



# THE RETURN ON INVESTMENT OF BRAND USA MARKETING

**Fiscal Year 2023**

March 2023

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# 1 Executive Summary

# Executive Summary

## Overview

Oxford Economics, in coordination with its Tourism Economics subsidiary company, conducted a detailed analysis of the return on investment of Brand USA's marketing in its 2023 fiscal year. As recovery accelerated through the year, the benefits of marketing activities increased notably from the prior three years. An econometric model, based on ad tracking surveys, market share analysis, and Brand USA measurements of market engagement informed the analysis of incremental visits and spending generated by Brand USA. Results were further validated and refined based on mobile device tracking of visitors who were exposed to Brand USA marketing based on analysis from the research firm Arrivalist. Impacts are measured for Brand USA marketing investments during FY2023 (Oct 2022-Sept 2023).

## Brand USA ROI

Brand USA marketing in FY2023 generated 699,282 visits to the US. This was exactly 1.0% of all visitors to the US in 2023.

Across all markets, each dollar of Brand USA marketing generated \$13.70 of visitor spending. Including all operating overhead, Brand USA achieved an ROI of \$12.97 per dollar invested and generated \$2.4 billion in visitor spending (1.5% of visitor spending, excluding medical, education, and workers spending).

Since its inception in 2013, Brand USA has generated \$28.8 billion in international visitor spending with an implicit ROI of \$20.25 in visitor spending and \$3.07 in Federal tax receipts per budget dollar invested.

## Brand USA economic impact

Brand USA generated \$2.4 billion in incremental visitor spending to the US in FY2023. Including indirect and induced impacts, a total of \$5.1 billion in economic activity was generated by Brand USA. This economic activity generated by Brand USA sustained 31,995 jobs earning \$1.5 billion in personal income. Brand USA generated incremental federal, state, and local taxes in FY2023 of \$687 million.

## US international inbound market performance

International travel to the US steadily rebounded throughout 2023, with 67 million visitors for the year. This was 16% below 2019 levels but a vast improvement over the 36% shortfall in 2022.

- Western Europe progressively recovered, registering visits 16% below 2019 for the year but averaging a mere 10% shortfall over the final three months of 2023.
- South America posted a 16% decline relative to 2019, with a 5% shortfall over the final three months of 2023.
- Asian travel suffered the most with a 38% shortfall for the year and modest signs of recovery in the final quarter of 2023.
- Canada and Mexico recovered to within 1% and 21% of 2019 volumes, respectively.

## The vital role of destination promotion

Destination marketing plays an integral and indispensable role in the competitiveness of the local and national visitor economy, and acts as a catalyst for economic development. Brand USA serves a valuable function by promoting the US collectively with the scale necessary to gain share of voice in an increasingly competitive global marketplace.

# 2 Key Findings

# BRAND USA RETURNS BY MARKET

## Summary of Brand USA Marketing Returns on Investment

FY2023

Market	Investment	Incremental Visitors	Incremental Spend	ROI Multiple	Share of US Visits
Australia	\$ 9,122,454	27,722	\$ 182,113,144	20.0	2.9%
Brazil	\$ 6,628,089	54,312	\$ 240,149,879	36.2	3.3%
Canada	\$ 18,147,688	163,397	\$ 463,275,867	25.5	0.8%
China	\$ 1,663,559	-	\$ -	-	0.0%
Germany	\$ 11,289,502	49,558	\$ 183,451,879	16.2	2.7%
France	\$ 4,390,986	48,246	\$ 163,309,498	37.2	3.0%
India	\$ 2,977,308	39,205	\$ 150,197,495	50.4	2.2%
Japan	\$ 3,074,067	23,715	\$ 96,014,776	31.2	1.6%
South Korea	\$ 3,777,820	21,350	\$ 80,745,276	21.4	1.3%
Mexico	\$ 14,025,415	123,962	\$ 314,495,123	22.4	0.9%
UK	\$ 36,472,563	96,251	\$ 316,033,503	8.7	2.5%
Other / Global	\$ 62,578,070	51,562	\$ 196,266,364	3.1	0.3%
<b>Total (marketing investments)</b>	<b>\$ 174,147,523</b>	<b>699,282</b>	<b>\$ 2,386,052,804</b>	<b>\$ 13.70</b>	<b>1.0%</b>
Brand USA overhead	\$ 9,877,249				
<b>Total Brand USA budget</b>	<b>\$ 184,024,772</b>			<b>\$ 12.97</b>	

Brand USA marketing in FY2023 generated 699,282 visits to the US. This was 1.0% of all visitors to the US in 2023.

Across all markets, each dollar of Brand USA marketing generated \$13.70 of visitor spending.

Including all operating overhead, Brand USA achieved an ROI of \$12.97 per dollar invested and generated \$2.4 billion in visitor spending.

# BRAND USA RETURNS BY REGION

## Summary of Brand USA Marketing Returns on Investment

FY2023

Market	Investment	Incremental Visitors	Incremental Spend	ROI Multiple
N America	\$ 32,173,103	287,360	\$ 777,770,990	24.2
Europe	\$ 52,153,051	194,056	\$ 662,794,880	12.7
APAC	\$ 20,615,209	111,992	\$ 509,070,692	24.7
LATAM	\$ 6,628,089	54,312	\$ 240,149,879	36.2
Other / Global Infrastructure	\$ 62,578,070	51,562	\$ 196,266,364	3.1
<b>Total (marketing investments)</b>	<b>\$ 174,147,523</b>	<b>699,282</b>	<b>\$ 2,386,052,804</b>	<b>13.70</b>
Brand USA overhead	\$ 9,877,249			
<b>Total Brand USA budget</b>	<b>\$ 184,024,772</b>			<b>12.97</b>

Canada and Mexico together generated the largest share of impact with \$778 million in incremental spending impacts and an ROI of 24.2-to-1.

Visitors from Europe generated \$663 million in incremental spending and an ROI of 12.7-to-1.

An investment of \$20.6 million in Asian markets during FY2023, yielded \$509 million in visitor spending with an ROI of 24.7-to-1, and a modest investment of \$6.6 million in Latin America (excluding Mexico) yielded \$240 million in spending at an impressive ROI of 36.2-to-1.

Including all overhead, Brand USA yielded a return of \$12.97 in visitor spending for every dollar invested.

# ECONOMIC IMPACT SUMMARY

## Brand USA Economic Impacts

FY2023

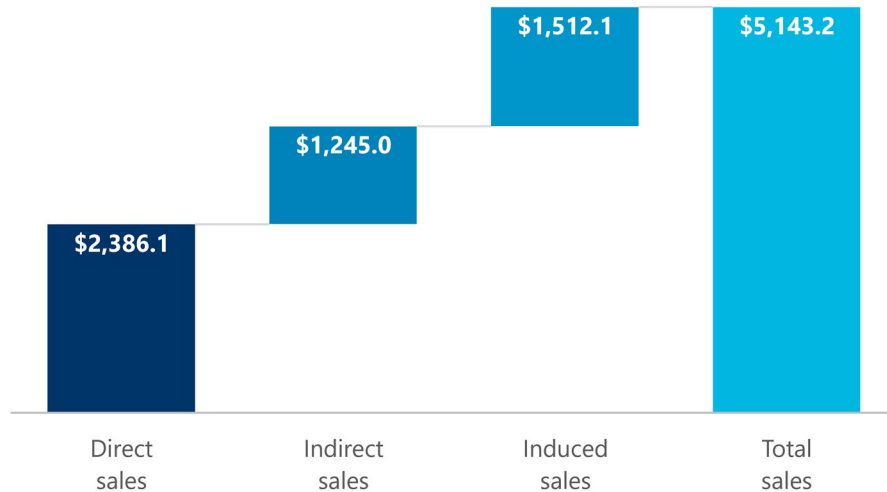
Impact Measure	Direct	Indirect	Induced	Total
<b>Total sales (\$ million)</b>	<b>\$ 2,386</b>	<b>\$ 1,245</b>	<b>\$ 1,512</b>	<b>\$ 5,143</b>
<b>Value added (\$ million)</b>	<b>\$ 1,122</b>	<b>\$ 670</b>	<b>\$ 846</b>	<b>\$ 2,637</b>
<b>Income (\$ million)</b>	<b>\$ 615</b>	<b>\$ 393</b>	<b>\$ 476</b>	<b>\$ 1,484</b>
<b>Jobs</b>	<b>16,620</b>	<b>6,209</b>	<b>9,166</b>	<b>31,995</b>

Including direct, indirect, and induced impacts, Brand USA generated \$5.1 billion in US economic output.

Economic activity generated by Brand USA sustained 31,995 jobs earning nearly \$1.5 billion in personal income.

Brand USA generated value added (GDP) in the US economy of \$2.6 billion.

