Mega-Sporting Events
Generating Tourist Spending

A preliminary assessment of three key 2010 events based on Visa payment card data

September 2010
We have engaged with the events sector and latterly UNWTO to better understand the impacts of mega-sporting events (MSEs). In this context, international payment cards – credit, debit and prepaid – play an important role in facilitating tourism. They ease the difficulties travellers 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 nearly 1.8 billion cards¹, millions of merchant outlets, 1.7 million ATMs² and 15,900 financial institutions³.

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 all three MSE’s analysed for 2010, tourism related spending increased substantially during the events and far beyond any increases that can be attributed to economic recovery only.**

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¹ As of March 31, 2010
² ATMs as reported by Visa’s client financial institutions as of March 31, 2010. May be subject to change; includes ATMs in the Visa Europe territory.
³ As of June 30, 2010
Overview

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

Traditionally, tourist MSE-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 to indicate expenditure patterns from three MSEs held in 2010 – the FIFA World Cup in South Africa, the Winter Olympic Games in Canada and the Youth Olympic Games in Singapore.

This approach provides real time information on the expenditure made in a particular destination by different nationalities, on what days and on what products/services. Expenditure data for the equivalent days in 2009 were used to highlight the increase in expenditure during the 2010 events. In addition, for the World Cup and the Winter Olympics, comparisons were made with adjacent periods around the event to better isolate changes in the general operating environment. For the Youth Olympics, available data did not allow this secondary analysis.

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 analysed, there was a healthy growth in Visa payment card expenditure during the event compared to 2009:
  
  • 36% for the Youth Olympics in Singapore
  • 82% for the FIFA World Cup in South Africa
  • 93% for the Winter Olympics in Canada

• In addition, where data was available for adjacent periods, there are indications that event related spending strongly surpassed general economic recovery impacts:
  
  • 57% for the FIFA World Cup
  • 81% for the Winter Olympics
2010 FIFA World Cup in South Africa

The 19th FIFA World Cup was hosted in South Africa from 11 June to 11 July 2010. Matches were played in ten 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. A total of 5,602 players were involved in the 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 games.

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

As the Cup was staged in nine cities around South Africa, Visa payment card data pertaining to international tourists for the whole of South Africa were used. Clearly, these data include expenditures made by visitors not directly associated with the Cup, however, this preliminary analysis attempts to highlight trends related to the effects of the event rather than produce exhaustive breakdowns.
In comparing the total expenditure across the days of the Cup itself in 2010 compared with the same days in 2009, Chart 1 shows that there was an 82% 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 (GFC) in 2009. In order to try and isolate the increase in expenditure due to the Cup from the other changes that had occurred in 2010 compared to 2009, an 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% in 2010 over the equivalent days in 2009. Assuming this indicates the general economic recovery factor, then the net increase due to the Cup is estimated at some 57%.

**Chart 1. Visa payment card daily expenditure of international tourists in South Africa during the 2010 FIFA World Cup compared to same days in 2009**

**Table 1. Visa payment card expenditures of international tourists in South Africa**

<table>
<thead>
<tr>
<th>Period</th>
<th>Expenditure in 2010</th>
<th>Expenditure in 2009</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entire Period</td>
<td>$426.2 M</td>
<td>$275.7 M</td>
<td>55%</td>
</tr>
<tr>
<td>1 June - 31 July</td>
<td>$167.7 M</td>
<td>$133.8 M</td>
<td>25%</td>
</tr>
<tr>
<td>11 June - 11 July</td>
<td>$258.4 M</td>
<td>$141.9 M</td>
<td>82%</td>
</tr>
</tbody>
</table>
Chart 2. The top ten spending nationalities in South Africa in terms of Visa payment card expenditure during the 2010 FIFA World Cup compared to the same days in 2009

