

MARKETING CHALLENGES FACED IN THE INDIAN MOTORSPORT INDUSTRY

Dr JANAKI J, Associate Professor, School of Commerce, Mount Carmel College, Autonomous, Bengaluru

ABSTRACT:

The Indian motorsport industry struggles with complex marketing challenges, hindering its growth trajectory. Limited mainstream awareness, inadequate infrastructure, and financial constraints dampen industry prospects. To address these hurdles, research has been conducted to study the marketing challenges faced by the Indian motorsports industry and corrective recommendations have been made to cultivate a motorsport culture. The study has been conducted by collecting the primary data from the karting clubs across the states. Scientific research has been applied to get quantitative data to help the Indian motorsports Industry unlock the industry's vast potential, captivating audiences and stakeholders alike.

Keywords: Indian Motorsports; Marketing challenges; Marketing techniques.

INTRODUCTION:

Motorsports or auto sports is a global term used to encompass the group of competitive sporting events which primarily involves the use of motorized vehicles, watercraft, aircraft, auto or mobile equipment. The terminology can also be used to describe forms of competition of two-wheeled motorized vehicles under the banner of motorcycle racing and includes off-road racing such as motocross. Motor racing can be categorized into Open wheel, short circuit, Sports car, Touring car, Stock car, Rallying, Drag Race, etc. Automobile racing began in the 1880s, shortly after the discovery of the gasoline (petrol) fueled internal combustion engine. In 1894, a French newspaper called, 'Le Petite Journal', organized a race from Paris to Rouen, marking the beginning of city- to-city racing. The ACF, (also known as The Automobile Club de France), an organization that was founded in 1895, regulated the major races in France and established the rules for the Annual National Race, popularly known as The Grand Prix, which was open to competitors from any country. World War I disrupted racing in France until 1921 at which time the National Event Grand Prix, returned under the official name, ACF Grand Prix. During the 1950s Grand Prix was organized globally. It eventually evolved into Formula Racing and one can regard Formula I as its direct decedent. It took a lot of time for Motorsports in India to Settle down. 1904 was the Year when we saw the First Race Taking Place on Indian soil. Back then Owning a Car was a Luxury and only the *Maharaja's(Kings)* owned vehicles. People were not aware of Automobiles in India. Only poorly made Fords and Wooden Rolls Royce were used back then, which moved at a very slow Pace. When it started, motorsports was something people did just for the thrill of it. There were no rules, no central governing body administering the sport, no national competitions and prize money, and no professionals. However, World War II put a stop to whatever little racing the country had up its belt. The Motor Union of Western India organized the first Indian road race in 1904. The race began in Delhi and ended in Bombay, covering 810 miles (Mumbai). Different class winners received trophies in this race, and a Special Prize was given to the car that arrived in Bombay in the best condition. At the time, there was no governing body overseeing the sport. In 1970, the Western India Automobile Association (WIAA) in Mumbai conducted the 7000 km long All India Highway Motor Rally based on the Monte Carlo Rally. The rally attracted 120 entries and the competition started simultaneously in Chennai, Kolkata, Delhi and Mumbai. After this rally, a group of Mumbai riders went to Chennai to participate in a race and were aghast at the lack of rules. It was only after they complained, that in 1971, the Madras Motor Sports Club,

Bangalore Motorsports Club (later named Karnataka Motor Sports Club), the Calcutta Motor Sports Club, the Coimbatore Auto Sports Club and the Indian Automotive Racing Club, became the founder members of the 'Federation of Motor Sports Club of India' (FMSCI), India's first national governing body for auto racing and rallying in the country. Taking inspiration from the already existing international rules of motorsport, the Federation's constitution and a whole set of technical regulations that were to govern the sport were framed. And once this was done, there was no looking back. Coimbatore is now known as the capital of Indian Motorsports. The Madras Motor Sports Club, Madras, The MG Car Club, Mumbai, and The Bangalore Motor Sports Club were formed after independence. The first edition of the Indian Grand Prix was a Formula One race, which was held at the Buddh International Circuit in Gautama Buddh Nagar district of Uttar Pradesh from 2011 until 2013. The inaugural race was won by Germany's Sebastian Vettel.

