

Entrepreneurship, local development and destination management in sports tourism. The Formula 1 project.

¹Vasileios Vlassas, ²Christina Daouti

¹(PhD can., Tourism Management, University of West Attica, Greece)

²(I.H. Tourism Management, AMC, Greece)

ABSTRACT

The purpose of this research is the study of entrepreneurship and local development in tourist destinations where sports tourism is developed. Specifically, the case study of formula 1 is studied. The importance of place branding in tourism, the entrepreneurship in sports tourism as well as the development of entrepreneurship in formula 1 is studied. Then, the destination guides of the FIA are analyzed which refer to the destinations where the Grand Prix are hosted and finally this research is analyzed on some specific Grand Prix that have been made. The importance of the contribution of the local people as an extra help to a Grand Prix as well as the quality services offered to tourists seem to be an important element for the business success of a Grand Prix. In addition, the connection of a Grand Prix with a unique feature in the Formula 1 calendar can add value to such a sporting mega event.

KEYWORDS: *entrepreneurship, formula 1, local development, sports tourism*

1. INTRODUCTION

This specific research recorded procedures that have been carried out to record findings regarding entrepreneurship and local development of a tourist destination offered by Formula 1 events. The Formula 1 events, the so-called Grand Prix, belong to the category of mega events and affect both the tourist destination where the Grand Prix is organized, but also the development of entrepreneurship by entrepreneurs. Through this study, the purpose is to record the positive and negative characteristics of already existing events, so as to record what an organizer should emphasize and what he should pay attention to for his event to triumph.

2. PLACE BRANDING AND TOURISM

In order for a place to develop as a tourist destination, it should be follow a tourism plan. When organize a mega event, the aim is to maintain but also develop the image and brand of a city, so that this improvement can be used in tourism in general [1]. Some large cities, through mega events, try to reposition themselves in the tourist market with a different profile, especially when the previous tourism model has failed. In order to be a positive result in this process, the ideal marketing strategies should be applied with absolute precision depending on the case [2]. The ultimate goal in differentiating place branding from the previous way of positioning in the market is through mega events to create a footprint, a point of reference, where the tourist will associate a destination with some characteristic of the mega event where it was organized [3].

3. ENTREPRENEURSHIP IN SPORTS TOURISM

Sport through sports tourism has escaped the traditional perspective of a purely sporting contribution to society and has become commoditized [4]. Through sports tourism, there is the possibility to enhance the image of a place and therefore place a destination dynamically on the tourist map [5]. This is a feature which favors the increase of income through tourism [6] [7] [8] [9] [10]. For this reason mega events are usually financed by governments as they offer multiple benefits to a tourist destination but also the possibility of increasing entrepreneurship [11]. In addition, it should not be forgotten that especially in the case of a developing country with limited natural resources, there is the possibility of developing the destination into a destination with a large influx of tourists where the main reference will be made for holding a mega event related to sports [12]. For the successful use of sports tourism, an important element is the pleasure through the event of the local population [13]. If the local population cannot be convinced of the profits they get from the event, they are likely to treat sports tourists with suspicion and therefore not offer high levels of hospitality to tourists.

Specifically, some positive benefits offered to tourists are the reduction of taxation, improvement of infrastructure in the tourist destination and improvement of public transport. On the contrary, there should also be a reference to what it has to do with the negative characteristics. Some of them are pollution [14].

4. ENTREPRENEURSHIP IN FORMULA 1

State governments are trying to acquire the rights to hold a Grand Prix which will be placed on the Formula 1 calendar. By placing it there, a city which may be generally unknown can become known and connect its name with motor sport [15]. The association of a destination with Formula 1 also seems to impart characteristics of civic pride to the local population, which will act as a catalyst for the grant from governments [16].

