

IndyCar Media Conference

Wednesday March 21, 2018

Mark Miles

Jon Miller

James Hinchcliffe

Press Conference



THE MODERATOR: Welcome, everyone, to today's IndyCar media teleconference. Earlier today, IndyCar announced a multi-year media rights package with NBC Sports Group that will see eight Verizon IndyCar Series races, including the 103rd Indianapolis 500 and its qualifications, televised by NBC next year, and the rest of the schedule on NBCSN.

We're happy to be joined by Mark Miles, the CEO of Hulman & Company, the parent company of IndyCar, and JON MILLER, president of programming for NBC Sports and NBCSN, and five-time Verizon IndyCar Series race winner, James Hinchcliffe, who drives the No. 5 Arrow Electronics SPM Honda for Schmidt Peterson Motorsports. Gentlemen, welcome to the call.

Mark, the first question is for you. I know this new agreement with NBC Sports Group has been several years in the making. With the increased number of races on network television, you have to be pleased where this places the overall growth of the series.

MARK MILES: Yes. We're delighted by every aspect of this announcement today and these arrangements. The increase in broadcast, the number of races on broadcast, is really important to the continued growth of the series. The continuity with one media partner who is committed to the sport and to IndyCar, who can help promote from race to race to race throughout the season is important. Having our first product, if you will, our first offering to fans in the direct-to-consumer channel is important to us.

We've been through, John, months of discussion. I can tell you maybe the most impressive thing to us was the first thing, which is NBC started out by wanting to talk about the assets they would bring to bear to promote the series, the Indy 500, and to really be a great partner in the growth of the sport. As everybody can imagine, their assets and their focus on being a partner for growth is really impressive.

So we're delighted by all this. It met our objectives of increasing the exposure of the sport, increasing the promotion of the sport, and getting us into the over-the-top market. We couldn't be more pleased.

THE MODERATOR: Go ahead, John.

JON MILLER: From the NBC perspective, we've seen the growth of IndyCar on our cable network NBCSN. We've had sustained growth each of the past several years. So the opportunity to have the entire series was very important to us. Of course, to be able to do the crown jewel, the Indy 500 on NBC, really puts the icing on the cake for us and makes our championship season portfolio even stronger.

This becomes one of the leading properties on our air. It's one of the most iconic events in all of American sports. It's a great opportunity and a great honor for us to be part of this, too.

THE MODERATOR: Mark, you mentioned 'over the top'. That is obviously a big buzz word for many sports media rights deals. Can you talk about the direct consumer option with NBC Sports Gold and how much that role played into the selection of NBC.

MARK MILES: It's been fun to have a number of my friends in the media confess they've been Google-ing what does 'over the top' mean (laughter). It's emerging but not new.

It really is a way for us with NBC to go straight to hardcore fans, and I think particularly younger fans, who want a deeper experience with IndyCar.

It's meant to be complementary to television. It's access through Internet. IndyCar will be behind a pay wall. We're incented together to put together great content on this platform. It will be a way to get deeper into IndyCar.

For example, any practice or qualifying in the IndyCar Series that's not on television will be available that way. We haven't sorted everything else out, there's a lot of work to be done, but we at least aspire to have a significant number of in-car cameras, telemetry, other feeds.

Whether a fan is at a track or at home, often as a second screen along with television in the case when they're at home, they'll be able to more fully take in all the content that IndyCar has to offer.

THE MODERATOR: John, I know NBC Sports is known for producing many big-time sporting events such as the Olympic Games, the Super Bowl, Stanley

Cup Finals, horse racing's Triple Crown. You mentioned NBC Sports Championship Season. How does IndyCar and the Indianapolis 500 fit into that for 2019?

JON MILLER: It's perfect. It falls right at the end of May. We start our Championship Season with the Kentucky Derby and THE PLAYERS Championship, although by '19 THE PLAYERS Championship will have moved out. This becomes an ideal opportunity for us to go from the Triple Crown, the championship season in the Premier League, the Stanley Cup Finals, the Indianapolis 500, the French Open, and all the way through the Tour de France and The Open Championship in golf.

