

THE EUREKA! EXPERIENCE™



The Safari Technique™

*The Eureka! Experience™ Report
outlining What We Think based on discoveries
found while on Safari with Harness Horse stakeholders*

*Prepared on behalf of John Walzak
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*This is the stage where the lights go on – hence, Eureka!
This is where the raw information gleaned on Safari – what we know – is turned into what we think.*

What should we expect? And what is the result of The Eureka! Experience?

- We meet in a collaborative, energized environment of discovery.
- We will:
 - begin to define OHHA's Unique Selling Proposition (USP)
 - help determine OHHA's unique points of differentiation
 - build OHHA's value proposition, based on a more clear understanding of your customers' challenges, needs, knowledge, expectations and beliefs.
- Together, we will set the stage for your Connection Builder™, a powerful tool to drive future communications, as it synthesizes everything you have learned into a succinct, synergistic statement of purpose that defines, relative to the industry's needs, the 10 factors necessary to a successful communications campaign. When complete, The Connection Builder confidently focuses your subsequent communications strategies and creative energies.
- Working together, we establish clear marketing goals, and determine how to align the entire team to accomplish them.

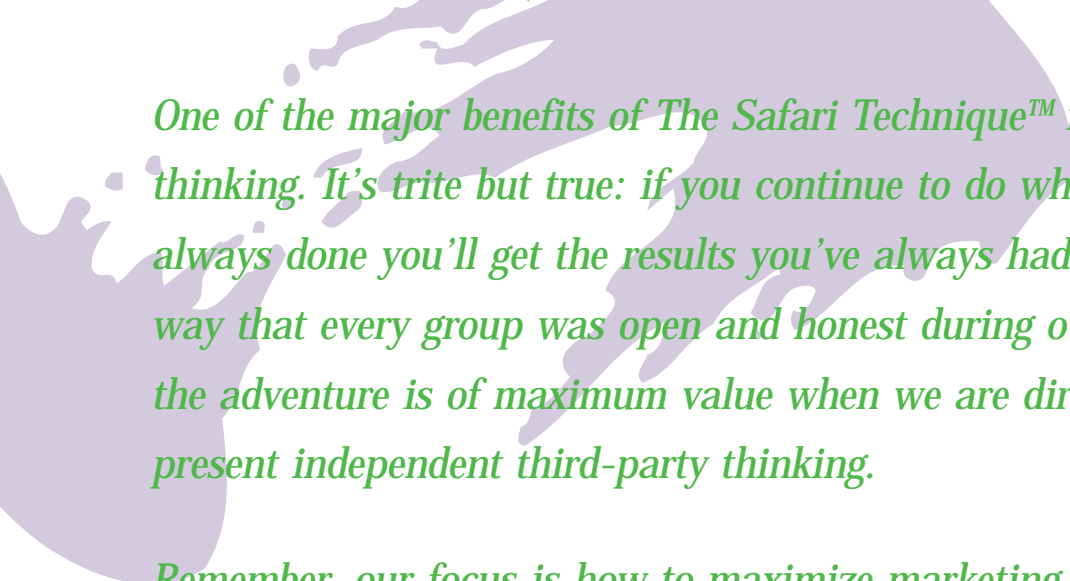
We will also look to the future, where we can:

- Crystallize your specific and unique processes, in order to ultimately name them, to position these differentiating soft benefits as core brandable 'products' in the minds of your customers.
- Craft your PowerProfile™, a communications tool allowing anyone in your company to impart your core messages in a brief integrated statement of value that articulates your differentiating benefits in your customers' language, to make you more easily heard, understood and accepted.

The ultimate accomplishments of The Eureka! Experience are:

- Clarity and focus
- Specific communications goals
- An aligned marketing and sales team
- A snapshot of your customers' current levels of knowledge, challenges and expectations, and ways to answer with an integrated message that articulates your benefits from their points of view – your value proposition, expressed in a way they will much more easily accept it.

- All within the context of your ongoing communications activities, media neutral, as a positive framework to subsequently discuss optimal tactics in The Success Solution™

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One of the major benefits of The Safari Technique™ is independent thinking. It's trite but true: if you continue to do what you've always done you'll get the results you've always had. In the same way that every group was open and honest during our Safari days, the adventure is of maximum value when we are direct and present independent third-party thinking.

Remember, our focus is how to maximize marketing opportunities for the harness horse industry, with particular reference to increasing the effectiveness of your communications activities.

In order to understand our thinking, it is preferable that you have read The Safari Technique stakeholder and customer answers, and have reviewed the Safari with OHHA partners, paying particular attention to the dangers, opportunities and strengths discussed.

After digesting our thinking herein, please move on to The Success Solution™, which outlines an integrated package of tactics created to maximize your future marketing impact.

Finally, please understand that part of this process is to help you think more broadly about your marketing, and particularly your communications. We're going to challenge you to break the mold.

IN THE STRETCH

Let's begin with this positive thought – while the this Eureka Report presents some harsh truths, there **are** solutions, and they follow in the next Report, called The Success Solution, which identifies a solid tactical approach. **Like the leading horse coming down the stretch – winning is, in large part, about all the things you have done prior to starting the race.**

So, we must begin with some direct talk. For those reading who attended our verbal presentation to the SRA Committee, you will already know what we think. Having gone through Step One, the discovery module of The Safari Technique, where we learn and compile what everyone knows, we now move to Step Two, The Eureka Experience which is primarily designed to organize and encapsulate the most salient points from the Discovery Session and add some of our overall reactions and thoughts – What We Think.

