



WORKING WITH THE INTERNATIONAL MARKET

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Brand USA

Objectives

- Establish market needs, structure, and requirements
- Understand the pricing strategy and how to work with the international inbound market
- Q & A



Top 10 Markets: 2015 International Visitation

Rank	Country	2015 Arrivals	% Variance
1	Canada	20.70 M	-10%
2	Mexico	18.41 M	8%
3	United Kingdom	4.90 M	18%
4	Japan	3.76 M	4%
5	China	2.59 M	18%
6	Germany	2.27 M	10%
7	Brazil	2.22 M	-2%
8	South Korea	1.76 M	21%
9	France	1.75 M	6%
10	Australia	1.45 M	11%



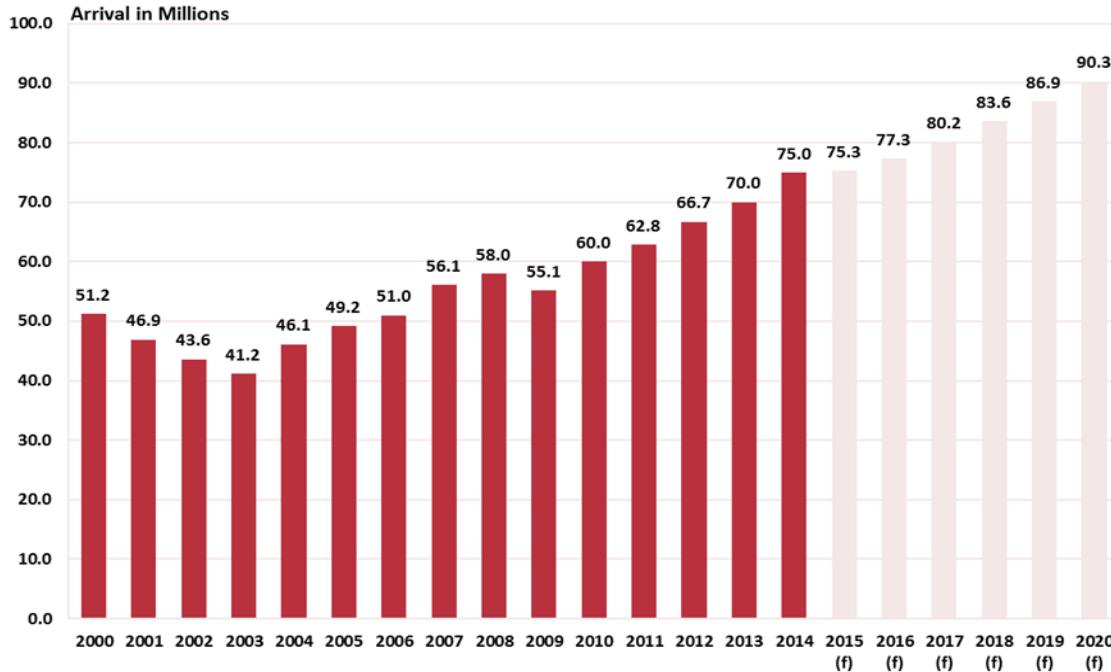
Top 10 Markets: 2015 International Tourism Spending (preliminary)

Rank	Country	2015 Arrivals	% Variance
1	China	30.1 B	15%
2	Canada	22.6 B	-13%
3	Mexico	19.7 B	4%
4	Japan	16.9 B	1%
5	United Kingdom	16.1 B	12%
6	Brazil	14.6 B	2%
7	India	11.8 B	18%
8	Australia	9.2 B	8%
9	Germany	8.9 B	8%
10	South Korea	8.1 B	10%



International Visitors to the U.S. and Projections

(preliminary)



- 75.3 Million Visitors in 2015

Five Year Growth Forecast by Key Countries

BRIC (K) Overseas Markets

Country	Passengers	%
Brazil	407,000	18%
Russia	N/A	N/A
India	452,000	47%
China	2,829,000	129%
Korea	526,000	36%

Established Overseas Markets

Country	Passengers	%
United Kingdom	800,000	19%
Germany	237,000	12%
France	245,000	15%
Australia	346,000	27%
Italy	110,000	11%



Top 15 Port-of-Entry For Overseas Visitors 2015 (preliminary)