Those are all iconic, great sporting events that take place all around the world. The Indy 500 certainly takes its place at the top of the list of any of those properties.

For us, it's one more way for us to showcase not only the Indianapolis 500 but all those other great properties. We use all the assets at NBC's disposal to do that.

THE MODERATOR: James, what are your thoughts on today's announcement? From the driver's perspective, how does an agreement like IndyCar's with NBC Sports Group help further the growth of the sport and your personal brand?

JAMES HINCHCLIFFE: From the driver's perspective, we're all obviously very excited about this deal. As has already been alluded to, the increase in races on broadcast is just more eyes on our product. I think IndyCar has done an incredible job the last five, six years of putting the best on-track product on four wheels out there.

As drivers, we're out there risking our lives to put on a good show. The more people that get to see it, get entertained by it, the better it is for us.

As athletes, we're all individual brands in and of ourselves. Getting ourselves in front of more people, it raises our value to our current partners and potential partners. From every element, this is a huge win across the board.

THE MODERATOR: We'll open it up for questions for our guests.

Q. John, one of the things that NBC does very well the week before the Super Bowl or during the Olympics is you will take your other properties such as the Today Show or the Tonight Show to those areas where the events are being staged and really help promote by being there on-site. Do you see that as a possibility to do during the Indy 500?

JON MILLER: I absolutely see that as a possibility. I think Hoda and Savannah would look great on

Gasoline Alley (laughter).

But those are all things that we'll discuss. Those are the type of things that we think makes us a little bit different and enhances our ability to grow a property. Those are the kind of things that will definitely be in the hopper.

Q. One of the previous partners used to be able to have drivers such as James Hinchcliffe on Dancing with the Stars. You have some reality-based shows such as that. Is that also another possibility, that we could see a James Hinchcliffe or Alexander Rossi or any of the other drivers in the series cross-promoted in any of your entertainment programming?

JON MILLER: Since we've been together today, James has been lobbying me to get on The Voice (laughter).

Those, as well. That's one of the nice things we get to do. We bring the entire company to the table, everybody kind of brainstorms, raises their hands on ways they can showcase it.

A perfect example of that is we announced this at 10:00 this morning, and at 11:00 this morning, Mark and James were guests on CNBC from the New York Stock Exchange. We're already putting those things in place.

Q. Mark, obviously we have the domestic portion of the schedule, this media rights deal handled. What is the optimistic viewpoint on where international coverage might shake out?

MARK MILES: Well, as you've noted this, deal is U.S., U.S. territories and the Caribbean. The answer to your question is now. It's always been our thought that we take care of our base first, secure arrangements for basically the U.S. We will now move to working on the international rights licensing right away.

It's not like this is new for us. We've been at the major places like Sportel, which is a media convention of sorts in Monaco, last year. We've had a lot of those very early conversations to understand both from an agency perspective and individual broadcaster perspective who wants to talk to us. Now we'll get after those conversations.

Q. John, NBC Sports Gold has been involved with a couple of your other properties over the years. Talk about some of the ideas for content that fans and the onlookers will be able to see from that.

JON MILLER: NBC Sports Gold was our attempt to super serve the fans of the properties that we have unique, exclusive relationships with. For example, with the Premier League, we put on 130 games of the Premier League every year. It enables you to get games that are not being televised, but it also enables you to get full event replays, a lot of other Premier League content that's unique and distinct for Premier

League Gold. We do the same thing with the Tour de France for those fans that are huge cycling fans. We just launched a rugby pass for those people who are passionate about the sport of rugby. We saw an unbelievable amount of consumption and people coming in to do it with our Six Nations Tournament that just recently concluded.

We have a similar type of situation with U.S. track and field. We're doing it with figure skating. Our feeling here is on IndyCar Gold, we're now going to be able to super serve that IndyCar fan who just can't get enough of what we're providing on NBCSN and NBC Sports, as well as IndyCar.com and the IndyCar app.

