

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: March 8, 2017

SUBJECT: Report for the March 2017 Commission Meeting

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

1) Sales

Total February sales increased 1.6% year over year with Instant sales up 5.3%. February draw game sales were off anywhere from 4.0% (Bonus Match 5) to 62.0% (Cash4Life). Pick 4 (2.5%) and Racetrax (1.4%) were up slightly while Powerball saved the month (up 74%) at \$5.5 million. Independent retailers were up 1% while corporate sales increased 4.1%. Details below:

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

		DRAW/MONITOR	INSTANT	COMBINED
STATE	2017	\$100,519,075	\$56,420,424	\$156,939,499
	2016	\$100,856,596	\$53,558,245	\$154,414,841
	Difference	(\$337,564)	\$2,862,179	\$2,524,658
	% YOY + / -	(0.3%)	5.3%	1.6%
INDEPENDENT	2017	\$84,001,046	\$38,731,107	\$122,732,153
	2016	\$85,158,327	\$36,408,062	\$121,566,389
	Difference	(\$1,157,281)	\$2,323,045	\$1,165,764
	% YOY + / -	(1.4%)	6.4%	1.0%
	% of STATE SALES	83.6%	68.7%	78.2%
CORPORATE	2017	\$16,516,598	\$17,689,317	\$34,205,915
	2016	\$15,696,881	\$17,150,183	\$32,847,064
	Difference	\$819,717	\$539,134	\$1,358,851
	% YOY + / -	5.2%	3.1%	4.1%
	% of STATE SALES	16.4%	31.4%	21.8%

- Sales Management
 - The Sales Division completed another “Blitz Week” monthly campaign to improve the first week activation rates at all eligible instant ticket selling retailers. Many territories showed vast improvements during this month’s blitz period.
 - Continued supporting the hard recall initiatives by recovering identified games from retailers’ inventory.
 - Currently retrieving three games:
 - #298 - \$5 Holiday Cash Times 10
 - #232 - \$20 Royal Gems
 - #277 - \$5 Triple Green Crossword
 - The Sales team continues to promote the upcoming \$30 ticket launch.
 - Sales management is working with the Human Resources department to fill open positions.
 - Currently we have four open district manager positions. Sales management is working strategically to provide coverage in the affected geographical areas.
- Training
 - The Sales team met on Wednesday, February 22nd for our bi-monthly training session.
 - Topics highlighted, during the meeting, were our Blitz Week top performers, ITVM taping of books and the Tel Sell stop distribution strategy.
 - Top Blitz Week Performers
 - Carolyn Mack – 100% (Blitz Week Champion)
 - Leroy Thorne – 98%
 - Phyllis Dorsey – 91%
 - Scott Kershow – 90%
- OnePlace
 - Looking to move to version 8.0 of OnePlace. Meetings have been completed to determine what is needed to make V8.0 effective. Waiting on information to determine next steps.
 - The field staff will soon begin inputting new business class codes for all retailers in their district. This process will bring us more in line with National guidelines on business classes.
- Events
 - Sales supported the Communications department at the Timonium Motorcycle Show during the month of February.

2) Corporate Sales

- Field Activity
 - Continued to communicate the pending \$30 instant ticket launch in February.
 - Continued to make corporate locations aware on the Blitz Week penetration rate reports.
 - Corporate sales began preparation for annual business reviews that will be conducted in March and April.

3) Retail Recruitment

- OnePlace
 - All Regional Managers have been trained and now will begin populating all change of ownership prospects for their region in OnePlace.
 - The goal for this period is monitoring entries made by Regional Managers in OnePlace to be sure all information is completed in full.
- Trade Show Activities
 - Participated at the 43rd Annual Ocean City Hotel-Motel Restaurant Association Spring Trade Expo in an effort to recruit new prospective retailers. A full report will be presented next month.
- Recruitment Results
 - 21 completed applications sent to Agent Administration in February for approval.
 - CY17 summary of total applications processed and installed was 21.

4) Analysis & Reporting

The Analysis and Reporting department has been working with the sales field staff to update the retailer business codes for all active agents. This effort will help us more accurately look at sales by business type to assist with retail recruitment, promotion development and product mix.

We continue to monitor saturation on new games in the marketplace. For the February launch 75% of our retailer network activated all four price points; 90% activated the \$5 Home Run Riches ticket and 85% of the network activated the \$30 ticket. There continues to be a month-over-month improvement in the percentage of retailers activating new games. This is a direct result of our consistent focus on Blitz Week sales efforts.