



KEEPING RACING RELEVANT AND THE PARI-MUTUEL SIDE OF THE RACINO PROFITABLE

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YEAH! WE GOT THE MACHINES

- Electronic games have resuscitated numerous racing facilities across the United States. The pari-mutuel industry in this country is now simply the fortunate or the not-so-fortunate
- The majority of the fortunate tracks and their respective horsemen partners have taken a position of sole reliance on the sudden influx of new revenue
- After the honeymoon has worn off, there is a sudden realization the pari-mutuel operation is losing money

NOW WHAT DO WE DO?

DO WHAT WE DO

(Pari-Mutuel Wagering)

- The philosophy is simple and there is not an enormous capital investment required. Look at the revenue received from electronic games as supplemental and establish the pari-mutuel division as a focal point
- Racing cannot control profitability in electronic games, it can control profitability in racing
- Quit thinking about losing money pari-mutuelly and instill operational practices to increase the pari-mutuel revenue
- Learn to adjust live racing, be flexible and be cognizant of your marketplace
- Embrace export simulcasting
- Establish relationships with your partners
- Look closely at your competition

RATE DOES NOT EQUATE TO REVENUE POOL SIZE DOES

- First implemented at Hawthorne Racecourse in 2005 – Most tracks and horsemen were raising export rates, Hawthorne lowered some rates to key partners
- \$1,050,000 increase in net revenue to Hawthorne and the Chicago horsemen during the 2005 fall meet
- Individual export rates for key dates and races
- Importance of carding races in the right slot on the daily program
- Keep post-time off your competitors post-time
- Player friendly

BOTTOM LINE

Enlarge the pool size, the folks will bet

Everyone is a winner; the track, the horsemen, the state and the players

Cherokee
CASINO

WILL ROGERS DOWNS



WILL ROGERS DOWNS

Claremore, Oklahoma

- Will Rogers Downs is located in rural northeastern Oklahoma
- Six miles from Claremore (Population 18,581)
- Twelve miles from Pryor, Oklahoma (Population 9,539)
- Thirty-five miles from Tulsa, Oklahoma (Tulsa City Population 391,096)
- Thirty-two live thoroughbred dates
- \$150,000 Average Daily Purse Distribution

Goal?

Pay for the expenditures of the racing department

BUSINESS PLAN and MODEL

- Examined the market
- Communication
- Adjusted live racing post-time
- Adjusted live racing dates and days
- Identified their optimal position for a positive ROI
- Field size
- Enhanced the positioning of certain races
- Constant monitoring of pari-mutuel pools and competition

WILL ROGERS DOWNS SYNOPSIS

How did their three year, small capital investment pay off?

- 179% increase in total simulcasting outlets
- 72.38% increase in revenue from on-track wagering only
- 184.36% increase in revenue from export wagering only
- 101.22% increase in purse revenue from pari-mutuel
- 91.82% increase in taxes collected for the state
- Exotic mutuel pools averaging 3.5 times the WPS pools
- 2/3rds of their live racing shown nationally on TVG

Will Rogers Downs more than met their objective!

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