

# +ViewerTrack

2010 FIFA World Cup™



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# FIFA World Cup is now more popular than ever

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The FIFA World Cup continues to build its global popularity, even in an era of audience fragmentation. This year's tournament drew a live cumulative average audience of 8 billion people, up by 2 per cent on figures for 2006.

This is an incredible achievement, given the extent to which audiences for many other sports events have fallen over the last four years. Even though viewers have more choice than ever before, and a record number of matches from this year's tournament were televised on pay-TV channels, audience figures nevertheless rose. That's true of live, in-home viewing, on which this report is based. When other viewing types, including out-of-home and via the Web and mobile are included, the story is even more impressive.

Further, it's not just the sheer audience size that the tournament attracts that is remarkable. So is the tournament's demographic profile. 26% of the tournament's global audience was drawn from the highest social classes in 2010, up from 24% in 2006. In a number of markets, the upmarket share of the FIFA World Cup TV audience is even higher than it is for other sports, such as Formula One, that have traditionally been perceived as being more upmarket.

The popularity of the FIFA World Cup is consistent with global viewing trends for soccer in general. Whilst the sport has always been the world's number one in terms of breadth of appeal, over the last decade its lead over all other sports has widened appreciably. Previous ViewerTrack reports have shown how the UEFA Champions League Final has overtaken the NFL Super Bowl to become the world's number one most watched annual sports event. Furthermore, record audience figures for the UEFA European Football Championships were also achieved at UEFA Euro 2008.

This report explains the reasons why the FIFA World Cup is such a popular TV event, and what that means for advertisers and sponsors. As uniquely powerful content for reaching a global audience that is both large and upscale, this report examines how the tournament compares with other sports events, and its future prospects in 2014 and beyond.



# FIFA World Cup beats the downward trend in sport

The quadrennial nature of the FIFA World Cup lends itself towards a comparison of its audience trends over the last four years with those for sport in general. The difference between the two is glaring. While the FIFA World Cup continues to go from strength to strength, TV audiences for an “average” sports event show significant decline.

Over the period 2006-09, the global average audience per televised sports programme fell by over one-third, according to estimates from futures sport + entertainment. That is to say, the average annual decline in viewing over that period was 12%. This decline was for a number of reasons, principal among them being:

- An arguably excessive volume of sport on TV, with proliferation in the number of sports events and sports channels on which they are televised
- An accelerating shift in sports TV coverage from free-to-air to pay-TV, especially during the global financial meltdown of 2008-10 as collapsing advertising revenues weakened free-to-air channels' ability to compete for TV rights

These trends for sport on TV are in marked contrast to the popularity of the medium in general. As the chart below shows, while the global number of hours of TV viewed was 14% higher in 2009 than in 2006, the total volume of sport watched fell by 15% over the same period.

