To TV or not to TV – “Why” is the Question

Moderator:
Amy Zimmerman: Vice President, Director of Broadcasting, The Stronach Group

Speakers:
Jesse Chemtob: Director of Business Development, TVG Network, Betfair US
Jon Miller: President of Programming, NBC Sports & NBCSN (remote from NY)
Peter Rotondo: VP Media and Entertainment, Breeders’ Cup Limited

Ms. Liz Bracken: Okay.

If we could come on in, sit down if you’re gonna attend the TV panel, we do have a gentleman in New York who’s joining us, who has a tight time schedule.

That’s why we’re gonna kick off now and we’re gonna have concurrent panels, oh, this TV panel and then the sponsorship panel.

This is to facilitate your happy hour starting at 5:30 p.m., so we hope you enjoy the next couple of hours.

Very happy to have the person I always go to for anything TV, which is Amy Zimmerman, who has done pretty much everything you can think of including win Emmy Awards but currently is the vice president, director of broadcasting for the Stronach Group, and she will moderate our panel sponsored by International Sound.
Ms. Amy Zimmerman: Thanks, Liz.

The title of this TV panel is “To TV or Not TV - “Why” is the Question.”

We’re very fortunate to be joined by Jon Miller in New York with NBC Sports, Peter Rotondo, and Jesse Chemtob — did I get it right?

Mr. Jesse Chemtob: Yes.

Ms. Amy Zimmerman: Okay, good. — with TVG.

We’ll talk about them for a moment, but just before we get started, it’s a little bit more involved than why is the question.

It’s more from the journalism standpoint of how does horse racing get on TV?

Is it rights fees, time-buys, a hybrid production agreement?

Who are the viewers?

Who do you want the viewers to be?

What are the goals?

Is it handle?

Is it exposure?

Is it sponsorship and advertising?

When do you judge success, and how difficult is it to judge that success when the content is available on multiple platforms?

It could be TVG.

It could be NBC, and it could be everything all at the same time.

Lastly, where is the future?

What does that content look like and on what platform does it live?
As I said, I’m very fortunate to be joined by Jon Miller.

Jon is the president of programming at NBC Sports and NBCSN.

Jon is responsible for putting on over 10,000 hours of television on both NBC Sports and NBCSN to create a force at the time many of the programming properties that you all have seen including the Winter Classic for hockey, and he was also responsible, in large part, for unifying the Triple Crown back on NBC.

Jon.

**Mr. Jon Miller:** Thanks, Amy.

That’s nice. Sometimes, I always wish my parents could hear those intros, but thanks very much for having me.

I’m joined here by Gary Quinn, who you know, who is really the guy who works with me day-to-day on horse racing as well as a lot of other programming but is our day-to-day point person on making sure that the sport really thrives on NBC and the NBC Sports Group.

I also wanna say hi to Peter.

Sorry I couldn’t be with you in person.

Trust me, I would much rather be in Arizona than be at 30 Rock around Christmas time.

It’s a little bit crazy here.

In horse racing parlance, it’s very tough getting out of the starting gate here because of all the people here.

I’m excited to join you and talk to you today and share a little bit with you about our strategy and why we think horse racing is not only a fundamental part of what we do, but we think it’s a thriving sport on NBC, one that we’re continuing to invest in.

I’ll get into that a little bit later on in our presentation.
Like any television executive, when we do a presentation, the best way to give you a little bit of background on what we are and what we do is to start off with a piece of video, so this is a little bit about what is NBC Sports.

[Video]

**Narrator:** Home of two 24-hour sports networks, an ever-expanding digital presence, and the biggest events in sports, NBC is home to America’s number one primetime show six years running.

Sunday night football, Thursday night football, and next February, the NFL season culminates on NBC with Super Bowl LII.

**Male Voice:** That’s insane.

**Narrator:** NBC Sports is also the premier destination for NHL fans with exclusive coverage of the Stanley Cup playoffs.

**Male Voice:** The Pittsburgh Penguins have won the Stanley Cup.

**Narrator:** The home of motorsports and the NASCAR playoffs and college football’s most storied program.

**Male Voice:** Here come the Irish.

**Narrator:** We spawn the cultural phenomenon with the Premier League covering every game, every team, every week.

**Male Voice:** Chelsea are the Premier League champions.

**Narrator:** We have more live golf coverage than every other network combined including the Open Championship for the next 12 years.

The world’s top Thoroughbreds race in the richest event in American horse racing, the Breeders’ Cup.

Every spring, NBC Sports delivers the defining moments of horse racing’s Triple Crown.

**Male Voice:** Always Dreaming has won the Kentucky Derby.
Narrator: Next February, we are home to the one event that unites the world: the stories, the athletes, the dreamers, the excitement, the 2018 Winter Olympics.

Male Voice: Shiffrin wins gold for the U.S.

Male Voice: T.J. Oshie can win it here.

Score.

Narrator: The NBC Sports Group, home to the biggest events in sports.

