



Horse Betting Marketing Guidelines

Achieving Responsible and Competitive Offers

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RESPONSIBLE GAMING is a vital social pillar and integral part of our reason for being and one of our core values. Responsibility is embedded in our ethical standard, for which there is no compromise, and which guides all our decisions.

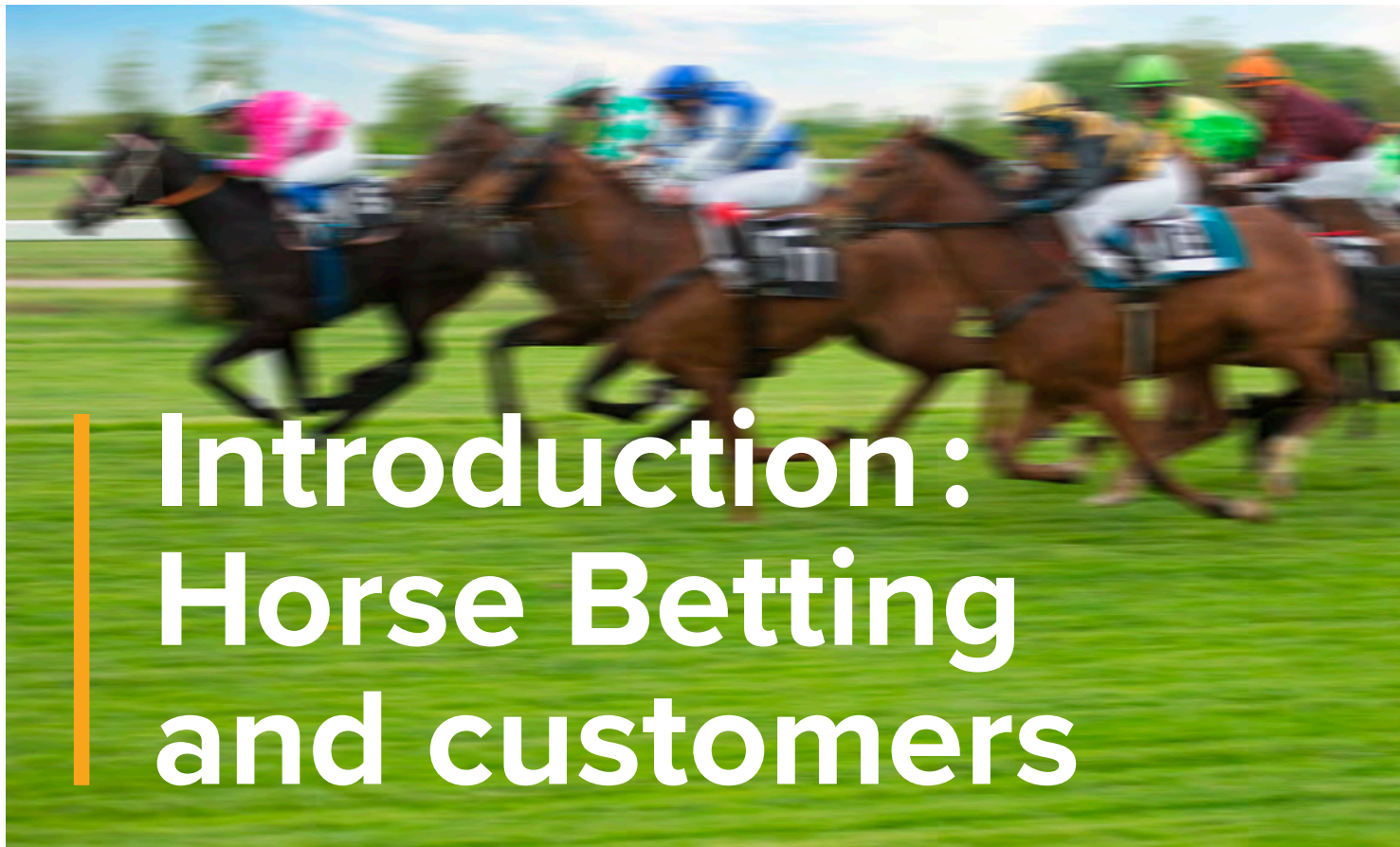
We believe that responsible gaming is a strength that our customers value and allows lotteries to differentiate themselves positively from other gambling operators. Responsible gaming must be a genuine part of our members’ operations in all gambling areas, including horse betting.

