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Reinventing the business model...

Tips on how to be more effective digitally, socially and commercially

EPMA, IFHA, PMU and the sponsors Sportech and Groupe Carrus have welcomed 150 participants to the Racing and Betting forum 2015.

The Forum brings together senior managers and executives from across the racing and betting industry to discuss innovation, concepts and future ideas.

19 speakers from 6 different nationalities, including 9 from outside of the racing and betting sector shared their best practices on 3 areas: Digital, social and commercial.

Jason Brautigam introduced the event by asking a question to the audience: When it comes to innovation, what is the first word which comes to your mind? Answers from the audience made the Cloud: Competitive, Technology, Creativity, Change, Mobile, Ideas, Disruption, Future, Internet and Courage.

There are plenty of examples of market leaders who failed to adapt. Nokia went from a dominant position in the mobile phone industry, with 48.7% share of the global market in 2007, falling to just 3.5%, 5 years later. That was largely due to their failure to innovate and adopt the smartphone technology. Nokia developed one of the first prototypes of smartphone in 1996, it did not invest in the development of effective operating system or embrace touchscreen. Blockbuster is another example. Came downloads, subscription and on demand services, with streaming services, offered by the likes of NetFlix. Blockbuster turned down the opportunity to go into partnership with Netflix in 2000. They went bankrupt in 2010. Netflix is now a 28$ billion dollar company. Kodak is another example, a company that became too complacent and anchored in its past, when it failed to move into the digital world. Kodak represented 90% of film and 95% of camera sales in America. Such a household brand should have been ideally placed to take advantage in the shift to new technology. This failure to adopt a new business model ultimately proved to be the company's downfall.

There is no doubt that the racing and betting sector also needs to work faster, better and stronger in order to avoid the same fate as Nokia, Blockbuster or Kodak.

Per Sundin, the vice president for Universal Music in the Nordic region outlines how his organisation has to adapt in this challenging and competitive market.

Disrupt or die: That's the situation we are in.

The music business in Sweden from 2000 and 2008 went from 1.6 billion to 800 million in 8 years. Did people in Sweden stop listening to music over these years? No, They went somewhere else.

During the 90's, it was a boom in the music industry, because we have changed format, from the vinyl to CD and then internet came into the picture with Napster. Instead of us embracing that, we tried to kill it. In 2006 during the election in the Swedish parliament, the Prime Minister and opponent had a debate on national TV: We can't criminalize personal downloading, otherwise we criminalize the whole youth generation.

What did we do wrong? We defended the business model. We felt we had control over everything, and we wanted to keep it like that, we became fat cats. We implemented DRM, Digital right management. However, we understood that the consumer was in charge. When our business was

growing, our consumers were the retailers but it was wrong, consumers need to be in the centre, not the retailers or business partners.

Trial of **Pirate Bay** in 2009, the 5th biggest internet site in the world: because of the implementation of the EU directive about illegal downloading, you could be prosecuted. In Sweden, the internet traffic decreased by 41.6%.

But a company called **Spotify** emerged.

The music industry was crying, screaming asking the EU to legislate. But the European Commission told us to come up with better services. Without Pirate Bay, Spotify or Deezer would never have been born.

→ Spotify is bigger than Apple in Europe. In Sweden, there are 9.5 million people paying 10 Euros a month - 1.9 million. That's 1.9 million people buying an album every month, 12 times a year.

Our business has changed from a transaction model to a subscription model. My revenue is bigger than it was in 2000. 82% of total revenue is actually streaming or subscription.

Today, you can buy and listen and consume music whenever, wherever and on whatever device you want.

10-15 years ago, as an artist, you had to go to the labels. Today, even the distribution is transformed: For an artist, with social media, with uploading music on Youtube, Spotify and others, they can handle the distribution alone.

We are going from experts to aggregators. The winners are not the experts.

Key words: Open up, listen to digital natives, look for people that are obsessive, nerds, and accept failure.

Nick Rust, CEO of British Horseracing Authority, focussed on the specific situation of racing and betting in Great Britain and innovation themes. Nick has 28 years in the betting industry and has seen the digital revolution in betting in 1990. It has taken 15-16 years for the digital gaming industry to get close to having a connection that works well with consumers.

British racing industry is important in Great Britain. It involves 85.000 people, who rely on their income of the sport. 1.1 billion annual expenditure. 10 billion annual betting turnover. It is the second highest spectator sports, behind football.

We have a good reputation for the quality of the racing. However, the funding issue and the connection with one of the key parts of our environment, the betting consumer, are not strong. Unlike most of the horse racing nations (France, Hong Kong, Japan), it is not vertically integrated, nor is it taxed for the benefit of horse racing. Over the last 15 years came exchange betting, spread betting, which had created more offer but also real betting innovation across other sports such as in play betting. It is the dominant betting activity for most sports. The rules of racing and the conditions we place, does not facilitate the innovation.

The British system does mean that even with improvements in rights payments, there is still a significant gap between the value generated, by betting operators, and received. One mechanism that was instituted by the government was the horse race betting levy. It worked well for 45 years. It has created a situation of need and dependency and demand, rather than of innovation and cooperation. The last 10 years or so, it has failed to properly effect activity taking place on British racing and the funds associated with it. Failing to capture what is going on in the digital arena. It has also prevented commercial relationship on a strong basis. In 6 years, 100 million pounds were

collected. In that time, betting shop activity has declined. Digital has grown and the receipts collected last year are closer to half the 100 million pounds.

We have no connection with consumers directly. We have a physical product: Horses bred to run and compete. If we don't connect with consumers, who knows where virtual racing may go.

How can we embrace opportunities? A good example was last week, with the announcement of the media rights arrangement, which has cut down unnecessary leakage and built in margins. Reducing cost to bookmakers, but maintaining value. For innovation, generally, there needs to be trust for individuals. Too many organisations became risk averse during the crisis. The culture for innovation was too often lost. British racing and betting operator partners need to create the trust. In May I kicked off a **racing group** with senior commercial people in British racing. We are beginning to have meaningful discussions on future funding.

Alongside that, we launched the **horse race betting forum** and met in September. If we expect digital operators to pay an amount to British racing, we need to offer practical improvements to the fixture list for them and give way to thought on how to showcase the products and services in the betting community. We are working with Brian Kavanagh, CEO of Racing Ireland in key races. British betting operators in the digital space see Irish racing as a great product and they hate race clashes. So we are making improvements to the fixture list and we have a project on sectional timing as well as potential new bets on British racing.

Racecourses are beginning to innovate now and starting to offer technology at all tracks.

And if it is the case of British racing waking up, we look to develop growth by 5% by 2018.

If we were to foster innovation on the sport, we need to create trust, develop improvements and opportunities for betting operators. We are getting closer to consumers.

Debate on innovation - First with guests from outside the racing and betting
Per Sundin, Universal Music,
Anne Lalou, Web School Factory,
David Naim, Ernst and Young,
Vincent Boon, Standing on Giants.

