

Local people's reaction to Formula 1 Influence of local population on the development of Formula 1 in Dubrovnik

Ljubić, Nikola

Undergraduate thesis / Završni rad

2018

Degree Grantor / Ustanova koja je dodijelila akademski / stručni stupanj: **RIT Croatia / RIT Croatia**

Permanent link / Trajna poveznica: <https://um.nsk.hr/um:nbn:hr:229:897772>

Rights / Prava: [In copyright](#) / [Zaštićeno autorskim pravom.](#)

Download date / Datum preuzimanja: **2023-02-08**

RIT

Repository / Repozitorij:

[RIT Croatia Digital repository - Rochester Institute of Technology](#)

Croatia



Local people's reaction to Formula 1

Influence of local population on the development of Formula 1 in Dubrovnik

Nikola Ljubic

RIT Croatia

Professor Francis Brassard

May 1, 2018

ABSTRACT

This Project is based on researching local opinion on Formula 1. The research is focused on obtaining data from the local people in order to observe the reaction of the people and how to introduce F1 as possible event for Dubrovnik.

Key Terms and Definitions

Formula 1 – the international organization of races; the actual races are referred to as grand prix

FIA (Fédération Internationale De L'Automobile) - This is the governing body of Formula 1. This organization sets the rules and standards.

Introduction

I believe that the opinions of the local people should be taken into consideration if a large-scale event were to be hosted near the city of Dubrovnik. Collecting reactions of the people before proceeding with hosting an event will help give an insight on people's expectations and potential customers. This can also give an idea of about when to host the event, due to local tourist seasons and weather conditions. Feedback is also necessary on how the current infrastructure would cope with such an event taking place.

Large-scale sport tourism events are known for attracting people from different parts of the world and are seen as great opportunities for economic growth and urban development. These events can be a great location-marketing tool. Locals also benefit from this by an increase in income, job opportunities and minimize inflation. (Kim, 2015) Hosting a large event can bring something interesting to the people of the location. These events not only bring money for the Formula 1 organization but also to the local businesses, lodging industry and other enterprises. But not always can it be a positive thing; it can also result into something negative.

One event that proves to be successful in Dubrovnik is the marathon known as "DU Motion." They will be hosting their 4th successful event this year (2018). The event has proven to be the most successful running race in Croatia. This is an event where close

to 700 runners gather for multiple marathon events. These events are designed as multiple different kinds of marathons ranging from a children's marathon to a 21k and even a run on the old city walls. Every year participants gather from not only Croatia but also from about 30 other countries. The reasoning behind the event is usually to serve as some kind of charity that gives the runners a motive for participating. Runners seem to be satisfied since the event is constantly growing. The results for the past couple of years currently stand at 4300+ participants from over 50 countries. As can be seen here this event is a small example of something that can succeed in the city of Dubrovnik and is viewed positively upon by the local population.

Formula 1 is among one of the larger automotive racing sports offered to the public. It includes about 20 race events that are scattered in different locations across the world. Each year there are 10 teams that race in all events through the season. The sport received a total viewership averaging around 352.3 million people through television in 2017 (Sylt, 2018) and had about 4,071,400 million people attend the actual events. Each Formula 1 event averages around 203,570 combining all events and race day with an average of 76,722 people in attendance. The number of average attendees compared to other large sporting events was larger than other events like average attendees per match for, Uefa Champions League: 43,016, Premier League: 35,822, Bundesliga: 41,511 and Fifa World Cup 2014: 53,592. (Formula1.com, 2017) Countries or investors of F1 are only supported by the ticket sales of the events. People who do attend these events though do tend to have high spending habits, with fans spending more every year. (Sylt, 2017) These fans are tied to the sport, team or driver. (Ballouli, Trail, Koesters, and Bernthal, 2016) To add onto what is stated above, the fans of F1 show their loyalty through the years and are willing to continuously attend F1 events.

Existing Cases

A situation where Formula 1 struggled to succeed was displayed in Istanbul, Turkey. Istanbul seemed like an attractive location for a Formula 1 race due to its world

recognition, attractiveness and being developed with infrastructure and people. The city moved forward and made the investment in 2005 and after 2011 Formula 1 no longer took place in Istanbul Park. (Gezici, 2014) Surprisingly they managed to go through 7 seasons before actually coming to a halt. There were many costs here that in the end did not pay off due to the initial investment to accommodate this kind of racing event. In brief, the failure was due to cost being too high to maintain and failed expectations. There were not as many spectators as expected attending and the number was dropping every year. This was due to the lack of support and attendance of the local population and global fans.

