

SWOT Analysis

NASCAR is the largest form of auto racing here in America. The acronym itself stands for the National Association for Stock Car Auto Racing. The roots for the sport can be traced back to the moonshine running days in the 1930's and the 1940's. It soared to heights that rivaled NFL in terms of popularity in the early 2000s. Now, the league while still gathering interest has tapered off. This is due in large part to the politics inside the series as well as a loss in a younger demographic. NASCAR itself despite challenges has become the second most watched league in the nation, despite the decline in recent years.

Strengths	Weaknesses
<ul style="list-style-type: none">• Largest auto racing league in North America• Large TV Deal• Diverse Feeder Series'	<ul style="list-style-type: none">• Cooperate Sponsorship Loss• Complicated Rule System• Lack of NASCAR stars• Poor Younger Audience
Opportunities	Threats
<ul style="list-style-type: none">• Revised Race Schedule• Renegotiate Next TV Deal• Revise Sporting Rules• Increase Younger Demographic	<ul style="list-style-type: none">• Continued Growth by Formula 1 in America• Poor Team Charter System and TV Deal

Strengths

Largest Auto Racing League in North America

NASCAR has been very fortunate over the course of its illustrious history. While the sport may have originated in the sticks of the American south, it has since moved into the cooperate boardroom over the last 35 years. This was aided by its competitions split in the mid 90's. Presently NASCAR averages 3.7 million viewers for its FOX and FS1 broadcasts. This is an almost double over its main competitor IndyCar, and almost triple of the sports car league IMSA. The increased exposure in the early 2000s helped the sport to attract corporate money and lots of it. This popularity was aided by drivers such as Richard Petty, Jeff Gordon, Dale Earnhardt, Bobby Allison, Davey Allison, and countless others. NASCAR made a point on this by winning the 2021 Sports League of the Year at the Sports Business Awards. The sport was able to navigate

and offer not only the teams and drivers their lively hood, but fans live entertainment amid a global pandemic.

Large TV Deal

The present NASCAR TV contract is a large one. It involves not only the governing body of NASCAR, but the teams as well as tracks that the cup series travels too. It is largely agreed that the present split of the television contract gives 65% to the tracks, 25% to the teams and 10% to the governing body. The current TV deal see's NBC and FOX shelling out a combined \$820 Million dollars. These large TV deals help promote the corporate intervention in the league. Sponsors to the series like Geico, Toyota, and Ram-Trucks investing an additional committing \$15.7 millions dollars in commercial airtime for the sport.

Diverse Feeder Series'

One of the biggest strengths that NASCAR is the amount of young talent in the 3 lower tiered series. The only other racing league in the world with a complex junior tier series like this is Formula 1 in Europe. The NASCAR Xfinity Series for example was founded in 1982. The series itself, some would argue has been the more competitive of the 3 series' as of late. The NASCAR Xfinity Series has produced 13 present NASCAR Cup series regulars. The NASCAR Craftsman Truck Series is the second lowest feeder series that NASCAR offers. The truck series has produced some of NASCAR's most popular drivers like Ron Hornaday, Bobby Hamilton, Jeff Green, Kevin Harvick and Kyle Busch just to name a few. The last series is the newly acquired ARCA Menards Series. Over the years this series has seen some of the youngest talent to offer with names like Chase Elliot and Ty Gibbs taking center stage. The natural progression through the sports is the ARCA Series, trucks, Xfinity series, and if you are lucky enough, the NASCAR Cup series.

The latest addition to join this ladder on the NASCAR calendar is USAC. The United States Auto Club announced a deal that would highlight spring midget cars in a NASCAR national race series. This creates a younger presence in the sport at an early age. The increased growth allows for teams to find and help develop men and women from all ages nationally.

