



Race Track Industry Program

## 35th ANNUAL SYMPOSIUM ON RACING & GAMING

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### Marketing the Racino — What Are We Selling? How? Why?

**Moderator:**

**Joseph J. Witterschein**, Vice President Marketing Services, The Innovation Group of Companies

**Speakers:**

**Craig Border**, Senior Account Executive, Marketing Results, Inc.

**Bill Breslo**, Vice President Sales & Marketing, Diamond Game

**Sharon Lair**, Director of Marketing, Remington Park

**Jeffrey M. Smith**, General Manager, Hoosier Downs

**MR. DOUG REED:** Welcome to the second leg of the Pick-3 of the Symposium on Racing. We're glad you're here, and first let me just take a moment to thank our sponsors. The refreshment break prior to this was sponsored by Plusmic Corporation; this panel is sponsored by Harrington Raceway and this evening we have another great reception sponsored by Youbet/United Tote.

One quick housekeeping note; we have a microphone over there so please use the microphone if you have questions during this session as it's being recorded plus that way everyone can hear your question, so we appreciate that.

Let me not waste any more time and let me introduce our moderator, Joe Witterschein. Joe is the vice president of marketing services with The Innovation Group and Joe has been a great help with this program for about five years probably. Joe has helped us with the content, he's helped us moderate several panels and we appreciate his help immensely, having talent like his to help us put together the content. He has 25 years experience with marketing and casino operations, he's worked with Native American properties, he's worked with riverboats, racinos, etcetera, so, Joe, thanks again for helping us out. We're glad to have you.

**MR. JOSEPH WITTERSCHEIN:** Thank you, Doug, and good morning. It seems to be a small audience but I can assure you that you will leave this morning with some really solid deliverables. We have a great topic to cover and we have a tremendously talented group of people to chat with you this morning. Our format is, they've given us an hour, hour and fifteen minutes, we'll try to take as much of that time as possible and we'll leave plenty of time at the tail-end for follow-up.

As Doug said, there's a microphone and I'll get out there and move around with the microphone so we can get the audio recorded properly. Then when we're done if there are some questions or insight that you'd like to chat about with any of us collectively or individually, just feel free to come up.

Let me introduce the people who are here this morning, they've traveled from all over the country to be part of this panel. Ladies first, I wanted to introduce Sharon Lair, she is the director of marketing at Remington Park in Oklahoma. To her right is Craig Border, he's the senior account executive, based in Las Vegas, for Marketing Results Incorporated, which is one of the premier marketing/consulting firms for the gaming industry in North America today. To my immediate right is Jeffrey Smith; he may be recognizable to many of you, he had a small role in the movie *Hoosiers*, he was one of the assistant coaches in that movie, he's a very talented gentleman. He also happens to be the general manager of Hoosier Park in Indiana. To his right is Bill Breslo, Bill is the vice president of sales and marketing for Diamond Games. You'll see on the screen the topic that we're going to cover, which is "Marketing the Racino." Now, that's a very broad topic because marketing means different things to different people but what we want to hone in on, while we have four very different types of people up here, is to talk about what we are selling. What is the product, how do you sell it, what are the differences between gamers who are traditional racetrack fans, race industry gamers, people who are casual consumers who just come upon a racino simply for the entertainment purposes of doing something for the afternoon, and then people who are core casino-goers and how that might be integrated? So we'll talk about what we're doing, how you do it, what are the strategies to that, what are the pitfalls, and each of the different people here have a different perspective?

Jeffrey, as a general manager, will talk on how those things are accomplished working with the state government, working with a property, and how it has progressed from a standing racetrack into a casino operation and how that team works together. Bill represents a slot machine manufacturer that's also very promotion-orientated, so he'll have a certain perspective on it. Sharon is sort of in the trenches as a director of marketing at a very progressive property that's in the racino business and doing quite well, as a matter of fact. Craig is kind of the front-line person who gets hired on by casinos around the country to work out the kinks and fix those things that are broken in our operation, so he'll add that perspective.

We're going to start with the bigger picture which would be Jeffrey, so if you would, Jeff Smith.

**MR. JEFFREY SMITH:** Morning to everyone, happy holidays to you. It's truly a pleasure to be with you today. I want to thank Doug Reed and his team at the Race Track Industry Program for putting on such a wonderful Symposium year after year, 35 years worth.

When we received the privilege to have casino gaming at Hoosier Park, senior management made a commitment to a design goal of a truly integrated facility. This was done with sincere intent of giving the many casino guests that we anticipated would visit our facility some exposure to racing in the hopes that we could develop some new race fans. So in answering the question as to what are we selling at Hoosier Park Racing and Casino? That was very easy, we are selling a complete entertainment experience. The how we do it is with a sincere focus on complete integration of the facility and the entertainment package. And why? To maximize our overall level of business, but of course with a sincere respect for developing new race fans.

By the way, the 14 carats of racing refers to the 14<sup>th</sup> running of our Indiana Derby this year, and this was a promotional picture that we had for some jockey signatures.

Since the advent of the all-new Hoosier Park Racing and Casino, the focus has been to promote our entertainment product as a seamlessly integrated facility and team. One brand, one team, one club, a tremendous experience. From the very naming of the facility and the design of the new facility, including placement of premier dining options, to brand development, marketing strategy and promotional spending, efforts to accentuate and support integration are consistently employed. Without fail, emphasis is placed on highlighting the comprehensive benefits of racing, gaming, dining and entertainment. This slide shows the floor layout for our facility. To the right, a 92,000 square foot casino which links directly with the grandstand and clubhouse via a glass, enclosed connector which features escalators, elevator and a monumental staircase. On the left is the grandstand clubhouse. We celebrated our grand opening this year on June 2<sup>nd</sup>, we have 2,000 slot machines including 94 electronic table game positions. Those are all housed in the casino portion on the right-hand side.

When I talk about integration of the facility, we integrated it as best we could given the limitations. For example, the gaming had to be segregated, it had to be 21 and older, obviously, and so we could not have any gaming in the grandstand itself. The casino on the right-hand side features a 24-hour big deli and a feature center bar. We're open 24/7, and a unique part of this is, you'll notice on the south side of that building there are windows that overlook the track, and then we include self-service betting machines so people in the casino actually have a view of the track, actually can view live racing, the activities out on the apron, which we call the yard, and wager on the racing as well. You'll find the yard between the casino and the track the focal point of a variety of outdoor entertainment things that we do. On the left side of that is our grandstand and clubhouse which now offers something for everyone, seven dining and entertainment venues from casual, quiet dining outlets to an expandable 200-seat buffet featuring multiple food stations, to

a comfortable lounge offering unencumbered views of live racing, to live and simulcast wagering areas. Our grandstand and clubhouse now simply offers something for everyone.

