



NISSAN FORMULA-E



IMPACT ASSESSMENT

Contents

Executive summary	2
Project's objectives	2
Project overview	2
Methodology.....	3
Impact assessment results.....	4
Impact on future wool sales.....	4
Economic benefits and costs.....	5
Benefit cost ratio calculation.....	8
Appendices.....	Error! Bookmark not defined.

Executive summary

NISSAN is the number one electric car constructor worldwide and has its own Formula E team. In 2023, The Woolmark Company became Nissan's Formula E official technical partner for season 9. The racing team will wear a Merino Wool gear developed in partnership with Woolmark. Formula E is an official FIA World Championship, the 1st ISO certified and carbon neutral racing sport and the future N°1 racing sport. Each year, 12 racing teams participate in 16 races, among the greatest capital cities in the world: London, Seoul, Rome, New York City, Cape town, amongst others.

Nissan's fifth season in the ABB FIA Formula E world championship will showcase the innovative nature of Merino wool working parallel to the technology behind Formula E. A bold and exciting step into the world of motorsport, The Woolmark Company partnered with Nissan to create a performance-oriented team kit that is ahead of the curve.

Heralding the emerging class of natural team kit in motorsports, Merino wool's innate performance properties propel the Nissan Formula E team to the next level. Highlighting technical layering for optimum durability, performance and comfort, the racing uniforms feature Merino wool blend base-layers, mid-layers, and outer-layers, supporting performance through the fibre's unique natural benefits: a 100% natural, renewable, biodegradable, and recyclable fibre.

Project's objectives

The partnership between Nissan formula E and TWC aimed to promote the following:

- **Brand Awareness:** Increase brand equity for TWC and Australian Merino wool by partnering with Nissan formula E racing team.
- **Education:** Build credibility for Merino wool as a sustainable, technical fibre optimal for performance apparel with a leading motorsport team and global events
- **Generate PR** at a global scale to increase Merino performance awareness among 20-40 yo (Gen Y, Gen Z, Gen Alfa)
- **Educate** a wide range of brands and target consumers on wool performance benefits to increase retail sales.
- **Volume:** Increase Merino wool sport product availability by supporting Nissan with the development of new wool products
- **Support:** Nissan to launch Merino replicas of the Team kit with retail partner to increase consumption of wool in the global market for the Grand Prix Season 10
- **Influence** automobile and motorsport market to develop new textile business opportunities (trickle-down effect with Fiat, Skoda etc.)

Project overview

TWC partnered with Nissan to Promote the unique benefits of wool, build existing and new markets for wool products, and maintain and build its reputation. The pre-races took place between November and December 2022 and the official races took place in various locations around the world between January-August 2023.

The Nissan Formula E x Woolmark partnership rolled out across three phases:

- 1) Team kit & partnership reveal:** The Nissan Formula E x TWC partnership was announced in November 2022 through a 360 digital¹ and PR activation ahead of the official racing season, including promotion across Nissan and Woolmark channels. The Merino wool team kit was revealed at this time.
- 2) Car reveal & races:** The reveal of the car is an important moment in Formula E and puts a spotlight on the racing team official partners. The races, attended by international media, take place between January-August 2022 in various locations around the world. Woolmark and Nissan will engage with the audience during PR events.
- 3) Consumer & PR activations:** To support the partnership throughout the racing season (January-August 22) Nissan and Woolmark will develop a 360 digital and PR consumer campaign to increase awareness of Merino wool as the ultimate performance fibre.

Media activation

- Co-branded press release
- International PR launch
- Media partnerships
- Woolmark presence on races

Physical activation

- Madrid revealed partnership
- Premiere vision booth
- Guests invited to Emotion Club
- Mexico e-village booth

Digital activation

- Creative content natural born innovators
- Website
- EDMs

Social media activation

- Social media paid campaign.
- Influencer partnerships
- Owned posts

Methodology

Estimating the benefits of marketing campaigns that aim to raise awareness and build brand equity can be challenging as the economic benefits perceived are often intangible and require assumptions and market research analysis to quantify the return of investment generated.

This assessment based its calculations on assumptions made thanks to the analysis of the results of previous marketing campaigns (Appendix 1) This approach allows the conversion of media reach across different platforms into wool unit sales.

