

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: December 6, 2021

SUBJECT: Report for the November 2021 Commission Meeting

- Sales

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

| | | Draw | Monitor | Fast Play/Instant | Combined |
|--------------------|------------------|--------------|--------------|-------------------|---------------|
| STATE | 2021 | \$74,430,737 | \$47,404,887 | \$84,720,970 | \$206,556,594 |
| | 2020 | \$70,794,835 | \$42,053,867 | \$77,906,307 | \$190,755,010 |
| | Difference | \$3,635,902 | \$5,351,020 | \$6,814,663 | \$15,801,584 |
| | %YoY +/- | 5.1% | 12.7% | 8.7% | 8.3% |
| | | | | | |
| INDEPENDENT | 2021 | \$56,289,281 | \$41,062,219 | \$54,179,902 | \$151,531,402 |
| | 2020 | \$54,965,978 | \$37,267,373 | \$51,089,343 | \$143,322,694 |
| | Difference | \$1,323,303 | \$3,794,845 | \$3,090,559 | \$8,208,707 |
| | %YoY +/- | 2.4% | 10.2% | 6.0% | 5.7% |
| | % of State Sales | 75.6% | 86.6% | 64.0% | 73.4% |
| | | | | | |
| CORPORATE | 2021 | \$18,141,456 | \$6,342,669 | \$30,541,068 | \$55,025,192 |
| | 2020 | \$15,828,857 | \$4,786,494 | \$26,816,964 | \$47,432,315 |
| | Difference | \$2,312,599 | \$1,556,175 | \$3,724,104 | \$7,592,877 |
| | %YoY +/- | 14.6% | 32.5% | 13.9% | 16.0% |
| | % of State Sales | 24.4% | 13.4% | 36.0% | 26.6% |

* 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 held on November 10th. The virtual meeting highlighted administrative task that needed to be completed prior to the end of the calendar year and retirement recognition for Michael Hofferbert for nearly 38 years of state service. We also launched four (4) price points featuring a \$2, \$5, \$10 & \$20 tickets.
 - District Managers with the best September sales by region/territory (year-over-year):
 - Jonathan Braithwaite T-11
 - Chuck Hamrick T-25 (Awarded the DM of the month)
 - Rob Auster T-33
 - Van Daniels T-44
 - The Sales department continues to work with HR to recruit the special assignment contractual and the Corporate Account Manager (CAM) positions. Interviews were conducted and offers were made and accepted for both positions.
 - Two Sales department personnel (James Young & Michael LaVardera) attended the La Fleuer's Conference in Austin, Texas in November.
- Field Activities
 - Sales worked with Security to ensure a specific retailer was aware of our policy on grey machines. All grey machines have been removed from their location within the required timeframe.
 - Retailer sales remained strong during November on the strength of Keno and Racetrax as players are returning to social setting venues.
 - Blitz week again proved invaluable in keep instant ticket sales above last year's numbers.
 - In November, sales supported our communication department at two Ravens game events.
 - Sales is working with internal departments to communicate the plan to recover credits from retailers.
- Sales Support/Self-Service Vending Units
 - Development of Self-Service program plan for calendar year 2022. This includes:
 - Development of prospect location lists with Sales Department Regional Managers.
 - Vetting and analyzation of prospective locations to select locales with greatest sales potential.
 - Allocation and distribution plan for newly arrived units..
 - Maximizing our sales potential at retail by analyzing and identifying low performing units currently in the marketplace, working with these locations to increase efficiency and productivity, and lastly relocating said units to pre-approved locations with greater potential if improvements are not made.
 - Continued research and development of non-traditional selling initiatives to include In-Lane selling at retail.

- Meetings concluded with three vendors for presentation of products. Future meetings scheduled with vendors and MD Lottery Executive team.
- Visited retail establishments in other jurisdictions currently selling through different in-lane platforms to observe, witness and familiarize ourselves with the customer experience.
- Creating merchandising plan for support of new selling initiative to include new displays and signage for use at the point of sale.
- Working in conjunction with our Creative services department to create a POS calendar and plan for 2022. This includes types, quantities, timing and placement of different advertising point of sale pieces for display at retail.
- Continued development, review, and deployment of three monthly planograms for our PHD and PHDL self-service units.
- Continued tracking and analysis of our Responsible Gaming audits being performed by our District Sales Managers when visiting our retailer partners for inclusion in our WLA Level 4 submission.

Corporate Sales

We attended the La Fleur’s conference in Austin, TX where we sat in on several presentations on new initiatives such as the in lane sales programs, customer loyalty programs, as well as best practices and other programs utilized in other jurisdictions.

- 7-Eleven has completed its acquisition of their former competitor Speedway and as a result, several employee and operational changes are underway. We will continue to work with their new Lottery operations team during this transition.
- The Corporate Sales Team is working to install Lottery equipment in the remaining Save-a-Lot locations in Maryland.
- **Retail Recruitment**
 - Recruitment Results – November 6th – December 2nd
 - Ten (10) new applications received and advanced to Phase II of the approval process with six (6) new independent locations installed.
 - Prospecting Activities
 - Following 48 new independent/corporate retailer prospects,
 - Working Plan
 - We are pursuing corporate/franchise locations ch including Street Market, LA Mart, Jackpot Hospitality, TGI Fridays and H-Mart.

Sales Force Automation

- Will be working with HR to fill an open trainer position.
- Sales is working with Scientific Games to correct minor errors with the Gem products.
- Sales will work with our Communication department to produce our Retailer Report video presentation, which highlights our monthly sales meeting talking points.