Motorsport Study 2016

Motorsports' Brand Image by Comparison

Christian Lucas | David M. Woisetschläger
Motorsport - Platform for Sports Fans and Companies

Professional brand management is a main factor of success in the business environment. A strong brand – as shown by the success stories of Apple, Red Bull or BMW – helps like no other means to establish and manage effective customer relations. The establishment of a professional brand management may lead to a long-term value, which gradually reaches sports institutions nowadays.

This knowledge seems to have already reached the football sector. The present Deloitte study "Football Money League 2016" showed the highest earning clubs in the world's most popular sport at the beginning of this year: Manchester United on rank three with a yearly revenue of 520 million Euro, excelled by the FC Barcelona with 561 million Euros on rank two, and only beaten by Real Madrid leading this listing with a yearly revenue of 577 million Euros for the season 2014/15. This corresponds with an annual growth rate of 6.42% (revenue of the season 2006/07: 351 million Euros). Interesting is how this turnover gets generated: with nearly 377 million Euros about 65% of the total amount comes directly from sports fans & sponsors (Matchday and Commercial revenues). A direct positive correlation could be demonstrated for sports fan basis and respective revenue for the 20 highest revenue-generating clubs.

Though the Forbes report shows that Formula One - as the pinnacle of motor sports - generated more revenue than FIFA over the last 15 years, the budgets do not seem to reach the motor sports teams in the same degree. In 2013 for example, Ferrari, as the leading team in this regard, only reached an estimated revenue of 252 million Euros.

The comprehension of brand perception from a consumer’s point of view provides valuable insights into which aspects are to be taken care of with regards to brand leadership. Against this background the aim of this study is to analyse motor sports from the standpoint of its fans. Which associations are linked to motor sports from a fan’s point of view? Which attitudes should the various motor sport competitions feature? Which series, which team is able to establish the strongest bonds with fans? For which team would fans go "through hell and high water"? What can the various motor sports series learn from each other, how do they distance themselves?

To that end the Institute of Automotive Management and Industrial Production of the Technical University of Braunschweig conducted an online questionnaire for motor sports fans in February 2016. The geographic focus of this study was on Germany and England, the respondents were mainly recruited via online motor sports boards as well as motor sports groups of various social media channels.

Fig. 1: Methodology and Sample of the Motorsport Study 2016

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Execution: Dr. Christian Lucas
Focus: English and German Motorsport Fans, Recruited via Motorsport Forums and Social Media Channels
Type of Survey: Online Survey
Sample Size: 620
Sample Period: February 2016
Relevance of Motorsport for Companies and Brands

As a result of the saturation of markets and the growing interchangeability of products it gets harder and harder for companies to succeed against their business competition. They are now competing on a communication rather than a product level. Individual parts of products and particularly the respective brands are now charged with desired values and do so facilitate a differentiated perception.

The classic media advertisement more and more resigns into the background as recipients continuously find more ways to avoid seeing and using them (e.g. zapping, ad-blocker, etc.). At the same time leisure time activities and sports become increasingly important within today’s society. Sponsorship can now be used as a tool to transport messages directly into customer groups being in a private and relaxed leisure atmosphere. In doing so the values and image associations of the sponsored motor sports event will go over to the sponsor in the long run.

A prerequisite for a successful image transfer is of course that the sponsoring brand, the sponsored team as well as the sponsorship itself are known. The image transfer process can only take place within recipients who have at least unconsciously perceived the sponsorship itself. To this end the uptake of motor sports in general (via TV, news, social media or the like) is required. The more often someone sees the sponsorship connection the likelier it is that he will remember it and that values transfer from the sponsee to the sponsor. To get to this point some companies within the motor sports business do already invest a figure of tens of millions but most are rather located within the one-digit millions range.

A closer look at the awareness figure of the teams of the investigated motor sports series Formula One, World Rally Championship (WRC) as well as Deutsche Tourenwagen Masters (DTM) shows that Formula One teams clearly dominate the list and even smaller F1 teams are better known than the leading teams of the other motor sports series. The WRC teams do have the lowest awareness figures in this study (see Fig. 3).
**Ideal Motorsport from a Fan's Perspective: Interest**

The present Deloitte football study ("Football Money League") did already impressively reveal the monetary connection between fan-group size and revenue. Similar to football does the quantity of "followers" relate closely to the success of a respective team in motor sports as well. However the sheer magnitude of fan groups is exceptionally higher in football: Real Madrid have 89.48 million Facebook fans and 29.66 million follower on their 5-speaking Twitter accounts. Even Borussia Dortmund (presently ranked 11 in the Deloitte Study) exhibit a fan base of 13.948 million Facebook fans and 2.01 million follower on Twitter.

