

Marketing Committee Meeting of the Board of Directors

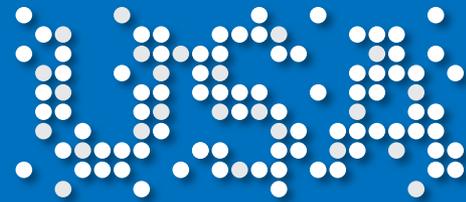
June 17, 2015



DiscoverAmerica.com



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 February 25, 2015 Meeting

- **CEO Report**

- General Updates
- ROI Results

- **Update on Key Initiatives**

- Giant-Screen Film
- Expo Milano

- **IPW Review**

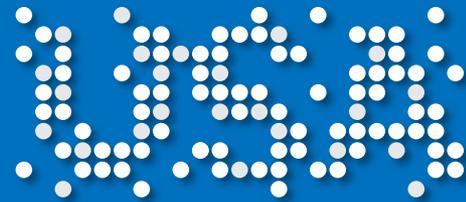
- **FY16 Plan**

- Marketing Priorities
- Target Markets
- FY16 Organizational Objectives, Goals, Strategies
- Dashboard/Balanced Score Card

- **Questions/Answers**

- **Closing Remarks**

CEO Report



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Chris Thompson

President & CEO

Brand USA

Statement of Purpose

Mission (purpose)

Our mission is to increase incremental international visitation, spend and market share to fuel our nation's economy and enhance the image of the USA worldwide.

Vision (result)

Our vision is to be the best in class national destination marketing organization—earning the USA the largest share of the global travel market and significantly contributing to job creation, GDP, export growth and tax revenues.



Statement of Purpose: Foundational Elements

DRIVE RESULTS

Maximize and optimize ROI:
Right messages, right channels, right
markets, right times
and right investment levels

CREATE INNOVATIVE MARKETING

Promote the entirety of the USA
to, through and
beyond the gateways

MISSION
Increase
**incremental international
visitation, spend and
market share**
to fuel our nation's economy
and enhance the image
of the USA worldwide.

ADD & 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

MARKET THE WELCOME

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

BUILD & MAINTAIN TRUST

Inclusive, proactive
and transparent outreach;
Integrity with key stakeholders
worldwide through words,
actions and results

Over the past two years, Brand USA's marketing efforts have generated:

2 million incremental visitors

\$6.5 billion in incremental spending

50,000 incremental jobs supported each year

Federal, state, & local taxes close to **\$2 billion**

Almost **\$15 billion** in total economic impact

in partnership with

more than **500** partners

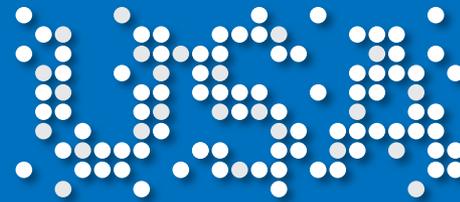
94% partner program retention rate

Update on Key Initiatives



David Whitaker

Chief Marketing Officer



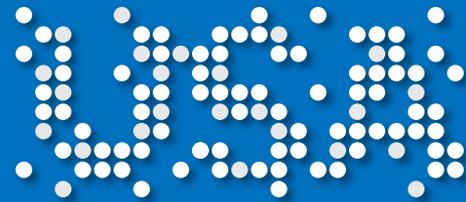
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Tom Garzilli

Senior Vice President,
Global Partner Marketing

Giant-Screen Film & Expo Milano



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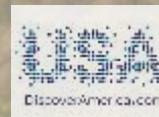
Tom Garzilli

Senior Vice President,
Global Partner Marketing

MacGillivray Freeman's

AMERICA WILD

A National Parks Adventure



The Giant-Screen Film

- Scheduled to launch film – February 2016
 - DC premiere February 10th or 11th (TBD)
- First global sponsor – Expedia
 - Expect the cost of the film to be fully funded through sponsorships
- Trade engagement- extended trailers to be screened
 - ESTO – Portland, Oregon (August 23-25)
 - WTM – London (November 2-5)
- Supporting media for Great Outdoor Platform
 - United States of Great Outdoors Content Hub, multi-channel programs, Brand USA Originals assets, Travel Channel TV series, BBC “USA Through the Great Outdoors”

