Optimism. Passion. Patriotism. Three emotions that, every four years, overcome football fans across the globe for a month-long celebration of the beautiful game. The 2018 FIFA World Cup kicks off in Russia on 14 June 2018 and, like the England national team, UK industries are hopeful for a strong performance throughout the tournament. While many have struck comparisons between a tea bag and the England national team, suggesting that the former tends to stay in the cup longer, others are convinced that this will be the first successful year since 1966. One result that’s for certain is that a World Cup summer brews success for several UK industries. IBISWorld has analysed five UK industries that are most likely to reap the rewards of a World Cup summer, assuming that England reach the quarter final stage (based on the historical performance of England in major football competitions since 1996). IBISWorld estimates that supermarkets; pubs and bars; takeaway and fast food restaurants; gambling and betting; and TV advertising are set to score an additional revenue of circa £1.5 billion due to associated commerce resulting from the World Cup.

Supermarkets
While many fans are likely to congregate in pubs across the United Kingdom to watch long-awaited World Cup football, others are expected to create the perfect World Cup experience from the comfort of their armchair. From impromptu World Cup parties to a casual night in watching the game, consumers are expected to stock up on crates of beer, convenient ready meals, barbecue food and snacks. The anticipation of surging demand for alcohol and food over the tournament is likely to see supermarket retailers hedging their World Cup bets by introducing discounts on alcohol, particularly beer and cider. In an attempt to attract commerce from those carousing until football comes home, supermarkets will likely go all-out-attack in retailer price wars. However, other supermarket retailers have adopted a more innovative approach to drive seasonal sales. England team associate Lidl’s 2018 World Cup strategy includes a range of national flags created from Lidl-brand food. According to the company, its tasty treats “will act as contextually relevant content that continues Lidl’s role in the World Cup even if England are knocked out.”

IBISWorld estimates that the World Cup will prompt £1.5 billion in additional consumer spend.

In this special report, IBISWorld analyst Thomas Falconer analyses how the 2018 World Cup will affect consumer spending in five key UK industries.
out at the group stage”. IBISWorld estimates that the Supermarkets industry (IBISWorld report G47.110) will generate £596.9 million from food and alcohol-related sales during the World Cup, with £409.6 million from alcohol sales alone.

Pubs and bars
World Cup fever has hit the United Kingdom and pubs across the nation have stepped up their summer preparations. While the Golden Fleece in Chelmsford, Essex has introduced two-pint glasses to reduce World Cup queues, the Norwich Gardeners Arms has a new short-term moniker – “The Harry” – in honour of the England captain. Typical of major sporting events, IBISWorld expects 4.6 million UK patrons to flock to the pub in search of a World Cup atmosphere. The World Cup comes at a fortuitous time for the Pubs and Bars industry (IBISWorld report I56.302) amid falling per capita alcohol consumption. Meanwhile, over 600 UK pubs have closed to date since the government last adjusted the rateable value of business properties in April 2017, the equivalent of approximately two closures per day. Although the rate of pub closures has slowed, largely owing to a freeze on beer duty in the 2017 Autumn Budget, sustained competition from supermarkets and unfavourable legislation has blighted performance.

Cue the World Cup. Pubs across the United Kingdom have reason to cheer when England’s first game kicks off at 7pm on 18 June. Overall, IBISWorld estimates that a surge in alcohol consumption at pubs and other licensed venues during the World Cup, contingent on England’s progress in the tournament, could result in an industry boost of £401.4 million. However, pub landlords remain concerned that a repeat of England’s 2014 performance, where the team’s failure to make it through the tournament’s first round dashed expectations of a bumper summer for alcohol sales, could leave pubs out of pocket and struggling to recover costly investments in new TVs and lavish decorations. Pubs and bars could benefit from increased opening hours, as happened last World Cup and during the weekend of the FA Cup Final and Royal Wedding, although nothing has yet been confirmed.

Takeaways and fast food
For times when oven-baked pizzas aren’t quite convenient enough, and cooking cuts into valuable viewing time, fans are expected to order fast food while watching the football in the evening. IBISWorld estimates that the World Cup will drive fast-food sales of £191.9 million. Coinciding with dinner time in the United Kingdom, England’s first group game kicks off at 7pm and an estimated 18.7 million people are expected to tune in, representing a large target market for operators in the Takeaway and Fast-Food Restaurants industry (IBISWorld report I56.104).

