

SPIRIT OF LATIN AMERICA

With a successful Pan American Games completed/a FIFA World Cup to come and an economy which has experienced tremendous growth in recent years, the signs are positive for Brazil's ambitions on the global stage. By **Andy Fry**

THE 2007 Pan American Games was a landmark for the Brazilian sports sector. Although the country has always been known for its talented athletes and passionate fans, this was the moment when the iconic city of Rio de Janeiro proved that modern-day Brazil could also stage a spectacular, world-class event.

In 2002, when Rio was awarded the Pan Am Games ahead of San Antonio in the USA, there were those who doubted that Brazil could pull it off. But a massive amount of infrastructure investment and organisational energy went into Rio's preparations. When 6000 athletes from 42 countries arrived to compete, everything from venues and accommodation to transport and security stood up to the challenge.

The beauty of the event was that it achieved Olympic standards without sacrificing that all-important Brazilian flair. At the opening ceremony on July 13, 90,000 people descended on Rio's Maracana Stadium where they were treated to a stunning two-and-a-half hour live show. With a cast of 7000 and a multi-million dollar budget, it was the perfect curtain-raiser for two weeks of top quality action in 38 sports.

The Pan Am Games weren't

just a success in their own right. They were also a good indicator of Brazil's ability to host global events. This is important for two reasons. Firstly, because Brazil is due to host the 2014 FIFA World Cup. Secondly, because Rio is also hoping to stage the Summer Olympic Games in 2016.

The success of the Pan Am Games venue construction programme suggests FIFA will have nothing to worry about when the World Cup roadshow heads on to Brazil. The best evidence for this was the creation of the Joao Havelange stadium - an ultra-modern venue which is capable of holding 45,000 people. With 17 cities having put their names forward to host matches in 2014, preparations for the event are well under way.

Of course, hosting major events is about more than just bricks and mortar - a point well made by Carlos Alberto Torres, captain of Brazil's revered 1970 World Cup winning side. In a recent interview with Soccerex.tv, he spoke of the excitement that Brazilians feel at the thought of hosting such an important event: "It is the dream of all Brazilians - including the government and the important people - to have the World Cup. Can you imagine Brazil hosting a World Cup? We eat football, we

sleep football. I'm sure we are going to make one of the best World Cups ever."

Football, of course, is a huge passion in Brazil. But the positive reaction to the Pan Am Games showed that this proud and dynamic nation is ready to make its mark in other areas too. Now, it wants to take the Pan Am experience and use it to bring the Olympic Games to Rio de Janeiro. In 2008, Brazilian minister of sport Orlando Silva used the Sport Accord conference in Athens to lay out the country's credentials.

Speaking to Associated Press, he cited Brazil's roaring economy and the 2007 Pan Am games which were "a great success and gave Rio credibility. Transportation, health, security, food, everything worked very well. The Olympics are a dream for us and would place sports strongly in the national agenda; not just soccer".

Rio will find out in October 2009 whether it has been successful in its bid, when members of the International Olympic Committee gather at the 121st IOC Session in Copenhagen. And the Rio delegation can go in knowing that it has the full support of its politicians, people and - on top of this - the entire South American Olympic family. The mood across the continent



RIO 2016



Colour and passion - Getty Images Sport

A GOLDEN FUTURE

Brazil has not escaped the impact of the global recession. But the long-term economic picture for this vast, resource-rich nation is extremely positive

THIS WASN'T ALWAYS the case. For much of the 20th Century, a combination of political mismanagement and corruption kept the majority of the Brazilian population on the poverty line.

But in 2002, things started to change for the better - because this was the year in which current president Luiz Inácio Lula da Silva (Lula) was elected. As a result of Lula's steady hand on the tiller, Brazil has been rewarded with rapid GDP growth and greater influence on regional and global trade policies. Today, it is the 10th largest economy in the world and the second largest in the Americas after the USA.

