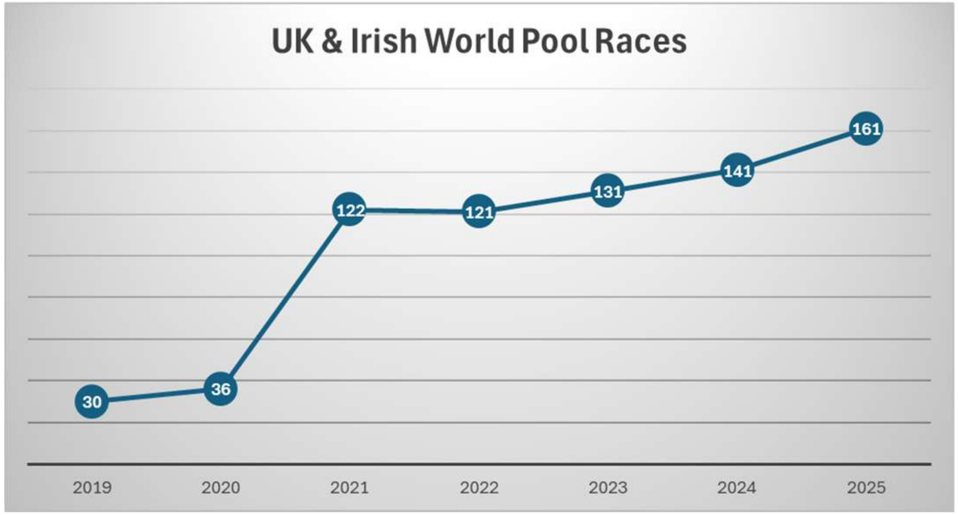
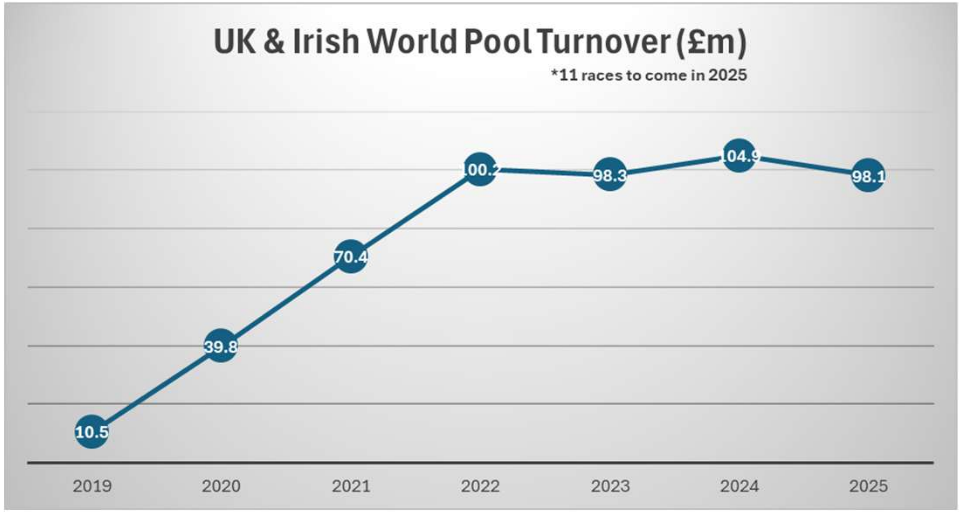
tote

World Pool – UK and Ireland

The story so far and what comes next?

World Pool in the UK – the story so far...





2024-2025
288 UK & Irish WP races

51%
World Pool Beats SP

63%
Exacta beats Forecast

79%
Trifecta beats Tricast

- **Over £50m** WP contribution to UK and Irish Racecourses as of October 2024.

- World Pool has paid **over £300,000** to stable staff via the Moment of the Day and the chosen charity of the Jockeys' Championship winner.

- A great success with expansion coming from adding more fixtures, but long-term growth will need a different approach.

- For World Pool to fulfil it's potential it needs more adoption by bettors in the various countries it operates. And for that it needs to have a wider betting appeal...

What is Glocalisation?

Describes the adaptation of global products, ideas or services to fit local cultures, markets or consumer preferences. In simple terms it means **thinking globally but acting locally.**

Glocalisation would typically involve a degree of customisation for various different geographic markets. Modifying elements like pricing, packaging, marketing, ingredients or even branding. Examples would include:

Streaming giant Netflix has global strategy of scalable technology and content personalization. But alongside that, it also adapts to local needs.

- In **Korea** it invested in local production of K-Dramas like *Squid Game*, *Kingdom*, with localized marketing campaigns.
- In **India,** it offers mobile-only subscription plans at lower than global prices with a heavy investment in Hindi and regional language content and ads that feature Bollywood celebrities and cultural themes.

McDonald's operates a global brand strategy with many local adaptations including pricing differentials.

