

2008 International Visitation to North Carolina

April 2010

North Carolina Division of Tourism, Film and Sports Development

Report developed in conjunction with



Executive Summary

International Visitation to North Carolina

- Applying conservative assumptions to empirical data provides that an estimated 553,478 international visitors travel to North Carolina (this total does not include Canada).
- Approximately \$315 million in spending is associated with these visitors. The top ten origin countries represent 47 percent of visitation and 44 percent of spending.
- In terms of market share of international visitors to North Carolina, the United Kingdom is the top market with 13.2% of market share and 11.8% of spending. Germany (market share, 10.2%; spending, 7.8%) and Mexico (market share, 5.1%; spending, 4.3%) are the next top markets. Other top countries are Japan, India, France and China/Hong Kong.
- In terms of spending per visitor, visitors from Venezuela spend the most with an average of \$810 per visitor. South Koreans follow closely with \$809 per visitor. Other top countries with high per person spending are China/Hong Kong (\$764), Switzerland (\$695), Brazil (\$679), Japan (\$663) and India (\$647). Spending includes only spending that occurs in North Carolina. Air fares and other pre-paid expenses are not included.
- Visitors from Asia, in particular India and Japan, spend a much larger proportion of their total spending on lodging than European visitors to North Carolina. This is likely due to a longer length of stay. Visitors from Latin America spend even less on lodging than Europeans.
- Visitors from Europe tend to spend more on restaurants and dining, while visitors from South America and India spend more in supermarkets, indicating that they may be cooking in their places of lodging rather than eating out.
- Visitors from South America and Mexico spend more on retail in general, particularly in radio/TV/stereo stores, department stores, specialty retail and discount stores.
- German visitors spend a larger proportion of total spending on auto rental and gasoline/oil than visitors to North Carolina from any other country.
- Spending in clothing and jewelry stores rank high in all countries of origin, particularly Germany, Mexico and the UK.

Table 1: North Carolina's Top 15 International Markets by Market Share

(Ranked by Total Spend)

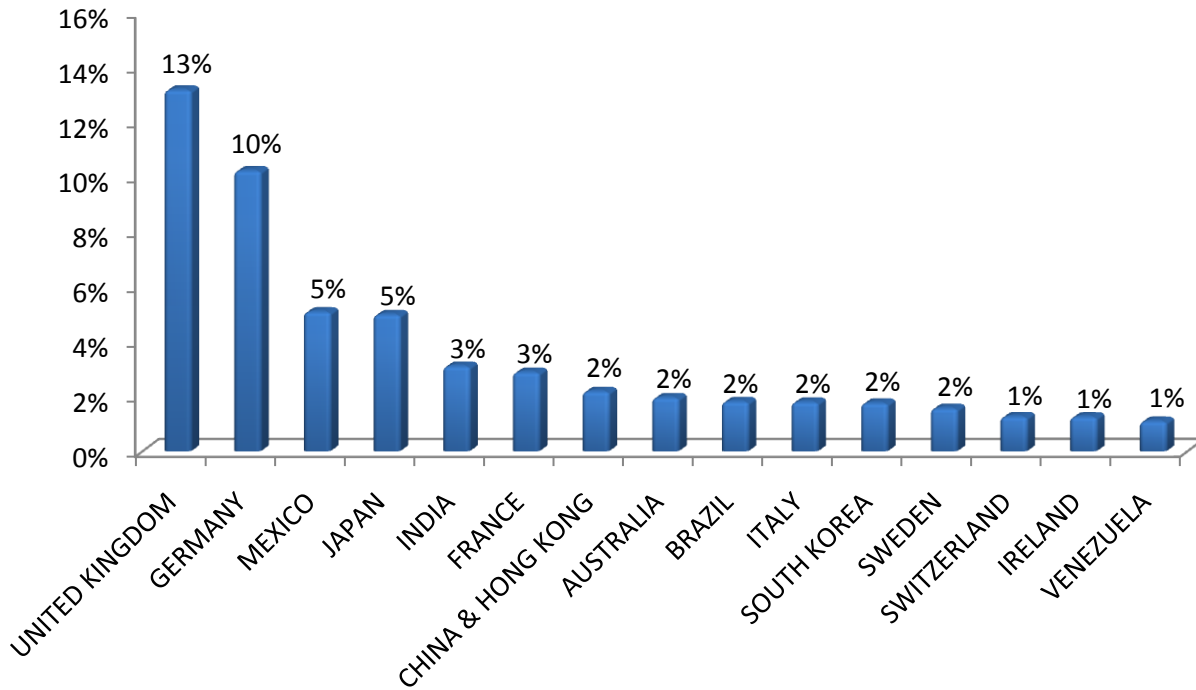
Rank	Country of Origin	Estimated Visitors	Total Spent	Average Spending per Visitor
1	United Kingdom	72,940	\$ 37,094,283	\$ 509
2	Germany	56,639	\$ 24,443,777	\$ 432
3	Japan	27,615	\$ 18,297,952	\$ 663
4	Mexico	28,158	\$ 13,619,260	\$ 484
5	India	17,189	\$ 11,128,590	\$ 647
6	China & Hong Kong	12,099	\$ 9,243,324	\$ 764
7	France	15,970	\$ 7,988,464	\$ 500
8	South Korea	9,738	\$ 7,874,323	\$ 809
9	Brazil	10,046	\$ 6,822,161	\$ 679
10	Italy	9,941	\$ 5,532,012	\$ 557
11	Venezuela	6,088	\$ 4,931,715	\$ 810
12	Switzerland	7,008	\$ 4,873,734	\$ 695
13	Australia	10,836	\$ 4,337,821	\$ 400
14	Ireland	6,960	\$ 4,297,926	\$ 618
15	Sweden	8,680	\$ 4,013,925	\$ 462
TOTAL		553,478	\$ 315,092,426	\$ 549

