

6 MAR 2006 - The Carrot That Can Save Racing
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Even though the popularity of horse racing has been going south for many, many years, the recent talk of its decline seems to have escalated to new heights. From newspaper articles to speeches by top racing executives to the tearful farewells of retiring jockeys, we're hearing more and more calls to "save our great sport."

Although talk is cheap, it's also good. Problems can't be solved if they are not recognized and called to the attention of industry leaders.

As one who has spent his professional life in marketing and advertising, I naturally turn in that direction for solutions. Although it is never easy to reverse a trend, it can be done, especially if prior efforts have been remarkably off target.

At BBDO Advertising, an agency where I spent some time, identifying a product's prime prospect is Step No. 1. That may sound obvious, but it's amazing how many advertisers confuse their real market with the market they would like to have.

For some time, racing has been determined to attract a young crowd (hence, concerts and beer nights). But the fast-growing "gray" segment of the population may be more likely to have the time and disposable income necessary to become serious horseplayers.

One might also assume that racing's prime prospects are active participants in other forms of gambling. And, if that's the case, they share a common problem - losing too often. Because racing involves far more than luck, it can be presented as a way to solve that problem - a chance to win with consistency.

But what's odd about horse racing's current situation is that prior to agreeing on whom the prime prospect is, the industry needs to determine what the product is. In all my years in advertising, I can't recall a client who was so conflicted about its own product.

What is horse racing?

Horse racing is a sport filled with great performances by equine and human athletes. But over the years, it has lost its luster as a sport. People are now far more interested in fast cars than fast horses. NASCAR now sits in the driver's seat.

As a result, horse racing's coverage in the sports pages has dwindled, and, in some cases, been purposely eliminated. Trying to reverse this direction is too ambitious. Marketing and publicizing horse racing as a sport is no longer viable.

The popular choice among today's industry leaders is to market horse racing as "entertainment." Sounds great. Americans have an insatiable appetite for entertaining activities. After all, isn't a day at the races entertaining?

Unfortunately, no.

Not for the new players this product needs to attract. And all the cheerleaders, rock bands and free coffee mugs won't make it entertaining.

The reality is that most newcomers spend much of their raceday standing in line making bets they don't understand. A race goes off about every 25 minutes, destined to finish in less than 120 seconds and often hard to follow. It's not unusual to see the biggest on-track crowds gathered around a TV monitor. Why would these newbies, who probably also lost money, be anxious to come back the next day? Or ever?

The reason people do come back to the track, sometimes every day, is because they love the "game." And the game involves much more than the running of the race.

Back in the 1950s, when racing was known as America's No. 1 spectator sport, it was the only game in town. The racing industry had the luxury of calling its product whatever it damn well wanted. Racing management, mostly non-horseplayers, could afford to conclude that fans came for the pageantry and the thrill of seeing beautiful animals perform - rather than to participate in the only form of legalized gambling. Amazingly, this incorrect assessment of racing's allure, harmless during its gambling monopoly, has continued for decades after the monopoly has faded.

It is certainly no coincidence that the slide of racing has been mirrored by the rise of other gambling options. Racing has been spiraling downward in an expanding market (If you believe gaming is its market, and I do.)

Obviously, racing is no longer the only game in town. Not by a longshot. What racing now must recognize is that it is arguably the best game in town.

All about the Benjamins

Who doubts that if wagering was not allowed on horse racing every track would immediately close its doors? It's all about the betting. It's all about the challenge of picking the winner. It's all about playing the game. If you don't know how to play the game, racing is a bore.

It's the same reason soccer, insanely popular around the world, has been a spectator flop in the U.S. most people here don't know how to play the game.

So, the first big step for racing is to agree that its product is a game, and that it should be marketed as a game. Not as a sport. Not as entertainment. Forget using promotions unrelated to the game. Forget adding shopping malls. Forget performances by the Laker

Girls. Those are bad props. You need people coming to the track for the right reason to play the game.

Adding slot machines clearly can save racetracks, but can it save racing? Adding slot machines brings gamblers (prime prospects) to the track as opposed to mere warm bodies. That's good. But racetracks that get slots must incorporate visitors into the racing environment, rather than building a wall between the two. Racetracks always must think and promote racing first, and to do that, you still must sell the game.