[Video Ends]

Mr. Jon Miller: That'll give you a rough idea of the content that we manage here at NBC Sports, and this is what I call the placemat.

This shows you all the different brands and the different iconic events that we have.

One of the things that you will see here and it’s very important to us is exclusivity.

We are big believers that when we can get a property exclusively, we can really super serve that fan, so whether that’s having the NHL, whether that’s having all of the Premier League, whether that’s having the second half of the NASCAR season, whether that’s owning the sport of cycling with the Tour de France in La Vuelta, or what we do in golf with the Open Championship in the Golf channel, and especially what we do in horse racing.

In horse racing, we feel we own that sport, and the fan of horse racing knows to come to NBC and the NBC Sports Group to find the best production, the best storytelling, and certainly, the best events.

Leading the charge, obviously here, is the Olympics where we own possibly the biggest, single entertainment property in the world and the Olympics and everything flows from there.

These properties all get cross-promoted and cross-pollinated across the NBC Sports Group.
The NBC Sports Group doesn’t just include NBC, the broadcast network, and NBC Sports Network, the cable network that’s in 85 million homes; we have ten regional sports networks in major markets across the country.

We have 210 affiliates.

We have a very strong digital presence with nbcsports.com.

We have an app where you can see everything that’s on our air on a TV-everywhere basis, the NBC Sports app.

We have a new direct to consumer platform called NBC Gold.

We have a Spanish-language broadcast network in Telemundo.

We also have a Spanish-language cable network that we work closely with at NBCUniversal, so there’s a lot of different ways that we get our message and our story out but we use these assets as well as the overall assets of NBCUniversal to cross-pollinate.

One of the things that we are big believers in are long-term partnerships.

That’s the next graphic.

You can see this timeline here.

We have in our portfolio a lot of deals that go out a long time.

The NHL deal was done in 2011.

It goes through 2021, as does the PGA Tour deal.

Both of those were ten-year deals.

The NFL deal was a nine-year deal and you can see on down the road.

Our longest running deal is the Olympics, which goes all the way out ‘til 2032, and the Ryder Cup in golf, which goes out ‘til 2030, but several other properties are 10- and 12-year arrangements.

The benefit of having long-term commitments and long-term partnerships are that you really get to get the company to invest in the property and people begin to know where to look and where to go for those properties.
Notre Dame football, for example, has been on our air since 1991.

It celebrated its 25th anniversary with us last year.

We have the World Cup Soccer, the Spanish-language rights to the World Cup now out through 2026.

Because of the investments and the way we helped grow the Premier League when we first got it in 2013, a sport that normally only does three-year deals around the world agreed to do a six-year deal with us, so our deal with the Premier League goes out ‘til 2022.

This kind of longevity helps us in another way, as well, in that NBCSN, which is our cable network, which is a pay cable service, we’re able to deliver to distributors and cable providers a long-term view of the future so they know what they’re investing in.

That also helps us grow our properties.

When it comes to our horse racing portfolio, it’s one of the things that I think that we’re most proud of.

When NBC was acquired by Comcast in 2011-12, we had a total of 23 hours of horse racing on the air largely composed of the Triple Crown properties: the Derby, the Preakness, and the Belmont, which all took place in the spring.

Shortly thereafter through Peter Rotondo’s help, quite honestly, we were able to acquire the Breeders’ Cup, and all that — that entailed, and all the shoulder programming around the Breeders’ Cup that we did.

We created a series called the Belmont to the Breeders’ Cup, which took us, then, all the way from the middle of June with the Belmont right up through November with the Breeders’ Cup, so you can see how the rest of horse racing filled in.

We added things like the Travers up at Saratoga.

We added the Haskell.

We added the Stars & Stripes at Belmont, so we really grew that a lot.
We also had a lot of free derby events in the road to the Derby that encompassed the Santa Anita Derby, the Wood, et cetera.

Then, just this past year, we’ve acquired and built our horse racing portfolio even more by adding the Epsom Derby, the Melbourne Cup, the Pegasus Cup in January down in Gulf Stream, and Royal Ascot in June, which is a five-day meet, which is a huge event over in the UK.

That’s now our horse racing portfolio.

We have gone from 23 hours in 2011 and 2012 to 85 broadcast hours of live racing on NBC and NBCSN.

We’re no longer just airing races here in the U.S., but we’re airing races live from around the world.

I think by messaging this to the community, not only the horse racing community but the sports writing community as well as the sponsorship and advertising community, we’ve demonstrated that we feel that the sport is on the rise and is very, very strong, so you can see here our commitment on that slide.

The only two months that we don’t have horse racing are December and February, so we are ten months of the year with horse racing.

**Mr. Gary Quinn:** Yeah, I think the only thing I would add, Jon, is that we just completed the largest and most extensive horse racing programming schedule in the history of U.S. television in 2017.

We plan to mirror that in 2018, as well.

**Mr. Jon Miller:** One of the things that NBC is most well-known for with our properties and our partnerships and one of the reasons why we have so many long-term deals and partners stay with us for a long time is the way we promote these sports and these brands.