Weaknesses

Corporate Sponsorship Loss

The late 90s and early 2000s saw some of the most uniquely painted cars in all of racing. Companies like Kellogg's, for example, utilized their entire cereal line-up to create some of the most color paint liveries imaginable. These cooperate sponsors invested large sums of money, that helped teams run entire season based on their sponsorship budget. However, over the last 20 years titans in industry such as Target, Lowes, Home Depot, UPS, and PepsiCo have all left.

The most recent one is the Mars Corporation, famous for the M&M's candy, will depart at the conclusion of the 2022 season. The candy had been a staple on the NASCAR grid for nearly 16 years. Reasons sighted include things like struggling fan attendance, low ratings, and the worst one yet, no return on investment. This is the second biggest deal to fall for NASCAR within just 2 years, as Lowes left the sport at the conclusion of the 2018 season.

Complicated Rule System

For most of the sport's existence, the sporting rules followed most other major forms of racing. Additionally, points awarded for race wins and finishing positions followed an easy structure. NASCAR, however, to compete with the largest sports league in the US, the NFL. The series opted to change it in 2004. The 2004 season started the "Chase for the Cup." The idea was to have drivers compete for the first 26 races. The top 12 drivers would then have their points reset, and battle for the last remaining 10 races for the championship. The number of drivers allowed in the chase was increased to 16 starting in 2014. This points format lasted for 13 years, with 2016 being the last season run with the Chase format.

Starting in 2017, a new "Playoff" format would start. This format was and is considered a confusing format by not only fans but industry professionals. Much like the "Chase" format, the regular season would last the first 26 races. Each race is broken down into stages, with mandatory stage breaks taking place at the conclusion. Points are awarded for not only finishing position, but laps also led, and stage wins. Playoff points would additionally be awarded for the same criteria. A regular season champion would be crowned after 26 races, the driver standings would reset and the driver with the most playoff points would be the leader at the start of the 10-race playoff format. The 10-race rush would have eliminations, with 12 drivers turning to 8, then 6, and finally the final 4 would battle for the championship at the last race of the season.

The playoff point system encourages winning above all else, over everything else. This has led to some of the most aggressive and dirty races in more recent history. This notion is the opposite of what racing is. NASCAR has become a more relaxed racing series, and some would argue a reactionary governing system as opposed to a proactive one.

Lack of Stars

What made the sport great was the number of polarizing figures. Weekend warriors like Dale Earnhardt Jr, Tony Stewart, Jeff Gordon, Jimmy Johnson, Rusty Wallace retired with Dale Sr. tragically losing his life. Their emptiness was felt in the garage. These men generally, policed the drivers, ensuring that rookie talent followed proper driver proper etiquette. These stars additionally, helped grow the sport. Fans would flock to them like college football rivalries. Without clear leaders in the garage, the sport has suffered. The "win and you're in" with the

NASCAR playoff system has also complicated this. Drivers have now become more reckless in recent years. On track incidents, have led to poor race control mistakes over the last 3 years.

Poor Younger Audience

NASCAR is proud of the history and where the sport has been. It has cemented their legacy in many ways for American motor racing. It has done a poor job a creating a generational fan. Even more so, NASCAR has not been able to tap into the younger core fan base here in America. The complications for this are complicated to say the least. While in recent times NASCAR Productions has targeted more social media, it has not increased the younger demographic of 18-39 as much as they had hoped. As the world around us changes, the sport additionally has just now begun to change to a more real and inclusive environment. The races themselves are often far too long, and the increased ticket prices have not helped win over younger fans.

Opportunities

Revised Race Schedule

Part of the issues that faced NASCAR was a boom of growth, that caused the sport to push for areas of America that did not make sense. The late 90s and early 2000s brought track design and shapes that strayed away from what created the series. These tracks created problematic racing, to a point where fans did not like the product on track and drivers hated racing the product. The new generation of car presents challenges however the sport should be continuing to move to tracks that complement the sport. NASCAR is large on its history and should return to a few tracks such as Rockingham and North Wilkesboro. The revised Auto Club Speedway will help a market that has seen a decrease in attendance and ratings. The sport should look to add a couple more road courses to the calendar. These tracks should potentially be held in Mexico and Canada to help boost a local popularity in the sport at an international level too.