According to statistics from the WLA Global Lottery Data Compendium 2022, 16 of the association’s member companies offered pool-based (pari-mutuel) horse betting. In addition, six WLA member companies offered fixed-odds horse betting. Horse betting accounts for about nine percent of total WLA sales, but the share of total gross gaming revenue is lower. It is noteworthy that two WLA members are the largest horse betting companies in the world – the Hong Kong Jockey Club (HKJC), in Hong Kong and Pari Mutuel Urbain (PMU), in France – which account for as much as 93 percent of the WLA member total horse betting sales.

On the following pages, we have identified the main rules and guidelines that will help our members market their horse betting products in a competitive and socially responsible way.

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Responsible gaming is, first and foremost, a public health issue. Around one to four percent of players can be considered problematic gamblers. That percentage varies significantly from country to country, however, an important number of customers have gambling problems.

In order to address this effectively, action must be taken in all gambling areas. Lotteries should identify and support excessive gamblers in all sale channels. This means ensuring customers are made aware in a timely manner of the issues and where necessary raise red flags during interactions. Lotteries should adapt and target the relational and commercial discourse according to the customer's level of play and support players with possible excessive gambling behavior by assisting them in getting professional, external help.

Over the years, horse betting has not always been considered as responsible gambling, because the activities in the betting shops and racetracks were firmly concentrated around gambling. However, more recently, its reputation has improved thanks to digitalization. In fact, according to recent gambling study (<https://www.uib.no/en/spillforsk/136119/gambling-and-video-game-problems-general-adult-population-norway>), carried out by the Norwegian Competence Center for Gambling and Gaming Research at the University of Bergen, Norway, except for lottery games, horse betting causes significantly fewer gambling excesses than other product groups.

Understanding customer profiles is a critical aspect in the horse betting industry. The average horse betting customer is generally a 45 to 54-year-old male, which is slightly older than a sports betting customer. There are many players of other ages and gender. Women account for a relatively small share of horse betting sales, but their percentage of the number of players is reasonably high.

Lottery games, including horse betting products, should be fun and entertaining, and never be designed to target minors or vulnerable individuals specifically.

Experts in charge of horse betting activities should work with corporate social responsibility (CSR) and responsible gaming professionals and use existing international models, such as the Assessment Tool to Measure and Evaluate the Risk Potential of Gambling Products (Asterig), when planning new games or other significant upgrades for horse betting products and services. This work will help reduce the situation occurring that the upgrade of a betting offer could increase the likelihood of gambling problems ("addictive potential"). At the same time, this can be further supported by easily integrating accountability measures into horse betting activities.

Competitive offerings

Within gambling activities, it is important for customers to understand and be interested in the products on offer and related services. Marketing teams also play a significant role in planning marketing messages about game offerings to customers. In addition to the operator's own products, those responsible for marketing must also be familiar with the offerings of the larger gambling operators. It is also vital to ensure an adequate exchange of information and experience between WLA member lotteries operating in the field of horse betting at all times.

The marketing goal should be to provide players with interesting information that will increase sales and generate optimal gross gaming revenue. However, this must take place within the responsibility framework of the lottery.

Horse racing consists of two separate sports, gallop and trot. In several countries, only one of these sports is widely practiced, but in some countries (e.g., Australia, France, US), both sports are popular. The profiles of followers and players of galloping and trotting differ somewhat from each other, and this should be taken into account in the marketing of gaming companies. It is especially important in common pool-based horse betting of WLA lotteries.

Responsible offerings

Responsible gaming is also a virtuous asset for business since it helps to remove barriers to entry and drives new customers. Indeed, it is easier for a company to initiate a new-comer if the gambling activity is seen as safe and clean and has nothing to do with a form of addiction. When discussing gambling and responsibility, it is crucial to understand that gambling can be practiced healthily and is not necessarily synonymous with addiction. Gambling must therefore remain an emotional joy and should not lead to a compulsive activity that causes problems.

The betting operator must ensure, throughout the entire gambling experience and in all its gambling channels, that responsible gaming practices are at the heart of its horse betting operations and that the well-being of its customers is guaranteed.

