In 1948, “Big” Bill France, a local Daytona Beach service station owner, had a vision. He wanted to create a class of racing for pure cars with virtually no modifications—cars that were strictly stock. Thus, NASCAR—the National Association of Stock Car Automobile Racing—was born. This new sanctioning body would oversee racing with cars that were almost identical to those driven on U.S. highways. France was sure that the public would respond with enthusiasm to this new sport. He was right.  

A 2004 NASCAR survey estimates that there are 75 million fans worldwide, with almost half of them self-described as “hardcore.” In this same survey, NASCAR stock car racing is identified as the second most popular television sport in the United States. In addition, NASCAR racing is televised weekly in over 150 countries. NASCAR’s season spans ten months of weekly racing events, where team owners and drivers accumulate points. Champions in each NASCAR division are crowned at season’s end based on total accumulated points.

NASCAR’s Super Bowl, the Daytona 500, occurs at the beginning of the racing season, instead of at the end. In 2007, the Daytona 500 televised on Fox TV produced a 10.1/20 ratings/share and an average audience of 17.53 million viewers. This edition of the Great American Race doubled the ratings of the previous year’s Indianapolis 500.  

Marketers are most attracted to the NASCAR fan’s brand loyalty. The same 2004 NASCAR survey points out that 92 percent of the avid fans realize drivers could not run their race cars without sponsorship. NASCAR fans are three times more likely to purchase sponsor’s products than are fans of other sports. One study shows that “NASCAR fans’ sponsorship awareness is both extensive and accurate,” with 96 percent of fans being able to identify the sponsor with the driver. Similar studies of other major sports show that none come close to this type of product identification.
Stock car racing is fast becoming part of a mainstream lifestyle. References are found in advertisements on TV, reality shows, cinema movies, and in the lyrics of country music as well as other genres. Drivers make guest appearances on entertainment/news programs. All the media outlets are covered. Today, it’s almost impossible to escape the popularity (and the promotion) of this sport.

In the following pages we will look at the impact of marketing on the racing customer. We will discuss topics like target marketing, co-branding, sponsorship, advertising media, brand loyalty, marketing mix, pricing methods, endorsements, discretionary income, fan demographics, branding, and IMC (Integrated Marketing Communications). It all adds up to a diverse, profitable, and popular arena in which to promote an endless variety of products.

What Is a Stock Car?

The first race drivers were a humble group. In the early days, they actually drove their race cars to the track for the event. Numbers, taped or painted on the car, might share space with an occasional sponsor notation. These sponsors were not the big modern supporters like Craftsman, Miller Beer, or NAPA Auto Parts. Instead, the early financiers had names like the Idle Hour Tavern and the Red Star Garage & Wrecker Services. A really lucky driver would be sponsored by his local Firestone dealer.

The first race cars were indeed like the cars driven on the local roads. Today, however, things have changed. Noted racing author William Burt states that “a NASCAR Ford Taurus and a stock Taurus are as different as Secretariat and a plow mule. The race car may have a Laughlin chassis and a Roush body/engine, but the car is still called a Ford Taurus.”7 Ford is but one of the vehicle manufacturers that have participated in stock car racing. The list includes AMC, Hudson, Oldsmobile, Pontiac, Studebaker, and now Toyota.

Currently, NASCAR is no longer the only sanctioning body in stock car racing. Two of the other larger bodies are the Auto Racing Club of America (ARCA) and the American Speed Association (ASA). But the list doesn’t stop there—grass roots’ racing in America has more than 200 sanctioning bodies that govern over 20,000 races and that set the rules for at least 1,000 race tracks.8 Today’s NASCAR includes five rule sets for its major divisions. In this module we will focus on the elite division known as Nextel Cup.

The Marketing Eras of Stock Car Racing

In the Beginning—Mr. France

Sponsors in the early days were limited. The most famous was Carl Kiekhaefer, who owned the Mercury Outboard Motor Company. Carl
chose Chrysler as his race car brand. He had *Mercury Outboards* painted on the race cars. When he discovered that this advertising was actually selling a lot of Mercury cars, he dropped Mercury and replaced it with his own name.9 His success inspired General Motors and Ford to sponsor race teams so they too could sell cars. The brand loyalty of the fan was tremendous.

