

REPORT TO: The Musselburgh Racing Associated Committee

MEETING DATE: Tuesday 18 September 2018

BY: Senior Operations and Commercial Manager

SUBJECT: Operations and Commercial Report

1 PURPOSE

1.1 To update the Committee on the commercial and operational performance of the Racecourse for 2018/19.

2 RECOMMENDATIONS

2.1 The Committee is asked to note the report.

3 BACKGROUND

3.1 Highlights

The VisitScotland assessor visited Musselburgh Racecourse on Friday 10 August. The verbal report following their visit confirmed that we had retained our 5 Star rating. We are currently waiting on a full written report from Visit Scotland.

3.3 Advertising and Marketing

Budget

	YTD BUDGET	YTD SPEND	VARIANCE ON BUDGET	2018-19 BUDGET	2018-19 ACTUAL/FORECAST	VARIANCE ON BUDGET
Admission	£597,100	£559,909	-6%	£878,500	£852,809	-3%
Raceday Marketing	£24,050	£17,656	+27%	£34,700	£28,300	-18%
Raceday Advertising	£95,340	£95,846	+0.5%	£156,045	£157,421	+0.9%
Fixed Marketing	£27,289	£27,289	-	£112,861	£112,861	-

The total saving on Raceday Marketing and Advertising costs is forecast to be £5024.

Ladies Day

Ladies Day sold out again this year, however the sales were much slower and required an increased use of social media close to the event. This resulted in a younger demographic than previous years and in some places the behaviour of this younger audience impacted on the quality feel of the event. We believe it is important to target a slightly older demographic (as achieved in previous years) if we are to sustain the excellent reputation of our biggest day. We are seeing a shift in purchasing habits with our racegoers now purchasing closer to the event. Price jumps have also been scrutinised and will be adjusted, with one less jump for 2019.

Ladies Day Purchaser analysis

	2016	2017	2018
Male	28%	35%	39%
Female	72%	65%	61%
Age			
Under 18	0%	0%	2%
19-24	0%	0%	47%
25-34	50%	8%	24%
35-44	10%	46%	11%
45-54	20%	23%	10%
55-64	20%	15%	4%
65+	0%	8%	1%

Partnerships

For our Family Day, the Lucas Ice-Cream sponsorship worked very well. We wish to continue this sponsorship in 2019.

Sensational Six Marketing

The focus now, is to drive advanced sales for Caledonian Cup, Supporting Your Services and New Year Days. Outside of the racedays, marketing are preparing the website to launch next year's fixtures/products and developing the 2019/20 marketing strategy.

3.4 Raceday Operations

Budget

The operations budget is currently projected to be overspent by £7,597. This is due to additional activity for Easter Saturday (£7,066) and an additional Raceday, recently secured, on March 10th 2019 (£3,668). Savings have been made across other racedays so far and will continue to be identified without reducing the racegoer experience.

Customer Experience

The Average Overall Experience (AOE) taken from post raceday survey.

Date	Raceday	AOE
4 th July	Afternoon Raceday	8.54/10
24 th July	Family Day	8.75/10
3 rd August	Friday Night at the Races	7.79/10
10 th August	Archerfield Cup	8.90/10

Friday Night at the Races scores lower due to delays with bar service. This has been highlighted as poor temporary staff supplied, which we believe is linked to the Edinburgh Festival. Heritage Portfolio will address this with their agency.

VisitScotland

VisitScotland grading was carried out on 10 August and it has been confirmed Musselburgh Racecourse retained its 5* grading. Upon receipt of the official report an action plan will be made for further improvements.

Sustainability

Green Tourism check has been completed and Musselburgh Racecourse is in line to receive an entry level Bronze Award upon acceptance to the membership scheme. Upon joining the scheme we receive an action plan which could see us move to a Silver Award within nine months.

Accessibility

We have taken delivery of two mobility scooters for use of racegoers free of charge on racedays. This will be promoted through the website in time for Caledonian Cup Day.

Risk

A claim has been submitted in relation to an accident on Ladies Day where a lady slipped in a toilet and damaged her nail on the sink. We are currently in communication with our lawyers around this.

3.5 Corporate Hospitality

	YTD BUDGET	YTD INCOME	VARIANCE ON BUDGET	2018-19 BUDGET	2018-19 ACTUAL/ FORECAST	VARIANCE ON BUDGET
Income	£273,602	£271,770	-0.7%	£439,614	£447,632	+2%
Costs	£145,597	£175,913	+19%	£211,396	£241,703	+14%
Profit	£126,411	£95,857	-24%	£228,218	£205,929	-9.7%

The majority of the increased costs shown in the table above, were incurred on Ladies Day. Due to an uncertain forecast it was decided to pay for a marquee cover for our Champers and Hampers Lawn. We also had to cover increased costs for TVs in the VIP marquee, when our original supplier let us down.

Bookings are very strong for the 7th September, with St Andrews Timber increasing their usual booking from 30 to 70, making use of the Lothian Suite. We have also taken a booking from a building firm, which will have exclusive use of our Epperston Restaurant for a staff event. These larger bookings are generally only interested in our Friday afternoon fixtures, which have always been strong for corporate bookings.

We have developed a Christmas themed package for our three Mondays in November/December. Traditionally these fixtures would be very quiet. The packages will be competitively priced to attract local businesses.

We are currently developing our marketing brochure for 2019, ready for distribution in October. This will be a luxury brochure sent to our highest spend customers. Many of our customers view our website before enquiring into our availability, rather than wait to receive a printed brochure, so we are also investing in a promotional video to enhance our website content.