WLA members must make sure that their horse betting products comply with applicable gaming laws and regulations in their respective jurisdictions. If irregularities are detected, the lottery must strive to find a solution as soon as possible. As the world of lottery and horse betting constantly evolves, regulators often need to update existing gaming compliance and may call into question some restrictive provisions. Ongoing dialogue with the regulator helps to better understand, the reasoning behind and purpose of the legal framework. Lotteries that have the opportunity to work closely with the regulator can provide valid and realistic input into the content of legislation and regulations.

WLA members must follow their player protection guidelines. The complete product portfolio, including horse betting, should be evaluated according to the level of risk of the players. Cooperation between different divisions is crucial. The legal and CSR teams should support marketing and product management to ensure that horse betting offers meet responsible gaming requirements.

For product development and marketing, evaluation tools are available to assess the risk potential of new products in advance and to measure the subsequent results achieved. Responsible lotteries always use such tools, for example, the French PMU uses the Asterig model to support its responsible operations. In cooperation with the university, Veikkaus Finland has developed a product development tool that measures responsibility.



Asterig model

The Asterig model was developed by Columbia University, New York. There are ten criteria for evaluating all types of bets (lottery, betting, casino games, etc.). These are weighted according to the risk of addiction, and five levels of risk potential are based on these ten criteria.

THE TEN CRITERIA OF EVALUATION :	
1	Frequency of events. Unit of time between the bet, the result of the game, and the next betting opportunity,
2	Recovery interval. The period between the actual result of the game and the notification of payment or the actual receipt of payment.
3	Jackpot. An extraordinary first prize, usually in the form of a large sum of money accumulated from previous bets.
4	Continuity of play. The period during which it is possible to play without interruption.
5	Chance to earn a profit. The probability of making a profit on each game.
6	Availability. Possibility of accessing gambling opportunities.
7	Multiple play/bet opportunities. Possibility to play several at the same time (for example, bet with combinations) or to participate in several gaming opportunities simultaneously (for example, to play at different online poker tables on different screens simultaneously).
8	Variable bet amount. The extent to which players can choose or change their bet amount while playing.
9	Design of sensory products. Auditory and visual effects.
10	Close to win. Result when a player narrowly misses the profit (a near win).



Traditionally, the lotteries have been used to operating pool-based games. In horse betting, such pari-mutuel games are also offered by particular horse betting operators, but the largest unlicensed gambling operators only offer fixed-odds betting. As a result, WLA members face competition mainly in fixed-odds horse betting.

Pool-based games (pari-mutuel)

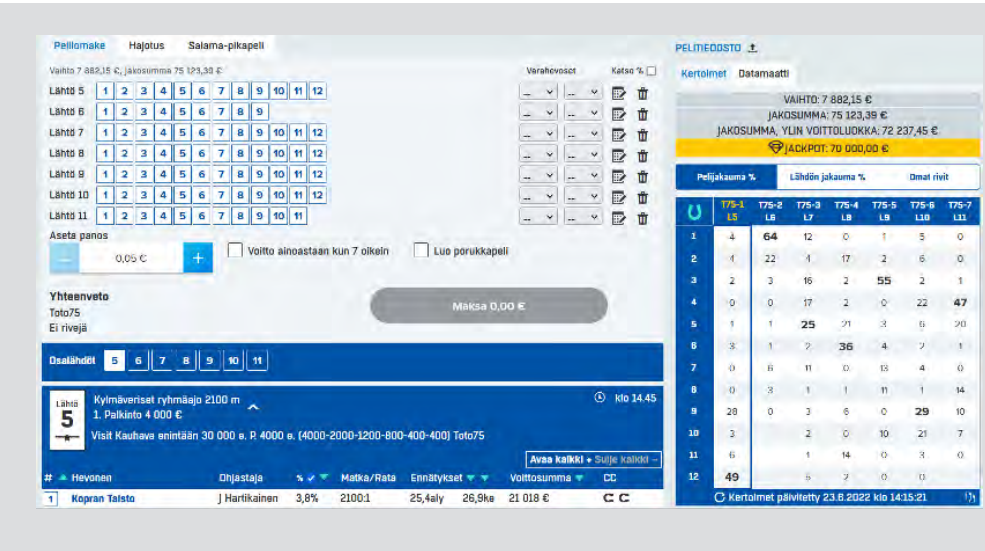
Pool-based horse betting includes horse betting where players play against each other for one or more prize pools defined as a percentage of the total stake sum.

