MARYLAND LOTTERY® RETAILER REPORT

A Newsletter for Maryland Lottery Retailers

OCT. - DEC. 2017

CONVERSION UPDATE: EQUIPMENT ROLLOUT STARTS SOON!

EW TERMINALS AND vending machines, new business practices and faster technology are coming! The equipment rollout starts in November as part of the central system contract with our chosen vendor, Scientific Games International (SGI).

"This is a massive undertaking," said **Jim Nielsen**, the Lottery's chief operating officer. "It's like going from a calculator or a landline to a smart phone."

The conversion will move the communication platform from satellites, in many cases, to a dual cellular communication platform and automate numerous functions ranging from retailer records to in-depth customer transaction analysis.

Watch for invitations from SGI to attend mandatory Retailer Rallies this fall and winter. Retailers and their employees will get hands-on practice with the equipment, SalesBuilder training and more.

For details on upcoming Retailer Rallies and conversion highlights, see **page 3**.



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HOLIDAY CASH & DASH IS BACK!

See page 4.



RETAILER REPORT

1800 Washington Blvd., Suite 330 **Baltimore MD 21230**

mdlottery.com retailercorner.mdlottery.com gaming.mdlottery.com

Extrema Lottery Terminal, Player Activated Terminal (PAT) and Play Central Terminal (PCT) 888-427-7568 (service issues)

Instant Ticket Vending Machine (ITVM) 800-820-7406

Tel-Sell Orders 866-832-1477

Retailer Customer Service 410-230-8800

Instant Ticket Lottery Machine (ITLM) (Veterans Services Organizations only) 800-886-9978

24/7 Problem Gambling Helpline 800-GAMBLER

VOLUNTARY EXCLUSION PROGRAM

The Lottery is strongly committed to the promotion of responsible gambling and encourages retailers to display our Voluntary Exclusion Program brochure with Lottery merchandise. Ouestions? Visit mdlottery.com/about-us/responsible-play or contact Mary Drexler at 410-230-8798 or mary.drexler@maryland.gov.

MARYLAND LOTTERY AND GAMING

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Gordon Medenica, director John Martin, managing director, chief revenue officer Al Ringgold, director of sales

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Connect with us:









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DIRECTOR'S MESSAGE



ONGRATULATIONS ON a job well done! Together, we toppled six records in Fiscal Year 2017 ranging from overall sales to instant ticket sales. Racetrax and Keno also enjoyed a banner year!

Your hard work paid off, too. Retailers earned higher commissions than ever before, receiving \$145.9 million in commissions or 3.4 percent more than the

previous record set in FY2016. Thanks to each of you for your efforts in helping the agency generate an all-time record \$1.117 billion for the good causes of the state of Maryland. Check out our FY2017 highlights on page 6.

This fall, many agency teams are putting processes in place to ensure a smooth conversion in spring 2018. Do your part by attending the mandatory Retailer Rallies to get the training you need to switch over to the new equipment and take advantage of its high-tech capabilities. Watch Retailer Corner for conversion updates!

As always, thank you for everything you do,

Sincerely,

Gordon Medenica, Director

MARKETING VETERAN JOINS AGENCY

crmer DC Lottery marketing pro John Gorman jumped right into his new role as Maryland Lottery & Gaming managing director and chief marketing officer this summer. Meetings, meetings and more project meetings marked his first day in the office.

"Look for us to bring innovative products and promotions to the market that will help invigorate your sales and increase your Lottery foot traffic," Gorman said.



John Gorman

This seasoned professional draws on years of experience in strategic marketing, product and promotion launches, advertising and marketing campaigns, second-chance promotions and sponsorships. While at the DC Lottery from 2004 to 2017, he served as marketing director, strategic development specialist and as market research analyst.

Among his achievements were developing innovative scratch-offs such as Majic and Neighborhoods and managing project teams to launch five new product lines including *Race2Riches* and *DC-5*.

COMING SOON: NEW EQUIPMENT AND RETAILER RALLIES

ARE YOU READY for your Lottery equipment conversion to begin?

Scientific Games International (SGI) and the Lottery are hosting **mandatory** Retailer Rallies for Eastern Shore and Western Maryland retailers in November. The rallies coincide with the kickoff of the long-awaited new equipment rollout. Consult Retailer Corner at <u>mdlottery.com</u> for details on features of the new equipment. Central Maryland retailers will attend rallies after the busy holiday season.

SGI staff will schedule your business for installation of the new equipment and removal of the old equipment. The new equipment will work with the old central computer system until the switchover occurs in spring 2018. Retailers should expect faster terminal speeds and more efficient processing of all transactions when we switch to the new system.