Today's marketing challenge is helped enormously by the fact that gambling is now a popular, socially accepted activity. Also consider the fact that most of the competing gambling choices are mindless, losing propositions, with poker as the one clear exception. Horse racing can learn a lot from the success of poker. Both are brain games. The difference is that one is booming, and the other is bottoming.

My good friend and frequent contributor to this magazine, Jim Quinn, continues to campaign for a national program promoting player development. Such a program would expand the understanding of how to play this great game. He envisions seminars at tracks, a series of educational CDs and DVDs and a handicapping tournament tour like professional golf with a weekly money leader board. Its a program that all racetracks could participate in.

Dangle that carrot

The first key is to get people interested in learning the game. That's the job of marketing. That's where the carrot comes in. The carrot is money the cold cash a player can win. Let's be honest; as uplifting as it is to pick a winner, none of us would play the game very often if we had to play with Monopoly money.

Show me how I can make good money reading the Iliad in Greek, and I'm much more likely to pick up the book. Racing's learning curve may be steep, but the reward at the top of the mountain is worth the hard work it takes to get there. It's the American way. As Thomas Jefferson said, "I find the harder I work, the more luck I have."

On any given Saturday or Sunday, racetracks across the country pay out more than \$50 million in winning tickets. That's big money! Who doesn't want a piece of that pie? And thanks to the increase in exotic wagering, often those pieces of pie are lottery-sized.

Last year, two players collected \$1.3 million each in a Hollywood Park pick six (the bet that should be branded the "lottery for thinking people"). Seven winning \$1 superfecta tickets paid a cool \$845,253.50 in this year's Kentucky Derby. Winners like these must be promoted. The objective is to get the public to say, "Why wasn't I one of those winners? Why the hell did I go fishing that day?"

Of course, it's also nice to know you don't play against the house. You're playing against every other Tom, Dick or Mary. It's amazing how many people don't even understand the concept of pari-mutuel wagering.

For examples of how to use the carrot in marketing the game of horse racing, I have included some layouts of ads created with the help of my art director and partner, Jim Lacey. The ads would run nationally, placed by an organization like the NTRA. But they would be signed off "Horse Racing" and not by a relatively unknown association. Individual tracks also would be encouraged to join the carrot ad campaign.

The goal is to convince racing's prime prospects that the financial rewards, and to some degree the thrill of being right, is well worth the time spent learning the game. We want people who are not playing to feel left out -- to hide their heads in shame when the ads ask "Are you playing?"

Reshaping the mindset

Provocative advertising alone can't revitalize racing. You need a mindset change at all levels of the industry, all coming together to pronounce that racing is the best game. The time has come to kiss good-bye the attitude that says, "You can't beat the horses." The time has come to create some irrational exuberance for winning at the track.

When major network coverage exists, like the 90 minutes given to the Kentucky Derby, the racing industry must insist on a segment with professional horseplayers analyzing the race. Its not enough for moderators to make vaguely educated guesses.

On networks like TVG and HRTV, which already do a good job of getting across fundamental handicapping techniques, they should not be afraid to talk over the heads of some members of the audience. Don't underestimate the desire of fans to improve their game. Financial networks have done a good job of raising the knowledge base of their viewers. Investors, like horseplayers, watch with a desire to improve their chances to make money.

These interactive television networks offer huge potential for expanding racing. They give racing a distinct advantage over most other forms of gambling. Like poker players, horseplayers now can learn the game on TV or via the Internet. And once they understand the game, and can play at home, going to a racetrack is a much more interesting and exciting experience. Every racetrack should be promoting these interactive networks every chance they get.

Racetracks also should hold handicapping classes, conduct tournaments, offer inexpensive "How-to-Play" DVDs and provide paddock commentators who can "handicap out loud" so fans can learn through osmosis. Meanwhile, all of us geniuses who think we know everything about the game have to be more understanding of this process and not complain that we're somehow being bothered.

I learned horse racing from my dad, who started taking me to the Fair Grounds when I was about five years old. My bedtime stories were read from the Daily Racing Form. I did the same with my son, Matt. But racing can no longer rely on the breeding of horseplayers. To get more people into the game today, racing must start selling the obvious reason we all play the benefit to the consumer making money.

It's time to dangle the carrot whenever and wherever possible. The carrot that can save racing.

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