We might have heard about concepts as entrepreneurships, start-ups, incubators, living labs, open innovation. But what do these concepts mean in practice? There are many different methods that companies have for infusing creativity inside their organisation.

Anne Lalou: We built the innovation factory 3 years ago, together with a new school, Web school factory, a management school, dedicated to digital innovation.

Creating a team spirit is essential to move fast in digital innovation and create a dialogue between the learning and doing.

Having a Facebook page, a website and community manager, was not digital transformation.

Companies had to review the distribution and didn't know how to get about.

We have big corporate companies and we have start-ups as well as think tanks and research labs, and a great singularity, the student heart. We do open innovation in an incubator, an "anti-café", a space where different populations are able to dialogue.

David Naim is an advisor on Open innovation. How do you organise yourself to foster innovation? The main question is the management culture. BIG, Breakthrough Innovation Group was created outside Pernod Ricard. They are 15 and don't have any quantitative objectives and are on the long term approach. The team is authorised to disrupt the company. How you connect with the eco system?

You find interesting start-up and you invest. On top of the investment you create an exclusivity contract. You prevent the start-ups to work with all the other companies. Then it dies…What has been created is this idea of reversed incubation. Meaning, first we start to think about the strategy, and after you find an existing start-up and you try to help this start-up to develop the business, being a client not an investor.

Vincent Boon, How much does innovation drive the strategy for the organisations you worked with? Telefonica is a big organisation, largely based in South America and in Europe. And the idea was to start up a new network with only 9 people without a traditional customer call centre. Purely online and have a simple offer: You pay 4 pence for a text, 8 for a phone call. I had to implement a community of customers that would help us to do all of the customer services, the sales, marketing, as well as a lot of the development.

We managed to change the model. It has become a huge success, even though we don't have the traditional channels. The customers love how we interact with them. They are the ones who shape our product.

We started with 3 products; we now have a whole range of products, which have been created by our customers. We have 1 idea every 3 days. Constantly we are innovating, trying things out.

Per Sundin: We have to test things. No one dares to innovate because of the fear of failure.

Key thing is to have every year at Christmas, a "fucked up" prize for the best failure. You must allow people to fail.

If you change your behaviour every day, you are going to meet people. You have to challenge yourself.

David Naim: How can you ensure that innovation runs through the whole culture of the organisation? It is again a question of management.

If you go to your team as manager and say, you have to innovate. The only thing you create is a lot of stress. The truth is, not everyone can innovate. You have to be a bit more precise in what you say around the innovation and the fact to innovate.

There is a huge contradiction in the corporate companies. All the employees are focused on their regular job and they are being told, we are in danger, please innovate, they will work under more pressure because the market is more difficult.

One thing I find interesting in a company I know. All senior partners are not allowed to actually invoice 100% of their time. A partner must always have 10% time to open his eyes to the world and observe and bring in information and see what's going on elsewhere.

Per Sundin: It wasn't the music industry that saved the music. It was Spotify.

From your experience, is it easier for the small startups to innovate, or the large organisations?

No good answer to that. Often the problem is that the CEO's of the company get it but the people in the middle that have been there 5-10 years, they don't want to change. They are scared of it. So you still need to set apart a separate budget and you allow a group of people within that company, to actually have free room. Specific taskforces in the company will make that change.

The problem is they often stagnate in the incubation phase. There isn't the commitment.

How can you ensure those projects are managed from conception through to implementation?

Anne Lalou: it is exactly what we do at the innovation factory.

On a student project we did, with Accor hotel group, we created the connected chariot. It optimized communication between the front desk, the house cleaners and all that.

They did it in 36 hours. We had the start up who could do the prototyping. But it didn't fit any of the official standards of the buying scheme of Hotel Accord. Normally, they wouldn't be allowed to work

with such a small company. They would represent 95% of the revenues over 6 months. That's forbidden. They had to overcome that. The key lesson was: Prototyping quick and dirty is cheap. If it fails, it doesn't hurt. If it doesn't fail, it is great. You can move forward.

That is the idea of BIG in Pernod Ricard. If you do it outside, that's what Google does. You see if it works, you bring it back in the company. Otherwise 2 years later you are still there.

From what we hear today, people realise that innovation is not just an essential part of what we do today. But we need to take time out. Make sure it is integrated within the company.

Part 2 of the panel discussion on Innovation
Nick Rust, British Horseracing Authority,
Guillaume Dolbeau, PMU,
Bernard Marantelli, ColossusBet,
Ed Comins, Watch & Wager,
Mikael Kudren, ATG.

Guillaume Dolbeau: PMU lab for innovation. Tell us a bit more how well that worked for you?
2 years ago, we discussed with the top management of the PMU and to imagine what the future could be in terms of new services, new products, things that would not exist at the moment, and, we created PMU lab with a dedicated team. We are working with the innovation factory, managed by Anne. In fact, we ask and work with the students.
We have in the process currently, some ideas that Anne said, with the Accord hotel cases. We have prototypes that we are building with the students and that we will be able to test in the near future.
So, our playground is mixing other technology and customer experience.
Mikael Kudren: You set up ATG's innovation lab recently. How does your methodology and approach compare to what we heard today?
We just started up. We want to have a small dedicated team. But also use the talents in house. We are currently working on 3 different products. And for us, the essence is what Anne was talking about: Making it cheap to fail, making prototypes, before we spend 2 years building it.
Bernard Marantelli: successful entrepreneur and the founder of Collossus, you are well experienced to bring new concepts to life. How you can go on ensuring to protect your intellectual property and it is not copied by the competition?
You have to move fast and be ahead of people. Your innovation must be credible. Partial cashout is one of them.
Nick Rust: Racing as a product which doesn't exist in the digital environment. How can racing ensure that it continues to be relevant as customer demands, the social environment evolve? You had to learn a new language. People today have other interests. We have to make it more relevant in the digital world. We look at technology at the moment in and around student rooms.
We look at how we create sectional timing, horse tracking; provide realtime access to the racing, using technology. But the rules of racing are open to change, now we have interactivity with customers, existing and potential, via Facebook, Twitter, Instagram, there is no excuse not to take advantage.
Ed Comins: How is the US model? Is it more the off track wagering? What is your priority when it comes to innovation?

When we moved our business to the US, San Francisco, 4 years ago, everyone said: You are completely mad. A lot of British companies have failed. You get eaten up. We did have to innovate. Look at it in a different way. We couldn't just move the business and do the same thing. The first thing we did was acquire the race track in Sacramento. Running that for 3,5 years successfully. We also did more commercial innovation as well as technical innovation, comingle in the Hong Kong Jockey Club and, most importantly, the speed of processing of wages with our partners.

For Guillaume and Mikael: Do you have a specific budget committed to innovation?

How you measure the return on investment? Remains the responsibility of a few individuals or through the whole organisation?

Guillaume: we have a dedicated budget and a dedicated team. I'm part of the team. I'm closely working with someone in the IT team and 2 or 3 other persons.

Sometimes ideas come from students, from customers, from start-ups that we can meet. We shake everything together. I'm working 100% on this innovation theme and I'm belonging to the e-marketing department.

