



eCOMMONS

Loyola University Chicago
Loyola eCommons

School of Business: Faculty Publications and Other Works

Faculty Publications

6-2015

World Cup 2014: Macromarketing Views from Croatia

Clifford J. Shultz

Loyola University Chicago, cshultz@luc.edu

Recommended Citation

Shultz, Clifford J.. World Cup 2014: Macromarketing Views from Croatia. Proceedings of the 40th Annual Macromarketing Conference, , : 309-314, 2015. Retrieved from Loyola eCommons, School of Business: Faculty Publications and Other Works,

This Conference Proceeding is brought to you for free and open access by the Faculty Publications at Loyola eCommons. It has been accepted for inclusion in School of Business: Faculty Publications and Other Works by an authorized administrator of Loyola eCommons. For more information, please contact ecommons@luc.edu.



This work is licensed under a [Creative Commons Attribution-Noncommercial-No Derivative Works 3.0 License](https://creativecommons.org/licenses/by-nc-nd/3.0/).

© Clifford J. Shultz, 2015

World Cup 2014: Macromarketing Views from Croatia

Bruno Grbac, University of Rijeka, Croatia
Clifford Shultz, Loyola University Chicago, USA

This extended abstract is an abridged version of a longer document articulating a study on the effects of the FIFA World Cup, an organizationally, financially, economically and politically demanding quadrennial sporting spectacle that affects billions of global citizens. This reality raises questions about the effects of the World Cup on the marketing system of the host country and the participating countries, as well as institutions and people in them. As a step toward sharing insights the authors analyzed secondary data and conducted field research to assess retail, catering, banking, advertising, fan zones, betting establishments, and consumer behavior in three of the largest cities in Croatia, a country that has seen considerable success in recent FIFA tournaments, including the World Cup. Findings revealed a number of positive changes in the political, economic, social, technological, corporate and consumer spheres. It was concluded that the organization of the World Cup contributed to geo-political harmony, manifested in the strengthening of unity among states competing in sport instead of economic and armed conflicts. On the other hand, a certain process of trivialization in culture is observed, where one branch of sport and its protagonists 'touch the stars' and become national heroes and symbols of success while the real creators and bearers of new values, such as entrepreneurs, managers, scientists and artists remain comparatively neglected. Given the impact on the global marketing system, football/soccer is considerably more than a game, and must be administered, studied and interpreted accordingly.

Introduction

This paper is a greatly truncated version of a longer manuscript, a multi-methodological study on the impact of the FIFA World Cup. Here, we share perspectives from a country relatively small in population (less than 5 million people), but large in football stature. Therefore, one of our intentions in this project was/is to study behaviors and perspectives largely evinced and shared by Croatians, whose national team has been a frequent participant in FIFA tournaments, since 1998.

The organization of the world's mega competitions – and the World Cup is one of the largest, if not *the* largest of them -- presents a major marketing challenge with significant influence on theory and policy of macromarketing. Large sporting events attract visitors from around the world, causing considerable financial burden for the host country as well as substantial media attention and marketing extravagance, potentially leading to numerous direct and indirect benefits for all participants, including the players, teams, sponsors, media, fans and other entities. These competitions have an impact on businesses and the economy, internal and foreign policy, international relations, and myriad stakeholders in the host country and beyond. However, despite the fact that many people, institutions and brands may prosper from global

mega-competitions, some evidence suggests the World Cup finals played in South Africa in 2010 may not have resulted in major economic benefits for the host country (Ezeibe and Ike 2014; see also Shultz et al. 2010); at the time of this writing, benefits (and costs) for Brazil still are being tabulated; in fact, they still are being tabulated for South Africa.

Our aim is to consider the effect of the football World Cup on some macromarketing dynamics. ('Football' will be used in this research paper since its expression is used in most parts of the world, including Croatia, although in the USA the game is more commonly referred to as 'soccer'.) The study is based on a desk and field research conducted before, during and after the World Cup in Brazil - 2014. After the Introduction, basic information about the host country is presented, followed by information about some theoretical underpinnings and a synopsis of the research methodology. Some findings and implications are then shared.