You'll see on this slide, coming in the entrance at the top of this slide, we have developed a terrace, as we call it that goes along to your left. We have a food court that we installed up there. In what was traditional grandstand seating we have put in terraced simulcast areas, and in the Homestretch restaurant you'll see, the very few pictures that we have, we've actually added a variety of different venues as well.

While the majority of our guests come to Hoosier Park for casino entertainment, they come to the grandstand to enjoy our dining and entertainment offerings and when they do, they are exposed to the excitement of racing. Whether sitting at the Pegasus Bar, enjoying the food court, listening to a band in the lounge or enjoying our buffet or dining room, one cannot help but experience racing. While new at cross-promotional efforts, we have many ideas that we plan to try in 2009 such as giving patrons that redeem their points for a free buffet a free 10-cent superfecta. We have several different casino promotions that we want to base on the results of a live race. So I sincerely believe that this is how we're slowly going to grow new race fans.

Our upper-level grandstand was totally renovated including improved seating and the new Pegasus Bar with flat-screen televisions for racing and sports. This area is really just a focal point of entertainment. It is the entertainment hub and a social center for the little town of Anderson, where we are located. On the weekends we have bands, we actually had a situation where we had to offer some simulcasting early in the morning because our liquor license only allowed us to keep that bar open while we had live racing. We've since gotten that squared away, but this thing is rocking till probably three in the morning on the weekends. Our simulcasting is now located in our tiered grandstand area.

This is the view from the new Pegasus Bar, and you can see a lot of the state-of-the-art audio/visual technology that really provides a superb enhancement for the racing experience.

Our terraced Homestretch restaurant which overlooks the track has been completely renovated.

The lower two levels, our Hoosier Park Steakhouse, and that's extremely popular. We brought in a separate steakhouse chef and staff, and that is our Ruth's Chris in Anderson and people truly come to enjoy it.

We've even transformed our terraced clubhouse dining room into a showroom for special events where we take black drapes and drape all the windows all the way around, set up a stage at the bottom, thereby creating a Las Vegas-like show room. This has been very, very popular. Just a couple weeks ago Charlie

Daniels was there, this weekend we've got the Temptations that are performing there.

This is a view of our porte cochere on the racing side, this was added to highlight racing and many guests that utilize our dining venues would use this entrance rather than the direct racing entrance off of the parking lots. Every element of the marketing mix including promotions, advertising, direct mail, events, entertainment, sales and public relations centers on both racing and gaming, from the name that we kept, Hoosier Park Racing and Casino, to all of the entire experience, we focus on racing and gaming, dining and entertainment. The entertainment experience enjoyed at Hoosier Park, we really have both an example of how we try to promote live racing, featured races, while we incorporate several of the entertainment venues that we offer, and it has proven very popular.

Here are some examples of our branded racing materials, I've got a lot of slides, I'll just flip through many of them very quickly here.

Constant efforts are made to educate casino patrons, here's a wagering tips brochure that attempts to simplify the wagering experience. In addition, during live racing we offer wagering 101 classes that have consistently grown in popularity throughout the meet. Our player rewards program, Club Centaur, is fully integrated for both pari-mutuel wagering and casino gaming. Our Club Centaur program is incorporated not only at the racetrack and casino but at our three OTBs as well. The Club is currently a three-tiered membership. It offers one of the richest, if not the richest, rewards and has proven very, very popular amongst our racing fans as well. In fact our racing gamers enjoy a much-improved service experience and a greater array of Club rewards as a result of the addition of the casino; it allows us to do a lot more for them and our racetrackers are very, very appreciative of that. Uniquely, if a guest has a majority of points on their card from pari-mutuel wagering, the promotional coupons and the mailers, etcetera, will be targeted towards racing. Our Club members receive rewards in essentially three ways, points perks where they generate points toward redemption, express rewards which are cash rewards that are offered through the mail, and sure returns which are even more cash rewards that are available through your card on your next visit. Our Club conversion was accomplished seamlessly and I found that our racing patrons are actually very excited to be part of a bigger, better club. In fact, they tend to sit around and collaborate because they're usually around in more groups and so when somebody else has redeemed something and they're trying to learn, well, how did you get that, they really are incented to do more and use the card more, and that's an unexpected benefit?

Some of the new member promotions. This is an excellent example of using our direct mail to cross-promote racing and gaming. This promotion actually involved a Wild West Night promotion that we had principally for years during our racing program that was carried out in the casino as well. The casino gives us a wealth of opportunities to market to people that we just simply didn't have before and so we're trying to take advantage of that in every way we can by tagging our promotions, our mailings, our direct mail with racing promotions. Here, this is one

for our million-dollar night of racing for the Hoosier Cup. You'll notice in all of our ads that we try to emphasize all aspects of our facility. Some examples of our newsprint, some of our coupons, our Web site. The promotion and special events that we have related to racing and related to our yard are orchestrated well to be well-integrated with other casino promotions. So to the extent that we have a casino promotion while we have live racing, we try to incorporate live racing or the outside, the yard, for the various promotions so that we can get people involved with racing.

During the Indiana Derby, we always have had a Derby Gala and a VIP celebration. This year we expanded the tent, we had over 400 people in it, and that included 120 of our VIP players from the casino that had very little exposure to racing. Each of them got to be involved in this trackside VIP celebration, got involved with the horseracing and really, truly enjoyed it.

Our entertainment has been terribly popular. Since June we've hosted seven concerts, several community events and we've had over 100,000 spectators for that. Like I said, the yard, this is a picture of the yard for the Aretha Franklin concert that we had. Trisha Yearwood capped off a wonderful Indiana Oaks and Indiana Derby weekend; we had a concert at night with her right after the Indiana Derby and we had just a tremendous crowd, almost too big of a crowd. Entertainment drives a lot of what we do. Joan Jett we had in our clubhouse dining room when we transformed it into the Copacabana room, as I called it, to Aretha outside; Oak Ridge Boys in our dining room as well.

We also try to incorporate a variety of festivals in what we do and we tie these in with the City of Anderson celebration as well. The community there really embraces our facility and they now center many of their civic events out at the track. We're very thankful for that as well. Our sales team really now is beefed up; we sell track packages to business groups and individuals from all across the region, substantially increasing the involvement of these groups and their involvement during race time as well. Our live wagering 101 has been extremely popular, we can set that up for groups and we also provide backside tours. The backside tours are probably the most successful thing that we've done for all of these groups, everybody wants to go back, everybody wants to see a horse and see how they're cared for. We have a variety of sales packages, again, they complement our racing and sales kit.