MARKETING IN THE MOTOR SPORTS INDUSTRY :

Marketing is the process of teaching consumers that they should choose your product or service over those of your competitors and is a form of persuasive communication. It is made up of every process involved in moving a product or service from your business to the consumer. Marketing includes creating the product or service concept, identifying who is likely to purchase it, promoting it, and moving it through the appropriate selling channels. Motorsport is one of the most dynamic platforms marketers can work with. Global, local, big, small, glamorous or simple, there is a place for every brand to shine. The world of motorsports marketing can be a tricky one to navigate. There are so many different dynamics, opportunities, and flexibility in what you can do to be successful. That is why brands invest billions of dollars yearly to engage their customers through the platform. Of course, all those ups don't come for free, there are some foundational challenges that you must be aware of and prepare for. Motorsport marketing is what greases the financial wheels of sport, drives the fans to choose sides and generally keeps us all up to date with the goings on between and after races. Marketing in the Motorsports industry relies heavily on Sponsorship and Broadcasting channels. Sponsorship activation has its language and as a brand. The first step in preparing for your work here is to know the fundamentals of generating sustainable ROI through the sponsorship program. Broadcast revenue is the primary driver for the motorsport market. The rising popularity of the sport motivates broadcasters around the world to make massive investments to earn the broadcasting rights of motor sports events. This becomes a major source of revenue for people and entities associated with their respective events. Despite its growing popularity, the motorsport industry faces many challenges which hinder the potential for market growth. Firstly, the prevailing cost of investment is large enough to create uncertainty regarding the return on investment. Additionally, the high cost of production, repair and insurance of motor vehicles creates concerns over profitability in participating firms, hence restricting further investment. Even the most popular motorsport F1 attracts followers from a relatively small niche of people around the world, therefore, the market is relatively slower than other sports. The main Key Players of marketing in the motor-sport industry are, Mercedes AMG, BMW, McLaren, Williams, Yamaha, Ducati, Suzuki, Aprillia and MRF. Ferrari is the biggest brand in the Formula One racing market, while Honda leads the MotoGP segment. Michelin is the world's leading company in manufacturing Motorsport tyres. As per the forecast of 2022, The global market for Motorsport, which was predicted to be worth US\$4.8 billion in 2022, is expected to expand to US\$7.8 billion by 2027, with a CAGR of 7.2 per cent between 2022 and 2027.

REVIEW OF LITERATURE:

In the paper, 'The crucial 'where' of motorsport marketing', the author Tranter Paul J and Lowes Mark, Oct 2009, illustrates how the marketing of the motorsport of racing and all its related economic interests depends on the location of motorsports events. To demonstrate how the venues, have a special symbolic significance that adds legitimacy to the sport of motor racing, case studies of the major motorsport's events held in public street circuits in Australia are used. These studies also highlight the messages and impacts related to these events. The author argues that the marketing of sporting events should not be viewed independently of the major problems facing the world and explores the broader significance of allowing specific public spaces in cities to be used for motorsports events. The author also explains how the location of motorsports events is an integral part of the marketing of the sport of motor racing and of all its attendant commercial interests. The paper explores the broader implications of permitting racing events to be held in designated public places in cities and argues that marketing for sporting events shouldn't be seen in isolation from the world's most pressing issues.

In the 'Editorial', the author Young Joyce A 2012 considers distribution-related issues. Although the racing sector depends on sponsors and sponsorship, he claims that not much academic study has been done in this area. The Formula One and National Association for Stock Car Auto Racing (NASCAR) sponsors are described in detail, along with how they obtain business-to-business sales from other sponsors.

According to Kyu-soo Chung, Oct 2015 in his study, 'The effects of sensory stimuli on motorsports spectators', examines how the five senses influence arousal, contentment, and the desire to watch another live racing event. Sights, sounds, and fragrances had a substantial impact on how aroused spectators were. Satisfaction was directly influenced by the senses of taste, touch, and smell of the audience. It's interesting to note that olfactory stimulation affected both arousal and contentment. The arousal of the audience significantly influenced whether they intended to return. The study suggests that olfactory stimuli be used by motorsports marketers to give race fans unique experiences.