<table>
<thead>
<tr>
<th>Nationality</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>0</td>
<td>48.2%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0</td>
<td>24.6%</td>
</tr>
<tr>
<td>Australia</td>
<td>0</td>
<td>155.9%</td>
</tr>
<tr>
<td>Brazil</td>
<td>0</td>
<td>766.66%</td>
</tr>
<tr>
<td>France</td>
<td>0</td>
<td>103.11%</td>
</tr>
<tr>
<td>Germany</td>
<td>0</td>
<td>95.24%</td>
</tr>
<tr>
<td>Canada</td>
<td>0</td>
<td>93.53%</td>
</tr>
<tr>
<td>Mozambique</td>
<td>0</td>
<td>-28.49%</td>
</tr>
<tr>
<td>Botswana</td>
<td>0</td>
<td>14.63%</td>
</tr>
<tr>
<td>Angola</td>
<td>0</td>
<td>170.89%</td>
</tr>
</tbody>
</table>

Chart 2 shows the percentage increase in Visa payment card expenditure in 2010 compared to 2009 by tourists from the top ten visitor nations to South Africa during the Cup period:

- In general, increases were in excess of 14%, with most being in excess of 80% and ranging up to 766%.
- Only Mozambique showed a decrease.

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

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

The three African nations in the top ten expenditure list showed somewhat different behaviour to the other nationalities listed. Mozambique appears to be going through a downturn in spending on Visa payment cards in South Africa irrespective of the 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 tourists 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 Cup increased more than other nationalities during the Cup period, an examination was made of the expenditures of visitors from the other finalist nations.
Chart 3 presents this analysis:

- All quarter finalist nationalities showed a very healthy increase in spending during the Cup period compared to 2009.
- The average increase in expenditure for the eight quarter finalist nations during the Cup was 5.4 times as great as the increase across the non-Cup period both compared to 2009,
- The average increase during the Cup compared to 2009 for the eight quarter-finalist nationalities was 1555% - albeit from relatively small bases.

Chart 4 shows the split of total Visa payment card expenditure into key categories during the World Cup.
The 21st Winter Olympics, were held from the 12th until 28th February 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 fifteen disciplines. Both Olympic and Paralympic Games were organised together.

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

The Visa payment card data that were analysed for this report relate to the spending of international tourists throughout the Province of British Columbia, not just at the sites of the Winter Olympics. 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 Winter Olympics and efforts will be made to isolate these impacts in subsequent analysis.
In comparing the total expenditure across the 17 days of the Olympic Games in 2010 compared to the same days in 2009, Chart 5 shows that there was a 93% 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 (GFC) in 2009. By analysing the increase in expenditure that occurred in British Columbia in the 11 days immediately prior to the Winter Olympics 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 5. Visa payment card daily expenditure of international tourists in British Columbia during the 2010 Winter Olympics compared to same days in 2009**

Table 2 compares the increases in Visa payment card expenditures for international tourists to British Columbia during the 11 days prior to the Winter Olympic Games with the increase that occurred during the 17 days of the Olympics relative to the equivalent days in 2009. It can be seen that the expenditure made by international tourists to British Columbia using Visa payment cards in the 11 days before the Winter Olympics was 12% higher than for the same days in 2009. For the actual days of the Olympic Games it can be seen that Visa payment card expenditure was 93% above the equivalent days in 2009. If the 12% 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 Olympic Games would be estimated to be 81%.

**Table 2. Visa payment card expenditures of international tourists in British Columbia**

<table>
<thead>
<tr>
<th></th>
<th>Entire Period 1 – 28 February</th>
<th>Non-Olympic Games Period 1 – 11 February</th>
<th>Olympic Games Period 12 – 28 February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure in 2010</td>
<td>$159.2 M</td>
<td>$43.9 M</td>
<td>$115.3 M</td>
</tr>
<tr>
<td>Expenditure in 2009</td>
<td>$98.8 M</td>
<td>$39.1 M</td>
<td>$59.6 M</td>
</tr>
<tr>
<td>Percentage Increase</td>
<td>61%</td>
<td>12%</td>
<td>93%</td>
</tr>
</tbody>
</table>
Chart 6 provides a representation of the percentage increase in expenditure in 2010 compared to 2009 by tourists from the top ten visitor nations to British Columbia in terms of Visa payment card expenditure during the Winter Olympic Games. It can be seen that the percentage increases compared to the equivalent period in 2009 for these top spending nationalities ranged from 11% for UK to 1296% for the Russian Federation with most nationalities showing an increase well in excess of 50%.

