

# **A STUDY OF HARNESS RACING'S DEMOGRAPHICS & SPONSORSHIP POTENTIAL**



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## **EXECUTIVE SUMMARY**

## **Executive Summary**

Based on the data published by the United States Trotting Association in the 2004 edition of *The Trotting & Pacing Guide*, the harness racing industry across North America has a number of declining trends that need to be addressed head-on. These trends include decreases in on-track handle, overall handle, and on-track attendance. Additionally, harness racetracks in Canada have been experiencing decreases in per-capita wagering.

Before these trends can be addressed, it is important to understand harness racing's current markets. This will assist racetracks in the development of initiatives geared towards strengthening and expanding the existing markets. To uncover this data, a questionnaire was sent to 44 racetracks seeking demographic information about harness racing's fan base. In total, 16 racetracks participated, resulting in a 36% response rate. Survey results point to two clear conclusions: (1) The core fan base is skewed heavily towards the male gender; (2) The core fan is 35 years of age and older. In addition to these conclusions, survey results indicate that the majority of harness racing's fans fall into two income range demographics. These annual income ranges are under \$50,000 and \$50,000-\$99,999.

After uncovering demographic data, the questionnaire was then geared to gauge racetrack operators' opinions of individual sponsorship deals for drivers and/or trainers that compete at their racetracks. In general, the responses were positive, which indicates a willingness to explore these types of deals. In fact, approximately 63% of the survey participants indicated that sponsorship deals for drivers/trainers are a positive means for the industry to generate additional money. Additionally, 56% of the participants indicated that they would be interested in partnering with drivers/trainers in sponsorship deals. One particular way a driver/trainer can promote a product is to wear a company's logo on his/her colors while competing in races. This creates visibility with both on-track and simulcast patrons. When racetrack operators were asked to voice their opinion on this type of sponsorship, 50% of the respondents indicated varying levels of support. 25% of the respondents indicated that their racetrack was neutral on the issue. With 6% of the respondents not answering this question, only the remaining 19% of the respondents indicated some form of opposition towards this type of sponsorship.

# **INTRODUCTION**

Harness racing is a complex, multifaceted industry with many components contributing to its overall success. However, pari-mutuel handle is likely the main determining factor that indicates the success of a racetrack. As a result, this study has been developed to analyze pari-mutuel handle statistics and trends that the industry is currently facing. Also, this report analyzes other components that relate directly to handle, such as on-track attendance and demographic information about the industry's fan base. The demographic information includes an assessment of how harness racing fans break down by gender, age, and annual income.

In addition to handle, this report seeks to identify alternative means of generating additional revenue for the industry. These revenue streams include advertising opportunities, sponsorship deals for racetracks, sponsorship deals for drivers and trainers, operation of racinos, and increased account wagering. While these opportunities have both positive and negative aspects, well-planned implementation and close management of each will prove to be a significant benefit to racetracks and the entire harness racing industry.

**INDUSTRY STATISTICS  
2003**

According to the 2004 edition of *The Trotting & Pacing Guide*, which is compiled and distributed by the United States Trotting Association (USTA), the harness racing industry experienced declining trends in many key categories during 2003. The first category to be analyzed is the amount of handle generated by harness racing. In the U.S., on-track handle for 2003 was \$446,974,292, which equates to a 16.17% decrease from 2002. On-track handle in Canada also experienced a severe decline during the same time period. In 2003, on-track handle for Canadian racetracks was \$176,299,877, a 14.32% decrease from 2002. In terms of inter-track wagering (ITW) during this time period, U.S. racetracks experienced a slight decline while Canadian racetracks enjoyed a slight increase. In 2003, ITW for U.S. racetracks totaled \$1,737,126,020, which was a decrease of 4.42% over the previous year. For Canadian racetracks, ITW increased 1.80% in 2003 to reach a year-end total of \$246,643,254. As for off-track betting (OTB), U.S. racetracks saw a 0.86% increase in this type of wagering in 2003. For U.S. racetracks, the total OTB handle generated for the year was \$462,444,121. For Canadian racetracks, OTB handle in 2003 was \$51,782,556, which was down 3.72% from the 2002 figure.

Overall, U.S. harness racetracks generated handle amounting to \$2,646,544,433 during 2003. When compared to 2002 handle, U.S. racetracks experienced an overall decrease of 6.69%. For Canadian racetracks, the total handle generated for the year was \$474,725,687. Similar to the U.S., the total handle generated by Canadian harness racetracks was also a decrease from 2002. The \$474,725,687 generated in 2003 reflects a 5.40% decrease in handle from the previous year. Between U.S. and Canadian harness racetracks, a total handle of \$3,121,270,120 was generated in 2003. Based on the declining trends for racetracks in both countries, total harness handle for North America dipped 6.49% from 2002 to 2003.

The second category to be analyzed is on-track attendance. Similar to handle, the overall trend of on-track attendance at North American harness racetracks is one of decline. In 2003, 9,771,928 people walked through the gates of North American harness racetracks. This equates to a 4.72% decrease in on-track attendance from 2002. Comparing the U.S. and Canada, it was the racetracks in the U.S. that experienced a more significant decrease in on-track attendance. In 2003, U.S. racetracks generated attendance of 6,013,041, which was 6.57% less than the number of people who attended

these racetracks in 2002. For Canadian racetracks, the dip in attendance was not quite as severe. In 2003, Canadian racetracks attracted 3,758,887 attendees, which was a 1.59% decrease from 2002.

The last category to be analyzed is per-capita wagering. This is one category where harness racetracks in the U.S. remained consistent from 2002 to 2003. In 2002, the average per-capita wagering at U.S. harness racetracks was \$74.36. In 2003, the per-capita wagering was \$74.33. However, the same level of consistency was not the story for Canadian harness racetracks. In 2003, the estimated per-capita wagering averaged \$46.90. This equates to an approximate decline of 12.94% from 2002.

# **SHIFTING DEMOGRAPHICS**

### **Harness Racing Demographics – 1993**

As part of a proposal to entice Cadillac to become the official sponsor of the Hambletonian and the Breeders Crown, the Hambletonian Society, Inc. compiled and presented demographic information about harness racing fans. This information, which is dated May 18, 1993, was drawn from the Simmons Report and will be used as a baseline to analyze how harness racing's demographic has shifted over the years.

According to the 1993 research, harness racing fans were 54% male and 46% female. In terms of age, approximately 55% of harness racing fans were over 35 years of age. This research also pointed to the reality that harness racing fans generally had high annual household incomes. As compared to the U.S. norm during the time period, harness racing fans generally fell into two core income categories. These categories included households earning \$50,000 or more and households earning \$100,000 or more.

### **Harness Racing Demographics – 1996**

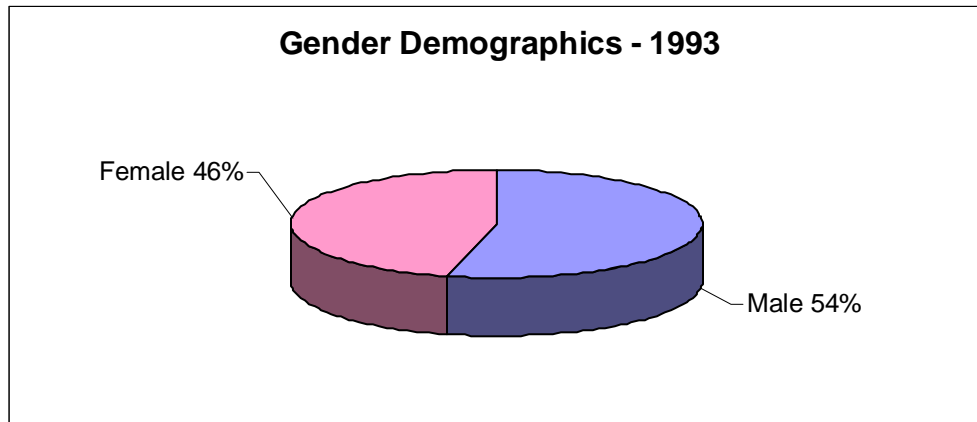
In 1996, a follow-up study on harness racing demographics was conducted by Marketing/Media/Directions, Inc. This study was conducted on behalf of both the Hambletonian Society, Inc. and the New Jersey Sports and Exposition Authority. This study was limited to two major racing events in 1996, both of which were hosted by The Meadowlands Racetrack. In particular, the two major racing events were the 1996 Hambletonian and the three Breeders Crown open trotting and pacing championships. The 1996 Hambletonian was conducted on August 3<sup>rd</sup>. The 1996 Breeders Crown championships for the open divisions were held on August 9<sup>th</sup>.

The source of the data generated by this study was 554 in-person interviews that were conducted by the field staff of Schlesinger Associations. To ensure the sample reflected the diverse crowd at The Meadowlands Racetrack, field staff members were disbursed at various locations throughout the facility on both August 3<sup>rd</sup> and August 9<sup>th</sup>.