Brazil has of course been caught up in the current recession - with the result that 2009 is likely to be a tough year. But it is expected to be one of the first economies to bounce back - once global demand for goods and services picks up. It is predicted to play a key part in the emergence of developing nations as a major global economic force.

Lula's domestic priority to date has been the modernisation of the nation's basic infrastructure. But it's clear that, as a by-product of Brazilian economic growth, the sports sector is set to benefit. Like the other BRIC nations (Brazil, Russia, India, China), Brazil is now keen to showcase its capabilities by hosting major international events.

Lula himself is on the record to express his support for this strategy of global engagement through sport (see page 54-55).

Crucially, for the country's event hosting ambitions, Brazil has also rocketed up the agenda in terms of foreign direct investment - a key measure of international confidence in a country's economy. During the 1990s, FDI was around US\$2 billion a year - but now it is up to a staggering US\$45 billion a year. For the IOC, this is a welcome trend - as it suggests that centrally-contracted Olympic sponsors would also be keen to gain a foothold in this 200 million market.

was summed up neatly last year by M.K. Juman Yassin, president of the Olympic Committee of Guiana, who said: "Our continent will be united to support the Rio 2016 campaign, aiming at fulfilling the collective dream of South American athletes - the Olympic Games in South America".

Even if Rio is not successful in its bid, the fact that it is on a shortlist with Chicago, Madrid and Tokyo is an achievement in itself. Indeed, it demonstrates that there is a new cultural and commercial ethos in Brazilian sport - one which will appeal to sports stakeholders well beyond the Olympic family.

It's important to remember, after all, that Brazil is also a beautiful, diverse and weather-blessed nation. Over and above its passionate fans and numerous infrastructure investments, it is also an ideal location for watersports, action sports, dance, beach volleyball and beach football and tennis (to name just a few!).

In April, for example, volleyball's global governing body FIVE confirmed that Brazil would be hosting an international Beach Volleyball event for the 23rd year running (the \$380,000 Banco do Brasil Open presented by KIA, part of the Swatch FIVE World Tour).

With the rapid expansion of its economy, it's also evident that

Brazil will have a key role to play in two key areas of the sports business. Firstly, in the field of corporate hospitality. Recent investments in the F1 motor-racing circuit at Interlagos provide an ideal platform for business decision-makers to meet.

There are also advances in the sport of golf - with golfing legend Nick Faldo taking the Grand Final of his Faldo Series to Brazil last October (an event which is supported by the European Tour, R&A and the PGA). Secondly, there is the opportunity for sport to play a role in improving conditions for young people in this vast country.

Carlos Arthur Nuzman, president of the Brazilian Olympic Committee and Rio 2016 Bid Committee, has made this a key plank in his strategy to secure the Games - arguing that the 2016 Summer Olympic offers the IOC "an opportunity to embrace Latin America, a region with a population of 400 million of whom a third are youth population."

This is an interesting point for the IOC to consider when it selects the 2016 host.

Not only would the Olympic brand benefit from the Carnival-like atmosphere that we all associate with Rio, it would be reaching out to the next generation of sports fans.

A SPORTING ECONOMY

Credited with transforming his country's economy, Brazilian President **Luiz Inacio Lula da Silva** is also a firm advocate of sport and its role in social inclusion. Here he presents his vision for Brazilian sport and his support for a strategy of national and global engagement through sport

Brazil is one of the world's most dynamic young democracies. What are the major factors which have changed your nation and the world's view of it over the past decade?

Throughout the second half of the 20th Century, Brazil has faced and overcome important challenges in terms of development. Since then, Brazilians have tried to offer competent responses to the problems derived from a history of social inequality, combined with population growth and fast-paced urbanisation. That said, the key to the country's recent successes is the democratisation that took place from the 1980s and marked the first step in a collective effort to curb inflation and consolidate institutional and macroeconomic stability. With inflation under control, a balanced budget and a vigorous programme of social inclusion we have fostered a strong and sustainable process of economic and social development in the last few years.

