

Marketing Committee Meeting of the Board of Directors

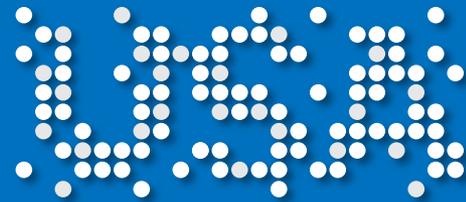
July 21, 2015



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Marketing Committee Meeting of the Board of Directors



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Barbara Richardson

Vice Chair, Brand USA Board of Directors

Chair, Marketing Committee

Brand USA Marketing Committee of the Board of Directors



Barbara Richardson
Chair



Caroline Beteta



John Edman



George Fertitta



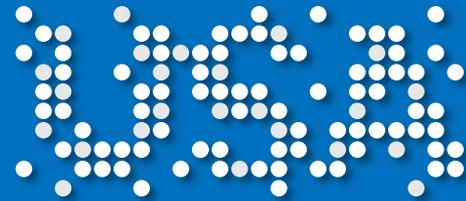
Randy Garfield



Agenda

- **Opening Remarks** (Barbara Richardson, Marketing Committee Chair)
 - Call the Meeting to Order
 - Introductions: Management, Invited Guests, Legal Counsel
 - Approval of the Minutes from the June 17, 2015 Meeting
- **FY16 Objectives, Plan Overview, Budget: Proposed**
 - Objectives & Dashboard Metrics (Anne Madison, Chief Communications Officer)
 - Target Markets/Marketing Plan Overview (David Whitaker, Chief Marketing Officer)
 - Budget (Don Richardson, Chief Financial Officer)
- **Requests for Proposals: Update**
(David Whitaker, CMO & Anne Madison, CCO)
 - Marketing Services Agency
 - Advertising Agency of Record
 - Digital Agency
 - Corporate Website
- **Closing Remarks** (Barbara Richardson, Marketing Committee Chair)

FY16 Proposed Objectives & Performance Targets



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Anne Madison

Chief Communications Officer



FY16 Objectives, Goals, Strategies, and Measures

Objective #1: Drive Results

- Increase international visitation, spend, and global market share for the USA.

Goals

- **1.04 million incremental international visitors**
(vs 903,400 in FY14 and 1 million in FY15 projected)
- **\$3.8 billion in incremental international spend**
(vs \$3.1 billion in FY14 and \$3.4 billion in FY15 projected)
- **\$7.6 billion in total economic impact**
(vs \$7.06 billion in FY14 and \$7.3 billion in FY15 projected)
- **51,400 incremental jobs supported**
(vs 50,000 average number of incremental jobs supported FY14-FY15)

Strategies

- Increase international visitation, spend, and global market share for the United States.
- Maximize return on investment by deploying the right messages, in the right markets, through the right channels, at the right times, and at the right levels of investment.
- Establish processes and systems to maximize, track, and report use of our overhead to ensure the majority of our annual budget goes to effective marketing initiatives.
- Attract and retain high-caliber talent—committed to achievement of our mission and vision.
- Operate efficiently and effectively—optimally using our internal and external resources to support the pursuit of our objectives.

FY16 Objectives, Goals, Strategies, and Measures

Objective #2: Create Innovative Marketing

- Promote the entirety of the USA with innovative marketing that supports all 50 states, the District of Columbia and five territories to, through, and beyond the gateways.

Goals:

- 81.5 million international visitors (Source: NTTO FY15 Target)
- \$240 billion in spend (Source: NTTO FY15 Target)
- 13.6% total market share and 6.75% long haul market share

Strategies

- Develop plans to promote the entirety of the USA (50 states, five territories and the District of Columbia) to, through and beyond the gateways.
- Establish a development roadmap and partner programs plan that supports the deployment of marketing spend in the markets that drive the strongest increases in or defense of visitation, spend, and/or market share.
- Ensure organizational structure, talent recruitment/development, and processes motivate and drive a collaborative and high-performance culture—tracking results through employee engagement surveys and talent reviews.
- Develop processes to ensure high standards of compliance are maintained while delivering customer-oriented, efficient, and timely contract review.
- Establish a system to track how the budget directly ties to programs and work with marketing to determine the cost of initiatives.

