



# THE BUSINESS OF THE FIFA WORLD CUP

Edited by  
**SIMON CHADWICK, PAUL WIDDOP, CHRISTOS  
ANAGNOSTOPOULOS and DANIEL PARNELL**

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The FIFA World Cup is arguably the biggest sporting event on earth. This book is the first to focus on the business and management of the World Cup, taking the reader from the initial stages of bidding and hosting decisions, through planning and organisation, to the eventual legacies of the competition.

The book introduces the global context in which the World Cup takes place, surveying the history and evolution of the tournament and the geopolitical background against which bidding and hosting decisions take place. It examines all the key issues and debates which surround the tournament, from governance and corruption to security and the media, and looks closely at the technical processes that create the event, from planning and finance to marketing and fan engagement. Analysis of the Women's World Cup is also embedded in every chapter, and the book also considers the significance of World Cup tournaments at age-group level.

No sport business or management course is complete without some discussion of the FIFA World Cup, so this book is essential reading for any student, researcher or sport business professional looking to fully understand global sport business today.

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# THE BUSINESS OF THE FIFA WORLD CUP

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# 1

## INTRODUCTION

*Simon Chadwick, Paul Widdop, Christos Anagnostopoulos,  
and Daniel Parnell*

The FIFA World Cup is one of the world's biggest mega-events and, on this basis alone, is worthy of analysis. However, nearly 100 years since the tournament's first edition took place, in 1930 in Uruguay, understanding how and why World Cup tournaments are planned, organised, staged and evaluated has never been more imperative. What started as a football competition between nations has now grown into something that is of immense economic, political and sporting significance.

Radio and television coverage may initially have captured the attention of football fans and non-fans alike, but the digital era has propelled the competition to a position of global prominence. Social media, Over-the-Top broadcasting and mobile technology are now pervasive influences on the World Cup and the way that people engage with it. At the same time, industrial and commercial influences mean that the World Cup is now an opportunity to build business, create products and sell brands. Furthermore, globalisation has led to nations such as Qatar and China becoming important constituents of world football's eco-system. At the same time, socio-cultural change over the past century means that women's football is now gaining parity with men's football, fans are increasingly seeking tournament experiences rather than just 90-minute matches, whilst concerns about preserving the natural environment are challenging everyone. All the while, despite widespread protestations that football and politics do not mix, staging World Cup tournaments has always been an inherently political process. In tandem, countries are increasingly staging tournaments for political reasons, whether it be to project soft power or to build a nation's brand.

At the time of writing, the global pandemic was still a problem and therefore a significant challenge for in staging FIFA World Cups – whether qualifying games, or the various tournaments themselves. Looking ahead, unless there is an instantaneous or miraculous eradication of the virus, then COVID-19 will loom on

the event's landscape for some time to come. The 2022 World Cup in Qatar will be the first held in the Middle East; in 2023 (Australia and New Zealand) and 2026 (Canada, Mexico and the United States) competitions will be held with an increased number of competing teams; and then in 2030, speculation is rife that China will seek to secure hosting rights. It therefore seems likely that the World Cup will retain its place as one of the world's most important sport events; indeed, it seems likely to grow in stature albeit in a way that brings further challenges and complexity. At the same time, the world is in a state of flux and perhaps encountering one of the most dynamic periods in human history. Bidding for and staging a football World Cup must therefore be viewed against this backdrop.

Thus, this book has been compiled with the specific purpose being to provide an analysis of how to plan, organise and deliver successful World Cup tournaments. The book is firmly rooted in the fields of leadership and management, drawing from other disciplines including politics and technology. It will provide readers with an understanding of fields ranging from fan engagement to managing environmental impacts. The chapters take you from the start of the bidding process, right through to establishing and managing the legacies of World Cup events. It is also important to note that the book focuses on both male and female tournaments, and should be read in the context of both. The book is not specifically or exclusively about what happens on the field of play, or does its analyses extend to, for example, matters such as the management of injuries or national team performance. Furthermore, the book does not seek to judge but rather to inform, adopting a balanced and analytical approach that is not intended either to support or condemn one host or another, or FIFA itself. Indeed, the essence of the chapter collection presented herewith is one based on promoting understanding and identifying lessons for improved leadership and management.

