

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: December 8, 2020

SUBJECT: Report for the December 2020 Commission Meeting

1) Sales

November 2020, Year over Year Comparison Product Category by Store Segment

		Draw	Monitor	Instant and Fast Play	Combined
STATE	2020	\$70,794,835	\$42,053,867	\$77,906,307	\$190,755,010
	2019	\$67,143,365	\$42,503,547	\$67,885,356	\$177,532,268
	Difference	\$3,651,471	(\$449,680)	\$10,020,951	\$13,222,742
	%YoY +/-	5.4%	-1.1%	14.8%	7.4%
INDEPENDENT	2020	\$54,965,978	\$37,267,373	\$51,089,343	\$143,322,694
	2019	\$51,889,637	\$38,648,633	\$44,843,950	\$135,382,220
	Difference	\$3,076,341	(\$1,381,260)	\$6,245,393	\$7,940,474
	%YoY +/-	5.9%	-3.6%	13.9%	5.9%
	% of State Sales	77.6%	88.6%	65.6%	75.1%
CORPORATE	2020	\$15,828,857	\$4,786,494	\$26,816,964	\$47,432,315
	2019	\$15,253,728	\$3,854,914	\$23,041,406	\$42,150,048
	Difference	\$575,130	\$931,580	\$3,775,558	\$5,282,268
	%YoY +/-	3.8%	24.2%	16.4%	12.5%
	% of State Sales	22.4%	11.4%	34.4%	24.9%

* - Instant ticket sales are based on recorded weekly settlements and may not agree with other Instant ticket sales displayed in other reports that may reflect activations or validations.

- Sales Management
 - District Managers with the best November sales by region/territory (year-over-year) were:
 - Jonathan McIntosh T-14
 - Sherise Rascoe T-22
 - Rob Austeria T-33 - (Awarded the DM of the month)
 - Chuck Hamrick T-42
 - A Regional Manager and a contractual District Manager position are currently open for recruitment.
- Field Activities
 - Continued merchandising of the Holiday scratch off games combined with the monitoring of the retailer Holiday Games Promotion.
 - Essential personnel, consisting of sales management staff, are supporting field initiatives as required.
 - Nonessential employee vehicles, assigned to field personnel, have been either returned to the Lottery headquarters or approved for storage at offsite locations.
- Sales Support/Self-Service Vending Units
 - PHD installs now at 156 additional units deployed since this phase began September 1st. Total count of self-service vending units now over 1,500.

2) Corporate Sales

- Field Activity
 - NSR Markets has completed their acquisition of the retail arm of Burch Oil and has begun selling under their new organization.
 - The Corporate Sales team is now planning for the next wave of vending machine installations between Q4 20 and Q1 21.
 - The Corporate Sales team has completed the onboarding process with the Walmart launch team and are now preparing for the installation and training of their stores and staff in Q1 21.

3) Retail Recruitment

- Recruitment Results
 - Fourteen (14) new applications received and advanced to Phase II of the approval process over the last month.
 - Eleven (11) new independent locations installed in that time frame.
- Prospecting Activities
 - We are pursuing 35 new retailer prospects (34 new independent and 1 corporate). They are at different stages of completion. We are currently working to get the paperwork submitted so we may approve and move on to Phase II for the clearances from Agent Administration and Security Departments.

4) **Sales Force Automation**

- gemIntelligence/field units: We are using Internet Explorer as a browser interface when Chrome is not available to provide District Managers access to field surveys and needed forms. Connectivity issue has been resolved.
- gemOffice: XCAP renewals continue to flow into the system. A few minor tweaks for the next bi-annual renewal cycle in 2022 will make this more efficient. The renewal is doing what it was intended to do: recertifying XCAP retailers and identifying changes in ownership at retail locations.
- gemRetailer: Site is continuously updated with relevant information. New retailers are added on a regular basis. The District Managers still require training for a better understanding of the site. Training will be scheduled at a future date. The posting of monthly videos and other important information has proven helpful to retailers. Easy access for those using the site.
- Training: Sales Training Manager, Dana Washington, is creating a catalog of on-demand video training modules in gemIntelligence to assist District Managers. One-on-one virtual training is continuing where needed.