

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: October 19, 2016

SUBJECT: Report for the October 2016 Commission Meeting

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

1) Sales

September was somewhat of a challenging month in relation to lottery sales. With the exception of Racetrax (which increased 13%) and an influx of \$1.4 million from Cash4Life, all other draw games showed a total decline of \$4.7 million from 2015. Instant ticket sales showed only a 1.7% increase, and the luck of the draw saw both Mega Millions and Powerball jackpots being won on consecutive days forcing both jackpots to reset to base amounts. Details below:

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

		DRAW/JACKPOT	INSTANT	COMBINED
STATE	2016	\$96,978,193	\$47,838,024	\$144,816,217
	2015	\$101,680,158	\$47,032,632	\$148,712,790
	Difference	(\$4,701,965)	\$805,392	(\$3,896,573)
	% YOY + / -	-4.62%	1.71%	-2.62%
INDEPENDENT	2016	\$83,052,550	\$33,159,218	\$116,211,768
	2015	\$85,745,850	\$32,377,552	\$118,123,402
	Difference	(\$2,693,300)	\$781,666	(\$1,911,634)
	% YOY + / -	-3.14%	2.41%	-1.62%
	% of STATE SALES	85.64%	69.32%	80.25%
CORPORATE	2016	\$13,924,213	\$14,678,806	\$28,603,019
	2015	\$15,932,921	\$14,655,080	\$30,588,001
	Difference	(\$2,008,708)	\$23,726	(\$1,984,982)
	% YOY + / -	-12.61%	0.16%	-6.49%
	% of STATE SALES	14.36%	30.68%	19.75%

- Sales Management
 - Sales management implemented a “Blitz Week” strategy to improve the first week activation rates at all eligible instant ticket selling retailers.
 - 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 #218, #242 & #250).
 - The Human Resources department has given approval to begin hiring for vacant positions. Sales management filled the open Special Assignment District Manager position leaving two vacant District Manager positions. Sales management is working strategically to provide coverage in the affected geographical areas.
 - Conducted our Sales meeting on September 21st.
 - The Sales management team developed the 2016 retailer Holiday Bonus program targeted to help drive sales during the holiday season.
 - The district managers, during their normal store visits, requested retailers to attend one of our Fall Regional Advisory Board meetings that are held throughout the state.
- Sales Training
 - The Sales Training Manager continues to participate in field ride-alongs to ensure consistency in our sales approach among the district managers.
 - Participated in the testing of updated software for the OnePlace sales force automation system utilized by the field staff.
- OnePlace
 - OnePlace software was updated for all users.
 - The field staff was instructed to use the New Game Alert to help manage the instant ticket activations.
 - Upcoming goals with OnePlace will include:
 - Review all system alerts with users to improve the process.
 - Work with staff to enter initial allocations into OnePlace to better manage instant ticket sales at retail.
 - Address printing issues for iPad users in OnePlace.
 - The instant ticket allocation forms are being updated to help identify new initial allocations versus changes in current allocations.
- Events
 - Supported the Communications department at four events during the month of September including a multiple day event at the Maryland State Fair and a Baltimore Raven’s game.

2) Corporate Sales

We received commitments from four corporate partners to participate in a Holiday Instant ticket sales campaign where we measure year over year sales growth by store. Campaign period will run from Monday, October 24th through Sunday, January 1st.

3) Retail Recruitment

Next steps over the next several weeks include:

- Continue keeping OnePlace profiles and status sheet current (ongoing).
- We are currently transferring prospect files and merging with installed/active retailer files in OnePlace after installation is confirmed.
- Follow up on applicants with outstanding administrative issues (taxes, articles, ADA compliance) inhibiting the application process.
- Working with Agent Administration to purge all applications older than 6 month.
- Since 1/1/16 we have 126 new applicants have been installed and are operational.

4) Analysis & Reporting

We attained some progress in improving our new instant ticket game launch penetration rates for the initial two weeks in September. We will speak with our District Managers to learn what worked well and what needs to be reviewed so we can continue to improve for October's new games launch.