In broad terms, the book's structure is based on the notions of where the World Cup has come from, where it is now, and where it is heading. The book starts by examining the World Cup's business history (Chapter 2), something which the editors believe has never been undertaken before. This is remiss of the writers in the field, as the tournament's commercial background reveals a great deal about both its current and past incarnations. Thereafter, the book moves onto examine bidding, covering what is involved in this process, why countries bid and how FIFA members vote for a particular nation to host the competition (Chapter 3). Often, such decisions are based on the internal politics of the continental associations, and of the global geopolitical situation in which bids are made. Equally, it is important to note that countries often bid for tournament hosting rights for political reasons, which are often linked to matters pertaining to international relations, diplomacy and soft power (all of which are covered in Chapters 4 and 5).

A crucial, though often ignored, part of World Cup tournaments is how they are designed as competitions (Chapter 6). In Uruguay in 1930, 13 nations competed (7 from South America, 4 from Europe and 2 from North America). By the time we get to 2026, there will be 48 teams competing in the men's edition, with 30 teams being present in Australia and New Zealand during 2023. How to design

a qualifying competition as well as the tournament itself are key issues. In making such decisions, as well as those linked to hosting decisions, good governance is vital. This is an area in which FIFA and World Cup have sometimes struggled; indeed, despite recent changes to processes and procedures, some observers remain cynical about and critical of issues of governance, ethics and corruption. In Chapter 7, we consider the issues, challenges and developments in these areas. Perhaps, the biggest issue of all that is facing the various World Cups is environmental change. The carbon footprint of tournaments, the rubbish that fans generate, the pollution caused by air travel and their consequences (such as erratic and extreme weather patterns) are a major concern and must be addressed (an examination of which appears in Chapter 8).

FIFA is not a business, and it is reliant on irregular revenue streams (which are dictated by when tournaments take place). The organisation therefore has to address how it ensures financial sustainability whilst at the same time generating revenues that are of benefit to world football. Similarly, host nations must ensure that they have the financing in place to successfully deliver tournaments and are not left with debts and white elephant facilities (see Chapter 9). Financial decisions are part of planning and organisational processes that extend to a multitude of issues that require good management and leadership. How many venues there will be, whether some of these venues will need to be newly constructed, where training facilities are available, how many hotels are needed, whether civic infrastructure is adequate and so forth, are all important considerations for FIFA and its World Cup host nations (Chapter 10). In addressing such matters, sourcing and managing resources is crucial when planning and organising the World Cup (Chapter 11). Issues of how many volunteers will be needed, how water supplies can be secured, and where space for fan zones can be allocated, are all part of a complex decision-making landscape.

The latter example, pertaining to fans, is an especially salient one. Fans are the lifeblood of any World Cup – co-producers of the excitement, tension and drama; a source of ticket, merchandise and other revenues; and one of the reasons why sponsors and broadcasters pay so much money to be associated with the tournament. The book considers fans in Chapter 12, then in Chapter 13 explores issues related to risk and security, which are clearly of direct relevance to those who attend matches. Risk and security are also important in terms of protecting not only the infrastructure and amenities being used by the World Cup, but also the revenue streams and operating models that underpin the tournament's staging. Thereafter, the book moves onto examine marketing, sponsorship and merchandising (Chapter 14), broadcasting and the media (Chapter 15), and digital and social media (Chapter 16). Each of these is important as a means through which to engage fans, though they are also important in terms of working with sponsors, commercial partners, media outlets, and digital corporations. Whilst FIFA looks towards generating revenues and providing football fans with a compelling tournament experience, companies associated with the event will want to achieve a return on the investments they make into the competition. The notion of event



returns on investment are something that host nations pay attention to and are typically labelled as being a tournament legacy. Chapter 17 examines the notions of legacy and legacy management, whilst highlighting the role that tourism plays both during and subsequent to a country hosting the World Cup.

Given the scale of World Cup events and their associated qualifying campaigns, a text of this nature can never be completely exhaustive. If one considers the impact of local cultures and business practices upon competing teams and the tournament at various levels, the complexity of planning and staging the tournament becomes apparent. For instance, one continental association's winter is another's summer; and playing qualifying matches in Africa or Asia is a very different proposition to staging them in Europe. The editors of this book nevertheless hope that it provides a strong introduction to the business of the FIFA World Cup, by offering structured insights, informed analysis and relevant examples. As such, we hope that readers will find the text engaging and inspiring. For students, it is important that you go beyond the headlines to understand the mechanics of running a tournament. For academics and researchers, the book is intended to prompt further, much needed analysis. As for practitioners, our intention has been to deliver new perspectives on the issues and challenges you face. We invite you to read and enjoy this ground-breaking text.

