

Hungary

**THE EFFECTS OF FORMULA 1
CHAMPIONSHIP:
- THE ENVIRONMENT →
FORMULA 1
- FORMULA 1 → THE
ENVIRONMENT**



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1.Introduction

„Dad, when I grow up I want to become a Formula 1 pilot!” Nowadays millions of parents can hear a statement like this or similar to this. This sentence could have been said by dozen



children. Imagine, how many little boys now would like to take after Michael Schumacher or Kimi Raikönen, just to mention only a few names of the famous pilots. Children are affected and fascinated by the world of cars. Their biggest dream is to get small colourful matchboxes for their birthdays. These cars are perfect copies of the genuine ones; of course they differ in size.

However, you shouldn't think that Formula 1 is only about children. Adults are also obsessed with this motor sport. Certainly it is not the buzzing or the colour of the cars that they are fascinated with, but something else. Perhaps it is not so easy to describe what it is. Every person is affected by different things, and that is what makes this sport wonderful. It gives relaxation to different people and at the same time it connects them.

What can be in the background of it? What makes Formula 1 so popular? How can so many people be enthusiastic about it irrespective of age or gender? What is its undiminished success due to? Who is in the background? What are the drivers' lives like? And perhaps the most important question we are interested in is how things stand in our country? What past does it have in Hungary? And what influence does it have on our country?

We tried to find answers to these questions in our project, as we are also great fans of Formula 1. We watch as many broadcasts of the races as we can, and we know a lot about the drivers' lives. Now we are trying to look behind the scenes. We can get a lot of information from the newspapers or the TV which prove the success of the race but we would like to see what is really going on in the background. We have collected material, made interviews, chosen articles to create our project work of the contest.

Before starting it we would like to give a short introduction about our country, Hungary, where we belong to.

1.1. About Hungary, in general

Hungary - its official name is the Hungarian Republic- is an independent democratic state in the Carpathian Basin in Central Europe. Our country borders with Slovakia, the Ukraine, Romania, Serbia, Croatia, Slovenia and Austria.

The capital of Hungary is Budapest. Other bigger towns (with over 100.000 inhabitants) are - in downward order- Debrecen, Miskolc, Szeged, Pécs, Győr, Nyíregyháza, Kecskemét, Székesfehérvár.

Our country has been a member of the OECD since 1996, the NATO since 1999, the EU since 2004 and the Schengen Zone since 21 Dec 2007. It is one of the founders of the Visegrád Cooperation Organization.

Its territory is 1001430 square feet, on the basis of which it is in the middle of the list according to the measures of countries.

Most of the country's territory is less than 660 feet above sea level. Although in Hungary there are several hills, the ones over 985 feet only occupy about 2 % of the territory. The highest peak is Kékes with the height of 3330 feet among the Mátra hills, while the lowest, nameless point – 255 feet - can be found in Csongrád county near Szeged.

The most important rivers of the country are the Danube and the Tisza. 260 miles of the Danube and 275 miles of the Tisza of their Hungarian reach are navigable. Its less important rivers are the Drava indicating the border between Hungary and Croatia, the Rába, the Szamos, the Sió, and the Ipoly along the Slovakian border.

Lake Balaton, which is located in the middle of the country, is the largest freshwater lake in Central Europe with its 5430 square feet territory. It is an important holiday destination for tourists. The following in dimension is Lake Fertő, 882 square feet of which can be found in Hungary. Other important lakes are Lake Velencei and the artificial Lake Tisza.

Traditionally, Hungary can be divided into 6 regions: the Foot of the Alps, the Small Plain, the Transdanubian Hilly Country, the Transdanubian Hills, the Great Plain and the Northern Hills.

The most important natural resource is the soil in spite of its varied quality. 70% of it is suitable for agricultural usage and within this the proportion of the plough land is 72 %.

Hungary is on the borders of three climatic zones; its weather is influenced by the eastern wet continental, the western maritime and the southern and south-western Mediterranean climate.

Information about our country is hidden in the hearts and memories of tourists and inhabitants rather than in the encyclopaedias.

“There is a country I’ve been to in my dreams: Hungary, where I saw my own face in yours...”

Our capital, Budapest, is the most beautiful at dawn when the sun is rising slowly from the direction of the plain...

It draws Pest in mild pastel shades and like a strong searchlight it sweeps the buildings of Buda. The windows sparkle on Castle Hill. Budapest is also a sight for the gods at nights. Chain Bridge wears a lamp string, the public buildings, the Parliament, the Opera House, the King’s Castle and the Castle District are decorated with floodlights. It’s easy for Budapest to play with the lights like a lady with her jewels since everything suits it. The mornings, the nights, and also the days when the city is alive and bustling, and the visitors coming from other countries can feel something happening on every corner.



Without exaggeration, Budapest is one of the most beautiful and best situated capitals in Europe. Most of our values to be protected can be found here, such as: Fishermen’s Bastion, Margaret Island, Chain Bridge, Matthias Church, and last but not least Heroes’ Square.

