Research on Exposure Rate and Brand Image Building Strategies of Sponsors in F1 Racing Events

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Abstract: As the competition among the teams in the F1 paddock becomes increasingly fierce, the competition between sponsors is also becoming more intense. If sponsors want to stand out from the crowd of sponsors, they need to formulate reasonable sponsorship strategies and use appropriate channels to increase brand exposure and visibility. So this article explores how sponsors can increase brand exposure and visibility to promote sales under the trend of increasingly fierce competition in thepaddock? This article aims to comprehensively analyze the core concept of sports sponsorship, elaborate on its diverse types and implementation methods, and focus on the sponsorship practices in F1 racing, and deeply interpret the operating mechanism of this field through rich cases. After in-depth analysis, this article believes that the specific exposure measures of sponsors in sponsoring F1 events include on-site advertising, media cooperation, the use of social platforms, the establishment of user communities, and the adoption of emerging technologies. When discussing sponsorship strategies, this article failed to fully start from the strategic perspective of the sponsoring company itself, and deeply analyze the key links such as its motivation, goal setting, budget allocation, and effect evaluation in choosing to sponsor F1 events. This has limited readers' understanding of the business logic behind sponsorship behavior to a certain extent.

Keywords: Sponsorship, brand exposure, Formula One, policy.

1.   Introduction

F1, the full name is FIA Formula 1 World Championship, is the world's highest-level single-seat open-wheel racing event hosted by the International Automobile Federation (FIA). It has been more than 70 years since 1950. The maximum speed of the car can easily exceed 200 miles per hour. There are a total of ten teams in the current F1 event. Each team has two cars and drivers to participate in the Saturday qualifying and Sunday race. Some tracks also hold sprint qualifying with fewer laps. The tracks are divided into two types. One is the conventional racing track, such as the Silverstone Circuit in the UK and the Monza Circuit in Italy, and some are street racing tracks. They are usually used as ordinary asphalt roads, such as Monaco's famous Monte Carlo Circuit and Marina Bay Street Circuit in Singapore [1]. F1 has a very wide influence around the world. Taking the Shanghai Grand Prix as an example, studies have shown that the F1 Shanghai Station significantly impacts local small and medium-sized enterprises in Shanghai, increasing the annual profits of enterprises and improving brand awareness [2]. The characteristics of F1 sports are that they are highly commercial and

competitive. They require a lot of funds and budget support to design and manufacture a competitive racing car, develop subsequent racing upgrade kits, and hire capable racing drivers and technicians. Therefore, before sponsoring, sponsors must first figure out the audience group watching F1 events. The age distribution of the audience watching F1 events is very wide, ranging from children of a few years old to elderly people in their sixties and seventies. But the core group is young people who love extreme sports. The most important goal of F1 sponsors is to increase the exposure and popularity of their brands to gain more international attention and cooperation opportunities and thus obtain more profits. In today's highly competitive environment, F1 sponsors must try their best to increase brand exposure and shape their brand image to achieve the goal of long-term development, increase the sales of their products, and firmly establish themselves in the international market. Therefore, this article will explore in depth how to effectively improve the brand exposure and shape the brand image of F1 event sponsors, and explore this issue through specific cases such as the practices of well-known brands such as Mercedes-Benz, Shell, and Austrian Red Bull in the field of F1 sponsorship.

2.   The Concept and Function of Sports Event Sponsorship

Sports events generally have sponsors, and Formula 1 events are no exception. The concept of sports sponsorship refers to a company or brand providing financial support or services to a sports group to achieve its corporate interests. Sponsors are allowed to enjoy certain rights by the sports group, such as sales rights or naming rights, or receive commercial promotion from the sports group, such as filming commercials, in return. There are many types of sponsorship, but they can be summarized into three major categories: sports event sponsorship, sponsorship of specific sports representative groups, and sponsorship of star athletes [3]. First, sports event sponsors provide financial and service support to a sports event in exchange for brand exposure and popularity, to increase sales. For example, Rolex, the current sponsor of Formula 1, has spent nearly $50 million per year since it sponsored the event in 2013. Secondly, sports representative group sponsorship refers to a brand or company providing financial and service support to a specific sports representative team in exchange for commercial promotion. Take Marlboro cigarettes as an example. It is recognized as one of the most successful tobacco sponsors in Formula 1 history. According to a sponsor report, the 1989 CART Racing Championship team sponsored by the Marlboro cigarette brand received approximately 3.5 hours of exposure in the 15 Grand Prix races of that season [4]. The last is the personal sponsorship of star athletes, which refers to a brand sponsoring individual athletes to become its brand spokesperson or ambassador, using their popularity to achieve publicity purposes. For example, Charles Leclerc, the Monaco Formula 1 driver who currently plays for the Scuderia Ferrari team is the spokesperson for Richard Miller, a high-end watchmaking brand headquartered in Neuchâtel, Switzerland. Leclerc and Richard Miller established a long-term cooperative relationship until the former joined the Ferrari team. Richard Miller became Leclerc's sponsor and also became a partner of the Ferrari team.

