



The World Cup . . .

what to expect?

By GILLIAN HURST

Will the world's biggest soccer tournament boost your profits, or will the massive influx of tourists wreak havoc on our infrastructure? We take a realistic look at the logistics and potential pitfalls you might face over the period.

The 2010 Soccer World Cup has created a nationwide passion for soccer that cuts across cultural barriers. The last time the nation was united this way was for the 1995 Rugby World Cup. This is going to be bigger and better – after the Olympic games, the Soccer World Cup is the most watched sporting event in the world. Occasions like these ignite the enthusiasm and patriotism of the entire population and focus the world's eyes on this country.

"There will be a big direct injection for the economy, but the indirect impact may be more meaningful for a sustainable economic lift in subsequent years ... it will help change the perceptions that a large number of foreign investors hold of Africa and South Africa," said Standard Bank economist Goolam Ballim.

What effect will this have on the retail sector? Wholesale Business found that opinions were mixed.

Mixed feelings

While economists like Ballim are positive about the financial implications of the tournament, others are wary. "No one knows for certain what the impact of the 2010 Soccer World Cup will be on SA and its food industry," said Terry Sandy, a consultant for Chep, in an address on logistical challenges for 2010 food distribution at a SA Association for Food Science & Technology (SAAFoST) seminar.

Sandy stressed that the industry could only use past tournaments as a guideline and that some of the logistical experiences in Germany in 2006 included:

- A high focus on security for stadiums and fan park as they were isolated.
- Restricted access on materials allowed into designated areas. There was no access for pallets and large boxes or cartons in these sectors.
- All deliveries had to be channelled through one logistics provider - they were then broken down and distributed internally by this company.
- In general the logistics were well run and it is anticipated that it will be exactly the same here.

- Some of the businesses near the stadiums and fan parks that normally used pallets were not allowed to use them during the event for security reasons. So if any of retailers have businesses in those areas and want to use pallets and large boxes they need to check up whether they will be able to use them.
- In some cases manufacturers had to change the packaging required. Beer for example, had to be packaged in plastic rather than glass bottles, as no glass was allowed into the stadiums.
- Consumption of food and drinks during the event was much the same as normal, which meant that manufacturers did not show any abnormal growth.

Sandy said that the likely impact of the tournament on SA will be:

- A drop in construction-related jobs in the next half year
- A major influx of tourists
- A minor switch to snack foods and ready-made meals
- Little or no effect on the retail sector
- Some impact on the flow of normal deliveries and branding restrictions in ►

terms of advertising en route to stadiums and advertising on vehicles going into stadiums, if they do not have brand rights for a product.

Logistics implications

Sandy further explained that the most noticeable impact on logistics would be the number of visitors, which are estimated between 300 000 and 500 000 over the period. "Their length of stays will vary between seven and 20 days. These are huge differences and will result in bed nights ranging from 2.8m to 10m. Length of stays will also determine the number of meals consumed, which will range from 5.4m to 30m meals per day. At an average of 200g/meal this will result in 1 680t to 6 000t of extra food being consumed. If visitors drink two litres of beverages per day this equates to an extra 5 600t to 20 000t to be consumed over the period.

"To take a concrete example let's say 450 000 visitors come for two weeks. This will mean that 4 050t of processed food will need to be handled three times from the original point of production to the fast food outlet. This 12 150t of food and 13 500t of beverages will result in a total of 25 650t, which will have to be moved from place to place.

"This will require 26 000 pallets (assuming 1t/pallet) at an average of 20 pallets per vehicle, resulting in 1 282 additional vehicle loads (40 per day) being required for food and drink alone," said Sandy. "This should not pose a problem, especially as some vehicles may be freed up if retail sales fall off during the period. The problem may however, arise in terms of driver availability. We just don't have that many free drivers around, which could cause a potential bottleneck. Strikes are also a potential issue to be aware of."

Other potential logistics implications Sandy highlighted, included:

- No pallets or a limitation on palletised deliveries to designated sites.
- A limitation on deliveries by branded vehicles to designated sites.
- All onsite logistics will be handled by a single provider called Schenker. So it is important for companies to make sure



Zakumi, the official 2010 World Cup mascot waits to greet fans at O.R. Tambo International airport.



that they establish the right communication and relationship with Schenker to ensure smooth delivery schedules.

Yellow cards

"The biggest mistake retailers can make is to do nothing in preparation for 2010," said Brandon Ross, business development manager for Continuity SA (CSA). The company has launched a web portal to identify potential issues and assist businesses to prepare for the risks to business during the tournament. Operators do not need to take drastic measures, but they do need to examine ordering patterns and perhaps raise stock levels for the period and have contingency plans for emergencies.

Ross says that CSA has identified five key areas that could be problematic over the period:

Access control: The prime concern for organisations in close proximity to stadiums, fan parks, public viewing areas and base camps will be access, or lack thereof. There will also be larger crowds of people in malls and other centres and plans must be made to deal with these numbers – extra till points, security, staff and management on the store floor.

Transport mayhem: When considering the transport requirements of tens or hundreds of thousands of additional people, combined with the dubious state of our transport systems, tremendous strain can be expected on all routes.

Staff shortages and reduced productivity: Will staff get to work? Will they want to get to work? And if they are at work, what percentage of their time there will they spend actually focus on their jobs? Create a staff conduct policy for this period – Ross says that this is a vital because there will be staff members who will almost certainly attempt to push the boundaries.