The Brazilian economy is now stable, diversified and dynamic. We are the tenth largest economy in the world and the World Bank forecasts that Brazil will be the fifth largest economy in the world by 2016, when we will hopefully welcome people from all over the world for the Olympic Games in Rio.

In much of the world, views of Brazil have been shaped by its sporting success, particularly in football and motor racing. How important are national teams and athletes to the identity of the Brazilian people?

I must also highlight sports such as volleyball, basketball, track and field, swimming, tennis, judo, yachting, gymnastics, futsal, boxing, beach soccer and beach volley. These sports and many others have also delivered Brazilian idols and teams that won World and Olympic titles in the past and to this day. We are very proud of all of these athletes, especially the ones that have overcome the difficulties posed by poverty and lack of support for development of their skills.

Sports are an extremely relevant factor in social cohesion in Brazil and have been fundamental not only of our international image as a country, but also to our own identity as a people. Football and Brazil are almost synonymous both here and abroad. We live Brazil's and all Brazilians' sporting achievements as a celebration of our own identity and our way of life. Defeats such as the final of the 1950 FIFA World Cup in the Maracana stadium against Uruguay impact on all of us and are passed on as a moment

of national mourning from generation to generation. Fortunately that difficult lesson has been learnt as seen in the five victorious World Cup campaigns, starting in 1958.

How strong is the culture of sports participation in Brazil?

You can witness the strong culture of sports participation in every city across Brazil, and I am not just talking about football. In addition to schools and social clubs, sports participation is instrumental in preparing new generations of Brazilian athletes. We want to do even more to harness this love of sport in our young people. One of the many reasons why I passionately believe the Olympic Games should come to Rio in 2016 is that it will inspire even more young people in Brazil and South America to engage in sport.

This will take many forms but one of the most tangible will be our planned Olympic Training Center which will provide state of the art facilities and be a hub for young athletes from across the continent and beyond. It will be a perfect example of the long term sporting legacy, particularly for Olympic and Paralympic sport, which Rio 2016 will bring. It will be an exciting new facility for the athletes of all Olympic and Paralympic sports from all over the country, as well as a tool to support initiatives in the neighbouring communities meant to encourage people - regardless of age or social background - to participate in sports and lead healthy lifestyles.

What initiatives are being taken to promote sports participation among the youth of Brazil?

While schools and clubs are supported by government incentive programmes in the development of young athletes the main goal of our governmental action is to promote social inclusion and personal development through sports. In 2003, my first year in office, we implemented the "Second Half" programme with the objective of democratising access to sports. The programme has since helped 3.2 million young Brazilians in public schools and less fortunate communities and prioritises children and young people exposed to violence and other sources of social risk, in addition to adequate training, they are offered regular meals, uniforms and sports equipment. "Second Half" currently serves 900,000 youngsters in 1,363 Brazilian towns and cities.

The talented young men and women who stand out for their performance countrywide

can also count on a government sponsorship programme for athletes, known as "Bolsa Atletas", one of the largest government sports sponsorship programmes in the world. The selected candidates, ranked in one of four categories (school, national, international and Olympic/Paralympic), are provided with a monthly stipend that enables them to devote themselves to training and participation in sporting events.

"Bolsa Atletas" guarantees the development of athletes who were not able to obtain private sponsorships. Since its implementation in 2005, the programme has invested approximately US\$ 43 million in 7,259 young hopefuls. In addition to such programmes, the Federal Government invests in developing sports infrastructure throughout the country, with an emphasis on less fortunate communities and public schools.

How important is the sports economy to modern Brazil and how would you assess its current strength and the issues it faces?

Sports are a relevant economic activity within the entertainment industry in any modern economy, and the Brazilian economy is no stranger to that reality - in fact, sports have largely profited from the country's recent economic strength and stability. The Rio 2016 bid is a clear example. The amount of resources invested in sports with massive appeal is very significant, making sporting entities and clubs' revenues more and more diversified over the last years. Nowadays they go far beyond the box office and involve TV rights, advertising in stadiums and gymnasiums, private sponsorships and product licensing, among other sources of revenue.

