

2010

“Meeting the Future through Change”
Future prospects of the German and Dutch
horseracing industry



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University of Applied Sciences



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“Meeting the Future through Change”

Future prospects of the German and Dutch horseracing industry

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Preface

The intention of this report is to show how the Dutch and German racing industries can get through the current crisis.

Due to a lack of available literature, interviews with industry experts have also been used.

This work is divided into two main parts. The first part consists of a comparison of the current state of racing in Germany, the Netherlands and Great Britain, along with recommendations.

The second part, following on from the first, introduces alternative uses for the race courses and gives a conclusion and an evaluation of the alternatives.

Still, a critical foresight is expected, if and to what extent the racing sport and race courses can be effective as a centre for leisure activities.

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Utrecht, 2020

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Julia Kolhoff

Summary

The horseracing industry in Germany and the Netherlands is facing challenging times. During the last years, the racing industry missed the opportunity to adapt to current needs and interests which hindered development. The only changes have been reactive, driven by necessity and led by single parties going it alone.

This report wants to address how this situation became resulted and how this can possibly be improved in the future.

The decline in attention to the sport and the poor financial situation is a result of a significantly more competitive betting and leisure environment.

To achieve major changes in the overall view of the horseracing industry, solution based approach is needed. The people with power within the industry must make an effort to proactively adapt to the changing environment and help to instigate the much needed reforms.

Horse races need to be seen as a leisure activity offering a wider range of activities for a day out. Combining the races with events promoted as a special day out make it more appealing and changes the nature of the sport to attract a more diverse public. The betting and sporting experience must be put in a new suit. Entertaining accompanying parties and creating "social happening" become just as important as the actual sporting event.

The diversity of the racecourses and their facilities creates a challenge in setting a standard for the customer experience, particularly as race day experiences can be influenced as much by weather or sporting action as by service and competition.

Nevertheless, general recommendations are made with regard to the opportunities the betting industry has and especially opportunities regarding equine-related alternatives and non-equine related alternatives taking place at the race course and their factors of success.

This report will provide detailed information on promotional activities at horse racing events, will document how the sporting and leisure marketplace can be improved and list suggestions that would help to increase the appeal to media and sponsors, in turn generating more investment into the sport.

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1. Introduction

Horseracing is a global sport, which has a cultural significance for diverse communities throughout the world.

In 2008, 244,000 different horses participated in 160,000 flat and jump races at around 1,500 racecourses, including racecourses for flat, jumping and trotting.

The global prize money in racing, including premiums, in 2008 was over € 2.5 billion (Annual Report 2008, IFHA).

The European horseracing industry includes 40,000 breeders, over 30,000 jobs of which 155,000 people are directly employed in horseracing, 500 racecourses throughout Europe, 80,000 horse races per year, 170,000 race horses and an average 18 horse races per hour. There are 20 million punters, € 35 billion of bets and € 1.6 billion of taxes paid to governments.

All these statistics reveal the impact horseracing can have on the community. But, “we have to be convinced that horseracing activity is very different from one European country to another. It is not a granted fact that it is going to be successful everywhere [...]” quoted by Bertrand Belinguier.

This is the reason behind writing this report.

1.1 Problem description

Seen internationally, Germany and the Netherlands do not belong to the leading horseracing nations (Economic Impact of British Racing – International comparisons, 2009) and have even been stagnant during the last years in order to stabilise their sector (Bertrand Belinguier at the EU Equus 2009). Therefore, there seems to be a need to improve.

It took Germany a long time to develop an economic model that can take racing into a promising future. Investors were missing as well. German horseracing needs to be brought to a higher standard and some kind of modification. Parties and people responsible must take the matters into their own hands (Halm, 2009).

The Dutch racing sport is under pressure. One reason for the industry declining is the strife in the board of executives (De Volkskrant, 2002) regarding the way business is run with the NDR, Stichting Nederlandse Draf- en Rensport (Governing body of Dutch Racing). Owners, breeders and trainers protested against the board of executives. The way of leading the Dutch racing industry is not accepted by owners, breeders and trainers and the members do not agree with the way the situation is handled (www.ndr.nl). There need to be a swift to the administrative crisis, otherwise, professional racing in the Netherlands will disappear (Hoefslag, 2010).

The economic situation plays an important role as well. It has never been as bad as it is now (German Racing, 2010). The necessary money to invest into this sport is missing (German

Racing, 2010). Some German racing clubs have already filed a petition for the institution of insolvency proceedings (Frankfurter Allgemeine Zeitung, 2009). The direct marketing of betting needs to be changed. There is a need to become a leading part of the betting market to use return flow of the bets to bring the German racing back on a solid financial basis (Frankfurter Allgemeine Zeitung, 2009).

The NDR is hard-pressed for money, as well (Schager weekblad, 2009). The Dutch sport faces a declining turnover. Using a comparison, the annual turnover of the Dutch equestrian sector is only one-tenth of the British one (Horse sector statistics, Crossman, 2009). Furthermore, it is almost impossible to amortize the mortgage of some race clubs (Horses, 2009). € 1.2 million is necessary to clear the debts (Dagblad van het Noorden, 2009).

The Dutch racing sport does not benefit from the betting-permission which was given to Scientific Games Racing (SGR) by the ministry (Horses, 2009). If less than € 50,000 is turned into cash at a race meeting, the NDR needs to make up the difference. Almost no meeting has a € 50,000 or a higher turnover (Dagblad van het Noorden, 2009). Therefore, the money going to the sport is not enough. The consequence is that the prize money is too low and this results in the trainers being forced to go to Germany or Belgium to participate in races. If there is only € 400 for the winner of a Dutch race (Hoefslag, 2010), it becomes difficult for them to make ends meet (Horses, 2009). There is a hope for a European law which bans the monopoly position in the betting sector. The agreement with SGR needs to be revised (Horses, 2009).

Another factor necessary for a better promotion of this sport is to understand that Germany and the Netherlands have a lack of interested people (Harrison Fraser Research, 2009). The media coverage and attendances are much higher in Great Britain (about 5.7 million attendees, Economic Impact of British Racing 2009) than they are in Germany (about 1.8 million attendees, German Racing, 2010) and the Netherlands (180,000 attendees, Mellegers, 2010), where there are fewer visitors at the races.

British Racing benefits from extensive broadcast coverage which allows access to a greater proportion of the population than in Germany and the Netherlands (Economic Impact of British Racing, 2009). Where there has been TV coverage and articles in newspapers in previous years in Germany and the Netherlands, the attention from the media is now almost zero (van der Meer, 2010). Horse racing does not have stars to report on, other sports, games and leisure activities replaced the interest media and visitors had in horseracing. In addition, it is not easy to attract a new audience, because the "language" of the horseracing industry is too complex. Understanding how to bet requires a fair amount of knowledge. The sport has not been modernized and it has missed attracting a new, young public. A decrease in media attention and visitors results in a decline in sponsoring activity as well. Nobody wants to sponsor a sport which is not able to survive and forge new paths. The sponsors do not benefit either.

Everyone working for horseracing or investing in this sport is affected by the country's situation and might wonder about the future. Breeders, trainers, owners, race goers, the

racecourses themselves, the horseracing associations and all the millions of other people who are employed within horseracing would love to be optimistic.

The aim of the Dutch and German horseracing industry is to continue with racing on all courses and to become successful again.

1.2 Aim of the study

The report will outline possible ideas for an alternative use of the race grounds, like new events promoted as special days out to make the sport more appealing. Furthermore, ideas to solve the drawback of the betting industry, the existing language barrier as well as the missing appeal for media and sponsors will be considered.

The result will be a demonstration of the best suited possibilities, which can be very helpful in the long- term, to give the sport financial stability and to attract a new audience. The horseracing product must meet the visitor's needs. The racecourses need to become multifunctional complex. Diverse events organized additionally to the races will help the racecourses to save the sport (van der Meer, 2010).

1.3 Research questions

The questions are divided into different sections including a central question and sub questions. The main question is:

"Which future prospects do the German and Dutch Horseracing industry have in due consideration of their current situation and the one of Great Britain?"

The sub questions with a focus on the topics image, horse's welfare, employment, finance, marketing and future developments are related to each of the countries: Germany, the Netherlands and Great Britain. The sub questions about opportunities and alternatives are only related to Germany and the Netherlands.

- How has the situation changed from the year 2000 onwards regarding the following points?
 - The image of horseracing?
 - What are the numbers of attendance?
 - What are the reasons for attendance?
 - What kind of people go to the races?
 - What are the attributes associated with the sport?
 - Which significance does the sport have?
 - The horses' welfare aspects regarding horseracing?
 - Facts about factors as inbreeding, age, drugs and whip use?
 - The employment situation in horseracing?
 - What is the number of people employed?
 - How does education take place?
 - The financial situation of horseracing?
 - What is the current financial situation?

- What problems do the countries face?
- What are the betting procedures?
- What are the main sources of income?
- The marketing practice in horseracing?
 - What are the ways promotion is used?
 - How is the media involved in marketing?
- The developments of the horseracing business?
 - What are the trends and innovations in this industry?
 - What does the horseracing industry miss?
 - What are the most important changes that the industry needs to adapt to?
- Which recommendations come out of the current situation?
 - Recommendations regarding promotional activities
 - Recommendations regarding attraction of media, partners and sponsors
- What opportunities does the sport have to increase the interest of the public and to raise money?
 - Equine-related alternatives
 - Non equine-related alternatives
 - Possibilities for the betting market
- Which alternatives are the most suitable to enhance the racing sport?

1.4 Type of research

This report contains an explanation of the current situation of British, German and Dutch horseracing, which makes it a descriptive research. Data is collected for each country individually and summarized.

It includes a comparative study of the British, Dutch and German horseracing in order to make recommendations for the improvement of the German and Dutch racing branches to become more profitable in the future. This kind of data analysis is explorative.

1.5 Method of data collection

A survey study was conducted aiming to illustrate the current problems the German and Dutch horseracing industry face.

First of all, in January, diverse interviews with British experts took place; the answers functioned as a starting point of the research itself, helping to determine the most important topics to address.

Secondly, individual interviews with audiotape recording, if permission was granted, were conducted to obtain qualitative data about the German and Dutch situation.

Qualitative interviews imply open questions which were asked on the basis of a topic list. A well-founded picture of the racing industry in Germany and the Netherlands was obtained by constantly comparing the statements.

The number of interviews was restricted to about five in Germany and five in the Netherlands. This seemed to be an appropriate number given the time available for the

research. It focused on experts of functions in different core areas and positions. This made it easier to obtain all information needed, because everyone is specialised in a different area of work.

The interviews were semi-structured. That means they were held having some established general topics for investigation but being flexible. This method allows for new questions to be brought up during the interview as a result of what the interviewee says. The interviewees are facilitated to talk about their views and experiences in depth but with limited reciprocal engagement or disclosure.

The data was analysed by snowball sampling. Snowball sampling is a method taking the information gathered from the first person to the person of the second interview and so on. Thus the sample group appears to grow like a rolling snowball. As the sample builds up, enough data is gathered to be useful.

Data was collected between February and May 2010. The individual interviews were conducted at the participant's workplace. A few interviews were conducted via telephone. This method of data collection was chosen, because it seemed to be the most efficient way to find the most relevant details.

Further data was collected through literature research and the presentations by experts at conferences (EU Equus, Conference of the IFHA) gave a variety of information.

After the description and conclusion of the current situation, recommendations are made based on the conclusion.

Thirdly, the ideas originated by literature research combined with the interviews lead to the last step of the research, the outline of alternatives with regard to the future possibilities of the race course.

These alternatives have been separated into horse-related alternatives and non-horse related alternatives. The evaluation of the alternatives is demonstrated by the use of a table. To arrive at a conclusion about the use of the alternatives to enhance the sport in Germany and the Netherlands, the table was discussed with experts.

The aim of talking to experts once more was to create a general view on the ideas. The opinions of the experts have not been compared. Every opinion has been used in order to search for the most suitable possibilities for the race grounds. Because every race course has different facilities and potential, it has not been necessary to include the different aspects of each talk.

2. Current situation of horseracing in Great Britain, Germany and the Netherlands

To firstly get an overview about the whole picture the countries are dealing with, the current situation is analysed in the following, concentrating on the factors image, employment, finance, marketing and future developments. Moreover, this analysis shows the differences between the horseracing industry in Germany, the Netherlands and Great Britain.

2.1 General information

There are 60 licensed racecourses in Great Britain (Economic Impact of British Racing, 2009), 41 in Germany (German Racing, 2009) and 10 in the Netherlands. Seven of the Dutch courses are recreative, that means there are only one or two meetings taking place every year (Mellegers, 2010). The diversity of terrain the courses offer to horses and jockeys and the range of facilities they provide for spectators form one of the abiding attractions of racing (Magee, 1989).

Whereas Great Britain only hosts horse races in gallop, Germany stages trotting races as well and the Netherlands are almost purely concentrated on trotting.

The following table overviews the size of the sport in these three countries:

Table 1, Criteria applying to the British, German and Dutch Horseracing Industry

	Great Britain	Germany	The Netherlands
Number of betting shops	8,000		74
Amount bet on horses per year	£10 billion	€37,391,955	€5,439,785
Percentage of people betting on Horseracing	Ca. 17%	Ca. 0,7%	0,02%
Percentage on people betting on lottery	Ca. 50%	Ca. 40%	Ca. 22%
Number of race meetings held annually	1,500	145 (266)	161
Number of races held annually	9,000	1,474 (2,642)	1,100

Number of runners competing	90,000	2,717 (3,490)	924
Number of horses in training	15,000	3,035	807
Number of owners registered	18,000	1,295 (1,785)	1,281

(Attenborough, BHA, 2010; British Horse Industry Confederation, 2009; German Racing, 2009; DVR, 2010; Statista, 2010; Jahresbericht, DVR, 2009; Hauptverband für Traberzucht, 2010; Dekker, 2010)

The numbers in brackets refer to the German trotting industry.

As it can be seen, British racing is undoubtedly considered to be the industry leader (Sherman, BHA, 2010). Regarding the three mentioned countries, Great Britain is followed by Germany; the Netherlands have a relatively small horseracing activity.

There are grave differences in the whole structure of the racing countries. Comparisons are possible, but you need to bear in mind that the Netherlands and Germany are not as professional as the British horseracing industry is. The size of the markets is very diverse. All this needs to be considered when talking about comparisons of the countries and the current situation of each of them (Brauer, 2010).

Each country has its own governing body: The British Horseracing Authority (BHA), the German Direktorium für Vollblutzucht und Rennen (DVR) as well as for trotting the Hauptverband für Traber- Zucht e.V. (HVT) and the Dutch Vereniging Nederlandse Draf- en Rensport (NDR). All horseracing bodies are members of the International Federation of Horseracing Authorities (IFHA).

Every race club markets itself. The races are arranged by the clubs individually (DVR, 2010).

History

It is difficult to pinpoint where the history of horseracing began (Bracegirdle, 1999). The sport of horse racing probably dated back to the time of King Charles II, who reigned from 1660 – 1685 (Black, 2008), the famous Newmarket track in England opened under James I and Charles II encouraged the Newmarket race (Sparks, 1992).

Coming from England, thoroughbred breeding and racing was spread into the whole world. In Germany, the first races took place in 1822 in Bad Doberan (Mühlfeit). Organised trotting races in Germany started in Bavaria. In 1873 the first trotting club was founded (Finger, 2005). The first German fixture list was compiled in 1836 (Mühlfeit).

The Netherlands took British racing as a role model and started organizing their own derby every year. Trotting races are already existent since 1554 and became interesting in the Netherlands during the annual fairs. Including races in the daily fair procedures attracted more public. During the first half of the 19th century the jockeys participating in the races were

sitting on the horses, later on, people started using sulkies. The first race courses were built in 1844 (NDR, 2010).

In Germany, betting on horseracing developed similar to Great Britain (DVR, 2010). In Great Britain, betting was prodigious and blamed for the downfall of many an impressionable young people (Bracegirdle, 1999). The first time a contribution from off-course betting turnover for the benefit of racing was collected was in 1961 (Bracegirdle, 1999). In Germany 1822, visitors started to bet for themselves, for fun. Later, betting became organised, bookmakers opened their businesses and in 1870 at the Hamburger Derby, the Totalisator was introduced in Germany. In 1905 the law for betting on horseracing was enacted (DVR, 2010).

Most racing in Great Britain took the form of matches, with records kept in private match books, diaries and local records. At this time horses would have carried heavy weights and have been at least four years old (Bracegirdle, 1999).

By the end of the 18th century racing had been transformed. There was an emphasis on shorter distances and speed and therefore younger horses. Selective breeding adapted the type of horse to suit the new challenges. Handicap races were introduced in Great Britain and later in Germany. This encouraged more owners to enter their horses, since it evened out the chances of winning (Bracegirdle, 1999).

After the Second World War camera patrol and photo-finishes brought more precision to decisions, and in 1965 starting stalls were introduced in Great Britain (Bracegirdle, 1999).

Horseracing is, by far, the oldest organised sport. The thoroughbred is an object of cultural value (www.galopp-sport.de).

The bottom line

British racing has always been a leading figure and a trendsetter with regard to horseracing. The sport in Great Britain became more famous than it is in Germany and the Netherlands and has an influence on the development of the country. As the sport is of high cultural and traditional value, a lot is done to keep it up to date. Germany and the Netherlands tried to follow this trend but have a tough time in sustaining the interest of the public in modern times.

2.2 Image

Racing in Great Britain helped to sustain a wider national belief in the superiority of British sport. Britain had long experience and tradition in most sports, and racing has been in existence far longer than most. Britain's success and leading role in international breeding was yet another example of such superiority. People took pride in the fact that the thoroughbred was an English creation. Racing demonstrated the strength of British cultural conformity and cohesion (Huggins, 2004) (see Appendix I – The British leisure culture). Germany and the Netherlands do not have the experience and tradition in this sport and therefore the image is going to be measured by the numbers and reasons of attendance at the race meetings as this is the most visible form of racing support (Huggins, 2004).

Reasons for going to the races are related to the attributes associated with the sport. The image is about how the Dutch, German and British perceive and evaluate the sport and which position they take regarding horseracing. The described plus the racecourse experience results in the reason for attending or not attending horse races.

2.2.1 The image of horseracing in Great Britain

Numbers of attendance

The number of British racing national events, The Grand National, The Derby, Royal Ascot and the Doncaster St. Leger from the interwar period, expanded rapidly (Huggins, 2004). Currently, The Royal Ascot for example, attracts almost 288,000 people as it can be seen in the following figure.

Table 2, Top ten British meeting attendances in 2008

Rank	Event (days)	Total
1	Royal Ascot (5)	287,876
2	Cheltenham Festival (3) ^A	177,501
3	Epsom Derby (2) ^B	160,000
4	Aintree Grand National (3)	144,826
5	Glorious Goodwood (5)	102,068
6	Cheltenham Open (3)	70,024
7	Chester May (3)	63,840
8	Doncaster St Leger (4)	57,263
9	Ascot – King George (3)	56,696
10	York – John Smith's (2)	46,762

Note A: Cheltenham Festival Wednesday was abandoned owing to high winds. York Ebor meeting which was abandoned, attracted 70,000 from three days in 2007.

Note B: Includes an estimated 100,000 attendees on the Hill who pay limited admission fees.

Source: HBLB; Deloitte analysis.

The British top ten race meetings in 2008 attracted 1.1 million visitors (Economic Impact of British Racing, 2009).

Racecourse attendance figures from the 24th of January 2010 have revealed that despite the precarious economic climate, British racing has retained its popularity and continued to appeal to the public (Atkin, 2009).

The total racecourse attendance in Great Britain has risen from 4.58 million visitors in 2002 till 5.7 million visitors in 2008. This is an increase of 27% (Harrison Fraser Research, 2009).

Reasons for going to the races

Regarding the consumer research of Harrison Fraser, British racing nowadays has few negative associations and no major concerns either. Most positive perceptions relate to the racecourse experience and racing is seen by most as a leisure activity rather than a sport. Betting is regarded as an integral part of horseracing and, for some, it is the main reason for its existence. But, the reason to go to races is not the betting alone. Racing is about the passion (Huggins, 2004). The following figure reveals the main findings of the Harrison Fraser research:

Table 3, Words associated with and not applicable to horseracing (Harrison Fraser Research, 2009)

	✓	×		✓	×
Sociable	88	1	Challenging B	20	32
Fun day out	80	2	Trendy	19	32
Thrilling	76	4	The sport of kings	18	32
Traditional	66	5	Corrupt B	15	29
Special occasion	65	7	Exclusive	8	47
For everyone R	60	13	Boring	5	65
Colourful	50	13	Cruel	5	54
Glamorous	44	13	Elitist	5	38
For people like me R	41	8	Inaccessible	4	50
Expensive B	36	25	Outdated	3	56
For those in the know B	20	40	Irrelevant	3	52
Complicated B	19	36	OVERRATED	2	47
✓ = associated with horseracing			R = associated more strongly by racegoers		
× = not associated with horseracing			B = associated more strongly by bettors		

Figure 2 shows the British perceptions of and attitudes towards horseracing. For this research a sample was drawn out of 100 individuals, men and women aged 25-55. It is based on a cross section of occasional participants in race-going and off-course betting plus regular participants as benchmarks (Fraser, 2009).

The reasons to go to races became social ones (Huggins, 2004). Mentioned by Huggins, the most important reasons are the following:

- Roles and personalities could be made up
 - Away from expectations of neighbours or work
 - Etiquette
 - Rituals (of going to and watching the races)
 - Codes of dress and language (women)
 - Sociability
 - Solidarity
 - Relaxing
 - Drinking and eating
 - Betting
 - Gambling
 - Collective fun
 - Festival spirit
 - Meeting friends
 - A day out
 - Pleasure
 - Irrationality
 - Watching the horses versus genuine interest and love for racing
 - Establish social bonds
 - Meeting potential partners
 - Plenty of room for chatting, flirting or seduction
- (Huggins, 2004, p. 134/135)

Furthermore, today, British racing sport has support among all social classes, ABC1 and C2DE (Huggins, 2004).

Table 4, The demographic classification used in the United Kingdom (Wikipedia, 2010)

Grade	Social class	Chief Income Earner's Occupation
A	upper middle class	Higher managerial, administrative or professional.
B	middle class	Intermediate managerial, administrative or professional
C1	lower middle class	Supervisory or clerical and junior managerial, administrative or professional
C2	skilled working class	Skilled manual workers

D	working class	Semi and unskilled manual workers
E	Those at the lowest levels of subsistence	Casual or lowest grade workers, pensioners and others who depend on the welfare state for their income

The sport today appeals to all ages and a high proportion of women as well (Jump Racing Focus 2008/09).