Brazil and Croatia – Football Nations, Football Rivals, Football Complements

For many observers, two words are thought to reveal the essence of Brazil: samba and football. Samba is a festive, quick-step dance style that has its roots in the traditions of Africans who settled in South America and Brazil. Football also symbolizes Brazil. The sport came to Brazil from England, which is the cradle of football and where in 1863 the first Football Association was founded (Buljan and Vurušić 2012). Historians claim that the football appeared in Brazil thanks to a young student, Charles William Miller, the son of a Scottish railway engineer who lived and worked in Sao Paulo. When Miller returned to Brazil in 1894, from his studies in England, he brought with him two footballs, football boots and rules for playing the game. Sequentially, football was accepted by broader masses and eventually became the most popular sport in South America, including Brazil.

Brazil is often viewed as the country of the future. Nearly 200 million people reside across 3.3 million square miles; the landmass is bigger than India and generates almost \$ 2.4 trillion in GDP. It is forecasted to become the world's sixth largest economy by 2030. Brazil has seen an influx of foreign brands since the economy stabilized in the mid '90s and then boomed over the last decade (www.jwtintelligence.com). Hosting the World Cup enabled Brazil to be remembered for many events and results, but also by the official mascot and slogan. The mascot's name, 'Fuleco,' combines two abbreviations: 'Fudbol' and 'Ecologia' – featuring two themes of the 2014 World Cup in Brazil. The mascot is a Brazilian three-banded armadillo, a species native to Brazil and categorized as vulnerable (<http://www.worldcupbrazil.net/world-cup-2014/mascot>). The slogan of the World Cup was 'All in one rhythm'. The implicit message: hosts and guests were invited to unite and immerse in a new world-rhythm, through the 2014 FIFA World Cup; to learn more about Brazil's rhythm of culture, unity and diversity, nature, innovation, and of course football.

Croatia could also be represented with two words: Adriatic and football. The Adriatic is the northernmost arm of the Mediterranean Sea with both developed and pristine coastline, and more than 1,300 islands that, along with clean blue sea and pleasant climate, provide a foundation for tourism development. Tourism, together with other service industries, dominates the country's economy, accounting for over 66% of GDP, while the industrial sector contributes 27% and agricultural sector accounts for 7% (<http://www.dzs.hr>). According to International Monetary Fund Croatian nominal GDP stood at \$ 63,842 billion, or \$ 14,457 per capita in 2013

(<http://www.imf.org/external/pubs/ft/weo/2013>). Croatia is spatially small country, certainly relative to Brazil, covering 56,500 km² and has a population of 4.2 million inhabitants. The country remains in transition from a war of independence, new economic and administrative models, an evolving business-marketing-consumer environment, and recent accession to the European Union. Citizen-consumer affect is increasingly shaped by corruption and cynicism (Jurčić 2013; Štajner 1999). Accordingly, many Croats burdened with political and economic issues find football as a ‘valve’ of sorts. Indeed, football is the most popular sport in Croatia, with a long and storied history. The popularity of football is associated with results of the Croatian national team that achieved several significant victories, including third place at the 1998 World Cup held in France and regular appearances in FIFA sanctioned events thereafter. Football is a part of life for Croats and viewing their national team on the World Cup is seen as a special event. For these reasons, Croatia and its citizens were selected as a focus for this research (cf. Perasović and Bartoluci 2007).

Methods

Multi-method field research was used to understand the attitudes and behaviors of Croatian consumers during the World Cup and to detect changes in the local markets and marketing/consumption activities linked to the cities of Rijeka, Osijek and Zagreb. Observations were carried-out in several dozen large shopping malls and specialty shops, coffee shops, bars, banking institutions and betting establishments.

