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100

Russia's World Cup and Its Legacy

Lawrence McDonnell

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About the Author

Lawrence McDonnell

Managing Director at McDonnell & Partners, Former BBC Moscow Correspondent

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42 Bolshaya Tatarskaya st., Moscow, 115184, Russia

Russia's World Cup and its Legacy – an effective investment in showcasing Russia's ability to host a global event and change perceptions or a brief window to celebrate the beautiful game? What is the long-term value of hosting the 2018 Championship and can Russia build on its success?

The 2018 Russia World Cup is over and by many measures, it has been a phenomenal success. It is a unique global tournament with 32 international football teams descending on one country in an event watched by billions of people around the world for a monthlong football bonanza. For Russia it was a huge showcase with stadiums dotted across the country from the Baltic to the Black Sea. It is probably fair to say that there has rarely been such a diverse cross section of international visitors travelling across Russia in its history – 30 thousand Peruvians in Saransk for a game against Denmark, Saudi Arabians meeting Egyptians in Volgograd, or South Koreans knocking out former champions, Germany, in Kazan.

The immediate measures of success were reflected in the quality of the tournament itself and in the preparation and organisation of the event by the Russian government and its agencies. From a football point of view there was hardly a dull moment. So many nations' hopes and aspirations won or lost in extra time, so many nail-biting penalty shoot-outs reflected in tears of joy or disappointment and the equally nerve-wracking

seconds it took for the referee to defer to a video playback (VAR) that so often reversed an earlier decision.¹ In terms of the preparation and management of the tournament, even the most sceptical media acknowledged the tournament set a new standard in hosting a World Cup.² An army of volunteers were deployed across the country to provide help, guidance, and a sense of humour in English while police and security personnel quietly ensured the tournament remained safe and secure for more than a million visitors.³

For the moment we are still enjoying the closing credits of a World Cup well managed and well attended. In terms of public relations, it will no doubt be remembered as a successful campaign, 'Brand Russia Wins the World Cup' ran the headline in PR Week⁴ as the tournament drew to a close, citing outstanding preparation across 11 cities, comprehensive transport infrastructure to and within host cities offered at no charge to visiting fans, and a genuine sense of festival every step of the way. The PR Week correspondent, travelling with English supporters, was genuinely surprised at the warm welcome from Russians at every level, a common theme repeated by so many of the international media. Guardian journalist Sean Walker, a former Moscow correspondent, was taken aback when visiting journalists told him with some surprise that 'Russia is a normal place with nice restaurants and residents who do not look like aliens. In a rare comment for any journalist, Walker questioned his own reporting from Russia, 'Perhaps we, foreign correspondents, could have done a better job of explaining the country', he says.5

¹ Austin, J, 2018, 'World Cup 2018: History Made with First Penalty Awarded by VAR during France vs Australia', Independent, June 16. Available from: https://www.independent.co.uk/sport/football/world-cup/world-cup-2018-var-penalty-decision-france-vs-australia-antoine-griezmann-video-a8402071.html

² Walker, S, 2018, 'Will the World Cup Finally Change How Russia Is Portrayed?', The Guardian, July 12. Available from: https://www.theguardian.com/football/2018/jul/12/will-the-world-cup-finally-change-how-russia-is-portrayed

³ 'World Cup Highlights Russia's Travel & Tourism Potential', 2018, World Travel and Tourism Council, July 6. Available from: https://www.wttc.org/about/media-centre/press-releases/press-releases/2018/world-cup-highlights-russias-travel-and-tourism-potential/

⁴ Barrett, S, 2018, 'Brand Russia Wins the World Cup', PR Week, July 13. Available from: https://www.prweek.com/article/1487781/brand-russia-wins-world-cup

⁵ Walker, S, 2018, 'Will the World Cup Finally Change How Russia Is Portrayed?', The Guardian, July 12. Available from: https://www.theguardian.com/football/2018/jul/12/will-the-world-cup-finally-change-how-russia-is-portrayed

Economic Benefits?

