



Interview with Joie Chitwood III

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After eight consecutive Formula One Grand Prix races between 2000 and 2007, the Indianapolis event was dropped from the Formula One calendar. This interview explores some of the reasons why Formula One has struggled to make an impact in America and examines what could be done to make the sport attractive to US motor racing fans.

Joie Chitwood III joined the staff of the Indianapolis Motor Speedway as senior vice-president, business affairs, in October 2002. In December 2004 he was promoted to president and chief operating officer and he now oversees daily operations for the Indianapolis Motor Speedway, including the Hall of Fame Museum and the Brickyard Crossing Inn and Golf Course. Chitwood's connection to the IMS family of companies runs much deeper than his present position. He was one of the first staff members of the Indy Racing League, as the liaison officer to its teams, and in 2002 he had the honour of serving as pace car driver for the Indianapolis 500-Mile Race. Previously he served as vice-president and general manager of Raceway Associates LLC, which oversees the operation of Chicagoland Speedway. During Chitwood's tenure at Chicagoland Speedway, which is partly owned by IMS, he oversaw the construction of the 1.5-mile oval, negotiated contracts with both the Indy Racing League and NASCAR for successful

events, and the operation of the Route 66 Raceway. He was one of the first employees of the Indy Racing League, which had its inaugural race in 1996 in Orlando, Florida. His family connection dates to the late 1930s, when his grandfather began competing in the Indianapolis 500. From the age of five Chitwood was an integral part of his family's entertainment business, the renowned Chitwood Thrill Show. He began his career as a stuntman and later specialised in precision driving.

HD/SOD: Formula One started in Indianapolis with a very successful inaugural event in 2000. Given its competition with other sports, how is Formula One viewed by its fans in the United States today?

JC: You could argue that, along with soccer, Formula One is the most popular international sport. Formula One would probably make the argument due to the investment in the sport in terms of sponsorship income and such achievements as racing in China and around the world every season. But in America, the TV coverage and interest in Formula One today is minimal at best. It is interesting to understand why, and what the challenges are. It is not just about not having Americans participating: it is the overall Formula One approach. It is a very exclusive sport in terms of access, and getting close to the stars is very limited.



HD/SOD: What are the challenges that need to be met to break through the barriers to create relevance for Formula One in America?

JC: One of the challenges for creating new fans in America is generating more awareness of Formula One. To achieve this, consistent American TV exposure is important. I think Speed TV has always done a great job, and we have had network TV coverage from year to year. But when you consider Formula One as a whole, then you need consistent TV coverage of all races in a season, just as other major sports receive. There are also other factors, such as having a title sponsor for the US Grand Prix. For a while SAP was such a sponsor and then this was lost.

In 2005 both Michelin and Bridgestone provided tyres to the Formula One teams. The majority of teams ran on Michelin, including many of the leading contenders. Michelin could not guarantee the safety of its tyre at the race, so those teams withdrew after the formation lap. This left just six cars out of a total of 20 competing, rendering the race meaningless. Ferrari, Minardi and Jordan, all using Bridgestone tyres, were the only teams completed.*

HD/SOD: Did the debacle concerning tyres in 2005 at Indianapolis influence the attraction of Formula One?

JC: Yes, I can definitely see a change in attendance from the 2005 debacle. That has cost pain for the event. There is a feeling among fans – we had more than 100,000 people in the grandstands that day – that the Formula One community does not value their support and attendance at events. Fans believe they are no longer valuable to the process. It will be tough to win back those fans.

With its focus on TV rights and new markets, abandoning historic venues, it is going to be interesting to see the impact on the sport. We think running here in Indianapolis provides Formula One the best venue in America, the venue with the most

'The biggest current challenge is the degree of clutter in the American sports market'

market recognition to be successful. And when you look at the consumers of the sponsors in Formula One, you know, I believe that Americans are close to the top of the listing when it comes to consuming Ferraris, Mercedes and BMWs, the top participating manufacturers of Formula One.

HD/SOD: Is there competition between race circuits to host the Formula One Grand Prix, and how important are the fans and participants in this process?

JC: I think the manufacturers are a key element to achieving success. There are, I think, six engine manufacturers, for five of which America is fairly important to their business. It is just a matter of all the elements coming together and being able to support and sustain an event here. Formula One connects globally with its sponsors, but it disconnects with its fans. It is very frustrating to see, for example, Bahrain in the Middle East. They have built a facility with only 30,000 seats. And they have managed to, in the years of hosting the Formula One Grand Prix since 2004, to be sold out. So that Grand Prix is really just a TV event and of course you have the country paying the bill and it's unfair, I think, to the sport.

HD/SOD: Are the changing international safety standards also influencing this competition between traditional race circuits and newly built ones?

JC: I think there is some crossover. Most racing in America is oval track racing – it's an American formula for motor sport. In Europe, and around the world, road racing is the more accepted form. Therefore, the safety requirements can be quite different. Here in America,

* See: <http://www.indianapolismotorspeedway.com> for further reference.