Some Macromarketing Aspects of the Croatian World Cup Experience

Football, in addition to the game itself and the associated results, has an impact on a range of human activities, from political action to economic effects, social relations, technology development, and of course markets, marketing, consumption and societal well-being. Our findings suggest that the following themes are particularly resonant in both Brazil and Croatia.

- Interaction of politics and the World Cup, in the Host Country and Croatia
- Socio-economic and commercial-sector effects
- Sporting innovations – development of ideas, products and services
- Communication and brand development
- Company expectations, reactions and competition
- Fan joy, pride, and sorrow
- (Un)ethical behavior of football participants, administrators, fans, opportunists, and scoundrels (football enthusiasts will note some redundancy)
- Macromarketing implications of lasting impact

Discussion

The FIFA World Cup is a widely engaged and engaging event, both in emerging and developed countries the world over. “What (is increasingly) evident is that, in many respects, the World Cup is a quintessential macromarketing phenomenon; a global event requiring systemic analysis, planning, investment, implementation, security, and contingences, if welfare outcomes are to be optimized” (Shultz and Burgess 2011, p. 2). This research confirmed that conclusion, in

a Croatian context. Croatia is still experiencing economic crisis, which is manifested in the fall of GDP and rising rate of unemployment. Nevertheless, the World Cup significantly affected the political, social, economic and technological changes and consumer behavior, including higher spending, along with other changes that are important for macromarketing research. What should be emphasized are the behavioral transformations evident in Croatian citizens regarding the great hope and pride after the realization that the Croatian football team was going to open the World Cup with a match against the host country, Brazil. On these grounds, Croatia was the center of world's attention, with over two billion television viewers watching its national football team. The mere fact that Croatia was the focus of world public connotes political, economic and social power and influence. The possibility that the good image of a particular state is sent to the world, as a participant or organizer of a large sporting event, can be put to maximum use, commercially and politically (Skoko and Vukasović 2008). It is therefore not surprising that political leaders, as well as captains and kings of industry and pop-stardom, attend the opening and closing ceremonies of the World Cup.

It can be concluded that the direct impact of the World Cup in 2014 was registered on the international, national and local economy. However, the broad and sustained effects on the Croatian economy, although initially noticeable and significant, will not likely have a greater impact on GDP growth and higher employment.

Large sporting events such as the World Cup, contribute to the development of new technological solutions (e.g., Shah 2000). For example, under the name 'Brazuka' the new Adidas soccer ball was introduced with technological solutions that will affect other ball sports as well. An important innovation is linked to the control system used to facilitate the work of judges and to annul the possibility of intentional or unintentional errors in the assessment of whether a goal is scored. Furthermore, while acting as a simple spray, innovation was used to mark the border of the defensive wall at the free-kick execution, enhancing fairness, speeding play and reducing tensions among players and fans. Innovation in the form of a mind-controlled robotic exoskeleton, which a person who is paraplegic used at the opening match. Although not directly related to a football game, this radically new and sophisticated technology drew the attention of the public, especially disabled persons, who gained the impression that innovations to improve their life-quality are valued football leaders, companies and society. The results of the field research conducted in Croatia suggest interaction of sport and development of economic relations, technological progress and improvement of the social, political and other relations do indeed greatly affect and are affected by the global marketing system.

Ethics and behavior of participants and policy makers related to big sporting events such as the World Cup is a topic that preoccupies not only academics and ethicists, but is also the subject of interest to the general public (Austin 2013). A broad conclusion: most people love the game and the Cup; most also harbor an unfavorable image of FIFA and its (former) President Blatter. This strikes us as both fair and paradoxical. Furthermore, inappropriate behavior by fans, including violence, concerns many observers. Finally, negative behavior of individuals and groups, from roughness on the field to the exaggerated dependence on money of some athletes, from nationalistic provocations to homophobic reactions, need to be addressed. In sum, while the game is seen as pure and beautiful, many of the people who run it, profit from it and wallow in it, are seen as less so.

