

BRAND USA
OPEN TO THE PUBLIC MEETING OF
THE MARKETING COMMITTEE

October 28, 2013

A public meeting of the Marketing Committee of the Board of Directors (the "**Committee**") of The Corporation for Travel Promotion d/b/a Brand USA (the "**Corporation**" or "**Brand USA**") was held today in Washington, DC and via teleconference for the public commencing at 1:03 p.m. EDT. The following members of the Board participated in the meeting:

David Lim, Committee Chair
Randy Garfield (via phone)
Diane Shober (via phone)

Caroline Beteta and George Fertitta were not in attendance. In addition to the members of the Committee, attending from Brand USA were Yvonne La Penotiere, Don Richardson, Anne Madison, Tom Garzilli, Alfredo Gonzalez, Carol Rheem and Jiri Mirousek. Also in attendance was George Schutzer, Esq. of Patton Boggs LLP and Robyn Mandel, Esq. of Katten Muchin Rosenman LLP. Ms. Mandel served as recording secretary. There being a quorum present, the Committee Chair called the meeting to order.

Opening Remarks

Committee Chair Lim first welcomed members of the general public and members of the travel trade listening to this meeting and noted that the agenda for the meeting had been circulated to the Directors and posted on Brand USA's website. He introduced the directors present at the meeting and noted that Ms. Beteta and Mr. Fertitta were traveling.

Approval of Meeting Minutes

Committee Chair Lim asked for approval of the Meeting Minutes from the Marketing Committee Meeting held on July 22, 2013, a copy of which was distributed to the Board members. The Committee members in attendance unanimously approved the July 22, 2013 meeting minutes.

Marketing Activities - Accomplishments Over the Past 90 Days

Committee Chair Lim congratulated the Brand USA team for raising in excess of \$100 million. He also thanked partners for helping the Company to exceed its goal and noted that the Company is off to a good start for FY14. He then turned over the meeting to CMO La Penotiere to describe the accomplishments of the marketing team over the last 90 days.

Sales

CMO La Penotiere announced that Brand USA raised \$132,202,736 in partner contributions in FY13. Brand USA tripled the number of cash contribution partners and doubled the number of in-kind contributors. CMO La Penotiere also explained that Brand USA had launched a regional strategy and hired a Southeast Regional Manager, which had already proven to be a success by raising \$1.6 million in 90 days. The full business plan was completed in addition to development of the Strategy Map and Balanced Scorecard, which are principles by which the organization lives (collectively referred to as the “Strategic Map”). The new CMO came on board.

Market Campaigns

Brand USA successfully launched its first custom market campaign (China), reaching over 1million consumers within the first 90 days. The organization also successfully launched the *Discover America: Land of Dreams* campaign in seven markets, which included TV, OOH (out of home - digital and static), digital display and print channels as well as web presence, social communities and paid search. Brand USA has expanded into new markets - Australia, South Korea, Taiwan, China, and Brand USA has reinforced its branding campaigns in Japan, Brazil, and UK.

Partner Program Development

Brand USA heightened priority for co-op programs and began executing more than \$6M in city and state DMO co-op programs. 75 of 108 partner marketing plans have been completed. Brand USA began development of FY14 Inspiration Guide and initiated production of 384 in-language videos to be used on DiscoverAmerica.com (which represents 23 states, 2 territories, and 3 regional groups). Staff developed Beyond the Gateway strategy for deployment in FY14, successfully executed the Welcome China event in NYC, hosting over 700 Chinese tourists, and created a proprietary long term arrivals forecast and market allocation model used to guide budgeting, in addition to launching a new market intelligence program

Global Program Development

Brand USA signed the Thomas Cook deal in the UK (10.7M in in-kind for \$3.2M in program spending). They completed the fall trade show schedule, launching the Brand USA pavilion at ABAV in Brazil, FIT in Argentina and FITA in Mexico. They sponsored Routes Worldwide for the first time at its inaugural show in the USA. The team created a partnership with Qantas Australia, including a first-ever Mega Fam from Australia. Global Representative firm interviews in Brazil, Mexico and Canada were completed.

