

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • John Martin, Director



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TO: Maryland Lottery and Gaming Control Commission
John Martin, Director

FROM: Alvin Ringgold, Senior Director of Sales

DIVISION: Sales

DATE: August 17, 2021

SUBJECT: Report for the August 2021 Commission Meeting

- Sales**

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

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2021	\$76,474,479	\$50,646,807	\$87,452,969	\$214,574,254
	2020	\$75,882,898	\$46,560,748	\$87,102,582	\$209,546,228
	Difference	\$591,581	\$4,086,059	\$350,387	\$5,028,026
	%YoY +/-	0.8%	8.8%	0.4%	2.4%
INDEPENDENT	2021	\$58,841,040	\$44,162,334	\$55,572,205	\$158,575,579
	2020	\$59,872,020	\$41,246,884	\$56,947,126	\$158,066,030
	Difference	(\$1,030,980)	\$2,915,450	(\$1,374,921)	\$509,549
	%YoY +/-	-1.7%	7.1%	-2.4%	0.3%
	% of State Sales	76.9%	87.2%	63.5%	73.9%
CORPORATE	2021	\$17,633,439	\$6,484,473	\$31,880,764	\$55,998,675
	2020	\$16,010,878	\$5,313,864	\$30,155,456	\$51,480,198
	Difference	\$1,622,561	\$1,170,609	\$1,725,308	\$4,518,477
	%YoY +/-	10.1%	22.0%	5.7%	8.8%
	% of State Sales	23.1%	12.8%	36.5%	26.1%

* - 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 with an in-person format on July 14th. The meeting acknowledged and welcomed John Martin to his new position as Director of the Maryland Lottery. Our new game launches featured a \$1, \$3 \$5, \$10 & \$20 price points combined with the launch of a \$1, \$3 & \$20 Fast Play games. The meeting also highlighted the sales goal achievements of the entire state, each region and district managers for FY'20.
 - The covenant Frank E. Hemberger III Sales Award was presented to Robert Austeria for FY'21 for his outstanding sales performance. Also highlighted was Sandra Holland for who received the award for FY'20 but due to the pandemic we were unable to do an in person presentation. Congratulation to both individuals.
 - District Managers with the best July sales by region/territory (year-over-year):
 - Jonathan McIntosh T-14
 - Chuck Hamrick T-25 (Awarded the DM of the month)
 - Rob Austeria T-33
 - Tion Brooks T-42
 - We continued to work with HR to recruit for two (2) open positions.
 - Michael Moreland, a new district manager was hired and Sam Coscia, corporate account manager retired during the month.
 - 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 5,000 retailer contacts through store visits, phone calls and emails in May. We are now focusing on quality stops at the retailer locations since we have minimized the old inventory at most retailers.
 - The district managers began conducting Responsible Gaming audits at retailer locations.
- Sales Support/Self-Service Vending Units
 - Planning for our return to in person events including the Maryland State Fair, our first event post pandemic, with the Communications staff. Set up plans, staffing, equipment requests etc.
 - Working with both Creative Services and Product Development to define and execute a plan for our partnership with the Baltimore Ravens and the upcoming season. As of now, the Ravens are expecting to be at full capacity and we are planning accordingly. This includes load in of our self-service terminals on the club level, staffing of our booth on Ravens walk, preparation of giveaway items, setting up schedules for drop off of instant books and preparing instant dispenser belts for hawkers teams inside the stadium.
 - Continued development, review, and deployment of two monthly planograms for our PHDL self-service units located at our Walmart locations.

- Creation of a new allocation plan for the remainder of our self-service units currently in inventory as well as the units in transit that will fulfill the balance of our contract.
 - We have ceased allocation of the remaining units in inventory as of 7/21 due to a low volume and future commitments to corporate partners.
 - We will also begin planning a full review of the program and performance of individual units to take place in the calendar year 2022.
 - The purpose of this is to identify low performing units by developing sales thresholds or benchmarks and work with retailers to increase productivity.
 - We will provide a certain amount of time (undetermined at this time) for this to occur, if we are unable to improve sales we will look to relocate the unit to another pre-approved location.
- Tracking and analysis of our Responsible Gaming audits being performed by our District Sales Managers when visiting our retailer partners. Also ensuring all District Managers have access to and are distributing our Responsible Gaming brochures to be displayed at retail.

- **Corporate Sales**

- Field Activity
 - The Corporate Sales team continues to work with its partners to ensure that all of their vending needs are satisfied.
 - Currently, all vending efforts are being directed towards new construction/new retailer locations until mid Q4.
 - A pilot of 31 7-Eleven locations will begin receiving new equipment provided by SG to help with scratch-off sales.
 - The Corporate Sales team is in the process of onboarding several of the newly franchised Save-A-Lot locations in Maryland.
 - We continue to monitor the changing landscape of COVID-19 protocols in corporate locations as there have been several changes within the last month. Currently, we are allowed to visit these locations, but must follow their mask mandates as well as any other protocols set by the corporate chains.

- **Retail Recruitment**

- Recruitment Results:
 - Seventeen (17) new applications received and advanced to Phase II of the approval processes from June 15th – July 16th.
 - Thirteen (13) new independent locations installed from June 15th – July 15th.
- Prospecting Activities:
 - We are pursuing 54 new independent retailer prospects. They are at various stages from initial contact, pursuit of documentation to completion of a full application.

- The Recruitment Department is continuing to gain growth and momentum with new independent retailers being able to open to full capacity since Governor Hogan lifted the state of emergency July 1, 2021. Thus, new retailers are able to get their documents quicker (bank EFT signed and fingerprints). Allowing new retailers to complete a full application.

- **Sales Force Automation**
 - Gem Intelligence/field units:
 - Discovered clearing the cache on the Surface Go is very important to maintain the most current forms downloading into the system.
 - We are working with all DM's to ensure the Surface Go units are up to date.
 - gemOffice:
 - A few new features were downloaded to help regional managers process and identify applications.
 - New features included: terminal type ID, icons on the dashboard to help identify problem apps, ability to search by county among others.
 - gemRetailer:
 - Retailers continue to ask for usernames and passwords to access the system.
 - Thoughts should be given to expanding queries to self-serve units on the program. This would be of great benefit to our retailers and greatly assist them in managing their business.
 - SciTrak:
 - Efforts continue with this program. SG sends a monthly report that is reviewed to include retail locations that are on the bubble for dynamic allocations.
 - Currently the threshold is \$900.
 - Typically, the top 50 retailers who do not get initial allocations are reviewed, approx. 20 retailers are usually added to the allocation list.
 - Training:
 - The training manager is working with the sales staff on copy and paste features.
 - This effort is needed to communicate a consistent message from the DM's to lottery retailers.
 - Our current message highlights the need for retailers to activate the new launch games upon receipt.
 - Training on basic Microsoft products is greatly needed to help staff be more efficient.
 - Two new DM's were hired recently.
 - Both have worked with our sales training manager on overall Lottery standards and field work