

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 18, 2021

SUBJECT: Report for the May 2021 Commission Meeting

1) Sales

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

		Draw	Monitor	Instant and Fast Play	Combined
STATE	2021	\$802,910,154	\$474,011,249	\$877,574,682	\$2,154,496,084
	2020	\$658,248,617	\$412,466,328	\$703,902,646	\$1,774,617,591
	Difference	\$144,661,537	\$61,544,921	\$173,672,036	\$379,878,494
	%YoY +/-	22.0%	14.9%	24.7%	21.4%
INDEPENDENT	2021	\$614,585,187	\$418,127,908	\$570,320,187	\$1,603,033,281
	2020	\$509,854,172	\$372,662,222	\$462,224,891	\$1,344,741,284
	Difference	\$104,731,015	\$45,465,686	\$108,095,296	\$258,291,997
	%YoY +/-	20.5%	12.2%	23.4%	19.2%
	% of State Sales	76.5%	88.2%	65.0%	74.4%
CORPORATE	2021	\$188,324,967	\$55,883,341	\$307,254,495	\$551,462,803
	2020	\$148,394,445	\$39,804,106	\$241,677,755	\$429,876,306
	Difference	\$39,930,522	\$16,079,235	\$65,576,740	\$121,586,497
	%YoY +/-	26.9%	40.4%	27.1%	28.3%
	% of State Sales	23.5%	11.8%	35.0%	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 monthly sales meeting was conducted via videoconference on April 14th. We presented new game launches and previewed a back-to-basics directive. The back-to-basics concept encourages maintaining proper inventory levels for scratch-off tickets, freshening up in-store POS, and updating gemIntelligence (our sales force automation tool) with current store photos, facing counts, email addresses and retailer phone numbers.
 - District Managers with the best March sales by region/territory (year-over-year):
 - Jonathan Braithwaite T-11
 - Sandra Holland T-28
 - Vivian Bell T-30
 - Chuck Hamrick T-42 - (Awarded the DM of the month)
 - Lisa Reilly was promoted to Assistant Regional Manager in Region I.
 - We are currently working with HR to fill open District Manager positions.
- Field Activities
 - Weekly sales remained strong in all games while posting record sales in Pick 4. Scratch-off tickets and Racetrack also posted impressive numbers in April.
 - District Managers are expanding the number of retailer visits focusing on returning low selling or expiring inventory.
 - SG continued installing debit card readers on self-service vending machines as customers are exhibiting increasing acceptance of this alternative payment option.
- Sales Support/Self-Service Vending Units
 - Developed new warehouse protocols for our District Managers allowing them full access to POS for use at retail as their field time increases.
 - In preparation for implementing a new internal procurement and inventory system, we have begun identifying, categorizing and compiling all items to be uploaded into the new system.
 - Working with our Creative Services department to develop a POS/advertising plan for the remainder of the calendar year to focus our efforts and make the most impact in the marketplace.
 - Continued tracking of our self-service vending unit key contracts for all units installed over the last 12 months that have yet to be completed due to our absence from the field. Lists have been developed, broken down by territory and distributed to the Sales staff.

2) **Corporate Sales**

- Field Activity
 - The Save-A-Lot grocery chain has done some restructuring and will sell their remaining corporate locations to franchisees. With this change, they are now allowing their franchised locations to offer lottery. The decision will be at the franchisee's discretion. Save-A-Lot currently has 39 locations in Maryland.
 - We continue to see many of our corporate partners ramp up their expansion plans. Retailers such as Royal Farms, Sheetz, Rutter's and others plan multiple new locations opening in 2021.

- SG has recently installed self-service vending machines (PHD) in over forty 7-Eleven locations in an effort to provide a more secure platform for both retailers and players in Prince George's and Anne Arundel counties.

3) Retail Recruitment

- Recruitment Results
 - Seventeen (17) new applications received and advanced to Phase II of the approval process from April 9th – May 17th.
 - Twelve (12) new independent locations installed from April 9th – May 17th.
- Prospecting Activities
 - We are pursuing 36 new independent retailer prospects and working with our Corporate Sales team on a new grocery chain with nearly 40 locations.
 - The Recruitment Department is now assisting regional managers with change of ownership (COO) applications by helping with follow up and approvals. This will provide regional managers the time to concentrate on other field duties.

4) Sales Force Automation

- gemIntelligence/field units: We now have someone on the sales staff monitoring the submission of forms (1099, work orders and data correction) from the field sales team. This process is working well and should alleviate issues such as “missing 1099’s” during tax time.
- gemOffice: The “follow up” feature is functional and proving to be very helpful. This improves the communication between Sales and Agent Administration on select applications needing attention to move the process along.
- SciTrak: Round two of monthly new game launches for scratch-off tickets incorporating dynamic allocations did well. SG sends a list of dynamic allocations to the lottery for review. When necessary, locations are added to the distribution based on a review of the 13-week sales average in gemIntelligence. Those locations that do meet the threshold are added to the dynamic allocation list.
- Training: We presented a “Back-to-Basics” training session during the month of April. Since we are on the cusp of having DMs returning to the field full time, we thought it best to review a few practices and procedures. We will maintain an emphasis on basics for the next several months.