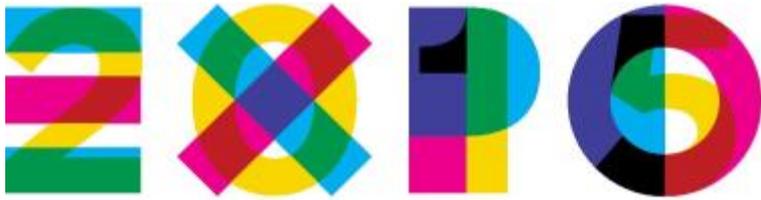


The Giant-Screen Film

- Over next three months, proactively engaging theaters around the world to maximize viewership
 - Targeting 6 countries/regions representing 80% of international screens
 - China (120), Europe (85), Canada (44), Japan (42), Mexico (18), India (12)
- In-market promotions and activation will be developed on a country by country basis in partnership with the theaters



Expo Milano 2015



MILANO 2015



American Food 2.0: United to Feed the Planet

- The USA Pavilion showcases the United States as an innovator in the food sector and in many aspects culture, science, and business.
- Themed “Feeding the Planet: Energy for Life”, the World Expo takes place Milan, Italy from May 1 to October 31, 2015.
- More than 20 million visitors will sample the flavors of over 140 countries and international organizations.





MILANO 2015

Food Truck Nation

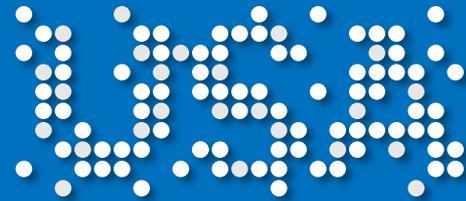
- Brand USA is a featured partner in the USA Pavilion at Expo Milano, presenting Food Truck Nation, which exemplifies the creative culinary revival of food trucks in small and large towns across the United States.



- Food Truck Nation anchors itself in the global conversation #TasteUSA, inspiring people to come experience the USA, one dish at a time.



IPW Results



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Anne Madison

Chief Communications Officer

IPW Results



Bringing the World to America™
ORLANDO, MAY 30-JUNE 3, 2015

- **Record Attendance**
- **Strong Collaboration with our Federal Partners**
 - Secretary of Commerce Penny Pritzker Opened the Event
 - Federal Row an Integral Part of the Brand USA Pavilion
 - ❖ 16 booths under a joint banner encouraging visitors to “Find Your Park” and “Discover America”
 - ❖ Smokey Bear
 - ❖ U.S. Customs and Border Protection:
More than 150 Global Entry Interviews on Site

IPW Results



Bringing the World to America™
ORLANDO, MAY 30-JUNE 3, 2015

- **Introduced More than 50 New or Expanded Co-op Marketing Programs**
- **Key Announcements**
 - ROI Results
 - Expedia as Brand USA's First Global Sponsor and Exclusive Online Travel Activation Partner for the Giant-Screen Film
 - Culinary Tourism Strategy
 - New Series Featuring U.S. Celebrities Introducing the World to their Hometown States with Host Peter Greenberg

IPW Results



Bringing the World to America™
ORLANDO, MAY 30-JUNE 3, 2015

- **More than 500 Appointments**

325 Pre-Scheduled Appointments

40 Walk-Up Appointments

30 Appointments Scheduled Directly

30 Partner Development Meetings

25 Partner Program Planning Meetings

50 Media Engagements

- **Contributions of nearly \$15 Million Identified**

- **Media Coverage: 36 Articles / 23,957,271 total impressions**

- Featured Coverage Included: USA Today, Orlando Sentinel, Philadelphia Business Journal, Travel Weekly, Mercado & Eventos, Panrotas, TTG China, Travel Vision Japan, Xin Media, Travel Industry Today
- Brand USA Coverage: 19 Articles / 18,467,610 total impressions
- Brand USA Partner Coverage: 17 Articles / 5,489,61 impressions

