

**,With reference to established marketing concepts, critically
evaluate the opportunities and challenges being presented to the
motorsports industry by the grown of social media.**

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Social Networking

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Motorsport Management and Logistics Level 5

06/11/18

Social Trends and Consumerism

M5X01285

Introduction-

Social networking is best defined “as a chain of individuals and their personal connections. Expanding one’s connections with other people is a technique that can be used both for personal or business reasons. Social networking applications make use of the associations between individuals to further facilitate the creation of new connections with other people. This could be used to meet new friends and connect with old ones, as many people do on Facebook, or to expand one’s professional connections through a business network like LinkedIn.” (Techopedia, 2018)

Within this assignment I will be covering various aspects of social networking in relation to the motorsport industry and how it can both increase overall profitability and improve customer relations. I will be assessing numerous business methodologies in regard to how they can develop social networking strategies.

With the introduction of social networking in the late 20th century, came a brand-new way of marketing and communicating between the organisation and their peers. Within the motorsport industry, using social networking, companies can communicate with prospective clients and other companies promoting the use of E-commerce.

I will also be examining how these processes are interlinked with the various marketing concepts. I will be addressing the key impacts that social media has had on various platforms, to better or worse the motorsport industry, overall.

Social media strategies

Companies within the motorsport industry must maintain their presence on social media, this is to ensure that maximum exposure is achieved. In figure 1.1 below it shows a screenshot taken from Thruxton Circuits Instagram page. The main purpose of social media for circuits and race organisers is to sell tickets to customers. Although social media is in theory a free marketing tool,

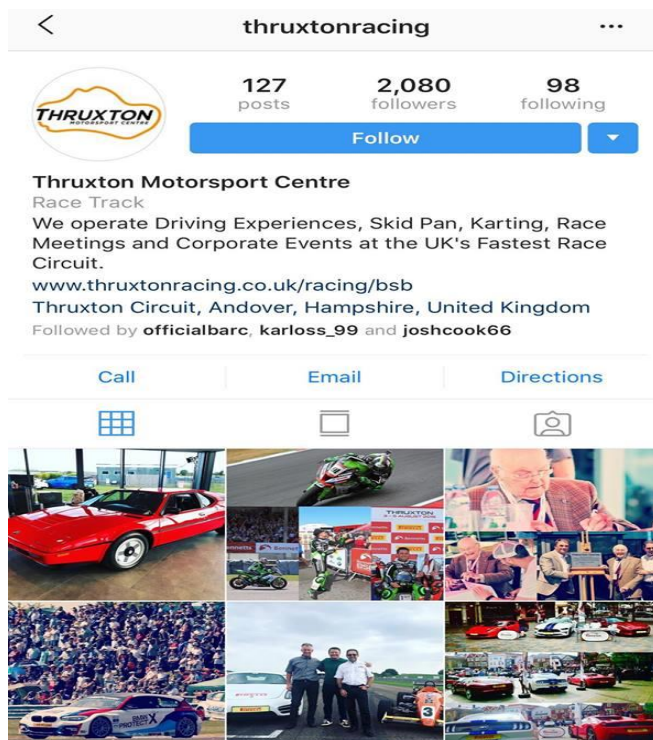


Figure 1.1- Screenshot of Thruxton motorsport Centres Instagram (Thruxton Circuit , 2018)

Within the motorsport industry, companies will often pay social networking firms to strategically promote their brand. Social Networking companies use formulated algorithms to build a virtual profile of each of their users. For example, if a user starts subscribing to certain pages or people, the system will believe the individual has an interest in this subject. This helps companies such as race circuits to market to their target audience. Strategic networking often increases overall sales and provides a larger reach of potential customers.

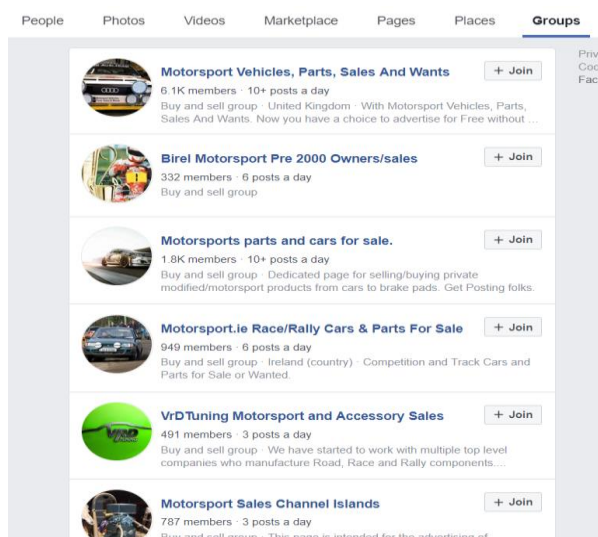


Figure 1.2, Screenshot of motorsport sales groups on facebook.