## Total Sales Impacts





# HISTORIC AND CUMULATIVE IMPACTS

## Brand USA ROI

FY2013-FY2024

Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average	Total
<b>Spending ROI (per \$ spent)</b>	\$ 34.36	\$ 17.75	\$ 19.25	\$ 27.70	\$ 26.13	\$ 28.47	\$ 20.93	\$ 6.42	\$ 1.05	\$ 10.20	\$ 12.97	\$ 20.25	
<b>Federal Tax ROI (per \$ spent)</b>	\$ 5.17	\$ 2.67	\$ 2.90	\$ 4.17	\$ 3.94	\$ 4.29	\$ 3.24	\$ 1.00	\$ 0.16	\$ 1.58	\$ 2.01	\$ 3.07	
Brand USA budget (mn)	\$ 99	\$ 173	\$ 158	\$ 147	\$ 156	\$ 144	\$ 151	\$ 87	\$ 35	\$ 89	\$ 184	\$ 129	\$ 1,423
Spending impact (mn)	\$ 3,402	\$ 3,070	\$ 3,036	\$ 4,084	\$ 4,064	\$ 4,100	\$ 3,171	\$ 560	\$ 37	\$ 905	\$ 2,386	\$ 2,620	\$ 28,816
Federal tax impact (mn)	\$ 512	\$ 462	\$ 457	\$ 615	\$ 612	\$ 618	\$ 491	\$ 87	\$ 6	\$ 140	\$ 370	\$ 397	\$ 4,371
Visits impact	1,143,186	903,440	1,025,183	1,193,893	1,158,645	1,127,976	900,784	215,840	15,055	327,977	699,282	791,933	8,711,262
Marketing Budget (mn)	\$ 73	\$ 161	\$ 143	\$ 133	\$ 141	\$ 129	\$ 135	\$ 73	\$ 21	\$ 81	\$ 174	\$ 115	\$ 1,262
<b>Spend ROI (per \$ marketing)</b>	\$ 46.77	\$ 19.11	\$ 21.20	\$ 30.71	\$ 28.90	\$ 31.76	\$ 23.56	\$ 7.72	\$ 1.78	\$ 11.18	\$ 13.70	\$ 22.83	
State & local taxes (mn)	\$ 460	\$ 415	\$ 411	\$ 552	\$ 550	\$ 555	\$ 422	\$ 75	\$ 5	\$ 120	\$ 318	\$ 353	\$ 3,883
Total tax impact (mn)	\$ 973	\$ 878	\$ 868	\$ 1,168	\$ 1,162	\$ 1,172	\$ 913	\$ 161	\$ 11	\$ 261	\$ 687	\$ 750	\$ 8,254
Total economic impact (mn)	\$ 7,395	\$ 7,064	\$ 6,600	\$ 8,878	\$ 8,834	\$ 8,914	\$ 6,836	\$ 1,208	\$ 79	\$ 1,950	\$ 5,143	\$ 5,718	\$ 62,901
Total jobs supported	53,181	46,510	44,533	59,463	54,212	52,305	42,524	7,514	491	12,132	31,995	36,805	

Over the last eleven years, Brand USA has generated \$28.8 billion in international visitor spending with an implicit ROI of \$20.25 in visitor spending and \$3.07 in Federal tax receipts per budget dollar invested.

# 3 Methodology

# METHODOLOGY OVERVIEW

**Step 1:** Measure incremental visits based on surveys, econometric analysis of KPIs, and mobile device digital attribution data.

**Step 2:** Calculate incremental spending based on BEA averages by market.

**Step 3:** Allocate spending to specific industries based on BEA Travel & Tourism Satellite Account.

**Step 4:** Run IMPLAN economic impact model to quantify impact of spending on GDP, jobs, income, taxes.

## Economic Impact Model



# EVOLUTION OF BRAND USA ROI ANALYSIS



# MARKET SURVEYS (FY2013-FY2016)

In-market surveys were initially used to provide key metrics on the exposure and effect of Brand USA marketing activities.

**Methodology:** survey a statistically valid sample in each market to measure intent to visit among respondents who recalled seeing the ad and could identify the US as the ad focus.

The intent to visit in the next 12 months is compared to the control group of those who did not fit the criteria.

Ipsos, a global market research firm, conducted ad tracking surveys in key markets to determine the awareness of Brand USA advertising and its influence on traveler behavior.

The respondents must be a head of household and must have taken at least one overnight international leisure trip in the past 2 years.

Sample sizes range from 1,000-1,500 in each market.

Oxford Economics calculated an “influence share” based on the results of these surveys. This is calculated as the share of respondents who:

- Had seen the ad AND were able to identify the USA as the destination (without the aid of branding)
- Altered their intention to visit the USA in the next 12 months

For example, the 2015 Brazil survey indicates 33% of respondents had seen the ad, 50% of these could correctly identify the USA as the destination, and respondents who recalled the ad experienced a 12 percentage point increase in their intention to travel to the USA in the following 12 months. The “influence share” is calculated as (33% x 50% x 12% = 2.0%).

## Advertising effectiveness metrics

Market surveys 2014-2016

	Seen ad	Identified USA	Intent to visit US in next 12 months			Influence share
			Recalled	Did not recall	Difference	
<b>2014 Surveys</b>						
Brazil	28%	40%	71%	62%	9%	1.0%
Australia	11%	40%	43%	28%	15%	0.7%
Germany	6%	20%	46%	17%	29%	0.3%
Japan	24%	30%	44%	29%	15%	1.1%
Korea	37%	30%	32%	22%	10%	1.1%
<b>2015 Surveys</b>						
Brazil	33%	33%	79%	67%	12%	2.0%
Mexico	33%	33%	79%	70%	9%	1.5%
Germany	33%	33%	27%	18%	9%	0.5%
<b>2016 Surveys</b>						
Mexico	21%	21%	96%	89%	7%	1.3%
China	21%	21%	61%	46%	15%	7.2%

# ECONOMETRIC MODEL

The model is designed to calculate the relationships between surveys and a more comprehensive set of market indicators.

Methodology: Where survey-based ROI calculations are available, a pooled cross-sectional model estimates coefficients for each explanatory (right-hand side) variable. The model accurately predicts the incremental visits generated by Brand USA marketing based on media impressions, online engagement, and market share changes for each travel market.

Dependent (left-hand side) variable is:

Incremental visits / long-haul travel demand

Explanatory (right-hand side) variables are:

Media impressions / long-haul travel demand

Online engagement\* / long-haul travel demand

Market share % change in the fiscal year

The estimated model equation is

$$\text{LN}(\text{IVIS}(i)/\text{LH}(i)) = K + b1*\text{LN}(\text{MED}(i)/\text{LH}(i)) + b2*\text{LN}(\text{ONL}(i)/\text{LH}(i)) + b3*\text{MSH}(i)$$

Where:

IVIS(i) = Incremental visits from market i

LH(i) = Long-haul travel from market i

MED(i) = Media impressions in market i

ONL(i) = Online engagement in market i

MSH(i) = Log difference in US share of travel from market i

\* Online engagement is the sum of social media engagements and website page views.

# TESTING THE MODEL

Across all research studies, the econometric approach produces ROI measurements that are generally consistent with survey-based analysis.

This allows the model to be used for markets where survey results are unavailable.

A cross-sectional analysis across 8 campaigns and survey waves shows the econometric model to yield an average ROI of \$31 per dollar of marketing spend.

This is somewhat lower than what survey respondents indicated—an average of \$35—over three years of research.

These averages remove three outlier surveys for Brazil, Mexico, and China, which produced very large ROIs and are noted in the following sections.

## Model inputs:

IVIS(i) = Incremental visits from market i

LH(i) = Long-haul travel from market i

MED(i) = Media impressions in market i

ONL(i) = Online engagement in market i

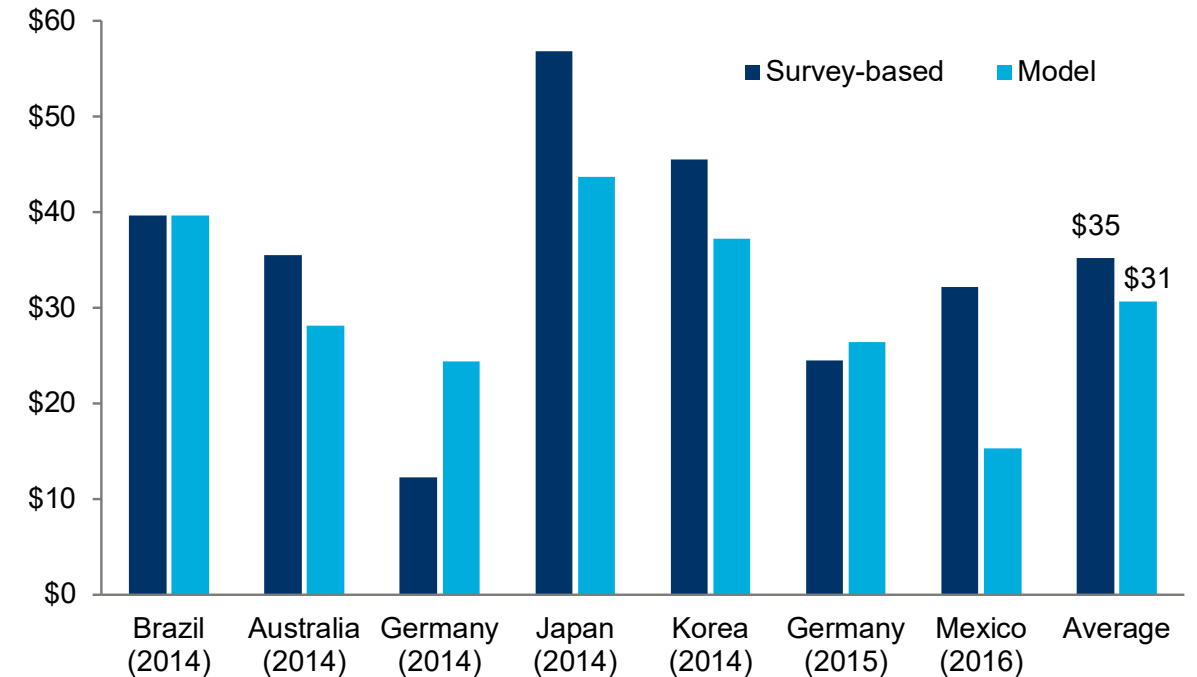
MSH(i) = Log difference in US share of travel from market i

## Equation form:

$$\ln(\text{IVIS}(i)/\text{LH}(i)) = K + b_1 \cdot \ln(\text{MED}(i)/\text{LH}(i)) + b_2 \cdot \ln(\text{ONL}(i)/\text{LH}(i)) + b_3 \cdot \text{MSH}(i)$$