Outages: All 2010 stadiums will have built-in back-up generators, in line with FIFA's requirements. Yet, keeping in mind that the World Cup takes place over winter, one cannot exclude the possibility of there being serious power and utility outages.

Pandemics: The idea of a pandemic may be a little stale to those living in a modern city, but simply look at the world's current pandemic status in terms of Swine Flu. With the influx of people from around the world in 2010, a pandemic cannot be discounted.

Free kicks for some

Even with all these concerns, the public is getting hyped up for the games and forecourt store operators tell us that they simply can't keep up with the sales of caps, vuvuzelas, Zakumis, soccer balls and other tournament related merchandise. For those who are unaffected by the logistical challenges retailers and manufacturers face, soccer mania has well and truly come to town.

In almost every store, there is evidence of the buzz. Soccer shaped bottles, chocolates, wrappers decorated with game symbols, related competitions, advertisements are everywhere and it seems that everyone is trying to cash in. For anyone planning to join the rush, it is absolutely essential that the marketing rules and regulations laid down by FIFA are strictly adhered to because the penalties for breaking these rules are heavy.

Rules of the game

Getting in on the action is all very well – but make sure it's done legally. Large royalty payments and even jail time are some of the harsh penalties inflicted on businesses and individuals caught using FIFA's trademarks illegally. There are very clear guidelines laid down to ensure the legitimate use of trademarks.

Marketing do's and don'ts

International world soccer body FIFA has released marketing and advertising guidelines for affiliated and non-affiliated businesses wanting to cash in on the much anticipated 2010 Soccer World Cup in South Africa.

These relate to the use of its logo, emblem, slogan and event titles and aim to protect the organisation and its business associates against ambush marketing.

FIFA says the unofficial and unauthorised use of its official marks and failure to adhere to these guidelines jeopardises its ability to raise funds for future events.

This is because FIFA guarantees companies that invest in the soccer event the exclusive use of the official marks for promotional and advertising purposes, making them right holders. "Any unauthorised use of the

official marks by another party not only undermines the integrity of the FIFA World Cup and its marketing programme, but also puts the interest of the worldwide football community at stake," says the body.

"The Rights Holders will only invest in the 2010 FIFA World Cup if they are provided with this exclusivity for the use of the marks. If anyone could use the official marks for free and create an associate with the 2010 FIFA World Cup, there would be no reason to become a rights holder. This would mean that FIFA and the Local Organising Committee would not be able to appoint any rights holders and would not be able to secure the funding of the FIFA World Cup from such revenues."

For the fans

Despite all of the potential issues, the games are going to be a thrilling time for the country. We have built the stadiums and the fans have huge expectations, and efforts made in-store will be much appreciated and well supported. Here are some suggestions to keep the fans happy:

HMR – as the World Cup takes place in winter, make sure your HMR offering is up to scratch in order to keep the chills at bay. Fans staying in camping parks around stadiums, will not be eating in restaurants each night and so will be looking for quick and easy meal solutions. Make sure you are ready to cater for them with stews, casseroles and other hearty offerings.

Butchery – Even though it's winter, braai's are going to be big over this period. Braai packs and specials on meat will be well supported. Biltong and dry wors will be in high demand so keep your stocks high.

Bakery - Convenience is going to be key as people are going to be on the move and looking for easy fill up options. Offer a wide selection of pies, rolls and confectionary for fans on the go.

Snacks and sweets – This is a department that will thrive during the tournament as watching sport goes hand in hand with snacking on savoury or sweet treats. Look at doing combo deals or buy-one-get-one promotions with suppliers.

The do's and don'ts for using FIFA official marks

Advertising and Promotion

- While local companies offering World Cup-related services will not be barred from blatantly stating this in their name or promotional material, they are not permitted to use any of the FIFA official marks.
- The same applies to those selling branded merchandise - be it anything from t-shirts to flags which have to do with the football event. They can only use general terms such as "South African Soccer" and not "2010 South Africa" as this is regarded as an infringement of FIFA's rights.
- Restaurants, bars and other retail outlets are not allowed to use FIFA official marks even in their displays.
- A print advert referring to the 2010 Soccer World Cup can only use simple or general football terms and images. Using any of the official marks - the logo, emblem, slogan and event titles - is considered "unauthorised". The same applies for any type of ticket promotion, be it online or through competitions.

For more information on the use of FIFA official marks, visit <http://www.fifadigitalarchive.com/>

Alternatively, you can contact Emy Casaletti from the Local Organising Committee on **011-567-2010** or **marketing@2010saloc.com**




This Engen forecourt store operator told us he could not keep up with the demand for soccer related goods

Beverages – Both hot and cold beverages will do well because of the increased number of people on the go at this time and stocks should be kept high.

Liquor – there is no doubt about it – a great deal of alcohol is going to be consumed over the duration of the World Cup and it is essential to get your planning correct in order to maintain enough stock. Bear in mind that there may be panic buying and stocking up, so talk to suppliers about stock levels well in advance.

Clothing – Fans from overseas expecting Africa to be all dust and heat may get an unpleasant surprise when faced with our icy winter. Some stores are putting together 'tournament packs' with scarfs, hats and blankets for the unprepared.

No doubt there will be logistical issues to be dealt with, but the larger certainty is that the 2010 World Cup is going to bring with it an energy and patriotic spirit that is going to be remembered for a long time. While the tournament may not bring the economic boom that many hoped for, if contingency plans are properly made, businesses will do well and if nothing else, the country will be united in support of our national team and the beautiful game. 

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