- In **India** it offers no beef or pork products due to cultural sensitivities and instead offers vegetarian options like the **McAloo Tikki Burger**. Marketing emphasizes freshness and family-oriented values.
- In **Japan** it has introduced seasonal items like Ebi Filet-O (shrimp burger) and marketing is more focused on premium quality and packaging aesthetics.
- In the **Middle East, McDonald's** uses **Halal meat** to meet Islamic dietary laws and stores often include **separate family and single sections** for cultural reasons.

Why is a localised approach necessary in the UK?

UK Betting Market – the dominance of global leading fixed odds providers in the UK and Irish markets mean that the Tote is competing with big spending industry heavyweights. They have spent hundreds of millions over many years creating an offering, heavily focused on the win and place markets, that the UK and Irish horse racing punter is now conditioned to and expects from wherever they bet. The most important of these are currently:

- **Price Certainty** – This key aspect of fixed odds betting has become ingrained as the cultural betting norm and is regularly called out in our customer research as one of the top two reasons customers bet elsewhere.

- **Extra Places** – a key battleground and promotional tool that has become the norm over the last 10 years, with bookmakers often paying up to 8 places in large field handicaps.

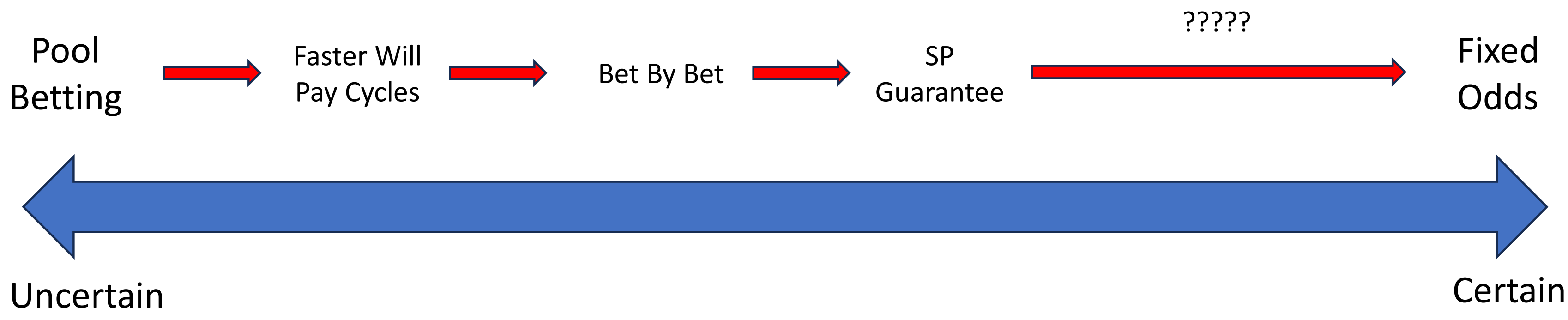
- **Specific Price Boosts** - most common recent initiative across the industry and increasing in popularity. Generates customer interest and FOMO.

- **Money Back offers** – stakes returned in certain scenarios. First past the post and money back if placed would be common examples.

In whichever markets fixed odds betting gains a foothold, expect this same language of betting to be used. So how can a tote and World Pool in particular, be translated to compete in these areas?

How could a tote compete?

- **Price Certainty** – the variable nature of the pool meant that we had to try and at least partially address this customer need for certainty in the win market. We introduced Tote Guarantee in 2020 which has seen recreational wagers grow with online and oncourse turnover up +81% and +36% respectively. There will be many other technical and operational options to continue to reduce the "certainty gap" to fixed odds.



- **Extra Places –** a key selling mechanic in the UK and as pool operators we have to adapt to the changed climate. Customers in the UK have voted with their wallets and decided that they would rather a lower payout but a higher chance of a return in large field races. Ad hoc extra places in the pool environment are very difficult given the entwined nature of international partners. Instead, we should explore a simple, modern schedule of place terms to cater for larger fields. E.g over 20 runners 5 places, over 25 runners 6 places to have an always on competitive position versus our fixed odds peers.

How could a tote compete?

- **Boosted Prices** – The Super Boost of a specific runner (or sporting outcome) has become standard across the fixed odds industry as a retention and acquisition tool. There are simple mechanics for pool operators could do the same and artificially boost a pool price as a marketing incentive to attract customers on key days though obviously would affect all runners.

- **Money Back Second** – we have introduced this promotional offer on all World Pool races for all online customers and have also trialled on track this year with strong early signs. We saw average turnover uplift of over 50% for opted in customers online.

- The bottom line is that most **UK recreational customers don't care about the mechanic that produces their price ,** they aren't pool or fixed odds fanatics and the next generation will care even less. They care about the user experience, whether it's better or at the very least the same that they can get elsewhere, and presented in a way that they have become accustomed to.

- **We need to make sure we are using the benefits of pool mechanics to compete, innovate and satisfy customer demands both in horse racing and any other sports.**

In Summary

- World Pool has been a great success story in a short space of time since its inception in 2019 and has become a key source of funding to the racing industry.

- The expanded calendar has driven turnover growth and a consistency of offering which was required, with further expansion to come.

- The next phase of World Pool growth is to make it relevant to every horse racing bettor globally with a localised approach to cater for market specific customer demands and truly compete.