

Racing for Recognition: The Role of F1 Sponsorships in Driving Global Brand Value

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Abstract. In the context of increasingly intense global sports marketing challenges, Formula 1 (F1), as a sports event platform with both global influence and a high-end image, has increasingly become an important medium for market expansion and brand communication. This article systematically explores the strategic value and commercial significance of sponsorship in the digital context by focusing on the F1 brand sponsorship system. The article reveals how F1 sponsorship helps businesses achieve precise communication with a wide range of potential users, establish a differentiated position, and cultivate brand loyalty. Additionally, the article selects two classic collaboration cases to deeply analyze the brand-to-brand synergy mechanisms and communication logic behind team sponsorship and combines digital communication trends to propose optimized pathways for future sustainable development. The study notes that while F1 sponsorship possesses the communication efficiency advantages of traditional communication, precise audience targeting, and strong emotional value, brands must still consider local cultural compatibility, long-term investment returns, and collaborative partnerships with various media when selecting teams to invest in and executing collaborations. This paper aims to provide theoretical support and practical references for brands to build more resilient global communication networks in today's highly complex competitive environment.

Keywords: Formula 1, sponsorships, brand value.

1. Introduction

In recent years, the global sports sponsorship market has reached unprecedented levels. According to Statista data, the global sports sponsorship market rose to 73.3 billion dollars in 2023 and is expected to exceed 90 billion dollars by 2027. In this vast market landscape, as one of the world's three major sports events alongside the Olympics and the World Cup, the F1 Grand Prix has become a focal point for top global brands seeking brand exposure due to its global reach, high-tech research, and strong brand awareness. As the most widely watched and largest-audience motorsport event globally, F1 has built a vast and mature communication network spanning five continents through television broadcasts, social media, and multi-platform interactions.

F1 sponsorship is not limited to brand exposure through advertising; it is also a strategic tool for brand building. Due to F1's deep international influence, extensive broadcast coverage, and high audience engagement, the price of F1 event sponsorship continues to rise, demonstrating the undeniable global communication effectiveness of the F1 platform [1]. In today's digital age, where digital marketing is increasingly replacing traditional marketing methods to dominate brand communication strategies, F1—as an event that seamlessly integrates the influence of traditional media and social platforms—has become the optimal choice for large enterprises to enhance brand recognition and user loyalty through investment in F1.

This paper employs a combination of literature analysis and case studies to systematically explore the operational logic of F1 sponsorship and the mechanisms through which brand value is transmitted. It outlines the methods brands can use to enhance brand recognition and market value in the global marketplace through F1 sponsorship, and proposes strategies to address the challenges currently faced.

2. The Operational Logic of F1 Sponsorship

2.1. The Core Value of Brand Sponsorship

F1 races have over 1.8 billion TV viewers and 130 million social media followers worldwide, with numbers continuing to grow rapidly. This strong reach provides brands with ample opportunities for public exposure [2]. Unlike soccer or basketball events, F1 stands out due to its technical, high-speed, and elite attributes, fostering premium, precise, and futuristic brand associations among its audience.

Additionally, with 24 races spanning over 20 countries annually, brands can access diverse cultural markets, achieving better global communication objectives and localized adaptation. In F1 social media and offline events, sponsors' brand logos frequently appear in key visible locations on race car liveries, paddock advertisements, and the uniforms of drivers and team staff, providing brands with sustained exposure and creating important conditions for enhancing brand recognition among audiences.

2.2. Sponsorship Types and Cooperation Models

F1 brand sponsorship primarily encompasses three types. The first is title sponsorship, such as Oracle Red Bull Racing. Through this sponsorship model, Oracle has linked its corporate brand name directly to the Red Bull Racing team name. As a result, Oracle's brand name will be mentioned whenever the team's name is mentioned, whether in race broadcasts, media coverage or official materials. This not only shows the company to a global audience, but also indicates Oracle's substantial amount of financial support to Red Bull Racing. For instance, the Oracle logo is necessarily displayed on the paintwork of the team's both two cars, on the drivers' race suits, and even on the backdrop of the post-race press conference. Therefore, the Oracle logo is clearly visible to the audience, linking speed, cutting-edge technology, and victory to its branding image.

The second type of sponsorship is a technical partnership, of which the best example is the long-term technical partnership between Mercedes AMG and Petronas, a global leader in oils and lubricants, which supplies the Mercedes AMG F1 team with high-performance fuels and lubricants for every Grand Prix. With 15 years of steady cooperation in F1, both companies have successfully established the brand image of "speed and technology" in front of spectators. While successfully showing the innovative technical ability of Mercedes AMG, Petronas also demonstrated its leadership in advanced lubrication technology and energy solutions.

The third type is lifestyle brand sponsorships, such as Tommy Hilfiger's support in sponsoring all of Mercedes AMG's team uniforms and Puma's sponsorship of all of Ferrari's team uniforms. Both brands enhanced the brand image of their respective companies by pairing their team uniform with fashion. Another example is Rolex. Since signing with F1 as its official timekeeping partner in 2013, Rolex has achieved extremely high logo exposure in every race, such as the large clock at the start of the race and the logo on the walls of the pit lane buffer zone. Additionally, Rolex leverages the precision of F1 races, accurate to one-thousandth of a second, to reinforce its high-end brand image [3].