Our feeling is it’s not important for us to promote NBC.

It’s important for us to promote our properties, so we promote the Triple Crown, the Derby, the Preakness, and the Belmont.

We promote the Breeders’ Cup.
We promote Royal Ascot, Dubai, Epsom Derby. Here’s an example of a promo that we broke last spring that we aired throughout the year to basically showcase the NBC horse racing portfolio.

[Video showcasing horse racing on NBC]

**Narrator:** While many wait for that first Saturday in May, we know that the fanfare and adrenalin of our great sport stretches from coast to coast all year long, and we will collectively experience the spectacle.

**Male Voice:** They’re off in the Kentucky Derby.

They’re off in the Preakness.

**Male Voice:** Okay, American Pharoah has won the Triple Crown and that was in the stretch.

**Narrator:** Now, we will share in your glamour and intrigue of the most prestigious events beyond our borders, so lean in, find the edge of your seat because we’re just getting started.

[Video Ends]

**Mr. Jon Miller:** I think that promo shows you the level of commitment that we put against the properties, and we were paid off handsomely in ratings.

I’ve got some stats here in front of me.

I don’t know how much you all follow ratings, but to give you an example, this year’s Triple Crown reached nearly 27 million people across the three races.

The Breeders’ Cup Challenge series, which is that series of races that we run from June right up until the Breeders’ Cup, reached 8.5 million unique viewers, and this last month, at the Breeders’ Cup at Del Mar, which did a spectacular job with the Breeders’ Cup, we had over 5 million viewers just on that Breeders’ Cup alone, which is just an enormous number to get for that event.

We’re very bullish on this sport.

We continue to look for opportunities to invest. We think storytelling is a big part of why horse racing is so popular.
It also reaches across different demographics.

The Derby, for example, has an audience that’s comprised of almost 50 percent female.

The only other sport that reaches that is the Olympics so we try to take that into account.

Every race has close to 30 stories that you can choose from between the jockeys, the owners, the pedigree, the horses, the trainers, the track, itself, so the sport lends itself to great storytelling and that’s something that Rob Highland, who’s our executive producer of horse racing and his team of which Amy’s a key, integral part of that team, that’s one of the things they do so well.

That’s basically an overview of where we are and how we feel about the sport.

Amy, I'll throw it back to you and Peter, and open it up for questions or discussion points.

Ms. Amy Zimmerman: Jon, just one question for you from myself is what are the demographics for our viewers look like and what do you want them to be?

You mentioned about the female but a lot of the talk in racing, oftentimes, is our demographic is older. Can you —

Mr. Jon Miller: It is older and that’s a challenge.

They’re certain demographics that watch certain sports.

For example, baseball averages a viewer who’s over 60 years old.

The NFL is in the mid-50’s.

Hockey is in the late 40’s.

NASCAR is in the high 50’s, early 60’s.

Horse racing is right in that late 50’s demographic and we’re trying to get it younger.
It’s certainly more female.

The great thing about horse racing is there’s horse racing on every day of the year from a track somewhere around, not only the U.S. but somewhere around the world, but there are only a few distinct, special grade 1 events that really rise to the level of deserving of this kind of treatment that you see here.

It’s part of our job to get those stories out there, and make them interesting and exciting, and getting people to engage.

It is a question of how do you get younger people to the track.

I think a lot of it is through promotion and storytelling and showing how cool it is, but also I think the ADWs have made it a lot easier for people to engage and bet.

I think that’s a big factor in helping to grow the sport.

I like to tell people that I think horse racing is the ultimate fantasy sport.

It’s pari-mutuel betting.

You can do all kinds of research on it.

You’re betting against other people.

You can be awarded for the amount of work and the amount of effort you put in or you can pick horses on their colors, or their jockeys, or whatever you want to, so there’s a lot of ways to get into it.

As gambling in ADWs become more and more prevalent and easier to use, we’re hopeful that that’s gonna make the sport younger.

**Ms. Amy Zimmerman:** Thanks very much.

I know that you’ve got an appointment in New York.

Does anybody have any questions for Jon?

If you do, please come up to the microphone so we can hear you.
Okay, Jon and GQ, thank you, guys, very much.

We’ll see you down the road.

**Mr. Jon Miller:** Our pleasure.

Thanks very much for including us.

**Mr. Gary Quinn:** Thanks, guys.

**Mr. Jon Miller:** Bye-bye.

**Mr. Gary Quinn:** Thank you.

**Ms. Amy Zimmerman:** Thanks, guys.

Okay, that is the NBC network overview.

I’m very, very pleased to be joined by Peter Rotondo who’s the vice president of media and entertainment and is responsible for the Breeders’ Cup and the Breeders’ Cup Challenge series and Jesse Chemtob.

He’s the director of business development for TVG.

He’s responsible for growing the reach and distribution of both TVG and TVG2.

Gentleman, how does racing get on television from your perspective?

**Mr. Peter Rotondo:** Well, do you wanna go first?

I’ll take it.

