

## ON FORMULA ONE INTEREST IN THE UNITED STATES



# Introduction

Over the past 5 years, American players have started to move into Formula One across management, teams, venues, and sponsors. Colorado based mass media company, Liberty Media, took control of the sport in 2017 and laid out a strategy to grow the Formula One brand along two axes: (1) grow interest in the United States, and (2) develop a world class digital platform.

This research focuses on the intersection of these two Liberty Media goals through an analysis of the opinions and interests of American Formula One fans online. The aim is to understand how online interest in the sport has moved during this period of increasing American influence, to understand which aspects of the sport are resonating with American fans and which aspects stand as potential obstacles to future growth.





# American players move into Formula One



2012

1. The American Grand Prix returns to the Formula One calendar with an all-new venue, the Circuit of the Americas in Texas.

2015

2. CNN sign a multi-year sponsorship deal with McLaren Formula One team, the CNN logo is placed on the front wing of the car. CNN joins other American sponsors in the Formula One paddock - AT&T and Hilton.

2016

3. Gene Haas brings an American team into Formula One for the first time since 1986.

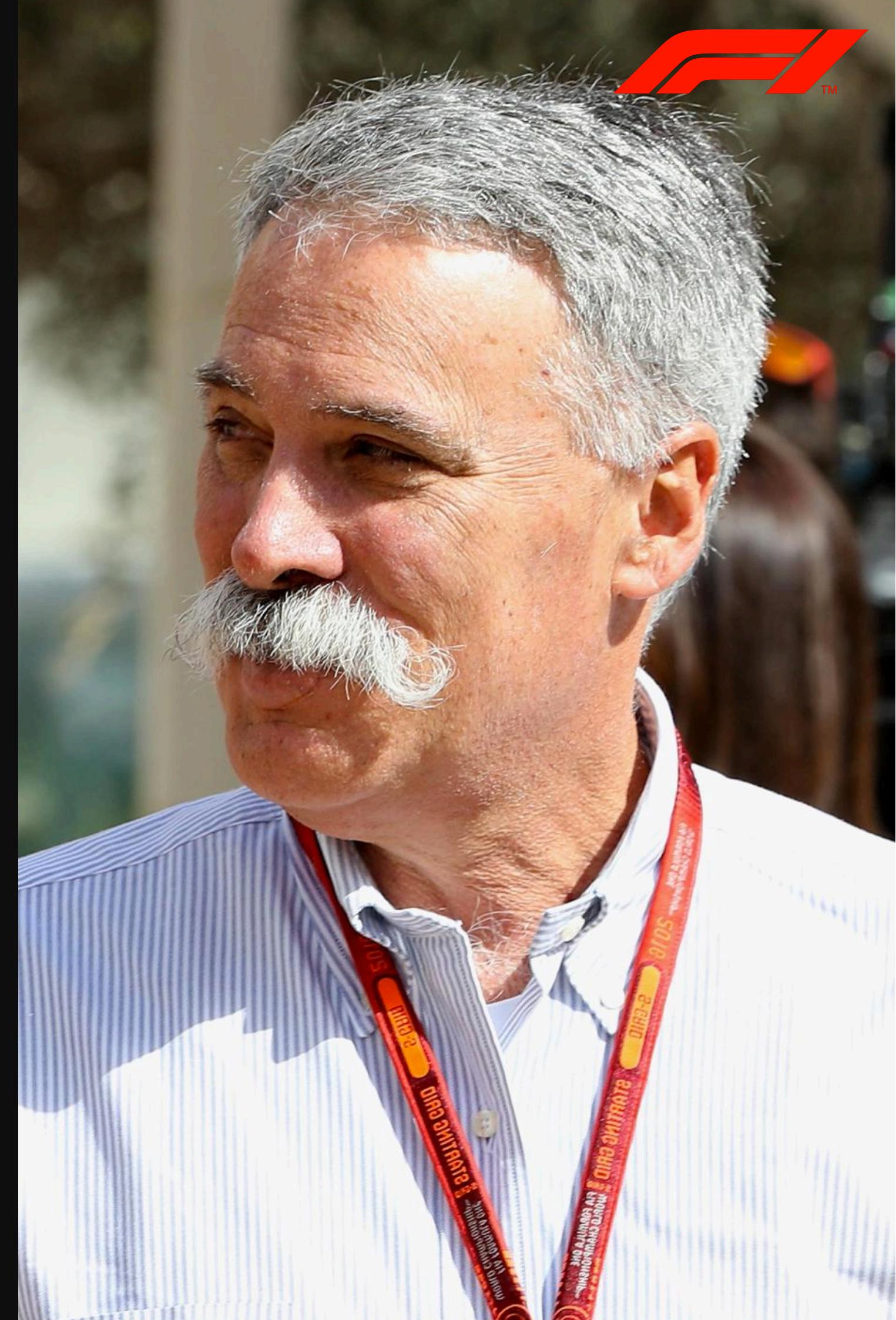
2017

4. American sports sponsorship expert Zak Brown is appointed Chief Executive of McLaren.

5. Colorado based media company, Liberty Media, acquire Formula One in January 2017.

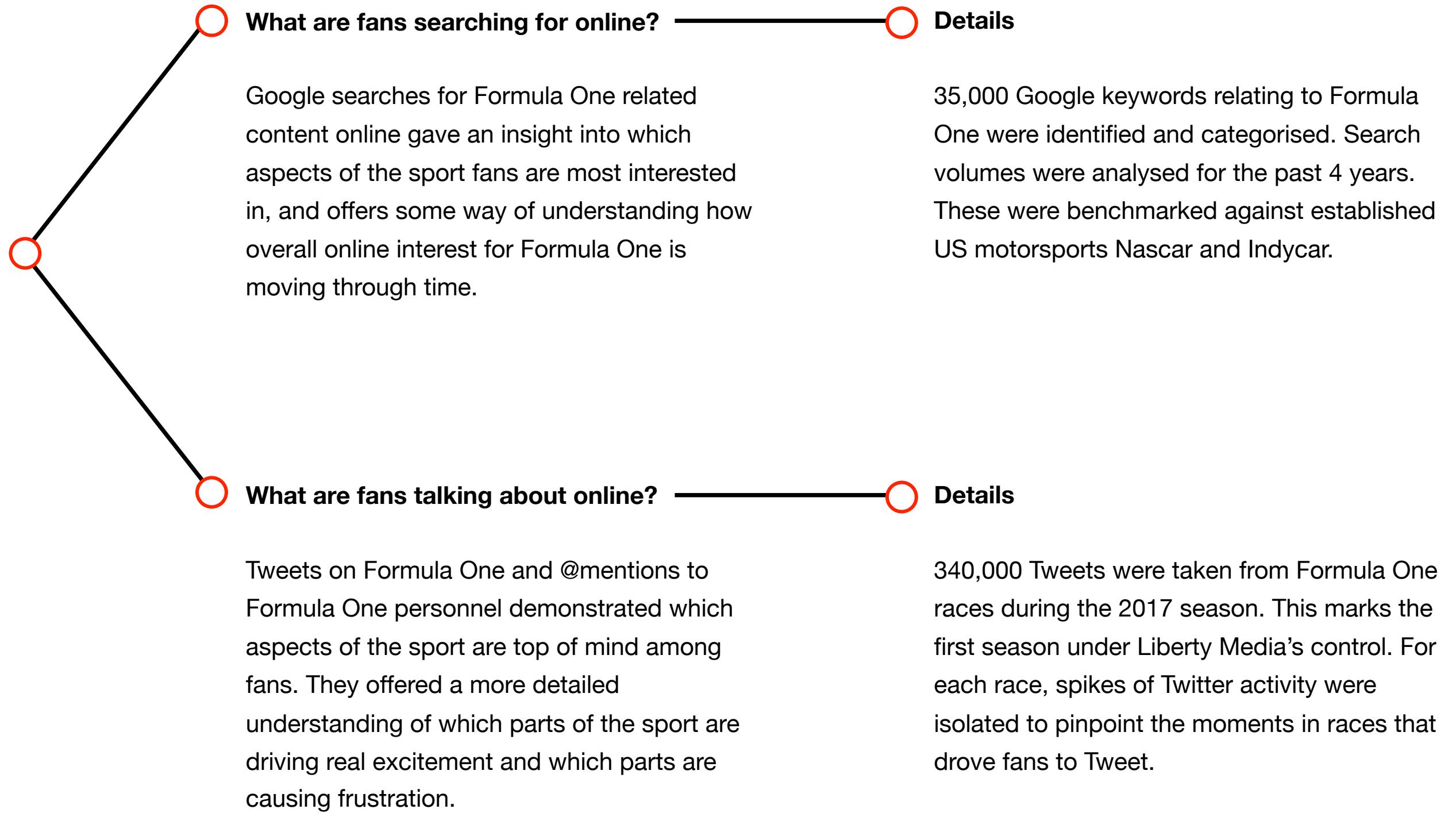
“There is a big untapped audience in the US. And for us it's a market where we are really just scratching the surface. It's not only the size of the market but the fact that we have only really just tried to begin developing the potential of the sport there.”