Brazil has a solid structure of leagues and teams in sports such as football, volleyball and basketball, with a strong and traditional presence of private companies as sponsors. The government supports these and other sports through a programme of tax incentives to private sponsors. A law approved in 2006 allows tax breaks to companies involved in sponsorship of teams and athletes in individual sports. This law has had as a result the investment of additional US\$ 60 million in sports in the last two years.

Why is it important to Brazil to host major global sports events?

Brazil and South America have what it takes to host global sporting events and both the 2014 FIFA World Cup and the 2016 Olympic and Paralympic Games are excellent opportunities to demonstrate our region's social and economic evolution to the world, not to mention our achievements in sport. Rio's bid to host the Games has the potential to make Olympic history by hosting the first Games ever in South America in 2016. I am personally committed



Strongest of sporting advocates • Getty Images Sport

"I am fully convinced that the time has come for Brazil to demonstrate it can host the Olympic Games in 2016, and I am sure we will be up to the task"

and I am doing my best to make it happen. It would be a historic decision for the IOC and one which I hope will be announced in October in Copenhagen. I am fully convinced that Brazil and other developing countries are prepared and have the right to welcome some of the world's main sporting events. Time has come for Brazil to demonstrate that the country can host the Olympic and Paralympic Games in 2016, and I am sure we will be up to the task.

Rio 2016 would allow South Americans to travel easily and be physically connected to the Games for the first time. It would provide a connection to a new continent, new markets for sponsors and a link with 190 million Brazilians and 180 million young people across South

America. The Rio 2007 Pan American and Parapan American Games provided us with great experience and proved our ability to organise and host highly successful major sporting events. Moreover, the US\$2 billion investment in infrastructure and sports venues for the 2007 events has left us with a lasting legacy, which can be used as a platform for our 2016 bid.

It is also important for Brazil to host major international sporting events because of what Brazil can bring to those events. Rio is a city blessed with God-given beauty, iconic landmarks, endless sandy beaches, carnival atmosphere and warm welcoming citizens - a perfect environment for the Olympic Family-athletes, spectators and TV viewers.

What commitment has your government made to funding the sporting and support infrastructure necessary to stage these events?

Our 2016 bid has the total support of all levels of Governments. The Government will take the financial responsibility for hosting the Olympic and Paralympic Games in 2016. We have given the IOC our full Government guarantees. We have a new Federal Fund of US\$240 billion which will be used to fund new infrastructure projects across Brazil and will be harnessed in our preparations for the Games. A wide range of Government funded programmes in support of the Games, many already under way, will provide the foundations for sustainable long-term development. The support from Government ensures that the bid is not overly reliant on the private sector, a major benefit to our bid in the current global economic climate.

Much of our investment programme to further improve Rio's infrastructure and opportunities for workers is already planned and underway, independent of the Rio 2016 bid decision. However, bringing the Games to Rio will help further accelerate some of the improvements and increase opportunities for the people of Rio.

It is also important to note that finance, infrastructure improvements and specific stadium renovations are also already ensured and underway for the 2014 FIFA World Cup. These investments are a major strength for the 2016 bid as we will spread our capital investment over two substantial events and allow enhanced preparation for 2016. With much of the sporting and infrastructure improvements ready by 2014, we can use the final two years of preparation to truly bring the Games alive across Brazil, our continent and the world.

Which sports do you yourself follow?

Whenever I have some free time I spend, a good part of it following sports on TV, at home but also when I travel abroad. Like most Brazilians, I have a preference for football and a passion for Corinthians, my favourite club. In my youth I was a welterweight boxer and played football and won medals in very competitive workers' futsal tournaments. Until recently, including in the initial years of my Presidency, I used to organise and participate in football matches with friends within the Government at weekends. Although I noticed that after I took office my opponents gave me more space and behaved better on the pitch! Given my age I decided to stop because I felt I should not risk affecting my performance as President due to a football injury.

