

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: January 17, 2017

SUBJECT: Report for the January 2017 Commission Meeting

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

1) Sales

Sales for the month of December were basically flat year over year. Pick 4, Racetrax, Instant Tickets and Cash 4 Life all contributed positively to December sales however all other games were down, especially Powerball and Mega Millions which declined \$5.3 million. Combined sales for December were up \$186,318, a 0.11% increase. Details below:

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

		DRAW/MONITOR	INSTANT	COMBINED
STATE	2016	\$108,274,672	\$56,193,964	\$164,468,636
	2015	\$111,727,831	\$52,554,487	\$164,282,318
	Difference	(\$3,453,159)	\$3,639,477	\$186,318
	% YOY + / -	(3.09%)	6.93%	0.11%
INDEPENDENT	2016	\$93,070,668	\$39,276,449	\$132,347,117
	2015	\$94,587,045	\$36,313,840	\$130,900,885
	Difference	(\$1,516,377)	\$2,962,609	\$1,446,232
	% YOY + / -	(1.60%)	8.16%	1.10%
	% of STATE SALES	85.96%	69.89%	80.47%
CORPORATE	2016	\$15,202,604	\$16,917,515	\$32,120,119
	2015	\$17,139,378	\$16,240,647	\$33,380,025
	Difference	(\$1,936,774)	\$676,868	(\$1,259,906)
	% YOY + / -	(11.30%)	4.17%	(3.77%)
	% of STATE SALES	14.04%	30.11%	19.53%

- Sales Management
 - The Sales Division completed our third “Blitz Week” monthly campaign to improve the first week activation rates at all eligible instant ticket selling retailers.
 - Continue supporting the hard recall initiatives by recovering identified games from retailers’ inventory.
 - Continue to support the Claims department in the retrieval of non-submitted \$5K Claim Forms.
 - Sales management is working with the Human Resources department to fill open positions.
 - The sales management team conducted internal recruitment for an assistant regional manager for region IV. Carolyn Mack, district manager of territory #43 was promoted to this position.
 - District manager of territory #18, Shamika Veney was promoted to a position in the VLT gaming side of the Maryland Lottery.
 - Currently we have four open district manager positions. Sales management is working strategically to provide coverage in the affected geographical areas.
 - Conducted our Sales meeting on December 14th.
 - PEP’s were completed for all Sales Division personnel.
- OnePlace
 - Corrected OnePlace software issues that effected the reporting of the New Game – High and Medium alert system which caused delay in the management of books activated at retailer locations.
- Events
 - Sales supported the Communications department at two Ravens game day events during the month of December.

2) Corporate Sales

- Field Activity
 - Worked with ENC Enterprises to complete a Change of Ownership (COO).
 - Corporate Account Managers kept our chain accounts that competed in our corporate holiday bonus program updated on their standing throughout the month of December.
 - Communicated the pending \$30 instant ticket launch in February.
 - Continued to make corporate locations aware on the Blitz Week penetration rate reports.
 - Supported Communications with the ITVM load in for Ravens Game and game day support

3) **Retail Recruitment**

- OnePlace
 - With the requested changes to the OnePlace Prospect page completed on 1/11/17, the goal for this period is to finish training the Regional Managers (one has been trained) on populating the Prospect page to capture new retailer information for all of the change of ownership's within their regions.
 - Sales Force Automation and Retail Management - Retail Recruitment will be present for schedule meetings with the two vendors on 1/23/17 (IGT) and 1/30/17 (Lapis).
- 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 Communications and Sales. Room arrangements have been finalized.
- Recruitment Results
 - 15 completed applications sent to Agent Administration for approval processing.
 - CY16 Summary of total applications processed and installed was 161.

4) **Analysis & Reporting**

The Analysis and Reporting department, in conjunction with the Corporate Account team, have finalized the Chain Specific Holiday Bonus for the Holiday Family of Games. The four chains that participated increased Year over Year settlements by 15% when compared with 2015.

We are continuing to monitor instant ticket saturation rates during launch weeks with the January multiplier Family of Games. We are looking to compare that to the Holiday launch week and strive to set a new record for the number of retailers who activate all price points.