**Chase Carey, F1 CEO**



# Methodology and Research Approach

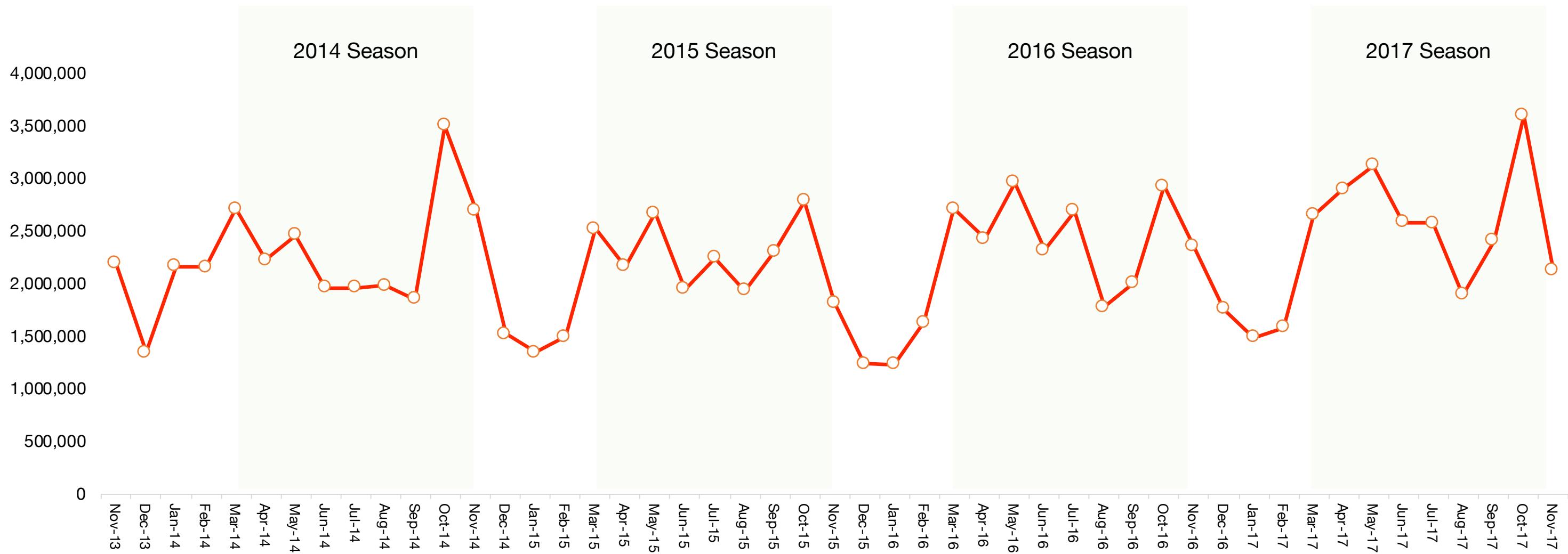
**Two-way approach**





# There has been no significant growth in search interest

Formula One related Google searches



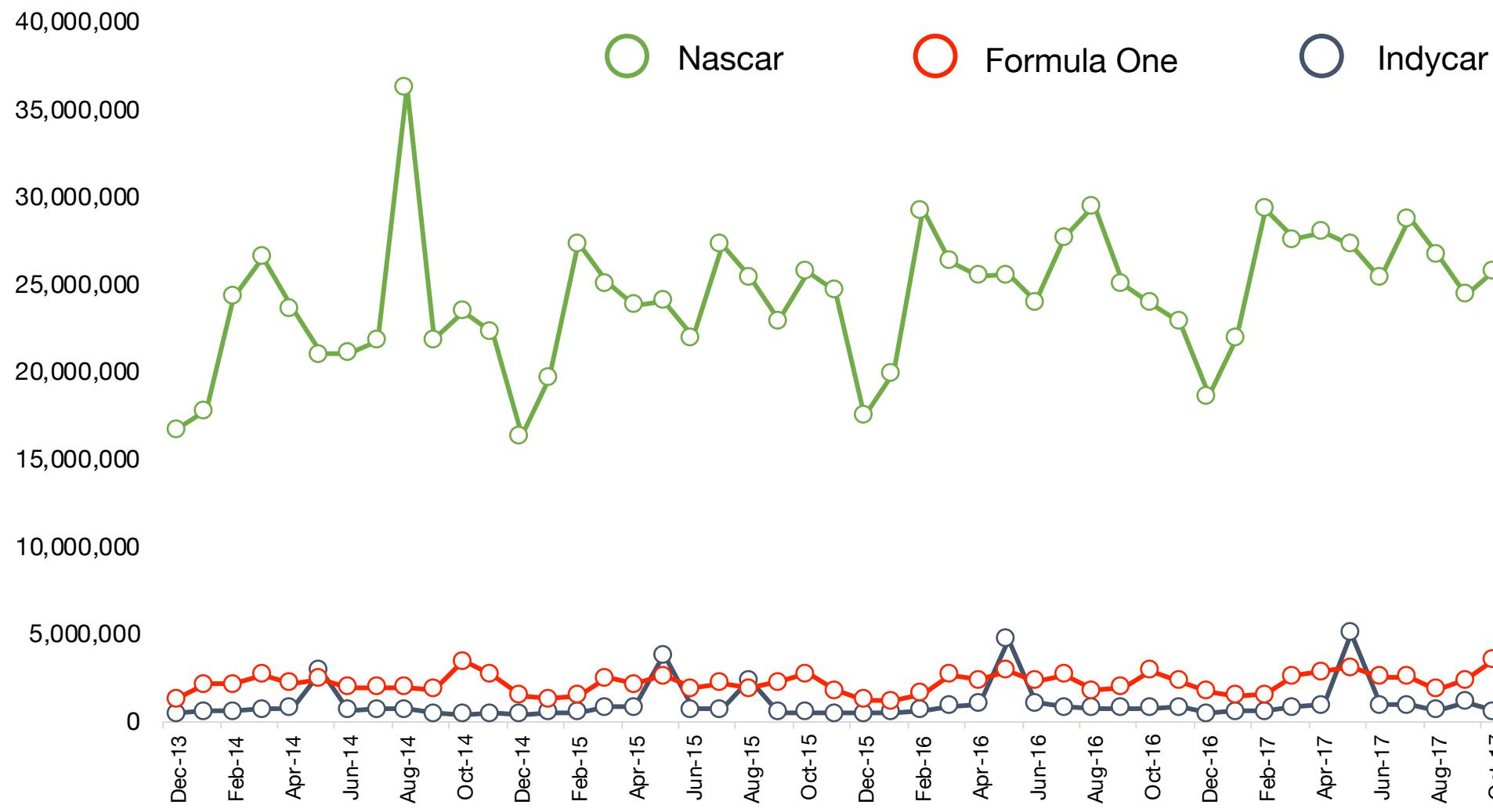
Searches around Formula One grew 9% season on season between 2015 and 2016, and a further 7% between 2016 and 2017. Although the 2017 season marks Liberty Media's first full year in control of Formula One, it has yet to make any significant changes to the sport and hence it would be difficult to

draw lines between an all-time high amount of search interest to the new management. While there is growth in overall search interest, this does not mark the step-wise increase that Liberty Media are looking for. Search interest peaks during October 2014 and October 2017 highlight the importance of

the Championship deciding rounds relative to the rest of the season. This could be of particular importance in the US where the majority of sports have less of a season-long focus and more of a push towards a grand finale such as the Superbowl, Indy 500, and MLB World Series.

# Nascar remains a distance ahead of Formula One

*Nascar, Formula One, and Indycar related Google searches*



Nascar search volume offers a marker for what level of interest can be generated around motorsports in the United States. Despite American players moving into Formula One over the past 5 years, it has made no movement towards this Nascar marker with Formula One searches accounting

for 8% of searches across the 3 motorsport disciplines over the last 4 years. Formula One has maintained a higher level of search interest than Indycar, with the exception of spikes during the Indy 500. Better understanding the popularity of Nascar in the United States could therefore yield some

*Facebook Audience Composition*

Type	Category	F1	Nascar
Age	18-24	22%	11%
Age	25-34	31%	18%
Age	35-44	21%	23%
Age	45-54	15%	27%
Age	55-64	8%	15%
Age	65+	5%	7%
Education	University	64%	56%

important lessons on how to grow the Formula One brand. Formula One, however, is skewed towards a younger and more educated audience than that of Nascar on Facebook, suggesting that Formula One should find its own ways to capture a different kind of fan base.