## Comparing Estimates of Brand USA ROI

Visitor spending per \$ marketing investment

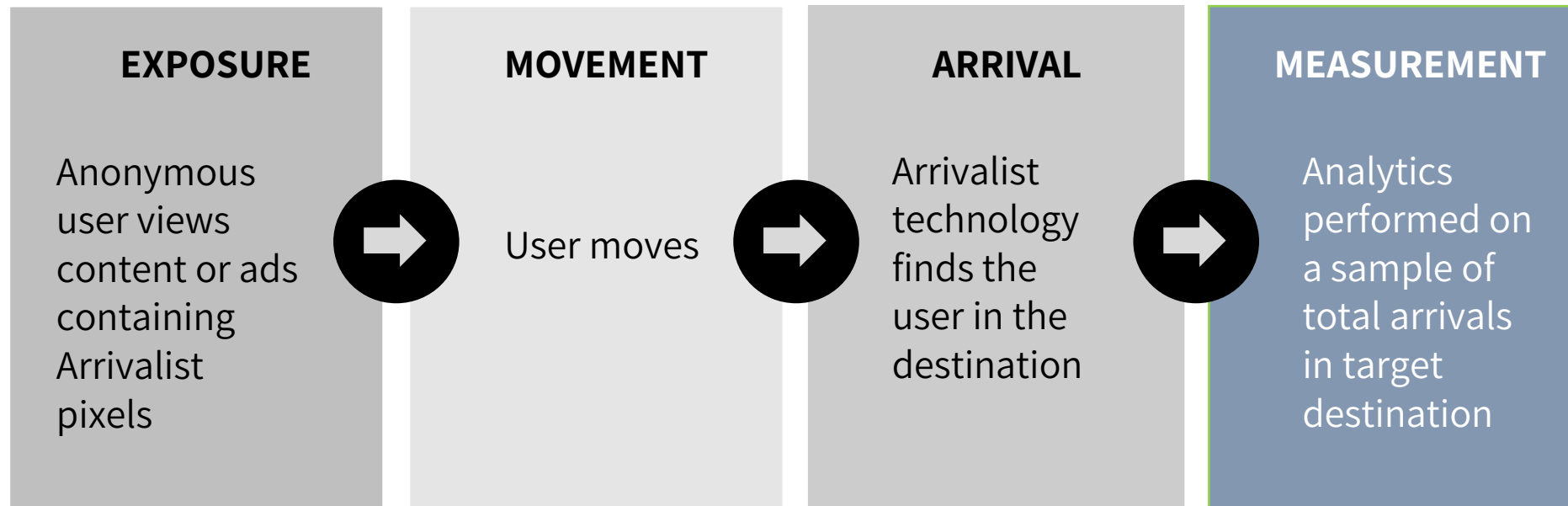


# INCORPORATING MOBILE DEVICE DATA

Data from Arrivalist, a location services company tracking mobile devices, was analyzed to confirm the results of FY2018 modeling and again for FY2023.

Arrivalist compiled mobile device data to observe a control group that are exposed to non-Brand USA ads and compare the efficiency of users who are arriving from the control group to an exposed user base & compute the incremental lift in advertising.

- ❑ Tourism Economics scaled results to the size of the visitor market in each country and then projected the results based on unique impressions by market.
- ❑ This analysis produced estimates of “incremental devices” that visited the US as a result of Brand USA paid marketing. This estimate of device counts was then scaled to visitor counts based on average leisure travel party size.
- ❑ Markets not covered in the Arrivalist research were then estimated based on the average lift across markets tracked on a per unique Brand USA impressions basis.





# MOBILE DEVICE SAMPLE

## Exposed Group

- ❑ For each media publisher, Arrivalist provides an impression pixel specific to the campaign.
- ❑ Media publishers deploy their media with targeting parameters and add Arrivalist pixels to the creative.
- ❑ When the user views a Brand USA ad, an impression pixel fires along with the impression.
- ❑ When the user arrives in US, Arrivalist records their arrival and determines the media sequence the device was exposed to prior to the arrival.

## Control Group

- ❑ Arrivalist creates a control group to determine the influence Brand USA media has on visitors.
- ❑ In order to create a control group, Arrivalist gathers targeting parameters from Brand USA's agency so that they can target similar audience with a random PSA ad.
- ❑ The control group creates a baseline of arrival rate (i.e. the number of arrivals to the US per 100,000 unique devices) by origin country and compared against the exposed group arrival rate to determine incremental lift.
- ❑ For 2023, currently the control group was run for Miles Media campaigns in seven markets.

# MOBILE DEVICE FINDINGS (FY2018)

Comparisons of Target Arrivals (exposed to Brand USA advertising) and Control Arrivals (unexposed) show the Target rate of arrivals to be higher across all markets in FY2018.

Tourism Economics scaled results to the size of the visitor market in each country and then projected the results based on unique impressions by market.

This analysis produced estimates of “incremental devices” that visited the US as a result of Brand USA paid marketing. This estimate of device counts was then scaled to visitor counts based on average leisure travel party size.

Markets not covered in the Arrivalist research were then estimated based on the average lift across markets tracked on a per unique Brand USA impressions basis. Visits-per-impression from this analysis, which focuses on paid media, were then applied to social media impressions to estimate the impacts of these additional channels. Finally, Arrivalist measures of Brand USA website lift were added to the paid and social media results.

## Arrivalist tracking of mobile devices

	Target arrivals	Control arrivals	Target arrivals rate	Control arrivals rate	Lift
<b>Total</b>	<b>195,206</b>	<b>132,205</b>	<b>0.190</b>	<b>0.128</b>	<b>48%</b>
Australia	8,564	7,226	0.273	0.230	19%
Brazil	12,819	8,114	0.070	0.044	58%
Canada	31,455	20,124	1.035	0.662	56%
France	11,185	7,248	0.118	0.077	54%
Germany	5,252	3,643	0.120	0.083	44%
India	43,279	30,601	0.138	0.097	41%
Japan	14,200	6,471	0.174	0.079	119%
Mexico	47,666	31,018	0.296	0.192	54%
South Korea	10,469	8,941	0.196	0.167	17%
United Kingdom	10,317	9,426	0.298	0.273	9%

The “lift” measures the rate of arrivals difference between those who had seen a Brand USA advertisement and those who were exposed to the public service announcement advertisement.

This measure of effectiveness ranges from 9% for the United Kingdom to 119% for Japan.

Actual levels for target arrivals and control arrivals are not indicative as these are primarily functions of sample sizes.

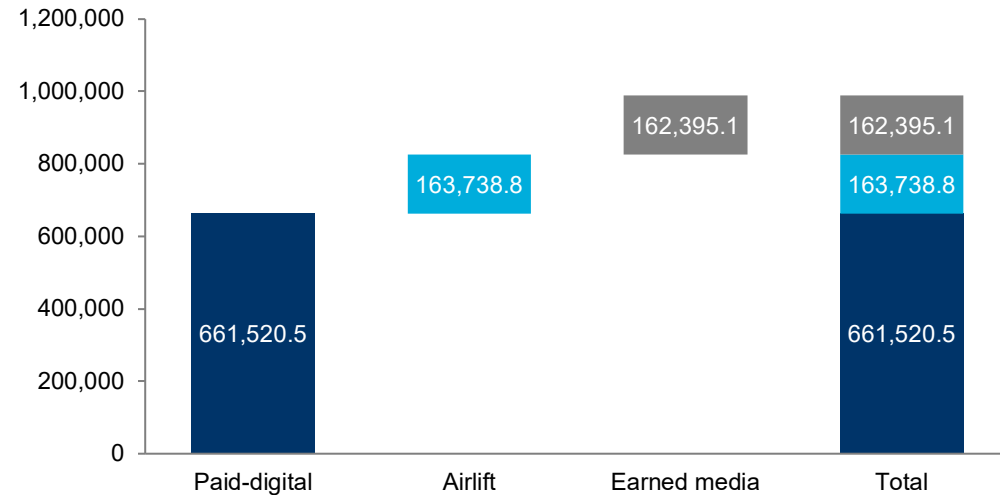
# COMPARING RESULTS (FY2018)

Tourism Economics analysis of Arrivalist data indicates that 987,654 incremental visits to the US were influenced by Brand USA marketing in FY2018.

- ❑ The econometric model indicates 1,057,911 incremental visits influenced by Brand USA marketing, which is 7.1% higher than the mobile device-based model.
- ❑ The mobile device model yields an ROI of \$27.80 per marketing dollar. This compares to \$29.75 from the econometric model in FY2018.

