

The Impact of Consumer Culture and Neoliberalism on the FIFA World Cups

Rui Bao

Moray House School of Education and Sport, University of Edinburgh, Edinburgh, UK

Email: rb816125@163.com

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Abstract

The FIFA World Cups is one of the premier global sporting competitions in the world. Consumer culture and neoliberalism have played an important role of the global popularity of the tournament. A qualitative research method was used in this study to identify who benefits most and least from this globalised football competition under the perspective of consumer culture and neoliberalism. This paper also critically discusses the impact of consumer culture and neoliberalism on the FIFA World Cups today.

Keywords

The FIFA World Cups, Consumer Culture, Neoliberalism, Impact

1. Introduction

The FIFA World Cups is one of the most popular sporting festivals in the world (Smart, 2007), attracting a massive global audience to watch the matches and consume the products associated with it. Consumer culture and neoliberalism have contributed to the global popularity of the tournament. However, there are limited researches that have explored the impact of consumer culture and neoliberalism on the World Cups. Therefore, this study will analyse who benefits most and who benefits least from this sport mega-event under the perspective of consumer culture and neoliberalism, and critically discuss the impact of consumer culture and neoliberalism on the World Cups today.

2. A Brief Introduction to Consumer Culture and Neoliberalism

2.1. Consumer Culture

The development of consumer culture can be divided into three stages. The first

stage is related to the production, promotion, and consumption practices, which was originated from nineteenth-century industrialization, advertising, and print media. This stage witnessed the development of a mass-produced commodity or market across the country (Horne, 2017: p. 73). The second stage can be connected with Fortism and Keynesianism in the 1920s and 1940s, while the third stage is post-industrialisation and post-Fortism beginning in the 1970s. These two stages saw the growth of mass production and flow of commodity, as well as the growth of global commodity markets (Horne, 2017: p. 74).

There are three main perspectives to understand consumer culture: the perspective of the production of consumption, the perspective of the mode of consumption, and the perspective of the pleasures of consumption. The first perspective presents the culture that has been developed around the accumulation and development of goods, which leads to a greater degree of manipulation and control. The second perspective focuses on the way how the commodities are used to make a difference and strengthen social relationships. The third perspective explores the pleasure and aesthetic value embodied in consumption practice, the desires and dreams that has been generated in specific consumption places and by the consumer cultural imagery (Featherstone, 1990).

2.2. Neoliberalism

Neoliberalism made its debut on the world stage as an economic theory and policy prescription during the years from 1978 to 1980 (Moody, 2008). Neoliberalism advocates market-driven economic and social restructuring. In public sectors, this includes privatization, liberalization and the application of commercial standards in the remaining public and non-profit sectors. Neoliberalism also supports free trade and capital flows in the global economy, with the main trends being financial deregulation, flexible labour markets and the creation of an “enabling” state that promotes neoliberalism (Eick, 2011).

Neoliberalism and consumer culture have had a significant impact on the globalization and commercialization of football, with the World Cups being a truly global event. There are some stakeholders who benefit a lot from the World Cups while some do not benefit equally.

3. Those Who Benefits Most from the World Cups under the Perspective of Consumer Culture and Neoliberalism

3.1. FIFA

As the international governing body of football, FIFA benefits most from the World Cups. Since the 1980s, FIFA has turned football into an international business, with the World Cup being its main product (Eick, 2010). FIFA sees the World Cups as an opportunity to generate revenue through market-based activities. FIFA makes money mainly through various commercial activities related to the World Cups, including selling broadcasting rights, sponsorship, licensing and ticket sales.

A large portion of FIFA's revenue comes from selling the broadcasting rights for World Cups to media corporations around the world. The competition for broadcasting rights is operated in a global market, which is made possible by deregulation. The deregulation of media broadcasting allows media corporations to compete against each other to bid for the rights to broadcast the tournament. The media corporations that pay more will get the broadcasting rights which can ensure great profit for them. This is also the embodiment of the market competition proposed by neoliberalism. According to FIFA Financial Report (FIFA 2010), the revenue from television rights for the 2010 World Cup reached USD 2408 million.