# The passion and pain of US Formula One Fans

If Formula One is to grow its brand in the United States, understanding the points of passion and pain among its existing fan base during the most recent 2017 season is a good place to start.

These can be divided into aspects that are specific to the American audience and aspects that are universal to Formula One fans worldwide.





# Passion and pain points specific to American fans

## US Grand Prix

The **US Grand Prix** was the **most searched event** with almost 4 times more searches than any other Grand Prix over the past year. **Canada and Mexico** were in the **top 5** most searched, while events in English speaking countries were more searched than those in non-English speaking countries. Fans did not tweet more during these highly searched events, instead the **volume of tweets during a race** related to the **amount of on-track action** and the **importance of the event to the Championship**.

## Commercial Breaks

American fans lamented **commercial breaks** during **NBC** broadcasts. They **criticised the length** of the commercials and spikes of tweet activity occurred when **commercials were run during important moments** in the race such as pit stops of the leading group, overtakes, and crashes.

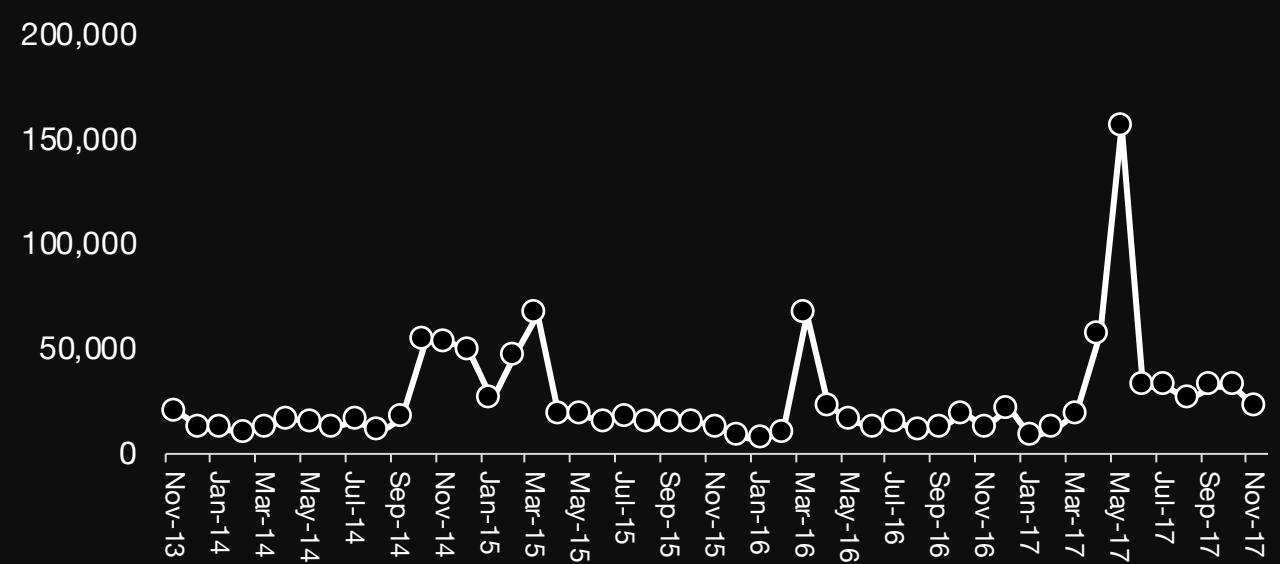
## Haas F1

Fans **tweeted about Haas throughout each Grand Prix** but due to their **lack of competitiveness** among top drivers and teams, Haas **wasn't the focus of any spikes in fan tweet activity** despite being the only American team. **Mercedes, Ferrari, and Red Bull** drivers **dominated spikes** in tweet activity. However, **Haas has been the third most searched team** on Google since it joined the grid, only second to Mercedes and Ferrari.

# Fernando at the Indy 500

In May 2017, Fernando Alonso accounted for 5% of all Formula One related searches when he competed in the Indy 500. This highlights the impact of Formula One drivers competing in existing American motorsport events. Fernando Alonso's appearance at the Indy 500 caused an uplift in Fernando Alonso related searches for the remainder of the 2017 season.

