GENERATING VISITOR SPENDING

Mega-Sporting Events

2011
Introduction

There are few events that can unite the world. Mega-sporting events like the Olympic Games and the FIFA World Cup™ are two examples of this unique phenomenon. When such events showcase a location, that location benefits with added infrastructure, more jobs, new public awareness and a sense of pride and nationality that beams around the globe.

Visa, is a proud sponsor of both the FIFA World Cup™ and the Olympic Games. We are committed to enhancing the fan’s experience for these events by developing cardholder programs that touch the very core of their passion for the sport both globally and locally. Visa’s FIFA sponsorship kicked off with the 2010 FIFA World Cup South Africa™ and includes the rights to the 2011 FIFA Women’s World Cup Germany™, the 2013 FIFA Confederation’s Cup Brazil™ and the 2014 FIFA World Cup Brazil™.

Since 1986, Visa has been a proud Worldwide Sponsor of the Olympic Games and will be the exclusive payment services sponsor and the only card accepted at match venues through 2020, including the London 2012 Olympic Games, the Sochi 2014 Olympic Winter Games in Russia, the Rio de Janeiro 2016 Olympic Games in Brazil, the Pyeongchang 2018 Winter Olympic Games in South Korea and the 2020 Olympic Games.

As with any event, mega-sporting events are subject to the times they are held in. Since 2007, the world has watched, almost helplessly, as the global economy experienced a recession from which most countries are just beginning to emerge. During that time there have been three mega-sporting events that the world and host countries have looked to for inspiration: The 2010 FIFA World Cup South Africa™; the Vancouver 2010 Olympic Winter Games and the Beijing 2008 Olympic and Games. These three events, as this report will show, have proven to be catalysts of economic recovery for the host country and nations surrounding it in terms of international tourism spending.

Given the significant impact of these events, we have engaged with the events sector and latterly, the United Nations World Tourism Organization (UNWTO), to better understand the impacts of mega-sporting events, such as the Olympic Games and the FIFA World Cup™.

In this context, international payment cards – credit, debit and prepaid – play an important role in facilitating tourism. They ease the difficulties travelers face when making purchases in other countries and as a consequence, international payment card networks are now of substantial size and still growing. Visa’s network includes 1.8 billion Visa cards, millions of merchant outlets and 1.7 million ATMs in more than 200 countries and territories worldwide.¹

This report looks to use electronic data generated from these transactions as an effective way to assess visitor spending patterns and impacts. It is clear that this can provide a rich source of material that can help destinations in their own planning, bidding and hosting activities.

What is particularly encouraging is the strong indication that in the mega-sporting event’s analyzed for this report, tourism-related spending increased substantially during the events and far beyond any increases that can be attributed to economic recovery only.

¹ Data as of June 30, 2010. As reported by client financial institutions and therefore may be subject to change; includes ATMs in the Visa Europe territory.
Overview

Countries bid for mega-sporting events for a variety of reasons, including nation building, branding, infrastructure development, and economic returns, among others. A major challenge is how to measure the short and long-term impacts of these events in a way that is helpful to countries that have hosted them as well as those seeking to bid for future events. This report focuses on measurement of visitor spending around such events, which is of great interest to government agencies, sponsors and event organizers.

Traditionally, visitor mega-sporting event-related expenditures are estimated based on survey sampling – a widely used approach but one that suffers from difficulties of representative data collection, currency uncertainty, memory or estimation challenges and high administrative costs. This report, in contrast, uses aggregated data from Visa’s payment cards, called VisaVue Travel Data, to indicate expenditure patterns from three mega-sporting events held between 2008 and 2010:

- The 2010 FIFA World Cup South Africa™
- The Vancouver 2010 Olympic Winter Games
- The Beijing 2008 Olympic Games

This approach provides real time information on the expenditure made in each particular destination by different nationalities, on what days and on what products/services. Expenditure data for the equivalent days in during the previous year was used to highlight the increase in expenditure during these events. In addition, for the FIFA World Cup™ and the Olympic Games, comparisons were made with adjacent periods around the event to better isolate changes in the general operating environment.
Prior to February 2010, Canada had experienced one of its slowest years in recent history in terms of international visitors. The Vancouver 2010 Olympic Winter Games proved to be a boosting catalyst. While the FIFA World Cup™ played a significant role in the growth experienced in June and July, visitor arrivals were amplified all year round. Spending levels by international Visa cardholders traveling to South Africa in December ($220M) and January ($220M) even rivaled the June and July FIFA World Cup™ months.

