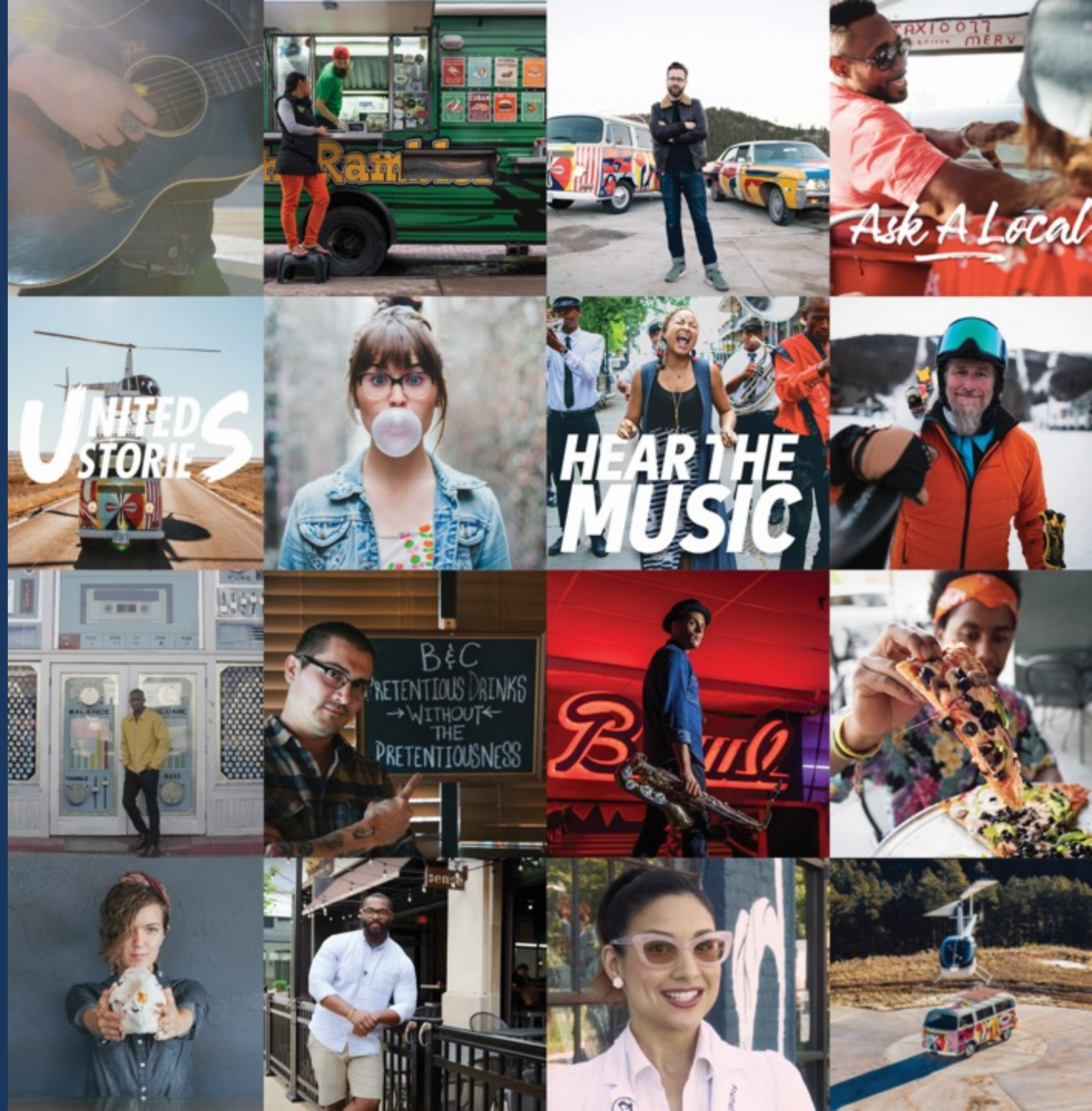
Brand USA Board of Directors Meeting

May 22, 2019



Opening Remarks

Barbara Richardson
Chair
Brand USA Board of Directors

- Call the meeting to order
- Introduction of management, invited guests, and legal counsel

Brand USA Board of Directors

Barbara Richardson
Chair

John Edman
Vice Chair

Alice Norsworthy
Vice Chair

Andrew Greenfield
Secretary

Kristen Branscum

Paul Brown

Kyle Edmiston

Mike Gallagher

Noel Irwin Hentschel

Mark Hoplamazian

Thomas O'Toole

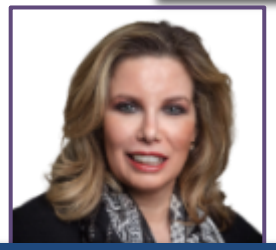
Brand USA Executive and Senior Management