The article, 'Poor training and skills shortages put UK's motorsport lead at risk.' 6/11/2003, Focuses on the elements that have an impact on the racing industry in Great Britain's falling performance and bad state. impact on engineering companies that supply the sports industry of the fall in sport sponsorship and the removal of cigarette marketing funding; obstacles to Great Britain's ascent to leadership in the motorsports industry; Details of the Motor Sport Industry Association's results.

In the article, 'NASCAR'S next lap', the author, Dickson, Geoff April 2008, The National Association for Stock Car Auto Racing (NASCAR) and motorsport are the author's primary subject matter areas. He points out that NASCAR and other motorsports events are making an effort to broaden their appeal and manifest themselves physically in less developed geographic sectors. He claims that NASCAR has greatly expanded its market. He contends that rather than a real embrace of the green movement, the march of motorsport towards sustainable technology is dictated by a desire to comply to society expectations.

The article, 'SPEED', 11/10/2008, offers a distinctive blend of news, expert analysis, lifestyle programs, and top-tier racing. SPEED captures the passion of a primarily male audience, appealing to everyone from antique vehicle enthusiasts to racing fans, seasoned gearheads to weekend mechanics. With well-liked original programs including "PINKS All Out," "Wrecked," "SuperCars Exposed," "Bullrun," and "Super Bikes," SPEED puts viewers right to the heart of the action. SPEED offers an insider's perspective on all forms of racing, including NASCAR,

Formula One, Supercross, and amateur dirt track competition. The NASCAR Sprint Cup All-Star Race, 24 Hours of Le Mans, Rolex 24 at Daytona, Knoxville Nationals, 12 Hours of Sebring, AMA Supercross Anaheim 1, and the Daytona 200 are just a few of the legendary motorsports events that will be covered live and exclusively.

According to the article, 'Race cars rev up integrated marketing push', by Friedman, Wayne, 3/15/1999, CART, or Championship Auto Racing Teams Inc., will begin its first coordinated marketing effort in time for the start of the U.S. racing season in March 1999. The \$7 million effort, which predominantly targets male sports enthusiasts, is aimed at a wide range of sports fans. Prior marketing initiatives were restricted to auto racing enthusiasts. With an insert in Sports Illustrated magazine on the subject of Man and the Machine, CART will launch its first significant consumer magazine campaign. Feel the speed, a 1998 copy line, will also be included. In markets where CART plays races this season, including Cleveland, Ohio, and Chicago, Illinois, the marketer will deploy local and national television spots.

The authors, Fitzgerald, Kate, 6/2/1997, in their article, 'Denny Young', talk about, Denny Young who is the president of sales and marketing at International Marketing Group (IMG) Co. After working in concert marketing for four years, Denny Young joined International Marketing Group's IMG Motorsports section in 1993. Miller Brewing Company, Kenwood, Continental Airlines, AT&T Corporation, and Kash n Karry Food Stores are a few of his customers at Detroit-based IMG. He thinks it's important for businesses to support racing sports. He asserted that sponsorships are becoming more effective as racing grows more complicated. Racing sponsorships may be tailored to target audiences and revolve around specific objectives, as more and more sponsors are learning.

In the paper, 'An examination of marketing channel conflict and cooperation in the motor sport industry', the authors, Gailey Edward and Young Joyce 2012 , focus on the root causes and consequences of marketing channel conflict are discussed in this article. For the channel members, channel dispute can have both advantages and disadvantages. This article analyses elements that influence channel members' collaboration in the racing sector. Automobile manufacture, hotels, and tourism are just a few of the key businesses that are influenced by the global entertainment sector, which includes racing. Numerous elements inside the marketing channel influence and contribute to the amount of friction among channel participants. Goal discrepancies, rivalry for channel resources, expectations that are not met, unclear duties, and non-fulfillment of roles are typical causes of conflict among motorsports channel members. In order to boost the effectiveness of the marketing channel, managers of firms in the motorsports sector can choose how intense these fights are.

In this Article, 'DC Comics' Man of Steel applies his mettle to racing', the authors Fitzgerald, Kate, 5/17/1999, address the Superman Racing advertising campaign, which was introduced in the United States in May 1999 by DC Comics and Action Performance Cos. DC Comics partnered with motorsports marketing juggernaut Action Performance Cos. for a comprehensive integrated promotion that saw Superman drive a race vehicle for the first time ever in order to broaden its reach into new venues and audiences. Features on the cable channel The Nashville Network and on QVC, which airs a special Superman Racing section, will assist the Superman campaign. The endeavor receives internet backing as well.