2.2.2 The image of horseracing in Germany

Numbers of attendance

Racing in Baden- Baden is the trend-setter and sets the tone for the German horseracing industry. In Baden-Baden, there are three big race meetings taking place annually, the third one, the Sales and Racing festival, was established in 2004. The number of attendance represents the importance of these races. The trend of Baden-Baden is material to the whole German horseracing industry (Brauer, 2010).

There is a general decline in the numbers of attendance from 2001 (172,541 visitors) onwards. After the introduction of the third race meeting in 2004 the total numbers increased, but the numbers of the first two race meetings only reveal that a decline could not be prevented. 136,004 visitors came in 2008 to see the first two race meetings, a fall of 36,537 visitors compared to the year 2001. Including the third race meeting, there were 155,153 visitors coming in 2008, thus, the numbers of the annual attendance reveal quite stable compared to the years before (see appendix III) (Brauer, 2010).

Taking into account the whole German horseracing industry, it can be said that races attract about 1.76 million visitors (German Racing, 2009), but this number has not been resilient to the recession.

In the 1960s and the 1970s 10,000 visitors a day came to see trotting races, even on weekdays. Today, the trotting clubs are content with 1,000 visitors coming on a Thursday (Dietmar Schrott, Gelsenkirchener Trabrennverein).

Reasons for going to the races

In contrast to the British image, in Germany, many people associate horseracing with a meeting place of the rich and famous. The races are seen as elitist events (Finger, 2005), which exclude specific classes (Büker & Hansen, 2008).

The sport does not appeal to the younger public either, because one of the reasons for coming is betting but bettors must be of age. Betting collides with the protection of minors in the betting industry, which results in older spectators, 85% of them being male (Brauer, 2010). The youth is not excited about horseracing, because the number of other hobbies is on the rise. There are no reasons to come and the necessity to promote the sport to the younger public has been underestimated (Lugauer, 2010).

2.2.3 The image of horseracing in the Netherlands

Numbers of attendance

In successful years, a top meeting attracted 5,000 visitors, regular meetings 1,500 up to 2,000. Nowadays, only at best 1,000 racing enthusiasts are present (van der Meer, 2010). Taking about 15 meetings per year, the total attendance is only about 200,000 including the extra visitors attracted by the more famous events like the Derby (Dekker, 2010). It is assumed that these visitors are the enthusiasts of the sport including the owners and that the bettors prefer to bet from home or a betting shop and do not attend the races very often (Mellegers, 2010).

Reasons for going to the races

The image of Dutch horseracing has not changed very much during the past years. As in Germany, the sport is still seen as an elitist event and attending the races means having a fair amount of money. The money-issue alienates the public from going to the races.

Reasons for the remaining enthusiasts to go to the races can be the factor of sport, the excitement and the sensation created at horse races. The bettors come to the races because there is a bigger chance of winning by betting on a horse race than by going to a casino. In addition, they have the possibility to follow the races live (Mellegers, 2010).

The bottom line

Attendances in Great Britain are still rising strongly whereas the amount of people interested in the sport in Germany and the Netherlands is decreasing.

The reasons for going to the races changed in so far that the bettors got the opportunity to bet from home and do not need to attend the races anymore. Second reason is that the opportunity was missed to attract the younger public. Thirdly, the number of races has fallen which results in a lower number of starters and therewith, a reduced number of owners coming to the races watching their horses.

Furthermore, the aspect of the horse's welfare has come into question during the last century and plays a vital role when talking about the image of horseracing.

2.3 The horse's safety and welfare

"Issues affecting animal welfare are becoming increasingly important. [...] we should not only aim to ensure the welfare of the horse, but also have some international consistency in the prohibition of drug use, testing and research" says Louis Romanet, chairman of the IFHA.

Because of its importance to the horseracing sport, the safety and welfare of the horses is mentioned in this report. In general, welfare aspects, especially the factor of inbreeding, drugs, whip use and age of the horses need to be clarified here because they influence the image of the sport.

Inbreeding

There is no evidence that inbreeding is actually taking place.

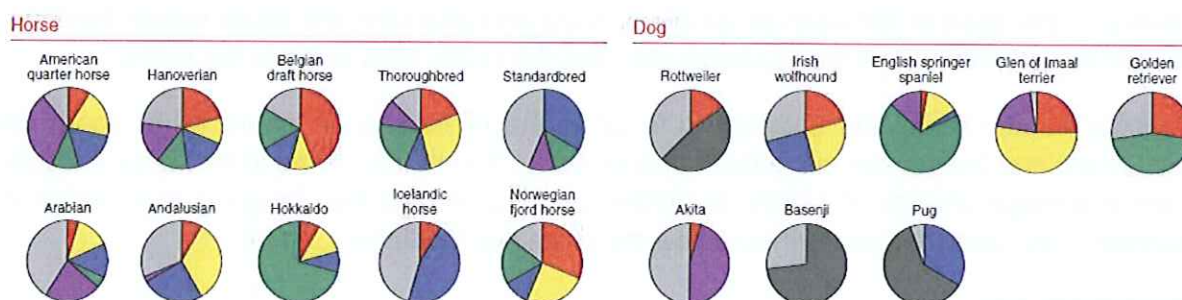


Figure 1, Genome analysis of different horse and dog breeds (Wade, 2009)

Figure 4 shows that horses exhibit more long-range across-breed haplotype sharing than dogs. Haplotypes have the same colour across breeds. Thus, horses, and especially the thoroughbred, do not appear to have undergone a tight domestication bottleneck which results in inbreeding.

Age

There is evidence that racing as a two-year-old does not reduce the length of a horse's racing career. Racing of two-year-olds is acceptable provided the horses are adequately developed and are free of significant conformation faults (New Zealand Veterinary Association, 2009).

Thoroughbred veterinarian and surgeon Dr. Larry Bramlage says racing two-year-olds benefits bone and muscle growth in young horses. He said, "As soon as thoroughbreds are physically mature, they should start effective training. It is most desirable not to let the bone formation apparatus atrophy after growth and then require it to be re-created" (Bramlage, 2008). The data presented by Dr. Bramlage shows specifically that horses raced at two years of age have had more lifetime starts than horses who did not race until after the age of two (Research Today, 2008) as it can be seen in the following figure.

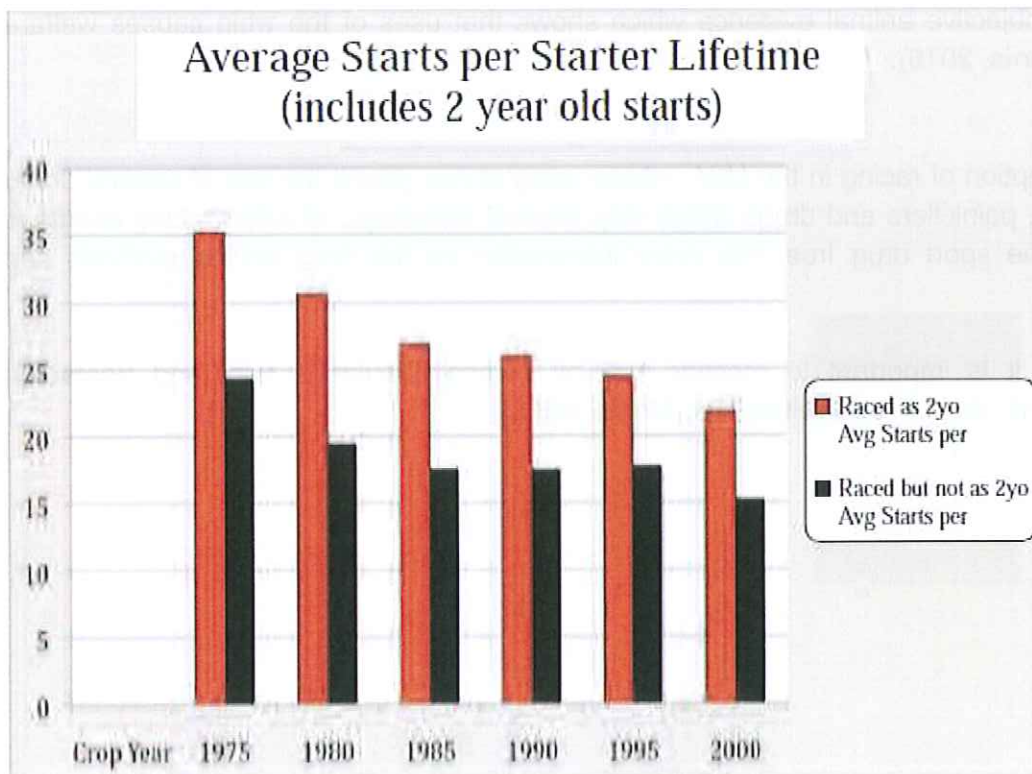


Figure 2, Lifetime starts of horses with emphasis on their starting age

The whip use

Whips are only used for three reasons, to

- encourage the horse
- give safety
- give direction

Anything else is unacceptable (Morris, 2010).

Use for safety would include using the whip to assist in avoiding a dangerous situation.

Use for correction would include swinging and as well as using the whip to keep a horse running straight.

The use of the whip for encouragement is permitted only on the basis of:

- showing the horse the whip and giving it time to respond
 - using the whip in the backhand position for a reminder
 - having used the whip, giving the horse a chance to respond before using it again
 - keeping both hands on the reins when using the whip down the shoulder in the backhand position
 - using the whip in rhythm with the horse's stride and close to its side
- (BHA, 2010)

There is no objective animal evidence which shows that uses of the whip causes welfare problems (Morris, 2010).

Drugs

With the exception of racing in the USA, where many states permit the use of several drugs in racing, e.g. painkillers and drugs which stop internal bleedings, all other racing countries aim to run the sport drug free. For more information on the drug testing methods see appendix IV.

Furthermore, it is important to mention that all horses should be kept and treated in accordance with the Animal Welfare Act (Morris, 2010).

2.4 Employment & Education

Horseracing makes important contributions in terms of employment and therefore, it plays a role in respect of wealth creation (Annual Report 2008, IFHA).

The horseracing industry offers people a wide range of employment opportunities. No other sport offers the variety of roles and skills that exist in the racing industry (Racing Together, 2009). Jobs in this sector are directly or indirectly related to horseracing:

Table 5, List of direct and indirect jobs of the horseracing sector (Annual Report IFHA, 2008)

Direct jobs	Indirect jobs
Breeders	Veterinarians
Jockeys	Farrier
Trainer	Feed industry
Stable staff	Transport
Administrative staff at tracks and race clubs	Equine research centre
People employed in the betting industry	

2.4.1 The employment situation of British horseracing

Racing in Great Britain directly employs over 20,000 people with another 70,000 working in related sectors (BHA, October 2009). The largest proportions of employees within the core British racing industry are the trainers including stable staff and the breeders (Economic Impact of British Racing, 2009).

Regarding educational aspects, British horseracing can serve as a role model as well.

There are two dedicated racing schools in Great Britain, the British Racing School and the Northern Racing College.

The British Racing School in Newmarket was established in 1983. The original aim of the School was to provide purpose built facilities to promote and encourage young people who had the potential to ride as professional jockeys. Since then, the School has developed to its current position as the Centre of Excellence for training in the racing industry, providing a whole range of different courses and training (British Racing School, 2010).

The Northern Racing College of Doncaster was opened in 1984. The aim has always been to provide high quality training for young people who want to work in the racing industry. Approximately 100 students complete the 12-week residential 'NVQ level 1 Foundation Course' each year. This is the starting point for students with no previous experience of

working with horses and for those with some equine but limited racing experience (Northern Racing College, 2010).

2.4.2 The employment situation of German horseracing

There are currently 3,225 full-time employees in Germany (DVR, 2010), several thousands working in related sectors and having part-time jobs (Brauer, 2010). 1,275 owners and 823 breeders were registered in 2009. These owners and breeders give about 400 trainers, 220 jockeys plus the mentioned full-time employees education and work (German Racing, 2009).

In terms of education, the German Racing School has been set up in 2001. This school is situated in Cologne and trains students in a three year programme to become a "Pferdewirt" (qualified groom with specialisation in horseracing/jockey). To continue one's education there is an opportunity to become a trainer afterwards (German Racing School, 2010).

2.4.3 The employment situation of Dutch horseracing

The Dutch racing industry directly employs about 12,000 people. With a reduction of approximately 40% of the race courses during the last ten years, the number of jobs has been cut (Mellegers, 2010).

Two racing colleges are situated in the Netherlands, the Helicon in Deurne and the Welland College which owns several school buildings in different locations. These colleges are not only centered on trotting, but the majority of students see their future in the trotting industry, because horseracing as it is performed in Great Britain does not offer many prospects in the Netherlands (Mellegers, 2010). The training programme at the Helicon College started in summer 2007 and is composed of theoretical and practical subjects. It can be completed within two years or three years, subject to the degree jockey or trainer (Helicon, 2010).

The bottom line

Although the employment situation appears to be changing, there are numerous jobs at different skill levels available in the horseracing industry. Each country offers the direct opportunity to become involved in the horseracing industry attending school programmes dedicated to horseracing. The employment situation is dependent on the general situation of the according country.

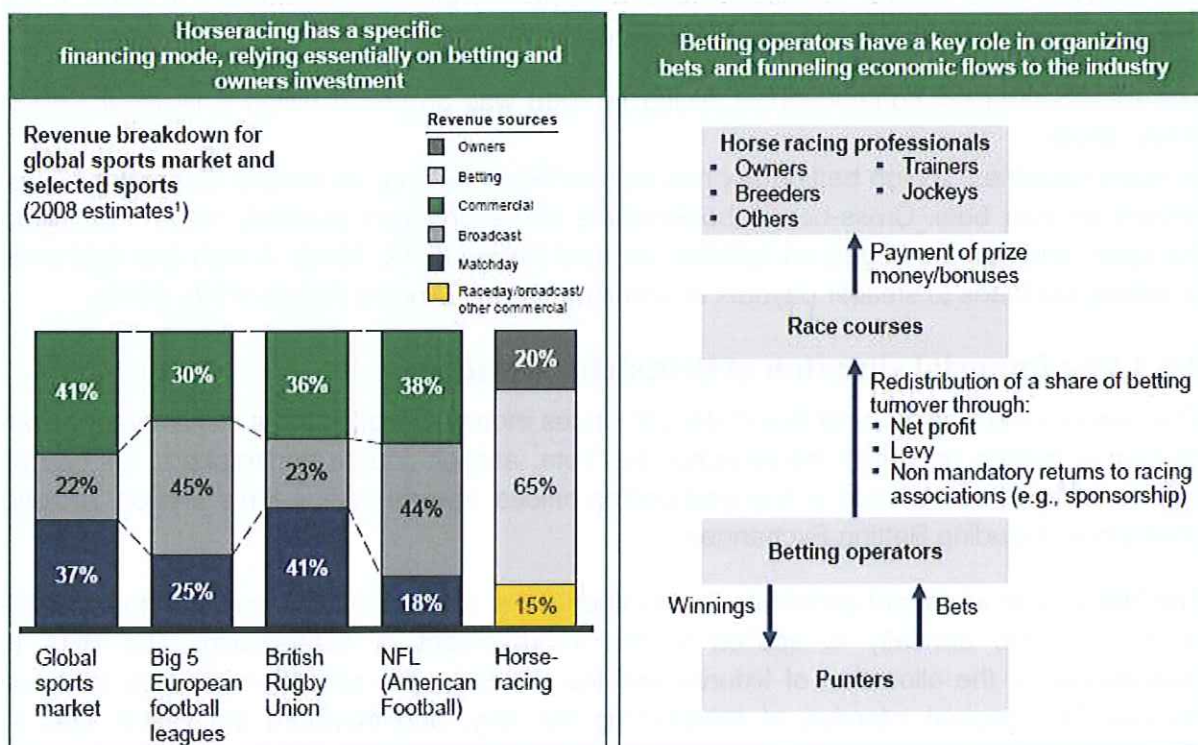
2.5 Financial situation

"The financing of horseracing is not well known in the public" (Belingui, 2009), although betting is the central element of it.

The sport generates revenue through:

- On and/or off-course betting
 - Sponsorship
 - (Sales of) broadcast rights
 - (Corporate) hospitality
 - Catering income
 - Admissions
 - Sport contributions
- (Annual Report 2008, IFHA)

As it can be seen in figure 3a, betting is the major source of revenue; there is no race-activity without betting. € 85 billion were bet in 2008.



¹ 2006/2007 data for Big 5 European football leagues; 2006 data for British Rugby Union and Horseracing

Figure 3a, Financing mode of horseracing; Figure 3b, flow of money in the horseracing sector (MacKinsey Analysis; Deloitte data; PricewaterhouseCoopers data by Belingui, 2009)

Figure 3a shows that the structure of revenue in horseracing is totally different from the one of other sports.

Figure 3b clarifies where the revenue which comes from the betting is going to. The total betting volume in each serves to pay out the winnings to winning bettors, pay taxes and pay the organisers of racing and betting. The organisation of racing includes the use of the betting's return for prize money and the management of the races including integrity controls (Annual Report 2007, IFHA).

Betting requires special legislation. Governments have a key role to ensure that racing receives sufficient ongoing funding by:

- The adoption of appropriate taxation regimes and policies
 - Policing of illegal betting which makes no contribution to racing's funding
- (Annual Report 2008, IFHA)

There are two different types of betting, the Pari Mutuel betting (Totalisator) and the Fixed Odds betting (bookmaking). The direct betting contribution is mainly driven by Pari Mutuel operators than by bookmakers.

The European Pari Mutuel Association (EPMA) directly contributes to racing. Created in June 2007 and based in Brussels, it represents ten European countries, amongst others Germany and the UK. There were € 14 billion of bets collected by the EPMA members in 2008. € 1.5 billion went back into the racing and horse industry (Belinguiet, 2009).

The total betting tax contribution of racing in 2008 was around 6 billion € (Annual Report IFHA, 2008).

In many countries, a high betting tax has lead to illegal betting, as bettors looked for higher returns on their bets. Cross-border bookmakers and exchanges generally return nothing to the sport, and operate largely as "pirates" (Annual Report IFHA, 2008). A high and rigid level of betting tax leads to smaller payouts to winnings as well (Annual Report IFHA, 2008).

2.5.1 The financial situation of British horseracing

The Horseracing Betting Levy Board (HBLB) raises money by collecting a statutory levy from off-course betting on British horseracing, the Tote, and on-course bookmakers. Off-course betting includes bets placed at licensed betting offices, spread betting firms and bet broking operations, including Betting Exchanges.

The HBLB is an important contributor to the finances of the British horseracing industry. 90% of levy income annually is applied to the improvement of horseracing. The BHA is responsible for the allocation of fixtures and the HBLB for the allocation of funds to those fixtures. The original intention of establishing the levy, and therefore the HBLB, was to provide a means of compensating racing for the loss of attendance that was anticipated when off-course betting shops were legalised in 1961 (Horseracing Betting Levy Board, 2010).

The UK betting taxes are currently diminishing as several major sporting betting operations have relocated their telephone and internet operations offshore to avoid the 15% tax on winnings and 10% levy paid to racing on winnings on British horseracing (Economic Impact of British Racing, 2009).

In total, British racing generated £3.39 billion in 2008, an increase from £2.86 billion in 2005 (Economic Impact of British Racing, 2009).

In Great Britain, 96% of the betting is organised by private bookmakers (Liljenstolpe, 2009) and the return from bookmaking is around 1% of betting volume or 10% of gross win (Annual Report IFHA, 2008).

2.5.2 The financial situation of German horseracing

Altogether, there is approximately € 400 Mio. per annum fluctuating in the German racing industry (Brauer, 2010).

Bets on horseracing have existed in Germany since the end of the nineteenth century. They have a long tradition. The law on racing bets was passed in 1922 and has ever since only provisionally adjusted to the current conditions (Terhaag, 2010). Scientific Games Racing (SGR) has provided systems, terminals and operational support and other services to customers in Germany (Scientific Games, 2010). SGR has a monopoly position on the German betting market and produces the betting software (Wahler, 2010).

The most important source of finance in German Racing is the Totalisator. It has an annual turnover of ca. € 40 million (German Racing, 2009). Together with sponsoring and further income of the racing clubs, the total amount of money rises further. In the end, € 19 million of the total amount is distributed as prize money. Ca. € 36 million goes back to the winners of bets; this is about 75% of the total turnover of betting. This percentage is much higher than the one of other gambling. The remaining 25% of the betting turnover can be collected for the races, 70% of the 25% needs to be used as prize money and the rest of it is to cover the working costs. The annual turnover of the trotting industry is almost € 29 million (Hauptverband für Traber- Zucht e.V., 2009).

The operator of the Totalisator and the bookmakers need to pay a tax of 16, 66 % on the amount bet. The higher the betting tax, the lower the payouts of wins.

Getting back to the German trendsetter position of Baden-Baden, it can be said that the betting turnover of the Baden-Baden meetings is significantly above average (Brauer, 2010). Although it is down on the year 2008, it still generates € 9.45 million of turnover from 138 races in 2009. The gap between the turnover of Baden- Baden and the betting turnover of other racing clubs is large (see appendix III) (Galopp-Trab.de, 2010).

And although millions of Euro are made through betting, the overall business situation in German racing has never been as worse before as it was in 2009 (European Bloodstock News, 28 November 2009).

The problem is not that there are less people betting on horseracing but, there have been shifts in the areas where the turnover comes from. On the one hand, the black market has quadrupled since 1993 and the income generated by bookmakers and foreign exchange (e.g. via internet) has risen to more than 80%. On the other hand, the turnover of the Totalisator, the principal source of income, has decreased to one-fifth (Sponsors, 2010) with the result that the sport can not finance itself anymore.

Several racing clubs needed to file a petition for the institution of insolvency proceedings. The reason is obvious; the basics of the horseracing business are lost. Less income results in fewer races, less prize money, less horses etc. It became a vicious circle as it can be seen in the following figure.