Internally, there has been a new process that has been set up which allows all people from the company to imagine, propose, and suggest ideas.

And for yourself, **Mikael**? So far, we don't have a budget of our own, but the company has budget for new initiatives. We apply for new projects.

We are 3 people dedicated on a team and 2 consultants. Most of the development department has been working on the website for the past 1,5 years.

We strive to make it something in the culture of the company. Not having the innovation guys locked up in a room. But it shouldn't be like everybody is doing boring stuff and a few guys doing the cool stuff. We try to create a culture of innovation.

Nick Rust: Are horsemen getting involved in the innovations you are working on? Do they understand the audience properly?

Yes, those 85.000 people who are employed, directly or indirectly in the sport come from many different backgrounds. It involved a core group of people from across the industry and outside the industry, which had a love for it. A core group of 50 people working on 6 key development areas. In a sense, a lot of the work was done without payment. Giving work and assist from those outside.

Results of survey: Do you have someone responsible for innovation in your organisation?
66% says yes. 33% says no.
That is interesting. It shows we are making progress on that score.

What about race tracks? Have they managed to evolve and adapt?

Benoit Fabrega, LeTROT, The digital age changes all the habits and the customer relationship. Our customers, punters, horse racing fans are experiencing this change.

The customers have a strong attachment to horse racing but they need new tools for the right information on the right time.

App is called "Hippodrome connecte". It can be downloaded from appstore platforms. It is for 3 racetracks.

- First is to give the punter a richer experience. It is a sort of second screen to provide information, entertainment and opportunities for sharing.

- Second is additional services to the customers. Our horseracing database can be used for punters.
- The third is to create loyalty among visitors. The application has a lot of possibilities for loyalty and to encourage customers to come back.
- The 4th is to turn every user into a trendsetter.

It is a word of mouth system and the goal is to analyse the customer behaviours.

For this application to be developed, we needed to create a specific development. Free wifi environment. The heart of the system is the data center, connected to the database.

At Vincennes, 86 hotspots have been installed. 15.000 people can be connected to the application at the same time.

The application has been downloaded more than 6000 times. 250.000 pages have been downloaded. And the average connection time is 1.13 minute.

What it shows is the commitment of the punters to the digital universe.

In the next few days, just before the winter meeting, we shall be going onto phase 2, the up scaling. Major communication campaign is planned on Facebook and on the internet.

This application is scalable. The upcoming developments will enrich the punter content with statistics.

Apart from the "hippodrome connecte", we have another product, Bornes Replay: screens accessible to customers, who can replay races.

In the future we'll develop the Beacon technology: sensors that detect the applications and send push information on user screen. One particular usage would be for giving out betting coupons.

LeTROT website will be redesigned.

Keith Brackpool, Chairman of the Stronach group. That is one of the world's leading horse racetrack operators and suppliers of pari mutuel wagering technology: racetracks include Santa Anita Park, Pimlico and Gulfstream Park. Approximately 25% of the total handle in the US. We also own the largest tote operator in the United States, Amtote. As well as express Bet, the online wagering company.

I can take you through the digital strategies. But it was more important to concentrate on one. Why we concentrated on that one.

Racing in the US missed a glorious opportunity in the 1960's, prohibiting television coming in as the model was, you had to wager at the track.

You had an entire generation of Americans that have never been to a horse track. We went with a considerable investment to see if we could change that. We renovated the facilities for 40 million dollar and deed regular advertising with Video content.

So, there has been a lot of talk today making the horse the star of everything "The elephant story"! The champion horses don't stay around very long. It is difficult to keep them engaged. The jockeys do stay around and are great athletes. We got a big break when Jockey Victor Espinoza went to the popular TV show "Dancing with the stars".

We have taken a very aggressive strategy, bringing Hollywood celebrities to the track.

You can go to a race webpage. 10.000 likes is important. These guys tweet and 700.000 likes come up in minutes.

In the mornings, we interview jockeys. We have live workouts on the website. We are using Twitter, Instagram feed. We have a big team doing that in the group.

We have 6 people working on this.

The final thing is that in terms of how we get a new young demographic to the track.

It has been tried many ways over the last 10 years. It has not been successful.

In our opinion, that was primarily because the product offered was not that demographic wanted. Designed for men, middle aged and older men. For me, the perfect demographic is somewhere between 25 – 45 from Califonia, and we say, that they don't need to go to Las Vegas.

Particularly in play has been driven by information and statistics available at a click of a button. You saw that on the app that was demonstrated. To take advantage, that we have available through the stats and figures. How this is presented is critical. Our next 2 speakers will demonstrate digital content and the power of the crowd to gain the attention.

Peter Clare, who specializes in online video and working with football associations, will provide us with some best practice examples to show how sporting brands can punch through the nose in the digital era.

Whether you are a race course, betting company, sports. You want your customers to do things, to spend money, to be engaged.

First is to get their attention. I'm going to give you ways to gain the attention of the audience.

Who are seven leagues? We specialize in accelerating digital performance from British judo, the French football association, with UEFA, by transforming the connections between brands and audiences or sports and audiences.

We are also working with racecourses in the UK: analysing the websites, the social media channels and working on a strategy. We are in the middle of the process right now.

What we used to do was marketing advertising. Now it is called content.

So, here some ways to get their attention:

1. telling stories. The art of making good content. Doesn't matter if it is on Facebook, Youtube. Tell a good story.

Anyone on Snapchat? It had 4 billion video views, just today.

They do live stories when they go to an event. Very differently from a TV station.

Put them together in 24 hour.

They did Cheltenham.

2. Making the most of your assets.

People have assets. Sports have assets. You have access to horses, jockeys. The betting companies use it well. You need to work with super fans. They are advocates.

Our client O2, is sponsoring the rugby team but, O2 is not allowed to have O2 on the shirt. Not allowed to mention Rugby world cup. They came to us and said, we want to get into the heart and soul of the rugby fan. So, we have hired, recruited the Rose army. 100 genuine passionate rugby fans, who are good at social media. We went across the country online and found them, recruited them. This is 6 weeks on now. They get shirts and tickets, not getting paid.

We give them challenges. When we played France, in the warm up, we set a challenge, to get a Frenchman to wear a rose. We look at the content. Take the best bits. And put it on social media. They have 100.000 followers themselves. It is genuine, real people. That's what O2 really loves about it. It is easy for a big TV campaign.

These are wearing the rose.

Cyril Smet, Director and founding partner of Openfield.

Openfield is to transform the places where people live and play, by developing technologies that link the digital worlds. Openfield is a small start-up.

We worked for several venues, for Stadium of Lille, but also for retail and for the international rugby board. It is a software solution that manages in real time data from applications, or business applications and provides intelligent tools to understand behaviours. And also, we offer marketing tools, to turn any place where people live, work and play into a smart venue.

It is important to mix the difference between the smart and big data. You need to manage your smart data if you want to compare with the big data with the online world.

Our mission is to promote the conscious trusted and transparent collection of data such that contextual intelligence can become mutually beneficial to the organisation and to the customer.

