Exploring Uncertainty of Outcome in Dominant Seasons: Sponsor-Team Dynamics in Formula One

Formula 1 (F1) serves as a constructive context to analyze heterogeneity in specific brand and B2B relationship factors. F1's global ecosystem provides sponsoring brands with multiple international marketing avenues. This study employed the Uncertainty of Outcome Hypothesis (UOH) to explore the impact of dominant seasons (i.e. when a single team won 50% or more races in a season) on sponsorships across three eras where longitudinal survival of the sponsorship relationship was the focal point—the event occurrence of interest (i.e., dependent variable) was the dissolution of the sponsorship. Rottenberg (1965) stated that the UOH argues that "more intense competition is positively related to the level of interest of fans, as captured by attendance." Each era displayed a different amount of variance in the probability of sponsor exit with Era 3 (2010 - 2019) experiencing an 87.21% historical exit rate for sponsors during dominant seasons. These seasons can cause the ROI of partnerships to decrease as sponsors experience less exposure during race weekends. This can force sponsors to seek new relationships with dominating teams, highlighting a B2B perspective. In addition, dominant seasons can cause sponsors leave Formula 1 in its entirety due to the potential decrease in interest each season from the lack of competition.