As far as Breeders’ Cup point of view, we sit down with NBC every year, try to come up with this Breeders’ Cup Challenge series.

Now, Breeders’ Cup Challenge series started in 2007 with ESPN back in those days.

Then, as we transitioned over to NBC, we had a couple of down years where we really didn’t have much on TV, Breeders’ Cup wise.
Then, we got with NBC, Gary Quinn, those guys right there, and Jon Miller to come up with the series.

Basically, we sit down with all the race tracks that have big events with big, packed venues.

The idea was, in the old days with ESPN, we would put on a race just to have a race on television.

Right?

And it didn’t seem, at the end of the day when you looked back, was it worth the investment to put on?

Some of these races had empty grandstands.

Right?

Is that really what you wanna show if you’re gonna spend significant production dollars and promotion to the masses?

The answer’s no.

**Ms. Amy Zimmerman:** Talk about the production dollars.

I think there’s a fallacy among a lot of people that when NBC puts on the Breeders’ Cup Challenge series or if NYRA puts on Fox that there’s an enormous amount of money that’s paid from the network to the race tracks or to Breeders’ Cup to make that happen.

**Mr. Peter Rotondo:** Right.

**Ms. Amy Zimmerman:** The reality of the situation is...

**Mr. Peter Rotondo:** Yeah, it’s the reverse commute when it comes to let’s say the Challenge series.

Right?

We’re paying the production.

We get to keep all the advertising, which is important because that’s how we grow our sponsorship platform.
Again, in the old, old days when there was only a couple of Breeders’ Cup, those two days or really one day, we only had that one day to try to sell to sponsors.

Now, we’ve developed a season that starts in June, an actual real season, right, from the Belmont stakes as soon as — on the undercard is the first Challenge race of the year all the way to the Breeders’ Cup.

While we pay production, we keep the ads and that helps us grow the sponsorship platform for six months.

That’s, obviously, very important and helps pay for the shows.

However, yes, of course, there isn’t a rights fee situation as of yet and we hope, in the future, there will be as the ratings continue to grow and they are on the upswing, which is obviously encouraging.

**Mr. Jesse Chemtob:** Yeah, and for us at TVG, obviously, we’re the racing channel, so it’s a core part of our business in terms how races get on television.

For us, when we do our deals with our track partners and the like, we’re working out the wagering deals and the television deals, as well, and we work hard to try to figure out exactly how to place the races.

I know there’s sometimes complaints on the split screen and why are you showing this track over another, but the guys in the control room really try to do their best given what we’re contractually obligated to show and what we wanna show to the viewer.

While we try to work as hard as we can with the tracks to not to run on top of each other, ultimately, it’s really up to them as to when the races go off.

We really try to do our best to provide a really good experience to the viewer.

**Ms. Amy Zimmerman:** Jesse, why don’t you talk a little bit about TVG and their commitment to HD and how the tracks’ production quality impacts those decisions?

**Mr. Jesse Chemtob:** Yeah, so HD is a big deal for us.
In 2014-2015, we spent a lot of money investing in HD infrastructure via at the studio, cameras, the whole nine from a production perspective.

I was in the panel earlier, I was watching the panel earlier on handle stagnation and it was interesting that was brought up was that previous tracks used to attempt to stand out by providing better quality signals.

Now, the tracks are really standing out by not doing so.

We’re really hopeful that as technology improves and becomes more efficient to implement that, more and more tracks will be able to provide HD signals cuz we’re really gonna go heavy-handed in 2018 trying to get our cable and satellite affiliates to carry us in HD.

We just lit up a HD satellite signal on the 1st of this month, so we’re really pushing hard on this front to provide a better quality picture.

**Ms. Amy Zimmerman:** Peter, the HD and the production capabilities of the track also factor into it when you stack up your Breeders’ Cup Challenge series.

**Mr. Peter Rotondo:** Yeah, it’s no doubt.

I mean working at NYRA, for example, they’re equipment has been upgraded to the point where it’s such a pleasure to go there, there’s cost savings, and the idea is it just makes everything easier and helps on the production side as far as the costs go.

That’s key.

There are very few tracks these days that we actually show up and they’re not running in HD, but the ones that aren’t, it’s a struggle to get it looking the way you want it.

**Ms. Amy Zimmerman:** Let’s talk about, a little bit, first, from the Breeders’ Cup perspective.

What are your goals?

Is it handle?

Is it exposure?
Is it to feed that advertising sponsorship chain?

Mr. Peter Rotondo: Well, first off, I’d say for the Breeders’ Cup Challenge series, right, it’s like our platform to promote everything we do, right, from the Challenge, itself, which, of course, if you don’t know what it is, it’s the winning year-end program.

Again, back in the ESPN days, we sort of came up with the idea.

When certain horses would win certain races and our producer would say, “How come this horse isn’t actually in the Breeders’ Cup?

He just won this big race.”

Then, you try to explain a point system and it got confusing.

The idea is that we just came out with a pretty easy term, win and you’re in, and it took off from there.

That was ten years ago.