FIFA is the first global sports organization whose corporate sponsorship is a major source of revenue (Smart, 2007). FIFA offers multi-level sponsorship. The FIFA partnership program is the highest level of sponsorship. FIFA also has World Cup sponsors and regional sponsors in the five global regions it has identified (Fortunato, 2017). Neoliberalism encourages individual property owners to consider themselves entitled to use their property as they see fit (Jessop, 2002), so large transnational corporations compete fiercely for the sponsorship. The World Cups provides sponsors with effective and unparalleled marketing platform to connect with global consumers. Sponsors at all levels pay high sponsor fee, generating huge revenues for FIFA.

In addition, FIFA generates revenue from ticket sales. According to FIFA Financial Report (FIFA 2006), the 2006 World Cup revenue from ticketing reached EUR 262 million. One of the main consumer "product" for football fans who attend the tournament is the tickets for live performances. They pay to enjoy the matches and the pleasure embodied in consumption practice, as well as supporting their favourite teams or players emotionally, thus generating huge revenue for the FIFA (Guschwan, 2016).

3.2. Large Transnational Corporations

Large transnational corporations such as media corporations and sponsor corporations have benefited a lot from the World Cups.

The growth of the pay-TV industry has been fuelled by one of the key concept of neoliberalism--free market, generating huge profit for those corporations that have got the broadcasting right of the World Cups. Mass media have played an important role in creating sport consumers and audiences. For football fans who cannot watch the World Cups at the stadium, media consumption is a form of consumption of the sport, which helps enhance the sense of participation and gain spiritual satisfaction, so they are willing to pay media corporations to enjoy the tournament, which further highlights the importance of consumer culture in the economic success of FIFA.

FIFA's partners such as Adidas and Visa, the World Cup sponsors such as Budweiser and McDonald's (Fortunato, 2017), and other corporations that have got the license to produce World Cup-related merchandises take advantage of

the international market opportunities provided by FIFA, invest heavily on advertising and promotion to attract the global consumers. Neoliberalism has made it possible for them to flow capital freely across the borders. As transnational corporations, they also benefit from the removal of trade barriers such as tariffs and quotas, facilitating the movement of goods and services between countries. They have made great profit by selling their goods or service in new markets. For example, Adidas generated about \$2.3 billion in revenue from soccer in 2014 (Fortunato, 2017). Consumer culture has also contributed to the success of the corporations. The core of identity in consumer culture is the development and dissemination of consumer identity or consumption habits. In order to achieve this, the consumerization process must occur (Horne, 2010). This consumption may be in the form of buying goods, buying stocks or contributing to fundraising efforts (Giulianotti, 2002). So some fans buy official jerseys, licensed merchandise such as coffee mugs, credit cards with colors and logos of their favourite team (Guschwan, 2016). While others may buy products related to their star players, since some fans experience star players and other supporters through a set of market-focused relationships. As a result, the fan's identity with the players is most easily verified through consumption of related products (Giulianotti, 2002).

3.3. Top Players

Top players benefit from the World Cups in several ways. The World Cups provides a global stage for them to show off their skills, which increases their opportunity of exposure and recognition. Performing well at the World Cups helps raise a player's profile, not only leading to higher salaries and other financial benefits, such as securing endorsement deals, but also helping to advance a player's career, potentially leading to transferring to a top club and getting the chance to play in other top competitions.