As Mark mentioned, telemetry, qualifying, some practices, Indy Lights, you'll see archived races, full event replays. You'll be able to consume IndyCar content of a very high caliber every day of the week.

Q. This new deal with eight races, how much of that is going to help teams sell themselves to sponsors given the increased exposure, how much is that going to help the individual track promoters?

MARK MILES: I think it's important to the entirety of the IndyCar ecosystem. For the series itself, at some point we should talk about our sponsorship effort, how we think they're going to be benefited with this relationship. James earlier talked about our drivers or athletes, and they are individual brands. They'll get more exposure. That will be good for them.

We earlier this morning spoke to our team owners. They're enthusiastic about it as it gives them more to say in the marketplace, more value. Certainly that will be true for our promoters of the races as well.

We haven't released and haven't even finalized yet exactly which races will be scheduled for which platform, if I can say it that way. It's hard for them to know exactly what it will mean to them individually. But certainly for IndyCar collectively it's great for the brand and for our exposure. That will be good for everybody.

Q. Mark and John, you know the viewership last year for the Indianapolis 500 was five and a half million viewers. That was down from six million in 2015. Obviously the numbers are challenging for everyone in sports in this marketplace. How concerned are you that this race, which has obviously been the crown jewel of American viewership, has been dropping in the last couple years?

MARK MILES: We think that trend is over for the 500, in no small part because of the assets and the commitment that NBC brings to bear.

JON MILLER: We look at it as an opportunity. I think when we unleash Jenny Storms and her marketing team, use all the assets of NBC Sports at our disposal,

let people know about it, there won't be anybody in America who won't know when the Indy 500 is on in May of 2019.

I think we're going to, you know, use everything that we can to make it bigger, including the way we're going to treat the property and treat the show on race day, whether that's bringing in a big-time talent to host it or just the way Sam Flood and his production team, along with IMS Productions, are going to bring the race home, I think people will see a distinct difference. That's one of the things that we think makes NBC Sports motorsports coverage unique.

We see those numbers, we obviously follow those trends. We wouldn't be doing what we were doing if we didn't believe we could improve upon past performance.

Q. John, a lot of NASCAR fans on Twitter say they watch IndyCar races but can't because some of the races overlap. This new deal, will this deal alleviate that so that those fans can tune in to more IndyCar races?

JON MILLER: That's a great question. That's something that we definitely feel that we will work closely with Mark and his team to make sure that we don't have that kind of overlap. Instead, wherever possible, we will use one series to promote to the other.

I think the idea that IndyCar fans wouldn't watch NASCAR or NASCAR fans wouldn't enjoy IndyCar is wrong. I think that people like speed, they like motorsports, they like the individual stories that come out of the athletes that are in the cars. I think we'll be able to grow our fan base accordingly.

I think it is something that we will look at, and strategically when we set up the schedule for 2019, we will do it with an eye towards not competing with our other motorsports properties.

MARK MILES: NBC has been a great partner in that regard already. We've worked hard, in fact, made meaningful reductions in the number of hours of overlap between IndyCar racing and NASCAR. I think the more the better.

JON MILLER: Sometimes, quite honestly, it's unavoidable. But we're going to do everything we can to make sure we limit and minimize those chances.

Q. John, a very specific question for fans here in Detroit. I heard you say earlier you haven't finalized which races will go on which platform, but we would love to start the promotion now if we could find out about what we're doing here in Detroit.

JON MILLER: Have Marla call me (laughter).

No, in all seriousness, obviously we know the value of

that race. We certainly know the value of your affiliation and how much it would do for you. We also see it as an opportunity to do it. I think when we sit down and do the schedule, that will be an important consideration for us.

It comes at a good time of year for us. It obviously comes right after the 500. It would be crazy not to take advantage of that promotional opportunity to showcase those two great events.

Again, that has not been all worked out yet. We have to take a look at calendars and stuff like that, other conflicting events that we have. But we're certainly well aware of that.

