Drag Racing and Road Racing Promoters in the US Industry Market Research Report Now Available from IBISWorld

Higher disposable income and recreational spending will help the Drag Racing and Road Racing Promoters industry turn around in the coming years after a few tough years during the recession, as will rising corporate profit since corporate sponsorships account for about 15.0% of industry revenue. For these reasons, industry research firm IBISWorld has added a report on the Drag Racing and Road Racing Promoters industry to its growing industry report collection.

Los Angeles, CA (PRWEB) January 01, 2013 -- The Drag Racing and Road Racing Promoters industry includes organizers and promoters of drag racing events. Drag racing, which originated in the United States, is an acceleration contest on a track or drag strip that begins from a standing start between two vehicles over a measured distance. Drag racing contests are standardized by the National Hot Rod Association. Despite the mystique of drag racing as portrayed in films like Rebel Without A Cause and Grease, demand for drag racing has stalled over the past five years, says industry analyst Radia Amari. “Poor economic conditions and high fuel prices have hindered industry revenue.” Attending or participating in a drag race contestant can be costly. For example, registration fees can range from a hundred dollars to thousands of dollars. Therefore, low employment rates and disposable income levels brought on by the recession caused industry revenue to decline.

Over the five years to 2012, Drag Racing and Road Racing Promoters industry revenue has decreased at an estimated average annual rate of 0.3% to $257.4 million. “Several drag racing facilities across the United States have closed over the past five years,” according to Amari. Consequently, the number of drag racing promoters has also fallen, decreasing at an estimated annualized rate of 1.6% to 341. Most industry operators are small companies or sole proprietors, with the average establishment employing slightly fewer than three people. Many operators own and operate local racetracks and do not promote outside of the associated community or city. Some operators have ownership interest in multiple tracks and others previously worked as drivers or race car owners. Although the industry does not have any major players, the National Hot Rod Association is highly involved in national racing events.

Recently, improving economic conditions and the introduction of new vehicle models tailored for drag racing, such as the Mitsubishi Lancer Evolution and the Hyundai Genesis, is benefiting the industry, with revenue estimated to increase 1.5% in 2012. Higher disposable income and recreational spending will support rising demand for drag racing events in the coming years. Additionally, rising corporate profit will support industry revenue growth since corporate sponsorships account for about 15.0% of industry revenue. With greater profit, businesses are more likely to sponsor a drag racing team or event. Nonetheless, industry demand will be limited by several factors, including increased access to internet and heightened external competition from entertainment options, such as TV, other live sporting events and outdoor activities. Because people are able to watch drag racing events live on the internet, internet users are less likely to physically attend drag racing events. For more information, visit IBISWorld’s Drag Racing and Road Racing Promoters in the US industry report page.

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This industry includes automobile, motorcycle and snowmobile drag race organizers. A drag race is an acceleration contest between two vehicles over a measured distance. The industry does not include organizers of other auto racing or motorsport contests.

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