Rank	Port	2014 Arrivals	2015 Arrivals (p)	% Change 2015/2014
1	New York, NY	6,026,019	6,675,571	11%
2	Miami, FL	4,694,161	5,052,330	8%
3	Los Angeles, CA	3,643,755	4,235,783	16%
4	Honolulu, HI	2,153,013	2,187,373	2%
5	San Francisco, CA	1,821,292	2,120,313	16%
6	Chicago, IL	1,592,341	1,828,799	15%
7	Newark, NJ	1,869,055	1,777,443	-5%
8	Orlando, FL	1,205,171	1,557,252	29%
9	Atlanta, GA	1,084,455	1,285,375	19%
10	Agana, GU	1,098,823	1,272,620	16%
11	Washington, DC	1,011,599	1,101,187	9%
12	Houston, TX	877,638	968,965	10%
13	Boston, MA	710,306	914,137	29%
14	Fort Lauderdale, FL	675,519	880,434	30%
15	Dallas, TX	636,255	812,990	28%



Overseas Visitation To Select U.S States & Territories: 2014 - 2015 (preliminary)

Rank	State	2014 Arrivals	2015 Arrivals	% Change 2013/2012
1	New York	10,136,000	10,385,000	2%
2	Florida	8,644,000	9,667,000	12%
3	California	7,274,000	8,139,000	12%
4	Nevada	3,120,000	3,505,000	12%
5	Hawaiian Islands	3,120,000	3,021,000	-3%
6	Massachusetts	1,555,000	1,789,000	15%
7	Texas	1,558,000	1,789,000	15%
8	Illinois	1,412,000	1,708,000	21%
9	Guam	1,345,000	1,505,000	12%
10	Arizona	954,000	1,044,000	9%
11	Pennsylvania	982,000	1,029,000	5%
12	Georgia	877,000	998,000	14%
13	New Jersey	971,000	994,000	2%
14	Washington	629,000	852,000	36%
15	Utah	552,000	595,000	8%
16	Louisiana	381,000	518,000	36%
17	North Carolina	440,000	491,000	12%
18	Michigan	349,000	488,000	40%
19	Colorado	458,000	461,000	1%
20	Virginia	412,000	453,000	10%
21	Tennessee	N/A	426,000	N/A
22	Maryland	314,000	418,000	33%
23	Ohio	342,000	365,000	7%
24	Connecticut	290,000	296,000	2%



Overseas Visitation To Select U.S Cities: 2014 - 2015

Rank	City	2014 Arrivals	2015 Arrivals	% Change 2015/2014
1	New York City-WP-Wayne	9,891,000	10,132,000	2%
2	Miami	4,933,000	550,900	12%
3	Los Angeles-Long Beach	4,472,000	4,857,000	9%
4	Orlando	4,203,000	4,718,000	12%
5	San Francisco	3,179,000	3,632,000	14%
6	Las Vegas	3,043,000	3,409,000	12%
7	Honolulu/Oahu	2,516,000	2,380,000	-5%
8	Washington, DC	1,957,000	2,135,000	9%
9	Chicago	1,331,000	1,620,000	22%
10	Boston	1,415,000	1,609,000	14%
11	San Diego	1,041,000	1,159,000	11%
12	Fort Lauderdale	797,000	902,000	13%
13	Houston	863,000	864,000	0%
14	Atlanta	751,000	837,000	11%
15	Seattle	587,000	783,000	33%
16	Philadelphia	625,000	680,000	9%
17	Flagstaff-G. canyon-Sedona	622,000	672,000	8%
18	Florida Keys-Key West	507,000	637,000	26%
19	Anaheim-Santa Ana	590,000	610,000	3%
20	Tampa-St. Petersburg	549,000	591,000	8%
21	Dallas-Plano-Irving	409,000	545,000	33%
22	San Jose	423,000	499,000	18%
23	New Orleans	342,000	468,000	37%
24	Naples	N/A	361,000	N/A
25	Buffalo-Niagara	N/A	330,000	N/A



Receptive & International Operators Provide The Following Products & Services To Overseas Tour Operators



Motorcoach Tour Series



FIT



Sightseeing & Attractions



Fly & Drive



Ad Hoc Groups

The Distribution Chain



Wholesale Receptive Tour Operator creates Brochure/web site using their negotiated net rates plus markup

SELL TO



SELL TO



Overseas Tour Operators who markup rates for their profits & include a travel agent commission



Retail travel agents who ultimately



SELL TO



Consumer



Receptive Tour Operators Are Leaders In Arranging Inbound Travel & Offer...