Factors of interest in pool-based horse betting:

- 1. The larger the pool size, the more interesting the product.
- 2. The product helps lotteries differentiate themselves from their competitors and gives companies a competitive edge.
- 3. The implementation of technical solutions is relatively easy.
- 4. Good commercial terms. Compared to fixed-odds betting, pool-based products have low payout rates.

Pool-based horse betting has a much lower risk than fixed-odds betting, and criminals, for example, have a much lower interest in money laundering. The operators also have no financial risk in pool-based horse betting because the players bet against each other, and the operator gets a relatively high and guaranteed return. These products are well suited for lottery operations because pool-based thinking is similar to that of lottery games, and the brand of the games is soft compared to fixed-odds betting.

WLA members can operate common pool-based horse betting games, against which it is almost impossible for private operators to compete. One of the WLA members, the Hong Kong Jockey Club, offers large existing pool-based games for gallop racing. PMU’s selection includes games for a single trot or gallop race (e.g., Quinte), from which players can win large amounts with a small bet. Pool-based horse betting can also feature multiple races. Veikkaus’ T75 is a game where gamblers bet on the winners of seven different races and can win large sums of money with a small stake (row price EUR 0.05).



The pool-based horse betting operators offer a jackpot feature, at least in the most challenging games. Jackpots can also be built for marketing purposes, as in lotto games. Particularly interesting jackpots can be offered in common pool-based games. When operators provide large jackpots, marketing must not give a false impression of the probability of winning.

In horse betting, it is worth cooperating with horse racing organizations. Interesting sports content helps betting operators to acquire more horse betting customers. One effective way is to offer high jackpots in connection with big horse racing events. Almost every month there is a big competition or event. It’s an excellent way to recruit new customers and maintain current players’ interest. Betting should be made easy to understand, especially for new customers.

The most advanced betting operators have developed services for pool-based horse betting that serve both active and casual punters. New customers have the option to use the quick pick feature or buy a share of the syndicated system. For active punters, especially on digital channels, more information about horse racing (e.g., videos of previous races), betting-related statistics, and tools to make betting easier are available.

PMU offers 15 types of horse bets, and Veikkaus offers 12. These different kinds of games permit customers to find the best way to play according to their expertise, thanks to the many combinations in the offering. It is important to know and understand the primary motivation of horse race betting customers. This information, allows operators to better serve customers, and enhance customer satisfaction and loyalty. Once this has been achieved, the customers will understand responsible gaming requirements and trust that they are being taken care of.

Active customers especially, make last-minute bets in pool-based games so that the final odds are as sure as possible. Because of this large number, the operator must automate its responsibility measures.

Another unusual feature of horse betting that differs from lottery games is the large share of active punters in total sales. Many customers bet with small stakes, and a tiny group uses much higher stakes. Responsible gaming for different customer groups requires various measures from gaming companies.

Fixed-odds betting

Fixed-odds horse betting includes betting where players bet on the outcome of horse racing against the operator.

Large betting operators can take advantage of economies of scale and offer a very high payout rate (> 95%) in fixed-odds betting. From the point of view of responsible gaming, lotteries cannot provide as high a percentage as private operators; although a higher payout rate can attract more players, it also carries a higher risk of causing gambling problems.

Lotteries that offer horse betting sell their products online and through their retail network. Working with retailers requires additional fees, including the use of terminals, a sales commission, and the costs of the sales team. In such circumstances, lotteries may not be as competitive as the biggest global online betting operators.

In many markets, the regulator sets maximum limits on the return percentage that lotteries must adhere to.

Horse betting products should offer attractive profits and be attractive enough in the customers' eyes. On the other hand, lotteries must balance this with ensuring responsible gaming, and aim to prevent and reduce gambling problems. However, it is important to understand that fixed-odds betting is not automatically synonymous with irresponsible gambling. Several WLA members offer fixed odds betting also for horse racing, within acceptable frameworks of responsible gambling. In fixed-odds or pool-based betting, responsible gambling can be a competitive advantage for lotteries or other gambling operators

WLA published the [Sports betting – Marketing best practices](#) document in March 2022, which contains more information about the fixed-odds betting guidelines.



