

# 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: February 18, 2016

SUBJECT: Report for the February 2016 Commission Meeting

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

## 1) Sales

One word describes January 2016 – **Powerball!** With a record jackpot of nearly \$1.6 billion, Powerball sales were up a staggering 549% over January 2015. Multi-Match sales were up 20% year over year as well.

	<b>Draw</b>	<b>Instants</b>	<b>Total</b>
State	43.18%	10.95%	33.45%
Independent	25.38%	9.54%	21.24%
Corporate	132.93%	13.98%	78.90%

- a) Sales Management
  - i) Launched Cash4Life with a retailer 8-week double commission bonus program.
  - ii) Preparing for bi-annual XCAP audit of over 300+ retailers. Developing process to address timely submission of player claim forms.
  - iii) Completed updated job descriptions (MS-22) for the sales department.
  - iv) Looking to improve Sales Force Automation software (OnePlace) with “Formstack”, a new module from Hudson Alley that creates forms which allow for field Sales team to input information useful to the overall operation.
- b) Personnel – nothing to report.
- c) Training
  - i) Began working with sales staff to instruct them on the Workday System in preparation to migrate to new time reporting application in March.
- d) Events
  - i) Support the Communication department at the Timonium Motorcycle Show on February 12th – 14<sup>th</sup>.
- e) Current Initiatives
  - i) Managing instant scratch-off ticket inventory with timely removal of older games and merchandising of new games for distribution.

## 2) Corporate Sales

### Corporate Business Reviews

A Corporate Business Review tracker has been created to manage components and monitor progress for the Annual Business Review (ABR) process. We anticipate conducting ABRs with approximately 15 top retail chain accounts, the majority of these presentations being in late March through early April.

- a) Current initiatives
  - i) Participating in annual event with Sheetz chain March 15<sup>th</sup>.
  - ii) Planning additional deployment of self-service vending machines for Royal Farms through remainder of calendar year 2016.

## 3) Retail Recruitment

With a stated goal of increasing our retailer network by an additional 500 locations, both staffing and systems were put in place for 2016. Effective immediately, one Corporate Account Manager Zina Howard has been reassigned as a Business Development Manager, reporting to the Director of Retail Recruitment, Mike Hofferbert.

- a) Expanding OnePlace capabilities by customizing the information needed for tracking information and improving paperwork flow.
- b) Next steps –
  - Provide input on more efficient processing through the website.
  - Training BDM on prospect application of OnePlace.
- c) Current application statistics since January 1<sup>st</sup>, 2016 –
  - 90 total applications in process.
  - 76 completed application packages moved on to Agent Administration for final licensing approval.
  - 14 incomplete application packages that need to be completed.

## 4) Analysis & Reporting

### Retail Market Insights (RMI)

- Training on RMI 1.3 Release February 12<sup>th</sup>.
  - Waiting for Lottery IT to send data to IGT. Once that is done we should have access to more workbooks for more detailed analysis.
  - We will use other state's chain performance in our Annual Business Reviews.
- Lottery IT sent RMI revised spreadsheets. IGT's estimate is by end of Q1 we will be on board.

## Promotional Analysis

The following list of player promotions over the previous two (2) years are being analyzed to better evaluate future promotional plans and programs. Analyses to be provided upon completion over the next few months.