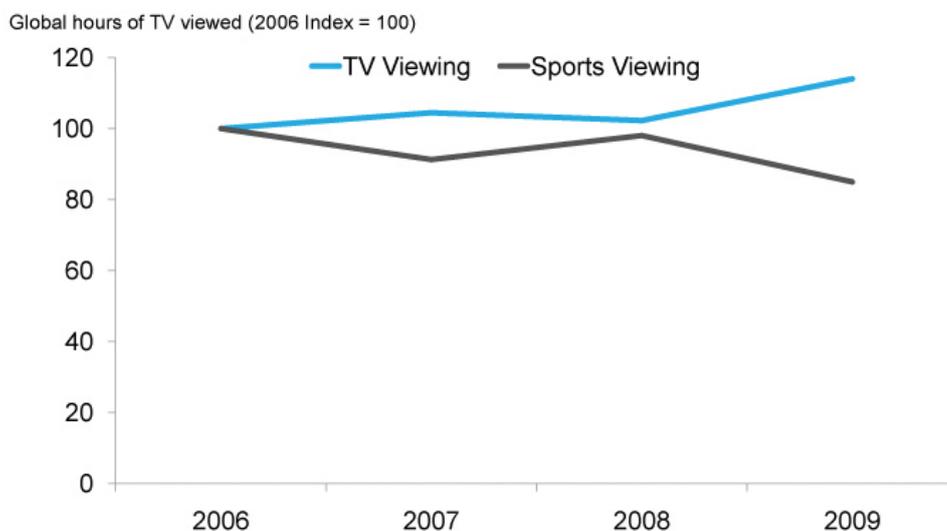


Figure 1 - Global TV viewing trends by genre, 2006-09



# Pay-TV: higher rights fees, smaller audiences

One of the main reasons why audience figures for sport in general have fallen in recent years is the shift in coverage from free-to-air to pay-TV channels. While there are fewer hours of sport televised on free-to-air TV now than was true in 2006, over the same period the volume of sports coverage on pay-TV channels has more than doubled. The different business models of free-to-air and pay-TV channels typically enables the latter to bid higher prices and hence acquire rights to many of the world's most important sporting events.

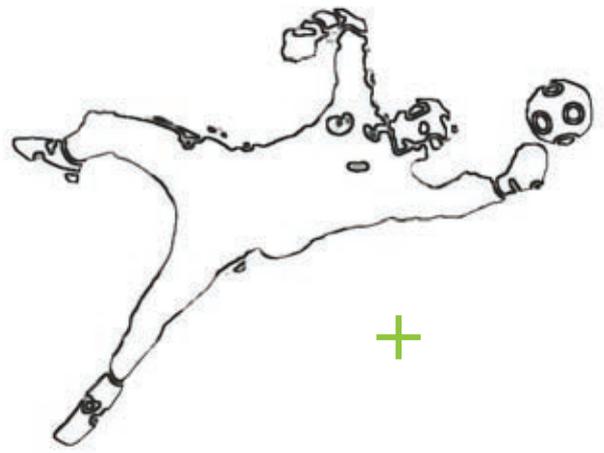
FIFA, like a small number of other leading federations, most notably the IOC, UEFA and FOM, has decided in the main to resist the lure of higher rights fees from pay-TV channels. Hence the FIFA World Cup remains principally a free-to-air TV event. The table below shows the proportion of all matches broadcasted live on free-to-air channels in 2006 and 2010, on average across all fifty-five surveyed markets.

Tournament	Matches (%)
2006 FIFA World Cup™	74 %
2010 FIFA World Cup™	73 %

Figure 2 - Proportion of matches broadcasted live on free-to-air channels

The majority of matches not aired on free-to-air television were played during the final round of Group matches, when fixtures are played simultaneously. These have always been among the least watched matches of any FIFA World Cup, and hence their absence in many markets from free-to-air channels has only a marginal impact on overall audience size.

Free-to-air coverage remains a critical component of the FIFA World Cup, as a result of FIFA's broadcasting strategy and laws protecting the FIFA World Cup as a free-to-air event, given its perceived national importance in many markets. This has greatly helped global audience figures to be robust in the face of a declining overall market for sport on TV.



# The truly global appeal of the FIFA World Cup

Especially over the past twenty years, FIFA has made concerted efforts to spread the appeal of the FIFA World Cup. Soccer has realised the possibilities afforded by globalisation to enhance its status as the world's most watched TV sport. Critically, it has done so without alienating its traditional fanbase in Europe and South America.

2010 saw the FIFA World Cup being staged in Africa for the first time. This followed North America making its debut as tournament host in 1994, in the United States, and Asia likewise in 2002, when Japan and South Korea were co-hosts. By deliberately targeting those regions where historically soccer has been comparatively less popular, the FIFA World Cup can now legitimately claim to be popular in all corners of the world.

Arguably the most important growth market over this period has been the United States, which is now one of the world's largest soccer markets, especially for the FIFA World Cup.



*Figure 3 - Global ranking of US by cumulative live average audience*

In addition to the US, other major economies that have shot up the global "league table" for FIFA World Cup viewing include Japan and China. That is to say, the world's three largest economies have all been successes for FIFA.

Among the world's other major growth markets, rising interest in India has propelled it to nearly become a top twenty market, Russia is on the verges of the top ten, and Brazil and Indonesia are consistently ranked among the top five. Unlike most other sports events, for which even securing TV deals in all these key markets is an achievement, the FIFA World Cup is genuinely hugely popular across all of them.



