



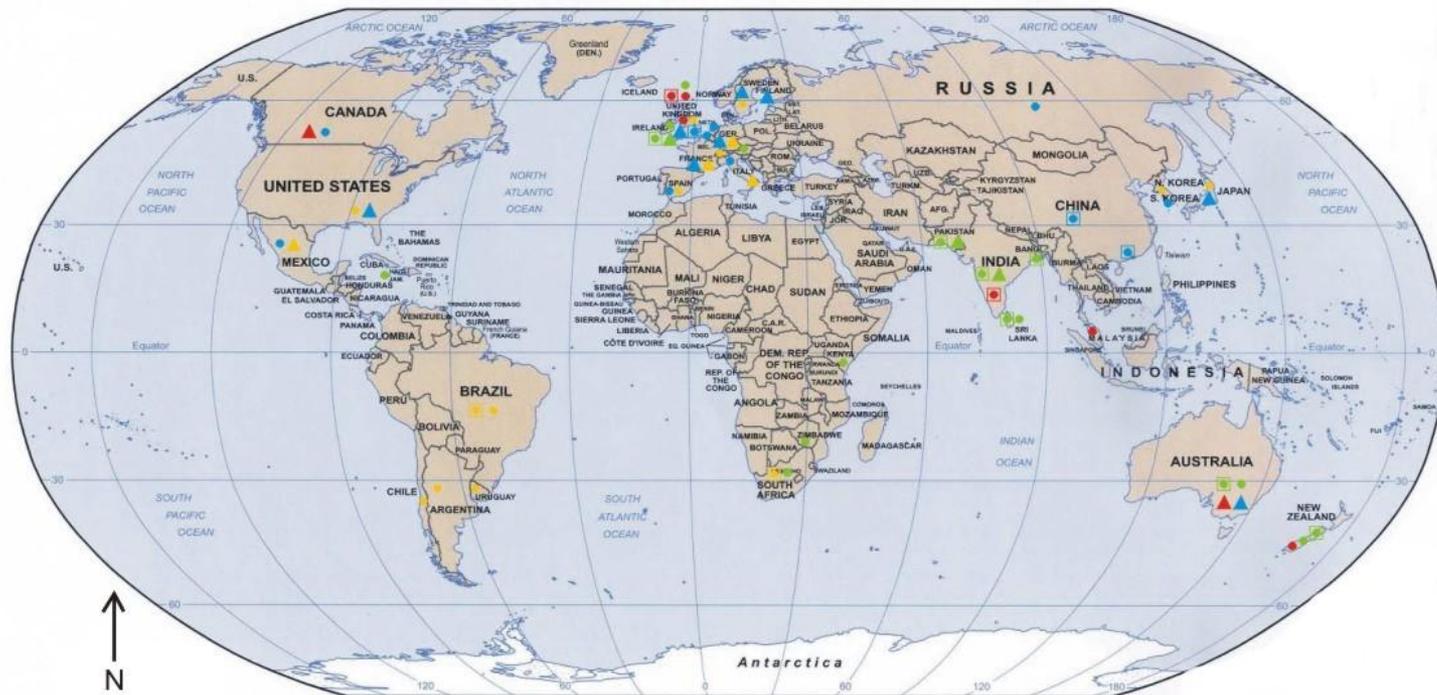
2010 FIFA World Cup™ Legacy Revisited

Kamilla Swart

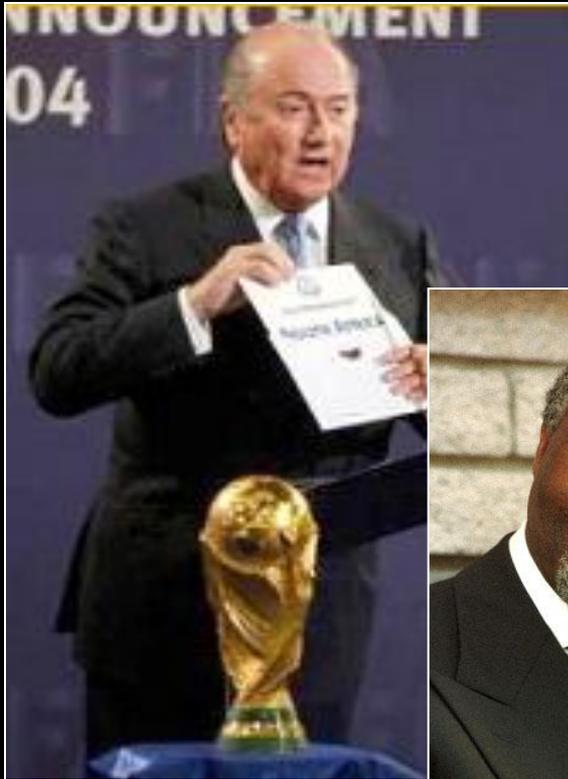
**Cape Peninsula University of
Technology**

July 2010

Global Distribution of Mega-Events



- | | | | |
|---|--------------------|---|-------------------------|
|  | Olympics |  | Will host in the future |
|  | FIFA |  | Previously Hosted |
|  | Commonwealth Games |  | Multiple hostings |
|  | Cricket World Cup | | |



Excerpts from a letter from then President Thabo Mbeki to President Sepp Blatter of FIFA

The fundamentals of this Bid lies in our resolve to ensure that the 21st century unfolds as a century of growth and development in Africa

The New Partnership for Africa's Development (NEPAD) was launched to open new space for economic progress of the continent.

There remains work to be done, but the successful hosting of the FIFA World Cup™ in Africa will provide a powerful irresistible momentum to this resolute African Renaissance