But it is not only the capital that is beautiful and attractive in Hungary. Our country is rich in



folk traditions as well. Although they are only on the level of preservation of traditions, we must not forget them. We come from a region called ‘Matyó land’. It is located in the north-east of Hungary, about 125 miles far from the capital. The centre of this region is our hometown, Mezőkövesd. (Szentistván and Tard also belong to this region.) It is characteristic here to revive the traditions, the Matyó embroidery and the Matyó folklore and amusement. There are colourful

programmes waiting for the inhabitants and also the tourists coming here all the year round.

2. National tendencies and statistics in sports tourism

National parameters applied to FORMULA 1:

- After the Olympic Games this is the most frequented sports event. Before each race there is a heavy tourist migration.
- At least 2000 members of the technical team arrive at the scene of the Formula 1 circuit.
- 30 thousand tourists are expected to visit Kuala Lumpur for the Malaysian Grand Prix.
- Reduced tickets of Gulf Air's best planes are provided for the visitors of Bahrain Grand Prix.
- The Turkish government let the visitors of F1 in without a visa.
- Travel agencies participate in the organization of the Australian Formula 1.

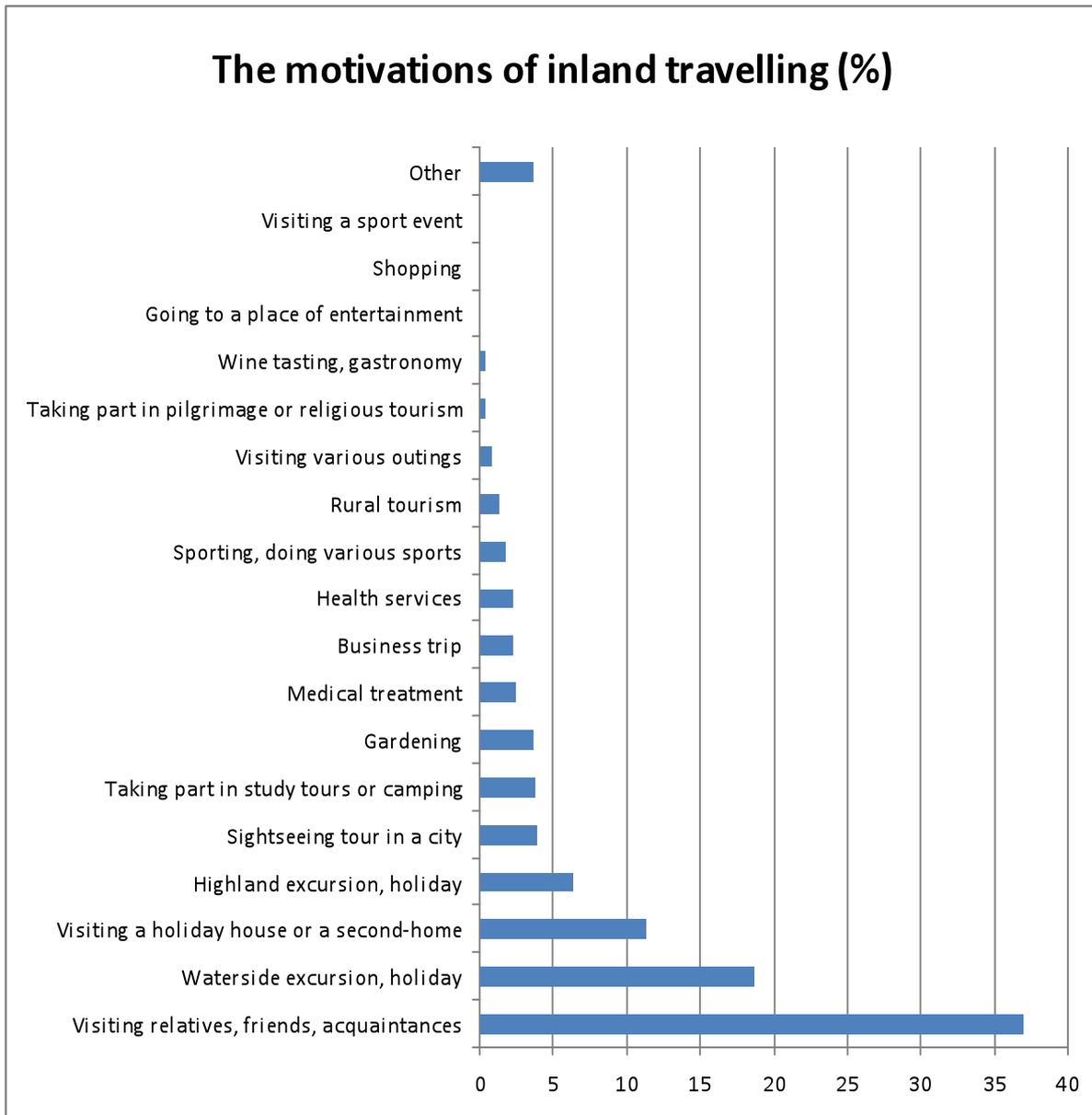
The effects of Formula 1 held in 2006 on Hungarian tourism are the following:

It is difficult to numerically define the effects of Formula 1 on tourism and economy. It can be estimated only at a rough guess with the help of researches and questionnaires. At present opinionaires are being filled in; intensive research of this sport event was made in 2000.