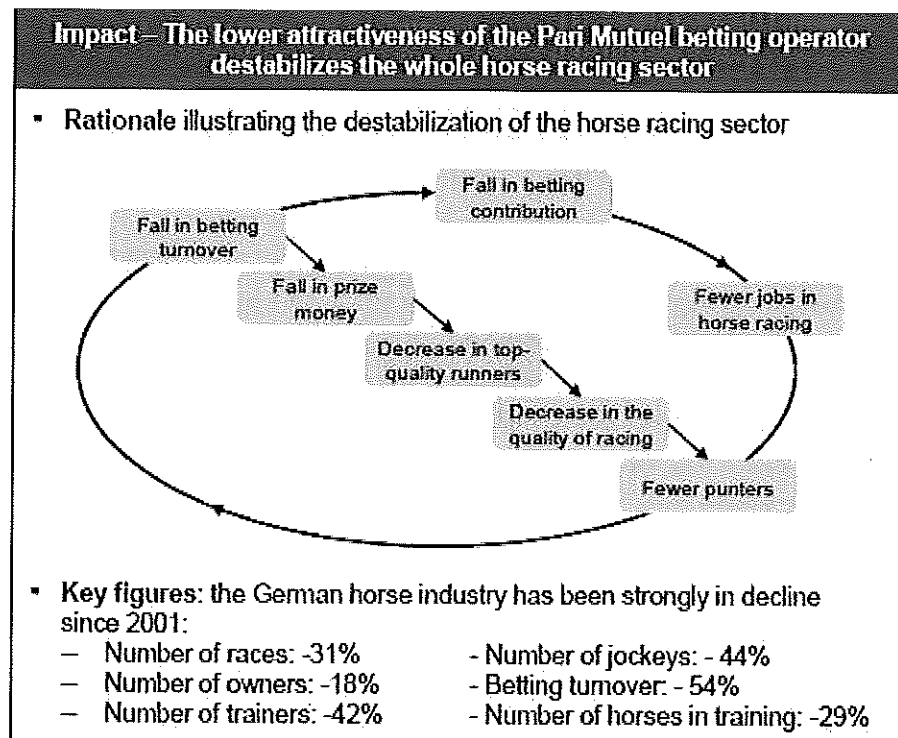


Figure 4, No/ non-uniform regulation can lead to a decline of the horseracing sector (Belinguiet, 2009)

The money coming from betting is lost because of I-betting (Frankfurter Allgemeine Zeitung, 2009). In 1995, the internet found its way into the horse betting industry. Punters started to bet on horse races via internet instead of enjoying live racing and betting. Young people especially prefer to bet from “home”, using the Live stream in the internet. With the increasing internet betting volume, the direct, free of commission betting turnover at the race grounds self decreased (Sponsors, 2010). Therefore, the money to reinvest in the industry bypassed the racing clubs (Internationale Galopprennbahn Baden-Baden, 2010).

Furthermore, bookmakers, having an annual turnover of € 80 million (German Racing, 2009), “relocated” their businesses to the internet and use virtual offices out of Germany (off-shore) to circumvent and save the tax on betting (Frankfurter Allgemeine Zeitung, 2009 /Sponsors, 2010).

This is possible because the politics reject the taxes for this kind of betting (Frankfurter Allgemeine Zeitung, 2009). As Bertrand Belinguiet says: “[...] it can even be a disaster if, in fact, there is not an appropriate legal framework requiring an equal contribution from betting operators.”

This is exactly what happened in Germany where a lot of racecourses have been obliged to close, because punters are rather going with these betting operators and therefore not

paying any tax to the government or to the German racing activity (Belinguier, 2009). The just mentioned situation can be seen in the following figure:



Figure 5, German betting regulation (EPM by Belinguier, 2009)

The aim of a German restructuring initiative (German Racing, 2010) is to become a leading part of the betting market to use return flow of the bets to bring the German racing back on a solid financial basis (Frankfurter Allgemeine Zeitung, 2009). The German racing sport takes a stake in the leading online betting platform www.racebets.com, which is, from the German point of view, the best company to participate in. The website is very good and vibrant and there is no need to set up another website. RaceBets is profitable and makes it possible to earn money for German racing (Brauer, 2010). The co-operation with RaceBets results in a win-win situation. RaceBets can strengthen its position in racing and German Racing is supported (Sauer, 2010). Furthermore, German Racing has tried to arrange its own betting market by opening four fixed major bookmakers (Brauer, 2010). German Racing helps to improve horseracing and gives bookmakers the possibility of an increase in turnover. It is still important to work together with the bookmakers. The strengthening of the Totalisator is a central element of this (Board of executives, German Racing, 2010).

2.5.3 The financial situation of Dutch horseracing

Since the 80s, the Dutch horseracing industry is in decline. The turnover coming from betting was halved within ten years. 1989, € 73 million were earned from betting, in recent years the income was € 40 million (NDR, 2010). Lately, as people started betting on international races, the betting turnover from Dutch races decreased. As a result, the prize money decreased as well. The percentage of turnover Dutch racing earns from their races is much higher than the sport earns from betting on foreign races (van der Meer, 2010). Another reason for the current situation is that HippoToto, the operator of the Totalisator is competing against other lotteries. Betting on horses requires a good knowledge of the sport. Buying a lottery ticket is easier. Last but not least, administrative mismanagement (see 1.1) caused negative publicity and financial problems (van der Meer, 2010).

Bookmaking is prohibited in the Netherlands, because the government can not exercise control on it.

Scientific Games Racing (SGR) is responsible for betting in the Netherlands (NDR, 2010). SGR has a monopoly over betting in the Netherlands as well as in Germany. SGR in Europe provides full venue management for the racetracks in the Netherlands including an Internet betting site for the Dutch race market (Scientific Games, 2010) called runnerz.nl. It has the permission to organise bets at race courses in the Netherlands and abroad via the Totalisator. SGR keeps a percentage of the winnings. The percentage retained is used to facilitate horseracing in the Netherlands. For example, the Dutch prize money belongs to the percentage retained. Because the percentage the SGR retains is low, more money is paid to the winners compared to the winners of the Dutch lottery. SGR pays about 72% of the total to the winners. Therefore, betting on horseracing is the most lucrative:

Table 6, Percentages of pay-outs

SGR (runnerz.nl)	72.0%
Governmental lottery	65.4%
Lotto	50.0%
Postcode lottery	35.0%
Bank transfer lottery	35.0%
Sponsor Bingo Lottery	35.0%

SGR is under the control of the government which makes sure that betting is well organised and that the money is in good hands. Runnerz.nl is part of the SGR and the only legal website for horse race betting in the Netherlands (Mellekers, 2010). It tries to work for a better position for horseracing in the gambling market (De Telegraaf, 2009). Every ten minutes a race is taking place via Runnerz.nl. The bets are being sold via the Totalisator system (Scientific Games, 2010).

Cooperation with France is in starting. The Netherlands will be able to cooperate in the French super pools. In France, the interest in betting is significant. The betting turnover per year is € 8 million. That provides an opportunity for the Dutch gamblers to win large prizes. In the cooperation with France, it will be possible for the horseracing Toto to compete against other gambling providers like the state lottery.

The bottom line

Each of the three countries has a different betting system structure. In Great Britain the highest amount of bets is made via bookmakers, in Germany, the main source of income is the Totalisator. In the Netherlands, betting is only possible via the Totalisator; bookmakers

do not even exist. Regardless of the differences in structure between Germany and the Netherlands, both countries face problems to in keeping betting as the major source of revenue.

Reasons for the poor financial situation of the sport in Germany and the Netherlands are: the increase in internet betting, the high betting tax and the fact that bookmakers and gamblers concentrate on the international exchange (offshore betting business). Furthermore, Pari Mutuel wagering, once the only form of legalized gaming, has been challenged by other forms of gaming.

The German and Dutch racing industry need to actively market betting. The last years have seen a failure to do so. A relaunch is necessary (Brauer, 2010).

2.6 The marketing policies

Every sport lives from its popularity. Customers belong to betting shops and online betting platforms as well as to the race meetings. Promotional work is necessary to attract these customers, selling the horserace "product".

2.6.1 The marketing policies in Great Britain

British Racing has a variety of marketing policies, especially in the field of promotion. Only a few activities are mentioned here.

The Race Experience Day for students is staged by the BHA in collaboration with the charity Prince's Trust. The pupils are given exclusive access to the racecourse in order to develop their understanding of the British Racing industry.

This unique opportunity to gain an insight into how a day at the races works is commenced with a media conference including famous jockeys, trainers and others related to the racing industry. Activities throughout the day include Question and Answer sessions or interactive sports photography (BHA, 2010).

The BHA has partnered with Walkers, a crisp's producing company. The idea was to give consumers a great deal on half price tickets to the races. Customers collect on-pack points from packets of Walkers crisps, which they can then exchange for discounts on a day out at a range of Britain's racecourses.

To support this promotion, Walkers created a limited-edition promotional 6-pack which ran throughout the campaign, featuring a delicious new flavor – Roast Beef & Horseracing (Sherman, 2010).

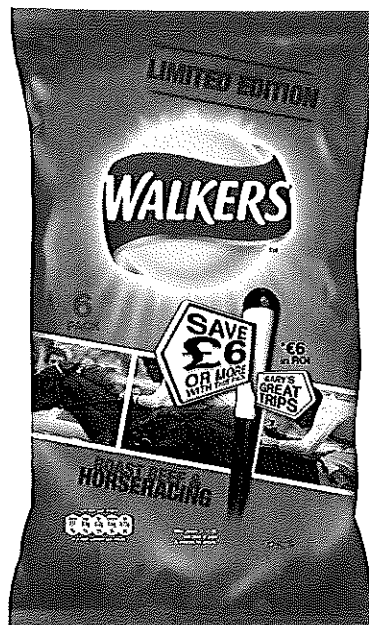


Figure 6, Promotional packet of Walkers crisps (BHA, 2010)

British Bloodstock Marketing has the role to promote British bred and British sold bloodstock, nationally and internationally.

The main aim of BBM's international marketing is to increase awareness of British thoroughbred racing and breeding abroad and to consolidate international connections and relationships. In 2009 there has been market activity with different countries; BBM attended key international conferences, race days and sales (Powell, 2010).

Media

Racings representation in the national and sporting press, the TV and other forms of mass media, together provides a cumulative cultural validation of the sport in British society (Huggins, 2004). Racing in Britain enjoys a higher profile across all forms of media, and is better supported by race goers than in many of the other horseracing nations (Economic Impact of British Racing, 2009).

British Racing benefits from extensive broadcast coverage which allows access to a greater proportion of the population (Economic Impact of British Racing, 2009).

The following channels each deliver live horseracing.

We have to differentiate between Subscription Channels and Terrestrial Channels.

The British Subscription Channels are At the Races and Racing UK.

At the Races delivers races from racecourses all over the UK to over nine million UK and Irish homes (Economic Impact Report, 2009). It telecasts 1,200 fixtures per year which is 60% of the UK fixtures and 100% of the Irish fixtures. At the Races distributes UK and Irish Racing into over 20 countries via its dedicated International service (Singer, 2008).

Racing UK was launched in 2004 and has 30 racecourses as shareholders. This channel is guaranteed the best flat and national hunt racing on offer (BHA, 2010).

At the Races and Racing UK broadcast live every race staged in Britain and broadcast to over 20 countries, with new territories being added each year. This increases overseas betting revenue (Economic Impact Report, 2009). Also, there is the possibility to go to a pub watching horseracing on these TV- Channels. The British terrestrial channels are the BBC and the Channel 4.

The BBC provides live coverage of many of the biggest events of the year and is well-known for the professionalism of its sport coverage. Channel 4 provides regular, frequent, terrestrial race coverage. Channel 4 racing has been broadcast since 1984, and in 2001 was awarded Best Sports Show of the Year by the Royal Television Society (BHA, 2010).

A total of 39 days racing was broadcasted by either BBC or Channel 4 in 2008. The BBC will reduce its coverage from 2010 (Economic Impact Report, 2009).

British racing has regular TV audiences of 1 million. Maximum audiences of 6 million (e.g. Grand National) are equal to England football matches.

The Racing Post is the daily newspaper in Great Britain related to horseracing. Racing Ahead is a monthly packed with interviews, race tips, horses to follow, systems.

2.6.2 The marketing policies in Germany

The customers are lacking in Germany. The reason for this is that nobody knows about the horse races taking place in Germany. Furthermore, the population can not identify with this sport yet; there need to be something which arouses curiosity and enthusiasm to attract new audience (Heckmann, 2009).

Even the gastronomy, an important factor attracting people to the races, is not running well anymore, although it contributes to the very important ambience of each racetrack (Bramlage, 2010).

German Racing is the generic term for the racing sport in Germany. The term is used whenever a German racing organisation makes an appearance, e.g. on posters and racing programmes. German Racing, with its new image, serves to centralise the marketing of horseracing. The aim is to communicate trust (German Racing, 2010).

Many of the German race courses do not limit themselves to the organisation of races. They try to maximise the use for the society by using the ground multifunctional (German Racing, 2010). Some race clubs arrange activities as e.g. the so-called guest races where prominent people join the sulky (Bramlage, 2010). Some race tracks are used for playing golf or markets and exhibitions take place on them (German Racing, 2010).

The DVR publishes an annual DVD including the racing highlights of the year. German breeders associations have been presenting the sport in German trade fairs (Brauer, 2010).

Media

The media interest in Germany is almost non-existent, racing as an advertising medium is totally bland because of the negative image (Krauß, 2010). Horse races are not relevant to the media anymore as has been the case for several years already. Without constant attention on this sport from TV and press, the popularity will not be influenced (Heckmann, 2009).

In Germany there is a horseracing related newspaper published.

The „Sport-Welt“ is the oldest sport-related newspaper in Germany. This horseracing paper is published daily and read by breeders, owners, trainers, riders and people who bet on horseracing. It includes starting lists and reports about the races (DVR, 2010). The “Traber-Welt” is the biggest German paper related to the trotting races (Bramlage, 2010).

Terrestrial TV channels do not broadcast horseracing. The viewing figures would be too low and the time and effort too high. There have been broadcasts on different TV channels which have been financed by the German racing industry but this is not possible anymore. Public broadcasters are somewhat more interested but simulcast is rare and only takes place on

regional TV channels. However, the viewing figures play an important role for these channels as well, so that the interest is only in short reports (Brauer, 2010).

New live TV coverage started on the First of March 2009 at the TV channel Deutsches SportFernsehen (DSF). Ten race meetings of 120 minutes each were broadcasted (Sponsors, 2009). Equi8 broadcasts horse races from all over the world live via WebTV (Equi8, 2010) or satellite TV.

German Racing recently set up a new website and joined social networks as Facebook and Twitter (German Racing, 2010).

2.6.3 The marketing policies in the Netherlands

The marketing mix, also known as the 4 P's of marketing, the combination of product, price, place (distribution), and promotion is used to achieve a sound sport which is attractive to a diversified public. Advertising via different kind of media as radio, TV, newspapers and the internet is used to promote the sport in the Netherlands. Advertisement takes place locally as well as searching for sponsors. Local contacts are easier to get into racing and several owners or people referring to this sport sponsor already.

Additional promotion is done via attending horse-related events and fairs and particularly, via organising workshops for companies. The company, for example, gets the opportunity to have a race using a duo- sulky. There are different arrangements available per race track.

Information files of the Dutch race courses are given to diverse hotels and tourist information centre for distribution. These files are distributed per region of the race courses (Dekker, 2010).

For some racing days, extra tickets or free betting coupons are offered, which attract people to the races.

Dutch racing has tried to attract prominent people to get involved, e.g. members of the royal family to hand the prize over to the winner of the main race in the past, and nowadays it searches to introduce similar activities (Dekker, 2010).

Media

In the 60s, the newspapers were full of articles, prognoses and pictures of horse races. The media attention was high, Dutch people knew a lot about famous horses and jockeys as they know about dressage horses and riders nowadays. Even the television broadcasted the races or reports in sporting programmes. A lack of attention from the media forms the situation at present. The news coverage has become scarce. As mentioned in chapter, 2.6.2., the Dutch situation is the same as the German one: Nobody knows about the races taking place and the jockeys participating (Brusse, 2010).

The weekly magazine of the Dutch sport is called "Draf- en Rensport", published by BCM (BCM, 2010).

The Dutch industry is hoping for some promising developments. There is a chance that the highlights of the sport can be followed on public TV every week from next year on (NDR, 2010). Regional channels broadcast local races but money is lacking to get more TV transmission (Mellegers, 2010).

The bottom line

Media coverage is missing and people organise themselves different nowadays, racing is not part of the daily chat of life so the popularity of racing declined. The lack of interest coming from the media is one reason for the downfall of this sport in Germany and the Netherlands. This lack of interest from the media leads to the problem that nobody knows about the experts of this sport and the time and day of the competitions. The sport has become out of favour. If the news is not reporting about the races, the public does not come, because the people assume that races are not taking place anymore. Positive publicity is important to the sport, because people get their interest out of the daily news in television, newspapers, magazines and the internet.

Some racecourses started to create additional events and to use the race courses for alternative uses but it is very important to widen these activities to create days out including diverse social happenings for the whole family.

2.7 Future developments

Chapter 2.7 pays regard to the developments of the horseracing industry. It is not centered on each country because the developments in this industry are the same. The chapter can be seen as an extrapolation of the current situation, which is described in chapter 2.1 – 2.6.

Different changes in consumption patterns and new trends emerged within the last few years in the industry.

One of the dangers for horseracing is that new entrants to betting today are more likely to have a punt on a first goal scorer at football or the winner of a TV talent search. Or they will simply put their money in a Fixed Odds Betting Terminal. Another trend is the virtual races people can bet on (Coward, BHA; 2010).

Horseracing no longer has 'first dibs' on the punter (Rod Street, BHA, 2010). But betting is more important to horseracing than it is to other sports. That is why it is necessary to attract people to the sport who are willing to place bets.

There is evidence that the youth of today is interested in new betting games and there are new providers of new games, which compete with the horseracing betting industry (Mellegers, 2010).

Traditional gaming such as lotteries are losing market shares whilst web based betting continues to gain ground (Annual Report ATG, 2008).

There are a growing number of organisations and marketing bookmaking services through the internet and phone (Annual Report IFHA, 2008; Sponsors, 2010). The average age of a punter is decreasing the more "modern" the sales channel is:

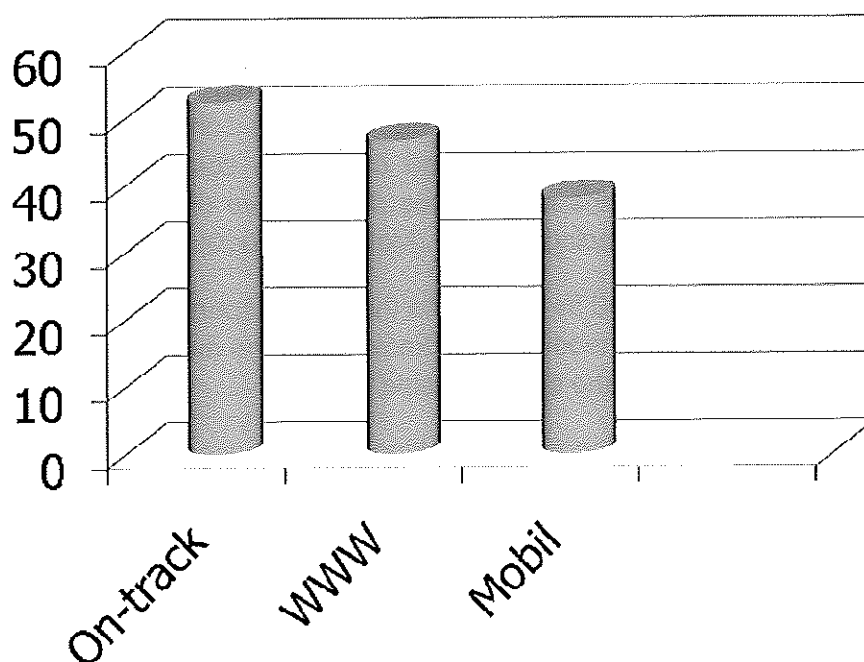


Figure 7, Comparison of age and medium used for horse betting (Harald Dorum, 2009)

Figure 6 describes the decreasing age of people using more modern channels like the internet and the mobile phone when betting. The younger the generation, the more modern the sales channel of betting needs to be.

The internet has a leading role regarding the use of media of the youth. They spend almost half (44%) of their daily media time in the internet. The TV is allotted to 24%, radio to 12% and print media to 10% (Trendstudie Timescout, 2010).

There is a need for modernisation of horseracing (Fraser, 2009).

Horseracing lacks the compelling hooks necessary to capture and maintain engagement, particularly amongst the on-line generation with short- attendances (Fraser, 2009). The websites of the horseracing authorities need to be vibrant and exiting, the internet presence need to be broadened (Fraser, 2009), e.g. by the use of social networking and blogs. In the marketplace for horseracing the focus needs to be on building a new audience of horseplayers among the generation of fans that is immersed in social networking. A year ago, social networking accounted for around 10 % of worldwide online time – a category that did not even exist three years ago (Nielsen, 2009 cited by John Della Volpe). 5% of all time spent online is on Facebook. There are more than 160,000 members of about 50 Facebook groups dedicated to thoroughbred racing.

Due to changing social and economic conditions and changing leisure time activities of the population, the races will loose their importance as a leisure and- sporting facility. The problem is the audiences on a Saturday are lost to other sports.

Increasing participation should not only be centered on the betting, interest needs to be arisen in the whole population and visitors attracted in different ways (Mellegers, 2010). Visitors coming to the races once in a while do not profit from their visits because they experience the same every week, it is an identical scene every time. Nowadays, people are looking to spend their free time in a variety of different ways. Attributes like self development became important. Going to the races equates to a low self development, thus new types of recreational facilities enter the market and arouse the interest of the consumers. The new facilities are multifunctional and present a more varied offer. The consumers have the possibility to choose from different offers the racecourses do not have (Finger, 2005). Too many alternatives compete with the horseracing industry (Mellegers, 2010).

The horses and jockeys must be highlighted as well as the thrill of the sport. This needs to be done via regular reports in media. People need to get to know about the most famous horses and the winners of the best races to make the sport "talkable".

Last but not least, there is a bigger focus on working to increase the international participation of racing. This is of major interest for the future and a way to increase the betting pools for the interest of all the customers (Annual Report ATG, 2008).

The bottom line

There need to be a focus on 18-35 year-old-market via online media.

The number of Facebook members dedicated to Horseracing reveals the importance the sport faces today in addressing social networks.

The focus needs to be set on real races, not virtual races (Coward, BHA, 2010); amongst others by the use of live coverage in the internet.

The races need to be made more accessible to the bettors, for example by using explanations. Betting on horseracing needs to become more interesting and appealing to prevent the increasing number of bets on other sports.

Strengthening of internet betting results in a decline of the direct, free of commission betting turnover at the race courses self. Experts expect that this turnover will decline additionally 10-15% in the next years (Sponsors, 2010). Therefore, new possibilities for the race courses need to be created, which attract new and young public.

Other means of income like sponsoring, hospitality, ticketing and renting of the facilities the race courses offer needs to be strengthened (Sponsors, 2010).

2.8 Conclusion of the research regarding the current situation of horseracing

The following chapter concludes on the main findings of the current situation. It is focused on the problems of the Dutch and German horseracing industries.

Conclusion of chapter 2.1 "General information"

"Horseracing is facing challenging times with declining betting revenues, reduced racecourse attendances and decreased terrestrial media coverage [...]." (Chris McFadden, Racing for Change and Racing Enterprises Ltd chairman, 12. August 2009).