Both neoliberalism and consumer culture jointly contribute to the benefit top players have got. Their high salary is the reflection of the neoliberal market economy, as they can earn fame for their countries and create profit for their clubs. Players who perform well on the World Cup stage are important marketing resource for large corporations. Some players can get the chance to endorse products and earn high endorsement fees. The products endorsed by the top players could also be one of the highlights of future product sales. Large corporations pursuit profit maximization of their investment, as privately-owned corporations, they have the freedom to invest in profitable businesses without being controlled by the government. For example, in order to build brand recognition and loyalty, Nike has signed endorsement deals with athletes such as Michael Jordan. From the perspective of consumer culture, the commercial endorsement is aimed at competing for a bigger share in the growing global consumer market, the top players, as spokesmen of certain products, can help increase product sales. For consumers, consumption of products endorsed by their

favourite players might be the affirmation and proof of their support and loyalty. Transferring to a top club means higher wages and better opportunities for top players, and deregulation of transfer regulations facilitates the mobility of players across borders.

In summary, the biggest beneficiaries of The FIFA World Cups under the perspective of consumer culture and neoliberalism are FIFA, large transnational Corporations and top players, they gain not only fame but also money, but there are some groups that have not benefited equally or even negatively affected.

4. Those Who Benefits Least from the World Cups under the Perspective of Consumer Culture and Neoliberalism

Local companies and local citizens of host countries or cities, and the lower-level players are among the ones that benefit least.

4.1. Small Local Companies

Small local companies in host countries or cities may not benefit much from the economic activities brought about by the World Cups. Though the companies struggle to compete with larger transnational corporations, they cannot get equal chances because some larger transnational corporations have already got exclusive licenses to sell merchandise related to the World Cups. Moreover, larger transnational corporations benefit from the neoliberal policy, expanding into new markets around the world and taking advantage of lower production cost in countries where labor and raw materials are cheap. For example, Nike has opened manufacturing facilities in Indonesia, China and Vietnam to reduce the production cost (Locke, 2003). However, small local companies cannot benefit from international division of labor, outsourcing production and cheaper raw materials and labor. From the perspective of neoliberalism, it is the result of market competition, with high-productivity, efficient and profitable companies thriving and low-productivity, inefficient and unprofitable companies taking a back seat (Andrews & Silk, 2018). This undoubtedly squeezes the living space of local companies and limits their development. In addition, small local companies do not have the fame of larger transnational corporations and are not attractive to consumers. Nike has come to agreements with several countries to equip their teams for the World Cups (Fortunato, 2017). Therefore, the fans of the certain national teams would purchase the sports-related products made by Nike to show their support. This kind of consumption behavior of fans can be positioned to enhance collective consciousness and strengthen the ceremony of support (Giulianotti, 2002). If a large group of fans attend the match wearing the team's jerseys, then this remarkable visual unity may inspire the players during the match. It also gives the fans a strong sense of participation.

4.2. Local Citizens

Local citizens benefit least for the following reasons. Firstly, building new sta-

diums and infrastructure can place a heavy financial burden on host countries and cities, potentially resulting in cuts in public services. For example, in order to complete stadium projects in Brazil, many cities abandoned plans to improve their general infrastructure (Matheson, 2018). Secondly, the construction of new stadium and infrastructure may cause some residents to lose houses without getting adequate compensation. Thirdly, the influx of tourists during the World Cups can drive up the living cost for local people. In addition, the increasing number of tourists may have a negative impact on the mental health of the local population. For example, the attitude, behaviour, eating habits of the tourists who follow different religions may be unpleasant to the local community as that is not their normal way of life (Nair, 2022).

So it can be concluded that the pursuit of the benefits of hosting the World Cups is based on the sacrifice of residents' interests to a certain extent.

4.3. Lower-Level Players

Lower-level players are among the ones who benefit least from the World Cups. Their performance cannot ensure them enough opportunity of recognition and financial reward, and they do not have the chances to transfer to a top club. This is also determined by neoliberal market competition and profit maximization, because they do not have the ability to gain fame and create wealth for top clubs, naturally they will not be favored. Lower-level players cannot become idols of a large number of global fans, so they have little chance to sign endorsement deals with large corporations.

To conclude, in the context of the FIFA World Cup, consumer culture and neoliberalism can highlight who benefits least from the tournament's economic impact.

5. The Impact of Consumer Culture and Neoliberalism on the FIFA World Cups Today

Consumer culture and neoliberalism have had both positive and negative impacts on the World Cups.