Statements relying upon questionnaires of the 2005 Formula 1 race made by the Hungarian Tourism Ltd. are the following:

- The ratio of the foreign answerers was 66% which shows the component of the spectators, too.
- 85% of the foreign visitors arrived in Hungary only because of the Formula 1
- Other 15% of the foreigners mentioned other events as motivation: the Sziget Festival, participation in a business trip or conference or visit to a family.
- The average staying was 5.7 days.
- 57% of the visitors claimed hotel service. Three quarters of them stayed at 3 or 4 star hotels while other 15% was put up at 5 star hotels.
- 45% of the answerers arrived in Hungary by car and 37% of the visitors came by plane.

- The average spending of the foreigners was 40 thousand Forints a day, which includes the entrance fee and the whole costs of the staying.
- Most of the foreigners come to the Hungarian Grand Prix from Germany, then from Austria and the UK. In addition, a significant number of people arrive from the Scandinavian region.
- 75% of the answerers are planning to return in 3 years' time to watch the race again but they have other motivations too.



N= 1280 travelling



Altogether 184 thousand people visited the 2006 race during the 3 days, which is 25 thousand less than in the past year. At the same time the ticket incomes increased, and the utilization of hotels in Budapest exceeded 90%, which is 15% higher than last year. In the first 14 years nearly 90% of the paying spectators were foreigners. But the number of inland visitors is

continuously increasing due to the campaigns (Formula 1 Circle of Friends, reduced tickets, admission tickets got through employers) made in the interests of them. This year the holiday voucher can be used for buying Formula 1 tickets, which helps in the strengthening of the inland demand.

3. The Hungaroring

3. 1.The history of the Hungaroring

On 10th September, 1985 a contract was signed which greatly influenced the international views on Hungary as well as its role in the world of motorsport. The contract was about the construction of the Hungaroring. In addition, one of the most important parts of the contract was the right to organise one of the rounds of the 'speeding circus' between 1986-1990.

The news was flying abroad in the Hungarian and the world media as Hungary belonged to the countries behind the 'Iron Curtain'. Moreover, Hungary outraced such powerful competitors as the former Soviet Union and China in the race to gain the right to organise motorsport races.

The contract included the scene of the race: Mogyoród where a circuit with 120,000 seatings would be built. Furthermore, Hungary was given the opportunity to shoot a ten-minute documentary about the country which was planned to be broadcast all over the world before the race.

The latter had a significant importance to the country as very little was known about Hungary. As soon as the contract was signed, it became a leading headline all over the world.

At that time sixteen spots were elected in the schedule of the race, among them were Monte Carlo and Silverstone.

The construction of the Hungaroring was supposed to earn a huge profit to the country. In the first year more than 100,000,000 returns were expected.

Organising the race had a lot of requirements and conditions to the country which greatly increased the expenses. Although a great financial success was expected, a huge suffer of losses could be perceived.

In 1991 it became a debated issue to organise the Hungarian Grand Prix in the following year. Those Hungarian businessmen who invested in the Hungaroring had as much loss as they contracted out of the business in 1990.

The Hungaroring should have made a profit of 700,000,000 in five years. However, it produced such a huge loss that the owner had to ask for a bank loan to be capable of paying the price of the license.

Then the company was tried to be sold to foreign investors but no one was interested in it. According to the organisers, Formula 1 has been profitable for the past few years.

The total income of the race – lasting only a week – is about 11-14 million USD. In addition, tourists visiting Hungary during the race spend 375 USD per person on average. This way the income by VAT can reach the amount of 20,5 million USD.

Contrary to the previous predictions, the Hungarian Grand Prix has constantly been the part of the race schedule since 1986. In addition, the licence and the right to organise the race was prolonged in 2008. Undoubtedly, the Hungaroring will hold races until 2016. The above facts have a significant importance in the history of Formula 1. Mogyoród has become the third scene behind Monte Carlo and Monza, where races have been held constantly for the longest time. The 31st Hungarian Grand Prix will be held in 2016. (forrás:www.ksh.hu)

How will the story and the history of the Hungaroring go on? What will happen after 2016?

There are some facts taken for granted: the amount of the license will reach the astonishing 35 million dollars. (In comparison: 20 years ago it was 'only' 1,3 million)

3. 2. The Circuit (The Hungaroring)

The Hungaroring circuit is 12 miles from the centre of Budapest, alongside the M3 motorway



at the border of the village, Mogyoród. The track is in a natural valley, surrounded by 50 hectares of rolling hillside. With this exceptional natural advantage, almost 80 percent of the racetrack is visible from any point. This is the reason why it is called "The Shallow Plate", it is because the spectators are watching the races sitting by the side of an imaginary plate.

