

## THE IMPACT OF FORMULA ONE IN AZERBAIJAN

*Programme director Daniel Mason  
Master's student Ceyhun Mustafayev*

### Nəşr tarixi

Qəbul edilib: 1 iyun 2019

Dərc olunub: 5 iyul 2019

© 2019 ADBTİA. Bütün hüquqlar qorunur.

**Annotation:** According to political and public figures, Formula 1 has provided a golden opportunity for Azerbaijan. They consider that this sporting event has exerted a positive influence on the economy and promotion of the nation, while encouraging tourism and cementing Azerbaijan's reputation as a world capital of sport.

**Key words:** formula, economy, social media, competition, audience

The aim of the article is to show the initial results of this international event in Azerbaijan. The impact of Formula 1 is viewed from more than one perspective. Formula 1 is the world's most viewed sporting event, linking Azerbaijan to impressions of power, excitement and dynamism. At the same time, its aim is to enrich the economy of Azerbaijan, and provide more experience for a country regarded internationally as a supremely organised and efficient host of major sporting events.

**Introduction.** Being the host country of Formula 1 brings significant advantages to the local economy and international reputation. Although Formula 1 was a new sport for Azerbaijan, the country's experience in organising the European Games and other major sporting events proved its worth. From the first year of the race, the aims and outcomes were achieved. For example, in the first year, more than 20,000 people bought tickets to watch the race in Baku. The majority of fans comprised Russian citizens and Arabian tourists, but there was also a large contingent of F1 fans from neighbours such as

Turkey and Georgia other European countries and beyond. Approximately 500 million people watched the race on television.

Among modern sporting events, F1 has no equal in sheer scale. There is the high-speed, thrilling competition between some of the world's most famous racing marques, such as Ferrari and Mercedes, and the celebrity appeal of some of sports highest profile competitors.

In addition, F1 has a long and rich tradition to draw on. Formula One automobile racing has its roots in the European Grand Prix championships of the 1920s and 1930s, though the foundation of the modern Formula One began in 1946 with the Federation International de Automobile's (FIA) standardisation of rules, which was followed by a World Championship of Drivers in 1950 (3).

The sport's history parallels the evolution of its technical regulations. In addition to the world championship series, non-championship Formula One races were held for many years, the last held in 1983 due to the rising cost of competition. National championships existed in South Africa and the United Kingdom in the 1960s and 1970s (4).

Today, the city of Baku has joined the elite of the world's most high profile sporting event, staging in 2019 its fourth Grand Prix. For three days of qualifying and racing, the sound of Baku's city centre traffic is replaced by the roar of F1 engines and the streets fill with dedicated fans who arrive in the city that has proved itself one of the most challenging and entertaining circuits in the F1 calendar.

Formula 1 is the prime example of the globalisation of sport, spanning politics, culture and economics as well as the sport itself. F1 is a dynamic process of integration and interaction, extending to the people, governments and companies of nations on every continent. The arteries that connect this sporting mega-event are the internet and media, including social media. This process has an impact on the environment, on culture, on political systems, on economic development and prosperity, and on human physical well-being in societies around the world. For this reason, big sporting events play a key role in the development of

globalisation. When race fans arrive in Baku for the Formula 1, they also influence culture, education and tourism in a positive sense. Globalisation provides the platform upon which Azerbaijan can build its promotion and increase its profile around the world. More people arriving in Azerbaijan, or viewing it on TV, make the country more popular, and greater popularity tends to drive economic benefits.

In the modern world, online media and social media have a more significant role in people's lives. The majority of the population gains information, to one extent or another, from social media. It is no wonder therefore that social media accounts associated with F1 are very popular. In Azerbaijan, Baku City Circuit makes the most of this demand for information by focusing heavily on the provision of information online and via social media. There are 218.783 followers on Facebook, 34K on twitter and 34.3K on Instagram. These numbers are 8 million on Facebook, 3.89 million on twitter, 6.4 million on Instagram (7). The same trend is reflected when considering search engine queries. It is possible, using the Google Trends tool, to research the popularity of search terms over time. The number of people searching for 'Azerbaijan' jumped by around 25% in the three years after 2015. Among Azerbaijan's other major sporting events, it is highly likely that Formula 1 had a role to play in this increase (6).