Recently my pastimes have included fishing and following sports on TV and since neither of these is on the Olympic programme, I fear my chances of taking part in the Rio 2016 Games as a senior athlete are very slim!



The heart of things - Getty Images Sport

THE LATIN TIGER

The sports marketing and TV markets in Brazil reflect the country's economy - still behind the big European and North American markets in terms of turnover and professionalism - but growing faster than each of them in both sectors

ACCORDING TO RESEARCH from PricewaterhouseCoopers Global Entertainment and Media Outlook: 2008-2012, the Brazilian sports market was worth \$2.8 billion in 2007 a figure predicted to rise to \$3.9 billion by 2012, growing at a rate of 6.7 percent.

The sports market consists of gate revenues, rights fees, merchandising, sponsorships and other rights packages associated with sporting events.

And with the economic slowdown expected to be less severe in Latin America than in the US and Europe, Brazil looks set for further growth in the TV rights and sponsorship markets, with young, affluent audiences and strong advertiser revenue.

On the international stage, The Copa Libertadores, Latin America's Champions League, now sells TV rights in 135 countries, nearly three times the reach of just four years ago. And Traffic, the Brazilian agency that sells the rights, has more than tripled revenues in that period. Domestically, with strong competition for top sports properties, fees are also increasing.

Brazil's 192 million inhabitants are well-served by free-to-air and pay-channels alike, but only one in ten of its 53 million TV households subscribes to pay-TV (still one of

the lowest penetration rates in Latin America). Brazil is, of course, home to Organizacoes Globo, one of Latin America's most powerful media groups, rivalled only by Mexico's Televisa and Argentina's Clarin Group.

Globo is home to top-flight domestic football through to 2011, the Fifa World Cup in 2010 and 2014 and Formula One until 2010. It has recently faced a challenge from rivals like Rede Record, keen to move in on Globo's 60-to-70-per-cent audience share.

Record is owned by the wealthy evangelical church, the Igreja Universal do Reino de Deus, and recently grabbed the TV rights to the 2010 and 2012 Olympics and the 2011 and 2015 Pan Am Games.

But Globo remains, hands down, the dominant broadcaster of sport and of domestic football in Brazil, and recently won exclusive rights to all five packages of media rights to the Brasileirao, the national championship, paying R\$420 million per season.

Globo also holds the rights for regional championships the Paulista, Carioca, Copa do Brasil and Sul-Americana football.

Record has tried, without any sustained success, to snatch top domestic football and Fifa World Cup rights from Globo, but the

competition has certainly driven up rights fees. Football - domestic and also foreign league football - is of course the dominant sport in terms of both media rights fees and coverage in Brazil. But beyond the beautiful game, motor racing (mainly Formula One), Xtreme sports, volleyball, handball tennis and basketball all command broadcasters' attention.

Despite low penetration rates, pay-TV is growing in Brazil, with telecoms giants Telefonica of Spain and Mexico's Telmex adding to Globo's own cable platform Net and its DTH service Sky Brasil.

Many sports are accommodated on Globo's two (and soon-to-be three) SporTV-branded sports channels as well as rival pay-sports channels BandSports, ESPN and its domestic version, ESPN Brasil, which has 3.5 million subscribers.

For German von Hartenstein, Managing director, ESPN Brazil, "the last 20 years have seen a big development in the Brazilian Pay-TV market, linked with the economic stability that the country has experienced. But it is important to say that there is still a lot of room to grow.

"The Brazilian sports TV market as a whole has grown healthier with a number of new players across different platforms

including TV, pay-TV, internet, radio and mobile. For example, ESPN Brazil shared coverage of the last Summer Olympic Games and FIFA World Cup with other pay-TV channels, knowing that there is room for more than one player to show a big event to sports fans.

"We are feeling the economic crisis and its impact in our clients behaviour. There is more internal discussion and evaluation before each purchase decision, good quality events and audience ratings are more important than ever."

Von Hartenstein says that the progress of the Brazilian market will, necessarily, track that of the wider economy.