At the Grand Opening, the total length of the Hungaroring was 2,5 miles. The construction of the circuit lasted only eight months, which can be considered a record time.

The first Formula 1 race was held on 10th August, 1986 and the winner was Nelson Piquet.

Whenever the racers' opinions are asked about the Hungaroring, they always describe it as 'hot and dusty' because the Hungarian race is held in August or at the end of July. It seldom rains in this period of summer in Hungary.

Dust comes from the sandy soil of the surrounding area and covers the ring in the pre- and post period of the races. Although it rarely rains, when showers come they make the race very exciting. All spectators hope to see some rain which makes the tracks faster.

The Hungaroring is famous for its especially challenging races, which make it unique among other circuits. Due to the special qualities of the ring, overtaking is almost impossible. Based upon this unique feature, the Hungaroring is often compared to Circuit de Monaco due to its tight and twisty corners.

A lot of motor racers are fond of the ring as they have succeeded in becoming a champion for the first time. Let me mention some of them: Fernando Alonso, Jenson Button and Heikki Kovalainen.

3. 3. The circuit used for other purposes

The main goal in the construction of the Hungaroring was to organise Formula 1 races. However, the races cover only a short-term, seasonal period and the income is hardly enough to cover the total expenses, which are quite high. There are numerous races and programmes held here throughout the year which are not well-known among visitors from abroad.

Firstly, the ring is suitable for organising speed contests. The ring is very popular among speed racers who can compete on the same ring where their Formula 1 idols do.

Speeding and testing your vehicle on the motorway is dangerous and illegal. Motorists are given the opportunity to test legally how powerful their vehicles are.

Not only riders and motorists use the ring but cyclists as well, who are fond of riding round and round. In addition, meetings of cyclists have been held there for more than ten years.

In general it can be stated that everybody can have the chance to test the ring whether he is an amateur motorist or a skateboarder.

It is rarely known that the Hungaroring includes an Adventure Park situated in the centre of a lovely wood. The park offers a wide range of services, especially for those who are interested in technical sports. The services include steering jeeps, quads as well as riding on mountainbikes on very-well designed paths/tracks.

Furthermore, what makes the Adventure Park unique is a rope way – the so called Green Open World – with a length of 0,15 miles. In addition, you can travel safely and under extreme conditions over the top of trees in the height of 40-50 feet. The rope way is so safe that children can walk on it, as well.



The Technical Driving Centre on the Hungaroring is the only facility in Hungary at European level. Passing a technical driving course can help to improve our driving skills and realise the importance of decreasing the extent of measurable property damage. Driving skills are improved by different real-life traffic situations a driver can face.

Those who have passed a driving course think it was well worth taking part in it.

The above facts show that the Hungarian Grand Prix is the most significant event in the life of the Hungaroring but it offers a great amount of other facilities for its guests.

To make it more profitable, the Hungaroring is hired for private purposes. Numerous travel agencies offer programmes held in the Hungaroring to give a memorable experience to their guests.

When a product is marketed and introduced in an ordinary conference hall of an ordinary hotel, it can attract only a small group of its potential consumers. When a leaflet says the marketing show is held in the Hungaroring they can reach a target group of those consumers who show a lack of interest or little interest towards the product.

Another facility offered by the Hungaroring is the so-called experience driving when an ordinary motorist can explore what speeding is like in reality. What is more, there is a gokart track with a unique length of 0,25 miles and an extremely good tracking.



Gokarts are at the highest service and technology possible and the bests are given presents at the end of their rounds.

The Hungaroring can be visited by smaller groups of 20 members up to larger ones with 3000 people.

Company trainings can be held here with a lot of memorable experiences as there are facilities of relaxation and recreation, which can prove to be useful for avoiding burning-out. There is a possibility for imitated races. In addition, all services can be made use of by the participants.

The event called Szent László Days which have been organised fourthly is an opportunity for local citizens to use all services and facilities, mainly the Technical Driving Centre free.

The Hungaroring Adventure Park is situated within the boundaries of the Hungaroring Formula 1 race track in a wood expanding 30 hectares. The Adventure Park where 4x4 vehicles, quads, quad bikes, specially built mountain bikes and unique machines are at the guests disposal is being permanently modernised and reconstructed.

In conclusion, a lot of effort and attention is paid due to the use of the circuit in the most profitable way possible by its owner as well as the local authorities.

Based on different statistical data it can be stated that apart from the Formula 1 visitors, 90 percent of the guests are company clients and company employees. This fact signifies that company trainings and weekend trainings in Hungary are closely related to the Hungaroring which can gain competitive advantage in the market as well as have a very positive feedback and effect.

3.4. The utilization of Formula 1 circuits in other countries

In other countries, most of the Formula 1 circuits offer the same facilities as the Hungaroring; each has a Technical Driving Centre. Most of the circuits offer possibilities to drive cross cars or test tracks under extreme traffic and road conditions.



