

Why some Western companies are distancing themselves from the World Cup brand

Written by Andrew Hughes, Lecturer, Research School of Management, Australian National University

This article is the third in a five-part World Cup series exploring the politics, economics, science and social issues behind the world's most popular sports event.

The World Cup is undoubtedly one of the world's most-watched sporting events, only comparable to the Olympics in terms of global audience. And yet, with the tournament kicking off today in Russia, this year's World Cup has so far felt somewhat subdued from a marketing and advertising standpoint.

Though the big brands like Nike, Adidas and Visa have all launched their World Cup ads, there have been just a few viral campaigns on social media so far. And on the guerrilla marketing front in Australia, there's only been [a clever Caltex campaign](#) following the inclusion of veteran Tim Cahill in the Socceroos team.

This low commercial visibility is backed up by FIFA's own facts: whilst the two top tiers of sponsorships for the 2018 World Cup were nearly all filled, the third tier (regional partnerships) still has openings that are likely to remain unsold. Only in mid-June did FIFA secure its first African third-tier sponsor.

Read more: [**Is Russia worthy of hosting the World Cup?**](#)

Altogether, [just 20 of the 34 commercial spots](#) for the World Cup have been sold. This will undoubtedly [cost FIFA hundreds of million of dollars](#) in lost revenue, which is bad news for President Gianni Infantino, who promised member states that [revenues would increase during his term](#).

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So, why isn't this World Cup seeing a commercial bonanza similar to years past, such as Nike's famous [Joga Bonito and Join the Chain](#) campaign at the 2006 Germany World Cup?

The reason is simple: [brand transference](#). This marketing theory dictates that a consumer's knowledge or feeling around a brand – be it a place, person or product – will transfer to the brand it's linked with in an advertisement or marketing campaign.

In this case, it's the connection with tainted "brands" like Russia and FIFA that has some Western companies cautious ahead of the World Cup.

However, these associations haven't proved a problem for brands from other parts of the world, such as [Chinese companies Dalian Wanda, Hisense, Vivo and Mengniu Dairy](#), Qatar Airways, and Russia's Gazprom, who have happily stepped in to fill the void.

Brand Russia

Russia is not an unknown quantity. Brands know the problematic transference issues involved with [any connection to Russia](#), from Moscow's meddling in foreign elections and the Syrian civil war to the state-sponsored doping system that saw Russian athletes banned from the 2016 and 2018 Olympics.

What some companies may be concerned about is how these associations could impact their brands at a local level. In markets like Australia and the US, consumers increasingly want brands to be "authentic" and take a stand on issues, not just be obsessed with profits. Last year's marriage equality debate in Australia demonstrated how keen brands [like Apple](#) were to associate themselves with an issue that connected deeply with a majority of the population.

But with Russia, a certain avoidance strategy might be taking place. The country doesn't feature prominently in advertising campaigns by the major Western brands for this year's World Cup. Of course, this could be because Russia is not high on the list of people's must-take-a-selfie places to post on social media, something Brazil had going for it during the 2014 World Cup. In fact, Brazil continues to feature prominently in advertising for this reason.

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However, even when a brand like Lufthansa did try to feature Russia in its World Cup advertisement, [it ran into trouble](#) due to difficulties obtaining permission to film there.

Even though companies are increasingly looking for ways to engage with consumers, they're also treading carefully given how fierce the public backlash can be these days, like the one Pepsi experienced after its [now-infamous Kendall Jenner ad](#) .

This could also be why [Visa decided to re-record](#) some of its World Cup advertisements that contained voiceovers by Morgan Freeman, who was recently accused by several women of inappropriate behaviour.

All this said, Russia itself is now one of the most attractive markets for many companies, largely thanks to a growing middle class with a love for Western brands. So, Western companies that do shy away from the Russia "brand", or make an association with the country based on old stereotypes, could pay for it locally when they try to connect with Russian consumers.

Brand FIFA

Probably the greater issue for brands is FIFA itself. The global soccer governing body's image is more in need of a repair than any bank, especially with the [recent corruption scandals](#) still fresh in the minds of so many.

FIFA's image had become so toxic, in fact, [numerous major brands decided not renew their contracts in 2014-15](#) : Sony, Emirates, Continental, Johnson & Johnson and Castrol.

But where some see challenges with FIFA, others see opportunity. With prices much reduced, some unlikely Chinese companies [have signed on as sponsors](#) for this year's World Cup. ([Drinkable yoghurt](#) , anyone?)

For these companies, the FIFA brand isn't as tainted as it is in the West, and with the lure of a

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possible World Cup in China in the future, there's more upside to a tie-in with FIFA than any negative associations.

And, of course, the brand transference from some of the highest-profile athletes on earth is hard to ignore in markets like China, tarnished brand or not.

Social and e-game influences

Finally, we may also be seeing a shift in the sport marketing world itself. Though recent sports media deals in the US, Australia and elsewhere point to a healthy market for sports products, the [peak earning](#) for event sponsorships like the World Cup has likely been reached.

With the [growing adoption of e-games and e-sports](#) by younger sports fans, the desire to experience big events like the World Cup or Olympics in person is diminishing. And with [micro-influencers](#) also becoming more popular as endorsers in marketing, there is less need for brands to seek out highly paid football stars who may make just one appearance a year in a market like Australia. If anything, the World Cup really is a victim of its own success.

Read more: [***Faster, higher, stronger and more expensive: the Olympic Games are losing their shine***](#)

Of course, the tournament still connects with so many people in a way few other events can. And there are still ways for brands to find more "authentic" stories through which to connect with fans, such as Icelandair's commercial celebrating the unheralded national team's World Cup qualifying campaign.

So, will major Western brands stay with the World Cup in the long term? If the 2026 World Cup is awarded to North America, this could bring many Western brands rushing back to the tournament, willing to pay a premium for any deal.

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And while there will never ever be a World Cup in Australia, perhaps one in China would be enough to tempt local brands to cough up the money for a regional partnership.

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