Just in closing, what we are selling is really the thrill of big-time horseracing, round-the-clock casino action, live entertainment and eclectic dining that promises to delight every palate. How we do that is with a truly integrated marketing approach, truly integrated facility and a tremendous team that we have at Hoosier Park. The why is very simple, obviously to maximize business, but a key for us is to do that in such a way that gives us the best opportunity to develop new race fans. And that, if there's one tidbit of information I would say, those of you that are getting gaming, you really need to have the commitment from the track management to racing, otherwise, if you get any gaming consultant typically they'll want to have 130,000 square foot box, giving them their own buffet, their own

restaurants, and we'll send you a check. If you do that you're never going to have anybody really experiencing racing the way it ought to be experienced and you're not going to have that level of excitement that you have around the entire facility, that buzz it's created. That's something we feel very good about at Hoosier Park and would love to have all of you come by and visit sometime.

So with that, thank you very much, back to Joe.

**MR. WITTERSCHEIN:** Thank you, Jeff. We'll move on with our presentation, we'll talk with Bill Breslo from Diamond Games.

**MR. BILL BRESLO:** Diamond Games is a game machine manufacturer. We're typically in locations where we're participating in the revenue rather than just selling the machines, so we're just as vested in how the machines perform as the location. We run a lot of promotions, internal promotions on the machines, and I'll talk about some of those as they may relate here.

It's our first time at the Symposium and we're excited to be here, we've got a booth in there and actually what we're showing is kind of a unique product for some racetracks, we have a game machine that looks and plays like a slot machine but is legally just a ticket dispenser. So for racetracks that are trying to get slot machines and spending millions of dollars lobbying their legislature for a law change, we think we have a product that can be brought in without a law change.

So that's kind of why we're here. For me personally, going to the races has always been a family outing, since as long as I can remember, so I'm happy to be here, and if you can take away anything from this and if I can be of any help to the industry, I'd be very pleased.

So our topics, we talked a little bit about the what are we selling and the differences, casinos versus racinos, is there a difference that can be highlighted for racinos? One difference that I think for most racetracks is that you've had roots in the community probably much longer than your competitive casinos that may be in the market, so I think it's something that can be highlighted, and we did a promotion here for a market, we had a new game coming out called Semper Fi, which is a military-theme game, it was being released in the month of May which is national military appreciation month, Memorial Day at the end of the month, Armed Forces Day, and it was done in Maryland where there is a strong military presence, strong government presence, so we're trying to tie in to the community, and what we did was we gave a percentage of every wager to this Operation Home Front which was a great organization that helps military families in need. One aspect was that we did want to make it a part of every wager, rather than a percentage of net win so whether players won or lost they felt like they were giving to this organization. But this particular promotion accomplished a lot of things, there was excitement, there was cash giveaways, we also did a slot tournament that was associated with it, it had a \$10 or \$20 buy-in but active military personnel or their spouse were allowed in for free. We tied in the military; we brought something into the community and gave back to the community, and it was a great success.

You're also typically going to be in a locals market. Most of the casinos we're in are definitely targeting the locals market so we like to highlight things that are activities in the community, let people know that you're a part of the community and you're aware of what's going on outside of the racetrack or the casino. So in Alabama we gave away tickets to the highly coveted rivalry game Alabama-Auburn. I think if you don't live in Alabama you can't really imagine how popular this is. Of course, you always have a cash alternative so people who are not interested can take the cash, but that was popular.

Back to Maryland, we did pro football rivalry which is Redskins-Ravens, and down there in the blue box, this was another attempt to give back to the community so we did a 50/50 drawing, \$500 to the winner and \$500 to a local charity. Highlighting those community roots may pay dividends later on as well, in your next PR battle or you're going to the legislature trying to get something else, if you can be highlighting the fact that you've been in the community for a long time, you give back to the community, you employ so many people, etcetera, it can only help. And you feel good doing it.

Of course, all your promotions, you're trying to build your database. So there's been discussion about player's club and I think Craig's going to talk more about that, and of course you're always going to have some resistance to people joining your player's club. Some people do not want to be tracked. If you're tracking your play, they win too much, you're going to start dialing it back, right? You're always going to have that resistance, so a couple of ways to get additional names for your database is to run promotions that are not tied to your player's club. Run these periodically, maybe it's a couple times a year. Our machines print out an entry ticket, I'm sure most manufacturers do, but it can be a promotion that you run outside the player's club. Ours we print out, say, 300 plays, those previous promotions I was telling you about, they fill out their names and drop it in the hopper, the hopper is a nice spectacle and helps promote the promotion but helps you get additional names. We also did this 25 words or less promotion where we had the games Angel 8s and Devil 7s were being released and so we were trying to engage the player in a positive way and thinking about our games and asking them to describe, in 25 words or less, what they liked about our games. We kind of accomplished a lot of things; of course, we got more names for the database for the casino, and we engaged the player and got them thinking positively about these two new games, and we also got a lot of interesting feedback, so it essentially became kind of a market research tool, but in a way that is more fun for the player and they don't feel like they're just completing a survey which only benefits the casino. We got information about competitor's games, surprisingly, and it was a good way to get into the minds of the players somewhat.

Next topic, so then what are we selling? Jeff spoke about the entertainment center, I think Las Vegas obviously has done a fantastic job of that, transforming the whole city or the whole gaming side of the city away from gaming. So it's about the nightlife now, it's about the dining and the spas and the experience more than it is the gambling. But I think it's also important for racing to remember that

racing is a gambling activity, but it's also a sport and there's no shortage of entertainment options, discretionary dollars are limited, and sports organizations have been facing the same issues in creating an entertaining product to capture that discretionary dollar, and they have transformed themselves. I think a good analogy is baseball, the kind of complaints you hear about baseball is its slow, it's a boring sport, I've heard countless times from people, yeah, I just can't watch baseball on television, but I like going to the games. It's fun to go to the games.

So what is it about the experience? What's fun about going to a baseball game? I think there's a lot to be learned there. How many of you have been to a baseball game in the last few years, major leagues, raise your hands? Several of you. Good, good baseball fans. There's constant entertainment, there's something constantly going on. You've got the organ player and there's the JumboTron, and the JumboTron is feeding constant entertainment, if it's the kiss cam where they show couples and they kiss when they see their picture up there or there's a song playing and the camera's concentrated on kids dancing, couples dancing, you know, there's attendance quiz questions, there's beach balls, there's food vendors, it's an entertaining experience. I think that that's where racing hasn't come around in a lot of places, and I think it could.

