



MEMORANDUM 09/29

TO : IFHA/FIAH
FROM : Maurits Bruggink
DATE : October 12, 2009
REF. **2nd Racing Business & Betting Forum**

On 2 October, the IFHA organized in conjunction with the European Pari-Mutuel Association the 2nd Annual Racing Business & Betting Forum.

The event was attended by 80 participants from 25 countries. Two round table discussions were held with a total of 9 speakers elaborating on the internationalization of the racing calendar and the opportunities of Internet betting.

Please find attached a brief report on the meeting for your information.

Attachment: Report of 2nd Annual racing Business & Betting Forum



EPMA
PARI MUTUEL EUROPE

In cooperation with:

2nd Racing Business & Betting Forum

PMU – Paris – 2nd October 2009

- ✓ 80 participants from 25 countries – an opportunity to meet and share mutual experiences backed with figures and national surveys

1st Round Table – Promotion of an international Racing Calendar

Presentations:

Promotion & rebranding of racing, Simon Bazalgette, Chief Exec, The Jockey Club
Pooling simulcast rights of a continent, Pablo Kavulakian, Pres. Latin American Racing Channel
Success in offering international racing programme, Teo Kim Heng, VP Singapore Turf Club
Potential of inter-continental simulcast, Arthur Cooper, correspondent Equidia, Sky TV, a.o.
Promotion of int'l racing through media, Michelle McDonald, Pres. Full Stride Comms
Nic Coward, Chief Executive BHA, IFHA moderator

The various presentations showed that international activity can help racing to cope with the **increasing competition** of other sports, sports betting and, more generally, an ever increasing entertainment offer.

Speakers demonstrated that **increasing the offer of foreign races** in a local market can substantially develop the betting activity, creating revenue streams for the local horse racing sector and the exporting racetracks alike (examples from Singapore Turf Club, Latin America Racing Channel and Norwegian Tote). They also stressed many key success factors, notably the necessity to adapt one's product to local expectations (racing programme and schedule, racecourse operations, language, data and pictures, bet types,...) and the need for reciprocity. The need for harmonisation between countries (information, racing regulation, simulcasting terms and conditions, etc) to enable a more global offer to emerge was emphasized.

Another key issue addressed by the round table is the **recruiting of a new customer base**, especially among the younger generation. Horseracing and horse race betting suffer from the **complexity of its rules** and the **disappearance of inter-generations initiation**. Horseracing should turn it into something more "relevant and trendy" from a media point of view (create "heroes", play on patriotic feelings through the creation of International racing circuits, etc.).



Media should be approached in a more consistent and harmonised way. For example, ready made formats could be developed to feed media notably on the occasion of prestigious events such as the Arc. It was noticed that the current segmentation of the Industry is in many case incompatible with a relevant, comprehensive and professional action and, as a result, the need for **an umbrella organisation** or at least **a required coordinated marketing approach** was suggested.. However, it was pointed out that past experiences have shown that setting up a structure, even with a budget, may not be enough to succeed if participants are not willing to share their prerogatives.

Emerging views

- Coordinated approach at national level on rebranding the sport, such as the UK Racing for Change project is applauded.
- Regional cooperation, like harmonisation and pooling of images is to the benefit of all, as the example of LARC demonstrated.
- Global promotion of racing would benefit a global media partner, like CNN, ESPN, ...
- Racing needs a 24/24 channel!
- Historic data and images should be accessible to the global punter, free or for a fee.
- Social network sites like Facebook offer an efficient and cost efficient way to promote racing.
- Further global or regional cooperation is required to advance the promotion of (the best of) racing. The structure of future cooperation and networking should be developed.

2nd Round Table – Internet as the new global betting medium

Presentations

Revised offer for online consumer, Cyrille Giraudat, Marketing Director, PMU
Importance of race images in online offer, Benno Eliasson, Vice-CEO, ATG
New Technology investment and effect on handle, Harald Dorum, CEO Norsk Rikstoto
The importance of data for online gaming, Mark Flood, Racing Post
Alexis Murphy, CEO Tote Ireland, EPMA moderator

Although the current economic crisis causes betting revenues to lower in many countries, online betting is still experiencing growth and accounts for **an ever increasing share of racing revenues** (up to 50% in Japan or 30% in Scandinavia). After 10 years of Internet experience, it has proved to generate additional turnover and not replace business from existing distribution channels.

The Internet maximises CRM and makes it possible to **adapt the offer to the expectations of various targets groups**. It also makes it possible to **deliver additional services** (live racing pictures, data, archive, tips...) that will have a strong impact on betting turnover as shown by presentations. A business model has to be defined for these services in order to maximise the financial return for the Industry.

Speakers pointed out that the regular punter online bets more than a regular player offline. Beginners can be trained easily on Internet and new tools are personalised such as alerts on horses, specific users' interface, Internet club members, partnership with other commercial sites.



The permanent improvement of equipments will also open new possibilities. It was notably pointed out that horse racing has a format that may not be convenient for mass Media (a full meeting is too long to be integrally covered by big TV Channels) but the continuous offer of racing makes it **very suitable for punctual mobile betting** (when commuting for example) as soon as the technology enables it.

General consensus on:

- Exploit and implement the convergence of technologies – Internet, mobiles, digital information.
- Rethink what economic model could be relevant for Internet – what is high value, what is free
- Internet platform can facilitate and enhance common pools
- Live images are key for Internet customer and turnover

Next steps: EPMA and IFHA will come up with proposals to progress on the issues raised at the Forum.

Presentations are available upon request.