There are also many success stories in Formula 1 event hosting. One city that has the interest of the fans and drivers is Singapore. The city itself is said to be financially stable and able to host these kinds of events. Through this event, they are able to showcase their offer, which is noticed worldwide. From 2008 to 2015 the event has brought 350,000 spectators and has generated an average of \$150 million annually in tourism. (Meng, 2017) The reason for the interest of the racers is due to the track being demanding, there is much overtaking and a crash always occurs at the Singapore Grand Prix. Another situation that is doing well would be in Austin Texas. Financially, hotels in the area alone made \$32 million. Alcohol sales for the 2012 season at COTA were \$2.8 million. In total 117,429 spectators were brought to the event. (Sylt, 2015) It is visible through these examples that it is possible to be positive.

Locals' thought on this topic varies. A case done on the Singapore Grand Prix reveals that people don't believe that this kind of event will have much of an impact on their social or cultural life. But they strongly side with hosting the event and take much pride in doing so. The locals know that they are capable of hosting and managing such an event. (Cheng & Jarvis, 2010) They would also agree with the fact that it boosts their tourism industry through out Singapore. Outsiders that have no experience with these kinds of events have the tendency to think that factors like pollution, sound, traffic and

large diverse crowds will impact the lives of locals, but actually this is not true. The people of Singapore don't mind any of this from happening in their hometown. But this will probably vary from country to country. This being said, all countries are different and there are many different factors that influence the way people live in a certain country. For example in Singapore the Grand Prix takes place on an already existing road, which means that road closures are necessary and possibly high traffic, but this does not irritate them. The Grand Prix to them is an event that brings excitement and fun.

(Meng, 2017)

Method

I have chosen to collect my data for this research through a questionnaire, because I feel as if I can get some understanding of multiple different people on the topic. The purpose of this data collection is to measure the local interest in having Formula 1 as a possible event in the Dubrovnik area. By questioning these individuals, I received feedback on their feelings towards the idea of the event. My target population was people that live in the Dubrovnik area because they would be the ones to be impacted the most if this event were to become reality. The total number of samples distributed is about one hundred and fifteen. About fifteen questionnaires were never returned on time by the participating population. An estimate of 30 participants was sourced on the college campus while the rest were from multiple different locations.

The questionnaire is made up of multiple likert scale questions that scale from 1-5, 1 being strongly disagree and 5 strongly agree. There are also two multiple-choice questions and two demographic questions included. Likert scale section focused on topics like interest of event, impact on area, reputation of city and country and factors that can cause negative feelings. Some questions that were asked "F1 will promote Dubrovnik as a tourism destination" or "I am most worried about the pollution." I have focused most of these questions from "Residents' perception of the social-culture impacts of the 2008 formula 1 singtel Singapore grand prix" (Cheng, E., & Jarvis, N. 2010) with changing

minor wording or making some questions based on the ones provided. As for the demographics questions, the question asks for the participant's age. This is how the thoughts are divided into groups to see how people of different ages think. This was all done through paper and drop off due to my assumption of receiving faster to instant results. An online version was planned but not executed due to the target goal of results being reached.

The type of sampling used is nonprobability due to the need for many different age groups to be involved. As well as a haphazard conduction of the questionnaire, I decided to hand out the questionnaire around the college campus to students and faculty, shopping centers, friends and their families. The participants I received range from many different age groups, which is a positive thing, that gives me a wider perspective of thought towards the topic. Conducting questionnaires was mainly done in the morning or afternoon due to larger population of people. Participants would be asked to take the survey which would not take them more than 5 minutes at most, a majority of the participants would finish before 5 minutes. As for the drop off questionnaires, participants were given approximately three days to fill in their answers and return them to me either through face-to-face or online.

My hypothesis of what the results would be was negative. I assumed that most people that are of older age would be in disagreement towards the event compared to younger people. While the younger ages would be ready for a change to come and would be open handed to the event and what it has to offer.