Now, it’s part of the vernacular, right, I mean the idea these horsemen are pointing towards these races.

The fans understand it. It’s so simple.

We wanted to get that message across.

First and foremost, we wanna get the Breeders’ Cup brand out there starting in June through the Challenge program.

Then, we have sponsors, as I mentioned earlier.

That’s gonna help fund everything we do, not only in the Challenge series as far as the money that they help pay for the shows, but then go ahead and spend dollars to promote the shows, as well, so it’s a win on both ends.

I feel like, ultimately, between sponsorship, the Challenge platform, that gives us that six-month run-up to the Breeders’ Cup and actually creates a season, which there wasn’t in the past.

Ms. Amy Zimmerman: Jesse, I’m assuming that your goals are quite obvious.
It’s handle and it’s all about handle.

**Mr. Jesse Chemtob:** Yeah, I think, obviously, we operate in ADW in addition to the two television networks and handle’s the primary objective.

Another big objective for us is to really generate fans and promote the industry, generate exposure for the sport, make sure that people are aware that you can watch the races every day that there’s something to bet on every day.

From a sponsorship and advertising perspective, while we have a lot of really great industry partners, we really look at the networks as a means to drive mostly handle for us but also our track partners and horsemen, as well.

**Ms. Amy Zimmerman:** This is to both you guys.

Is there a conflict if a race is on NBC or NBCSN and Breeders’ Cup Challenge series and it is on TVG?

**Mr. Peter Rotondo:** No.

Again, back to the ESPN days, there was a big conflict and it was exclusive.

Now, Jon mentioned he wants exclusive contracts for NBC and he does and he gets them on the big, big races, right, the Triple Crown and the Breeders’ Cup, itself, Breeders’ Cup Classic.

As far as the Challenge series, to make it happen, to get it on television, we had to be non-exclusive workin’ with TVG and the track partners.

If we have a race on NBC or NBCSN, the only other place it can air live is on TVG, so we all work together to make sure of that cuz, of course, NBC understands there’s a business here and the business is betting.

We wanna make sure that those races go far and wide.

**Mr. Jesse Chemtob:** Yeah, and I think we’re happy to support whenever we’re able to show the races, and we’re happy to be a partner to support the Breeders’ Cup.

**Mr. Peter Rotondo:** Yeah, and TVG and NBC work hand in hand when they’re onsite together.
For example, Del Mar — Del Mar does not have a TV department.

It’s TVG.

TVG’s their television department, so this year, when the Breeders’ Cup showed up for the first time, we worked hand in hand with TVG on every production, behind the scenes, on setting up the race track, and onsite surveys, and everything.

It couldn’t have gone any better.

I mean if you think about it, as we’ve heard I’m sure through these couple days and in the past, tracks working together doesn’t happen all the time.

Everyone’s in conflict with many.

When it comes to this world, it’s actually a love fest.

The tracks work with us great.

We’re putting their races on the air.

They’re getting epic exposure, the handle usually increases on these races, TVG’s involved on some level, as well, so it actually works.

It works pretty well.

**Mr. Jesse Chemtob:** I think so long as growing viewership, we’re happy to grow the sport and handle as a result.

**Ms. Amy Zimmerman:** To that point, Peter, how do you judge success on the Breeders’ Cup Challenge series?

I mean Jon mentioned ratings of 8.5 million.

I mean do you look at ratings, or do you look handle, or do you look at exposure, or all of the above?

**Mr. Peter Rotondo:** Yeah.

The word ratings is sort of a thing of the past.
Right?

It’s going away.

I mean the idea is the content is available in many places.

Right?

Ratings, not so much.

Total eyeballs, what they call it now, total audience delivery.

There’s all these different ways to get the signal.

For example,— I just made a note so I’d remember it — if you’re at home on the weekend watching NBC or NBCSN on TV, it’s actually also available on their app, which is available on your iPhone, Android, Amazon Fire, Apple TV, Chromecast, Roku, Win10, and Xbox.

That Challenge show from Saratoga that you’re watching is not just on channel four in New York, it’s literally on all of these different apps, which is where we’re going with everything and we’re positioned for it.

Working with NBC as a partner that already has these relationships in place is very important, especially for the Breeders’ Cup being what we are as a small two-day event that’s now the six-month season.

**Mr. Jesse Chemtob:** Yeah, for us, judging success, obviously, there’s racing on simulcast feeds online and on simulcast facilities on NBC, on TVG, so for us judging success, we really look at lift on the handle on particular days when we’re doing specific things.

We really use the power of TV to try to drive innovation from a betting perspective, and to keep people engaged, and to keep them churning, essentially.

We’ve done a lot of work.

We introduced the money-back special in Breeders’ Cup 2016.

We’ve actually given back over $2 million in money back to customers, which obviously keeps them churning.
We’ve also recently launched Super 8, which is a free essentially pick eight contest on Breeders’ Cup Saturday.

We had 20,000 people playing along with that. We think these things are ways that have an impact and drive innovation in the industry.

We’re judging success by essentially measuring incremental lift from those efforts.