**Race on Sunday; Buy on Monday**

The famous stock car racing owner Glen Wood used to say, “In the early days, Chevy would build a race car and then sell it as a passenger car. Ford, however, would give us a passenger car and tell us to make a race car out of it.”10 The auto makers were realizing that *winning* stock cars drove car sales. The manufacturer-backed cars of the 1960s raced each other on the new super speedways at Daytona, Atlanta, and Darlington. Car makers would “duck” in and out of racing, depending on NASCAR’s approval of their race cars. Ford and Mercury gained the most attention during this time, as they were able to maintain race cars and teams during this entire era.

During this era, a major change in stock car racing marketing came about, compliments of the federal government. R.J. Reynolds, a cigarette manufacturer banned from advertising on TV and radio, was searching for a new place to park its $400 million budget.11 NASCAR was the perfect market for their Winston products, since many of NASCAR’s fans (and participants) smoked. The Winston Cup was born, and it soon became the prize trophy for teams, sponsors, and drivers.

“**The King**”

Richard “The King” Petty is a seven-time Nextel Cup Champion. He has a record that no Cup driver will ever break: 200 race victories during his driving career. Petty began racing in 1958 and was NASCAR’s first star. He became a household name in 1964 when he won the Daytona 500 in his “Petty blue” manufacturer-backed Plymouth.

In 1972, Andy Grannatelli, CEO of STP, approached Petty Enterprises with a unique offer. STP wanted to become Petty’s primary sponsor. STP asked that its signature day-glow orange paint be added to the Petty blue. This STP/Petty partnership would continue for the next twenty years. Meanwhile, oil filter maker Purolator would help propel a rival race car. Purolator began placing its stickers on the Wood Brother’s Mercury, driven by Petty foe David Pearson.

In 1976, CBS took a gamble with the coverage of the Daytona 500. Petty and Pearson did not let the fans down. They crashed on the last lap battling for the win in one of the greatest moments in stock car racing. Both CBS and NASCAR struck pay dirt—the fans just couldn’t get enough.
Soon other drivers named Yarborough, Allison, and Baker began to challenge “The King.” Their sponsors included K&K Insurance, Coca-Cola, Holly Farms Chicken, and Champion Sparkplugs.

The 1979 Daytona 500 also became a ratings bonanza for CBS. That race ended with two drivers fighting on the backstretch of the racetrack. Many remember the battle, but few recall that Petty won the race.

“The Intimidator”

The 1980s ushered in a new set of talented young stock racing drivers. This group was led by a second generation driver named Dale Earnhardt. He was known in his early days as “One Tough Customer” and he raced for Chevy as well as Ford. His blue and yellow race cars were sponsored by Wrangler Jeans. In 1982, Earnhardt teamed with a mediocre driver named Richard Childress. The team got support from General Motors’ Mr. Goodwrench, and “The Intimidator” was born. Even after Earnhardt’s death, the brand continues to thrive.

Gradually, auto-related sponsors were joined by the likes of Gatorade, Folgers’ Coffee, Tide, Hardee’s, and Budweiser. Young drivers like Rusty Wallace, Darrell Waltrip, and Terry Labonte became instant favorites with the fans and the media. Drivers found themselves steering a 3400-pound vehicle during the race and endorsing their products after the race. Driver Bill Elliott soon discovered that he spent more time making personal appearances for his sponsors than working on his race car.

“The Rainbow Warriors”

As the 1990s dawned, stock car racing was still considered a “good ole boy” southern sport, even with a sprinkling of drivers from California, Michigan, Missouri, New York, and Wisconsin. But the landscape of NASCAR was about to change. Middle America was ready and willing to embrace a young driver named Jeff Gordon and to buy the products made by his sponsor, DuPont. He was the sport’s version of pro golfer Tiger Woods. Gordon’s crew chief, another young climber named Ray Evernham, brought the concept of Total Quality Management to stock car racing. Now, teams could affect their winning by combining all the elements of racing. The DuPont race team was dubbed the “Rainbow Warriors” because of the multi-color paint scheme on the race car.