"We believe that Brazil is in condition to face this storm with fewer problems than other countries in the world, but this still needs to be confirmed. The sports that are really gaining traction in the Brazilian market are Xtreme Sports and tennis."

For ESPN Brazil, one of the priorities for 2009 is to develop its brand in the emerging media, mainly internet and mobile and von Hartenstein points to a growing consumption of internet across the country as a whole.

"Some 85 per cent of the national traffic is centred on the big five portals and sports are number one for all of them. For example the Brazilian X-Games produced by ESPN in 2008 was the 2nd biggest traffic generator event in (internet operator) Terra's history."

GROWING IN FERTILE GROUND

The country's growing appetite for hosting major events is really propelling the Brazilian sports marketing industry forward. And the best news for brands, sport, and sports marketers alike is that the Brazilian public is spectacularly responsive to sports marketing. By **Kevin McCuUagh**

THE POSITIVE RESPONSE from the Brazilian public to brands that sponsor sport means it is increasingly viewed as a more effective and cheaper option than traditional forms of advertising, says Jose Carlos Brunoro one of the biggest figures in the Brazilian sports marketing industry.

And if anyone should, know, it is Brunoro, whose career has seen him represent his country in volleyball, manage the Brazilian volleyball team to Olympic silver, negotiate one of the biggest deals in Brazilian sports marketing history between football club Palmeiras and Italian dairy company Parmalat, and helped create one of Brazil's newest professional football clubs, Pao de Acucar Esporte Clube (PAEC).

Brunoro says research has shown that the Brazilian public takes companies which sponsor sport more seriously, and that sponsorship deals have a major impact on purchasing decisions. When Samsung ended its sponsorship of top football club Corinthians two years ago, it suffered a 20-per-cent drop in sales in the two months immediately following the end of the deal. Unsurprisingly, the Korean electronics giant re-entered football sponsorship, signing a new deal this year with the Palmeiras club.

Football is, of course, the biggest sports marketing vehicle in Brazil, as a quick scan of the table of the biggest deals (opposite) confirms. "Brazil lives and breathes football," as Brunoro says, but he adds that other properties, including Brazilian Olympic athletes and teams, and the national volleyball and basketball leagues, are providing marketing platforms for companies that don't have the budget to sponsor top-level football.

Brazil has, after all, a huge and increasingly wealthy population - 192 million, the fifth-largest in the world - and the 10th-largest economy globally and there are

huge numbers to be reached through avenues other than football.

Despite its burgeoning wealth, Brazilian society still suffers from a massive gap in opportunity and in living standards between the wealthy and the poor - a factor that has itself played an important role in sports marketing.

Sport is seen as a relief for the poor, a way out of poverty for the talented, and generally a social good. Sponsors are therefore seen as doing something very important for society by investing in sport. Companies sponsoring Olympic athletes especially benefit from this positive perception, as the road to Olympic success for Brazilian athletes is a long and difficult one in a country where training and development facilities and opportunities have, in the past at least, been thin on the ground. One of the main stated goals of the Rio 2016 bid team is to create a legacy of facilities for the training of Brazilian athletes.