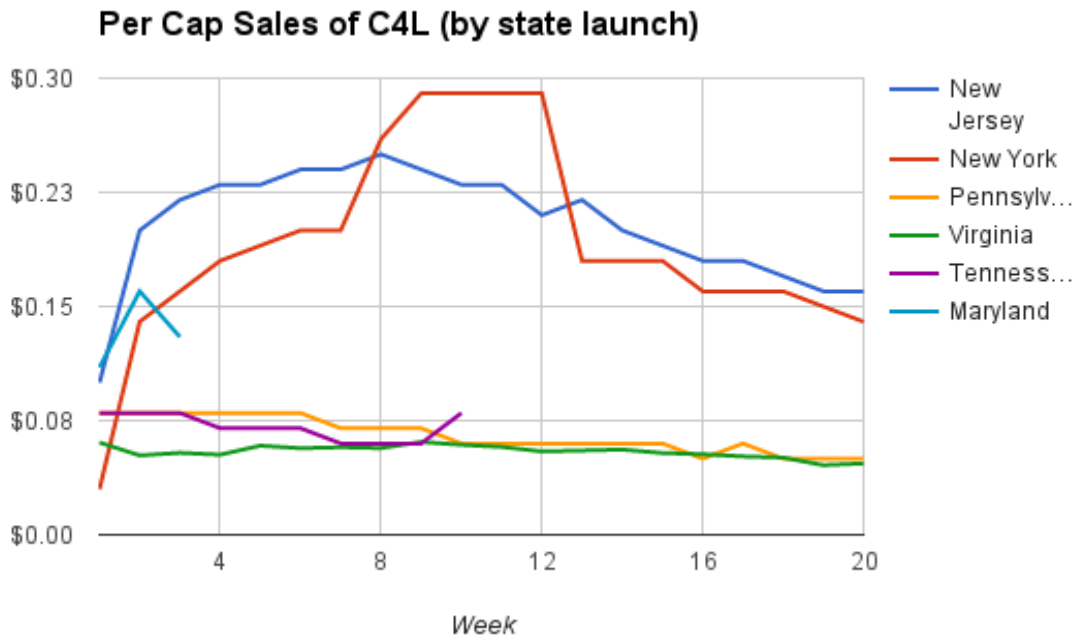
Game	Promotion Title	Dates	
Bonus Match 5	Bonus Match 5 Doubler, Taxes Paid	10/13/2014	11/16/2014
Bonus Match 5	Bonus Match 5 Doubler, Taxes Paid	3/30/2015	4/26/2015
Bonus Match 5	Bonus Match 5 Doubler, Taxes Paid	10/12/2015	11/15/2015
Keno	Keno Buy \$5 Get \$2 Voucher	8/17/2015	9/7/2015
Keno	Keno Sprinkler	6/30/2014	8/3/2014
Keno	Keno Sprinkler	12/22/2014	1/18/2015
Keno	Keno Sprinkler	3/9/2015	4/12/2015
Keno	Keno Sprinkler	7/6/2015	8/2/2015
Keno	Keno Sprinkler	11/30/2015	1/3/2016
Pick 3	Pick 3 Box Doubler	6/13/2014	7/3/2014
Pick 3	Pick 3 Box Doubler	10/13/2014	11/9/2014
Pick 3	Pick 3 Let it Snow	12/15/2014	1/18/2015
Pick 3	Pick 3 WINter Cash	12/14/2015	1/10/2015
Pick 3	Pick Double Pay on Box Play	10/12/2015	11/8/2015
Racetrax	Racetrax \$6 for \$5	8/18/2014	9/7/2014
Racetrax	Racetrax \$6 for \$5	4/27/2015	5/24/2015
Racetrax	Racetrax Doubler	8/17/2014	9/7/2014

## Cash4Life

- Continuing to monitor daily sales and promotion activities.
- The following graph depicts the first three (3) weeks of sales data as compared to other states selling Cash4Life.

## Analysis of the Month

Maryland launched our new game, Cash4Life, on January 26th. Initial sales of the game have been strong, outperforming our neighboring states during the first three weeks of launch. (The slight decrease in week three is in part due to a planned decrease in the promotional variable.)



## Consumer Promotion Overview of other Cash4Life States

**New York:** Launched with an Nth (pre-determined number) ticket promotion, similar to Maryland. Week 8 began a Buy \$10, Get \$2 Promotion.

**New Jersey:** No consumer promotion until Week 8, every Nth MegaMillions and Powerball received a free Cash4Life

**Pennsylvania:** Limited number of promotion coupons were distributed at events and to PA's Reward Club members.

**Virginia:** No consumer promotion at launch.

**Tennessee:** No consumer promotion at launch.

**Maryland:** Launched with an Nth (pre-determined number stepped during the promotion period) ticket promotion on eligible on all terminal games.