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INTERVIEW

Geoff Moore, Chief Marketing Officer Circuit of the Americas

Todd Koesters

University of South Carolina

Currently being constructed in Austin, Texas, Circuit of the Americas (CoTA) is a multi-purpose facility that includes a 3.4 mile Grand Prix racetrack which will host the return of Formula 1 racing to the United States with the Formula 1 United States Grand Prix on November 18, 2012. In addition to the Formula 1 race, CoTA has signed long-term racing agreements with MotoGP and Australian V8 Supercars to host annual races at the venue. CoTA recently hired Geoff Moore as its Chief Marketing Officer as it prepares to market its upcoming race schedule. *JVEM* discussed Mr. Moore's transition to CoTA from the Dallas Stars and the challenges he faces in marketing international events at a newly constructed venue.

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Can you first discuss your career path?

As I left Baylor's MBA program, all my friends had great jobs lined up with companies like Enron and Arthur Anderson. I was not so lucky. So, I went out searching for a job and after a few months I had to make a choice between a lucrative job selling air freight to corporations or become an intern for the Dallas International Sports Commission (a non-profit commission set up to attract sports events). Luckily, I hate money and love sports, so I took the internship. The main

reason I took the job was because my older brother gave me some very simple advice pursue what you love and you'll always be successful. He was right. I tell that to every young person who asks for advice.

The last project I worked on for the Sports Commission was working on the relocation of the Minnesota North Stars to Dallas. Roger Staubach was one of our Board members and he was key to making it happen. I had quite a bit of contact with the Stars owner, Norm Green, during that process and he hired me at lunch the day after the agreement was signed.

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Why did you leave the Dallas Stars and American Airlines Center for CoTA?

I was the first employee ever hired by the Dallas Stars. I had been there for over 18 years and had done just about everything I could do there and had every experience (good and bad) a team has to offer. The team was for sale and had been taken over by venture capitalists, or as some people would call them “vulture” capitalists, that had purchased the debt from the lenders. They were holding the team in limbo waiting for the best time to sell it. It was difficult seeing the team you had given yourself to for 18 years have the life sucked out of it.

So, when a recruiter told me about the CoTA opportunity, I was intrigued. I liked the idea of a new challenge. Working with a start-up company was similar to the great opportunities I had with the Sports Commission and the Stars, but moving to motor sports and working for a facility (instead of a team) were big changes. Over the past few years, I spoke to a few of my employees as they had job opportunities presented to them. We always discussed growing through new challenges, whether that was with their new opportunity or growing in their current positions. Upon reflection, I decided to take my own advice and leave the comfortable position I had with the Stars and meet new people and learn new things. It has been a wonderful experience.

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How are the jobs similar and how are they different?

The functional parts are similar (designing the sales and marketing department, recruiting staff, defining products and prices, etc). Changing sports and markets requires creating a lot of new relationships. Joining a company that is at a different part of their product life cycle is an interesting change. It is invigorating to be able to start from scratch. It is also very challenging. You look back and realize you had a lot of staff members who always knew what to do and think that maybe you took them for granted a little. It is also very rewarding to see the new opportunities they have with your departure. Also, working for a facility instead of a team is very different. At the facility, you want a great race, but you don't care who wins. With a team, you feel as though your life depends on your team winning. I remember the incredible joy of being in the locker room with my wife (who also worked for the team at the time) after the Stars won the Stanley Cup in 1999 in Buffalo. Almost a year later we experienced a deep depression after the New Jersey Devils beat the Stars in double Overtime of Game 6 of the Cup Finals in Dallas. That was heartbreaking.

Q In hockey you were dealing with a North American product and with Formula 1, MotoGP and V8 Supercars you are dealing with a global property. How does this impact your sales and marketing efforts?

