Harness Racing’s Ongoing Transformation through Social and Digital Marketing

University of Arizona Global Symposium of Racing & Gaming
Converseon has a broad understanding of how to effect change across marketing, customer service and sales departments... measure success and impact the key KPIs ... and tie into more traditional CRM transformation approaches.

Source: The Forrester Wave™: Listening Platforms, Q3 2010, July 2010 The Forrester Wave is copyrighted by Forrester Research, Inc. Forrester and Forrester Wave are trademarks of Forrester Research, Inc. The Forrester Wave is a graphical representation of Forrester's call on a market and is plotted using a detailed spreadsheet with exposed scores, weightings, and comments. Forrester does not endorse any vendor, product, or service depicted in the Forrester Wave. Information is based on best available resources. Opinions reflect judgment at the time and are subject to change.
Every minute of every day…

- 72 hours uploaded to YouTube
- 277,000 tweets
- 2.5 million pieces of content shared in Facebook
- 270,000 photos uploaded to Instagram
- 23,000 Yelp reviews
- 4 million search queries in Google
In part because word of mouth is most credible and powerful form of advertising

And social media is the turbo charger
This vast unstructured social conversation can make or break brands

Global English: Online Discussion Volume
January – December 2015

- Super Bowl: 843,102
- World Cup: 353,655
- Thoroughbred Racing: 322,730
- Harness Racing: 68,472

Source: Converseon analysis, December 2015
Some good news: horse racing is gaining year-over-year buzz

Global English: Online Discussion Volume
January – December 2014 vs. 2015

- Thoroughbred Racing
  - 2014: 236,713
  - 2015: 322,730 (36% increase)

- Harness Racing
  - 2014: 53,158
  - 2015: 68,472 (28% increase)

Source: Converseon analysis, December 2015
Across all sporting events, shared news and re-tweets drive neutral sentiment; however, horse-racing sees more emotion-rich discussion and advocacy.

Global English: Sentiment by Sport
January - December 2015

<table>
<thead>
<tr>
<th>Sport</th>
<th>Positive</th>
<th>Neutral</th>
<th>Negative</th>
<th>Net Sentiment</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Cup</td>
<td>6%</td>
<td>90%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>Super Bowl</td>
<td>12%</td>
<td>86%</td>
<td>2%</td>
<td>10%</td>
</tr>
<tr>
<td>Harness Racing</td>
<td>14%</td>
<td>83%</td>
<td>3%</td>
<td>11%</td>
</tr>
<tr>
<td>Thoroughbred Racing</td>
<td>17%</td>
<td>75%</td>
<td>8%</td>
<td>9%</td>
</tr>
</tbody>
</table>

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Fans have deep-rooted pride in horse racing; a vocal minority criticizes corruption and animal-cruelty

Positive Drivers:

- Pride in sport, family tradition
- High regard of race horses
- Celebration of wins

“Welp my most successful #BreedersCup ever is in the books. Cashed in 10 of 13 races. Awesome fun days with my Daddy 😊” Twitter.com, 10/31/2015

“My thoughts on the Breeders Cup. Two of the worlds best horses running!”
Twitter.com, 10/31/2015

“Ryan Moore take a bow. Absolutely brilliant ride. Best in the world! #BreedersCup #Keeneland” Twitter.com, 10/30/2015

“#AmericanPharoah did it again! Amazing #BreedersCup win! Wire to wire like it was nothing.” Twitter.com, 10/31/2015

Negative Drivers:

- Corruption
- Animal cruelty

“More crooked money is earnt in Horses & the red Hots and dogs.”
Twitter.com, 2/18/2015

“Don’t support Kentucky derby horse are whipped, beating, drug all for money horrible sport. Don't support horse racing!” Twitter.com, 5/2/2015

“I’m pretty sure nobody would care about the Kentucky Derby and tonight’s fight if it wasn't for the money. Horse racing and boxing are DUMB.” Twitter.com, 5/2/2015
Fans remembering and celebrating past victories drive top discussion topics across all events