The Discovery module can usually be described as a long and winding road. The ebb and flow of discussion covers a wide range of topics and areas that, though interesting, are not always germane to the mission. Having said that, we still find there to be an intrinsic value to these wide ranging discussions, as we find them to be the best way to yield that gem or two that a more focused and disciplined session might have missed.

One of the key examples of this is the whole area of owners and breeders. While part of the mandate of the OHHA is to ensure a strong and vital owner community, from a marketing perspective we feel this is very much a by-product of a strong and healthy Standardbred racing commercial industry and an issue that can easily be dealt with when the strength and health of the commercial side of the industry is where we want it to be.

THE MARKETING OBJECTIVE

In a business such as Standardbred racing, the first and foremost branding task that needs to be accomplished is that of representing the brand in a strong, compelling, unique and meaningful way to the customer base. As this brand building takes place, the attractiveness quotient halos to those individuals who are interested in participating in the business on the breeder side.

In other words, if you go about the task of building your brand correctly, you may very well find that owners and breeders will appear more or less automatically – that they are very much a product of the success of the brand building effort, in the same way as the burgeoning customer base would be, except for the fact that the breeders are committed to a much greater extent.

What follows, then, is an interpretation of the information that has been generated across a number of marketing driven aspects of Standardbred racing. As you know the transcript of these discussions ran in excess of 275 pages, with a lot of meandering thrown in for good measure.

Now, in order to sharpen the focus, we will concentrate mainly on the following areas.

1. The Business You Are In
2. The Competitive Environment You Must Recognize and Deal With
3. The Customers You Need To Attract
4. The Key Benefits You Can Offer These Customers
5. The Marketing Tools and Techniques You Have Used
6. The Way You See Your Brand In Human Terms

This is a process that can and should lead directly to the development of a communications recommendation for OHHA – found in the final Report, The Success Solution.

SYSTEMIC CONCERNS

Before we get there, an overriding issue populates this section, exceedingly obvious after even the most cursory reading of the Safari discovery module.

There are a series of **systemic concerns** which overlay much of what the greater harness horse community does in terms of marketing and delivering its product. For example, while we were retained by OHHA, we soon learned that both the challenges and the answers were more inclusive: achieving success for the harness horse side was not solely about OHHA but the entire entertainment venue, like it or not. Yet, your focus is standardbred racing in Ontario.

So, who does what. A **short** question. A **large** issue. Rather than deal with systemic issues here, it is more instructive to let them play out in each of the following subject areas. What we mean will quickly become clear.

1. THE BUSINESS YOU ARE IN

What we heard, when this question was posed in various ways, was obviously being filtered through one of the main present day facts of life in the standardbred racing industry in Ontario. And that's this: put quite simply, standardbred racing is now part of the entertainment complex which most of Ontario's tracks have now become with the advent of the OLGC-run slots industry and the expansion of the foodservice element within most facilities.

Even ten years ago the answer to this rather fundamental question – 'What business are you in?' – would have been completely different. Today, there are several differing but not completely dissimilar opinions about the kind of business Standardbred racing is in.

- The people business, along with entertainment
- The entertainment and gaming
- The entertainment business
- The sports business (with sales and marketing)
- The sports and gambling business
- The gambling business
- The horse racing business
- The great evening out business
- The special event business

So, are we in entertainment, wagering, sport? Each attracts a different person, coming for a different reason. Each requires a distinctly different message. Delivered via a different approach and through a different medium. And Each requires a different marketing budget.

What the consumer expects certainly has changed. They want high entertainment and high fun. Yet, your product on the racing side is generally the same as always: 1 mile race, 3 hours, reasonably complex wagering, 18 minutes downtime between races. A 1960s product in 2005. But that **does not** have to be a detriment – so is baseball.

OUR THINKING

The point of all this? We would like you to remember that, today, your business is not about the racing that you specifically deliver. It is all about the **presentation and packaging** of what you deliver which must be consistently in tune with the expectations of today's consumer.

There is a real feeling of 'desperately seeking an identity' playing out here. The racetracks are no longer the exclusive home of the Standardbred racing industry. The racing industry now shares its venue with the food industry and the gaming industry. This situation has arisen for a number of different reasons, but most essentially because of the decline in the number of people who come out only to see the races.

So the number of complex answers to the simple questions like, 'What kind of business are you in?' is not surprising. Standardbred racing (in Ontario) has morphed from a standalone business to one which is part of the larger entertainment and gaming phenomenon. Later, in point 6 where we discuss your brand in human terms, one of our participants characterized the industry personality as schizophrenic. This is not far from the truth, and given the current environment, not difficult to understand. It is not all your fault.

Learning to co-exist with other forms of entertainment, which are both complementary and competitive, and thrive in that situation is now very much a part of the task at hand for the OHHA.

SYSTEMIC ISSUES THAT AFFECT THE BUSINESS YOU ARE IN

And this brings us back to the systemic issues mentioned earlier.