Despite so much positive sentiment during and immediately after the tournament, the estimated value in terms of immediate and projected revenues is largely below expectations and by many accounts unlikely to have long-term benefits. The World Cup, according to a report by McKinsey in April 2018, may boost the Russian economy to the value of \$13.3 billion over the course of the next five years. However, any lasting economic benefit of the tournament, according to Macro Advisory (Russian consulting firm focusing on opportunities and risks in making investments and conducting business in Russia and Central Asia), is likely to be muted by prevailing economic sanctions and international political difficulties.

Russia's World Cup was the most expensive in the tournament's history with a price tag of \$19.4 billion, according to McKinsey⁸, although other estimates suggest a cost of \$14 billion, largely spent on infrastructure projects across the 11 cities that hosted the tournament. Much of the budget was spent on transport links to connect the host cities and on renovating or building new stadiums.

While the overall cost of hosting the Russia World Cup broke a new record, it is important to consider any investment in transport infrastructure for the tournament as part of a much wider ongoing programme connecting cities across the country, which will, over time, support business and tourism. The M11 Moscow–St Petersburg high-speed motorway is a strong example here and was initially due to open in time for the World Cup, although technical issues mean it will only fully open the following summer. This is a flagship public–private partnership (PPP) between the Russian government and the French road

⁶ 'Soccer World Cup to Add Billions to Russian GDP, Research Shows', 2018, Russia Business Today, April 25. Available from: https://russiabusinesstoday.com/economy/soccer-world-cup-to-add-billions-to-russian-gdp-research-shows/

⁷ 'Can World Cup 2018 Be a Game Changer for the Business of Football in Russia?', 2016, Macro Advisory, Eurasia-Russia Consulting, July. Available from: https://www.macro-advisory.com/assets/library/Macro-Advisory-WC2018-The-Business-of-Football-in-Russia-July-2017.pdf

⁸ 'Russia Could Gain 1% of GDP from Hosting Most Expensive World Cup Ever', 2018, IntelliNews, April 25. Available from: http://www.intellinews.com/russia-could-gain-1-of-gdp-from-hosting-most-expensive-world-cup-ever-140617/

⁹ 'Russia's World Cup Costs to Exceed \$14Bln, Media Reports', 2018, The Moscow Times, June 8. Available from: https://themoscowtimes.com/news/Russias-World-Cup-Costs-to-Exceed-Record-Setting-14Bln-61732

concessions and construction company VINCI SA, funded partly by the foreign partner. In short, the World Cup investment in infrastructure complements a much longer commitment to modernising Russia.

It is difficult to measure the value of the investment by a World Cup or Olympic Games host since the investment might be limited to building stadiums and local transport for the tournament, or it may use the opportunity to also realise national infrastructure projects. Russia's World Cup was effectively extending the example of the 2014 Winter Olympic Games in Sochi, when Russia spent more than \$50 billion for the project, darfing the cost of the 2018 football championship. However, the Sochi investment included the installation of a complex transport infrastructure project from the Black Sea to the Caucasus mountain range and the development of the Krasnaya Polyana ski resort, by all accounts an outstanding facility, matching the scale and quality of the best ski resorts anywhere in the world. It is also worth considering that Sochi now hosts the Formula 1 Grand Prix, attracting a global audience every year, generating substantial revenue for the local economy – quite a transformation from the decaying Soviet sanatorium it once was.

How Do Previous Championships Compare?

If we look beyond Russia at the cost and return of investing in global sports events, we again find it difficult to make relevant comparisons with other World Cup hosts. However, it is worth looking at the aims and ambitions of other countries once a host nation wins its bid to host a major championship and compare those ambitions with the final outcome. Each country, after all, sets its own goals.

In 2014, Brazil set itself an impressive objective, not only to bring the game to a host nation, which is arguably the natural home of the beautiful game, but also to showcase an emerging market, a country committed to developing a strong economy based on new democratic foundations. In the end and despite its best intentions, the challenge was clearly beyond its means at this time.