*Canada not included

**North Carolina Division of Tourism estimates based on extrapolations from government data and aggregate Visa usage data provided by VisaVue Travel for the period of calendar year 2008.

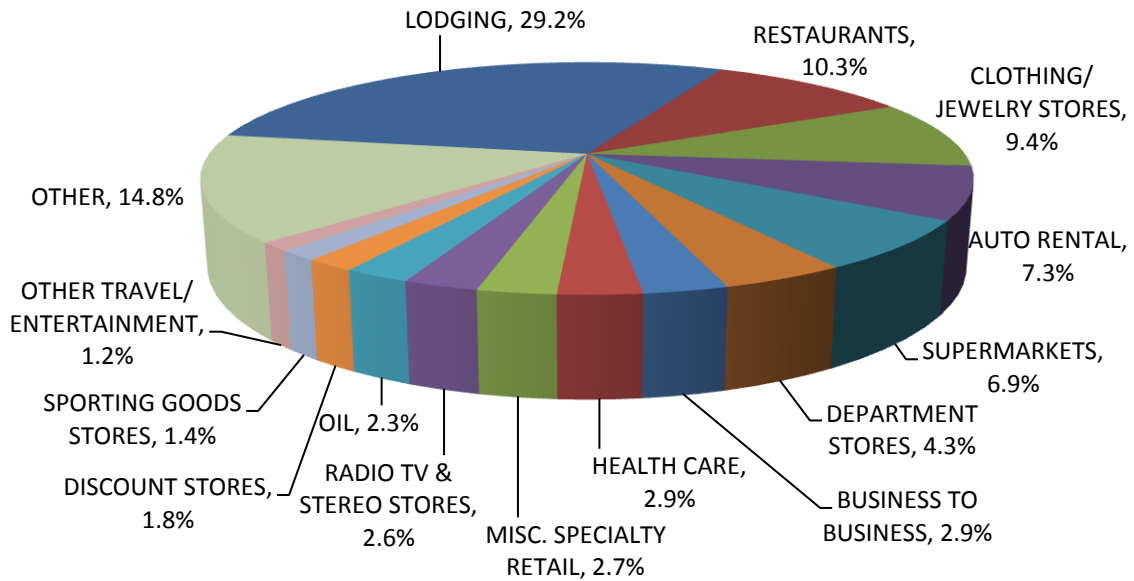
- The United Kingdom ranks #1 in terms of volume of international visitors to North Carolina with over 72,000 visitors. Spending by UK visitors is estimated at \$37.1 million (11.8% of all international spending in North Carolina).
- German visitors represent the next largest country of origin with over 56,000 visitors and \$24.4 million in spending.
- While Japanese visitors have a higher average per person spending (\$663), its lower visitor volume translates to a lower total spending estimate of \$18.3 million.
- Visitors from Venezuela have the highest per person spending average at \$810, followed closely by visitors from South Korea (\$809).

Chart 1: Market Share of Top International Countries of Origin to North Carolina



- The United Kingdom ranks #1 in terms of market share of international visitors to North Carolina with 13.2 percent of market share. UK visitors also ranked #1 in terms of total spending with 11.8 percent of total international spending.
- Germany (10.2%), Mexico (5.1%) and Japan (5.0%) were the next top markets by market share.
- The top 15 countries of origin represent over 54 percent of market share of international visitation to North Carolina.