In the paper, 'A case study of sponsorship activation in Formula E motorsports', the authors Næss, Hans Erik, 2020 demonstrate how organizations may use their sponsorship of Formula E (for Electric) championship races to alter customers' perceptions of them as environmentally friendly enterprises. Design/methodology/approach: The paper is a qualitative analysis of how these sponsors resolve the value conflict between traditional motorsport imagery and

environmentalism to achieve "narrative authenticity," drawing on an original combination of promotional outputs (YouTube spots, social media releases, and sustainability reports) from Formula E race title sponsors in the 2017–2019 seasons. Findings: Sponsors do not openly address this conflict, according to findings. Instead, the disagreement is recast as a debate over what sponsors can do to protect the environment, as opposed to what they cannot. Second, the window for action is reframed, emphasising the future as opposed to the present or predetermined goals like the UN 2030 Sustainable Development Goals. Originality/value: If businesses increased their use of cross-platform synergies to convey narrative authenticity, sponsorship activation through Formula E as a means of developing green brand equity would come across as more genuine. The findings, according to qualitative academics studying sport sponsorship, help us better comprehend businesses as "cultural narrators." In the article, 'CART cranks up 1st TV ads to emphasize branding', the authors, Jensen, Jeff 5/19/1997 Report that as part of an integrated marketing plan to further the CART brand, the Championship Auto Racing Teams (CART) would debut its first television commercial campaign in May 1997. Carl Cohen is one of the new CART marketing directors. Cohen has made some comments. CART and the Indy Racing League compete. The Motorola 300 is promoted in Saint Louis, Missouri.

OBJECTIVES:

The paper aims to identify and evaluate the marketing tools and techniques used in the motorsports industry in India that will give an account of the marketing prospects of the industry.

Based on the objective the following hypotheses have been formulated:

H1: Effective marketing strategies have a significant impact on the growth of motorsports in India.

H2: There is a direct impact of marketing tools and techniques on the growth of the motorsport industry in India.

DATA AND METHODOLOGY VARIABLES:

The study adopted a cross-sectional research methodology to examine the marketing strategies and tools adopted by Indian Motorsports to gain popularity and growth in the market. This was ideal for the study since it gave the status of strategic marketing practices. Target Population: This study covers the founder members of FMSCI (Federation of Motorsports Clubs of India) to understand the marketing conditions of motorsports in India. The founding members are Madras Motor Sport Club, Coimbatore Auto Sports Club, Karnataka Motorsports Club, Calcutta Motorsports Club, and Indian Automotive Racing Club Ltd. All the clubs listed were considered participants in the study. The respondents were either the sales and marketing managers or the general managers of the motor clubs. The study administered one questionnaire to each company. Data Collection: Data was collected using a self-administered questionnaire. The questionnaire consisted of one part that gathered demographic information of the respondents and the other part that gathered information to answer the research questions of the study. Statistical Package for Social Sciences (SPSS) was used to generate descriptive statistics such as means, standard deviation and frequency distribution to analyze the data. ANOVA and multiple regression analysis were used to establish the relationship between variables on the dependent variable Chi-square test was used to test the hypothesis. The proposed regression model was as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \beta_6X_6 + \dots + e$$

DATA ANALYSIS AND INTERPRETATION :

The four broad constructs under this study are:

1. Sponsorship

2. Merchandising
3. Broadcasting
4. Search Engine Optimization (SEO)

These four constructs and various items related to these constructs are identified with the help of an extensive literature review. The items under these constructs are measured on a Likert’s five- point scale with the type ranging as Strongly Agree=1; Agree=2; Neutral=3; Disagree=4; and Strongly Disagree=5. After examining the output of exploratory factor analysis various items have been removed from the study due to lack of reliability and lack of validity. The initial number of items under each construct and the final number of items under each construct after examining the results of exploratory factor analysis are depicted in Table 1.1

Table 1.1 Showing no. of items under various constructs.