In motor sports does the Formula One team of Mercedes-Benz AMG Petronas dominate by far with 10.818 million Facebook fans and 1.340 million followers on Twitter. An active contact to this fan base is sought by 23 official team sponsors and partners. Also the Audi DTM team possesses a remarkable number of fans. On the one hand this is certainly owed to their marketing strategy of pooling all motor sports activities within one account, on the other hand a strong bond characterize the relationship between fans and brand (see also "Attitude towards Favourite Team"). The comparably low fan base of the Mercedes AMG DTM team seems to be due to a relatively new account which was only opened in February 2014 (Twitter) and apparently word has not spread among fans yet.

Even if the sheer awareness of the four investigated motor sports series (Formula One, Formula E, World Rally Championship, and Deutsche Tourenwagen Masters) is consistently high (over 89%), nevertheless there are big differences in interests between the individual series. So does the only one season old Formula E series range at the same level as the already long established WRC, which was inaugurated with the rally in Monte Carlo in 1973. If this is dependent on a certain predictability of the championship would need to be proven: in the last 12 years Sébastien Loeb (Citroën) won 9 consecutive world championships and was only displaced after his retirement from the sport by Sébastien Ogier (Volks wagon) who won the following three world championship titles.
Ideal Motorsport from a Fan's Perspective: Importance

On the basis of a 25 items comprising image battery, six dimensions were identified by which the analysed motor sports contests can be characterised. We asked about the ideal motor sport and fans stated that especially three characteristics are important to them. For 80% of the respondents it is important that motor sports is a “Fan-Sport”: authentic, open to fans, accessible, interesting, fair (i.e. sportsmanlike), exciting, and fun. With a little distance follows the wish for an emotional, fast and loud “Action” sport together with a technologically advanced and modern sport (“Leading”). Considerably more unimportant for fans is whether motor sport is dangerous (“Risk”), glamorous (“Posh”) or eco-friendly (“Sustainable”). The results are to be looked at separately for each motor sports competition to be able to observe differences and derive recommendations for action.

Especially keeping in mind Bernie Ecclestone’s statement at this year’s Hahnenkamm ski race in Kitzbühel, that people love everything that is a bit dangerous, these results are after all surprising.

To which extent the specific sport needs to be more open to fans and accessible, like for example BMW or likewise Porsche always demand for their engagements, will have to be discussed. For the record, for all motor sports fans alike the sport itself is the priority and has to be exciting, authentic and fun.

Fig. 6: Image Attributes of Ideal Motorsport from a Fan’s Perspective

How does motorsport have to be to make you interested? Please rate the following statements (“Motorsport should be ...”) by using a scale from 1 = “does not apply at all” to 5 = “applies totally”. | Data: Means | n=620

Fig. 7: Image Dimensions and its Related Image Attributes

Fig. 8: Image Attributes of Ideal Motorsport from a Fan’s Perspective

How does motorsport have to be to make you interested? Please rate the following statements (“Motorsport should be ...”) by using a scale from 1 = “does not apply at all” to 5 = “applies totally”. | Data: Means | Values: Bottom-2-Box | Middle | Top-2-Box | n=620
Formula One: The Pinnacle of Motorsport

The Formula One world championship, as the highest ranking racing series of the FIA, was inaugurated in 1950 and awards since 1958 besides the world championship for a driver also a world championship title for a constructor. It is assumed that the sport reaches a global fan base of 2.5 billion supporters. Cumulatively about 2 billion fans watch the races either directly live on TV, delayed, or the highlights year after year (cf. Blackbook 2013).

F1 is not only the pinnacle of motorsports (Leading) for fans, it is also received as glamorous and youthful (Posh). Here motor sports fans go along with each other that a little less would still be okay. Significant deficits exhibit Formula One in the category "Fan-Sport". For the majority of the respondents the series does have little or nothing to do with attributes like open to fans, accessible, exciting, or even fair/sportsmanlike. Also in the category "Action" with attributes like loud, fast, unique and emotional F1 does not reach the ideal figures. Relatively precisely the perception of "Risk" fits with what fans ideally want and shows that the efforts that were made in this regard, especially after the tragic events with Nikki Lauda in the 70ies, were important and necessary.