Summary

International payment cards are powerful indicators of international tourism expenditure generally and mega-sporting events specifically. Comparisons with equivalent periods in the previous year indicate renewed growth in tourism expenditure overall. For each of the three events analyzed, there was healthy growth in Visa payment card expenditure during the event compared to the year prior:

**2010 FIFA WORLD CUP™**

82% GROWTH

While the FIFA World Cup™ played a significant role in the growth experienced in June and July, visitor arrivals were amplified all year round. Spending levels by international Visa cardholders traveling to South Africa in December ($220M) and January ($220M) even rivaled the June and July FIFA World Cup™ months.

**VANCOUVER 2010 OLYMPIC WINTER GAMES**

93% GROWTH

Prior to February 2010, Canada had experienced one of its slowest years in recent history in terms of international visitors. The Vancouver 2010 Olympic Winter Games proved to be a boosting catalyst.

**BEIJING 2008 OLYMPIC GAMES**

15% GROWTH

Continuing the momentum, China experienced a 15 percent increase in tourism spend from international Visa cardholders.
Comparisons with equivalent periods in the previous year indicate renewed growth in tourism expenditure overall.
The 19th FIFA World Cup™ was hosted in South Africa from June 11 to July 11, 2010. Matches were played in 10 stadiums in nine host cities around the country, with the final at the Soccer City stadium in Johannesburg. Sixteen teams advanced to the knockout stage and Spain defeated the Netherlands in the final. FIFA estimates that 3.8 million fans attended the matches in South Africa to make it the largest FIFA World Cup™ ever. Players were involved in 64 matches attracting an average attendance of close to 50,000 spectators, which was also a record. Around the world, billions of people enjoyed the tournament.

Daily Visa payment card expenditures made by all non-South Africans whilst in South Africa during the period from June 1, 2010 until July 31, 2010 were analyzed alongside similar data for the same two month period in 2009. As the FIFA World Cup™ itself lasted from June 11 to July 11, 2010, the data set provided comparative information for 10 days before and 20 days after the tournament.

As the tournament was staged in nine cities around South Africa, Visa payment card data pertaining to international visitors for the whole of South Africa were used. Clearly, this data includes expenditures made by visitors not directly associated with the 2010 FIFA World Cup™; however, this preliminary analysis attempts to highlight trends related to the effects of the event rather than produce exhaustive breakdowns.
Time of Travel

In comparing the total expenditure across the days of the FIFA World Cup™ itself in 2010 compared with the same days in 2009, Chart 1 illustrates an 82 percent increase. Clearly, some of this increase would have been due to the fact that tourism in general in 2010 had recovered from the impacts of the global financial crisis in 2009. In order to try and isolate the increase in expenditure due to the tournament from the other changes that had occurred in 2010 compared to 2009, deeper analysis was undertaken of the expenditure data for days in June and July outside the event in both years.

**Table 1** presents the results of this analysis which shows an increase of 25 percent in 2010 over the equivalent days in 2009. Assuming this indicates the general economic recovery factor, then the net increase due to the tournament is estimated at 57 percent.

**TABLE 1. VISA PAYMENT CARD EXPENDITURES OF INTERNATIONAL VISITORS IN SOUTH AFRICA.**

<table>
<thead>
<tr>
<th></th>
<th>Entire Period</th>
<th>Non Tournament Period</th>
<th>Tournament Period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditure in 2010</strong></td>
<td>$426 M</td>
<td>$168 M</td>
<td>$258 M</td>
</tr>
<tr>
<td><strong>Expenditure in 2009</strong></td>
<td>$276 M</td>
<td>$134 M</td>
<td>$142 M</td>
</tr>
<tr>
<td><strong>Percentage Increase</strong></td>
<td>55%</td>
<td>25%</td>
<td>82%</td>
</tr>
</tbody>
</table>
While the FIFA World Cup™ played a significant role in the growth experienced in June and July, Chart 2 shows that visitor arrivals were amplified year round. Spending levels by international Visa cardholders traveling to South Africa in December ($220M) and January ($200M) even rivaled the June and July FIFA World Cup™ months.

