

Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



Montgomery Park Business Center
1800 Washington Blvd., Suite 330
Baltimore, Maryland 21230

Tel: 410-230-8800
TTY users call Maryland Relay
www.mdlottery.com

TO: Maryland Lottery and Gaming Control Commission
Gordon Medenica, Director

FROM: John Martin, Managing Director and Chief Revenue Officer

DIVISION: Sales

DATE: May 15, 2018

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

		Draw/Monitor	Instant	Combined
STATE	2018	\$101,853,374	\$66,975,608	\$168,828,982
	2017	\$102,272,302	\$63,479,855	\$165,752,157
	Difference	\$(418,928)	\$3,495,753	\$3,076,825
	%YoY +/-	-0.4%	5.5%	1.9%
INDEPENDENT	2018	\$87,596,608	\$46,464,696	\$134,061,304
	2017	\$88,624,807	\$44,569,026	\$133,193,833
	Difference	\$(1,028,199)	\$1,895,670	\$867,471
	%YoY +/-	-1.2%	4.3%	0.7%
	% of State Sales	86.0%	69.4%	79.4%
CORPORATE	2018	\$14,256,766	\$20,510,912	\$34,767,678
	2017	\$13,647,495	\$18,910,829	\$32,558,324
	Difference	\$609,271	\$1,600,083	\$2,209,354
	%YoY +/-	4.5%	8.5%	6.8%
	% of State Sales	14.0%	30.6%	20.6%

Year over Year Change by Game for the month of April	
Powerball	4.2%
Mega Millions	37.0%
Multi-Match	77.5%
Pick 3	-6.7%
Pick 4	-2.8%
Bonus Match 5	-1.2%
5 Card Cash	3.0%
Keno	-6.7%
Racetrax	-0.5%
Cash 4 Life	-0.4%
Scratch-offs	6.6%
Total	1.9%

- Sales Management
 - This month’s “Blitz Week” campaign began on April 23rd which included three price points of \$1, \$5 & \$10 instant tickets.
 - Top Blitz Week Performers for March:
 - Carolyn Mack – 100%
 - Rob Austera – 95%
 - Sherise Rascoe – 94%
 - Todd Cearfoss – 94%
 - Sales management received and granted request for reassignments to different territories. The reassignments will begin on June 4th.
 - Walter Griffin was promoted from a contractual district manager (DM) position to full time DM and will be assigned to T 35 in Prince George’s County.
 - Monitored and processed retailer credits associated with the conversion launch.
 - In support of the Willy Wonka initiative, Sales placed 400 Willy Wonka standup pieces at various retailer locations across the state.
- Central System Conversion
 - The Sales team continues to provide feedback on retailer installations.
 - Sales continued to work with SG to develop and modify listings for distribution and installation of new monitors and self-service vending units.
 - Sales continued to provide feedback to improve the effectiveness of the gemIntelligence sales force automation software application especially in support of our Blitz Week activities with the Blitz Week alerts working as required.
- Field Support/Self Service Vending Units
 - Sales has been working with SGI UAT unit to ensure testing of all gem products, which include gemintelligence, gemapplications, gemoffice, etc. that will be required to supports various field applications.
- Training
 - gemIntelligence training is ongoing.

- The training manager worked with Larry Baum (new DM) to get him up to speed on Lottery operations and procedures.

2) **Corporate Sales**

- Field Activity
- Business reviews/meetings were held for the following accounts:
 - Food Lion
 - Shore Stop
 - 7-Eleven Markets 2544 & 2546
- The corporate sales team will be participating in the 7-Eleven Corporate Sales Rally events in May.
- Continued communication and site visits with all corporate partners to discuss the conversion process and scheduling procedures.
 - SGI has installed the new Wave C terminal and PHD vending machines in five (5) Royal Farms locations as part of pilot program. Once initial testing is complete, they will continue on with the PHD roll out for the other designated vending locations.
 - We have begun rolling out the paperless application process to our corporate partners.
- Corporate Partner Retailer Recruitment
 - After two months of selling Lottery out of their pilot location, Giant Foods has decided to expand their Lottery presence into four additional gas locations.

3) **Retail Recruitment**

- Conversion
 - April 30th the online application process was open for business on the web page and could again accept online applications. We have received 3 completed applications through the web page in the first two weeks.
 - Functionality has been good for retailers. There were only two small adjustments needed that were promptly fixed.
 - Recruitment Department has been manually entering all applications with issues (articles, taxes, ADA etc..) that were received before conversion and are waiting for responses from the applicants.
- Recruitment Results
 - 10 new applications were gathered and sent over to Agent Administration in April for approval processing before the April 12th quiet period prior to conversion.
 - 14 new locations installed during April.
- Application Follow-up
 - We have followed up on those applications received during the quiet period that were sent back and asked to enter on line after May 1st. We have applications in process for all but 2 out of 12 applications sent back to the retailers.
- Prospecting Activities
 - We have been following up on any retailer who had submitted applications during the past year who had unresolved issues (taxes, articles, ADA etc..) and were

discontinued due to the 6-month time restraint to see if those previous issues have been resolved and the applicant may apply again.

- Gem Intelligence will begin to be populated with any new prospect leads.
- May 1st we began to actively pursue new prospect leads again.
- Goal is to have Sales team provide leads by entering prospect information directly into the prospect page for our follow up.

4) Analysis & Reporting

The April launch of Willy Wonka set an all-time record for activations in the \$10 price point. Week 1 activations of the Wonka ticket totaled \$3,453,170 beating any \$10 and \$20 launch to date and just \$200k short of the \$30 Megabucks launch from February.

Total Sales were up 1.9% year over year with the three roll-over games helping to stabilize the draw game sector. Instant sales were up 6.6% year over year for April - much of that growth comes from the two \$30 tickets in market and the strength of the \$10 Wonka. May's Jackpot family of games will be the final push to meeting the Instant goal of \$725million