# 2

## A BRIEF HISTORY OF THE FIFA WORLD CUP AS A BUSINESS

*Kevin D. Tennent and Alex Gillett*

### Introduction

This chapter provides an overview of the historic development of the FIFA World Cup as a business entity while recognising the broader cultural, political, economic and social context to the event. This broader context has meant that the event has become internationally prestigious and therefore it has taken on a level of scholarly significance, perhaps outweighing its economic contribution (Gillett and Tennent, forthcoming). The development of the World Cup tournament has been one of remarkable institutional continuity supported by a system of increasingly powerful monopolies. These monopolies have worked with forces of global political and economic change to shape the evolution of the FIFA World Cup. From the very first iterations of the tournament through to its most recent staging, this chapter highlights key events, patterns and trends in the business and management of the World Cup. Important elements that we consider are the early history of the tournament, which is often overlooked in terms of relative importance, through to the more recent themes of the introduction of sponsorship, broadcasting and other media developments, the proliferation of other tournaments using the FIFA World Cup identity, and various corruption scandals. Space here precludes us from offering a tournament by tournament narrative, but we aim to deal with some of the more important aspects while continuing to pay attention to historical context.

### The World Cup in Historical Perspective

Increasing scholarly attempts have been made to understand the evolution of the FIFA World Cup and similar sporting mega-events of scale such as the summer and winter Olympic Games, yet, because of its episodic quadrennial nature a satisfying discussion of its essential character as a business remains elusive. Fett (2020)

draws our attention to the need for an overall approach to the historic narration of FIFA World Cups, comparing the “dimensions” of visitor attractiveness, broadcasting rights, organisation, stadiums, transformation and inheritance (or legacy), while expressing concern at the episodic nature of many previous studies (Baade and Matheson, 2004; Gillett and Tennent, 2017; Kassens-Noor et al., 2015; Maharaj, 2011; Müller and Gaffney, 2018; Schausteck de Almeida et al., 2015; Tennent and Gillett, 2018; Wong and Chadwick, 2017). Fett perpetuates the teleological angle of this literature by pointing to the increasing trend of gigantism as each World Cup appears to get bigger and better as innovation is added over time. We argue, however, that while the dollar value of and opportunities for commercial exploitation of the World Cup has undoubtedly increased, this approach understates the relative importance of early World Cups to understanding later expansion. This creates a “jumpers for goalposts” myth, suggesting that early World Cups were on too small a scale to be commercially relevant, yet when viewed in historical context, the FIFA World Cup has been from its inception a globally impactful event characterised by high political and social intervention and interest. Meanwhile, the governing body, FIFA, has always relied on the men’s tournament and the development of other versions, such as the women’s tournament after 1991, for revenue generation. By closing off study, we lose the opportunity to understand how external factors have made the World Cup such an enduring business form.

Understanding the overall impact of past World Cups from a qualitative perspective is therefore challenging and requires an understanding of historical context – what appeared big in the 1930s or the 1960s may not appear to be big in retrospect, but the competition still derives meaning and legitimacy from the memory and reputation of those earlier editions. In a resource-based view perspective (Barney, 1991), this legacy forms an intangible resource for FIFA which can be likened to the “social memory assets” described by Foster et al. (2011). Each tournament took place in a different historical and spatial context, embedded in very diverse cultural and national settings, with very different endogenous conditions prevailing – from the shadow of European fascism which characterised the 1934 (Italy) and 1938 (France) editions, to the earthquakes which complicated preparations for the 1962 (Chile) and 1986 (Mexico) editions. Technological development also matters, with radio in its infancy at the time of the inaugural tournament, held in Uruguay during 1930 (but this did not preclude impact through newsprint) and the use of floodlights in soccer some distance in the future. If understood through Ansoff, these locally nested developments enabled FIFA to follow a business strategy (though not always deliberate) of market penetration and development around the men’s tournament, asserting greater rights around that, before adding product development later, by adding versions for women, other age groups and beach soccer.