The other things you hear about racing, of course, are, as far as on the gambling side, it's intimidating, you need to know so much information, look at these forms, I don't understand it, I think as part of the whole entertainment experience there can be a lot of activities and other opportunities to win that are not necessarily related directly to the horse betting. So you can run sweepstakes promotions, every hot dog sold gets you an entry into a sweepstakes drawing and you do the drawing after the seventh race, or maybe it's after every race and there's a variety of prizes to be won. But it's giving people the opportunity throughout the day to experience wins that are unrelated to horse betting. This would need to be a sweepstakes so you have an alternate means of entry, right? They're not paying, it's not pari-mutuel wagering. So to make sure that it's legal it probably needs to be a sweepstakes so that if somebody wants a free entry they have to fill out a little form and take it over to the customer service desk 500 yards away and nobody's going to do it, right, but you've got that free entry.

Duck races would be a fun activity, you know, sell raffle tickets. Again, legally you may need to do that through a charity, but bring the charity in and you'd oversee it and make sure that the charity gets 20 percent and 80 percent gets paid out in prizes and maybe you didn't make a penny off of it but you're creating that experience and you're giving people more opportunities to experience winning and have a good time at the track.

Similarly, on betting, I think if there's more opportunities to bet in ways that don't require knowing the Form, quick picks, I read about a track that was doing a Pick-5 on a particular race and, I'm not sure if they were doing this but I think if they were also offering that as a quick pick; I mean, let's be honest, you can be a great horse picker but if we're talking about a Pick-5, it's going to be, the guy who's

picking randomly probably has a pretty good shot of performing just as well as somebody who's using the Form.

Teaser bets, things like that that makes it more accessible to bet and you don't feel like you're stupid for not having read the Form.

So that's it.

**MR. WITTERSCHEIN:** Thank you, Bill, now we'll speak with Sharon Lair who, as I mentioned earlier, is the director of marketing at Remington Park in Oklahoma.

**MS. SHARON LAIR:** Well, thank you.

Jeff, I'd like to thank you for your presentation. You're doing a wonderful job there and so many of the things that you're doing there, we have been doing at Remington Park, and very successfully. Part of the reason for this panel is so that we're not redundant and we're not all talking about the same things. He has a wonderful player's program, so do we, we use one card for both our racing fans and our casino players. We do all the great things that he's doing, so I don't want to just continue to go over that because he did such a remarkable job of doing that, so thank you very much for that.

It's an honor for me to be here at this panel. I'm very proud of Remington Park and I'm very proud of our success this year. We are up in revenue in every level, we're up in attendance and I wanted to share with you just a few reasons why I think that we are up.

I want to start with showing you what we look like, so I will go into that. Now, I know a couple of you in this room know Remington Park and have been there and I know that you are as pleased as I am that we now have some beautiful stone signage in front of our building that tells everyone who we are. Prior to the build out of the casino, there was not one sign out in front of our building that said who we were. You could drive by this beautiful building and not have a clue in the world what it is until you get around to the back and maybe see the track. So the picture doesn't do us justice, but there are four of these and we're very proud of them.

This is just the look at the paddock with the tunnel going down into the track and the winner's circle. Just a picture of the winner's circle here.

This is our Silks restaurant, it's my favorite spot in the whole building because you can sit at one of these tables and just have the best view of racing. It seats about 600 people right now, has a full menu, is open during live racing. We use this restaurant, when we're not live racing, for large groups, though, and that turns out to be a really good thing for us.

I wanted to show you what we do for large catering groups; this is just one way that we accommodate large groups for catering.

This is the way that we cater to smaller groups, and when I say smaller this room will seat about 200 people and it sits on the suites level. This is one of our private suites, it's called the Remington Suite; we have 20 suites, they can be leased by the day or they can be leased by the year. Very, very popular. Catering and group sales are really a very important part of our product mix because this is the casual fan that we are all looking for. When we have a group come into Remington Park during live racing, and you'll see them up in the suite, you'll see half of them stay up there and bet on the live races and you'll see the other half go to the casino, and you'll see some of them stay down there to watch live entertainment, so groups are something that we market very heavily and it's a real important part of our mix.

This is the entrance, our porte cochere, of the casino. This was opening night. This is a look at the inside of our casino. We are a small casino, we have 700 machines right now. We'll be able to add 50 more in another year, then that's all we'll be able to have.

This is just a look at Remi's Buffet and the casino.

This is our Wild Rush Stage, this is located in the casino. You can see it's on top of the bar, so you can be out in the casino playing the game and watching this live entertainment and have the bar right below you. We're a small place so we bring in, not the big concerts, but we bring in the very popular local groups that have their own following. So on any Wednesday or Friday or Saturday night you will see a whole group of fresh faces in there that maybe would not have been in there otherwise, but they're here to see this band and now we're introducing them to casino and to live racing.

This is not the best picture of the Lookout, but when we were talking about building the casino, like Jeff and his group we wanted to make sure that racing was enhanced by the casino and not overshadowed by it. That live racing would remain our priority, something that we're very proud of. This Lookout is sort of our version of a sports book. Now, it is for racing only, it has about 100 chairs here, there's one TV for every two chairs and you can change your own channel, you can look up above and see all those large flat-screen TVs that show simulcast wagering and then look out on the track. Now, there's a curtain you don't see that is down when we are not live racing, and when we are racing you push a motorized button and that curtain comes up and you can see live racing. To me this is the best spot in the whole building because you can watch live racing, you can watch simulcast racing and bet on it, you have the restaurant behind you, you have slot machines, or as we call them in Oklahoma, gaming machines, and you have the bar and entertainment. So in this one room you basically have everything.

I want to talk just briefly about our competition. You know, in the State of Oklahoma we probably have at least 100-plus casinos. Two of our major competitors were built after we opened our casino. Firelight Grand Casino is about 40 miles to the west of us. They have 1,800-plus games, so well more than double

what we have. They have blackjack and poker tables, they have craps and a version of roulette, they have a showroom with seating for about 2,500 and they spend money to get the big names in there.

Twenty-five miles to our south we have River Wind, 2,000-plus games with the same things, blackjack tables, three-card poker room, they also have a showplace theater.

One thing to mention about this is both of these casinos pay under eight percent tax on their Class Three games only and part of the profit of their table games goes to comps and marketing. I mention this because this is a lot of money. They outspend us in every area of media that there is.

So how do we compete effectively? Like the others here, we capitalize on our uniqueness. Our competitors, we have one thing that they don't have, we have live racing and that is the one thing that sets us apart. We capitalize on our product mix, all of those things that I just showed you, we position ourselves as an entertainment destination. You heard these from the other two speakers, we take every opportunity to promote the entire experience. We've even gone so far as to say that we are Oklahoma's number one sporting entertainment destination, and no one's come back and told us that we're not, yet.

