

## IMPACT OF FORMULA 1 RACE ON THE INTERNATIONAL IMAGE OF AZERBAIJAN

J.E. Ahmadli

*Azerbaijan Sports Academy*

[javidan.ahmadli2022@sport.edu.az](mailto:javidan.ahmadli2022@sport.edu.az), [orcid.org/0009-0004-1639-2843](https://orcid.org/0009-0004-1639-2843)

### **Nəşr tarixi**

Qəbul edilib: 3 iyul 2024

Dərc olunub: 26 sentyabr 2024

© 2022 ADBTİA Bütün hüquqlar qorunur

**Annotation.** This article examines the impact of hosting Formula 1 races on Azerbaijan's international image. It highlights how the event has bolstered the international image, tourism, and economic growth while also showcasing its modernity and hospitality, contributing significantly to Azerbaijan's global branding and reputation.

**Keywords:** *formula 1, azerbaijan, international image, tourism, economic impact.*

**1. Introduction.** Azerbaijan, a nation straddling Eastern Europe and Western Asia, has embarked on a journey of transforming its international image through strategic global events. Among these, hosting the Formula 1 Azerbaijan Grand Prix stands out as a significant milestone. This prestigious motorsport event, held annually in the capital city of Baku since 2016, has played a pivotal role in elevating Azerbaijan's profile on the world stage. The impact of such a high-profile event extends beyond the racetrack, influencing various facets of the country's international perception, from tourism and economic development to cultural diplomacy and national branding. The allure of Formula 1, with its global fanbase and extensive media coverage, offers a unique platform for host countries to showcase their capabilities and attractiveness. For Azerbaijan, this event has provided an opportunity to present itself as a modern, dynamic, and hospitable nation. The carefully crafted urban circuit in Baku, which winds through the city's historic and contemporary landmarks, serves as a visual narrative of Azerbaijan's blend of

tradition and progress. This juxtaposition is crucial for a country seeking to redefine its image from one primarily associated with its Soviet past and regional conflicts to one of economic vitality and cultural richness. The economic impact of hosting Formula 1 cannot be understated. The influx of international visitors, media, and corporate investments during the race period injects substantial revenue into the local economy. Hotels, restaurants, and various service industries benefit directly from the increased demand. Moreover, the event stimulates long-term investments in infrastructure and urban development, contributing to the overall economic growth and modernization of Baku.

**2. Country image and features.** Each country has become identified with different icons along with its historical culture, and the country's image has been formed by branding. Many studies conducted so far have revealed that country image is a very important factor in the consumer's purchasing decision in the global market. Image is defined as "the image formed as a result of a series of information processes". More clearly, it is the evaluation of information and data obtained from various channels to advertisements, from advertisements to natural relationships, from the cultural climate in which we live, to the prejudices we hold. The image formed by information and messages received from different channels is a dynamic concept that can change over time with new information and experiences. It can be said that the image of any product, brand or country in the human mind is influential and even decisive on people's attitudes and behaviors. In cases where there is no basic experience with the product, consumers often determine the quality of the product

based on features such as price, brand image, manufacturer image, sales location image or country of origin.

It is natural that people's perceptions of the country where the goods are produced are reflected in the goods. For example, while Russian consumers perceive products produced in Japan and Germany as superior quality compared to American and British products; Japanese consumers also think that Japanese products are superior to those produced in Europe and America. In this context, businesses face a difficult task of trying to improve not only the image of their products but also the image of their country. Because erasing the effects of previously formed perceptions requires intense marketing efforts. Every country should be able to manage its own image well in the international arena, which will directly affect the perception of the products produced in that country [1].

Each country has its own special image and associated brand value. Countries are now considered as brands, just like products, and they are making efforts towards branding. Of course, there will be differences between the branding of a concrete product and the branding of countries with a more complex, broader and heterogeneous structure. Ensuring that a country is perceived as a quality brand on international platforms is directly related to the quality of the product as well as comprehensive communication activities. As a matter of fact, it would not be realistic for a technologically undeveloped country to state that it is assertive in technological products and to try to have such an image. Country image is the overall quality that the consumer perceives for products made in any country. Country image is a very important and determining factor in the purchasing decision. The country's image is formed by personal experiences and current knowledge about the country's people, social, political and economic situation. While USA and "made in USA" mean individual freedom and wealth to the outside world, BMW and Mercedes are driven by the reliability of German engineering. One of the important issues that should draw our attention here is that

the way these countries are perceived affects the image of their infrastructures, which are directly related to the developments over a long period of time. Some countries have quite impressive reputations for certain products. For example, Japan has a well-deserved reputation for automobiles and electronic goods, America for high-tech innovations, soft drinks, toys, cigarettes and jeans, and France for wine, perfumes and luxury consumer goods. A more impressive and preferable country image means that the country's origin is featured more prominently on the label and in the promotion of the brand [2].