Meanwhile, manufacturers of everyday consumer products started to see the benefits of sponsoring a race car or a racing event. New backers included McDonald’s, Kellogg’s, Mars, and Kodak. These sponsors stood tall alongside Valvoline, Union 76, Goodyear, and Texaco-Havoline. They all saw the value of investing heavily in the development of a race team. And as the corresponding media cover-
age grew, NASCAR Nextel Cup’s target market also expanded, bringing many new customers to the racing family.

Drivers like Brett Bodine and the late Alan Kulwicki talked about their college degrees, and a whole new group of consumers now identified with the sport. NASCAR became less redneck and more diverse. Race tracks in the northeastern part of America like New Hampshire and Dover began to sell out. New tracks sprang up in the Southwest and in California. But the biggest track move came in 1994, when stock cars were admitted to the most famous track in the world: the Indianapolis Motor Speedway.

Nextel Renames the Cup

In 2004, Nextel, a communications company, signed a ten-year, $750 million contract to replace long-time NASCAR sponsor R.J. Reynolds. Television networks started to compete for the right to show Nextel races, just as they did for the chance to broadcast pro baseball and football. NBC and Fox took to sharing the TV coverage of the races, with each covering half the season. In 2007, television contracts totaling $550 million will give FOX, TNT, and ABC/ESPN the opportunity to provide the major race coverage.

Why Do Fans Love NASCAR Stock Car Racing?

If you don’t have a personal experience with racing, you might wonder just what the attraction is for all those thousands of race fans. Here are a few reasons why racing is the fastest growing spectator sport so far in the twenty-first century:

- People are attracted to the thrills of races: Fans feel they can relate to driving a Dodge vehicle like the ones raced on Sunday.
- Stock car racing drivers and teams employ people with the same down-to-earth values as the average fan: NASCAR has always been a conservative lot. They know and respect their fans.
- People love to be part of the “NASCAR Family”: Like other sports, fans live and die for their drivers, teams, and automobile brand.
- There is access to drivers and teams: Plentiful autograph sessions and fan face-to-face meeting opportunities set NASCAR apart from many of the other major league sports.
- It’s ultimately a family sport: Bad language, bad sportsmanship, and cheating are addressed quickly. NASCAR officials were praised by moms in 2004 when they punished top star Dale Earnhardt, Jr., for use of profanity after winning a race at Talladega.
- People love the “numbers” of NASCAR: Like the true baseball fan that “scores” a ball game, the NASCAR fan calculates stats, lineups, speeds, track dimensions, and weather to try and pick the winner.
It is fun to compare your race day strategy with the ones the teams will actually run: *Like an NFL football game, Nextel Cup teams prepare a game/race day strategy. Fans love to watch how these race car setups, pit strategy, and weather conditions play out during the actual race.*

All of this fan interaction boils down to one thing—NASCAR knows they can produce the audience that advertisers want to reach. Table 1 shows the demographics of a typical racing fan.

<table>
<thead>
<tr>
<th>Table 1 Nextel NASCAR Stock Car Racing Fan Demographics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average annual income</strong></td>
</tr>
<tr>
<td><strong>Average age</strong></td>
</tr>
<tr>
<td><strong>Gender</strong></td>
</tr>
<tr>
<td><strong>Education</strong></td>
</tr>
<tr>
<td><strong>Marital status</strong></td>
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<tr>
<td><strong>Family status</strong></td>
</tr>
</tbody>
</table>

*Source: NASCAR Survey Data, 2003.*

**Promotion-Promotion-Promotion**

WOW! You name the type of promotion, and NASCAR has it covered. From Las Vegas showgirls in victory circles to Bon Jovi in a pre-race concert, the sanctioning body has learned that diverse entertainment will draw in even more diverse viewers.

