



DEBATE Exploring commonalities in the client segmentation strategies of racing, betting and media companies

- Trakus - Pat Cummings**
- Woodbine - Sean Pinsonneault**
- PMU – Cyrille Giraudat**
- HKJC – Richard Cheung**
- Equidia – Florence Amalou**
- Racing UK - Richard Fitzgerald**

We heard a lot about the challenges that racing is facing. Where gambling on racing is in decline.

The growth is in other sectors like sports, gaming and so on.

The betting companies are becoming sophisticated in the customer segmentation.

To what extent there is commonality between the racing and betting customers?

Sean - Sure, there is commonality. It is about the experience. We have to work on and try to develop. We focus on events and make that work. And make the experience more broad. That's the difference. Going to the midweek cards is a different experience than the big event day. That's where it is differentiated.

To make sure the racing and betting customer get together. The new customer can be a racing customer. It has to be all inclusive approach to make it work.

- Richard C., do you think we can better exploit those segments?

- For the case of Hong Kong we have a huge overlap.

One thing we do learn is, if someone goes on track with the mind of betting. Not being able to appreciate the racing sport, that customer will not last long.

- From Florence and Cyrille. When we look at France, are the racing authorities discussing a common approach for the customers?

- Yes, because unlike Richard, we are not fully integrated organisation. We are in charge of betting.

We started a new process, joint process a few months ago to have 1 unique marketing approach. To define common segmentation. We are not very far from what Richard showed a few minutes ago. It is very important for us. It is really new.

We are happy to share the experience with the horse racing association. It is a fully integrated approach. It is under process. In a few weeks we will finalize a document.

- Florence, how do you work with the PMU to target the new customers? Equidia bring new people in the sports?

- Strategy has been changing for the past years, the 2 channels, addressing 2 different types of viewers. The way we are working with the overall horse institutions in France. Is trying to use the horse object or subject to bring people, larger public.

We know in France 37 million people are interested in horses. We are trying to talk to them about horses, bring them to horse tracks, and to the betting industry.

It is a slow process. But Equidia is a tool to win new audience for the institutions and the betting industry.

- Richard F., obviously you are in the media in the UK, a different type of market.

To what extent different customer types or is there an integrated approach?

- British racing is fragmented. It is always difficult.

I was impressed, in my 6 years in the UK the professionalism of the race courses. But bringing it together is a challenge.

But for us as industry, we have a lucky position. We have a terrestrial broadcaster. We used to have 2. It is our shop window. It is critical to getting racing out into the marketplace.

On a Saturday, 750.000 people are tuning in, with a peak of 8 million for the Grand national.

For us, it is a betting or entertaining show. It went down too much to the betting route. New strategy is entertainment.

Beyond the traditional 2 or 2,5 hours on Saturday. And do more cost promotion involving horse racing. There is a story of the horse... That went on to win.

Those types of things are working hard. We are reasonably lucky and good in that.

- Very interesting. On that point. When it comes to entertainment and adding value to the experience.

What can racing do to innovate more in content?

- Certainly from my perspective, the track is the main goal is to provide the racing viewer. With an absolute where each horse is. At any given time in the race.

That we can do all of the other things. Bring people to the race course. Get people to see them.

Put if we don't deliver with a clear vision in the 1, 2,5 minutes of the race. And give people an idea what they are watching. Are we delivering on the full experience. If the thrill is punctuated by the race itself. Let's make sure that that race is clear as it can be.

From the product standpoint. People should know what is going on as the race is happening.

It goes beyond that in segmentation.

I'll show it later. The average person watching the race is a hardcore punter or for the first time.

Whether they find it on Channel 4 or Racing UK. You don't know who you are reaching at any time.

People are experiencing it in different ways.

You need to be able to follow the races as clearly as possible. A lot of other things is not that important.

If we are not presenting the product as well as we could, we lose track of what the end result could be.

- We have heard a lot about the innovation on the HK jockey club.

What should be the priorities in developing new products and content for the future?