In Silverstone, Britain a Students' Centre can be found, which mainly attracts young people. The basic goal of the Centre is to develop young people's and other visitors' views on education, the protection of the environment, healthy lifestyle and other related issues. The Centre offers an interactive, sporty surroundings and atmosphere, which greatly support the basic goals of this institution.

In Nürburgring, Germany a mini funfair can be found including a rollercoaster, which is one of the fastest ones in Europe. Next to the circuit an aquapark is situated, which attracts a lot of tourists.

Other circuits give opportunity to well-known and popular races to be held such as MotoGP. Unfortunately, not all circuits are suitable for holding races like this as there are a lot of requirements need to be fulfilled. Where there is a lack of the suitable requirements, separated circuits are built.

In general, it can be stated that utilization facilities of the circuits are very similar to each other as these facilities are closely related to motorsport.

4. Famous tracks all over the world

In the history of Formula 1 races have been organized in 68 different scenes. The first Grand Prix was held in Great Britain. The longest track is Pescara, it is 15,5 miles long. There are 3 main types of tracks: tracks designed explicitly for races as the Hungaroring, the highway tracks as the SpaFrancorchamps having either partial highway sections or sections being constructed only for highways. The third type is with sections in towns or along the streets taking place evidently in towns or in parks. Monaco Grand Prix is a good example of it.

4.1 Canadian Grand Prix

A Circuit Gilles Villeneuve is a pretty quick circuit for motorbikes in Canada, Montreal, which was named after the Formula 1 racer, Gilles Villeneuve. Year by year Formula 1 Canadian Grand Prix has been organized there. This track was designed on the picturesque Ile Notre – Dame Island, which is an average highway. Its length is



2,5 miles, the laps are running clockwise rotation. This circuit with the numerous straight sections is unique having the Wall of Champions next to the combined bend before the finish line. In 1999 the 3 champions Damon Hill, Michael Schumacher and Jacques Villeneuve ran into the wall and dropped out of the race. Besides Formula 1 series between 2002 and 2006 the Camp Car and in 2007 NASCAR Busch Series were arranged here. Formula 1 schedule in 2009 planned then cancelled this race explaining with the lack of the summer holiday. But it is scheduled for the year of 2010 at the usual time.

4.2 European Grand Prix



Circuito Urbano de Valencia is an ordinary motor racing track at the port of Valencia in Spain. Formula 1 European Grand Prix has been organized since 2008 using town sections. The track has got a unique element, a folding bridge over the bay; the drivers go along it during the

race. On 1st June 2007 this circuit was concluded for the next 7 years. They started carrying out in October 2007 and finished the implementation in June 2008. The track is 3,1 miles long with too many bends, 25 in numbers: 11 bends to the left and 14 ones to the right. The maximum speed is some 315 kph, the mean speed is over 160 kph opposite Monaco's mean speed of 166 kph. In 2008 Circuito Urbano de Valencia was the town section of the season besides Albert Park, Monaco Circuit, Circuit Gilles Villeneuve and the new track in Singapore.

4.3 American Grand Prix

The Indianapolis Motor Speedway can be found in the suburb of Indianapolis Speedway, in the United States. This oval-shaped track is 2,5 miles long. It is the USA's largest stadium with 300,000 seats. Races such as Indianapolis 500, Brickyard 400 and since 2008 MotoGP Indianapolis Grand Prix have been organized here. Formula 1 American Grand Prix was also designed for this track till 2007. In the USA the typical racing tracks were used first in 1909. But the bitumen and the rubbles on their surface



caused the death of some drivers and spectators. Between 1950 and 1960 there were Formula 1 series on American Grand Prix. The surface of the tracks had been changed from brick to

asphalt besides a 3- foot- long (one yard) line in front of the finish line of which the oval shape gave the name to The Brickyard.

4.4 Monaco Grand Prix



Circuit de Monaco is a town track, which goes through Monte Carlo and the La Condamine. During the Monaco Grand Prix several streets are closed for traffic, traffic signs and flowers beds are covered. The permanent box streets, the fences, the kerbstones, the places for spectators convenient for 100,000 people are being built. The circuit is 1,9 miles long and goes through almost the whole

territory of the state, its surface is 0,8 square miles long. There are various bends on the track as the hairpin – shaped one at Fairmont Hotel / used to be called Loews Hotel / being the slowest bend of Formula 1. Monaco Grand Prix is also famous for its long tunnel and a combined bend near the exit of the tunnel.

4.4 Singapore Grand Prix

Singapore Street Circuit is a town track in the city of Singapore. It was built between 2007 and 2008 , its 70% goes along the old streets and 30% of it was constructed for the new town tracks. There are 2 bridges ,longer and shorter sections and 22 bends on the whole.

The long straight sections are small in

number and the hilliness of the surface raise the difficulties of overtaking. In Singapore Formula 1 series are held at night with illuminated tracks. Almost 1,500 lamps and 24 generators help to make the race safe. The reason for the night races is due to the fact that the majority of the spectators live in Europe, therefore the organizers try to avoid scheduling the races too early or too late for them.