The vision is to transform the places people live, work and play into connected venues, by developing technologies that link the physical and digital worlds.

That is important to make a difference between the data on the website and the data in the venue; it is the true data of somebody who is consuming services. It is more pure than data that you have on the web.

We use Microsoft technology to understand how we manage data in the cloud.

What is the connected venue? Where technology fosters a mutually beneficial relationship between the customer and organisation.

Connected venues allow customers to interact with his space, but also the space can interact with the customer.

What is mutually beneficially relationship in a connected venue, involves a trade of information in exchange for valued services.

In the digital world, the relationship is one sided. On the Openfield foster, trust is the key to building a strong relationship with the customer. When customers trust that they will be receiving relevant and timely communication, they are more likely to respond and will begin to anticipate the next interaction.

What is the new generation of CRM? The right message via the right channel, to the right person at the right time and place.

We have a business ecosystem, to be able to share peer view data with other partners, other sectors. We think that for example, the information that Mr. Smet is always late, it is interesting for a shopping centre, interesting for theatre. It could be useful to be relevant with new services.

It is also the vision of Openfield to share with other sectors.

data platform: Managing the stadium means welcoming and managing the population of a small town in the space for a few hours. It is important to have technology to manage the data. The cloud is useful for scalability. We define connectors, to be able to connect different systems, access control system, ticketing software, e commerce platform, web TV, mobile applications.

Each system can give information about customers, conceptions and behaviours.

Another example, we work with France Gallop for the recruitment. I am in the club for free. 8 days before I receive automatically an email to prepare my arrival with the parking pass.

I get SMS telling me the traffic of the trip. When I arrive, I have happy hour at the bar. I get a welcome SMS. Then, time for loyalty to engage. You receive the photo with SMS in the end. Thank you for coming. We hope we will see you as soon as possible.

The idea is to present more data on maps.

The idea of our clients in the shopping centre is to be able to communicate differently with groups, than individual people. The idea is to find which guy wants to stay more.

And after, we will communicate individually or for the entire group to share experiences.

Survey with the audience: What is the main priority within your organisation when considering innovation?
Brand reputation, customer satisfaction, budget availability or return on investment.
Over half said customer satisfaction comes first.
Return on investment 30%.
15% said brand reputation.
3.6% budget availability.
Good to see the customer comes first. Commercial considerations have to be there too.

Mikael Kudren, Digital business development manager at ATG. He is responsible for delivering ATG's new digital platform.

I'm going to show you some of the ideas behind the new website which was launched a couple of weeks ago.

Our previous websites have been focused on the expert users. But at the same time, getting more complex and intimidating less experienced users.

For the new website we wanted to attract new users without sacrificing the experts.

We realised that we were building our sites backwards. Instead of starting off easy, we threw the users in scientific mode. We decided to start off easy instead and let the users add the extra information.

For example, our new default race card, contains a few pieces of information, post positions, horse and driver names and the odds. The user research showed us that was sufficient level of information for beginners. More advanced users can customize and add as much information as they want.

The information is stored. You can add a few extra columns, or turn it into a spreadsheet.

We applied the same philosophy to other parts of the site, such as results and live streaming. Instead of 1 size fits all, the users can choose.

Another key inspiration for us was scratch lotteries.

Most of the customers don't follow the races live. They could go to the local bet shop or go to the website and see if the account balance is increased. Not super exciting.

So we turned our receipts into scoring applications.

You can watch the replays as soon as the race is finished, up to 10 days. You can watch it straight from the receipt. You can scratch to see who won.

Through a 9 letter code on all bet shops receipts, even the offline customers can access the same information.

A third inspiration for us was Netflix.

Where a film just picks up automatically where you left off. You don't have to save or load any manually. It just happens.

V75 is our biggest game, the weekly pick 7 game, every Saturday. Many users start analysing the race cards on Sunday or Monday and move between devices. On the new website there is a draft, it is saved. And it is loaded when you open the same race card the next time, even if it is on another device.

Expert users, they can create multiple drafts, there is a share button for friends. You can send it through text, mail.

The new website is responsive with the same site for all screen sizes and device types.

First of all, the most important goal was to reduce the time to market significantly with new products. The users want all information to all platforms. For a lot of customers, mobile is their only device. So, we decided to offer all information and all functionality to all devices.

And to assume that the user could be using a finger, we have to make everything touch screen suitable.

If you want to have a responsive website, you have to have mobile first. It is not a matter of screen size. If you design for the smallest screen, slowest data connection, and the least savvy user with the thickest fingers, everything else will be simple after that.

This has been our first mobile project. We learned a lot and made mistakes.

What happens next?

Our plan is to keep updating the site every week, every Monday. We maintain the same team size as during development. This is a website that will never be finished. We keep evolving it.

And thirdly, we'll continue to involve our customers. Throughout the beta period and we have an online message board where the users can interact with the team. It has been valuable for us.

Right now, we are using the horse tracking system data in the broadcast. We show the same data for everyone but we want to make this data customized.

We can highlight which horses you have bet on. It will make it even more accessible.

We are also working on doing 3D interactive versions of the races, based on the data from the horse tracking system, live and on demand. This is an application we call ATG raceview: Where the user can select which camera angles they want to watch the race, go back and forth in the race, highlight the horses they have bet on, sit in the driver's seat, and look around and see how it looks from the driver's perspective.

Jason: Those of you who regularly attend the racing and betting forum know that social media has been recurrent in the last couple of years as we have explored the opportunity that this presents in more detail. As we have heard already, this goes further than having a presence on Twitter or Facebook or taking advantage of the second screen phenomenon. The way consumers now engage and interact with organisations has altered dramatically.

If we are to meet the increasing demands and expectations of customers, we need to create digital communities around our brands. Having a passive relationship is no longer acceptable. We need to interact with the audience to add value.

Vincent Boon

Standing on Giants is managing these communities and I will explain the philosophy behind it. I will also show concrete results what you can get out of it when you put your customer at the heart of the business, when you allow the customers help shape your business.

There are key points you need to think about when you start interacting with the people actually spending their money.

Mutuality: How you treat them? You need to do something for them. What these customers do for you represent value. We can put in programs that allow them to get some return in terms of the time that they are investing in your company, helping you grow.

That means member involvement. Get a community off the ground. Allow them to give you feedback and ideas. We are trying to create something for the collective good. It is good for the consumer.

That means that the things you are implementing, the ideas you are generating with the community, is creating a better place and better product for both you, earning you more money, saving you cost.

Keeping it **simple** is important. This also means in a community setting, really want people to make easy to interact with you, so no long signup processes.

Then **respect**. You'll be surprised to now. A lot of the people will spend 12-14 hours a day on these communities, help you out, help other customers. These people are highly engaged with you as a company, it does mean they are some of them pretty high level in terms of their thinking. Some have worked in marketing, brands, finance, sales.

We need to make sure that we understand and engage with them at that right level. And give them the respect they deserve.