Key Pillars of 2010 Business Plan

FIFA requirements



Legacy requirements

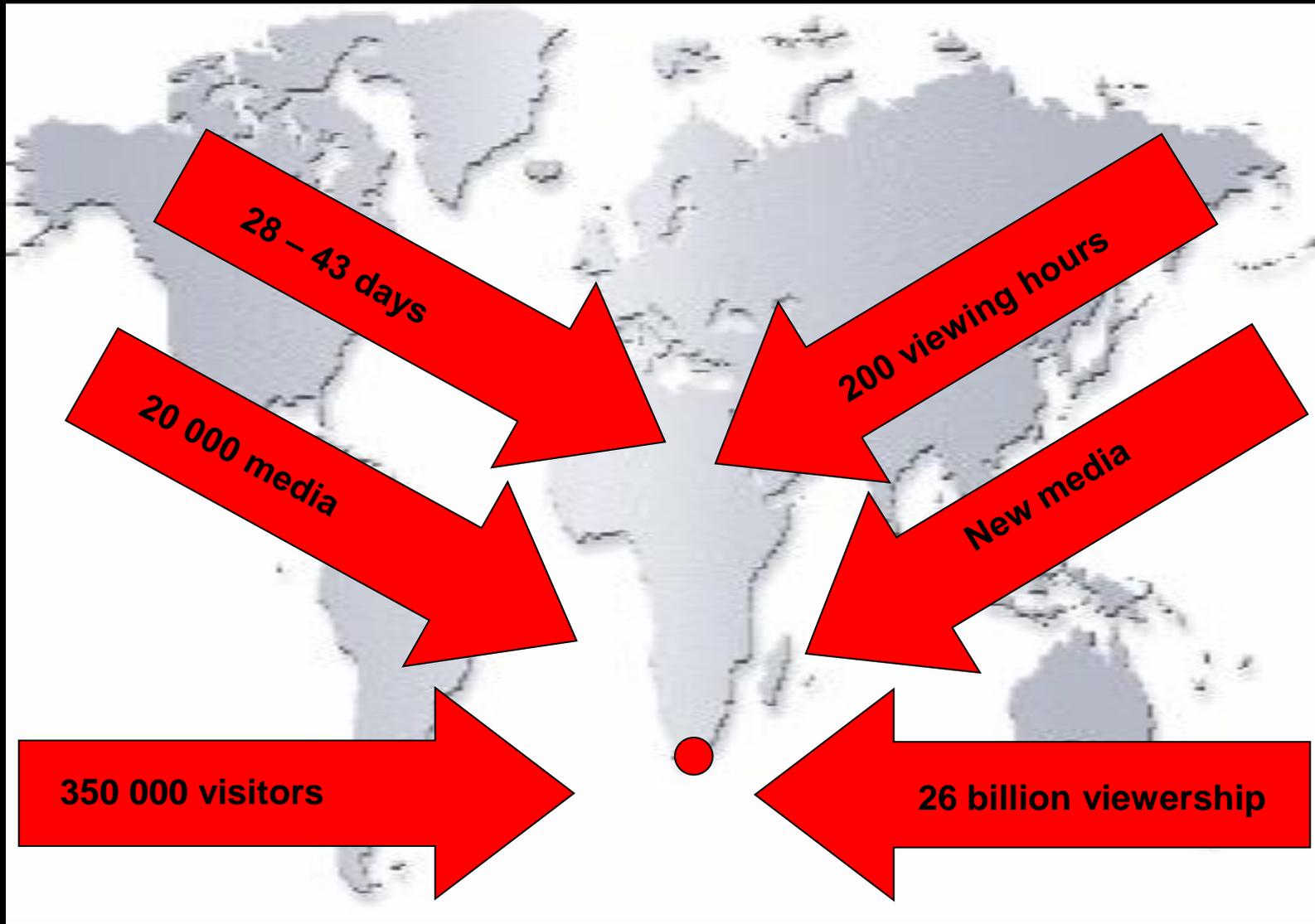


**Requirements remained same
and even higher than 2006**

- **Delivering the 2010 FIFA WC**
 - World class event
 - Infrastructure provisions
 - World Cup stadia
 - Transport
 - Safety and security
- **Other requirements**
 - Ticket sales
 - Broadcasting rights
 - Sponsorships
 - Merchandising

- **Strengthening South African & African image**
- **Economic benefits**
- **Football development**
- **Skills development**
- **Nation-building & transformation**
- **Social**
- **Arts and culture**
- **Promoting strategic partnerships**
- **Sustainable environment**

Focus of World on South Africa and 2010



Legacy Defined

- ‘irrespective of the time of production and space, legacy is all **planned and unplanned, positive and negative**, tangible and intangible structures created for and by a sport event that **remain longer than the event itself**’

Preuss (2007)

Mega-Event Economic Impact

- Growing skepticism
- Often inflated
- How much value event adds
 - Attract non-residents and induce consumer spending
- Ex-ante vs. ex-post analysis
- Public subsidies essential
- Efficacy depends on ability to induce significant economic impact



Government Investment in 2010

INFRASTRUCTURE

Transport & supporting infrastructure (ICT)

Stadia

NON-INFRASTRUCTURE

Sport & recreation

Arts & culture

Safety & security

Health

INVESTMENT

R9 billion

R8.4 billion

R379 million

R150 million

R666 million

R286 million

- Part of a larger spending programme
- Investing R400 billion in infrastructure
- Additional provincial & local government investments



2010 Projections Over Time

 Grant Thornton	2003	2008 (2010)
<u>Benefits (income)</u>		
Contribution to GDP ➤ stadium & infrastructure upgrade ➤ sale of match tickets ➤ trip spend by spectators ➤ sponsorship	R21.4bn	R55bn (<i>R93bn</i>) ➤ R33bn ➤ R6bn ➤ R8bn ➤ R750m
Additional tax income	R7.2bn	R19bn
<u>Costs</u>		
Upgrade of stadiums and infrastructure	R2.3bn	R33bn
<u>Other impacts</u>		
New employment	159 000	415 000
Foreign (overseas) tourist arrivals	235 000	480 000 (<i>373 000</i>)
African tourists	45 300	150 000 (<i>96 000</i>)
Tourism receipts		R8.5bn (<i>R8.8bn</i>)
International media	10 500	18 000