Sponsor Recall illustrates how many unique sponsors respondents can name when they think about a specific team. In the present case it is an unaided enquiry as there were no hints given. An averagely correctly remembered amount of sponsor names of 4 out of 27, like in the case of the Scuderia Ferrari, is certainly an acceptable figure. For Mercedes AMG Petronas results a similar figure with 3 out of 23, even though it is a little lower. However, the figures at hand show two important insights: a) more than 3 or 4 sponsor names are not remembered on average and b) for smaller teams, or for teams with quite dominating sponsors (→ Red Bull), even a lot less.

To inform themselves only about 20% of the fans use the official website of the Formula One or an F1 teams’ website. Especially in comparison with the DTM or the WRC these rates are weak. F1 fans mostly use live TV broadcasts or online-fan-forums or F1-groups on Facebook. For a targeted steering or management of information concerning the interests of the sports series or teams is this certainly somewhat less than perfect.

Fig. 9: Image Attributes of Ideal Motorsport in Comparison with Formula One
Please state whether or not the following characteristics describe Formula One. Please rate your answer (“The Formula One championship is ...”) by using a scale from 1 = "does not apply at all" to 5 = "applies totally". | Data: Means | n=236

Fig. 10: Image Attributes of Formula One from a Fan’s Perspective
Please state whether or not the following characteristics describe Formula One. Please rate your answer (“The Formula One championship is ...”) by using a scale from 1 = "does not apply at all" to 5 = "applies totally". | Values: Bottom-2-Box | Middle | Top-2-Box | n=236

Fig. 11: Sponsor Recall in Formula One
Which brands or companies have you seen or do you recall being sponsors of team ...? | Data: Means | n=261

Fig. 12: Reception of Formula One
Through which media do you see the races and check the results or information of Formula One? Please rate your answer by using a scale ranging from "never" over "seldom", "regularly", "often", to "nearly always". | Values in Percent | n=216
The formula racing with an electric engine had its inauguration race in Beijing on 13th of September 2014. In its first season all teams competed against each other using the same car and equal technique. Since the second season onwards teams are allowed to increasingly start developing on their own. From the third season onwards it will be allowed to advance the battery independently, so that from the fourth season onwards the obligatory car swap during the race due to empty batteries will not be necessary any longer.

The races take place predominately on inner-city streets of big metropolises like Paris, London, Berlin, Mexico City, Moscow, Beijing or Buenos Aires. Free practise, qualifying and the race itself are all happening at the same single race day.

The motor sports series is broadcasted live via Eurosport in Germany and also live on BT Sport Europe as well as Virgin Media in England, plus delayed on ITV4.

The Formula E racing series is best describable with the two attributes “Leading” (innovative, sophisticated, modern, and technologically advanced) as well as “Sustainable” (eco-friendly, conserving resources). In both categories it dominates the other three investigated motor sports competitions (F1, WRC, and DTM) with regards to the Top-2-Box figures. Interesting is that although only a vanishingly low part of the respondents hardly ever visited a race personally, Formula E is nevertheless significantly better evaluated in the category “Fan-Sport” as compared to Formula One. In other words, it is perceived by fans as being more open to fans, more interesting and more accessible.

A key leading to this estimation is certainly the FanBoost: presently fans can vote for a racing driver via the official Formula E website or via Twitter/Instagram with the hashtag #FanBoost, to grant him with extra power for his racing car in a Grand Prix. Votes are counted until about 6 minutes after the start of a race, so that even the current racing situation can be accounted for. Nonetheless is there still a big gap between the fan-ideal and the existing perception of Formula E. Exceptional shortcomings are also possessed by the category “Action” (loud, fast, unique, and emotional)! But similarly to “Fan-Sport” is this psychological hedonistic variable also very important for the perception of a sport. This is on the one hand shown by the evaluation of the ideal motorsport, but can on the other hand also be derived from psychological considerations. Only the emotional bonding to a sport, a team, or even a brand withstands crises and induces fans to invest more in one product (e.g. time, money, or attention) than another, and offers orientation in the constantly present competition of brands for attention. Only after the emotional connection to the Formula E sport or team is established, the monetisation of the bonding can follow. This will certainly take some time and emerges congruent to the classical sales funnel starting from awareness, over knowledge, image, purchase intention to finally reach the purchase itself.