Looking at the current state of the Dutch and German horseracing industries, it is obvious that the industry encounters numerous shortages.

The shortage of capital, the lack of good planning and the shortage of interested people are powerful indicators that the sport is facing challenges. Moreover, there is a shortage of time, because the sport has already been in this situation for a while and therefore the need for action is urgent.

Conclusion of chapter 2.2 "Image"

A generation gap has formed. The younger crowd is not interested, because it has had contact with the sport. The sport has not been promoted; the interest in the sport has not been communicated to the younger generation. No effort has been made to advance the sport (Lugauer, 2010).

Most racecourses still see children as passive consumers rather than active participants. Few racecourse administrators and marketing executives seem to have appreciated the difficulty of attracting a future audience to a sport in which children can not participate. At a time when the range of leisure pursuits available for young people is greater than it has ever been, horseracing is at disadvantage (Kay, 2008).

Racing has never been able to provide youngsters with a 'hands-on' opportunity to try it out; it has no equivalent of mini-rugby or junior school football to stimulate a potentially life-long interest. All a child at a race can do is watch. The sport needs to be promoted to their parents. There is a need to make families with children a target audience and encourage youngsters who are tomorrow's race goers (Kay, 2008). In contrast to other sports like football, the atmosphere at the races is non-violent and perfect for families (Brusse, 2010).

Outside of the racing sport, the racetrack needs to be established as a leading event-address for activities and performances including 60- 20,000 attendees (Weinberger, Chief Executive, Infront Germany, 2010).

Conclusion of chapter 2.4 “Employment & Education”

As there are not many people who know about the employment possibilities horseracing offers, the focus needs to be on increasing the appeal to society, especially pupils. An effective beginning would be to concentrate on youngsters who have a prior interest in horses, like student riders or riding clubs and to strongly promote the opportunities racing already offers.

Conclusion of chapter 2.5 “Financial situation”

An early approach to improve the economic situation within the horseracing industry has been missed. Ca. 25 years ago the racecourses were as popular as football. The opportunity has already been missed to further develop the sport and keep it up to date. Competition was generated through lottery and other kinds of gambling (Lugauer, 2010). Nowadays, a governmental lottery may have substantial negative impact on the revenues at racetracks (Thalheimer & Mukhtar, 1995). New bets need to be introduced to sustain the interest of betting (Dekker, 2010).

As is can be seen in other betting related sports and games, e.g. poker, the young are interested in it much more than the older generation. Horseracing can offer both sport and gambling opportunities. Therefore, the challenge is to attract prospective gamblers to horseracing. It is important to attract young customers who can be retained for the future (Dekker, 2010).

Conclusion of chapter 2.6 “Marketing policies”

Two important facts already mentioned in chapter 2.5.2, are that people can not identify with this sport and that there is a need for more enthusiasm to attract a new audience (Heckmann, 2009).

One way to do this is to come up with alternative uses for racecourses.

The reason that the population can not identify with this sport is lack of marketing. The need for modernisation of the sport has not been recognised (Lugauer, 2010). It is a challenge to find the best way to make people come to the races for a day out. The sport needs to be promoted as a day out full of excitement, as well as racing. It should not only be centered on the promotion of betting (Dekker, 2010).

Another reason for the lack of interest is that the sport has not been promoted in the media. The advantage of the media is that people do not necessarily need to go to the race meetings. With the help of the media it is possible to follow the races from home. People do not need to make an effort but are still able to become involved using online betting or are able to bet on races in stores, petrol stations etc. Without more media interest and these new kinds of betting innovations, the sport can not exist anymore (Lugauer, 2010). Advertising should be centered locally first of all, promotion via local magazines, radio or television stations (Dekker, 2010). To fund advertising, sponsors are necessary. These sponsors are owners or people related to horseracing and in the majority of cases, these sponsors are local (Dekker, 2010).

Racing journalists should not use specialist language, written for racing insiders (Racing For Change, 2010), they should address the wider population by making the stories interesting

for everyone. There still needs to be news coverage for specialists, but the majority of reporting needs to be aimed at new and future race goers. The conventional media needs to adapt to the new forms of consumer behavior (Sponsors, 2010).

Conclusion of chapter 2.7 “Future developments”

Today, sport is broadcast on the internet more often (Sponsors, 2001). More, products and services appealing to the online generation need to be developed. Racing must create a worldwide online community (Della Volpe, 2009).

Higher investment in digital projects is necessary. The phenomenon of social media is more than temporary. One of the features of social media is the value attached to the recommendations of friends and family. 78% of the users trust the suggestions of their social network, only 14 % trust advertisements (Sponsors, 2010).

There is competition from many other user-friendly leisure products (Fraser, 2009). The number of hobbies people can choose from has widened, leading to a decline in interest in horseracing (Lugauer, 2010). Racetracks have lost revenue due to competition from other sports (Thalheimer & Mukhtar, 1995).

2.9 Results leading to the opportunities of the horseracing industry

Chapter 2.8 summarizes how the current situation came about. The next section analyses what action can be taken to improve the industry in the future.

The resulting key findings are mentioned here:

2.9.1 Creating a sporting and leisure market

Racing does not currently have widespread appeal amongst the general public. The races themselves are only a small part of the leisure experience for infrequent race goers.

"We need a broader audience – one that's fascinated and intrigued by the spectacle and the dynamics of racing, as well as the odds. Like football, we need an audience that – consistently over a season, loves the game, not just the result" (Paul Roy, 23.2.2009).

Firstly, there is the need for racing to promote itself to a broader consumer audience (McFadden, BHA, 2009). The heritage, drama, speed, colour and spectacle are seen as a fantastic platform from which to deliver the sport to a wider audience (Street, BHA, 2010). Therefore, it is necessary to market the sport by using the racecourses for other events, either as part of race meetings or independently. Furthermore, it can be done by organising activities at the yards, fairs and similar as well as by using non horseracing related media.

There is much the racing industry can do to enhance the customer experience by combining initiatives which make the sport more appealing.

The races are brief and often impossible to view in their entirety, making it hard to engage the attention of the casual race goers for a whole day (Fraser, 2009). The time between and after the races needs to be better utilised to form part of the race day experience, to provide people with a more varied day out. People will get additional reasons for coming to the races which make the whole day out more attractive and varied.

Promoting horseracing can be done through themed events promoted as special days out (Street, BHA, 2010) and changing the nature of the sport through alternative uses of the race grounds.

The focus needs to be on making the sport interesting and delivering a memorable customer experience (Street, BHA, 2010) as well as enhancing the image of the sport.

The sport must become attractive for the widest customer demographic - the younger public, the "greys" and also for families with children. Therefore, a variety of different new initiatives is necessary. If possible, in combination. But it is also important that current race goers and punters should not be neglected.

2.9.2 Abolishing the language barrier

Secondly, to promote the sport to a wider customer audience, the sport needs to be made more accessible. People like something that is simple to understand and simple to follow: A beginning, middle and an end; a narrative; characters to care about; winners and losers

(Street, BHA, 2010). The difficulty in acquiring understanding is not just about the language used but in mastering the underlying complexities of the sport itself (Fraser, 2009).

The attraction of new media can help to raise the prestige of the sport. "We need to try to invite media to the races which normally do not give an account of horseracing to see them experiencing a day at the races" (Green, 2010).

In terms of attracting new audiences and retaining existing ones, it is crucial to ensure constant communication with potential customers. Many of these customers do not, and would not, read specialist racing or even sporting media. This makes it vital to talk to the publications that they read and the channels they watch. This will mean building strong relationships with those publications and, educating the journalists so that they understand the different elements of the sport, whether it's the sport itself, the fashion, the family or the entertainment. Stories will be created that specifically target these publications on an ongoing basis throughout the year. This will mean strong, creative thinking to devise stories that have a strong 'hook' for these publications and can be pitched to journalists throughout the year, keeping horseracing at the front of their minds (Sherman, 2009).

A website is a very quick way to engage with people (Street, 2010). With the redevelopment of existing websites, horseracing will be looking to maximise the use of the new media channels available.

It needs to be focused on a restyle of the current websites; websites need to become racing's platform (Annual Review, 2009). A new website must promote all is great about German/ Dutch racing, highlight what's on, explain betting and racing to newcomers, flag up events, special offers, fun facts, create greater interest in the 'stars of the show', provide tips for novices, encourage involvement in ownership, capitalise on social networking opportunities and provide live racing content. A "Have your say" section gives visitors the possibility to give feedback on the racing industry.

The new homepage could feature a range of elements including a video player, radio, scrolling news bar and a rotating main news feature. A new Resource centre should be added. This is a central point for all information held on the site which might be useful for press, the public, and those involved in the industry-releases: the steward's room, ratings, reports, instructions, guides, statistics etc. This is also to assist in explaining the often confusing jump racing fixture list and to provide promotions and discounts on race meetings. The website could also be packed with news, features and a beginner's guide to racing with the aim of bringing new faces to the sport (Coward, 2009).

As on other social websites, users would be able to create their own profiles, which allow them to discuss the races, providing and gaining tips for betting, uploading photos, analysing fashion, owning a virtual horse etc.

The so called "Fan zone" would be the main area of the site. It includes, among other things, merchandising, an experts corner, a fixture calendar, a blog, racing forum, information about the stars (jockeys, trainers, horses), a kids fun area and games (Mounsey, 2009).

2.9.3 Increasing the appeal for broadcast and sponsors

Within the sport there is a lack of information about the product and events. Horseracing coverage in the press is rare and predominantly focused on fixtures and betting (Fraser, 2009). "Broadcast should focus on the heroes of the sport, communicate the intensity, enliven viewers and create a momentum that will get them off their sofas to come and see the sport themselves" (Paul Roy, 23.2.2009).

There are few human (or equine) interest stories to arouse and maintain interest (Fraser, 2009). Public idols are missing (Heckmann, 28 December 2009). Casual race goers and flutterers are aware of very few famous horses or jockeys and would be unlikely to be able to recall any news or gossip relating to races. This is in contrast to their knowledge of football and celebrity news. Horseracing coverage in the national press is relegated to the back pages of the sport section and predominantly focused on fixtures and betting (Fraser, 2009). The profile of the sport's stars needs to be raised.

It should be the aim to make a great deal more of the stars of the sport – the jockeys, trainers, owners and attendees. Money can be invested to ensure that media training is provided to those that require it for media purposes and once this has been completed, interviews and feature opportunities can be placed within the relevant titles (Sherman, 2009).

Sponsorship has fallen sharply. Sponsorship creates 30% of the total revenue of a race course and can result in benefits for both the sponsor and the racing club.

Sponsors gain increased brand awareness (through media) and ability to reach their target group. The media coverage the event creates is very important to the sponsors. The manager should treat the sponsor as an event partner.

The race club uses sponsorship as a source of income to finance the race meetings. Furthermore, a sponsor can help to increase the profile of the event (Bowden, 2004).

There are two main kinds of sponsorship: sponsoring a race meeting or several race meetings or sponsoring special events taking place at the race course. A difference needs to be made between the so-called main-sponsors or exclusive-sponsors (this group of sponsors can be named in the title of a race meeting) and the co-sponsors (Büker & Hansen, 2008). Most of the sponsors are local and have a relationship with the sport.

To prevent a decline in sponsorship, support needs to be provided to existing sponsors.

Maintaining the relationship with the sponsors throughout the year can be achieved by arranging events in between the annual race meetings. Two ideas will be outlined here:

The sponsor, e.g. a car dealer, gets the opportunity to invite their customers for an evening at the races at which well-known personalities from the equestrian industry would give a speech.

Existing and potential new sponsors could be invited to have a session for talks, e.g. at the race club. The sponsors would be able to discuss and swap ideas and make new contacts.

Special offers can be important to attract new sponsors:

- A private event for the company's staff, clients and friends

- A named race; the sponsor has the race named after them, an interview, presents the prizes as well as keeping the horse blanket for the winning horse
 - Naming the race course or naming of a race meeting or parts of the race ground like a tribune
 - Meet & Greet with a trainer, jockey or owner
 - Guided tour on the race ground
 - Own area on the ground (inside/outside) for the company to promote their products
- (Wahler, 2010)

Sponsorship can be very helpful, but to attract sponsors, especially big sponsors, personal contacts are important. The decision makers need to believe in racing as a sport, as well as be convinced of the economic benefits of sponsorship (Sauer, 2010).

2.9.4 Giving an understanding of betting

Betting is an integral part of the sport but it is not easy to understand (Attenborough, BHA, December 2010).

"[...] We only have to look at racing's declining share of the betting market to know that the challenge is real" (Rod Street, Project director Racing for Change, in an interview with the Racing Post).

People need to be guided through the betting process step by step. Visitors can be welcomed at race courses, can be informed about free information sessions taking place in between the races which give an introduction to betting on horseracing. Furthermore, a leaflet explaining betting can be handed out or included in local newspapers. This should highlight a bet in a particular race to help people's understanding.

Regarding the financial aspects of the sport, new possibilities will be outlined in the following chapter. Sponsorship can not guarantee the sustainability of racing activities in a country (Kratzer, 2008), that is why betting is still necessary.

3. Opportunities of the horseracing industry

Racing needs to review its position in the sporting, leisure and betting marketplace (Street, BHA, 2010). Therefore, research has been done to get ideas about possible alternatives.

Important information and opinions are obtained from the following sources and experts:

Great Britain

- Nic Coward, Chief Executive, BHA
- Nick Attenborough, Consumer PR Director, BHA
- Rod Street, project director Racing for Change, BHA
- Paul Roy, Chairman, BHA
- Chris McFadden, Chairman, Racing Enterprises Limited
- Amy Sherman, Promotions Manager, BHA
- Robin Mounsey, Website Editor, BHA

Germany

- Peter Brauer, Press relations officer, DVR
- Heinrich & Margaretha Bramlage, Owners
- Jan Kleeberg, Hamburger Racing Club
- Alexander Wahler, Infront Sports & Media, „Baden Racing“
- Oliver Sauer, Racebets, Galopp Online

The Netherlands

- Ralf Dekker, NDR
- Camiel Mellegers, NDR
- Henk Brouwer, Drafbaan Wolvega

The alternatives described here are divided into opportunities relating to the equestrian industry, opportunities not relating to the equestrian industry and opportunities for the betting market.

The alternatives are considered in order to attract more people and thus, to take the first step to stabilize the financial situation long-term. Betting is the major revenue of horseracing, but further sources of income need to be boosted, e.g. sponsoring, hospitality, ticketing, leasing of the facilities on the race ground (Sponsors, 2010).

The alternatives might help to break out of the vicious circle racing finds itself in.

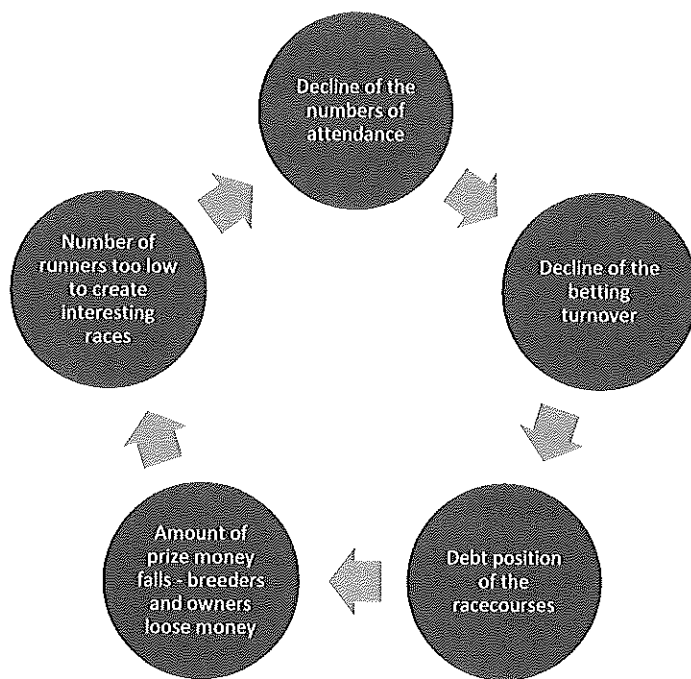


Figure 8, The vicious circle of horseracing

Before introducing the alternatives race clubs have available and the existing opportunities regarding betting, it is important to mention a few important facts:

In general, the area of the race grounds needs to meet high standards. The venue itself, rooms, tribune, toilets need to be presented appealingly. The restaurant needs to be able to deliver good service and catering. If this is not the case, restructuring and modernisation should be considered so that the ambience is appropriate.

Race clubs need to get a clear overview behind the reasons for the lack of attendance, possibilities need to be created which arouse interest and attract the public to attend the races (Dekker, 2010).

Responsible for attracting more and new visitors and sponsors are the race clubs self. Generalisation is not possible because every race clubs markets itself and has different facilities. Therefore, each of the race courses needs to be examined individually (Dekker, 2010).

Location factors influence the factors of success of each race course. The location factor is of importance for the development and composition of the race courses.

On commercial and creative basis with no regard to the races the racing clubs are autonomous (Brauer, 2010). The use of alternative events, whether these are related to the equestrian industry or not, is dependent on the interest, capacity and power of a racing club (Dekker, 2010). Each racing club has varying ideas about the use of the race grounds in addition to the races (Brauer, 2010).

Before planning an alternative event, the resources available need to be considered. It is necessary to analyse how the race ground looks like, what is available and what can be done the best with the existing facilities and the venue.

The race tracks all have different ownership. Some of them are property of the municipality which markets and uses the race grounds for diverse events, not only centred on the horse races (Dekker, 2010). The racing club can be the tenant of the grounds for the days of the races but does not have any responsibilities for the days when there are no races taking place. A third party or person can acquire the property for the days when no races take place. On the other hand, it might be possible that the club leases the ground for the whole year to arrange additional events on its own (Brauer, 2010).

The organisation of some alternative events is not permissible unless official approval has been obtained. This can make implementation difficult (Dekker, 2010).

Some of the race grounds are located in economically underdeveloped areas. Therefore, the economic opportunities available are confined and it is not possible to involve expensive management. Bigger racing clubs are able to market more actively. They have specially skilled staff, more space and better facilities.

If the race club does not have the personnel and opportunities to organise the events, an external organisation might be willing to arrange something. Specialists or people outside the horse racing business might have a better network or experience in organising an alternative event (Brauer, 2010).

Race grounds located close to a city are easy to access; the disadvantage is their competition. Other venues are located in the surroundings which offer even better facilities for events than the race ground does, e.g. existing installations as lightening, sounding or roof covering. There is too much time and effort involved for the race club (Brauer, 2010). Alternative events of race courses need to be positioned in the leisure opportunities offered by the city.

Most of the race grounds have infrastructural facilities which can be used as parking space, green space, tribune and sanitary facilities.

Race grounds can offer a great ambience and atmosphere related to nature. This needs to be maintained, because it is important to attract the public and can be something to focus on when thinking about the possibilities of an alternative use (Bramlage, 2010). Moreover, race grounds can offer multifaceted banqueting and lodging facilities (Brauer, 2010).

Using the race course's accessibility and atmosphere efficiently is a first step in order to form a source of income (Brauer, 2010).

In conclusion, by introducing alternative events, the clubs need to make ends meet financially and need to find events which do not interfere with the general racing operations (Brauer, 2010). The large terrain needs to be used efficiently (Finger, 2005).

3.1 Equine-related alternatives

Horse Sales

The breeding industry creates excellent horses, and succeeds internationally, but these successes are not turned into popularity (Heckmann, 2009).

The organiser of the sales can be a company specialising in horse sales or can be a race club itself. Another option is that the company works together with the race club to arrange the sale. An auctioneer is needed as well as an international public interested in the horses shown.

By arranging sales at the race grounds, studs, stallions and foals approved for breeding with a thoroughbred studbook are shown to the public. The sales should be integrated in the schedule of the race meetings, because it delivers the ideal situation for national and international visitors to combine business with their private interests.

Every spectator will be provided with a goody bag including a comprehensive catalogue giving grading, pedigree and details for each horse. The catalogue can be downloaded from the racing club website, as well. Furthermore, a catalogue will be send to national and international owners, agents and yards and anyone else who is interested.

Sales should take place about twice a year, once in summer, which is a good opportunity to present the yearlings. Generally, the horses are presented in hands, but the two-year-olds demonstrate their ability on the track before the actual auction starts; this is the so-called Breeze Up. Horses can be on view on the day before the auction takes place or in the morning.

All owners who like to show their horses need to fill in an entry form which registers the horses for the sales and are personally responsible for damages to third persons caused by their horses. It is a requirement that they have in force current third- party insurance providing full coverage for participation. The vendor needs to pay auction fees to the organiser and is responsible for the following documents: Horse passport with all vaccinations entered and a veterinary health certificate.

The target groups for the sale are horse-enthusiasts from every kind of horse-related sport, foreign guests and agents, breeders, trainers and investors of the sport.

International promotion is done by inviting previous buyers and agents from the home country and abroad. Setting up a website for the sale and taking out an ad in horseracing related media nationally and internationally completes the promotional activities for a sale (BBAG, 2010/ Sauer, 2010).

The sale provides attendees with the opportunity to have a look at the whole horseracing business and to get an understanding of everything. The area of interest for current race

goers is widened; the horseracing industry of Germany and the Netherlands is popularised abroad. By selling German/ Dutch breed horses, the international industry is stimulated.

Evaluation

An indoor arena might be necessary to host a sale, as an outside sale can be interrupted by weather conditions. The chances of success organising a horse sale are rather small. There is no demand for a horse sale and it is difficult to create one because the market is not big enough (Sauer, 2010).

Polo

Polo games can be an additional event on the race ground and situating a polo club at the race ground a source of income. People interested in polo can participate, training lessons and hiring boxes for their horses will create revenue.

Visitors coming to the games can be involved by a meeting a polo player and receiving explanations about the polo game and rules worth knowing (A day at the races, 2008).

The aim is to attract a variety of horse enthusiasts to regularly come to the race course and to exploit the facilities existent on the race ground.

The target group is the younger public searching for an action filled sport.

To market the sport, co-operations with businesses that already sponsor races at the belonging race ground can be helpful as well as trying to organise bigger polo events for international top teams (A day at the races, 2008).

Evaluation

As polo is not a well-known sport, it will be difficult to attract sponsors and audience for a polo game. But giving the opportunity to use polo as a leisure activity and hobby for interested people who like to play themselves, could guarantee year-round revenue for the race course.

Eventing/ Dressage/ Show-Jumping

Organising other horse sport events like dressage, show jumping or eventing competitions would be an opportunity to attract horse enthusiasts and the race ground suits the requirements for space and other facilities.

It needs to be an independent event, as the ground needs to be prepared for it. Dressage, jumping and cross country areas need to be build, which includes high costs. Additional staffing is necessary for the organisation or the organisation of the competition can be given to a riding club.