Then **feedback**. We need to understand that a lot of these things they are saying are something that helps you as a company improve. Therefore it is about feeding back to the customers, letting them know you heard them, even if you don't agree with them.

And then **ideas**. At Giffgaff we implement an idea every 3 days from the community.

When you get ideas, it is about evaluating. Seeing they are right for your business. And seeing what you can do to implement them. We work on an agile kind of methodology. The periods of development are only 3 weeks long.

What you want to do is make sure that you empower your customers to do a lot of things. What you don't want to do is, for example, via Twitter, respond to everyone yourself.

Because the more people start using that channel, the more you have to hire to service.

What you try to do is build up a workforce in the community that can operate in the same way you do, giving them the right information, giving them responsibilities for areas, projects.

And then it is **scalable**. We profile the expertise and interests of customers. We want to know the platforms they use and how they interact. Are they always positive? Have they a group of followers? When we have an influx of other users when something breaks, we immediately have a range of people ready to help us out.

3 examples of businesses:

With Esso, you go to the gasstation, you fill up and you are done. You don't have any interaction, other than filling up the car.

With Amazon there is more interactions with dealing with customers, reviews, star ratings and products. You base your decisions on what other people have rated. Amazon is still not really interacting with the customers.

With Giffgaff we put the customer at the heart and see what they can do for us.

In terms of R&D, getting new ideas out, packaging, product development - Redefining completely what the business sells.

A lot of the customers go out there and they are the one defending us online.

Allowing your own customers to bring customers on board, it becomes cheaper.

Similarly in marketing, Community in itself drives content.

Real case studies in terms of the results: **O2 in the UK** and their online community: Over the last 12 months, from 10 users, they have created over 66.000 posts, have created about 2400 solutions, spent about 1 million minutes online, and read 1 million pages of contents - 6.5 million unique visitors and about 16 million pages.

What we also do is add in a very short survey, where we ask questions:

Did you find the answer you were looking for? Yes or no.

If you say yes, you get a second question.

Second question, do you still need to call the call centre? Yes or no.

If we look at that, 15% of all the people that are hitting that community and looking around, actually don't have to contact the call centre - t mean roughly 3 million savings.

case study about giff gaff, mobile company.

We have over 16000 ideas submitted by members and 140.000 comments on these ideas. Not all the ideas are particularly great. They are refining those ideas until they become valuable to the company. That's why we can implement 1 idea per 3 days.

They create applications for us. Over 20 applications have been created by the users themselves on all formats.

They create leaflets, explaining what they do. They are printing it out. They have created referral brochures. They put them online. They are comparing our offers with those of our competitors.

They create a giffgaff store to sell t-shirts.

Change of the size of SIM cards: We had all the big ones. We couldn't afford to change the distribution. We send them out to the community. They started buying them themselves and starting cutting them down. They made their own website. We added this in the sales process.

Customer care savings: on average 50% compared to traditional Telcos. The customer satisfaction is at 80

Turning your customers to ambassadors, leads on very well from Vincent's presentation.

We have an example from the betting world, where the PMU has created a community to enhance the customer service delivery.

As the available channels and platforms to bet has multiplied, so has the various methods of communicating with existing customers. From telephone, emails, live chat, social networks.

The next move is a collaborative platforms between bettors in the shape of an online community that will help customers share information to solve problems.

PMU community already has 15000 members. **Chloe Beauvallet, their director of services and client relations**, can tell us more about the exciting new initiative and demonstrate the benefits.

For PMU, we already had a customer service which was consistent with the brand platform.

But we wanted to deliver not a service like giffgaff. We have to offer more consistent care and channels.

We had very few relations with the customers. Of course they are in the contact with PMU in terms of sales but we have very little contact with them. We have 6 million customers and only 1 million contacts at customer care

They like being in contact with us. We always think when people get in touch with the customer care is always to complain. It is not the point. In general, they ask information and try to find something. They are quite happy and have a better image when they speak to us.

We wanted to provide a more intense relation to the customers. And offer a staircase.

Different services by phone, mail, email, live, the possibilities for the customer never to be alone when he has a problem or question.

That was the idea with the community. It was not to try to avoid costs. Or decrease the number of contacts that we have with the customers but to be in touch, more intensively with the customers. In similar budget we wanted more than 1 million contacts.

And we wanted to be in touch 24/7 and every day of the year.

We want to be proactive and not to wait until people come to us with their questions.

We wanted to to be able to give the answers to the questions they never asked. We know the customers speak in forums, blogs and point of sales. But, in general, we don't know what they say.

The customer care is built in different levels:

→   The normal level is in the middle of the pyramid here.

The request: 80% of the questions are quite simple, always the same. Technical question on the website or maybe a question about horse racing itself. We have the answers, we know what answers we have to give. So, it is easy for us to outsource these 80% of our contacts.

→   The complex questions.

The new question that we don't even think the customers ask, or the risky questions. Which are not so complicated, but they are asked by a really important customer or journalist. Someone that we really want to be sure that we give the right answer. We keep it internally.

There was something we didn't build really.

→   The all Q&A.

The questions we answer on the website. The customer can exceed to it. And have the answer in total autonomy. This self care part was not consistent. And we tried to work on that. And so, the idea, in order to be sure that we keep on the budget, is to intensify the relations with our customers.

We built 1 single community. That was important for us. We have different customers, online and offline customers - Building PMU single community for all customers.

And have a single place with all the answers.

We launched it step by step. First idea was to have 1 single back office. To be able to handle all the different questions of the community.

We began quite cautiously with the beta test. In March 2015, we launched the first beta test. We recruited different customers that were already speaking with us through the customer care on our website, maybe on the forums.

We recruited 200 customers or people interested in PMU.

We invited them to join the beta test to help us find what will be useful for other customers.

We built the community with the members themselves.

We recruited 5 people from the customer care service: One manager and 4 animators.

It is not quite expensive. For the whole project less than 500.000 euros. The main part is for the design of the platform.

The first results are really interesting.

At this stage, we are just speaking about mutual platforms, and we have now 17.000 members and we have recruited 16 "super users", who are answering more questions than any of my animator. They really work for us. That's amazing!

The main parts of the questions are answered by the customers themselves and not by us.

It is satisfactory. We have more than 80% satisfaction on the answer that we can give.

The traffic on this part of the website is increasing.

So the **next step** is to move forward and try to build on this platform something which is less a customer care platform, and more a brand community.

It is a way to crowdsource innovation. We can source innovation ideas. Invent the PMU of tomorrow with feedback from direct customers.

We can try to have an interaction, real conversation with our clients.

The final speaker in this session is **Maria Sandell, CEO and co-founder of Genera networks**, a fast growing provider of unique lottery formats, licensed exclusively to lotteries and regulated operators. **Their business idea is to bring innovation to lotteries and develop formats that combine simplicity, entertainment and high revenue potential.**

Maria will tell about **Nabor**, the online community lottery where you win with your neighbours, which is already online in Finland.

Genera, our company, has one sole mission in life, bring innovation to the regulated operators and the lotteries.

But the way we at Genera define innovation.

