

World Cup Advertising Pricing and Comprehensive Value Analysis for Companies

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Abstract. The contemporary sports industry is rapidly expanding, and sports are assuming greater significance in people's everyday routines. The World Cup is the largest sporting event globally, boasting a massive market that offers a plethora of benefits to companies. This article aims to delve into the advertising pricing system of the World Cup and the driving factors and logic of exhibitors. It studies the division of the World Cup pricing system, the rights enjoyed by each system, and the reasons for corporate sponsorship, as well as the benefits it brings. The significance of this article is to introduce the pricing of World Cup advertising and analyze the various benefits for companies sponsoring the event. Data related to the FIFA World Cup Russia 2018 and the FIFA World Cup Qatar 2022 will be examined to determine the approximate pricing of the FIFA World Cup Russia 2018 and the FIFA World Cup Qatar 2022 advertisements and the overall value of these two World Cups to companies.

Keywords: FIFA world cup; Advertisement; WANDA; OPPO; VIVO; World Cup sponsors.

1. Introduction

1.1 Background

With the advancement of the economy, sports have emerged as a long-standing point of consumption. The contemporary sports market is experiencing rapid growth, and with the evolution of media and the surge of social media, the sports market is becoming increasingly diverse and global. Simultaneously, sports events are garnering greater attention from the public, making the sports market more vibrant. According to The Business Research Company's 2020 report, the global sports market is estimated to reach around \$388.3 billion in 2020 and grow at a CAGR of 3.4% from 2015 to 2020. The global sports market was valued at \$458.8 billion in 2019, and the company predicts it will rise to \$599.9 billion in 2025 and \$826 billion in 2030. Soccer, the most popular sport worldwide, saw its total revenue from the 2018 World Cup exceeds \$10 billion, representing approximately 14% of the total global sports market revenue. This clearly indicates a colossal market size.

1.2 Related Research

Ramdas et al. used a methodology to study the stock exchange of host countries during the hosting of the FIFA World Cup. Remdas et al. investigated the stock markets of the host countries during the five FIFA World Cups held from 1994 to 2010. Finally, Remdas et al. conclude that hosting the World Cup has different effects on the stock markets of different countries [1]. Dilger and Hickfang analyze the establishment of the eurozone with the approach of the euro crisis. Dilger and Hickfang investigate the point performance of eurozone member countries in the UEFA soccer league. Finally, it is concluded that the adoption of the euro has no negative impact on soccer [2]. Bertoli and Yin employed a natural experiment approach to examine the impact of the World Cup on international trade, specifically by analyzing the trade patterns of countries competing against each other in the tournament. Their findings led them to conclude that soccer matches in the World Cup have an effect on international trade due to the rise in nationalism [3].

Giuliano et al. employed a methodology that examined the relationship between stock returns and investor sentiment, while also exploring the influence of sports sentiment on the U.S. financial sector for both domestic and international investors. Finally, the research conducted by Giuliano et al. suggests that investors may benefit from short-selling during the World Cup [4]. Vicentini and

Graziano have analyzed the works of other authors while also examining the effects of the Italian soccer national team's results on the country's stock market. Their research has led them to the conclusion that the outcomes of soccer matches can indeed have an impact on stock market returns [5]. Clech et al. employed classical financial ratios to assess the financial condition of Spanish soccer clubs both prior to and following the adoption of the financial control system method. Their research investigated the outcomes of the regulation's implementation, ultimately leading them to advocate for clubs to reach a consensus regarding the reduction of players' bargaining power in contract negotiations [6].

Zamora et al. conducted a study to determine whether Colombian merchants engage in price discrimination against foreign customers during the World Cup due to nationalistic reasons. The results of their investigation indicated that World Cup-related products were sold to non-Colombians at higher prices compared to what they would have been sold to Colombians [7]. Refai et al. employed the abnormal unsystematic volatility method developed by Hilliard and Savickas (2002) to investigate the degree of sensitivity of the Doha Stock Exchange to the 2022 Qatar World Cup. Their findings revealed that any information related to the upcoming World Cup may have an impact on the performance of the Doha Stock [8].

Viana et al. employed the synthetic control method to examine the impact of the World Cup on the Gross Domestic Product (GDP) of other countries during the period from 1978 to 2006. After analyzing the GDP of various countries during the period when the World Cup was held, the authors found that there was no statistically significant relationship between the World Cup and economic growth [9]. Spitters et al. conducted a comparison study to examine the probability of cardiovascular disease during the World Cup and normal times. They found that the probability of cardiovascular disease was higher during the World Cup than during normal times, indicating a potential link between watching exciting World Cup soccer matches and an increased probability of cardiovascular disease. Based on these findings, Spitters et al. concluded that there could be a causal relationship between watching World Cup soccer matches and an increased risk of cardiovascular disease [10].