- International Wholesale and Retail distribution (your marketing arm)
- Year round business
- Branch out into secondary and tertiary destinations
- Ability to penetrate into existing and emerging markets
- Streamlined approach to reaching international audiences
- Longer stays, longer booking window



Overseas Tour Operators Are Market Specialist In Their Country Or Region...

- Located overseas (extension of your sales team)
- Predominantly leisure travel based
- Market Specific (UK, Germany, Brazil)
- Market specific knowledge and experience
- Streamlined approach to reaching overseas travel agents and consumers

Guidelines On How To Work With Tour Operators

Hotels

- Respond to RFP's
- Have rates available at least 18 months in advance
- Do not divulge rates to passengers
- Tour series – accept all dates
- Communication: Reservations, Front Desk, Accounting
- Provide value added promotions and offers
- Offer option of Dynamic and Static rate plans
 - Static
 - Commit to guaranteed allotments/freesell with minimum cut-off
 - Minimum number of blackout dates, offer higher rate
 - Dynamic
 - Stay on top of blackout dates
 - Honor Contracts and allotments
 - Easy API access with multiple discount plans
 - Offer rates for ALL room types
 - Ensure rate plans are monitored and current
 - Last room/same day availability

Guidelines On How To Work With Tour Operators

Sightseeing & Attractions

- Respond to RFP's
 - Have rates and schedules available at least 18 months in advance
 - Do not divulge rates to passengers
 - Operate guaranteed program without minimum passenger requirements
 - Multi Lingual capabilities necessary in certain markets
 - Communication: Ensure your staff are aware
 - Provide value added promotions and offers
 - Have control of rate feeds and distribution of rate plans
- Offer option of Dynamic and Static rate plans
 - Static
 - Offer Freesell if possible with minimum cut-off
 - Minimum number of blackout dates, offer higher rate
 - Stay on top of blackout dates
 - Honor Contracts
 - Dynamic
 - Easy API access with full selection capabilities and discount plans
 - Ensure rate plans are monitored and current
 - Last seat/tickets availability
 - Same day availability

Pricing

Discount Structure From Rack Rate

- Wholesale Receptive Tour Operator (US based) – 35-45%
- Overseas Tour Operator (Destination based) – 15-25%
- Retail Travel Agent/OTA – 10%