NASCAR has concrete proof that its strategy is working, since more Fortune 500 companies advertise with NASCAR than with any other sport. The varied list of promotional opportunities (and an example for each) includes:

- Primary or associate sponsorship of a race team—STP.
- Contingency sponsorship—for a certain number of races or a special race.
- Contests/Sweepstakes—Reese’s 2006 Pit Gear Sweepstakes, where fans can win pit crew apparel.
- Driver/team endorsements—Sponsor apparel is worn at events away from the track.
- Race sponsors—PepsiCo is the long-term sponsor of The Daytona Firecracker 400 on July 4.
- Publicity events—Race team truck drivers delivering food/supplies to Katrina victims.
Customer events—Customer tickets to races including pre-race pit tours, hospitality tents, and meetings with the organization’s driver/teams.

Show Cars—Old race cars painted like current cars and displayed at pre-race events/store grand openings and other customer/employee events.

Employee/customer rewards—A company recently paid $25,000 to rent the Disney Motor Speedway in Orlando for four hours as a reward for employees and customers. They drove and rode in Richard Petty Driving School official Nextel Cup race cars.

Race track sponsorship—Lowe’s Motor Speedway.

Signage/banners—Race tracks, billboards, retail stores, etc.

Co-branding—General Mills offers many of its brands like Cheerios, Pillsbury, and Betty Crocker on the #43 race car.

NASCAR itself also offers an array of sponsorship opportunities. Nextel is the series sponsor for the top-level racing division. Enterprise Rent-A-Car is the official Rent-A-Car company of NASCAR, while Ragu (Unilever) is a Proud Sponsor of NASCAR. Callaway Golf is the Official Golf Ball of NASCAR, and Top Flite clubs are the Official Golf Clubs of NASCAR. All of these sponsors pay NASCAR millions of dollars to retain these titles each year. The formula is simple—hitch your marketing wagon to NASCAR, and watch your profits soar.

Take a look at this statistic: licensing products with NASCAR, the drivers, and the teams totaled $2.1 billion in 2003. Licensee estimates show that more than 200 different companies take part, producing products that range from pet leashes to Harlequin romance novels. Car numbers like #3 and #21 are trademarked and offer additional potential for souvenir sales.

And then there’s Hollywood. In the early 1960s, NASCAR entered the movie market with Thunder in Carolina. The 70s gave us Burt Reynolds and Kenny Rogers in Brewster McCloud and Six-Pack. In the 1990s, Tom Cruise and future wife Nicole Kidman starred in Days of Thunder, a serious look at the competition and the danger of racing. On the light side, Disney’s 2006 release Cars gave youngsters their own racer in the character of Lightning McQueen. The inane Talladega Nights with Will Ferrell had good fun with the venerable sanctioning body. Every movie brought positive attention to the sport and its stars.

Each year, a lavish awards banquet held at New York City’s Waldorf Astoria Hotel caps off the racing season. Sponsors, teams, and drivers arrive early to promote their products in the Big Apple. Many are seen on network talk shows such as Good Morning America, Today, and Fox and Friends.
Race promoters, race team public relations reps, advertising agencies, driver representatives, radio and television executives, and sponsors are constantly looking for new ways to integrate their message into activities.

Table 2 shows a sample of current and past NASCAR Nextel Cup race sponsors.

<table>
<thead>
<tr>
<th>Typical NASCAR Sponsors</th>
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<tbody>
<tr>
<td>Citgo</td>
</tr>
<tr>
<td>Little Debbie’s</td>
</tr>
<tr>
<td>Air Force</td>
</tr>
<tr>
<td>Budweiser</td>
</tr>
<tr>
<td>Kodak</td>
</tr>
<tr>
<td>Hooters</td>
</tr>
<tr>
<td>Mars (M&amp;M’s)</td>
</tr>
<tr>
<td>Kellogg’s</td>
</tr>
<tr>
<td>Interstate Battery</td>
</tr>
<tr>
<td>Super 8 Motel</td>
</tr>
<tr>
<td>Harrah’s</td>
</tr>
<tr>
<td>Home Depot</td>
</tr>
<tr>
<td>McDonald’s</td>
</tr>
<tr>
<td>Valvoline</td>
</tr>
<tr>
<td>Eddie Lee Murphy</td>
</tr>
<tr>
<td>Quaker State</td>
</tr>
<tr>
<td>Shell</td>
</tr>
<tr>
<td>Craftsman</td>
</tr>
<tr>
<td>QVC</td>
</tr>
<tr>
<td>Goodyear</td>
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<td>Exide</td>
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</tbody>
</table>

The Drivers and Teams

NASCAR Nextel drivers and teams are often considered walking billboards. Their uniforms are literally covered in sponsor patches and stickers. Sponsor decals paper every square inch of a race car’s surface. You will even see the primary sponsor’s logo under the hood—a great place to advertise during engine inspections! The track, too, becomes part of the promotion party. During a race, the pit road is filled with colorful sponsor banners. Every wall, fence, and partition is marked and named.