Formula one is the most powerful contemporary example of a 'mega-event' able to influence host countries' policy and culture. Maurice Roche offered one of the earliest definitions of mega-events: "large-scale cultural (including commercial and sporting) events, which have a dramatic character, mass popular appeal and international significance (1).

Mainstream media, notably television and radio, also play a major role in promoting mega-events such as Formula 1. Newspapers and magazines also play an important part in maintaining the interest and 'hype' around F1 considerably before and after races. This promotion plays its part in extending the

popularity of the host country. The relationship between F1 and broadcast media works both ways. There is considerable competition among broadcasters such as Sky Sport to secure - for vast sums - the rights to live coverage of F1, which drives audience, additional revenues for F1 and increased promotion for host countries.

This impact of this megasport on the host economy can be understood with the help of The Standard Theory of International Trade and The Theory of Industrial Organization. It is universally accepted that Formula 1 has an effect on the host country's economy, environment, domestic firms, political environment, labor market and trade balance. Formula 1 racing in Azerbaijan also attracts tourists, develops the country's profile in global markets and creates opportunities for the development of small and medium-sized enterprises involved to the tourism industry (5).

While there is an impact from the new money generated by F1 in host countries such as Azerbaijan, an input-output analysis reveals that the impact is different between non-local and local attendees. New money from non-local attendees or international attendees is more pronounced compared to that from local attendees. Research suggests that host cities should focus on increasing the non-local and international attendees in order to enhance the economic impact of a mega-sport event (2).

By the way of conclusion, an increasing number of people around the world are being exposed to the image and profile of Azerbaijan thanks to sporting mega-events like Formula 1. Thus, Formula 1 in Azerbaijan has emerged as an important factor both in terms of Azerbaijan's global profile and prestige, and in terms of economic benefits.

#### References:

1. Richard Gruneau and John Horne, *Mega-Events and Globalization*, New-York, 2017, pp 143
2. Phil Andrews. *Sports journalism*. England. 2013 London, SAGE publications, pp. 156
3. "Formula Races - 1948".

motorsportmagazine.com  
4. www.conceptcarz.com  
5. www.researchgate.net/publication  
6. <https://www.bakucitycircuit.com/en/news6>.  
7. <https://www.ukessays.com/essays/sports/globalisation-and-formula-one.php>

**“Formula -1” yarışmasının  
Azərbaycana təsiri  
Ceyhun Mustafayev**

**Açar sözlər:** formula, iqtisadiyyat, sosial media, rəqabət, tamaşaçı

**Xülasə:** Siyasi və ictimai xadimlərin fikrincə, Formula 1 Azərbaycan üçün böyük bir fürsətdir. Onlar bu idman hadisəsinin iqtisadi və təqdimat məsələlərinə təsir etdiyini düşünürlər. Eyni zamanda dünyada bu məşhur idman növü turizm sektoru ilə bağlı fayda gətirəcəkdir.

Məqalənin məqsədi Azərbaycanda keçirilmiş bu beynəlxalq tədbirin ilkin nəticələrini göstərməkdir. Burada Formula 1-in əsas aspektləri və onun perspektivləri tədqiq edilmişdir. Bir tərəfdən bu, daha çox auditoriya cəlb edən məşhur idman müsabiqəsidir. Digər tərəfdən ölkəmizin iqtisadiyyatını zənginləşdirəcəkdir. Bundan başqa, Formula 1-in araşdırılması digər beynəlxalq tədbirlərin təşkilinə də müsbət təsir göstərə bilər.

**Влияние соревнования «Формула  
– 1» на Азербайджан  
Джейхун Мустафаев**

**Ключевые слова:** формула, экономика, социальные медиа, соревнование, аудитория.

**Аннотация:** По мнению политических и общественных деятелей, Формула-1 - отличная возможность для Азербайджана. Они считают, что это спортивное событие влияет на экономические и рекламные вопросы. Одновременно этот популярный в мире конкурс принесет выгоды, связанные с сектором туризма.

Цель статьи - показать первые результаты этого международного мероприятия в Азербайджане. Здесь исследуются основные аспекты Формулы-1 и ее перспективы. С одной стороны, это знаменитое спортивное соревнование, привлекающее больше зрителей. С другой стороны, это обогатит экономику нашей страны. Более того, расследование Формулы-1 сможет повлиять на организацию других международных мероприятий.