¹⁰ 'Moscow–Saint Petersburg Motorway', Wikipedia. Available from: https://en.wikipedia.org/wiki/Moscow%E2%80%93Saint_Petersburg_motorway

¹¹ '2014 Winter Olympics', Wikipedia. Available from: https://en.wikipedia.org/wiki/2014_Winter_Olympics

Brazil was moving in the right direction, but best-laid plans to lift the country to a level to meet its ambitions foundered on the realities of a nascent democracy still struggling to improve ordinary people's lives. The cities hosting the tournaments across Brazil scraped across the line just ahead of the opening game, but by this stage the atmosphere had already soured as the organisers, both on the FIFA side and amongst Brazil's politicians, had failed to deliver the necessary services and infrastructure. The championship went ahead only despite the chaos, the media storylines reflecting the blood, sweat, and tears of the ordinary workers who were still installing the furniture and finishing the final coat of paint as fans from all over the world were arriving. In the end, it could only be described as a triumph over disaster. It was a lesson in how not to manage a World Cup. The championship is a lesson in how not to manage a World Cup. The championship is a lesson in how not to manage a World Cup. The championship is a lesson in how not to manage a World Cup. The championship is a lesson in how not to manage a World Cup. The championship is a lesson in how not to manage a World Cup. The championship is a lesson in how not to manage a World Cup. The championship is a lesson in how not to manage a World Cup. The championship is a nascent democracy and the country is a lesson in how not to manage a World Cup. The championship is a nascent democracy and the country is a lesson in how not to manage a world Cup. The championship is a nascent democracy and the country is a nascent democracy and the country is a lesson in how not to manage a world Cup. The championship is a nascent democracy and the country is a nascent democracy and the country

Ukraine and Poland's hosting of Euro 2012 was a very different story with a happy ending despite apparent chaos just a month before the opening game. Ukraine in particular, was potentially a disaster in waiting as the British Foreign Office warned travelling fans to take extra care amid threats of violence and racist attacks. Only a small number of England fans were planning to travel to the tournament. There were also calls for the EU to boycott the tournament in Ukraine after the imprisonment and beating of opposition leader Yulia Timoshenko.

In the end, the tournament in Ukraine and Poland turned out a huge success both on and off the pitch. While exorbitant travel and accommodation prices put off many visiting fans there was none of the hooliganism and racism threatened just a few weeks earlier. The hosts in both countries provided the perfect backdrop for the tournament with volunteers working their magic at every venue. There were, in fact, clear parallels between Euro 2012 and Russia's 2018 World Cup. Thousands of England fans opted not to travel to Russia with former players again advising fans of potential violence. The organizers of the tournament ensured the safety, wellbeing and sense of carnival as the fans arrived, winning the plaudits of the visiting media, even if the attendance could have been higher.

¹² Bevins, V, 2018, 'With World Cup, Brazil Shows Its Successes and Shortcomings', Los Angeles Times, July 14. Available from: http://www.latimes.com/world/brazil/la-fg-ff-brazil-world-cup-wrap-20140714-story.html#

¹³ Ronay, B, 2014, 'So Long and Thanks for the Memories, Brazil. We'll Never Forget You', The Guardian, July 14. Available from: https://www.theguardian.com/football/blog/2014/jul/14/brazil-world-cup-memories-legacy-2014

¹⁴ Harding, L, 2012, 'Euro 2012 Turning into PR Disaster for Ukraine As Racism Fears Scare off Fans', The Guardian, May 28. Available from: https://www.theguardian.com/football/2012/may/28/euro-2012-ukraine-sol-campbell

¹⁵ McNulty, P, 2012, 'Euro 2012 Proves a Treat, on and off the Pitch', BBC, July 2. Available from: http://www.bbc.co.uk/blogs/philmcnulty/2012/07/euro_2012_proves_a_treat_on_an.html

Changing Perceptions

Russia won the bid to host the 2018 World Cup in 2010 although both Russia and FIFA were accused of corruption in the selection process. Criticism of Russia's hosting of the World Cup continued right up to the opening game citing the war in Ukraine, US elections meddling, and the recent nerve agent poisoning in the UK. The British media ran stories advising fans not to travel to Russia, recalling the so-called Ultras' violent attacks in Marseilles during the European Championship in 2016. It is now clear that this particular story had a significant effect on the number of England fans travelling to Russia for the tournament.

However, the story changed quickly after England played its first game of the tournament. On June 18, the UK Independent newspaper reported 'England supporters praise Russia hosts' with one fan quoted 'I met with a Russian Ultra – all he wanted to do was hug me!'. This early example of 2018 World Cup myths versus reality accelerated from this point onwards, most clearly reflected in the comments and videos posted by ordinary fans travelling across Russia. That gulf between perceptions and real-life experiences in Russia during the tournament continued to change minds, but to what extent and how long will the goodwill and positive reporting continue?