Chris Thompson
President & CEO

Tom Garzilli
Chief Marketing Officer

Anne Madison
Chief Strategy & Communications Officer

Donald Richardson
Chief Financial Officer



Karen Gruenberg
Senior Vice President
Partner Marketing & Strategic Alliances

Jake Conte
Vice President
General Counsel

Cathy Domanico
Vice President
Global Trade Development

Tracy Lanza
Vice President
Integrated Marketing

Joann Pelipesky
Vice President
Human Resources & Administration

Carroll Rheem
Vice President
Research & Analytics

Aaron Wodin-Schwartz
Vice President
Public Policy

Brian Watkins
Director
Information Technology

Item 1

Barbara Richardson
Chair
Brand USA Board of Directors

Approval of the Minutes Report

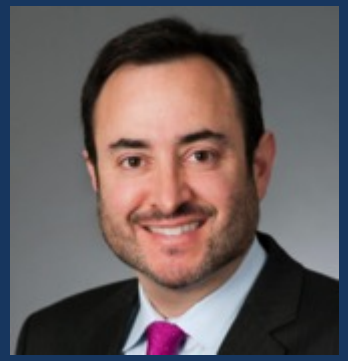
- March 13, 2019* Board Meeting

Item 2

Chris Thompson
President & CEO

CEO Report

Item 3



Andrew Greenfield
Chair
Governance & Nominating Committee

Jake Conte
Vice President, General Counsel

Governance & Nominating Committee Report

Board seats scheduled to expire

- Land or sea transportation sector
- Immigration law policy
- Attractions or recreational sector
- Passenger air sector

VisitTheUSA.com
Brand USA

Item 4

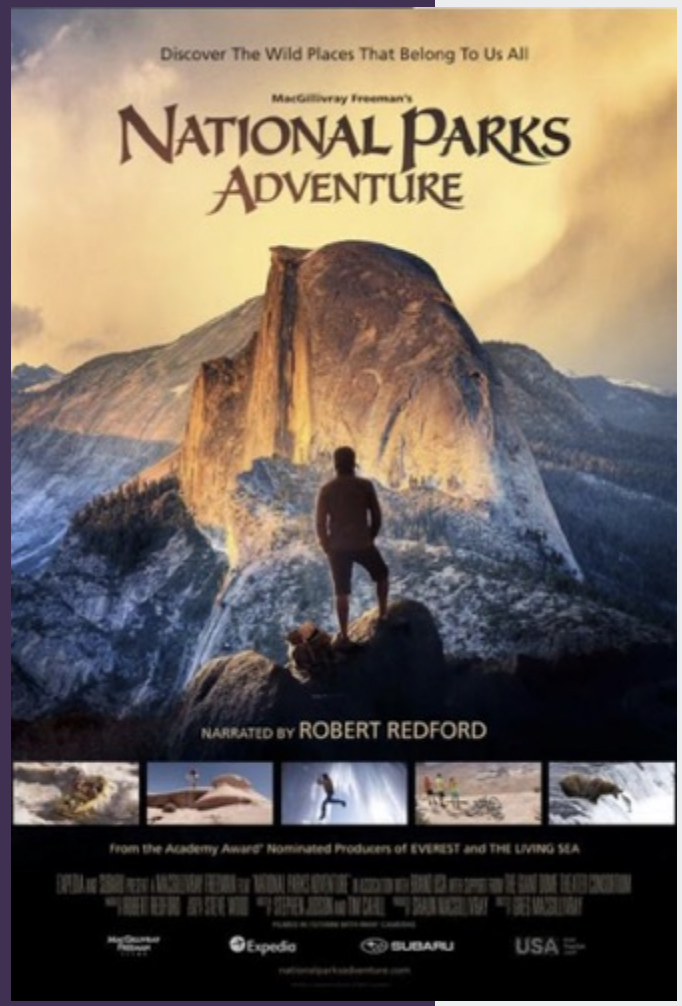
Alice Norsworthy
Chair
Marketing Committee

Tom Garzilli
Chief Marketing Officer

Marketing Committee Report

Highlights of accomplishments and activities

VisitTheUSA.com
Brand USA



WE'VE GONE OFF THE BEATEN PATH AND HAVE HAD AN EXTRAORDINARY JOURNEY

Pioneering new, uncharted territory with two ambitious IMAX® films

And, we've made amazing things happen.

Connected viewers to the best America has to offer and inspired off-the-beaten-path discovery

81% are much more likely/somewhat more likely to visit the U.S. as a result of the film