A The Stars are definitely a local/regional product and the racing series CoTA has signed are popular internationally, but the challenge is the same. With the Stars, you are looking for the 75,000 ticket buying Stars fans per season inside a metro area of over 6,000,000. At CoTA, we are looking for 60,000 Formula 1 buying fans inside of a country of 320,000,000. How do you do it in either case? You look at the communications platforms available and determine the right mix to use (and the right timing) and the content necessary to deliver your message.

In both cases, you increasingly go after younger audiences with digital and social media because they are drawn more to content than advertising.

With an international marketplace, we will rely more on PR initiatives and advertising in targeted motor sports national publications and less on geography based platforms (billboards, regional cable schedules, etc.).

When you are marketing a team, you look at the peak games as great opportunities to draw casual fans to the arena. There might be 8-10 good opportunities out of 41 games. When you are a facility with three major annual events, you market them much differently. They have somewhat different audiences, different timelines, etc. Also, when you are the team, the team's current and historic performance and roster have a huge impact on the sales and marketing efforts. When you are the facility and event promoter, you are marketing the top drivers and teams—but you care about getting a great race more than who wins.

Q At the Stars you were there when they built a new venue. Now you are with a new venue. Both are considered multi-purpose venues, but how are they similar and how are they different?

A They are similar in that they are both best in class. The American Airlines Center (AAC) was a \$416 million project that covers 78 acres. It is as beautiful today as it was when it opened in 2001. CoTA is a \$300 million project that covers 350 acres (and we have the adjacent 800 acres to use as needed) and it is the first custom-built circuit in the United States to host a Formula 1 race. It will be the finest race track in America the day it is finished.

They are also very different. Arenas and stadiums are boxes built around the playing surface. The 3.4 mile road course that winds through the Circuit of The Americas creates an amazing amount of "ocean-front" property. It also creates an incredible amount of flexibility. If the market tells us that it wants more suites, we can add more suites before the next race. If the market wants fewer suites and more grandstand seats, we can make that change before the next race. At the AAC, they have a situation where, after ten seasons, they have too many suites. But, given the nature of arena construction, there is a significant capital expense to changing 25 suites to another product. So, arenas have more permanence and less flexibility.

The size and nature of CoTA makes it incredibly flexible in the types of events we can host. Of course

we can host any type of motorsports race. We also have a 20,000+ amphitheater, so mid- and large-scale concerts and festivals are going to be a big part of our schedule. We also have a Grand Plaza that is over four football fields long and two wide, so we can host large-scale sports or community events that need a lot of space.

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What have been the biggest challenges you've faced at each of the facilities?

At the Stars, the failing ownership situation and losing an entire season to the National Hockey League Lockout were the biggest challenges. For every team that has stable ownership, you should take this opportunity to go and hug that owner(s). Make it a big hug. And a long hug because those owners are invaluable for the employees, fans and the city. You don't know what you have until it is gone. When the head dies, the body falls. The Lockout was very difficult, but in a different way than some might think. We had a great leader, Jim Lites, who approached it with a solid plan. After it was clear that the Lockout was going to last for some time, we made very painful decisions to immediately reduce our staff by 33% and reduce the salaries of all remaining staff (employees who made less than \$50,000 were not reduced and employees who made over \$200,000 were reduced by 25%—with different levels in between). We then promised that no further reductions of any kind would be made. We didn't lose any employees after that and we got some good ones back after the Lockout ended.

With CoTA, the biggest challenge is getting such a unique product communicated to a wide audience. Formula 1 and MotoGP have rabid fan bases in America. We have to find a way to talk to the 10,000,000 Formula 1 fans in the United States and get 120,000 of them to attend our race. I like our chances.

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Finally, what is the best thing about working in sports?

The best thing about working in sports is the dynamic environment appeals to young and internally motivated people (they want to contribute to something larger than themselves). The competitive nature of sports shapes all facets of the teams, events and business. In over 20 years of working in sports, I have had about three days where I was not very busy and challenged. It keeps one engaged and highly motivated.