

# MarketingWeek

## Racing certainty

Thu, 22 Mar 2007

By Catherine Turner

Corporate events now take place at most major sporting events but a day at the races remains a firm favourite among both the companies holding the event and their clients. By Catherine Turner

A day at the races is as English as fish and chips, strawberries and cream, punting on the river and village fêtes. An intrinsic part of society's "summer season", it brings to mind extravagant hats, jugs of Pimms, champagne and the great English sporting outdoors.



Yet, increasingly a day at the races has been an integral part of corporate culture - an ideal way to show off your company to favourite and favoured clients and thank hard-working staff.

As a study by the Social Issues Research Centre shows, a day at the races and corporate hospitality have a natural affinity. The author, anthropologist Kate Fox, concludes that racecourses are blessed with a naturally "corporate-friendly" culture, with traditional customs and rituals that are highly effective in promoting corporate bonding.

Despite an influx of trendy and "different" corporate hospitality events, theatre and the arts and competition from other sports, including football, rugby and the British Grand Prix, a day at the races remains a perennial favourite. And rightly so, says James Clutterback, Paragon Sports Management head of hospitality. "Horse racing is popular because it is an invitation that appeals to everyone, rather than an invitation to the rugby or football, which appeals mostly to men, or a spa day for the ladies," he says. "But pretty much everyone enjoys a day at the races. It is an interactive experience, betting on the horses. We find a lot of our clients like it.

"The big meetings are part of the English sporting calendar. It's part of the Twickenhams, the Henley Regattas, Lord's, the British Grand Prix. It is on the 'must do' circuit in the UK. It is very, very British. There is a real scene - horse racing is an important part of the English social scene.

"Companies and clients expect to get an invitation as a matter of course because these are fantastic occasions to go to. That is why they work in terms of relationship building with clients. You don't even have to see a race to have a good time at the horses."

He continues/ "There is the client aspect of 'thank you for the business' or 'we want to be in business for you' or, for staff, 'well done for reaching sales targets'.

"Our clients range from big City banks to household name companies right down to Joe Bloggs Builder and Son. Horse racing fits into everyone's budget."

### **A ready-made mould**

As corporate hospitality has not been grafted onto the sport but evolved as an integral part of racing's social structure there is none of the "real fan" backlash experienced at other sports.

Unlike the prawn cocktail sandwich-eating suits at the football, as memorably decried by Manchester United's Roy Keane, racing has a long tradition of embracing large numbers of spectators who have no interest in the sport itself and attend for purely social reasons. Socialising at the races does not involve "missing the action", it is a central part of the action even for enthusiasts.

Clutterback says: "At the races you can spend as little as one hour out of seven watching the horses. You can spend a lot of time with your guests and there is always something to talk about without necessarily getting to the 'hard sell'."

And the social interaction is bonding, with the special customs and rituals which shape and regulate the behaviours of racegoers during these intervals. Indeed, shop talk is seen as "bad form". As one events manager says: "Guests have been invited to enjoy a day at the races, not to have serious business discussions. Too much shop talk is frowned upon."

Of course, he adds, it should help at a later date - or why would so many companies do it? Corporate hospitality at premium meetings and events can cost over £1,000 per person. For that, he says, you get "everything", from five-course meals, all-day champagne, canapés and a complimentary bar. "On the surface, if you strip it all down, then it is not worth £1,000 but people will pay that for the prestige to be there on that particular day. It is down for the 'wow' factor," he says. "And don't forget, if you spend £1,000 on a client for the best facilities at the best event and they give you £1m contract it makes sense. That, and forging and maintaining relationships, is why most companies can justify spending money."

The appeal also lies in its more budget pricing and regionality, with 60 courses in the UK alone. For every £1,000 a head invitation to the Grand National or Royal Ascot there are scores of day-long and evening events collected across the country where price tags are considerably cheaper and the racing equally fun.

And, as Westgate's Celestine Cheong says, that is exactly the point of any corporate hospitality. She says: "The secret to any successful client event is making it fun and entertaining, ensuring that everyone has a really good time. You don't have to buy a really expensive box at the races and ply your clients with expensive food and drink."

That changes if it a special race, such as the Grand National at Aintree, a big event where people will travel. But for most companies it will be done locally; as for many events, not just horseracing.

The sport is growing, too. According to figures from the British Racing Board, attendances at flat and jump events exceeded six million for the first time since the 1950s. A dip in attendances in 2005 was put down to the "Ascot factor" - the race course was closed for the whole year for redevelopment - but were estimated to be in excess of 6.5 million last year.

The £185m redevelopment of Ascot was a sure sign that the industry is doing more to sell itself and communicate the social benefits of racecourse corporate hospitality. The redevelopment was led by the same design team as the Millennium Stadium and Wembley and included the replacement of Ascot's 45-year-old grandstand.

As Clutterback says: "Courses are adding facilities and restaurants here and there. They wouldn't be doing that unless they were confident of filling such facilities on a regular basis."

Facilities, though, tend to be similar at most racecourses. "It is more along the actual profile of races they have there. Royal Ascot, for example, being the best

flat racing in Europe that particular week, coupled with the 'royal' aspect and prestige of it, is reflected in the prices."

### **The flutter appeal**

Another appeal is in the small-scale gambling, the 'having a flutter', that (and in contrast to every day life) is not only expected but encouraged at such occasions.

In her report, Fox notes: "Betting is of immense importance in the corporate bonding process." Shared risk-taking has a bonding effect, and betting on horses seems particularly conducive to the formation of friendly alliances. "Among corporate guests, strangers who had backed the same horse seemed to discover an instant affinity," she adds.

And in order to really push the boat out and encourage interaction many marketers add in a betting kitty for guests. Cheong says: "The time should be spent relaxing and, of course, having a flutter. For our client events, Westgate always provides betting money to clients, with a prize to the person who wins the most money. We have even, in the past finished off our day at the races with fish and chips - the clients absolutely loved it, more so than more formal events."

At the other end of the scale come the "wow" packages, such as whisking guests abroad for the Melbourne Cup in Australia and the Kentucky Derby in America. But these multiday long distance trips make more sense as an incentive to sales teams rather than a corporate jaunt with favourite clients.

From regional evening meets to the glitz and glamour of a Grand National with all-day champagne or an Ascot with the Royals in residence there is a course and an occasion for every corporate hospitality budget. As ever, there are many dos and don'ts to watch out for. But, it seems, the biggest rule is remember to have fun.

Racing's particular appeal of gambling coupled with alcohol and a "party-like" social setting all add to a great occasion enjoyed by most. Bet on its renaissance as a corporate tool to continue.

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