Mr. Peter Rotondo: I should also mention that, of course, the shows we use to promote, besides the sponsors, our own programs.

This year, we had a new merchandise line that we even promoted every show to make sure that people knew to go to breederscupshop.com.

We just had a brand new merchandise line.

The sales, I wanna say they doubled year over year.

We did a new partner.

It was a great line.

You should check it out.

It’s the real deal.

The idea is we use those shows for that.

This year, we didn’t need to sell tickets to Del Mar because it was sold out pretty quick, but in the past, we’ll use the shows to sell tickets, and of course, you just saw the handicapping panel, horseplayers.com, which is our platform to qualify for the Breeders’ Cup Betting Challenge we used.

A couple of times on NBC, I may have not told the guys at horseplayers.com we were about to promote it, and they almost took the site down a couple times as far as that much traffic went to it.

That just shows you live sports, and live TV, and live horse racing, people are watching it.
**Ms. Amy Zimmerman:** How important, with all of the other options out there, how important is what you would term the traditional still linear channel?

**Mr. Peter Rotondo:** It’s very important.

At the end of the day, live sports television is what people watch on live TV. Right?

I don’t watch much television anymore just because of I am living on the iPhone.

I’m on the phone way too much, but if I’m gonna watch TV, I’m gonna watch a live sporting event.

While a lot of folks like to say that TV is dead or dying or whatever, I think we’re far away from that, especially in the television realm.

**Mr. Jesse Chemtob:** Yeah, I think it’s still a really important part of the ecosystem for showing the races.

I believe there was some Nielsen numbers that came out recently that actually shows something particularly interesting for us given the demographic of an older audience, that traditional television viewing hours amongst the older audience are flat to declining very little, whereas the younger demographics are declining quite a bit in terms of their hours of traditional television viewing.

I think where it really poses an issue for the industry, at large, is if we’re unable to capture the audience of the younger demographic, what will happen?

If we’re really not in those places where people are consuming content aside from the traditional TV experience, then we’re gonna be in a bad situation.

**Ms. Amy Zimmerman:** I was telling Peter earlier that I saw an interesting stat about a week and a half ago.

It said that 300,000 people had streamed the Thursday night football game on Amazon and what a great number that was.

Then, in the next sentence, it said 14 million people watched it on NBC.
I can only speak for myself, but I’m of the strong belief that traditional television is indeed a dinosaur but I don’t believe it’ll be extinct within the course of my career and it’s still the largest animal roaming the Earth.

To that point, what is the future?

I mean is it just live racing content or is it other programming, and on what platform does that view?

**Mr. Jesse Chemtob:** Yeah.

I think the future is aligned with what we’re talking about, which is still maintaining the traditional TV footprint as that’s where the largest audience is and the most eyeballs but making sure we’re delivering the content to the audience in the easiest way for them to consume it.

TVG and TVG2, for instance, will be available on Amazon Fire, and Apply TV, and Roku devices soon.

We’re really just trying to extend the reach of the linear networks and make sure that people can access it how they choose.

**Mr. Peter Rotondo:** Yeah.

The content, itself, I agree with you 100 percent.

The idea that when it’s on TV, it’s also that, really, it’s living on your phone, as well.

That’s where the content is. It can be everywhere.

You still have to have the base production to get it out there and then just have it in various places.

Live racing content isn’t the only thing.

We need to tell the stories.

I mean if you look at what goes viral and in videos that are being produced, it’s not necessarily a race unless some dramatic move happens or something crazy happens in a race.
It’s the stories.

It’s about the trainers.

It’s the owners.

It’s the horseplayers tryin’ to go for that million-dollar score.

Those stories need to be created and they have to run side by side.

That’s why social media’s so important in everything we’re doing these days cuz you can be watching the live race and side by side, you’re watching this ancillary content.

I think, together, that’s what’s gonna keep us moving forward.

**Mr. Jesse Chemtob:** One more thing to add just going back to the HD point in terms of where do we go with the content, TVG isn’t carried largely in HD on most of the cable and satellite operators.

I think once we’re able to get a critical mass of HD carriers, I think we’ll be able to compete with the other major sports.

We’re the only major sport that isn’t carried in HD widely on a yearlong basis.

Obviously, NBC and NBCSN are well covered in that regard, but I think that will have an impact on growing the interest in the sport because, quite frankly, it’s just a subpar product when it comes to the quality of the signal currently.

**Mr. Peter Rotondo:** Sure.

**Ms. Amy Zimmerman:** What does that future look like as far as timetable?

**Mr. Jesse Chemtob:** Like I said earlier, we now have an HD satellite signal available to provide to these cable and satellite affiliates.

I think next year will be a critical year to push that effort and get that over the line to as many people as possible.

**Ms. Amy Zimmerman:** Can you also, Jesse, just speak for a moment about what is involved in the distribution of a signal?
I mean I know from when HRTV, which is now TVG2, we weren’t available on Direct TV.

A lot of people thought it was the lack of desire to actually have that take place. Can you talk through that?

