



WRITERS UP

DESPITE PROGRESS, RED FLAGS AT RACING AND BETTING FORUM

By Michele MacDonald

Without an intense reinvention of itself, horse racing faces a strong chance of becoming "obsolete," attendees of the European Pari Mutuel Association's 5th Racing and Betting Business Forum in Paris were warned Oct. 5 by Philippe Germond, president of France's Pari Mutuel Urbain (PMU).



PMU's Philippe Germond

Even though the PMU reported a 4.5% growth on race betting in 2011, the racing product even in that vibrant jurisdiction is not keeping pace with the larger world of sport and communications on a number of fronts, he said.

"If we don't innovate, don't use new technologies, we will face, step by step, a decline of 2 to 3 (percentage) points per year," Germond asserted. "My strong belief is that if we do not change the image of horse racing, the growth we have today is going to vanish."

Germond said racing must leverage its stars and make certain the sport's heroes appear frequently on television and through other media. He also urged the implementation of race tracking technology like Trakus, along with the use of high-definition video, which he called a "no brainer."

The third prong in his suggestions was increased promotions of all major racing events.

"We have to create a lot of buzz, making people come to the races," he said. "If there is not innovation, horse racing will become obsolete. It is not going to be good news for the industry."

"We need to transform--it's quite urgent," he said, adding that racing must become "fashionable" again. He praised the Hong Kong Jockey Club, which has developed interactive handicapping software and opened trendy bars and events catering to young people at the HKJC's Happy Valley Racecourse, among other programs described by Bill Nader, HKJC executive director of racing.

Germond's comments sparked the liveliest discussion of the day during a session featuring top executives of betting companies.

Harald Dorum, chief executive of Norsk Rikstoto, which administers betting in Norway, noted that the most popular wagering product in that country was developed in 1964, which is not unusual with racing and affiliated wagering entities.

"There is absolutely the need to innovate and modernize the betting product" as well as entertaining players with new options and encouraging horse ownership, he said while advocating a program begun in Sweden that offered small and affordable shares in racehorses for annual payments of only about €50.

Jean-Luc Moner-Banet, director general of Switzerland's lottery and betting operations, declared that, "We have to do something that is not an evolution of our offering, but a revolution."

However, none of the participants floated any revolutionary concepts.

Nader contributed the most specific ideas in the form of the programs developed by the HKJC, including the social events focusing on drawing young people to the track and educating them in wagering. Most important in Hong Kong is information, which the HKJC provides to players in detail on its website, including even such details as how many laps of the equine pool runners take while training.

"In our market, no information is too much--we like to pour it on," Nader said. "We believe information is power; the more the customer knows, the better the customer will be for us."

Nader said the HKJC is considering installing Trakus as another avenue of detailed data for handicappers. He also emphasized that racing organizations must actively promote champions like Frankel and Black Caviar through all means to attract new customers who become excited about exceptional champions.

Craig Fravel, president and chief executive of Breeders' Cup Ltd., said that organization will focus this year on making the on-track experience for owners and trainers more upscale and unique than it has been. "The event experience is becoming more and more important," he noted.



BC President and CEO
Craig Fravel

Racing organizations, both domestically and around the world, would advance much more rapidly if they would work together to collectively develop new streams of data and distribution, Fravel said, confiding that "one of the great disappointments" about American racing is the fragmentation in the business that hinders overall growth.



HKJC's Bill Nader

Writers Up cont.



Technology in much of the industry is seriously dated, other participants noted. Some of the largest entities in racing, including the Japan Racing Association, the HKJC and Australia's Tabcorp, rely on betting systems developed 15 to 30 years ago, said Christophe Leray, PMU's chief information officer. There is no market standard in terms of software, he added.

While there were no breakthrough advancements announced at the forum, two totalizator companies operating in North America revealed some new initiatives.

Keith Johnson, vice president of marketing/technical sales for AmTote International, said that company has finished testing with PMU and is readying to provide France's jackpot wager, Quinte Plus, to its customers. AmTote plans to follow with Sweden's jackpot V75 bet and the British Tote's Scoop6.

Meanwhile, Sportech has signed a strategic agreement with Longitude LLC to develop sports betting in single pools. Longitude, with servers in New York, is relying on patented calculations developed by financial traders that can assemble all bet types in a single pool and calculate odds for each type.

Ian Hogg, chief executive of Sportech in the United Kingdom and online, said the company considered working with Longitude on horse racing, but determined there were too many organizations to deal with in the sport to make it likely to succeed.

"We'll go live with single pools and see if it works," Hogg said. "It fits with our ideas of innovation."

Sportech also has signed a strategic relationship with UK social betting operator Bodugi.