As wonderful an advertising medium as it is, there is still one drawback: the cost of stock car racing continues to grow as the drivers and teams work to improve their chance of winning. Table 3 outlines some of the universal costs to putting a car on the track, compared with sponsorship income methods.

Teams like Hendrick Motorsports (with over 500 employees) or Faith Motorsports (with less than 20 employees) have two goals—to win races and to build a brand. It’s an all-out effort to inform the fans about their product. And it doesn’t stop at the track. Web sites with news, profiles, galleries, statistics, and souvenirs can be found for almost every Nextel Cup driver or team. It’s more than making money. In the world of promotion, NASCAR is gold. When you attach your name to NASCAR, there’s a good chance that product awareness will increase right along with product sales.

Right now, NASCAR is thriving in an era of youth. For example, in 2006, six of the top ten finishers in the Cup Championship were under 32 years of age. Sponsors now have an opportunity to take a
slightly aged brand and tie into this phenomenon, updating their product along the way. A perfect example of this concept is Gillette’s “Young Guns” program. Six of the best young drivers tell you that Gillette is their razor. Their participation in TV ads, as well as in promotional activities like sweepstakes, has resuscitated Gillette’s brand.

The drivers and teams themselves have also dabbled in promotion, working in the realm of unique and unusual. For example, in 1997, a group of Georgia businessmen introduced The Fans Team. For just $195, you could become an official team member, with your name on the transporter, and have a chance at getting your photo on the car itself. The first payment was made by Atlanta’s Jeff Foxworthy, who became the spokesman for the short-lived team. The driver, Dave Marcis, once put two different sponsors on the quarter panels of his car. The inside panel went to a gentleman that watched races from the infield, while the outside sticker satisfied the sponsor who sat in the grandstands. Drivers in the early 2000s (like veteran driver Joe Ruttmann) discovered they could get a big payout if they just ran their cars a few laps. They were the most careful laps run, as they did not want to ruin paint or tires. This intentional race-not-to-win was not popular with announcers but worked well for the sponsors.

### Table 3

**Financing a Top-Tier Nextel Cup NASCAR Team**

<table>
<thead>
<tr>
<th>INCOME</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary sponsor</td>
<td>$15–$18 million</td>
</tr>
<tr>
<td>Associate sponsor(s)</td>
<td>$150,000–$1.2 million</td>
</tr>
<tr>
<td>Contingency sponsor(s)</td>
<td>$5,000 to $250,000</td>
</tr>
<tr>
<td>Personal endorsements</td>
<td>$500,000 and up</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SELECTED ANNUAL EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Race cars (a minimum of 5)</td>
<td>$100,000 each</td>
</tr>
<tr>
<td>Engines (a minimum of 15)</td>
<td>$50,000 each</td>
</tr>
<tr>
<td>Tires (6–15 sets per race)</td>
<td>$1,600 per set</td>
</tr>
<tr>
<td>Payroll (staff of 100)</td>
<td>$3–$6 million (including driver)</td>
</tr>
<tr>
<td>Transporter purchase</td>
<td>$330,000</td>
</tr>
<tr>
<td>Transporter expenses</td>
<td>$125,000</td>
</tr>
</tbody>
</table>


### The Race

In 2007, the Nextel Cup schedule offered 36 events held on 22 different tracks. Track size ranges from a half-mile to over two miles. Together, the tracks can seat more than 2.46 million people.¹⁸
The event usually starts on Friday with practice and race qualifying. Many companies are now sponsoring qualifying day as a special promotion. Saturday usually features a lower-level NASCAR division race, an Indy Racing League event or an ARCA race. Saturday also means Happy Hour, where the Nextel teams work on the final race setups.

