

Visa cardholders increase travel spend in SA by 23% in 2010

Taking advantage of a significant tourism opportunity surrounding the 2010 FIFA World Cup, South Africa saw a 23% increase in spending by international travellers using their Visa cards in 2010 according to the *Tourism Outlook: South Africa* report released by Visa Inc this week. According to the report, international Visa cardholders increased tourism spending from US\$1.8 billion* in 2009 to US\$2.2 billion in 2010.



According to data from the first half of 2011, the momentum established during the tournament has had a lasting effect on the South African tourism economy. January-June spending levels in 2011 were very close to those of the first half of 2010 and were significantly higher than same period spending in 2009.

"In 2010, South Africa capitalised on the significant tourism opportunity presented by hosting the 2010 FIFA World Cup, inspiring international adventurers to discover the country's magnificent landscape and warm climate," said Mandy Lamb, country manager, Visa Sub-Saharan Africa. "As a legacy sponsor of the tournament and partner to the South African tourism industry, Visa worked closely with merchants to create a seamless retail environment and provided tourism authorities with real-time spend data, enabling the country to create targeted marketing and business plans to better serve the needs of their international guests."

Where visitors come from

According to this year's *Tourism Outlook: South Africa 2011* report, Visa cardholders from the United Kingdom (US\$536 million), the US (US\$325 million) and Germany (US\$95.8 million) were the top three contributors to South Africa's tourism economy in 2010. However, of the top 10 inbound source countries, 4 were surrounding African nations, including: Botswana (US\$83.6 million), Mozambique (US\$78.6 million), Namibia (US\$66.2 million) and Angola (US\$53.6 million).

While cardholders from these countries contributed the most total spend amounts to South African tourism. Of the top 25 source countries, the biggest year-over-year growth came from Zimbabwe (217%), Angola (132%), Brazil (112%) and China (80%).

Top 2010 Inbound Source Countries

Issuer Country	2010	2009	Percent Growth (+/-)
United Kingdom	US\$536M	US\$461M	+16%
US	US\$325M	US\$269M	+21%
Germany	US\$95.8M	US\$78.0M	+23%
Botswana	US\$83.6M	US\$62.7M	+33%
Australia	US\$80.7M	US\$59.4M	+36%
Mozambique	US\$78.6M	US\$88.8M	-11%
France	US\$77.1M	US\$62.3M	+15%
Namibia	US\$66.2M	US\$55.5M	+19%
Canada	US\$65.7M	US\$52.8M	+24%
Angola	US\$53.6M	US\$24.2M	+132%

Source: VisaVue Travel Data, 2009 - 2010

While tourism spending in South Africa by international Visa cardholders was on the rise in 2010, cardholders decreased spending on airline related purchases by 7%. Stretched over nine cities and 10 stadiums throughout the country, VisaVue spending data suggests that once cardholders arrived to South Africa for the tournament, they opted to drive from game to game, experiencing the unique destinations and sights along the way. Visa cardholders travelling to South Africa increased spending on rental cars by 23%, from US\$52.9 million to US\$65.1 million. Simultaneously, cardholders increased spending on fuel purchases by an astonishing 314% growth.

Tourism impact: The 2010 FIFA World Cup

Hosting a mega sporting event such as the 2010 FIFA World Cup is often a cause for excitement and optimism. Throughout the event, the country's streets and shopping centres buzzed with more than the sound of vuvuzelas. They were vibrant and full of life from the international visitors spending on their Visa cards across the 159 000 merchants that accept Visa payment cards in South Africa.[1] In fact, within the first ten days of the tournament (11-20 June 2010), the amount spent by international visitors on their Visa cards increased by 81% compared to the same period in 2009.[2]

While the FIFA World Cup played a significant role in the growth experienced in June and July of 2010, tourist arrivals were amplified all year round. Spending levels by international Visa cardholders travelling to South Africa in December 2010 (US\$220 million) and January 2011 (US\$220 million) even rivalled the June and July FIFA World Cup months.

As the South African tourism industry works to sustain the vigorous momentum spurred during 2010, Visa is committed to supporting its growth by providing a secure and reliable digital currency for cross-border transactions and access to millions of cardholders globally and partnering with the South African tourism industry to provide relevant spending data to help them take advantage of new tourism opportunities created by the tournament.

"We will continue to support the South African tourism industry in the coming year by providing insights from VisaVue travel data, which provides unique insight into International travellers spending habits," concluded Lamb.

Visa is committed to contributing market intelligence to the tourism industry. The market intelligence enables business to improve their product offerings and market strategies.

For more information on VisaVue travel data and to view a complete copy of the *Tourism Outlook: South Africa* report, go to www.corporate.visa.com.

About Tourism Outlook: South Africa

Visa cardholder spending data cited is based upon a review of cross-border spending on Visa-branded payment cards by cardholders from key source countries while in South Africa during the calendar years 2009 (1 January - 31 December 2009) and 2010 (1 January 1 - 31 December 2010). These findings are based upon VisaVue Travel data. Visa introduced the VisaVue Travel tourism reports to a pilot group of US tourism organizations in early 2008 and have continued to produce reports on a variety of popular tourist destinations every year since.

For more information on Visa, visit www.corporate.visa.com.

[1] 2010 FIFA World Cup Spending Market Activation Release, Visa, 2010

[2] 2010 FIFA World Cup Spending Update, Visa, June 23, 2010

**Exchange rate at time of posting, approximately US\$1=R7.*

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