The main source of information for Formula E fans is besides the live broadcasts on TV, the official FIA website of the racing series www.fiaformulae.com.
The World Rally Championship, as the FIA’s highest rally series, is staged since 1973, but has its origin generally in the Rally Monte Carlo being staged in 1911 for the first time. It is comprised of 14 single races and performed on a worldwide basis. In the present season (2016) China joined the racing calendar.

Three different world championship titles are awarded: one for the racing driver, one for the co-pilot and one for the constructor. Although the constructor/team can compete with as many racing cars as they like, only the two cars of the officially registered works team count for the world championship.

The single rallies are separated into about 15 to 25 special stages and the corresponding times (including potential penalties) are summed up at the end to determine the winner. In Germany (Sport 1) as well as England (Channel 5) only the highlights are being broadcasted in free TV.

In comparison to the ideal motorsport with regards to the fan’s point of view and the other analysed motor sports competitions the WRC offers a solid mix of positive attributes.

The World Rally Championship is an authentic and fun “Fan-Sport”, offers “Action” and is technologically advanced and modern (“Leading”). Especially high values are being achieved by this racing series in the category “Risk” (dangerous). Although there are nearly no barriers to keep fans away at most special stages, the last fan-casualty was regretted about 20 years ago in 1996. 2006 rally co-pilot Jörg Bastuck was hit unfortunate by a passing car while he was changing a tyre and succumb of his injuries. Hence, the WRC is impartially safer as compared to Formula One.

Remarkable are however the weak sponsor recall figures. With only 1.45 remembered sponsors on average for the leading team in this regard, the WRC does not come close by far to the motor sports competitions Formula One or DTM with peak values of nearly four recalled sponsors each. Here the organisation of the racing series will certainly have to re-touch and amend to also financially assure the continued existence of the series.

The reception of results as well as general information about the racing series takes mainly place via the official website and Facebook.
DTM - Motorsport:  
German Motorsport at High Standard

The Deutsche Tourenwagen Masters (DTM) is a national racing series of Germany’s motor racing governing body (DMSB - Deutscher Motor Bund e.V.) for silhouette racing cars which are derived from normal productions vehicles to get maximum marketing benefit from the investment in the sport. It was re-inaugurated in 2000 and continues the Deutsche Tourenwagen Meisterschaft which was staged from 1984 until 1996. Counterpart on an international level is the FIA WTCC.

Although the DTM is staged in its 9 seasonal races on foreign race tracks as well (i.e. the Netherlands, Austria, Hungary, and Russia), it is not allowed to award a world championship title. This is amongst other things also the reason for Volvo to recently not join the DTM but WTCC. Having a closer look at the fan bases only a marginal difference can be spotted between the competitors: 432k Facebook fans, 22k followers on Twitter and 3 constructors for the DTM against 639k Facebook fans, 63k followers on Twitter and 5 constructors for the WTCC. The DTM is presented live by ARD in Germany, but only broadcasted via pay TV (by BT Sport) in England.

In spite of that a little less sponsors are featured on a DTM racing car, the recall figures are nearly as high as in Formula One. As a matter of fact, with on average 4.05 correctly recalled sponsors for the Audi DTM Team the peak value of the whole study is reached. It remains to be adhered, that only about four sponsors are being recalled.

As their main source of information the responding motor sports fans indicated that they are using live TV broadcasts as well as Facebook groups.
Favourite Team: How Intensively Do Fans Experience Their Team?

An emotional bonding between fan and motor sports team can be proven for all teams. Though the strength of this bonding does vary between the analysed teams.

The positive attitude towards a certain team, taking the predominantly German and English motor sports fans of this study into consideration, is especially strongly pronounced for the Scuderia Ferrari team with a value of 4.58 on average (values can vary between 1 and 5). Equally positive is also the attitude of the respective fans to the Mercedes AMG Petronas F1 Team and the Audi Sport DTM Team. With a value of only 3.57 on average the Formula One team of Red Bull trails behind on rank 10 and so positions itself even behind the Sauber F1 Team.

Relatively balanced on the contrary are the values for the social identification of the respondents, hence to which extent they see themselves as fans. For nearly all displayed teams the values for the statement "I perceive myself as a very big fan of my favourite team" are equally high. Also the cumulated values of strength of fan-identification does only vary slightly.

A positive attitude towards the favourite team and the social identification with the team does of course also have monetary implications. So does the willingness of the followers increase to show their connection to the team by wearing the team kit and purchase merchandising products. Especially popular are certainly the team-caps and team-shirts with a distribution of nearly 50 percent amongst the supporters.