If we consider the 2018 World Cup as a Russia promotion campaign, we can look at the success of the campaign through the prism of international media and social media, comparing the established news outlets against the social media platforms and influencers who visited the country and reported their impressions live from the scene without referring to an editor in London or Washington. The dynamics of the comment and coverage generated across all media outlets before, during, and after the tournament showed some very surprising results ranging from full-blown anti-Russia hysteria ahead of the tournament to the gushing praise of visiting families and hardened football supporters who said it was the best World Cup in living memory.¹⁸

¹⁶ Kettley, S, 2018, 'World Cup 2018 BLOODBATH: Russian Hooligans Warn England Fans 'Prepare to DIE'', Express, April 9. Available from: https://www.express.co.uk/news/world/943011/World-Cup-2018-Russian-football-hooligans-ultras

¹⁷ Carroll, O, 2018, 'World Cup 2018: England Fans Praise Welcome by Russian Hosts as They Celebrate First Win', Independent, June 18. Available from: https://www.independent.co.uk/sport/football/world-cup/england-tunisia-world-cup-latest-volgograd-russia-praise-welcome-fans-trouble-a8405341.html

¹⁸ 'The World Cup Helped Russia Put on Its Best Face – and the World Smiled Back', 2018, Independent, July 14. Available from: https://www.independent.co.uk/sport/football/world-cup/world-cup-2018-russia-best-pictures-fans-video-fifa-vladimir-putin-a8443636.html

Russia in the Spotlight

The global television audience for the 2018 World Cup broke multiple records, reaching 3.4 billion viewers over the course of the tournament. In other words, over a single month half the planet spent time watching Russia host the world's most popular sporting extravaganza.¹⁹ No country has ever enjoyed that much global attention over such a sustained period if you take into consideration the massive increase in shared social media content since the last World Cup.²⁰ When audiences were not watching the matches, they were trawling through the media to soak up the statistics, expert opinions, and the group tables to get a sense of the dynamics of the tournament as it proceeded to the knockout stages and from there to the final. Thousands of correspondents descended on Russia to report to all four corners of the globe. From the arrivals of the teams ahead of the opening game to the raising of the World Cup trophy by the winners, every established media organisation was broadcasting across all film, radio, and print media channels. With half the global population watching, listening, or reading stories around the tournament, journalists quickly found themselves struggling to provide enough content for so many audiences. This is when they turn their cameras and microphones to the hosts and visitors crisscrossing the country, descending on regional cities for the group and knockout stages of the tournament.

In many ways this is where the show really begins for Russia. Most international tourists arriving in Russia visit only Moscow or St Petersburg. This summer, during the tournament, hundreds of thousands of tourists ventured far deeper into Russia's heartlands – to Kazan, Kaliningrad, Samara, Rostov-on-Don, Volgograd, cities that are rarely seen by foreign visitors. Saransk, 600 km southeast of Moscow, was the most unlikely venue, with a population of only 300,000 and probably best known amongst Russians for the number of penal colonies dotted across the region. The stadium for the World Cup was built to host 45,000 visiting fans although the capacity will be reduced to 30,000 now the tournament is over. The old stadium, open to the elements, rarely saw more than 2,000 local supporters in the stands. Prior to the tournament

¹⁹ More than half the world watched record-breaking 2018 World Cup // FIFA World Cup. 2018. December 21. Available from: https://www.fifa.com/worldcup/news/more-than-half-the-world-watched-record-breaking-2018-world-cup

²⁰ 'FIFA World Cup 2018 Winner Revealed ... and It's Not Germany, Brazil or Spain', 2018, Ame Info, June 12. Available from: https://ameinfo.com/media/digital/world-cup-soccer-social-media/

it would be fair to say that international tourism was not high on the agenda of the local administration. And then, during one glorious month, Saransk played host to tens of thousands of visitors from all over the world. The first match pitched Danish Vikings against Peruvian Incas, then the Columbians and Japanese arrived, Iran challenged Portugal, and Panama took on Tunisia. A report suggested the people of Saransk were exposed in one month to 235 times more foreigners than they are likely to see in the city in any given month. Saransk was thrown into the spotlight, world-famous both during the build-up to the tournament and during the month of the competition. Now and forever more, the World Cup will remain an important footnote in this town's history.