- You (harness horse racing) provide a product that is, effectively, delivered by others (facilities) that now have a three-fold focus on the revenue level.
 - Handle on racing
 - Handle on slots
 - Handle on restaurant

Clearly, the top- and mid-tier facilities rely on all three. In fact, while you call it a **Track** they often call it a **Facility**. Some may say this is semantics. We disagree – it indicates a mindset which you must recognize, understand, and work within. You must come to recognize that in the brave new world you are not the sole focus of the business entity (the facility) through which your product is delivered,

neither are you in total control of the marketing message or the delivery of the service at the consumer level by that facility.

Essentially, you provide one physical product to the group marketing it. And, it might be argued that in fact you operate in a physical environment where you need the slots and the dining room but the dining room and particularly the slots don't necessarily need you quite as much.

Let's look at how these systemic issues affect the business you are in, and how this mixed message can cause confusion in various ways.

GAMBLING VS ENTERTAINMENT

While some said fun and entertainment were the primary benefits, this clashes with the fact that wagering is a requirement for the industry to succeed.

- **GAMBLING:** For example, gambling immediately restricts your universe of prospects. Despite the billions being regularly wagered in Canada, the percentage of gamblers, particularly hard-core gamblers, within the population is relatively small. The recent 2005 Decima Gambling Report showed that while 61% said they had gambled at a casino in their life, only 30% said they had done so in the past year. Fewer than 1% said they bet at a casino once a week. In the Safari, participants said we have 2% of the population, so we need the other 98%. This is wrong, if your target is gamblers. The case might be made that your entire universe for wagering starts with the 30% of the population who have gambled in the past year. Then recognize that these are primarily slots gamblers, clearly not your target as they told us this in our consumer surveys taken at two tracks. And if we are talking hard core gamblers who we need to come out multiple times over the year, your target might be only 1% or 2% of the population. **The bigger point is this: you do not know.** And guessing is a deadly game, especially when wagering is key to your ongoing health, as it affects owners, drivers, trainers, tracks, associations. And so we ask two questions for the first time. **Who, really, is the wagering target? And is this the primary target?**
- **ENTERTAINMENT:** In the pure entertainment sphere, the competition (like bars, movies, events, even cocooning at home and watching a DVD) is NOT gambling related. Yet you are focused on gambling – so who do you target here? And why? And with what specific message? Who are they, and what will make them respond? We do not believe the answers are currently available, beyond conjecture. So, the question again applies. **Who, specifically, is the entertainment target? And is this the primary target?**

HARNESS HORSE INDUSTRY VS THE FACILITY

Associations by nature are more operationally focused, involved with horseflesh, owners, trainers, breeders, drivers, stats and similar inward-looking points of importance. Facilities, on the other hand, are driven by revenue-generating activities, period. Yet, your future success, some might say survival, depends upon a coherent marketing thrust, driven by one group for all. The question is,

who should do what? If the Facility, will they effectively promote the harness horse aspect – obviously not exclusively as they benefit from three handles. **So, who should persuade people of the relevance of harness racing as a viable entertainment experience?**

LIVE RACING SEEMS TO BE IN DECLINE (OR COULD SOON HEAD THAT WAY)

While we don't know the details of course, from the outside the lawsuit against Windsor seems to revolve around, at least in part, a reduction in live race days. From the outside, we see this as the market is giving you a reality check. Tracks are no longer run by racing people. And, given the prevalence of simulcast racing from a wide range of major venues, for many Ontario tracks reducing (not eliminating) race days results in less operational aggravation and less cost, without dramatically affecting the slots or dining handles.

BETTING OPTIONS DRIVE THE BUSINESS YOU ARE IN

Another systemic threat to the harness horse community is the new range of betting options that comes as a result of the digital age in which we live. Simulcast, Teletheatre, Television (eg: TRN), Computer Gambling with or without telephone wagering, and Offshore (rebate) shops. How does this affect what business you are in? Simple – if people are not wagering large at the tracks, and your hard core traditional customer is betting elsewhere, and in fact if there is no need for hard core gamblers to attend live racing, this in fact defines the business you are in as, essentially, entertainment. You cannot call a bunch of \$2 'bettors' gamblers – those people attend for a different experience. Conversely, if hard core 'bettors' are your primary target, as we heard, you are in trouble because they now have many ways to get their gambling together without visiting a track, and in some cases they make more money for the same win, and even at teletheatre the hard core guy does not have to put up with newbies who don't know how to bet or who cash when betting is happening in the way.

Again, as it appears your core business has the potential to be siphoned off, the question remains who is your customer? Corollary, can harness horse racing survive as a pure entertainment play, or do you have to find ways to keep, and grow, the gambling aspect? And how does this fit with the comments we heard, many many times, from Safari stakeholders: "Don't worry about the hard core gamblers – they will keep coming forever." Clearly, a dangerous assumption that you must strategically and tactically address. It is not true.

THE COMPETING GOALS OF VARIOUS STAKEHOLDERS

The Safari clearly shows that the harness horse racing industry and the facilities that deliver the product now have different goals. These do not need to be opposing goals – but they often seem so in a sometimes confrontational environment. Simply put, harness horse racing wants to increase live racing, yet facilities want to attract traffic to dining, slots and racing (pretty much in that order). Plus within the industry, many associations have competing objectives, as do the players (owners, breeders, trainers, drivers and so forth.)

