



**Erich Zimny**

**Director of Racing Operations  
Hollywood Casino at Charles Town Races**

**2011 Symposium on Racing & Gaming**

**HOLLYWOOD**  
*Casino*  
AT CHARLES TOWN RACES



# Dying vs. Failing

**Dying:** ceasing to live; drawing to a close;  
undergoing the complete & permanent cessation of all vital functions.

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*Churchill Downs – 2011 Kentucky Derby Day*



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*Saratoga*



*Churchill Downs – Downs After Dark*

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*Santa Anita – 2009 Breeders' Cup*

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## The Same Old Products.....

***“The best way to avoid short-term failure is to keep churning out the same old products, though in the long term this may spell your doom. Businesses cannot invent the future—their own future—without taking risks.”***

- The Economist  
Schumpeter  
April 14, 2011



# Charles Town's Takeout Reduction

## Average Pool Size at Charles Town

2010: Saturday 9/18 – Saturday 11/20

2011: Saturday 9/17 – Saturday 11/19

	<u>2010</u>	<u>2011</u>	<u>Diff (%)</u>
Pick 3	\$2,808	\$3,279	16.78%
Pick 4	\$6,175	\$9,583	54.85%
Superfecta	\$8,547	\$9,520	11.38%
Trifecta	\$22,270	\$22,288	0.08%

## Integrity in Racing?

***“It amazes me how there are people who couldn’t be hired to sell hot dogs for our company because of their past, yet are allowed to participate in racing and we honestly expect people to bet their hard earned money on our sport and take us seriously.”***



# Modernized Marketing



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# Modernized Marketing



↔ Texas Hold Em supplants 7 Card Stud

ESPN puts on a polished TV production ↔



↔ Online education & free games transitions viewers into customers

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# Quality Over Quantity

## Grade I & Grade II Stakes

	<u>2010</u>	<u>2000</u>	<u>Diff (%)</u>
Average Handle Per Race	\$2,786,000	\$2,265,041	23.00%
Adjusted for Inflation	\$2,786,000	\$2,868,209	(2.87%)

## All U.S. Thoroughbred Races

	<u>2010</u>	<u>2000</u>	<u>Diff (%)</u>
Average Handle Per Race	\$246,017	\$258,101	(4.68%)
Adjusted for Inflation	\$246,017	\$326,832	(24.73%)

	<u>2010</u>	<u>2000</u>	<u>Diff (%)</u>
Average Field Size	8.19	8.11	0.99%

# 1 Race > 456 Days

1/1/2007	7/4/2007	1/6/2008	6/27/2008	11/13/2008	2/21/2009	6/28/2009	9/4/2009	12/6/2009	6/26/2010	10/24/2010	8/18/2011
1/7/2007	7/8/2007	1/13/2008	6/29/2008	11/14/2008	2/22/2009	7/2/2009	9/5/2009	12/10/2009	6/27/2010	10/27/2010	8/19/2011
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1/18/2007	7/18/2007	1/27/2008	7/6/2008	11/16/2008	3/8/2009	7/4/2009	9/7/2009	12/27/2009	7/4/2010	11/7/2010	8/25/2011
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2/23/2007	8/26/2007	3/9/2008	7/20/2008	11/30/2008	4/26/2009	7/12/2009	9/25/2009	1/24/2010	7/30/2010	11/21/2010	9/9/2011
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# Less REALLY IS More!

## Monmouth 2010 vs. 2009

	<u>2010</u>	<u>2009</u>	<u>Diff (%)</u>
Live Racing Days	49	82	(40.2%)
Total Handle	\$389,550,798	\$208,390,601	86.9%
Field Size	9.28	7.44	24.7%
Total Purses	\$39,056,871	\$27,142,000	43.9%

## 2010 International Comparison

	<u>U.S.</u>	<u>Hong Kong</u>	<u>Diff (%)</u>
Total Races	46,379	700*	6525.57%
Total Handle (in millions)	\$11,410	\$9,190	24.16%

\* approximate

# The Tie That Binds

## What We Say

## What We Mean

Takeout → Product Pricing

Policing Integrity → Protecting the public

Technological Utilization → Accessibility & product education

Harmonizing Supply & Demand → Putting on a quality show



# Our Fans



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