Similar cultural exchanges were replicated in each participating city and region. Every major news and sports channel was obliged to travel to host cities, share a brief history of the region with a background story and an introduction to the local inhabitants. In every city there is a fan zone, and every fan has a story. Welcome to Russia.

Alongside the traditional media channels, social media platforms provided an additional layer to communicate personal stories from every country arriving in Russia from the four corners of the world. As social media channels expand and improve along with the devices that carry them, this tournament generated a record volume of content from established bloggers, media influencers, and ordinary fans.²² Visiting fans often told the story of Russia outside the context of the tournament and, not surprisingly, their stories were often journeys of discovery that diverged considerably from those in the traditional media. 'Myths versus Realities' were common themes with touching stories, sometimes by fathers and sons, discounting the prejudice and scaremongering prevalent before the opening game.²³

²¹ 'World Cup: More Than 5 Million Tourists Visited Host Cities in Russia', 2018, UPI, July 5. Available from: https://www.upi.com/World-Cup-More-than-5-million-tourists-visited-host-cities-in-Russia/6841530798870/

²² 'FIFA World Cup 2018 Winner Revealed ... and It's Not Germany, Brazil or Spain', 2018, Ame Info, June 12. Available from: https://ameinfo.com/media/digital/world-cup-soccer-social-media/

²³ 'Expectations vs Reality in Russia: The Truth About the World Cup 2018', 2018, YouTube, July 1. Available from: www.youtube.com/watch?v=mDHOmwWNJsq

The Legacy

So what, in the end, might be the longer-term value for Russia in hosting the 2018 World Cup if we discount hard economic returns? How much has hosting a World Cup benefited previous host nations, and how long has the commitment and investment continued to return value in other countries? Each country has its own ambitions and objectives when they are hosting a World Cup, and they come down to hard and soft values. The hard values are related largely to the investment in infrastructure, and in Russia's case this was about renovating or building new stadiums in host cities and investing in transport infrastructure. In this sense, the World Cup investment was similar to the infrastructure investment for the 2014 Sochi Olympics, further expanding an upgrade of host cities and regions. This investment connects people through tourism and supports internal and external trade links.

However, the longer-term value of the investment in infrastructure is complex and difficult to evaluate. A report by Moody's Investors Service published in May 2018 forecast only an insignificant economic benefit for the country limited largely to those cities hosting the championship, with the poorer cities, including Saransk and Kaliningrad, likely to benefit most. By comparison with the larger cities, the smaller city hosts required and received a relatively larger investment, securing additional revenue for the region and reducing capital costs.²⁴

A key question is how we nurture the softer currency or intangibles that encourage football fans and their families to return to the country and businesses to set up shops now the infrastructure is in place. If we regard Russia's World Cup as a PR campaign, it is a campaign which is relatively easy to measure based on how the campaign changed perceptions. If we take the PR analogy one step further and analyse the key pillars of the 2018 World Cup campaign, we can give a more accurate assessment of its success based on key objectives. From there we can suggest how to capitalise on any change in perception during the course of the championship and consider how the government might build a longer-term, sustainable campaign.

²⁴ Zlobin, A, 2018, 'Effekt Futbola. Chto Budet's Ekonomikoi Rossii posle Chempionata Mira' [Football Effect: What Awaits Russian Economy after the World Cup], Forbes, May 31. Available from: http://www.forbes.ru/finansy-i-investicii/362411-effekt-futbola-chto-budet-s-ekonomikoy-rossii-posle-chempionata-mira

The public relations challenge was defined at a very early stage. There was underlying prejudice and negative sentiment against Russia hosting the World Cup. The challenge defined the objective – to change perceptions of Russia and its people with an international relations campaign in hosting the world's most-watched sporting competition played out across the country. The tactics were focused around event management, meeting logistical, communications, and security challenges in hosting more than a million foreign visitors, almost all of whom had never previously set foot in Russia. Hosting the World Cup is a challenge for any country, especially for emerging economies. South Africa and Brazil faced major hurdles in terms of funding, organisation, and security issues.