When you innovate for a regulated environment, you have to be able to combine a certain number of cornerstones, to bring out a successful revenue generating mass market product.

And, in our word, they have to combine simplicity, entertainment, distribute across all channels and also new ones and have a high revenue potential.

It is easy to find a simple game or idea. But the combination of simplicity, entertainment, distribution and revenue potential and bring to the market is one of the most fantastic things to do. That's where we invest and put the efforts to solve problems.

Nabor is lotto where you win with your neighbours.

You participate, you do not gamble or game or play even. You participate.

You can participate with your home address at retailers, online and by subscription.

And you experience the result of the game in a totally different way than traditional lotteries. Once you have participated, you can view the results of the game on TV, on video and Web TV.

Our game have guaranteed winners, moderate top prizes and winning and sharing, making them socially engaging.

It is launched in 2 Nordic markets.

And the strategic reasoning for the 2 customers, Norsk Tipping and Veikkaus have been different: In Finland it was about increasing loyalty and registered play but doing it in a soft way by adding value to the player. It has increased. It is growing quarter by quarter. 63% of the players are registered.

In Norsk tipping in Norway. In order to attract the 18-45, it is not enough just to have a product, you have to provide an entertainment experience on all channels.

That was Nabor to the Norsk tipping organisation.

We have been live since a year, in 2 markets.

This year the game is expected to generate 40 million euro in turnover.

It is new revenue. It does not cannibalise on existing products.

We have managed to attract new and younger players.

We have had over 800.000 people trying the game. We are satisfied with the interest in the market for the lottery, with the chances of winning together of closely located people.

The sales and channels have been growing. In one of the market is over 60%. Combining them both, we sell 45% through mobile and web. And the rest is through retail.

The philosophy about all our products, winning and sharing and we really think that all innovation for the target groups, that we are addressing, should be driven by entertainment, social engagement and high win frequency.

You have to give the customer a reason to return again and again and give them the possibility to win, in a frequent way than before.

Our product is about engagement, interaction, daily community, social media and winners that become public and are seen.

"Don't let your neighbours win without you". It adds the community factor, winning together and be publicly known.

We have fair distribution between men and female players, with female players being the dominant group. That was the original target. We have succeeded well in the younger target segment, between 18-39.

What we have learned when launching a new game. Key success factors for a lottery to deliver high revenue is, that a complex symbiosis between 3 cornerstones. One is **exposure**. When launching a game and bringing the new service to the public, you need to use all marketing efforts available, to make sure the brand is well placed in the marke. Also **simplify** it. We had enormous amount of number of contacts to the customer support in the beginning when we launched in Finland. Do I really have to share the money I win with my neighbour? I don't like him! We had a lot of communication issues to make them understand, you win your money. Once you have placed a brand in the market place, it is not enough. We managed to reach between 70-80% brand awareness in the 2 markets, Finland and Norway.

It has to be supported by new ways of marketing. Traditionally, the lotteries have a pushed marketing towards the sale stop on a Friday or Saturday.

In the new modern social lottery, you need to continue the market availability and allow your players to invite others and engage socially.

And that leaves to the third cornerstone of the business, which is **subscription**.

In a new modern lottery, it is crucial to introduce a new business model that supports the low involvement player as well. So they can focus on the interactive side, the social side, the engagement with the game. And not to be forced to make a complex decision.

And it leads to more exposure. The players will start engaging other customers, inviting them back to the game.

And as I mentioned earlier, one of the biggest questions we get when discussing with lotteries: Can we disclose the identity? These people liked to go public. They are very happy that they are contacted by the TV or video content being produced by them.

It is driving traffic to their own digital presence. A lot of these people are looking for likes and seeking more visibility. It is almost a reward that we can make them winners in this game and driving traffic to their site and giving them visibility. It is a bonus for them.

So lessons learned. After 1 year being live with Nabor:

→ Combining innovation with the existing way of doing business in a large organisation is challenging.

→ We have to reinvent the business.

It means that you have to change the way we sell market, interact and offer the game.

That is very difficult. We have gotten trapped many times also.

We would also like to create a global service.

Whenever we talk to gaming operators, feel that their market is so different. Not even the graphical user interface can be reused. It has to be invented every time. Again if you want to do something different, have faith in the company or the organisation that is providing you with the innovation.

→ Execution. When we talk to customers, we look at execution times, 2-3 years, before we have the political approval, before the organisation, from technology to operations are on board.

That's a long time. A lot of things have happened around you in 3 years.

My message would be, look into your organisation and see what can be done differently when executing new innovative games.

Communication has been a challenge. We have tried to simplify our game a lot.

It has been challenging to get the consumers to understand the dynamics of the game that do not have the traditional numbers that a lottery or betting game has.

So, we need to invest more in educating the players, and find good ways of sharing that information.

We have 800.000 people trying to come and try. But getting them back week after week is a communication marketing challenge. That's why we encourage anybody that is launching a new lottery, to introduce a business model from day 1, which is a subscribed model.

For the final session we are going to look at innovation in commercial context, on sponsorship and advertising for the first time.

The nature of sports sponsorship has changed in the last years, as organisations look for longer term partnerships. They want to leverage their brand association more effectively and develop a deeper relationship with their sport, along with its fans, supporters and customers.

With total global sports sponsorship revenue projected to rise to 45 billion dollars in 2016. If racing is going to share in this competitive market, it will need to adopt a different model, challenging some long held preconceptions and assumptions.

Racing has offered sponsorship of a race or at best a day or single event. Naming rights and branding opportunities are no longer sufficient in the context.

Where companies demand and expect year round benefits as full time partners.

Some brands are going further by creating their own unique sports properties to take ownership of events. Red Bull is an example of this. With their support of innovative adrenaline fuelled, high octane, adventure based pursuits.

Vincent Chaudel

I'm in communication and marketing for a consulting firm, working for several industries, including sports. I have been the sports expert of the firm for 15 years now.

The first thing that changed everything is the Bosman case[1] in football. Before that, each country has its own business model. In Italy, the model was driven by the TV rights. In Germany it was driven by the sponsorship. In UK, it was both fans and TV rights. And in France it was the trading of players.

At that time, to be a key sponsor, the cost was around couple of hundred Euros. After the Bosman ruling, there was the consumer business model and the value of the sponsorship increased a lot, more than millions.

That means you switch from local investment with low cost strategy to huge strategy, European one. That's why we saw some companies like Siemens, put the name on shirts.

We moved from local approach with local fans and influences, to global approach, in terms of exposure, media coverage, awareness.

Nowadays, just to give an idea, to be a main sponsor of a top team, that costs nearly 25 to 50 or more than 50 million of Euros. You can have this for brand like Nike, Chevrolet, Fly Emirates. So, we move to let's say 30 years ago to a classical approach, to nowadays, digital approach with TV and smartphone.

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[1] The 1995 **Bosman ruling** meant that players could move to a new club at the end of their contract without their old club receiving a fee. Players can now agree a pre-contract with another club for a free transfer if the players' contract with their existing club has six months or less remaining.