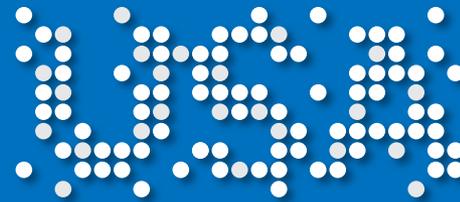


FY16 Planning Update



Anne Madison

Chief Communications Officer



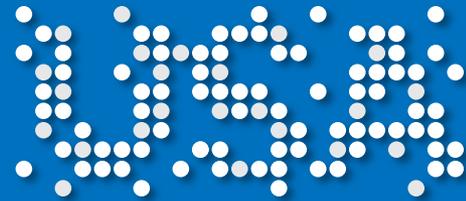
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David Whitaker

CMO

FY16 Planning Overview

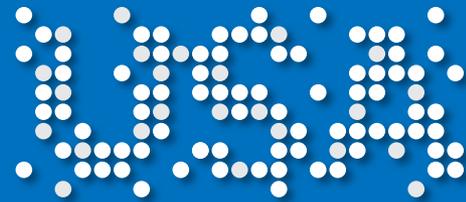


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Anne Madison

Chief Communications Officer

Marketing Priorities and Target Markets Selection



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David Whitaker

Chief Marketing Officer



Priorities

- Support the strategic planning process – **INNOVATE**
- Create opportunities in **EMERGING** markets and develop opportunities in **ESTABLISHED** Markets
- Maximize **CONTENT** development and **INTEGRATE** across all platforms
- Create and extend even more **PARTNER VALUE**
- **CAPTURE** new **AUDIENCES**