Business Plan Update – Next 90 Day Priorities

CMO La Penotiere noted that she was proud of the team for all of the accomplishments but also wanted to highlight the priorities for the next 90 days.

Operational

- Operationalize the Strategy Map and business plan
- Create Marketing and sub-department Dashboards
- Complete all job descriptions and process maps
- Create individual performance goals

Revenue Generation

- Complete and deploy sales strategies for:
 - Expanding current LOA contributor base
 - High net-worth individuals
 - Non-endemic corporations (non-travel corporations)
- Begin IMAX fundraising efforts
- Build sales team

Consumer Marketing

- Deploy brand advertising in Japan, China, Taiwan, South Korea, Brazil and Germany
- Expand photo library, contributing to creative refresh
- Launch global Road Trips campaign via web and social media
- Update China web site and campaign based on learning from first 90 days
- Launch new Facebook and Google advertising campaigns for 2014
- Implement phase 1 updates to DiscoverAmerica.com

Partner Marketing

- Complete partner acquisition for first two multi-channel marketing programs (UK and Canada)
- Review and finalize all FY14 in-market media partnerships
- Complete marketing plans for all FY14 LOA contributors
- Deploy Beyond the Gateway strategy
- Execute IMAX contract with MacGillivray Freeman Films (MFF) beginning research study and first draft treatment
- Test CRM platforms and select vendor

Research & Analytics

- Activate performance metrics plan to measure success quantitatively
- Develop and launch stakeholder engagement surveys to determine if Brand USA stakeholders are satisfied
- Complete and glean insights from Welcome Ambassador research
- Hire Director, Consumer Research

Global Market Development

- Transition co-op development to Partner Marketing team
- Execute Fall and Winter trade show schedule in Italy, Taiwan, Asia, London and Spain

- Establish quantifiable goals for all global representation firms and lead development of yearly work plans
- Begin development of training/education program for Brand USA certification
- Successfully execute Australia Fam trip – 50 agents on five different itineraries to travel across the U.S.

Metrics Research Plan

Carroll Rheem, Vice President of Research and Analytics, described Brand USA's research plan. First, she set the framework by focusing on the objectives. Her team considered the geographic breadth (what markets are targets) and the travel life cycle. As a DMO, it is important for Brand USA to focus on a particular life cycle phase. There are 5 phases in the life cycle - Dream, Consider, Activate, Plan and Share. Brand USA can deploy different tactics during each phase. For instance:

- DREAM – this involves planting the seed in the mind of the traveler (e.g. Land of Dreams TV campaign)
- CONSIDER – this relates to the volume of searches that are done for traveling in the U.S.
- ACTIVATION – this involves Brand USA partnering with retailers, tour operators, and airline booking operators
- TRAVEL – Brand USA works closely with government partners to make visitors feel welcome; they would like to have arrival video to welcome visitors
- SHARING – this exists across all phases of lifecycle and feeds next generation of trips.

Most travelers make decisions well in advance of travel. About half plan their destination decision 1 to 5 months before travel, which means that Brand USA's impact could be seen on the trip following the immediate travel plans. For that reason, Brand USA intends to take a longer view to measure the results of its efforts. To quantify Brand USA's impact, the organization has contracted with a vendor that analyzes forecasted visitation and spend, isolating the differential between what a visitor would have spent with and without Brand USA's influence.

Research for the Development of the Welcome Ambassador Program

CMO La Penotiere asked Ms. Rheem to discuss the research going into the Welcome Ambassador Program. Ms. Rheem explained that the Welcome Ambassador Program focuses on introducing a personal voice to the welcome, so the organization is employing research techniques to help focus the program. There are three voices – brand, partner, and traveler.

The idea of this program came from the Share a Little Sunshine Program developed by Visit Florida. In that case, residents invited friends and relatives to visit Florida,

inspiring them to help their local economy post-disaster. To scale the program for the world, it will be less about friends and relatives and more about sharing experiences and connecting people who have a broader common bond.