Table 3. Leading medal winning countries in the 2010 Vancouver Winter Olympics

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>USA</td>
</tr>
<tr>
<td>2</td>
<td>Germany</td>
</tr>
<tr>
<td>3</td>
<td>Canada</td>
</tr>
<tr>
<td>4</td>
<td>Norway</td>
</tr>
<tr>
<td>5</td>
<td>Austria</td>
</tr>
<tr>
<td>6</td>
<td>Russia</td>
</tr>
<tr>
<td>7</td>
<td>Korea</td>
</tr>
<tr>
<td>8</td>
<td>China</td>
</tr>
<tr>
<td>9</td>
<td>Sweden</td>
</tr>
<tr>
<td>10</td>
<td>France</td>
</tr>
</tbody>
</table>

Table 3 presents the ten countries that won the most medals at the Vancouver Winter Olympics. It is interesting to note that all except three of the nations appearing in Chart 6 representing the largest spending nationalities within British Columbia on their Visa payment cards during the Winter Olympics were from nations in the top ten in terms of medal count.

Chart 7 shows the split of total Visa payment card expenditure into key categories during the Winter Olympics 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.
The Singapore 2010 Youth Olympic Games (YOG) was an international multi-sport event for youths that took place in the city-state of Singapore from 14th to 26th August 2010. It was the inaugural Summer Youth Olympics, a major sports and cultural festival celebrated in the tradition of the Olympic Games. A total of 3,531 athletes between 14 and 18 years of age from 204 National Olympic Committees competed in 201 events across 26 sports.

Daily Visa payment card expenditures made by all non-Singaporeans whilst in Singapore during the period from 14 to 26 August 2010 were analysed alongside the daily Visa payment card expenditure data for the same period in 2009.

The Visa payment card data that were analysed for this report relate to the spending of international tourists throughout Singapore, not just those involved with the Youth Olympic Games (YOG). As data for other periods in 2010 outside the YOG have not yet been analysed, it is not possible to separate the impact of the YOG from other issues such as the recovery from the GFC.
In assessing the total expenditure across the 13 days of the YOG in 2010 compared to the same days in 2009, Chart 8 shows that there was a 36% increase.

Chart 9 provides a representation of the percentage increase in expenditure in 2010 compared to 2009 by tourists from the top ten visitor nations to Singapore in terms of Visa payment card expenditure during the YOG. It can be seen that the percentage increases compared to the equivalent days in 2009 for these top spending nationalities ranged from 11% for Australia to 82% for Thailand with most nationalities showing an increase well in excess of 30%.

Chart 9. The top ten spending nationalities in Singapore in terms of Visa payment card expenditure during the 2010 Youth Olympic Games compared to the same days in 2009
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.
- For each of the three events analysed, there was a healthy growth in Visa payment card expenditure during the event compared to 2009:
  - 36% for the Youth Olympics in Singapore
  - 82% for the FIFA World Cup in South Africa
  - 93% for the Winter Olympics in Canada
- In addition, where data was available for adjacent periods there are indications that event related spending strongly surpassed general economic recovery impacts:
  - 57% for the FIFA World Cup
  - 81% for the Winter Olympics

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

- 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 tourists during the respective events was actually associated with the events;
- There can be a wide range of factors prompting an increase in tourist 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 tourist expenditure that is made using Visa payment cards;
- As the Visa payment card data relates to expenditure made only within the event destinations, the expenditure made on airline bookings in the tourists’ 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.
Future Analysis

Analysis will be undertaken of expenditure data in periods outside the specific days of the events in order to more effectively isolate and estimate the impact on expenditure of the events themselves. Other data sources such as international tourist arrival statistics will be used to triangulate with the Visa data in order to raise the confidence levels of the increase in tourist expenditure prompted by hosting the events. Attempts will also be made to try and refine the geographic focus of the Visa data to the event host destinations and to expand the analysis to local residents.

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