LACK OF 'UP CLOSE' PRESENCE EVEN AT TRACK

We consider this a major systemic issue that should be immediately addressed. Time and time again we heard that when the public was allowed, in various

ways, to interact with the horse and the driver, it created excitement and a 'buzz' every time. And yet, in the rules and generally in the way stabling, entry/exit to the track and running races are configured, getting the public up close and personal with the horse and driver is difficult, and in some cases forbidden. Other sports build a people presence to become popular. Just look at NASCAR. Clearly, if the public cannot talk to drivers and cannot get close to a horse you cannot build any stars to better develop the fan base, and fans are the ones who come back to the track more than once. Remember, every time you let people get close to horses and drivers it is a hit – you must do it more often.

Of course, this is challenging to accomplish – will drivers do it, can rules be changed, and more. **Evenso, this should be a must-do.**

IS THIS AN INDUSTRY, OR IS IT A LOOSE GROUP OF LOCAL BUSINESSES?

Given everything above, this is a fairly significant question.

We know that harness horse racing is an industry.

But that is not the point.

In the new environment of racing, slots and dining, is **that** an industry with an aligned mission and goals congruent with your harness horse objectives? Or is it a group of loosely related business enterprises that do not aspire to the same objectives, have no common standards of practice, are different in look and feel, deliver dissimilar experiences, may in fact be in competition despite the geography, with each running three handles that may also be in competition within the facility itself?

And more importantly, what does the **customer** think? More on this in the Report on Tactics.

YOU ARE IN BUSINESS OF BUILDING EXPERIENCES

Despite what is **not** known right now, evident above, this is one statement we, as marketers, can make with confidence. **You are in the business of building experiences.**

Today, harness racing lives in what we call the Experience Economy. Some marketers get it. Others have a disconnect. But when a cup of coffee with a hard cost, field to store, of less than 30¢ sells for \$5.00 at Starbucks, you must ask why. The answer is because of the **consistent experience** Starbucks creates. Sure, the coffee is part of that experience. But more so are the environment, the people, the presentation and so much more. The corollary is they know specifically who their customer is. If, reading this, you said 'I just don't get it', Starbucks would say 'That's OK. You are not our customer. Our customer gets it. We speak their language. And they respond.' Starbucks is not after every coffee drinker. **They are after a very tightly targeted consumer who they know with certainty is already predisposed to come in the front door, once asked.**

And in this environment, absolutely **everything** counts. Not just your message. Your delivery of the experience. And now we're back to the systemic problem. The delivery of the racing experience is largely controlled by people, and corporations, with a business agenda that in many cases seems to be

inconsistent with yours. Yet they control the delivery of the message, and the on-site racing/gambling experience. Not you.

Right or wrong, we heard racing folks say they didn't understand the lifestyle advertising being done by some tracks. It was said in a disparaging way. We understand why some horse people don't 'get it', don't see why, and in some cases saw the lifestyle approach as terrible advertising. That's because the horse industry's goals are not aligned with the facility's goals. The facilities business is **all** about lifestyle, and the total entertainment experience. It is not about harness horse racing. Of course this is tough to accept. And you are right to view it as a problem. We speak more about this in the second point under Competitive Environment.

In overview, the above points represent a few of the systemic issues that affect your representation of the business you are in. **That said, we do understand that your product is harness horse racing.** It's just that achieving success, growing the sport of standardbred racing and building the customer base requires a fundamental change in the way the harness horse industry must define themselves. That, in turn will bring about a change in the way the OHHA must brand, market and promote standardbred racing in Ontario.

2. THE COMPETITIVE ENVIRONMENT YOU MUST RECOGNIZE AND DEAL WITH

The competitive environment slices and dices itself in all kinds of different ways because of the 'unique' situation in which Standardbred racing finds itself.

Let's refer to the Safari metaphor to categorize the competition.

CANNIBALS

It can be argued that the other elements of the Entertainment and Gaming complex could be competition. We heard 'People come to play the slots, they don't even know that there is racing'. We also know people come for dinner because the restaurants are now much better.

HEADHUNTERS

These are the other organized sports in season. Even local baseball, hockey, football etc. Major League sports and entertainment in the larger centres. Teletheatres. Movies. Restaurants Televised races and phone betting. Bars. Hobbies. Internet wagering sites. And last but not least the disposition on the part of many to simply cocoon with their big screen TVs and home theatre systems, home spas, swimming pools and satellite dishes.

GHOSTS

These are the ones you cannot easily see. This encompasses the potential

customers who are not positively disposed to standardbred racing of any kind. There are a number of reasons for these people to be not interested. They told us, in the research, that they think things like this:

- Standardbred (or even thoroughbred racing) is something that belonged to their parents'(even grandparents') generation. It's old fashioned and dated.
- They believe it's a disreputable sport. That it is fixed. (This is the perception that creates the most negative public relations, and keeps potentially interested people away.)
- We don't believe it's an exciting sport. After all, there's only action for about 6-8 minutes every hour. The rest of the time is spent waiting around. How dull is that?