FY16 Objectives, Goals, Strategies, and Measures

Objective #3: Market the Welcome

- Inspire, inform, welcome and thank travelers while accurately communicating vital and compelling information about visa and entry policies.

Goals

- Federal resource program deployed in 3 embassies by fiscal year-end.
- Deploy international arrival program in 5 international arrival halls with 100% compliance to brand and national voice.
- Visa and entry policy communications strategy established and deployed on an ongoing basis beginning in January 2016.
- Achieve 100% of annual objectives shared with the Tourism Policy Council.

Strategies

- Inspire, welcome and thank travelers, while leveraging the effectiveness of our overall destination marketing efforts through Federal resources, including embassies and consulates worldwide.
- Communicate vital and compelling information regarding visa and entry policies through all Brand USA channels.
- Ensure the welcome carries the national voice across all consumer marketing channels with a cohesive platform.
- Develop FY16 shared objectives and work plan with the Tourism Policy Council by November 1, 2015.

FY16 Objectives, Goals, Strategies, and Measures

Objective #4: Build and Maintain Trust

- Build and maintain trusted relationships with stakeholders worldwide through inclusive, proactive and transparent outreach with a commitment to compliance and integrity through words, actions and results.

Goals

- 100% compliance with policies, procedures, and the Travel Promotion Act.
- Benchmark year: Earn an 85% overall annual satisfaction rating with domestic partners (with benchmark year survey questions to measure against the marketing and communications strategies for this objective).
- Manage ESTA submission cycle time to 85 days or fewer for cash contributions and 120 days or fewer for in-kind contributions.

Strategies

- Ensure full engagement with partners to maximize partner satisfaction and retention that establishes Brand USA as their go-to partner to support their international marketing effort.
- Develop a communications and cultivation strategy to support all departments and ensure we consistently employ inclusive, proactive and transparent outreach with stakeholders worldwide.
- Continue to cultivate a strong and positive relationship with Commerce:
 - Proactively and collaboratively keeping processes up-to-date.
 - Delivering well-documented and compliant ESTA submissions.

FY16 Objectives, Goals, Strategies, and Measures

Objective #5: Add and Create Value

- Pioneer cooperative marketing platforms and programs that leverage and grow the USA brand in ways our partners would be challenged or unable to do on their own.

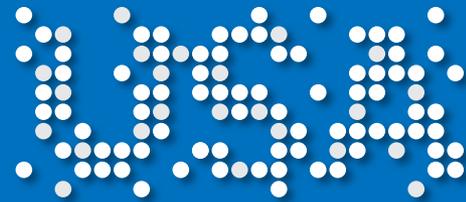
Goals

- Generate \$100 million in industry contributions comprised of at least 30% from cash contributions and no more than 70% from in-kind contributions.
- Maintain a 90% or better partner program retention rate.

Strategies

- Build upon the effectiveness of our overall destination marketing strategies by leveraging the strength of Federal resources, including embassies and consulates, worldwide.
- Pioneer cooperative marketing platforms and programs that leverage and grow the USA brand in ways our partners would be challenged or unable to do on their own.
- Work with marketing and communications to establish processes to ensure cross-functional integration and evaluation of programs and marketing expenditures at or above \$500k.

FY16 Marketing Priorities



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David Whitaker

Chief Marketing Officer



Prioritization Approach

Develop a market-level strategy that:

- Aligns internal and external partners
- Identifies growth audiences in both established and opportunity markets, including "motivations" to be unlocked
- Assigns resources based on growth potential to achieve goals
 - Path to 100M
- Provides guidance on messaging, media, timing and measurement