*Fernando Alonso related Google searches*



# What inspires fans to tweet during races?

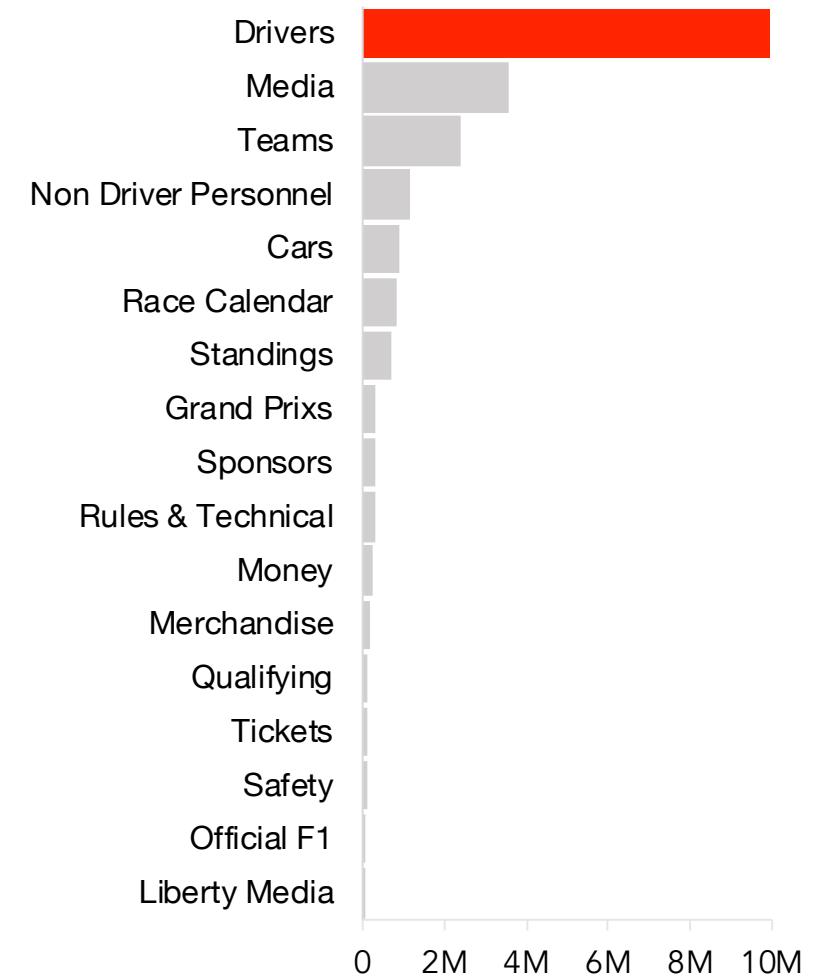
## Overtaking

Generally speaking, **overtakes do not drive spikes** in fan tweet activity. Overtakes **only cause spikes** when they are (1) **exceptional overtakes** with three cars side by side, in unusual overtaking places or at high speed, or (2) when the **overtake has a valuable context** such as when any of the top drivers are involved; **Lewis Hamilton, Valtteri Bottas, Sebastian Vettel, Kimi Raikkonen, Max Verstappen, or Daniel Ricciardo.**

## Drivers > Teams

**Drivers are more important to fans than teams.** Spikes in tweet activity that involved teams only occurred when a **team was judged to have ruined the race of a driver**. Fans **criticised teams for bad strategy, team orders, and reliability problems**. US fans **searched for drivers 4 times more** on Google over the last year **than they did for teams**. Only the **top drivers competing for race wins**, with the exception of **Fernando Alonso, caused spikes** in fan tweet activity.

*Formula One related Google searches over the past year*





# What inspires fans to tweet during races?

## Purple Laps

**Purple laps** and race contending drivers catching one another quickly towards the end of races **prompted excited discussion on Twitter** where fans considered the chances of a driver catching up with and overtaking another driver before the end of the race. These **spikes in activity were created by alternative strategies** causing large deltas in lap times between drivers at the top.

## Fairness

Fans **seek some degree of fairness**. They showed negative sentiment towards what they considered **unfair engine advantages, cars with much higher performance than the remainder of the field, inconsistent penalties, car failures, team orders and bad strategy**. Tighter regulations in other motorsports, including Nascar, are a likely **source of this negative sentiment** towards fairness.