This historical and spatial context particularly matters for the FIFA World Cup because it exists in franchise form. The tournament is subject to local interpretation and variation allowing local organisers, including national Football

Associations/Federations (FAs) as well as those outside of football such as national and local governments, to apply their own approaches. The international diffusion of the tournament therefore also presents research challenges as the participation of multiple stakeholder organisations was often required to deliver World Cup tournaments, scattering documentary traces between repositories. Meanwhile, a “silence of the archives” (Decker, 2013) problem also exists – some modest but lasting changes made for World Cups out of larger tranches of funding, such as the concreting of existing stadium car parks at USA 1994 were actioned on the fly leaving few traces but an oral tradition that the facility had been improved for the event. Other archival sources again may be locked in languages unfamiliar to the researcher. Similarly, there has been a great diversity in the reporting of each World Cup, with those taking place in the Internet era inevitably leaving more traces when compared to earlier editions, perhaps as a consequence of the expansion of sport management academia in itself.

We also hope that as the COVID-19 pandemic places the status of sport and the mega event at something of a crossroads as we approach Qatar 2022 and USA, Mexico and Canada 2026 that we can highlight the relevance of historical consciousness for decision-making. Tennent et al. (2020) highlight the need for decision-makers to develop historical consciousness by using archival sources and the insights gained from them to learn reflexively, becoming more aware of their own contribution to historical processes.

Unlike the 2020 Tokyo Olympics or the “Euro 2020” European Football Championship, the next edition of The FIFA World Cup, to be held in Qatar during 2022 may escape COVID-19 disruption. Historically, however, we see the FIFA World Cup institution has proved its durability specifically after 1938 due to the outbreak of World War II, returning successfully in 1950, and would likely do so again – it is not always necessary to go bigger and better to ensure a successful tournament, as the symbolism and significance of the competition can be important in itself (Gillett and Tennent, 2017).

## Early History of the World Cup

FIFA was founded in 1904 by seven European FAs, as the global organiser and governing body of football, although the first FIFA World Cup tournament was not held until 1930. However, it was not the first attempt to create a football world championship – international football had started among the four British “Home Nations” in the 1870s. These matches along with club football fixtures proved commercially popular on a “gate money” basis (Vamplew, 2004) and it is not surprising that attempts to promote a World Cup followed. The British Lipton grocery and tea company sponsored a “World Cup” between invited club sides known as the Sir Thomas Lipton Trophy in 1909 and 1911 (Tennent and Gillett, 2016). A much more direct precursor to the FIFA World Cup was the Olympic football tournaments, the first of which officially recognised by FIFA, took place parallel to the London Summer Olympic Games of 1908. At this time, the

institutional structure of international sport was in its infancy and the English FA collaborated with the Olympic organisers to put together the first tournament, while the 1912 Stockholm Summer Games featured the innovation of hosting fixtures around Sweden, rather than only in Stockholm itself. The Olympic tournaments continued after the World War I, being held in 1920, 1924 and 1928, by which time FIFA was becoming more assertive of its rights.

A further important precursor, given the Eurocentric nature of the early FIFA, was the Copa America. This was a tournament between South American teams, first played in 1916, which was also the inaugural year of the CONMEBOL (*Confederación Sudamericana de Fútbol*) the regional body for South American football associations, which began to vote together to increase their power in the FIFA organisation (Vonnard and Quin, 2017).<sup>1</sup>

The International Olympic Committee (IOC), however, continued to favour strict amateurism. This stood at odds with the development of football as a professional sport around the world, threatening football's status at the Olympic Games, while Jules Rimet (FIFA President 1921–1954), favoured a softer line on broken time payments. Acceptance of professional football was an essential precondition for the FIFA World Cup as a showcase involving the best players, with an active transfer market already forming between Europe and South America (Vonnard and Quin, 2017). At this point, the organisation had two main sources of revenue – the contributions of member associations and a small license fee paid on each international match played (Homburg, 2008). The 1927 FIFA Congress tasked the Executive Committee with organising an independent tournament, the hosting rights for which were awarded at FIFA's 1929 Congress to Uruguay, winners of the 1924 and 1928 Olympic titles. However, Uruguay was not a popular choice among European countries, and only four participated, with the rest of the 13 entrants coming from North and South America.

