

# Maryland Lottery and Gaming Control Agency

Larry Hogan, Governor • Gordon Medenica, Director



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

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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: November 7, 2017

SUBJECT: Report for the November 2017 Commission Meeting

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

## 1) Sales

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

		DRAW/MONITOR	INSTANT	COMBINED
STATE	2017	\$97,416,206	\$59,323,928	\$156,740,134
	2016	\$97,015,748	\$50,631,285	\$147,647,033
	Difference	\$400,458	\$8,692,643	\$9,093,101
	% YOY + / -	0.4%	17.2%	6.2%
INDEPENDENT	2017	\$83,493,716	\$41,027,860	\$124,521,576
	2016	\$83,278,681	\$35,206,568	\$118,485,249
	Difference	\$215,035	\$5,821,292	\$6,036,327
	% YOY + / -	0.26%	16.53%	5.09%
	% of STATE SALES	85.7%	69.2%	79.4%
CORPORATE	2017	\$13,922,490	\$18,296,068	\$32,218,558
	2016	\$13,737,067	\$15,424,717	\$29,161,784
	Difference	\$185,423	\$2,871,351	\$3,056,774
	% YOY + / -	1.35%	18.62%	10.48%
	% of STATE SALES	14.3%	30.8%	20.6%

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- Sales Management
  - This month's "Blitz Week" campaign featured our Holiday line-up of instant tickets. A retailer activation bonus helped us reach record-setting heights.
    - Top Blitz Week Performers for October:
      - Carolyn Mack - 99% (Blitz Week Champion)
      - Matt Boone - 90%
      - Kentrina Jones - 87%
  - Sales personnel supported the fall Regional Advisory Board meetings (6) that were held throughout the state.
  - During October, the sales team supported the Communication department at five Lottery selling events which included Raven's games, the Purple Evening and the Endless Cruisin' event.
  - Four sales personnel are out on extended leave which includes one regional manager, two district managers and a corporate account manager. The management team has reassigned their retailers to others for coverage during their absence.
  - Sales also worked with the Human Resources department to fill a regional manager and a district manager position.
    - John O'Connor was promoted from district manager to regional manager position (Region 1).
    - Nicole Sample, an external candidate, accepted a district manager position in Baltimore (T-42).
    - Working with HR to fill the vacant district manager (T-12) position.
  - During October, the sales team communicated the Mega Millions changes and the step down of advance drawings to the retailer network in preparation for the October 28<sup>th</sup> launch date.
- Central System Conversion
  - Sales continues planning and modification of the retailer training sessions, training materials and equipment installation schedule.
    - Working with SGI to develop and modify listings for distribution and installation of new monitors, self-service vending units and pilot retailers for new equipment testing.
    - Developing a "sandbox" testing site for Sales personnel to begin working with our new sales force automation tool, Gem Intelligence.
- Field Support/Self Service Vending Units
  - Currently have 7 games with a Last Activation Date of 10/27/17 with very little inventory left in the field.
- Training
  - The training manager worked with our newly hired and promoted personnel during October to get them acclimated to their new positions.

## 2) Corporate Sales

- Field Activity
  - MGM National Harbor's *Wicked Winnings* promotion was held on 10/31/17. MGM's rewards members were contacted via special invitation to an instant lottery ticket giveaway promotion held in their ballroom. Instant lottery tickets were given to the invitees upon their arrival.
  - Continued meetings/conference calls with corporate partners on the conversion process, training, installation schedules, and other updates as they become available.
  - Conversion training held with Royal Farm's sales and operations team.
- Corporate Partner Retailer Recruitment
  - Due to permitting delays, Rutter's farm store's first Maryland location in Walkersville, MD open date has shifted to April 2018. This has delayed the opening of their second location in Brunswick, MD until late in 2018.
  - We continue to engage in open dialogue with Ace Cash Express as they review their options on becoming a Lottery retailer. Their executive leadership team is leading the evaluation and will have a decision made by the end of November.
  - The Rite Aid-Walgreens Asset Purchase process is underway and Rite Aid has relayed to us that lottery will remain in some of the locations transitioned to Walgreens. Rite Aid will also retain lottery in certain stores as well as add to existing locations presently without lottery. We are expecting to receive additional information on these transactions by the end of November.

## 3) Retail Recruitment

- Conversion
  - Final comments and suggestions were provided at the Oct 20<sup>th</sup> meeting to the conversion software team for paperless application process.
  - Recruitment Results
    - 12 completed applications sent to Agent Administration in October for approval.
    - CY17 summary of total applications processed and installed = 144.
- Prospecting Activities
  - We continue to follow up on leads provided by our District Managers. We currently have forwarded 42 completed applications to Agent Administration and are awaiting approvals.

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- Working with our Director of Corporate Sales on recruiting the Ace Cash Express chain account with 33 locations. Awaiting response from the prospective client.

## 4) **Analysis & Reporting**

The Holiday Family of Games launch on October 23rd was our most successful holiday launch. Our retailer network activated \$7,896,000 holiday tickets during launch week, which is 9.5% more tickets than the year prior.

This record Holiday launch was a direct result of the fields increased Blitz Week efforts, 78% of the instant ticket retailer network activated all five of the holiday games, with 88% of the network activating the \$5 and 87% activating the \$10 price points.