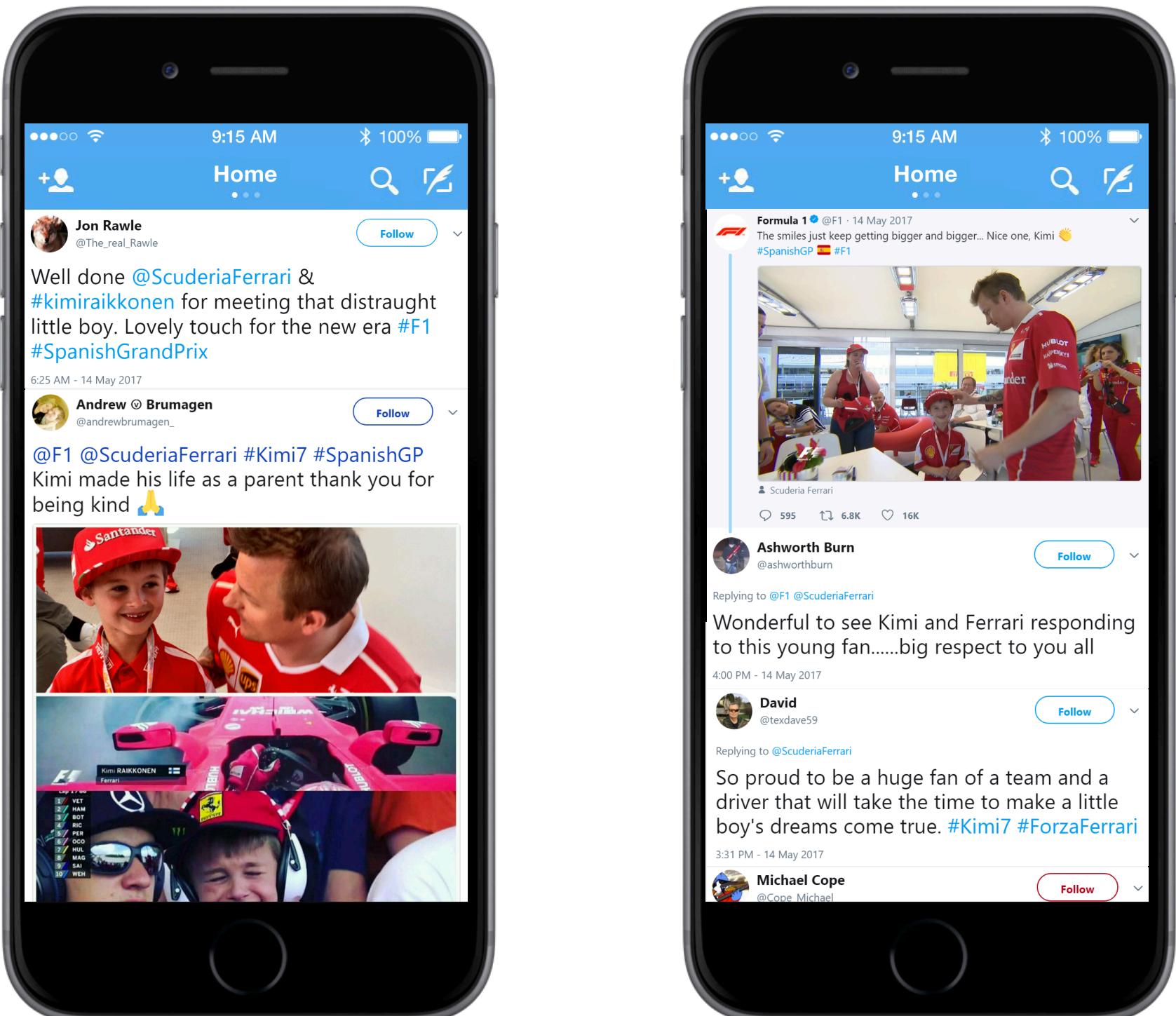
## Safety Cars

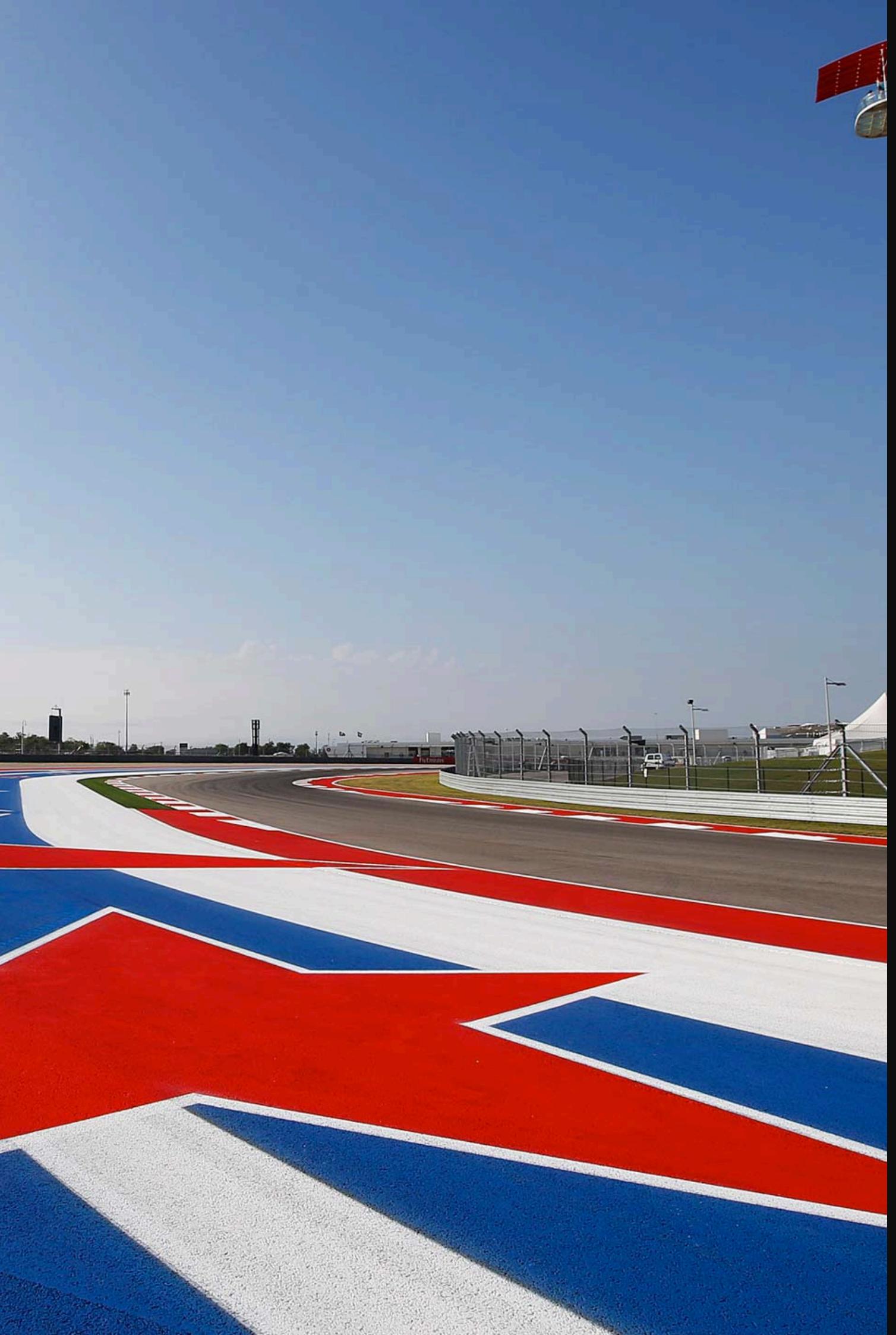
**Spikes** in fan tweet activity occur **during respites** in racing when there are virtual and non-virtual safety cars. During these moments, **fans engaged in discussion with other fans** and **tweeted to F1 personnel their opinions** on events so far and predictions for the remainder of the race. These **moments mark the ideal opportunities to engage with fans online**.

# What inspires fans to tweet during races?

## Good Hearted

A single moment stood out over the course of the 2017 season that caused a spike in fan tweet activity and created unity between fans from all drivers. In this instance, some fans celebrated the sport as a whole and praised a new era with Liberty Media. This moment occurred during the Spanish Grand Prix, when a child who had been shown crying in the crowd at Kimi Raikkonen's retirement, was invited down into the Ferrari garage to meet Kimi and watch the rest of the race with the team.





## Concluding Remarks

Formula One is yet to experience significant growth online in the United States. This is not surprising given that Liberty Media have yet to make any serious changes across the sport. Reassessing this situation following deployment of Formula One's new digital platforms in 2018 would make for an insightful comparison.

This analysis highlights a number of key areas that Liberty Media should consider, namely the significance of fans resonating with drivers as the personalities of the sport, the importance of an American team or driver performing at the top of the sport, the benefits for Formula One engaging with existing American motorsport events, and the opportunity to unite fans through reactive in-race fan engagement.



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