### Global English: Topics of Discussion

**January – December 2015**

<table>
<thead>
<tr>
<th>Thoroughbred Racing</th>
<th>Harness Racing</th>
<th>Super Bowl</th>
<th>World Cup</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Celebrations</td>
<td>- Racing results</td>
<td>- Team victory celebrations</td>
<td>- Team pride, victories</td>
</tr>
<tr>
<td>- Enthusiasm, Pride in sport</td>
<td>- Video from fans</td>
<td>- Player discussions</td>
<td>- News and blog retweets</td>
</tr>
<tr>
<td>- Historical Milestones</td>
<td>- News and blog reposts</td>
<td>- News and blog retweets</td>
<td></td>
</tr>
</tbody>
</table>

#### Thoroughbred Racing
- **“American Pharoah Goes For History On The Best Horse Racing Day of the Year “Breeders Cup”**
  Twitter.com, 11/2/2015

#### Harness Racing
- **“You have got to see this video!! #harnessracing #luvharne #Minnesotaharness”**
  Twitter.com, 9/2/2015

#### Super Bowl
- **“YES! Touchdown !!! #Seahawks! # SuperBowl”**
  Twitter.com, 9/9/2015

#### World Cup
- **“The moment Ronald sent Portugal to the 2014 world cup, in Brazil, what a moment to remember for Portugal!”**
  Twitter.com, 9/8/2015

#### Additional Quotes
- **“I’m stuck taking family to a wedding Sat. How inappropriate is it to watch live Thoroughbred racing on my phone during ceremony?”**
  Twitter.com, 11/13/2015

- **“Hall of Fame driver Dave Magee to retire-Harness Racing Newsroom-USTA-USTROTTING”**
  Twitter.com, 2/24/2015

- **“RT @ PlayersTribune exclusive: @ DangeRusWilson on his state of mind following the final play of Super Bowl XLIX.”**
  Twitter.com, 2/19/2015

- **“Goal Keeper Julio Cesar of Brazil celebrates with teammates – Hi_story blog.chosun.com/”**
  Twitter.com, 1/21/2015
We’re Missing Millennials

Gender
- 74% Male
- 26% Female

Age
- 18-24: 27%
- 25-34: 33%
- 35-44: 8%
- 45-54: 7%
- 55-64: 3%
- 65+: 3%

Income
- $18-24: 22%
- $25-34: 33%
- $35-44: 7%
- $45-54: 8%
- $55-64: 8%
- $65+: 3%

Owns a Racehorse
- Yes: 46%
- No: 54%
- Don't know: 3%

Uses Online Betting
- Yes: 48%
- No: 50%
- Don't know: 2%

PGA Lowest of Major League Sports at 20% Millennial Audience (we’re at 10%)!
Harness Racing Social Marketing Initiative

Est. 2013, collaborative effort driven by the USTA and participating partner entities to drive digital and social transformation of the sport
Harness Racing Social Media Initiative

1. **Build the Foundation**
   - Develop required assets to begin transformation
     - 1. Harness Racing FanZone
     - 2. Ambassador Program
     - 3. Analytics
     - 4. Training
     - 5. Collaboration
     - 6. Key content assets
     - 7. Sponsorship support

2. **Go “Over the Top”**
   - Become the Media And “own” our distribution and assets
     - Product enhancement
     - Direct channels
     - Own assets
     - Enhance sponsorship value
     - Test new products

3. **Scale and Monetize**
   - Great global integration and scale
     - 1. Centralized budget
     - 2. Casino ROI analysis
     - 3. Financial modeling
     - 4. Cross promotion
     - 5. Global coordination
     - 6. Multi language support
     - 7. Roll out ownership and gambling products

Transformation

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What we found initially

- Little industry collaboration
- “Dilution” of fans and confusion (300 communities on Facebook alone!)
- No “major league” digital assets
- Content is “everywhere and nowhere”
- Limited USTA “only” support for now
- Very few ways for new fans to learn about sport, and engage
- Uneven social/marketing expertise, knowledge across industry
- Negative perception, by many, to sport
- Off radar screen for most
- Enthusiasm and support from many quarters
Step 1: Embrace Foundational Framework