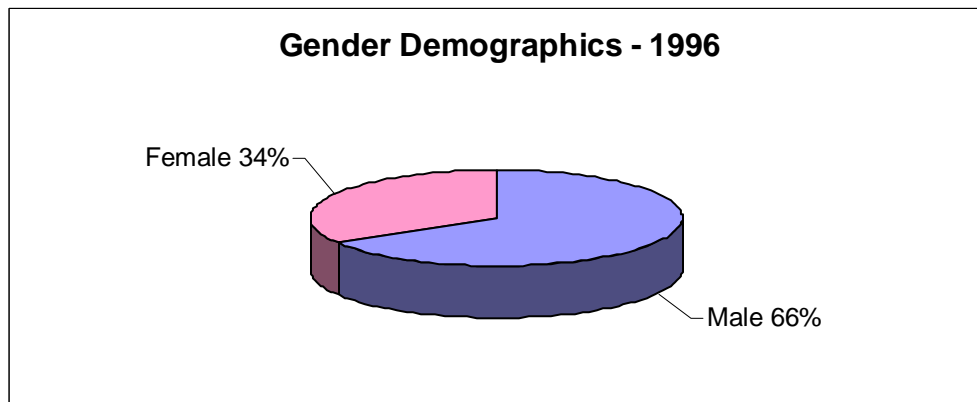
Although the study was limited to only two major racing events at one facility, the summary survey results served as an indication that the demographic of the harness racing fan had only slightly shifted since 1993. The main difference between the 1993 and 1996 data, as illustrated in figure 1 and figure 2, is that the demographic had shifted to become a more male-driven market. According to the 1993 data, 54% of harness

racing fans were male. By 1996, males comprised approximately 66% of the fan base. In contrast, the percentage of female harness racing fans experienced an obvious decrease. In 1993, 46% of the harness racing fan base was female. However, by 1996 this number had dropped to 34%.

**Figure 1**



**Figure 2**



An example of this demographic shift can be illustrated by the results of the in-person interviews conducted during the Breeders Crown events on August 9<sup>th</sup>. On this particular day, approximately 74% of those interviewed were male.

Supporting only a slight shift in the income range demographic, the 1996 study confirmed that harness racing was still attracting fans with relatively high incomes. According to the summary survey results from both major racing events, approximately 44% of the audience posted an average annual household income in the \$50,000-\$99,999

range. Additionally, approximately 19% of the audience fell into the average annual household income range of \$100,000 or more. Although 63% of the attendees fell into these income ranges, it is important to note that approximately 33% of the audience reported an average annual household income of less than \$50,000. Although the majority of the audience consisted of those individuals with relatively high incomes, the 33% earning less than \$50,000 represented a significant market that truly illustrated the diversity associated with the total embodiment of harness racing's 1996 fan base.

### **Harness Racing Demographics – 2005**

In March 2005, a questionnaire was sent to harness racetracks throughout North America in an effort to compile current demographic data associated with the majority of the industry. This questionnaire was prepared and distributed by Race Track Industry Program (RTIP) student Joseph Pulli in partnership with Branding Rights, LLC. During the preparation of the questionnaire, beneficial assistance was provided by RTIP Director F. Douglas Reed, Harness Tracks of America, and Mr. Christopher McErlean of the New Jersey Sports and Exposition Authority. In total, 44 questionnaires were sent out. Responses were received from 16 racetracks across North America, resulting in a response rate of 36%. As stipulated in the questionnaire, individual responses remained anonymous throughout the entire survey process. The anonymous responses were used to compile the summary results provided within the text that follows. Additionally, a copy of the survey has been included in this report as Appendix I. A compilation of the questionnaire responses has been included as Appendix II.

#### *Male Demographics*

Based on the survey results, the overall male demographic is skewed toward patrons 35 years of age and older. Additionally, the core male demographic falls into two main income brackets: under \$50,000 and \$50,000-\$99,999. While the survey process uncovered the core male demographic, it was also successful in identifying the demographic differences between the live racing, simulcasting, and off-track betting markets. These differences are highlighted in figures 3 and 4.

Figure 3

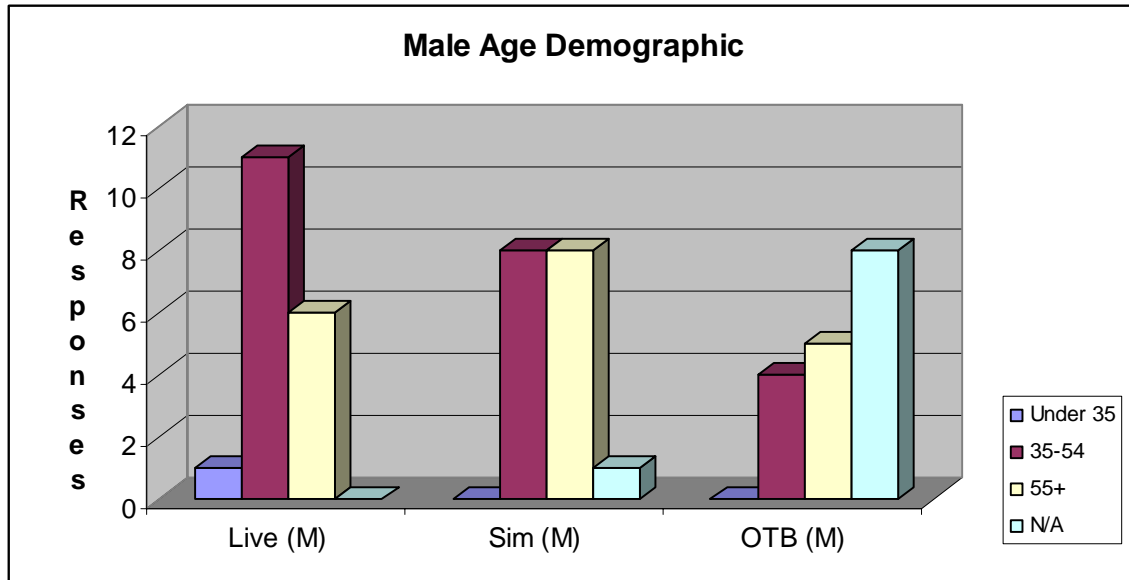
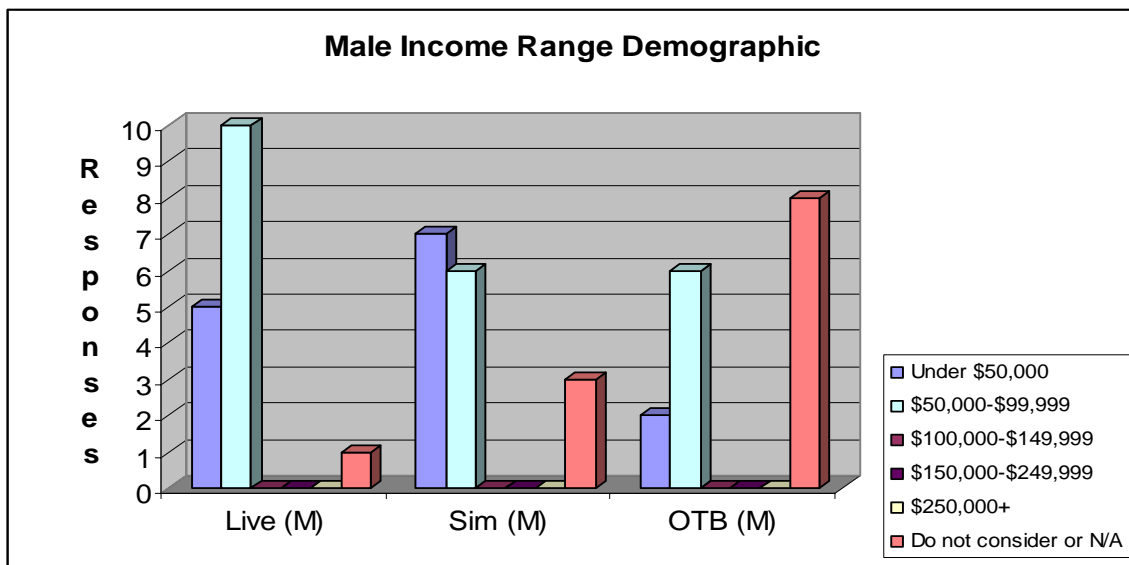


Figure 4



In terms of the live racing male demographic, questionnaire results concluded that the primary audience is 35-54 years old. In fact, 11 participants, which equates to approximately 61%, indicated that 35-54 years old was their core male demographic. As

far as income range, approximately 67% of the participants indicated that the core male demographic falls into the \$50,000-\$99,999 range.

The core demographic of male simulcast patrons differs slightly from the live racing audience. For simulcasting, survey participants indicated that the core male market is split between the age brackets of 35-54 and 55+. In other words, half of the participants identified 35-54 as their core age demographic, while the other half identified 55+ as their core age demographic. The data also indicates that the market is split between the income ranges of under \$50,000 and \$50,000-\$99,999. In fact, approximately 54% of the respondents consider the under \$50,000 income bracket as their core market, while approximately 46% identified that their patrons fell into the \$50,000-\$99,999 range. Three survey participants responded that they do not consider income when analyzing their fan base. As a result, these three responses were removed from the calculation of the core income bracket percentages.

The final male demographic analyzed was the off-track betting market. It should be noted that a significant portion of the survey participants do not operate off-track betting facilities. These participants were removed from the calculation of this particular demographic. With that being said, the resulting data indicates that the male off-track betting market consists predominately of the age ranges 35-54 and 55+. Approximately 44% of the respondents identified their core demographic as the 35-54 age range. The remaining 56% identified 55+ as their core off-track demographic. The income range for this market skews heavily towards \$50,000-\$99,999. In actuality, 75% of the survey respondents indicated that their male off-track patrons fall into this particular income range.

### *Female Demographics*

Based on the survey results, the overall female demographic is also heavily skewed toward patrons 35 years of age and older. Additionally, the core female demographic falls into either the under \$50,000 or \$50,000-\$99,999 income bracket. Figures 5 and 6 below depict the female demographic for the live racing, simulcasting, and off-track betting markets.