Reasoning

- Each link in the chain is looking to make a minimum 10%

Tips When Developing Product

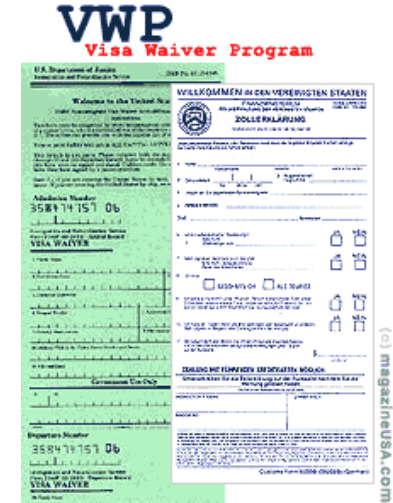
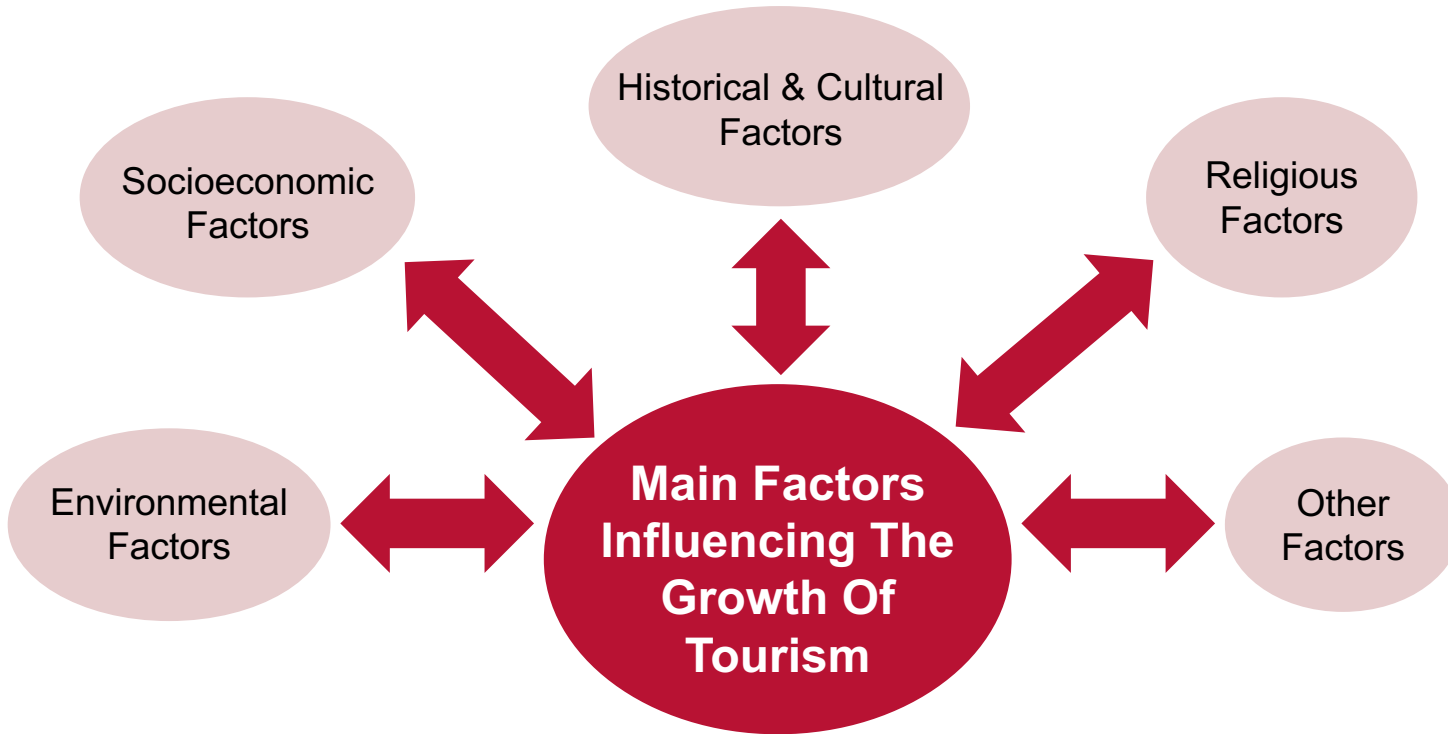
Hotels

- Know your competition!
- Educate yourself on market needs and focus on those you are able to accommodate
- Offer inclusive package options with multiple room types to bypass BRG issues
- If seeking group business, develop a group rate calendar

Attractions, Restaurants, Transportation

- Know your competition!
- Educate yourself on market needs and focus on those you are able to accommodate
- Develop set packages for international market only
- Partner with hotels to develop all inclusive packages with one stop reservations

Main Factors Influencing The Growth Of Tourism



Trends 2016 - 2017

- Mexico is expected to decline materially in 2017 due to the weak peso and political headwinds
- Established markets, while forecasting slower growth, still have majority of volume
- Brazil is expected to be flat to slightly down in 2017, Argentina is maintaining an exceptionally strong growth rate.
- Brexit will pose challenges in Europe – but still significant volume
- China will continue showing double digit growth with focus on FIT
- Key concern for 2017 is currency exchange, especially weakening Euro
- Technology will be driving factor of market change

What is a FAM Tour and How do you Benefit from FAM Tours

- What is a FAM Tour
 - FAM stands for “familiarization” tour. It is bringing people (travel media, tour operators and travel agents) to experience what the USA, and your destination, has to offer.
- Why participate in a FAM Tour
 - Journalists, tour operators and travel agents experience your destination and/or product first-hand and have the ability to promote to and influence large numbers of people in their decision making.
 - If you experience something personally, you are able to describe it to others in much greater detail, and in turn more likely to recommend it

How to benefit from FAM Tours

- Ensure all services you have committed to provide are provided and on time.
- Ensure you have a representative present and they:
 - Welcome your guests
 - Are able to represent you and your company in a professional and knowledgeable way
 - Have an understanding of the needs of the group they are meeting
 - Collect business cards from ALL people present and ensure everyone has their business card
 - Distribute any relevant collateral on your company and services
 - Follow up
- Remember – You have one chance to impress OR disappoint!



THANK YOU