Target Markets Selection Supports the National Travel & Tourism Strategy

100 million
visitors by 2021

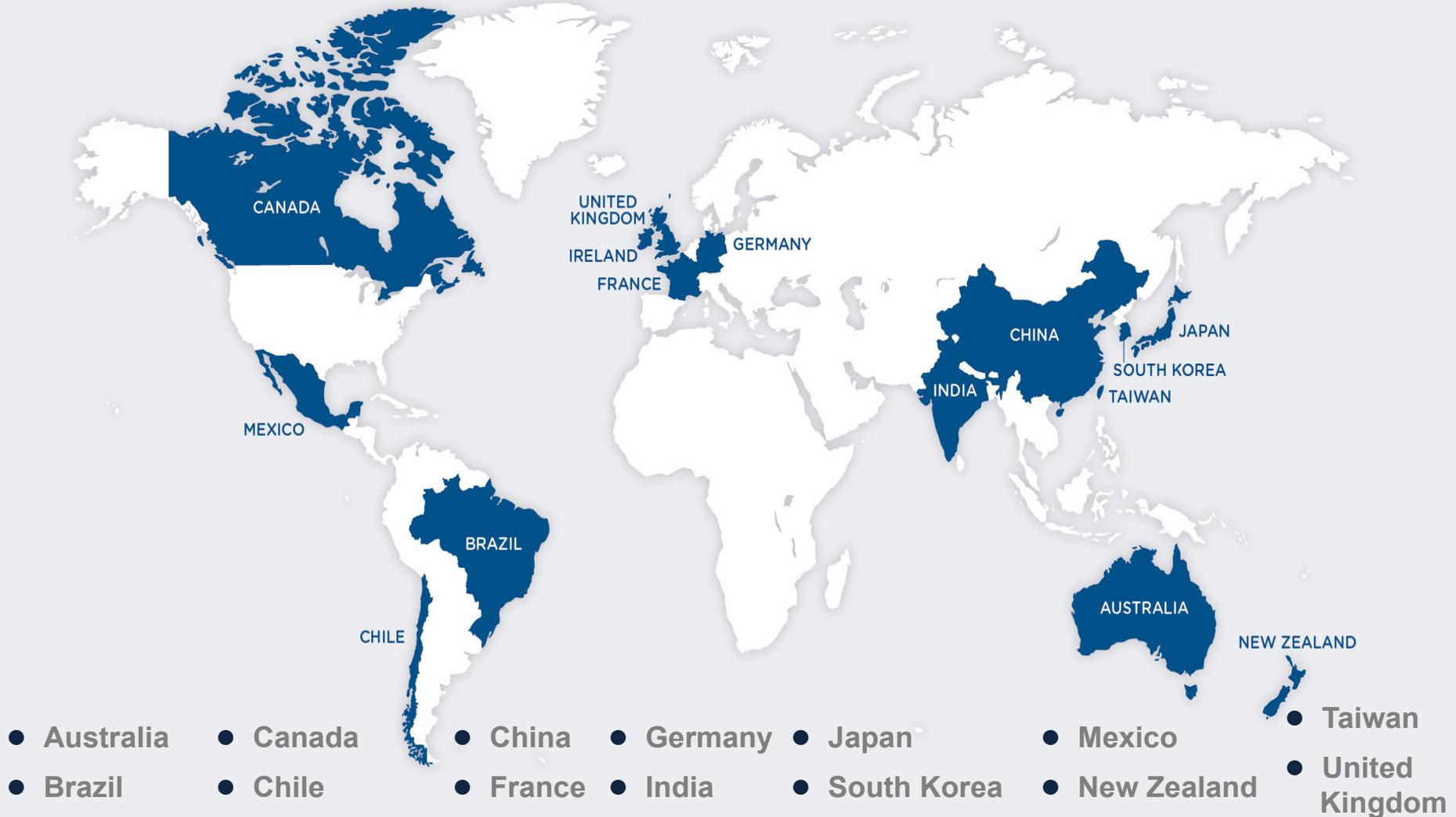


4.6%
CAGR



Consumer Marketing Plan:

14 markets that generate 81% of inbound travel to the USA



International Representation: 13 Offices Covering 21 Markets, Expanding to 25 Markets



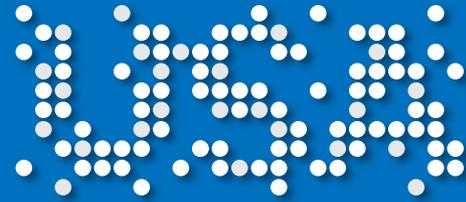
Brand USA currently has a trade representative for the GCC and plans to establish an international representation office to support this market during FY15.

Marketing Initiatives in 33 Markets:

More than 90% of inbound travel to the United States



FY16 Objectives, Goals, Strategies and Measures



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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 are incremental international visitors
- \$3.8 billion is incremental international spend
- \$7.6 billion in total economic impact
- 51.400 incremental jobs supported

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)
- \$240 billion in spend (Source: NTTO)
- 13.0% total market share and 6.7% long haul market share for 2016 (Source: NTTO).

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.
- Establish cross-functional deal committee process and set meeting schedule by November 1, 2015

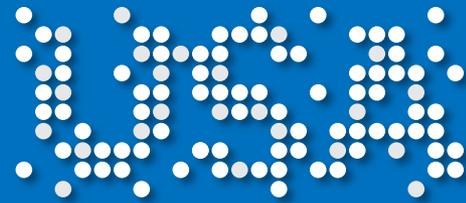
Strategies

- 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.