2010 Impacts – Some Indicators

Tourism

- 200 000 visitors
- New markets
- Attendance – **3 mil**
 - But ticket sales on African continent only 2%
- **Nearly 2 mil** attended Fan Parks
- Location specific



Hospitality

- Focus largely on Gauteng (base camps)
 - CT exception
- Bigger sponsors from '06 smaller hospitality programme

Source: Octagon

2010 Impacts – Some Indicators

Tourism

- **Attendance at live matches (94%)**
 - 37% attended more than 5 matches
- **About half stayed for 2-4 weeks**
- **92% recommend South Africa and 96% would return**
- **Beaches most popular (62%), Table Mountain (54%), townships (32%), Winelands (27%)**
- **Perception and experience of stadium (87%)**
- **Policing and security at games (73%) and perceptions of safety (67%)**
- **Areas of improvement – public transport and nightlife**

2010 Impacts – Some Indicators

Tourism

- Spending on Visa-branded payment cards **exceeded R1,33bn**
 - up 65% from R810m during same period last year
- **Travel purchases:** airfare, hotel, car rental and restaurants
- Biggest spenders: **UK, USA, Australia, France and Brazil**
 - 51% of all spending
- Mexico (8) and Canada (9)

Source: Octagon

2010 Impacts – Some Indicators

Marketing

- Whose job is it to market WC?
- Most international sponsors failed to launch WC campaigns (BMI, 2010)
- Failed to leverage sponsorship spend

In order to leverage its Olympic sponsorship, Visa developed advertising campaigns featuring Australia in vital source markets using Australian visuals and awards.

After the Games the ATC estimated that A\$162 million worth of publicity was generated for Australia through cooperative arrangements with sponsors of the Sydney Olympics.

2010 Impacts – Some Indicators

Nation branding

- SA has weak or incorrect image
- Perceptions don't change easily; need large event/ experience to shift (Anholt, 2009)



2010 Impacts – Some Indicators

Media

Whatever the result of the match tonight, one thing is sure – England have never played in a more beautiful setting.” BBC News



2010 Impacts – Some Indicators

Media

- **1.6 billion pages accessed by 53m individuals on FIFA.com** in first two weeks of June – a record in itself
- By comparison, a total of **48m unique users visited FIFA.com** over entire four weeks of **2006 World Cup**

FIFA.com

- Social websites exploded

2010 Impacts – Some Indicators

Merchandising

- Vuvuzela sales increased from **20,000 a month to 20,000 a day!**
- Up to **70%** of patented vuvuzelas being **sold internationally BUT 90% made in China**
- Insufficient opportunities for local business in early negotiations with FIFA
- **Cape Craft Design Institute**



2010 Impacts – Some Indicators

Nation building

- Building national pride or a month of fake nationhood?



2010 Impacts – Some Indicators

Involvement in 2010

- **37% expressed more interest in SA football**
- **58% planning to watch matches exclusively at FIFA Fan Fests while 28% planning to watch games at stadium**
- **Only 9% stated World Cup had not lived up to or had been less than they expected**
 - 55% biggest disappointment linked to Bafana Bafana performance