So next I just want to tell you a little bit, now that you know what we are, I want to show you how we do it. I'm going to start with outdoor because this is not one area that we can compete with them. Our competitors' outdoor budget alone exceeds Remington Park's entire marketing budget for the year. So we know we can't compete at this level, we don't try, we just keep our outdoor message very simple and very clean, and this is a look at what it looks like.

Now, we do have three boards that are closer to our property and they say "Exit Now."

This brings me to the opportunity to tell you about how we brand Remington Park. You can see our logo there, which is the triple sevens with the horse head coming out of it, and in a minute you'll see a commercial that shows that rather nicely. We know that the triple sevens are very lucky in the casino. We've instituted a couple things on the racing side that makes it lucky there, too. During live racing, every time a seven horse wins, we have a drawing for all those people who used their player's card to bet on racing. Now, they didn't have to bet on the seven horse, they just had to use their card to bet and they go into a drawing. So when the seven horse wins, we pick a name electronically out of there and we give someone \$77. Now, if the third seven horse comes in, it increases to \$777, and so we have that same drawing. So we're always having people looking for that seven horse to come in.

A couple times during the year, we give away, we'll print 500, 10-cent superfectas for the seventh race and we'll hand them out to the first 500 people that walk through the door on both the racing side and on the casino side. That

brings awareness to the 10-cent superfecta, lets people know what that bet is all about because it's a very fun bet. A lot of our racing fans know what that is, but a lot of our casino fans don't, so attached to that 10-cent superfecta is a little description about what it is and why they should watch and in what race they should watch. That's been a lot of fun. So we capitalize on the number seven whenever we can.

"It's your lucky day" is our slogan, it's on everything that we do, you'll hear it in the jingle on radio and TV, it will get in your head and never leave you. Then of course, we know the horseshoe is luck on both sides, so our branding is all about luck at every level.

So how do we compete effectively on TV? We found our niche in TV. We use TV like our competitors use outdoor. They can change their million outdoor boards they have every month or twice a month. They use it to showcase who their talent is going to be in their showcase that week. They use it for their holiday promotions. Everywhere you look there's a board. Well, we use TV a lot like that because we were lucky enough to secure a very wonderful advertising agency called the Skyline Media Group in Oklahoma City, and they do their own production right there in their agency and part of our retainer with them is that we get to change out our TV production at least four times a month and radio as well, without any additional fees except for maybe the talent, which we use a lot of our own.

I want to start by showing you the very first commercial that you're going to see here is clearly a casino promotion, but what I want to show you here is how we just try to show this as total entertainment, even though we're promoting a casino promotion.

**(A videotape was played)**

You'll notice the "minutes away," we knew that we needed to capitalize on our location because we are centrally located.

When the gas prices went up, we found it even more important to promote where we were at and that location became even a bigger factor, so we changed that tagline to say "minutes away, millions a day."

The next one I want to show is a racing promotion, this is our Oklahoma Derby, it is our premier thoroughbred race of the year. Now, our core racing fan and all of our connections know that this is a big day, but we need to get the word out to other people that this is a big day. We want to make the Oklahoma Derby big like the Arkansas Derby, we want to be a week leading up to it, we want all sorts of things going on with the grand finale being the Oklahoma Derby. We're doing everything we can, we're connecting with the community, we're getting a lot more people on board. But this commercial, and I think you'll all really enjoy this next one, sort of shows a little bit about that. Obviously, I don't have enough time to show you everything that we did that week, but there were a lot of fun things

that went on and I think that every year we're going to improve that. But this next commercial was kind of fun, so if we could play that second commercial now.

**(A videotape was played)**

Okay, now, why NASCAR, you say? Well, we had an opportunity to bring Jeff Gordon's NASCAR car to the track and we thought, what a great opportunity to throw another fun thing in there. I was amazed at the people who showed up, grown men decked out in their NASCAR jackets and hats and all of their stuff wanting to know where that car was and when could they drive it. We positioned it back towards — so that you actually had to look out the window and see live racing going on and it was there all weekend long. As they came up to register to ride in that car, we talked to them, we told them about live racing, we had an opportunity to talk to them one on one, we actually even took a survey to find out how they heard about that.

I know Craig is going to love this, it was direct mail. That was the number one, but there was also radio and there was also TV, so it was just a great opportunity to get out there to a whole other group of people. Like I was mentioning to a friend of mine earlier, we don't care how we get them out there, we just want them out there. Finally, the third commercial is about football. You know, football's hard to compete with. We love football, so one way we decided to try and draw in football with racing is we came up with a promotion called "The \$100,000 Pigskin and Pony Payout." If you could pick all the NFL games on a Sunday afternoon, just straight out, no point spread, and if you could pick the winner of every live race on Sunday, you would win \$100,000. This went on all meet, it was insured. There were two other opportunities, one you could pick just the races if you wanted and one you could pick just the NFL football games if you wanted. We did have several winners on those and those did not pay as much money. But my whole point was that we've talked about sporting, we've talked about it here, I've heard it in a couple other panels, about how we are a sport, so why not connect with one of the biggest ones there is?

I want to show you this next commercial, probably my favorite. So if you could just play that one now.

**(A videotape was played)**

Obviously, we have a very talented agency, and these commercials are a lot of fun to make.

So how do we compete effectively in radio? Well, radio is really just used to support everything that we do. We believe in triple media. We believe that if you see it on TV, hear it on radio and then see it either in a print ad, which we do a lot of, or see it on in-house creative which we do a ton of. I think everywhere you look in our building there's a sign telling you that there's something going on from large, backlit duratrans to slot-toppers to just about everywhere you can look. On a table, there are table tents, there's wobblers on the casino games.

One radio spot that I did bring to play to you is, again, is a sport, it's boxing. We talked a little earlier in a session about how boxing is sort of declining, but we hold about three boxing events a year and they sell out, completely sell out. I know a lot of these people that walk into this boxing event, they don't even know where to go, so I know they've never been there. So it's another opportunity for us to get a whole different group of people out there. We try to get it finished early enough so that we can get these people up in the casino. Part of the VIP package includes some free play. So I just want to play the one radio spot that I brought just to show you that we do go out there and do different things. So if you could just play that now.

**(A tape was played)**

Okay, is that song in your head yet? I mention here that the boxing went on our sports radio only. We have several sports radio that we buy, so we were able to keep all of our branding messages and our promotional messages on all the other radio stations that we buy. We do buy radio remotes. Radio remotes, to me, are a perfect way to get out and say what you want to say, word for word, and it gives us the opportunity to promote what's going on right now, today. So we use radio in that way.

One thing about — probably a year or two ago, my boss was pretty adamant about research. Research is a big deal to him and it is a big deal to us because you absolutely have to go out there and find out who your customer is. Even if you think you know who your customer is, you need to get out there. We did a very nice, we went to a very reputable company and we did a very good research project. Some of the things that we learned were our customer base, age, gender and income, all very important things to us.