The Uruguayan tournament, though it seems modest by contemporary standards, demonstrates that even from the beginning the FIFA World Cup was a large-scale event, requiring intervention “off-the-pitch” in the host country, whilst proving extremely profitable for FIFA. D'Amado (2020) shows that the hosting rights were awarded on the basis that the Uruguayans pay the travel expenses of the visiting teams. This necessitated the Uruguayan FA (AUF) to lobby parliament for state support, as well as the municipality of Montevideo building a new stadium, the Estadio Centenari. The tournament was promoted as complementary to Uruguay's centenary celebrations and the government made available a 300,000 pesos grant allowing the AUF to promise to pay travel and

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1 Membership of FIFA had by this point begun to expand beyond Europe, beginning with South Africa's application in 1909, then Argentina in 1912, Canada and Chile in 1913, and the United States in 1914.

subsistence for each visiting FA to send a delegation of 20, as well as loaning the municipality 200,000 pesos interest free (p. 852).<sup>2</sup> This support was secured prior to the presentation of the bid at the 1929 Congress in Barcelona and used to successfully campaign against alternative bids by Hungary, Spain and Italy. This diversion of public funds to an elite sporting event that would be charging entry fees did attract opposition in parliament, and a compromise was reached that ticket prices in a third of the Estadio Centenario be capped to make them affordable to the working class (p. 852). This did not restrict FIFA from making a near 200% return on investment from the tournament – their costs amounted to 11,251.48 Dutch guilders (FIFA was at this time based in Amsterdam) and their revenue 30,410.41 Dutch guilders, being composed of a small entry fee for each team plus 5% of gate receipts (Homburg, 2008, p. 38). Even in fledgling form Uruguay 1930 set expectations – the tournament would be a “mega” event requiring public sector involvement beyond sport. The host country would use it as an opportunity to exhibit its prowess at organising sporting events, and the logistics of travel in 1930 necessitated the whole tournament to take place over a three week period with a neutral host country as a meeting place.

Gate receipts remained the tournament’s sole source of revenue until the 1950s, yet the public were eager to watch the matches to the extent that FIFA-derived monopoly rents from them. It was the realisation of these monopoly rents, enough to sustain the organisation for four years, which put FIFA onto a sustainable financial footing independent of its members. This allowed it to develop a professionalised managerial hierarchy and bureaucracy, while President Jules Rimet, who had preserved FIFA as a unit and except for the CONMEBOL had resisted the idea splitting the FIFA “family” into regional confederations,<sup>3</sup> saw his role as to political standing in the organisation much enhanced (Tomlinson, 2000, 2020). In 1932, the organisation, previously run on a part-time “honorary” basis, first employed a paid General Secretary to manage its day-to-day affairs. It also moved to Zurich to take advantage of Swiss tax law allowing the establishment of FIFA as a non-profit corporation which reinvested its income in football development (Conn, 2017; Homburg, 2008).

The business model of FIFA was therefore established as one which relied on a four year cycle of income from the World Cup tournament, sustaining the Zurich administration, and where possible, providing football development activities. From the start, the tournament was a form of foreign direct investment licensing in which the hosting is contracted out, removing from FIFA the financial risk of directly investing in the host country (Tennent and Gillett, 2016). This was cemented by the introduction of “World Cup Regulations” for each competition

2 Conversion values are difficult to find for years before the 1950s, so no currency conversions are given for World Cups before WW2. All conversion values are approximations based on figures from [fxtop.com](http://fxtop.com).

3 Shortly after Jules Rimet’s retirement, in 1954 regionalisation did begin, the European confederation UEFA was formed in June of that year.

which set out the duties of FIFA and the host FA as well as the division of revenues and profits between them (Homburg, 2008). Each tournament from 1930 until 1982 ran with some variant of a model in which the “surplus of receipts” after the tournament was divided between FIFA (10–15%), and after 1950 the Host FA (25–30%) and the participating FAs (usually 55–70%, thus providing national teams with an incentive to participate even when travel was far, and later, attempt to qualify). FIFA also claimed a 5–10% share of the gross gate receipts. These revenues were later augmented by broadcasting rights, payments for advertising and sponsorships, and the profits of merchandising and marketing rights. FIFA could enjoy supranormal profits even before technology and rising disposable incomes around the world made these things possible. We give a sense of the upward trajectory of FIFA’s supranormal profits in Table 2.2.