Food-delivery platforms and takeaway chains have already mobilised strategies to appeal to viewers’ World Cup hunger. For instance, Just Eat has appointed sports marketing agency Dark Horses to head its new World Cup campaign set to launch in June 2018. Although companies like Just Eat and Deliveroo operate in the

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**Related spending during the 2018 World Cup**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Expenditure (£ million)</th>
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<tbody>
<tr>
<td>Supermarkets</td>
<td>596.9</td>
</tr>
<tr>
<td>Pubs and Bars</td>
<td>401.4</td>
</tr>
<tr>
<td>Takeaways and Fast Food</td>
<td>191.9</td>
</tr>
<tr>
<td>Gambling and Betting</td>
<td>173.6</td>
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<tr>
<td>TV Advertising</td>
<td>135.4</td>
</tr>
<tr>
<td>Grand total</td>
<td>1499.2</td>
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*Estimate*  
SOURCE: IBISWORLD
IBISWorld Cup: Football fixtures are set to kick off spending

Gig economy and are not part of the Takeaway and Fast-Food Restaurants industry, the convenience of ordering food through apps is expected to appeal to home viewers and support takeaway or fast-food restaurants that are subscribed to online food ordering brokers like Just Eat. Domino’s reported a 10.1% rise in half-year profits after the 2014 World Cup due to associated digital and promotional strategies. This year Domino’s is expected to push World Cup-themed marketing strategies to support seasonal sales, such as guaranteed delivery before half time. While fast-food chains are expected to flourish, full-service restaurants are conversely set to go on the defensive as, in the eyes of die-hard football fans, the World Cup trumps eating out.

Gambling and betting
Gambling and betting operators (IBISWorld report R92.000) take in excess of £14 billion a year from punters. Over the past decade, growth in online betting and a seemingly insatiable number of promotions available for prospective gamblers has seen betting companies stake unprecedented claim to punters’ money. Meanwhile, the Gambling Act 2007 opened the door to TV advertising for sports betting to tempt would-be gamblers. However, possibly bar the Super Bowl and the Grand National, nothing entices high rollers more than the World Cup. The World Cup offers 64 games to bet on, while bookies also welcome top scorer; overall winner; England elimination stage bets, and more. Bookmakers are odds on to generate significant returns from punters backing a longshot World Cup win for England. Overall, IBISWorld estimates that bookmakers will take home an extra £173.6 million over the course of the tournament.

TV advertising
As mentioned, an estimated 18.7 million people are expected to be glued to their screens when England’s first game kicks off. In addition, IBISWorld expects an average of 6.8 million people to watch non-England games. World Cup football has historically attracted mass viewership and, in the summer of 2018, advertising revenue is expected to surge for the Television Programming and Broadcasting industry (IBISWorld report J60.200). All 64 World Cup games are scheduled to be broadcast on either BBC and ITV channels. However, the BBC is predominantly financed by the TV Licence Fee and, as a public service broadcaster, does not receive any income from advertising. As a result, ITV will be the only beneficiary of additional advertising revenue during World Cup games. Out of a possible 64 games, ITV is scheduled to broadcast 31, including England’s standout group game against

England’s Group Stage fixtures

- England vs Tunisia
  18th June
  BBC - 7pm

- England vs Panama
  24th June
  BBC - 1pm

- England vs Belgium
  28th June
  ITV - 7pm
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Belgium at 7pm on 28 June. During the World Cup, 30-second advertising slots on ITV channels will be up for grabs. For England group games during primetime hours, a 30-second slot could add up to £340,000 to ITV’s pocket, while daytime England games could generate anywhere between £160,000 and £250,000 per slot for the broadcaster. If England progresses past the quarter-final stage, prime time knockout game slots could fetch more than £400,000. For non-England games, 30-second slot prices could fall between £40,000 and £100,000. In total, IBISWorld estimates that ITV could generate £135.4 million from advertising revenue during the World Cup, depending on England’s performance.

Overall, IBISWorld expects 2018 World Cup sales in several UK industries to top those of the 2014 World Cup. During the 2014 World Cup, for instance, supermarket sales of alcohol, soft drinks, bagged snacks, pizza and similar party food surged by more than £50 million during the first week of matches, according to retail market expert IRI. However, as England were eliminated in the group stage, that peak slumped by approximately £38 million, and potential gains were therefore unfulfilled. Whilst a World Cup summer will always be a key marketing and sales boost, the size of the resulting impact rests, like so much else, on the 23 players that are to board the plane next month.
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