



Bridging the Horse Racing – Academic Divide

December 6, 2016





Symposium 2015: “45 Ideas in 45 Minutes”

Promote Business and Economics Research

Current emphasis on health, safety research :



, etc...

But, we are missing the Business/Economics pillar!

Solution:

Industry supported Business and Economics Academic Conference attached to existing industry event (Arizona, Welfare & Safety Summit, Breeders' Cup?)



Today's Mission: Bridge Building



- Promote horse racing's skilled, passionate analysts
- Provide public forum to encourage ongoing research
- Review existing literature impactful to horse racing's modern problem set
- Identify data opportunities



Like

- RACING
- BREEDING
- SALES
- OWNERS & TRAINERS
- RACECOURSES
- REGULATORY, WAGERING, & TECHNOLOGY

By the numbers: Woodbine wagering analysis shows there's value in data



A sizable field at Woodbine. Photo: Michael Burns.

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Chris Lomon FEBRUARY 9, 2015

For Steve Koch, the subject of wagering analysis has become a hallmark of his role as vice president of racing at Woodbine Entertainment Group (WEG), a genuine passion, and in his estimation, a game-changing way of looking at the horse racing industry.

Download live racing horses

Encouragement of

Funding of all

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Hedonic Pricing, Information, and the
 Market for Thoroughbred Yearlings

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Value of Information: Seeking trade publications such as *The Blood-Horse*, *The Thoroughbred Times*, *The Thoroughbred Daily News*, and *The Blood-Horse Market Watch* synthesize public auction data to provide market forecasts, analyses, and data summaries to market participants. However, it is a commonly held industry belief

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Econometric Models of All Sources, HMA and Export Wagering on the
 Woodbine 2011 Thoroughbred Race Product

Stephen I. Koch, Woodbine Entertainment Group, March 26, 2012

Stump and conventional wisdom holds that wagering handle is a proxy for quality of racing. Bettors want full fields of competitive racing, what lies beneath? That is, what does observed handle tell us about race conditions, quality of horses, field size, restricted racing, and other factors? These matters is the first order approach, average handle is less than that of this other kind of race. But don't we know that bettors' behavior is? Given that bettors seem to overwhelmingly prefer larger fields, the race on the best business day perhaps out-handle a full field of racing. Racing handle evidently rises and falls in response to a more limited set of race variables. We implement multivariate regression analysis to test the relationship between race variables on handle. This technique empirically verifies

Woodbine 2011 Thoroughbred Race Product
 S. Koch - March 2012

This figure reflects the isolated impact of the variable being carded a 10% increase in average handle on average handle. A 10% increase in OLS or lesser variables is not statistically significant. Particularly at the 10% level, the parameter estimate for All Sources is a proxy for the true structure. We note that the structures are offered

Model and
 A and Export
 percentage
 with *'s.

Export	Handle = \$203,939
(R ² =76)	
6 *	
4 **	
2 *	441%
2	
7	
5 *	7%
3	
5 **	7%
3 **	6%
6 *	12%
4 *	19%
3 **	35%
1 **	22%
9 *	37%
3 *	56%
	80%
	197%



Econometric Models of All Sources, HMA and Export Wagering on the
 Woodbine 2011 Thoroughbred Race Product

Steve Koch
 Vice President – Racing
 Woodbine Entertainment Group

University of Louisville – Equine Business
 March 2, 2015



Per-Race Wagering Determinants

Steve Koch
 Vice President – Racing
 Woodbine Entertainment Group

Global Symposium on Racing & Gaming
 December 9, 2014

StGr2	na	210,967 *	76%	48,077 *	64%	162,890 *	80%
StGr1orMajor	na	538,592 *	193%	136,367 *	181%	402,225 *	197%
Parce	0.72 *	na	na	na	na	na	na
DayOpening	40,268 *	41,564 *	15%	9,862 *	13%	31,702 *	16%
DayGoodFri	68,899 *	67,733 *	24%	31,525 *	42%	36,207 *	18%
DayJuly1	110,659 *	110,879 *	39%	39,723 *	53%	70,355 *	34%
BCTC	-1,547	1,308		9,034 *	12%	-7,726	

*statistical significance at better than 0.01 (99%) level, **statistical significance at better than 0.05 (95%) level, ***statistical significance at better than 0.10 (90%) level



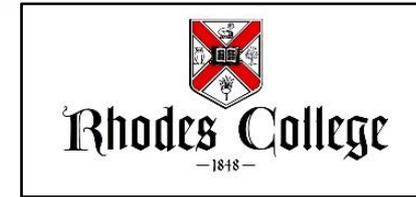
Dr. Ann Gillette



Dr. Mick Peterson



Dr. Marshall Gramm



Eco 265: Racetrack Wagering Markets, Spring 2017



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