

DRIVING ADDICTION

F1 and Tobacco Advertising



Executive Summary

Formula 1 racing is one of the most-watched events in the world, with reportedly more than 500 million fans globally. But as the sport celebrates its 70th anniversary, the scale of one of its greatest scandals is only now coming to light.

F1 is the only global sports series—apart from its counterpart in motorcycle racing, MotoGP—that still permits the tobacco industry to use its teams and events to target fans across the world. Every image of tobacco branding on F1 cars and drivers that appears in global broadcast, online and news media helps the tobacco industry undermine national tobacco advertising bans. Its owner and rights holder, Liberty Media, is helping tobacco companies beam brands that represent addictive and harmful products into homes around the world where children are watching. Exposure to tobacco brands through F1 e-sports may encourage more people, especially young men, to start or continue tobacco use.

In its #PurposeDriven initiative, the sport's governing body, the Fédération Internationale de l'Automobile (FIA), claims that it wants to promote a net positive contribution to society. That is impossible while it allows tobacco companies that contribute to health, environmental and economic harm to remain involved in F1.

F1: Addicted to tobacco money

This report finds that, over the years, **Formula 1 has made more than \$4.4 billion* from tobacco companies advertising their brands and products. This will rise to \$4.5 billion in the 2020 season.** After years of declining sponsorship spend—brought on by growing global awareness of tobacco's harms, national bans on tobacco advertising and sponsorship, a supposed ban on tobacco sponsorship of F1 and a global treaty to curb tobacco use—2019 spending was back to 2011 levels: a staggering \$100 million.

Tobacco companies get a lot for their money. Sponsorship-generated exposure in 2019 is estimated to

have been worth at least \$150.3 million for Philip Morris International's (PMI) campaign with Ferrari (for which it paid \$75 million) and \$27.6 million for the various brands promoted by British American Tobacco (BAT) on the McLaren cars.

On the surface, these sponsorships may appear to be less overt since the days when cars, driver suits, helmets and hospitality suites were emblazoned with cigarette brands, but they still represent tobacco brands. In 2018, PMI debuted its "Mission Winnow" branding on Ferrari cars and in 2019, BAT rejoined F1 sponsorship, branding McLaren cars with logos of the company's vaping and alternative products and its "A Better Tomorrow" initiative. While BAT has proceeded to advertise its next generation products outright, PMI has claimed that Mission Winnow does not and will not advertise or promote any PMI-branded tobacco or e-cigarette products. Both companies have, nevertheless, registered "Mission Winnow" and "A Better Tomorrow" as trademarks for use with respect to tobacco products, among other categories.

Finishing last in protecting people from tobacco advertising

In the early 2000s, a growing number of countries started to ban tobacco advertising and more sports stopped taking tobacco money. F1 lagged behind, with the sport's governing body, the FIA, eventually announcing that tobacco sponsorship should stop at the end of the 2006 season.

The recommendation from the FIA was implemented in 2006 but the tobacco industry didn't really leave because the governing body could not enforce a ban. PMI continued to sponsor and exploit its close association with the Ferrari team, including using F1 cars in Marlboro ads. After 2006, it continued to explore ways to represent the Marlboro brand on Ferrari cars, including the infamous "barcode" logo, finally scrapped in 2010.

Today, PMI claims Mission Winnow complies with F1 regulations, but if the trademark represents the

company's "tobacco products," that would include the 800 billion cigarettes PMI produces every year. BAT continues to push the boundaries of F1's regulations by showcasing not just corporate branding, but also e-cigarette and nicotine pouch product brands on the McLaren livery.

Both PMI and BAT use their F1 links in corporate PR and social media; between them, they use car launches, team successes, F1 e-sports and more to attract the attention of F1 fans.

Research suggests that even the tobacco brands that left the sport benefitted from long-term recall of their association with F1. The same is likely to be the case with these new brands. And the branding for PMI and BAT is pervasive, enjoying the most impactful, prominent placements on the cars and driver suits to maximize media exposure.

For 2020, BAT has considerably expanded its sponsorship of McLaren. Almost double the amount of branding was seen on the cars at the season-opener in Austria, advertising an oral tobacco product, Velo. This expanded branding is worth an estimated \$40 million, boosting total annual spending by tobacco companies on F1 to \$115 million in 2020.

The association with a technology-driven sport is valuable to PMI and BAT as they roll out their respective "corporate transformation" narratives. It's more advantageous for their corporate brands to be associated in consumers' minds with technology and innovation instead of the less attractive reality of cigarette smoke and tobacco-related disease and death.

Driving addiction

PMI and BAT have not changed: They produce and sell hundreds of billions of cigarettes annually, while more than 8 million people die from tobacco use every year. And their new products are not safe, either: There is no safe way to consume tobacco. In short, their business continues to be producing and selling addictive and harmful products, often targeting children and young people.

And that explains why tobacco companies use F1. When Liberty Media bought the rights to the sport, it said it would work to expand its global audience and attract a younger demographic. F1 now has the greatest proportion of fans under the age of 25 of all global sports leagues (with the exception of the National Basketball Association (NBA)). Some 62% of fans accumulated in the last two years were under the age of 35.

Fourteen years after tobacco sponsorship was supposed to be driven out of F1, and despite claims

from the FIA that it supports the aims of the World Health Organization (WHO) Framework Convention on Tobacco Control, teams are still taking money from the tobacco industry as it looks to addict yet another generation on harmful products.

It's time for F1 to finally wave the checkered flag on all tobacco advertising.

Key Takeaways

- Tobacco companies have spent an estimated \$4.4 billion on F1 teams and events over the years. This will reach more than \$4.5 billion by the end of the 2020 season.
- Tobacco sponsorship spending decreased after a 2006 ban, but didn't stop and eventually began to grow.
- In 2019, tobacco spending increased to 9.4% of all team sponsorship by value, the highest share since 2011.
- In 2019, Philip Morris International and British American Tobacco spent almost \$100 million on F1 sponsorships.
- It's estimated that this has increased to \$115 million in the 2020 season due to increased spend by BAT.
- The 2019 sponsorship-generated exposure is estimated to be worth at least \$150.3 million for PMI's Mission Winnow campaign with Ferrari and \$27.6 million for the various brands promoted by BAT on the McLaren livery.
- F1 fans are an attractive audience to the tobacco industry: F1 has the greatest proportion of fans under the age of 25 of all global sports leagues (with the exception of the NBA), and 62% of fans accumulated in the last two years were under the age of 35.
- F1 fans are more likely than the general population to be high earners, making them a prime audience for the tobacco industry's next generation products.
- Research indicates that even if Mission Winnow and the BAT brands ceased their branding in 2020, the sponsorship might still be associated with the sport by a large number of F1 fans in 2032.
- The COVID-19 pandemic has highlighted concerns about the impact of tobacco use on lung health, the risk of developing conditions including heart disease and diabetes and its deleterious effect on the immune system. Governments, health experts and the WHO are urging people to quit tobacco use. The FIA can protect F1 audiences, especially younger fans, from the harmful influence of tobacco company advertising by banning all tobacco company sponsorship from the end of the 2020 season.

*Currency listed in U.S. dollars