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PRINCIPLES OF MARKETING



When I first joined the management of Santa Anita in 1971 (that's right, over a half-century ago), one of the earliest meetings I had with its leadership made an everlasting impression on me.

Indoctrinating me were Robert Strub, son of the track's founder Charles H. "Doc" Strub, and General Manager Fred Ryan, who had worked for Eugene Mori (of Hialeah, Garden State Park, and Tanforan fame). Giants of American racing evolution.

I had been placed in charge of 'public relations', which included advertising, promotion, and publicity. The term 'marketing' had only recently become relevant to most businesses and had not yet been applied to racing management anywhere in the world. The first thing I had to remember, I was told, was that free admission to boost attendance was never to be suggested. As Mori had once famously said, "the view alone at Santa Anita is worth the price of admission." Ryan added, "we have the tightest gate in racing, and it's going to stay that way." Non-betting sources were 50% of revenue then, remember.

Then, Strub had his say. "My father always warned that we can't let ourselves go the way of buggy whips. We continually need new, young thinking, and that's why you're here." I guess I don't have to add that way back then, there was a thirty-year age gap between mine and the next older department head on the track staff. My assigned task, my only task, was to drive attendance. "Don't worry about anything else," Strub advised, "you get them here, and the betting will take care of itself." True then. Still true.

Marketing for profit never changes. What's old is new. In these pages two years ago, I extolled the virtues of Royal Ascot. Especially its continually advancing marketing, under Ascot's director of racing and public affairs, Nick Smith, who says (and way more important, does) the right things.

So, too, says (and does) Mark Taylor, of Taylor Made Farms and through Medallion Racing a partner in a Royal Ascot Gp.1 winner Porta Fortuna.

Both of them understand marketing in the old

Santa Anita way, now lost from much of American racing, especially in California. Real marketing is an investment, not principally an expense. It is also an attitude. A way of doing business. The only way ancient businesses (which racing and breeding certainly are) can survive in a constantly changing and increasingly competitive world. Engaging and funding proper marketing, rightly understood, is the necessary if not the sufficient condition for the survival of any business enterprise in the modern world. And, sad to say, most of what now passes for 'marketing' in California racing is anything but.

Here's Taylor, for whom Royal Ascot was "beyond my wildest expectations. However they have done it, everybody who works there genuinely takes an interest in the customer experience. What I really took away from it for our organization is more training and spending more time getting each employee to really put themselves in the customer's shoes. And say, 'how can I make this an incredible experience for them and let the person know I care.'"

This very quotation could have been lifted right out of Philip Kotler's foundational textbook, 'Principles of Marketing', which was the inspiration for modern marketing beginning in the late 1960s. "Marketing is sales from the customer's point of view." Further, Kotler advised that marketing point of view had to be ingrained in all functions of any organization, from operations to finance to production, in order to optimize success. And that was no easy task, since that marketing point of view ... as it begins to succeed at all

levels and results in growth ... creates more and more hard work for everyone in every function, as well as a new mindset.

Emphasizing the critical nature of attendance at the races, not just betting, Ascot's Smith mirrored those comments: "Hospitality was at record levels this year, with 13 Michelin stars across the kitchens, but that top-end fine dining option is quite resilient whereas general ticket sales aren't always. The racing is at the heart of it for a lot of people. You have a competitive interest betting product as well as racing at the highest level, and all of these things need to come together. We have huge positives which we need to promote and be proud of. This is a time to step back and say let's look at what's really good about the sport, promote it, be proud of it and build from it." Amen, I say.

Where racing is struggling (including California), failures of marketing and management are critical reasons. Even Del Mar, long the brightest light in the West, has dimmed. Where boisterous big turnouts of over 40,000 stormed the track in the last decade, the largest attendance last year was barely over 20,000. For the last three years, just over the 10,000 mark attended its marquee \$1-million Pacific Classic, half to a third of what it had drawn historically, supposedly in the name of 'superior customer experience' for the relatively few present! The abysmal attendance at the last Breeders' Cups at Santa Anita, and on its own prestigious days, were actually fractions of the figures announced.

Since its origination some 300 years ago, racing as a sport and enterprise has been relentlessly confronted by change and competition. That it has survived at all is remarkable, I suppose, but also a tribute to its majesty and allure ... when presented, managed, and marketed properly. Look not just to Ascot, but also to Belmont at Saratoga, to Keeneland, and to Churchill Downs: investment, renewal, and sophisticated, integrated marketing, both industrial and consumer, with all its modern tools, are essential to racing's future.

Many say that the future of racing has little to do with attendance at the track. If that is so, where will all the breeders, trainers, owners, and bettors come from? **T**