

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 13, 2018

SUBJECT: Report for the February 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 January Product Category by Store Segment

		DRAW/MONITOR	INSTANT	COMBINED
STATE	2018	\$108,588,008	\$58,450,622	\$167,038,630
	2017	\$99,548,611	\$56,943,020	\$156,491,631
	Difference	\$9,039,397	\$1,507,602	\$10,546,999
	% YOY + / -	9%	3%	7%
INDEPENDENT	2018	\$89,037,122	\$39,463,790	\$128,500,912
	2017	\$84,435,629	\$38,696,646	\$123,132,275
	Difference	\$4,601,493	\$767,144	\$5,368,637
	% YOY + / -	5%	2%	4%
	% of STATE SALES	86%	69%	80%
CORPORATE	2018	\$19,550,886	\$18,986,832	\$38,537,718
	2017	\$15,112,982	\$18,246,374	\$33,359,356
	Difference	\$4,437,904	\$740,458	\$5,178,362
	% YOY + / -	29%	4%	16%
	% of STATE SALES	14%	31%	20%

- Sales Management
 - This month's "Blitz Week" campaign began on January 22nd and featured a Multiplier Family of Games (FOG). The FOG included four price points of \$1, \$2, \$5 & \$10 instant tickets.
 - Top Blitz Week Performers for January:
 - Leroy Thorne - 81% (Blitz Week Champion)
 - Kentrina Jones – 68%
 - Nicole Sample – 66%
 - William Wineland, territory 31, was named the district manager of the quarter.
 - Cell phones upgrades continued in January to smart phones for the sales team. This will improve communications with retailers and Lottery personnel.
 - Two sales personnel remained on extended leave including the director of retail recruitment and one district manager. The management team has reassigned their retailers to others for coverage during their absence.
 - Sales worked with the Human Resources department to post a vacant district manager position (T-15). An offer was made and accepted.
- Central System Conversion
 - Worked with Scientific Games (SG) to conduct retailer training sessions in Davidsonville, Silver Spring and Baltimore throughout the month of January.
 - The Sales team is providing feedback on retailer installations throughout the state. 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.
- Field Support/Self Service Vending Units
 - Sales continues to work with gemIntelligence software developers to provide information allowing for the system to improve reporting capabilities. Also adapting to using the tool to improve communication to the field.
 - Continued to more effectively manage retailer inventories by reviewing the Last Activation Date scratch-off games that have been identified.
- Training
 - gemIntelligence training is ongoing.

2) Corporate Sales

- Field Activity
 - Business review scheduled with our corporate partners, Safeway on February 23rd, and Dash In on March 5th, 2018.
 - Working with corporate partners to ensure that all stores have attended the retailer rally training sessions.
 - Communication with all corporate partners to further discuss the conversion process and scheduling.
 - Preparation for upcoming instant ticket giveaway promotion with MGM National Harbor on 3/10/18.
- Corporate Partner Retailer Recruitment

- Walgreens is currently coming onboard as a new retailer and will be selling Lottery in 8 former Rite Aid locations that previously held Lottery licenses.

3) **Retail Recruitment**

- Conversion
 - Working in the gemIntelligence “sandbox” on the Paperless Licensing Application process and in gemOffice for tracking applications.
- Recruitment Results
 - 21 completed applications sent to Agent Administration in January for approval.
 - January 2018: three applications processed and installed.
 - February: a total of 10 new applications received in the first two weeks.
- Application Follow-up
 - Working with prospective retailers and Regional Managers for required forms, ADA's & Pre-sites to complete applications for approval.
- Prospecting Activities
 - Currently there are 27 completed applications forwarded to Agent Administration awaiting approval.
 - Distributing leads to SGI's team now that Retailer Rallies are complete.
 - Partnership status still pending for Ace Cash Express.

4) **Analysis & Reporting**

Both instant sales and draw sales have maintained an increase over FY 2017. At the end of January FY18 sales were up 7.9% when compared to FY17 and profit was up 11%. Specifically in January sales were up 9.4% compared to last January - nearly all of that growth comes from high jackpots in all three rollover games; Powerball, Mega Millions and Multi-Match.

Additionally, the Analysis and Reporting Department continues to work on conversion - specifically identifying installation requirements for retailers and updating the SGI conversion team with changes and equipment upgrades.