Another feature that is offered to the local population is that regardless of the profits of the entrepreneurs who participate in the mega event, there are also tax profits. This means that the money collected by governments can be redeployed in the form of infrastructure investment and in this way the destination and its business become more competitive in the future tourism [17]. A good strategy for long-term participation of the local population is to ensure the long-term sustainability of the events. This ensures that entrepreneurship can be developed more easily and more securely than otherwise [17].

However, not all parts of the local population have the same opinion about events related to Formula 1. It seems that the more involved the local population is with entrepreneurship related to the Formula 1 sporting event, the better positive evidence finds in this event [18]. Another characteristic that affects local population is the local population's interest in the event. It seems that when the local population has high rates of involvement in motor sports, the more likely it is that there will be sympathy of the permanent residents of the destination for the mega event [19]. On the other hand, the feelings about the event were different from those residents who do not engage in motor sports [20].

Formula 1 has a lot in common with other events that belong to the category of sports mega events, such as the Olympic Games, the World Cup of Football, etc. Formula 1 during its evolution followed a neoliberal development model. The purpose of the organization is to create a product that will be addressed worldwide and will have a tourist as well as a television audience [21]. The truth is, of course, that the television viewing of the sport is reduced compared to previous years because the subscription channels that buy the exclusive rights are constantly increasing [22].

5. DESTINATION GUIDES IN FORMULA 1 WEBSITE

At most Grand Prix events, FIA dedicates a page on the Formula 1 website to mention a few words about the destination hosting the Grand Prix. In this way, the tourist destinations - organizers of the Sports event - are also advertised. At the Bahrain Grand Prix, the emphasis is on the weather. In particular, the destination guide states that if you are a tourist who loves the sun, sand and sea, then Bahrain is the ideal destination. In addition, there is mention of the capital of Bahrain, that it is very close to the circuit and that you can combine your trip with a stay there. Finally, special mention is made of the many events related to motor sports there.

Destination Guide's approach to the Barcelona Grand Prix is different. Here Spain is taking advantage of two-time world champion Fernando Alonso to showcase the tourist destination of Barcelona. Special mention is made here that this tourist destination is among the largest in the world and tourists flock from all over the world regardless of the mega event of Formula 1. There is a great emphasis on the architecture of the city as well as on the long coastline that Barcelona has.

The Destination Guide of Monaco emphasizes more in the importance of this particular Grand Prix for Formula 1 and that it associates its name with the word "Glamour". In addition, the cars are quite close to the protective wall, which makes the experience for the tourist more impressive. The presentation of the destination is carried out by a permanent resident of the area, who used to be a racing driver.

Azerbaijan's Destination Guide emphasizes in the old city of Baku, which is a UNESCO World Heritage Site. This is also the main attraction of the area.

In Great Britain's Destination Guide, great emphasis is placed on the track's historicity as it is the oldest formula 1 track among the tracks on the calendar. In addition, special mention is made of great drivers coming from Great Britain as well as being home to most of the Formula 1 teams.

The Destination Guide for the Austrian Grand Prix emphasizes in the beautiful landscapes and the contact with nature that the tourist will feel. It is mentioned about the specific province where the Grand Prix is hosted and that it is largely made up of forests.

The Destination Guide for the French Grand Prix is mainly concerned with the location of the track. Specifically, it advertises the Mediterranean Sea. In addition, he mentions that because France has a tradition of wine, the tourist can taste wine or visit wineries.

The Destination Guide of the Hungarian Grand Prix follows a similar strategy as that of Azerbaijan. It advertises the capital Budapest, which is the largest tourist destination in central Europe, while an extensive reference is made to the sights of the capital.

The Belgian Grand Prix Destination Guide emphasizes in the beauty of the natural landscape, as in the case of Austria, as well as the thermal springs that have existed there since ancient times. In addition, the beauty of this track is mentioned and how watching it is a unique experience for a tourist.