Sponsoring is important to ensure a good running of the event. Sponsors can be found with the help of the contacts people of the organising party do have.

Promotion can be made with advertisement and articles in every equine related magazine, in the internet and via posters.

The target group is horse enthusiasts, but horse racing and dressage/jumping/eventing competitions attract different types of public, therefore, the focus needs to be set on creating the right atmosphere.

Evaluation

The facilities necessary will require high amount of spending. There is much competition as there will be other dressage/ eventing/ show jumping events taking place at riding clubs in the neighbourhood throughout the year.

Gala

A Gala Show taking place after the races presents a mixture of horse sport and entertainment.

According to the artists, this event can have a different target group. It is well suited for younger people but can also attract people of the grey market. Moreover, according to the components of a gala, additional staffing is necessary, like a speaker, technical staff, organiser of the sequence of participants as well as decor, sound and lighting facilities and special effects. Organising a gala show can be time consuming but is always an attraction for the visitors (Kleeberg, 2010).

Possible performances can include:

- Carriage Driving competition, where teams will compete against the clock
- Vaulting team display
- Unique take on reining and endurance – Quarter Horse Performance
- Shetland Pony races
- Trickriding
- Islandic Horses ridden without rein and saddle
- Riding comedy
- Baroque riding performance
- Pas de deux or (side saddle-) quadrille of the top stallions represented by a stud
- Western riding performance
- Dog Agility
- Workshops with a prominent rider

The aim is to make a day out at horse races more attractive by combining the races with a gala taking place afterwards.

Promotion will be done via event calendars and together with the promotion of the actual race meeting. Newspaper articles will be helpful as well.

Evaluation

All in all, it will be difficult to make money, as hiring performances and the technical facilities required is expensive. If the tickets are not sold in combination with the race meeting, the risk that people only go to the gala is high.

Award ceremonies/ Election of the „Horse of the Year“

Awards demonstrate the dedication and commitment of many to the racing industry and to people who have given their whole career to the sport (Racing Together, 2009).

Stud & Stable Staff Awards will recognise those that have been in the industry for many years as well as newcomers (Racing Together, 2009), their hard work and invaluable contribution. Bestowing honour to the people involved in the sport makes them confident and forward looking with regards to the future.

People of the racing industry are asked beforehand to vote for their favourite person and to outline why this person deserves to get the award. The voting is best organised by the governmental racing organisation.

The ceremonies can be held at the race grounds after race day, inviting people of the racing industry, the media, sponsors of races and the local public as well. People from outside the racing industry might get a better look into what happens behind the scenes and the tasks associated to the sport. For the media, it is important to highlight the horse or person the award goes to locally and nationally and have interesting stories of stars of the racing industry.

There are costs for decor and the awards and technical equipment which is not available on the ground. A speaker of the racing industry is needed to hold the ceremony and someone to hand over the award.

Co-operation with businesses who are already sponsoring race meetings and who already are associated with the racing sport can be carried out.

Evaluation

Award ceremonies are a good way to recognise the “stars” of the sport, which results in an increased interest in the sport. It is important to include media coverage.

Open Day in the yards

Arranging an open day at the yard, or likewise the race course, can be best done by working together with other groups and local stores to make it larger and more attractive for a wider public. Stores or other organisations can participate by renting a stand or utilizing the open day differently. Costs can be shared and cooperation arranged with local stores.

The aim is to encourage new people to come to the races.

Awareness training can be done at schools, universities, riding clubs etc. by inviting them for the open day at the yard or a day out at the races for free, offering school trips or field days.

Contacting kindergarten or day-care facilities for children is another option to attract public. The easiest way is to contact these institutions on a large-scale, which means there is less effort and money involved. An idea would be to reach the target group via canteen kitchen.

Further promotion should be done in local newspapers and event calendars.

The pupils and students are given exclusive access to racecourses in order to develop their understanding of the racing industry, to engage them in different aspects of horseracing and to promote the career opportunities within the industry.

Jockeys and trainers need to be involved in giving information and holding guided tours at the race ground and stables. They could show the horses and the work done to prepare the horses for a race. Volunteers might help organise children's activities. For example, an enquiry-answer section involves the public and motivates to learn about the horseracing business.

Evaluation

As the open day is used to inform the public, there will be no entry fees. The organisation is more or less based on voluntary work; local stores should sponsor and participate to make it an event worth going. This kind of event might help to create a more positive image of the racing sport.

Membership in a Racing Club

Being a member of a racing club will offer several benefits. It can include the possibility of guided tours, Meets & Greet with characters of the racing sport, visits to famous studs or training locations, access to the lounge at the race course, special offers on parking, entry discount of attending meetings across the country all year round and catering packages (Galopprennbahn Hoppegarten, 2010). For race goers who regularly visit two different racing clubs, dual membership of these two clubs can be purchased.

A club of novice breeders is also a possibility which is aimed to make the youth participating in the horseracing sport by introducing them to the peculiar tasks of a breeder. They can even get the opportunity to buy shares in horses (see "Share of ownership").

Encouraging young members of existing clubs can be a strategy. For example, the university racing clubs/student riders have a network of clubs already to socialise and compete with and against one another at county, regional and national level. They also have an extensive foreign exchange programme which is highly successful and helps to broaden horizons. Such a model could be adapted towards racing and would provide a very effective entry point for potential new young converts to sport and industry. Participation in the racing sport can be arranged via after-racing parties, organised by a university racing club or an offer for a day out at the races for the clubs. An extra room with information on racing accompanied by a former jockey or trainer can be an additional service for the groups of students invited. The student riders can socialise in a new environment and exchange information. This is the best

way to inform about the racing sport and attract new enthusiast. Clubs of this nature should certainly be encouraged.

Also, the racing club can open a business club targeted at breeders, trainers, organisers and everyone else working in the horseracing industry. It is a good idea to talk about new ideas and bring change into the sport and everyone involved in the sport. The contacts people of the business club have can help to find sponsors as well.

Evaluation

Becoming a member means becoming involved and this is exactly what the racing sport needs. People learn about the sport and might change their mind about it when actively participating.

Share of ownership

A share of an ownership, the so-called co-ownership of a racehorse, involves the participation of more than one owner. Co-owners can share the costs of buying and running race horses. Racehorse ownership is no longer reserved for the elite; people who are interested can easily get involved in owning a race horse, whether alone or with a group of friends. There are a number of ways in which partnerships can be set up and managed. The co-owners must decide upon how much input they would like and then choose the type of co-ownership to suit them. The three types of partnership are as follows:

Trainer managed

This partnership involves a trainer setting up and running a co-ownership. The trainers will usually become a co-owner themselves. This means all the administration work of running the co-ownership is carried out by the trainer thus providing 'hassle free' racehorse ownership.

Social group

A group of friends can decide to start up a co-ownership and share the costs accordingly. One co-owner or more will have to set up and run the co-ownership and deal with the administration of the co-ownership.

Professionally run co-ownership

There are a number of professional co-ownership organisers who work on a commercial basis and charge a management fee to set up and run co-ownerships. This means all the administration work of running the co-ownership is carried out by the co-ownership organiser. It is important that all eventualities are covered within a written agreement (BHA, 2004).

A procedure of ownership can be as follows: Initially a 2 year contract is signed, after which an extension will be negotiated. Training costs, veterinarian costs, insurances etc. is paid using the money generated of the winnings. When the contract expires, the winnings which are leftover are equally distributed to the owners. Selling the interests must be possible at all times (Sport of Kings, 2007).

It is recommended that all owners ensure that they have suitable third party liability insurance in place for any horses in training they have an ownership interest in.

The aim of co-ownership is promotion of the sport to everyone, as this ownership makes it possible for the "non-elite" to get involved in horse racing (Sauer, 2010).

Evaluation

People can actively participate in the sport as a team sharing their loss or wins. Everyone can be part of the sport, regardless of the status and financial situation.

Team championships

A team championship is a series people could follow over a short period, getting to know the participants and developing a view on the outcome. The purpose of a team championship is to produce an exciting format which brings racing to a new audience with the right media partner and to create events which offer clearly defined qualifications and finales (Street, BHA, 2010). The winner can make large profit. It raises the awareness of currently famous horses or jockeys and makes people talk about the races as well as any news or gossip related to the jockeys, as in football. The sport will win favour and people will start supporting the combinations consisting of jockey, horse and owner.

The print media might agree to publish the event programme as editorial or as a special insert, or might run a series of lead-in stories, competitions, or special promotions in tandem with sponsors. Radio or television stations might provide an outside broadcast, or might involve their on-air presenters or special participants in the event (Bowden, 2004).

Cheerleaders can be involved supporting the teams. Additionally, jockeys could have songs associated with them if they win a race.

Celebrities can be involved by means of a show, meet & greet or similar. As TV coverage is seen as for 'those in the know' (evidenced by insider language and comments) and rarely appealing in its own right (Fraser, 2009), the commentators of the races can come from other sports such as football or motor racing, which will be more appealing to the younger generation.

Evaluation

The team championship creates a more exiting format for the racing sport than the usual races do. People will start supporting "their" teams and become devotees of the sport. The fixture list might need to be rearranged to set up the championship.

Mounted games

Mounted Games is a branch of equestrian sport in which very fast races, exciting for participants and spectators alike, are performed by excellent riders on well-trained ponies (Mounted Games Association, 2008).

Mounted games clubs could organise their competitions on the race ground. Expenses for the race club would not be high. Mounted Games is an upcoming sport which is especially liked by children and a fun activity to watch (Hard, 2010). When combining mounted games competitions with the races, the possibility to attract a more diverse and younger public is given.

Evaluation

Mounted games are a good option to fill the time in between the races and are interesting for a younger public and families with children. Both, races and mounted games competitions include high speed and a competitive spirit.

Fun races

By running fun races in between the regular thoroughbred horse races, variety is brought to the races and a different audience attracted. Combining horseracing with pony races for children, camel races, greyhound races, pony sulkies or races on cold blooded horses provides a different factor of fun and the children can participate themselves. In addition to the races, children can take part in a sweepstake referring to the fun races to learn about betting.

For the pony sulkies, a championship already exists in Germany; it is simple to promote this sport by having pony races in between the regular racing programme. Beforehand, advertising and tendering for the races needs to be completed.

When organising fun races, the factor of insurance and the prevention of disease need to be considered. The horses must be controlled the way thoroughbreds are controlled on the ground and the organisers need to contract liability insurance for the day.

Staff is required to organise the races, coordinate the progression of the races and the arrival and departure of the participants. Generally, the costs for the organisation of fun races are low.

Evaluation

Fun races bring newcomer closer to the racing sport. The time between the thoroughbred races can be filled organising fun races. The result is a programme suited to the whole family. People coming for the thoroughbred races stay and watch the fun races and vice versa, which results in a soaring number of attendances.

Meet & Greet

Campaigning for the sport with the help of the animal aspect is another option. By organising a Meet & Greet with a jockey together with a racehorse, children especially are given an understanding of the magnificence of the racehorse and the spectacle of the races. Some children might never get the chance to see a racehorse close-by or might not have touched a horse before. Consequently, the Meet & Greet might be helpful to spark interest on the children's site and has an educational aspect.

Also, racing enthusiasts and grown-up will be interested in meeting a jockey for information exchange and discussion.

The local media can be invited to launch a PR campaign about the jockey or horse being part of the Meet & Greet. A newspaper or magazine could hold a campaign for their readers to win a Meet & Greet.

Evaluation

A Meet & Greet makes the public becoming more involved and increases the chance that the public comes back to the races. The characters of the racing sport are given a "face", they might become more popular or representatives of the sport.

Stand at a fair

A stand at a fair will help to outline the entertainment opportunities people have when visiting horse races and also the opportunities people have to use the race ground for various business or private purposes. Racing itself should be outlined as well as the events taking place around the races. Information can be given about how to get involved in the racing industry. Using a racehorse simulator makes the whole stand more interesting.

It should not only be concentrated on horse related fairs like the German "Equitana" or the Dutch "Horse Event". Other fairs related to leisure activity should be considered as well. At horse related fairs, the target group is the younger, and especially the female, public.

Evaluation

As the interest group of horseracing is mainly older men and the interest group of a fair are young and female people, the fair as a promotional activity might not be the best option. Before advertising for the sport at horse related fairs, the whole image needs to be changed from a betting and elite sport industry to a youth oriented fun day out activity. The effects a stand can have on the horseracing industry are only visible in the long term.

Furthermore, the cost-benefit ratio is not reasonable (Brauer, 2010).

To promote the sport internationally and especially the German/Dutch bred horses, people can best be addressed at international fairs in Russia or Dubai. However, the promotion is a question of manpower and money and is, in this case, related to the horses and not to the sport itself (Brauer, 2010).

3.2 Non equine-related alternatives

Themed days/ Exhibitions/ Markets

It can be thought of themes as "Garden & Lifestyle", "The Middle Ages", "Health- vital and fit", an ancient market or a summer food festival, just to mention a few ideas.

The organisation is time consuming, therefore, the option of searching for a professional team organising the exhibition is the best. The racecourse might have an own event manager or similar, who can be included in the planning. At least, additional staff in these functions is needed: Head, technician, finance, sponsoring, and marketing.

Stands and/ or tents are required. A choice needs to be taken about hiring or buying the tents/stands. The latter includes the opportunity to re-use it for following events. Electricity supply and water supply needs to be arranged, material regarding the theme ordered, e.g. with the help of hiring an exhibition solution company like Clip Ltd.

Advertising is best suitable on the website or by distributing flyer, poster, invitations (city might bear the expenses for their advertising pillars), which need to be designed. Promotions can be set up in targeted publications offering readers the chance to go racing at a discount. For example, a '2for1' offer with a publication that will encourage readers to 'Bring a mate racing' to one of the courses or the offer of a luxury day at the races (Attenborough, 2010). It is necessary to search for sponsors supporting the event.

Information for the exhibitors as a registration contract should include: size of tents, space around the tent, prizes, and opportunities for water and electricity supply.

Possible calculation of budget:

Table 7, Calculation of budget, themed day

Printing of flyers (8,000), posters(100) and invitations	€ 6,000
General exhibition insurance	€ 2,000
Personnel costs	€ 3,000
Office costs (Postage, Telephone etc.)	€ 1,000
Hire of tents and material	€ 6,000
Other expenses	€ 2,000
Total	€ 20,000

A general security service for the ground might need to be provided. Exhibitors are generally solely responsible for the protection of their stands and exhibits. Price can be € 17,00 per hour per security person (Patienta, 2010).

The racing club needs to have liability insurance as a host, but the responsibility for what is taking place on the ground has the person hiring the race ground. The racing club, as an organiser, only has responsibility if it hires and runs equipment.

Offering transport to and from the railway station is included in the event, which makes it better accessible for the older people.

The main aim is to attract new people to the racecourse and to find an alternative activity for the time between and after the races. It is not likely to make profit. There is competition in the form of other events and museums situated in the area of the race course.

Evaluation

The exhibition is an opportunity to spend the free time in between the races with walking from stand to stand. A risk is that the visitors might not come again to see the races, because the relation to the racing industry is not high and the exhibitions and markets are not permanent. Another risk is the dependence on the weather situation and on sponsoring.

Disco

Some racing clubs might have the room and facilities to hold a night programme for the youth taking place after a race meeting. Arranging parties, like a Single Night might be done in cooperation with an event agency and/or other partners.

If the rooms are not hired to the event agency and the responsibility does not lie on them, additional costs will occur for the organisation of a party. The racing club might need other sound and lighting as well as security service and a DJ; beverage can be provided by the race club's catering team. Additionally, themes as "Single Night" and others need to be prepared. Arrangements as billiards or table soccer are means to make the parties more attractive. It needs to be count on € 800 minimum for billiards and € 600 minimum for table soccer. Depending on the party, investments can be high.

Promotion for a day out at the races including a party afterwards can be done using social networks, because social networking has become more and more popular lately. Facebook, MySpace and Twitter are good opportunities to use enhancing the popularity of the sport, especially for the target group, the youth. The racing clubs should be present on social networks, racing must create a worldwide online community (John Della Volpe, 2009).

The reasons for joining social networks are:

- Increase participation in the sport
 - Support and communicate with the existing audience and find a new, younger audience
 - Increase visits per year rate for those participating in horseracing currently
 - Encourage horseracing ticket sales
 - Resolve some of the misconceptions of the sport through discussion and imagery, such as the issues of animal welfare
- (BHA, 2009)

One of the most important networks will be Facebook. It is a social utility that helps people communicate more efficiently with their friends, family and co-workers. Anyone can sign up on Facebook and interact with the people they know.

Apart from social networks, possible communication and promotion channels can be:

- Wikipedia
- Photo-sharing
- Video-sharing (e.g. YouTube)
- Pod-casting
- Blogs (e.g. Twitter)

Evaluation

A disco taking place on the race ground includes a large amount of organisation; the amount is depending on the organiser. It can be the race club itself, an events agency or voluntary members of a racing club (see "Membership in a racing club" in chapter 3.1). The financial part is depending on the organisers, too.

Regarding social networks, there are a few challenges these opportunities might bring to the race club joining:

- Participation is required on an on-going basis, from a number of people to make best use of networking.
- Initial and on-going employee time is required to build (medium-high level) and maintain (low level) these channels.
- Permission/ licenses must be checked

Photo Shooting

The race ground offers perfect facilities for a photo shoot. It might be possible to cooperate with a magazine creating a campaign which offers a photo shooting on the race ground for the girl winning e.g. a hat competition. The photo shooting can take place during or after the races. It can be thought of other types of photo shoots as well.

Promotional campaigns with partners as a magazine will advise the public of horseracing, the magazine benefits as it profits from the facilities the race ground offers and the visitors following the shooting. It can be arranged to work without budget.

Evaluation

A photo shooting might be a good opportunity to attract diverse public and to fill the time between the races. A campaign with a magazine can be extended.

Fashion show

A fashion show can be organised by an external company, for example a fashion magazine. Another option is that fashion students become involved and organise their show by designing silks of the jockeys and presenting them to the public before the races start.

The show can be promoted by the use of Guerilla Marketing. This is an unconventional system of promotions that relies on time, energy and imagination rather than a big marketing budget. Guerrilla marketing involves unusual approaches such as intercept encounters in public places, street giveaways of products, PR stunts, any unconventional marketing intended to get maximum results from minimal resources (Wikipedia, 2010).

Media regarding fashion, social, entertainment, leisure, columnists, style leaders can be used to give information about the event. This helps racing to enhance the horseracing coverage in the press. Other kind of advertising can be done by means of bulletin-board flyers/announcements.

Some sectors and partners can be especially helpful and interesting for the racing clubs as these partners can find their core target audience at the race tracks. This can be partners of high-end products as champagne, private banks or companies producing luxury goods (Wahler, 2010). A co-operation will result in attention to the sport from a more diverse public.

Evaluation

A fashion show is a cheap and interesting way to bring horseracing to a new audience. People and parties can get involved easily.

Open air theatre

There are theatre agencies offering street theatre, music cabaret, visual comedy or similar. These agencies arrange performances and plan concepts which can fit the race courses requirements.

The theatre and artists will be entirely organised by the agency.

Costs vary; they would amount to between € 2,900 and € 4,200 per gig. Additionally, costs for catering and accommodation might be necessary to pay (Boeckh, 2010).

The theatre can be combined with a racing day attracting an audience which comes racing the first time, might enjoy it and come back. The theatre is a type of awareness creation, the target group of theatre goers and race goers is different. Advertisement in journals related to cultural activities is new to the racing industry but might be effective.

Registration within an Event agency can be helpful to arrange theatre plays and other events to take place on the race ground and to earn money by hiring out the ground and facilities. The agency will be able to match events with the race clubs if the implementation of a specific event is in line with the race course's facilities.

Evaluation

Organising an open air theatre, show or similar is always weather-dependent and therefore, the events are restricted to the summer months and the advanced sale of tickets might be difficult. People tend to come to an open air event spontaneously. Furthermore, as these activities do not have anything to do with the racing sport, advantage for the racing club when staging a theatre or open air cinema is not much. Another factor which has a say against the implementation of an open air theatre or cinema is the cost aspect, as there need to be a high attendance to make profit. Competition is high as well. Almost every city offers well equipped theatre places and cinemas, the only aspect which has something to commend is the open air experience.

Concert

Closing a contract with a concert artists' agency or another external organiser will make it easier to cede the whole organisation. According to the artists, this event can have a different target groups. It is well suited for younger people but can also attract people of the grey market. Before setting the date for an event like this, related events taking place should be checked to prevent that they take place at the same date.

A registration with an Event agency can be beneficial as well.

Evaluation

The space you have at racecourses is one of the advantages to offer concerts after a race meeting. It is possible to host thousands of people but difficult to make money by staging a concert.

Golf

Most race courses already offer the possibility of playing golf at the race ground.

The race club can offer golf- instructions tailored to the individual player's needs. It will be an expensive undertaking to set up a golf course but money can be made by generally offering golf courses and golf events.

Furthermore, the offer of spending time enjoying a game of golf followed by an afternoon or evening at the races with friends and colleagues can be included in a racing package. This package includes breakfast, followed by a golf play and then premier enclosure admission to the races or an evening dinner dance, always matching the customer's wishes.

Golf competitions can be organised attracting a small audience. Hence, becoming active in one's own right or attending a golf competition, there are a lot of opportunities.

Evaluation

The ground can be destroyed and the golf balls might cause inconvenience, but all in all the idea of golf arrangements might be of benefit and profit for the race club.

Family Fun Race Days

An attribute people have in mind when thinking about race grounds is the green environment. Enjoying a day out in the nature and countryside is an aspect which addresses especially families with children and therefore it is useful to concentrate on this.

The Family Fun Race Days can best be integrated into the race meetings of the spring, summer and autumn holidays.

The target group are families with children which will be attracted using advertisement in primary schools, kindergartens, local pony clubs and stores. The Family Fun Race Days can be listed in the "What's on" – guide of the local newspapers. It is most important to reach the mothers as the race courses mostly attract male public, which might not be aware of the opportunities the race days can offer for the rest of the family. Children under 16 should have free entry.

The number of expected visitors is high because the concept of a family day out meets the market expectations. Competition is quite low, because there are not many similar events generated for the whole family yet.

An action packed programme of family entertainments in addition to the races is needed. Different activities can enliven the festivities.

It is practical to identifying suitable partners and activities, who share in their affinity with families and look to promote their message of an active lifestyle. A free fruit or ice-cream giveaway organised by a local store is one example (Racing Together, BHA, 2009). The local store is seen as a sponsor, there will be no costs involved.

A playground for the children can be located on the ground; it can be an adventure playground including racehorse simulators or similar, always depending on the situation of the race course. The playground can be arranged as a permanent element, the costs of a general playground (125m²) will be around € 30,000 (BIK, 1995).