Results

Examining the results I can see that from respondents I have received 60 respondents with the age of 18 to 24, 24 respondents with an age of 25 to 34, 12 with ages of 35 to 44 and 4 participants that were 45 and above.

For full questions and answers, it can be referred to the actual survey or spreadsheet located in the appendix. For the first question the mean is a neutral came out

to be neutral with 3.87, this question is to get an understanding of people's familiarity. The second question is towards factors to worry about which scored relatively low about people being worried if this event was close to the city, so people would not actually mind it in other words. Most people also sided with the fact that this event would not disturb their lifestyle, but that public places would be crowded during the time of the event. A majority of the population rated that they would like to visit the event but in the next question stayed neutral about paying the price to attend. For all the questions that were related to the impact on Dubrovnik and Croatia and the pride that comes with the event all questions were rated very high and averaging over 4. For questions 14-16 that related to factors to make some one feel worried all 3 were rated with an average around 2. Finally the last question on the likert scale which was for the thought of the success on the event in Dubrovnik this had a mean of 4.29, with only 3% of respondents rating it with a 1 or 2. Most people thought that the event should be held out of the season, this was 85 out of 100. Only 12 people thought that the event should be during the tourist season, 1 saying both seasons are acceptable and 2 respondents saying that it should not be held at all. My final question asks if there would be an economic benefit from hosting such an event, 95 said yes and 5 no. For their reasoning why it can be referred to image in appendix.

Discussion

My thought before doing the research was that there would be both positive and negative answers from respondents because not everybody thinks the same way about a topic. People will have their own opinion and reasoning behind that.

With my first question, I did not expect as many respondents to answer as they did claim that they were familiar with Formula 1. I believe that the sport is a popular one, but most people do not actually watch it on TV or online due to it being in different time zone and some times having to find the race online. People seem to understand that public places will be crowded but are fine with it being around the city. It seems as if

they are conscious of the event's actions to some point. But this can also be attractive due to some people that may have an understanding to some other formula races. As mentioned before for the Singapore grand prix that actually happens on their existing roads, this may seem like a negative thing to outsiders but the locals accept this and are proud host of this event. There seems to also be a large interest between the respondents willing to attend and pay for the event. My thought on this is that people of Dubrovnik are ready for something possibly new and exciting to change their lives up. As for pricing, I believe that people would actually save up the funds even though the fees are pricey compared to other sports. This is an event that only happens once a year in a location, so it is a bit different. When it comes to how people felt on the impact on the country and city, everything was positively rated. Locals do think that there can be some kind of link to an increase in recognition of the country and city. That this event can also lead to an increase in the amount of tourists that visit Dubrovnik. The respondents are also very confident in the fact of being able to host this event and that it will be a success. Locals seem to not be affected by the fact that there will be loud noise produced throughout the event, pollution or traffic. Pollution does not play much of a factor through the past years in F1 due to technology advancements. Traffic may be a bit of a problem in the Dubrovnik area due to the lack of infrastructure, but it already exist so it is not something to worry about but it is something that can be fixed as well. The locals also think that this event will bring open places for work. If the event were to succeed just a small portion of possible jobs, the international visitors that come would need places to stay, eat, transportation. For the people who answered for the grand prix to be held within the season or out of season, everybody thinks differently. Both have their good and bad points, in Dubrovnik it seems to be packed with people during the season and then it all just disappears at once and there is not much to do during the winter. Some people thought that this event would not be an economic benefit; I believe that many of the respondents do not know in detail the amount of people that actually attend these events

through the whole race weekend. This is a large investment but over the years it is possible to be positive like any investment you should not expect it to be positive the first year. The mentality of the local people should be a positive one, with a wider view of things.

There are many opportunities present if the event were to enter the market of Dubrovnik. To proceed with this event communication would have to be established with the F1 organization and prove to them the opportunities that Dubrovnik can offer them. Dubrovnik has become a luxurious and top destination and F1 is a luxurious sport.