The Destination Guide for the destination of Italy mentions Milan, a city which is located near the Monza circuit. In addition, the destination is presented by a former Italian racing driver. The tourist guide also makes a special reference to the large number of Italian drivers who have participated in this particular Grand Prix over the years. The USA Grand Prix Destination Guide puts more emphasis on the food that can be consumed, while in the case of the Mexico Destination Guide, Sergio Perez is chosen to present the destination, as a Mexican active racing driver. The guide places great emphasis on the different culture that will be found in this country as well as on the particularity of the spicy food that is common in Mexico.

The Brazil Destination Guide also emphasizes in the multi-culture that will be found in Brazil. The destination here is presented by a veteran formula 1 driver.

Finally, the Destination Guide of Abu Dhabi emphasizes the high quality of services offered at the destination as well as the glamorous offer of services to tourists.

6. HUNGARIAN GRAND PRIX

In a study conducted by David et al. [23] remarkable data on the Hungarian Grand Prix were recorded. Specifically, the profits of the Hungarian Grand Prix seem to become less and less profitable every year. This is explained through this particular survey by the large fees for participation in the FIA Championship, which are increasing at a steady pace. But apart from reducing the revenue of the event, there are other benefits from the continued action of the event. Specifically, performing a mega event for motor sport helps to promote and evolve tourism in Hungary. The destination becomes more known and is chosen by tourists more often.

When performing a mega event, it is important to record tourist's observations so that the product is constantly upgraded. Specifically, the Hungarian Grand Prix does not have high -level benefits compared to other corresponding events in other countries. Some of the reports recorded are the lack of parking spaces for spectators and higher levels of hygiene. Specifically, in a Grand Prix of other countries it seems that the toilets are clearer and also in a better condition. In addition, it seems that there is a problem with spectator's positions, which do not meet the demands of viewers and need improvement. In addition, the Hungarian Grand Prix also meets the disadvantage of the few video walls. Viewers because of this problem are not able to watch what is happening throughout the track all the time.

Something that would help to get more interest from the local population lies in the fact that if there was a Hungarian pilot in Formula 1, the interest will be significant higher. But it is not always so easy to enter a pilot into Formula 1. The participation of a veteran Hungarian athlete-pilot as an Ambassador would help to increase the interest of the local population in the Hungarian Grand Prix.

A study conducted by Remenyik and Molnar [24] shows that the entry of the Hungarian Grand Prix in FIA, increase the number of tourists they visit Hungary. Specifically, 2 million tourists visited Hungary until 2017 to watch Formula 1. Through studies that have been carried out, motorist's tourists have a higher tourist expenditure than the average cost of tourists in the Hungarian state. So it seems that there is a great motivation from local authorities to keep those tourists. It is very important to use the race track in other events beyond Formula 1. This will increase revenue and maintain tourism for motor sport in the region.

The great disadvantages found in the Hungarian Grand Prix are that the track is relatively slow compared to other Formula 1 Grand Prix and in addition the overtaking are not favored. This leads to having a smaller motivation on the viewer's side to visit this particular track and not another. In the Formula 1 calendar there are other tracks that are not famous for their speed. Specifically, the Monaco Grand Prix is a good example. But Monaco has linked its Grand Prix to its unique feature that spectators from all over the world are flocking to their yachts to watch this event. Unique features are also found in other events. Specifically, in Singapore's Grand Prix is observed the Grand Prix by night in the Formula 1 calendar while on Belgium and the Spa track, the largest straight line in Formula 1. The Hungarian Grand Prix has not managed to acquire such a competitive kind of advantage.

As far as tourists are concerned, from 2000 to 2013, there was an increasing course in the influx of tourists. In 2013, 247,000 spectators were recorded. However, then a declining course was followed in the viewers. One explanation given is that in addition to the problems analyzed above, the Austrian Grand Prix was included to the Formula 1 calendar. This enabled tourists where they wanted to visit a track within a year to be able to choose. These two are tracks in Central Europe, so they are targeted the same tourist.