There are different options for children to get involved:

Children can have their own "races", which take place without horses, but include the feeling of excitement when starting off the starting box. This is a fun way in which children can become involved in the sport of horseracing. The prize for the winner can be a free entry for the whole family at another race day (Racing Together, BHA, 2009).

At the beginning of each horse race, children can have a look at a list of the starters which will be specially designed for them. The most important information for the children, like the colours and names of the racehorses, are listed but the list is focused on the colours of the silks. When choosing for a winner the children will get a little flag in the chosen colour to support "their" jockey and horse.

A themed day, e.g. related to the Romans is another option. An authentic Roman fort can be build in the middle of the racecourse; Romans descend on the racecourse give children a

chance to experience how Romans once lived (Kay, 2010). This activity involves greater organisation and finance.

Additionally, arrangement of a bouncy castle, face painting, puppet or magic show, clowns or other circus performance, crèche, mascots can be included in the race day (Kay, 2010). A person in charge is needed to oversee the child activities, but in general these arrangements and the staff necessary to carry them out must be hired.

The objective of a Family Fun Race Day is to attract a new audience and make the audience interested in the races by using activities which suit the demand of families. The children, which are the future generation of horseracing visitors, will become aware of everything races have to offer in a playful manner. The action around the races should be related to an experience-driven day out. Making children participating brings them closer to the racing sport.

Evaluation

A family fun race day attracts the target audience missing at race courses in these days. It can provide a diverse range of opportunities for children and is a way to attract local families. It is best suited to highlight that horseracing is a great value, an active and entertaining day out for all the family, which can be informative as well (Racing Together, BHA, 2009).

Hospitality Area, Private & Corporate Events

For private groups, rooms and restaurants offering shared facilities are available, making a race course the venue for any corporate or personal event. The race course can be used as a hospitality area providing catering, lodging and entertainment service. Existing facilities to hire, free parking and easy access can all be benefits for booking a conference etc. at a racecourse. Holding an event on a race day or optional for a non-race day, the venue can be used for small parties up to large groups.

1) Business meetings

Business meetings can be arranged to combine business and pleasure with a morning meeting, seminar or conference followed by an afternoon at the races with the colleagues.

2) Seminars

Related to the horse sport or not, the race course provides perfect facilities to arrange a seminar and introduces people to the race course at the same time. Coming to the race course for a seminar also makes people aware of the other possibilities a race course can offer.

3) Wedding

The racing venue offers beautiful parkland and landscape that offers both, style and elegance, to provide a fantastic setting for a wedding. The race course needs to be

for example the number of karts and the duration to hire the karts. Although the ground and the space available at the race track would be ideal for kart races, generating money would be difficult. Licenses might be necessary and a shelter to store the karts over night, if the races take place more than one day (Doil, 2010).

Evaluation

Organising Go Kart races on the race course will be difficult as the karts are very noisy, the conditions of the race track are not optimal and the whole organisation including the hire of the karts will be very high pricey, because the ground needs to be refurbished afterwards. Looking at the cost-benefit ratio, it can be said that go kart racing is not the best advice for a race course to make profit (Doil, 2010).

3.3 Possibilities for the betting market

Some ideas are outlined here with regard to the possibilities and strategies which became important on the betting market.

As betting is not business of the horseracing organisations, some of these possibilities might only run with the help of the co-operation with bookmakers. The sport needs to get into the betting industry itself. German Racing already took over 40% of RaceBet's shares and is looking to set-up fixed major betting shops (Brauer, 2010/German Racing, 2010). Having their official betting distributors, e.g. the betting sales organisation with RaceBets, German Racing sees to it that attractive revenue is generated for the sport. RaceBets is the most successful online betting operator in Germany (German Racing, 2010).

In the Netherlands, it is Runnerz.nl, a brand name of SGR, which has the permission of the ministry of justice to organize and sell bets on horseracing. Therewith, the realisation of some of the mentioned possibilities is only possible via SGR. SGR has betting shops and sales points at the Dutch race courses.

Commingling – Creating a bigger pool size

"This may be a chance for the horse racing industry to develop events with a worldwide audience and attractive betting products," Belinguier said. "As such, international commingling of pools represents a real asset for the pari-mutuel model."

Uniquely large pools for each betting meeting are necessary. Commingling of pools is a necessity in today's world. The larger the pools, the more these systems can bet without lowering the payout to a point below their calculated profitability point. By commingling all wagering into a common pool, the pool increases, thereby increasing the amount bet by these "robotic" systems. Bigger pools will mean an end to the wild fluctuations in dividends, particularly for smaller meetings (New Zealand Racing Board, 2010).

Commingling is done by using hubs. There is no track to track communication, all wagers pass through various hubs. Each individual betting location, whether it be a live racetrack, off-track betting, phone wagering system, internet wagering location, or guest racetrack, contracts with one of the three major tote vendors to process their wagers. The tote vendor assigns a specific hub to process the wagering transactions for that location (Lisowski, 2009).

Using commingling, you have three benefits. A large pool size results in large dividends and commingling promotes international races (Bruggink, 2008) and horseplayers wagering on races can bet into established tote pools.

The potential of tremendous pools or jackpots on premium caliber races could be expected to stimulate fan interest in racing and generate more money for purses through increased handle fanned by the prospect of beneficial odds and lucrative payoffs.

Evaluation

Obvious challenges to the commingling initiative include differences in betting rules from country to country, the necessity of foreign outlets adopting host betting standards, legal barriers between some nations, and development of a takeout system satisfactory to all. But the potential for growth that could be critical to racing's future outweighs the obstacles.

New forms of bet for flutterers

It is very important to establish new, simplified bets for customers not well known in the horseracing sector (Sauer, 2010). Some examples are mentioned here:

- 1) V75 is one of the biggest horseracing bets in the world. This combination bet is held every Saturday on various race tracks throughout Sweden. People should pick the winning horse in seven consecutive races. The price per combination, minimum stake, is only 6 Euro cents, which means that you can include quite a lot of horses for a reasonable cost. Consolation payouts are paid out to bettors who select six or five winners. Because of the great difficulty in picking six straight winners, plus the number of betting interests involved, payoffs for successful wagers are quite high. In 2008 there were 10 Jackpots on V75. A Jackpot occurs if there are no winners with seven correct or when the payout for six or five corrects is less than 15.00 krona. The pool is carried forward to the following Saturday and a Jackpot occurs for seven correct pool.
When it is Jackpot a single winner can win over € 5 million (Annual Report, ATG, 2008). This form of betting can be adapted to the German/Dutch betting forms as well.
- 2) With an activity based on betting blank, each lost bet can be converted to a lucrative win. The first prize can be free tickets for a football competition or other kind of coupons. This encourages people new to horseracing to take a bet (Born, 2010).
- 3) A bet placed on the succession of two or more horses entering the finish line. The bet is about which horse finishes ahead of another one (Sauer, 2010).
- 4) A bet about which one wins, a horse out of the upper starting boxes or a horse out of the lower starting boxes (Sauer, 2010).
- 5) „5 out of 16“: It needs to be bet on the first five horses (a quintet) running out of the 16 horses participating

Co-marketing campaigns, the so-called cross promotion, is very important for the sport. People need to be stimulated to come; otherwise the new forms of bets will not find an audience. An example of cross promotion is, if you buy a special newspaper, you get a special deal on the entry for a race, because the newspaper includes a coupon for going to a race. Or if you buy an entry card for a whole weekend, you get a € 5 betting coupon with it.

Evaluation

In the forefront of introducing new forms of bets, much more educational advertising is necessary to make betting accessible. Possible customers need to realise the product „horseracing“ in order to accept betting. When introducing new, simplified forms of bets, the customers need to familiarise with the bets, first of all. Therefore, making betting more accessible is the first step to take.

It should be kept in mind that Scientific Games is the supplier of pari-mutuel wagering systems. Creating new bets is difficult to realise because the software is missing and the expenses are high. Developing new software takes about 9 month (Wahler, 2010).

By law, a change in the betting structure or new betting possibilities is very restricted.

Cross promotion is easy to accomplish and appeals to many people. Another advantage is that there are many different possibilities for the use of cross promotion and a low budget should not be a barrier.

To mitigate the impacts of other forms of gaming on the horse racing industry, a variety of actions need to be undertaken in other jurisdictions, including:

Simulcasting of horse races

It is essential to make betting possible the whole day, betting on live racing is more famous, therefore, live races from all over the world should be simulcasted. There is a high effect on betting turnover with simulcasting (Dorum, 2009). Betting on foreign races does not have negative effects on local bets, it actually encourages it. Simulcasting fosters interest in horseracing, raises betting volumes and allows for developing expertise and experience. (Kavulakian, 2009). Numerous horse racetracks and clubs throughout the world offer their members and the public the opportunity to view simulcast racing via satellite. The simulcast racing venue can be typically set in a restaurant or bar area of the racetracks facilities so that patrons can enjoy a meal and a drink whilst watching the action on screen. Alternatively, people can search for a particular venue's simulcast racing program online (HorseRacing.com, 2010).

Evaluation

A potential of the betting industry lies in internet marketing (Wahler, 2010). Using the benefit of the internet – it is global in reach, attracting global bettors – simulcast wagering brings horseracing from scenic racecourses around the world to individual and private computer screens (Expert Betting Advice, 2010).

Mobile betting counter

A race club can rent mobile betting counters. Hostesses go around, directly to the table of the visitors and they can bet from there and do not need to go to the bookmakers (Wahler, 2010). It encourages the visitors to bet more and takes them through the process in a logical manner (Scientific Games, 2010)

The system works like this: E.g. per placed bet, the hostess earns € 1. If the hostess produces 400 bets a day, her income will be € 400. But the racing clubs do rent the betting counter, therewith; the rent should be shared, so that the club gets something out of it as well. If the rent is € 200 per race meeting, € 100 is paid by the racing club, € 100 is paid by the hostess (Wahler, 2010).

Evaluation

The fabrication of mobile betting counters is time-consuming and the counter has high acquisition costs.

Rearrangement of the fixture list

Racing lacks premium products and compelling hooks and needs to create a series of premier events which consumers can follow. The fixture list needs to be sorted, trimmed of all its dross so the public have a clearer picture of the top tier of racing. The current situation implies competition of the different race courses as there are race clubs in the nearby neighbourhood organising races at the same day and time (Wahler, 2010). Harmonising the fixture list includes the offer of many races in the same meeting and especially the focus on one meeting each week that offers high turnover and a chance for major dividends for a sole winner. This makes horseracing competitive and attractive (Annual Report, ATG, 2008).

Evaluation

Balancing the needs and wishes of each of the race courses can be a barrier. Sometimes, people expect races to be on a set day. The rearrangement of the fixture list involves perfect organisation.

Betting shops

In other countries, there are sales channels for bets, which are not existent in Germany and the Netherlands yet. It is not only possible to bet on horseracing at betting shops, but also at food stores, petrol stations, etc. (Annual Report ATG, 2008).

Germany introduced this kind of sale in Hamburg, where people can take their bets on horse races at Toto-Lotto stores. But this method can be widened and the possibility of taking bets all over the place, e.g. whilst going shopping, initiates for taking bets spontaneously and quickly. Betting counter can be introduced in the whole country at diverse places.

Evaluation

It is difficult to implement the introduction of betting shops in local stores or petrol stations, because first of all, nobody can guarantee that the people betting are of age, moreover, betting on horseracing is not very famous yet, which makes it difficult to ensure that the betting counters will be used. It will be a very complex method as contracts and licenses are necessary and the questions needs to be asked if this is really worth it and if there will be any profit.

3.5 Final Analysis

Based on the conclusions of the horseracing industry in Germany and the Netherlands attached in appendix number VIII, a final analysis is made referring to a one-year plan of an averaged race course.

Averaged race course, in this context, means running about 30 races a year from April till October. Races take place every second week having two racing days per week and approximately eight races per day.

The personnel working for the racing club and being responsible for the organisation and implementation of the alternative events consists of three members. As some organisational work is put out to external organisations, this number of people employed is enough for the beginning.

The race club will have a so-called Members Club, which gives people and companies joining the opportunity to have a say and bring in ideas. Several benefits are offered to the members of the club, for example guided tours, Meets & Greet with characters of the racing sport, visits to famous studs or training locations, access to the lounge at the race course. Furthermore, with the help of the members club, it is searched for sponsors, as everyone joining has contacts who might be interested in a sponsorship. People and businesses joining the members club can become sponsors themselves, which can be advantageous for the racing club.

With mouth-to-mouth propaganda new people are attracted and the club can continue to be very popular (Sauer, 2010). People get the opportunity to exchange information among each other and to network (Galopprennbahn Hoppegarten, 2010).

During the racing days and also during the weeks where no races take place, various events will be arranged at the race ground. In general, it is searched for alternative events which are pro sports and environmental friendly, because these attributes go with horseracing (Brouwer, 2010). It is searched for a combination of opportunities for all target groups.

As there are organisational changes coming up, it is important to establish a good basis. First of all, recognition and encouragement will be won for the plans which are going to be accomplished and the decisions which are going to be made. This is done by including people in the planning of alternatives and make them participate if possible. Interests of the public and local people will be respected and the organisation will hear the cases of concerned parties as well.

In the early days, the racing club partners with a company providing the racing club with gastronomy and catering. A permanent contract is signed. The partner will serve food and drinks at every occasion; during general race meetings as well as for special events like parties, seminars and themed dinners and festivals.

To run alternative events on the race ground, facilities the racing club has will be adjusted. The rooms and the race ground will become multifunctional to organise a wide range of events, lowering the costs of buying additional utensil repeatedly (Brouwer, 2010).

For example, there will be a room suitable for parties as well as business meetings. Only a few rearrangements before the room will be used need to be undertaken.

The racecourse sets a highlight every month to attract a new audience.

For the first race meeting in April, the race club will organise a Family Fun Race Day. During the spring holidays, different activities for children will be staged. Schools and kindergarten will be invited. Cooperation will be arranged with local stores which advertise for the event, too. For every purchase the people do in the participating local stores, they get points to collect. The collected points can be stuck on a card; a full card earns the family a free ticket. The concept of a Family Fun Race Day meets the market expectations; it is interesting for a new and young audience and aims to give an understanding of the sport and the racing experience. The vast number of people interested makes the Family Fun Race Day interesting for sponsors. The disadvantage is that there will be less betting activity at this day (Sauer, 2010).

The racecourse and the local riding clubs will launch a charity ride for this day. Every participant sponsors an amount, determined by oneself, or find someone who sponsors the participant taking place. Participants will receive free entry tickets for a race day.

The ride goes along a specific route around the city ending at the race course before the first races begin. The initiative sets out to bring together horses and riders from across the equine spectrum and aims to raise money for a horse/animal charity.

In May, the alternative chosen is especially targeted at the youth. Public viewing is arranged on the racecourse's parking place. On a big screen either way an important competition if taking place will be shown. Otherwise, the screen will be used as an Open Air Cinema, where the visitors can come for a drive-in.

The race course will use customer friendly prices for entry and catering. Here, the racecourse will work together with local stores and local media which offer e.g. a big sweepstake where people can win free entry tickets. The screen will be used several times for similar occasions. Furthermore, it will be used to broadcast the races or the horses shown in the ring before the races. This makes it worth acquiring a screen.

In June, mounted games take place in the centre of the race track, organised by a mounted games club. Races will be organised for the morning and evening. In the afternoon, during a break, the performance of a mounted games competition will be shown. This is the time for the younger horse enthusiasts to enjoy themselves. The race meeting attracts a diverse public and costs involved are low.

In July, a fashion show is organised at a meeting around lunchtime. This is going to happen in combination with having brunch; a buffet will be available. The more reasons for coming are created and the more offered to the public, the better. Advantage needs to be taken of the extensive indoor and outdoor space. The race grounds are best suitable to set up entertainment gastronomy and this is something people are looking for.

The races will take place after the fashion show. One or more fashion shops of the village will be engaged, providing clothes and textile or presenting their new collection. The advantage

is to get local businesses involved, so that everyone profits and cooperates. The involvement of local businesses is a way to promote racing, too.

In August, the race track will be starting and finishing point of a marathon. This marathon, indirectly, creates a positive image of horse racing. The local media will be there reporting and the news will cover the activities taking place at the race ground (Brouwer, 2010). Attracting as many activities as possible taking place at the race ground will help to get a better image and to attract audience to the races as well. People come to watch or participate at the marathon and the experience of being on the race track themselves results therein that people become attentive. This kind of activities can be done for a good cause as investments are low.

In September, the next children activity will be staged. Fun races take place in between the regular races which makes everyone staying till the end, as the racing enthusiasts are interested in the horse races and the children are interested in the fun races. The fun races are an ideal opportunity for the children to participate themselves and learn more about horseracing. There will be possibilities for the children to "bet" on fun races. Easy bets like a bet on the horse crossing the finish line first are ideal. For each horse participating a small box is positioned. Children can drop a small paper with their name on it in the box which belongs to their favourite horse. After the race, a name out of the "winning" box is drawn and the person wins a free ticket for e.g. the local cinema.

With the help of networks the racing club already build, prominent people of the region are involved by competing at a fun race. This activity generates a lot of media attention and popularity (Sauer, 2010).

As betting is still a major source of income, people need to be introduced in the betting procedures. New audience needs to be lead to the betting industry step by step.

Visitors are welcomed in the race course telling them about free information sessions taking place in between the races which give an understanding and orientation of the betting on horseracing. People interested can come to a special meeting place, where an expert explains the most important betting rules and gives the visitors stimulation and interest in betting.

Furthermore, a paper will be handed out or included to the local newspapers which outline the most important betting of the weekend and the possible winnings. This paper should be aimed to highlight only one bet for one race which is easy to understand for people without betting experience. This paper can be used as a voucher, too. It allows for free entry on an arbitrary race day.

It is most suitable to search for sponsors for the race meeting locally or to search for people having a relation to the sport or representing the same attributes associated with horseracing. The benefit sponsors have can vary. The most beneficial would be to name a race and/or fun race after a sponsor so that the name is always present. If the sponsor is a local one, associating the name with horseracing raises awareness at the local people, which is advantageous for the sponsor as well as the racing club.

Special offers to bring a friend gratis to the races are made. As the youth is mostly coming in groups, a campaign aiming to give discount for a group of ten people is hold.

In October, the season ends with the voting and celebration of the Horse of the Year and an award ceremony dedicated to the most successful and hard-working jockey, trainer and breeder. Media interest is necessary. Stories need to be devised that can be pitched to journalists throughout the year, keeping horseracing at the front of mind before the actual voting. The celebration takes place after the last race meeting.

Every second month, an After-Race-Party will be staged at the race course. People can give ideas for a DJ themselves and vote for the DJ online, using social networks. The races of this day go from 5pm till 10pm, everyone arriving before 8pm will get free entry. This makes people come at a time when the races are still taking place to experience a race day.

A partnership can be set up with e.g. a beverage supplier or brand. The partnership can create a reciprocal benefit for both the partner and the racing club. For the race club, the benefit of partnering with e.g. big name brands is access to their customer in order to promote the sport and drive ticket sales. For the partners, they could provide their own customers with an incentive (i.e. half-priced tickets to the races) and promote their name to the race club customers. The promotion will be implemented at little or no costs, allowing the race club to capture further customer data which they can subsequently use to market the sport to in the future (Sherman, 2010). All in all, the result will be a win-win situation.

Replacing the disco, a concert can be staged once in a while. This can be done if a good financial basis is created and an appropriate artist/band found. The advantage the racing club has is that an open tribune already exists, which offers enough space for a high amount of visitors (Sauer, 2010).

It might take some time to make a go of concerts and discos as the events taking place need to get around first of all and there will be competition. It will help to involve the youth attending. Regularly, a graduation party will be organised by school leavers.

At the weekends when no races take place local riding clubs organise dressage and show jumping competitions on the race ground. The area inside of the track will be rebuild to suit the requirements. Parking facilities, tribunes and boxes are available.

During the whole year, people get the opportunity to use the race ground as a hospitality area. Arrangements can be made for business meetings, seminars, weddings etc. This is an additional option for the race course to make money in the long-term and to use the facilities effectively. Advertisement is very important here to raise awareness. Setting the race club on the local business index and becoming a member of the catering industry will help to let the public know about the opportunities a race course offers. Moreover, a radio campaign can be launched. If this form of advertisement is used in cooperation with other racing clubs, the costs can be shared and the advertisement itself is cheap and effective especially for non-local people to become aware of the races taking place and the other opportunities a race club offers.

The mentioned alternatives are the most applicable for the beginning of a restructuring. Apart from general rearrangements, the alternatives can be achieved with less financial input and aim to involve and attract the local public, first of all.

If successful alternative events are set up and realised, additional alternatives like a Meet & Greet, a stand at a fair, share of ownerships etc. can be taken up to carry out continuative promotion (Brouwer, 2010) and to hold the interest created.

In the long term, e.g. the riding competitions can become bigger, if accepted, more and bigger concerts can take place as well as galas with performances of famous riders or celebrities and huge exhibitions. The facilities are existent, if the financial situation changes, the venue can cover the whole market of leisure activities in the local and surrounding area offering many opportunities for people of every age.

3.6 Recommendations for the German and Dutch horseracing industry

There needs to be huge changes to the sport for it to have a promising future, because the current situation of horseracing in Germany and the Netherlands is critical (see chapter 2.8 Conclusions of the research regarding the current situation of horseracing).

There are two main objectives to be achieved.

Firstly, there needs to be a break in the vicious circle the German and Dutch racing industry is caught up in. For example by providing a break through in the betting market through co-operating with a gambling company has the potential to increase betting activity and interest of the public. Consequently, an increase in turnover will be realised resulting in more money going back into the racing sport. This in turn means that the sport itself has a higher amount of prize money at its disposal and the races become more attractive for participants and visitors. The whole process can be seen as a domino effect; if the first domino falls, ultimately, every domino will fall (Dekker, 2010).

Secondly, to make the horseracing product more appealing to the casual race goers, the fundamental nature of the sport needs to be altered. Additional entertainment options need to be made available at the race grounds.

Initiatives which can make the sport more appealing to the casual race goers should not radically change the nature of the sport, but there should be more events promoted as special days out for specific target groups with or without ancillary activities.

The aim of the race clubs should be to provide attractive leisure activities and recreational events for a wider audience. A new "world of experience" should be created for the racing sport. People of every age should feel comfortable on the race ground. New, additional sporting highlights, simplified betting, enhanced integration for the sponsors, investment in media productions and measures of redevelopment for the buildings and the ground need to be planned (Dr. Jakobs, chairman of the administrative board, Infront Sports & Media, 2010).

Working together with partners as other racing organisations and racecourses at home and abroad as well as with marketing and sponsorship agencies is important to increase the appeal. Only by properly involving stakeholders across all sectors does racing have a chance to effect change.