OUR THINKING

Let us first address the systemic issues that affect your competitive environment.

SOME POOR TRACKS

In marketing terms, not only is there no brand, there is no consistency in the product offering. As we have said previously, it is about the experience, and it is easy to understand that one bad experience translates across the industry.

Studies show – and this affects even good tracks – that you have 90 seconds to grab them when they walk in – to help control whether they go left or right. You also have 90 seconds within the racing side to get them involved in the experience. So, today, what happens in the first 90 seconds? Do they walk around, do they 'connect' with a horse and driver right away, are they encouraged to head track-side instead of slots-side, do they stumble over wagering without help, are they invited and encouraged to get involved?

SLOTS

Although we said this in the previous section, it is worth mentioning relative to 'internal' competition within the facility. From various sources throughout the Safari, we heard that on average, horse racing would be 25% to 30% its present size if not for the slots. Yet the slots could do fine without the horse racing. And while the slots brought new people through the door, the trouble is the majority of those new people have no interest in horse racing. In fact, in our consumer interviews at the track, the slots consumer confirmed this analysis. As well, little is being done to convert them, which may be immaterial in that they are a different kind of customer than the racing bettor. The slots gambler seeks a quick fix, while a racing bettor needs to take a longer view, and enjoy learning handicapping and so forth.

In our view, slots have become the crack cocaine of the harness horse industry. Better horses, better trainers, higher purses? Why? Slots revenue allocated to racing. And where the presentation and packaging of racing has improved, why? Slots money. And now, you're hooked – you cannot live without it, but, realistically, it can live without you.

YOUR COMPETITION IS DEFINED BY YOUR MARKETING POSITIONING

Your competition changes depending on how you choose to position harness

horse racing. The business you are in, addressed earlier in section 1, not only identifies your competition, it focuses your marketing message as will be seen later herein.

When you present harness horse racing as entertainment, your competition becomes various other forms of entertainment: television, bars, movies, sports events. When you present it as a strong option for gamblers, other forms of gambling move to the top of the list of competitors. Moreover, if you are speaking to the hardcore gambler an increased level of complexity emerges, as they have other ways to wager other than coming to live racing, including offshore, simulcast, television, phone – not to mention casino card games.

Overall, there is a very real need on the part of the standardbred racing industry to update its image and find a direction that will both lead the disenfranchised back to it, but which will also work to attract new fans in substantial numbers and convert them into devotees.

One of the most important keys to achieving these goals is *not* to lament having become part of an entertainment complex, but to see it as an advantage that can and should be capitalized upon.

3. THE CUSTOMERS YOU NEED TO ATTRACT

Overall, this area was the most unfocused in every session. There were times where we captured some solid information, but we are not confident a clear understanding of the specific target for harness horse racing is in place.

We heard things like ‘everybody of legal gambling age is our target’, ‘anybody with money’ and ‘we view everybody as being our customer.’ Right away, we know there is no understanding of the real customer.

OUR THINKING

Frankly, ‘everyone’ is simply not true. For example, we were told gambling was absolutely central to the involvement of someone coming to the track and properly relating to the harness horse racing experience. If this is so, you are not seeking someone for an entertainment venue, but someone coming to gamble – which means the total market is much tighter. While we realize why gambling is central to harness racing (purses, people etc), the facility could still benefit from people hitting the restaurant without gambling trackside as they at least increase the restaurant handle. So we’re back to the overall query: who is the customer for harness racing?; and is that the same customer for the whole facility?

Within our agency, we have a slogan: if everyone is your target, then you will bring no-one through the door. Why?

BUDGET: Money – you cannot afford to target everybody. And without a tight target, you are also wasting a substantial percentage of your marketing

dollars by talking to people who have absolutely no interest in what you have to say.

WHAT TO SAY: Message – without an identifiable target, you cannot communicate effectively, saying the right things, in a way they will accept, in their language and voice. Are they male or female, young or old, rich or poor, married or single, city or country and so much more. The target defines your message.

WHERE TO SAY IT: Central to communicating with confidence and power is the ability to speak in the language of the listener, to say things they are prepared to hear in a way they will accept. To do that you must be able to identify the target across a host of psychographic, demographic and sociographic factors that influence their decisions. Then, employ the specific media that target actually uses to get their information – without guesswork.

Recognizing that much is yet to be done in terms of precisely identifying the optimal target, we can still identify the groupings.

THE HARD CORE

Every business has its hard core. In the case of standardbred racing, this is also true. The hard core customer is seen as someone who is generally motivated by a combination of characteristics. They are 'bettors'. They like to win. They are looking for a little something different to do in the evening. They see standardbred racing in much the same way as they always have.

This hard core customer base is extremely important to harness horse racing. These are the people who spend the real money and provide the solid customer base. However, there are a number of forces at work here, which are eroding this base. Age and limitations of mobility cause them to come less frequently. They are also being lost to other forms of betting: off-track, off-shore, at-home and teletheatres.

In metaphorical terms they are leaving by the back door. While we heard that the overall 'handle' is up about 40% over last year, attendance appears to have plateaued.

This is the kind of situation that can lead to the generation of false positives.

THE FRONT DOOR

The challenge here is clear: to bring more of the hard core in through the front door. But there are a couple of major impediments to that.