## Brand USA Marketing-Influenced Visits

Incremental visits to the US



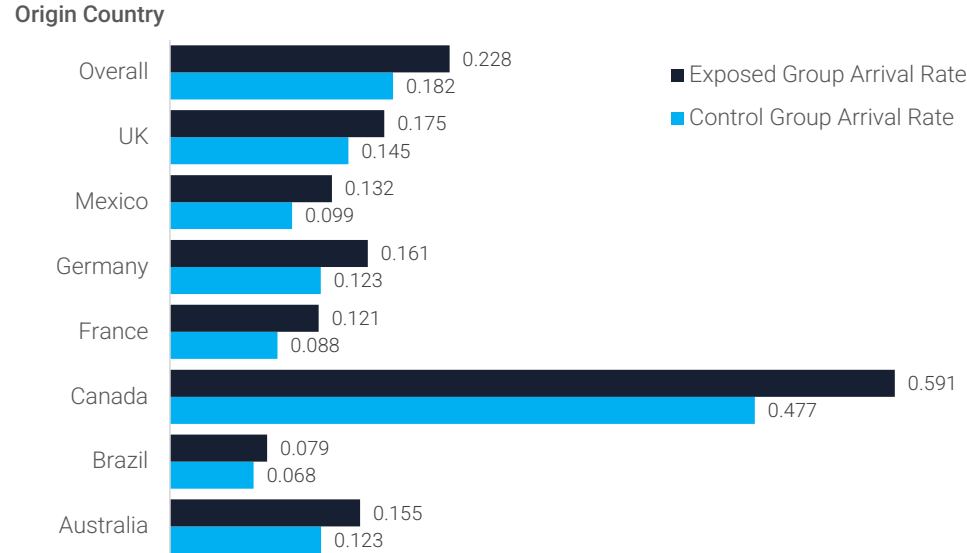
## Arrivalist-based ROI Estimates

Paid media - 10 Arrivalist markets	661,520
Paid media - other markets	163,739
Social Media	150,179
Website	12,216
<b>Total</b>	<b>987,654</b>
Econometric model results	1,057,911
Difference	7.1%

# MOBILE DEVICE FINDINGS (FY2023)

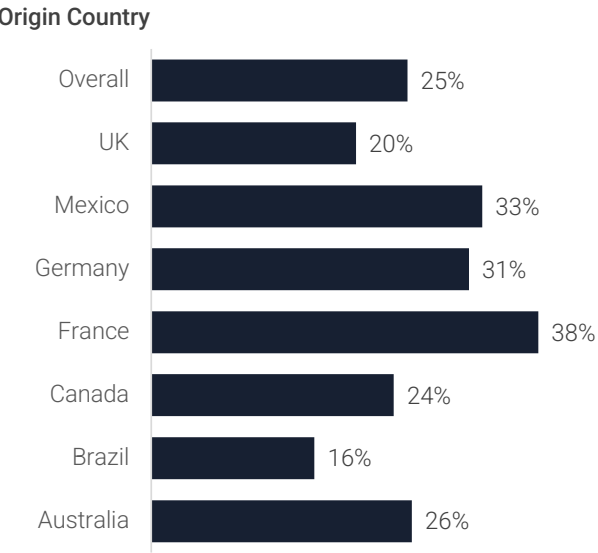
FY23 Brand USA campaigns generate 25% more arrivals than observed in the control group

## Mobile device arrival rate by origin country



The exposed group arrival rate is the rate of visits to the United States after a device is exposed to Brand USA advertising and is calculated as the number of people who saw Brand USA advertising and chose to visit the United States, divided by the total number of people exposed to the advertising. Similarly, the control group arrival rate is the number of people who did not see the advertising and still chose to visit, divided by the total number of people who were not exposed to the advertising; this is interpreted as the rate at which individuals visited the United States regardless of exposure to advertising.

## Marketing lift by origin country



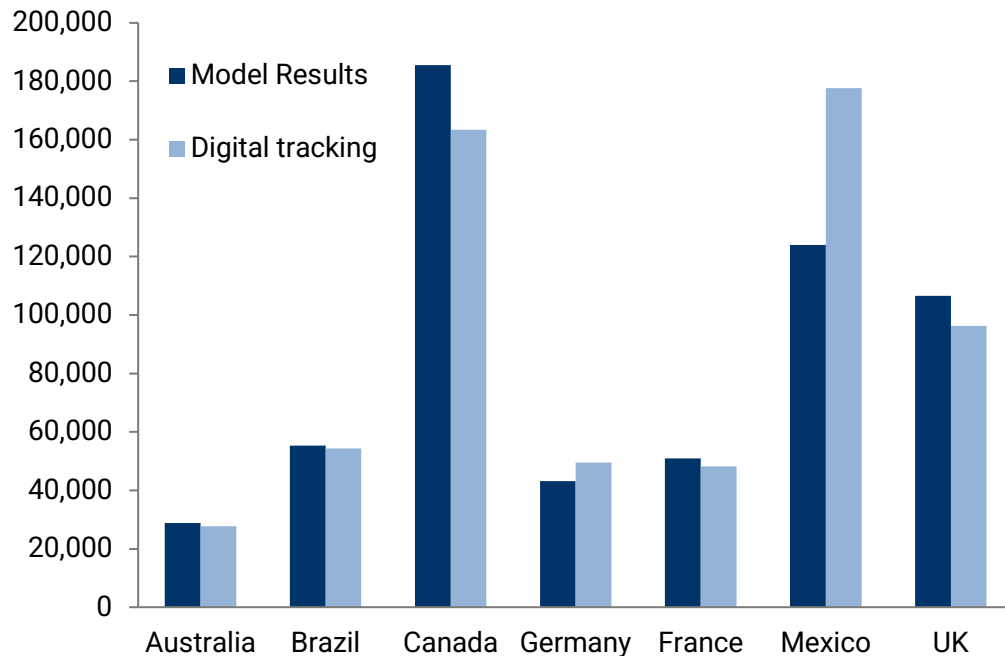
Marketing lift calculates the difference in arrival rate between the exposed and control arrival rates and is expressed as the percentage increase in arrival rate related to Brand USA marketing. In FY2023, mobile device attribution indicates that the presence of Brand USA advertising increased the rate of arrivals in the measured countries by 25% over a scenario in which Brand USA advertising was not present.

# COMPARING RESULTS (FY2023)

Tourism Economics analysis of Arrivalist data indicates that 617,135 incremental visits to the US were influenced by Brand USA marketing in FY2023 from the seven markets tracked (Australia, Brazil, Canada, Germany, France, Mexico, UK), 3.8% higher than the results of the econometric model.

For six of the seven markets, the results of the digital tracking analysis replaced the econometric model results. Econometric model results were retained for Mexico as a default to more conservative results.

## Estimated Brand USA-generated visits in FY2023



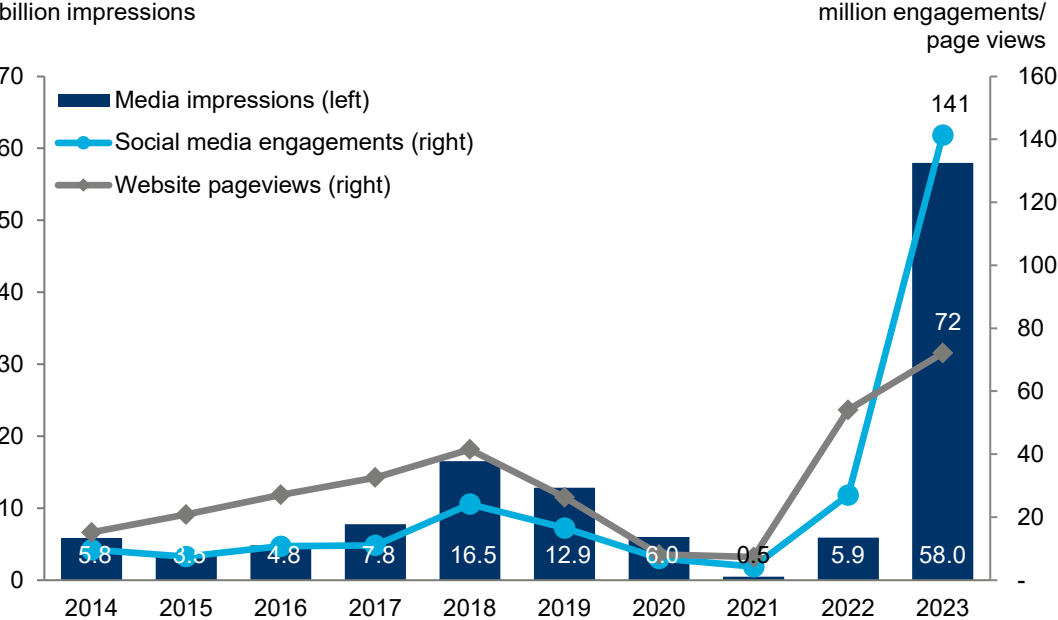
Market	Model Results	Digital tracking	% diff
Australia	28,781	27,722	-3.7%
Brazil	55,360	54,312	-1.9%
Canada	185,548	163,397	-11.9%
Germany	43,126	49,558	14.9%
France	50,908	48,246	-5.2%
Mexico	123,962	177,648	43.3%
UK	106,585	96,251	-9.7%
Sum	594,270	617,135	3.8%

# 4 Economic Impacts

# BRAND USA KEY PERFORMANCE INDICATORS

## Brand USA key performance indicators (KPIs)

FY2023



KPI inputs to the model: The econometric model measures ROI by calculating the historic relationships between survey research, marketing KPIs, and market share performance

Brand USA campaign media impressions surged past 58 billion in FY2023.

Social media engagements also soared, reaching a new high of 141 million in FY2023. This was more than 8 times higher than FY2019 results.

Website page views also reached a new high of 72 million, nearly tripling FY2019 activity.

