

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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TO: Maryland Lottery and Gaming Control Commission  
James Nielsen, Acting Director

FROM: John Martin, Managing Director and Chief Revenue Officer

DIVISION: Sales

DATE: June 15, 2021

SUBJECT: Report for the June 2021 Commission Meeting

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## 1) Sales

### May 2021, Year over Year Comparison Product Category by Store Segment

		Draw	Monitor	Instant and Fast Play	Combined
<b>STATE</b>	2021	\$87,387,351	\$55,265,400	\$97,598,799	\$240,251,550
	2020	\$75,773,196	\$37,561,909	\$85,412,665	\$198,747,770
	Difference	\$11,614,155	\$17,703,492	\$12,186,134	\$41,503,780
	%YoY +/-	15.3%	47.1%	14.3%	20.9%
<b>INDEPENDENT</b>	2021	\$66,183,495	\$48,257,441	\$62,545,081	\$176,986,017
	2020	\$59,233,016	\$32,498,187	\$56,038,956	\$147,770,159
	Difference	\$6,950,479	\$15,759,255	\$6,506,125	\$29,215,858
	%YoY +/-	11.7%	48.5%	11.6%	19.8%
	% of State Sales	75.7%	87.3%	64.1%	73.7%
<b>CORPORATE</b>	2021	\$21,203,856	\$7,007,959	\$35,053,718	\$63,265,533
	2020	\$16,540,180	\$5,063,722	\$29,373,709	\$50,977,611
	Difference	\$4,663,676	\$1,944,237	\$5,680,009	\$12,287,922
	%YoY +/-	28.2%	38.4%	19.3%	24.1%
	% of State Sales	24.3%	12.7%	35.9%	26.3%

\* - 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 videoconference on May 19<sup>th</sup> began with farewell acknowledgements to Gordon Medenica, in reference to his retirement announcement. Our new game launches featured five (5) price points for the “Loaded” Family of Game (FOG). We also continued with our “Back to Basics” theme to the sales force. The back to basics concept encourages proper inventory levels; freshening up POS; maintaining gemIntelligence, our sales force automation tool, by updating photos, facing counts, email addresses and phone numbers.
  - District Managers with the best April sales by region/territory (year-over-year):
    - Jonathan Braithwaite           T-11
    - Sandra Holland                 T-28 (Awarded the DM of the month)
    - Vivian Bell                       T-30
    - Aaron Johnson                 T-49
  - With several district manager recruitments pending, sales management made territory reassignments to improve travel time for six (6) district managers allowing them to be more productive within their new territory.
  - We are currently working with HR to recruit for three (3) open positions.
  - In anticipation of a new add-on to Powerball on August 23, 2021, we have authorized a retailer bonus for the top two tiers of the Double Play add-on feature:
    - Top tier retailer bonus (prize amount \$10,000,000): \$10,000
    - Second tier retailer bonus (prize amount \$500,000): \$1,000
- Field Activities
  - The field staff made over 6,500 retailer contacts through store visits, phone calls and emails in May. We continue to focus on returning low selling or expiring scratch-off ticket inventory.
  - SG completed debit card reader installations on self-service vending machines at existing retailers.
- Sales Support/Self-Service Vending Units
  - Continued to work with Regional Sales Managers, Assistants and District Managers to identify new self-service opportunities at retail. Once identified, assisting with the process of receiving applications, vetting, approving and tracking said locations for installation.
  - Continued development, review, and deployment of two monthly planograms for our PHDL self-service units located at Walmart locations.
  - Completion/finalizing of all procurements for our current fiscal year and development of budget planning for the new fiscal year beginning in July.
  - Working in conjunction with our Facilities staff to remove unused storage hardware and obsolete items from our POS warehouse in preparation for the arrival of new inventory and the new inventory management system.
  - Finalizing our POS/advertising plan for the remainder of the calendar year with our Creative Services department to unify our efforts and make the most impact in the marketplace. This includes selection of types of POS for use at retail as well as the quantities to be ordered.

- Working with the Communications staff on preliminary planning for the Maryland State Fair, one of our first events post-pandemic. Creating alternative plans based on anticipated concerns regarding the pandemic at the time of the August event.

## 2) **Corporate Sales**

- Field Activity
  - The Corporate Sales team is in the process of onboarding several of the newly franchised Save-A-Lot locations in Maryland.
  - Several corporate accounts have made requests to have the PHD self-service vending machine installed in stores that do not have them as they have experienced significant sales increases in stores that do have them.

## 3) **Retail Recruitment**

- Recruitment Results
  - Fourteen (14) new applications received and advanced to Phase II of the approval process from May 17<sup>th</sup> – June 14<sup>th</sup>.
  - Fifteen (15) new independent locations installed from May 17<sup>th</sup> – June 14<sup>th</sup>.
- Prospecting Activities
  - We are pursuing 43 new independent retailer prospects and working with our Corporate Sales team on a new grocery chain with nearly 40 locations.
  - The Recruitment Department is still preparing for the return to normal operations. This month we have completed applications for the installation of three (3) Compare Foods locations with another one in the approval process and one more application waiting to be submitted.

## 4) **Sales Force Automation**

- gemIntelligence/field units: Our efforts in monitoring 1099 information and data correction forms from the field are paying dividends. Updated data is providing better communication to retailers and benefiting multiple departments at the lottery. This project is ongoing. Some staff still need education on system connectivity in the field/office; efforts continue on this front. The work order process via gemIntelligence was modified to ensure more accurate information is being sent over to the vendor for removals and upgrades.
- gemOffice: The “Follow Up” feature is active and is proving to be very helpful, applications are being updated and moved through the process. The recruitment team is monitoring all follow ups, contacting retailers and getting resolution where needed.
- SciTrak: We have reviewed March and April dynamic allocations results and they are favorable overall. Some attention may be needed to high volume retailers and adjustments may be needed. But overall the process seems to be working well as sales

continue to rise. The review process continues monthly to add retailers to the initial distribution list. Possible tweaking for the algorithm could be looked at down the road.

- Training: The work load on the training manager has been lightened. Over time the trainer was addressing technical issue with the Surface Go product. These technical issues are not part of her job and now are redirected to SG to manage. A new training outline will be put into place and reviewed with the training manager in June.