5. The Effects of the Environment on Formula 1

Natural environment affects everything, including Formula 1. We have examined why the circuit was built in Mogyoród, what regulations influenced the construction, and what forms of entertainment were in this region before the circuit was built.

5.1. Why did Mogyoród become the scene of the race?

The Hungaroring is a Formula 1 racing circuit in Hungary, alongside the motorway M3, located at the borders of Mogyoród, about 11,8 miles from the centre of Budapest. It can be easily reached from the motorway M3 if we leave the capital, which is situated in the heart of



the country. The circuit lies in a natural valley, and is surrounded by semi-circle grandstands with the expansion of 50 hectares. Due to its unique position 80 percent of the race track can be seen from any part of the grandstands. This is the reason is why this place was chosen to be the Hungarian F1 racing circuit. It is often called a „shallow plate”, because the spectators can watch the races as sitting by the side of an imaginary plate. Due to its natural environment the race is perfectly visible even from the Bronz sector, where you can only stand. It is important because the standing tickets are much cheaper than the seats, so by paying less money you can see exactly as much as the people who are sitting on the expensive seats. Therefore a bigger part of the population is able to see the Hungarian Grand Prix.

5.2. Environmental protection (regulations, laws which has defined and still define the setting of the circuit)

The setting of the circuit was influenced by environmental laws and regulations, and only by keeping them allowed the circuit to have been built.

Nowadays laws only regulate the conditions of the race or the use of the racing equipment.

5.3. The opinion of the population concerning the racing circuit

In Hungary:

The people living in the neighbourhood of the Hungaroring have a good opinion of the Hungarian Grand Prix. They earn a lot of money during this time. Tourism thrives, which helps the economy, too. Their objection is in connection with the use of the track all year round because the noise of the cars practising on it is unbearable, and since this noise does not make their wallets heavier, they cannot tolerate it.

Currently: French people object to the construction of the new circuit.

France is preparing for the return to the race calendar, so they have started the construction of the new circuit near Paris. French people do not like the fact that Magny-Cours is out of the race calendar, so the proper people are working hard to put it back there. In March they will show the detailed plans of the new circuit, which will meet everybody's expectations. This new circuit is planned to be built in Flins-Les-Mureaux, situated in the northwestern part of Paris. The elite category of car racing is expected to return to France in 2011. However Bernie Ecclestone said this week that, as far as he was concerned, there was no guarantee for that.

Despite this, the French have decided to start the construction, and the German news agency, dpa reported that building machines appeared on the territory. Surprisingly the construction has already begun because not only the environmentalists but also local people are against building a racing circuit there, as well.

6. Influences of Formula 1 championship on the environment

6.1. Effects on the image of the country, Budapest and its surroundings

Formula 1 has a great influence on the economy of each organizing country including the economy of Hungary. Its effects on tourism are significant because of the rising number of tourists visiting our country just because of being Formula 1 fans (meaning nearly 350 000 tourists a year).



During the four-day-series, visitors are provided with a vast number of programmes that can shape their opinion about the country they are visiting. Beside tourists, Formula 1 championship is watched by more than 200 million people on television. A short film about the organizing country and programmes can be watched as well, which help people from other

countries to decide to spend a couple of days in Hungary.

For example in Budapest, a street show was organized before the race. More than 50 000 fans viewed it on the scene and almost 200 million viewers from 73 different countries watched it on television. This vast production has increased the reputation of Hungary.

These programmes lure mainly tourists from the neighbouring countries, of course.

The centre of the race is Budapest so most of the trippers want to visit the capital of Hungary.

Formula 1 championship affects not just the spot of the series but also the neighbouring cities, towns and or villages and their inhabitants. These effects are the followings:

- crowdedness in cities, towns or villages and on highways and/ or streets (it is very difficult to get home from work for the people who work in Budapest);
- seasonality in connection with possibilities for work , operation of accommodation and entertainment facilities.

During the series the utilization of accommodation in Budapest and its surroundings is 100 per cent so all can have positive feedbacks in association with it. However, a tremendous

difference between the prices of lodgings can be perceived because during these four days -as a kind of outstanding-season- higher charges are resulted. In case of trainings, conferences and other programmes, organizing companies look for accommodation for their employees chiefly in Budapest because there are no four/ five-star-hotels in its surroundings. But for the ambient towns and/ or villages, Formula 1 Championship is of a great importance because all of the lodgings are taken then. Therefore, they can count on an expressive income surplus.

6.2. The connection between Formula 1 series and the population of the neighbourhood

6.2.1. Fans and opponents

The process of building the course is parallel with the changes in the lifestyle of people of the neighbourhood. Their lives and dwellings have changed a lot. First, they feared from the crowdedness, dirt and noise made by the constructions. They did not want the calm way of their lives to be disturbed by the above mentioned things.

But now these people realized that Formula 1 championship gives workplaces and extra income to them (for instance paying catering places, places of amusement).