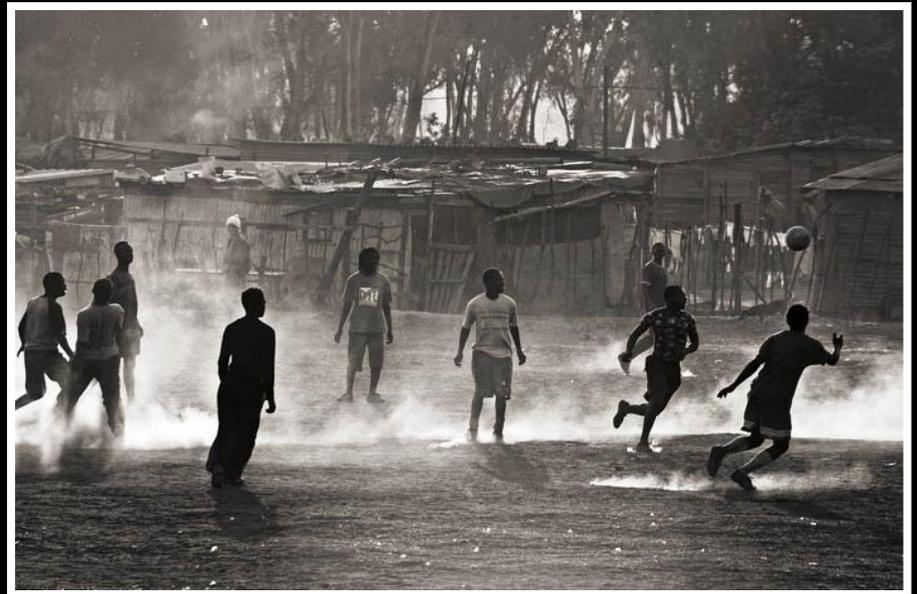
Source: IMF Sports Marketing Surveys

2010 Impacts – Some Indicators

Soccer

- 2007 sponsors of soccer spent R1 billion on rights
 - More than 30% of total sponsorship market
- Year on year spend on soccer increased by **60%** in 2007 but all other sports combined increased by **less 10%**
- BUT negative outflows – sponsorship spend to FIFA equates to **US\$200m**

