

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 19, 2018

SUBJECT: Report for the June 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 May Product Category by Store Segment

		Draw/Monitor	Instant	Combined
STATE	2018	\$108,211,913	\$69,485,663	\$177,697,576
	2017	\$110,449,251	\$64,344,688	\$174,793,939
	Difference	(\$2,237,338)	\$5,140,975	\$2,903,637
	%YoY +/-	-2%	8%	2%
INDEPENDENT	2018	\$92,787,706	\$47,934,087	\$140,721,793
	2017	\$94,440,745	\$44,618,606	\$139,059,351
	Difference	(\$1,653,039)	\$3,315,481	\$1,662,442
	%YoY +/-	-2%	7%	1%
	% of State Sales	86%	69%	80%
CORPORATE	2018	\$15,424,207	\$21,551,576	\$36,975,783
	2017	\$16,008,506	\$19,726,082	\$35,734,588
	Difference	(\$584,299)	\$1,825,494	\$1,241,195
	%YoY +/-	-4%	9%	3%
	% of State Sales	14%	31%	20%

Year over Year Change by Game for the month of May	
Powerball	-16.5%
Mega Millions	30.2%
Multi-Match	20.9%
Pick 3	-5.1%
Pick 4	-0.8%
Bonus Match 5	-1.9%
5 Card Cash	1.4%
Keno	-7.3%
Racetrax	3.4%
Cash 4 Life	-13.0%
Scratch-offs	6.7%
Total	1.0%

- Sales Management
 - This month's "Blitz Week" campaign began on May 21st which included a Family of Games (FOG) with four price points of \$1, \$2, \$5 & \$10 instant tickets.
 - Top Blitz Week Performers for April:
 - Carolyn Mack – 100%
 - Rob Austeria – 95%
 - Sherise Rascoe – 94%
 - Todd Cearfoss – 94%
 - Sales management received, and granted, requests for reassignments to different territories. The reassignments will begin on June 4th.
 - Sales management is working with HR to fill a vacant contractual position.
 - Monitored and processed retailer credits associated with the conversion launch.
 - Region 2 worked with SG to get all Ocean City seasonal installs back into operation.
 - Sales supported three selling events during the month that included "Wine in the Woods", an Orioles game and "Brew at the Zoo".
- Central System Conversion
 - The Sales team continues to provide feedback on retailer installations and needed system correction issues.
 - Sales works with SG to develop and modify listings for distribution and installation of new monitors and self-service vending units.
 - Provide feedback to improve the effectiveness of gemIntelligence's Sales Force Automation Software.
 - Began using gemOffice to process all retailer applications.
- Field Support/Self Service Vending Units
 - In conjunction with the installations of the Play Central HD (PCHD) self-service units, Sales has conducted 63 Ambassador Programs (AP) for customers and store personnel to ensure everyone can use the self-service units efficiently. Phase I AP has supported primarily Royal Farms, Wawa and some independent locations.

- Sales has been working with SG UAT unit to ensure testing of all gem products, which include gemIntelligence, gemOffice and gemRetailer that will be required to support various field applications.
- Training
 - gemIntelligence and gemOffice training is ongoing.
 - PCHD, self-service unit training also is an ongoing initiative.

2) **Corporate Sales**

- Field Activity
 - The following corporate accounts are in the process of upgrading to the new Play Central HD vending option:
 - Royal Farms
 - Wawa
 - Dash In
 - Walgreens Co/Rite Aid
 - 7-Eleven has decided to utilize the Instant Ticket Vending Machines (ITVM) in 140 select locations.
 - Continued communication and site visits with all corporate partners to discuss the conversion process and scheduling procedures.
 - Preparation for vending machine roll out for other retailers upgrading to the new PHD vending option.
 - We continue to educate our corporate accounts on the paperless application process.
- Corporate Partner Retailer Recruitment
 - Giant Foods has decided to expand their Lottery presence into the remaining 11 gas station locations.
 - Weis Markets has decided to expand their Lottery presence into their remaining 6 gas station locations.

3) **Retail Recruitment**

- Conversion
 - The gemOffice application system is working fine. We have been calling some retailers who have entered the incorrect application type and walking them through correct process to complete their application.
- Recruitment Results
 - 17 new applications were processed in May and moved on to phase II for approval.
 - 3 retailers installed during May.
- Prospecting Activities
 - We have been contacting any retailer who had submitted applications during the past year who had unresolved issues (taxes, articles, ADA etc.) and encouraging them to reapply if they have rectified the issue.
 - gemIntelligence recruitment section has been populated with 45 new prospect leads.

- Gwen Gant of SGI is assigned to the Recruitment Department for support. She will be assigned prospect leads each week for follow-up. Gwen will officially begin with the Recruitment Department when SGI has filled her position as a Marketing Rep.

4) Analysis & Reporting

The April Launch of Willy Wonka continues to set new records as the top selling \$10 game of all time. Activations of Willy Wonka have outpaced the average \$10 ticket by 84% since launching seven weeks ago. Total activations are over \$14 million; \$4.7 million more than our previous top \$10 game - Quarter Million Large.

The Racetrax Triple Crown promotion helped produce two new record sales weeks. Week ending May 20th: \$4,738,029 and week ending June 3rd: \$4,975,350. The game will easily meet its FY2018 Goal of \$190 million.