Q. My question gets back to the streaming coverage, over the weekend covering practice and qualifying, also the amazing Road to Indy series, not just Indy Lights. Using St. Petersburg for example, practice and qualifying were all streamed on IndyCar.com and YouTube. Also all the Mazda Road to Indy. How will those be impacted with this new media contract?

MARK MILES: I don't think we've finalized what our production opportunity is, and therefore what the streaming opportunity is, other than for Lights. Where Indy Lights and IndyCar race on the same weekend, which seems like eight or 10 of their events, it certainly will be offered there, everything they do.

JON MILLER: We will show at least one qualifying. Our goal is to show qualifying from every stop on a linear platform on NBCSN. We'll show some IndyCar qualifying, Indy 500 qualifying on NBC, as well. Everything that's shown on a linear platform, whether it's NBCSN or NBC, whether it's races or qualifying, will also be streamed on NBCSports.com and on the NBC Sports app on an authenticated basis. All of that content will be out there.

There will be some practice and maybe some other qualifying and some other content that will go exclusively into IndyCar Gold.

Q. Mark, you alluded to marketing and sponsorship opportunities. Having the continuity now that the schedule is all in one place, what does that do for you that way? You guys work together in terms of bringing partners, sponsors, official whatever designations to bear here?

MARK MILES: It's a really good question. At the highest level, obviously more people watching means more value and more attractiveness for IndyCar in the marketplace for sponsorship and licensing and merchandising and everything else.

At the more micro or operating level, I think we have a great opportunity with NBC to really integrate our approach to the market and to sales. I think there will be companies that are prospective series sponsors that

NBC has great relationships with. We ought to be able to go to them with an integrated package of both advertising and series sponsorship. And conversely, perhaps there are companies we're talking to already that we'd really like to see invest in NBC and its programming, as well as being considered for title sponsorship.

An integrated approach, taking advantage of each of our relationships, I think is going to bode well for us.

JON MILLER: I think IndyCar just skyrocketed to the top of the properties you could be a title sponsor of because of all the continuity, the marketing, all the promotion that will be associated with it. An advertiser that's looking to put their name and brand on this kind of environment would have to seriously consider looking at IndyCar.

The best example of that is our track record with other properties where we've had similar success. Some of the best examples of that are the long relationships we've had with the FedExCup on the PGA TOUR, what Xfinity does on the Xfinity Series on the NASCAR circuit. We understand what's important to title sponsors and we aim to over-deliver throughout all the different platforms and make sure that they get more than the bang for their buck.

Q. Are you going together to get the title sponsors and other deals, or Mark, does your company take the lead in this regard?

MARK MILES: I see it as integrated.

JON MILLER: We will go together. We will definitely be joined at the hip as we go out and try to do this.

Q. You mention it is a multi-year deal. Does that mean two? Can you say any more about that?

JON MILLER: It's more than two and less than four.

MARK MILES: It's a three-year deal (laughter).

Q. The international rights, I guess they were previously done by ESPN International. What are you thinking there? Does this deal preclude the use of ESPN International for the international stuff or do you see yourself going out and doing individual deals like F1 does and Formula E does in each country?

MARK MILES: That's a good question. It does not preclude an ongoing involvement by ESPN International. Although with any result, I think it will change. There may be countries where we go direct to broadcasters in any major country with IndyCar interests. I see us being at the table, even if we go with a distributor or packager like ESPN International.

There are a number of agencies that would love to compete with ESPN International for whatever we're willing to license as part of a package, and there are a

number of countries where we're already having direct conversations with broadcasters. It will be some kind of a mixed approach undoubtedly.

Q. We'll hear more about that later in the year?

MARK MILES: Yes, sir.

THE MODERATOR: We're going to have to let our speakers go, and we'll thank everybody for their time. Thank you.

MARK MILES: I want to make one more comment, if I may. We have enormous respect for ABC and the partnership we've had with them for so many years. We're very aware of the fact that we're in the final year of our collaboration with them. We shouldn't hang up without saying that we're grateful for the relationship that we've had and we go forward with a good relationship on a lot of levels with them, and we're looking forward to finishing up strong with them in 2018.