



EQUINE INFLUENZA FORUM

A Wagering Perspective
Australian Harness Racing Council
Wednesday 27 February



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Agenda

1. What happened during EI
2. What did we learn
3. Repercussions and future implications
4. Opportunities & Challenges for the harness brand



What happened during EI?

- EI highlighted wagering financial exposure to a lack of supply of product
- Loss of revenue for Tabcorp wagering \$58.5 Mil
- Greyhound market share grew in both states - shifting code financial returns
- Extreme programming changes on Sky Channel & 2KY (Racing Radio) – 353 meetings lost, 207 meetings new
- A challenge for retail outlets to remain open & operate in a secure environment
- Compensation support packages were provided to Agents, pubs/clubs & the racing industry
- Revised form guide & marketing spend to focus on available meetings
- Identified cost savings to offset the profit impact



What did we learn?

Positives

- Turnover on International races grew strongly, proving punters will wager on the product
- New Harness races were added from WA & NZ which proved successful
- Scheduled new local greyhound product
- Rescheduling available meeting times can achieve optimum wagering outcome
- We believe our relationship with the industry was enhanced through a proactive response to EI, both operationally & financially
- Successfully 'quickly' expanded product offering with First 4's on NZ & Hong Kong events
- The importance of the racing industry has been highlighted to state & federal governments
- We have a resilient industry that bonds together when times are tough



What did we learn?

Negatives

- Wagering did a good job of minimising the financial impact of EI, but this was achieved without a formal contingency plan
- Loss of export revenue in NZ
- Lack of other international harness content to substitute lost meetings



Repercussions and future implications

- EI could happen again - it has returned to almost every country that has previously had it
- There is no doubt that each code is now better prepared should another outbreak occur
- Wagering will develop contingency plans in the event of another EI. This planning will also be relevant should other disruptions to racing occur (eg. Drivers strike).
- Wagering has investigated insurance previously to cover the risk of an EI outbreak but it has been difficult to secure.



What does the latest Market Research reveal?

Harness Racing has the lowest number of loyal frequents (54% vs. Greys 58% and Thoroughgs 95%)
But 13% of frequents who are non users, and 12% of infrequent punters would consider betting

Getting More Popular

Customer segment in 18-24 year olds growing.

High users of pubs and clubs.

Pay TV has stimulated interest from young family groups from home.

Shift to more daytime product

But threatened by other entertainment – esp. at evenings

- Poker
- Football - NRL Monday Nights/Double Header Fridays, AFL night & twilights
- A League, 20/20 cricket
- On line gaming and internet

Why?

Instant gratification

Sheer entertainment vs. the bet -
It's not really all about the win

It's on at all hours

There's another chance in 5 minutes

These sports have 'hijacked' night time and early evening as prime time sports viewing – taking share of mind and thus spend

What To Do?

Make it entertainment focused – look at the Harold Park camels!

Make it about the colors - Greyhounds make audio irrelevant

Make it about the speed of the event

Make it easy to play – not as serious

Make it easy to win something back - more favorites win

Opportunities & Challenges for the Harness Brand

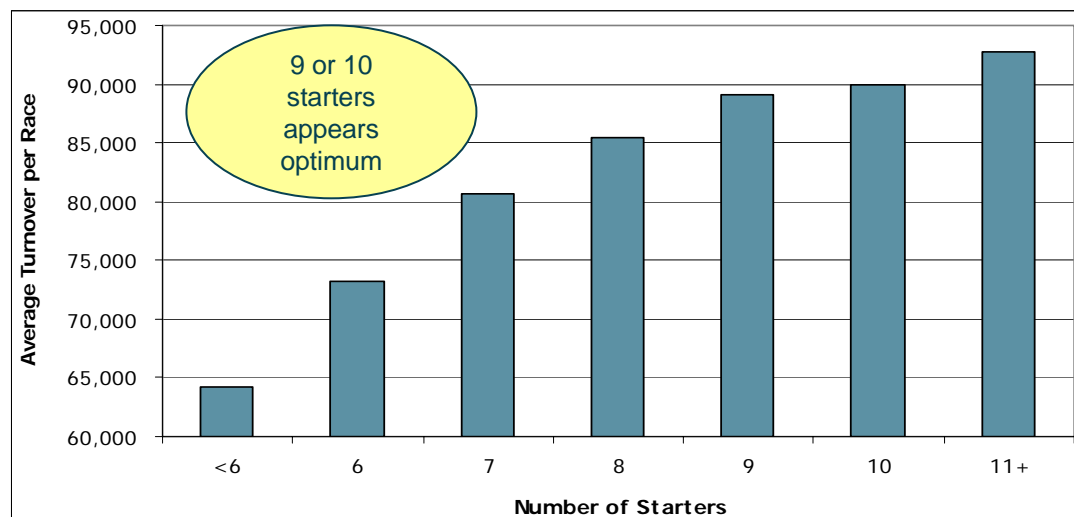
- Positioning - does harness need its own 'feature night' around the nation?
- Continue to revitalise harness showpiece events – especially the ID which is the 'breeding ground' to attract new customers eg Melb Cup Carnival
- More favourites win (41%) in Harness - highest number of winning proportions – this is marketable
- Innovate presentation to capture relevance, eg add jacket colours for runner numbers
- Target high users of Pub & Club that are seeking sheer entertainment
- Seizing the home viewer opportunity - Pay TV Wagering Service, Foxtel launch, Form & Data



Opportunities & Challenges for the Harness Brand

➤ Programming

- More Lunchtime product
- Optimum field sizes – 9 to 10 starters
- No Non-TAB meetings
- Shorter racing – potential to increase churn & have more races



- Race callers & hosts: Talent development to keep racing 'fresh'
- Each state harness body consider having a resource dedicated to growing harness turnover – creating harness specific programs
- Help Race Clubs understand what directly impacts wagering turnover

Questions