Rather than where the products are produced, the country in which a brand is perceived to belong most in the minds of consumers is considered the country of origin. A country's image is a function of various influences. Some of the impacts are economic. Such as per capita national income, export and import types and levels. However, many influences that are not related to the level of development affect a country's image and brand value. Such as political and military hostility, nationalist attitudes, local customs, music, food, costumes and tourist attractions. Advertising, newspapers, television, cinema, and cultural perceptions help outsiders create a mental map of the country. For example, England has a country image that is classy and well-established, France is based on quality life and ethics, Italy is style and attractiveness, Germany is quality, reliable and solid, Switzerland is sensitive and honest, and Japan is based on functionality and technology. These features determine the prominent products and product groups of these countries in the global market. Countries' awareness of their image will be directly reflected in the marketing strategies of that country's products.

It is clear that both product and country images directly interact with each other. However, while country image enhances product image for developed countries, it may negatively affect product image outside these countries. Especially in cases where uncertainty is high, the country's image comes to the fore, and the price element plays a decisive

role in international purchases where uncertainty is low and there is no risk. One of the issues touched upon in many studies is the existence of a hierarchy of countries in terms of brand value. This hierarchical order is given below.

On the other hand, the prominent features of some countries add a certain meaning to the product [4]:

- Countries preferred by buyers to reduce risk due to their historical handcraft, craftsmanship and special design skills (Persian carpet, Belgian hand embroidery-lace, Scandinavian furniture, French and Italian garment design, etc.).
- Countries that obtain and process qualified raw materials due to geographical, geological and climatic factors (Colombian coffee, Canadian fur, French wine, South African precious stones, etc.).
- Countries that stand out according to their technology and knowledge levels (USA in computer software and defense industry, Canada in biogenetic applications in agriculture, France in high-speed transportation systems, Japan in electronic goods, etc.).

The country of origin of a product may or may not have a positive or negative impact on potential customers. For example, many buyers around the world may prefer clothing items bearing the “Made in Italy” label, and they find Japanese-made automobiles and electronic goods to be of higher quality and reliability. At the other extreme, a car stereo produced in Ghana may not be of interest or preferred. Between these two extremes, there are products where the country’s origin does not affect the image much (raw materials and natural resources such as oil from Nigeria or rubber from Canada). The image of a country reflected in its products is also related to the features of that product or products. What Kotler mentions here is that the impact of the country images reflected on those products will change depending on the product features [5].

### 3. International image of Azerbaijan.

Azerbaijan, a nation situated at the crossroads of Eastern Europe and Western Asia, has been diligently working to reshape its international image. Historically known for its rich cultural heritage and strategic geopolitical position, Azerbaijan is now leveraging modern avenues to establish itself as a dynamic and progressive nation on the global stage. This transformation is driven by strategic initiatives in tourism, cultural diplomacy, and hosting international events. Azerbaijan’s international image has been significantly enhanced through its role as a host for major global events. The Formula 1 Azerbaijan Grand Prix, held in Baku since 2016, exemplifies this strategy. The race not only attracts a global audience but also provides a platform for Azerbaijan to showcase its modern infrastructure, hospitality, and scenic urban landscapes. The streets of Baku, where the race takes place, offer a striking blend of historical architecture and contemporary development, symbolizing Azerbaijan’s journey from its storied past to a promising future. The Eurovision Song Contest 2012, another notable event hosted by Azerbaijan, played a crucial role in boosting the nation’s visibility and cultural appeal. By presenting its music, traditions, and modern achievements to millions of viewers worldwide, Azerbaijan successfully portrayed itself as a culturally vibrant and welcoming country. These events are more than mere spectacles; they are strategic tools for nation branding and soft power, helping to shape international perceptions. Tourism is another vital component of Azerbaijan’s efforts to enhance its international image. The country boasts a diverse landscape, from the Caspian Sea’s shores to the Caucasus Mountains, offering a range of attractions for tourists. Baku, with its modern Flame Towers juxtaposed against the medieval Old City, encapsulates the essence of Azerbaijan’s charm. By investing in tourism infrastructure and promoting its unique attractions, Azerbaijan aims to become a preferred destination for international travelers. Cultural diplomacy plays a pivotal role in Azerbaijan’s international strategy. Through various cultural ex-

changes, festivals, and exhibitions, Azerbaijan highlights its rich heritage and contemporary culture. These efforts foster mutual understanding and build bridges with other nations, enhancing Azerbaijan's global standing [2].