3. The Driving Mechanism of Brand Value

3.1. Enhancing Brand Awareness

F1 race broadcasts provide a highly concentrated visual focus, enabling brand logos to appear frequently on racetracks and screens, thereby significantly enhancing audience recall of the brand. Relevant scholars have pointed out that for brand owners, the average logo exposure time per race in global F1 broadcasts exceeds 13 minutes [4].

Through its partnership with F1, Heineken has significantly strengthened its brand's cultural penetration in Asian and North American markets. According to Heineken's official report, since successfully partnering with F1 in 2016, the brand's recognition in Indonesia and Mexico has

increased by 15% and 12%, respectively [5]. This clearly demonstrates the significant advantage of F1 sponsorship in penetrating non-traditional markets through targeted communication. In addition, TAG Heuer has long collaborated with F1 and Red Bull, leveraging extensive logo exposure to position “precision” as a core brand trait. Through the precise timing of thousandths of a second and emphasis on reaction speed in races, TAG Heuer conveys a brand image of precision and reliability to audiences [6].

3.2. Strengthening Brand Image

As one of the world's three major sporting events, F1 is synonymous with speed, technology, and victory. By partnering with the event organizer, the brand can naturally leverage these characteristics for promotion.

3.2.1. Case study 1: Ferrari × Ray-Ban deep integration of digital content and brand image

Since 2016, Ray-Ban has been cooperating with Ferrari, and finally became the official sponsor of Ferrari F1 team. As one of the most iconic and recognizable eyewear brands in the world, Ray-Ban's brand promotion is not limited to just displaying the brand's logo on Ferrari's racing cars or drivers' equipment, on the contrary, the brand has successfully launched a series of multi-dimensional brand promotion campaigns through digital media to precisely reach the target audience. In contrast, the brand aligned its position around speed, individuality and innovation with Formula 1, successfully launched a series of multi-dimensional branding competition through digital media to reach its target audience.

For instance, Ray-Ban posted a series of videos called “See the Race Through Our Lens” on digital media like Instagram, YouTube and TikTok. In order to promote the competition, the brand invited Ferrari F1 drivers Charles Leclerc and Carlos Sainz to wear customized sunglasses of Ray-Ban to record a behind-the-scenes look at the race track. In addition, letting people to try on the “F1 Special Edition” sunglasses online through augmented reality, the company tries to convert audiences into consumers as many as possible.

Furthermore, by leveraging the global reach of the F1 race and the popularity of the short-form video platform, Ray-Ban has effectively stimulated the Generation Z consumer base and emphasized Ray-Ban's youthful, energetic and sporty brand image. As a result, cooperating with the Ferrari F1 team, Ray-Ban significantly increased the company's global brand awareness and better aligned with the brand's core proposition of “speed is style”.

3.2.2. Mercedes-AMG Petronas × CrowdStrike — B2B brands leveraging technology to create new brand awareness

Unlike Business to Consumer (B2C) brands, cybersecurity company CrowdStrike has achieved an innovative transformation from behind the scenes to the forefront by investing in and sponsoring the Mercedes-AMG Petronas F1 team. Secondly, in a context where many potential customers have limited brand awareness, CrowdStrike launched a systematic integrated marketing campaign centered on the theme “Cybersecurity at 300 km/h” to emphasize its comprehensive security support for the Mercedes F1 team.

CrowdStrike's collaboration with Mercedes goes beyond brand logo display, delving into the technical aspects of the brand. For example, CrowdStrike collaborated with the team to develop a high-performance real-time data protection system, ensuring that the team's remote control system remained secure from hacking during each Grand Prix event. Additionally, through the release of a series of highly specialized content (such as LinkedIn columns, white paper shares, and technical lecture videos), CrowdStrike successfully attracted significant attention from technology and industrial internet companies with a strong focus on Business to Business (B2B).

Furthermore, the CrowdStrike brand launched the “F1 Data Defender” online simulation platform to allow ordinary potential users to understand and learn about the security challenges of F1 data. Through such activities, CrowdStrike not only demonstrated its brand strength but also expanded its potential user base and enhanced market trust.

Additionally, Petronas has strengthened its brand image as an innovator in new energy technology through its partnership with Mercedes-AMG and deep technical integration. This demonstrates the unique and valuable role of technical sponsorship in building a B2B brand image [7].

3.3. Consumer Engagement and Brand Loyalty

F1 sponsors conduct interactive online marketing activities with various brands through social media platforms, such as online racing simulation challenges, brand check-in activities, and VIP raffles. Examples include Red Bull Racing Challenge by Red Bull Racing, which combines the characteristics of the race with local community activities, effectively increasing the interaction rate between young people and the brand and enhancing the brand's image.

According to research by relevant scholars, F1 posts content related to sponsor brands on social media, and the average user engagement generated by such posts is more than three times higher than during non-race periods [8]. The implementation of immersive marketing scenarios built around the F1 race IP enables sponsors to effectively stimulate emotional connections with consumers, thereby enhancing public and customer loyalty to the brand and their willingness to repurchase.