In the end, in terms of changing perceptions, Russia scored very high. From a public relations perspective, it was an outstanding campaign. The media coverage was overwhelmingly positive with Russia scoring on all fronts in technical terms – the organisation of the tournament was immaculate. Most importantly the testimonials of both the traditional media and ordinary fans sharing their experience on social media platforms shed a new light on Russia. This change in sentiment was reflected in comments from the Russian Duma Committee for Physical Culture, Sport, Tourism and Youth Affairs that said – 80% of fans arriving in Russia for the World Cup intended to return to Russia and further explore the country. The Russian parliament subsequently backed the initiative to extend the visa-free regime for visitors with Fan IDs to the end of the year.²⁵

Whether or not those who expressed an interest to return will take up the government's offer, there is clearly hope on the Russian side that tourism numbers might remain high over the medium term. South African officials reported that visitor numbers remained high four years after the 2010 World Cup,²⁶ but this was at a time when the country was just emerging from the chaos of the apartheid years and the country was rapidly developing its tourism infrastructure. Tourism numbers subsequently fell after the introduction of a new visa regime,²⁷ – clearly a concern for Russia.

²⁵ 'State Duma Extends Visa-Free Entry to Russia by FAN ID till the End of the Year', 2018, Welcome 2018, July 26. Available from: http://welcome2018.com/en/journal/materials/gosduma-prodlila-do-kontsa-goda-bezvizovyy-vezd-v-rossiyu-po-fan-id/

²⁶ 'South Africa Still Winning After 2010 FIFA World Cup', 2014, PR Newswire, June 9. Available from: https://www.prnewswire.com/news-releases/south-africa-still-winning-after-2010-fifa-world-cup-262373921.html

²⁷ 'South Africa tourism 'crisis' after visa rules changed', 2010, Financial Times. Available from: https://www.ft.com/content/7a39d400-257a-11e5-9c4e-a775d2b173ca

How to Build on the World Cup Campaign?

Russia's successful World Cup will stay in the memory for years to come. But memories fade and will inevitably be clouded over time as politics interfere and the usual media suspects remind international audiences that Russia has a darker side and will revert to its old tricks and bad habits; The regime, they will say, not to be trusted.

However, the story does not need to end that way. This World Cup opened visitors' eyes to a different Russia, and they liked what they saw. Governments all over the world promote national brands year-in-year out, continuously building trust amongst key audiences based on any number of themes from natural beauty to ease of doing business and anything in between. Positive sentiment towards Russia immediately following the World Cup is higher than ever²⁸ and is something to build on for the future. Moreover, this World Cup was played out across social media channels as billions watched, shared, and commented on every twist and turn of the spectacle. Global social media engagement in sports today extends the experience beyond the stadium.²⁹ This World Cup, more than any previous championship, generated a much higher number of media impressions in real time, reflecting the experiences of billions of viewers – what they discovered, what they experienced, what they liked. This archive can form the basis of a campaign that extends the goodwill and trust of those who visited Russia that summer.

While the extension to the visa-free regime is a straightforward response to those visitors who want to see more of Russia, there is much more that can be done. The World Cup was a great campaign to showcase the country across a much wider media base and that campaign should continue, maintaining the conversation with those who want to return, identifying and engaging with the most influential social media communities who want to see more of Sochi, Samara, or Saransk. This is how all fashion brands, sports brands, and country brands promote themselves, creating campaigns that build loyalty and drive sales.

The priority now is to capitalise on the success of the World Cup. Engagement with millions of new Russia fans from all over the world should continue. They came to Russia to see the World Cup and they discovered a lot more. To quote the most overused campaign slogan, 'Now is the time!'

²⁸ Muraviev, AD, 2018, 'Russia's World Cup Widely Hailed as Success, But Will the Good Vibes Last for Putin?', The Conversation, July 16. Available from: http://theconversation.com/russias-world-cup-widely-hailed-as-success-but-will-the-good-vibes-last-for-putin-99208

²⁹ 'FIFA World Cup 2018 Winner Revealed ... and It's Not Germany, Brazil or Spain', 2018, Ame Info, June 12. Available from: https://ameinfo.com/media/digital/world-cup-soccer-social-media/











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valdai@valdaiclub.com