is complete and the functionality has improved. Staff is able to download all required forms to complete surveys and pre-sites on applications. Under-performing scratch-off selling retailers will no longer get automatic initial allocations allowing for the sales team to be more efficient in managing more profitable opportunities in their territories.
- gemOffice: Testing will begin to improve the approval process which will help clarify where applications are getting stalled in our current system. This change will benefit Sales and Agent Administration as well as the retailer applicant. This will also improve the communication to retailers as their application moves through the process.
- SciTrak: The initial dynamic allocation new game launch was conducted in March. We established a threshold of \$900/week in scratch-off sales to qualify for dynamic allocations. Overall the system performed well and sales results reflect that. This new process minimizes the need for changes submitted by the sales team by allowing our system to predict the quantities of new games shipped to each retailer based on their sales history.
- Training: We presented a new “polling” feature at our sales meeting in March. Dana Washington, Sales Training Manager, gave a brief overview of how the process works. The polling answers provide immediate feedback we share with the group and help identify topics that require more explanation from the presenters. We will use this tool going forward in future sales meeting. The back-to-basics training is ongoing and more content will be presented at future sales meetings as staff continues to return to the field.