

# Formula 1 college essay



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Pricing strategy for ' Formula One India Racing Event' for Retail Customers

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Marketing Research Objective What should be optimal price for different classes of tickets at ' Formula One India Racing Event' for Retail Customers?

1. Introduction Formula One is the highest class of single seated auto racing authorized by the Federation Internationale de l'Automobile (FIA).

The F1 season consists of a series of races, known as Grand's Prix held on purpose-built circuits and public roads. The results of each race are combined to determine two annual World Championships, one for the drivers and one for the constructors. The sport is a massive television event and each race is watched by over 600 million people around world. Europe is Formula One's traditional centre, where all of the teams are based, and where around half of the races take place. However, the sport's scope has expanded significantly in recent years and Formula one event are being organized in several Asian countries including China, Turkey, Singapore, South Korea. More recently, Indian Grand prix has been announced.

The first Indian Grand Prix's race will be held at the Jaypee International Race Circuit in Greater Noida on October 30, 2011. The 5. 14 km clockwise track, coming up as part of an approximate 360-acre complex is being built at a cost of around Rs 1600 Crores. The main grandstand on the start-finish straight will have seating capacity of 30, 000, while temporary grandstands will accommodate another 60, 000.

The general seating will be variable to a max capacity of 30, 000 and the paddock-club can accommodate up to 5000. Justification for the Research: We believe that there are 3 classes of Formula 1 Spectators in India i. . Corporate, High Net worth Individuals (HNI's) and Retail customers (General public). Traditionally, a Formula 1 event hosts about 150, 000 spectators over two days and has been an expensive sport to watch with tickets prices ranging from Euro 200 to 20, 000. Corporate and HNIs may have deep pockets to buy expensive F1 tickets.

But India being a developing country, the spending power of Retail customers' is limited. Thus, there is a need to explore optimal ticket pricing for retail customers which will ensure maximum participation and further popularize the sports in India. We have also taken into account the fact that races in China, Bahrain and Istanbul have failed to generate enough spectator interest among retail customers due to various issues including inappropriate ticket prices. Hence, we believe that there is a need to carry out a Marketing Research survey for finding the optimal prices for different classes of tickets for Retail customers.

Marketing Research Design: F1 events are new to India and tickets (product) are being sold for first time in Indian Market. Moreover, the information about ticket prices, customer's willingness to pay and other market insights are not available. Therefore, an exploratory research design, based on small samples, is needed to start understanding the problem and gain insights.

This exploratory research should be followed by a descriptive research. 2.

Mode of survey Mode of survey methods for the formula-1 race tickets: We have administered the survey questionnaires in three major modes of

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surveying: Personal Interviewing, Electronic Interviewing, and Telephonic Interviewing.

Personal Interviewing: There can be several modes to conduct the personal interviews a) Mall Intercept interviewing: In this survey technique respondents are intercepted while they are shopping in the mall and brought to the kiosks specifically set up for this purpose. Its major advantage is that it is more efficient for the respondent to come to the interviewer than for the interviewer to go to the respondent. Malls are chosen in such a way that the respondents are of a certain income group. Paperback survey questionnaires, handheld computers or computer terminals can be used in mall intercept interviewing.

) Central location interviewing: The idea behind this is same as that of mall intercept interviewing i. e. respondents come to the interviewers and not vice-versa. Examples may include sports bars, auto expos, auto dealers and distributors and college fests. \* This technique can be put to good use in sports bars, especially when international F1 races are going on, and the bars are filled with F1 enthusiasts. This enables us to reach out to the right target segment who are most likely to purchase tickets for the F1 races.

Paperback survey questionnaires are the preferred mode of survey here. Auto Expos are glittering showcase of the automobile industry and various technological innovations and trends in the industry. These trade shows and exhibition are frequented by high net-worth individuals like CEOs, business executives and international buyer delegations and delegations from technical institutions who are very likely to be interested in attending the F1

aces too. Drop-off surveys and touch-screen kiosks will be used in these expos. \* Information brochures accompanied with survey questionnaires can be provided at help desks at various auto dealers, distributors and colleges. These areas would basically reach out to the low end customers.

The areas are selected on a strict area probability basis. A computer list of relevant places can be prepared to construct a properly stratified sample which can be further divided into sections based on their CCA and HRA statuses. c) Magazines: i. e.