Following the success of Uruguay, the Italian government under Mussolini enthusiastically signed up to host in 1934. This continued the fusion of sport and state already established in Italy since the regime had taken over the national FA in 1926. Sport was thought to encourage the “Fascist Man” ideal, a man physically and mentally suited to giving his life for his country. The World Cup gave the opportunity to build three stadiums celebrating the ideal – the “Partenopeo” in Naples, the “Giovanni Berta” in Florence and the “Mussolini” in Turin (Sbetti and Serapiglia, 2020). Italy won the tournament, much to the propaganda benefits of the fascist state, both in Italy and in terms of global prestige, and FIFA derived “total receipts” of CHF 53,226 (Homburg, 2008, p. 42). Thus, again political involvement had happily enabled local football to bear the risk for FIFA, and indeed while definitive “tournament costs” are hard to find, this happened in a country where GDP per capita (\$4,466) was less than that of Uruguay in 1930 (\$5,590). Broadly, as shown in Table 2.1, it was rare for the tournament to be hosted by a regime that was not Democratic and centrist in orientation, and despite the Cold War, Communist countries were avoided entirely for the men’s tournament (though the women’s has been hosted twice in China).

The 1938 edition of the tournament in France was less politically controversial in its hosting. From the perspective of footballing governance, the 1938 FIFA World Cup was an “anchoring of tradition and eurocentrism” (Dietschy, 2014, p. 85) although there were concerns that France did not have the stadium infrastructure to host (*ibid*). In deliberate contrast to the fascist governments of Germany and Italy, the Popular Front government was generally not favourable towards spectator sports, instead proclaiming to focus on accessibility and playing field provision. It was not until the beginning of 1938 that the French government pledged 1 million francs towards upgrading a stadium to the specifications required to host the Final. The French FA and the Racing Club de France (RCF) thus needed to provide a further 1,300,000 francs each to upgrade RCFs stadium, originally built cheaply for the Olympic Games of 1924, though other fixtures were hosted by existing stadiums around the country. Regardless of these challenges, the 1938 edition still allowed FIFA to derive an income of CHF 59,963 (Homburg, 2008). The World War II then denied FIFA of the opportunity of the

**TABLE 2.1** CAGE (Ghemawat, 2007) Factors of World Cup Hosting Nations

<i>Country</i>	<i>Culture Language</i>	<i>Administrative Form of Government</i>	<i>Geographic Country Size (sq km) *</i>	<i>Economic Population ('000s) **</i>	<i>GDP per capita 2011 US\$ **</i>
1930 Uruguay	Spanish	Democratic, centre-left	176,215	1,713	5,950
1934 Italy	Italian	Fascist, far-right	301,340	42,093	4,466
1938 France	French	Democratic, centre-left	551,500	41,960	7,119
1950 Brazil	Portuguese	Democratic, centre-left	8,515,770	53,443	2,236
1954 Switzerland	German, French, Italian, Romansch	Democratic, centre- right	41,227	4,929	13,171
1958 Sweden	Swedish	Democratic, centre-left	450,295	7,409	12,884
1962 Chile	Spanish	Democratic, centre- right	756,102	7,961	7,071
1966 England	English	Democratic, centre-left	129,113	54,643	15,757
1970 Mexico	Spanish	Authoritarian, left	1,964,375	52,775	6,873
1974 West Germany	German	Democratic, centre-left	248,577	78,966	19,228
1978 Argentina	Spanish	Military, right	2,780,400	27,440	12,444
1982 Spain	Spanish	Democratic, centre-left	505,370	37,983	14,045
1986 Mexico	Spanish	Authoritarian, left	1,964,375	78,442	9,283

(Continued)



TABLE 2.1 (Continued)

Country	Culture Language	Administrative Form of Government	Geographic Country Size (sq km) *	Economic Population ('000s) **	GDP per capita 2011 US\$ **
1990 Italy	Italian	Democratic, centre- right	301,340	56,743	26,003
1994 USA	English	Democratic, centre- right	9,833,517	263,662	38,807
1998 France	French	Democratic, centre- right	551,500	60,103	31,323
2002 Japan	Japanese	Democratic, centre- right	377,915	127,503	33,195
2002 South Korea	Korean	Democratic, centre-left	99,720	47,645	25,251
2006 Germany	German	Democratic, centrist	357,022	82,322	38,014
2010 South Africa	isiZulu, isiXhosa, Afrikaans, Sepedi, English, Sesotho, Xitsonga, siSwati, Tshivenda, isiNdebele	Democratic, populist	1,219,090	51,087	11,319
2014 Brazil	Portuguese	Democratic, centre-left	8,515,770	205,045	15,258
2018 Russia	Russian	Authoritarian, right	17,098,242	146,476	24,669

Notes

★ CIA (2020). West Germany from (CIA, 1986), p. 91.