SGI staff will invite you and your employees to the mandatory rallies. We suggest you plan to spend two hours with us at the rally. Each session will include:

- Hands-on practice with the new equipment.
- SalesBuilder best practices training that includes elements of SalesMaker.
- Details on new and improved business practices.
- Raffles for door prizes and giveaways!







MY LOTTERY REWARDS UPDATE

CONGRATULATIONS, My Lottery Rewards (MLR) hit another milestone! Player membership passed the 300,000 mark in July. We thank you for spreading the word about MLR and our MLR app.

Did you know your customers LOVE this app? Most players, 76 percent on average, scan entries into MLR accounts using the app. Remind customers to check out the app to make scanning tickets a breeze! Customers can also use the app to create and save e-playslips, redeem points for drawings and check for winning tickets.

For all of the latest points-for-drawings and second-chance promotions, visit <u>mdlottery.com/rewards</u>.





TURN HOLIDAY SALES INTO MAGIC MOMENTS







Maryland's 2016 Warehouse Cash & Dash winners celebrate! See the YouTube video of their dash at mdlottery.com/dashvideo.

DD HOLIDAY MAGIC to your fall sales with the Oct. 23 launch of our holiday-themed scratch-offs and the Holiday Cash & Dash second-chance promotion. Get in the spirit and sell, sell, sell to pack a jolly jingle into your end-of-year revenues.

HOLIDAY GAMES

Attract new customers by displaying these games together in your After Glow countertop dispensers. Need a second dispenser? Ask your district manager! Holiday game details are on **page 5**.

HOLIDAY CASH & DASH SECOND CHANCE

This popular promotion is back! Players enter non-winning holiday scratch-offs into the second-chance contest through *My Lottery Rewards*; drawings take place Oct. 31-Jan. 16.

Dash to *mdlottery.com/holiday* for promotion details and to YouTube to see the action-packed video of 2016 winners racing through the warehouse. This year, players can win:

- Grand Prize: 12 winners of a trip for two to Chicago dash through a merchandise-packed warehouse, filling a shopping cart with as many items as possible in 90 seconds.
- Cash Prizes: Five \$10,000 winners; five \$5,000 winners and 120 \$1,000 winners.
- Scratch-off Books: 120 total books awarded.

RETAILER HOLIDAY BONUS PROGRAM

Activate holiday ticket books to enter this bonus incentive program. Check Retailer Corner at <u>retailercorner.md-lottery.com</u> for details or talk with your district manager. Good luck!





RSVP FOR CENTRAL MARYLAND ADVISORY MEETINGS

TTENDING THE October Regional Advisory Board meetings is a must for Central Maryland retailers! There's still time to RSVP to attend the 90-minute session of your choice. WELCOME RETAILERS
WE'RE OPEN FOR BUSINESS

MARYLAND CLOTTERY.

MARYLAND

We're hosting 12 meetings in six cities from Oct. 3-19. Get a conversion process update, learn about upcoming products and promotions and 2018 initiatives. We can't wait to see you! RSVP today!



Visit *Retailer Corner* at <u>mdlottery.com</u> for monthly updates on scratch-off launches, ticket prizes and final claim dates.



\$1 - Candy Cane Cash (#344) *\$1,000 top prize* (22)

\$2 – Gifts Galore (#345)

\$10,000 top prize (5)

\$3 – Polar Payout (#346)

\$30,000 top prize (4)

\$5 – Holiday Riches (#347)

\$50,000 top prize (7)

\$10 – Winter Ice Multiplier (#348)

\$100,000 top prize (8)

LAUNCH: NOV. 27

\$2 – Money Multiplier (#351)

\$10,000 top prize

\$5 - \$50,000 Bonus Cash (#352)

\$50,000 top prize

\$10 – \$100,000 Crossword (#336)

\$100,000 top prize (8)

\$20 - Win Big (#356)

\$1,000,000* top prize

* Paid through annuity.

LAUNCH: DEC. 26

\$1 – Triple Cash (#353)

\$1,000 top prize

\$2 – Prize Lines (#354)

\$30,000 top prize

\$5 – Pay Day Doubler (#355)

(Taxes Paid)

\$50,000 top prize

\$5 - Deluxe Crossword (#342)

\$50,000 top prize

LAST DAY TO CLAIM

When a player asks about deadlines for claiming prizes, you have three places to look!

- Retailer Corner at <u>mdlottery.com</u> Monthly posts list new scratch-offs and final claim dates.
- Your monthly End of Game and Final Claiming Dates flier.
- Visit <u>mdlottery.com</u>. On the scratch-off page, go to the "View Scratch-offs By" pull-down menu and click on "Games Ending Soon" for a summary.