3.   Analysis of the Role of Sports Event Sponsorship

Sports sponsorship can effectively enhance corporate brand awareness and loyalty, and promote corporate market expansion and product sales. Take Marlboro cigarettes as an example. Marlboro cigarettes have had close cooperation with McLaren and Ferrari. Since these two teams were highly competitive in the 1980s, 1990s, and early 21st century, they attracted much attention. Audiences got to know Marlboro cigarettes through the competition and gradually became familiar with the brand. After Marlboro chose to stop sponsoring McLaren and chose to fully sponsor Ferrari, Philip Morris,the manufacturer of Marlboro cigarettes, paid Michael Schumacher, who was a Ferrari driver at the time, an annual salary of up to $23 million and printed the Marlboro logo on Schumacher and

his teammate Rubens Barrichello's racing cars, helmets and racing suits, which cost a total of nearly $65 million [4]. This high cost was exchanged for the enhancement and consolidation of the brand image. Marlboro and Ferrari's racing cars were implicitly tied together in the minds of many audiences. Philip Morris, the company that manufactures Marlboro cigarettes, believes that the brand connection between Marlboro and Ferrari is further enhanced by the fact that both logos are red [5].

4. Formula One Motorsport Sponsor Brand Exposure Strategy

As one of the most influential sporting events in the world, F1 provides brands with excellent exposure opportunities. Every year, this event attracts audiences and media from all over the world, allowing brands to increase their popularity and market influence by sponsoring F1 events. In F1 events, brands also have a variety of ways to expose themselves to ensure their visibility around the world.

4.1. On-site Advertising

First, on-site advertising is a key means for brands to gain direct exposure. In F1 races, brands usually set up large billboards next to the track and display their brand logos on the cars and drivers' clothing. This form of advertising not only attracts the attention of on-site spectators but also delivers brand information to audiences around the world through the global live broadcast of the event [6]. This communication method enables brands to reach a wider audience, thereby significantly enhancing the brand's international visibility. For example, the team sponsored by Red Bull has achieved highly recognizable brand recognition on the track through its distinctive red and yellow colors. This successful visual effect strengthens the brand image and attracts the audience's attention through visual impact [7]. This helps the brand form a longer-lasting brand memory in the minds of the audience and improves the brand's market awareness and influence.

4.2. Media Cooperation

Another important strategy for brands to increase their exposure is to cooperate with the media. Brands cooperate with major TV stations, sports channels, and online platforms to increase the frequency of their appearance in event reports. This type of cooperation not only increases the brand's exposure opportunities but also uses the media's in-depth analysis and coverage of events to enhance the brand's professional image [8]. Take Shell's cooperation with Sky Sports as an example. Shell increased the brand's exposure in event reports through cooperation and demonstrated its technology and environmental innovation concepts through special programs, which deepened the audience's impression of the brand's professional and environmental image.

4.3. Social Media Platforms

Currently, in the era of the rise of digital media, brands are also actively using social media platforms to expand their exposure. Social media platforms such as Facebook, Instagram, and Twitter provide brands with channels to interact directly with consumers. Brands use these platforms to share real-time event dynamics, reveal behind-the-scenes footage of the team, and conduct interactive activities, thereby enhancing the brand's online influence [9]. Mercedes-Benz successfully attracted many fans by sharing the latest updates of the team on social media. This increased the brand's online influence and strengthened the emotional connection between the brand and its fans [10]. In addition, brands also use user-generated content (UGC) to increase exposure. Specifically, brands further increase their reach on social media by encouraging fans to share their brand-related content. At the same time, fan participation and interaction not only increase brand exposure but also help brands build a loyal

consumer community. This strategy effectively uses the power of fans to promote brands, thereby further enhancing the brand's market influence.

4.4. Emerging Technologies

Finally, brands are also using emerging technologies to enhance exposure. With the advancement of virtual reality (VR) and augmented reality (AR) technology, F1 fans can enjoy an immersive viewing experience. Brands can use this emerging technology to showcase their innovative and modern image [11]. Many brand sponsors have developed similar AR applications that allow users to participate in virtual experiences during the race through electronic devices [12]. While increasing audience participation, it also makes the brand appear more technological, thereby attracting more young audience groups.

In short, F1 events provide brands with an ideal platform to increase exposure. By combining on-site advertising, media cooperation, social media interaction, and digital technology, brands can effectively reach global audiences. The effective combination of these strategies not only helps brands stand out in a highly competitive market but also helps brands leave a deeper and more positive impression in the minds of consumers.