Market Prioritization: Consumer + Trade Focus

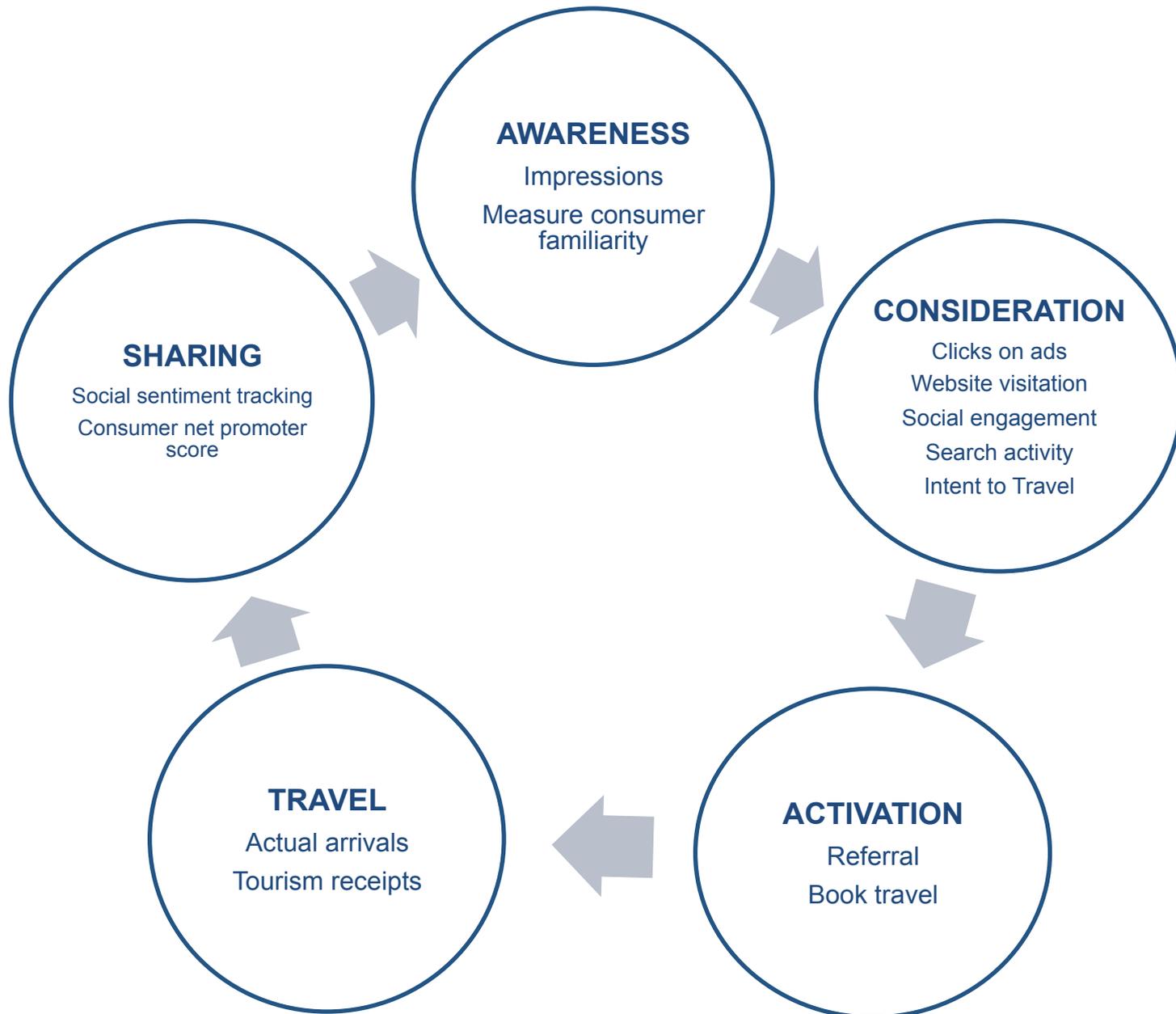
Media mix may include broadcast, cinema, OOH, digital display, events, OTA media, paid search and paid social, sharing and ongoing trade emphasis
Canada
Mexico
China
United Kingdom
Brazil
Japan
Australia
India
Germany
South Korea
France
Sweden
Colombia
Chile