![Image 6: WRC Rally Portugal](Image 6: WRC Rally Portugal)
Photographer Credit: Kin Marcin

![Image 7: Formula One World Champion Lewis Hamilton](Image 7: Formula One World Champion Lewis Hamilton)
Source: Getty Images

![Image 8: Audi, BMW, and Mercedes-Benz competing in DTM](Image 8: Audi, BMW, and Mercedes-Benz competing in DTM)
Source: DTM

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<th>F1</th>
<th>WRC</th>
<th>DTM</th>
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<td>Watch</td>
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<td>Mobile phone/helmet</td>
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<td>16%</td>
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<tr>
<td>Other</td>
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<td>16%</td>
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<tr>
<td>I do not possess any merchandise</td>
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<td>26%</td>
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Fig. 24: Merchandise
Do you possess any of your favourite team’s merchandise?
Presentation per Motorsport Serie in Percent

![Fig. 25: Attitude towards Favourite Team](Fig. 25: Attitude towards Favourite Team)
How do you evaluate team ... in general? Team ... is very likeable/good/appealing. I rate team ... very positively in general.
Please rate your answer by using a scale from 1 = "does not apply at all" to 5 = "applies totally".
Top 10 Teams | Data: Means | n=313

![Fig. 26: Social Identification with Favourite Team](Fig. 26: Social Identification with Favourite Team)
Data: Means | n=207

Scuderia Ferrari (F1)
Mercedes AMG Petronas (F1)
Audi DTM Team
McLaren Honda (F1)
Williams Martini Racing (F1)
BMW DTM Team
Mercedes-Benz DTM Team
Sauber F1 Team
Volkswagen WRC Team
Red Bull Racing (F1)

McLaren Honda F1
Mercedes AMG Petronas F1
Scuderia Ferrari F1
Williams Martini Racing F1
Mercedes-Benz DTM Team
Audi DTM Team
BMW DTM Team

- Strength of fan identification
- My friends believe that I am a very big fan
- It is very important for me to be a fan
- I perceive myself as a very big fan

![Image 9: Merchandise](Image 9: Merchandise)

![Image 10: Social Identification with Favourite Team](Image 10: Social Identification with Favourite Team)
Implications for Motorsport Series and Teams

The look over the rim of a cup of tea, a benchmark analysis of the competitors, best practise examples of related industries, the constant advancement of the product portfolios and the continuous focusing on the customer and his demands are not only the key success factors of leading industrial companies and brands, but also of successful sporting events and sports teams.

It is incontestable that nothing succeeds like success. But the success also has to be marketed properly to retain the resources to stay in the top league. With “only” 153t followers on Twitter Real Madrid superficially seems to perform comparably weak in Japan after 6 years. But whether the operation of this Japanese-speaking account is still worthwhile can certainly be assumed if one takes into account the intensive bonding Japanese fans have to their favourite team and considers the corresponding sale of merchandising products. A local player can here be the door opener.

Of course these are single players or drivers – in the case of a motor sports team – only a first step into this new market, it has to be followed up by an independent establishment within that market. Everybody might still be able to remember why he once became a motor sports fan. In the case of Germany Michael Schumacher certainly contributed a lot to the enthusiasm for motor sports. The interest of most fans still remains even after he left the sport because they have developed and learned to love the sport.

The various motor sports competitions have to develop themselves further. On the one hand out of themselves (through the amendment of rules, racing calendar extensions etc.), but on the other hand also through their participating teams. Here the consideration of the corresponding image positioning is worthwhile: the differentiating characteristic “Sustainable” of Formula E for example offers a great potential to approach an even more eco-minded target group and establish an extended fan base.

The teams have to proactively take over the management role and insist on improvements for their team and the sport, like for example more and intensified coverages on TV, races in new markets, fan-friendly changes of rules or a higher interaction with fans as Formula E has already accomplished with their “FanBoost”: interaction creates involvement. An organisation like the FOTA in F1 was certainly a good step into the right direction.

The momentum of improvement must originate from the teams. They can immediately profit from the improvement of the motorsports’ brand image.

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The LUCAS Drive GmbH is a service provider within the motorsport industry. We offer international sponsorship and event management expertise for motorsport teams and their sponsors. Dr. Christian Lucas graduated at the Chair of Services Management of Prof. Dr. David M. Woisetschläger on the subject of “Sponsor- and Country-Related Predictors of Sponsorship Effectiveness” and dealt hereby with Formula One as well as the German Football Bundesliga.

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