

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: June 15, 2016

SUBJECT: Report for the June 2016 Commission Meeting

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

1) Sales

May draw/jackpot sales experienced mixed results. Pick 3, Pick 4, Mega, Multi Match and 5 Card Cash combined for a loss of \$3.6 million. Keno, Racetrax, Powerball and Cash 4 Life teamed up for an impressive gain of \$7.2 million, resulting in a net increase of \$3.6 million or 3.4% for the category.

	Draw	Instants	Total
State	3.38%	9.55%	5.34%
Independent	2.49%	8.10%	4.24%
Corporate	8.33%	11.22%	9.72%

- Sales Management
 - Currently working with the remaining retailers (approximately 15) and Security to complete the 2016 bi-annual XCAP application renewal process and bring this project to completion.
 - Continuing to support the Hard Recall initiatives by recovering identified games from the retailers' inventory. Three additional recalls issued for the month of May (games #271, #248 and #238).
 - First phase of the Spring Refresh campaign continues in Regions 1 and 4, focusing on exterior signage and replacing in-store merchandising (play centers).
 - Currently we have four extended leave situations and three vacant positions. Sales management is working strategically to provide coverage in the affected areas.
- Sales Training
 - The training manager continues to participate in field ride-alongs to ensure consistency in our sales approach among the district managers.
 - Conducted two follow-up training sessions regarding instant ticket facings and conducted four retailer audits.

- OnePlace Sales Force Automation Initiatives
 - First Initiative – Reporting
 - Testing new versions of reports within OnePlace for sales management to determine district manager utilization of their iPad during store visits (sync reports and better management of facings at each retailer location).
 - District managers input facings into OnePlace to better reflect stock to sales ratios in each store.
 - Second initiative - Instant Ticket Allocations
 - Approximately half of the district managers now enter instant ticket allocations via forms in OnePlace. This process seems to be working well for both the district managers and the Instant ticket warehouse. An additional eight district managers will be added next month.
 - Formstack Usage
 - At the end of April, the ITVM audit was assigned to district managers with a completion date of 6/17/16. The ITVM audit is progressing well with the use of forms. So far, 882 out of 1,000 ITVM audits have been submitted.
 - A new form was created of seasonal stores on the Eastern shore. This form enables the Lottery and SGI to better manage the “reinstallation” of these locations.
- POS Inventory
 - POS inventory is in good shape with signs, play centers, magnetic strips, bingo boxes, in-counter instant ticket dispensers, change mats and accessories all in stock.
- Promo Items
 - Orders have been placed for the upcoming Ravens season. Additional Keno t-shirts and hats have been ordered; crab mallets are late but due by the end of June.
- Events
 - Supported the Communication department at three events which included the 141st Preakness Stakes, Wine in the Woods and Brew at the Zoo.

2) Corporate Sales

Anticipating a strong close to the fiscal year as both multi-state jackpot games (Powerball and Mega Millions) continue their triple-digit jackpot runs (as of this writing). Historically, players respond favorably to our heightened jackpot advertising during these runs with increased purchases at chain locations, primarily grocery stores.

3) Retail Recruitment

The website application for prospective applicants requires further development and refinement. Our Digital Manager/Creative Services is addressing the issue. In the meantime we have removed the “submit” button from the application and have given detailed directions on how to forward the document along to the recruitment department.

Working with our Sales Training Manager and OnePlace to transfer a completed prospect file to an active retailer file upon license approval and installation.

Next steps over the next several weeks include:

- Continue keeping OnePlace profiles and status sheet current.
- Work with OnePlace to transfer completed prospect files to retailer status after installation is confirmed.
- Follow up on applicants with outstanding administrative issues (taxes, articles, ADA compliance) inhibiting the application process.

Current application statistics entered into OnePlace since January 1st, 2016:

- 148 prospective retailer applicant profiles in the queue.
- 40 new lottery retailers installed and selling.

4) Analysis & Reporting

With a few more weeks in the fiscal year, we’re already guaranteed a new record in Instant Ticket sales as well as an increase over FY15 overall Lottery sales. Recent promotions in both monitor games (Racetrax and Keno) have been welcomed by players and have performed nicely in year over year comparisons.