In a study in the Hungarian Grand Prix about tourists, it seems that 22% of tourists came from Poland, 21% from the United Kingdom, 15% from Germany, 7% from Austria and 10% from Skandinavian countries. All of the above are European states. Thus, the tourists split into two Grand Prix when the Austrian Grand Prix was placed in the Formula 1 calendar.

As for ages that prefer to visit a Formula 1 track, the ages between 30-39 are 32% and in the first place, the ages between 21-29 follow at 29% and then the ages 40-49 with 20% , over 50 years with 13% and under 21 to 6%.

The important elements to be recorded are that by organizing a Grand Prix of Formula 1, a country is placed on the tourist sports map and thus increases the tourist interest about the destination. After all, it should not be forgotten to mention that after the summer Olympics, Formula 1 is the event with most tourists.

7. THE SINGAPORE GRAND PRIX

Henderson et al. [25] studied Singapore's Grand Prix, which is a Grand Prix by night in Formula 1. In their research, they give particular importance to the importance of financial support by the government because the operating costs to commit such an event is at a high level, starting with the entry fee paid to the FIA. But the profits for a country are multiple and therefore governments are funding sport events as they consider them attractive.

The researchers report the importance of the local population to operate with a positivity in this type of event. This is also a key to a successful event. In addition to, tourists who will choose to visit the destination for the sports event, the friendly local population and its promotion will give the motivation to tourists for another trip in the future. Through a sports event it is easy to promote local culture and sights of a destination.

A characteristic that has worked positively at the Grand Prix in Singapore is the placement of various activities for tourists where it is related to the reason of the event. This upgrades the benefits offered to tourists and improves the tourist's image of the destination.

In Singapore, revenue recorded on average amount to \$ 229 million and therefore efforts are made by local agencies to maintain that event.

Singapore had to deal with some problems when the Grand Prix was committed. Specifically, because there is a tropical climate in Singapore, the race during the day would be more difficult. That is why it was decided that the event was took place at night. This is a fact that has also helped the European broadcast of the race as it is a more prior time for spectators. It is worth noting that Singapore's Grand Prix was the first Grand Prix of Asian city.

In a study of the view of local population on this event, the positive characteristics were recorded by local pride, and in terms of tourists, Singapore's re -insignificance in the future, as well as the overall success of the organizers, were recorded. Researchers Cheng and Jarvis [26], however, recorded the negative features of Singapore's Grand Prix for permanent residents. Specifically, the excessive noise was recorded during the event, the increased traffic in the city as well as the large number of people, far larger than the Grand Prix city can afford. In terms of increased traffic, it was recorded the difficulty of reaching the racing circuit.

The proposal of these researchers is to close the roads near the circuit in a shorter way to help spectators and residents in the area to do their jobs with better circumstances. If this is not done it will be difficult for the organizers to have the local population as an ally and by their side, as beyond noise and movement, environmental problems are created by pollutants and also sustainability problems. Finally, a more affordable ticket pricing for the residents of the destination would help the local population watch more positively the sport event.

8. MALAYSIAN GRAND PRIX

Malaysia's Grand Prix is an event that is no longer take place by the FIA. The reason where a Grand Prix is no longer take place is because there is a lot of competition between countries and the seats are especially few to ease all. Researchers Mapjabil et al. [27] studied the Grand Prix held in Malaysia. In their research they recorded the importance of these events for the local population as they make significant profits from tourists, especially entrepreneurs. In addition, because these sports events are broadcast in television globally, sponsorships on the track are particularly profitable for the organizer. Sponsors are looking for a view from the F1 Grand Prix as 580 million viewers seem to be watching Formula 1 on television. But, in addition to television spectators, tourists are leaving profits to the destination. Prior to the construction of a race track, it is important that the organizer has managed to secure a relatively long time collaboration between FIA and the Grand Prix as there are many expenses for the creation of infrastructure.