A key aspect of Azerbaijan's strategy to enhance its international image involves economic diversification and innovation. Historically dependent on oil and gas, Azerbaijan has recognized the need to diversify its economy to ensure sustainable growth and resilience. By investing in sectors such as information technology, renewable energy, and logistics, Azerbaijan aims to present itself as a forward-thinking and innovative nation. The development of the Alat Free Economic Zone and initiatives to foster a startup ecosystem are examples of efforts to attract foreign investment and stimulate domestic entrepreneurship. These economic advancements contribute to a perception of Azerbaijan as a country that is not only rich in natural resources but also rich in human potential and creativity. Moreover, Azerbaijan's international image is bolstered by its active participation in global diplomacy and multilateral organizations. As a member of the United Nations, the Organization for Security and Co-operation in Europe (OSCE), and the Non-Aligned Movement, Azerbaijan engages in international dialogue and collaboration on critical issues such as security, peacekeeping, and sustainable development. Its role as a mediator in regional conflicts and its contributions to international peacekeeping missions highlight Azerbaijan's commitment to global stability and cooperation. This diplomatic engagement enhances its reputation as a responsible and proactive member of the international community. Educational and cultural exchange programs further solidify Azerbaijan's positive international image. By establishing partnerships with leading global universities and promoting academic exchanges, Azerbaijan ensures that its young population is globally aware and well-educated. These programs not only benefit Azerbaijan's citizens but also foster a positive image abroad, showcasing the country's commitment to education and cultural

exchange. Additionally, Azerbaijan's emphasis on preserving and promoting its cultural heritage adds another layer to its international image. The inclusion of sites like the Gobustan Rock Art Cultural Landscape and the Walled City of Baku in the UNESCO World Heritage list underscores the country's rich historical legacy. These sites attract scholars, historians, and tourists alike, offering a window into Azerbaijan's ancient history and cultural depth. In the realm of sports, aside from the Formula 1 Grand Prix, Azerbaijan has hosted various international sporting events such as the European Games in 2015 and the UEFA Europa League final in 2019. These events not only highlight Azerbaijan's capacity to host large-scale international events but also foster a spirit of global camaraderie and sportsmanship [3].

**4. A brief overview of the history of the formula 1 race held in Azerbaijan.** Formula 1 is known as the competition with the most viewers in world sports history. The competition, which has been held in different cities since the first years it was organized in 1950, has long ceased to belong only to Western countries and has begun to include Asian countries as well. In 2009, the F1 racing calendar replaced the 7 Grand Prix (6 in Europe and 1 in the USA) as in the 1950s with 17 races, less than 50% of which are held in Europe. Formula 1's strategy regarding the cities where it is held has changed gradually. In the first years of the competition, between 1950 and 1961, F1 was generally held in small and medium cities. In these times, the competition was organized for sports purposes rather than to promote the countries or create their image. 80% of the races took place in 15 cities in Europe. The races were held in the same way, mainly in Europe, between 1962 and 1980. To a lesser extent, Formula 1 was also held in other metropolises such as Mexico City, Rio de Janeiro and San Paulo [2].

But after 1981-1998, Formula 1 opened up to new urban economies. Countries such as Brazil, Japan, Canada and Australia have been included in the F1 competition calendar. These countries were the first to see F1 racing as a



tool for their urban and tourist economies. This period shows that Formula 1 racing has entered the globalization phase. The period between 1999 and 2009 is the period when Formula 1 racing became completely global and more than half of the competitions took place outside Europe, generally in Asian and Central Asia countries. Formula 1, hosted by America in 2012, was the most attended competition day with 117,429 spectators after the British Grand Prix. The country has made great profits from the races. However, developing countries such as Azerbaijan aim to make themselves known to everyone on the world map by using the fame of the races rather than earning income, and to transfer the strong image of the sport to the country. Azerbaijan hosted Formula 1 races for the first time on 17-19 June 2016, and the second on 23-25 June 2017. Within the scope of Azerbaijan's 10-year agreement with the Formula 1 European Grand Prix, Baku will host the races next year in April 2018. The race track of the competition, which has a total distance of 6 kilometers, was designed by the famous architect Hermann Tilke. Azerbaijan did not build a separate track for the competition, but built the track through the central streets of the city and the Caspian coast, surrounding the historical and touristic places. In this way, more people will know the city and want to visit it.