Dashboard

DASHBOARD COMPONENT	METRICS & TARGETS	METHODOLOGY	SOURCES	REPORTING FREQUENCY
TRAVEL LIFECYCLE Phase 1 Dream/Awareness	<ul style="list-style-type: none"> Consumer destination familiarity Target: 8.45%	<ul style="list-style-type: none"> Online survey (1,000 completes per campaign market) 	<ul style="list-style-type: none"> ORC International 	Quarterly
TRAVEL LIFECYCLE Phase 2 Consider/Engagement	<ul style="list-style-type: none"> Website visitation Target: 45 million engagements	<ul style="list-style-type: none"> Actual values 	<ul style="list-style-type: none"> Brand USA internal data 	Monthly
	<ul style="list-style-type: none"> Search volume Target: 75%	<ul style="list-style-type: none"> Actual values 	<ul style="list-style-type: none"> Brand USA internal data 	Monthly
TRAVEL LIFECYCLE Phase 3 Activate/Book	<ul style="list-style-type: none"> Consumer intent to visit Target: 67%	<ul style="list-style-type: none"> Online survey (1,000 completes per campaign market) 	<ul style="list-style-type: none"> ORC International 	Monthly
	<ul style="list-style-type: none"> Booking trends Benchmark Year—targets TBD	<ul style="list-style-type: none"> Booking data for airline tickets and hotels 	<ul style="list-style-type: none"> Multiple data vendors 	Monthly
ROI & TRAVEL LIFECYCLE Phase 4 Travel	<ul style="list-style-type: none"> Attributable increase in visitation and spend Targets: 1.04 million incremental visitors \$3.8 billion incremental spend	<ul style="list-style-type: none"> Econometric analysis incorporating advertising impressions delivered, website and social engagements, consumer response to advertising, and U.S. market share. 	<ul style="list-style-type: none"> Oxford Economics and the Department of Commerce (NTTO) 	Annually
	<ul style="list-style-type: none"> Attributable increase in economic impact Targets: \$7.6 billion total impact 51,400 incremental jobs	<ul style="list-style-type: none"> Calculation based on attributable visitation and expenditure metrics 	<ul style="list-style-type: none"> Oxford Economics 	Annually
	<ul style="list-style-type: none"> Market share Targets: 13.0% total; 6.7% long haul	<ul style="list-style-type: none"> Actual values globally (total and long-haul) Actual values by campaign market 	<ul style="list-style-type: none"> NTTO UNWTO 	Annually
TRAVEL LIFECYCLE Phase 5 Share	<ul style="list-style-type: none"> Consumer net promoter score Target: 48%	<ul style="list-style-type: none"> Online survey (1,000 completes per campaign market) 	<ul style="list-style-type: none"> ORC International 	Quarterly
	<ul style="list-style-type: none"> Consumer sentiment index Benchmark Year—targeting 85%	<ul style="list-style-type: none"> Volume and semantic analysis of consumer generated content on social networks and travel websites 	<ul style="list-style-type: none"> Visible 	Monthly
FINANCIAL	<ul style="list-style-type: none"> Percentage of federal partner match received Target: 100%	<ul style="list-style-type: none"> Actual values 	<ul style="list-style-type: none"> Brand USA internal data 	Quarterly tracking
	<ul style="list-style-type: none"> Partner contributions trends Target: 70% in-kind; 30% cash	<ul style="list-style-type: none"> Average contribution per partner Ratio of cash & in-kind contribution 	<ul style="list-style-type: none"> Brand USA internal data 	Quarterly tracking
PARTNERSHIPS	<ul style="list-style-type: none"> Value provided to partners Targets: 500 partners 90%+ retention rate	<ul style="list-style-type: none"> Increase in total number of partners: Partner program retention rate 	<ul style="list-style-type: none"> Brand USA internal data 	Quarterly tracking
COMPLIANCE & PROCESS	<ul style="list-style-type: none"> Compliance Target: 100%	<ul style="list-style-type: none"> Percentage compliance to policies and procedures 	<ul style="list-style-type: none"> Brand USA internal data 	Quarterly
	<ul style="list-style-type: none"> Cycle time Targets: 85 days cash; 120 days in-kind	<ul style="list-style-type: none"> Average number of ESTA/matching fund filing days from submission to Commerce to receipt of funds 	<ul style="list-style-type: none"> Brand USA internal data 	Quarterly

Discussion and Q/A



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Thank You!

Travel Industry Information

@BrandUSA on Twitter
TheBrandUSA.com

Consumer Information

@DiscoverAmerica on Twitter
Facebook.com/DiscoverAmerica
DiscoverAmerica.com
#VisitTheUSA