Converseon Social Capability Architecture

<table>
<thead>
<tr>
<th>1. Governance</th>
<th>2. Execution</th>
<th>3. Enablement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Strategy and Planning</td>
<td>2.1 Listening</td>
<td>3.1 People Enablement</td>
</tr>
<tr>
<td>1.2 Policy and Compliance Management</td>
<td>2.2 Insight Generation</td>
<td>3.2 Digital Infrastructure</td>
</tr>
<tr>
<td>1.3 Analytics</td>
<td>2.3 Campaign and Community Management</td>
<td></td>
</tr>
</tbody>
</table>

November 23, 2010
Focus: Drive Advocacy and Expand Reach

Core: Harness racing fans (US/Canada) approx 80-90k* Est 200k worldwide

Close Affinity (horse racing fans) Est 4 -4.5 million monthly active

Other Affinity: Sports betting/Fantasy sports. 8 million

Affluent: 350k+ annual – 4.5m

- Facebook data, active members monthly
- Fanzone has 29k active monthly
- Nearly 50% of 55+ now have Facebook profiles and fastest growing segment
Built Essential Digital Assets

Harness Racing FanZone

Mobile App
Established Social Loyalty Program

BE AN AMBASSADOR

As an Ambassador, you will gain access to exciting, relevant, and community-oriented content. You will also have the opportunity to earn prizes and unique experiences for spreading the word.

Sign-up Today
Initiated Owner Recruitment Effort

Own a Racehorse
Low Risk investment. $400+ Million in Harness Racing Stakes in 2015
harnessracingfanzone.com/Learn-More

Be in the Winners Circle
Experience the Thrill & Prestige of Owning a Racehorse. Low-Cost & Easy
harnessracingfanzone.com/Learn-More

Racehorse Owner Benefits
More Than $400 Million at Stake!
Now is the Time to Get Involved
harnessracingfanzone.com/Learn-More

Horse Racing Partnerships
Become a Racing Horse Owner. Low Risk Harness Racing Investment.
harnessracingfanzone.com/Syndicate

Get into Harness Racing
Experience the thrill of ownership at a fraction of the normal cost.
harnessracingfanzone.com/Syndicate
Created Social-Friendly Content
Results

- Online buzz doubled from 2013-2014 and then grew an additional 40% in 2015.

- Impressions of the sport grew also nearly doubled in 2015 vs 2014 (30+ million vs. 18m). Over 450,000 views of “History” video alone to date.

- Online buzz for the 2015 Hambletonian grew 100% over previous year.

- Effort is successfully reaching and engaging younger audiences.
Much more to do: Go “lower funnel” and manage entire consumer journey

Goal

- Awareness
- Knowledge
- Interest
- Consideration
- Intent
- Purchase
- Activation
- Repeat
- Preference
- Loyalty
- Referral/Endorsement
- Advocacy/Evangelism

Tactics

- Social foundation (2014 - 15)
- “Over the Top” Strategies” (2015/16)
- Customer Rel. Management (2015/16)
- Social, Rewards and WOM
Leverage synergy through a Global Center of Excellence

Education and Training
Give the right people the right skills and information, at the right time

Content Management and Optimization
Publish the right content, with the right messages, based on the needs of each target audience

Tools and Data
Ensure optimal tools and most accurate, meaningful and integrated data

Governance
Make high-quality decisions, quickly, and make them stick

Scorecard
Standard and ad hoc insight into current and expected performance and adoption by brands

Social Voice of the Customer
Know what customers are saying, regardless of where they say it
Agree (and measure) what success looks like: Brand Guidance Framework

- **Business Outcomes**
  - Brand Equity
    - (Brand Preference & Advocacy)
  - Sales / Share Outcomes

- **Meaning & Engagement**
  - Meaning
    - (Language, Attributes, Culture, Consumer Interest Profiles)
  - Engagement
    - (Community Size & Behavior Toward Brand)
  - Consideration
    - (Path to purchase)

- **Marketing Effectiveness**
  - Spending
  - Impressions
    - (Amplification via Paid, Owned vs. Earned)
  - Return
    - (Proven Ad Recall)

**Input Data Sources:**
- Survey, Social & Digital
- Internal Indicators
Thank You

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