During the competition, open-air concerts with famous singers such as Mariah Carey, Pharrell Williams, Chris Brown, Enrique Iglesias and various other festivals were organized in the city. Fernando Alonso, one of the famous names of Formula 1, was the promotional ambassador of the competition. Although data such as the country's earnings from ticket sales and hosting expenses during the races have not yet been clearly calculated, according to the statement of the Azerbaijani Ministry of Youth and Sports, the competition expenses in the first stage were around 100 million dollars. More than 25,000 people from 47 countries came to Baku in June 2016, the first year of the competition. It is estimated that 2.6 million dollars of revenue was generated from the tickets sold. According to the

statement made by the press spokesperson of Azerbaijan Formula 1 races, twice as many tickets were sold to foreign spectators in the 2017 races compared to 2016.

According to statistics, nearly 1.7 million tourists came to Azerbaijan during the 9 months of 2016. This figure is 11% more than the number of tourists on the same dates in 2015. Considering that the income from sources such as broadcasting and advertising during the competition goes only to the Formula 1 organizers and not to the host country, it is not possible for Azerbaijan to cover its expenses only with the income from tickets. However, Azerbaijan's primary purpose in hosting these races is not revenue, but image. In this respect, making the country known and visited by more masses is prioritized over economic purposes for now [5].

**5. Analysis of the impact of motor sports competitions on the international image of Azerbaijan.** Azerbaijan, a nation nestled between Europe and Asia, has made significant strides in enhancing its international image through various means. One such avenue is motor sports competitions. This essay aims to delve into the impact of motor sports events, notably the Formula 1 Grand Prix, on Azerbaijan's international image. Motor sports events, particularly Formula 1 races, wield substantial socio-economic influence on host countries. For Azerbaijan, hosting the Formula 1 Grand Prix in Baku since 2016 has provided a platform to showcase its infrastructural development and economic prowess. The influx of tourists, media coverage, and investments associated with such events bolster the country's economy. Moreover, the construction of state-of-the-art racing circuits and associated facilities contributes to job creation and stimulates sectors like hospitality, tourism, and transportation. The Formula 1 race in Baku serves as a catalyst for urban development, transforming the cityscape and enhancing its attractiveness to international visitors. The spectacle of high-speed racing against the backdrop of Baku's modern architecture portrays Azerbaijan as a dynamic, cosmopolitan

destination, thereby fostering positive perceptions among global audiences.

Motor sports transcend mere entertainment; they embody a cultural phenomenon that resonates with audiences worldwide. Azerbaijan's hosting of the Formula 1 Grand Prix offers a platform to showcase its rich cultural heritage and hospitality. The integration of local elements, such as traditional music, dance, and cuisine, into the race festivities provides a unique cultural experience for spectators and participants alike. Furthermore, motor sports events serve as a means of cultural exchange, fostering connections between Azerbaijan and the global community. Through interactions with international visitors, participants, and media, Azerbaijan has the opportunity to promote its cultural diversity and heritage on a global scale, thereby enriching its international image as a vibrant and culturally rich nation. The hosting of motor sports competitions can also have political ramifications, shaping perceptions of host countries on the global stage. For Azerbaijan, the successful organization of the Formula 1 Grand Prix symbolizes its ability to project soft power and present itself as a modern, progressive nation. By showcasing its capacity to host world-class events and adhere to international standards of organization and safety, Azerbaijan enhances its diplomatic standing and fosters positive relations with other nations. Moreover, motor sports events offer Azerbaijan a platform to engage with the international community and promote its geopolitical interests. Through strategic partnerships with Formula 1 and other stakeholders, Azerbaijan can leverage its hosting status to enhance diplomatic ties, attract foreign investment, and bolster its geopolitical influence. Despite the benefits associated with hosting motor sports competitions, Azerbaijan also faces challenges and criticisms. Concerns regarding human rights, political freedom, and transparency have been raised by international organizations and advocacy groups. The government's utilization of such events for political purposes, as well as allegations of forced evictions and exploitation of labor, have sparked controversy and tarnished Azerbaijan's image

in some circles. Furthermore, the environmental impact of motor sports, including air and noise pollution, raises questions about sustainability and responsible stewardship of natural resources. As Azerbaijan seeks to balance the economic benefits of hosting motor sports with environmental conservation efforts, addressing these concerns is crucial to maintaining its international reputation and credibility.