**Mr. Jesse Chemtob:** Yeah, that’s definitely not the case.

There’s a huge desire on our part to be in as many homes as possible but there’s a competing interest at stake.

When you look at the ecosystem with the major cable and satellite providers, they’re in a situation where they’re getting a lot of competition from these skinny bundles and internet-only offerings.

Some of them are going into that space, as well.

What you see, actually, is you’re seeing less channels being offered, so you have your traditional cable and satellite lineups that have hundreds of channels and all indicators are showing that consumers want less choice.

We have an issue where I have conversations with lots of distributors and they’re difficult conversations to have because we wanna grow and expand the viewership and they really aren’t interested in doing so from a pretty anecdotal perspective.

Yeah.

We’re confident that, next year, we’ll see some movement in this space and hopefully, we’ll have some better news next year when it comes to expanding distribution, but we’re still in 45 million homes.

It’s not declining, for the most part.

**Ms. Amy Zimmerman:** Yeah.

One thing that TVG does not necessarily get enough credit for is that they truly are the NFL Network, the NBA Network, the NBA for horse racing.

We sometimes bemoan that we’re the second-class citizens of the sporting world but we’re also the only sport that has not one but two national networks.
Mr. Jesse Chemtob: Yeah.

I think with HRTV, which is now TVG2, we’ve really been able to televise a lot more races and bring tens of thousands of more races live to customers or players.

I mean I think it’s around 8,000 hours of live sports programming.

I know Kevin and guys in TV are also doing a lot of work on what you were talking about: building storylines, a lot of the morning shows, the works program, Starting Gate.

A lot of that is around trying to build this story and not just show only races.

Mr. Peter Rotondo: Mm-hmm.

That’s important.

Yeah.

Ms. Amy Zimmerman: Does anybody have any questions?

Come on up, please.

Oh oh.

Mr. Peter Rotondo: We’re in trouble.

Audience Member: Too tall.

How do you see social live streaming fitting into the TV ecosystem and specifically, how much TV content should be shared with social teams and how much social content should be shared with TV teams?

How do those two work together?

Mr. Peter Rotondo: Well, I think we’re experimenting now on it.

This year, at Breeders’ Cup, we streamed on Facebook Live, on YouTube The Player show, the simulcast show, for most of the days on Friday and Saturday just to experiment to see how many people would tune in there
and as well as we had it on breederscup.com while the NBC feed is on the app and on NBC.

Talk about being everywhere except for the Classic hour, of course, cuz that was on the network and we had to make sure that the only place you could find it is on NBC.

We found that while the numbers were okay, 50,000, 80,000 Friday and Saturday, it —

Ms. Amy Zimmerman: Is that unique?

Mr. Peter Rotondo: Yeah, views as Facebook would say.

It affected the overall engagement.

In other words, it was just the stream that was living there for two days.

It wasn’t exactly what we thought it could’ve been, which would’ve been everyone would just jump on Facebook and start talkin’ to each other about what they were watching.

I think we still need to figure that out a little bit more and play with that.

On the other hand, so with NBC, the way it works, as well, at Breeders’ Cup, I’ll reach out to production and they’ll create all these features I’m talkin’ about like the open for the show, which was amazing, right, a feature on Bob Baffert and Mike Smith on the beach with Jerry Baily.

All of these different stories, we ask for them in advance, so they will give ‘em to us and we will push them out on social to use as teasers for tune-in.

Now, you’re on your Twitter feed or you’re on Facebook and you’ll see these features and it’s all to drive tune-in.

I think social is very important in keeping people aware, where to find the races cuz as we know, it’s not consistent on NBC enough, in a sense. Right?

We’re not on every Saturday for 16 weeks like the NFL or whatever.

It is also on TVG most of the time, so you have to make sure you tell people where it is and you need good content to push out to get there. When you
have a partner like NBC creating really the best, you gotta use it if it’s at your disposal.

**Ms. Amy Zimmerman:** What about for TVG?

**Mr. Jesse Chemtob:** Yeah, so we try to weave the social content into the television programming.

I’m sure some of you have seen this with — we’ll actually show tweets on the touchscreen in the studio.

We also do a fair amount of sharing of talent tickets, so our TVG talent will make their picks and then that gets shared and proliferated online.

Yeah, there’s definitely an engaged and sticky audience on Twitter and Facebook that’s really looking for this type of content.

I think we try to do our best of making sure that our marketing efforts, the news in the industry, and what we’re showing on the network are fully integrated across television and social.

**Ms. Amy Zimmerman:** Any other questions? Please.

**Audience Member:** My question’s for Pete and Amy, actually.

When you guys have the hour to showcase racing on TV, what would you say is your magic formula or perfect formula for showcasing this sport and meeting your objectives, as well?

How much of it is impacting and wagering?

How much of it is storytelling?

What other content elements are there?

**Mr. Peter Rotondo:** It depends on the budget of that show.

I mean, obviously, the Kentucky Derby, they’re all in on that.

That’s huge production budgets.