# BRAND USA KEY PERFORMANCE INDICATORS

## Brand USA key performance indicators (KPIs)

FY2023

	Media impressions	Social media engagements	Website page views	LH Market Share (2019)	LH Market Share (2023)	LH Market Share (change)
<b>Total</b>	<b>57,969,051,978</b>	<b>141,365,893</b>	<b>72,117,709</b>	<b>35%</b>	<b>37%</b>	<b>3%</b>
<b>Overseas Markets</b>	<b>53,159,230,866</b>	<b>130,527,830</b>	<b>63,889,347</b>	<b>19%</b>	<b>19%</b>	<b>-1%</b>
<b>By market</b>						
Australia	1,353,489,732	10,041,384	7,201,844	15%	14%	-1%
Brazil	6,539,899,568	21,943,470	7,808,025	24%	27%	3%
Canada	3,388,703,653	4,004,693	4,246,272	53%	59%	6%
China	8,595,738,520	-	112,474	13%	13%	0%
Germany	2,636,156,030	6,154,290	3,379,702	15%	17%	2%
France	2,099,835,647	4,588,343	3,461,442	11%	11%	1%
India	11,368,000,068	24,407,395	10,135,706	11%	13%	2%
Japan	1,755,038,378	2,321,853	2,307,541	38%	29%	-9%
South Korea	1,421,117,459	6,833,370	3,982,090	28%	32%	4%
Mexico	8,864,280,756	26,210,275	10,204,106	82%	83%	1%
UK	5,575,304,580	3,994,787	3,181,958	21%	19%	-2%
Other Markets	4,371,487,587	30,866,033	16,096,549	-	-	-
<b>% change vs. 2019</b>	<b>351%</b>	<b>754%</b>	<b>174%</b>			

Key performance indicators (KPIs) of Brand USA marketing provide inputs into a pooled cross-sectional econometric model. The model calculates the incremental visitors to the US attributable to Brand USA marketing based on the relationships of these KPIs with historic survey tracking.

The econometric model was designed to identify the relationships between media impressions, online engagement, and market share with the ROI achieved in the market. The estimation was based on the existing results for the five markets where ad tracking surveys had been conducted. The results of the model could then be applied to these same indicators for all other markets to estimate their respective ROI.

Further validation of the model is based on *Arrivalist* digital media and mobile device analysis that tracks visits to the US by those who “saw” a Brand USA advertisement in comparison with a control group.



# BRAND USA RETURNS BY MARKET

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France	\$ 4,390,986	48,246	\$ 163,309,498	37.2	3.0%
India	\$ 2,977,308	39,205	\$ 150,197,495	50.4	2.2%
Japan	\$ 3,074,067	23,715	\$ 96,014,776	31.2	1.6%
South Korea	\$ 3,777,820	21,350	\$ 80,745,276	21.4	1.3%
Mexico	\$ 14,025,415	123,962	\$ 314,495,123	22.4	0.9%
UK	\$ 36,472,563	96,251	\$ 316,033,503	8.7	2.5%
Other / Global	\$ 62,578,070	51,562	\$ 196,266,364	3.1	0.3%
<b>Total (marketing investments)</b>	<b>\$ 174,147,523</b>	<b>699,282</b>	<b>\$ 2,386,052,804</b>	<b>\$ 13.70</b>	<b>1.0%</b>
Brand USA overhead	\$ 9,877,249				
<b>Total Brand USA budget</b>	<b>\$ 184,024,772</b>			<b>\$ 12.97</b>	

Brand USA marketing generated 699,282 visits to the US in FY2023. This was 1.0% of all visitors to the US in 2023.

Across all markets, each dollar of Brand USA marketing generated \$13.70 of visitor spending.

Including all operating overhead, Brand USA achieved an ROI of \$12.97 per dollar invested and generated \$2.4 billion in visitor spending.

# BRAND USA RETURNS BY REGION

## Summary of Brand USA Marketing Returns on Investment

FY2023

Market	Investment	Incremental Visitors	Incremental Spend	ROI Multiple
N America	\$ 32,173,103	287,360	\$ 777,770,990	24.2
Europe	\$ 52,153,051	194,056	\$ 662,794,880	12.7
APAC	\$ 20,615,209	111,992	\$ 509,070,692	24.7
LATAM	\$ 6,628,089	54,312	\$ 240,149,879	36.2
Other / Global Infrastructure	\$ 62,578,070	51,562	\$ 196,266,364	3.1
<b>Total (marketing investments)</b>	<b>\$ 174,147,523</b>	<b>699,282</b>	<b>\$ 2,386,052,804</b>	<b>13.70</b>
Brand USA overhead	\$ 9,877,249			
<b>Total Brand USA budget</b>	<b>\$ 184,024,772</b>			<b>12.97</b>

Canada and Mexico together generated the largest share of impact with \$778 million in incremental spending impacts and an ROI of 24.2-to-1.

Visitors from Europe generated \$663 million in incremental spending and an ROI of 12.7-to-1.

An investment of \$20 million in Asia during FY2023, yielded \$509 million in visitor spending with an ROI of 24.7-to-1, and a modest investment of \$7 million in Latin America (excluding Mexico) yielded \$240 million in spending at an impressive ROI of 36.2-to-1.

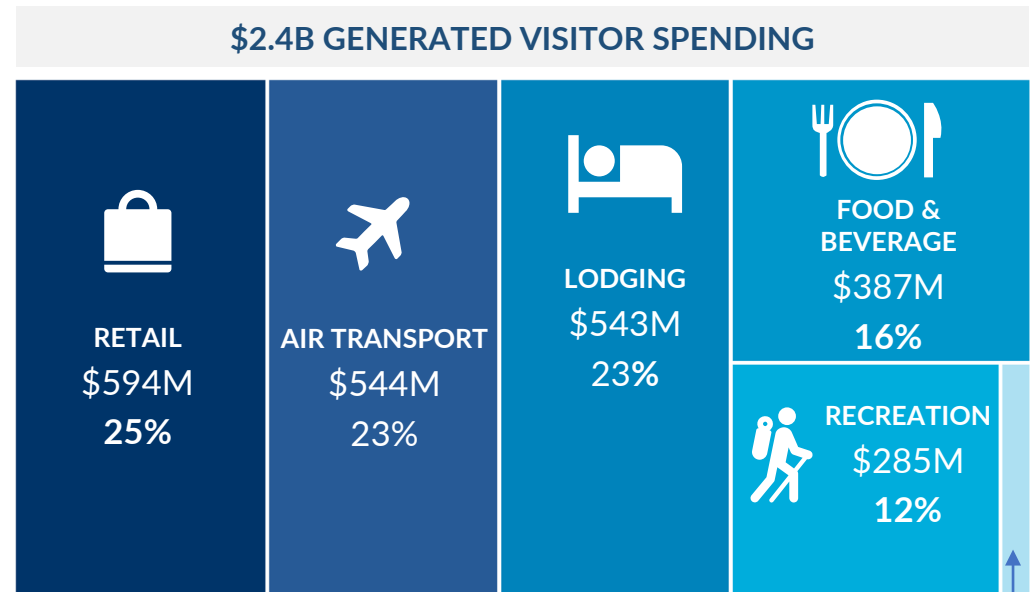
Including all overhead, Brand USA yielded a return of \$12.97 in visitor spending for every dollar invested.

# SPENDING IMPACT BY SECTOR

Brand USA FY2023 investments generated \$2.4 billion in visitor spending.

These dollars are counted as exports in the US national accounts based on the inflow of funds for US goods and services. Nearly \$600 million was spent on shopping (\$594 million), air transportation (\$544 million), and lodging (\$543 million). Another \$387 million was spent on food & beverages and \$285 million on recreation and entertainment.

The distribution of visitor spending by category is based on Bureau of Economic Analysis Travel & Tourism Satellite Account analysis for international visitors.



Source: Oxford Economics

GROUND  
TRANSPORT  
\$33M  
1%

# IMPACT ANALYSIS

To determine the total economic impact of Brand USA activities, the ripple effects of visitor spending are analyzed using an IMPLAN model of the US economy based on Bureau of Economic Analysis input-output tables. This process calculates three distinct types of impact: direct, indirect, and induced.

The impacts on business sales (economic output), GDP, jobs, personal income, and taxes are calculated for all three levels of impact.

1. **Direct Impacts:** Visitors create direct economic value within a discrete group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
2. **Indirect Impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.
3. **Induced Impacts:** Lastly, the induced impact is generated when employees whose wages are generated wither directly or indirectly by visitors, spend those wages in the local economy.

## Economic Impact Model



# ECONOMIC IMPACT SUMMARY

## Brand USA Economic Impacts

FY2023

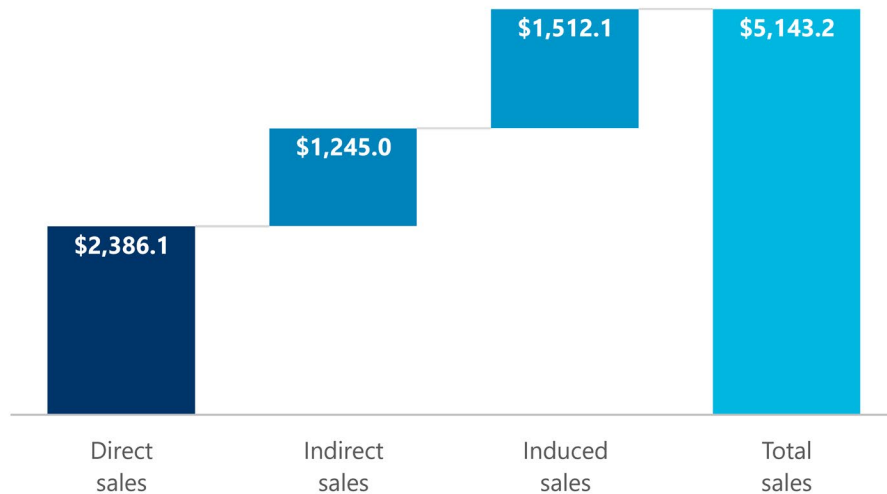
Impact Measure	Direct	Indirect	Induced	Total
<b>Total sales (\$ million)</b>	<b>\$ 2,386</b>	<b>\$ 1,245</b>	<b>\$ 1,512</b>	<b>\$ 5,143</b>
<b>Value added (\$ million)</b>	<b>\$ 1,122</b>	<b>\$ 670</b>	<b>\$ 846</b>	<b>\$ 2,637</b>
<b>Income (\$ million)</b>	<b>\$ 615</b>	<b>\$ 393</b>	<b>\$ 476</b>	<b>\$ 1,484</b>
<b>Jobs</b>	<b>16,620</b>	<b>6,209</b>	<b>9,166</b>	<b>31,995</b>

Including direct, indirect, and induced impacts, Brand USA generated \$5.1 billion in US economic output.