**CHART 2. 2009 AND 2010 INTERNATIONAL VISA CARDHOLDER SPENDING IN SOUTH AFRICA.**

<table>
<thead>
<tr>
<th>Month</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>$200M</td>
<td>$143M</td>
</tr>
<tr>
<td>February</td>
<td>$181M</td>
<td>$135M</td>
</tr>
<tr>
<td>March</td>
<td>$185M</td>
<td>$142M</td>
</tr>
<tr>
<td>April</td>
<td>$169M</td>
<td>$137M</td>
</tr>
<tr>
<td>May</td>
<td>$147M</td>
<td>$132M</td>
</tr>
<tr>
<td>June</td>
<td>$222M</td>
<td>$128M</td>
</tr>
<tr>
<td>July</td>
<td>$204M</td>
<td>$145M</td>
</tr>
<tr>
<td>August</td>
<td>$156M</td>
<td>$142M</td>
</tr>
<tr>
<td>September</td>
<td>$177M</td>
<td>$135M</td>
</tr>
<tr>
<td>October</td>
<td>$187M</td>
<td>$169M</td>
</tr>
<tr>
<td>November</td>
<td>$220M</td>
<td>$206M</td>
</tr>
</tbody>
</table>

Source: VisaVue Travel Data, 2009 - 2010
Inbound Spending Patterns

Chart 3 shows the percentage increase in Visa payment card expenditure in 2010 compared to 2009 by visitors from the top 10 visitor nations to South Africa during the tournament period:

- In general, increases were in excess of 14 percent, with most being in excess of 80 percent ranging as high as 766 percent.
- Only Mozambique showed a decrease.

Comparing changes during the tournament period with the non-tournament period showed that:

- Generally, increases in the non-tournament period were on average only 28 percent of the increases during the tournament.
- For Botswana, the increase during the tournament period compared to the same period in 2009 was less than the comparative increase during the non-tournament period.
- For Angola, the tournament increase was only slightly higher than during the non-tournament period.

The three African nations in the top 10 expenditure list showed somewhat different behavior to the other nations listed. Mozambique appears to be going through a downturn in spending on Visa payment cards in South Africa irrespective of the FIFA World Cup™; the event had little impact on their expenditure in South Africa. For Botswana, the increase in card spending during the event was less than the increase in the adjacent periods. This suggests an aversion effect, with visitors staying away from the host destination during the event through fears relating to issues such as crowding, reduced accommodation and higher prices.
In the previous chart, only two of the eight teams who competed in the quarter finals were shown. To determine whether the expenditure profiles of nationalities included in the later stages of the tournament increased more than other nationalities during the tournament period, an examination was made of the expenditures of visitors from the other finalist nations.

Chart 4 presents this analysis:

- Cardholders from all quarter-finalist nations showed a very healthy increase in spending during the tournament period compared to 2009.
- The average increase in expenditure for cardholders from the eight quarter-finalist nations during the tournament was 5.4 times as great as the increase across the non-tournament period, both compared to 2009.
- The average increase during the tournament compared to 2009 for cardholders from the eight quarter-finalist nationalities was 1555 percent – albeit from relatively small bases.
**Chart 5** shows the split of total Visa payment card expenditure into key categories during the FIFA World Cup™:

**CHART 5. BREAKDOWN OF VISA PAYMENT EXPENDITURE CATEGORIES OF INTERNATIONAL VISITORS TO SOUTH AFRICA DURING THE 2010 FIFA WORLD CUP™**

Even though it is too early to examine the long-term benefits of the tournament on South Africa’s economy, the mega-event has been heralded a success in the tourism industry. According to South Africa’s Tourism Minister, “The tournament enabled South Africa to build a legacy for itself and the continent – not just in the areas of sport or tourism, but in positioning South Africa as a viable investment market.”