9. GRAND PRIX IN THE USA AND CHINA

Researchers Zhang et al. [28] studied the Grand Prix in the USA and China. Through their research they concluded that through a successful event, trust relationships between sports tourists and event appear to be developing. In addition, there is a positive correlation between the event and tourist's confidence in the destination but it seems that the image of the event is more affected by the destination. What is worth noting is that although local businesses are trying to satisfy the motor sport tourists, sports tourists choose activities that are mainly related to the event and not so much to the destination.

10. CONCLUSION

The important conclusions of this research would include the importance of developing entrepreneurship in a destination which a neighboring destination has not developed a similar type of entrepreneurship such as Hungary and Austria. An important feature to maintain sports tourists is to keep them happy and offer them as much as possible. The problems that were recorded at the Hungarian Grand Prix facilities discourage sports tourists to visit the destination another time in near future especially if they specifically have the possibility of an alternative solution nearby. In addition, it was also recorded that the tracks that have a unique feature, such as Monaco with Marina, Belgium with high speed straights, and Singapore with the Grand Prix by night, acquire a competitive advantage and it can cover other weaknesses such as a slow track or a track difficult in overtaking. The government's support seems to be particularly important as the commitment of such an event has a lot of expenses. But if a long cooperation is secured with the FIA, the revenue will exceed these expenses.

Another important element is the participation of the local population. With the local population on its side, not only an event can thrive, but also the tourist destination is advertised at the same time. That is why the negative elements of an event in motor sport such as noise and difficult movement by local residents should be attempted to roll out.

The ages that seem to be interested to visit a Grand Prix of Formula 1 are the ages between 30-39, followed by the ages 21-29. These are the ages where the sports event must target in order to make more profit. In addition, it appears that neighboring countries offering the most tourists when a country performing a Grand Prix. A typical example is the Hungarian Grand Prix.

Finally, through the creation of trust relationships between sports tourists and the event, trust relationships are likely to develop as well with the tourist destination of the event. However, they do not seem to develop relationships of trust in the same degree. Future research can also study other Grand Prix to make more secure results with a larger research sample.

REFERENCES

1. Soltani, A., Pieters, J., Young, J. and Sun, Z. "Exploring city branding strategies and their impacts on local tourism success, the case study of Kumamoto prefecture, Japan", *Asia Pacific Journal of Tourism Research*, Vol. 23 No. 2, 2018, pp. 158-169.