\*\* Bolt, Jutta and Jan Luiten van Zanden (2020). 1966 England population and GDP is for whole UK.

1942 and 1946 tournaments, with a deleterious effect on finances. FIFA was reliant on the license fees from matches between the South American associations to stay afloat (Dietschy, 2013).

The first postwar World Cup took place in Brazil in 1950, amidst the background of the country's attempt at democratisation. Despite Brazil of 1950 still being relatively the poorest country that has held the tournament with a GDP per capita of just \$2,236 (see Table 2.1), there was a conspicuous return to FIFA's reliance on the largesse of public authorities. Indeed, Brazil saw the highest expenditure on stadia until Italy 1990 (\$291.88 million 2018 US dollars), according to Fett (2020). The tournament was awarded in 1947 on the condition that new stadiums be built in Rio de Janeiro (then the capital) and Belo Horizonte. The Rio stadium, the Estádio Municipal, or Maracanã was a monumental bowl, accommodating 179,000 people, and which featured a vast popular section called the *geral*, intended to give access to people from all social classes (Gaffney, 2010). The event was again used to symbolise populist rule, and over 1 million cumulative spectators watched matches (Fett, 2020) giving FIFA a total net benefit of CHF 1,322,281, or over \$30m at 2021 prices (Homburg, 2008). This was a remarkable financial success for FIFA and allowed for the comfortable restoration of the four-year cycle. The 1954 tournament in Switzerland was relatively low-key by comparison with just \$6.48m being spent on stadiums at 2018 prices (Fett, 2020) in a country about six times as wealthy as Brazil had been in 1950, having a GDP per capita of \$13,171 (Table 2.1).

The 1950s and 1960s were a period of rapid technological change and commercial innovation globally, and new opportunities began to emerge for the exploitation of World Cup revenue streams, though FIFA were sometimes slow to assert control. The Switzerland and Swedish World Cups were the first to be broadcast live on television to a European audience through deals between FIFA and the European Broadcasting Union (EBU), meaning that even in 1954 far more people would see the matches on television than in person. FIFA was slow to monetise this, not yet seeing the potential to flip the business model towards TV rights. In the 1958 tournament, gate receipts were £716,000 (\$19.4m at 2021 prices), but radio and television rights were sold for only £103,448 (\$2.8m). Rous and Winterbottom (1961) imagined that rights for England 1966 might reach only £250,000 (\$6m at 2021 prices) versus possible gate receipts of about £1m (\$24.2m). Ultimately, FIFA and the EBU agreed a contract which covered both the 1962 edition in Chile, and the 1966 event in England, the EBU paying \$75,000 (\$688,479 at 2021 prices) suggested by the EBU for Chile, and the £300,000 (\$7.7m at 2021 prices) demanded by FIFA for 1966 (Chisari, 2007). Over 400 million people tuned in to the 1966 final, a number thought to be more than the 1969 moon landings, but the TV rights were dwarfed by gate receipts of £1,548,280 (\$37.5m at 2021 prices) (Tennent and Gillett, 2016) suggesting that these rights may have been undersold. The Chilean rights consisted of highlights packages only, because transatlantic broadcasting was not yet possible, but the EBU was dominated by public broadcasters run on Reithian lines and this may have restricted the amount broadcasters were prepared to contribute.

Subsidiary commerce also emerged around the early World Cups. FIFA were slow to realise the sales potential of pitch-side advertising, which was already common in club football around the world, and certainly did not move to claim the rights to it until the 1970 edition, when an array of global brands bought pitch-side advertising space (Homburg, 2008). Indeed, partly due to article 10 of FIFA's own agreement with the EBU which stated that FIFA could not authorise third parties to profit from the broadcasts, in 1966, the BBC were allowed to insist that there was no pitch-side advertising at all (Chisari, 2007; Tennent and Gillett, 2016). The event of 1966 did see innovation in the commercial sphere however, with the English FA introducing a World Cup mascot for the first time; Willie, a cartoon lion whose image could be licensed and used on anything from beer to bathmats (Tennent and Gillett, 2016, 2018). World Cup Willie appears to have only been promoted in the United Kingdom and financial returns were modest, but FIFA asserted their rights over the global commercial exploitation of the tournament in the 1970 World Cup regulations which were agreed in 1967 (Homburg, 2008). This also included rights over the souvenir programme, which the English FA had produced in 1966. There is some evidence that earlier World Cups also involved merchandising on a small scale – certainly souvenir badges were produced for the 1954, 1958 and 1962 editions (Rous and Winterbottom, 1961). Alongside these products and publications made by organisers, there were unofficial publications – many newspapers and magazines ran special supplements for World Cups, and sponsored tourist guides were produced, in multiple languages, while businesses tried to use the World Cup to advertise their products (Tennent and Gillett, 2016, 2018) a phenomenon which continues to date with increasing sophistication as sport mega-event ambush marketing (Chadwick and Burton, 2011). The United Kingdom and local governments also used the tournament in attempts to boost regions through tourism and to showcase the National Plan of infrastructure developments, industry, and technology, although most overseas visitors preferred to stay in London (Gillett and Tennent, 2017, 2019; Tennent and Gillett, 2016, 2018; Warwick, 2017).