Cash is king, how many of you have heard that? People love cash. This is what we found out on our survey. What is the one thing on both sides, racing and casino, that people want to win? It's cash. So we have to figure out a way to give cash away that's not just like giving cash away, because it's boring to promote. You have to come up with something more exciting. So our promotional strategies were revisited once we found this out. It's not just cash, it's also free play. Free play on the casino side, free play on the racing side, something when they walk in the door.

Our media buys and strategies changed once the results of this survey came in. We found that we were not buying near enough country radio, we found we weren't buying enough morning TV, so we sat down with the media buyers and we totally went through that and we changed a lot of things. We learned what we needed to work on from a customer standpoint and some other very valuable pieces of information. I think it's fair to say here that we didn't just go out to our customer. We reached out to some people that were not our customers as well to find out why they weren't. So I encourage everyone who has a little bit of money in your budget, and even if you don't, to try to find some time to do some research,

because knowing your customer in this ever-changing world is important to know. One thing we know, and I sat in on the Gen-Y session just a little while ago and absolutely loved everything they had to say because this is a lot of the stuff that we are finding out. It's no secret that the racing fan is not young. It is urgent, we know that, that we reach out to this age group. Now, the young lady that presented this morning has a very fabulous research project that I want to look more at on Thursday, but we had a recent college intern do one for us and some of the things we found out or some of the things she reported on this morning include that college students, mostly males, love horseracing but they have the perception that it is unaffordable. Most students don't realize that we have concession stands and free seating. Most don't realize that we have free admission and free parking. We have got to provide new, fresh promotions to encourage this age group.

The Oklahoma Quarter Horse Racing Association reached out to us in our last quarter horse meet and said, we want to help you with this meet, we have some ideas we want to share with you, we have some sponsorship money we want to help you with. They went out and hired some rockin' Red Dirt country music and brought them out to the track, way out on the apron where you have to see live racing, we offered \$1 beers out there, and I'm just going to show you the creative that was done for that. But it's nice to have good partners and I want to make sure that I thank the Oklahoma Quarter Horse Racing Association for getting behind us and helping us every year.

Here was our promotion. Our creative agency called it "Hoofstock" and the picture that you see on there is really G.R. Carter, most of you know that he is our leading quarter horse jockey. He came out and did this, had the biggest time with it. This was held on a Friday night and it was \$1 beer, which made it affordable, it was held out on the apron to bring racing awareness, the Red Dirt bands brought a whole new group of people that had never been to Remington Park and we got them interested in racing, and it brought some awareness to G.R. Carter and a look at, you know, jockeys are real people and jockeys are a lot of fun.

In closing, I do want to say that I honestly, and I said this already, I don't care how we get them out there, it's just important that we get them out there and it's just important that we bring this younger group out. Direct mail is probably our number one marketing tool that we have at Remington Park. We have such great success with this program, and I have asked Craig Border with MRI who is one of our agencies that help us do this. This has just been the most incredible experience to me, to see how this program has grown and how targeted this direct mail is and how it comes back to us, and we can track it, we can tell you how much coin-in money and how much revenue is generated from every person that brings this back in. Player programs are wonderful.

So I really just want to turn this over to Craig Border now and let you talk about this very, very incredible program. I just want to say that it is so very important to us at Remington Park and I wanted to thank you for the opportunity to speak with you all today.

**MR. CRAIG BORDER:** My name is Craig Border and I am a senior account executive with Marketing Results. We are a marketing company that works primarily with casinos. On four occasions we've been asked to come in and work with different racinos. What I'm going to focus a lot of time, really the majority of the presentation on today is how we got involved with Remington Park, what obstacles there were and how we overcame those obstacles and created opportunities from those very obstacles that existed. So I'll take you through a little bit of the history of Remington Park.

The background of the property, for those of you who might not be aware of all the detail, opened in 1988. As you saw in some of the materials Sharon had, this is the 20<sup>th</sup> year for the property, and at the time that the property opened, it was the only major racetrack in the State of Oklahoma. Additionally, there were no casinos in the State of Oklahoma which is important when we get to the competition slide. How many of you, by show of hands here, think you work in a competitive environment.

Okay, most of you. Well, I would say that when I show the slide of the competitive layout in Oklahoma I think you'll feel a little bit of what we've experienced there. The race attendance, back when the property opened, during the race season was between 10,000 and 11,000 people daily, which is huge in terms of number of people coming in. The property at the time was the major attraction in the State of Oklahoma and, I would argue, the surrounding states. So many people were coming up from Texas and other places just to experience that property. In short, the property was highly successful and that was what really brings us here today.

Seventeen years later, about the time when I got involved with the property, this was, to understand how this came together, legislation was passed and 120 days later the opening of the casino was planned. So if you can imagine taking a couple of bookends and squeezing them really tight together and knowing that you have to build a facility, you have to get all of the appropriate licenses, you've got to do everything that's involved with opening a casino, it was quite a feat.

We got involved with the project about 90 days prior to the opening and I think that gave us some pretty good time to do what we needed to do. Seventeen years later it was quite a different environment. There were more than 100 casinos in the State of Oklahoma, competition was huge. There were four tracks in Oklahoma and the race attendance had fallen off, down to about 10 percent of what it had been in the heyday. That was important because when you look at this property that once drove so much attendance — the property hadn't changed, the property was the same, the product was the same — the competition had grown up around us and it just really created a situation where it was going to be difficult.

This is the competitive environment for Remington Park. Remington Park is the green dot in the middle of all that, those bunch of casinos. Sharon mentioned two casinos that opened recently in her presentation and they are world-class, Las Vegas-style in their facility, in their number of games, many of the casinos in the

state have a hotel, they have a lot of advantages, they have a lot of money, they're not paying out a lot in taxes, which makes it, I think, a little more important when we look at this picture to understand the challenges in front of Remington Park.

So what we wanted to do is be very productive in our 90 days we had leading up to the opening of the property, so what we did is we spent that time hopping in a car and driving around to see the competitor properties. I think we put about 1,500 miles on a car in a couple of days because we were going around and stopping in to understand what these competitor casinos really had to offer and what we needed to concern ourselves with.

So what we experienced there was that the majority of the Oklahoma casinos and the racetracks did not have a player tracking system that was highly effective. What I mean by that is, in Oklahoma, because you have a lot of Class Two gaming or, at that time, many Class Two gaming operations, what happens is slot manufacturers will make deals where they say, we'll come in and we will give you a player tracking system if you give us 25 percent of your floor, which is great until you have four different gaming operators that you have their product on the floor and none of the systems talk to each other, so as a player it was very inconvenient to have to have three cards in some scenarios and have to know which machines use those cards to be properly tracked.