Chart 2: Spending by Merchant Category for the UK Market in North Carolina

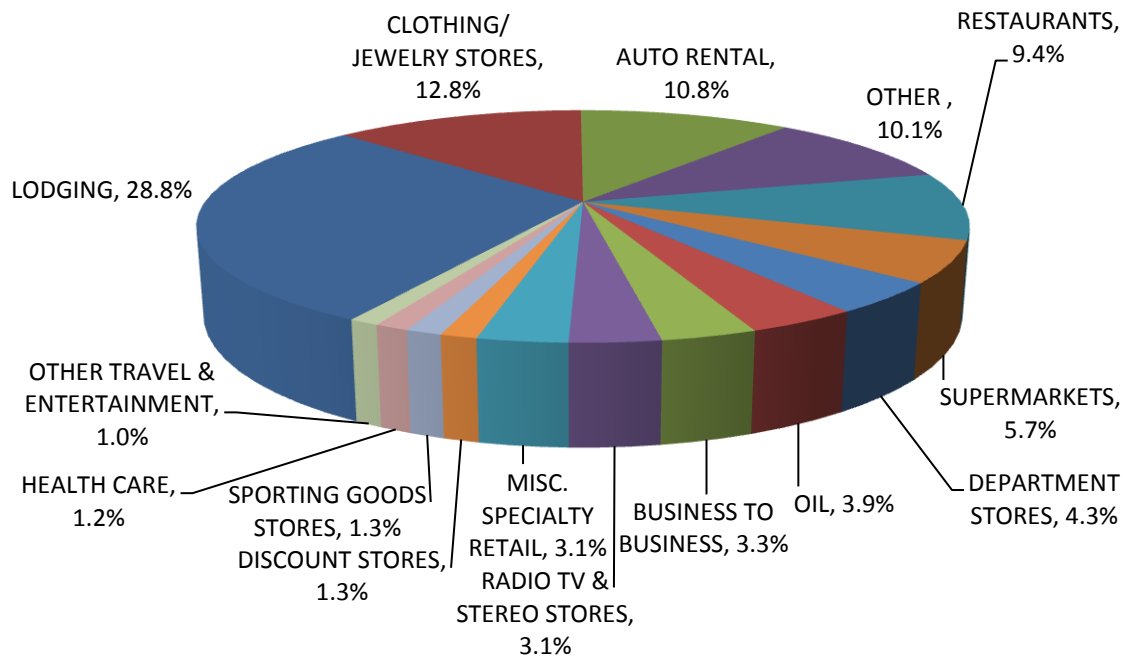


- In the UK market, “other” represents one of the largest consumer card spending categories followed by “lodging”. “Other” includes categories such as miscellaneous retail, drug stores/pharmacies, furniture stores, etc.
- UK visitors spend a larger proportion of their total spending on “restaurants” than visitors from other countries.

Table 2: UK Spending in North Carolina

Category	Percent of Total	Spending
Lodging	29.2%	\$10.8M
Restaurants	10.3%	\$ 3.8M
Clothing/Jewelry Stores	9.4%	\$ 3.5M
Auto Rental	7.3%	\$ 2.7M
Supermarkets	6.9%	\$ 2.6M
Department Stores	4.3%	\$ 1.6M
Health Care	2.9%	\$ 1.1M
Radio TV & Stereo Stores	2.6%	\$961,520
Sub Total	72.9%	\$26.6M
Total	100.0%	\$37.1M

Chart 3: Spending by Merchant Category for the German Market in North Carolina

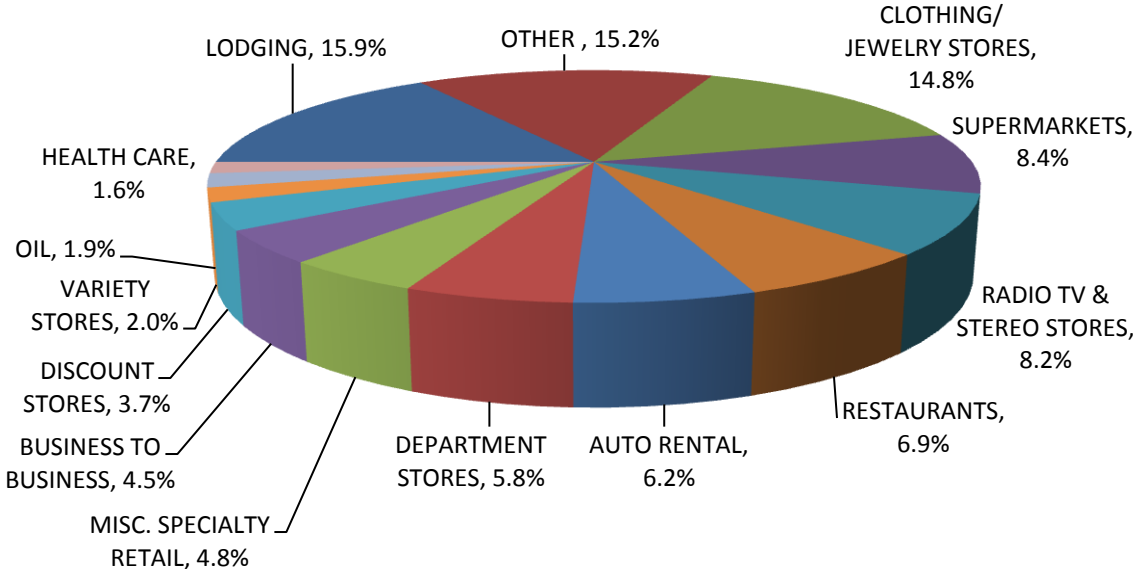


- German visitors spend a larger proportion of their total spending on “auto rental” than visitors from Other countries (though the total dollar spend is the same between UK and Germany in auto rental).
- Germans spent a smaller proportion of total spending in NC on restaurants and dining.