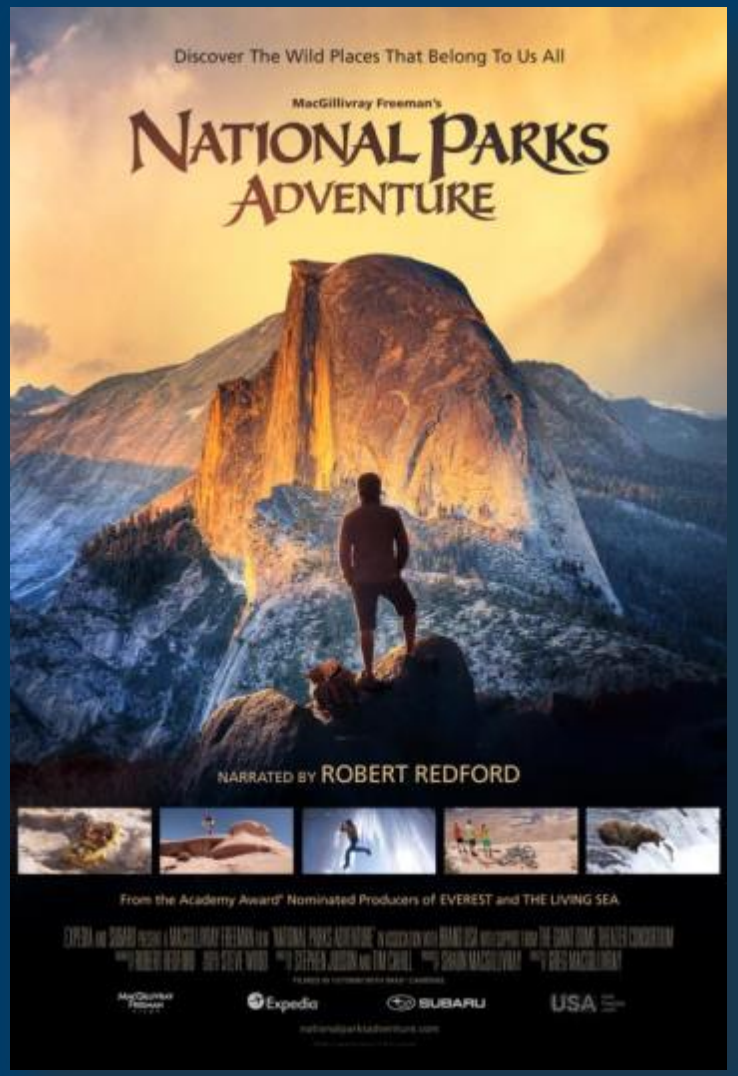
62% are more likely to choose the U.S. instead of another destination after watching National Parks Adventure

"What a very special event. The reception was lovely, and I so enjoyed the movie.
I am inspired to go experience some of those beautiful parks."

Teresa Hartle,
Atlanta

Source: Isurus Market Research and Consulting

Giant Screen Films: ROI



In two years since the film's release:

More than **170,000**
incremental visitors

Nearly **$700 million**
in incremental visitor spending

$1.5 billion
total economic impact

FILM ROI 56:1

Source: Oxford Economics

From the producers of *National Parks Adventure* and *America's Musical Journey*

Coming Soon...Our Next Adventure

Stop by the Brand USA booth #2442 to cast your vote and help us choose the title.

A Film for Giant Screen Theaters

AVAILABLE FEBRUARY 2020

www.intoamericaswild.com

Expedia

MacGillivray Freeman Films

USA Visit The USA .com

UNITED
STORIES

UNITED STORIES

United Stories was designed as a social first campaign, which has taken learnings from previous Brand USA initiatives to reach audiences with long form video content at scale on Facebook, Instagram and YouTube, while also improving engagement rates by designing a media mix which produces bespoke creative that is endemic to the distribution channel.

Impactful Video Storytelling
To drive viewership of campaign creative

17.4 MM
Video Views

18.1 MM
Minutes of Video Content viewed since launch in January

Optimized Creative To Maximize Engagement
For a social-first approach

Which resulted in (thus far):

269 MM
Impressions

2 MM
Social Engagements

140% Increase
In engagement rate when compared with previous campaigns

Revamped YouTube Strategy to Increase Time Spent with Longform

1:52
Avg. Watch Duration on YouTube

6x Increase
In average watch time on YouTube compared to other social platforms

GoUSATV
Because every place has a story.

GoUSA TV Updates

- Watch duration remains strong*
  - 47 minutes OTT
  - 2.6 minutes App
- New and upcoming content includes:
  - Licensed content
  - Co-productions
  - Partner contributions
  - GoUSA TV Originals

*international monthly per user through March 31st, 2019

HEAR THE MUSIC FY2019

Building on the successes and learnings from FY18, we:

- Optimized creative for a narrative-based approach
- Enhanced our audience targeting efforts, and
- Drove longer form video views

Drive Viewership of Video Content
Narrative-based & Emotive to drive time spent with branded content

Enhanced Targeting Efforts to Maximize Reach & Engagement
Travel & Music Affinity

Develop Strategies to Increase Time Spent with Long-Form Video

Which resulted in (thus far):

17.2 MM
Video Views

7.9 MM
Minutes of content viewed on social

533 MM
Impressions

66%
more efficient CPCV YoY

:30 > :15
Video Length Comparison

Global Trade Development – New Teams & Employees

- In April, Brand USA welcomed:
  - Colin Skerritt, Regional, Director, Canada
  - Edelman/IConnect, Korea

- Pending RFPs:
  - Global Trade Development Contractor: Asia
  - Global Trade Development Contractor (Manager)
  - China Travel Trade Marketing Agency: China