The organization will go into markets to test connection points this quarter, followed by the design and solicitation mode, then active solicitation and content creation and review, leading up to the push out to the market in 3rd quarter 2014. The testing plan will include finding the most effective connectors between individuals and experiences around the world, considering the message (e.g. general, destination centric or interest centric), voice (who will travelers identify with) and target (this involves understanding demographics and how best to find travelers that would be receptive to the message). The test markets will include, Canada, Mexico, UK, Germany, China, Japan, Russia, Brazil. They are also testing the message domestically by polling Americans about what messaging they think should be shared with the world.

Diane Shoher left the meeting.

IMAX

Tom Garzilli, Senior Vice-President, Partnership Marketing and Services, discussed the IMAX movie that Brand USA will produce with MFF for release in July 2015. The film will focus on national parks and federally managed lands and will be issued in time for the 100th anniversary of the National Park Service. This will be a valuable tool to promote the anniversary and a year-long public relations tool in 2014 promoting the release and provides benefits to all parties involved as more specifically described below.

Benefits that address Brand USA's core objectives

- Broadening and deepening the partner base
- Developing an entertainment venue to promote the USA
- Developing sponsorship and funding models to flatten out the funding cycle
- Providing value to non-gateway destinations

Other benefits to Brand USA

- Large scale marketing tool for consumers and the travel trade with a long shelf life
- Will provide Brand USA's tourism partners with long-term partnership and value opportunities
- Brand USA will develop launch plans for the targeted international gateways during the film premieres, as well as promotions taking place in the run-up to release throughout 2014 and 2015
- Unparalleled economic opportunities, such as:
 - In-kind contributions from our Production partners at MFF
 - Opportunity to raise corporate sponsorship contributions which are qualified to be matched with ESTA funds

- Revenue from ticket sales in perpetuity accrue to Brand USA
- Associated marketing events will be co-funded through tourism partner contributions

IMAX Film Benefits

- Marketing Tools
 - Emotional engaging, immersive and unique entertainment experience
 - Images of unsurpassed size, clarity and impact projected on to screens up to 80 feet tall
 - World-renowned musicians and narrators including George Harrison, Sting, Robert Redford and Meryl Streep have engaged with IMAX in the past
- International Audience
 - Global audience of 70 million annually
 - International viewership nearly 40 million and growing rapidly
 - Half of the 800 + IMAX screens are abroad
 - By 2015, 300 screens will be in China alone
 - 3D feature, which the Brand USA film will feature is most popular internationally
- Audience Demographics
 - Affluent
 - Educated
 - Family Oriented
 - Travelers
- Multi-Purpose
 - IMAX Format
 - Digital and Social Campaigns
 - Television
 - Trade and Consumer promotions
- Past Corporate Sponsors include:
 - Coca-Cola Company
 - Kohler
 - Wells Fargo
 - Chevron
 - Brand USA intends to target many others
- MacGillivray Freeman Films
 - 35 years as the leading IMAX film maker
 - Released 5 of the top 10 grossing films
 - Films have grossed over \$1 billion at the worldwide box office
 - *To Fly!* has played at the Smithsonian's National Air and Space Museum non-stop since 1976
 - The highly successful *Adventures in Wild California* (1999) produced in partnership with Visit California remains in circulation today

Next Steps

- November 2013: Sign agreement

- December 2013: Sponsor fundraising begins
MFF in DC to meet with Department of Commerce and
Department of Interior representatives

Preliminary Sales Strategy to Attract High Net Worth / Non Endemic Contributions

Mr. Garzilli described the sales strategy that is being developed to target high net worth individuals and non-endemics for sponsorship opportunities, including the IMAX film. Mr. Garzilli believes it makes sense to target such individuals and companies because they personify the American dream and because Brand USA can provide compelling reasons to encourage them to support its mission. Donations at the Brand USA ambassador level require a \$1 million contribution and at the emissary level require a \$250,000 contribution.

At the November Board meeting, the Brand USA team intends to set forth a more detailed strategy for this revenue source and a formal plan for the IMAX ask.

Public Questions

Committee Chair Lim sought questions from the public. There were none.

Adjourn

There being no further business before the Committee, Committee Chair David Lim adjourned the meeting at 1:40 p.m. EST.

The foregoing minutes approved by the Marketing Committee of the Board of Directors on _____, 2014

David Lim, Marketing Committee Chair