Distribution

Horse betting offers can be made available through both digital and retail channels. In both cases, the lottery operator must ensure that only people over 18 years of age can access horse betting products and that they can moderate their game, for instance, by setting:

- › bet limits
- › account credit limits
- › the amount from which a money transfer is automatically made on their bank account

Retail channel and racetracks

The legal age requirements for horse betting vary from jurisdiction to jurisdiction. In most countries, horse betting is restricted to people over 18 years of age. Age limits should be clearly recognizable for players at retailer outlets. All point-of-sale materials and terminal screens should prominently display the legally designated age limits for betting products. Should there be any doubt about a player's age, the retailer should ask the players to provide identification.

Full authentication is key to achieving responsible gaming. If authentication is required it enables setting obligatory (or voluntary) loss limits.


Some lotteries require that players enter their date of birth into the lottery terminal ("age gate") at the retailer to verify their age before play is initiated. At any rate, the retailer is responsible for ensuring that gaming products are not sold to minors. Retailer training and education via e-learning modules, for instance should be an essential part of any lottery company's responsible gaming program. In horse betting, the retail channel also includes racetracks.




In the retail network and at the racetracks, various touchpoints are used to inform players about betting and to promote, among other things, main races and betting forms. Marketing is important to make potential customers aware of betting products and get them to play. However, it is essential that responsible gaming is an integral part of marketing communications, above all to protect players via sensitization campaigns on underage gaming and addictive gaming.

Some operators have self-service terminals in the retail channel. It is crucial to have responsible gaming messages on the screens of those machines.

Integrating pictograms into the point of sale material of products can be an effective way to bring responsible gaming measures into marketing materials. Such effective signs may include:



18+ red symbol notifies players that a particular product category is not suitable for those under 18 years of age.



The “play responsibly” symbol (as PMU uses “Jouons Responsable” logo in France) reminds players that they should enjoy playing within their financial limits and gives advice on how they can frame their gaming activity.

The self-exclusion system is a mechanism that can also be used in the retail network when the company has customer identification in that sales channel as well.

Companies need to prepare to introduce this type of system, as regulators in several countries have begun to demand such a feature.

In the self-exclusion system, players can set themselves a ban on all or part of the gambling for a specified time period (from one day to one year). Self-exclusion can be placed on the digital channel or via sales terminals at retail networks or racetracks. It is also highly recommended that all marketing communication and promotion stop during the entire period when the player is self-excluded. When players have self-excluded, betting operators can try to help them and send them dedicated responsible gaming messages, such as responding to the Problem Gambling Severity Index form (<https://portal.ct.gov/-/media/DMHAS/PGS/SeverityIndexPrintablepdf.pdf>).

The retail network staff and people working at the racetracks are responsible for reporting daily on preventive measures related to responsible gaming. The aim is, to prevent minors from playing. In addition, staff should address excessive and problematic gaming.

Especially at the racetracks, customers follow only one racing event at a time. There usually are only two to three races per hour, so the rhythm of betting is slow compared to many other gambling offerings. This helps curb customers with overly active gaming habits and thus prevents gambling problems. However, the rhythm of the supply is sufficient enough to keep customers interested.

Digital channels

In recent years, gambling sales have increased in digital channels. TV or internet broadcasting is a most effective way to reach customers who are interested in horse racing. Globally, most players bet online, including horse betting. While most lotteries have a monopoly in their respective jurisdictions, they should strive to continually improve their products. Players always compare legal gaming platforms to the systems of unlicensed gambling operators. A growing number of private gambling companies have started to offer horse races as a part of sports betting. Thus, players have more choice and complain if they think products lack features. In order to maintain player loyalty, their feedback must be taken seriously.

When complying with responsible gaming practices, some lotteries may not implement certain features of the betting offer that are common to private gambling operators. Gaming operators need to find the balance between the product’s marketability and addressing gambling problems, especially in fixed-odds betting.

It is critical to develop a business model that balances the marketability of a product against its potential risk of increasing gaming addiction. This will help combine the financial aspects of product development and the potential risks of responsible gaming so that legal betting operators can make informed decisions about their horse betting offers.

Age restriction (“age gate”) is easy to implement when player registration is mandatory on legal online lottery platforms. The player’s age and potential problem gambling tendencies are easy to check from the company’s database.

Online betting platforms offer many tools that can be used to help players who are active in gambling keep their gambling habits under control. The ability for players to set their betting limits is one of the features of online betting platforms that has proven to be effective. With such tools, players can set daily, weekly, and monthly betting limits based on their financial capacities.