International Offices
Representing More than 20 Markets

THE AMERICAS

Canada
Toronto

Mexico
Mexico City

Brazil
Sao Paulo

EUROPE

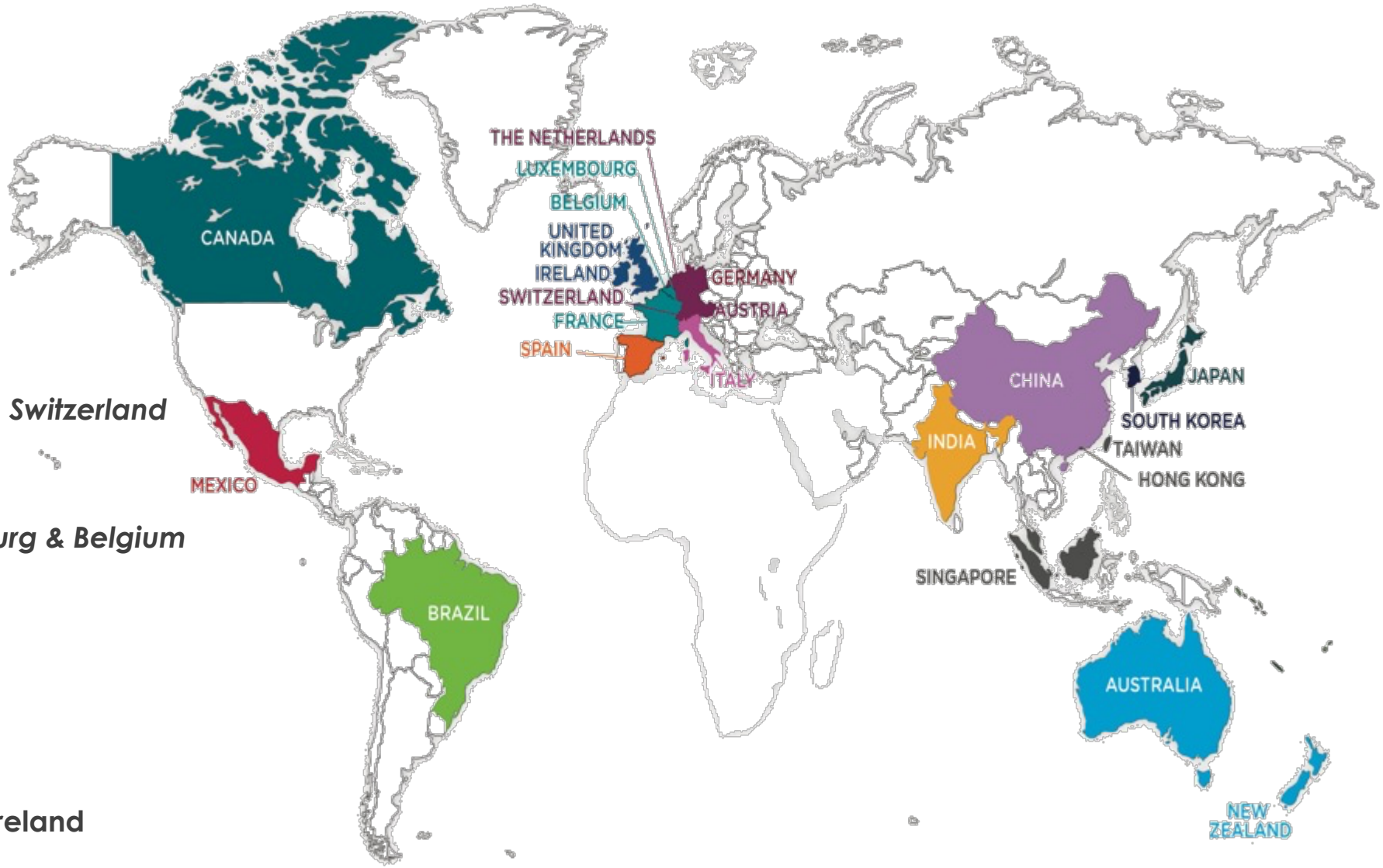
Germany, Austria, Switzerland & the Netherlands
Munich

France, Luxembourg & Belgium
Paris

Italy
Milan

Spain
Madrid

United Kingdom/Ireland
London



ASIA

China
Shanghai

Hong Kong
Hong Kong

India
New Delhi

Japan
Tokyo

South Korea
Seoul

Singapore
Singapore

Taiwan
Tai Pei

OCEANIA

Australia & New Zealand
Sydney

Item 5

Kyle Edmiston
Chair
Finance Committee

Donald Richardson
Chief Financial Officer

Finance Committee Report

- Review of Q2-FY2019 Financials
- FY2020 Proposed Budget

VisitTheUSA.com
Brand USA

Highlights

- **Travel Promotion Fund**
  - We have identified $104.1M for FY 2019 ESTA Submission and are on target to match goal of $100M by 5/31/2019.
- **Partner Revenue YTD**
  - Partner Cash Contributions – we received $20.5M in partner contributions ($6.0M more than FY 2019 Budget YTD).
  - In-Kind Contributions – we received $16.6M in in-kind contributions ($6.6M more than FY 2019 Budget YTD).
  - Partner Programs – we received $0.4M of Sponsorship revenue and Partner Programs ($2.3M less than FY 2019 Budget YTD).
- **Expenses**
  - Expenses are $2.9M below budget year-to-date, primarily due to a shift of strategy and timing differences in Marketing expenses.
- **Cash Flow**
  - Cash flow remains sufficient at $46.2 million (16% above the reserve requirement of $40M) as of March 31, 2019.