4. Current Challenges and Optimization Strategies

4.1. Challenges Faced

While F1 undeniably offers significant brand exposure and marketing value, it's extremely high entry barriers and highly complex audience structure present a few challenges. Firstly, F1 sponsorship fees are extremely high and often reach millions to hundreds of millions of dollars, making it extremely difficult for small and medium-sized enterprises to afford. Secondly, there is a higher risk of brand misalignment, which can further impact the brand's self-identity when a brand's character does not align with F1's brand identity.

Additionally, there are significant disparities in F1's reach and coverage across different regions and areas. For example, in some Southeast Asian countries and parts of Africa, F1 still faces issues such as low viewership and limited audience interest, which further exacerbate the problem of uneven brand exposure [9].

4.2. Optimization Strategy Recommendations

First, precisely target collaboration partners: F1 teams have distinct differences in terms of historical heritage, technical style, and audience demographics. Brands should identify partners whose brand personalities align with their core characteristics. For example, technology brands with a core focus on innovation can collaborate with "technical-oriented" teams like Mercedes, known for engine development and aerodynamic advantages, to reinforce their "cutting-edge technology" image through co-branded technical analysis content; New energy brands are better suited to collaborate with teams like McLaren, which actively promote sustainable fuels and carbon-neutral racing. By telling the story of "track technology for civilian use," brands can align their environmental values with F1's green transformation.

Second, strengthen social media integration. Brands should align their content with the race schedule. During key moments like qualifying and the main race, launch interactive topics like "predict the pole position driver" or "simulated racing challenge," combined with exclusive content like behind-the-scenes training footage of the team and drivers, or track strategy analysis, to stimulate user-generated content (UGC) sharing. Use Artificial Reality (AR) technology to develop "virtual test drive" filters, allowing fans to "experience" the brand's co-branded race car on social media platforms, enhancing immersive participation.

Finally, strengthen data tracking and enable Return on Investment (ROI) assessment: Brands need to effectively utilize digital analytics platforms to track and predict audience behavior and communication pathways, thereby optimizing the brand's investment return assessment mechanism [10]. Front-end tracking of brand search volume (Google Trends), social media interaction volume

(mention rate, retweet volume), mid-end monitoring of changes in brand awareness in regional markets (e.g., survey data from Europe, the Americas, and the Asia-Pacific region), and back-end correlation of sales conversions and user lifetime value.

Through the above three strategies, brands can more effectively anticipate and avoid unnecessary investment risks, enhance brand dissemination efficiency among the general public, and ultimately maximize the value of F1 sponsorship.

5. Conclusion

The global sports marketing landscape continues to evolve, and F1 racing, as a premier competitive platform that seamlessly integrates technology, speed, and emotional engagement, is increasingly becoming a critical arena for international brands to build global recognition and brand value as part of their long-term brand vision. Through theoretical reviews and case analyses, this paper clearly demonstrates that deep collaborations between brands and F1, if they can break free from the limitations of traditional logo displays and shift toward comprehensive digital marketing partnerships and contextualized brand storytelling, will not only increase brand exposure but also enhance brand recognition quality and deepen connections between brands.

First, F1 brand sponsorship inherently possesses high-value audiences, high-frequency communication, and a high-tech label, which aligns perfectly with today's marketing trends toward youthfulness, globalization, and digital intelligence. The collaboration between Ray-Ban and Ferrari demonstrates how brands can leverage premium social platforms and AR tools to reinforce their brand identity, thereby enhancing user engagement and purchase conversion; Meanwhile, CrowdStrike's collaboration with the Mercedes F1 team on data security technology demonstrates how B2B brands can gain customer trust and broad market recognition through “scenario-driven and professional value narratives.” The partnership not only provides long-term asset accumulation for both parties but also significantly contributes to technological innovation and digital ecosystem support for the F1 races themselves.

Furthermore, the role of digital marketing in F1 sponsorship is significant and increasingly prominent. From brand marketing to brand synergy, from fan data system analysis to customer immersive experience design, brands must build an integrated and communicative mechanism centered on the consumer experience. As proposed in Chapter 4: First, brands should strengthen cross-screen digital communication on short video platforms such as TikTok and Instagram, aiming to create digital assets with both mass appeal and brand depth. On the other hand, brands should deepen their alignment with F1 teams in terms of shared brand values and innovative spirit, building authentic, credible, and sustainable brand narratives with long-term vitality.

Finally, future collaborations between brands and F1 both on and off the track should not be limited to brand exposure and consensus but should actively build a global brand ecosystem centered on “speed and spirit” through shared values, efficient technical collaboration, and user co-creation. In the rapidly evolving global digital marketing landscape, F1 is not merely a sports event but a super-media platform enabling brands to connect with the world, resonate with global audiences, and drive innovative trends. Through precise sponsorship strategies and systematic digital communication integration, brands can elevate their capabilities across the entire value chain—from brand awareness, value enhancement, to loyalty building.

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