Tony George, the CEO and personal owner of the Indianapolis Motor Speedway, has created something called the 'Safer Barrier' for which we received a number of awards and were even recognised in Europe for what we achieved. Safer Barriers are specifically designed to lessen the impact into concrete walls. Now on road racing courses in general you do not want to have concrete walls close to the circuit, instead preferring gravel traps and things like that. So each form of racing has its own path in developing safety standards. But each is trying to do the same thing, namely provide a safer venue for racing. Here in America we focus on trying to provide safer oval track racing, which has different requirements to road course racing. So both attempt to do the same thing but we have different requirements to satisfy.

HD/SOD: Were safety issues at the Indianapolis Motor Speedway the main concern during the Formula One event in 2005?

JC: We are dealing with supposed professionals, the people who are the best in their businesses. And if Indianapolis Motor Speedway can be prepared for a world class racing event by converting our facility in three weeks from the Indy 500 to the United States Grand Prix, you would expect those professionals would be prepared to run their event. And you would expect those professionals from Formula One to come up with a tyre that is safe. If you are expected to be competing in Formula One, you need to be prepared. And they weren't prepared and of course the race they continued to run turned into a very messy situation. But it wasn't just about safety. I think it was political and about control, and it was just not about being prepared.

HD/SOD: Do you think Formula One would be more attractive in the United States if an American car manufacturer competed in the championship?

JC: I don't, I really don't. I think the thing that would help Formula One racing in America more than

anything is if an American (driver) participated. However, not just any American. Scott Speed [*the only American driver in Formula One in 2007, competing for Scuderia Toro Rosso Ferrari*] was participating, but Scott Speed created his reputation by racing successfully in Europe. And so he really didn't have much name recognition in the United States. What I think would create the greatest crossover is if an accomplished American racing driver like Jeff Gordon [*a professional American driver, and four-time NASCAR Winston Cup (now Sprint Cup) Series champion, three-time Daytona 500 winner, and driver of the #24 Chevrolet Impala*] or someone like that crossed over to Formula One and brought his entourage and the people who support him. Then Americans might look at Formula One racing in a different way.

HD/SOD: Is there any chance that this could happen?

JC: Not as far as I can see at the moment. The biggest current challenge is the degree of clutter in the American sports market. There are so many choices from high school athletics, college athletics, professional athletics, football, baseball, soccer, racing and golf etc. Everything is so commercialised whenever there is TV broadcasting of sport; it has created a large number of events for sponsors to participate in. How can you bring in a sport from outside America that runs a formula, road racing, which isn't the most popular in the US? Most of its participants are from countries other than America. And you don't let the media get too close because there are certain restrictions on access. How do you actually create that brand in America where there is so much competition? That's the challenge.

When I think about Formula One, yes they have an attitude and it's right for F1, and it is a fantastic international sport. But when you take that attitude and come to America, it doesn't work because Americans have other choices. And if you are not going to expose your sport in a way that makes it meaningful, you have



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a problem. It requires a good TV package, getting your athletes to do interviews and to be accessible to the media, so people can hear from them. Without that, it is not going to be successful – that's the biggest challenge. It has the attitude of being this international global sport, but in America it is just one of five hundred sports. And it is definitely not near the top. On TV, maybe 200,000 people tune in to watch a Formula One race in America. That rating is extremely low. That is a 0.2 rating. A NASCAR race in America pulls in a 5.0 or 6.0, so you can see it's in a different sphere in terms of TV habits and the watching of sport.

HD/SOD: You mention that for American fans, the driver, as a brand, is probably more important than the team or the engine manufacturer.

JC: In America it is the case. It tends to be who we look at and how we associate with motorsport. You know, Michael Schumacher was a great racing talent, he was phenomenal. But he serves as a great example. You may have heard of the David Letterman Show, a popular late-night entertainment programme which runs after the news. Letterman interviews stars and he's been doing it for more than 20 years, and it's a very popular TV show on CBS in America. Many movie actors and celebrities have been interviewed. We had offered Michael Schumacher the chance to be on the David Letterman Show for five years. But he turned us down every year. There was an opportunity to expose him and Formula One racing to Letterman's show, his crowd, the TV audience, and when Formula One drivers turn that opportunity down, they turn

down the opportunity to promote their sport in America. Maybe they don't have to promote themselves in Germany or France or England because the sport has a standing there. However, it does not have standing in America and it needs that type of promotion. Formula One drivers do not do that around the globe for the sport because they do not need to. So it is tough for them to think they need to do it here.

HD/SOD: Bernie Ecclestone has so far not agreed to contract further Formula One races at Indianapolis. Is there a chance a United States Grand Prix could still happen in the future at Indianapolis Motor Speedway?

JC: This is strictly a business decision and there are a lot of factors that weight into that. Money is a factor. It's not the only factor, but it has some bearing on the decision. It's a business opportunity. I think Formula One will make a fair assessment of our situation and the opportunities. At the moment we do not have a title sponsor in hand, we do not have the commitment of national TV, and there are other things. Today, Bernie Ecclestone and Tony George could agree on the date, that would be great; we could agree on money and that would be great too, but there are other things to consider.

HD/SOD: Good luck for your further negotiations with Formula One. Thank you for the interview.