FY2020 Marketing Priorities

- Continued shift to highest ROI markets (55% emerging / 45% established markets)
- Marketing and distribution of *America's Musical Journey* and premiere and marketing of giant-screen film #3 *Into Wild America*
- Continued expansion of Market the Welcome messaging through consumer channels
- New functionality for global consumer websites
- Maximizing partner value and ROI through partner programs, global trade development, consumer campaigns, and public relations efforts
- Continued enhancement of global trade development strategies (international representation, product development, RTO, training, etc.)
- Continuation of Brand USA Travel Week in London (Sept 2020) and addition of India (Oct 2020)

Marketing Spend: More Effective and Efficient Allocation

During FY2020, Brand USA will continue to:

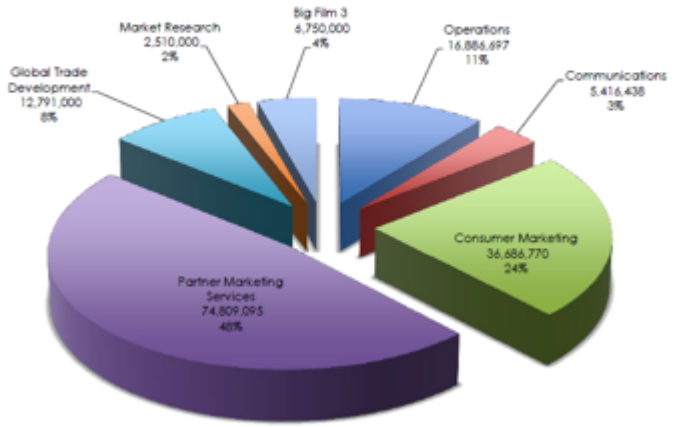
- Shift marketing dollars to higher-ROI markets and programs
- Optimize marketing spend more effectively
  - Authentic media channels (to drive awareness, engagement, booking, and sharing)
  - Many voices / Multi-screen
- Optimize use of contributed media dollars
- Focus on cooperative marketing programs that deliver the best balance of value to partners and ROI
- Focus on equal promotion of rural and urban areas, which drives repeat business and supports our mandate as the nation's destination marketing organization

Major Programs and Initiatives

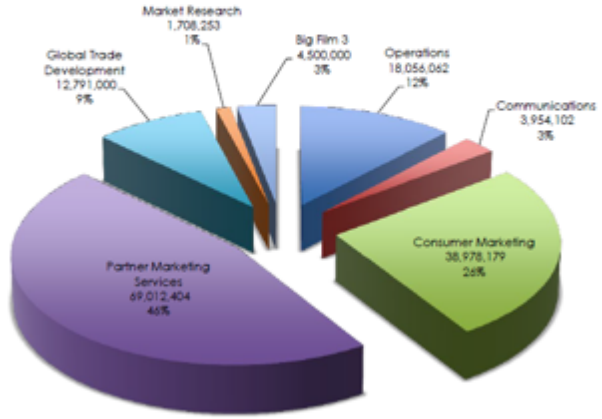
- Continue development of GoUSA TV
- *America's Musical Journey* and *National Parks Adventure* (marketing and distribution)
- Premiere of giant-screen film #3 *Into Wild America*
- Expansion of United Stories
- Expansion of consumer public relations outreach
- Accessibility of consumer channels (global website)
- Partner programs development, marketing plan builder and expansion of partner reporting portal to support partner planning and reporting efforts
- Global trade product development
- Overhaul of international trade show strategies
- Travel Week UK and Travel Week India