Lotteries and betting operators have access to responsible gaming analysis tools. These tools help detect risky gaming behavior and identify signs of gambling addiction. As players approach their set limits, the system warns them and encourages them to slow down. The operators’ responsibility is also to set dedicated marketing journeys regarding the players’ risk. For instance, if the algorithm detects a high-risk player, no marketing communication or promotion should be sent to the client. Nonetheless, it is good to send dedicated communication (SMS, email) to help them slow down and contact national health programs and local social support.

Many WLA members also have a system where players are required to set limits on how to play. It is mandatory for customers to set those self-restrictions when opening an account. It is easy for gaming operators to provide information on responsible gaming and the risks of gambling problems on digital channels, especially the Internet. Betting operators should build particular responsible gaming measures into their websites. In addition, it is essential to use the “PLAY RESPONSIBLY” and “-18 +” logos on digital channels.

Some operators offer betting objects simultaneously from several races and countries, especially on digital channels. However, large pool-based games should not be provided at the same time, to help curb overly active betting customers. Nevertheless, operators need to recognize the effects of the fast rhythm of the game offering on digital channels on responsible gaming.





Several steps should be taken when developing a marketing communications campaign. First, define your audience, benchmark your campaign against the campaigns of other markets, and address your selling proposal, the message you want to communicate about your product.

It is crucial to think carefully about what kind of image you want to deliver. Consider, are you focusing purely on gambling or are you developing a broader picture of responsible gaming? Have you provided background information to players to enable them to make more responsible choices? Are you able to deliver this information when the player most needs it?

Having done that, set clear guidelines for your creative agency so that it will deliver proposals that meet your expectations regarding responsible gaming.

The greatest business goal of WLA members is to promote society's acceptance of their gambling products. Measures to support this goal include:

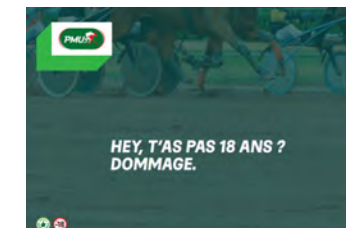
- › supporting players
- › training collaborators and partners
- › educating minors and players
- › systematically evaluating the game offering
- › detecting risky behavior
- › adapting promotion of the offer.

Customers and general audience

All marketing and advertising must refrain from targeting minors or vulnerable people – e.g., problem gamblers, people in financial difficulty, people under the influence of alcohol or drugs, or people who have been previously excluded from gambling sites.

Betting operators should not target marketing to minors by posting on media or influencer accounts that minors follow actively. The marketing should not use themes or visual representations that interest and address young people. Additionally, advertising should not be broadcast in or near places (in real life or online) where minors spend a lot of time.

Marketing communications must not mislead, deceive, or suggest any possibility of getting rich thanks to gambling activities. Giving the wrong idea about the probability of winning is misleading, as is giving the impression that players' knowledge, skills, abilities, or other attributes affect their chances of winning. This is also the case in horse betting, although knowledge and skills can improve the likelihood of winning. Advertising must also not give the impression that horse betting is an appropriate way of dealing with financial problems or that gambling is a viable alternative to subsistence work.



The most advanced horse betting operators have a responsible gaming system that allows them to monitor betting and work to prevent gambling problems. They monitor how often customers play and how much money they spend monthly via their own algorithmic model.

Customers usually have the option to limit how much they can play and lose within a certain period of time (day, week, month, year). Lotteries may also have responsibility measures aimed at preventing and reducing the occurrence of gambling problems. Such efforts include sending various responsibility messages and live communication on digital channels.

It is also essential for the lotteries to show players their gaming history, so that they can better understand their own playing habits, such as how often they play, what they play and how much they spend on playing. It is also important to show winnings and losings in a day, week, month, year or even longer periods. This allows players to compare their current betting evolution with previous months so that they are able to identify anomalous behaviors that may indicate the development of a gambling problem ("weak signals").

Equally, the lotteries must learn and understand how effective the different measures they have taken are, by constantly monitoring these and based on the results, action should be directed towards developing and deploying the most effective tools.

The system allows the betting operators to adapt their relationship with each player, depending on their level of play. For instance, they don't send commercial messages to a customer who seems to be in a risk group.

Media planning

When advertising horse betting, special care should be taken to ensure that the ads and messages are in a suitable environment. This is the responsibility of the gaming operator and the media and advertising agencies who need to understand and take appropriate action.