FISCAL YEAR 2017 SETS SIX RECORDS

ONGRATULATIONS, we did it again! Your teamwork helped set records in multiple categories for Fiscal Year 2017, which ran July 1, 2016 through June 30, 2017.

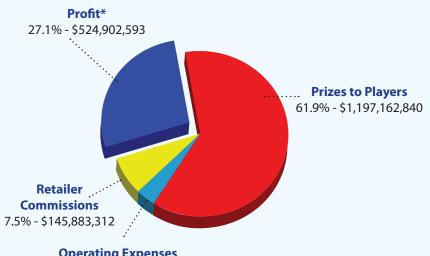
Overall Lottery sales grew 1.4 percent over the previous year's record to reach a new high of \$1.935 billion. Retailer commissions and prizes paid to players set records, too, while strong sales of three products – scratch-offs, Pick 4 and Racetrax sales - helped drive our success. In fact, FY2017 marked the third consecutive year for record scratch-off sales.

"With your help, Maryland Lottery and Gaming contributed an alltime record \$1.117 billion to the state of Maryland," said Gordon Medenica, director. "These funds go to important causes, such as education, public health and safety, small-, minority- and women-owned businesses, horse racing, veterans organizations and more." FY2017 highlights include:

- OVERALL SALES \$1.935 billion, or \$27.1 million more than the previous record of \$1.908 billion in FY2016.
- **RETAILER COMMISSIONS** \$145.9 million, or 3.4 percent more than the last record of \$141.2 million set in FY2016.
- PRIZES TO PLAYERS \$1.197 billion, or 5.4 percent more than the \$1.135 billion record set in FY2016.
- **SCRATCH-OFF SALES** \$676.8 million, which is 10.7 percent more than the FY2016 record of \$611.3 million.
- PICK 4 SALES \$291.6 million, which is \$10.8 million than the previous record of \$280.8 million in FY2016.
- RACETRAX SALES \$180.4 million, which is \$13.3 million more than the previous record of \$167.1 million set in FY2016.

WHERE THE MONEY GOES

Traditional Lottery FY2017 - \$1,935,040,551 in sales



Operating Expenses

3.5% - \$67,091,808

*Profit is distributed to: Maryland General Fund: \$483.8 million Maryland Stadium Authority: \$20 million

Baltimore City Schools: \$20 million Veterans' Organizations: \$70,000 Maryland International Race: \$1 million

SALES BY LOTTERY GAME

JACKPOT GAMES



Sales: \$100.1 million Profit: \$42.1 million



Sales: \$66.3 million Profit: \$25.6 million



Sales: \$24.0 million Profit: \$8.5 million



Sales: \$16.2 million Profit: \$7.0 million

DAILY DRAW GRAMES —



Sales: \$239.1 million Profit: \$99.4 million



Sales: \$291.6 million Profit: \$100.0 million



Sales: \$19.8 million Profit: \$6.7 million



Sales: \$5.5 million Profit: \$1.5 million

MONITOR GAMES -



Sales: \$303.3 million Profit: \$82.7 million



Sales: \$180.4 million Profit: \$41.0 million

INSTANT GAMES -



Sales: \$676.8 million Profit: \$109.7 million

OTHER



Sales: \$11.9 million Profit: \$0.7 million

*Exclusive to Veterans' Organizations



MEGA MILLIONS CHANGES THIS MONTH!

OTS OF GREAT CHANGES are coming to Mega Millions this month. Effective Saturday, Oct. 28, you must have new playslips in place for players to use. The game changes impact tickets for the Tuesday, Oct. 31 drawing.

Bigger jackpots and more millionaires are in store, along with doubled prize payouts for the fifth through ninth prize tiers.

Questions? Contact your district manager or visit Retailer Corner at *mdlottery.com*.

EFFECTIVE OCT. 28 FOR OCT. 31 DRAWING	CURRENT	FUTURE
Basic Game Price	\$1	\$2
Jackpot Base	\$15 million	\$40 million
3rd-Tier Prizes	\$5,000	\$10,000
Matrix	Pick 5 numbers from 75 / Pick 1 Mega Ball number from 15	Pick 5 numbers from 70 / Pick 1 Mega Ball number from 25
Odds / Jackpot Win	1 in 258.9 million	1 in 302.6 million
Odds / \$1 Million Prize	1 in 18 million	1 in 12 million

TWO WIN TOP SALES HONORS



From left: Frank Hemberger, who retired as sales manager after 37 years; Gordon Medenica, director; Sherise Rascoe, award winner, and John Martin, chief revenue officer.

CONGRATULATIONS TO district managers Sarah Proctor and Sherise Rascoe, who received top Sales team awards at the July Sales meeting. Proctor won the 2017 District Manager of the 4th Quarter Award and Rascoe received the coveted Frank E. Hemberger III District Manager of the Year Award.