5.1. Increased Global Popularity and Fan Base

Consumer culture and neoliberalism has played a significant role in increasing the global popularity of the World Cups and expanding its fan base. The World Cups has attracted a massive global audience, making it one of the most watched sporting events in the world. More than half a million people attended the first World Cup in 1930, and spectators exceeded one million in 1950. The attendance of the 2006 World Cup Germany, the 2010 World Cup South Africa, and the 2014 World Cup all exceeded three million (Garcia & Borbély, 2014). The figures show that there has been a great increase in World Cup attendance over the years. The World Cup was televised to audience in 1954 for the first time and now it is the most-watched sports event in the world. The 2006 World Cup in

Germany, for example, was estimated to have a cumulative audience of 26.29 billion for all matches (Garcia & Borbély, 2014). The number of stadium viewers and TV viewers indicate the increasing popularity of the World Cups. Furthermore, fans from all over the world actively participate in activities related to the World Cups, such as online discussion forums and social media campaigns to show their involvement and support for the World Cups.

5.2. Increased Revenue

Consumer culture and neoliberalism has accelerated the commercial transformation of the World Cups, resulting in a significant increase in its commercial revenue. With the increasing number of fans participating in the world Cups, the sale of tickets, broadcasting rights, sponsorship and licensing has brought in significant revenue for FIFA. According to FIFA Financial Report (FIFA 2018), the 2018 World Cup Russia generated revenue of USD 5357 million, the highest revenue in FIFA's history. The income from the World Cups enables FIFA to invest in projects aimed at promoting and developing football at the grassroots level around the world.

5.3. Enhancement of the Quality of Play

The World Cups has brought together the best players with different playing styles and techniques from around the world, they show off their skills on the global stage, making the matches more competitive and exciting. Fans have the opportunity to enjoy top-level soccer players competing at their highest level, which has enhanced the quality of the play. Moreover, players from different countries can learn new tactics and strategies from other teams and players to develop diverse playing styles and improve their techniques, this will help them provide more high-quality matches to fans in the future.

5.4. Commercialization of the FIFA World Cups

As consumer culture and neoliberalism gain momentum, the World Cups is becoming increasingly commercialized. Commercial signs such as logos of sponsors promoting their brands and celebrity endorsements can be seen on the walls of stadiums and the perimeter of the playing areas (Smart, 2007). There is also a growth in sales of World Cup-related merchandise, including team jerseys, hats, scarves, and other fan gear, generating significant revenue for the manufacturers. The participation of the tournament is also affected by the commercialization of the sporting event. For example, the participation of 2002 World Cup Korea/Japan was jeopardized because FIFA sold television rights to the finals to the pay-per-view stations and the prices of match-ticket were doubled, which could undermine the social integration within the "family" of football and the game's aesthetic development by preventing marginalized social groups from participating in the sport (Giulianotti & Robertson, 2004). Increasing emphasis on profit maximization can to some extent overshadows the tournament itself

and detracts from the values and ideals which the sport originally represented. Additionally, commercialization of the World Cups has raised the issue of corruption. FIFA has been criticized for corruption related to the organization and management of the World Cups. Bribery and vote-trading became a reality in the bidding process for the 2018 and 2022 World Cups, and the perception of corruption in football became a reality (Becker, 2013). FIFA should take action to ensure fairness and transparency.

6. Conclusion

Consumer culture and neoliberalism have shaped the organization and governance of the World Cups today, making it a global sporting event that generates significant revenues. FIFA operates the World Cups on a neoliberal model, which benefits those who can take advantage of the economic opportunities, while local businesses and residents in host countries may not gain much from this event. Consumer culture and neoliberalism have shaped the way the World Cups is marketed, consumed, and experienced by fans. While it has increased the global popularity and fan base as well as the revenue of the tournament, it has also led to commercialization of the World Cups, with FIFA viewing it as a product to be sold. FIFA is responsible for striking a balance between making profits and the promotion and development of football around the world.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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