- For us, mobility is putting things on mobile. We have constantly been trying to segment our UI.

Because the club used to only have 1 mobile betting app, which is essentially designed for the hardcore skilled punter. It is good. But it looks complicated.

The direction is not only to segment the customer, but also the digital UI. The front-end, The backend is the same. Segmenting the front-end for different types of customers is very important.

And then other areas we focus on realtime video and trackers. How getting the data for more creative interface and experience. It is also important.

- Absolutely. I think, from what we have heard this morning. The challenges to make it more relevant and more personalized. To what extent, Sean, from your perspective is personalized marketing important?

- It sure is. We have been focusing on the data. Different programs.

I think that is part of the effort. Make sure we are testing different things and see what works.

We have been doing things, target certain customers.

Based on the play previous year we give them a target 25% higher.

That kind of thing is proven to be successful.

We have tried a lot of different approaches. And try to develop that personalisation.

It was mentioned by one of the speakers.

One on one conversation with customers has much more effect.

Having these tools to be able to deal with customers has been effective for us.

- From your experience, Florence in Equidia. Do you think, racing is changing fast enough to meet those customers expectations and demand?

- Not really, Not enough. Because we are working with the social networks like Facebook.

When we see the expectations of these new people, they don't know anything about horse racing.

Then we start to introduce the subject, then we soon have a problem.

What product do we have to push first? How can we help them to read correctly the races during a day? There are so many races in 1 day in France at the moment.

This is really a challenge for a TV broadcaster to show more, too many races. It is good for the business but the problem is, how we explain to new viewers what is happening and how we help them play with it. Entertain with it. And be involved.

To answer the question, I'm afraid it is long. I'm not very convinced.

The overall panel is working on this. Hopefully we will find quick solutions.

- Very good. Cyrille, following on from that. Do you feel there is real value generated from the investment in the customer systems? How can you measure that return on investment?

- As France Porteaux mentioned this morning, it is easy to measure the impact for the online business. We definitely assess there is a clear return on investment. New is how to translate it to the retail channel. Which is much more difficult. How to push interactive marketing. How to push CRM management. But it is something new. The good news is, now we have strong experience from the offline world. For online world, we have build expertise, insourced all the tools and expertise and skills and big data story. You really need to have internal expertise. You cannot only work with external people as we believe we have the key assets for that direction.

- Richard, going back to the UK example. We heard from Alexis this morning about the fact that Ladbrokes have an agnostic approach. How do we ensure that we can convert some of those other gamblers new to betting, over into racing?

Richard F - In the UK we were spoiled on the basis that horse racing was the basis for betting.

Clearly I think what we have to do is make it the most attractive product. Make it entertaining.

We are doing that. If you speak at any of the CEO's. In the online and offline it is significant.

Something like 86% are online players, will go into a shop.

There is a lot of interaction.

For us it is about making it attractive. The number of runners is important. We are looking at the quality of racing. Those issues have been dealt with. It is about listening and delivering an entertainment product. We work very hard on it. We developed a platform that allows people to consume that product. In an entertaining manner.

- We heard from Jason how the US Jockey club responded. It is very difficult to get real cut through.

In terms of how you promote that to a new audience. Where the focus should be?

Pat - We are in agreement, there is a blog on the Best Racer's site.

When it comes to data, you never know when something interesting is going to appear. It is case by case. For the Breeder's cup. He won last week. He was in a 7-8 horse field. Immediately as the race was going, our Twitter blew up. With how many extra feet did he cover in this race. Holy what not. We know the words.

How wide did he go?

Within 90 seconds I was responding from the account. 66 feet more than the horse he beat. Ran on the inside the entire way. That equates to 7 lengths. Never had more favourites. Included Jim with more than a million followers on Facebook.

The reaction and because it is in those big races. If Jim had a claimer in that day. There would not have been an interest. If you have sport reporters saying, he has the best horse in the world. Everything is magnified. We have lucked out a little bit this year. Now with a prominent sports personality. We need to take advantage of those elements.