Renegotiate TV Deal

The present NASCAR TV deal is a record number. As previously stated, both NBC and FOX have invested a combined \$820 million dollars. Tracks presently make 65% of the present TV deal. That is a large split between teams and even the governing body to make 35% combined. The present TV deal that expires in 2024 should have a pot split increased, especially to teams. As evident, NASCAR based teams can no longer survive on sponsorship money to survive. With large cooperate partners leaving teams even after successful championship winning seasons, there isn't a guarantee a company will sponsor a team longer than 9 months. Teams should receive a larger percentile to help offset costs of what teams lose because of sponsorship. This renegotiated deal would also help teams fund other projects. These projects could be in the

way of helping fund another car for the team, operational costs, damage costs post races and overhead.

Revise Sporting Rules

The 2022 NASCAR Season has been a challenging one. From the most basic of instances, the officiating has been reactionary instead of proactive. For on track instances, they have caused other teams unneeded penalties, and even missed calls altogether. The sport should investigate incidents on track in real time as they happen. This would limit not only aggression from drivers but missed penalties by the governing body themselves. Racing incidents should be a proactive manner not one that gets solved 2 days later post-race weekend. NASCAR race control can still honor the “let the boys have at it” while still controlling the race in an efficient manner.

The next, and maybe the biggest approach would be how points are acquired, and the championship format. The “win and you’re in” notion is not only a term that invokes aggression. The NASCAR playoff system is arguably a failed attempt to take on the NFL head on. Racing is just that, racing. What makes this industry unique is that it is not a stock and ball sport. Racing is not all about winning. A return to the roots and how NASCAR would help not only make present fans understand the sport better but gain new fans with an easier concept to follow.

Increase Younger Demographic

As stated above, track diversity is key but so is the overall length of each race itself. On average, each NASCAR race from a television standpoint lasts roughly 3-4 hours. While a live experience can somewhat be justified, their competitors are holding events in a much shorter timeframe. In comparison, Formula 1 holds each of their race events in about half the time of a NASCAR race. NASCAR should look to decrease the amount of time a race lasts. This would help capture a younger demographic would has been proven in the industry to have a shorter attention span. This change would not only benefit the fan but decrease the cost of teams as well.

Additionally, NASCAR as it has been doing, should continue to look for ways to improve the inclusivity of the sport. NASCAR again is reactionary instead of proactive when it comes to adapting to change. This would pay dividends and help create more younger fans that in-turn, become generational fans.

Threats

Continued Growth by Formula 1 in America

Formula 1 has always seen the country of America as its last, and most profitable market to tap into. What has always stood in that series' way was NASCAR. Flash forward to 2022, and the product of Formula 1 is unique. The series is now on course for 3 events in America for the 2023 season. Accordingly, due to their weekend structure and earned/shared media, they are kings and queens of the 18-39 demographic. Formula 1 still has some time before from a rating standpoint, they overtake NASCAR. That day, however, may not be too far off. Formula 1 has also been aided by the Netflix series "Drive to Survive." The sport is recognizable with familiar brands that these demographic uses, as well as positions in certain areas reinforce, they are a progressive sport for the future.

Poor Charter System

The NASCAR Charter system was founded in 2014, alongside Race Team Alliance. This charter system is a way that ensures 36 teams have and will always have an entry into all 36 cup races. This leaves 4 open spots of open charters to complete a full 40 car field. The complication of the present TV impacts this charter system. The present split on the NASCAR TV contract limits the number of teams from being able to compete. This is the counter intuitive message that the new generation of car was modeled behind as well. The fearful threat is that if neither of these present systems can get reworked, teams will be forced to leave the sport or close up shop entirely.

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