The World Cup was bigger than a normal football competition – it was already attracting entrepreneurial opportunity, but FIFA's early conservatism may not only have been a hangover from the earlier amateur ethos, but also a legacy of the "gate money" business model of Victorian and Edwardian British football which dominated in the UK into the 1980s (Vamplew, 2004; Walvin, 1986). The legacy of this formative period, ending with the Presidency of Sir Stanley Rous, was that FIFA would come to realise the greater potential for commercial exploitation of the tournament that would be further asserted later.

## Development of the World Cup as a Mega-event

The size and scale of the FIFA World Cup as a tournament and commercial venture increased rapidly after changes in the leadership of FIFA. In 1974, Brazilian Joao Havelange was elected to become the seventh president of FIFA.

Havelange was a former Olympic athlete and had enjoyed some business success in his professional life, demonstrating an individualistic and marketing-orientated, entrepreneurial outlook (Tomlinson, 2000). He had fostered support across the African continent after promising to target FIFA's development spending there as well as recognising decolonisation by allowing increased participation in the World Cup tournament. Havelange worked with the British sports marketing pioneer Patrick Nally and Horst Dassler, of Adidas, to attract Coca-Cola's sponsorship for the 1978 tournament (Conn, 2017; Tomlinson, 2000; Sugden and Tomlinson, 1998).

Through the 1970s and 1980s, the men's World Cup expanded dramatically as measured by the number of teams participating, the aggregate stadium attendances, and the financial value of the television rights (Fett, 2020). The development of corporate sponsorship programmes by FIFA at the 1982 World Cup and the IOC at the 1984 Los Angeles Olympics initiated category exclusivity and commercial rights bundling in sponsorship with global brands, which have been key drivers in sponsorship's subsequent growth (Chadwick and Burton, 2011). Geographically though, the tournament had still only ever been hosted in Europe and Latin America. Mexico had become the first nation to host two editions in 1986, when they replaced FIFA's original choice, Colombia (Kioussis, 2020). As shown in Table 2.1, Mexico's GDP per capita in 1986 was lower than that of South Africa in 2010 (a world cup lauded for its development focus), though Mexico had seen considerable economic growth since 1970.

In 1988, the United States was awarded the hosting rights for the 1994 edition, thus fulfilling a long-held ambition of US football (soccer) administrators since the 1970s, and signifying FIFA's ambitions to develop football in "new" global markets (Tennent and Gillett, 2018). USA '94 as well as the previous edition (Italia '90, the second nation to host a second tournament) were by far the most profitable World Cups to date and continued the trend for growing attendances and television rights. As well as being the world's largest economy, the USA was also the richest nation to host in GDP per capita terms. Merchandising opportunities have also expanded with technology, and other media were opened, including the sales of soundtrack albums and official video games after 1990 (Porro and Conti, 2014). As Table 2.2 shows, when correcting for inflation FIFA's share of the profits, however defined, sharply increased after the 1986 edition, and especially so for the 1998 and 2002 editions, largely because of these broader merchandising and sponsorship opportunities.

A notable moment in the business history of World Cups occurred when in 1990, shortly before the start of the negotiation process with FIFA, the World Cup 94 organising committee (World Cup 94 Inc.) trademarked multiple permutations of the name "USA '94" in the English and Spanish languages, strengthening licensing rights and a legal foundation to protect marketing revenue. This allowed for the creation of a new category for World Cup sponsorship, "Local Marketing Partner"; six tiers of sponsorship were offered, ranging from national level "Official Sponsors" to "Equipment Suppliers" and "Official Licensees," in tandem with