The other side of that was there were entire sections of the gaming floors in these competitor casinos that were not being tracked. So from a player perspective, what I viewed that, coming from Las Vegas, how I viewed that was that people aren't being tracked, we're not understanding who they are, we're not going to be able to fulfill the marketing efforts to speak to them as an individual rather than just one person who happens to be in our database. There was also minimal focus on customer service. A lot of times these were tribal casinos which can be thriving, wonderful properties, but we didn't see, at least in some of the competitive situations surrounding Remington Park, that emphasis on customer service. The benefits offered to the customers were more promotional in nature, due to the lack of tracking they didn't speak to an individual. In some cases this seems absurd to me, even now, customers would have to pay to get a tracking card which is really a tool so that the casino can know more about them, but some of these operations were charging.

The lack of tracking at these competitor properties led to less consistent customer benefits, less targeted communication programs, inconveniences for the customer some of which I just mentioned, potential for reduced player loyalty, and in general the properties offered a less desirable customer experience than what we hoped to bring to Remington Park. That's the background. What I'd like to talk about now, and actually Jeff and many of the other speakers brought up some of these same points, but the property and the location were very well known.

As I mentioned, this was the top destination in the State of Oklahoma for a period of years. Everyone knows Remington Park. People from other states know it as well. So that was a distinct advantage that we had over every other casino in

the state. Also, Remington Park is located in close proximity to downtown Oklahoma City, so business travelers, people going to Bricktown, it's a very easy little drive for them to get over to the facility and either bet on some races or view the casino floor and have a nice dinner. The location puts Remington Park in close proximity to, in our estimate, in the Greater Oklahoma area, about one million people that would be eligible gamblers. So we have a large pool to draw from. Now, keep in mind, many of them may have a casino in their backyard with the competitive environment, so we have to also consider that.

To create competitive advantages, we knew we were going to have to excel in the state in certain areas. Some of those areas that we looked at were, we knew we would have to develop the infrastructure to be able to have a true one card system. Hoosier Park has that. We had it a few years earlier, but the same kind of scenario applies because we want to know the activity of every one of those players so that we can design a program that will impact them on an individual basis to generate the highest possible response and keep the active levels of customers up in the facility.

Without a one card system that's pretty difficult to do and I think many of the facilities in the State of Oklahoma have found that to be a particular stumbling block, so we wanted to look at that. We also wanted to place emphasis on the player's club as the center of the universe in terms of customer service and in terms of data collection. We looked at of course all of the data that you would normally collect from a customer from the casino point of view, but we also wanted to be a little bit non-traditional in this and get their mobile phone number, get their e-mail address and really push for that so that we could communicate some of these different promotions and events that we knew would be coming up throughout the year to a very wide audience at a very low cost.

We'll talk about some of the impact of those programs a little bit later.

The customer service I can't focus on enough because the customer service training that went into this property was phenomenal. There were workshops that were set up that continued for about a week and a half to two week period prior to the opening to make sure that when someone was on the property at Remington Park, if someone said, can you tell me where the restroom is? That they walked them there, they didn't point them in the direction. That's important, and you don't see that elsewhere in the State of Oklahoma in all cases.

Now I want to talk about the architecture that was necessary to make this happen. This graph is kind of some funny pictures, but the idea was we wanted to take the player's club, the three keyboards and monitors up to the top left, and we wanted that information to feed into the player tracking system in a way that that information would be centralized and available to anyone on the property that needed it for a marketing program, a player evaluation, what have you.

Slots also fed into player tracking. It was important, and I remember the discussions leading up to this with not only the game suppliers but also the player

tracking company, in this case happens to be a Bally product, CMP, but the conversations centered around which slots we would not be able to have because they wouldn't tie into player tracking. That was vital because a lot of times those are popular titles that people want to see, and we chose not to have them for the greater good of player tracking. The AmTote system, which I'm sure everyone is fairly familiar with, was another area of this that traditionally does not tie into player tracking. In this case, we felt it was absolutely necessary.

We also tied in the OTBs, there were five or six for Remington Park, so that we have one central source, that player tracking system, for all of the data for all of the players, so if someone needs a report, if someone needs to know about players in a five-mile radius of the property, we can generate that in a moment's notice. We take the information from the player tracking system and put it into a data warehouse so that it is offline and very highly accessible without taxing the casino floor or even the race side, because in a lot of instances player tracking systems do have pretty good analytics, the problem is if you run a report on Friday night, you might bring down the floor. So we sure didn't want to do that. So from the data warehouse, we've got a couple of icons here, the database marketing section has the mailbox which obviously indicates our direct mail, direct marketing programs, e-mail, and the mobile phone indicates text, which we have begun using.

Once again, we're trying to reach a non-traditional audience to bring the maximum number of people into the property that we can, text messaging is one of those ways.

Finally, reports and analysis, and this is pretty small, so I don't expect that you can read any of the numbers there and that's probably intentional but the idea is that we can develop very segmented reporting that looks at track customers, slot customers, the combination of the two and breaks the database down into stratifications that allow us to target in on very narrow segments so that we would be able to identify a database trend. If we see a decline from last year in a specific market with players at a specific level, we want to address that with a campaign that's very targeted, very focused to bring those players back in because with our competitive environment, with the limited budget, we have to make every dollar count and we're fighting for every player that we bring into the property. So database marketing was essential to that and the reporting and analysis just help us further that cause by identifying trends as they develop rather than after they've already been something that we have to now react to.

So why is customer data so important? Data allows us to segment the players and with smaller groups of players we're able to get more targeted. So we've developed programs that address horseplayers differently than our slot players with a common message about the property that talks about the overall structure and everything that's included. Once we develop those segments, we can communicate differently with the customers based on their gaming or wagering preference, their value, frequency of visitation, recency of their last visit, geographic location, marital status, what have you. Any track data that we have, we will use in a marketing program if we think it will be effective in bringing players

in and driving more revenue. Knowing more about the players than the competitors might, gives us a real advantage in the market, and it has been very effective in driving increased response rates, some of which we'll talk about in a moment.

