

# 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 15, 2017

SUBJECT: Report for the February 2017 Commission Meeting

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

## 1) Sales

January sales were mixed. Pick 3, Pick 4, Keno, Racetrax and Cash4Life all experienced sales increases along with Instant tickets which were up 13.2%. Unfortunately the Multi state games negated any positive growth. Mega Millions sales dropped about 10% and Powerball experienced an unprecedented drop of 90% (\$56.7 million) from the previous year's record high. Details below:

### Year over Year Sales Growth for January Product Category by Store Segment

		DRAW/MONITOR	INSTANT	COMBINED
<b>STATE</b>	2017	\$99,548,611	\$56,943,020	\$156,491,631
	2016	\$151,017,019	\$50,303,319	\$201,320,338
	Difference	(\$51,468,408)	\$6,639,701	(\$44,828,707)
	% YOY + / -	(34.1%)	13.2%	(22.3%)
<b>INDEPENDENT</b>	2017	\$84,434,205	\$38,696,646	\$123,130,851
	2016	\$110,339,234	\$33,824,509	\$144,163,743
	Difference	(\$25,905,029)	\$4,872,137	(\$21,032,892)
	% YOY + / -	(23.4%)	14.4%	(14.6%)
	% of STATE SALES	84.9%	68.0%	78.7%
<b>CORPORATE</b>	2017	\$15,112,982	\$18,246,374	\$33,359,356
	2016	\$40,676,397	\$16,478,810	\$57,155,207
	Difference	(\$25,563,415)	\$1,767,564	(\$23,795,851)
	% YOY + / -	(62.8%)	10.7%	(41.6%)
	% of STATE SALES	15.2%	32.0%	21.3%

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- Sales Management
  - Mary Reed, territory #23, was named “District Manager of the Quarter” for the 2<sup>nd</sup> quarter of FY 2017.
  - The Sales Division completed our fourth “Blitz Week” monthly campaign to improve the first week activation rates at all eligible instant ticket selling retailers. Many territories showed vast improvements during this month’s blitz period.
  - Continued supporting the hard recall initiatives by recovering identified games from retailers’ inventory.
    - Currently retrieving three games:
      - #246 - \$5 Fantasy 5s
      - #296 - \$2 Jolly Jackpot
      - #262 - \$5 The Price is Right
  - The Sales team has been promoting the upcoming \$30 ticket launch.
  - Supported the Claims department in the retrieval of non-submitted \$5K Claim Forms to close out the project for calendar year 2016.
  - Sales management is working with the Human Resources department to fill open positions.
    - Currently we have four open district manager positions. Sales management is working strategically to provide coverage in the affected geographical areas.
  - Attended meetings to review the Sales Force Automation tools that are currently in the lottery market.
  - Sales management participated in the Director of Corporate Sales interview process.
  - Sales attended SG’s presentation on the state of draw games in Maryland.
- Training
  - Additional training was provided for some field personnel for better utilization of iPad features including iBook, inventory, alerts, Google, etc.
- OnePlace
  - Staff continues to work with initiatives, updating facings information, adding pictures where needed. Also conducted a survey to help SG identify and replace the remaining old tube television sets.
- Events
  - Sales supported the Communications department at The Polar Bear Plunge during the month of January.

## **2) Corporate Sales**

- Field Activity
  - Communicated the pending \$30 instant ticket launch in February.
  - Continued to make corporate locations aware on the Blitz Week penetration rate reports.
  - Meet with Bob Hornberger, Wawa's Lottery contact, to analyze sales during the Christmas holiday.
  - Worked with the Ravens organization to closeout inventory for this season.
  - The corporate account managers continued to visit underperforming locations to help them improve their sales.

## **3) Retail Recruitment**

- OnePlace
  - During last period 2 Regional Managers were trained on populating the Prospect page for new retailer change of ownerships. The final Regional Manager will be trained on 2/14/17.
  - The goal for this period will be to monitor entries to be sure all Prospect page updates are consistent with all information and completed in full.
- Trade Show Activities
  - Retail Recruitment will be supported at the 43rd Annual Ocean City Hotel-Motel Restaurant Association Spring Trade Expo, March 5th & 6th, 2017 by Sales, Communications and a SGI Marketing Rep.
- Recruitment Results
  - 11 Completed applications sent to Agent Administration in January for approval.
  - CY17 summary of total applications processed and installed was 17.

## **4) Analysis & Reporting**

In an effort to update the way we report on sales by business type, the Analysis & Reporting department finalized new retailer business codes. We will begin updating all existing retailers with new codes in March and plan to conclude the process by April 15th.

The January Multiplier Family of Games had a successful blitz week. 91% of our retailer network had at least one price point activated and 72% of all retailers had the entire Family of Games activated, a 13% increase over November.

In conjunction with the Corporate Account team we are moving forward with our first chain specific promotion with Wawa. The promotion is planned for May 2017 and will offer a second chance promotion through My Lottery Rewards. Customers would purchase a Cash4Life ticket at a participating Wawa and enter for a chance to win free gas for a year from Wawa.