Table 3: German Spending in North Carolina

Category	Percent of Total	Spending
Lodging	28.8%	\$7.0M
Auto Rental	10.8%	\$2.7M
Clothing/Jewelry Stores	12.8%	\$3.1M
Restaurants	9.4%	\$2.3M
Supermarkets	5.7%	\$1.4M
Department Stores	4.3%	\$1.0M
Oil	3.9%	\$941,411
Radio TV & Stereo Stores	3.1%	\$765,181
Sub Total	78.8%	\$19.2M
Total	100.0%	\$24.4M

Chart 4: Spending by Merchant Category for the Mexican Market in North Carolina

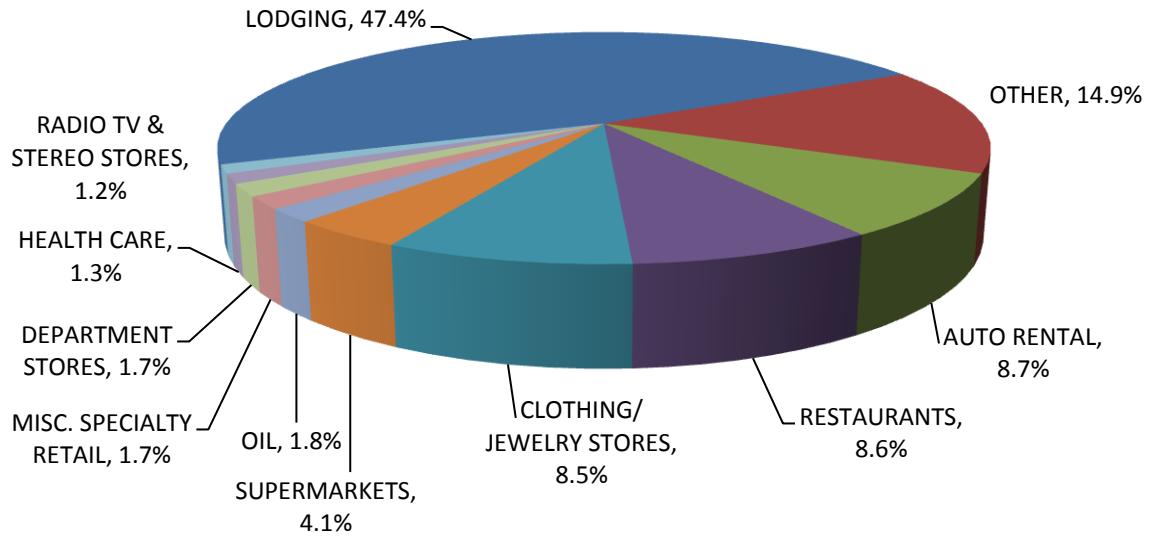


- Mexican visitors spend a much smaller proportion of their total spending on lodging than visitors from other countries.
- These visitors do spend a larger proportion at supermarkets, radio/tv stores and discount stores.

Table 4: Mexican Spending in North Carolina

Category	Percent of Total	Spending
Lodging	15.9%	\$2.2M
Clothing/Jewelry Stores	14.8%	\$2.0M
Supermarkets	8.4%	\$1.2M
Radio TV & Stereo Stores	8.2%	\$1.1M
Auto Rental	6.2%	\$848,388
Department Stores	5.8%	\$789,106
Restaurants	6.9%	\$772,332
Sub Total	66.4%	\$9.0M
Total	100.0%	\$13.6M

Chart 5: Spending by Merchant Category for the *Japanese* Market in North Carolina