Horse betting advertising should not be done in media or events aimed at minors. Due to reputation management, religious connections and media focusing on erotic content should also be avoided.

Horse betting operators must also obtain the consent of their customers to receive direct mail or an SMS before contacting players via digital media. They should avoid tracking the location of players and sending them ads via electronic media when they are in or near certain areas. Players can give their approval for it if, for example, they are willing to receive marketing communications while at the racetrack.

Promotions

Active sellers and promoters must have received responsible gaming training before employment. No promotion shall be targeted at minors or vulnerable people. This means, for example, that there must be no ambiguity about age, that vulnerable people must not be targeted with promotion campaigns, and that the financial benefits of horse betting must not be promised.

Horse betting companies should not have promotional measures that may be considered offensive. For instance, it is good to avoid telephone and door-to-door sales.

Sales activities at trade shows or similar events or in public places – on the street, train stations, malls, etc. – are not per se considered inappropriate.

Social media

WLA member companies must have a dedicated social media staff that develops internal rules and guidelines for use of social media, as well as ensures that there are adequate resources to monitor social media, produce content and communicate with customers at least on a daily basis, preferably more often, so that customers feel they are getting good service and the company listens to them.

The more capable and skilled players are, the more sustainable the playing. As noted above, social media marketing and posts on Internet sites etc., must provide players with valid and broad background information to help them make better choices. Thus, it is important to ensure that you teach players to understand the risks and not to take risks that are too high.

Some lotteries actively maintain a social media presence on Twitter, Snapchat, Facebook, Instagram, etc., to be competitive and build a community of horse betting fans. Lotteries must maintain an excellent social media presence on these platforms by being proactive and using appropriate language and content. WLA does not recommend its members advertise or promote content on Snapchat, which attracts a strong as the share of minors.

Topics for social media include promotions or different bet types as well as the direct connection WLA members have to the horse racing industry and races. There is plenty of engaging content, for example, interviews with riders, drivers and trainers, stories about great horses and their well-being, and reports on various significant races. This type of content is not aggressive, and well suited for use as part of horse betting marketing.

Beyond content, social media platforms can also be deployed to facilitate customer service, by reacting to player comments and answering them in a timely and precise manner. Staff charged with serving players through these channels must have solid horse betting knowledge and should be familiar with the lottery's or betting operator's horse betting offerings.

WLA members are strongly encouraged to block people under the age of 18 on social media platforms where possible (such as Facebook, Instagram, and Twitter), to prevent this category of people from getting access to the operators' content.



When collaborating with influencers and bloggers, WLA members should strongly frame the contract to ensure that the content is compliant with the young population and active players. For instance, in France, operators invite their influencers to get the responsible influencer certificate ("Certificat de l'influenceur responsable") deployed by the national advertising regulator (ARPP). This certification aims to sensitize and inform influencers on gaming dangers and limits.

It is also possible to place paid ads directly on most social media sites without having a dedicated social media page for each product. For ads placed on Facebook, Instagram, Snapchat, and Twitter, target settings are provided that allow the promotion of gaming products to the appropriate audiences and ensure that the ads will not be shown on the pages of people under 18. The ads can also be geotagged to remain within their authorized jurisdiction.

Responsible marketing

When placing a TV ad, it is best no to do so during programs for children. Additionally, they should not be placed in same commercial breaks with ads for quick loans or financial institutions, except for traditional banks.

When displaying ads on YouTube, a horse racing company's marketing channel should only be visible to customers aged 18 or older.



WLA member offerings versus other operators

WLA Members that operate horse betting must ensure that their operations are legal and transparent. In addition, lotteries adhere to internationally recognized standards for responsible gaming and security management, such as the WLA Responsible Gaming Framework and the WLA Security Control Standard, to ensure the protection of their players and the ability of companies to raise funds for good causes.

WLA members offer entertaining and engaging horse betting products that are safe and socially responsible. Products must also be interesting enough in the eyes of customers. However, it is sometimes difficult to compete and ensure customer retention when unlicensed betting companies operate illegally in the same jurisdictions as legal operators.

Unlike illegal operators, WLA members do not use irresponsible means of attracting customers. They do not aggressively promote their brands and horse betting products, nor do they recruit new customers through bonuses.

On the contrary, they work with local regulators to reduce the activities of unlicensed betting operators and channel betting into legal offerings.



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