(https://www.facebook.com/search/str/motorsport+sales/keywords_groups) -2018

E commerce using social networking.

Companies can now conduct business through social media. A prime example being commerce pages on Facebook. As you can see from figure 1.2 below there are many pages on Facebook that promote consumer to consumer commerce.

The main advantages of using social media to sell goods is the wide reach that is constantly available to seller's target market. However there are some disadvantages of commerce pages, a prime example of this can be consumers questioning the authenticity of goods, as fraudsters are often present.

How social networking can increase inter-relationships within the motorsport industry.

Networking is one of the most important tools within the motorsport industry. Networking can increase business relations, potentially reducing overall costs. Sites such as 'LinkedIn' play a key role within the industry to connect professionals and improve overall chemistry between businesses.

Using social media platforms such as twitter and Facebook, companies are able to communicate with clients quicker than ever before. A prime example of this can be customer services departments using social media to resolve complaints for clients or answer client's questions quickly and effectively. This service has a direct correlation with the place aspect of the 7p's (the client can communicate from anywhere).

How formula 1 uses social media to increase its overall reach.

Since the takeover by liberty media in 2017, marketing has drastically changed within formula 1. Formula 1 has over half a billion fans. According to Sean Bratches (Managing Director, commercial operations, formula 1) *"last year our ratings were up, race attendance was up, digital conception and television levels were up. We're the fastest growing sport on social media around the world."* (CNBC, 2018) This proves how a change in social media and social networking strategy can increase overall fan levels and thus increase overall profits.

In an article by Ellen Hammett for Marketing week, she describes how formula 1 is implementing a new marketing strategy prior to the start of the 2018 season. *"Formula One has launched its first ever global marketing campaign with the aim of challenging the sport's perceptions by showing "what F1 really feels like" through the eyes of its fans."* (Ellen Hammett , 2018) Although there is a large push towards social media marketing, Formula 1 is still using more traditional marketing methods. Ellen Hammett further goes on to explain in her article, that throughout the season. *"With a big outdoor push – including in-airport and in-city posters and hand-painted murals – the campaign will roll out across key Grand Prix destinations in China, France, Germany and the USA as the season unfolds."* (Ellen Hammett , 2018).

This article also quotes Ellie Norman (Formula 1 director of marketing and communications) she says *"If we think about the audience we want to reach, and getting to a new audience, it's about creating content that's going to resonate and engage with them on their level," "So there will be lots of animated gifs, short video formats that we'll be pushing out to give people a feel for the campaign, and then they can hopefully discover the longer format on our pages and social channels or website."* (Ellen Hammett , 2018)

Nielsen Sports the global leader and independent, trusted advisor in sports intelligence and measurement. research shows the formula one's available reach is much greater than assumed, "If you look at where the Formula 1 Facebook page has its followers, it's not just traditional F1 markets like the UK and Brazil. Some of the most popular countries in terms of number of Facebook fans are the likes of India, Indonesia, and USA. Social media creates an opportunity to grow the sport beyond F1's traditional heartland."

Formula 1 is now the pinnacle of engineering, design and marketing within the motorsport industry. Below shows an example of Formula 1's marketing strategy.