FY2020 Proposed Budget

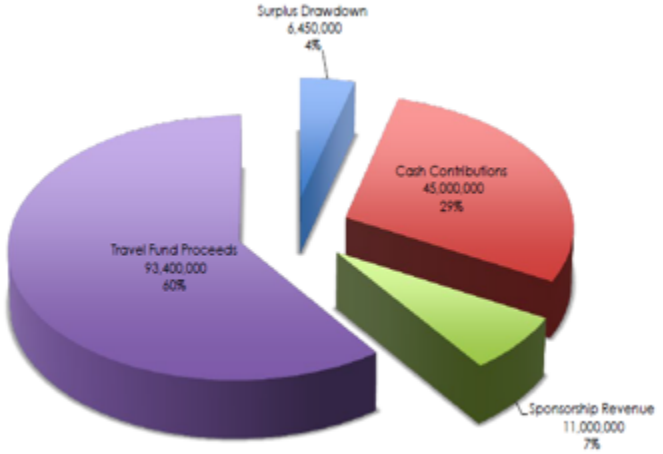
FY 2019 Expense Budget
$155,850,000



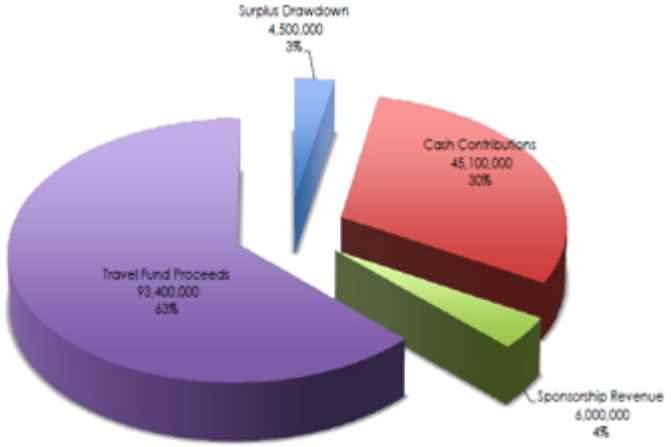
FY 2020 Expense Budget
$149,000,000



FY 2019 Revenue Budget
$155,850,000



FY 2020 Revenue Budget
$149,000,000



Items 6-10

Barbara Richardson
Chair
Brand USA Board of Directors

Current Issues and Updates Discussion

Deliverables to the Department of Commerce

- FY2018 ROI study results
- FY2018 Annual report
- FY2020 objectives and budget

IPW Anaheim, June 1-5, 2019

Board of Directors Meetings in Minneapolis, August 6-7, 2019

Brand USA Travel Week, London, September 9-13, 2019

U.S.-China Tourism Leadership Summit in Seattle, September 17-22, 2019

VisitTheUSA.com
Brand USA

Item 6

Carroll Rheem
Vice President,
Research and Analytics

Deliverables to the Department of Commerce

- ROI Study Results

VisitTheUSA.com
Brand USA

Over the past six years, Brand USA's marketing efforts have generated...

900+
partners

(with a 94% retention rate)

6.6 million
incremental visitors

$21.8 billion
incremental spending

$6.2 billion
federal, state & local taxes

$47.7 billion
total economic impact

nearly
52,000
incremental jobs supported each year

ROI Data Source: Oxford Economics

Brand USA ROI: FY2013 – FY2018

IMPACT	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2013-FY2018
Incremental Visitation	1,143,186	903,440	1,025,183	1,193,893	1,158,645	1,127,976	**6,552,323**
Incremental Spend	$3.4 billion	$3.07 billion	$3.04 billion	$4.08 billion	$4.06 billion	$4.10 billion	**$21.76 billion**
Total Sales	$7.40 billion	$7.06 billion	$6.60 billion	$8.88 billion	$8.83 billion	$8.91 billion	**$47.69 billion**
Federal, State and Local Taxes	$972.60 million	$877.80 million	$868.00 million	$1.17 billion	$1.16 billion	$1.17 billion	**$6.22 billion**
Incremental Jobs Supported	53,181	46,510	44,533	59,463	54,212	52,305	**51,701**
Marketing ROI	47:1	19:1	21:1	31:1	29:1	32:1	**28:1**
Total ROI	34:1	18:1	19:1	28:1	26:1	28:1	**25:1**

Item 6

Anne Madison
Chief Strategy &
Communications Officer

Deliverables to the Department of Commerce

- FY2018 Annual Report
- FY2020 Proposed Objectives

VisitTheUSA.com
Brand USA

Annual Report Content Requirements

Annual Reporting Requirements as Outlined in the Travel Promotion and Modernization Act

- A comprehensive and detailed report of our operations, activities, financial condition, and accomplishments
- A comprehensive and detailed inventory of amounts obligated or expended during the preceding fiscal year
- A detailed description of each in-kind contribution received
- An objective and quantifiable measurement of our progress toward each objective established for the fiscal year
- Detailed report of operations and activities to promote tourism in rural and urban areas equally
- A description of, and rationales for, and efforts to focus on specific countries and populations
- A description of, and rationales for, media channels employed to meet objectives