Conclusion

The 2014 World Cup in Brazil resulted in many positive political, social, economic and sporting results. The hosts built an impressive array of sport and related infrastructure, which will greatly contribute to the good organization of the upcoming summer Olympic Games in the country. Brazil has proven itself as a good host but also as a tolerant society with high level of democracy. This may have come at some costs – truly important costs to health care and education, for example – but the expenditures on football may also serve as catalysts for FDI and broader investment on infrastructure and social services. Whether such a longer-term windfall from the event might occur in Croatia seems considerably less likely.

The Cup manifested generally appropriate civilizational norms in the context of unity among the different, competing states. From qualification matches to the finals, this was reflected through meetings of the national football teams that compete using a football strategy and implementation of football tactics, instead of resolving their issues through economic or armed conflict. Different nationalities came to know better and to understand each other through positive sporting competition.

What also became evident is a kind of trivialization in the general culture, as one branch of sport and its players – the footballers -- ‘touch the stars’ and become national heroes and symbols of success, while the real creators and bearers of new and timeless values, such as entrepreneurs and management, scientists and artists remain neglected.

Ultimately, it can be concluded that participation in major sporting competitions such as the World Cup significantly affects the political, social, economic and technological landscape, marketing system, and consumer behavior, with decisions, spending and myriad behavior and changes that are relevant to macromarketing research. This holds for large countries such as Brazil and smaller countries, including Croatia, where football is the most popular sport. Croatia is a country whose football team achieved generally good results and opened the 2014 World Cup. A less developed, new member-state of the EU, Croatia has been experiencing economic crisis for many years, which manifests in the decline of GDP, rising unemployment and societal angst. The extent to which FIFA and its World Cup mitigate these troubles, present a sustainable conduit from them, or perhaps even exacerbate them remains to be seen, over time. We are hopeful this longitudinal stream of research will shed insights into evolving macromarketing dynamics in Croatia, Brazil, Bosnia and Herzegovina, Colombia, Germany, Greece, the US and many other footballing nations discussed in this session and beyond.

References

- Austin, Michael (2013), “Sport as a Moral Practice: An Aristotelian Approach,” *Philosophy and Sport*, 73, 29-43.
- Buljan Ivica and Vurušić, Vlado (2012), *Football, The History of World Cup*, Zagreb: Školska knjiga.

- Ezeibe, Christian and Ike, Cyril (2014), „Fifa world cup finals: Catalyst For Infrastructural Development? A Case Study Of South Africa 2010,“ *Journal Of Humanities And Social Science*, 19, 1, Ver. XI, 86-95.
- Jurčić, Ljubo (2013), “Hrvatska - oporavak ili stagnacija”, 21. savjetovanje hrvatskog društva ekonomista, Opatija, November 13-15, (accessed September 14, 2014) (available at <https://bib.irb.hr>).
- Perasović, Benjamin and Bartoluci, Sunčica (2007): “Sociology of Sport in Croatia”, *Sociologija i prostor / Sociology & Space*, 45, 1, 105-119.
- Shah, Sonali (2000), “Sources and patterns of innovation in a consumer products field: innovations in sporting equipment”, 4105, Sloan Working Paper.
- Shultz, Clifford and Burgess, Steven (2011), “The Marketing, Money, Power, Policy, Intrigue, Hysteria and Impact of the FIFA World Cup – A View from South Africa and Beyond”, *The New World: Macromarketing Yesterday, Today and Tomorrow*, 36th Annual Macromarketing Conference, Williamsburg, 2.
- Shultz, Clifford, Cornwell, Bettina, Jasper, Paul, Lambrecht, Keith, Healy, Jason and Rabello, Henry (2010), “The Global Marketing and Consumption of Sport,” *Proceedings of the 2010 Academy of Marketing Science Conference*, Portland.
- Skoko, Božo and Vukasović, Igor (2008), “Organization of international sporting events as a country’s promotional and economic image tool,” *Market*, 20, 2, 211-230.
- Štajner, Rikard (1999), “Chronic Unemployment/Indication of New Crises and Changes,” *Ekonomija/Economics*, 5, 3, 421–450.