**Chart 6.** shows the percentage increase in Visa payment card expenditure in 2010 compared with 2009 - 2007.

**CHART 6.**
Vancouver 2010 Olympic Winter Games

The 21st Olympic Winter Games were held from February 12-28, 2010 in Vancouver, British Columbia, Canada. Some events were also held in the suburbs of Richmond, West Vancouver and the University Endowment Lands, and in the resort town of Whistler. Approximately 2,600 athletes from 82 nations participated in 86 events in 15 disciplines. Both the 2010 Olympic and Paralympic Winter Games were organized together.

Daily Visa payment card expenditures made by all non-Canadians whilst in British Columbia during the period from February 1-28, 2010 were analyzed alongside the daily Visa payment card expenditure data for the same period in 2009. As the 2010 Olympic Winter Games lasted from February 12-28, 2010, the data set provided comparative data for 11 days before the commencement of the Games.

The Visa payment card data that was analyzed for this report relates to the spending of international visitors throughout the Province of British Columbia, not just at the sites of the 2010 Olympic Winter Games. As with the FIFA World Cup™ analysis, the expenditure data included in this analysis incorporate expenditures made by visitors to British Columbia not associated with 2010 Olympic Winter Games and efforts will be made to isolate these impacts in subsequent analysis.
Approximately 2,600 athletes from 82 nations participated in 86 events in 15 disciplines.
Time of Travel

In comparing the total expenditure across the 17 days of the Vancouver 2010 Olympic Winter Games compared to the same days in 2009, Chart 7 shows that there was a 93 percent increase. Clearly, some of this increase would have been due to the fact that tourism in general in 2010 has recovered from the impacts of the global financial crisis in 2009. By analyzing the increase in expenditure that occurred in British Columbia in the 11 days immediately prior to the 2010 Olympic Winter Games compared to the equivalent days in 2009 helps identify the growth that was occurring irrespective of the Games even though it is highly likely that there was Games-related expenditure in the weeks leading up to the event.

**CHART 7. VISA PAYMENT CARD DAILY EXPENDITURE OF INTERNATIONAL VISITORS IN BRITISH COLUMBIA DURING THE 2010 OLYMPIC WINTER GAMES COMPARED TO SAME DAYS IN 2009**
Table 2 compares the increases in Visa payment card expenditures for international visitors to British Columbia during the 11 days prior to the 2010 Olympic Winter Games with the increase that occurred during the 17 days of the Games relative to the equivalent days in 2009. It can be seen that the expenditure made by international visitors to British Columbia using Visa payment cards in the 11 days before the 2010 Olympic Winter Games was 12 percent higher than for the same days in 2009. For the actual days of the Games it can be seen that Visa payment card expenditure was 93 percent above the equivalent days in 2009. If the 12 percent increase in the non-Games period is assumed to represent the background increase in expenditure from 2009 to 2010, then the net increase due to the 2010 Olympic Winter Games would be estimated to be 81 percent.

**TABLE 2. VISA PAYMENT CARD EXPENDITURES OF INTERNATIONAL VISITORS IN BRITISH COLUMBIA**

<table>
<thead>
<tr>
<th></th>
<th>Entire Period</th>
<th>Non Olympic Games Period</th>
<th>Olympic Games Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FEB 1 - 28</td>
<td>FEB 1 -11</td>
<td>FEB 12 - 28</td>
</tr>
<tr>
<td>Expenditure in 2010</td>
<td>$159 M</td>
<td>$44 M</td>
<td>$115 M</td>
</tr>
<tr>
<td>Expenditure in 2009</td>
<td>$99 M</td>
<td>$39 M</td>
<td>$60 M</td>
</tr>
<tr>
<td>Percentage Increase</td>
<td>61%</td>
<td>12%</td>
<td>93%</td>
</tr>
</tbody>
</table>

It is worth noting that the Vancouver 2010 Olympic Winter Games occurred at a time where inbound tourism was reeling from the global economic crisis. By looking at a monthly breakdown of international cardholder spend into Canada, one can see that post-Games tourism spend by month showed a 10.4 percent increase over 2009.

**CHART 8. 2009 AND 2010 INTERNATIONAL VISA CARDHOLDER SPENDING IN VANCOUVER.**
Inbound Spending Patterns

Chart 9 provides a representation of the percentage increase in expenditure in 2010 compared to 2009 by visitors from the top 10 visitor nations to British Columbia in terms of Visa payment card expenditure during the 2010 Olympic Winter Games. It can be seen that the percentage increases compared to the equivalent period in 2009 for these top spending nationalities ranged from 11 percent for UK to 1296 percent for the Russian Federation with most nationalities showing an increase well in excess of 50 percent.