FY2018 Plan Objectives: Summary Results

Exceeded goal | Partially met goal | Achieved goal | Did not meet goal

Objective	Goals	Progress/Results
Drive Results	▪ Generate 1.25 million incremental international visitors ▪ Generate $4.15 billion incremental international spend ▪ Generate $9.0 billion in total economic impact ▪ Achieve marketing ROI of 23:1; overall ROI of 20:1 ▪ Maintain overhead below 15 percent	▪ 1.13 million incremental international visitors ▪ $4.10 billion incremental international spend ▪ $8.9 billion in total economic impact ▪ Marketing ROI of 32:1; overall ROI of 28:1 ▪ Overhead of 10%
Create Innovative Marketing	▪ Ensure equal marketing of rural and urban areas ▪ Support all 50 states, the District of Columbia, and the five territories ▪ Maintain destination familiarity of 93% ▪ Increase digital marketing engagements to 48.0 million ▪ Maintain average intent to visit across all markets to 60%	▪ Equal marketing rural/urban areas ▪ Supported all 50 states, DC, and 5 territories ▪ 93% destination familiarity ▪ 57.0 million digital engagements ▪ 57% average intent to visit
Market the Welcome	▪ Communicate all relevant travel policy information and travel policy updates ▪ Support achievement of 100% of aligned objectives with the Tourism Policy Council ▪ Deploy Market the Welcome program in the international arrivals halls of two U.S. airports ▪ Deploy Market the Welcome program in five embassies and/or consulates	▪ Communicated all relevant travel policy ▪ Supported 100% of objectives aligned with the Tourism Policy Council ▪ Deployed Market the Welcome in two airports ▪ Deployed Market the Welcome in 50 embassies and/or consulates)
Build and Maintain Trust	▪ Ensure 100% compliance with policies, procedures, and the Travel Promotion Act ▪ Expand partner reporting portal content by 25%	▪ 100% compliance with policies, procedures, and the Travel Promotion Act ▪ Expanded partner reporting portal content by more than 25% with partner playbooks
Add and Create Value	▪ Generate $100 million in contributions from private industry and other non-federal sources (with no less than 30% from cash contributions and no more than 70% from in-kind contributions) ▪ Earn a 90% or better (top 2 boxes) partner satisfaction survey question "Brand USA's partnership provides value to my organization." ▪ Maintain a 90% or higher partner retention rates	▪ Generated $108 million in contributions (43% or $46.7 million cash; 57% or $61.3 million in-kind) plus $3 million in sponsorship/programs ▪ 94% rating on value ▪ 94% partner retention rate ▪ 78% partner program retention rate

FY2020 Proposed Objectives

Objective	Goals	Strategies
Drive Results	▪ 1.39 million incremental international visitors (+7% vs FY2019 target) ▪ $5.5 billion in incremental international spend (+10% vs FY2019 target) ▪ $9.79 billion in total economic impact (+3% vs FY2019 target) ▪ Marketing ROI 32:1; overall ROI 29:1 (vs FY2019 targets of 30:1 and 27:1) ▪ Overhead below 15%	▪ Continue development of GoUSA TV content and promotion ▪ Marketing and distribution of 3rd film ▪ Expand consumer public relations ▪ Continued leadership in high-engagement channels
Create Innovative Marketing	▪ Ensure equal marketing of rural and urban areas across the total of all marketing efforts ▪ Support all 50 states, the District of Columbia, and 5 territories ▪ Generate 2.92 billion social impressions (+15% vs FY 2019 forecast) ▪ Generate 950 million video views across paid, earned, owned, and third-party channels ▪ Protect and maintain average intent to visit across all markets at 60%	▪ Sell the inherent diversity of experiences in order to fuel initial discovery, return trips, and extending the stay—with experience first storytelling strategies ▪ Leverage market prioritization and segmentation to engage travelers where they are in the travel lifecycle.
Market the Welcome	▪ Deploy international arrival program in 15 international arrival halls and/or embassies/consulates ▪ Increase translated content regarding practical travel information and entry policy on consumer websites by 25%	▪ Integration of Market the Welcome programming as part of federal partner country plans ▪ Coordinate with the Departments of Commerce, Homeland Security, and State to communication vital and compelling information regarding visa and entry policies ▪ Address and correct misperceptions about entry policies
Build & Maintain Trust	▪ Ensure 100% compliance with policies & Travel Promotion Act ▪ Expand partner results reporting by 25%	▪ Ongoing review of controls to ensure efficiency and compliance ▪ Increase responsiveness and reporting
Add and Create Value	▪ Generate $100 million in contributions from private industry and other non-federal sources (with no less than 30% from cash contributions and no more than 70% from in-kind contributions) ▪ Earn a 90% or better (top 2 boxes) partner satisfaction survey question "Brand USA's partnership provides value to my organization" ▪ Earn a 85% or better partner program retention rate	▪ Optimize cash and maximize in-kind content contributions ▪ Expand sponsorship revenue streams ▪ Expand program offerings for smaller destinations ▪ Expand global trade strategies for product development, MICE ▪ Overhaul our international trade show and outreach strategies

FY2020 Proposed Objectives

Objective	Goals	Strategies
Drive Results	▪ 1.39 million incremental international visitors (+7% vs FY2019 target) ▪ $5.5 billion in incremental international spend (+10% vs FY2019 target) ▪ $9.79 billion in total economic impact (+3% vs FY2019 target) ▪ Marketing ROI 32:1; overall ROI 29:1 (vs FY2019 targets of 30:1 and 27:1) ▪ Overhead below 15%	▪ Continue development of GoUSA TV content and promotion ▪ Marketing and distribution of 3rd film ▪ Expand consumer public relations ▪ Continued leadership in high-engagement channels
Create Innovative Marketing	▪ Ensure equal marketing of rural and urban areas across the total of all marketing efforts ▪ Support all 50 states, the District of Columbia, and 5 territories ▪ **Generate 2.92 billion social impressions (+15% vs FY 2019 forecast)** ▪ **Generate 950 million video views across paid, earned, owned, and third-party channels** ▪ Protect and maintain average intent to visit across all markets at 60%	▪ Sell the inherent diversity of experiences in order to fuel initial discovery, return trips, and extending the stay—with experience first storytelling strategies ▪ Leverage market prioritization and segmentation to engage travelers where they are in the travel lifecycle.
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Item 7