Proctor won praise for her rapport with the 125 retailers in her Region 3 territory, which covers Calvert and Prince George's counties. She recruited 13 prospective retailers and helped her retailers achieve high scratch-off activation rates during the first week games are available for sale (blitz week).

Rascoe, who won the 2017 District Manager of the 3rd Quarter Award, manages a Region 4 territory of 125 retailers in northeast Baltimore. Reasons cited for her selection include having 100 percent of her eligible retailers activate all new scratch-offs during game launch week along with her teamwork, mentorship, positive attitude and exceptional analytical skills.

"I attribute my success to determination and perseverance," Rascoe said. "I show my colleagues that the key to achieving my goals is that 'I PLAN my work and WORK the heck out of my plan.'That



Sarah Proctor, Region 3

means taking time to set up the course of your day, which will keep you on a straight path and help you do your job effectively."

LUCKY RETAILERS CELEBRATE JULY WINS



A. Al's Beer & Wine: Manager Manish Patel, left, with clerks Isabel Villalobo and Anand Patel.



B. Esquire Liquors: Clerk Vicky Stewart and manager Larry Prange.

CONGRATULATIONS TO these lucky retailers of July 2017! They sold winning tickets and scratch-offs of \$50,000 and up, with many earning a Maryland Lottery bonus. Check Retailer Corner at <u>mdlottery.com</u> for monthly lists of lucky retailers that sold winning terminal tickets of \$10,000 and up and winning scratch-offs of \$20,000 and up. Keep up the great work!



C. Westlake Wine & Beer: Owner A.J.



D. Marlow Wings: Managers Digma Panchel (left) and Haresh Chaudhari.

BONUS (A)

KONO

TERMINAL AND JACKPOT GAMES @@@@@@



RETAILER	PRIZE
BONUS MATCH 5	
Al's Beer & Wine, Oxon Hill*	\$50,015 (A)
7-Eleven #29997 , Bowie	\$50,000
7-Eleven #39243, Baltimore	\$50,000
Discount Cigarettes, Brooklyn Park*	\$50,000
East End Liquors, Easton	\$50,000
Erdman BP, Baltimore*	\$50,000
Esquire Liquors, Oxon Hill	\$50,000 (B)
Westlake Wine & Beer, Bethesda*	\$50,000 (C)
KENO —	
Nottingham's, Columbia	\$50,000

, Columbia \$50,000

RETAILER Lucky's Superette, Odenton*	PRIZE \$48,024
POWERBALL -	
E-Z Convenience, Towson*	\$100,000
Tucker's Liquors, Clinton*	\$100,000
7-Eleven #39655, Baltimore	\$50,000
Fairhill Liquors, Elkton	\$50,000
Quarterfield Service Center, Glen Burnie	\$50,000
Riverdale Plaza Liquors, Riverdale	\$50,000
RACETRAX —	
Meyers Liquors, Suitland*	\$24,603

SCRATCH-OFFS

RETAILER GAME \$100,000 7-Eleven #37056, Hyattsville Lady Luck House of Liquors, Westminster* Maximum Money Laurel Plaza Liquors, Laurel Your Fortune Marlow Wings, Marlow Heights* 50x The Cash (D) Rockville Pike Shell, Rockville Super Triple 10s Shore Stop #221, Rock Hall Super Triple 10s \$50,000 7-Eleven #11542, Glen Burnie Diamonds & Gold Doubler 7-Eleven #11568, Beltsville You Win

* EXPANDED CASHING AUTHORITY PROGRAM RETAILER

RETAILER

7-Eleven #23694, Beltsville
7-Eleven #34125, Baltimore
Ballenger Creek Pike Exxon, Frederick*
Chris Liquor & Grill, Baltimore
Friendship Liquors, West Friendship
J B Liquors, Forestville
Pilot Flying J Travel Center #875, Elkton
Royal Farms #5, Salisbury
Shoppers #2286, Baltimore
Shoppers #2366, College Park
Soda Pop Shop Mart, Glen Burnie*

GAME

\$1,000,000 Platinum Play Diamonds & Gold Doubler Ultimate Riches Deluxe Crossword Power 5s 20x The Cash 100x The Cash \$500 Frenzy Family Feud \$2,000,000 Fortune \$2,000,000 Fortune

GET THE FACTS ON RESPONSIBLE GAMBLING

HAVE YOU AND your staff completed our Responsible Gambling webinar? This 15-minute online session shows you how to recognize signs that a customer may need help and what to do next. We developed the webinar as part of our ongoing commitment to responsible gambling education. Access it on Retailer Corner at <u>retailercorner.mdlottery.</u> com/webinar; use the password "Training." Thanks for becoming a better-informed retailer partner!