The front door group are younger and do not share the same pre-disposition to standardbred racing as the present hard core group. This is a generation that simply does not possess the collective attention span or the patience of the current hard core group. The front door group are also skeptical about racing in general. Finally, the front door group has never really been cultivated or educated to the proper degree by the standardbred industry. You are simply not on their radar screen.

In terms of understanding who your potential front door customers might be, there appears to be very little in the way of good intelligence. If you were a packaged goods company facing the prospect of putting a product on the shelf and all the expense that entails, you would want to know all you could find out about the kind of customer who would be positively disposed to buying your product. You would want to have a complete sociographic and psychographic profile of this customer. And you would want to be able to properly inform, educate and incentivize them.

We see very little evidence that the harness horse industry has ever really attempted to gather any of the aforementioned information in order to discover just exactly who would be the most likely individuals or groups against which to market standardbred racing.

Remember, when asked directly, we heard answers like “anyone who wants great night out”. It could be argued that that descriptor could apply to just about anyone, without any real regard for their feelings about the venue, betting, horses or the sport itself.

THE INFLUENCERS

Every demographic group has its influencers. Parents are influenced by children and vice versa. Husbands are influenced by wives (although the converse is not always true!)

In the case of the Front Door customers we have defined, we don't think that they are influenced by the Hard Core, so much as they could be influenced by each other.

Over the years, in aid of selling thoroughbred racing to a younger generation, many attempts have been made, mostly in advertising, to create these peer group influencers. Unfortunately, the limitations of both radio and television work against these efforts. What you get is the hyper-reality of these people and their experience. What you don't get is just what it is that actually makes them cool enough or sharp enough or with it enough to be influencers in the first place. That is the missing link. So the net takeaway is “Wow, there's some people having a good time at the races...” It can be very strongly argued that if the influencers had actually made the connection they were being asked to make, they would have actually said. “Wow, there's some people I can really relate to having a good time at the races...maybe we should give it a try sometime.” If they had been able to make this connection, then racing in general could be in much better shape than it currently finds itself.

Some other hints at the target came from the Safari. To bet, the target needs disposable income and some available ‘hurt money’ – interesting in that this is in direct conflict with the ‘everybody’ scenario others suggested.

We heard that within the facility, men were found primarily at the racing while women gravitated toward the slots. If this is true, why would OHHA care about women, except as the influencers of where a couple goes for a night out, particularly if she is not interested in racing. In fact, this would tailor your whole marketing tone and manner, making it male and not female in tone. These are not throwaway details – this is the thinking exercise you must enter to form your message.

Industry participants said it is about people with disposable income, but then said to target younger, even college, people (who by definition have less money or young families and have less time or disposable income). This is part of the 'everyone' confusion.

During one session, trainers and drivers, believe it or not, astutely said, 'well, what are we selling?' In fact, that is the **real** question behind everything else. Should you be, in the horse industry, helping market the whole 3-in-1 experience, or is it best for you to promote only the harness horse aspect? Similarly, there is a great difference between someone coming to gamble and the person coming for entertainment. Slots require no thinking. Wagering on a race requires thinking, more like poker. It is passive vs active. Entertainment is relaxed, passive, go there and the experience happens to me. Gambling at the track is intense, active, you must learn, participate and work at it, go there and it happens because of me. Two different people, two different calls to action, two totally different targets. Racing has always attracted the hard core crowd because that's who you talked to, horse people, racing people, bettors. Now it appears like you need to talk to a broader market. But the point is this: it's no wonder why certain people go to slots and not to track side – because they are mutually exclusive. Don't try to covert people who are not interested.

We feel strongly that with all the new media (internet included) at our disposal these days, that this kind of targeting can be much more effectively executed. But moreover, that it would genuinely be worthy of investigation and we have reviewed digital executions in the tactics report. There is not enough budget, or is there likely ever to be, for standardbred racing to be all things to all people. Or for the industry to build its customer base to the extent it needs to be built solely through conventional media efforts.

The takeaway is simple: The OHHA needs to be able to define and prioritize its target audience with a great deal more precision than is the case at the moment.

4. THE KEY BENEFITS YOU CAN OFFER THESE CUSTOMERS

Whenever you get into a discussion about key benefits, this leads directly back to the critical question we started the Safari with – namely, 'What kind of business are you in?'

While it is a wonderful thing to try to be all things to all people, it's generally an impossibility. So in this section of the interviews we posed the question: 'What benefits does standardbred racing provide to the customer?' There were two interesting points about the responses generated here.

The first was that the benefits fell into the realm of 'intangibles', or emotional benefits. These benefits had, in most cases, little to do with the 'gambling/ winning' aspect of the evening out, even though it was pointed out that the majority of first time visitors tend to win.

The second interesting point was that there was a significant amount of discussion which positioned the racing aspect as part of the larger entertainment offering (incl slots and restaurants) that the tracks can now make available to customers. This really was not germane to the question but extremely revealing of the way all participants see your product nowadays.