Reference list

1. A. (2018, April 17). Runners' Days Dubrovnik. Retrieved from <http://www.du-motion.com/en/home/>
2. Ballouli, K., Trail, G. T., Koesters, T. C., & Bernthal, M. J. (2016). "Differential effects of motives and points of attachment on conative loyalty of formula 1 U.S. grand prix attendees." *Sport Marketing Quarterly*, (3), 166.
3. Cheng, E., & Jarvis, N. (2010). Residents Perception of the Social-Cultural Impacts of the 2008 Formula 1 Singtel Singapore Grand Prix. *Event Management*, (2), 91-106. doi:10.3727/152599510x12766070300849
4. Gezici, F., & Er, S. (2014). What has been left after hosting the Formula 1 Grand Prix in Istanbul? *Cities*, 44-53. doi:10.1016/j.cities.2014.05.004
5. Kim, W., Jun, H. M., Walker, M., & Drane, D. (2015). Evaluating the perceived social impacts of hosting large-scale sport tourism events: Scale development and validation. *Tourism Management*, 21-32. doi:10.1016/j.tourman.2014.10.015
6. Meng, W. M. (2017, September 15). F1 a boon to economy but some activities need spicing up, say observers. Retrieved from <http://www.straitstimes.com/sport/formula-one/making-good-even-better>
7. F1 attendance figures hit four million in 2017. (n.d.). Retrieved from <https://www.formula1.com/en/latest/headlines/2017/12/f1-spectator-figures-for-2017-hit-four-million.html>
8. (n.d.). Retrieved from http://tzdubrovnik.hr/lang/en/get/dogadjanja_sport/62749/du_motion_dubrovnik_runners_days.html
9. Sylt, C. (2016, October 18). The economic benefit of hosting a F1 race. Retrieved from <https://www.raconteur.net/business/power-behind-f1s-winning-global-drive>
10. Sylt, C. (2017, March 13). Formula One's \$5.7 Billion Ticket Bonanza. Retrieved from <https://www.forbes.com/sites/csylt/2017/03/13/formula-ones-5-7-billion-ticket-bonanza/#3b4cf6c77253>
11. Sylt, C. (2018, January 07). F1 TV Audience Reverses By 40 Million Under New Measurement System. Retrieved from <https://www.forbes.com/sites/csylt/2018/01/06/f1-tv-audience-reverses-by-40-million-under-revised-measurement-system/#2402856b3a52>

1=strongly disagree
2=disagree
3=neutral
4=agree
5=strongly agree

respondents ages
18-24 = 60
25-34 = 24
35-44 = 12
45 and above = 4

“Not sure”

“There would be no benefit if held during season because profit is already maximum”

“Only track would profit and nothing else”

“Too much investment for event, profit will be minimum”

“Would have to invest a lot of money to host an event like this. Dubrovnik is a small city with not many financial resources. So they cannot risk investing in something that would not bring a lot of people.”

Dubrovnik Grand Prix

Please rate the following on a scale from 1 to 5 (1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree)

I am familiar with "Formula 1"	1 2 3 4 5
I would be worried if the event is close to the city.	1 2 3 4 5
Public places will be crowded during the event.	1 2 3 4 5
My lifestyle/routine would be interrupted by the event.	1 2 3 4 5
I would attend the F1 Grand Prix Dubrovnik.	1 2 3 4 5
I would be willing to pay the price to attend the event.	1 2 3 4 5
F1 will promote Dubrovnik as a tourism destination.	1 2 3 4 5
The event will promote sports in Dubrovnik.	1 2 3 4 5
Croatians will be proud to host the F1 Grand prix.	1 2 3 4 5
This event will increase tourism in Dubrovnik Croatia.	1 2 3 4 5
This event will create employment for residents of Dubrovnik.	1 2 3 4 5
Croatians would be able to demonstrate their capabilities in managing an international event.	1 2 3 4 5
Croatia would have larger international recognition.	1 2 3 4 5
I am most worried about the noise.	1 2 3 4 5
I am most worried about the pollution.	1 2 3 4 5
I am most worried by the traffic.	1 2 3 4 5
F1 in Dubrovnik would be a success.	1 2 3 4 5

(Please circle one of the following answers for each question)

1. This event should be held during the...
 - The tourist Season
 - Off-season

2. Do you think that Dubrovnik will economically benefit from hosting a Formula 1 event?

- Yes
- No

If you answered “no” explain why not?

3. Are you a resident of Dubrovnik County?

- Yes
- No

4. Age:

- 18-24
- 25-34
- 35-44
- 45 and above

Thank you for participating in this survey! You're answers are a valuable part to this research.