Source: BMI 2010



2010 Research Agenda

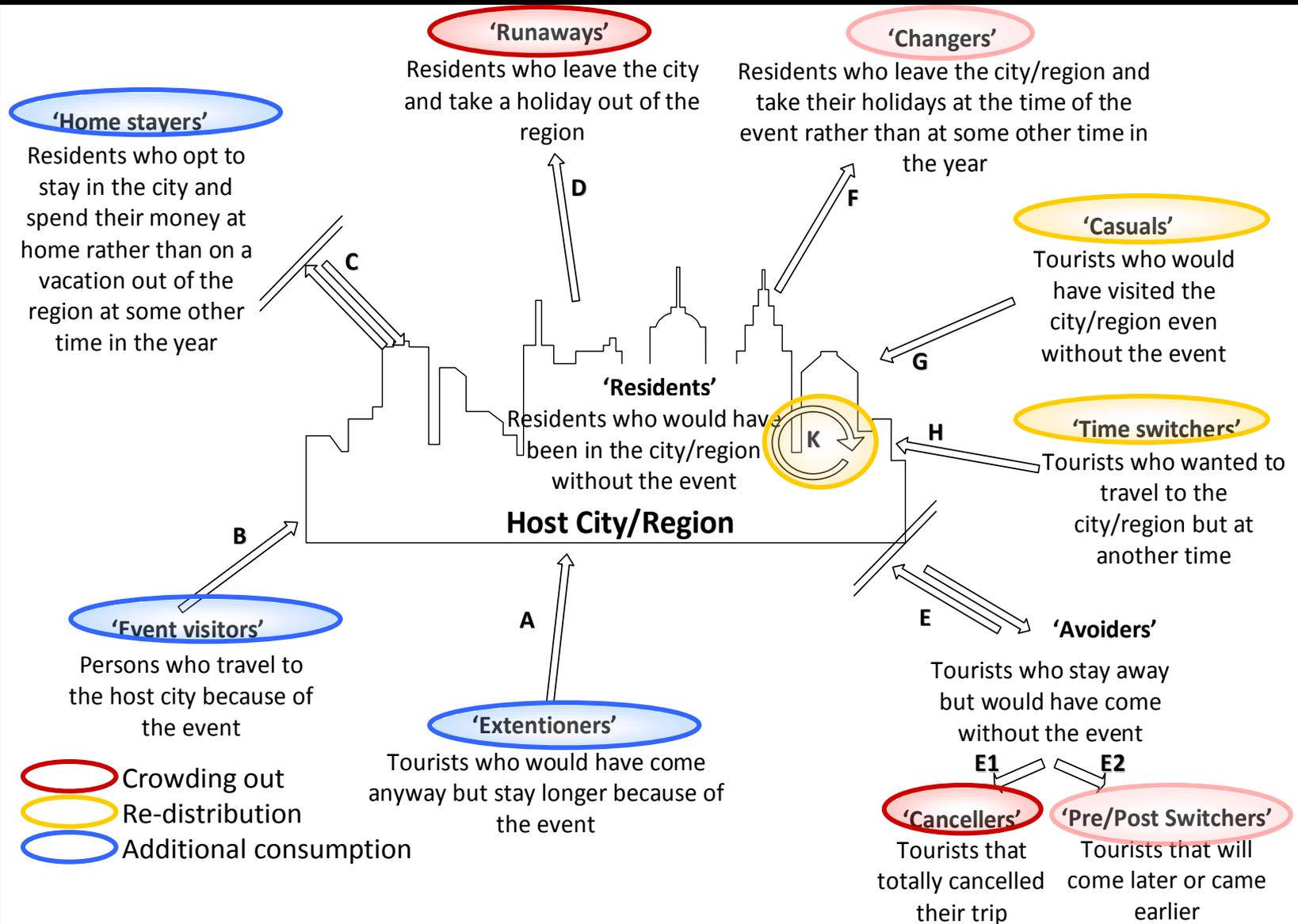
- Despite legacy imperatives no attempt to systematically track and examine legacy impacts
- No FIFA Research Legacy
- Key priority areas
- Ascertain economic impact in relation to forecasts
 - Top-down and bottom-up approaches
- Tourist flows during event
- Pre and post resident surveys
- Media coverage and content analysis