The benefits, as you saw them, tended to fall more distinctly into the area of entertainment, as opposed to gambling. This may well be the product of the across-the-board acceptance of a hard core of gamblers who, as we were told 'will always be there for us.' The gambler was presumed to be a sure-thing. So, we heard the benefits such as:

- We're marketing fun
- We're offering the adrenaline rush that comes from betting on a horse then cheering for that horse during the race."
- We're offering an evening out. A very good time."
- We're offering a great entertainment value, when you compare it to the cost of many of the other alternatives.
- We're offering an evening out for couples, for families and for groups of all kinds.

OUR THINKING

By asking the same question in different ways, we got down to the primary points of difference between harness horse racing and other forms of entertainment. We heard the points of difference as:

- The live horse
- The driver: As mentioned earlier, both differences should be maximized, not lost as now.
- The time between races. This can be good or bad depending on how they play it out at the track. Good: time to talk with friends, to eat, to drink, to bet, to discuss and share, to have fun. Bad: boring if not filling that time. Note that people come to be entertained, not to entertain themselves (for that they can stay at home.)

We also asked about competitive advantages. Interestingly, the answers, even with trainers and drivers, revolved around the entire facility and the three handles, not just about racing. We heard:

- A 3-in-1 evening – live racing, slots, dining
- When we asked trainers and drivers what was the single competitive advantage of standardbred racing at the track, they said "the slot machines, simple as that" which surprised us. But they are astute.
 - The animal
 - Get people closer to the animal
 - Get people talking to the drivers
 - The betting aspect: "We're selling betting"
 - It's *live*
 - An inexpensive night out: even with dinner cheaper than major sports event and even the movies
 - The social aspect, ability to enjoy with friends, not like movies where you cannot talk, with racing you have fun and socialize as a group
 - Personality stories

Yet, the consumer does not intrinsically understand these benefits. Beyond the hard core group, there is a low awareness level of harness racing as an entertainment event.

But here's the good news. When asked the same question about benefits and competitive advantage, a great many organizations often fall back on 'what we do' aspect of their business. This invariably tends to leave the customer out of the equation and makes the company the big star of their own show. We were gratified to see that this was not the case in our Safari session with the OHHA and the different groups involved. Virtually everyone has managed to leap to the other side of the equation and talk about what they thought standardbred racing was in terms of what it represented to the customer. We captured good information that drives both strategic thinking and subsequent tactical executions.

5. THE MARKETING TOOLS AND TECHNIQUES YOU HAVE USED

When the discussion came around to marketing techniques and marketing tools that have been employed over the years, it would appear that there is really very little that hasn't been tried.

- Radio
- Direct Mail
- Busing
- Cross Promotion
- Web Site
- Emails
- Freebies
- Enquiries
- Couponing
- Various types of customer education programs
- Group Solicitation
- Special Event Packaging

We came away from this area with the distinct impression of a 'quantity vs quality' scenario at work here, meaning that while many different tools may have been tried, they may not necessarily have been tried for a sufficient period of time to truly determine their real effectiveness. They may have been abandoned too soon or not had enough *oomph* behind them. Or they may have been launched with insufficient funding to give them the required market penetration.

Clearly, given the lack of information about the optimal target, this plays out in the 'multiple tactics' scenario as well. When the target is not clearly identified, the way to hammer home the message becomes a tactical model of trying just about everything to see what works – because no one knows, with clarity, what is most likely to make the highest and best impact. (Ditto if the message is confused as well.)

Through the sessions, we also became aware there are a great many viable ideas flowing around in the marketing world of harness racing but that very little was being done to measure the success of these programs. This might be more difficult to achieve when you have two or more of these ideas in play at any given time. But this is the only way that you are going to be able to separate the functional and business building ideas from the rest.

One interesting point that arose during this discussion was the comment that “95% of the people would still be there if there was no marketing”. While this is a difficult claim to substantiate, it does talk to a fundamental lack of confidence in conventional media and marketing tool and techniques, which actually may not be unfounded. Where we take issue with the comment is the underlying expectation that even in this competitive environment, where consumers – even the ones who know what you have to offer – have so many choices, that people will simply come back on their own. This is not our experience as marketers.

Apart from the traditional communications oriented marketing tools and techniques which tend to only inform people about the experience of standardbred racing we feel that a great deal more emphasis needs to be placed on ‘bettor’ education, because we see this as a singularly potent method for converting casual visitors into regular customers. The challenge is that it must be done all the time, at every track, on every race day. Once per season, at a few tracks, is simply not enough to effectively influence enough people, enough of the time. But, again, even this program should not be reimplemented until you have clearly identified the target. It would be a wasted investment.

This also leads to the larger issue of focus. The development an accurate brand identity and supporting communications strategy will help those more conventional tools work harder. And it will show you how some of the more unconventional tools can be used to greater effect.


6. THE WAY YOU SEE YOUR BRAND IN HUMAN TERMS

While thoroughbred racing was seen as the ‘Sport of Kings’ the general consensus in the Safari groups was that standardbred could be classified as the ‘Sport of the Common Person’. This is very much an indicator that you see your sport as something which is quite accessible to most people. And that you understand the kind of people who are attracted to your sport.

Standardbred racing is much more a middle class/working class sport. We heard ‘You don’t see a lot of BMWs and Mercedes in the parking lot, mostly the Ford & GM crowd.’