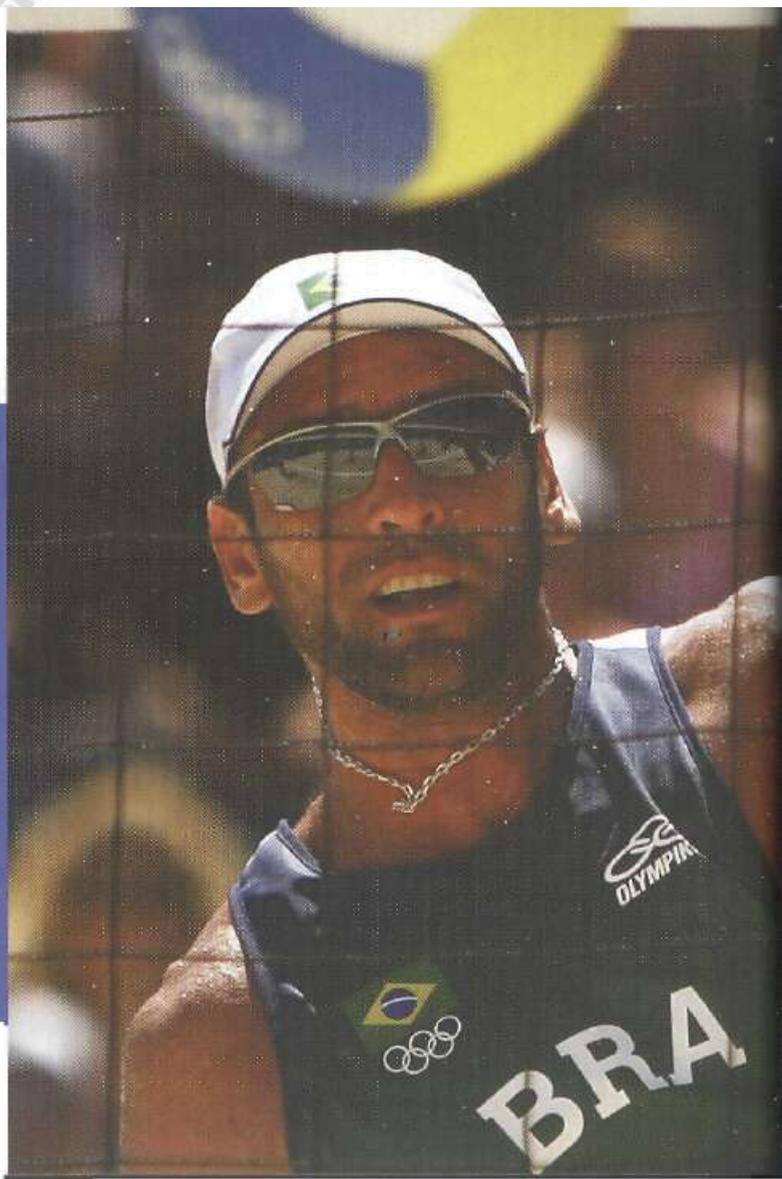
Brunoro says that no company sponsoring top-level sport in Brazil can ignore investment in social development programmes as a fundamental of their sponsorship.

Such programmes include building facilities or sponsoring youth development programmes in disadvantaged areas. In a country with grinding and widespread poverty, CSR is not just an optional extra, or something that can be paid mere lip-service to.

The opportunities provided by sport, and the rewards it can bring for pure talent, as opposed to a fortunate birth on the right side of the tracks, contribute to a hugely emotional connection between Brazilians and their sport - the sort of connection that companies in the cynical consumer environments of Europe

and the US can only dream of. And Brazilian brands are rapidly catching on. The sophistication of their sports marketing efforts is improving. Electronics brand Toshiba uses a single football shirt sponsorship to market a variety of its product lines during a season, by changing what is presented on the shirt. And spend on activating sponsorships is increasing too, a rare upward trend in this global economy, says Jochen Losch of Traffic Sports Marketing, one of the biggest operators in the sector in Brazil. Losch says the last five to ten years have seen the biggest growth in the industry.

"There is a hugely emotional connection between Brazilians and their sport - the sort of connection that companies in the cynical consumer environments of Europe and the US can only dream of"





Top recent sponsorship deals in Brazil

Signed	Sponsor	Event or Activity Title	Value of Deal Est./Reported	Years
Mar-09	Batavo	Corinthians	\$8,000,000	1
Feb-09	Nike	Corinthians	\$6,600,000	5
Dec-08	Electrobras	Vasco da Gama	\$23,492,000	4
Aug-08	Gatorade	Kaka and Ronaldinho	\$500,000 - \$999,000	
Jan-08	Fiat	Palmeiras	\$11,600,000	4
Jan-08	Medial Saude	Corinthians	\$8,000,000	1
Dec-07	Semp Toshiba	Santos	\$11,400,000	2
Aug-07	Caixa	Pan American Games 2007	\$1,600,000	1
Jun-06	Visa	Brazil	\$70,000,000	7
Apr-06	Nike	Brazilian Football Federation	\$144,000,000	12
Jan-06	Petrobras	Flamengo	\$5,700,000	1
Sep-05	adidas	Palmeiras	\$12,900,000	3