Figure 5

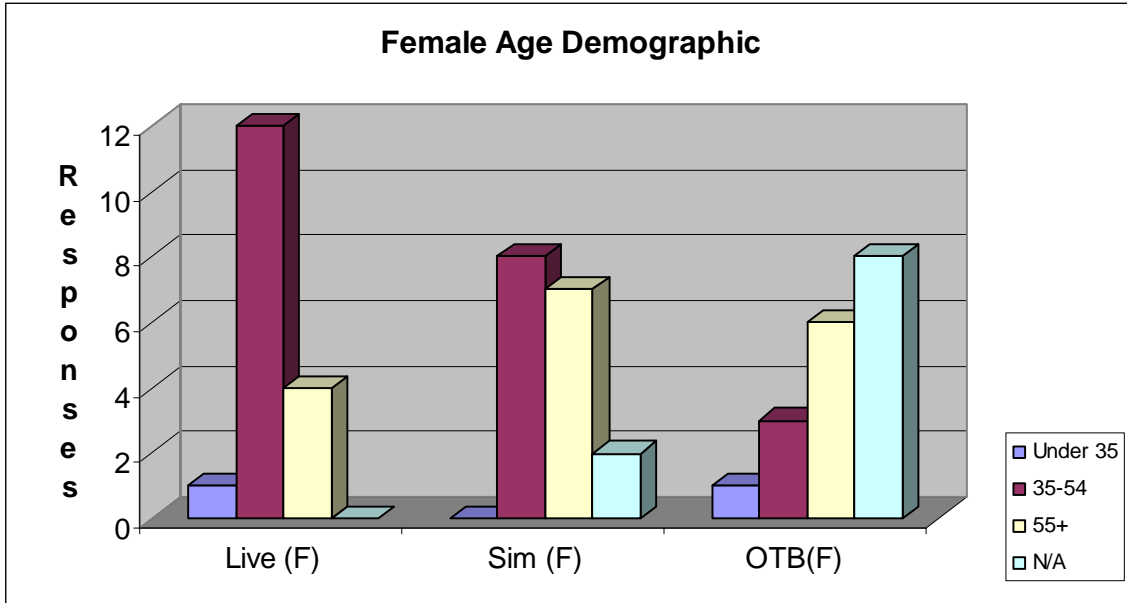
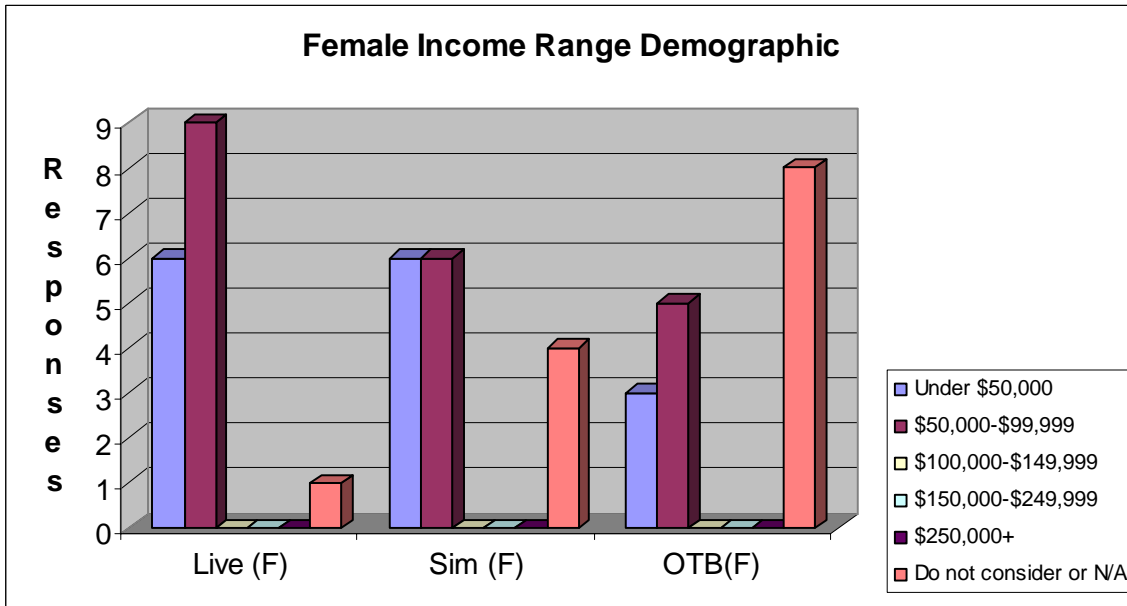


Figure 6



Similar to the male live racing audience, the female live racing audience is predominantly 35-54 years old. Based on the responses, almost 71% of the participating racetracks feel their female market for live racing is comprised of this age range. In

terms of income, 60% of the responses identified that this demographic earns between \$50,000 and \$99,999 annually.

The female simulcast market displays more balance between different age ranges and different income brackets. In terms of age range, 53% of the respondents identified their market as 35-54 years old. The remaining 47% identified 55 years of age and older as their core demographic. As far as income, the under \$50,000 bracket comprised 50% of the responses, while the \$50,000-\$99,999 bracket received the remaining 50%.

For the off-track betting market, it should again be noted that a significant amount of the survey participants do not operate off-track betting facilities. For those that do, 60% feel that their core female patrons are 55 years of age or older. Additionally, approximately 63% identified that these patrons fall into the \$50,000-\$99,999 income range.

#### *Male/Female Ratio*

As presented earlier in this report, past harness racing data indicates that the overall market has a greater percentage of male patrons than female patrons. Since the growth of both simulcasting and off-track betting facilities, the market has become even more heavily skewed towards the male gender. Based on the results of the survey activity, the combined totals for live racing, simulcasting, and off-track betting indicate that racetracks believe 82% of the market is male, while only 18% is female. Figures 7, 8, and 9 below provide the ratios of males-to-females for all three markets analyzed.

**Figure 7**

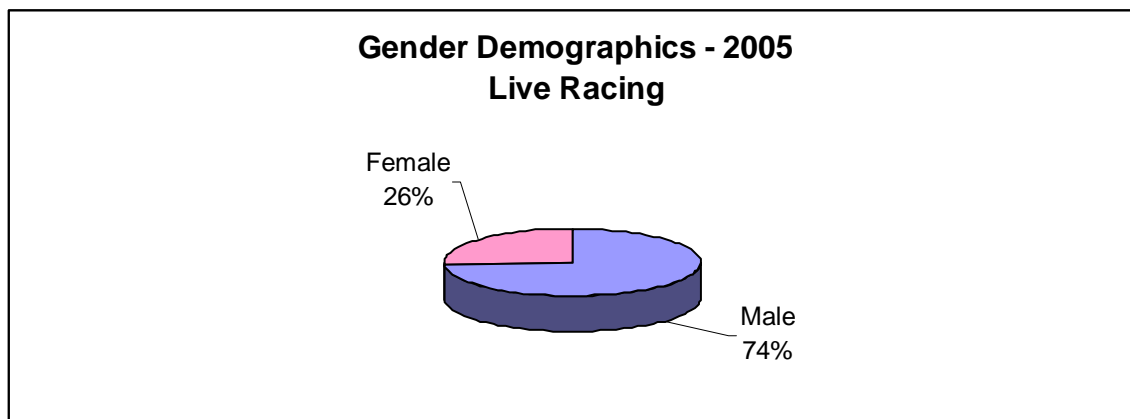


Figure 8

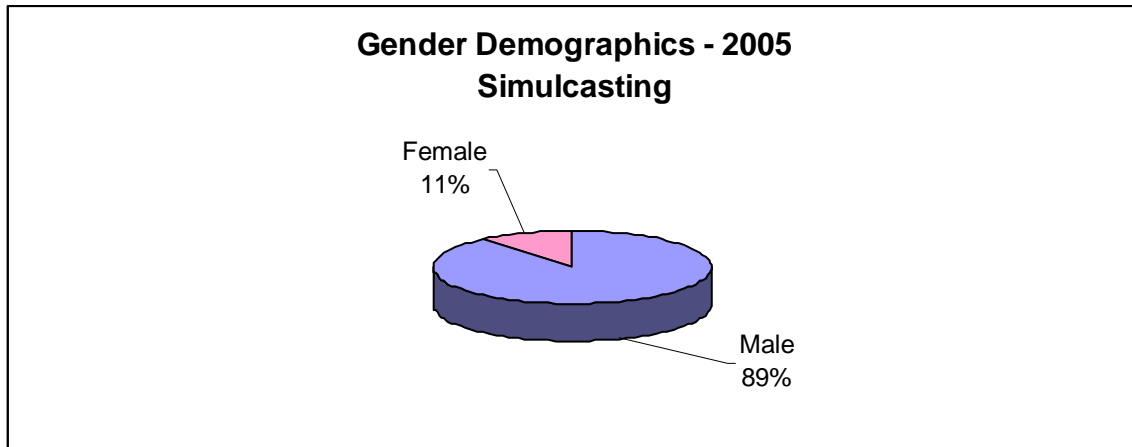
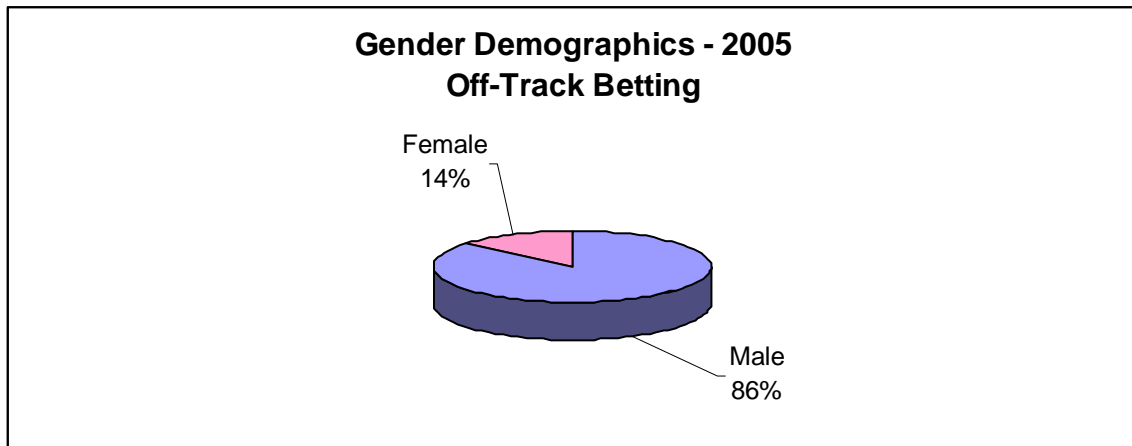