This is why, in this short period of time, they are used to bearing disturbing factors such as noise, more cars on roads and littering. What is more, entrepreneurs from the surroundings tolerate everything and solve all the problems emerged. It is because these



four days mean approximately 10-20 per cent of their annual income.

On the other hand, the number of resisters rises in case of other programmes organized on the course. Naturally, the reason for this is that these terms provide no surpluses for the contractors.

6.2.2. Influences on politics and law

Formula 1 championship has effects on internal security together with rules of law since it is very important to provide stressed frontier guards during the Formula 1 series in Hungary. Unfortunately, more tourists mean more criminal acts so organizers make great efforts to persuade people to respect law and check them. As it is generally known, for the four days of Formula 1 series, other organizing countries -for example Turkey- who has an obligatory visa system let tourists visit the country without asking for their visa. Formula 1 can be called the contest of peace since it is an international competition, the number of the participant nations always changes.

6.2.3. Ability for producing income –the effects of Formula 1 on the economy of the country

6.2.3.1. Income potentials of the nation and its subsidization

Formula 1 championship affords Hungary a great profit. Just income from value added tax (VAT) covers the rights of Formula 1 that has to be paid to get the right to organize the race. According to a survey of the year 2007, only the income from VAT of the accommodation of Budapest was more than 1,025 million dollars. From the average four-day-expenses of 250 000 visitors, the value of VAT reaches 15,6 million dollars. Besides, the country has an income of more than 2,8 million dollars by tourists' out-of-series spendings. In addition the nation derives benefit (720 thousand dollars) from car-racers', participants' and the media's spendings, too.

In addition, the country gains money from other kinds of taxes paid by entrepreneurs (taxes of partnership and industry, communal tax, super-tax, contributions of employees, their personal income tax).

The nation itself does not support the course besides paying the rights therefore the course has to sponsor itself. Hungaroring is in a very difficult position. This is so because the income of it only derives from ticket-prices -concerning the budget. According to an interview with one of the up-keepers of the course, it became known that in case of other international courses, the government of the given country provides their course a lot more assistance.

6.3.3.2. Formula 1 as an employer

In other terms of the year, there are only ten workers on the circuit. From the preparations to the end, Formula 1 is like an anthill. More than a thousand people work on the course day by day. They can work as a (n) policeman, national security service man, security guard, track steward, interpreter, ambulance man, hostess, catering service man. Many people work for the so called logistical centres, as well. Besides, there are post-offices set up temporarily. Behind the stands, a market-hall is formed where almost everything (for example relics of Formula 1, food and drink) can be bought.

Naturally, there are a lot of workers who work for the racing teams, too. Obviously, equipment for the series (for instance tyres or parts) is brought by the racing teams. In addition, teams provide luxurious conditions (lorries that are converted into luxurious hotels, for instance) to their racers and team-members.

During the four days, Bernie Ecclestone's right is to decide about catering. Only one thing is sure: goods could solely be delivered from Hungarian suppliers. So the course has connections with lots of companies (for example mineral water, meat, dairy product, stationery, detergent, fruit and vegetable, alcoholic and soft drink companies and/ or bakeries).

Formula 1 championship means a revenue surplus of more than 51 million dollars a year for the enterprises in Hungary. Besides, the country gains a profit of nearly 22,2 million dollars from the news value.

If a Hungarian company wants its goods to be chosen by Bernie Ecclestone, it has the chance to compete for his favour. Bernie Ecclestone's decision in favour of a firm means that it will be the solely supplier of a given range of products during that period of time. So the company will get a vast profit.

As mentioned before, for Hungarian entrepreneurs, a revenue surplus derives from the utilization of accommodation, too.

One might think that income connected to marketing activity



means significant revenue for the up-keeper of the course and marketing companies. But the truth is that all that money is for Bernie Ecclestone. He says the reason for this is that Formula 1 championship provides quite enough profits for the organizing country (image of the country, lodgings-revenue, VAT) beside income connected to marketing activity.

7. Marketing activity connected to Formula 1 series

There are a lot of marketing activities which can be connected to Formula 1 series. What they have in common is that everybody wants to gain as much profit as it is possible out of this event. We would like to present a few examples for this argument.

7.1. Ratings

Domestic ratings:

The Formula 1, especially the Hungarian Grand Prix, has absolutely good ratings. It was seen by 1 563 878 viewers on television. This figure means 56,6 per cent ratio of the television viewers. The programme was watched by 708 151 people concerning the age group between 18 to 49. This figure means 61,8 per cent.

Foreign ratings for the year 2008:

The Formula 1 championship beat the television rating records. The sport has become more and more popular.

According to official Formula 1 reports, season 2008 set a new record of 600 million people by a growth of “only” 3 million viewers. In Europe, what can be considered to be the headquarters of Formula 1 fans, Italy is on the lead by 38 millions of viewers. The ratings are also good in Great Britain, France and Germany, with more than 29 millions of people watching the series in each country. It is worth to point out that while in Britain this means, due to the growing popularity of Lewis Hamilton, a modest rise of 7 per cent, in Germany, after the retirement of the former world champion, Michael Schumacher, there is a recognizable falling tendency.

