

LONGITUDE™

36th **asian**
racing conference
Mumbai India 2016
24TH - 29TH JANUARY 2016, MUMBAI INDIA

GALLOPING AHEAD GLOBALLY



Hosted by:



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Innovation in Wagering

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Agenda



What are we going to cover in the next 15 minutes?

- Breaking the liquidity paradigm
- What have we learned?
- How can we leverage lessons learned locally?
- Innovation across borders
- How do we connect the two worlds?

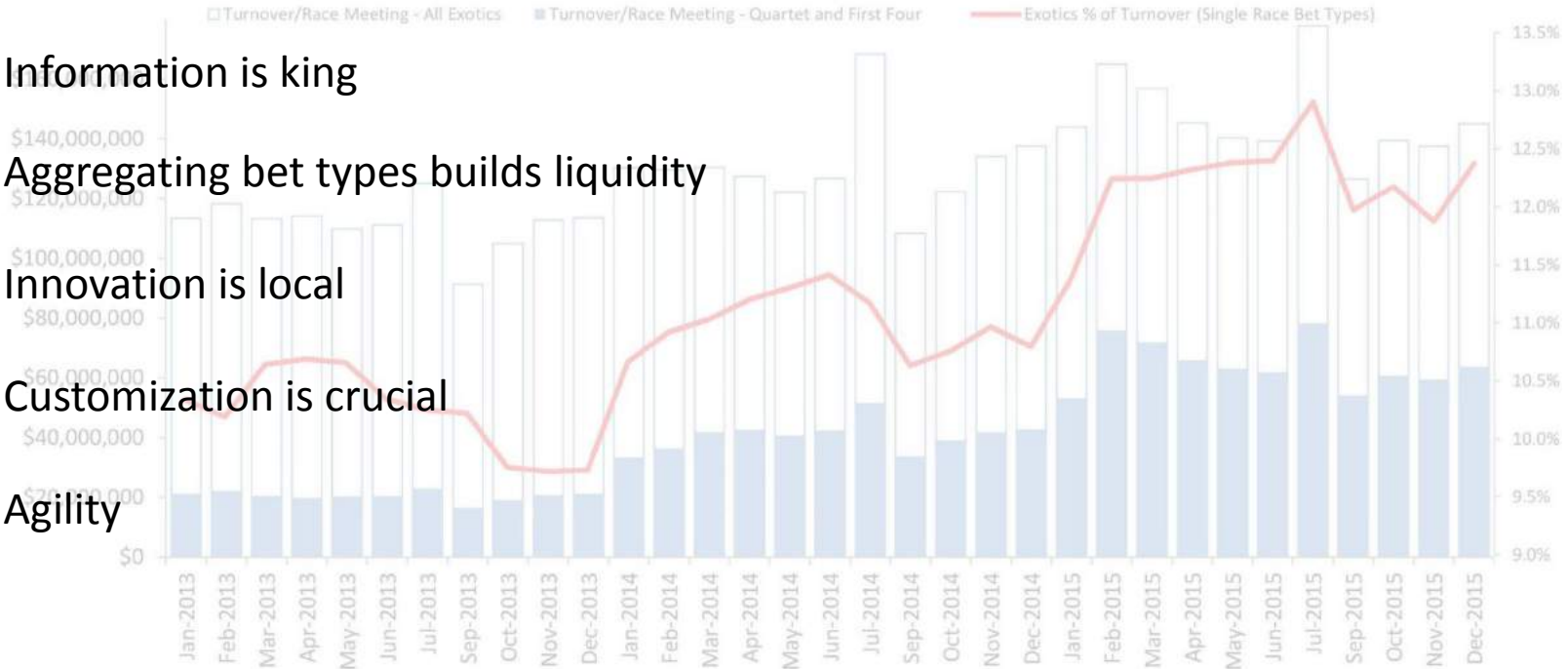
Breaking the liquidity paradigm



- The historic norm of one bet type per pool has held us all hostage to the limits of split liquidity.
- The ability to extract new bets from existing liquidity and the ability to deliver greater liquidity by combining existing bet types into merged pools has broken the liquidity barrier.
- We view the Longitude technology as a foundation for innovation.
- HKJC's relaunch of QTT, and even more importantly, combination of FF and QTT into a single liquid pool and more recent launch of Composite Win as a new way to bet the WIN pool are innovations built on that foundation.

So what have we learned?

1. Information is king
2. Aggregating bet types builds liquidity
3. Innovation is local
4. Customization is crucial
5. Agility



How can racing exploit these lessons locally?



- Embrace technology
- Leverage liquidity
- Display odds
- Allow your customer to bet on their own terms
- Make the experience comparable to, and competitive with, other major forms of sports and leisure entertainment

The logical next step?



- User-defined wagers
- Perhaps initially, within pre-set frameworks
- Ultimately, anything within the number of tracked places is possible
- Head-to-head, betting without, the possibilities are endless

For novice customers:

- Liberation from the need to learn naming and practices
- Betting becomes a drag and drop game: in order, or no matter what the order

For seasoned pros:

- Unprecedented levels of sophistication become possible
- Complex hedging
- Consider limit betting
- "Laddering" wagers around mathematical models

Liquidity attracts liquidity

What does this mean in a global context?



- Liquidity is no longer strictly local.
- Empowering your customers to bet on their own terms has significant implications across borders.
- Commingling is increasingly important across jurisdictions.
- Commingling will be all the more compelling when your commingling partners can bet into your pools on their terms.

Empower your customer to bet across the border, but on the same terms that he or she uses at home.



If your customer can define his or her own bet at home, your commingling partners' customers can place the bets that they know and love at their homes on your races.

Single race:

- Some instances are nothing more than differences in naming conventions, but in many instances, the differences in local betting preference are real.
- Let your customers and your commingling partners' customers bet using their own terminology and conventions.
- Merging bet types into a technology-enabled pool allows bet types to co-exist, even bet types not followed locally.
- Exacta, Quinella, Trifecta, Quinella Place, Swinger, Quartet, Superfecta, and more, all fair game, no matter the local convention.

The holy grail?

- Customer-defined commingling bets.

Multi-race



- The customer, home or away, chooses which races to bet.
- The potential for Pick N Race Cards.
- Both local and commingling applications.
- Pick 3 co-existing with Pick 6, Quaddie, nominated, or user-defined.

What we've got here is a failure to communicate.



- *Today's protocol limits real-time bet-by-bet wagering to simple bets.*
- The global industry is positioned to exploit technologically enabled exotic wagering.
- To fully develop liquidity it is imperative that we adopt advanced communications protocol.
- Streaming of real-time information defines modern businesses
 - Real-time bet-by-bet data must be racing's goal.

Delivering innovation locally, globally



- Building on innovation, both locally and across borders.
- Empowering customers to define their own bets.
- Let's make our local successes global.

“Thank you”