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**Stock Car Racing  
Enthusiasts:**

**Perspectives from the United States and Brazil**

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Entertainment is an ever-growing global industry. There are many facets of this industry, ranging from music, drama, and sports. Sports, and the many mediums they are delivered through, make up a major sector of this industry. As a result of the vastness of the world of sports, marketing to a strong and diversified consumer base becomes crucial to the survival and dispersal of a sport or athletic event. NASCAR and Stock Car Brazil are no exception, and throughout their respective existences, these have worked to market to a wide variety of consumers throughout the United States, Brazil, and the entire world.

NASCAR has its roots deeply dug into the 20<sup>th</sup> century history of the United States of America. The origins of stock car racing stretch back to the times of bootlegging, the smuggling of alcohol during the days of prohibition, (Bullen, 2010) where smugglers modified their cars to make them lighter, smaller, and faster to better evade law enforcement and taxation. When the prohibition laws were repealed in the early 1930s, the business of bootlegging shut down; however, the desire to race and modify cars remained strong. By the 1940s, there were small-time auto racing circuits for profit throughout the East Coast of the United States (Bullen, 2010).

In 1935, Bill France, Sr., a man who was moving from the Washington DC area to the Daytona Beach area because of the Great Depression, saw a large amount of potential in stock car racing. In 1938, he took over the local Daytona track and began running races until World War II brought everything to a halt. After the war, he built the first official track in Florida in 1947, which was dubbed Occoneechee Speedway. France began promoting his track and his events at local hotels and bars, and by February of 1948, he had gained a strong pool of sponsors and enough drivers to found the National Association for Stock Car Auto Racing (NASCAR) (McCormick, 2010).

In 1956, France knew that NASCAR was outgrowing his small track, so he built a new track that still stands today, the Daytona International Speedway. It was the country's first superspeedway. By 1959, the first Daytona 500 was run, and NASCAR was well underway. Additionally, France constructed Talladega Superspeedway 10 years later (McCormick, 2010).

NASCAR is not simply a left turn with many cars trying to finish first; it is a sport filled with strategy, luck, and skill. Not only are drivers trying to win a race for the purse, but they are also racing for points, which add up in order to secure a championship at the end of the season. The championship points system determines the season champion in all three major NASCAR series. A typical season has 36 races on a 10-month circuit. A driver accumulates points by leading laps, winning the race, finishing highly, and leading the most laps. As the season progresses, points are accumulated until 10 races remain in the circuit. Before the tenth to last race, the highest 12 drivers are all reset to zero points and declared the only ones eligible to win the championship. The same points system continues for those 12 drivers until the final race. The final 10 races of the season are considered the 'NASCAR Playoffs' and are formally referred to as 'The Chase for the Cup' (McCormick, 2010).

Safety for drivers and teams is NASCAR's primary concern. A number of devices and rules have been implemented over the years to ensure that anyone who has interaction with the cars as well as the fans is as safe as possible at all times. For example, a roll cage for the cars was

made mandatory in stock car production long ago to prevent the driver from being crushed if the car were to flip over. Another safety precaution taken by all team members is wearing a fire safety suit. All drivers, pit crewmembers, and anyone else who has direct interaction with any stock car must wear a fireproof safety suit. A final example of the extensive safety precautions taken is the use of the HANS device. This is a restraining system that keeps the driver's head and neck stationary in the event that the car is moved in an unnatural way. This device was made mandatory by NASCAR after the death of Dale Earnhardt, Sr.

NASCAR boasts a one-of-a-kind Hall of Fame and a unique driver history filled with many stock car drivers who have accomplished amazing things. By far the most popular driver of all time is the late Dale Earnhardt, Sr. He was a driver and owner who had seven driver championships under his belt before his death in 2001. He tragically died on the final lap of the 2001 Daytona 500 because of a head injury. This day lives in infamy among race fans as "Black Sunday." Another past great is Richard Petty. He is commonly referred to as "The King" by race fans because of his seven driver championships and more than 200 wins during his career.

Aside from the cars, drivers and sponsors that draw fans to NASCAR, the actual tracks themselves are highly popular within their own respect. Many tracks on the NASCAR circuit have become fan favorites for high speeds, high-quality racing, and high probability of witnessing crashes. The most famous track in all of NASCAR is the Daytona International Speedway. It hosts the first event of the season, the Daytona 500, which draws viewers from all over the country. Another track made famous for its high speeds is the longest track on the circuit, the Talladega Superspeedway, which hosts the AMP Energy 500 every year. Bristol Motor Speedway is a fan favorite for its close contact and limited space racing. This race draws many viewers each year for its high intensity race, the Food City 500. A final track that draws many viewers, primarily because of its location is the Richmond International Raceway, which hosts two NASCAR weekends each year (Bullen, 2010).