We have a new mapping of fans. We can talk about fan revolution with specific Dna.

You have the connection. You can have the game expert and the armchair fans. It is not because you don't go to the stadium that you are not a fan. That doesn't mean you can't sell him something.

So, you have to just adapt your own approach for that.

And in the meantime, you have to be careful: The fan can be busy and can disengage easily. So you must communicate at all stage: When he wants to collect information, buy a ticket, when he goes to the stadium, when we try to get in touch with the other people inside the stadium and, after that, when he goes outside. He wants to share his point of view, etc.

Co-construction approach. It is a partnership that you have to build with the sport entities.

Rod Kohler will share his experiences working with clients in other sports, including Travelex, Coca-Cola, Rolex, Heineken, Motorola and Adidas.

Rod Kohler is managing Revolution Sports.

I want to go through how brands are approaching sponsorship and how it is different now than it has been over the last 10-20 years.

I think, all of us in this room had a good idea what sponsorship is. We all have a view. We have been out there and found sponsors. The most basic level it is a relationship. It is prestige for the rights owner and profile and hospitality for the brand and clearly, the sponsorship is an opportunity for brands to engage more closely with their audience.

That's I describe typical sponsorship model. A lot of brands who follow that model and don't do more than that.

Brands are approaching sponsorship differently now.

Case studies. **Duration. 5-10 year deals are not unusual**, previously, 3 year deal.

One of the clients is **Rolex**. They do it as part of their brand. It is not an objective, hitting targets. It is just about that is their DNA.

Red Bull: Creating and owning events, rather than trying to find something off the shelves.

The commercial side of the model is also with regards to brands, becoming a business relationship.

People want to get into partnership with a venue, stadium or event. On the basis, it is a win-win for both sides.

Nike/golf, 10 year deal.

Rolex/Formula 1, 10 years, 20 million dollars per year.

Longines and the FEI, another 10 years deal.

- **Sponsorship as a brand DNA.**
- **More emphasis on the partnership.**
- **Ownership, not sponsorship.**

Red Bull does not do sponsorship, but events. It gets fed into the media house. So, it is a move away from the traditional sponsorship model.

This is an example, in the digital sector, the shirt sponsor - A brand, using sponsorship to make it glamorous, Microsoft/NFL.

Sponsorship structure they have done at Rugby world cup:

They have 6 global sponsors. They have given each brand a specific area they can focus on.

The Heineken, have the coin toss. MasterCard has the Man of the Match award. Land Rover and DHL are doing trophy tours.

It gives the sponsors more control over their rights and enables them to work closely together. They want to get sponsors to integrate. Sponsors are a little bit paranoid.

They don't want to be sharing with the rivals. That's a good example.

Rugby is dominating newspapers.

An observation on the racing and sponsorship: A few observations, more in the UK example.

More consumer brands, There is a lot of it betting companies.

One race, one sponsor idea. 6 races in the day. And 6 advertisers on the board. It is a clutter. There is some way where you can move away from 1 race, 1 sponsor.

Make sponsors pay for it. But give them more exclusivity, branding, space.

Why shouldn't it happen in racing?

We say to rights holders and people selling rights. They should be doing a lot more to keep the added value. People want to go to more events.

They always want to do it. There is a lot of inventory. Race courses can give to sponsors.

They don't realise there is a value to it.

In a sense, it is the responsibility of the racecourse to say.

Built on some of the themes, we have a good example of long term sponsorship, ownership and the brand DNA that Rod was referring to. We can hear about an example of an organisation that created its own event.

The Danone group has integrated its own sport events into their strategy. The Danone Nations Cup was created in 2000. It is the world's biggest football tournament for children aged 10-12.

Amelie Bourdin, deputy director of the Danone Nations Cup.

I'll tell how Danone decided to create its own sports event.

The Danone nations cup in a few words: It was following the FIFA world cup in 1998 in France, Danone was the sponsor. The CEO of Danone said: It was a great opportunity for my brand. He decided to create his own event. Close to Danone's mission: to bring healthier food to everyone. Allow Danone to be linked to the values.

So, decided to create the Danone Nation's cup with the mix that health is food plus physical exercise.

Objectives: It was inspiring the dream of millions of children. As you see in the movie, you can see it was children. This is an event for children. And the idea was to allow just children to believe in their dreams and decided to choose the category under 12. Children are from 10 to 12 years old in our events.

The ambition was also to spread positive sports values. So, it is for most of the children the first time they travel. The idea is to promote through this event Danone values.

The event started in 2000 and only 8 countries were participating. And years after years the event grew. Now we are 32 countries. It was really the ambition of the event: to be like a real FIFA world cup for kids.

The event begins in January in the 32 countries.

32 national tournaments are created.

They reach more or less 2 million of players every year.

From January to July the national events are taking place. 1 team is selected per country. And they play the games in an iconic stadium during the finals.

Danone has created partnership with big institutional partners, with federations, ministries like sports and educations, Professional clubs and foundations.

Behind that, we have the football credibility: the rules of the tournament are endorsed by FIFA. We have a lot of media downfall in each country every year.

As you saw in the movie, we have 1 international ambassador, iconic and well known: Zinedine Zidane. He will be in 3 weeks in Marrakech in the world final.

But, in every country we try to have the endorsement and partnership with local well known football ambassadors, it helps us to develop our tournament and to be credible in the football world.

So, the world final started locally in France, from the beginning to 2010. From 2010, it travels and follows the big football events, South Africa. Those children have the chance to play in front of thousands of spectators.

And some of our players are now really famous players. Football players today like Erik Lamela

It helps us a lot and develops our credibility in the football world.

So, as Danone is the owner of the event, we could decide of our communication plan.

And we worked to have different targets. The first one is our players, Community, coaches.

We enlarged the targets to football all around the world, and media, bloggers, and influencers.

We have the chance to develop our own content.

So, it allows us to be present all year long. Thanks to the 32 national tournaments. And thanks to the world final.

We are really present on digital, Facebook, Twitter, Youtube and instagram. We are more than 100.000 fans on Facebook.

Now we are well followed by football influencers.

And on Youtube, we have every year 1.4 million views.

On press, all year long also. We have in our 32 countries, 14 million euro downfall, every year.

And thanks to the World final, we could develop with different channels, some TV partners. For instance, in 2013, the world final took place in London, Wembley. We managed to have a partnership with Sky Sport. We had 6 broadcasts on Sky Sports.

For Danone, it is incredible to have a natural visibility. It is more efficient than advertising.

So, why Danone strategy is different than classical sponsoring?

As I mentioned before, the Danone nations cup has a lot of values, strong claims: "Believe in your dreams"

It was important to have the credibility to develop 3 pillars.

First one was the football credibility. As I explained, we are recognized like a real world cup for kids.

It was not enough. We decided to develop the events through Danone values, and allow the children to live their dreams, human adventure.

We are credible in football. It is easier to develop the awareness.

Thanks to those 3 pillars we are able to work for Danone brand and drive brand preference.

We have 32 project leaders, working on the tournament.