1.3 Objective

This paper aims to analyze the advertising price system of the World Cup and investigate the drivers and logic behind exhibitors' participation. Chapter 2 provides an overview of the advertising price system of the World Cup, while Chapter 3 delves into the driving factors and logic that motivate exhibitors to participate. In Chapter 4, recommendations and insights are offered for Chinese companies. Finally, Chapter 5 summarizes the findings of this article.

2. The advertising price system of the World Cup

The World Cup is organized by FIFA, which classifies sponsors based on their rights and interests. Therefore, becoming a sponsor entails advertising during the World Cup.

Becoming a FIFA Partner grants sponsors five key rights, including 1. The right to global brand promotion and the ability to conduct branding activities during FIFA events. 2. The right to FIFA promotion and the ability to use FIFA resources and certification marks to carry out promotional activities. 3. The right to FIFA commercial resources, which can be utilized to conduct commercial activities. 4. The right to utilize FIFA's resources for public relations activities. 5. The ability to enjoy FIFA's technical rights, which allow the use of FIFA's technology for research and development and technical improvement.

World Cup sponsors are entitled to a range of rights, such as branding rights that allow you to conduct extensive promotional activities during World Cup events through various media channels, including social media. Additionally, you have marketing rights that enable you to conduct effective marketing activities during World Cup events through different channels. In addition to branding and marketing rights, World Cup sponsors also enjoy the privilege of advertising rights that enable them to conduct effective advertising activities during the tournament through various media channels,

including social media. Sponsors also have the right to use World Cup trademarks, logos, and facilities during the tournament. Other rights that sponsors are entitled to include access to VIP seats, special sponsor events, and promotional rights during the World Cup events.

Regional sponsors of the World Cup are entitled to several rights, including regional publicity, which allows sponsors to conduct extensive promotional activities during World Cup events using local media, social media, and other channels. Sponsors also have the right to regional marketing, enabling them to conduct effective marketing activities during World Cup events using local media, social media, and other channels. Additionally, sponsors have the right to regional advertising, allowing sponsors to advertise effectively during the tournament. As a sponsor, sponsors also enjoy regional usage rights to use local World Cup trademarks, logos, and facilities during World Cup events. Other regional rights that sponsors are entitled to include access to VIP seats, sponsor special events, and promotional opportunities during World Cup events.

Although the rights enjoyed by the above three levels of sponsorship partially overlap, it is easy to see that the rights enjoyed by these three levels of sponsorship are divided by scope.

In 2016, Wanda Group became a FIFA Tier 1 sponsor in China by paying \$850 million, which granted them all the rights of a FIFA partner. Other companies such as Hisense Group, Mengniu Dairy, VIVO, Yadi, Fingertip Yijian, and Di brand acquired the second and third levels of World Cup sponsorship. The table below shows the Chinese World Cup sponsors and their sponsorship levels for the 2018 and 2022 World Cup.

Table 1. Chinese World Cup sponsors at the 2018 and 2022 World Cup levels.

levels	The 2018 Russia World Cup	The 2022 Qatar World Cup
Tier 1 Sponsors	Wanda Group	Wanda Group
Secondary Sponsors	Hisense Group, Mengniu Dairy, VIVO	Hisense Group, Mengniu Dairy, VIVO
Tertiary Sponsors	Yadi, Di, Pointing Art Realm	Yadi, Boss Direct

Chinese companies invested a staggering \$1.395 billion in advertising at the 2022 World Cup in Qatar, making them the largest sponsor of the tournament, while U.S. companies spent \$1.1 billion, securing the second spot. Among the Chinese sponsors, Mengniu Dairy sponsored \$60 million, and Hisense sponsored \$35 million, among others. Compared to the previous 2018 World Cup in Russia, the 2022 World Cup in Qatar has fewer sponsors from China in terms of number but not in terms of sponsorship amount. Sponsors from China have shown more enthusiasm for sponsoring the World Cup, increasing their sponsorship by nearly 70% compared to the previous World Cup.

