

Formula 1
Drive to Thrive - How to Handle Success

MANAGEMENT DECISION

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Formula 1 Management Decisions

The case of Formula 1 is ongoing, still a few managerial decisions have been made. Nevertheless, F1 has yet to fully adapt to the brand's new reality. The lack of managerial decisions to meet fans' expectations can be considered quite puzzling. Although, these non-actions taken by F1 could be explained by previous managerial decisions. With the help of DTS, F1 has indeed "unleash(ed) the greatest racing spectacle on the planet" and hit several of the strategy pillars.

Looking at the press releases from 2019 and forward, one could argue that the brand is blinded by its success and quite oblivious to the new challenges it is facing. At first glance, it seems that none of the press releases consider the old fans. However, a few decisions from F1 management can be interpreted as adaptations for the new situation regarding the discontent of this case. F1 has e.g. recently started offering F1 Unlocked, a platform to bring fans closer to the drama and excitement of the sport, where exclusive insights, statistics, interviews and articles are provided. This could be a way for F1 to bridge the gap between old as well as new fans and connect with them in a more personal way, without overdramatisation.

In response to the fact that old fans and drivers have grown tired of the overdramatization of the sport, media reported in March 2022 that F1 was going to have meetings with the teams and Netflix to discuss, that despite the series' success, it should not move away from reality to increase drama. Though according to the trailer and ads of February 2024, it seems like the drama isn't going anywhere (see: **Figure 1**), or as the executive producer of DTS, James Gay-Rees, says about the show: "Long may it continue!" (Formula 1, 2024).

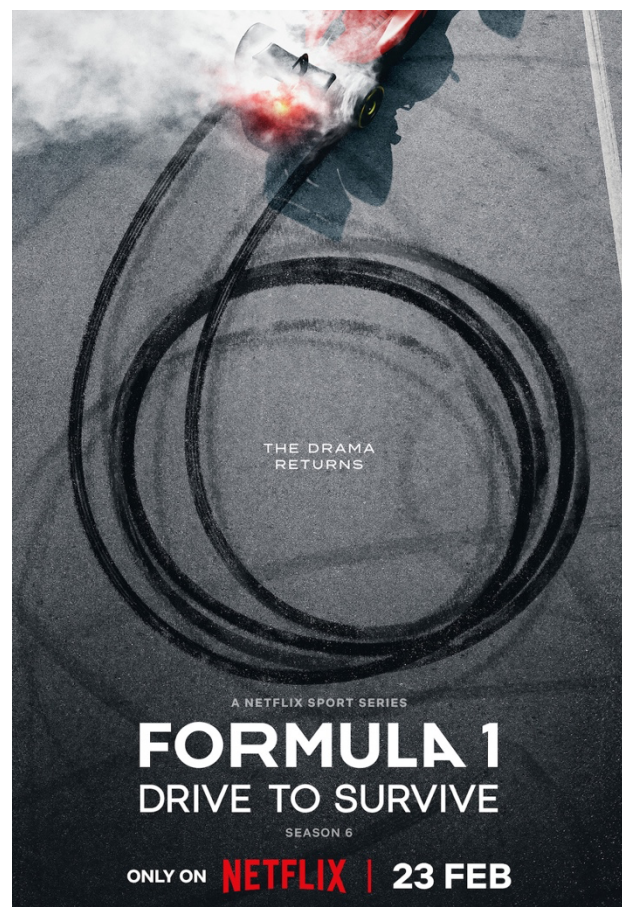


Figure 1 - Advertisement for Drive To Survive, Season 6 (Netflix, 2024)

Comparative Case Studies

Since there is a lack of managerial decisions from Formula 1, two cases similar to F1 have been examined to find suitable action-based directions. The purpose of this is to highlight what has worked previously and how these solutions may be adjusted and applied to the F1 scenario. The first of the cases described relates to the Croatian city of Dubrovnik and the second one to the board game Dungeons & Dragons (D&D). In both these cases, as with F1, the organizations experienced a rapid increase in popularity due to TV series. By analysing two similar situations and comparing them with the F1, it can be concluded that all of these organizations faced similar management challenges. Dubrovnik and D&D have both dealt with the phenomenon of “intruders”, as well as meeting the expectations of old and new “fans”. Furthermore, in all cases, organisations have had to face the problem of maintaining their identity in times of dynamic growth in popularity. Thus, the decisions taken by the Dubrovnik city authorities and D&D’s management team can provide a guideline for Formula 1 executives.

