

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 17, 2018

SUBJECT: Report for the April 2018 Commission Meeting

Following is a status update of ongoing and special projects in the Sales Division.

1) Sales

Year over Year Sales Growth for March Product Category by Store Segment

		DRAW/MONITOR	INSTANT	COMBINED
STATE	2018	\$123,317,029	\$72,437,397	\$195,754,426
	2017	\$108,215,933	\$68,766,389	\$176,982,322
	Difference	\$15,101,096	\$3,671,008	\$18,772,104
	% YOY + / -	14%	5%	11%
INDEPENDENT	2018	\$102,258,051	\$50,108,537	\$152,366,588
	2017	\$92,664,078	\$47,976,105	\$140,640,183
	Difference	\$9,593,973	\$2,132,432	\$11,726,405
	% YOY + / -	10%	4%	8%
	% of STATE SALES	83%	69%	78%
CORPORATE	2018	\$21,058,978	\$22,328,860	\$43,387,838
	2017	\$15,551,855	\$20,790,284	\$36,342,139
	Difference	\$5,507,123	\$1,538,576	\$7,045,699
	% YOY + / -	35%	7%	19%
	% of STATE SALES	17%	31%	22%

- Sales Management
 - This month's "Blitz Week" campaign began on March 26th which included four price points of \$1, \$2, \$3 & \$5 instant tickets.
 - Top Blitz Week Performers for March:
 - Carolyn Mack – 100%
 - Matt Boone – 98%
 - Rob Austeria – 94%
 - Sales management received and granted requests from current District Managers for reassignments to new territories, with start dates after the central system conversion.
- Central System Conversion
 - Continued to work with Scientific Games (SG) to conduct training sessions for retailers that did not attend regional training sessions. Rally style sessions are being conducted in the Baltimore zone (20 mile radius) and on-site retailer visits for locations outside the Baltimore zone.
 - Working with SG to develop and modify listings for distribution and installation of new monitors and self-service vending units.
 - Providing feedback to improve the effectiveness of the gemIntelligence sales force automation software application especially in support of our Blitz Week activities with alerts working as required.
- Field Support/Self Service Vending Units
 - Sales has been working with UAT unit to ensure testing of applications/programs that will be needed on the launch date.
- Training
 - gemIntelligence training is ongoing.

2) Corporate Sales

- Field Activity
 - Business reviews/meetings were held for the following accounts:
 - Martin's Foods
 - Weis Supermarkets
 - Rutter's Farm Store
 - Dash In
 - Wawa
 - Upcoming meetings/business reviews are to be held with the following corporate partners:
 - Food Lion
 - Shore Stop
 - Goose Creek
 - The corporate sales team will be participating in the 7-Eleven Corporate Sales Rally events during the months of April and May.
 - Continued communication with all corporate partners to discuss the conversion process and scheduling procedures.
- Corporate Partner Retailer Recruitment

- Weis Supermarkets has officially launched lottery in their gas stations with the inaugural location featured at their newest store in Nottingham. Maryland is the first of their markets to have a full functioning lottery offering at their gas stations. Weis will be adding lottery to their remaining (6) gas locations in Maryland, as well as all future locations.

3) Retail Recruitment

- Conversion
 - Continued with UAT testing in the SG test lab, providing recommendations for application processing functionality.
 - As of April 12th we were no longer accepting or processing any applications until the web page has been updated on or about May 1st.
 - After May 1st all retailer applications will need to be processed online only through the web page.
- Recruitment Results
 - 14 new application were gathered and sent over to Agent Administration in March for approval processing.
 - 19 new locations installed during March.
- Application Follow-up
 - During the quiet period between April 12th and April 30th, any new application packages received will be returned to the retailer. They will be contacted on what steps they need to do beginning May 1st.
- Prospecting Activities
 - At this point all completed applications have been sent to Agent Administration.
 - GemIntelligence will begin to be populated with all new prospect leads.
 - May 1st start for renewing our prospecting activities.
 - Our goal is to work with the Sales team so they may input leads directly on the prospect page for our follow up.

4) Analysis & Reporting

April 2018 was a near record sales month for the Maryland Lottery. Total sales reached \$198,212,259 just shy of the March 2012 record of \$203M. The rise in sales is attributed to the rolling Powerball and Mega Millions jackpots. However, Racetrax had its strongest month ever, \$18M, a 13% increase over last year even without a promotion. .

With two \$30 tickets in the market, March 2018 produced record instant ticket sales - over \$73M, a 4% increase year over year. Instant sales accounted for 37.2% of total sales.