Particularly, if large investment is involved in the event, it is possible to undertake a form of market research regarding the event concept. Such research may reveal not only the likely market acceptance of the concept, but also additional information, such as how much the target audience is prepared to pay and how the event concept may be adapted to meet market expectations and requirements (Bowden et al, 2004).

4. Explanation of terms

All Weather Racetracks: Racetracks especially used to keep racing going throughout the winter with rain or frost. The courses are made of an artificial type of surface (Whetstone & Welch, 2006).

Animal Welfare Act: Animal welfare concentrates on making owners and keepers responsible for ensuring that the welfare needs of their animals are met. These include the need:

- For a suitable environment (place to live)
- For a suitable diet
- To exhibit normal behaviour patterns
- To be housed with, or apart from, other animals (if applicable)
- To be protected from pain, injury, suffering and disease
(Animal Welfare Act)

Betting Exchange: A new betting medium where you make your bets not with a bookmaker but with other punters online. You can choose to either back an outcome as you would normally with the bookmakers, you can play the role of the bookmaker and 'lay' an outcome or you can simply 'trade' the betting market (Punting Ace, 2010).

Bottleneck effect: Genetic drift that occurs when the size of a population is reduced, as by natural disaster or human actions. Typically, the surviving population is no longer genetically representative of the original population (Campbell, 2008).

Breeders Cup: This Cup is held in autumn of each year. It first took place in 1984 and attracts the best horses from all over the world (Whetstone & Welch, 2006).

Classics: There are five Classic races run a season, it is an event for three year- olds only (Whetstone & Welch, 2006).

Commingling: Commingling of pools is the process where one Totalisator organisation combines its wagering pool with another (www.tab.co.nz).

Fixed Odds betting: Here it is the betting operator who has the direct interest in the result of the race and who fixes the price. The operator estimates the chances of each horse to win and offers his odds accordingly (Annual Report 2008, IFHA). The payout is agreed the time the bet is sold. The betting operator profit is dependent on the outcome of the race.

Flat racing: The British Flat Racing season runs from March to November (Whetstone & Welch, 2006).

Fluttering: Fluttering on horses is in contrast to betting seen as inconsequential with little need for skill or in-depth knowledge; it is about making small opportunistic bets on major

national events for fun; it is harmless and qualitative different from betting larger amounts regularly (BHA, 2009).

Grey market: The Grey market includes people from 55 onwards.

Handicapping: A race where all the runners are allotted weight, allocated against their record and ability, which theoretically gives them all an equal chance of winning. As a rule, the horse deemed to be the best runner in any handicap will carry top weight, with the lesser lights taking order down a diminishing scale (Whetstone & Welch, 2006).

Haplotype: It is the set of alleles on a single chromosome, or on all the single chromosomes passed from a parent to an offspring (Optigen, 2005).

High-end product: A high-priced (at the high end of the market), usually luxurious, top quality and well-advanced product.

Hubs: Hubs are used to connect several computers.

Hurdling: A race run over distances of two to three and a half miles over smaller, less rigid fences, which often collapse when hit by a horse (Whetstone & Welch, 2006).

Inbreeding: Inbreeding is the breeding between members of a relatively small population, especially one in which most members are related (Wiktionary, 2010).

Pari Mutuel betting: The bets are placed together in a pool. The final payout is not determined until the pool is closed and the race is run. Putter are playing against the other putter, the operator has no influence on the results. At the end of a race, a percentage of the pool is taken out as taxes, another percentage as contribution to racing and a percentage to the betting organization. The remainder is paid out as winnings. The percentage varies by country and bet type, but usually is somewhere between 70% and 80% (Annual Report 2008, IFHA).

Pas de deux: A pas de deux is an equestrian performance using two horses. The horses perform dressage movements, usually mirroring each other.

Racing Welfare: A charity to offer help to the people working in the racing industry. It gives support to those injured or disabled, plus education, information and advice, financial support and affordable housing for those who retire (Whetstone & Welch, 2006).

RSPCA: Charity working for the Five Freedoms for animals through legislation. It investigates complaints of cruelty and "rehomes" animals through local branches (The Royal Society for the Prevention of Cruelty to Animals, 2010).

Snowball sampling: Snowball sampling is a technique for developing a research sample where existing study subjects recruit future subjects from among their acquaintances. Thus the sample group appears to grow like a rolling snowball. As the sample builds up, enough data is gathered to be useful (Eikipedia, 2010).

Steeplechase: These races are run over distances from two to four and a half miles with horses jumping fixed fences which are at least four and a half feet high (Whetstone & Welch, 2006).

SSPCA: The Scottish Society for the Prevention of Cruelty to Animals (Scottish SPCA) is Scotland's animal welfare charity. Their objectives are to prevent cruelty to animals and encourage kindness and humanity in their treatment (Scotland's Animal Welfare Charity, 2010).

Totalisator: A system of betting on races. All money bet on horses in a race goes into a pool and following the race, this pool is shared out amongst all those who have placed winning bets and the other part is redistributed to the horseracing industry (BHA, 2010). A share of the returns is paid to the government as tax (Liljenstolpe, 2009). Totalisator bets can be placed on track and in betting offices. The betting offices do not operate as bookmakers but as adjustor of the bets (Wettbasis, 2010).

Youngsters: Younger public refers to people aged 18-35.

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"The Horse Industry in Europe of Today", Carolina Liljenstolpe, Swedish University of Agricultural Sciences

"The Equine Professional of Tomorrow From a Racing Perspective", Rory MacDonald, Chief Executive British Racing School

- 2) "43rd IFHA Conference", 5 October 2009, Paris, France

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"Effect of simulcasting on betting turnover", Harald Dorum, CEO Norwegian Tote

"Production and distribution of pictures and data from South America for simulcasting", Pablo Kavulakian, Special Advisor to OSAF

"Role of hubs in modern commingling", Jack Lisowski, Director of Mutuels, Arlington Park, USA

"How to target the new customer on internet", John Della Volpe, SocialSphere Strategies, CEO & Harvard University: Institute of Politics, Director of Polling

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"Importance of Race Data for International Operator", James Singer, At the Races

"Annual Adress on the State of Racing and Wagering", Maurits Bruggink, IFHA

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Nic Coward, Chief Executive, British Horseracing Authority

Gerrit Suttcliffe, Minister for Sport

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6. Appendix

Appendix I - The history of horseracing in Great Britain

"There is a magic to horseracing which bonds stakeholders. For some it is all about the history and traditions."

This statement from the stakeholder interview Harrison Fraser did for his research let us inquire about the importance of the racing history in Great Britain.

It is difficult to pinpoint where the history of horseracing began (Bracegirdle, 1999). The sport of horse racing is probably dated back to the time of King Charles II, who reigned from 1660 – 1685 (Black, 2008), the famous Newmarket track opened under James I, Charles II encouraged the Newmarket race (Sparks, 1992). Most racing took the form of matches, with records kept in private match books, diaries and local records. At this time horses would have carried heavy weights and have been at least four years old. Betting was prodigious and blamed for the downfall of many an impressionable young person.

By the end of the 18th century racing has been transformed. There was an emphasis on shorter distances and speed and therefore younger horses. Selective breeding adapted the type of horse to suit the new challenges. Handicap races were introduced. This encouraged more owners to enter their horses, since it evened out the chances of winning. This transformation of racing was almost entirely due to the influence of the Jockey Club (Bracegirdle, 1999). The Jockey Club was founded to bring some sort of order to the sport, there were no rules, and corruption and doping were widespread. The Club began to publish rules and established authority over the running of races. It has remained a ruling body of the sport (Magee, 1989).

Between the First World War and the Second World War there were many discussions about the most popular sport in Great Britain. Certainly, a few inhabitants favored Cricket, although football even attracted more spectators and had even more participants. Some people stated the only important national sport is horse racing. What made this sport so successful during these years was betting. The middle and working class had no interest at all; some people even had a deep aversion, thus, involvements in racing or opposition to it were integral factors in British cultural life (Huggins, 2004).

After the Second World War camera patrol and photo-finishes brought more precision to decisions, and in 1965 starting stalls were introduced.

The Horseracing Betting Levy Board was established in 1961 to collect a contribution from off-course betting turnover for the benefit of racing. In 1961 the National Hunt Committee which had administered steeplechasing and hurdling since 1866 was amalgamated with the Jockey Club. The British Horseracing Board was founded in 1993 (Bracegirdle, 1999), which became in 2007 the British Horseracing Authority (BHA).

Racing also helped to sustain a wider national belief in the superiority of the British sport. Britain had long experience and tradition in most sports, and racing had been in existence far longer than most. Britain's success and leading role in international breeding was yet another example of such superiority. People took pride in the fact that the thoroughbred was an English creation. Racing demonstrated the strength of British cultural conformity and cohesion (Huggins, 2004).

Attendances in Great Britain were highest at flat-racing meetings by the 1930's. Estimates of over half a million in the Derby crowd were fairly common. Doncaster came to around 200,000 attendees, Aintree to 200,000 – 300,000 attendees as well (Huggins, 2004).

Changes interwar period – now

Comparing the racing of the interwar period to the racing nowadays, there are a few important points to mention.

Only gentlemen watched races during the interwar period. In England it was known as the "Sport of kings", because of royal patronage (Sparks, 1992). Men projected masculine values, and discouraged women's involvement. In the 1919th – 1939th period the nature of support varied with wealth, status and social class. The most visible form of racing support was actual attendance, and here the press constantly emphasized the socially-mixed nature of crowds. Racing functioned as cross-class leisure activity. Many of the top races had a 'tremendous fascination for all classes of people' (Huggins, 2004).

The upper class provided financial support and subscriptions to meetings. By the interwar period this practice had died out on flat courses, which were almost all enclosed and reliant on entrance money through the turnstiles. The traditional pattern continued in the smaller national Hunt courses (Huggins, 2004).

Significant sections of the middle class enjoyed racing. Their role as attendees as well as shareholders in courses and stud farms, organizers and managers of racing enterprises, racehorse owners and betters was common even in the 19th century. Large numbers of the middle classes were spectators (Huggins, 2004).

The working classes composed the largest group interested in racing and betting. One reason for racing's popularity was that its relative infrequency in any one area made it affordable. Many people only went to their local meetings; going to the races was still a special occasion (Huggins, 2004).

But, racing made very obvious the inequalities found in English society. In racing the upper classes only too clearly seemed to continue to exercise authority, power and prestige. Racing was a socially ranked and ordered micro society which made clear to individuals their place in the social hierarchy. Such obvious divisions generated very little evidence of resentment or antagonism between classes (Huggins, 2004).

In 1939 women were still unable to be professional jockeys or trainers, or to be a member of the Jockey Club. Yet, perhaps, because of its sociability, women became far more involved in racing than in other mass sports. Slowly, racing affected women's leisure lives. Women

entered racing as owners, breeders and jockeys and were treated respectfully and courteously.

The image of British horseracing

During the interwar period most images were positive showing successful owners, trainers and jockeys, honest bookmakers and lucky punters.

Through the constantly reinforcing images in the media, racing aided the invention and maintenance of a particular image of Britain, an image which showed respect and deference for the monarchy and upper class. Racing both symbolized and reflected the undemocratic nature of British society. Crows at race meetings were shown as having a sense of tradition and history. Racing was associated in the public mind with the royal family and aristocracy (Huggins, 2004).

The media and British leisure culture

Racing always had one of the leading media coverage. During the interwar period, racing was formerly presented in the press, advertisements, films, dramas, novels, cigarette cards, television and radio. In London alone over 500,000 copies of racing editions of evening papers were sold daily, thousands of bookmakers took racing bets (Huggins, 2004).

In the late 1930's the first television coverage arrived.

The BBC with its dedication to the raising of public taste, at first showed little interest. It wished to promote 'correct' social attitudes and enhance its own respectability, and had moral reservations about gambling. The BBC first provided commentary on the Grand National in March 1927. The BBC described it as 'a new and thrilling kind of broadcasting entertainment'. It was the first suggestion of a slightly more popular flavor being given top sport, and a clear recognition of racing's cultural importance. By then an emerging part of the BBC's mission was to cover 'national' sporting events, accommodating quietly to a more genuine national sporting culture. Racing became basic British cultural capital, something almost everyone could anticipate, recognize and respond. It also spread an image of British culture abroad. The broadcasting made the major races even more popular, attracting excellent listening figures from the early 1930's. The enclosure of courses in the nineteenth century had reduced racecourse attendance, making spectators predominantly adult males, removing racing from the experience of many women and children. The new BBC sports coverage was therefore important in widening access to racing and disseminating interest in its major events on a new and larger scale. In the late 1930's BBC began to develop television coverage in the London region for those few richer homes where a set could be afforded. Outside broadcast of diverse races were attempted. But racing was conservative and only a minority of racing executives around London welcomed the new medium. The audience for these early television broadcasts was small; the popularity was still well in the future (Huggins, 2004).

For racing insiders and regular punters, detailed racing coverage was found in the specialist racing press. The material appealed most to those who believed in the rationality of betting. But owners could read an expert's opinion about their horse, breeders could enjoy the coverage of stud farms and see how others stud farms were doing, trainers on keep an eye on the progress of two-year-olds and other stables, to help future placing of the horses, and

bloodstock agents could read detailed reports from overseas correspondents (Huggins, 2004).

Journalists had their own organization, the Racecourse Press Committee. There was a clear hierarchy of status and income (Huggins, 2004).

With growing public interest in racing, changes came up. Newspapers wanted a new, well-informed, more journalistic approach, with writers able to tip occasional winners but also to 'recognize' stories and 'new values'. The working conditions became pleasant. The Sporting Life was the widest-circulating London racing newspaper selling some 100.000 daily 2d copies in 1926 suggesting an upper- and middle-class readership. A similar, but slightly more working class sporting paper calls The Sportsman, covered racing amongst different other sports, but its circulation was falling and it shut in 1924. The dominant northern daily racing paper was Hulton's Sporting Chronicle claimed to provide 'the Best and Latest Stable Information'. With the Sporting Life, it provided official starting prices. Racings international links were catered for by Reuters, who provided reports and results for the major races on the Continent, Australia and elsewhere. Local and regional morning and evening papers also covered racing in some detail.

The frequency of appearance of jockey's comments in the daily press demonstrates the extent to which these sporting celebrities were of interest to readers. This coverage, together with rarer interviews for the cinema newsreel or wireless, helped to promote the top jockeys even more. Top jockeys became celebrities, gossipy coverage of their social appearances at nightclubs, banquets or other fashionable gatherings now aiding press circulation. The racing industry itself increasingly used jockey's fame to foster its links with the wider community through specially organized London charity events. These were mirrored in the provinces, adding to both the work and the pleasure of racing men. Press portrayal of women's racing involvement expanded. Papers flattered women readers and boosted their self-esteem by allowing them to participate vicariously in the fashion dilemmas and choices of the upper classes attending the racing (Huggins, 2004).

Appendix II – Horseracing statistics

Table 8, Flat racing in Germany, the Netherlands and Great Britain 2008

Country	Flat races	Different horses having run	Starts	Average Runners per Race	Average starts per hour
Germany	1515	2626	13767	9,1	5,2
Great Britain	6128	10186	61998	10,1	6,1
The Netherlands	87	185	672	7,7	3,6

Table 9, Prize money in Germany, the Netherlands and Great Britain 2008

Country	Flat racing – number of races	Flat racing - Prize money in Euros	Flat racing – Average prize money per race in Euros	Jump racing – number of races	Jump racing – Prize money in Euros	Jump racing – Average prize money per race in Euros
Germany	1515	13,518,500	8,920	58	421,300	7,260
Great Britain	6128	72,090,067	11,760	3,366	39,371,967	11,700
The Netherlands	87	259,090	2,980	0	0	0

Table 10, Prize money versus expenses in Germany, the Netherlands and Great Britain, 2004 - 2008

Country	04 %	05 %	06 %	07 %	08 %
Germany	27	26	26	26	26
Great Britain	28	25	24	22	23
The Netherlands	16	19	19	15	18

Table 11, Betting and deductions in Germany, the Netherlands and Great Britain (IFHA, 2010)

Country	Betting turnover (x1000)	Returned to bettor (x1000)	%	Total deductions	%
Germany	119,777				
Great Britain	11,071,226				
<i>Of which Tote</i>	394,739	52,908	72	20,575	28
<i>Of which Bookmaking</i>	46,294				
The Netherlands	31,762				

Table 12, 2007/2008 evolution of the betting turnover & prize money distributed compared to inflation

Country	Inflation %	Evolution of betting turnover %	Evolution of Prize money %
Germany	2,60	-10,40	- 6,50
Great Britain	0,90	-12,90	7,60
The Netherlands			

Appendix III – Information German racing

Table 13, Comparison of the numbers of attendance at the race meetings in Baden-Baden (DVR, 2010)

2000	164,075	
2001	172,541	
2002	158,385	
2003	155,525	
2004	151,657	173,426
2005	149,905	169,002
2006	131,270	151,684
2007	140,058	158,364
2008	136,004	155,153
Year	1. + 2. Meeting	1. + 2. + 3. Meeting

Table 14, The differences in German racing clubs (Galopp-Trab.de, 2010)

	Betting turnover	Price money	Racing days	Races
Baden-Baden	9.45 million €	2.41 million €	15	138
Hamburg	3.84 million €	1.42 million €	7	66
Cologne	3.76 million €	1.82 million €	14	119
Düsseldorf	2.61 million €	1.14 million €	10	88
Munich	2.16 million €	0.88 million €	12	144

Appendix IV – Drug testing

Several European racing authorities have sought to harmonise their drug testing procedures, so that whichever country a horse runs in, its dope testing sample receives exactly the same treatment.

Racecourse Stewards have the power to test any horse. Urine samples are taken by Veterinary Technicians, then split into an A and B sample and send to the Horseracing Forensic Laboratory in Newmarket (Great Britain) or the Institut für Biochemie (institute of bio-chemistry) in Cologne (Germany). The Netherlands send their samples to the LCH in France and the horse racing laboratory in Great Britain, as well. Furthermore, there are contacts to other laboratories in both at home and abroad. This is done to maintain the chance in the race against the development. Together with other leading racing sport nations within Europe Germany and Great Britain joined the organization European Horseracing Scientific Liaison Committee (EHS�C). Herewith, all the practices are matched regularly to fix the uniformity regarding the doping rules (Halm, DVR, 2009). If both samples are positive, the test ends up at a Disciplinary Panel hearing, with the horse being disqualified from the race and the trainer fined (BHA, 2010).

The racing sport is considered to be exemplary handling drug testing (Wahler, 2010).

The number of positives in British, Dutch and German racing remains low. In 2008, for example, there have been 9623 samples analysed in Great Britain, 16 of these samples have been positive. In the Netherlands, 325/350 samples are analysed per year. There have been three positive samples in the last two years (Dekker, 2010).

The following are prohibited substances under the Rules of Racing:

- Anti-pyretics, analgesics and anti-inflammatory substances
- Cytotoxic substances
- Antihistamines
- Diuretics
- Local anaesthetics
- Muscle relaxants
- Respiratory stimulants
- Sex hormones, anabolic agents and corticosteroids
- Substances affecting blood coagulation

There are routine test on horses in training as well. For example, in Great Britain, a blood sample is taken from all horses in a yard; this is done by unannounced visits, averaging one trainer per month (BHA, 2010). In Germany, the DVR is authorized to control at any time, if a yard meets the doping regulations (Sauer, 2010).

Appendix V – Questions British horseracing

British Horseracing Authority

- 1) Description of the development of British Racing from the beginnings until now
 - a) What are the important changes?
- 2) Can you describe the Racing Culture in Great Britain?
- 3) What is the image of Horse Racing in Great Britain?
- 4) How does the BHA represent British Racing abroad?
- 5) Whom do you work together with internationally?
- 6) What do you think are the success factors of British Racing?
 - a) Are there any important achievements of the last years?
- 7) What does British Racing do to be seen as a world leader?

Department Communications & Promotion

- 8) What is the definition of promotion regarding horse racing?
- 9) What are the main tasks of this department?
- 10) Why is promotion so important to you?
- 11) What are the most important ways of promotion your department uses?
 - a) Promotional plans?
 - b) Promotional facts?
 - c) Projects, Charity giving, educational projects etc. where racing is involved?
 - d) Activities dovetailing with sponsors and racecourse promotion of their race?
- 12) Are there any special seminars/ workshops taking place regularly?
- 13) How do you encourage ticket sales? (Season ticket prizes/ Annual memberships)

Media

- 14) How is the media included in the promotion?
 - a) Are there any future plans regarding media coverage?
 - b) Why did the BBC reduce the TV coverage?
 - c) Which British newspapers are related to the horseracing industry only?

Partnerships

- 15) Which partnerships do exist regarding the promotion of British horseracing?
- 16) What does the BHA want to achieve with these partnerships?

SWOT - Analysis

- 17) What are the chances and risks British Racing is dealing with?
- 18) What are the areas of strengths and weaknesses within the industry?
- 19) What are Racings current challenges?
- 20) What are the opportunities and threads of British Racing?

Problems

- 21) Are there upcoming problems?
 - a) What are these problems?
 - b) How does the BHA handle these problems?

People of interest

- 22) What is the target group of British Racing?
- 23) What is the spectator profile?
- 24) Who are the key stakeholders?
- 25) Where do you see the place of racing in the wider leisure offering?
- 26) What are the numbers of attendances 2009 and how do you rate these numbers compared to the ones from the last year?

Future perspectives

- 27) What are the future plans? Any special activities planned in the future?
- 28) What are the objectives/ general targets of the BHA?

Mission and Vision

- 29) What is the Vision of the BHA and British Horse Racing in general?
 - a) "New British Classic" – is this vision still up-to-date?
 - b) What does the BHA want to achieve with this vision?
- 30) What is the Mission of the BHA?

Appendix VI – Questions Dutch horseracing

Algemeen

1. Hoeveel renbanen zijn er in Nederland?
2. Hoeveel bezoekers komen jaarlijks naar de rennen toe?
3. Geschiedenis van paardenrennen in Nederland?

Vragen met betrekking tot het onderwerp financiën

1. Worden de rennen in het buitenland uitgezonden en wat zijn de voordelen? Verrijkt dit het wedgebeuren?
2. Welke veranderingen zijn op het gebied van wedden op paardenrennen opgetreden?
3. Hoe staat men hier tegenover?
4. Welke veranderingen zijn noodzakelijk?