Source: The World Sponsorship Monitor produced by Sports Marketing Surveys

And both Losch and Brunoro point to major international events hosted in Brazil as catalysts for the industry. This began in earnest with the Pan-American Games in 2007; now the World Cup in 2014 is on the horizon; and the possibility remains of the Summer Olympic Games in 2016

being hosted in Rio de Janeiro. The ripples of these events move forward and back through time. Brunoro says that preparations for the 2014 World Cup have started in the media, in the building of facilities, in the training of people to organise the event and take advantage of the money-making

opportunities it presents. Once the competition is over, the legacy will extend beyond facilities and encompass greater expertise.

"Things like corporate hospitality do not currently exist in Brazil," Losch explains. But the stadium business is on the verge of a revolution. Investment in facilities will have to be paid off, and there will be pressure to keep them profitable, as is done in Europe and the USA.

"Uses will have to be found for the new arenas for 350 out of 365 days per year," says Brunoro, who also expects the legacy of 2014 to include greater professionalism in the management of football clubs,

from providing better services and comfort for fans at stadiums, down to providing better training to prepare the thousands of young boys who fail to make it at Brazilian clubs for life outside football.

Deloitte recently said that 2,000 new jobs would be created in the sports business in Brazil by 2014, in coaching and athlete development, and on the legal and commercial side of sport. And Brunoro says that the sports business education infrastructure in Brazil is expanding to meet the demand. Three or four universities in the country now provide courses on the administration of sports businesses. This is still a small number for such a large country - as the raw football talent that Brazil creates is exported overseas, it may yet have to import business and professional talent required to fully staff its burgeoning sports business.

The Brazilian sports market is certainly looking up, if from a low base. The Brazilians' passionate, emotional connection to sport makes it fertile ground for reaching consumers and it is heartening to see social responsibility already engrained in the business. Sports marketing in Brazil has the opportunity to provide something very positive for a lot of disadvantaged people, and at the same time share in their growing wealth.

UPWARDLY MOBILE

Marcel Cordes, executive director, Sport+Markt on the recent trends and the outlook for the Brazilian sponsorship market

First of all, when you talk about the sports business in Brazil, you are talking, of course, 90 per cent about football. There are some sponsorship deals in volleyball and basketball, but only in football do you see the really interesting deals, especially in jersey sponsorship.

São Paulo FC had a deal with LG, agreed in 2001 for about €6 million per year. When the three-year contract ended at the end of 2008, São Paulo tried to renew for €10 million but the number was unrealistic for the market at the time. It was renewed for the same value over one more year. Palmeiras has just agreed a deal with Samsung for over €5 million per year, over three years. Corinthians now has a one-year contract with Batavo, a food company, as well as an additional contract for a sponsorship of the sleeves, both heavily influenced by having top football ambassador Ronaldo playing for the club. But the international market has definitely influenced the market in Brazil, for sponsorship and also for player transfers which represent another key business area in Brazil.

Clubs are now giving real importance to alternative revenues, such as naming rights. This is the market which we certainly see growing in the next few years. Also hospitality will gain in significance. We are already seeing European companies trying to reach clubs with a view to the 2014 World Cup but nothing really concrete yet.

So, the future for Brazil can be seen to be very optimistic as we see a major boost on the professional level. As football clubs spend around 70 per cent of their revenues on salaries, they cannot gain much. But sports like volleyball and basketball now have independent leagues and things are going well, both tournaments are broadcast live and all teams have sponsors, generally making use of the naming rights of the team.

Generally, the value of sponsorship has been underestimated so far in the Brazilian market. The potential is still immense - sport plays a big role in society as Brazilians love it and support all kind of opportunities.