3. Exhibitors' drivers and logic

The 2018 FIFA World Cup in Russia, which included 64 matches including the qualifiers, was viewed by an impressive 3.572 billion people worldwide. As digital media continues to advance, it has become increasingly convenient for people to watch games from anywhere and at any time, further increasing the reach of the World Cup. According to a report released by Shake (short video media), the 2022 Qatar World Cup live streams had a cumulative total of 10.6 billion viewers. The World Cup final had 230 million live viewers, with a maximum of 37.06 million people online simultaneously. Sponsors can gain the following three benefits through sponsoring the World Cup: brand promotion and enhanced brand awareness, expanded customer base, and enhanced customer loyalty. Expanding market influence

3.1 Brand promotion and enhance brand awareness

Sponsors can leverage the worldwide platform of the World Cup to promote their brand and gain widespread publicity in a short time frame. An example of this was seen in the opening match of the 2018 World Cup in Moscow, where Russia emerged victorious over Saudi Arabia by a score of 5-0.

Wanda's Chinese advertisement could be seen clearly on the billboard on the side of the field during this match and in every group match afterward, which meant that WANDA Wanda appeared in the eyes of hundreds of millions of spectators during these 8 minutes.

3.2 Expand customer base and enhance customer loyalty

Being a World Cup sponsor helps increase awareness. World Cup sponsors can expand their customer base in a variety of ways, including placing ads, using social media, and working with influencers. These activities help World Cup sponsors increase their visibility and attract more customers. In addition, World Cup sponsors can also attract customers by offering special offers, sweepstakes, and special events. OPPO Mobile launched a new cell phone in cooperation with Brazilian soccer star Neymar.

3.3 Expand market influence

Sponsors have the potential to gain a competitive edge over their rivals during the World Cup by capitalizing on the event's extensive publicity and increased visibility. In addition, sponsors can leverage the public opinion surrounding the World Cup, as well as the various promotional activities, such as lottery and special events, to further expand their market influence. For instance, by implementing a comprehensive internet marketing campaign, such as the "France wins, VATTI refunds" campaign, VATTI was able to effectively increase its sales and brand awareness at a fraction of the cost of World Cup sponsorship.

4. Advice and enlightenment for Chinese enterprises

The FIFA World Cup has become increasingly influential in recent years, due to the development of live-streaming technology, and the growing popularity of this influential World Cup is not only a dream stage for footballers but also a highly sought-after platform for Chinese companies. By participating in the World Cup, companies can not only increase their brand awareness but also showcase their in addition, companies can also increase the sales of their own products through the World Cup. While advertising at the World Cup is positive, its increasing prices in recent years have made companies take it more seriously, lest spending much money on small things or even backfire. Here are a few suggestions for businesses:

4.1 Market analysis

Analyze whether the audience of their products overlaps with the World Cup viewing group. Wanda Group has Wanda Plaza which can provide a venue for viewing the matches or holding related activities. Mengniu Dairy, on the other hand, is an enterprise with dairy products, which can be considered a necessity in the sports industry, including soccer. The audience of these enterprises has greater relevance to the World Cup audience, and these enterprises can make good use of the World Cup as a platform to accurately push their products to their own audience.

4.2 High-quality advertising

High-quality advertisements are more likely to be remembered by viewers than low-quality ones. Companies should strive to create innovative and creative advertisements that stand out from the competition. For example, Wanda Wanda's Chinese character advertisement and Vantage's "If the French team wins the championship, Vantage will refund the full amount" marketing advertisement are examples of creative and effective advertisements that have been successful in the past. Companies should also take advantage of the latest technologies and social media platforms to maximize their reach and engagement.

4.3 New media

Companies use social media platforms to promote their products and services to a global audience during the World Cup. At the same time, companies can use various marketing techniques, such as videos, articles, and pictures, to attract the attention of more viewers and thus increase their market reach. In addition, companies can also work with official partners of the World Cup to gain more publicity opportunities. Finally, companies should measure the success of their campaigns and adjust their strategies accordingly.

5. Conclusion

The World Cup is an international soccer tournament, hosted by FIFA and held every four years. It is the most-watched soccer tournament and one of the biggest sporting events in the world. The World Cup is very popular and each tournament attracts fans from all over the world to watch the games. In addition, due to the sheer scale of the World Cup, there is also extensive television coverage during the tournament, as well as a global publicity campaign, making the World Cup widely watched around the world. The World Cup is an important marketing opportunity for companies. Companies can take advantage of this global sports event to expand brand awareness, enhance brand image and increase sales. Companies can also use the World Cup to promote their brands by hosting or participating in related events and releasing promotional articles and videos to increase brand awareness and enhance their brand image. In addition, they can also launch products related to the World Cup, such as co-branded jerseys and co-branded shoes, to attract consumers' attention and thus increase sales.

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