Economic activity generated by Brand USA sustained 31,995 jobs earning nearly \$1.5 billion in personal income.

Brand USA generated value added (GDP) in the US economy of \$2.6 billion.

## Total Sales Impacts



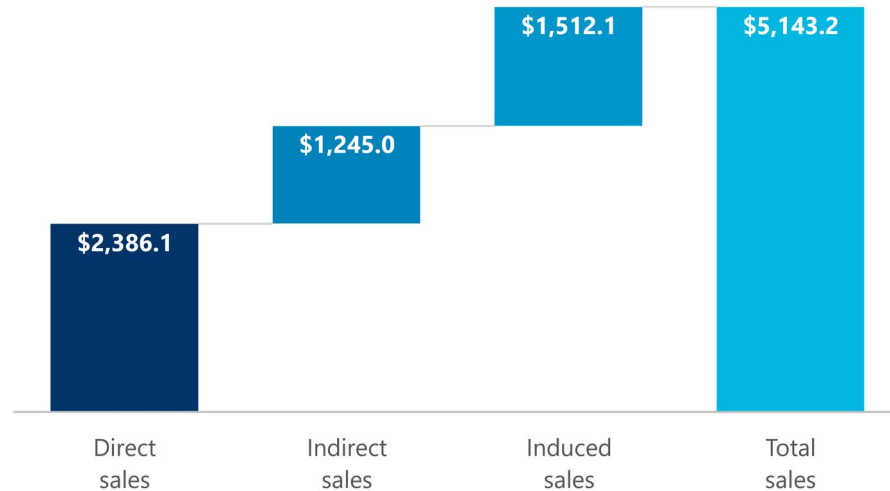
# BUSINESS SALES IMPACTS

Including direct, indirect, and induced impacts, Brand USA generated \$5.1 billion in US economic output.

The finance, insurance, and real estate sector (FIRE) is a beneficiary of international visitor spending as a supplier to tourism industries and to employees who earn income through visitor spending with an economic impact of \$634 million.

Similarly, the manufacturing sector realized a benefit of \$489 million in economic output as a result of Brand USA marketing.

**Brand USA Business Sales Impacts**  
FY2023



**Brand USA Business Sales Impacts by Industry**  
FY2023

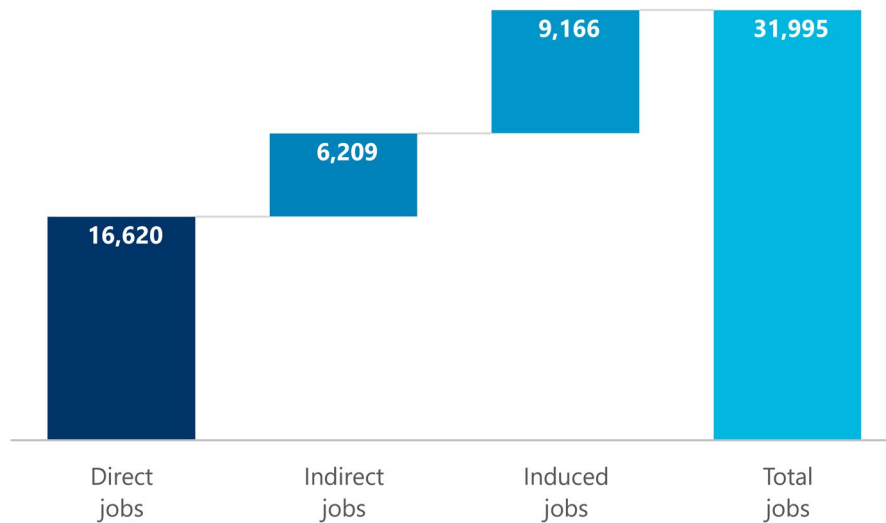
Amounts in millions of current dollars	Direct sales	Indirect sales	Induced sales	Total sales
<b>Total, all industries</b>	<b>\$2,386</b>	<b>\$1,245</b>	<b>\$1,512</b>	<b>\$5,143</b>
<b>By industry</b>				
Retail trade	\$594	\$11	\$87	\$692
Finance, insurance and real estate	\$4	\$244	\$386	\$634
Air transport	\$544	\$6	\$10	\$560
Lodging	\$543	\$4	\$12	\$559
Manufacturing		\$254	\$235	\$489
Food & beverage	\$387	\$23	\$77	\$487
Business services	\$8	\$249	\$137	\$393
Recreation and entertainment	\$277	\$18	\$24	\$320
Education and health care		\$1	\$185	\$186
Other transport	\$20	\$111	\$40	\$172
Communications		\$85	\$84	\$169
Construction and utilities		\$74	\$53	\$127
Wholesale trade		\$51	\$65	\$117
Agriculture, fishing, mining		\$59	\$32	\$91
Personal services		\$19	\$53	\$72
Government		\$34	\$26	\$61
Gasoline stations	\$9	\$1	\$5	\$14

# EMPLOYMENT IMPACTS

Including direct, indirect, and induced impacts, Brand USA FY2023 activities sustained 31,995 jobs. This includes a combination of new jobs and existing jobs with 16,620 directly in the travel industry and another 15,375 in supporting industries.

In addition to travel-related sectors, significant employment impacts accrue in the business services (3,123 jobs) and finance, insurance, and real estate (2,075 jobs) as international visitor spending ripples through the US economy.

**Brand USA Employment Impacts**  
FY2023



**Brand USA Employment Impacts by Industry**  
FY2023

Amounts in number of jobs	Direct jobs	Indirect jobs	Induced jobs	Total jobs
<b>Total, all industries</b>	<b>16,620</b>	<b>6,209</b>	<b>9,166</b>	<b>31,995</b>
<b>By industry</b>				
Food & beverage	4,961	451	1,178	6,590
Lodging	4,593	35	109	4,737
Retail trade	3,206	135	955	4,296
Business services	41	1,923	1,159	3,123
Recreation and entertainment	2,383	262	277	2,922
Finance, insurance and real estate	13	990	1,071	2,075
Education and health care		26	1,885	1,910
Air transport	1,270	14	24	1,308
Other transport	134	711	284	1,129
Personal services		182	846	1,029
Manufacturing		431	437	868
Agriculture, fishing, mining		290	214	503
Wholesale trade		208	266	473
Communications		186	155	341
Construction and utilities		180	134	314
Government		175	108	283
Gasoline stations	17	12	63	92

# TAX IMPACTS

Incremental visitor spending generated by Brand USA activities yielded \$687 million in government revenues in FY2023 including federal taxes of \$370 million and state and local taxes of \$318 million.

Federal tax impacts doubled Brand USA's FY2023 budget (\$184 million).

## Brand USA Employment Tax Impacts

FY2023

Amounts in millions of nominal dollars	Indirect/		Total
	Direct	Induced	
<b>Total</b>	<b>\$346.4</b>	<b>\$340.8</b>	<b>\$687.2</b>
<b>Federal</b>	<b>\$159.7</b>	<b>\$209.9</b>	<b>\$369.6</b>
Personal income	\$49.7	\$70.7	\$120.5
Corporate	\$21.2	\$35.2	\$56.4
Indirect business	\$20.4	\$12.4	\$32.9
Social insurance	\$68.4	\$91.5	\$159.9
<b>State and local</b>	<b>\$186.6</b>	<b>\$130.9</b>	<b>\$317.6</b>
Sales	\$80.3	\$48.8	\$129.1
Personal income	\$12.4	\$17.6	\$30.0
Corporate	\$3.3	\$5.5	\$8.8
Social insurance	\$1.2	\$1.5	\$2.6
Excise and fees	\$17.4	\$13.7	\$31.1
Property	\$72.1	\$43.8	\$115.9



# HISTORIC BRAND USA IMPACTS

## Brand USA ROI

FY2013-FY2024

Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average	Total
<b>Spending ROI (per \$ spent)</b>	\$ 34.36	\$ 17.75	\$ 19.25	\$ 27.70	\$ 26.13	\$ 28.47	\$ 20.93	\$ 6.42	\$ 1.05	\$ 10.20	\$ 12.97	\$ 20.25	
<b>Federal Tax ROI (per \$ spent)</b>	\$ 5.17	\$ 2.67	\$ 2.90	\$ 4.17	\$ 3.94	\$ 4.29	\$ 3.24	\$ 1.00	\$ 0.16	\$ 1.58	\$ 2.01	\$ 3.07	
Brand USA budget (mn)	\$ 99	\$ 173	\$ 158	\$ 147	\$ 156	\$ 144	\$ 151	\$ 87	\$ 35	\$ 89	\$ 184	\$ 129	\$ 1,423
Spending impact (mn)	\$ 3,402	\$ 3,070	\$ 3,036	\$ 4,084	\$ 4,064	\$ 4,100	\$ 3,171	\$ 560	\$ 37	\$ 905	\$ 2,386	\$ 2,620	\$ 28,816
Federal tax impact (mn)	\$ 512	\$ 462	\$ 457	\$ 615	\$ 612	\$ 618	\$ 491	\$ 87	\$ 6	\$ 140	\$ 370	\$ 397	\$ 4,371
Visits impact	1,143,186	903,440	1,025,183	1,193,893	1,158,645	1,127,976	900,784	215,840	15,055	327,977	699,282	791,933	8,711,262
Marketing Budget (mn)	\$ 73	\$ 161	\$ 143	\$ 133	\$ 141	\$ 129	\$ 135	\$ 73	\$ 21	\$ 81	\$ 174	\$ 115	\$ 1,262
<b>Spend ROI (per \$ marketing)</b>	\$ 46.77	\$ 19.11	\$ 21.20	\$ 30.71	\$ 28.90	\$ 31.76	\$ 23.56	\$ 7.72	\$ 1.78	\$ 11.18	\$ 13.70	\$ 22.83	
State & local taxes (mn)	\$ 460	\$ 415	\$ 411	\$ 552	\$ 550	\$ 555	\$ 422	\$ 75	\$ 5	\$ 120	\$ 318	\$ 353	\$ 3,883
Total tax impact (mn)	\$ 973	\$ 878	\$ 868	\$ 1,168	\$ 1,162	\$ 1,172	\$ 913	\$ 161	\$ 11	\$ 261	\$ 687	\$ 750	\$ 8,254
Total economic impact (mn)	\$ 7,395	\$ 7,064	\$ 6,600	\$ 8,878	\$ 8,834	\$ 8,914	\$ 6,836	\$ 1,208	\$ 79	\$ 1,950	\$ 5,143	\$ 5,718	\$ 62,901
Total jobs supported	53,181	46,510	44,533	59,463	54,212	52,305	42,524	7,514	491	12,132	31,995	36,805	

