



# A SPORT OF KINGS

The British have traditionally regarded horse racing as “the sport of kings.” But can it also turn itself into a business for capitalists?

That is a question that hangs over Britain’s oldest spectator sport. Football, called soccer in the United States, is Britain’s most successful turnaround industry; a game that was until recently associated with violent thugs and dilapidated stadiums is now Britain’s most popular pastime. Cricket and rugby have also sharpened their acts. Even snooker and darts have produced celebrities, in-

cluding Hurricane Higgins and Jocky Wilson. But horse racing is in danger of becoming the part of the British sporting scene that is most out of fashion.

The sport’s fan base is aging rapidly. The sort of people who spend their spare time hanging around betting shops and reading racing papers are more likely to be in their 60s than their 40s.

Its revenue base is also shrinking.

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# (AND SHEIKS)

BY ADRIAN WOOLDRIDGE

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The industry's business model is built on the fact that its governing body — the so-called Levy Board — has a right to a 10 percent share of the profits made by the betting operators. But the betting industry is moving its online operations to the likes of Gibraltar and Antigua, in part to escape those fees. Many young people are spending their money on poker or football rather than horse rac-

ing. The remaining horse fans are turning to betting exchanges like Betfair rather than going to old-fashioned bookies. These malign trends reduced the Levy Board's yield from £90.6 million in 2008-9 to £59.6 million in 2010-11. And falling yields in turn make it harder to offer the sort of prizes that attract the best horses and generate the most exciting races.

These are formidable challenges. But against that must be set some formidable strengths. Horse racing is Britain's second-most popular sport after football, with 6 million people going to the races every year. Four race meetings — Royal Ascot, the Festival at Cheltenham, the Grand National and the Epsom Derby — are routinely among the top 10 most popular sporting events in Britain.

Horse racing succeeds on lots of different levels at once: It is a part of the global social season, a chance to make some bets, a slice of rural life, an exotic fashion parade, an excuse to do some drinking, a spectacle featuring silk-clad jockeys mounted on thoroughbreds, and a celebration of the historic links between England and Ireland.

Prize money aside, Britain brings more resources to horse racing than other nations. Britain invented the sport: the Derby has been going since the 1760s. The British royal family give it a unique snob appeal; the queen gives the title “royal” to Ascot and runs

on these advantages? Can it overcome a flawed and declining revenue model? And can it retain its position as the biggest horse racing power on the planet? There are several reasons for thinking that it can. Beneath the tradition-encrusted surface of British horse racing, there are some profound changes at work.

The industry is sponsoring new models of ownership. Expense is both the attraction and the Achilles’ heel of horse racing. The sheer cost of buying and maintaining a thoroughbred gives the game a unique glamour. But it also limits one thrill of racing — watching

The Derby has offered entertainment by Tom Jones and Blondie. The industry has also introduced bets that have low stakes but potentially high returns, the sort of things that experienced horse fanciers disdain but which ordinary people find irresistible.

The industry is also learning how to take advantage of its biggest potential strength — globalization. British racing has profited from a flood of Arab money. Sheik Muhammad bin Rashid Al Maktoum of Dubai maintains lavish stables in Newmarket and flies 400 horses to Britain every April, when the Persian Gulf’s weather becomes too hot.

British racing has established itself as a central part of the rapidly emerging global social season: the whirligig of events at which the world’s richest people display their wealth and arrange their affairs. You might even get a chance to meet the queen or one of the other royals. And how better to display your wealth than to buy your own horse and send it out to race? Thoroughbred horses and their silk-clad jockeys are far more beautiful investments than football players.

The globalization of horse racing is set to gather pace in the future. Other Arab principalities like Qatar have caught the horse racing bug. London is becoming ever more a center for the global mega-rich. And, above all, China is waiting in the wings. The Chinese rich are infatuated with British brands: witness Bo Xilai’s decision to send his son to Harrow and Oxford and buy his clothes in Savile Row. They also love betting on the horses; the Hong Kong races are the richest races on earth. If the sport of kings can transform itself into a pastime for communists, then it really will have a glorious future. 

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## HORSE RACING IS BRITAIN’S SECOND-MOST POPULAR SPORT AFTER FOOTBALL, WITH 6 MILLION PEOPLE GOING TO THE RACES EVERY YEAR.

her own horses in many events. A sizable slice of the landed aristocracy turns up at many leading events.

Britain has a disproportionate share of the world’s most popular races, attracting considerable attention with the Royal Ascot, the Derby and the Grand National (which attracts more than 500 million viewers globally), among others.

In addition, the nation has a remarkable number of clusters of horse racing excellence. Most notably, North Wessex Downs is horse racing’s equivalent of Silicon Valley, with 3,500 horses in training and a complex of stables, studs and courses.

Horse racing is also deeply woven into British life. There are about 4.3 million riders in Britain, including the prime minister, David Cameron, and his neighbors and former friends Rebekah Brooks, the former boss of News International, and her husband, Charlie Brooks, an Old Etonian and racehorse trainer.

Can Britain succeed in capitalizing

a spectacular creature that you also happen to own competing for all that it is worth — to a tiny few.

But what if you give people a chance to buy a share in a racehorse? And what if you make them feel that this share gives them complete ownership? Several British companies have come up with the idea of a syndicate. The syndicate gives you a chance to invest in a horse and keeps you up to date with its performance. But the syndicate does the hard work of feeding and watering the beast and defrays the cost among several investors. The sport of kings thus becomes a pastime for Everyman.

And the industry is becoming much more imaginative at broadening its appeal. New racecourses, like those at Epsom and Cheltenham, come equipped with conference centers and the like. Old established courses have been adding fancy tents and upgrading their grandstands. Aintree has mimicked Royal Ascot with a “ladies night” during which fashion is as important as horses.