

Photo courtesy of Benoit & Associates

NO RACE TRACK IN NORTH AMERICA COULD EXIST TODAY WITHOUT EXTENSIVE USE OF SIMULCASTING BEYOND THEIR OWN IMMEDIATE MARKET. MOST TRACKS ARE MAJOR IMPORTERS OF THE SIMULCASTING SIGNAL TO ATTRACT NEW WAGERING TO THEIR FACILITY. A FEW, LIKE CALIFORNIA'S THOROUGHBRED TRACKS, ARE MAJOR EXPORTERS OF THEIR RACING SIGNAL. ALMOST ALL TRACKS DO BOTH TO ONE DEGREE OR ANOTHER.

Looking back at the growth in handle and revenue from interstate simulcasting will help us understand the impacts and limits of the simulcasting phenomenon.

The Santa Anita Experience

In 1988, \$19.3 million was bet on Santa Anita's interstate simulcasts. By 1995, this had grown to \$415.9 million, a 2,000% increase over six years. Revenue growth has not been as dramatic, though.

Revenue from interstate simulcasting in 1988 was \$2.3 million, while in 1995 it had grown to \$15.1 million dollars. This is an increase of 550% over the same six

years. Of this money, 8% goes to the state in taxes, 3% goes to breeders' awards, and the remaining 89% is split evenly between the tracks and purses. As one can see, it is the explosive growth in out-of-state wagering on our racing that has fueled the growth in purses over the last five years. However, we are still left with the question of why revenue growth has not kept pace with the growth in handle.

The Market for Simulcasts

The answer, in a word, is competition. The average rate paid to Santa Anita for

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Payday!

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Hours of Operation/ Telephone Numbers

The Paymaster's office is open on racing days from approximately two to three hours before first post, and is open until the last race. For direct assistance with your account, please find below telephone numbers for the Paymaster's office at California's major tracks

Bay Meadows: (415) 573-4565

California Authority of Racing Fairs: (916) 927-7223
(Owners' Hotline)

Del Mar: (619): 794-1034

Fairplex: (909) 623-3111

Golden Gate Fields: (510) 559-7300

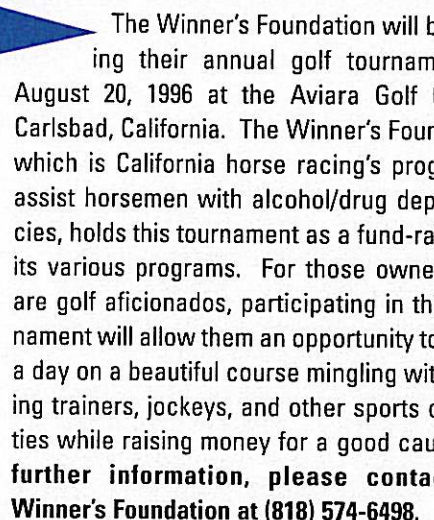
Hollywood Park: (310) 419-1644

Santa Anita: (818) 574-6359

Empowered with this knowledge, hopefully your trip to the Paymaster's office will be almost as fun as your trip to the winner's circle. Hope to see you there!

Cece Connor has served as Santa Anita's Paymaster of Purses for 13 years. She is always available to answer owners' questions regarding their accounts. 🐾

Winner's Foundation Golf Tournament



The Winner's Foundation will be holding their annual golf tournament on August 20, 1996 at the Aviara Golf Club in Carlsbad, California. The Winner's Foundation, which is California horse racing's program to assist horsemen with alcohol/drug dependencies, holds this tournament as a fund-raiser for its various programs. For those owners who are golf aficionados, participating in this tournament will allow them an opportunity to spend a day on a beautiful course mingling with leading trainers, jockeys, and other sports celebrities while raising money for a good cause. **For further information, please contact the Winner's Foundation at (818) 574-6498.**

Simulcasting

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simulcasts in 1990 was 10.9% of handle. This meant that we were receiving almost half of the takeout from the recipients of our signal. By 1995, the average rate for our interstate simulcasts had dropped to 3.7% of handle. The market for simulcasts is so competitive that receiving sites will pay half of the takeout for only Triple Crown events and the Breeders' Cup.

However, California competes very well in the marketplace for simulcasts. While it is difficult to accept that the top-quality racing that all of us put on the satellite gets a fee of only 3.7% on average, it helps to know that most simulcasts are sold for between 2-3% of handle. Thus Santa Anita's signal commands a premium of almost 50% above the norm.

Future Growth

We are coming close to saturating the domestic market. Aside from penetrating the few remaining untapped domestic markets, our growth in this area will come from gaining market share in existing markets. This is a costly endeavor.

International markets will be a big part of future growth.

South America, in particular, is a prime market with a developing middle class and an established love of horses. Their 4-5 hour time zone differential is advantageous as it brings our afternoon races into their region in the early evening when players are available. Asia is harder to schedule because of the time zone difference, but their bettors love racing and will be inclined to play our races if we can develop a strong marketing program. Europe and Australia also have time zone problems, however with proper positioning of the product they can be overcome.

We must also work toward getting the California racing program into the homes for telephone betting. A natural evolution in our growth, phone betting holds promise for substantial growth in revenue to purses.

The key to increasing purses in California is increasing the distribution of our race product. Simulcasting has done just that. While the growth in interstate simulcasting has been very strong, there is a lot more run left in this horse.

Bruce Matthias serves as Santa Anita's Director of Simulcast Development