**Chart 9. The Top Ten Spending Nationalities in British Columbia in Terms of Visa Payment Card Expenditure during the 2010 Olympic Winter Games Compared to the Same Days in 2009.**
Table 3 presents the 10 countries that won the most medals at the Vancouver 2010 Olympic Games. It is interesting to note that all except three of the nations appearing in Chart 9, representing the largest spending nationalities within British Columbia on their Visa payment cards during the Games, were from nations in the top 10 in terms of medal count.

**TABLE 3. LEADING MEDAL WINNING COUNTRIES IN THE 2010 VANCOUVER OLYMPIC AND PARALYMPIC WINTER GAMES**

| Country | 1 | United States | 2 | Germany | 3 | Canada | 4 | Norway | 5 | Austria | 6 | Russia | 7 | Korea | 8 | China | 9 | Sweden | 10 | France |
|---------|---|---------------|---|---------|---|--------|---|--------|---|---------|---|--------|---|-------|---|-------|---|--------|

Chart 10 shows the split of total Visa payment card expenditure into key categories during the Games period. It can be seen that the key expenditure categories were ‘Retail’, ‘Restaurants’, ‘Other Travel/Entertainment’ and ‘Lodging’, which are very similar to the key expenditure categories in South Africa during FIFA World Cup™.

Chart 11 shows the percentage increase in Visa payment card expenditure in 2010 compared with 2009 - 2007.

**CHART 10.**

**CHART 11. PERCENTAGE INCREASE IN VISA PAYMENT CARD EXPENDITURE COMPARISON**
Olympic Legacy

One of the key factors for any Olympic Games host city and country is the legacy that is left behind. It is critical for countries to be in a position to leverage the global attention events like the Olympic Games can generate as well as maximize investments made in preparation for the influx of inbound travelers.

Canada spent approximately $5.6 billion preparation for the Games, including more than $1 billion for a new Convention Center, as well as more than $16.6 million upgrading Vancouver’s Cypress Mountain, which hosted the freestyle and snowboarding events.2

Impact facts to consider:

- According to the Canadian Tourism Commission, total tourism spending in Canada increased by four percent to $13.8 billion in the first quarter of 2010.3
- In the months of February and March, Canada experienced double digit growth in the total spend by inbound Visa cardholders compared to the same time period in 2009.4
- Approximately 12,000 jobs were created to support the Games.5
- Construction alone generated more than $1.2 billion worth of economic activity.6
- Overseas markets spent more than $200 million on accommodations and more than $160 million on food and beverages during the first three months of the year.7

This worldwide event also raised brand awareness for Canada. A study conducted by FutureBrand placed “Canada” in the number one spot of the FutureBrand 2010 Country Brand Index.8 According to FutureBrand, the strength of a country’s brand is determined by levels of awareness, familiarity, preference, consideration, advocacy and active decisions to visit. The index also weighs five categories including tourism, heritage and culture, value system, quality of life and good for business as the most significant factors that differentiate a brand.

The report notes that Canada’s rise in awareness was largely due to the positive effects of hosting the Olympic Games.

In the years ahead, strategic planning and consumer insight will prove pivotal for Canada’s tourism entities in the maintenance of its reputation as a world-class visitor destination.

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2  “How Much is Games Investment,” MarketWatch.com, February 9, 2010
3  “Travel and Tourism, Economic Impact,” World Travel and Tourism Council, 2009 Report
4  VisaVue Travel Data, 2009-2010
5  “The Games Effect,” Price Waterhouse Cooper, Report 5, September 2010
6  “The Games Effect,” Price Waterhouse Cooper, Report 6, September 2010
7  “Travel Characteristics, Q1 2010,” Canadian Tourism Commission, 2010
8  Country Brand Index, Future Brand 2010 Index, November 2010
The Vancouver 2010 Olympic Winter Games proved a powerful catalyst to Vancouver and Canada’s tourism industry. According to Rick Antonson, President & CEO of Tourism Vancouver, “Leading up to the Games in 2010 saw the arrival of infrastructure – assets, facilities and the like. During the Games and after, it was the people that made the difference. People came to Vancouver and Canada, and brought with them both an economic contribution to the community but also instilled a sense of pride in Canadians.”
Beijing 2008 Olympic Games