Zigwheels, overdrive, autocar etc. Electronic Interviewing: This can be conducted by e-mail or administered on the internet or the web. a) E-mails: The e-mail interview has become an increasingly popular technique. It eliminates endless rounds of phone tag, and it gives sources a chance to provide well-thought-out answers rather than top-of-the-head responses.

To conduct this survey, a list of e-mail addresses is obtained depending upon the background of the respondents. The survey questions are written in the body of the e-mails and are sent over the internet. b) Internet: Social networking websites like facebook and orkut can be put to good use over here. The survey questionnaires can be tailored and made attention-grabbing according to the websites. 2) Parent site ( Formula-1 site) ) SMS : Advertise the event and publish the questionnaire link to the customer.

Telephonic Media: a) IVRS services: Provide incentive to the customer filling up the questionnaire via the phone services. 3. Survey Questionnaire This survey is about the First Indian Formula One Grand Prix scheduled to take place at the Jaypee Group Circuit on October 30th, 2011 in Greater Noida. 1.

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Which ones of the following motor sports events do you follow regularly?

Moto GP Raid De Himalaya Formula One Do not follow motor sports Others 2.

Where do you normally watch the sporting events? Live at venue On

television At a sports bar Do not watch sporting events Others 3. How

frequently do you watch a motor racing event? Weekly Monthly Once in 3

Months Once in a year Never 4. How many vacations did you take in the last

2 years? One Two to Three Three to Five More than Five Did not take any

vacation 5. How much do you on an average spend on a weekend vacation

(per person)? Less than Rs 5, 000 Rs 5, 000 to Rs 10, 000 Rs 10, 000 to Rs

20, 000 Above Rs 20, 000 6. How willing are you to travel to Delhi/NCR to

watch the first Indian Grand Prix? Definitely will travel Probably will travel

Undecided Probably will NOT travel Definitely will NOT travel 7. Which Indian

Grand Prix sessions would you want to attend? Sunday Main Race Saturday

Qualifying Friday Practice Session Saturday Qualifying and Sunday Main Race

All 3 days 8.

What class of ticket would you be interested in purchasing? Silver (Entry to

General Admission area) Gold (Reserved tickets in selected Grandstand area)

Platinum (Reserved tickets to VIP access area) Diamond (Reserved tickets to

Formula One Paddock Club™) 9. For the class of ticket you have chosen how

much are you willing to pay for each of the following session? Price in Rs. |

100-500| 501-1000| 1001-2000| 2001-5000| 5001-8000| 8001-12000| Above

12000| Friday Practice| | | | | | Saturday Qualifying| | | | | | Sunday Main

Race| | | | | | 10. What are the additional features you would like for gold

class ticket? (select any 2) Complimentary Snacks and Beverages Paid

Reserved parking spots Complimentary lanyard, ticket wallet and ear

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defenders Free Pit Lane access on Thursday 11. What are the additional features you would like for platinum class ticket? select any 2) Unlimited non-alcoholic beverage and snacks all day Reserved Parking spots Complimentary Race Day Souvenirs and program Free pit lane access on Friday 12.

What are the additional features you would like for diamond class ticket? (select any 2) Open Bar with Champagne and fine wines Deluxe meal services VIP access to Pit area with scheduled Pit Lane Walks Access to Formula One Team parties and entertainment 13. Which of the following race weekend activities are you interested in? After race parties Moto-show Behind the scenes at the pit crew Interaction with the stars 14. Any other suggestion for features and services 15. Gender Male Female 16. Age Less than 18 years 18 to 25 years 26 to 40 years 41 to 60 years Above 60 years 17.

Annual Family Income (in Rs) Less than 2.5 lakhs 2.5 to 5 lakhs 5 to 10 lakhs 10 to 25 lakhs Above 25 lakhs 18. Current Occupation Student Professional Service (government or private) Self employed Business Owner 19. Which city do you reside in? 4.

References [1] Formula One - Wikipedia: [http://en.wikipedia.org/wiki/Formula\\_One](http://en.wikipedia.org/wiki/Formula_One) [2] Hindustan Times, Mumbai, September 08, 2010 - "Blueprint for India's Formula One future is here"