

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: November 9, 2016

SUBJECT: Report for the November 2016 Commission Meeting

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

1) Sales

October sales produced mixed results in draw and monitor games. Pick 4, Racetrax and Powerball combined for a \$1.9 million increase, however all other games were down \$5.9 million. Cash4Life provided an influx of \$1.4 million as did Instant games, resulting in a small decline of \$1.2 million for the month. Details below:

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

		DRAW/MONITOR	INSTANT	COMBINED
STATE	2016	\$97,015,748	\$50,631,285	\$147,647,033
	2015	\$99,678,567	\$49,197,317	\$148,875,884
	Difference	(\$2,662,819)	\$1,433,968	(\$1,228,851)
	% YOY + / -	-2.67%	2.91%	-0.83%
INDEPENDENT	2016	\$83,277,258	\$35,206,568	\$118,483,826
	2015	\$85,160,495	\$34,050,516	\$119,211,011
	Difference	(\$1,883,237)	\$1,156,052	(\$727,185)
	% YOY + / -	-2.21%	3.40%	-0.61%
	% of STATE SALES	85.84%	69.54%	80.25%
CORPORATE	2016	\$13,737,067	\$15,424,717	\$29,161,784
	2015	\$14,516,664	\$15,146,801	\$29,663,465
	Difference	(\$779,597)	\$277,916	(\$501,681)
	% YOY + / -	-5.37%	1.83%	-1.69%
	% of STATE SALES	14.16%	30.46%	19.75%

- Sales Management
 - Sales management executed our second “Blitz Week” strategy to improve the first week activation rates at all eligible instant ticket selling retailers. This resulted in 70.45% of all eligible instant ticket selling retailers activating all five of the launched price points.
 - Continue supporting the hard recall initiatives by recovering identified games from retailers’ inventory. Three additional hard recalls were issued for the month of September (games #205, #231 & #241).
 - Sales management is working with the Human Resources department to get approval to fill vacant positions.
 - Vanessa Fountain was promoted to Region IV Sales Manager.
 - Currently we have three open district manager positions. Sales management is working strategically to provide coverage in the affected geographical areas.
 - Conducted our Sales meeting on October 19th.
 - During the meeting Bryan Byers (Territory 15) was honored as the District Manager of the Quarter.
 - Sales supported the Regional Advisory Board meetings conducted throughout the state from October 11th through October 21st.
- OnePlace
 - OnePlace software issues with the New Game Alerts were resolved allowing more productivity and efficiency in using our route management system during Blitz Week.
 - Upcoming goals with OnePlace will include:
 - Work with the staff to enter initial allocations into OnePlace to better manage instant ticket sales at retail.
 - Utilization of OnePlace as the sole source for entering and retrieval of retailer facing information.
 - Address printing issues for iPad users in OnePlace.
- Events
 - Supported the Communications department at four events during the month of October including a multiple day event in Ocean City (Endless Cruisin’) and a Baltimore Raven’s game.

2) Corporate Sales

Our corporate account managers worked with either the corporate headquarters' staff or field contacts during Blitz Week to notify them of the activation bonus program and the need to activate all new games as soon as they have been received. Their effort showed a definite improvement over last year and the continued effort should vastly improve with future launches.

The corporate team is working with MGM at National Harbor to prepare for the installation of Lottery equipment and training of staff in preparation for their opening day launch in December 2016.

3) Retail Recruitment

Trade Show Activities

- John Martin attended the WMDA CAR Convention & Trade Show in Ocean City, September 8th – 10th. A total of six prospects/leads were given to the Retail Recruitment Department. All six have been contacted. One (Brandywine Fast Fuel) was installed 9/30/16. We anticipate two additional leads to submit retailer applications by 1st quarter 2017.
- Mid-Atlantic Food, Beverage & Lodging Expo in Timonium, September 27th – 28th. There were 11 good prospects we met on-site. All received follow up. One (Crush N Crab in Berlin) has already submitted an application.
- Retailer Recruitment will attend the 43rd Annual Ocean City Hotel-Motel-Restaurant Association Spring Trade Show Expo, March 5 & 6, 2017 in Ocean City.

Recruitment Results

- Since 1/1/16 we have a total of 137 new applicants installed and operational.
- A total of 22 retailers due for installation by 12/9/16.

4) Analysis & Reporting

The Analysis and Reporting Department has been working closely with the sales management team, SGI and the sales field staff to increase new game saturation in the marketplace by increasing the number of retailers who receive shipments of instant tickets in the first week of a launch. By the week's end 92% of our retailers had the entire Holiday Family of Games in their store and we activated 42.7% more Holiday Instant Tickets than we did in the launch week of 2015.