Market Prioritization: Trade Focus

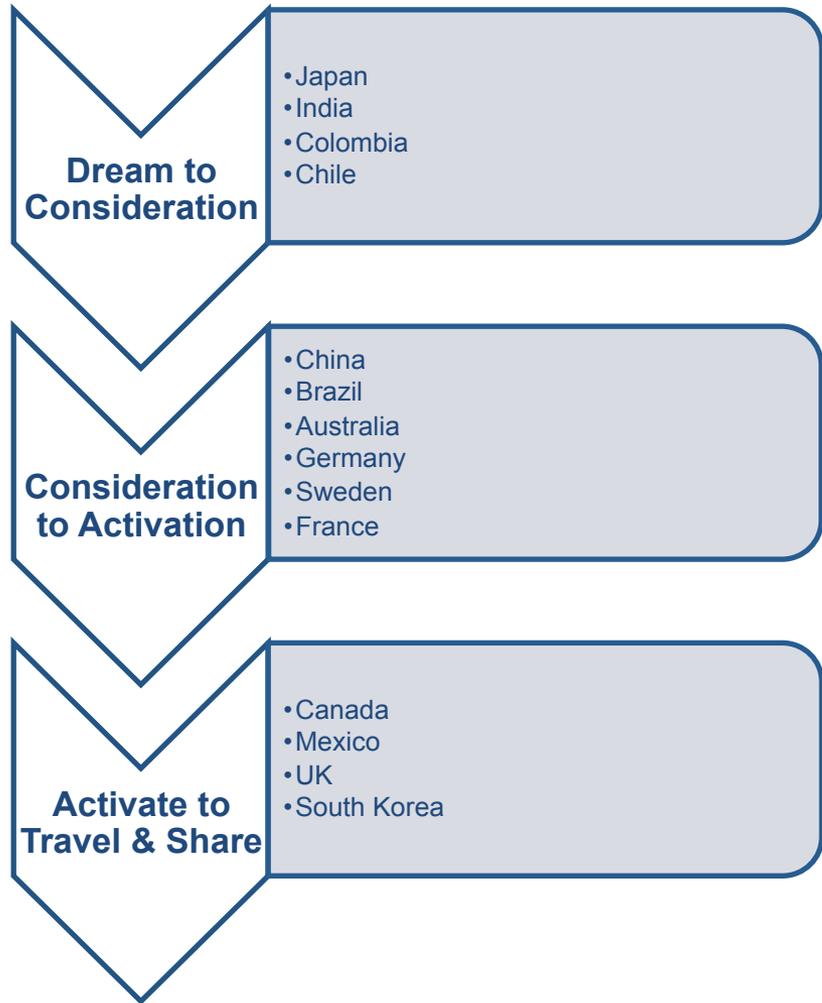
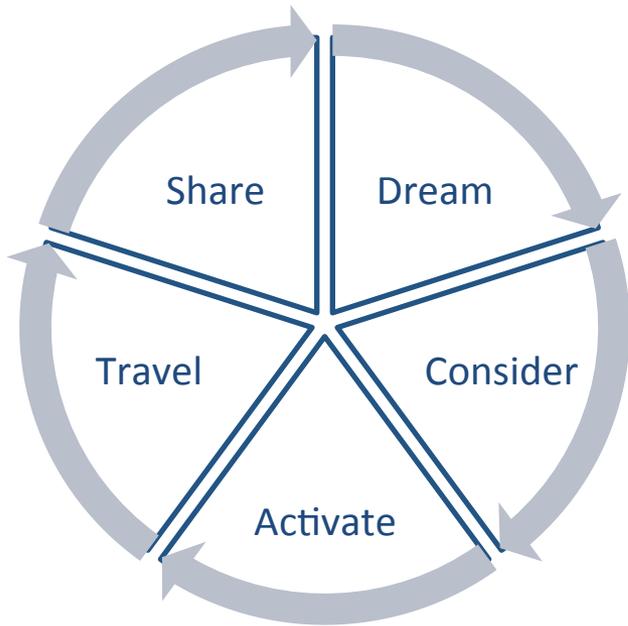
Visit USA programs, trade shows, road shows, missions, familiarization tours and/or training activities
Spain
Hong Kong/Taiwan
Italy
Benelux Countries
South America*
Nordic Countries*
Austria
Switzerland
Southeast Asia*
Central America*
Gulf Coast Countries (GCC)
South Africa
Israel
Hungary

*Select countries in each region

Marketing Measures



Travel Life Cycle “Emphasis”



Canada – 2016 Market Strategy Example

(Draft)