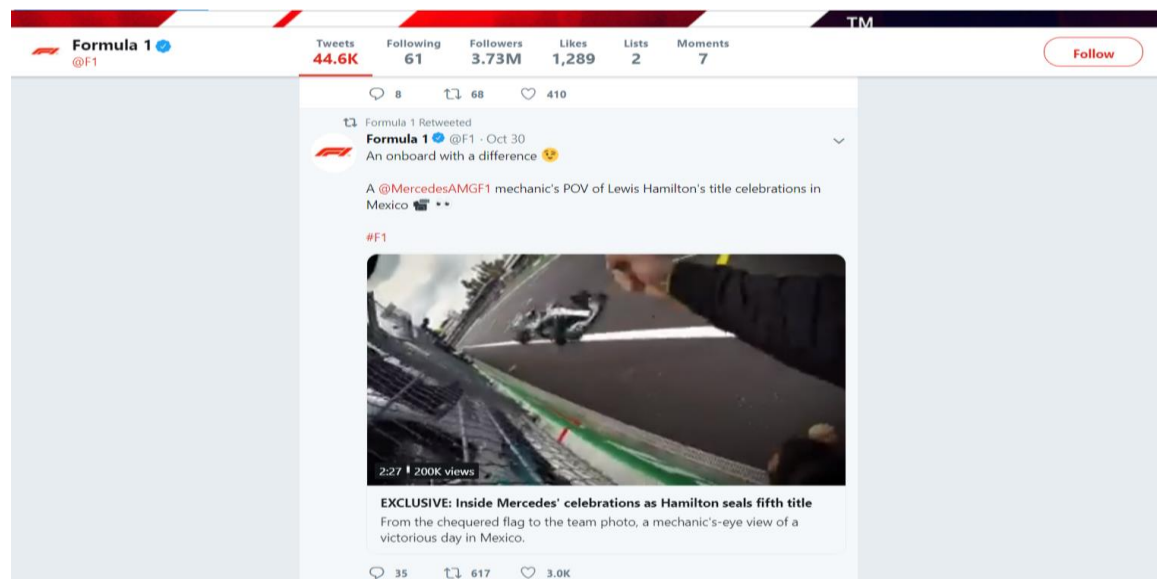


Figure 1.3- Screenshot taken from the formula 1 twitter page. (04/11/2018)

In the figure above, it shows a first-person perspective of a Mercedes team member as Lewis Hamilton wins his 5th title. This gives fans a different perspective view compared to what they are used to. This video has reached 200,000 views in 5 days. According to a formula press release quoted on Kate Walker's article, *"Impressions are up 124 percent and video views up by 283 percent, while there is a +1090 percent increase for minutes visited. The number of Formula 1 followers has eclipsed 10 million, with an overall increase of 56 percent compared to the end of 2016. Particularly significant is the growth in subscribers to YouTube (+178 percent) and Instagram (+104 percent)."* (Kate Walker, 2018)

How Motorsport uses Mobile Applications to connect with there fan base.

The use of Mobile applications has had a great impact on the information available on demand to fans. Fans have various applications that are available for free on both the android and apple marketplace. As seen in the various figures below, fans can now be more attached to the sport as they can see a lot more information surrounding the cars data, along with track data. Applications are a brilliant way to collect quantitative information surrounding their fan base easily.

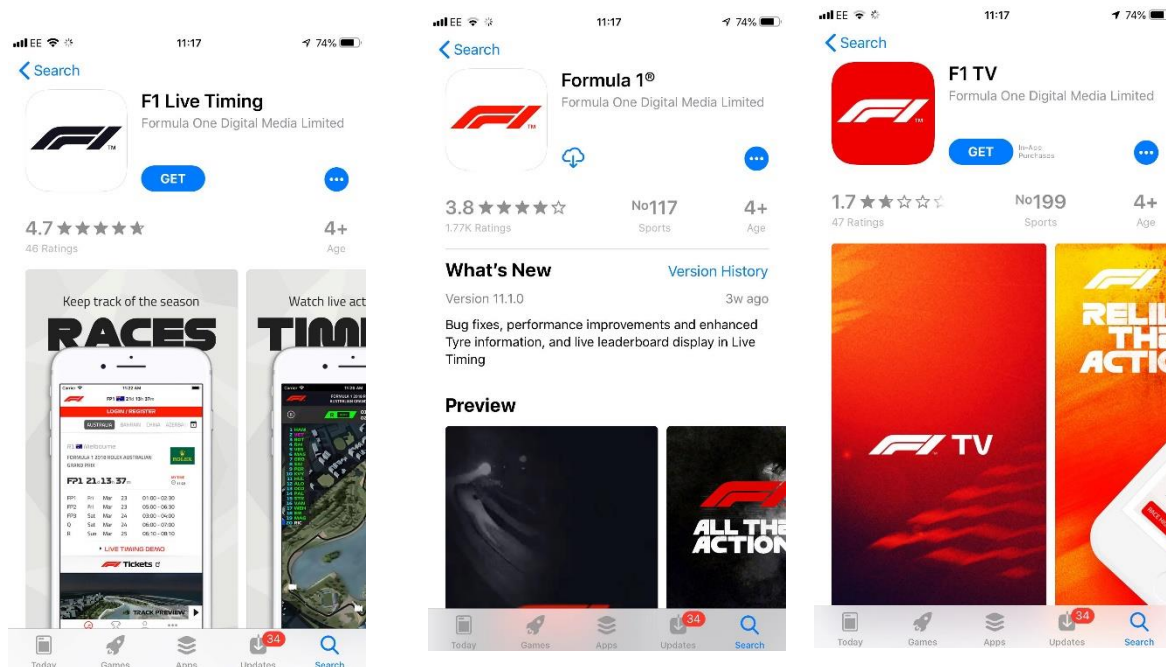


Figure 2.1, 2.2, 2.3-screenshots taken from the app store of formula one digital media limited applications

How motorsport series are going into partnership with social media companies.