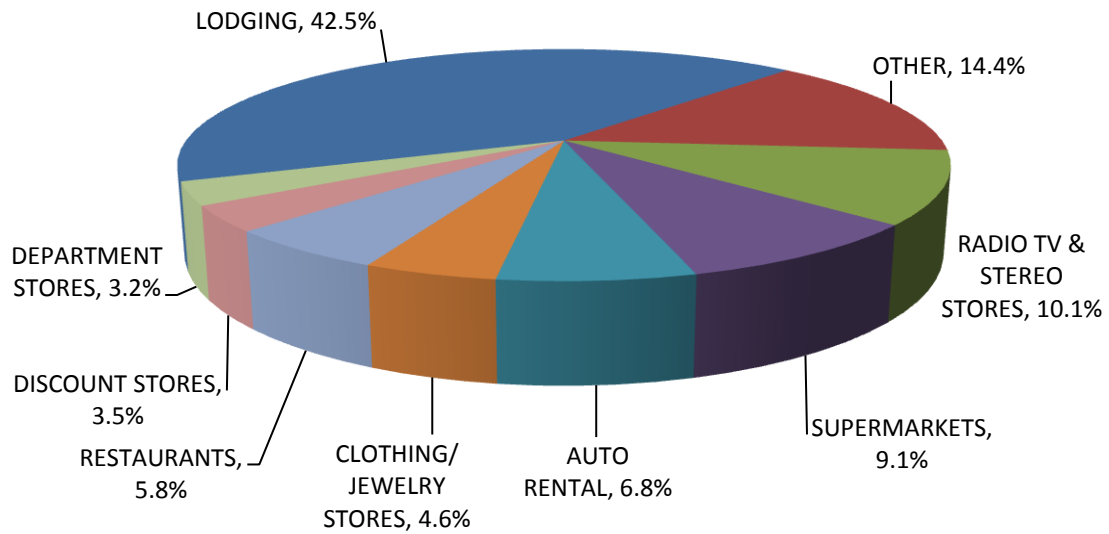


- Japanese visitors to North Carolina spend nearly twice the proportion of their total spending on lodging as visitors from other countries of origin.
- These visitors spend a much smaller proportion of their total spending on retail such as department stores, discount stores, specialty retail and radio/tv stores.

Table 5: Japanese Spending in North Carolina

Category	Percent of Total	Spending
Lodging	47.4%	\$8.7M
Restaurants	9.1%	\$1.7M
Auto Rental	8.7%	\$1.6M
Clothing/Jewelry Stores	8.5%	\$1.5M
Supermarkets	4.1%	743,128
Oil	1.8%	337,170
Sub Total	79.6%	\$14.6M
Total	100.0%	\$18.3M

Chart 6: Spending by Merchant Category for the *Indian* Market in North Carolina

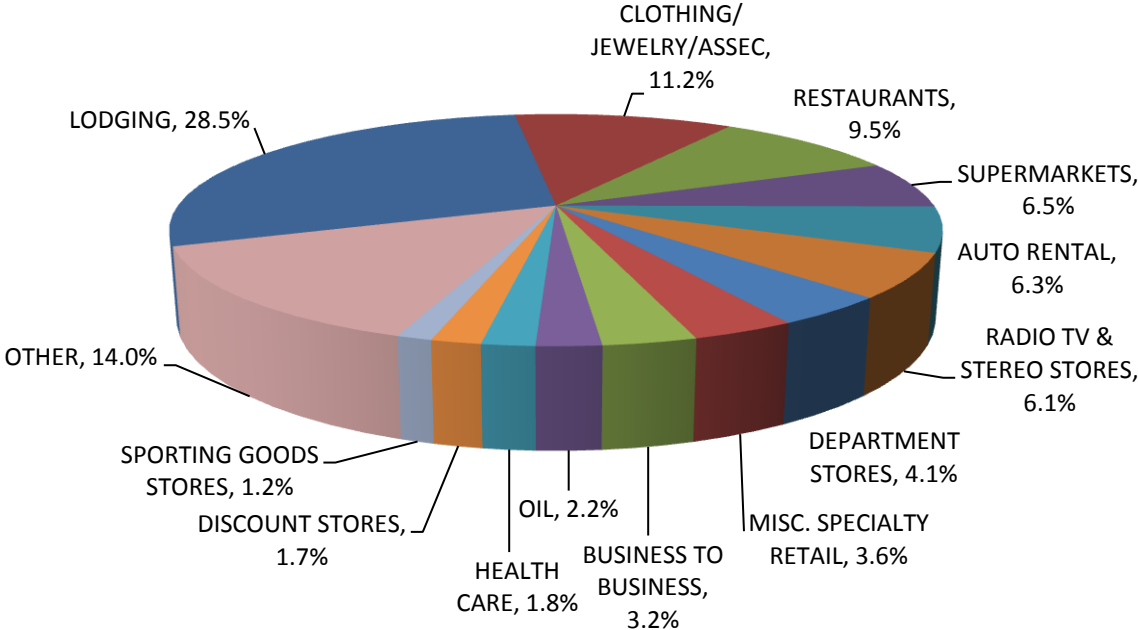


- Like Japanese visitors to North Carolina, visitors from India spend nearly twice the proportion of their total spending on lodging as visitors from other countries of origin.
- These visitors spend a much smaller proportion of their total spending on restaurants, but a larger proportion at supermarkets.
- Visitors from India also spend a much larger proportion of their total spending at radio/TV and stereo stores and discount stores than visitors from other countries.

Table 6: Indian Spending in North Carolina

Category	Percent of Total	Spending
Lodging	42.5%	\$4.7M
Radio/TV/Stereo Stores	10.1%	\$1.1M
Supermarkets	9.1%	\$1.0M
Auto Rental	6.8%	\$755,446
Restaurants	5.8%	\$644,148
Clothing/Jewelry Stores	4.6%	\$507,931
Discount Stores	3.5%	\$393,901
Department Stores	3.2%	\$358,577
Sub Total	85.6%	\$9.5M
Total	100.0%	\$11.1M