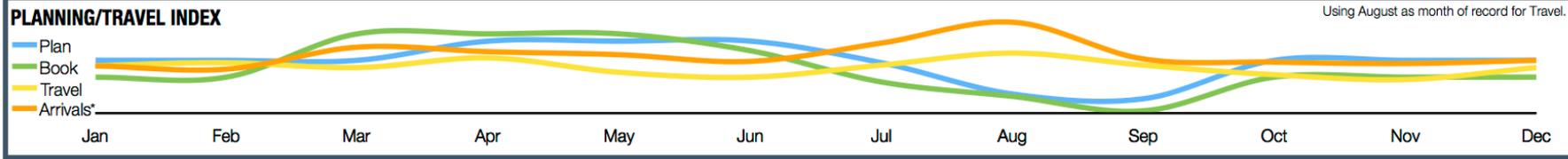
2016 GOAL
 Reacquire experienced travelers while driving visitations.
 (“Win Every Inning”)
 23,554,024 visitors, up 4.7% from 2015, up 2.5% from 2014

PRIMARY SEGMENT

- Experienced travelers looking to fly to go on vacation (nb 25% drive across the boarder & then fly); Drivers: Natural landscapes, beaches, convenience.

MOTIVATION

- Drivers: Natural landscapes, beaches, convenience.
- Perceived Barriers: Familiarity breeds indifference and desire to ‘mix things up’ - Other destinations share their interest. Poor exchange rates.

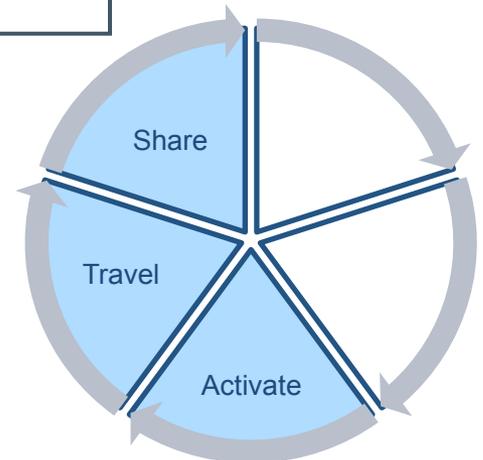
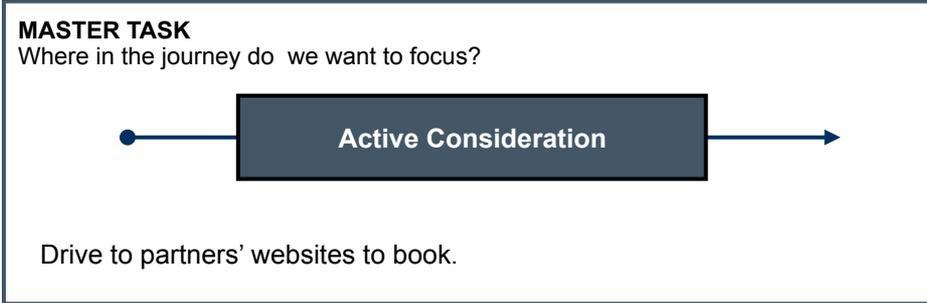


CONSUMER MESSAGE STRATEGY

- Surprise them. Use less obvious destinations (near icons) as draw.
- Leverage cultural, one-time events to drive immediate booking.
- Focus on convenience and accessibility.

TRADE FOCUS

- Fams
- Events
- Visiting Journalists
- Visit USA Partnerships



*US Arrivals only – Data Source: travel.trade.gov - Non-Resident Arrivals to the United States: Top 20 Countries.

New Markets – 2016 Proposed



Sweden

2016 GOAL

Increase to 589,079 visitors, up 4.8% from 2015

PRIMARY SEGMENT

Younger urban professionals

MASTER TASK

Where in the journey do we want to focus?



Refer to partner, DA.com and Great Outdoors Hub



Colombia

2016 GOAL

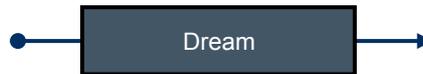
Increase to 1,063,108, up 11.9% from 2015

PRIMARY SEGMENT

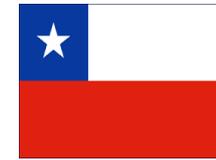
Young, affluent urban families

MASTER TASK

Where in the journey do we want to focus?



