

EXECUTIVE SUMMARY



The “Driving Addiction” series has highlighted how the tobacco industry uses Formula One (F1) to reach the sport’s fans, especially the younger enthusiasts the sport has worked to attract. This report illustrates how the sport’s rights owners and Big Tobacco are chasing the same markets and demographics for business growth, meaning their interests are aligned. Public health is the loser: With F1 Kids—a live, worldwide broadcast for the sport’s youngest fans, featuring youth commentators and cartoon avatars—Big Tobacco reaches even children with its branding.

British American Tobacco's (BAT's) brands feature in F1 Kids content, countering global efforts to protect children from tobacco industry marketing that may draw them into future addiction and poor health. The service is being expanded to cover more races in 2024,

a worrying development given the sport’s massive growth has included a surge in young fans, with more than 4 million American and European children between the ages of 8 and 12 reportedly following the sport.

There is no clearer demonstration of the gulf between the stance of F1’s governing body, the Fédération Internationale de l'Automobile (FIA), 25 years ago—when it said it would end tobacco advertising in the sport—and the consequences of that promise never being fulfilled.

BAT and Philip Morris International (PMI) are spending an estimated \$40 million to reach F1’s audiences in 2024. F1 is helping them reach a more diverse global audience, over more channels than ever before—even with their cigarette brands.

Aligned Business Agendas

The tobacco industry has long recognized it needs to recruit new customers, as more than half of its consumers die from tobacco use or quit. As more countries implement strong measures to reduce smoking, the industry's strategy has evolved to also hook customers globally on nicotine pouches and electronic tobacco and nicotine products. Yet the industry still seeks to grow cigarette sales, especially in countries across Africa, Asia, Eastern Europe and the Middle East. Tobacco companies often use channels popular with youth to recruit their new customers.

Liberty Media owns the rights to the sport. It, too, has embarked on a concerted effort to grow F1's audience. Races have been introduced in Asia, Eastern Europe, the Middle East and the Americas to appeal to a more global audience. The traditional fanbase of older European and Latin American men who watched broadcasts on TV is on the decline as younger fans from Africa, Asia, the Middle East and the United States make up a growing segment of the fanbase. The sport has also worked to broaden its appeal among women, families and younger audiences, while delivering content across a wider range of platforms—as we see with F1 Kids and Netflix's "Drive to Survive" docuseries.

When it comes to where they target new customers and what those customers look like, the tobacco industry and F1's interests are clearly aligned. Both want to hook new generations on their respective products, for profit—and where F1 content is available, tobacco company branding is there, too. Since our last report, two key developments are particularly worrying for public health: the growing availability and promotion of historic race footage featuring pervasive cigarette branding and the deliberate targeting of ever-younger children by Formula One's rightsholder.

Younger Audiences, More Channels

Formula One has experienced a dynamic transformation of its fanbase over the past decade. Research by Nielsen found in 2019 that 62% of F1's new fans were younger than 35. This is changing how F1 content is consumed. Newer fans tend to watch F1 on social media and streaming channels and may not even see traditional race broadcasts. The majority of the sport's followers on TikTok and 40% on Instagram are now under 25 years old.

This means F1 is an increasingly ideal platform for tobacco companies' promotions as they drive to attract new, young customers with "cool" products.

A new partnership between Formula One's rightsholder and LEGO may further expand or reinforce youth interest in the sport, with the world-famous toy company announcing that some of its F1 sets will be part of the Duplo range, geared toward preschoolers.

The number of places F1 can be seen is also on the rise: The sport has almost 10 times more social media followers than it did in 2016; "Drive to Survive" remains popular, hitting Netflix's Top 10 in a record 61 markets in 2024; a miniseries on the life of Brazilian legend Ayrton Senna will launch on the streaming service in 2024; and there is an F1-themed movie starring Brad Pitt set for release in 2025. The latter follows on the heels of 2019's "Ford v Ferrari," 2023's "Ferrari" and several documentary productions, indicating ongoing cinematic interest in motorsport as well as interest among wider audiences.

Through the race season, BAT's branding reaches F1's 1.5 billion-strong TV audience primarily through broadcast coverage, while PMI hosts corporate hospitality events to woo policymakers, media and other influential guests attending races.

In addition to branding for BAT's electronic cigarettes and nicotine pouches, both companies' cigarette brands are increasingly visible as F1 increases its use of historic footage, particularly from the decades when cigarette sponsorship was endemic. These ads can be viewed both in marketing and as programming available on its app.

With a race on the Las Vegas strip debuting in 2023 and China returning in 2024, this year's calendar has a record 24 races. F1 is more global than ever. The big question now: Where will it move next? Countries in Southeast Asia have shown great interest, according to Greg Maffei, CEO of Liberty Media,¹ which owns the Formula One Group and the sport's commercial rights. Africa presents another prospect, with Formula One Group CEO Stefano Domenicali and seven-time champion Lewis Hamilton both outspoken on their desire to see F1 return to the continent. These regions are key markets for tobacco companies.

The Future of Addiction

Formula One's rightsholder is working to attract and embed F1 within an ever-younger global audience, delivering its content via multiple channels so it's available anywhere, anytime—and in immersive formats like gaming, documentaries and dramas. This makes F1 the perfect vehicle for tobacco companies to get their brands and messages in front of young potential customers. It's clear why BAT and PMI are spending so much on the sport. Arguably, BAT's sponsorship in particular is bringing significant exposure to its brands.

It's been 20 years since F1 was supposed to quit Big Tobacco, after generations of F1 fans had been exposed to race cars that resembled rolling packs of cigarettes. With F1's broader reach and rapidly diversifying fanbase, millions of boys and girls will be exposed to advertising for the industry's products over the next 20 years if F1 doesn't snuff out tobacco company sponsorship. If the sport will not act, it's up to regulators to protect children and youth from F1 and the channels that broadcast and promote it.

In total, tobacco companies have spent an estimated \$4.6 billion on F1 over the past 57 seasons. That shows no sign of stopping. The investment continues to deliver.