

# True benefits of hosting best world cup ever



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Ever since the announcement of South Africa being the host for the 2010 FIFA World Cup, <u>critics have argued</u> that the world cup will lead to "limited benefits that will probably not extend far beyond the final whistle". However, what the 2010 critics omit to acknowledge are the significant benefits South Africa may reap by leveraging the nation branding dimensions of the FIFA World Cup.

As evidenced by previous hosts, staging the world's biggest sporting event has become a massive opportunity for showcasing the hosting nation's abilities and reversing decades of stereotyped perceptions. In fact, the previous three FIFA hosts have demonstrated the following dimensions of World Cup Legacy.

#### 1. Nation branding

When the final whistle was blown at the FIFA World Cup 2006, the president of the world's largest sports brand, Joseph Blatter, the event by saying, "This was the best World Cup of all time. Never before has an event been presented in such an emotional and global manner."

What happened in Germany during those ominous four weeks from 9 June to 9 July 2006 was an Ovation of Brand Germany - with such overwhelming success that within one year from hosting the World Cup, Germany

- Advanced to the most valuable country brand in the Nation Brand Index;
- Foreign tourism bookings increased by 31%;
- Unemployment dropped by 29%;
- Consumer confidence the highest since 1980;
- Investors confidence at an all-time high since reunification in 1990;
- Exports went up 14% year-on-year, making Germany the leading export nation;
- Chancellor Angela Merkel's approval ratings the highest of any German chancellor since the war (79% as of September 2007), and
- <u>Time magazine titled its August 2007 edition</u>, as economists were talking about 'Wirtschaftswunder 2.0' (The Second Economic Miracle).

And, perhaps most important, the brand image of Germany underwent a dramatic transformation. 'From humourless to Carefree in 30 Days: Germany's World Cup Reinvention' - this is how Europe's biggest weekly magazine, *The Spiegel*, titled an analysis of Brand Germany's transformation.

Quoting British prime minister Tony Blair, who declared that "the old clichés have been replaced by a new, positive and more fair image of Germany", *The Spiegel* concluded that the 2006 World Cup host "appears to have pulled off a coup no one had thought possible before the tournament began: a fundamental rebranding of Germany, a shift in the world's view of the nation from dour and humorless to fun-loving and friendly."

It was a view echoed abroad. "Never mind the final, Germans are the real World Cup winners," wrote Britain's Times.

When polled about the probability of recommending Germany as a tourist destination to their family and friends back home, 88% of world cup visitors replied positively, with only 3% stating they would rather not (2%) or certainly not (1%) and another 9% remaining undecided.

In particular, the 2006 World Cup made it possible for Germany to gain access to new consumer groups. Three quarters of those polled came to Germany specifically for the world cup and for almost half of those polled (43%) this was their first-ever visit to Germany.

In other words, the FIFA World Cup has become a primary vehicle for the hosting nation to drive brand advocacy and convert visitors to brand advocates, a phenomenon that Professor Frederick Reichheld from Harvard Business School recently termed the Net Promoter Score (NPS).

A longitudinal research study conducted by Reichheld over 10 years found that the percentage of brand advocates has become the key driver of economic growth. Linking customer advocacy rates to actual growth rates of more than 400 companies in a dozen industries, Reichheld identified "a strong correlation between net-promoter figures and a company's average growth rate over a three-year period."

It is estimated that for each visitor to the world cup, another 150 will be indirectly influenced in their perceptions about the host country, through word of mouth initiated by the visitors when they return home. Germany had an estimated two million visitors which yields a potential brand audience of 300 million - a truly remarkable reach in rebranding the nation.

### 2. Healing old divides

Equally important, hosting the world's biggest sporting event holds significant potential for healing racial divides and uniting the nation behind a common goal. Prior to the 1998 FIFA World Cup, the host nation France was riddled by xenophobia and labeled "the most racially troubled country in Europe". Even the French team, which was composed of many players from immigrant backgrounds, was subject to verbal attacks from right-wing politicians.

Conservative politician Le Pen was particularly outspoken with his criticism of the selection of so many Africans to the team. Apparently, he would have preferred that *beurs* (North Africans) such as Zidane be excluded from the French national team, even though their inclusion held obvious benefits for the whole country.

Unfortunately for Le Pen and his agenda, France's widely publicised diverse roster won the tournament and the players became irreproachable in the eyes of French public, regardless of their country of origin. According to the head of the Parisian office of *Time* magazine, "The soccer team [did] more to promote racial tolerance in France, and pride and a sense of belonging amongst its immigrant population, than anything the government could have ever done."

It has been said that football possesses a mystical power to unify diverse peoples. In a story as unlikely as it was uplifting, France won the world cup on its home turf and the team's captain, Zinedine "Zizou" Zidane became a national hero. Zidane, an ethnic Algerian, became a household name and a role model for hundreds of thousands of French youngsters. After the championship match, the streets of Paris resonated with cries of "Black, Blanc, Beur" (White, Black, North Africans), a poignant representation of the relationship between France and her immigrants.

## 3. Boosting civic pride

During the 2002 FIFA World Cup, South Korea turned the sport into a quest for its very identity, its hopes captured in the cheer that rang through the nation's world cup stadiums: "Great Republic of Korea." A country often consigned to an afterthought in East Asia was out to prove that it, too, matters. In June 2002, it did so, by gliding through to the second round with skill and flair. That singular achievement, though, was not just about Korea's arrival as a football force but as a self-confident adult nation to be taken seriously.

Sandwiched between economic giant Japan and rising superpower China, Korea has always shouldered an inferiority complex. When the country won the right to co-host the world cup, it saw a chance to showcase itself, particularly to Japan, its neighbour, and the US, its oft-contentious ally.

Officials plugged Korea as Asia's most wired nation, and touted the country's capital as being as hip and caffeinated as any modern metropolis. Said midfielder Kim Nam II on the eve of Korea's 2002 debut: "We want to show we are a team and a nation that can compete with the best, and win."

The nation's big test came in a do-or-die match, when South Korea faced a star-studded side from Portugal. The Koreans needed at least a draw to guarantee advancing further in the cup. Just hours before, Japan had gualified for the second round by dispensing with the hapless Tunisians. The possibility that Japan would advance while Korea stayed behind horrified the nation. Japan, after all, has perennially looked down upon its smaller neighbor, and brutally occupied it from 1910-45. Since then, Korea feels like it has been stuck playing catch-up to the world's second-largest economy.

It needn't have fretted. In the 69th minute of the match, midfielder Park Ji Sung deftly executed one of the prettiest strikes of the cup.

As fireworks flashed overhead, more than 400 000 citizens poured onto the streets of Seoul to celebrate. Throughout Korea's fairytale wins, the entire country erupted in delirious rapture, with people crying and cheering wildly while others were left literally speechless.

Says Sue Park, who runs her own public relations company in Seoul, "We've never been proud of our country before. We've had so many political problems, corruption, wars, even being divided between North and South. But today, I am so proud to be Korean."

Come Sunday, 11 July 2010, when the final whistle is blown, the question that counts the most is whether Madiba will hand the World Cup in Nation Branding to South Africa.

#### ABOUT DR NIKOLAUS EBERL

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