Sunday at the racetrack begins at dawn in the garage area, so drivers and teams can run their Total Quality Management-type preparation list. Meanwhile, sponsors are hosting pre-race activities to promote their products. A fan might stop at a product demonstration or pick up a give-away. Drivers will hold autograph sessions at one part of the garage, while hospitality tents will welcome guests in another area. At the main stage, top-name performers will entertain the crowd after the driver introductions. It’s a carnival of racing, whether you’re in the stands or watching on TV.

Once the green flag drops, the race is on. Unlike other sports, there are no intermissions or time-outs. The TV and radio networks cover the entire race, running the ads during slow periods or cautions. Viewing times of the race cars, the teams, and the race sponsors are tracked so promoters can measure their exposure. A car that’s running up front gets the bulk of this viewing time.

The ultimate goal for every driver and sponsor is Victory Circle. Here, the race car, driver, and team get their moment in the lens of the world’s media. Cars that almost won are also featured, including interviews of the drivers. Each one remembers to thank both their crews and their sponsors. After the race, there’s a flurry of loading up. The carnival moves out, intent on their next location.

What Does the Future Hold?

Rusty Wallace, a retired driver, observed that “NASCAR Winston Cup racing is spiraling upward in control.” The road ahead looks bright but poses a question: Can the growth of racing continue at its current rate?

Two major events are much anticipated in 2007. The Car of the Tomorrow (COT) will make its debut. Engineers have been working for over seven years to create a car that will cure NASCAR’s perennial ills: the dreaded aero push, safety malfunctions, and poor side-by-side racing. The biggest and most obvious change is the replacement of the traditional spoiler with a rear wing. Even before its introduction, the wing has proved controversial. The COT and other improvements will need some time to work out any problems.

Meanwhile, the debut of the Toyota Camry will mark the first major foreign car in competition within NASCAR in the modern era. Even though many Toyotas are actually put together on American
soil, the branding of an American sport with a Japanese name has many traditionalist fans in an uproar.\(^\text{19}\) Toyota has wisely recruited veteran drivers such as Michael Waltrip and Dale Jarrett, but its battle to compete will require time and practice.

NASCAR continues to make strides in its driver diversity programs. Female drivers such as Shawna Robinson and Patty Moise made great contributions, but the sport is still searching for a consistently competing female driver. Juan Pablo Montoya has joined the Nextel ranks and has been a big hit with Hispanic fans. African-American drivers (e.g., Bill Lester and Willy T. Ribbs) have attempted Nextel racing but, like the female drivers, have met with little success.

Nextel Cup has seen success in its diversity of car owners, team members, and staff positions. If it can break into these minority markets, the marketing rewards will be great. The potential of moving to other countries such as Canada, Mexico, Japan, or some of the European countries also appeals to NASCAR.

The Marketing Mix for NASCAR is ever-changing. That’s because the NASCAR product continually reinvents itself. In addition, the price to market in NASCAR is escalating, now as quickly as in other professional sports. The distribution and logistics are becoming more complex, and the promotional mix is exploring new creative venues. The focus of NASCAR remains the same, however. Its customer, no matter what the product, is always the racing fan.

### ISSUES FOR DISCUSSION AND REVIEW

1. Your company has decided to enter Nextel NASCAR racing. They want to spend $500,000 in the first year. You have been assigned to develop a marketing plan for this project. How would you lay it out to get the most for the investment by your company?

2. Make a list of potential sponsors not in stock car racing today. Explain the logic of using this organization and what it should sponsor (car, race, driver, etc.).

3. Even though NASCAR Nextel division seems to be doing well, list some potential roadblocks the series may face in the next three to five years.

4. Diversity of the fan base is an important objective if NASCAR wants to have continued growth. What marketing suggestions or programs would you suggest NASCAR use to attract these new fans to the sport? Are there other international opportunities?

5. As a consultant to NASCAR, what markets would you suggest they avoid?

### REFERENCES


15. NASCAR Internet survey.
16. NASCAR Internet survey.