Chart 7: Spending by Merchant Category for the *French* Market in North Carolina

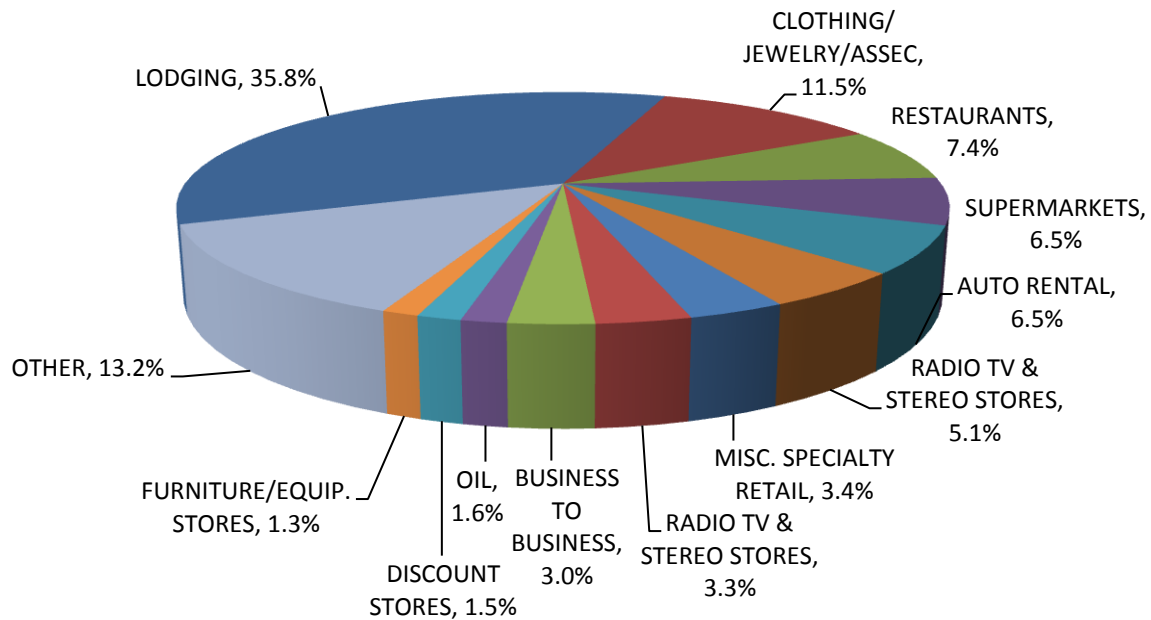


- French visitors to North Carolina spend about one-fourth of their total spending on lodging – about the same as visitors from Germany.
- These visitors spend slightly larger proportion of their total spending on restaurants than visitors from other countries of origin.
- Visitors from France also spend a much larger proportion of their total spending at radio/TV and stereo stores and discount stores than visitors from other European countries, but less than that of South American countries.

Table 7: French Spending in North Carolina

Category	Percent of Total	Spending
Lodging	28.5%	\$2.3M
Clothing/Jewelry Stores	11.2%	\$897,174
Restaurants	9.5%	\$762,357
Supermarkets	6.5%	\$522,011
Auto Rental	6.3%	\$502,652
Radio TV & Stereo Stores	6.1%	\$487,965
Department Stores	4.1%	\$328,219
Miscellaneous Specialty Stores	3.6%	\$286,956
Oil	2.2%	\$178,716
Sub Total	78.0%	\$6.2M
Total	100.0%	\$8.0M

Chart 8: Spending by Merchant Category for the *Chinese/Hong Kong* Market in North Carolina

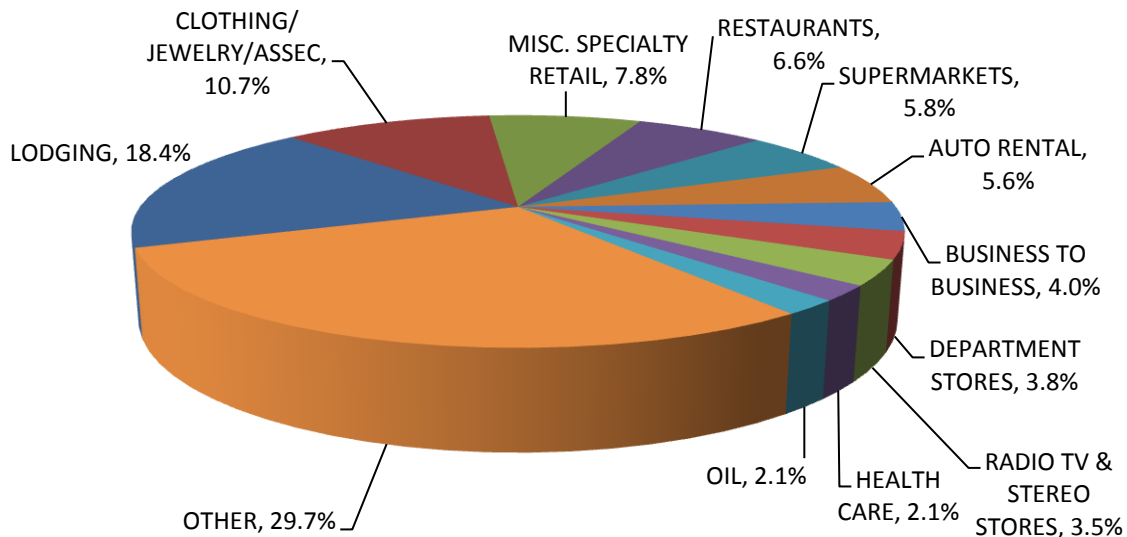


- Chinese visitors to North Carolina spend over one-third of their total spending on lodging – more Than European visitors, but less than other Asian visitors.
- These visitors spend about the same proportion of their total spending (7.4%) on restaurants as visitors from other countries of origin.
- Visitors from China spend a larger proportion of their total spending at furniture stores than other countries of origin.