**6. Conclusion.** In conclusion, motor sports competitions, particularly the Formula 1 Grand Prix, play a significant role in shaping the international image of Azerbaijan. Through the socio-economic, cultural, and political dimensions analyzed in this essay, it is evident that these events have far-reaching implications for Azerbaijan's global standing. While they offer opportunities for economic growth, cultural exchange, and diplomatic engagement, they also pose challenges and criticisms that must be addressed. By navigating these complexities with transparency, accountability, and a commitment to sustainability, Azerbaijan can maximize the positive impact of motor sports on its international image while mitigating potential drawbacks. Ultimately, the successful hosting of such events underscores Azerbaijan's aspirations for modernization, progress, and integration into the global community.

## REFERENCES

1. **Anholt S.** *Yerlerin Markalaşması. Kimlik, İmaj ve İtibar.* Brandage Yayınlar, 2011.
2. "Azərbaycanda avtomobil idmanı yeni inkişaf dövrünü yaşayır". Xalq qəzeti, <https://old.xalqqazeti.com/az/news/sport/34183>.
3. **Qurbanlı M.** "Milli-mənəvi dəyərlərin böyük təəssübkeşi". S.1;4, 2020, <http://www.anl.az/down/meqale/azerbaycan/2020/may/708966.htm>.
4. **Lee D., Ganesh G.** *Effects of Partitioned Country Image in The Context of Brand Image and Familiarity.* A Categorization Theory Perspective Vol. 16. International Marketing Review, 1999.
5. **Narayana C.** *Aggregate Images of American and Japanese Products.* Implications

on International Marketing. vol. 16. Columbia Journal of World Business, 1981.

6. **Ritchie J.B.** *Assessing the Impact of Hallmark Events: Conceptual and Research Issues* Vol. 23, 1984.

## FORMULA 1 YARIŞININ AZƏRBAYCANIN BEYNƏLXALQ İMİCİNƏ TƏSİRİ

C.E. Əhmədli

*Azərbaycan İdman Akademiyası*

[javidan.ahmadli2022@sport.edu.az](mailto:javidan.ahmadli2022@sport.edu.az), [orcid.org/0009-0004-1639-2843](https://orcid.org/0009-0004-1639-2843)

**Annotasiya.** Bu məqalə Formula 1 yarışlarına ev sahibliyi etməyin Azərbaycanın beynəlxalq imicinə təsirini araşdırır. O, tədbirin beynəlxalq imicini, turizmi və iqtisadi artımı necə gücləndirdiyini vurğulayır, eyni za-

manda onun müasirliyini və qonaqpərvərliyini nümayiş etdirir, Azərbaycanın global brendinə və reputasiyasına əhəmiyyətli töhfə verir.

**Açar sözlər:** *Formula 1, Azərbaycan, Beynəlxalq imic, Turizm, İqtisadi təsir.*

## ВЛИЯНИЕ ГОНОК ФОРМУЛЫ 1 НА МЕЖДУНАРОДНЫЙ ИМИДЖ АЗЕРБАЙДЖАНА

Дж.Е. Ахмедли

*Академия Спорта Азербайджана*

[javidan.ahmadli2022@sport.edu.az](mailto:javidan.ahmadli2022@sport.edu.az), [orcid.org/0009-0004-1639-2843](https://orcid.org/0009-0004-1639-2843)

**Аннотация.** В данной статье рассматривается влияние проведения гонок Формулы 1 на международный имидж Азербайджана. Он подчеркивает, как это мероприятие укрепило международный имидж, туризм и экономический рост, а также продемонстрировало его современность и госте-

приимство, внося значительный вклад в глобальный брендинг и репутацию Азербайджана.

**Ключевые слова:** *Формула 1, Азербайджан, международный имидж, туризм, экономический эффект.*