# Huge audience interest from all demographics

Historically, many people have thought of soccer as being a sport with a limited upscale appeal, principally watched by men. However, the audience profile for the sport has changed vastly over the past twenty years, especially when the sport is played at the highest level. There is no higher level than the FIFA World Cup.

This manifests itself in terms of the tournament's TV audience profile. The gentrification of soccer (especially in terms of the cost of buying tickets, merchandising and other associated paraphernalia) has priced many poorer people out of the game. The widespread efforts to combat hooliganism, racism and other social evils that have blighted soccer have also been highly successful. More upscale viewers have taken their place. With soccer stadia becoming safer and more family-friendly, the sport has been much more favourably portrayed on TV and in other media. All of this has helped to make soccer acceptable to the middle-classes and increased the game's upscale audiences.

Consequently, the FIFA World Cup is highly popular among upscale viewers. 26% of the tournament's global audience was drawn from the highest social classes in 2010, up from 24% in 2006. This mirrors the viewing trends of the UEFA European Football Championships, for which the share of upscale viewers was also higher at UEFA Euro 2008 than at UEFA Euro 2004.

The upscale profile of the fan base was especially pronounced in Asia-Pacific. Given the size of this region and its growing economic importance, this will be an especially pleasing result to FIFA and its sponsors.

With regards to gender, rather than being watched principally by men, well over 40% of the global audience is actually female. Indeed, in some markets more women than men watched the tournament, with the female share of the overall audience especially high in Latin America and in the host nation, South Africa.

This result is consistent with findings from previous ViewerTrack reports written by futures sport + entertainment, which have found that female interest in any sporting event is always disproportionately boosted by a country being the host. The high female share of the audience in Latin America is a reflection of the fact that most of the matches were televised live there during the daytime on weekdays, when the principally male regional workforce was at work.



# Which matches did people watch around the world?

Unsurprisingly, the most watched match of the 2010 FIFA World Cup was the Final, played between Spain and the Netherlands. This match drew an average live global audience of 329 million people, representing a 2 per cent increase on the 323 million who watched the 2006 Final, between Italy and France.

The rate of audience growth for the FIFA World Cup Final was thus directly in line with the expansion of popularity of the tournament as a whole, with both rising by 2 per cent.

These figures mean that the FIFA World Cup Final remains - with one important exception - the single most watched TV programme in the world, of any genre. The only other programme that can compete at this level is the Opening Ceremony of the Summer Olympics. Indeed, the Opening Ceremony at Beijing 2008 was the most watched TV programme of all time, drawing an average live global audience of 583 million people. Those figures were inflated somewhat, however, by China being the host nation. In other years the FIFA World Cup Final has typically drawn a larger global audience than even the Opening Ceremony of the Summer Olympics.

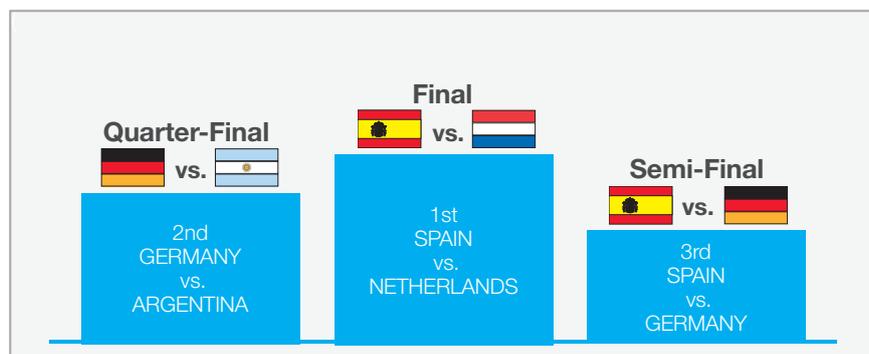
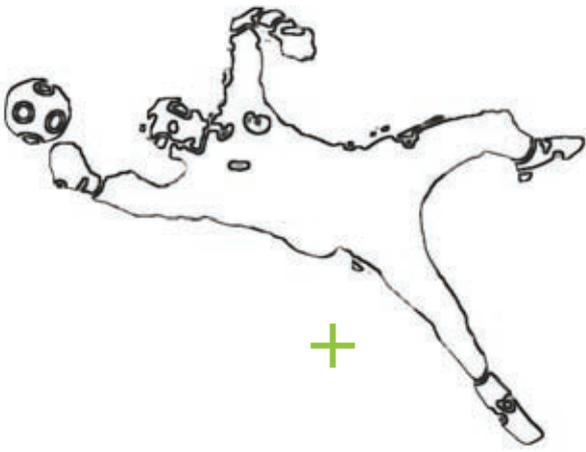