Figure 9



**Initiatives Changing Harness Racing's Demographics**

Although the current demographic for harness racing is primarily male, racetracks are undergoing initiatives geared at strengthening and expanding their markets. To continue to reach males that are 35 years of age and older, many racetracks have employed some of the following initiatives:

- Handicapping contests
- Targeted mailers, coupons, and giveaways
- Daily on-track contests
- Rewards programs
- Plant renovations

- Celebrity handicapping seminars
- VIP dinners

Growth within the current demographic is important, but it may not be enough to ensure continued success. As a result, many racetracks are embarking on new initiatives in an effort to expand their market. The targets of these initiatives include females, casual horse racing fans, and younger individuals. To increase female attendance, the harness racetracks that participated in the survey process have begun offering some of the following:

- Family nights and carnival atmospheres
- Video lottery terminals
- Conference centers
- Women's days
- Branding of restaurants, bars, and lounges

As far as attracting casual horse racing fans, harness racetracks are attempting to generate more interest by offering promotions, drink specials, group specials, non-wagering games, and contests such as mystery vouchers. Similarly, racetracks are using other entertainment options to attract younger customers, especially those ages 21-30. Some of these initiatives include date nights, ladies' nights, tractor pulls, celebrity appearances, concerts, and food and beverage specials.

### **Demographics of Harness Racing Organizations**

An important subset of harness racing's demographics that was also explored during this study was the individual membership base of two important harness racing associations, Standardbred Canada and the USTA. With the assistance of Ms. Janet Cookson of Standardbred Canada and Mr. David Carr of the USTA, the following outlines the demographic makeup of both associations' members.

As of February 2005, there were 12,424 members registered with Standardbred Canada. The membership of this association is heavily skewed towards the male gender. In fact, approximately 77% of the membership base is male, while only 23% is female. In terms of age, 87.60% of all Standardbred Canada members are 35 years of age or older.

The membership trend for the USTA is very similar to that of Standardbred Canada. In total, the USTA has 24,666 members. The membership base is 67.90% male and 20.30% female. The gender of the remaining 11.8% was not identified in the USTA database. Also similar to Standardbred Canada, the age of USTA members is primarily 35 years of age and older. In fact, 87.80% of USTA members fall into this age classification.

In total, Standardbred Canada and the USTA have a combined membership base of over 37,000 people. The overall combined demographic information for the members of both associations has been provided below in Figure 10.

**Figure 10**

<b>Combined Membership Demographics Standardbred Canada and USTA</b>	
Members	37,090
Male	70.9%
Female	21.3%
Unidentified	7.8%
Under 35	11.4%
35-55	41.4%
55+	46.3%
Unidentified	0.9%

# **ADVERTISING & SPONSORSHIP**

An additional goal of the questionnaire sent to racetrack operators was to assess the sponsorship potential that exists within the industry. To achieve this goal, the questionnaire was crafted with two types of questions. The first type was developed to identify the current advertisers and sponsors that are involved with harness racetracks throughout North America. The second type was developed to address individual sponsorship deals for drivers and trainers.

### **Racetrack Advertisers and Sponsors**

Survey results point to the clear conclusion that harness racetracks have been successful in attracting both advertisers and sponsors. In terms of advertising at harness racetracks, there has been overwhelming success in attracting local forms of media. Of the 16 racetracks participating in the survey, 7 identified local television, radio, and/or print as an advertiser. The next most popular advertisers were Budweiser and Miller Brewing Company. In addition to these advertisers, racetracks also listed Comcast, Coca-Cola, Pepsi, Labatts, Corona, and local lotteries as key advertisers. A summary of all the advertisers identified by the participating racetracks has been captured at the end of this report in Appendix II.

Advertising is a two-way street. In addition to seeking advertisers, harness racetracks are also assessing the best place to advertise their product in an effort to grow the business. Based on survey results, racetracks rely primarily on local television for their advertising efforts. Of the 16 racetracks participating in the survey, 14 indicated that they advertise on local television stations. Other notable survey results indicate that 9 of the participating racetracks advertise on cable television, 8 advertise on harness racing industry websites, and 7 advertise on account wagering websites.

In terms of sponsorship, the focus of the industry seems to be on alcoholic and non-alcoholic beverage companies. In fact, survey results pointed to Pepsi, Budweiser, Miller Brewing Company, Labatts, Molson, and Coca-Cola as the most widely used sponsors amongst the racetracks that participated. Other key sponsors involved with harness racetracks include American Airlines, Comcast, Chrysler, Jeep, GMC, and Pontiac. To entice sponsorship support, racetracks offer a number of benefits as part of the relationship. Of all the benefits provided, the most common include advertising in the

on-track program, billboards around the racetrack, logos and commercials on the exported simulcast signal, product exclusivity, and signage around the facility. A complete listing of all the benefits provided by survey participants has been listed in Appendix II.

### **Sponsorship and Human Talent**

The second series of questions focused on individual sponsorships for both drivers and trainers that compete at the harness racetracks throughout North America. In general, responses were positive, which indicates there is a willingness on the part of racetrack operators to consider the potential advantages that driver/trainer sponsorship may have on the entire industry. In fact, approximately 63% of the survey participants believe that sponsorship deals for drivers/trainers are a positive means of bringing more money into the industry.

In the same regard, 63% of the participating racetracks are planning activities geared towards promoting their human talent. The most common activities include:

- Autograph sessions
- Appearances
- Television features
- Radio interviews
- Bobblehead giveaways
- Driver/Trainer of the week awards

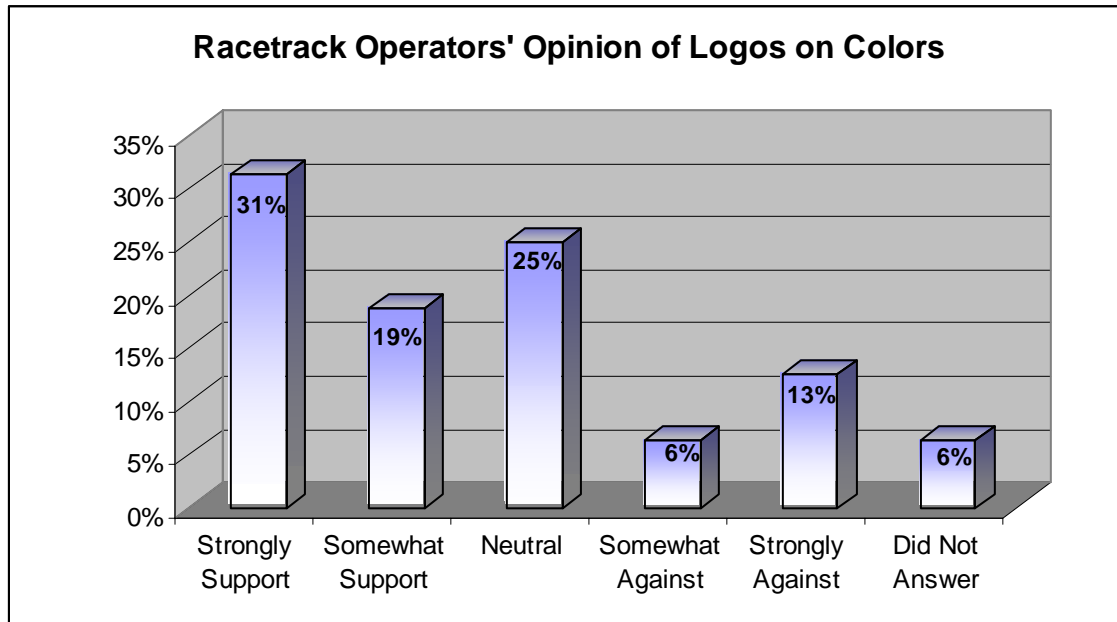
In addition to these activities, 56% of the racetracks indicated that they would also be interested in partnering with drivers/trainers in advertising and/or sponsorship deals. The most common suggestions for this partnership were the use of drivers in television advertisements for the racetrack and other public appearances utilizing the drivers and/or trainers. For those racetracks indicating that they were not interested in partnering with drivers/trainers, the following reasons were provided:

- Not cost effective
- Existing exclusivity contracts
- Fan criticism of race results
- Lack of interest in the market

One specific element of driver/trainer sponsorships is the wearing of logos on their colors. The questionnaire was used to assess the overall perception amongst

racetrack operators on this matter. Participants were asked to answer using a scale of 1-to-5. An answer of 1 indicated strong support, while an answer of 5 indicated a racetrack strongly against the wearing of logos on the colors. Participant responses have been provided in figure 11.

**Figure 11**



### **Sponsorship and Flat Racing**

Advertising and sponsorship in horse racing is big business. This can easily be illustrated by the numerous corporate partners, advertisers, and sponsors involved with the National Thoroughbred Racing Association (NTRA) and the American Quarter Horse Association (AQHA). These organizations continue to successfully attract both advertisers and sponsors to their specific industries by using the power of their respective membership bases. The harness racing industry can extract valuable lessons from both the NTRA and AQHA models that can be used to leverage the power of its own employee and membership base.