So of course that those project leaders don't only manage danone nations. They are from marketing and community and they work with sports agencies.

Danone decided 4 years ago to integrate the Danone nations cup organisation in the company.

And they created Danone events, which is a department in Danone headquarters.

Of course, we develop the communication plan as I explained before.

I would like, it is interesting for you to understand how some survey we could measure the Danone nation cup has a good impact for Danone.

Internally, because Danone employees are key for Danone.

We have to measure and to be sure that the Danone nation cup is an internal communication tool to promote the event.

In this chart you can say that this event helps us in terms of internal communication to develop the fact that **employees are proud to being part of Danone company**.

This event is a good occasion for integrate and to work together.

The families are the targets. It allows Danoners to come with their families and have fun during the world final.

Towards the consumers: It has a positive influence on the image of Danone products.

People associate Danone products with more quality and are truthful.

And we note that Danone Nation's cup helps Danone to have a better reputation.

As consumer habits and buying behaviours have changed, so has the way that people interact with brands. The explosion of internet, mobile and social media platforms has transformed the way companies promote. Usurping and undermining traditional channels like TV, radio and newspapers.

It is little surprise that Coca Cola's digital advertising expenditure will exceed.

It is about creating content that will engage with the target audience.

The christmas campaign from John Lewis is a perfect illustration of how a massive audience can be reached with advertising. With 24 million views for the 2014 seasonal advert on Youtube. Paddy Power has lead the way.

It goes viral on Social media. This has been the exception rather than the rule.

It is exciting to see that other organisations are being more adventurous to create more an impact from their advertising and marketing activity.

Final speaker is **Sten Andersen of ATG Sweden**. They have used their advertising to challenge customer's preconceptions and position their brand as innovative, creative, fun and entertaining.

Sten will introduce us to Vinnie, a symbol of change.

Vinnie is the physical embodiment of this new direction.

Innovation, isn't that inspiring. For everybody working with it.

What for everybody else? For the customers.

What do we do with them in the meantime?

ATG for more or less 35 consecutive years had a larger revenue growth. Then it stopped.

In 2012, we had a decline of 5%. 2013, we had a further decline.

We needed to change something.

Why are there 5 million people in Sweden placing bets? But only 2 million people placing bets with us?

What are we doing that is wrong? Why are they not with us?

Well, we made a lot of surveys and found that horse betting was boring, slow, for the elderly.

Well, what we wanted were new clients.

And we had a look at, who are they?

What is it that we are offering today?

What's clear to us, the way we have done business until now would not be enough for the future.

We needed innovation. We needed a new approach.

And we needed a new vision and new assignment.

And we decided that if we can become Sweden's most engaging betting experience and meeting place for betting, we will get there.

What are the deliverables we need to have? New P&D plan, new sales approach, new IT methods.

Only problem was, nobody else cared. We needed to have an external sign of the change as well.

To make things worse, we have been around for 40 years and nobody knew who was behind ATG!

Nobody knew that the money went to the horses or even if they knew, they didn't know what were horses good for.

One of the tips was: Tell a good story.

So, what story are we going to tell and who is going to tell it?

First of all, a good start would be inviting rather than hard selling.

For us, one sentence captured it all. No dream is too big.

Who is going to say something like that?

We needed somebody who could build that bridge between the people that we were targeting and the world that we were presented today.

Well, being in horse betting, a spokeshorse is of course obvious.

But who can say that No dream is too big? **A small horse with big dreams.**

Vinnie was born. We invited the whole nation to the birth of an icon.

That's not the way people were used to being approached by a gambling company.

We went all over the press, in magazine like Campaigner, but also in financial papers.

What we also did was, from this episode we took 10 sequences and built a story around that and published that in Youtube and Facebook.

Vinnie's has his own page, Vinnie the Dreamer, where he interacts with people.

We were the fastest to reach 1 million Swedish views.

It was right after Zlatan Ibrahimovic for Volvo did the same thing. We beat him!

In short time, more than 2 million people had actively engaged with Vinnie somehow on the internet (We are 9.5 million people in Sweden).

A star was born. So, Vinnie's dreams went on. His popularity grew.

So, our strategy is really to invite more people. But also, take the next steps.

Why are horses any good?

Well, Vinnie started a movement: "Like horse".

He started at the same time as there was a general election in Sweden. Vinnie published his manifesto - Horses make Sweden a better country, greater gender equality, make us feel better, physically and mentally.

One day was the big debate between the 2 prime minister candidates and on the final weekend of the election, there was several minute long interview with Vinnie. So we were now an established movement in the middle of general election.

Vinnie is three horses in real life and we reached in 2 months of almost 8.5 million people.

Which means that, every Swede will have engaged in Vinnie at least 8 times.

What if we created an icon, beyond our own reach and we can't commercialize him?

If I had some more time I'd love to talk about **Together**.

Fact is that that reached 8.5 million people on Facebook alone.

Eventually, lots of shares and people commenting and posting spread outside Sweden as well.

The people like Per who was here this morning, called us and said: You have to withdraw it from internet. You are not paying for the musical rights outside Sweden.

Of course, that was the story in itself.

Again, then reached a lot of new engagement.

So, every time we make a new episode for commercial tv, we always release a longer version on Youtube.

And then we release 6, 7 episodes from that episode for pure entertainment. For people to enjoy, to watch, spread, comment, engage in and so on.

They award the commercial company that has most success on Youtube and we won that by far.

We could use him for commercial success.

We tried to introduce him to our biggest race, Elitloppet.

And we had the drivers interviewing on TV and speculating whether Vinnie would be part of the race this year.

So, we involved the entire horse racing community to spread everything for us as well.

So, if we look at revenues. What has happened since we introduced Vinnie?

In no way we are saying the turnover happened because of Vinnie.

We are saying, Vinnie has given us time to innovate, to make adjustments, to turn our business around.

Vinnie as an innovation and platform is used for building relationship with new and existing customers and reaching far beyond where we were before.

We can use him for CSR, for lobbying.

He is here standing outside the parliament, trying to affect the politicians.

No dream is too big.

Xavier Hurstel chairman of PMU and of EPMA.

This edition is very successful. I'm happy that we have a growing interest and activity in this yearly forum.

This forum today has given tips to innovate. To be more effective in what we already do socially, commercially and digitally.

Per and Nick have given us much to hope for. The debate has given me new ideas.

We introduced a real debate about innovation, also the new way to innovate.

For me, the main lesson is, we don't need to spend millions of Euros or swedish krones. We have to search new opportunities and have a sort of entrepreneurial way to do.

This forum is a unique place for racing and betting companies and activities.

We have this idea to go 1 step further.

We decided to create the innovation awards, which is a real showcase to promote new technologies, new services. That we could deliver in the market.

This innovation award will be designed to promote best practices in horse betting. And best innovation for industry.

For this award next year, the innovation could be a product, or service or process in the horse betting industry.

And the 3 best rated innovations will be honoured with a trophy at the next forum in 2016.

I hope this opportunity will increase the creativity of our industry.