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'Strengthen winning formula, reach out to new markets'

Analysts suggest double-pronged strategy to keep F1 crowds coming back for more

By NG KAI LING

AFTER five good years, what more can be done to keep the crowds coming back to Singapore's Formula One race now that it has been extended for another run?

Tourism and marketing analysts suggest a double-pronged strategy: strengthening the reasons the event has been a roaring success, and reaching out to

new markets.

Last Saturday, F1 supremo Bernie Ecclestone and Second Minister for Trade and Industry S. Iswaran announced that the race will be extended to 2017. It was decided that the F1 should go ahead after an analysis by the Boston Consulting Group found the race would reap \$1 billion in "net economic output" for the Republic over 10 years.

Mr Iswaran said at the time that the cost of running the race for the next five years would also be

cheaper by 15 per cent to 20 per cent.

Statistics show that the event's current formula of a night street race, exclusive parties, wining and dining events and loud music by big names has worked.

The Singapore Tourism Board (STB) said that the first four F1 events - from 2008 to last year - generated more than \$560 million in incremental tourism receipts, and attracted more than 404,000 unique spectators, 40 per cent of whom are from overseas.

In that period, another 360 million viewers around



the world got a crash course on what Singapore offers, after watching the race on television.

The board is confident that the event will continue to draw the crowds. Australian Melvin Arulanthu, 34, who caught the Singapore leg of the F1 season in 2010 and last year, agrees.

The race itself is the main draw for him. "I like the idea of a night race on a street circuit. I would definitely go again," he said, rueing how he could not make it this year because of work.

Still, some observers feel that the event has become formulaic, with what looked to be the same stages, same shops selling the same merchandise and same F&B outlets.

Mr Robert Khoo, chief executive of the National Association of Travel Agents Singapore, agreed that there was a sameness to certain aspects of the event, such as the food and souvenir shops.

But, he said, F1 fans have come to expect these things. "It's the same formula every year but, from what I see, it's working."

The organisers of the race - Singapore GP - did not want to comment on their next five-year strategy. When asked what it is planning for future races, an STB spokesman said it is still a "work in progress".

A senior executive in the banking industry who has been involved in renting the event's slew of hospitality suites said she has "noticed some fatigue" among guests. "My business folks think that it may be okay to stop hosting hospitality suites," she said, adding that this would also depend on what alternatives the bank has to the F1.

Each year, some 10,000 corporate tickets are snapped up, with the most expensive Paddock Club passes at \$8,000 per head.

The executive noted that while there are no alternative big-bang international events in Singapore's calendar, the Singapore Sports Hub in Kallang will be ready in 2014.

This will be a huge facility that will offer diverse events, allowing her bank to entertain customers with different interests, she said.

"At the Sports Hub, you have the hospitality suite for the whole year but, for F1, only those three

days." Those who attend F1 events must have a strong interest in the race, and "we don't see that many new customers who attend the event at our hospitality suite", she said.

Ultimately, "it is about whether the entertainment value is worth the price", she said.

While the shows and shopping around the corporate suites are good, they are "nothing spectacular".

The big names - Maroon 5, Jay Chou and Katy Perry this year - also perform at the Padang, "which is a very far walk" from the suites, she said, and the stages near the suites do not feature famous singers.

She added that the organisers could also look at organising more kid-friendly events at F1.

"One reason customers like to attend this event is also because they can bring their families, but there are not many activities catered for children."

Observers say it is crucial for the organisers to continue pulling in the big entertainment acts.

This year's three headline acts attracted a total of 135,000 people, out of which a fair number were non-F1 fans who bought tickets just to catch the performers.

Mr Allan Chia, head of the marketing programme at SIM University's School of Business, said live concerts play an important part in drawing non-motorheads to the race.

"For the Singapore F1 to be successful in the next five years, it must continue to attract popular artists that can draw the local crowds. This may help enable the local population to stay engaged and supportive of the viability of F1 in Singapore," he said.

Another key element is the parties which range from exclusive invitation-only events to those where table packages cost up to \$27,000.

The Podium Lounge party, synonymous with the F1 weekend, has done so well that it increased its capacity to 950, from 450 when the high-profile event first started in 2009.

Mr Robbie Hoyes-Cock, who is behind Podium Lounge, said: "We've had huge international exposure and it's very exciting to be able to grow the party, which started in Singapore, to other countries."

While no names had been signed yet, he said that the plan remains to bring in international DJs who appeal to the F1 party crowd.

Professor Srinivas K. Reddy, associate dean of the Lee Kong Chian School of Business at the Singapore Management University, said that with the F1 weekend attracting a well-heeled crowd, there is potential to tap into new markets.

The first group, he said, is people from India and China, countries that are showing an increasing interest in F1.

The second is families, and Prof Reddy said the race packages could include family-oriented attractions such as Universal Studios Singapore and the upcoming River Safari.

kailing@sph.com.sg



(Top) A couple dancing as the Proclaimers performed at the Esplanade Outdoor Theatre Stage on Sunday. (Above) Meanwhile one-year-old Theo Osborn, who is visiting from England, took in the sights and sounds of the F1 race at the Padang with his mother's friend Maria Beard. ST PHOTOS: JOYCE FANG AND TED CHEN