As a global destination, the year 2008 was a major turning point for China as the world turned its attention to the Beijing 2008 Olympic Games. Leading up to the Games, Visa participated in a global alliance with China National Tourism Administration (CNTA) and the Beijing Tourism Administration (BTA) to promote tourism to China, improve China’s payment system and increase tourism revenues. Visa and its client financial institutions in China installed more than 90,000 ATMs and signed up some 216,000 merchant locations or outlets throughout China to help prepare for the influx of international visitors to the Games and beyond.

For most of August 2008, international visitors joined the more than 11,000 athletes from 205 participating countries and territories in China for the Beijing 2008 Olympic Games, which had an immediate impact on China’s economy. On the first day of the Games, international Visa cardholders spent nearly $10 million on their Visa cards. Over the entirety of the Games, there was an increase in Visa card spend of 18 percent when compared with the same period in 2007.

During the 2008 Olympic Games, the top Visa spenders were from the U.S., followed by Hong Kong, the United Kingdom, South Korea and Japan. Visitors from these five locations accounted for more than half of all Visa card spend in China from August 8-25, 2008.

Not surprisingly, Visa cards were used primarily to pay for accommodations and to make retail purchases.

CHART 12. TOP CONTRIBUTORS TO CHINA INBOUND TOURISM (IN US$ MILLION)
Table 4 shows the percentage increase in Visa payment card expenditure in 2008 compared to 2007 by visitors from the top 10 visitor nations to China during the 2008 Olympic Games period:

- In general, increases were in excess of 15 percent, with most being in excess of 40 percent and ranging up to 128 percent.
- Only South Korea showed a decrease.

### TABLE 4.

<table>
<thead>
<tr>
<th>Issuer Countries</th>
<th>Spends in Aug’08 (mil. USD)</th>
<th>Contribution to the Total Spends</th>
<th>Growth over Aug’07</th>
<th>Rank in Aug’08</th>
<th>Rank in Aug’07</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
<td>26</td>
<td>26%</td>
<td>97%</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>8</td>
<td>8%</td>
<td>19%</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>6</td>
<td>6%</td>
<td>80%</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>South Korea</td>
<td>6</td>
<td>6%</td>
<td>-14%</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Japan</td>
<td>6</td>
<td>6%</td>
<td>6%</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Australia</td>
<td>5</td>
<td>5%</td>
<td>128%</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>France</td>
<td>4</td>
<td>4%</td>
<td>30%</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>4</td>
<td>4%</td>
<td>35%</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Canada</td>
<td>3</td>
<td>3%</td>
<td>63%</td>
<td>9</td>
<td>12</td>
</tr>
<tr>
<td>Germany</td>
<td>3</td>
<td>3%</td>
<td>17%</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>34</td>
<td>33%</td>
<td>51%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Countries</td>
<td>104</td>
<td>100%</td>
<td>59%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In comparing the total expenditure across the 17 days of the 2008 Olympic Games compared to the same days in 2007, Chart 13 shows that there was a 15 percent increase. While this is considerably lower than what we’ve seen at other mega-sporting events, much of this can be attributed to two things – the onset of the global economic crisis and China reducing the number of visitor visas issued during the Games.

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An analysis of the increase in expenditure that occurred in China in the month immediately prior to the Games highlights the organic spend growth that was in place regardless of the Beijing 2008 Olympic Games.