### *National Thoroughbred Racing Association*

The National Thoroughbred Racing Association (NTRA) offers numerous opportunities for companies to get involved with thoroughbred racing. In total, the NTRA offers three main types of sponsorship packages. The first is the Breeders' Cup package. The second is a national partner package. The last package is a program known as NTRA Purchasing.

The Breeders' Cup package includes the selling of divisions of the Breeders' Cup World Thoroughbred Championships. These packages are ideal for companies seeking hospitality and branding opportunities. In fact, becoming a sponsor of a division provides you branding opportunities and benefits throughout the year. For example, Bessemer Trust sponsors the juvenile division throughout the year. This sponsorship culminates in late October with the Grade I Bessemer Trust Breeders' Cup Juvenile.

The national partner package provides companies with branding opportunities on both a national and a local level. Basically, a national partner has the ability to capitalize on the NTRA's relationships by setting up special events and branding opportunities at multiple thoroughbred racetracks. Although these companies may not be sponsoring specific races or divisions, they are entitled to the pursuit of product placement opportunities at racetracks whose core demographic matches their target customer.

The final package is the NTRA Purchasing program. "NTRA Purchasing, a subsidiary of the National Thoroughbred Racing Association, offers substantial cost savings on products and services from Dodge, John Deere, FedEx, Sherwin-Williams Paints, OfficeMax, Lexmark and Hallway Feeds to NTRA supporters through group purchasing."<sup>1</sup> This program provides companies access "to all NTRA supporters and employees, and to current Breeders' Cup nominators."<sup>2</sup> This program has successfully provided NTRA members and supporters with the opportunity to receive discounts on products offered by participating companies. Also, this program has given the NTRA the ability to attract companies that are not necessarily interested in the wagering aspect of thoroughbred racing. This program focuses on the people that comprise the NTRA's membership, not the racing product that they support.

## *American Quarter Horse Association*

Similar to the NTRA, the American Quarter Horse Association (AQHA) uses the power of its membership base to attract sponsors and corporate partners. With a membership base of over 350,000 people, the AQHA has become an outlet that many companies use to reach their target market. Many of the sponsors seek to become an official product of the AQHA. Becoming an official product provides a company with exposure opportunities and the ability to offer incentives and discounts to AQHA members. For example, Wrangler is the official western jeans and shirts of the AQHA and FedEx is the official shipping company of the AQHA. For Wrangler, the partnership provides exposure and visibility at all AQHA events. For FedEx, becoming the official shipping company allows them to offer special discounts to all AQHA members.

In general, there are two AQHA programs designed to entice sponsors and corporate partners. The first program, known as AQHA Members Plus, “offers AQHA life members and 4aHORSE breeders and professionals an opportunity to enjoy preferred pricing on products and services through a cooperative purchasing program.”<sup>3</sup> This program has attracted participation from such companies as John Deere, FedEx, Nextel, Sherwin-Williams, OfficeMax, and Lexmark. AQHA members eligible for this program receive such benefits as 16% discounts on shipping services from FedEx, up to 40% discounts on Sherwin-Williams products, and 55% discounts on OfficeMax office products.

The second program, which includes a collection of AQHA corporate partners, offers discounts on certain products to all AQHA members. The main difference between this program and the AQHA Members Plus program is that this program is open to all AQHA members, not just life members or members of 4aHORSE. The list of corporate partners is extensive and includes such companies as Nutrena, Ford, FedEx, John Deere, MBNA America, and Wrangler. Based on this program, AQHA members receive some of the following discounts:

- \$500 incentive toward the purchase of any Ford vehicle
- \$500 coupon toward certain models of John Deere tractors
- 16% discount on select FedEx shipments

In addition to offering product discounts, this program also offers exposure opportunities to many of the corporate sponsors. For example, FedEx is the sponsor of the Open division of the AQHA World Championship Show. Additionally, Ford, John Deere, MBNA America, and Wrangler sponsor and co-sponsor a number of AQHA events.

## **THE RACINO EFFECT**

A number of harness racetracks in both the U.S. and Canada are currently given a financial boost from revenue generated by electronic gaming machines at these facilities. While racinos exist across Canada, the number of harness racetracks in the U.S. with operating racinos is currently limited. In fact, only harness racetracks in Delaware, Iowa, and New York are currently operating racinos. However, the future expansion of racinos is inevitable with facilities expected in Florida, Maine, and Pennsylvania. Also included in the mix are additional racinos in New York, including Yonkers Raceway.

### *United States*

In Delaware, video lottery terminals (VLTs) have been in operation at Dover Downs since 1995 and Harrington Raceway since 1996. As of today, Dover Downs operates 2,500 machines while Harrington operates over 1,400 machines. The impact that VLTs have had on racing in the state of Delaware is significant and well illustrated by the revenue received by the facilities and by the racing products. In Delaware, 48% of the revenue generated by VLTs goes to the racetrack. Additionally, 11% of the revenue goes to the horsemen in the form of purses.

In Iowa, Prairie Meadows Racetrack and Casino has been operating as a racino since 1995. Prairie Meadows offers harness, quarter horse, and thoroughbred racing throughout the year. In addition to its racing product, this racino also operates table games and 1,500 electronic gaming machines. Because Prairie Meadows is operated as a non-profit entity, the amount of revenue contributed to purses from the casino operation is negotiated annually. In 2004, the negotiated agreement was that \$15 million would be used for purses.

Another state currently operating racinos is New York. In total, three harness racetracks in the state are currently operating as racinos. These racetracks include Mighty M Gaming at Monticello Raceway, Saratoga Raceway & Gaming, and Fairgrounds Gaming & Racing (also known as Buffalo Raceway). Monticello is currently operating 1,800 VLTs while Saratoga Raceway and Buffalo Raceway operate 1,300 VLTs and 1,000 VLTs respectively. Recent legislative approval will result in an increase of VLT revenue that goes to the racetracks. “Under the new deal, tracks would get 32% of the first \$50 million in annual VLT revenue, 29% on the next \$100 million,

and 26% on anything above that amount. In addition, lawmakers added a new ‘marketing and promotional’ payment that would provide an additional 8% on the first \$100 million in VLT revenue, and 5% on everything over that figure.”<sup>4</sup> This recent legislation is also geared to “jump-start the long-stalled VLT casino at...Yonkers Raceway.”<sup>5</sup> Despite the positive impact that this legislation is expected to have on New York’s horse racing industry, anti-gambling groups continue to challenge the legality of VLTs in the state. Recently, anti-gambling proponents “argued that the machines are not actually lottery terminals and therefore outlawed by the state constitution. The same group also challenged the distribution of proceeds from the slots that allows a portion of proceeds to go to purses and breed development.”<sup>6</sup> This challenge went to the state’s highest court, the New York State Court of Appeals. In a favorable decision for the horse racing industry, the Court rejected the challenge and “ruled that it is ‘not for the courts to decide whether a particular vendors fee set by the legislature is reasonable.’”<sup>7</sup>

Soon to enter the racino market are such states as Florida, Maine, and Pennsylvania. On March 8, 2005, the voters in Florida’s Broward County went to the polls and approved the operation of Las Vegas-style slot machines at the county’s four pari-mutuel facilities. “Gulfstream Park, Dania Jai-Alai, Hollywood Greyhound Track and Pompano Park Harness Track can add slot machines after state legislators draw up regulations this spring and decide how to direct taxes to help public education as promised.”<sup>8</sup> While legislators begin developing the rules, pari-mutuel facilities in Broward County are already beginning to project the number of machines that will be in operation. “Pompano has already suggested installing up to 3,000 machines.”<sup>9</sup> Regardless of the number of machines that end up in operation, initial projections of the impact slot machines will have on the community are positive. “Under the best-case scenario, slot machines in Broward County would likely raise about \$300 million for public schools across the state.”<sup>10</sup>

In November 2004, voters in Maine approved slot machines at the state’s harness racetracks. However, a stipulation in this vote was that a racetrack’s host community must also approve the operation of gaming machines. Bangor, which is the site of Bangor Raceway, approved the implementation of machines. However, voters in the community where Scarborough Downs is located rejected the machines. With the

approval of the Bangor community, a panel is now working to develop the gambling regulations that will be in place when the facility opens. Projections point towards gaming machines at Bangor Raceway, which is operated by Penn National Gaming, Inc., by the spring of 2006. Once operating, the gaming machines are expected to add \$2 million to \$3 million to the city's treasury annually.<sup>11</sup> In total, the revenue generated by these machines is expected to be distributed as such<sup>12</sup>:

<b>Revenue Distribution:</b>	
Racetrack	61%
Gambling Fund Control Board General Fund	3%
Purses	10%
Sire Stakes Fund	3%
Agricultural Fair Support Fund	3%
Fund for a Healthy Maine	10%
University of Maine System	2%
Maine Community College System	1%
Fund to Encourage Racing at Maine's Commercial Racetracks	4%
Off-track Betting Facilities	2% (To be reduced to 1% after 4 years with the remaining 1% to go the General Fund)
Host Municipality	1%

Another state currently seeking implementation of slot machines is Pennsylvania. Legislation will allow up to 61,000 machines at 7 racetracks, 5 casinos, and 2 resorts. This legislation will bring slot machines to two existing harness racetracks, The Downs at Pocono and The Meadows. The Downs at Pocono was recently purchased by Mohegan Tribal Gaming Authority. The Meadows is owned by Magna Entertainment Corp. The legislation will also allow for the construction of two new harness racetracks in the state. One of these racetracks, which is to be operated by Harrah's Entertainment, Inc., will be located minutes away from the Philadelphia International Airport in Chester, Pennsylvania. The location of the other new harness racetrack is still under negotiation. Once operating, the revenue generated by the machines at racino locations is expected to be distributed as such<sup>13</sup>:

<b>Revenue Distribution:</b>	
Daily Tax to State Gaming Fund*	34%
Local Share Assessment	4%
Improvement/Maintenance of the Racetrack	\$5,000,000 over initial 5 years; \$250,000 - \$1,000,000 per year for five years thereafter
PA Race Horse Development Fund**	$\frac{\text{Licensee's Daily Gross Terminal Rev}}{\text{Total Daily Gross Terminal Rev}} \times 18\%$ of Total Daily Gross Terminal Rev
PA Gaming Economic Development and Tourism Fund	5%

* The State Gaming Fund is to be transferred as follows:	
Compulsive Problem Gambling Treatment	\$1,500,000 or 0.1%
Volunteer Fire Company Grant Program	\$25,000,000
Law Enforcement Grants	\$5,000,000
Each County with a Racetrack	\$0.80 per acre
Each School District	\$0.80 per acre
Each Township with a Racetrack	\$0.80 per acre
Property Tax Relief	Remaining balance of the State Gaming Fund

** The PA Racehorse Development Fund is to be transferred as follows:	
Racetrack/Licensee	18%
Purses	80% of the Development Fund is placed into an interest bearing account. The interest earned goes to purses.
PA Breeding Fund (Thoroughbred Racetracks only)	16%
PA Sire Stakes Fund (Standardbred Racetracks only)	8%
PA Standardbred Breeders Development Fund (Standardbred Racetracks only)	8%
Health and Pension Benefits for Members of Horsemen Organizations	4% (\$250,000 must go to Thoroughbred Jockeys and Standardbred Drivers Organizations)

The revenue from the machines is expected to have a significant impact on the state. “These revenues, deposited in a new state Property Tax Relief Fund, would help replace approximately \$1.5 billion annually in local school property taxes and City of Philadelphia wage taxes.”<sup>14</sup> In fact, a number of stakeholders plan to benefit from the \$4.9 billion economic impact expected from the implementation of slot machines in Pennsylvania. “Horsemen, breeders and tracks will benefit from slot revenues, but so will the taxpayers of Pennsylvania, because slots revenues will also fund tax relief.”<sup>15</sup>

## Canada

Across Canada, slot machines have been employed to trigger “greater incomes, employment security, job creation, a revitalized horseracing industry with increased tourism, and an additional pool of funds.”<sup>16</sup> In Ontario alone, sixteen racetracks operate electronic gaming machines. Since implementation, these sixteen racinos have been visited by more than 17 million people. The largest of the racinos is Woodbine, where over 1,700 slot machines are in operation. Rideau Carlton Raceway and Fort Erie Race Track offer 1,250 machines and 1,200 machines respectively. Ontario also has two new racinos under development. These racinos will be located at Picov Downs and Quinte Raceway. Slot machines are also in operation at four racetracks in Quebec, three racetracks in Alberta, one racetrack in Manitoba, and one racetrack in British Columbia.

Since the launch of slot machines at Windsor Raceway in December 1998, the Province of Ontario alone has seen approximately \$1.1 billion evenly shared by racetrack operators and horsemen in that Province.<sup>17</sup> Each Province distributes slot machine revenue differently. As a result, the distribution of slot machine revenue by Province has been provided below in figure 12.

**Figure 12**

	<b>Alberta</b> <sup>18</sup>	<b>Manitoba</b> <sup>19</sup>	<b>Ontario</b> <sup>20</sup>	<b>Quebec</b> <sup>21</sup>	<b>B.C.</b> <sup>22</sup>
Racetrack	15%	75%	10%	26%	25%
Purses	33.3%	-	10%	-	10%
Province	33.3%	25%	73-76%	74%	45%
Problem Gambling	-	-	2%	-	-
Host Municipality	-	-	2-5%	-	10%
Other	18.3%	-	-	-	10%

# **ACCOUNT WAGERING**

Account wagering technology has had a significant impact on horse racing across North America. For example, in 2004, TVG Network processed wagers totaling over \$303 million, which equates to a 42% increase from 2003.<sup>23</sup> Also in 2004, Youbet.com processed 22 million wagers, an increase of 12% from 2003, that totaled \$315 million. This handle figure is a 14% increase over 2003.<sup>24</sup>

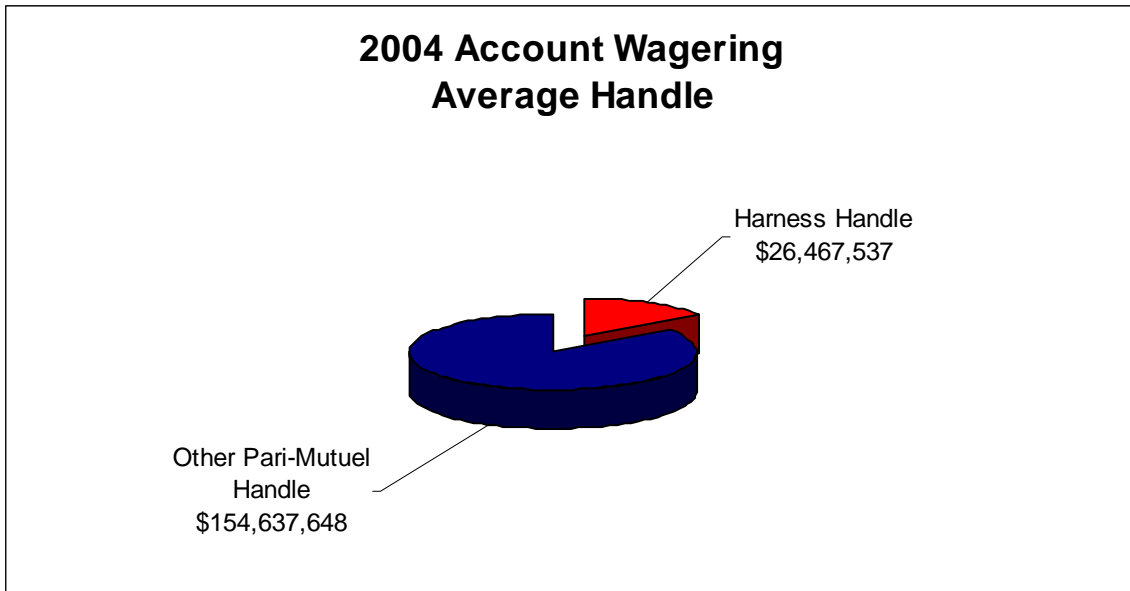
With all the growth and success that account wagering providers have achieved, it is advisable to analyze what impact they have had on the harness racing industry. The analysis lies in two key areas: exposure and handle. Focusing on exposure, the impact account wagering has had on harness racing can be measured by how many account wagering providers accept wagers on harness racetracks. In Appendix III, a list has been provided that captures the harness racetracks accepted by some major account wagering providers. In summary, these particular account wagering providers offer the following volume of harness racetracks.

- 4NJBets.com – 35
- HorsePlayer Interactive – 36
- The Racing Channel – 25
- TVG – 12
- Winticket.com – 27
- Youbet.com – 37

While these six account wagering providers are not the only ones in existence, they do combine to illustrate the fact that harness racing does receive significant exposure opportunities in the account wagering market.

Another way to measure the impact account wagering has had on the industry is to analyze the amount of handle generated by providers and determine the percentage of this handle that is wagered directly on various harness racing products. In an anonymous survey of account wagering providers, three different companies provided 2004 data that included total handle and total harness racing handle. A summary of the data has been provided in figure 13.

**Figure 13**



As illustrated above, the participating account wagering providers generated an average of \$181,105,185 in total handle during 2004. Of this total handle, approximately 17% or \$26,467,537 was bet on harness racing. Amongst these three account wagering providers, approximately 83% of the handle they generated was on other pari-mutuel wagering opportunities such as greyhound, quarter horse, and thoroughbred races. With only 17% market share, the harness racing industry has an opportunity to build on its current customer base, while also pursuing growth in the highly competitive account wagering market.

## **CONCLUSION**

Despite some of the current downward trends the industry is facing, harness racing has many opportunities for continued future growth. A clear understanding of the industry's customer demographics is an excellent starting point for future initiatives. Through the research that has been conducted with this report, it has been identified that harness racing currently appeals heavily to the male gender. Additionally, it is also clear that the current customer base is older and earns less than \$100,000 annually. With this knowledge, racetracks can develop initiatives focused on retaining this core market. At the same time, this knowledge also uncovers data that identifies the portion of the population currently not interested in harness racing. With this knowledge, racetracks can develop initiatives geared at getting certain types of individuals out to the races for the first time. Once they walk through the gates for the first time, it is then critical to ensure that their experience is enjoyable and leads to the possibility of repeat visits.

In addition to demographic information, this report has also identified other ways for harness racing to generate additional revenue. At the current time, the operation of racinos in both the U.S. and Canada has proven to be the most beneficial non-racing revenue stream to both racetracks and horsemen. As additional states enact racino legislation, the growth potential of the harness racing industry continues to strengthen.

While racinos contribute significantly to harness racing, they are not the only source of revenue that racetracks can capitalize on. To maximize revenue, racetracks must also embrace the power of advertising and sponsorship, including sponsorship deals for individuals who compete at particular racetracks. As horse racing has seen in recent times, corporations want to get involved with the industry. A quick scan of the NTRA and AQHA partners list solidifies that corporations want to use horse racing as an exposure opportunity. Both the NTRA and AQHA have been able to leverage the power of their employee and membership bases to attract various corporate advertisers and sponsors. Harness racing also has the power of membership on its side. In addition to the employees of the harness racetracks across North America, the industry also has over 37,000 enrolled members in both Standardbred Canada and the USTA. Using lessons learned from the NTRA and AQHA activities, harness racing can capitalize on the significant revenue opportunity that exists in advertising and sponsorship.