Table 8: Chinese/Hong Kong Spending in North Carolina

Category	Percent of Total	Spending
Lodging	35.8%	\$3.3M
Clothing/Jewelry Stores	11.5%	\$1.1M
Restaurants	7.4%	681,014
Supermarkets	6.5%	605,430
Auto Rental	6.5%	599,160
Department Stores	5.1%	470,259
Miscellaneous Specialty Stores	3.4%	311,906
Radio TV & Stereo Stores	3.3%	302,805
Oil	1.6%	145,348
Sub Total	81.1%	\$7.5M
Total	100.0%	\$9.2M

Chart 9: Spending by Merchant Category for the *Australian* Market in North Carolina

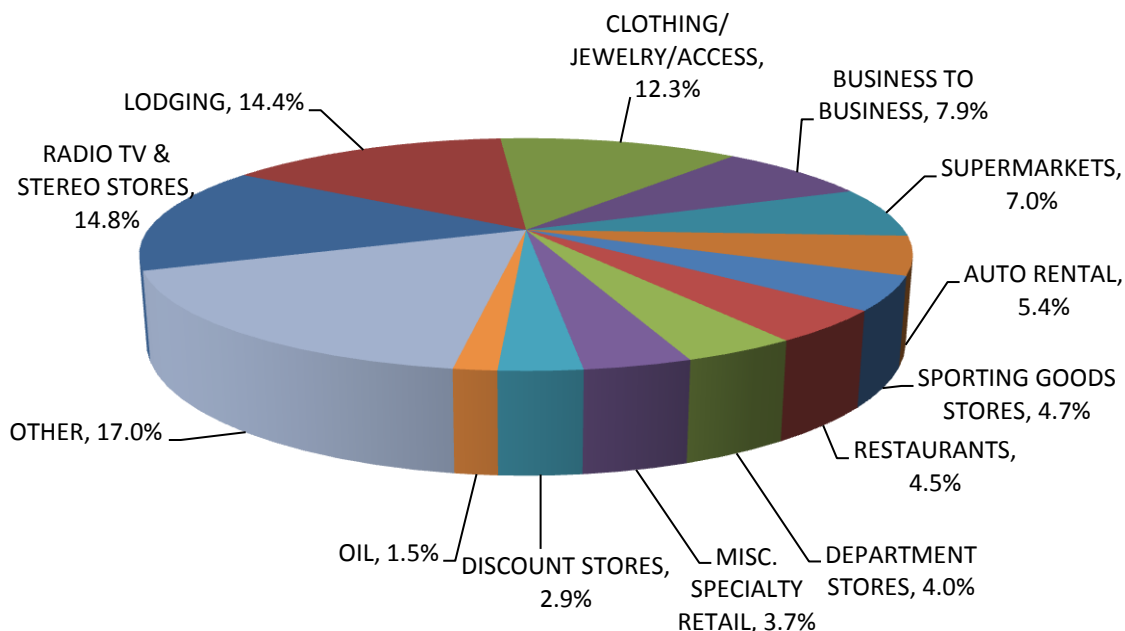


- Australian visitors to North Carolina spend less of their total spending on lodging than most other visitors to the state. Only 18 percent of their total spending is on lodging.
- Visitors from Australia spend a larger proportion of their total spending in specialty retail stores than visitors from other countries of origin.
- Australian visitors to North Carolina spend about 2 percent of their total spending in book stores, much more than other countries of origin. This is likely due to the lack of need for translation, however, they still spend more than UK (0.8 percent) or other English speaking countries of origin.

Table 9: Australian Spending in North Carolina

Category	Percent of Total	Spending
Lodging	18.4%	\$797,414
Clothing/Jewelry Stores	10.7%	\$463,974
Miscellaneous Specialty Retail	7.8%	\$338,215
Restaurants	6.6%	\$287,270
Supermarkets	5.8%	\$249,949
Auto Rental	5.6%	\$243,756
Department Stores	3.8%	\$163,835
Radio TV & Stereo Stores	3.5%	\$149,661
Health Care	2.1%	\$91,896
Oil	2.1%	\$89,274
Sub Total	66.4%	\$2.9M
Total	100.0%	\$4.3M

Chart 10: Spending by Merchant Category for the *Brazilian* Market in North Carolina