Figure 4 - Matches with the largest audiences at the 2010 FIFA World Cup™

What's most remarkable about the above table is the absence of one of the two Semi-Finals. Traditionally the Final and the two Semi-Finals are the three matches with the highest audiences. However, the Uruguay vs. Netherlands Semi-Final was only the 7th most watched match at this year's tournament. Uruguay's Third-Place Play-Off match against Germany was also relatively unpopular, in spite of the status of the match, ranked in a lowly 16th place.

The unprecedentedly low ranking of these two matches featuring Uruguay suggests that the identity of the two teams is becoming a relatively more important determinant of FIFA World Cup viewing figures. In light of this, the next page examines which teams fans watched most frequently.



# Which teams' matches attracted most TV viewers?

Historically, the world's two most watched international soccer teams have been Brazil and England, in that order. Brazil's matches have been most popular because of their perceived "samba" style of play and unparalleled success. England's appeal has been based upon the country's status as the birthplace of the game, and more latterly due to the immense global popularity of its domestic club league, the FA Premier League.

However, as the table below shows, while Brazil remained the most popular team at the 2010 FIFA World Cup, England slipped out of the top three rankings:

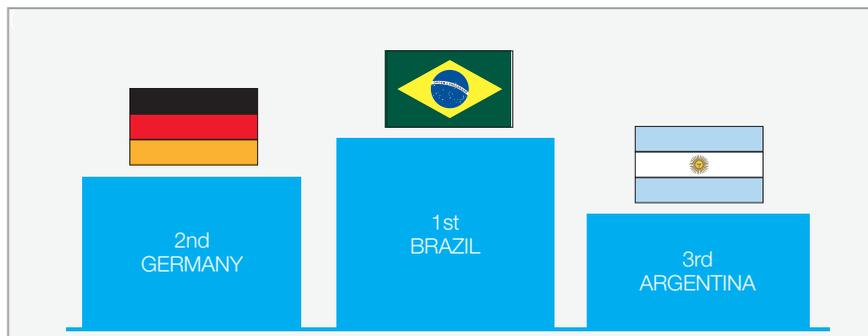


Figure 5 - Teams with the largest average audiences at the 2010 FIFA World Cup™

The relative popularity of each team, and how that changes over time, provides powerful evidence to team sponsors in their negotiations with national soccer federations. Many of their deals are structured contingent on performance and appeal, with rebates payable if previously agreed expectations are not met.

The performance of a number of leading soccer nations this year fell far below what was expected, most prominent among them three of Europe's Big Five markets - England, France and Italy. The failure of teams such as these continues to affect them even after the tournament, by making it harder to find replacement sponsors prepared to pay higher - or even par - fees.

Conversely, Germany's high ranking was in marked contrast to previous tournaments. The average audience for each of its matches was only slightly behind Brazil. This will surely act as a boon to the German Football Federation in its negotiations with commercial partners. One explanation for the rising popularity of Germany - in addition to the large number of goals the team scored in 2010 - is its diverse ethnic composition, boosting interest in the team in all those countries from which its players originated, including the likes of Ghana, Poland, Tunisia and Turkey.



# Future prospects for the FIFA World Cup

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futures sport + entertainment has been tracking the global appeal of the FIFA World Cup since the 1998 tournament, in France. Over the last twelve years, a number of clear trends have been discernible from the data:

## **1. Ability to withstand the effects of audience fragmentation**

The global TV popularity of the FIFA World Cup has grown consistently, thanks to the event achieving record viewing figures in all world regions.