¹ A 360 marketing strategy is a comprehensive plan that focuses on reaching the target audience from multiple platforms and channels

Impact assessment results

Key measure	Value
Estimated gross benefits	\$1.45 million
Total project costs (including overhead costs)	-\$1.31 million
Net estimated benefits	\$0.14 million
Benefit-cost ratio (BCR)	1.11
Estimated net benefits of AWI contribution	\$0.14 million
Estimated BCR of AWI contribution	1.11

Impact on future wool sales

- **Association with innovation and sustainability:** Nissan Formula E is associated with innovative technology and sustainability due to its focus on electric racing. By aligning with Formula E, the Woolmark Company can benefit from the perception of innovation and sustainability, enhancing its own brand image.
- **Global visibility and prestige:** Formula E events are held worldwide, attracting a global audience. Partnering with such a high-profile sporting event provides the Woolmark Company with global visibility and prestige. This association can elevate the brand's status and make it more recognizable on an international scale.
- **Targeting a niche market:** The sports market, particularly motorsports, often caters to a specific audience. Partnering with Nissan Formula E allows TWC to tap into a niche market and position wool as a versatile fabric suitable for sports and performance wear. This can create a unique selling proposition in the minds of consumers.
- **Influencer and celebrity endorsement:** Motorsports events attract a significant number of influencers, celebrities, and high-profile personalities. Associating with Formula E provides opportunities for the Woolmark Company to secure endorsements and testimonials from key figures in the sports and entertainment industry, further boosting brand credibility.
- **Storytelling and brand narrative:** The partnership can be leveraged to create compelling stories and narratives around the use of wool in sports apparel. Highlighting the performance, comfort, and sustainability aspects of wool in the context of Formula E racing can resonate with consumers and contribute to a positive brand narrative.
- **Brand authenticity and lifestyle integration:** Aligning with such type of sporting event allowed TWC to authentically integrate its brand into the lifestyle of sports enthusiasts. This authenticity can lead to stronger emotional connections with consumers, as they perceive wool as a natural fit for an active and performance-oriented lifestyle.

- **Positive media coverage and public relations:** Formula E events attract significant media coverage. TWC leveraged this coverage to generate positive press, showcasing its commitment to innovation and sustainability. Positive media attention contributes to improved public relations and a favourable perception of the brand.
- **Educational opportunities:** Motorsports provide a platform to educate consumers about the benefits of wool in sportswear. The partnership can be used to disseminate information about the technical properties of wool, its breathability, moisture-wicking capabilities, and other features that make it a versatile fabric for athletic apparel.
- **Community engagement and event activation:** Formula E events often involve community engagement activities. This opportunity can be used by TWC to directly engage with consumers, conduct promotional activities, and showcase wool-based products. This hands-on interaction can leave a lasting impression and create brand loyalty.
- **Long-term relationship building:** A partnership with Nissan Formula E provides a foundation for a long-term relationship. By consistently associating with high-profile sports events, TWC can build enduring connections with consumers, fostering loyalty over time.

Economic benefits and costs

Table 1: Key assumptions

Key Assumptions		
100,000 reach through printed media translates to	50	garments purchased/produced
Therefore 1 person reached equals to	0.0005	garments purchased/produced
100,000 reach through Digital media translates to	80	garments purchased/produced
Therefore 1 person reached equals to	0.0008	garments purchased/produced
100,000 reach through social media translate to	110	garments purchased/produced
Therefore 1 person reached equals to	0.0011	garments purchased/produced

This assessment uses assumptions that were made because of analyzing earlier results of past marketing campaigns. The estimations are also congruent with the wool market characteristics of the countries in which the marketing campaign ran². The logic behind the assumptions shown on table 1 are based on the following key factors:

- Target audience

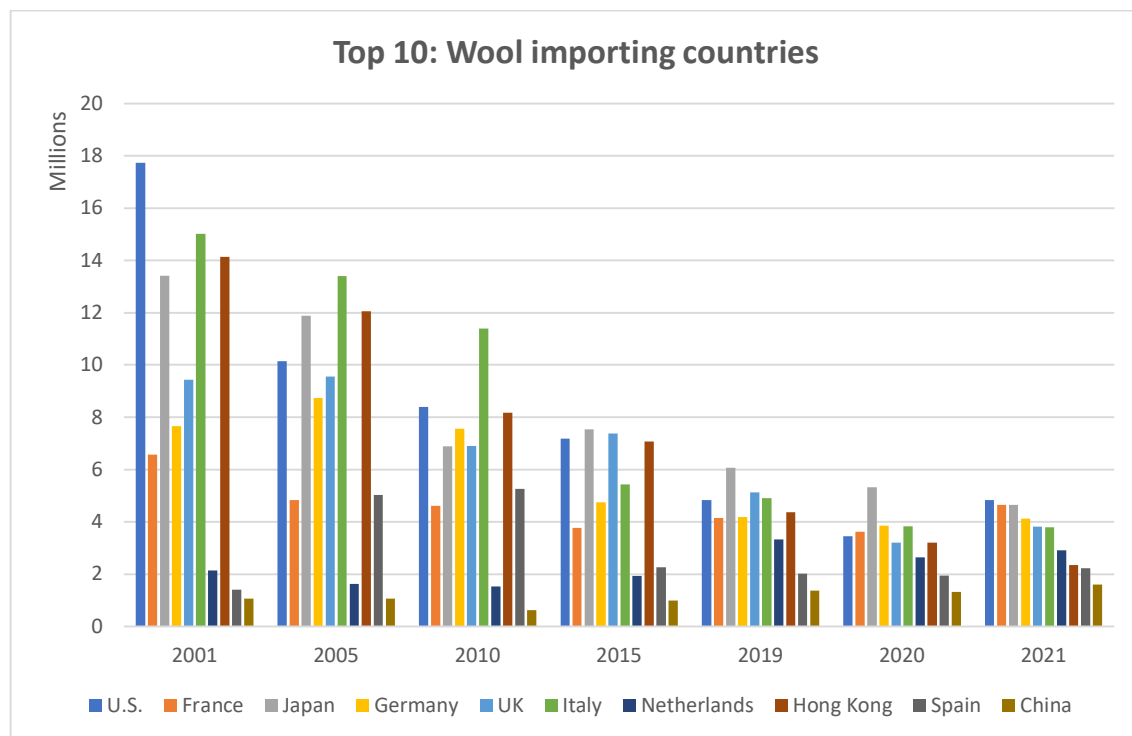
² Research results and further calculations can be found on the appendix which contains an excel document with all the results and calculations.

- Compelling messaging
- Social media strategy and engagement
- SEO Optimization
- Digital and Printed media results
- Collaboration with influencers

Research results

The campaign between TWC and Nissan formula E held substantial economic advantages, particularly due to its targeted approach in countries ranking amongst the top 20 wool importers globally. (Figure 1)³ The campaign aimed to capitalize on existing consumer bases with a demonstrated interest in wool products⁴, which not only amplified brand visibility but also aimed to translate into tangible economic gains as it met the demand in markets where wool holds a practical significance.

Figure 1: Top 10 wool importing countries



Source: IWTO (International Wool Textile Organization) – Issue 18

Moreover, the collaboration aimed to serve as a catalyst for increased wool sales as the campaign aimed foster stronger economic ties and to contribute to the overall growth of the Australian wool industry. This interconnectedness can result in a ripple effect benefiting various sectors involved in the production, distribution and retail of wool based products. By creating a “buzz” around wool fashion and its innovative usage in sportive attire there is a potential for surge in demand as well as an increase in the number of brands willing to include wool in their products. Figure 2 shows The AC Nielsen brand tracking report results for The Woolmark Company (2018) which presented data that showed Italy was

³ IWTO – Issue 18

⁴ Nissan formula E project report

one of the most likely countries for consideration of Merino sportswear. This provided space for an Italian-centric sports project that could lead the way as a market influencer for wool adoption in sportswear.⁵

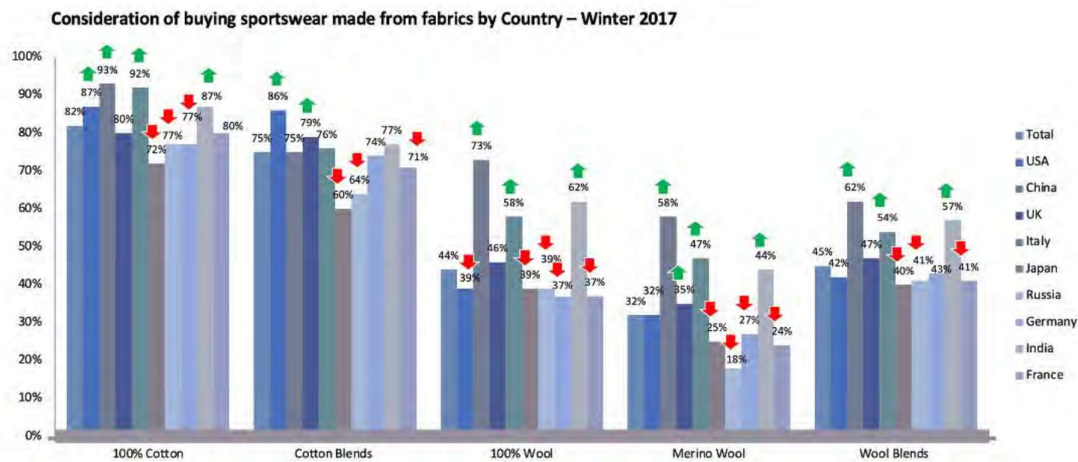


Table 1 explains the assumptions used on the calculations and which were used on this report to convert the campaign’s media reach into estimated wool sales. It is assumed that the reach through diverse media platforms will result in wool garment sales purchased and/or developed by companies that collaborate with TWC because of the campaign.