Anne Madison
Chief Strategy &
Communications Officer

IPW Anaheim, June 1-5, 2019

VisitTheUSA.com
Brand USA

IPW: Our Biggest Stage, Brightest Lights

Bringing the World to America®

ANAHEIM, CALIFORNIA

JUNE 1-5, 2019

IPW: Our Biggest Stage, Brightest Lights

- IPW gives us the biggest stage and brightest lights to:
  - Promote the USA as a premiere travel destination through all aspects of our public-private partnership.
  - Report on Brand USA's significant impact on driving international visitation and spend.
- We hold more meetings with top-tier international travel buyers at IPW than any other international trade event.
- 80% of our partner relationships and contributions are initiated, advanced, or finalized at IPW.
- We announce the launch and expansion of high-profile consumer campaigns at IPW.
- We leverage and showcase our partnership with the United States government through our coordination of Federal Row at IPW.

Brand USA at IPW in Anaheim

- 46 meeting spaces for onsite appointments with partners, travel trade, & media
- United Stories interactive photo booth
- GoUSA TV Livestream: *Digital display and iPad station*
- Video wall showcase for new campaigns, ROI results and recent successes

Key Brand USA Events

EVENT	DATE	TIME
Brand USA Market Trends Update	Sunday, June 2	10:00am - 11:00am
Brand USA Partner Engagement Session	Sunday, June 2	11:15am - 12:15pm
Visit USA Committee Worldwide Network Annual Meeting	Sunday, June 2	1:45pm - 4:00pm
Brand USA Press Conference	Monday, June 3	8:00am - 8:55am
Brand USA Media Marketplace Reception & Presentation of Travel Writer Awards	Monday, June 3	4:00pm – 5:30pm
Brand USA Opening Lunch	Monday, June 3	12:40pm - 1:45pm
Brand USA/JATA Meeting	Monday, June 3	2:30pm - 3:30pm

Item 8

Chris Thompson
President & CEO

Brand USA Board of Directors Meetings in Minneapolis, MN

August 6-7, 2019

Item 9

Tom Garzilli
Chief Marketing Officer

Brand USA Travel Week, London
September 9-13, 2019

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Brand USA

Brand USA Travel Week London: September 9-13, 2019

Brand USA Travel Week Update

- Total Registered Suppliers* 82/127
- Total Registered Buyers* 113

Next Steps:

- Continue Buyer/Supplier Recruitment at IPW
- Finalize Enrichment Series Topics and Speakers
- Recruit for Sponsorship Opportunities

Travel Week 2020:

- Europe (tentatively September 7-14, 2020)
- India (tentatively October 5, 2020)

* As of May 14, 2019

Item 10

Aaron Wodin-Schwartz
Vice President
Public Policy & Public Affairs

U.S.-China Tourism Leadership Summit

- U.S.-China Tourism Leadership Summit
  Seattle
  September 17-22, 2019

VisitTheUSA.com
Brand USA

U.S. – China Tourism Leadership Summit
Seattle (September 17-22, 2019)

13th annual summit to build and strengthen relationships between the U.S. and Chinese travel industries

- ~200 attendees by invitation only
- National and state/provincial tourism leaders, major tour operators, attractions, media, and other top Brand USA and Ministry of Culture and Tourism partners

Platform for discussion between industry government leaders to:

- Address issues impacting tourism and share best practices
- Keep partners engaged with the latest trends, changes, opportunities, and hazards in the market
- Teach and learn about each other's culture and how it impacts tourism promotion
- Reaffirm the importance of travel and tourism to the world's two largest economies
- Showcase an amazing destination with world-class experiences

VisitTheUSA.com
Brand USA

VISIT seattle

U.S. – China Tourism Leadership Summit: Focus Areas

U.S. Delegate Day

- State and future of the Chinese market
- How to connect with Chinese visitors, how to succeed in a changing purchasing ecosystem, and other critical topics related to the market

Summit Plenary Day

- The cross-section of culture and tourism
- Opportunities for cultural exchange and sharing among the delegates to allow U.S. and Chinese leadership to develop more substantive and ongoing relationships with each other

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Brand USA

VISIT seattle

Questions & Answers

Closing Remarks

VisitTheUSA.com
Brand USA
Thank You!
Like/Follow/Share
Consumer
VisitTheUSA.com
VisitTheUSA
GoUSATV
Travel Industry
TheBrandUSA.com
@BrandUSA
BrandUSATV
BrandUSA