# **APPENDIX**

## Appendix I

### A Survey of Harness Racing's Demographics and Sponsorship Potential

Questions 1 through 7 pertain to demographic information for live racing and simulcasting.

1. Using the criteria given, please select your racetrack's main demographic for **both males and females** in terms of live racing, import simulcasting, and off-track betting locations. Please provide the source of this information in the blanks provided.

#### Live Racing Demographic

	<b>Male</b>	<b>Female</b>
Age	<input type="checkbox"/> Under 35 <input type="checkbox"/> 35-54 <input type="checkbox"/> 55+ <input type="checkbox"/> N/A	<input type="checkbox"/> Under 35 <input type="checkbox"/> 35-54 <input type="checkbox"/> 55+ <input type="checkbox"/> N/A
Average Annual Household Income	<input type="checkbox"/> Under \$50,000 <input type="checkbox"/> \$50,000-\$99,999 <input type="checkbox"/> \$100,000-\$149,999 <input type="checkbox"/> \$150,000-\$249,999 <input type="checkbox"/> \$250,000+ <input type="checkbox"/> Do not consider income	<input type="checkbox"/> Under \$50,000 <input type="checkbox"/> \$50,000-\$99,999 <input type="checkbox"/> \$100,000-\$149,999 <input type="checkbox"/> \$150,000-\$249,999 <input type="checkbox"/> \$250,000+ <input type="checkbox"/> Do not consider income

Information source \_\_\_\_\_

#### Import Simulcasting Demographic

	<b>Male</b>	<b>Female</b>
Age	<input type="checkbox"/> Under 35 <input type="checkbox"/> 35-54 <input type="checkbox"/> 55+ <input type="checkbox"/> N/A	<input type="checkbox"/> Under 35 <input type="checkbox"/> 35-54 <input type="checkbox"/> 55+ <input type="checkbox"/> N/A
Average Annual Household Income	<input type="checkbox"/> Under \$50,000 <input type="checkbox"/> \$50,000-\$99,999 <input type="checkbox"/> \$100,000-\$149,999 <input type="checkbox"/> \$150,000-\$249,999 <input type="checkbox"/> \$250,000+ <input type="checkbox"/> Do not consider income	<input type="checkbox"/> Under \$50,000 <input type="checkbox"/> \$50,000-\$99,999 <input type="checkbox"/> \$100,000-\$149,999 <input type="checkbox"/> \$150,000-\$249,999 <input type="checkbox"/> \$250,000+ <input type="checkbox"/> Do not consider income

Information source \_\_\_\_\_

#### Off-Track Locations Demographic (if applicable)

	<b>Male</b>	<b>Female</b>
Age	<input type="checkbox"/> Under 35 <input type="checkbox"/> 35-54 <input type="checkbox"/> 55+ <input type="checkbox"/> N/A	<input type="checkbox"/> Under 35 <input type="checkbox"/> 35-54 <input type="checkbox"/> 55+ <input type="checkbox"/> N/A
Average Annual Household Income	<input type="checkbox"/> Under \$50,000 <input type="checkbox"/> \$50,000-\$99,999 <input type="checkbox"/> \$100,000-\$149,999 <input type="checkbox"/> \$150,000-\$249,999 <input type="checkbox"/> \$250,000+ <input type="checkbox"/> Do not consider income	<input type="checkbox"/> Under \$50,000 <input type="checkbox"/> \$50,000-\$99,999 <input type="checkbox"/> \$100,000-\$149,999 <input type="checkbox"/> \$150,000-\$249,999 <input type="checkbox"/> \$250,000+ <input type="checkbox"/> Do not consider income

Information source \_\_\_\_\_

2. Overall, what is the ratio of males to females at the locations mentioned in Question 1?

Live Racing \_\_\_\_\_

Import Simulcasting \_\_\_\_\_

Off-Track (if applicable) \_\_\_\_\_

3. Please provide 2004 daily average attendance figures for both live racing and import simulcasting? Please indicate if these figures are actual or estimated.

Live Racing \_\_\_\_\_  Actual  Estimated

Simulcasting \_\_\_\_\_  Actual  Estimated

4. Do you operate any off-track betting locations?  Yes  No

If yes, how many? \_\_\_\_\_

5. Are you considering or do you have plans for future facility enhancements or expansions which will create more entertainment options?  Yes  No

If yes, please select all that apply from the list below:

Racino  Restaurants  Enhanced simulcast facility

Hotel  Retail shops  Other \_\_\_\_\_

6. Please list current initiatives, planned or in place, geared toward increasing your on-track attendance during live racing. If any of these initiatives target a specific demographic, please list that demographic. If no initiatives are planned or in place, please answer N/A below.

Initiative:

Targeted Demographic:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Please list current initiatives, planned or in place, geared toward expanding your import simulcasting demographic. Please list the specific demographic that is targeted by each initiative. If no initiatives are planned or in place, please answer N/A below.

Initiative:

Targeted Demographic:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Questions 8 through 16 pertain to advertising and sponsorships at your racetrack.

8. Please list some of your major advertisers and sponsors.

Advertisers:

Sponsors:

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9. From the list below, please check all promotional activities that sponsors have participated in during the past 5 years.

- Sponsorship of an individual race or race day
- Fan “giveaways” such as t-shirts, hats, etc.
- Informational booths
- Contests
- Entertainment events
- Other \_\_\_\_\_

10. Please list some of the benefits sponsors receive or purchases that your sponsors have made. Examples would include billboards around the racetrack, product exclusivity, logos on the export video signal, and commercials between races on the video signal.

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11. Does your racetrack advertise on any of the following? Please check all that apply.

- Local TV channels
- National TV channels
- Local cable horseracing channels
- Account wagering websites
- Cable channels
- Horseracing channels
- Industry websites (ex: USTA)
- None of the above

If you answered none of the above, what has prevented you from pursuing this form of advertising?

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12. Does your racetrack believe sponsorship deals for drivers/trainers are a positive means of bringing more money into the harness racing industry?  Yes  No

13. Is your racetrack planning any activities to promote your human talent (i.e. drivers)?  Yes  No

If yes, please list these promotions.

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14. Would your racetrack be interested in partnering with a driver/trainer in an advertisement or sponsorship deal?

- Yes     No

If yes, do you have any suggestions on possible partnering initiatives?

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If no, what would prevent your racetrack from entering into this type of partnership?

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15. Using the scale provided below, what is your racetrack's opinion of drivers/trainers wearing logos on their colors or other equipment during the course of a race?

- |                     |                     |         |                     |                     |
|---------------------|---------------------|---------|---------------------|---------------------|
| 1                   | 2                   | 3       | 4                   | 5                   |
| Strongly<br>support | Somewhat<br>support | Neutral | Somewhat<br>against | Strongly<br>against |

16. If a driver/trainer signed a sponsorship deal with a company competing with one of your racetrack's sponsors, what action would your racetrack take?

- Take no action  
 Collaborate with the driver/trainer to minimize conflicts  
 Prevent the driver/trainer from competing at your racetrack

**When returning this questionnaire, please also include a list of all the locations that receive your racetrack's export simulcast signal. Completed surveys can be faxed to Joseph Pulli at the Race Track Industry Program. The fax number is 520-621-8239.**

Thank you again for your participation.

## Appendix II

### Questionnaire Responses

Question 1						
	<u>Live (M)</u>	<u>Live (F)</u>	<u>Sim (M)</u>	<u>Sim (F)</u>	<u>OTB (M)</u>	<u>OTB(F)</u>
Under 35	1	1				1
35-54	11	12	8	8	4	3
55+	6	4	8	7	5	6
N/A			1	2	8	8
Under \$50,000	5	6	7	6	2	3
\$50,000-\$99,999	10	9	6	6	6	5
\$100,000-\$149,999						
\$150,000-\$249,999						
\$250,000+						
Do not consider or N/A	1	1	3	4	8	8

Various Data Sources:  
Questionnaires, Estimates, Player Rewards Programs, Marketing Department Estimates, Surveys, Internal Research, Observations, Databases

Question 2			
<u>Ratio</u>	<u>Live</u>	<u>Sim</u>	<u>OTB</u>
60/40	5		
67/33	3		
70/30	1		
75/25		1	1
80/20	2	2	2
85/15		1	
89/11	1		
90/10	2	5	3
94/6	2	1	
95/5		3	
96/4		1	1
97/3		1	

<b>Question 3</b>			
<u>Live Attendance</u>	<u>Sim Attendance</u>	<u>Actual</u>	<u>Estimate</u>
1,000	250		x
727	220		x
3500	1500	x	
1854	200	x (Live)	x (Sim)
1200	175		x
2000	35		x
1500	300		x
1300	400		x
5700	1900		x
1750	450	x	
400	150		x
990	400		x
21000	0		x
2500	80		x

<b>Question 4</b>		
<u>Yes</u>	<u>No</u>	<u>If yes, how many?</u>
9	7	4
		5
		46
		2
		1
		39
		16
		17
		27

<b>Question 5</b>						
<u>Yes</u>	<u>No</u>	<u>Racino</u>	<u>Restaurant</u>	<u>Sim</u>	<u>Hotel</u>	<u>Shops</u>
12	3	4	9	5	3	4

Other: Suites for group functions, additional OTBs, conference centers, bowling alleys, conference rooms, open paddocks, other entertainment options