They have huge teams putting together those shows.
I don’t work on the Derby, but, of course, as you watch it at home, you see all the stories and that’s what it’s about.

It’s the tradition of the Derby, and all of the fashion, and the whole nine yards.

When we’re showing the Woodward on Labor Day weekend, it’s a little more bare-bones production.

It’s like we’re here at Saratoga; we’ll show Saratoga off a little bit, but we have Gun Runner and we’ve been following him all year.

Let’s show Gun Runner as much as humanly possible on the screen and of course, get some betting advice before post.

I feel like there’s different formulas for different shows, which I know it’s not the right answer, per se, but that’s really the way it works, in my opinion.

**Ms. Amy Zimmerman:** The Derby’s a show onto itself.

It’s the largest show that NBC does with the exception of the Olympics.

There’s 240, approximately, people that work on it.

It’s 50 cameras.

It is a bigger show than the Super Bowl, so that has it’s own special show. It’s basically a two and a half hour studio show for a two and a half minute live sporting event.

The Breeders’ Cup Challenge series is a little different.

Usually, those are 60-minute shows with two live races.

The way that that traditionally would lay out is first race will happen at ten minutes after the hour, will not show the post parade, will come on with that race a little bit of what the show is going to be, we’ll run that race, wrap that up, and then move into the next race.

Ideally, you’d like to have a feature or two, some handicapping, the post parade for the next race, run that race, conclude it, and get off the air clean.

I’m not sure if that answers your question or not but that’s your format.
Anybody else?

Please.

**Audience Member:** Getting back to traditional TV for Jesse over there, most here disagrees with the cable alone.

Do you do any over the air?

**Mr. Jesse Chemtob:** Over the air in what?

**Audience Member:** On a digital antenna.

**Mr. Jesse Chemtob:** Digital antenna.

I don’t believe so.

I think it’s all through cable and satellite providers.

**Audience Member:** I asked because I do.

That’s why I’m asking you the question.

Pete’s been on there 17 times.

He knows Apple TV.

He did those shows and tracked the media.

Then, I’ll be able to find.

**Mr. Jesse Chemtob:** Sure.

**Audience Member:** Your guys, go home and tell ‘em, “You do a great job.” I’m just curious here.

**Mr. Jesse Chemtob:** Yeah.

I think from over the air, you mean with just a basic two —

**Audience Member:** No, I mean you can plug in a digital antenna box or a channel.
**Mr. Jesse Chemtob:** Right, okay.

Yeah, we’re not carried that way, although that would be awesome.

**Audience Member:** It’s a little awesome way to play.

I mean they’re from upstate New York.

**Mr. Jesse Chemtob:** Got it.

**Audience Member:** We reach out through different and we do that 362 days a year just like you do.

**Mr. Jesse Chemtob:** Cool.

Okay.

I’ll have to check it out.

**Audience Member:** Oh, when I’m around, you can check it out any time you want.

**Mr. Peter Rotondo:** Yeah, the only other thing I’m thinking about is to TV or not TV, we’re talking about, really, horse racing, the live races, for the most part, but there is other shows, per se, that could be out there.

Right?

I mean I know I did a show a couple years ago or a reality show about horseplayers.

**Ms. Amy Zimmerman:** They’re still on Delta.

**Mr. Peter Rotondo:** Yeah, that’s right, forever on Delta.

That show, well, luckily, I guess Esquire never put up money, right, for that show.

They had huge budgets to produce ten episodes.

While not a lot of people watched it, in theory, right, cuz it wasn’t renewed, a lot of horse racing people watched it.
They might’ve told their friends or something.

What I’m trying to say is it was different content to promote the sport that actually had a difference.

Right?

You saw the panel before, the handicapping tournaments, the NHC Tour when up 50 percent year over year during the show.

Anecdotally from all the cast members, we still will get stopped everywhere we go at the different tracks.

**Ms. Amy Zimmerman:** They see you on Delta.

**Mr. Peter Rotondo:** That’s right.

They say, “You’re the reason we got into these handicapping tournaments. You’re the reason I started buying horses.”

There’s one stable out there.

It still means a lot.

Back to what Amy was saying, I think it comes down to budgets on some level, but the more we can do outside the traditional, just the races, and keep workin’ on tryin’ to find partners that are interested in doing that is important like the other sports do.

I mean the NFL has on HBO where they go *Hard Knocks*.

**Ms. Amy Zimmerman:** Their first series.

**Mr. Peter Rotondo:** Even boxing, 24/7, right, to get those ready for the fights.

In a perfect world, we would have that leading to the Derby and the Breeders’ Cup.

Right?
We’re out there constantly tryin’ to find partners and sponsors to figure out how to create some more of that programming.

**Ms. Amy Zimmerman:** Anybody else?

Gentlemen, anything I forgot?

**Mr. Jesse Chemtob:** No, I think we’re good.

**Ms. Amy Zimmerman:** Alright, good.

Thank you, guys, very much.

**Mr. Jesse Chemtob:** Thank you for having us.