

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 13, 2018

SUBJECT: Report for the March 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 February Product Category by Store Segment

		DRAW/MONITOR	INSTANT	COMBINED
STATE	2018	\$95,561,883	\$61,199,929	\$156,761,812
	2017	\$100,519,075	\$56,420,424	\$156,939,499
	Difference	(\$4,957,192)	\$4,779,505	(\$177,687)
	% YOY + / -	-5%	8%	0%
INDEPENDENT	2018	\$81,006,223	\$41,826,881	\$122,833,104
	2017	\$84,002,477	\$38,731,107	\$122,733,584
	Difference	(\$2,996,254)	\$3,095,774	\$99,520
	% YOY + / -	-4%	8%	0%
	% of STATE SALES	86%	69%	80%
CORPORATE	2018	\$14,555,660	\$19,373,048	\$33,928,708
	2017	\$16,516,598	\$17,689,317	\$34,205,915
	Difference	(\$1,960,938)	\$1,683,731	(\$277,207)
	% YOY + / -	-12%	10%	-1%
	% of STATE SALES	14%	31%	20%

- Sales Management
 - This month's "Blitz Week" campaign began on February 26th which included four price points of instant tickets (\$2, \$5, \$10 & \$30).
 - Top Blitz Week Performers for February:
 - Carolyn Mack – 100%
 - Rob Austeria – 93%
 - Leroy Thorne – 92%
 - Leroy Thorne submitted retirement papers effective March 1st. His professionalism and contributions will be missed.
 - We welcome Larry Baum, district manager (DM) T- 15 to our organization in February.
- Central System Conversion
 - Working with Scientific Games (SG) to conduct training sessions for retailers that did not attend regional training sessions. Rally sessions are being conducted at Montgomery Park for retailers within the Baltimore zone (20 mile radius) and on-site with retailers outside the Baltimore zone.
 - The Sales team continues to provide feedback on retailer installations, while working to develop and modify listings for distribution and installation of new monitors and self-service vending units.
 - New retailer training resumed in February for retailers that were in the pipeline prior to the start of conversion.
 - Sales team provides feedback to improve the effectiveness of the gemIntelligence sales force automation software application, especially in support of Blitz Week activities.
- Field Support/Self Service Vending Units
 - Working with gemIntelligence software developers to provide information allowing for the system to improve reporting capabilities. Also adapting to using the tool to improve communication to the field (forms management, email, GPS and improving the High Alerts reporting during Blitz Week).
 - Continued to more effectively manage retailer inventories by reviewing the Last Activation Date scratch-off games that have been identified.
 - New DM terminal identification cards were issued in February to allow personnel to sign-on to the new terminals that are being installed.
- Training
 - gemIntelligence training is ongoing.
 - The training manager developed a power point training for DMs on the functionality of their mobile device.

2) Corporate Sales

- Field Activity
 - Upcoming business reviews/meetings scheduled with our corporate partners Rite Aid, Martins Foods, Weis Markets, Wawa, and Shoppers during March.
 - Business reviews were held for Safeway and Dash In.
 - The corporate sales team will be participating in the 7-Eleven 2018 Tri-State FOSE Association Trade Show.

- Continued communication with all corporate partners to discuss the conversion process and scheduling procedures.
- Corporate Partner Retailer Recruitment
 - Eight of the remaining Rite Aid locations with lottery licenses have been successfully transferred to Walgreens Company.
 - Upcoming meeting with Rite Aid to discuss expansion within remaining Maryland stores amidst their acquisition by Albertsons Companies, LLC.

3) Retail Recruitment

- Conversion
 - Continue to work in the “sandbox” for Gem Licensing and Gem Office.
- Recruitment Results
 - 14 completed new retail applications sent to Agent Administration in February for approval.
 - 2018 Install Summary- One (1) new retailer has been installed during conversion; current retailers have been top priority. There are 37 pending installation.
- Application Follow-up
 - Continue to assist new retailers in completing the application. Work with Regional Managers on pre-sites and ADA forms to complete applications.
- Prospecting Activities
 - Continue to follow up on leads provided by the DM's, walk-ins, mail and website.
 - Currently there are 40 completed applications sent to Agent Administration awaiting approval (Jan 18' - YTD March 18').
 - Will distribute leads to the SG team now that Retailer Rallies are complete.

4) Analysis & Reporting

The launch of our second \$30 ticket produced a Maryland Lottery instant ticket record – single day instant ticket activations for February 26, 2018 were \$5.6 million and \$19.9 million for the week, breaking last year’s initial \$30 launch.

Year-over-year, retailers activated over \$250,000 more of the Mega Bucks ticket when compared to \$2M Fortune, an increase of 7%. In the first week, combined sales of the \$30 tickets totaled \$4.3 million, or about 23% of all tickets sold.

Also of note, sales of the \$10 ticket, Quarter Million Large, were up 12% when compared to last year’s launch of \$250,000 Jackpot.

February’s strong instant ticket launch, coupled with a few high profile instant launches in March and April, and rolling jackpots, should make for an exceptionally strong finish to the fiscal year.