2. Spirou, C. "Urban festive policies and sociocultural impacts: an international perspective", *Loisir et Société/Society and Leisure*, Vol. 36 No. 1, 2013, pp. 94-110.
3. Vuignier, R., "Marketing territorial ET branding territorial: une revue de littérature systématique", 2016.
4. Houlihan, B., *Sport and Society: A Student Introduction*, Sage, London., 2003.
5. Getz, D., *Event Management and Event Tourism*, 2nd ed., Cognizant, New York, NY, 2005.
6. Vlassas V., Wine companies, their wine tourism activities and advertising opportunities to strengthen their brand in sports, *Journal of Tourism Research*, Vol 23, 2019, 126-134
7. Vlassas V., Entrepreneurship and Innovation in Tourism. The Entrepreneurship in Sports Tourism, *International Journal of Management Studies and Social Science Research*, Vol 3, Issue 6, 2021 , 206-212
8. Vlassas V., Sports tourist with some form of disability and local development in a tourist destination, *Journal "Sustainable Development, culture, traditions"*, Vol 1a/ , 2020, 37-45
9. Vlassas V., The impact of sport events in alcohol consumption and the relationship with sports tourism, *The American Journal of humanities and Social Sciences Research*, Vol 05, Iss 01, 2022, p43-49
10. Vlassas G., Michalaki M. , Vlassas V., Vlassas I., Greece before 1980 through the lens of Konstantinos Manos, Robert A. McCabe, Herbert List, Henri Bresson in the early period of tourism in Greece, *The American Journal of humanities and Social Sciences Research*, 2022
11. Whitford, M., "A framework for the development of event public policy: facilitating regional development", *Tourism Management*, Vol. 30, 2009, pp. 674-82.
12. Jabil Mapjabil, Penerimaan komuniti tempatan terhadap pelancongan sukan di Pulau Langkawi. In: Jabil Mapjabil (Ed) *Pelancongan di Pulau Langkawi - Pembangunan dan Implikasi*. Penerbit UTHM, Batu Pahat, 2014.
13. Richelieu, A., "A sport-oriented place branding strategy for cities, regions and countries", *Sport, Business and Management: An International Journal*, Vol. 8 No. 4, 2018, pp. 354-374.
14. Zagnoli, P. and Radicchi, E., "Do major sports events enhance tourism destinations?", *Physical Culture and Sport. Studies and Research*, Vol. 47 No. 1, 2009, pp. 44-63.
15. Waitt, G. Social impacts of the Sydney Olympics. Mihalik, B. J., & Simonetta, L. (1999). A midterm assess- *Annals of Tourism Research*, 30(1), 2003, 194–215.
16. Fredline, E. (2005). Host and guest relations and sport tour- Boyko, C. T.. Are you being served? The impacts ism. *Sport in Society*, 8(2), 2008, 263–279
17. Gursoy, D., & Kendall, K. W. Hosting mega in Asia—Impacts on society, business, and manage- events. Modeling locals' support. *Annals of Tourism management: An introduction. Asian Business & Management, Research*, 33(3), 2006, 603–623.
18. Faulkner, B., & Tideswell, C. A framework for monitoring community impacts of tourism. *Journal of Sustainable Tourism*, 5(1), 1997, 3–28.
19. Cegielski, M., & Mules, T. Aspects of residents' Fredline, E., & Faulkner, B. (2002b). Variations in resipereceptions of the GMC 400—Canberra's V8 Supercar dents' reactions to major motorsport events: Why resi-Race. *Current Issues in Tourism*, 5(1), 2002, 54–70.
20. Waitt, G. (2003). Social impacts of the Sydney Olympics. Mihalik, B. J., & Simonetta, L. A midterm assess- *Annals of Tourism Research*, 30(1), 1999, 194–215
21. Mapjabil, J., Marzuki, M., Kumalah, M.J., Tangavello, L. and Abidin, M.K.Z., "Sport as a tourism attraction in Malaysia: potential and prospects", *Geografia: Malaysian Journal of Society and Space*, Vol. 11 No. 12, 2015, pp. 23-31.
22. Sylt, C. , "Why 2020 could be the most crucial year in F1's history", *Forbes.com*, 2020.
23. Dávid, L. D., Remenyik, B., Molnár, C., Baiburiev, R., & Csobán, K. The impact of the Hungaroring grand prix on the Hungarian tourism industry. *Event Management*, 2018, 22.4: 671-674.
24. Remenyik Bulcsú, Molnar Csilla. The role of the Formula 1 Grand Prix in Hungary's tourism. *Prosperitas*, 2017, 4.3: 92-112.
25. Henderson, J. C., Foo K., Lim H., & Yip, S. Sports events and tourism: The Singapore formula one grand prix. *International Journal of Event and Festival Management*, 2010.
26. Cheng Elaine, Jarvis Nigel. Residents' perception of the social-cultural impacts of the 2008 Formula 1 Singtel Singapore Grand Prix. *Event Management*, 2010, 14.2: 91-106.
27. Mapjabil J., Marzuki M., Kumalah M. J., Tangavello L., & Abidin M. K. Z. Sport as a tourism attraction in Malaysia: Potential and prospects. *Geografia*, 2015, 11.12.
28. Zhang, J., Byon, K. K., Williams, A. S., & Huang, H. Effects of the event and its destination image on sport tourists' attachment and loyalty to a destination: the cases of the Chinese and US Formula One Grand Prix. *Asia Pacific Journal of Tourism Research*, 2019, 24.12: 1169-1185.