With this data what we've done is we've developed direct mail programs and other marketing avenues that are data driven. What I mean by that, you'll see here in this example, not only the branding, but also that the offers here are a \$5 wager, and also we've got a racing program, so that's a very targeted track-type promotion that goes out to a number of players each month to ensure that we're bringing them back continually. These are some other examples of data driven direct mail and this mailer, although it's consistent between the slot and track players, the offers are different so I've got a couple of examples of the different offers that you would see for a slot player versus a horseplayer. We have \$50 Lucky Dough; Lucky Dough is the branded name for free slot credits which are offered at Remington Park, and \$10 racing wager, and the racing wager, it's important, I think a lot of times people don't realize that you've got the average bet for the track side might be relatively small just given the numbers of people that are coming in, but some of those players are huge, and so we've developed very tiered, segmented programs that offer various levels of reinvestment based on the worth of the player. We really don't want our players to go to a competitor on the slot side, but on the track side people go to different meets, people are interested in this sport genuinely and they want to be able to experience a lot of that, so as long as we're segmented we hope to bring as many of those players back to the track each time for these types of offers.

The direct mail campaign results, I think, are pretty nice here. What we are looking at from the slot active mail program, typically mails to about 18,000 people, of those 18,000 people, we have 52 percent that return month after month to get these offers. I would put that up against response rates in Las Vegas or riverboat markets or Native American gaming, all of which I work in. This property far exceeds it. I think it has to do with the data, I think it has to do with the service levels, I think it has to do with the longstanding traditions of that property that many people really go there to enjoy. The active track mail program mails to about 2,500 people monthly, it's a smaller database, but we're able to bring back 26 percent of them and have them visit the casino in a following month. So pretty nice response rates from those databases.

Data driven e-mail is another way that we've communicated with the database, and we've got two examples here. The agency that Sharon spoke of, Skyline Media, they're a wonderful agency and what they've developed in these e-mail campaigns are really a video file that scrolls through the messages that you'll see here so that when someone opens this message, they're going to see the Birthday Bash, they're going to see the 20 cash giveaway drawings, and then the date. So it's something that is not only interactive but rather than being a flat e-mail it's going to grab your attention. We'll talk about some of the e-mail response in a moment.

The other thing that we've done is we've created dialogue with the players. To me this is vital because, Sharon talked about market research, I talked about the competitive analysis that we did going in, but you can get feedback from your players all the time and to know if you've got some sort of a potential issue right up front is obviously much easier to react to than if you didn't know about that. So what we've done is we've offered 100 points to players to fill out a brief online survey which is linked to an e-mail that is sent directly to them so that we can understand their attitudes and opinions shortly after a visit and if there's a potential issue that we see there, we would be able to address it with the individual right then and move on to better times in getting those types of issues resolved.

E-mail reporting, here what we've got is, the way that we view e-mail is important at this property because we want to understand not only how are the responses coming in, so if we send an e-mail out to, in this case, 7,900 people and 96 percent of those are delivered and through the end of it 25 percent of them are opened, we want to track that at a one-, three- and seven-day level, so that we can understand when the majority of customers have opened that e-mail because that's vital for targeting the deployment of those e-mails, because if we can target them five days out and we know we're going to have the best number of people that have read it at that point, then we're going to have an advantage because we reach a wider audience. We look at click-throughs from the e-mail campaign over to the Remington Park Web site to understand what's happening with these players. If there's a section of the e-mail that they've clicked on that might speak specifically about the race side of the equation, then we want to understand that, so we track not only the individuals but how many people do click through to that type of information.

Finally, the results. We put a lot of effort into the data collection side and it pays off in the end. So where we are today and, once again, I would put these numbers up against Las Vegas, which is now experiencing 20 percent declines if they're lucky, if they're a well-run property they've got that kind of a decline. This is counterintuitive at Remington Park. For our tracked database, not racetrack, but track meaning carded play, whether that's track or slot, we've got monthly active players increasing eight percent year over year, as of our most recent data. Our tracked monthly win for slot customers has increased 71 percent this year by comparison to last. I think a pretty astonishing number there, once again, the tracked database, so the overall gross gaming numbers may be lower although I think the trend is still the same. For the track customers or horseplayers, we have an increase of 18 percent. Part of this is customers who have been longstanding customers adopting the program now, getting them finally into the Lucky Circle Club Card program which has been important because it's taken years to get there and we've consistently had those messages out in front of people. Tracked win from those horseplayers has increased 51 percent year over year.

So you can see Remington Park in the midst of a competitive environment that is highly challenging, in a tax and payment situation with everything that goes out to breeding and everything that goes out to horsemen's purses and things of this nature, where we have a competitive disadvantage in a lot of ways in terms of

funding, we have capitalized on our ability to create relationships with customers that we think will make us the winner not only now but well into the future because of the data that we collect.

So I didn't get into it in the beginning, but there was a quote that I thought pretty well answered the question: What are we selling? I would like to share that with you. I had the opportunity for a number of years to work with Jack Binion of Horseshoe Casinos and he would say often that casinos really provide manufactured emotion, and Bill talked a little bit about this, but the excitement of the casino experience, whether you're talking about, actually the gaming experience, whether you're talking about a slot player that's watching that last reel spin to see if they've won a jackpot, or a poker player who's watching that last card flip over into the river, to know if they've won or potentially won, or the photo finish of a hard fought race. It's all the same experience. The excitement is there. The individual may care about one more than the other, but the excitement is what we're selling. I hope that explained a bit of the how and why and thank you.

**MR. WITTERSCHEIN:** Thank you, Craig, and, Sharon, Bill. and Jeffrey, we're pressed for time, we're running late so we'll get right to questions, and again, if anybody has a question that you don't want to put into the public forum because we're audiotaped here, just certainly come up and chat with us. Does anybody have a question? We'll go right to that microphone there.

**MR. BRESLO:** I have a question in the meantime. Sharon, on your Sevens promotion, which I think is a great promotion. Can people on the casino side win?

**MS. LAIR:** They can if they're betting on horseracing, absolutely, but part of the criteria is, because we're promoting the racing side here, is that you have to bet on a horse with your card.

**MR. SMITH:** And he's off to catch his plane. Are there any other questions?

**A VOICE:** I had a question on the Pigskin and Ponies promotion. I assume it's free to enter, is it through a kiosk? Do they fill out a form? How do you score it? And to get nine horse races right and nine football games right, why would you bother with insurance?

**MS. LAIR:** Well, you never know in this world that we live in. There were a couple people that came very, very close, and besides I wanted to keep my job in case somebody won, but we actually leased some software and a scantron and we developed the entry forms, they were sort of generic, had the racing on the top and the football on the side and you filled it all in and every week it was programmed and we collected these and we sent them through the scantron, sort of like a lottery machine does, and it took out our winners. We had several people win the racing side and several people that would win the NFL side, but we came very, very close to having a couple winners on the other side, but just as soon as you think someone's not going to do it in our world, they do. But it was very fun.

**MR. SMITH:** Any other questions? Thank you all for coming, have a happy holiday and a safe trip back.



**COURTESY OF UNIVERSITY OF ARIZONA  
RACE TRACK INDUSTRY PROGRAM**