Sl. No	No. of items under various dimensions	Initial No.of Items	Final No. of Items
1	Sponsorship	6	4
2	Merchandising	6	3
3	Broadcasting	11	5
4	Search Engine Optimization (SEO)	10	6
		33	18

The below table contains the turned factor loadings, which speak to both how the factors are weighted for each factor yet in addition the relationship between the factors and the factor. Since these are relationships, potential qualities extend from - 1 to +1. On the/design subcommand, we utilized the alternative blank (.30), which advises SPSS not to print any of the connections that are .3 or less. This makes the yield simpler to peruse by evacuating the messiness of low relationships that are most likely not important in any case.

For symmetrical turns, for example, varimax, the factor example and factor structure networks are equivalent.

Factor – The sections under this heading are the pivoted components that have been extricated. As should be obvious by the commentary given by SPSS, seven elements were separated. These are the variables that investigators are generally keen on and attempt to name.

Table 1.2

Item Label	Item Name – Question- Statement
Sponsorship_1	To stand out among the other sports in India, Creating and defining the value for motorsports in India.
Sponsorship_2	Partnering with sponsorship will create a competitive edge for the sport.
Sponsorship_3	To break into the profitable sports market in India.
Sponsorship_4	To create brand image, generate awareness and drive overall traffic for motorsports in India.
Merchandising_1	To create and sell merchandise featuring the brand and the motorsport team.

Merchandising_2	Brings appeal to customers and creates customer loyalty.
Merchandising_3	Helps to showcase the racing team's merchandise collection and serves as a memory for the sporting event.
Broadcasting_1	High inclusion of viewers/ worldwide.
Broadcasting_2	Creates awareness and builds a national consciousness about motorsports.
Broadcasting_3	Generates a significant amount of digital revenue for the motorsport company/team.
Broadcasting_4	The Motorsports team can get data on spectators' feedback.
Broadcasting_5	It helps in creating enthusiasm and invites amateurs to participate in the sport.
SEO_1	It helps improve the visibility of Indian motorsports events, teams, and drivers on search engines like Google.
SEO_2	It helps engage a broader audience and overall fan base growth.
SEO_3	It helps organizers to attract more attendees and generate excitement around the races.
SEO_4	Strong SEO helps Indian motorsports entities rank higher in search results.
SEO_5	It helps Indian motorsports organizations to build trust with their audience and stakeholders.
SEO_6	It leads to collaborations, partnerships, and opportunities for Indian drivers to compete on the global stage.

To test the hypothesis the dimension reduction technique of EFA is used to reduce the number of items. The EFA analysis shows that the initial numbers of items in each construct are reduced based on the results of the factor analysis test. After examining the output of exploratory factor analysis various items have been removed from the study due to lack of reliability and lack of validity. The initial number of items (33) under each construct and the final number of items (18) under each construct after examining the results of exploratory factor analysis

TESTING OF HYPOTHESIS :

Hypothesis 1

H0: Effective marketing strategies have a significant impact on the growth of motorsports in India.

HA: There does not exist a statistically significant impact of marketing strategies impact on the growth of motorsports in India.

Table 1.3 shows the chi-square analysis of the marketing strategies on the growth of Indian Motorsports.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	176.504 ^a	16	.000
Likelihood Ratio	163.211	16	.000
Linear-by-Linear Association	70.067	1	.000
N of Valid Cases	958		

cells (4.0%) have an expected count of less than 5. The minimum expected count is 3.70. There exists a statistically significant impact of effective marketing strategies have a significant impact on the growth of motorsports in India.

Hypothesis 2

HO: There is a direct impact of marketing tools and techniques on the growth of the motorsport industry in India.

HA: There is no direct impact of marketing tools and techniques on the growth of the motorsport industry in India.

Table 1.4 shows the chi-square analysis of the marketing tools and techniques on the growth of Indian Motorsports.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	199.067 ^a	16	.000
Likelihood Ratio	167.922	16	.000
Linear-by-Linear Association	34.151	1	.000
N of Valid Cases	109		

cells (72.0%) have an expected count of less than 5. The minimum expected count is 2.35. There is an influence of marketing tools and techniques on the growth of Indian motorsports.