Among non-European countries China became the first and Brazil the second. In the former, Formula 1 was watched by 119 millions of people, in the latter, by 110 millions of fans. More people were interested in the last four races of the championship. The ratings of these races were better, 25 per cent more wanted to watch them.

7.2. When and where is Formula 1 advertised in Hungary and other countries?

In our country, Formula 1 is advertised in all sorts of media.

Presents connected to the series and free tickets can be won in several television and radio programmes each year. More people watch these channels or listen to these radio stations, so they strongly benefit from the different presents, not to mention those companies, who put the Formula 1 logo on their products, offering something in return for buying the product. They hope to sell more with the help of Formula 1 logos. Of course, this draws attention, so more and more people will buy the product, what results in income increase.

A company owned by Hungarian people appears as a permanent Hungarian sponsor for the first time in history of the Formula 1 series. The energy drink, Hell, set a long-term agreement with the team Williams. According to the contract, Hell became the official drink of the pilots and the team, and its logo shall be put on the rear wing of the car. This possibility means an enormous surplus value for the company and it helps to advertise the product overseas.



Although there are several important promotions overseas, we would like to mention only a few typical examples. These companies are well-known internationally as well:

LG appears as a sponsor of the series, because the company develops such a television that provides lifelike entertainment and gives back the speed of the races as the viewers were really present.

Vodafone launched a new microsite for the fans of Formula 1, where the prize is a test drive with Lewis Hamilton, who is the world champion of 2008.

One of the promotions of Shell can also be connected to the series, as customers might win Formula 1 relics.

7.2.1. The presentation of our promotion idea

While we were working on our presentation, we thought we could try to forge our own advertisement for the Hungarian Grand Prix to lure more people to watch it.



8. Summary

Before starting to write our competition material we wondered why Formula 1 at the Hungaroring had been so popular for such a long time, what effects the environment has on Formula 1 and how much the Grand Prix affects the environment – including the image of the country, the capital and its direct neighbourhood, the natural environment, and how it influences the development of the area. These were the issues we got answers to. Beside this we made a short international overview too, and gathered data about Brazil's, England's and Canada's Formula 1 racing tracks. While making the search we found many interesting things and so now we can see everything much more clearly. We are not only dazzled by the glamorous surface presented by the media but are also quite aware of what goes on behind the scenes.

We checked what sports tourism means and tried to find other sports rivalling Formula 1 in Hungary. We got familiar with the history of the Hungarian racing track and with the legal and environmental conditions of the establishment of the Hungarian racing track. We gathered information about the Hungarian racing driver and his successors – unfortunately we were not so lucky in this field. We also collected information about how Formula 1 influences the environment and about its opposite too, i.e. how the environment influences Formula 1. Last but not least we examined advertising practice.

Now that we have completed our study we can say that we are not only enriched with a more



than 20-page study but also with a lot of information and experiences. We enjoyed the study, the common search for information. Probably the team work brought us closer and deepened our friendship much more than before. During the data collecting we contacted one of the employees of the Hungaroring who was very helpful

to us. He answered our questions and invited us to visit the race track. Certainly we accepted his invitation and visited the Hungaroring personally. We could drive on the racing track by automobile, we also visited the Adventure Park established for other aims and the Technical Driving Centre. We also had the chance to get insight into the control tower and there we could watch the racing track area on 30 screens at the same time. We came back with a lot of information and experiences and decided to visit the Hungaroring Grand Prix provided we can afford.

Finally we can say that we are very happy that we entered this completion.

9. Teacher's note

The case study can be used in case of the following topics:

- Tourism and economic environment: income generating aptitude
- Tourism and social environment: researching effects on the population, employment in tourism
- Tourism and natural environment: built environment, protection of the environment
- Sports tourism
- Country image, marketing, promoting tourism

Training of the students happened as follows:

1. The detailed review of the competition call.
2. Writing the draft
 - making the topic final and outlining the draft
 - viewing former studies on the webpage www.gttp.org
3. Personal meetings
 - a) compiling the draft (we determined the order, depth and the title of the topics)
 - b) the possibilities of obtaining information – we collected websites, journals and other information resources with which we could work
 - c) Formal requirements of the project – on the basis of former studies

How to write a good case study:

<http://www.gttp.org/docs/HowToWriteAGoodCase.pdf>

3. Preparations for the presentation

- length (regarding time and the number of students) and the rules of making a powerpoint presentation (the amount of information on each slide, colours, pictures, using of effects, size of type, style, timing)
4. Rehearsal of the presentation – in front of schoolmates and teachers

The activities outlined in this case study project will help students develop skills in the following areas:

- Processing and organizing information
- Investigating, interpreting and analyzing data
- Communication, language skills, presentation skills
- Overview on the tourism industry, greater understanding of connection between tourism and its environment
- Teamwork
- IT skills, slideshow presentation skills

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