**Question 6**

Initiative

Dining room group specials  
Food/Dining room specials  
Targeted mailers/coupons (2 respondents)  
Handicapping contests  
Special event dinners  
Concerts (2 respondents)  
Daily contests  
Ladies night  
Community nights  
Date night  
Family night  
Carnival atmosphere (w/ rides, etc)  
Video Lottery Gaming machines  
Regional Conference Center  
Branding of restaurants, bars, and lounge  
Change interior design of facility  
Promotions (2 respondents)  
Remodeled facility (2 respondents)  
Handicapping contests  
Increase F&B (rest., sports bar, buffet)  
Rewards programs (rebates)  
\$1 nights  
New innovative wagers  
  
Special event days  
Player rewards (3 respondents)  
VIP dinners  
BBQ/Drink specials  
Group sales  
Drink specials  
Tractor pull  
Life Sign promotion and appearance  
Promotions/Giveaways  
Marketing to ethnic communities  
Women's days  
Celebrity appearances  
Celebrity handicapping seminars  
Non-wagering race games  
Mystery mutuel vouchers

Demographic

All  
Younger, non-racing patrons  
Current regulars  
Males, 35+ yrs old  
40-60 yrs old  
Under age of 30; various genres  
30-60 yrs old  
Females, 25+ yrs old  
not specified  
25+ yrs old  
35+ yrs old  
Families: 35+ yrs old; Children 14 and under  
Females, younger demo, families  
Females, younger demo, families  
Females, 30-55 yrs old  
Females, 30-55 yrs old  
Females, 30-55 yrs old; Casual fans  
35-54 yrs old; 35-60 yrs old  
25-54 yrs old  
19-54 yrs old  
All wagering fans  
All fans  
Fans who enjoy lotteries  
Racing fans; Others looking for entertainment alternatives  
Core patrons  
Serious players  
Under 40  
New customers  
Regular and new customers  
Males, 21-35 yrs old  
Racing fans  
Sports enthusiasts 35+ yrs old  
Ethnic community  
Females  
25-54 yrs old; target is around 35 yrs old  
Serious players  
Casual fans  
Casual fans; Serious players

**Question 7**

<u>Initiative</u>	<u>Demographic</u>
Commingled pools with US	All
Targeted mailers/coupons (2 respondents)	Current regulars
Handicapping contests (4 respondents)	Males, 35+ yrs old; serious players
Interactive promotions associated with sports television & golf courses	Males, 45+ yrs old
Interior design changes to improve atmosphere and create more of a sports theme.	Current male regulars, 40-65 yrs old; New male patrons, 30-40 yrs old
Rewards program (rebates)	All wagering fans
\$1 nights	All fans
Second chance drawings	All fans
Account wagering	Known horseplayers; Residents with propensity for gaming (18+ yrs old)
Renovated lounge and dining room	35-60 yrs old
Loyalty rewards	All
Drink specials	Casual player

**Question 8**

<u>Advertisers</u>	<u>Sponsors</u>
Local T.V., Radio, and Print (7 respondents)	Labatts (3 respondents)
Comcast Cablevision	Pepsi (7 respondents)
Local Golf Courses	American Airlines
Coca-Cola	TV station
Budweiser (5 respondents)	Chrysler (2 respondents), Chevrolet, Jeep, Pontiac, GMC
Labatts	Molson
Pepsi	Telus
Lottery	Coca Cola (2 respondents)
Molson	Budweiser (5 respondents)
ESPN Radio	Energy Companies
Funjet Vacations	Baseball Teams
Miller (3 respondents)	Comcast
Major radio	Golf Courses
Major newspaper	Olivers Candies
Carvel	Molson
Dunkin Donuts	Lotteries
Lincoln-Mercury	Church's Chicken
Chevy	Miller (4 respondents)
Corona	Industry sponsors for big event days; Breeding farms
Yellow Book	Coors Light
Dodge	Sales companies
Other racetracks	Pizza Pizza
Daily Racing Form	Atto Insurance
Hockey team	Scotts
	V-Tech

<b>Question 9</b>				
<u>Individual Race / Race Day</u>	<u>Giveaways</u>	<u>Info Booth</u>	<u>Contests</u>	<u>Events</u>
14	15	9	14	14
Other: Handicapping tournaments				

<b>Question 10</b>	
Billboards (7 respondents)	Vehicles on site with promotions
Product exclusivity (6 respondents)	Inclusion in paid media
Logos on export signal (6 respondents)	Hospitality/Parties
Commercials between races (6 respondents)	Race names (2 respondents)
Signage (6 respondents)	Sponsorship of replay and photo finish
Ads/Logo in program (8 respondents)	Tickets
Tickets to special events	Camping areas
TV ads (2 respondents)	On-track promotions
Radio plugs	On-air announcer mentions
Web page ads	Free product sampling by patrons
Name/Logo on track equipment (3 respondents)	
Commercials on cable television	
Ads on toteboard	
Contest naming rights	

<b>Question 11</b>							
<u>Local TV</u>	<u>Cable</u>	<u>Nat'l TV</u>	<u>Racing Channels</u>	<u>Local Racing Channels</u>	<u>Industry Websites</u>	<u>AW Websites</u>	<u>None</u>
14	9	3	2	3	8	7	1

<b>Question 12</b>	
<u>Yes</u>	<u>No</u>
10	4

<b>Question 13</b>	
<u>Yes</u>	<u>No</u>
10	6
<u>Promotions:</u>	
Horse owner seminars	Driver tournaments
Meet the driver and autographs (5 respondents)	Guest Drivers
Open house	Old Time Drivers Night
Appearances (2 respondents)	Bobblehead giveaway
TV features (2 respondents)	Contestants participate in a mock race w/ a driver
Print features	Quarterly newsletter with feature stories
Radio interviews	Simulcast feature shows
Trainer demos of equipment used	
Bicycle race	
Driver and Trainer of the week	
Driver and Trainer of the meet	
Plateau events (ex - reaching 1,000 wins)	

<b>Question 14</b>	
<u>Yes</u>	<u>No</u>
9	5
<u>Suggestions:</u>	<u>Why not?</u>
Drivers in TV ads	Result will not cover advertising expense
Appearances	Existing exclusivity contracts
	Poor perception/negative criticism for a bad drive
	Depends on the deal and the impact on current sponsors
	Exposure and liability
	Must be initiated from within; no involvement from outside parties
	Lack of interest in harness racing in market

<b>Question 15</b>				
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
5	3	4	1	2

<b>Question 16</b>		
<u>No Action</u>	<u>Collaborate</u>	<u>Prevent</u>
0	12	4

**Appendix III**

**Harness Racing Signals Carried  
By Account Wagering Providers**

<b><u>4NBets.com</u></b>	<b><u>HorsePlayer Interactive</u></b>	<b><u>The Racing Channel</u></b>
Balmoral Park	Aylmer	Balmoral Park
Cal Expo	Balmoral Park	Buffalo Raceway
Colonial Downs	Cal Expo	Cal Expo
Delaware County Fair	Charlottetown	Colonial Downs
Dover Downs	Delaware County Fair	Delaware County Fair
Flamboro Downs	Dover Downs	Dover Downs
Fraser Downs	Driving Park	Freehold Raceway
Freehold Raceway	Elmira	Harrington Raceway
Harrington Raceway	Flamboro Downs	Hawthorne
Hawthorne	France	Hazel Park
Hazel Park	Fraser Downs	Indiana Downs
Hoosier Park	Georgian Downs	Maywood Park
Indiana Downs	Grand River Raceway	Meadowlands
Lebanon	Harrington Raceway	Monticello Raceway
Maywood Park	Hawthorne	Northfield Park
Meadowlands	Hazel Park	Plainridge
Meadows	Hiawatha	Pocono Downs
Monticello Raceway	Hoosier Park	Pompano Park
Mohawk	Kawartha	Prairie Meadows
Montreal	Maywood Park	The Red Mile
Northfield Park	Meadowlands	Rockingham Park
Northville	Meadows	Rosecroft
Ocean Downs	Mohawk	Scioto Downs
Plainridge	Montreal	Windsor
Pocono Downs	Northfield Park	Yonkers
Pompano Park	Northlands	
The Red Mile	Pompano Park	
Rideau Carleton	Quebec City	
Rockingham Park	The Red Mile	
Rosecroft	Rideau Carleton	
Saratoga Harness	Stampede Park	
Scioto Downs	Sundown	
Windsor	Western Fair	
Woodbine	Windsor	
Yonkers	Woodbine	
	Yonkers	

<u>TVG</u>	<u>Winticket.com</u>	<u>Youbet.com</u>
<p>Balmoral Park  Cal Expo  Dover Downs  Harrington Raceway  Hawthorne  Hoosier Park  Maywood Park  Monticello Raceway  Northfield Park  Pompano Park  Saratoga Harness  Scioto Downs</p>	<p>Cal Expo  Colonial Downs  Delaware County Fair  Dover Downs  Flamboro Downs  Fraser Downs  Freehold Raceway  Harrington Raceway  Hawthorne  Indiana Downs  Lebanon  Meadowlands  Meadows  Mohawk  Monticello Raceway  Northfield Park  Northville  Plainridge  Pompano Park  Pocono Downs  Raceway Park  Rosecroft  Saratoga Harness  Scioto Downs  Windsor  Woodbine  Yonkers</p>	<p>Cal Expo  Colonial Downs  Delaware County Fair  Dover Downs  Flamboro Downs  Fraser Downs  Freehold Raceway  Georgian Downs  Grand River Raceway  Harrington Raceway  Hawthorne  Indiana Downs  Lebanon  Meadowlands  Meadows  Mohawk  Monticello Raceway  Northfield Park  Northlands Park  Northville  Ocean Downs  Plainridge  Pocono Downs  Pompano Park  Prairie Meadows  Raceway Park  The Red Mile  Rideau Carleton  Rockingham Park  Rosecroft  Saratoga Harness  Scioto Downs  Vernon Downs  Western Fair  Windsor  Woodbine  Yonkers</p>

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