NASCAR has gone from a small-time track production in Daytona Beach to one of the most popular sports across the United States and one of the quickest rising sports worldwide. It now sanctions three different divisions: the NASCAR Sprint Cup Series, the NASCAR Nationwide Series, and the NASCAR Camping World Truck Series. It has progressed from simple sponsorship in the 1950s and 1960s to the massive marketing gold mine it is today. Any firm who wants to market to a broad range of people generally has affiliation with NASCAR and boasts sponsorship on a NASCAR car or truck or advertises at a NASCAR event (Nascar Marketing Secrets, 2010). Historically, NASCAR is connected with the Southeast United States. However, in recent years, races have been held in cities such as Chicago, Dallas, and Las Vegas, and it has been said that "NASCAR is engaged in a risky process of reaching out to fans in new markets while maintaining its traditional Southern fan base," (Hurt, 2005). The easiest way to discern the importance of NASCAR's history in respect to its fan base is that over time, the efforts of NASCAR's executives have created an extremely loyal and strong revenue-generating fan base in the American South. The enterprise can fall back on this fan pool at any time, and throughout history, these fans have proven to come back time and time again. This leaves an opportunity for risk-taking as far as expanding to new markets is concerned.

When marketing to NASCAR consumers, several aspects come into play, such as how to draw in the fans and how to keep those fans coming back for more. NASCAR marketing involves not only getting the fans to the races, but also getting the consumers to purchase the thousands of different products that NASCAR offers. NASCAR uses commercials, events, and celebrity appearances to market to a broad range of consumers. Some events that draw in fans from all around include a two-day South Beach Fan Event that has the Zac Brown Band headlining. This “two-day fan fest” includes a free concert and various other promotional events. This “Fan Fest” is sponsored by Coca Cola and other NASCAR related products. One of the phrases which is incorporated into promoting the festival is that “it is a chance to show appreciation to the most loyal fans in sports” (Nascar Marketing Secrets, 2010).

NASCAR has long been known to have the most loyal fans in all of sports, and with that loyalty comes brand loyalty. NASCAR sponsors include brands and companies such as Coca Cola, Budweiser, and Gatorade. In a recent study by Larry DeGaris, director of James Madison University's Center for Sports Sponsorship, it was found that 96 percent of “serious” NASCAR fans could identify Budweiser as a sponsor of Dale Earnhardt, Jr. (Culbertson, 2005). Degaris claims, "I've conducted similar studies for every major sport in the U.S. and nothing else comes close." Loyalty and commitment lead to an increase in sales for these products, as DeGaris points out. He explains, "NASCAR sponsorship is the best buy in marketing," and this is true, as with sponsor recognition comes brand loyalty.

Many of the NASCAR events involve celebrity outreach programs, because the marketers know that a majority of the American public looks up to these people as “role models” and strive to be like them. This celebrity support indirectly leads to an increase in fan support. Celebrities such as Kelly Clarkson, Patrick Dempsey, and the Kardashians have been involved in the promoting and sponsoring of NASCAR events. Some of the highest attended NASCAR events have been ones where Patrick Dempsey came and spoke with the fans about his love of racing and NASCAR.

NASCAR is trying to break into the international market and diversify its fan pool through multicultural marketing. In 2005 NASCAR launched a multimedia campaign to promote diversity. Some of the campaigns were held throughout Black History Month to honor African-Americans from NASCAR history and involved showcasing students in the Urban Youth Racing School. Furthermore, NASCAR is branching out to women more by having more female friendly products such as new NASCAR high heels and pink jerseys. Five years ago, NASCAR only sold \$84 million in products to women; this year it is estimated that they will sell over \$250 million in product. With this huge increase in sales comes an increase in fan support, and while women make up only about 40 percent of NASCAR fans, 50 percent of the new incoming fans are said to be female. Finally, NASCAR sees the huge markets for the sport at the international level and is developing markets in other countries, such as Canada, Mexico, and much of South America, through exhibition races and other promotions (NASCAR Fans' Spending, 2003).

There are a wide variety of products that are available to the NASCAR consumer. These items range from small toy car replicas to \$1,000 dream driving packages that include on-track race passes and driving lessons. When browsing NASCAR’s website, it is clear that they are trying to market to the hardcore fan, with track passs that include deals with live

radio broadcasts, real-time race stats, and live virtual video. In order for new fans to watch NASCAR, however, all they need is a television set. On the other hand, all the additional add-ons can get pricey. To watch NASCAR on a regular basis, fans will most likely need to purchase a separate cable package, which can get expensive. Furthermore, as fans become more involved, their expenses include race tickets, transportation to the races, hotel costs, and apparel. The market for NASCAR in the United States is ever growing; every single day, more and more fans join the ranks of the most loyal fans in sports, and this has created a marketing gold mine for countries around the globe (NASCAR Fans' Spending, 2003).

Stock Car Brazil was born on April 22, 1979, when a Brazilian Stock Car Championship race was held at the Autodromo Tarumã. Nineteen drivers lined the start, and this christening race was won by Affonso Giaffone. The surrounding communities had begun to develop a strong passion for car racing and were looking for a new facet of racing for entertainment. For this reason, Stock Car Brazil was created. Stock Car Brazil continued to grow, and in 1982, the first league race outside of Brazil was held at El Autódromo de Estoril in Portugal. Later that year, another race was held in the same location as Stock Car Brazil gained popularity (História Da Stock Car, 2010).