In July 2017, Formula 1 went into partnership with one of the most popular and up and coming social media providers. According to UK business insider as of February 2017 an average 158 million people are now using the Snapchat application. This was obviously a prime spot to market various events. However, Formula One provided snapchats users with a different experience than ever seen before. Users were able to see the event through other users' perspectives. Snapchat used there Our Story stream to allow users in the United Kingdom and the United States to view other users perspectives. Frank Arthofa, head of digital at formula one says *"We need to continue to bring new fans to the sport - by reaching out to them on social media platforms with behind the scenes, fun and engaging content. Snap's platform is one of the most popular among 'millennials,' a sector we are particularly keen on attracting, as it represents the future of our sport."* (Bill Wilson, 2018)

Another series to use snapchat is Nascar. According to the CEO of Delmondo, a social analytics and data company based in the United States, *"There was already a solid base of followers," Cicero says. "So to jump 80 percent on top of that means there was this buried audience. There could have been a lot more people following Nascar than were previously being exposed to that content."* (Sloane, 2018)

Racing series are investing heavily to ensure their fans are constantly entertained with information surrounding every aspect of the sport.

How advancements in the internet effects marketing concepts.

With the advancements in the internet's overall technology, comes a new type of marketing. The advancements in technology have a direct correlation with one of the most common marketing principles the 7 p's. Promotion is often the key factor used when talking about social media marketing. Promotion allows for the team or the company to gain a following often increasing overall profits, much alike what happens in a more traditional business environment, an example of this is a team were to implement an advertisement campaign (promotion campaign) and it were to be a success, the teams overall fan base would improve without cause. The resultant factor would clearly be, that there is a larger fan base profit margin, thus a larger overall profit.

The place aspect of the 7 p's can have a direct correlation with the promotion aspect of the 7ps marketing concept. Strategic market segmentation allows for companies to only target those with a particular interest (in this case the motorsport industry.) The place aspect must be considered when marketing to these particular people, a prime example of this can be advertisement campaign on Facebook that is only marketed to millennials who have an interest in motorsport.

SWOT analysis also plays a key role within social networking. Understanding the strengths, weaknesses, opportunities and threats is a major advantage that can ensure the success of a proposed marketing campaign. Knowing your SWAT allows for a more organised, comprehensive and effective campaign, overall. An example of this can be seen on TV advertisement.



Figure 2.4 – Screenshot taken from sky sports f1 (premiered in 2017) (https://www.youtube.com/watch?time_continue=1&v=FKX30_cgR0o)

TV advertisements are used to entice viewers into paying for a service. Figure 2.4 (screenshot taken of sky sports f1 televised campaign) uses an interesting advertisement strategy to grab the viewers' attention. Using a Horse to impersonate a car, entices viewers to keep watching and investigate the service further.

Competitive Marketing with motorsport.

Companies or teams within the motorsport industry are often competing to ensure maximum fan engagement. Teams will often go out of their way to surprise their fan base and gain a new following. This is often seen on social media platforms as these videos often go viral. A prime example of this can be seen in figure 2.5 below.



The F1 Scrum with Daniel Ricciardo and Bath Rugby Club

Figure 2.5 shows a Red Bull marketing campaign that went viral on social media. Screenshot taken from YouTube video.

This campaign shows Red Bull's Daniel Ricciardo and Bath Rugby players competing against each other in a scrum. This is a prime example of a strong media partnership for both bath rugby and Red Bull. Using social media, it combined two sports that are completely different and resulted in an increased following for both teams. Teams often find ways of introducing fans to new sports through social media platforms. This has a direct correlation to the marketing mix.

Negative points surrounding the use social media for motorsport.

Although social media can be a brilliant tool to improve overall fan engagement, it can also drastically damage the team, business and driver's reputation. A prime example could be seen after the 2018 race in Brazil. A video emerged showing Max Verstappen pushing a fellow race driver Ocon. This video could be interpreted badly by the fans (consumers) and could damage formula 1's sportsman-like persona.



(figure 2.6 Ocon and Verstappen altercation- <https://cdn.autobild.es/sites/navi.axelspringer.es/public/media/image/2018/11/max-verstappen-esteban-ocon.jpg>)

Conclusion

This assignment has covered various marketing concepts and how they can be applied to motorsport principles. A vast amount of social network engagement within this industry is promotion. Promotion is key to maintain and gain fan bases which in turn increases overall sales, thus increases overall profits. Another key point that has a direct correlation between marketing concepts and the industry is the use of B2B, B2C but more importantly C2C commerce. Various marketplaces are now available on social media platforms, which in turn creates a new way of conducting sales using social networking.

Another key aspect that has been addressed is the how social networking can increase the inter-relationships between professionals within the industry. Applications like LinkedIn can increase potential B2B commerce or can be used as a general networking tool. This assignment has also covered how various improvements to the internet has given fans (customers) a more connected and involved experience to the race. The example shown previously is the various applications that are available to fans to improve their overall experience.

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