2010 Research Agenda

- Fail to account for variances in consumer behaviors
- “Bottom-up” vs. “top-down”
- Crowding out effect
- Intangibles / ‘feel good’
- Timeframe



Sport Tourism Spectator Markets (Preuss & Kurscheidt, 2009)



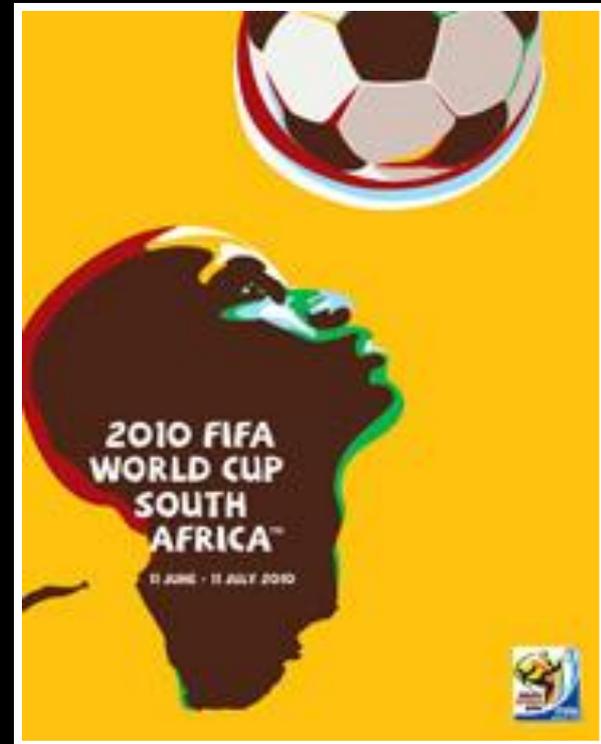
2010 Research Agenda

- Partnership
 - Researchers
 - Cities/ regions
- Range of surveys
- National and host city level impacts
- Over 10 000 visitor surveys



Conclusion

- Early days
- Leveraging plans post-2010
- A future Olympic bid?
- Knowledge management
- Little research in developing countries
- Longitudinal studies



Thank You

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