Dubrovnik

The first example that could benefit the executive team of Formula 1, is the case of the Croatian city of Dubrovnik. Croatia has always been, and continues to be, one of Europe's most popular tourist destinations. However, the case of Dubrovnik is unique. The city was the main filming location for King's Landing, a fictional capital in the kingdom of Westeros in the famous television series Game of Thrones, distributed by HBO in 2011. Scenes from one of the most popular TV series of all time encouraged crowds of series-inspired tourists to visit Dubrovnik. The economy of Dubrovnik has always relied heavily on tourism, and since its debut in Game of Thrones, the city experienced a significant increase in both tourists and revenue. A study conducted in 2017 (Tkalec et al.) found that tourists who were attracted to the city by the series spent approximately €126 million in Dubrovnik between 2012 and 2015.

However, at some point, the success was so overwhelming that it spawned many problems for the city and, above all, its residents. In 2019 more than 1.2 million people descended on a city that is home to 42,000 locals (Polyzogopoulou, 2023). Dubrovnik began to face an over-tourism crisis. This was a troublesome situation for both the city's residents and incoming tourists. Tourists have expressed their dissatisfaction with the city's congestion, which has prevented them from fully enjoying its beauty. Meanwhile, residents have raised concerns about the livability of the town, as property prices have skyrocketed due to the high volume of tourists. The city centre has become depopulated and most properties, both new and existing ones, are now only available for short-term rentals. The city authorities faced an additional problem regarding its identity. The influx of tourists inspired by the series led to the city being increasingly referred to as “#KingsLanding” on social media instead of Dubrovnik. This raised

concerns about the loss of the city's rich history and heritage in favour of a city known only from the TV series. Since 2017, the city authorities have taken several decisions to address the escalating problems. These are all summarised in **Table 1**.

Dungeons & Dragons

D&D is a roleplaying board game that's been around since the 70's. To play, a storyteller or Dungeon Master guides a group of players through an imaginary adventure. Each player takes on the role of an individual made-up character, and together they make this fantasy world come to life where a roll of the dice decides the actions and outcomes for the group.

From the start, the D&D brand has been highly associated with dedicated male nerds. Throughout the years it has fundamented this notion with a hardcore following of this character, transforming the game and its community into a subculture in its own right. In the last 10 years, however, D&D has entered a new golden age. Thanks to the rise in popularity of shows like "Game Of Thrones", fantasy suddenly become the new hot topic on everyone's lips. Furthermore, the board game acquired more visibility in pop culture when it was continuously mentioned and displayed in popular shows like "The Big Bang Theory" and "Stranger Things". In essence, this transitioned D&D from being a subgenre phenomenon into the realm of the mainstream. Being a fantasy nerd had suddenly become the new trend. When COVID-19 hit, people were desperate to fill their time in isolation with suitable activities and find new alternative ways to socialise. D&D presented itself as the optimal solution for this, resulting in a massive increase in players and a 33% increase in sales in 2020. Hence, 50+ million people are now playing the game, making it the biggest board game in history (Reeves, 2023).

Wizards of the Coast (WotC), which is the corporate brand that owns D&D, was not slow to take advantage of their newly won reputation. However, with the sudden success, new challenges arose. A schism developing between the long-time fans and what they perceive as intruders, jumping on the bandwagon without any true dedication to the game, was an evident threat to the company. The old dedicated fans might feel protective of the game's legacy, leading to tensions over the new direction of the game along with its essence and culture. Especially since this group may perceive changes in the community as a result of broader shifts in the media landscape and gaming culture, thus feeling alienated. In contrast, newcomers to the game have made the fanbase more diverse than ever. Almost as many males as females now play the board game, and the majority are much younger than before (Reeves, 2023). Moreover, D&D has gained a big following in the HBTQ+ and neurodivergent communities (Henrich & Worthington, 2021). This younger, more diverse audience needs to be catered to in a contemporary way to retain them. D&D met these challenges by adopting a proactive, consumer-centric approach with co-creation in mind; outlined in depth in **Table 1**.