3.6 Owners and Trainers

A summary of runners and owners visiting Musselburgh Racecourse is below. While the number of runners has remained largely the same, the number of owners taking up the offer of lunch has increased year on year.

	Runners	Owners	Av runners per meeting	Average Owners per meeting	Abandonments
2015	1527	3961	56	165	1
2016	1496	3186	55	144	2
2017	1550	3322	57	141	1
2018 (to date)	858	1159	128		1

The Owners Offering at Musselburgh includes;

- We offer 6 badges per runner with 2 lunch vouchers and afternoon tea
- The Owners Pavilion serves complimentary tea, coffee, Nairn's biscuits and cakes throughout the day.
- The hospitality offering costs approx £1500 per meeting.

Each winner at Musselburgh Racecourse receives;

- Branded Jute bag with a bottle of Edinburgh Gin, Framed photo for their race, a copy of their race on a branded USB stick race and a Musselburgh branded set of 4 highball glasses or a branded glass jug.
- Trainers receive a bottle of Pommery champagne
- Jockeys receive a £30 voucher for Marks & Spencer's.
- Winning groom for the Best Turned Out horse receives £50.
- Prizes cost approximately £190 per meeting per horse

Gifts

- All runners declared to run in our £100,000 races receive a bespoke gift. We have had umbrellas, overnight bags and this year they received picnic blankets. All these gifts are embroidered with our logo and the Owners colours.

Communication

- From declarations to racing, Owners & Trainers have direct contact with Jane Walker, Owners and Trainers Co-ordinator, 24hrs a day by e-mail for organising badges, meal vouchers, and making Bistro bookings. This is well received as they appreciate the prompt response in the evening when they have more time to organise their guests.

New initiatives for 2018/19

- Introduction of a Winning Owner Championship
- Winning Owners colours for each Jump and Flat season displayed in The Owners Bistro and outside Le Garcon D'or Bar
- Recognition of Loyal Owners at Owners and Trainers entrances
- Complimentary Afternoon tea to enhance the hospitality offering

Weaknesses/Opportunities

- We only provide 2 complimentary lunches when we give 6 entrance badges
- Our hospitality room for winning owners is too small and we cannot accommodate all placed connections
- Our Owners Car Park could be improved to allow easier access for all Owners

3.7 Sponsorship

Following the introduction of Britbet all totepool sponsorship has been discontinued. Total income previously received from totepool was £72,600 allocated to New Years Day and Easter Saturday.

Discussions are currently under way with one potential sponsor for New Year's Day. We are seeking £20,000 for this opportunity, which is a £2k increase on the previous year's income.

Proposals will shortly go out for Easter Saturday, which is a strong opportunity for sponsors looking for ITV coverage. With a potential for four races on ITV, the full presentation team on site and sponsorship of a valuable card featuring The £100,000 Queens Cup and The Scottish Sprint Cup we are hopeful of securing a betting sponsor for this day.

We have also recently met with Edinburgh Gin to discuss new dates for their sponsorship, following the loss of 9th June for our 2019 fixtures. Initial feedback indicates that they are interested in sponsoring The Scottish Derby to be held on Ladies Day. Any sponsorship agreement will be linked to a supply contract.

Discussions with Stobo Castle regarding their sponsorship contract for Ladies Day 2019 onwards are continuing.

3.8 Community Engagement

Dates for the completion of the 2018 transition project with Musselburgh Grammar School have been confirmed with students due to visit the racecourse on 2,3 and 4 October. This will see the conclusion of the pilot project that will result in over 500 pupils from Musselburgh visiting the racecourse in 2018.

3.9 Annual Membership

Following the Annual Members Forum and feedback from a recent questionnaire to all annual members we have reviewed and updated the offer for 2019. A summary of the packages and benefits are below.

Highlights include

- Introduction of a Seasonal Membership Package, which offers excellent value. Annual costs equates to just £5.50 per fixture
- Introduction of additional benefits for standard annual members, which includes
 - Improved comfort in the annual members bar, with a limit set at 150
 - Preferential bar prices introduced within the Annual Members Bar
 - 15% discount for members in our 1816 Café and Harris Tweed Bistro
- Renamed the premium annual Membership to Gold, continuing the availability of guest passes, but limiting this to a total of 30 packages to ensure the comfort of the annual members bar is retained.
- Introduction of a couples package, offering a £30 discount on the Gold Package

	Cost	ADMISSION	METAL BADGE	RECIPROCAL	GUEST PASSES	BAR ACCESS
SEASONAL MEMBERSHIP	£210	√	√	√		
STANDARD - 150 available	£250	√	√	√		√
GOLD - 30 available	£320	√	√	√	√	√
COUPLES GOLD	£610	√	√	√	√	√

Gold package members will also be entitled to purchase a Car Park pass for £20. This will allow them access to our closest car park on Linkfield road, on all days except when this is in use by racegoers (Easter, Ladies Day and Supporting your Services). A maximum of 30 passes will be available.

The feedback from the annual members indicated that the annual members trip, organised each year to another racecourse and/or trainers yard, held no value so this will be removed from the package in 2019.

4 POLICY IMPLICATIONS

4.1 N/A

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy

6 RESOURCE IMPLICATIONS

6.1 N/A

7 BACKGROUND PAPERS

7.1 None

AUTHOR'S NAME	Sarah Montgomery
DESIGNATION	Senior Operations and Commercial Manager
CONTACT INFO	07796314733
DATE	30 August 2018