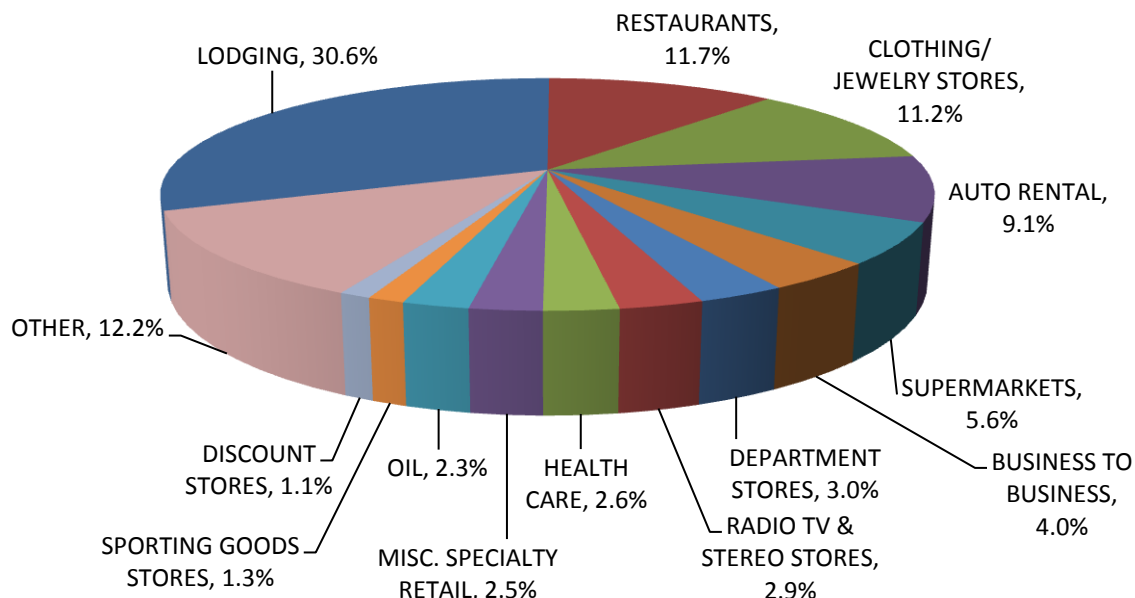


- Brazilian visitors to North Carolina spend more in radio, TV and stereo stores (14.8%) than they do in lodging establishments (14.4%).
- Visitors from Brazil also spend a larger proportion of their total spending in sporting goods stores (4.7%) and on business to business items (7.9%) than visitors from other countries of origin. Business to business includes categories such as medical/dental supplies, computer equipment, and business services.
- Brazilian visitors to North Carolina spend less than 5 percent of their total travel dollars in North Carolina restaurants.

Table 10: Brazilian Spending in North Carolina

Category	Percent of Total	Spending
Radio TV & Stereo Stores	14.8%	\$1.0M
Lodging	14.4%	\$983,708
Clothing/Jewelry Stores	12.3%	\$836,385
Supermarkets	7.0%	\$474,520
Auto Rental	5.4%	\$367,335
Sporting Goods Stores	4.7%	\$318,341
Restaurants	4.5%	\$308,478
Department Stores	4.0%	\$270,477
Miscellaneous Specialty Retail	3.7%	\$255,065
Discount Stores	2.9%	\$196,215
Sub Total	73.7%	\$5.0M
Total	100.0%	\$6.8M

Chart 11: Spending by Merchant Category for the *Italian* Market in North Carolina



- Italian visitors to North Carolina spend a larger proportion of their total spending on restaurants than any other top country of origin (10.5%).
- Visitors from Italy also spend a large proportion of their total spending on auto rental (9.1%), almost as much as Germans.

Table 11: Italian Spending in North Carolina

Category	Percent of Total	Spending
Lodging	30.6%	\$1.7M
Restaurants	11.7%	\$1.2M
Clothing/Jewelry Stores	11.2%	\$621,804
Auto Rental	9.1%	\$503,992
Supermarkets	5.6%	\$310,696
Department Stores	3.0%	\$166,947
Radio TV & Stereo Stores	2.9%	\$159,740
Health Care	2.6%	\$141,896
Miscellaneous Specialty Retail	2.5%	\$137,689
Oil	2.3%	\$126,756
Sub Total	81.5%	\$4.4M
Total	100.0%	\$5.5M

Notes

- The following data is a benchmark reading for the VisaVue Travel subscription.
- The data presented in the following report represents conservative projected estimates by the North Carolina Division of Tourism based on assumptions derived from government data, market penetration data and aggregate Visa usage data provided by VisaVue Travel for the period of calendar year 2008.
- Spending data is only representative of what is spent in person in North Carolina. Air transportation and other spending outside the state are not included.
- A visitor who came more than once is only counted once.
- The following estimates should not be directly compared to estimates for other states, and in particular other regions, as international visitors are likely to travel to multiple states on single visits to the US. Doing so would not allow valid comparisons for these visitors to multiple states.
- VisaVue data is broken down by personal card and commercial card levels. For the purposes of this analysis, commercial and personal data was aggregated.
- Data in the following report does not include Canadian data. Statistics Canada is the industry accepted method for projecting Canadian visitation. That data can be found on www.nccommerce.com/tourism/research.