Chapter 3
The Marketing of the F1 SingTel Singapore Grand Prix

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ABSTRACT

In 2008, the inaugural Formula One SingTel Singapore Grand Prix was held as the first night-time race in the history of Formula One Grand Prix. Through the years, the event had been marketed using various marketing activities. The purpose of this chapter is to provide readers with a better understanding of how F1 SingTel Singapore Grand Prix markets itself. The chapter begins by examining the history behind motor sports racing events in Singapore. This is followed by a review of the marketing activities of the F1 SingTel Singapore Grand Prix. The last section describes an analysis of spectators’ blogs and attempts to shed light on the relative success of the marketing strategies employed. The analysis suggests that the marketing of the event had been successful as there was a high level of awareness of the event and that some spectators indicated the experience was positive and that they would attend the event again. However, the analysis also indicated that there were spectators who were more interested in the concerts held in conjunction with the race rather than the event itself. This remains to be examined in further research.

INTRODUCTION

The first motor sports racing event was organised in Singapore as early as 1911. However, it was in 1961 that Singapore hosted its first Grand Prix in its efforts to boost tourism and spur economic growth. Due to various reasons, the government decided to stop hosting motor sports events in 1973. It was not until 2007, that the Singapore Government decided to bring motor sports events back to the country by signing a five-year contract to host Formula One Grand Prix races. This decision was again based on economic reasons as hosting the event was expected to bring in additional tourism revenue (DeCotta, 2008).

The relationship between sports and tourism is not new. A major sports event can attract large numbers of international tourists and high levels of media interest on an international scale. This provides opportunities for the host country to showcase their positive attributes to potential visitors (Yuen, 2008). With the growing popularity
of sporting events and an increasing awareness of governments of the value of sport on the economy and global image, it is not surprising that there is a growth in interest among countries to host major sports events (McCartney, 2005).

The Singapore government also recognizes the value of sport on the economy and global image. It supports the hosting of sports events as they contribute to the tourism industry. In recent years, it hosted several major sports events successfully including the 2010 Youth Olympic Games and Volvo Ocean Race (Henderson, Foo, Lim, & Yip, 2010). It also hosted the International Olympic Committee in 2005 which elected London as the host city for the 2012 Summer Olympics. In hosting the F1 Grand Prix, Singapore had set a target of S$100 million in tourism receipts with at least 40% of attendance from tourists. In the inaugural race in 2008, this target was surpassed with tourism receipts reaching $186 million (Almenoar, 2009).

A study found that there was general agreement that hosting the Formula 1 Grand Prix in Singapore created new business opportunities and boosted the tourism sector. While the event disrupted daily life due to the inconveniences caused by diverted traffic flow and road closures, it was also a source of pride among Singaporeans on the country’s ability to successfully host a major international sports event (Henderson, et al., 2010; Yuen, 2008).

SingTel, a telecommunications company in Singapore became the title sponsor for the event. Together with Singapore GP, the organizer for the race, marketing activities were planned for the event to draw in spectators. Over the years, the marketing activities included concerts, street performers, workshops and roadshows.

Sport event organisers are augmenting the core product of the sport event with a variety of add-on activities and services to promote fun and excitement. The objective is to enhance and broaden the event’s appeal to both spectators and participants. Corporate sponsors can then leverage on the additional activities to promote their brands beyond the sport competition. This may include the parties associated with the sports event, and workshops to socialize and learn from the experts (Green, 2001).

These additional opportunities for brand exposure to an expanded audience are important to corporate sponsors. Earlier research has shown that investors are generally approving of corporations spending money to solicit celebrity endorsements (Agrawal & Kamakura, 1995). However, a recent study showed that sponsoring Formula One races is different from celebrity endorsements. The financial market does not react favorably to such announcements perhaps because of the high financial costs involved and the low perceived value from such sponsorships (Cobbs, Groza, & Pruitt, 2012). As such, the expanded opportunities for brand exposure may justify the high costs for the investors of corporate sponsors.

However, the augmentation is secondary to the hedonic opportunities afforded by attendance of the main sport event. In deciding on the augmented product, the subculture of the sport and the identity of the spectators or participants must be considered. It must allow opportunities for participants to parade and celebrate the subculture that they share (Green, 2001).

Studies have been conducted to profile the Grand Prix spectator. While motor sports racing events may have many fans, only a small number of fans are willing to commit financially to watching the race as a spectator. Most fans will instead be watching the broadcast of the race (O’Connor, 2011). This is perhaps due to the higher ticket prices for motor sports events. As such, spectators in Grand Prix races are more likely to have higher incomes (McCartney, 2005; O’Connor, 2011).

Specifically to a recurring mega-event like the Grand Prix, it must evolve over time to influence attendance decisions positively and create loyalty to the event (McCartney, 2005). Beyond demographic factors, recent studies have shown that subjective norms have a positive influence on the intention of watching a sports event (Lu, Lin, & Cheng, 2011; Santos, 2012). Other factors
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