## **2. “Improving” demographic profile of that audience - making the tournament even more attractive to sponsors and advertisers**

Since 1998, the global profile of the FIFA World Cup has become markedly more female and upscale. Its comparatively youthful audience profile - especially compared with some other rival sports properties, most notably Formula One - has also been maintained thanks to the growing availability of the tournament across new media platforms, including via the Web, mobile and out-of-home locations, such as pubs and FIFA Fan Parks.

## **3. An Eastwards shift in the centre of gravity in terms of global viewing trends**

While historically Europe and Latin America were the two regions where soccer was most popular, the largest growth in FIFA World Cup audiences has been achieved in Asia-Pacific (most importantly Japan, China, South Korea and India) and in the US.

futures sport + entertainment expects these trends to be continued in 2014, and beyond. That is to say, we expect that the 2014 tournament will achieve even higher viewing figures than in 2010 (especially if China were to qualify). As the generic sports programme on TV is watched by a progressively older and more downscale audience, the premium status of the FIFA World Cup will become ever more valuable.

Audience growth in emerging soccer markets will also continue, as the major European soccer leagues focus their efforts on building their popularity - and consequently their TV rights fees - in these regions. Recognising this inexorable trend, FIFA made an important change to the match schedule at the 2010 FIFA World Cup, with many fixtures kicking-off much earlier in the day than in past tournaments held in the European time zone. This scheduling change was designed to boost viewing figures in Asia-Pacific (and did so successfully) and more initiatives such as this are likely to take place in the future. Such considerations may also be of growing importance to FIFA's Executive Committee in deciding on which countries should host future tournaments.



# Implications and advice for sponsors and advertisers

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This report has contrasted the media success of the FIFA World Cup with the travails faced by many other sporting events. Massive polarisation is occurring between the very best events and the rest. In this environment, futures sport + entertainment believes that three considerations are more important than ever:

## 1. Recognition of the diverging appeal of different sports

While soccer has always been the world's most popular sport, its lead over other sports has widened considerably over the past decade. Soccer's power as a marketing medium has grown, due to its unique appeal cutting across borders, cultures and languages. There is every reason to expect that soccer will become ever more popular.

## 2. Careful selection of properties in which to invest

Given that the best returns from sponsorship are typically achieved over a long-term relationship, understanding the popularity of tournaments and events today must be set alongside a robust evaluation of those factors likely to cause growth or decline. Given that many properties are actually shrinking in appeal - especially when federations chase higher rights fees from niche pay-TV broadcasters - it is arguable that brands should actually argue that the cost of investment should be lower in the future. This contrasts with what is often the default option of assuming inflation every year.

By contrast, given that there is every realistic expectation that the FIFA World Cup will grow yet further in popularity, the challenge for brands surrounding this tournament is to identify how to find a distinctive niche and build a strong association with it. Given that it is likely that even more brands will want to associate themselves with the tournament via one route or another in the future, and the cost of doing so will rise yet further, standing out from the crowd in a cost-effective manner will be critical.

## 3. Performance measurement

This report shows how detailed interrogation of data can inform on the media impact of a sporting event. In a rapidly changing media and sports landscape, there is a huge need for data and insight that inform on both the current value of a potential investment, and also the likely future value.

Performance measurement is critical at all stages of the evaluation process:

- Before an investment is made, in order to validate the claims made by a rights holder or federation
- During the life of the investment, to manage the property to ensure the highest possible returns are delivered
- After the investment, given the long-term halo impact of sponsorship that can continue to deliver value to a brand even many years after a deal has come to an end



# About **futures sport + entertainment**

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**futures sport + entertainment** ([www.futuresport.com](http://www.futuresport.com)) is a strategic consultancy within IPG Mediabrands. We work directly with federations, teams and sponsors to help them understand their audiences, media exposure and fan attitudes.

We have worldwide reach, using the same measurement toolkit in every country, equipping us with internationally consistent data and analytical techniques. This enables us to understand how sport works as a business driver and the reasons for differences between one country and another. In this report we have drawn upon our estimates of TV viewing trends of live in-home viewing in fifty-five major markets from around the world.

We have developed a strong international reputation for objective views and insight into both the business world of sport and activity on the field. Our analysis goes beyond data interrogation. By interpreting the output, we are able to provide an understanding of both commercial significance and value. In particular, we challenge received wisdom, in order to build a true insight into the world of sport.



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