In terms of personifying standardbred racing, there was a genuinely mixed response, which seesawed between old, honest, friendly and down-home to competitive and passionate to mysterious and misunderstood to awkward and subject to extreme mood swings. Specifically, we heard that if harness racing was a person, the personality would be:

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- 
- old and tired
 - honest
 - friendly
 - downhome and folksy
 - community focused
 - earnest
 - mundane
 - long-winded
 - competitive
 - passionate
 - persistent
 - awkward
 - split personality
 - schizophrenic
 - fun
 - dull with periods of spark then back to being dull
 - subject to extreme mood swings
 - quiet and shy but when understood fun and exciting
 - never knows what end result will be
 - encumbered by tunnel vision
 - misunderstood
 - integrity always in question
 - overworked and under-appreciated

While a psychoanalyst might do a better job than we in assessing the mental state of the people behind those answers, from a marketing perspective the results allow us to put a human face on the industry. The divergent nature of these personifications, we believe, indicate strongly that the character of your brand is very poorly defined.

The **character or personality** of any brand dictates the tone and manner in which all communications should be executed. And inconsistent or poorly defined brand character will lead to messages that send mixed signals, which in turn will leave your potential customers with more questions than answers, which, of course, will fuel their skepticism.

The answer lies in the development of a brand strategy that allows the OHHA to put their best foot forward, with positive, compelling and consistent communications.



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CONCLUSION

Each section of this report outlines what should be strategically done. In total, the communications challenges for harness horse racing to make an impact are simple and direct.

1. DETERMINE THE PROMISE

- a. Entertainment and Fun
- b. Wagering
- c. Or both (but clearly understand why if both)

2. IDENTIFY THE TARGET MARKET(S)

- a. Age
- b. Economic status
- c. Gender
- d. Location
- e. Whether they come for the entertainment or the wagering
- f. And a host of similar psychographic, demographic and sociographic factors

3. FORGE THE MESSAGE

- a. The entertainment target will tell you what messages they will respond to
- b. The wagering target will tell you what messages they will respond to
- c. Ensure the message includes a memorable tagline and a believable overbrand about standardbred racing that overlays the separate track promotions

4. CREATE A HUGE INCREASE IN PERCEPTION

- a. Educate
- b. Inform
- c. Involve
- d. Understand the difference in each case

5. GET THEM OUT

- a. The first time
- b. The second time

6. GET THEM TO THE TRACK SIDE OF THE FACILITY

- a. You only have 90 seconds from the time they walk in the door so you need to reach them immediately as they enter the facility

7. GET THEM BETTING EVEN marginally

- a. You must make it understandable, easy and fun

8. GET THEM BACK

- a. You cannot let them go cold. You need to ask them back the second time.
- b. This means you need to know who they are, and when they came to the track

BUT MOST IMPORTANTLY, FOR HARNESS HORSE RACING...

- Recognize facility owners do not necessarily have the same goals

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Generally everybody said the message in the past was either none at all or at best a mixed message. Initially, that the industry oversold the 'sport' aspect, but people did not buy it, and that people did not want to hear the gaming message until more recently. Beyond all of that, there is no solid slogan or positioning. No overbrand of racing, just local track branding.

When we asked what would make them happy with the result if we were sitting here discussing the situation a couple of years from now, we heard:

- maintain number of live race days and grow handle on racing product
- maintain net on slots
- re-sign the site holder agreement with OLG (‘if they don’t re-sign, we won’t be here’)
- increase attendance and handle
- develop larger fan base for harness racing, and as they bet things get better
- create a province-wide brand and campaign around harness horse racing
- increase the exposure of harness horse racing
- create a new customer base while remaining loyal to the existing base
- improve third-tier backstretch
- increase attendance from outside people
- see crowded grandstands
- growth can only be defined by an increase in wagering (which perhaps is a conflict with crowded grandstands, because you don’t necessarily need crowded grandstands to have an increase in wagering these days)
- get the message across that it is a family-friendly affair, anyone can come with family and friends, you can afford it, and you can win big if you are lucky
- unified consistent branded marketing, through a dedicated body that speaks for the industry and develops a measurable campaign that dramatically and positively reflects wagering as the focus
- take a long term view of 15-year plan and stick with it

All laudable goals. Realistically, however, we must recognize that the industry environment, which we heard from more than one senior person, is one where there is a history of conducting studies with little implementation. Frankly, we heard that people do not believe things will change at the association level because people are still fighting the same old turf wars. We are not qualified to comment – only you will know if this is true. And only you can change that perception, by doing something.

In life, there are lots of reasons why things cannot happen. With you, they could be multiple associations, lack of focus, lack of clarity, lack of skill, lack of money, competing interests and more. But negative is easy. But let us boldly suggest that the harness horse industry is at an absolutely crucial point in its evolution. A point where change can be managed. Or change will be thrust upon you. You’re already feeling it.

So, things need to change.....



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- You must **do** something
- Be open to change – it is here whether you like it or not.
- Don't look back – stare confidently into the future.
- Get focused
- Make a commitment
- Establish congruent goals with all the players, tie in with what is happening at tracks
- Create a larger recognition of harness racing as a viable entertainment alternative

In our final Safari module, *The Success Solution*™, we will recommend relevant tactics to guide you on the way to a communications breakthrough.



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