Sales were estimated using three methods:

- Using data provided on the project’s report which provides specific information about media reach and leads generated through the campaign.
- Analysing wool sales and consumer behaviour in the countries where the campaign ran.
- Reviewing performance of previous marketing campaigns and making assumptions based on these that allowed for media reach to be converted into estimated wool sales.

Table 2: Average garment weight

Assumed product weights	Kgs
T - shirt	0.3
Skirt	1.0
Trousers	1.2
Woven Jacket	1.0
Full Suit	2.0
Socks	0.35
Business shirt	0.8
Overcoat	2.0

The research landscape in publications such as the Journal of Marketing Research underscores the influence of media reach on consumer behavior. Specifically, the exposure garnered through diverse

⁵ The AC Nielsen brand tracking report (2018)

media channels has been shown to contribute significantly to brand awareness and product consideration. As such, the assumption herein is rounded in the premise that augmented media reach, as achieved through the partnership between TWC and Nissan formula E across printed, digital and social platforms, is poised to positively impact consumer perceptions and preferences for wool apparel. The insights gleaned from the International Journal of Advertising highlight the interconnected nature of media engagement and purchasing decisions. The assumptions used on this impact assessment assert that strategic alignment of this partnership with diverse media types is likely to create a comprehensive and lasting impression on the target audience, thereby increasing the likelihood of future purchases of wool apparel and in the number of brands implementing wool into their products.

It's important to acknowledge, however, that while media reach is a vital precursor to consumer conversion, other external factors such as economic conditions, consumer sentiment, and competitive dynamics also play pivotal roles.

Table 3: Media reach to wool garment production/sales estimation

NISSAN FORMULA E																		
COUNTRIES	CLIPPINGS						LANDING PAGES						TOTAL					
	DIGITAL		Total	%	Sales equivalent 0.08%	PRINTED	%	Sales equivalent 0.05%	PAID (Reach)	Total	%	Sales equivalent 0.11%		TWC	PARTNER	Total	%	Sales equivalent 0.08%
	IN-KIND	PAID																
TOTAL	216,398,211	8,304,834	223,703,045			1,920,000	1		16,710,739	16,710,739					8,003			242,341,787
Australia	4,058,278		4,058,278	1.81%	3,247													4,058,278
Bahrain	3,858		3,858	0.00%	3													3,858
Brazil	7,043		7,043	0.00%	6													7,043
Bulgaria	42,900		42,900	0.02%	34													42,900
Canada	1,957		1,957	0.00%	2													1,957
China				0.00%		600,000	0.31	300										600,000
Croatia	3,119,071		3,119,071	1.39%	2,485													3,119,071
Cyprus	801		801	0.00%	1													801
Egypt	98		98	0.00%	0													98
France	1,877,790		1,877,790	0.84%	1,502				4,180,353	4,180,353	0.25	4,598.39	1,280	1	1,281	0.16	1.02	6,059,424
Germany	395,477		395,477	0.18%	316				4,057,961	4,057,961	0.24	4,463.76	600		600	0.07	0.48	4,454,038
Ghana	174,076		174,076	0.08%	139													174,076
Greece	5,699,208		5,699,208	2.55%	4,520													5,699,208
Hong Kong	1,309	8,304,834	8,306,143	3.71%	6,645													8,306,143
Hungary	1,112		1,112	0.00%	1													1,112
India	150,003		150,003	0.07%	120													150,003
Israel	187		187	0.00%	0													187
Italy	5,498,134		5,498,134	2.46%	4,399													5,498,134
Japan	370,355		370,355	0.17%	296				1,791,255	1,791,255	0.11	1,970.38	1,860	13	1,873	0.23	1.50	2,163,483
Jordan	1,531,752		1,531,752	0.68%	1,235													1,531,752
Lebanon	1,189		1,189	0.00%	1													1,189
Malaysia	19,719		19,719	0.01%	16													19,719
Mexico	137,782		137,782	0.06%	110													137,782
Netherlands	150,256		150,256	0.07%	120													150,256
New Zealand	3,960		3,960	0.00%	3													3,960
Paraguay	12,956		12,956	0.01%	10													12,956
Peru	9,482		9,482	0.00%	8													9,482
Poland	13,640		13,640	0.01%	11													13,640
Portugal	4,266		4,266	0.00%	3													4,266
Qatar	780		780	0.00%	1													780
Saudi Arabia	867,463		867,463	0.39%	694													867,463
Singapore	864		864	0.00%	1													864
South Africa	5,397		5,397	0.00%	4													5,397
South Korea				0.00%									20		20	0.00	0.02	20
Spain	337,281		337,281	0.15%	270													337,281
Sweden	1,975		1,975	0.00%	2													1,975
Turkey	269,988		269,988	0.12%	216													269,988
United Arab Emirates	17,109		17,109	0.01%	14													17,109
United Kingdom	3,038,417		3,038,417	1.36%	2,431	1,320,000	0.69	660	4,268,158	4,268,158	0.26	4,694.97	676	2	678	0.08	0.54	8,627,253
United States	187,426,542		187,426,542	83.78%	149,941				2,413,012	2,413,012	0.14	2,654.31	3,546	5	3,551	0.44	2.84	189,843,105
Vietnam	145,736		145,736	0.07%	117													145,736