Table 1 - Management Decisions Overview

Case	Challenges	Learning Outcomes
	Managing New vs. Old “Fans”	
Dubrovnik	The overcrowding in the old town causes dissatisfaction for both Dubrovnik residents and tourists, who are unable to fully enjoy the city's charms.	The Dubrovnik Tourist Board upgraded the Dubrovnik Card with attractions and public transportation services outside the historic core. The Card promotes attractions across the region and enables timetabling of visits outside peak hours. The municipality initiated a new project on revitalisation and future development of rural tourism. The city is investing in short and long-term monitoring systems to predict interest in particular attractions and prepare accordingly.
D&D	With a new substantially more diverse fanbase, different fans of the game want to experience D&D in their unique way, through various playing styles, contexts and platforms. WotC must cater to these expectations while nourishing a unified community culture.	WotC has started to re-produce older editions of the game and original content that appeals to old fans, encouraging them to share their love for classic D&D. Developed a new edition of D&D that is more accessible for beginners with additional content that caters to the new fanbase's preferences. Building an online community by leveraging digital platforms for streaming purposes showcasing inclusivity and developing online video games to meet younger segments' preferences.
F1	The need to meet the expectations of new fans and retain them, while meeting the expectations of the core fanbase.	As in the cases of Dubrovnik and D&D, F1 should consider extending its offerings to the fans who are disappointed by the image of the sport that the Netflix series has created. Old fans should maybe get their own show that highlights different aspects of F1 in a justified way, while encouraging them to share what they love about the sport. Another source of inspiration for F1, is the monitoring and anticipation systems implemented by the Dubrovnik authorities and D&D's development of a strong online community. Management could develop an open communication system with the fans, to better understand and respond to their needs. This has also the opportunity to bring the community together since fans are enabled to interact and discuss their passions and concerns about the sport.
	Meeting “Fan” Expectations	
Dubrovnik	Because of the over-tourism crisis due to GoT fans, a sharp increase in housing prices led to the depopulation of the old town.	The authorities have banned the construction of new holiday apartments for short-term rentals. The municipality intends to focus on rebuilding the residential areas in the city centre, which have been depopulated by the number of holiday properties.
D&D	Risks of a developing schism between long-time homogeneous fans that value the traditional gaming culture,	Adopting a proactive, consumer-centric approach with co-creation in mind. Engage fans via different channels, encouraging dialogue and collective

	and the new diverse fanbase that appreciates accessibility and act in an omnichannel world.	activities. Incorporate new fans into the community right away by making the old fanbase mentor the new one. Regard old fans as valuable ambassadors and ask for their expertise while highlighting their contribution to the community.
F1	The rise in ticket prices and associated attractions of Formula 1 racing have made it difficult for many fans to experience the excitement of live events. Long-term fans might regard the new fanbase as the reason for this.	Formula 1 should take into consideration that there is a limit to what the old fanbase is willing to pay to be a part of the community before they leave, as happened in Dubrovnik. To ensure that F1 remains a sport for all, management should explore ways to make the live events more accessible for fans, even if they're unable to lower ticket prices. Taking inspiration from D&D, these solutions could be developed together with the fans to show that the organisation values their input while simultaneously bridging the gap between the old- and new fanbase through a common goal. Since the old fans have been comparatively more affected by the price increase, acknowledging them a bit extra, could be highly appreciated, e.g. a 'long-term devoted fan' discount or gift.
Persevering and Elevating the Brand		
Dubrovnik	Maintaining Dubrovnik's identity, based on centuries of history and heritage, while emphasizing that it is not just the fictional capital of Westeros from Game of Thrones.	The municipality has focused on developing attractions beyond the Old Town, which was featured in the HBO series, to showcase the charms and assets of the entire region. New attractions have been added, and the range of events and congresses, including cultural ones, has been expanded and now takes place outside the peak season.
D&D	Maintaining WotC's brand identity and fostering D&D's heritage as a strong sub-culture, while continuously being relevant in contemporary times.	Remaining true to the brand's core, while emphasizing the mutual elements that adhere to both fanbases. Aligning the core values to better represent a modern brand image that incorporates all consumer segments. Prioritising diversity and inclusivity, internally and externally, to incentivise this within the community.
F1	The importance of maintaining a brand identity that is not to be based solely on the drama created with the Netflix series.	The example of Dubrovnik shows that to counteract the loss of identity, it is not at all necessary to get rid of what generates the problem and the revenue (tourists/series). Rather, as with D&D, focus on the common elements of the brand that both stakeholder groups value and then position it accordingly. Then, manifest this new strategy both within the organisation as well as throughout the fan community. Thus F1 can keep producing the Netflix series, but management should also consider working on other offerings that emphasise elements of F1 that appeal more to the older fanbase, optimally finding new ways of merging the brand's core with that of contemporary times that both fan groups enjoy. This may balance out the negative effects of the Netflix series while setting up F1 for the future.

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