Over the course of the 1990s, the league was dominated by Ingo Hoffman, who won eight out of the ten races in that decade. As the league moved into the 2000s, Stock Car Brazil entered a “new era” of racing, with Vicar replacing Chevrolet as the head of the championship organization. However, Chevrolet was still the only manufacturer in competition until 2005, when Mitsubishi introduced the Lancer into the Stock Car Brazil world. In addition, Volkswagen added the Bora in 2006, and by 2008, the Peugeot 307 was sharing the track. All of the cars sported Goodyear tires and ZF Racing engines (História Da Stock Car, 2010).

As Stock Car Brazil entered the 2010 season, two major changes were introduced into the league. Starting this year, all cars will make the switch from gasoline to ethanol. This was easy to introduce into the league, as Brazil has the largest ethanol industry of any nation, and Esso, the Exxon branch in Brazil, is a major sponsor of Stock Car Brazil. Ethanol is a cheaper, more viable option for the league. Secondly, all car engines are switching from conventional carburetors to electronic fuel injectors. These injectors are produced by Bosch, a major sponsor of Stock Car Brazil. This is important because electronic fuel injectors are conducive to much more dependable engine responses during quick throttle transitions, which are a major part of car racing (STOCKCAR.GLOBO.COM, 2010).

Stock Car Brazil has 12 races per year that are part of Copa NEXTEL. The races are held at 10 different tracks that are located in cities such as Rio de Janeiro and São Paulo. The racers include many former Formula One drivers, as well as world-renowned drivers such as Cacà Bueno, Paulo Gomes and Ingo Hoffmann. The best among them is Cacà Bueno, who won the Copa NEXTEL championship in 2006, 2007, and 2009. The sport has grown immensely from its start in 1979 to become one of the most popular forms of entertainment in Brazil today (STOCKCAR.GLOBO.COM, 2010).

Stock Car Brazil has a similar target market to NASCAR. Viewers are typically young adult and adult females and males. Furthermore, courtesy of Globo, it has become a family event to watch all 12 races together. Stock Car Brazil has several national sponsors. Tag Heuer

became the official timekeeper and timing supplier for Stock Car Brazil on March 28, 2010. It is effective for them because, although their products are not highly popular throughout the majority of Latin America, they are very popular in Brazil. In addition, it has the potential to become one of the most recognizable brands in the country. The company is on a constant conquest for innovation and precision, and this sponsorship provides Tag Heuer with a great opportunity for growth. Caixa, a Brazilian bank, is another sponsor of Stock Car Brazil. It is said to sponsor "events dealing with themes related to the improvement in the civil society's quality of life." Another sponsor of Stock Car Brazil is Nextel. Nextel is a telecommunications company that has now combined with Sprint. It sponsors the Copa Nextel Cup (one of three annual cups in Brazil). Itaipava is the final sponsor of Stock Car Brazil. It is a Brazilian beer company and is the official beer served at races (STOCKCAR.GLOBO.COM, 2010).

Stock Car Brazil also has car companies that assemble cars for races. JL Motorsport, one of its assemblers, only constructs cars for Stock Car Brazil. On the other hand, the two main assemblers, Peugeot (a French car brand) and Chevrolet, produce cars for races but also sell cars to the public. These brands have an advantage, because if the drivers that race their cars win, positive publicity is created for their companies (STOCKCAR.GLOBO.COM.", 2010).

Stock Car Brazil also has several partnerships and co-partnerships with various companies. Their only partnership remains with Globo, a Brazilian television network. The network broadcasts all 12 races for the public to watch and has largely boosted success for the sport by drawing new drivers, teams, sponsors and many fans. Esso, Bosch, and Medley are co-partners of Stock Car Brazil. Esso is a branch of Exxon Mobile and focuses activities in the exploration and production of natural oil and gas. For this reason, it promotes its company by supplying racers with racing fuel. Bosch creates and supplies auto parts (specifically injection pumps) for Stock Car Brazil. Finally, Medley is a Brazilian pharmaceutical company and is the leader in launches of generic drugs in Brazil. The majority of Medley's marketing campaign is sponsorships and partnerships. For this reason, Medley partners with Stock Car Brazil to promote their company. Overall, Stock Car Brazil is a booming market that has led to immense growth in the economy of Brazil (STOCKCAR.GLOBO.COM, 2010).

### **Implication for Business**

The varieties of marketing tactics that both NASCAR and Stock Car Brazil have displayed have allowed them to thrive in a variety of markets. With respect to NASCAR, their historically strong fan base has allowed them to take risks in new markets. For example, NASCAR has been expanding their fan base to women, minorities, and the American youth, as well as expanding out of the American South across the nation and globally. NASCAR has worked to market to these new consumer groups, bringing substantial revenue to the industry. Stock Car Brazil has partnered with many domestic corporations in order to broaden both its revenue stream and serve as a catalyst for domestic growth. Both NASCAR and Stock Car Brazil have become deeply rooted in their respective countries' cultures, as well as succeeding in a global business market.

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