Bronnen van inkomst:

- Wedden
 - Sponsoren
 - Mediarechten
 - Toeschouwer
 - Catering
5. Hoeveel geld wordt jaarlijks verdiend en hoe heeft zich de bron van inkomst in de jaren veranderd?
 6. Hoeveel procent moet worden betaald aan belasting?
 7. Hoeveel bookmakers bestaan er in Nederland (op de banen/anders)?
 8. Hoeveel procent van de omzet van het wedden door de bookmakers krijgt de sport?
 9. Wat vindt men in Nederland van het internetgokken?
 10. Is er een samenwerking (met een wedpoortal)/ Met wie wordt samengewerkt?
 11. Hoeveel procent van de bevolking wed op paardenrennen?

Vragen met betrekking tot het onderwerp werkgelegenheiten

- 1) Hoeveel werknemers heeft de sector paardenrennen?
- 2) Hoe groot is daarvan het aantal direct werkzame (fokker, jockey, trainer, stalpersoneel, wedindustrie, bestuur etc.)?

- 3) Hoe groot is daarvan het aantal indirect werkzame (hoefsmid, veterinaire, voer, transport)?
- 4) Zijn er opleidingen in de sector van de draf- en rensport?
- 5) Hoe zijn de werkgelegenheden veranderd in de afgelopen jaren?

Vragen met betrekking tot het onderwerp imago

(Imago= Aantal bezoekers, reden om naar de rennen toe te gaan)

- 1) Hoe is het aantal toeschouwers veranderd in de afgelopen jaren (getallen)?
- 2) Op welke dagen komen de meeste bezoekers?
- 3) Wat is de gemiddelde leeftijd van de bezoekers?
- 4) Welke doelgroep is het meest geïnteresseerd? Welke wil men bereiken/aanspreken?
- 5) Wat zijn de belangrijkste redenen om naar de rennen toe te gaan?
- 6) Waarmee wordt deze sport van de bevolking geassocieerd?
- 7) Is het imago in de afgelopen jaren veranderd?
- 8) Wat zijn de associaties die mensen met paardenrennen hebben?

Vragen met betrekking tot het onderwerp trends/ toekomstige ontwikkelingen

1. Voor welke uitdaging staat deze sport?
2. Wat zijn de redenen voor de tegenwoordige problemen?
3. Wat zijn de nieuwste trends (qua wedden) en hoe wordt hierop ingespeeld?

Vragen met betrekking tot het onderwerp marketing

1. Hoe wordt promotie uitgeoefend? Zijn er speciale campagnes door u of door de renclubs?
2. Waarom is de Nederlandse draf- en rensport niet lid van het IFHA?
3. Wordt de Nederlandse draf- en rensport in het buitenland gerepresenteerd?
4. Welke sociale events geeft het tot nu toe in combinatie met de rennen? Door wie worden deze georganiseerd en zijn ze succesvol? Hoe vaak worden deze opgezet?
5. Wat gebeurt er met de renbanen als er geen rennen plaats vinden?
6. Zijn de renbanen eigendom van de stad?
7. Werken de verschillende renclubs samen?
8. Gaat de NRD ook naar beurzen toe?

Media

1. Worden rennen uitgezonden op TV?
2. Hoe worden de rennen online gerespresenteerd? Wat zal hiermee worden bereikt?

Mogelijkheden:

1. Wat kan er worden gedaan om deze sport weer meer succesvol te maken?
2. Wat kan er op het gebied van gokken worden veranderd, zodat de sport financieel wordt versterkt?

Appendix VII – Questions German horseracing

Fragen zum Thema Image des Pferderennsports

- 1) Wie haben sich die Zuschauerzahlen im Laufe der Jahre verändert?
- 2) An welchen Wochentagen kommen die meisten Besucher? Hat sich das im Laufe der Jahre verändert?
- 3) Was ist der Altersdurchschnitt der Besucher?
- 4) Welchen Stellenwert hat der Pferderennsport im Vergleich zu anderen Sportarten?
- 5) Welche Zielgruppe wird durch die Rennen am meisten angesprochen?
- 6) Welche Zielgruppe möchte man ansprechen?
- 7) Was sind die Gründe Rennen zu besuchen?
- 8) Womit wird der Sport von der Bevölkerung identifiziert?
- 9) Hat sich das Image des Sportes in den letzten Jahren stark verändert?

Fragen zum Thema Wohlbefinden und Gesundheit der Pferde

- 1) Gibt es einheitliche internationale Regeln und Gesetze im Rennsport zu den Themen:
 - 1.1) Erlaubte Medikamente?
 - Gibt es Statistiken zum Thema Medikamentenmissbrauch/ Doping?
 - Wie wird Doping vorgebeugt?
 - Welcher Stoff und welche Menge davon gilt als Doping?
 - 1.2) Tierärztliche Kontrolle, Testen der Pferde?
 - Bekommen die Testproben in jedem Land dieselbe Behandlungsmethode?
 - Werden auch im Training Routinetest abgenommen? Wenn ja, wie und wann geschieht dies?
 - 1.3) Rennbahn Sicherheit?
Wie lauten diese?
- 2) Wenn es keine internationalen Gesetze sind, wie werden diese Aspekte in Deutschland gehandhabt?
- 3) Wo ist der Unterschied zu anderen Ländern?
- 4) Gibt es Kooperationen mit Tierschutzorganisationen/ Tierkliniken?
- 5) Wird nachverfolgt, was mit den Pferden vor, während und nach deren Rennkarriere geschieht?
- 6) Werden Informationen zu Unfällen und Todesfälle bei Rennen systematisch aufgezeichnet?
- 7) Gibt es konkrete Pläne, welche bei Ausbrechen einer Epidemie zu handhaben sind?

Fragen zum Thema Beschäftigung im Rennsportsektor

- 1) Wie viele Beschäftigte hat der Sektor „Pferderennen“?
- 2) Wie viele davon sind direkt im Sektor beschäftigt (Züchter, Jockeys, Trainer, Stallpersonal, Wettindustrie, Verwaltung (Rennvereine, DVR etc.))?
- 3) Wie viele davon sind indirekt im Sektor beschäftigt (Tierärzte, Hufschmiede, Futtermittelindustrie, Transportindustrie, Forschungszentren)?
- 4) Gibt es Pferdezentren/Kurse/Schulen die zur Ausbildung beitragen, sei es als Jockey, Trainer oder allgemein im Bereich Pferderennen?
- 5) Wird der Nachwuchs gefördert?
- 6) Wie wird auf Jobmöglichkeiten in diesem Sektor aufmerksam gemacht?
- 7) Wie viele Arbeitsplätze schafft der Sektor Pferderennen im Vergleich zu anderen Sportarten?

Fragen zum Thema Marketing

9. Mit welchen (Marketing-) Partnern wird im Pferderenngeschäft zusammengearbeitet?
Was wird durch diese Zusammenarbeit erreicht?
10. Gibt es gezielte Kampagnen zur Promotion der Rennen (durch den DVR/durch die Rennvereine)? Wie sehen diese aus?
11. Gibt es internationale Zusammenarbeit zur Promotion des Sports?
12. Wie wird der Kontakt mit der IFHA genutzt?
13. Wie repräsentiert sich der deutsche Rennsport sonst im Ausland?
14. Welche sozialen Events gibt es in Kombination mit den Rennen? Wie oft werden diese in die Renntage eingebunden?
15. Wie werden die Rennbahnen anderweitig genutzt?
16. Gibt es eine Zusammenarbeit der einzelnen Rennvereine?
17. Wie sehen die weiteren Pläne von „German Racing“ aus mit Bezug auf Marketing?
18. Ist der Deutsche Rennsport auch auf Messen vertreten?
19. Wie werden die Geldgeber zufrieden gestellt?

Medien

3. Wie viele der Rennen werden im Fernsehen übertragen?
4. Welche Sender übertragen Rennen?
5. Wie sind die Einschaltquoten?

6. Wie viel Prozent an Pferderennen werden übertragen im Vergleich zur Übertragung anderer Sportarten?
7. Wie werden die Rennen online repräsentiert und wo? Was möchte man damit erreichen?
8. Ist der deutsche Rennsport in sozialen Netzwerken wie Facebook vertreten?

Fragen zum Thema Finanzen

12. Betrifft die Strukturreform auch den Trabsport?
13. Mit welchen Partnern wird im Renngeschäft zusammengearbeitet (Sponsoren, Wettanbieter)?
14. Wer sind die größten Sponsoren?
15. Gibt es Vereinbarungen/Zusammenarbeit mit internationalen Partnern bezüglich des Wettgeschehens?
16. Wie oft und durch wen werden deutsche Rennen live im Ausland übertragen?
17. Wie oft und durch wen werden ausländische Rennen in Deutschland live übertragen? Bereichert dies das Wettgeschehen, was sind die Vorteile?
18. Gibt es sogenannte Wettaustausch-Geschäfte in Deutschland, bei denen man Gewinne anderer übernehmen kann oder ist dies verboten?
19. Welche Veränderungen treten im Bereich Pferdewetten auf und wie steht man diesen gegenüber?
Welche Veränderungen braucht die Wett- Industrie? (einfache Wetten in den Vordergrund stellen)

Die Einkommensquellen des Sportes sind:

- Wetten
 - Sponsoren
 - Medien Rechte
 - Zuschauer
 - Catering
20. Wie viel Prozent/Euro des Einkommens kommt durch jeden einzelnen Bereich zustande?
 21. Wie viel Geld wird jährlich insgesamt eingenommen und wie hat sich das Einkommen in den letzten Jahren verändert?

Die Einnahmen durch Wetten werden verwendet für:

- Steuern (16,66%?)
- Preisgeld
- Geld zur Finanzierung der Rennen
- Gewinner der Wetten

22. Wie viel Prozent dieser Ausgaben kommen in den einzelnen Bereichen zurecht?
23. Wie viel Prozent Steuern müssen gezahlt werden?
24. Wie viele Buchmacher/Wettgeschäfte gibt es in Deutschland außerhalb der Rennbahnen?
25. Wie viel Prozent des Wettumsatzes der Buchmacher erhält der Sport?
26. Wie viel des Gesamtertrages wird durch die Buchmacher erzielt, wie viel durch den Totalisator?
27. Was sind die Gesetze für Internet Wetten?
28. Werden beim Internet Wetten Steuern bezahlt?
29. Wie steht man in Deutschland dem Internet Wettgeschehen gegenüber?
30. Mit 40 Prozent bei RaceBets.com hat German Racing nun einen erheblichen Anteil am führenden Online-Buchmacher. Was sind die Vorteile? In welcher Größenordnung liegen die Zuwächse, die man sich dadurch verspricht?
31. Wie sehen die weiteren Pläne von „German Racing“ aus?
32. Wie arbeitet German Racing mit dem Wettportal der Rennvereine, German Tote, oder auch mit Jaxx zusammen? Gibt es einen Zusammenschluss und werden die Rennvereine dann entsprechend beteiligt und finanziell ausgestattet?
33. Wie sieht die Zusammenarbeit mit WinRace aus?
34. Kann auf staatliche Interessen/Entscheidungen eingewirkt werden was das Wettgeschehen betrifft? Gibt es dort Rücksprachen?

Appendix VIII – Conclusion and Evaluation of the Alternatives

(Table)

Table 15, Conclusion of the alternatives equine-related

Alternative	Horse Sale	Polo	Eventing/Dressage/ Show jumping	Gala	Award Ceremony/ Election	Open Day	Racing Club Membership	Share of ownership	Team Championship	Mounted Games	Fun Races	Stand at a fair	Meet & Greet
Organisation	Low complexity if organised by an external organiser (+8)	Opening a polo club: Trainers, Management; Organising polo events: external (+5)	Organised by local riding clubs (+8)	External organiser (+8)	Voting, organisation of the award ceremony (+2)	In cooperation with local stores and other organisations, voluntarily (0)	Organisation of a programme for the members or members organise themselves (+6)	Setting up partnerships (0)	Complex, setting up a new fixture list, arrangements need to be made with several race clubs (0)	Taking place in between the races, the external organiser (+8)	Taking place in between the horse races (+5)	Registration as an exhibitor, travel (0)	Finding suitable jockey (+5)
Target Group	Foreign guests & agents, horse-enthusiasts, breeders, trainers, investors (+8)	Younger audience searching for action filled sport (+6)	Horse-enthusiasts, young people (+5)	Younger public, Grey market etc. (+5)	People of the horseracing industry, media, sponsors, visitors of the races (+8)	Schools, families (+5)	Horse enthusiasts, Young people, current race goers (+8)	Racing enthusiasts, trainer (+5)	New audience, youngsters (+5)	Children (+2)	Children, newcomer of the racing sport (+5)	Depending on the type of the fair (+2)	Children, current race goers, grown-up (+8)
Marketing	Catalogue of horses, advertisement in horseracing related media, promotion on website (+2)	Cooperation with business who already sponsor polo in general or the horse races taking place on the ground (+6)	Sponsors can be attracted with the help of the contacts members of the riding club do already have; advertisement via posters and internet (+5)	Promotion via event calendars, newspaper articles (+2)	Media needs to introduce and promote the election (+2)	Reaching the target group on a large scale, promotion in local news (+2)	Via the racing club, word of mouth, social networks (+5)	Via racing club, external organisation carrying out co-ownerships (+5)	Finding media partner to publish event programme and lead-in stories, radio station can provide outside broadcast (+2)	Via Mounted Games clubs and the race clubs advertising for the meeting (+8)	Pony-sulky websites or other related websites, via race clubs advertising (+8)	Promotion is a question of manpower and money (+2)	Media can launch PR campaign (+5)
Licenses – Regulations to be met	Municipal permission, notary (-5)	/ (+10)	/ (+10)	/ (+10)	/ (+10)	/ (+10)	/ (+10)	Contracts (-2)	/ (+10)	/ (+10)	/ (+10)	License as a stand holder (-2)	/ (+10)
Risks – Probability of Success	Market is not big enough (-8)	Sport is not well-known, space available (0)	Race ground suits the requirements (+2)	Time-consuming (-5)	"Stars" of the sport are recognised (+8)	Creates awareness (+6)	Active participation creates interest (+8)	Successful – ownership possible for everyone (+8)	Sport will win favour, Partners necessary (+5)	Upcoming sport arousing interest (+8)	Variety is brought to the races (+8)	Outlines entertainment opportunities, convincing (+2)	Public gets a better insight (+6)
Profitability	No demand (-8)	Year-round revenue (+7)	Less profitable (-2)	Difficult to make profit (-6)	Long-term profitability (+8)	Long-term profitability (+8)	Profitable in all regards (+8)	Through increase of involvement (+4)	Through identification with the sport (+6)	Increased number of visitors (+8)	Soaring number of attendance (+8)	Cost-benefit ratio not reasonable (-4)	Close contact to participants (+5)
Extra facilities required	Indoor arena (-6)	Boxes, playing field (-6)	Building of new areas inside of the race course (-5)	Technical facilities (-3)	Decoration, award (-2)	Stands and/or tents (-5)	/ (+10)	/ (+10)	/ (+10)	/ (+10)	/ (+10)	Hiring stand, promotion material (-8)	/ (+10)
Competition	Other Horse Sales (-5)	Other sports (-4)	Other horse sport competitions (-6)	Other shows, events (-7)	/ (+10)	Fun fair, local events (-4)	Other clubs (-4)	/ (+10)	Other sports (-5)	/ (+10)	Other horse-competitions (-2)	Other stands (-8)	/ (+10)

Table 16, Evaluation of the alternatives equine related

Alternative	Measurement Unit	Horse Sale	Polo	Eventing/Dressage/ Show jumping	Gala	Award Ceremony/ Election	Open Day	Racing Club Membership	Share of ownership	Team Championship	Mounted Games	Fun Races	Stand at a fair	Meet & Greet
Organisation	Complexity	middle	low	middle	high	middle	middle	low	middle	high	low	low	middle	low
Target Group	number	5	1	2	3	4	2	3	2	2	1	2	1-3	3
Marketing	budget	20,000	1,000	2,5000	5,000	4,000	2,000	500	500	40,000	500	500	2,000	7,000
Licenses – Regulations to be met	number	2	0	0	0	0	0	0	1	0	0	0	1	0
Risks – Probability of Success	%	30	40	60	40	70	90	90	90	50	80	80	60	90
Profitability	€ per year	+/- 0	10,000	5,000	+/- 0	2,000	1,000	6,000	1,000	10,000	2,000	2,000	500	+/- 0
Extra facilities required	Amount	1	2	3	1	2	2	0	0	0	0	0	1	0
Competition	amount	1	1	1	1	0	1	1	0	1	0	1	1	0
Result Scores Conclusion	(-10) – (+10)	-14	+24	+17	+4	+46	+22	+51	+40	+33	+64	+52	-12	+59
Result		Fair	Good	Satisfactory	Fair	Excellent	Good	Excellent	Good	Good	Excellent	Excellent	Fair	Excellent

Results rated by:

Excellent: Score (+46) - (+65)

Good: Score (+21) – (+45)

Satisfactory: Score (+5) – (+20)

Fair: Score (-14) – (+4)

Poor: Score (-25) – (-15)

Table 17, Conclusion of the alternatives non- equine related

Alternative	Themed Day/Exhibition	Disco	Photo Shooting	Fashion Show	Open Air Theatre	Concert	Golf	Family Fun Race Day	Hospitality Area	Public Viewing	Athletic Sports	Go Kart Races
Organisation	Done by professional team, security needed (+6)	Organisation, publication, security and ticket sell via extern organiser, catering, DJ via racing club (+7)	Campaign with a magazine or photographer (+3)	Organisation by an external company or other groups of interested people (+8)	Organisation by theatre agency (+8)	Organisation by an concert artists' agency (+8)	Extra management, trainers to give lessons (0)	Programme of family entertainments in addition to the races, finding suitable partners (+2)	Providing catering, lodging, entertainment service – meeting, seminar, wedding, gastronomy (0)	Screen to show sport or other competitions or open air movies on parking space or race ground (+2)	Publishing registration information, arrangement of facilities required (+4)	Company providing mobile go kart racing (+8)
Target Group	Families, Greys (+5)	Young people (+2)	Young people (+2)	Young people (+2)	New audience, families (+5)	Youngsters, Greys, Adults (+8)	People (businesses) interested in golf (+5)	Family, new audience (+5)	Businesses, other groups of people (+8)	Youngsters, adults (+5)	Families, Youngsters, Adults (+8)	Youngsters (+2)
Marketing	Advertisement via website, poster, flyer, invitations, promotion and offer in targeted publications (+2)	Partnerships as promotion at little or no cost, promotion via social networks (+6)	Cooperation with a magazine will advise the public (+3)	Guerilla marketing, non racing-related media can give information about it (+5)	Advertisement in cultural journals, registration with an events agency (+2)	Poster, radio, newspaper, internet, registration with an events agency (+2)	Local news, interested people need to be informed directly, lot of information necessary (+4)	Advertisement in local schools, kindergarten, local stores, pony clubs, newspaper (+2)	Distribution of information maps, advertisement via internet, local business index (+2)	Local news (+8)	Advertisement for participants and visitors, posters (+8)	Local news (+8)
Licenses – Regulations to be met	Exhibition insurance/ liability insurance (-5)	"all-around license" (-2)	"all-around license" (-2)	"all-around license" (-2)	"all-around license" (-2)	"all-around license" (-2)	License to set up a golf club, to give golf instructions (-5)	"all-around license" (-2)	"all-around license" (-2)	License might be necessary (-2)	"all-around license" (-2)	"all-around license" (-2)
Risks – Probability of Success	Time-consuming, high number of sponsors necessary, relation to racing low, weather situation (-8)	Challenges of social networking, meeting place, involvement and co-operations (+6)	Perfect facilities (+5)	Finding appropriate partners, attention to the sport from a more diverse public (+3)	Awareness creation, weather dependent (0)	Space a race course offers is an advantage (+2)	Racetrack looks clean and tidy, if space is used for golf, other alternatives might not be possible, balls cause inconvenience (-3)	Activities suit demand of families, children can participate (+8)	The venue can be used for small parties up to large groups and is multifunctional (+8)	Much competition if sport competitions shown, showing movie ideal (+2)	Space available best suited (+8)	Space available ideal to stage a race, noisy, refurbishment of the ground, not environmental friendly (-2)
Profitability	Not likely to make profit (-8)	Win-win situations created (+4)	Work without budget possible (+4)	Cheap way to attract new audience (+4)	high attendance necessary (-6)	Difficult to make money (-6)	Expensive to set up a golf club but high rent received (+4)	Concept meets the market expectations (+6)	Good alternative source of finance (+6)	High dependence on visitors (+4)	Can be accomplished on low costs (+8)	Generating money will be difficult (-8)
Extra facilities required	Stands/ tents, electricity and water supply, material (-8)	Billiard table, table soccer (-6)	/ (+10)	Stage (-6)	/ (+10)	Stage, additional seating (-8)	Rearrangement of the ground, golf equipments to hire (-10)	Yes, depending on the activities offered (-4)	Multifunctional accommodation (-6)	Screen (-4)	Yes, depending on complexity (-2)	Race track, karts (-8)
Competition	Other events/ exhibitions, museums (-8)	Other events and parties, concerts (-8)	/ (+10)	/ (+10)	Almost every city offers theatre, cinema and similar (-8)	Concerts and events in the wide surrounding area (-8)	/ (+10)	Not many similar family events are existing (+8)	Bars & restaurants, other meeting rooms etc. (-8)	Cinema, other public viewing (-5)	Other events in the local area (-3)	Other leisure activities existing in the area (-3)

Table 18, Evaluation of the alternatives non equine-related

Alternative	Measurement unit	Themed Day/Exhibition	Disco/Lounge	Photo Shooting	Fashion Show	Open Air Theatre	Concert	Golf	Family Fun Race Day	Hospitality Area	Public Viewing	Athletic Sports	Go Kart Races
Organisation	complexity	high	Middle	low	low	middle	high	high	middle	middle	low	low	middle
Target Group	number	2	1	1	1	2	3	2	2	2	2	3	1
Marketing	budget	20,000	500	1,000	500	5,000	10,000	300,000	2,000	7,000	5,000	200	5,000
Licenses – Regulations to be met	number	2	1	1	1	1	1	1	1	1	1	1	1
Risks – Probability of Success	%	10	40	50	60	30	30	10	70	60	50	70	10
Profitability	€	+/- 0	3,000	500	1,000	+/- 0	+/- 0	6,000	2,000	10,000	1,000	200	+/- 0
Extra facilities required	amount	3	2	0	1	0	2	2	1-3	1	1	1-3	2
Result Scores Conclusion	(-10) – (+10)	-24	+11	+35	+24	+9	-4	+5	+25	+8	+10	+29	-5
Result		Poor	Satisfactory	Good	Good	Satisfactory	Fair	Satisfactory	Good	Satisfactory	Satisfactory	Good	Fair

Results rated by:

Excellent: Score (+46) - (+65)

Good: Score (+21) – (+45)

Satisfactory: Score (+5) – (+20)

Fair: Score (-14) – (+4)

Poor: Score (-25) – (-15)