FINDINGS:

The Indian motorsports industry faces several marketing challenges, and the following are some of the findings:

1. **Limited Awareness:** Motorsports, particularly niche categories like rally racing or circuit racing, often struggle with limited awareness among the general population in India. Many people are not familiar with the sport or its various disciplines, which makes marketing efforts challenging.
2. **Lack of Infrastructure:** The motorsports infrastructure in India, including racing circuits, tracks, and facilities, is still developing compared to more established motorsports countries. The lack of modern infrastructure can hinder marketing efforts, as it affects the quality of events and spectator experiences.

3. **High Costs:** Participating in motorsports can be prohibitively expensive, both for individuals and teams. Marketing initiatives often require significant financial investment, which may not be feasible for smaller teams or organizations within the industry.
4. **Limited Sponsorship Opportunities:** While there is potential for sponsorship in the Indian motorsports industry, securing sponsors can be challenging due to the sport's limited reach and audience compared to more mainstream sports. Additionally, the economic impact of sponsorships may not always be clear to potential sponsors.
5. **Regulatory Challenges:** Motorsports in India are subject to various regulations and bureaucratic hurdles, which can complicate event planning and marketing activities. Navigating these regulatory challenges requires time, resources, and expertise.
6. **Competition from Other Sports:** India has a rich sporting culture with cricket, football, and other sports dominating the mainstream media and public attention. Motorsports must compete with these established sports for audience engagement and sponsorship support.

SUGGESTIONS:

To overcome the marketing challenges facing the Indian motorsports industry, several strategies can be implemented based on the four constructs undertaken in the research:

1. Sponsorship limitations:

Identifying Target Sponsors: Researching and identifying the potential sponsors that align with the values, and objectives, and connect with the target audience of Indian motorsports. This could include automotive companies, energy drink brands, apparel manufacturers, and companies in related industries.

Develop a Compelling Sponsorship Proposal: Creating a professional and comprehensive sponsorship proposal that outlines the benefits and opportunities for potential sponsors helps in Highlighting the demographics of motorsports fans, the reach of events, and the exposure sponsors expect to receive through various marketing channels.

2. Merchandising limitations:

Brand Visibility: Merchandise featuring logos, slogans, and imagery related to Indian motorsports will increase brand visibility both within the motorsports community and among the general public. This exposure helps to build recognition and familiarity with the sport and its associated brands.

Cross-Promotion Opportunities: Merchandising partnerships with other brands or sponsors should be encouraged to provide opportunities for cross-promotion, expanding the reach of Indian motorsports to new audiences. Collaborating with well-known brands in related industries can help attract fans who may not yet be familiar with the sport.

3. Broadcasting limitations:

Exposure: Broadcasting races and related content on television, streaming platforms, and social media must be widely encouraged to expose Indian motorsports to a wide audience, including both motorsports enthusiasts and casual viewers. This exposure helps to raise awareness of the sport and its participants, attracting new fans and generating interest.

Storytelling: Effective Broadcasting must be fostered to provide a platform for telling the stories of drivers, teams, and events within Indian motorsports. Through pre-race interviews, in-depth profiles, and post-race analysis, broadcasters can humanize the sport and its participants, helping fans connect on a deeper level and fostering loyalty.

4. Search engine optimization (SEO)

Targeted Traffic: SEO allows Indian motorsports organizations to attract targeted traffic to their websites by optimizing content for relevant keywords and phrases. By targeting specific keywords related to the sport, teams, events, and drivers, organizations can attract users who are actively searching for information about Indian motorsports, increasing the likelihood of converting them into fans or participants.

Local SEO: For motorsports events taking place in specific locations in India, local SEO can be particularly valuable. By optimizing content for local keywords, such as the name of the city or region where the event is being held, organizations can attract local fans and participants who are searching for information about nearby races and events.

CONCLUSION:

In conclusion, by implementing the strategies in a coordinated manner, the Indian motorsports industry can overcome its marketing challenges and thrive in the competitive sports landscape. Starting from the grassroots of launching educational initiatives to increase awareness and understanding of motorsports among the public, this can include organizing workshops, school programs, and media campaigns to showcase the excitement and thrill of motorsports. Marketing motorsports in India is an interlinked approach of strategic partnerships, Investments in grassroots development, digital support and government engagement and advocacy.