

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 16, 2018

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

		DRAW/MONITOR	INSTANT	COMBINED
STATE	2017	\$116,859,062	\$61,394,073	\$178,253,135
	2016	\$108,274,672	\$56,193,964	\$164,468,636
	Difference	\$8,584,390	\$5,200,109	\$13,784,499
	% YOY + / -	8%	9%	8%
INDEPENDENT	2017	\$97,402,586	\$42,394,274	\$139,796,860
	2016	\$93,072,068	\$39,276,449	\$132,348,517
	Difference	\$4,330,518	\$3,117,825	\$7,448,343
	% YOY + / -	5%	8%	6%
	% of STATE SALES	86%	69%	80%
CORPORATE	2017	\$19,456,476	\$18,999,799	\$38,456,275
	2016	\$15,202,604	\$16,917,515	\$32,120,119
	Difference	\$4,253,872	\$2,082,284	\$6,336,156
	% YOY + / -	28%	12%	20%
	% of STATE SALES	14%	31%	20%

- Sales Management
 - This month's "Blitz Week" campaign began on December 26th and featured four price points which included \$1, \$3 & (2) \$5 instant tickets.
 - Top Blitz Week Performers for December:
 - Carolyn Mack - 99% (Blitz Week Champion)
 - Leroy Thorne - 93%
 - Rob Austeria - 89 %
 - During December, the sales team supported the Communications department at three Lottery selling events at Ravens games.
 - Cell phones for the field staff were upgraded to smart phones to improve communications with retailers and Lottery personnel.
 - Three sales personnel remained on extended leave including the director of retail recruitment and two district managers. The management team has reassigned their retailers to others for coverage during their absence.
 - Sales also worked with the Human Resources department to post a vacant district manager (T-15) position. The interview process will conclude in January.
 - Sales management team completed and submitted all employee PEP forms.
- Central System Conversion
 - Sales continues working with Scientific Games (SG) in the planning and modifying of retailer training sessions, training materials and equipment installation schedules.
 - Working with SG to develop and modify listings for distribution and installation of new monitors and self-service vending units.
 - Sales providing feedback to improve the effectiveness of the gemIntelligence sales force automation software application.
 - Sales teams participated in the retailer rally training sessions conducted in Aberdeen from December 12th - 15th. Each rally consists of four days of two hour training sessions that start every half hour from 8:30 a.m. to 4:30 p.m.
 - The management team is visiting the new equipment pilot installations to monitor installation issues and obtain user feedback.
- Field Support/Self Service Vending Units
 - Currently working with gemIntelligence software developers to provide information allowing for the system to improve reporting capabilities.
 - Two new Last Activation Date scratch-off games identified for the month.
- Training
 - gemIntelligence Training ongoing.
 - Dana Washington, Sales Training Manager, completed three Overview Training Sessions with employees returning from leave.

- Dana also worked with the Support Services staff to aid them in obtaining a better understanding of the functionality of the Auto Field and Auto Reporting Functions.
- Dana continued to work with the field staff on how the Forms Feature works electronically within gemIntelligence.

2) Corporate Sales

- Field Activity
 - Annual Business Reviews are being scheduled with Wawa, Burchmart, Fastop, and Safeway for the next month.
 - Working with corporate partners to ensure that all store owners and employees are attending the retailer rally training classes.
 - Giant Foods will be moving forward with a pilot program to introduce lottery to their emerging gas station program. Their first location in Chevy Chase has just begun the onboarding process.
- Corporate Partner Retailer Recruitment
 - The Rite Aid-Walgreens Asset Purchase process is underway. Both Rite Aid and Walgreens are still determining which locations will remain open under the Rite Aid name and which will transition over to Walgreens.
 - Due to construction issues, Rutter's Farm Store's first Maryland location has had to delay its opening from May to July 2018.

3) Retail Recruitment

- Conversion
 - Continue to work with the gemIntelligence application.
 - Will begin to learn and practice with the Paperless Licensing Application process for Retail Recruitment.
- Recruitment Results
 - 20 completed applications sent to Agent Administration in December for approval.
 - CY 17 summary of total applications processed and installed = 168.
- Application Follow-up
 - Continue to follow up with Regional and Asst. Regional Managers for outstanding ADA's & Pre-site forms to complete applications for Agent Administration.
 - Continue to follow up with new retailers assisting them in completing the application process prior to expiration dates.
- Prospecting Activities

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- Continue to follow up on leads provided by the District Managers, walk-in applicants, mail and website submissions.
- Currently there are 36 completed applications forwarded to Agent Administration awaiting approval.
- Partnership status pending for Ace Cash Express
- Continue to work with SGI's team on leads and updates.

4) **Analysis & Reporting**

The 2017 Holiday Family of Games produced record sales and contributed to the double-digit instant growth this year. We saw tremendous growth in the \$1 and \$5 price points: \$1 "Candy Cane Cash" increased 15% over last year's \$1 ticket and \$5 "Holiday Riches" is 19% higher than last year's. Unfortunately, the \$3 "Polar Payout" was no contest to last year's blockbuster \$3 game but did outperform 2015's \$3 holiday game. Overall, during the 10 week holiday season (October 24 - December 31) the combined total sales of the five holiday tickets (\$1, \$2, \$3, \$5, and \$10) outsold any other holiday launch - sales were over \$500,000 more than last year (an increase of 2% year-over-year).