The calculations shown on table 3 (further explained on the appendices attached to this document) were made using the assumptions explained on table 1 and 2. By analyzing the media reach through different platforms, it was possible to estimate that the campaigns reach across different platforms and countries will result in \$196,656 wool garments purchased/developed as a result of:

- Awareness created by the campaign.
- Brands that decided to partner with TWC and implement wool into their collections because of the campaign.

It is estimated that the campaign's impact will be noticed with a three-year lag. In undertaking the impact assessment for the conversion of media reach through printed, digital and social media into future sales of wool apparel, relies on the basis of existing literature and industry trends.

Benefit cost ratio calculation

Key measure	Value
Estimated gross benefits	\$1.45 million
Total project costs (including overhead costs)	-\$1.31 million
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Estimated net benefits of AWI contribution	\$0.14 million
Estimated BCR of AWI contribution	1.11

It is estimated that the net benefit generated by the project is 143,267 with a benefit cost ratio of \$1.11, which means that for every \$1 invested by AWI in this project, there will be a \$1.11 return of investment.

Assumption Transparency: Media Reach and Conversion Rates

To clarify the impact of media reach on projected wool garment sales, this assessment utilizes differentiated conversion rates tailored to each media type's historical performance. Social media, for instance, is estimated to have the highest conversion rate at 0.0011 garments per person reached, as it engages audiences more interactively, often through influencer partnerships and targeted campaigns that drive consumer action. Digital media follows closely, with a conversion rate of 0.0008 garments per person reached, benefiting from a mix of SEO optimization, paid campaigns, and creative content aimed at audiences already interested in performance products. By applying these distinct conversion rates across media channels, this approach captures the unique engagement characteristics of each platform, offering a more nuanced and realistic forecast for the campaign's influence on wool garment sales.

Acknowledgment of External Market Influences

While the partnership with Nissan Formula E effectively positions Woolmark within the innovative and sustainable motorsports sector, external factors such as global economic conditions, consumer sentiment, and competitive dynamics within the performance apparel market may influence final outcomes. Economic shifts could impact consumer spending, while changing attitudes toward sustainable fashion may further drive or restrain demand. Recognizing these external influences adds depth to the analysis, suggesting that, although the strategic positioning is well-considered, broader market conditions could affect the anticipated sales impact, thus providing a balanced perspective for stakeholders.

Conclusion

The partnership between Woolmark and Nissan Formula E represents a strategic alignment with a high-visibility, sustainable sporting platform, effectively positioning Merino wool as a premium choice for performance apparel. Through this collaboration, Woolmark has not only expanded brand awareness but also strengthened its reputation for innovation and sustainability by reaching global audiences in key wool-importing markets. The estimated Benefit-Cost Ratio of 1.11 highlights a positive return on investment, indicating that the project has effectively balanced costs with measurable benefits despite potential external influences such as economic fluctuations and shifting consumer sentiment.

The assessment's methodology—grounded in historical data from similar campaigns—supports a realistic projection of future wool garment sales/production, illustrating the value of tailored media reach strategies across digital, social, and print platforms. While media reach assumptions drive the projected outcomes, acknowledging the impact of external variables enhances the analysis, offering stakeholders a balanced view of the campaign's potential.

By leveraging the reach and prestige of Formula E, Woolmark has cultivated a robust platform for promoting Merino wool's unique qualities to new, highly engaged consumer segments, setting the stage for further market expansion and brand growth within the sportswear industry.

References

IWTO issue 18

Project Final report

2019-2022 M&E Review and Strategy Assessment