Over the last eleven years, Brand USA has generated \$28.8 billion in international visitor spending with an implicit ROI of \$20.25 in visitor spending and \$3.07 in Federal tax receipts per budget dollar invested.

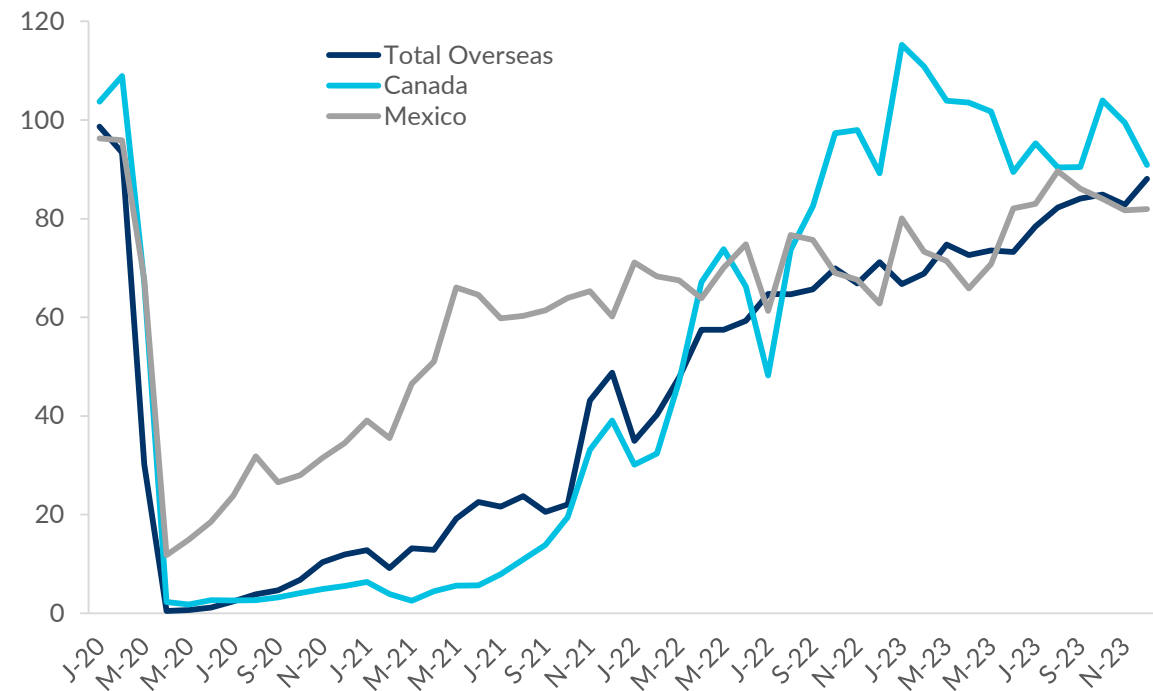
# 4 Market Performance

# US INBOUND TRAVEL TRENDS

The international travel recovery gathered force over the course of 2023. Overseas travel steadily recovered as the year progressed while performance from Canada and Mexico was more volatile.

## International arrivals to US

Index, same month 2019=100



Source: National Travel & Tourism Office

# US INBOUND TRAVEL TRENDS

Among overseas markets, Latin America showed particular strength in 2023 with December registering full recovery for the month.

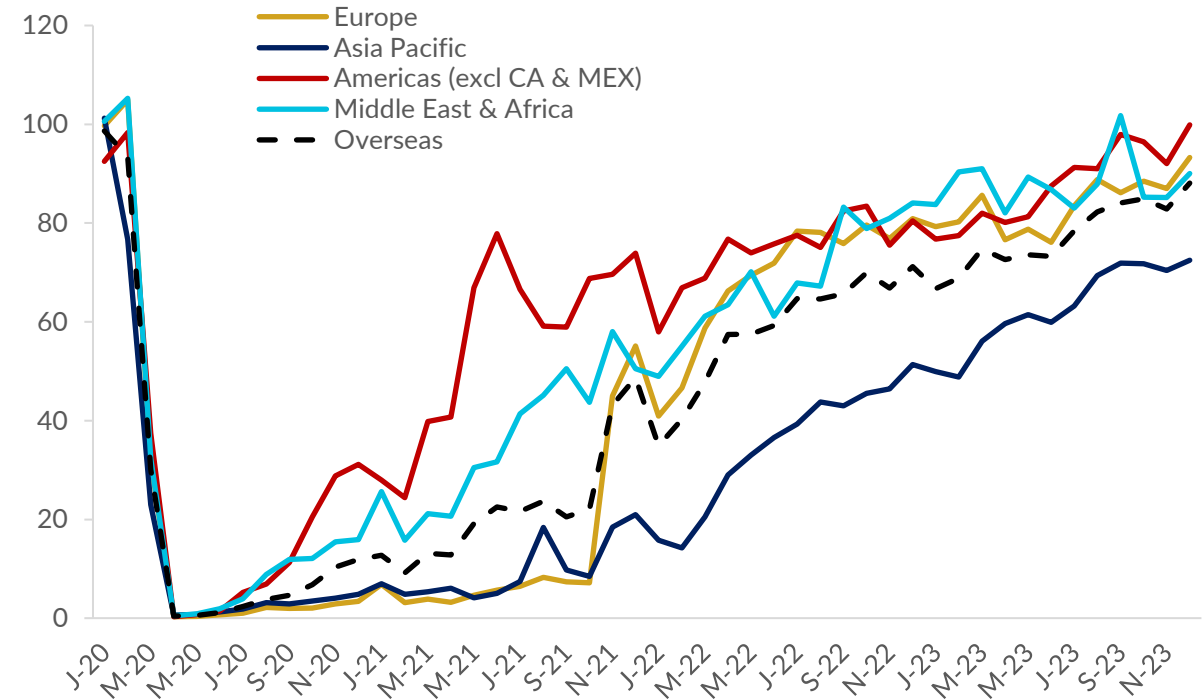
Europe and the Middle East and Africa accelerated through the year, finishing near 90% of 2019 levels in December.

Asia Pacific, weighed down by China, Japan, and South Korea, struggled to reach 73% of 2019 levels in the final month of the year.

Encouragingly, all regions showed forward progress through 2023.