5. Formula One Motorsport Sponsor Brand Image-building Strategy

In addition to increasing exposure, brands also hope to create a strong brand image through F1 events. This is not only about making more people remember the brand but also about hoping that the brand can occupy a special position in the hearts of consumers. Through F1 events, brands have adopted a variety of strategies to achieve this goal. The first is to tell a good brand story. An attractive brand story can help the brand establish a deeper connection with consumers. It can also convey the brand's core values and mission to consumers, helping the brand stand out from the competition [13]. Ferrari's shaping of its own brand story is a good example. Ferrari combines its history in F1 and links the brand with keywords such as high performance and luxury. This has enhanced its brand position in the market and made consumers have a deeper sense of identity with the brand. Therefore, the brand story is not only about the product but also includes the brand's characteristics, values, and mission. By telling the brand story, the brand can also show its uniqueness and differentiated advantages. Specifically, the brand story can include the brand's origin, development history, product innovation, and contribution to society. These elements will enhance the uniqueness of the brand in the minds of consumers and give the brand a more positive image and status in the minds of consumers. The second is to establish an emotional connection with consumers. By supporting teams and drivers, brands can demonstrate their team spirit and innovative capabilities [14]. The emotional resonance established can stimulate consumers' brand loyalty. For example, Red Bull conveys its brand image of vitality and innovation by supporting young drivers, which enables young consumers to establish an emotional resonance with the brand and deepen their recognition of the brand, making them more inclined to choose their products because they feel that the brand represents a lifestyle they recognize [15]. However, the ways to establish emotional connections are not limited to the above examples. Brands can also enhance emotional connections by interacting with consumers, participating in community activities, and holding fan meetings. Emotional connections not only increase consumers' loyalty to the brand but also further stimulate consumers' willingness to buy, thereby promoting brand development.

In addition, modern consumers are paying more and more attention to the social responsibility of brands. Many brands have established their social responsibility image by promoting the concept of environmental protection and sustainable development in F1 [16]. By showcasing the brand's contribution to the environment and society in the event, it attracts consumers who pay attention to

environmental protection and social responsibility. The green technology promoted by Philips has enhanced the brand's reputation for environmental protection [17]. While attracting environmentally conscious consumers, it has also helped the brand gain a moral advantage in the competition. Sustainable development and social responsibility are beginning to play an increasingly important role in brand image building. In addition to promoting clean energy technology, many brands also demonstrate their contribution to society by participating in environmental protection activities, supporting charity, and promoting community development, thereby winning the trust and support of consumers. For most brands, this strategy helps the brand gain an advantage in the market and increase its reputation. Cross-cultural communication is crucial to the shaping of corporate influence. For brands that promote globally, it is important to maintain brand consistency, but it is also necessary to pay attention to cultural differences in different regions [18]. When Shell promotes its brand in the global market, it not only maintains consistency in its core values but also adjusts specific customer communication methods according to the characteristics of different regional markets. This flexibility enables them to effectively communicate brand information in different cultures.

Therefore, the proper handling of cultural differences plays a vital role in the global strategy of a brand. Most brands need to consider adjusting brand communication strategies and communication methods according to local market characteristics to adapt to the needs of different markets. This cultural sensitivity enables the brand to flexibly and effectively communicate its core values in the global market, thereby winning recognition among consumers everywhere. On this basis, combined with global consistency, the brand will establish a more solid brand image in the global market. In summary, by establishing brand culture, establishing emotional connections with consumers, assuming social responsibilities and adapting to cultural differences, the brand can gain more exposure in F1 events, and at the same time, it can create a unique and lasting brand image in the minds of consumers, thereby creating a more stable and sustainable brand development prospect.

6.   Conclusion

Brand companies sponsor sports events to increase their brand awareness and exposure. As a sports event with a long history, wide global popularity, and audiences of all ages, F1 events have become a key event for major companies to achieve the above goals through sponsorship. This article illustrates the definition and role of sports sponsorship, analyzes the exposure strategy and image building in F1 events, and concludes that the specific measures of advertising and marketing in F1 events include the following: on-site advertising, media cooperation, use of social platforms, establishment of user communities, and adoption of emerging technologies. These measures have a direct effect on improving brand visibility, increasing market coverage, and strengthening brand influence, enabling it to effectively reach and connect with global users and potential users. In the process of carefully shaping their brand image, many brands tend to adopt a series of far-reaching and multi-dimensional strategies. First, they focus on building an engaging brand story and cleverly integrate the brand history into it, thereby giving the brand a deep cultural heritage and a unique personality label. Second, by establishing an emotional bond with consumers, the brand not only deepens its position in the hearts of consumers but also inspires consumers' resonance and loyalty. At the same time, actively assuming social responsibilities not only demonstrates the moral height of the brand but also effectively enhances its social reputation and wins wider public recognition. However, this paper lacks analysis of sponsorship strategies from the perspective of the company and does not take strong time-sensitive cases. The analysis of current digital and personalized marketing strategies may also make the conclusions of the article more universal and complete. This is a direction that can be considered for future related research. In short, F1 events provide brands with a platform to showcase themselves, enhance influence and drive growth. By effectively utilizing this platform,

brands can gain significant competitive advantages in the global market, and create extensive market value and sustainable brand prospects.

Authors Contribution

All the authors contributed equally and their names were listed in alphabetical order.

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