Go deeper in DA.com



Chile

2016 GOAL

Increase to 294,352, up 11.3% from 2015

PRIMARY SEGMENT

Young, affluent urban families

MASTER TASK

Where in the journey do we want to focus?



Go deeper into DA.com and partner sites

2016 Evolution – Move towards Positioning

CURRENT STATE

Platform



Great Outdoors



DESIRED STATE

Positioning



Great Outdoors

+



Urban Escape

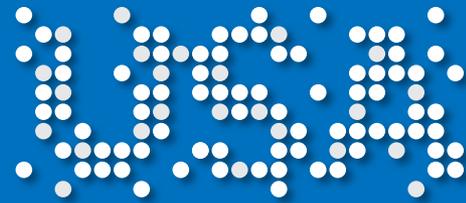
Strategy

Promote proximity and interconnectedness of U.S. experiences and activity as a way to demonstrate travel value and create a sense of urgency while sparking imagination and wonder.

Next Steps

- Approve budgets per market
- Creative briefing based upon target and strategy
- Creative activation platform design and development
- Identify Ideal channel mix per market
- Tactical planning and development based upon channel mix
- Present concept and plan by September 9
- Tiered market rollout of tactics complete October 1

FY2016 Proposed Budget



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Don Richardson

Chief Financial Officer

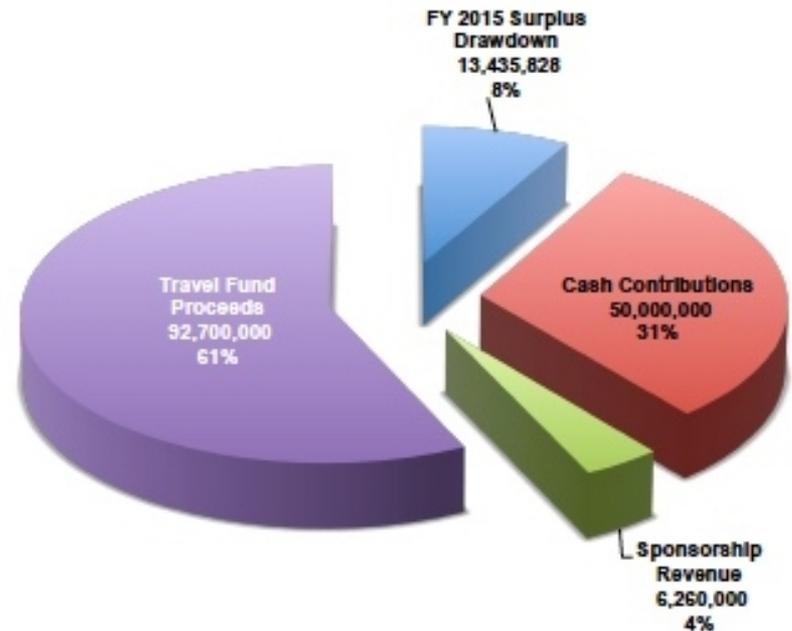


Brand USA FY2016 Proposed Budget

FY 2016 Expense Budget
\$162,395,828



FY 2016 Revenue Budget
\$162,395,828

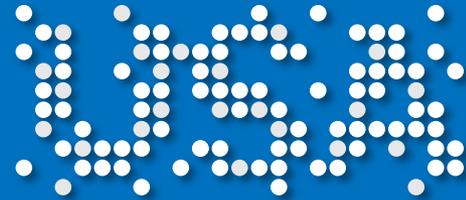


RFP Update



David Whitaker

Chief Marketing Officer



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Anne Madison

Chief Communications Officer

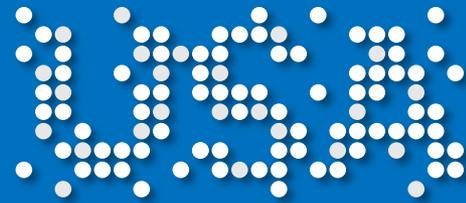




Requests for Proposals: Update

- Marketing Services Agency
- Advertising Agency of Record
- Digital Agency
- Corporate Website

Discussion and Q/A



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Thank You!

Travel Industry Information

@BrandUSA on Twitter
TheBrandUSA.com

Consumer Information

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DiscoverAmerica.com
#VisitTheUSA