**CHART 13. DAILY SPEND DURING THE BEIJING 2008 OLYMPIC GAMES**

Table 5 shows the split of total Visa payment card expenditure into key categories during the Games.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Spends in Aug ’08 (mil. USD)</th>
<th>Contribution to the Total Spends</th>
<th>Growth over Aug ’07</th>
<th>Rank in Aug ’08</th>
<th>Rank in Aug ’07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>23</td>
<td>23%</td>
<td>15%</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Financial Inst./Auto Cash</td>
<td>20</td>
<td>19%</td>
<td>53%</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Department Stores</td>
<td>7</td>
<td>7%</td>
<td>229%</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Restaurants</td>
<td>7</td>
<td>7%</td>
<td>78%</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Grocery Stores/Supermarkets</td>
<td>6</td>
<td>6%</td>
<td>140%</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Gift, Card, Novelty Stores</td>
<td>6</td>
<td>6%</td>
<td>2369%</td>
<td>6</td>
<td>25</td>
</tr>
<tr>
<td>Artist/Graft Shops</td>
<td>5</td>
<td>4%</td>
<td>-14%</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Airlines</td>
<td>4</td>
<td>4%</td>
<td>50%</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Men’s/Women’s Clothing Stores</td>
<td>3</td>
<td>3%</td>
<td>216%</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>Jewelry Stores</td>
<td>2</td>
<td>2%</td>
<td>192%</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Others</td>
<td>20</td>
<td>19%</td>
<td>45%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>All Categories</strong></td>
<td><strong>104</strong></td>
<td><strong>100%</strong></td>
<td><strong>59%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Chart 14 shows the percentage increase in Visa payment card expenditure from 2006-2010.

While the Beijing 2008 Olympic Games played a significant role in boosting visitor spend during the Games and throughout 2008, it is worth noting that most key tourism destinations like the U.S., Canada and the U.K. have struggled to, or are slowly returning to pre-economic visitor spend levels. In China’s case, however, visitor spend level is at an all-time high, exceeding 2008 levels.

In 2010, China registered a record number of arrivals of 113.8 million visitors\(^2\) and international tourism receipts rose 15.5 percent to $45.8 billion.\(^3\) In a bid to attract both the leisure and business traveler, the country continues to host a number of successful international events, both in the capital Beijing as well as other large cities including the World Expo 2010 in Shanghai, which welcomed over 73 million visitors though its doors over six months.\(^4\) Over the next decade, China is expected to add 10 million jobs in direct travel and tourism industries, boosting total employment to more than 27 million.\(^5\)

As tourism continues to grow, China can expect the effects of tourism spend to benefit the labor market and economy as a whole.

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2 PATA, Annual Tourism Monitor 2011 - Early Edition
3 UNWTO World Tourism Barometer, Vol. 9, No. 1, February 2011
4 Shanghai Expo 2010 media release, “China bids farewell to successful Shanghai World Expo, November 1, 2010
5 The World Travel & Tourism Council, May 2010
Conclusion

International payment cards are powerful indicators of international tourism expenditure, generally and mega-sporting events, specifically.

Comparisons with equivalent periods in the previous year indicate renewed growth in tourism expenditure overall.

In addition, where data was available for adjacent periods, there are indications that event related spending strongly surpassed general economic recovery impacts:

- 57 percent for the 2010 FIFA World Cup South Africa™
- 81 percent for the Vancouver 2010 Olympic Winter Games
- 63 percent for the Beijing 2008 Olympic Games

A word of caution, as indicated earlier, Visa's payment card data provides powerful indicators of visitor expenditure trends, in general, and has been used in this report to highlight increases in visitor expenditure that can be attributed to the staging of mega-sporting events. However, there are some limitations that must be recognized in relation to how these preliminary results are utilized:

- The expenditure data examined here relate to broader areas other than just the immediate host areas for the events.
- It is not possible to identify how much of the expenditure made by the international visitors during the respective events was actually associated with the events.
- There can be a wide range of factors prompting an increase in visitor expenditure, and it is difficult to isolate the specific impacts of the events, although comparisons with other periods help.
- At this stage, there are no estimates as to the proportion of total visitor expenditure that is made using Visa payment cards.
- As the Visa payment card data relates to expenditure made only within the event destinations and/or countries, the expenditure made on airline bookings in the visitors’ origin countries are not necessarily included. A percentage of the expenditure made on airline bookings in source countries flows through to the event destination with the amount depending on the nationality of the airline.

This is a powerful data set that can be used to complement existing techniques to estimate visitor expenditure in host destinations generated by mega-sporting events.
Acknowledgements

This document was developed in part by Greenearth.travel with the assistance of The DeHaan Institute, Nottingham University, Professor Marg Deery, Victory University, Melbourne and Professor Geoffrey Lipman. The data source, unless specified is VisaVue Travel Data 2006-2010