Business Opportunities around the FIFA World Cup

Alexander Koch
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4. Summary
Exclusive **marketing** rights for FWC Sponsors:

2010 FIFA World Cup South Africa™

**FIFA Partners**

- adidas
- Coca-Cola
- Emirates
- Hyundai
- Sony

**FIFA World Cup Sponsors**

- Budweiser
- McDonald's
- MTN

**National Supporter**

- FIFA.com
- FNB
- My Game is Fair Play
1. FIFA World Cup Sponsors

- FIFA and LOC pay > 1 billion USD to finance the 2010 FIFA World Cup
- The FIFA World Cup could not be financed without sponsorship income
- The FIFA World Cup would not be what it is today without the massive world-wide marketing support.
- The rights that FIFA and the LOC are offering must be protected
Commercial association is an exclusive right for FIFA World Cup Sponsors, because:

- Sponsors pay in return for exclusive association rights
- Sponsors pay at least twice as much on top of it for rights activation, advertising, hospitality
  => Sponsorship is an investment
- Direct business opportunities are often not even part of the rights package!
- To use the 2010 FIFA World Cup Marks in a commercial context is the most valuable right.
Commercial Association = Using the official event marks

Examples of FIFA’s official World Cup marks:

- The Official 2010 FIFA World Cup Emblem
- The Official 2010 FIFA World Cup Mascot
- The Official 2010 FIFA World Cup Poster(s)
- The FIFA World Cup Trophy
Examples of FIFA’s official word marks:

2010 FIFA World Cup - 2010 World Cup - Soccer World Cup - Football World Cup - World Cup - 2010 South Africa - SA 2010

All Official FIFA World Cup Marks are protected against:

• unauthorised use of
• identical reproduction and
• confusingly similar variations and modifications
The use of the official FWC marks for Third Parties:

Editorial Use = Yes
Promotional Use / Association = No

⇒ to avoid an association between the event and an unauthorized third party!
⇒ to not confuse the consumer about who is a sponsor of the event!

For more details, please see: „FIFA Public Information Sheet“
FIFA World Cup Sponsors using the Official Marks:

- Clear communication focus on the FIFA World Cup - latest 24 months prior to the event
- Interaction with 2 billion people daily
- Involvement of the fans through games and promotions
- Creation of excitement and anticipation
- Offering trips, tickets and “once in a lifetime experiences“
- Promotion of the event and the Host Country
- Turning the FWC into a world class entertainment event
Rights Holder Support -> Overall Event Success!
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2a) The Host Country

Example: Host Country Germany

Growth*:

- **Overall financial impulse** of € 2,86 billion during the event
- **Direct tax income** from ticketing, players’ fees and profit = € 104 mio
- Approx 50’000 additional **employsments** during 8 months

**GDP boosted by 0,3% just because of the FIFA World Cup™**

* Source: Final Report of the German Government from 6 December 2006
2a) The Host Country

“An increase of the GDP, yes, but most important was the invaluable image campaign for our country - inside and outside of Germany!”

Gerd Kolbe, City of Dortmund

* Source: Final Report of the German Government from 6 December 2006
And the winner is. . . Germany!

“We think there has been quite a positive re-branding effect, which goes a lot further than just simply the impact on GDP. . . “

D.M. Williams, CEO Centre for Economics and Business Research

“The FIFA World Cup was without doubt the best PR activity for Germany since its inception.”

Embassy in Abu Dhabi

“The World Cup has improved the “Brand Germany” more than a million political media campaigns could have done.”

German Embassy in Stockholm
Example: FWC Host City Dortmund:

- Additional turnover in the retail industry = € 35-40 mil.
- Additional spending on accommodation = approx. € 6 mil.
- Plus of course additional tax income (tbc)
- Much stronger cohesion amongst the population in the region of Dortmund
- Improved relationship with neighbour cities
- Much stronger awareness of Dortmund abroad
- Chances (soft factors) have improved to attract new business, tourists and future (sport) events.

* Source: Studie des deutschen Bundesministeriums für Wirtschaft & Arbeit (BMWA)
Example - FWC Host City Dortmund:

- **Investment** for the FIFA World Cup Fan Fest:
  - Basic infrastructure as part of a specific marketing arrangement supplied by -> FIFA Partners
  - € 1 mil for Security, Cleaning, First Aid, Fencing etc.
  - € 1,5 mil for Entertainment Programme
  Total: € 2,5 mil paid by the City of Dortmund

- **Income** from the Fan Fest
  - € 1 mil. from local vendors for location and publicity

Many benefits for an investment of € 1.5 Mio / 32 days = € 47‘000 per day!
Interesting data about the FIFA World Cup Hospitality Programme in 2006:

- 323’000 Guests
- 22’000 employees
  - 6’000 chefs and cooks
  - 7’000 waiters and waitresses
  - 4’000 hostesses
  - 5’000 technicians and other staff
- 500 tons of food have been served
- 28 companies worked on this project
- 5 catering companies (in 2010 it will be many more)
- 2 hostess agencies
2c) FIFA's Hospitality Approach

FIFA has taken the following principle approach for 2010:

- Hospitality guests are likely to complement their event experience with unique South African tourism attractions, e.g. safaris.
- Products will be sourced as much as possible in South Africa.
- Staff will be recruited as much as possible in South Africa and receive the necessary training.
- Products that have to be imported shall remain in the country and be available for future events.

=> maximise skill transfer, job creation and economic growth
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Companies may conduct general football promotions and benefit from the increased attention to football in SA.

- Everybody will be talking “football” in summer 2010. Use this emotional platform!
  This is a marketing opportunity!
- South Africa is expected to stage the biggest football party ever. In Germany it was a surprise, in South Africa people are expected to be dancing and singing in the streets. There is a “market”! (e.g.: Germany - national flags)
- Purchase a hospitality package and invite your guests
3b) Running co-promotions with a FWC Sponsor

Co-promotions with a FWC Sponsor are possible under the following conditions:

- The Third Party in question cannot be a competitor of any FIFA World Cup Sponsor.
- The Third Party cannot be directly associated with the Official FIFA Marks/Event
- The FIFA Sponsor always needs to be the “hero” of the promotion.
Companies can acquire a product license from FIFA to produce Official Merchandise products:

Contact for Global Brands in South Africa:

Nicholas Bloom
Global Brands Group

E-mail: nicholas.bloom@globalbrandsgroup.com
Fax: +27 86 501 7258

Specific Terms exist on how and what Marks can be used on official merchandise products.
South African companies will be needed in various areas:

- Construction works
- Events, functions and activities of
  - FIFA or the LOC
  - the Host Cities
  - FIFA Partners, FIFA World Cup Sponsors or National Supporters
- Additional tourists travelling to South Africa
Growth and job creation in Germany:

**Growth**: 
- Tourism Industry = + 19.3%
- Hospitality Industry = + 4% (€ 300 mio)
- Retail Business = + € 2 billion

**Job creation (minimum 8 months)**: 
- Construction = 700
- Hotel and Restaurant Industry = 3’700
- Retail Business = 8’300
- Service Industry = 17’000

*Source: Final Report of the German Government from 6 December 2006*
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4. Summary
• The marketing association with the FIFA World Cup is an exclusive right for the Sponsors who help financing the event and massively promote it on a world-wide basis.

• There is a large number of business opportunities for all kinds of companies in the Host Country.

• The highly emotional environment of the FIFA World Cup offers companies a great platform to:
  • run generic football promotions,
  • engage with Sponsors in co-promotions
  • buy a license and produce FIFA World Cup products or
  • act as service provider for the biggest event in the world.
Thank you for your attention