## International arrivals to US

Index, same month 2019=100

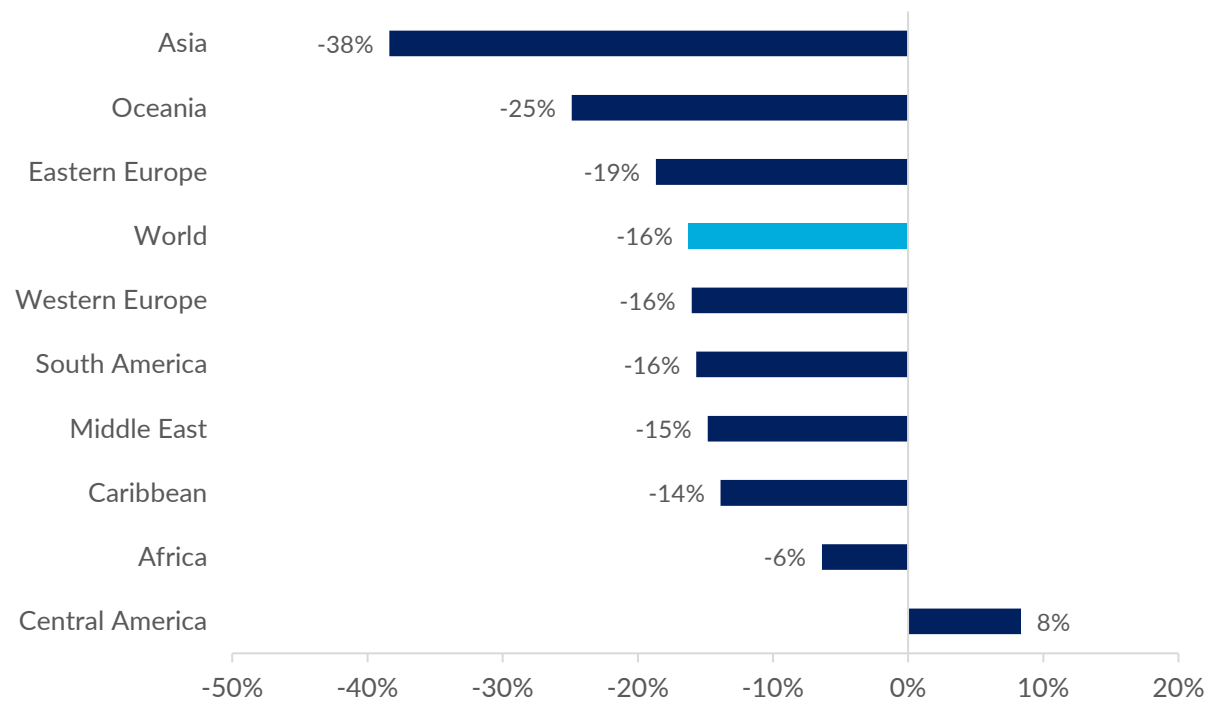


Source: National Travel & Tourism Office

# US INBOUND TRAVEL RECOVERY IN 2023

## International arrivals to US in 2023

% change vs 2019



Source: National Travel & Tourism Office

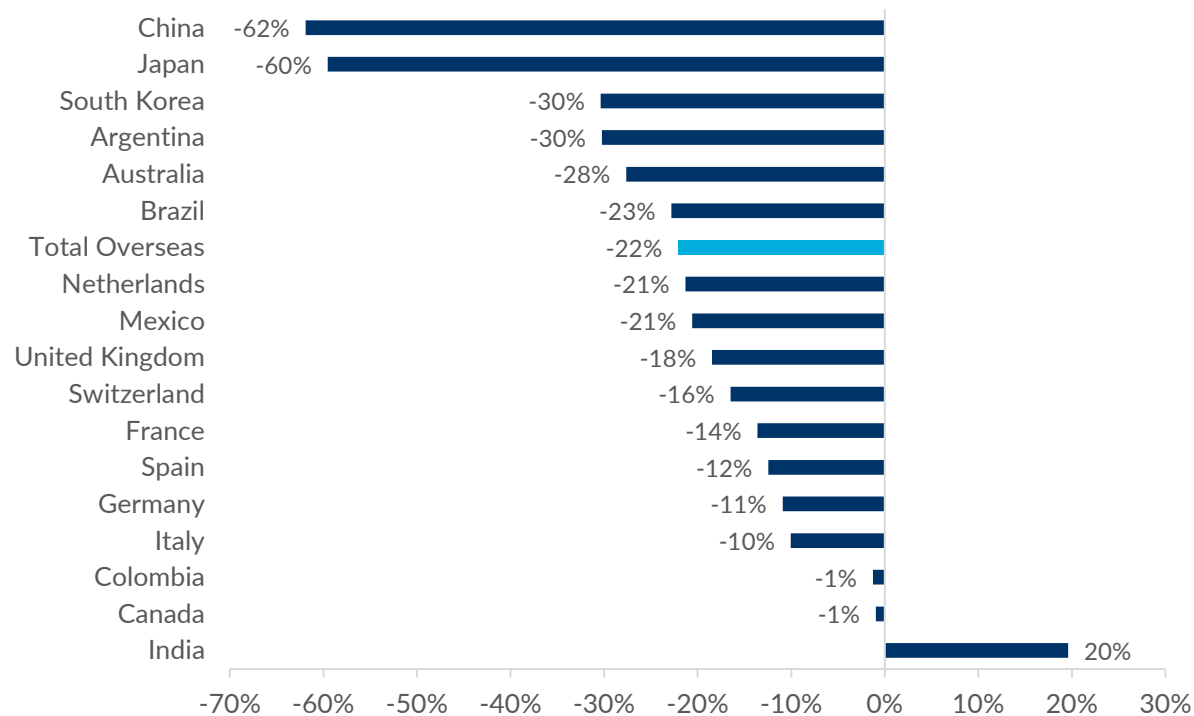
International travel to the US steadily rebounded throughout 2023, with 67 million visitors for the year. This was 16% below 2019 levels but a vast improvement over the 36% shortfall in 2022.

- Western Europe progressively recovered, registering visits 16% below 2019 for the year but averaging a mere 10% shortfall over the final three months of 2023.
- South America posted a 16% decline relative to 2019, with a 5% shortfall over the final three months of 2023.
- Asian travel suffered the most with a 38% shortfall for the year and modest signs of recovery in the final quarter of 2023.
- Canada and Mexico recovered to within 1% and 21% of 2019 volumes, respectively.

# US INBOUND TRAVEL RECOVERY IN 2023

## International arrivals to US in 2023

% change vs 2019



Source: National Travel & Tourism Office

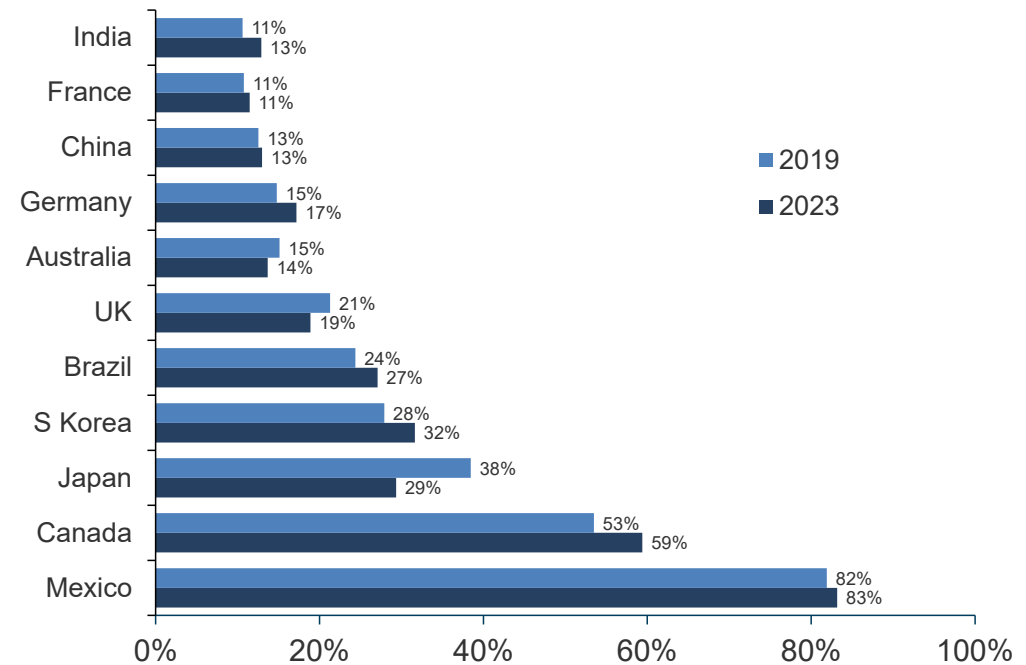
# US MARKET SHARE

Between 2019 and 2023, the US experienced a return in market share from most major markets, with the exceptions of Japan, Australia, and the UK.

While only Canada has returned to pre-pandemic levels to travel to the US as of 2023, the US competed well for long-haul travel from most major markets.

## US market share of outbound travel\*

2019 and 2023



Source: Tourism Economics

\* Share calculation is based on long-haul travel for outside of home region except for Canada and Mexico, which include total outbound as the denominator.

# US MARKET SHARE CHANGES

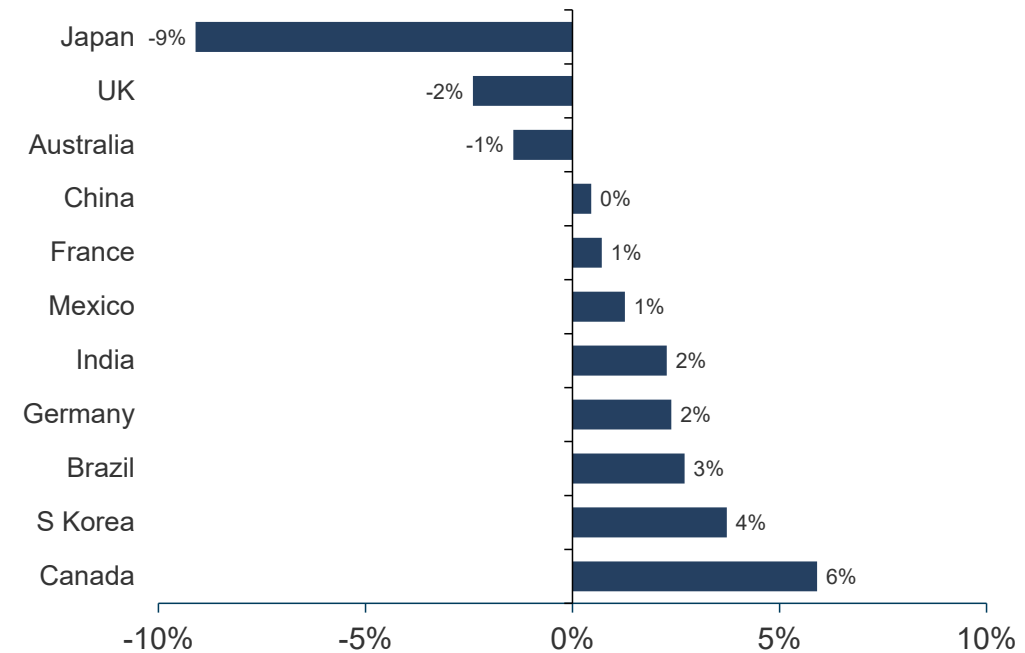
The US lost nine percentage points of market share from Japan, the largest drop over the past four years. However, in other Asian markets the US reversed losses in 2023, with a modest gain from China, and a two-percentage point gain from India and 4% from South Korea.

The US has yet to regain pre-pandemic long haul market share from the UK and Australia.

On the positive side, the US has gained share from other major source markets in Europe and the Americas: France, Mexico, Germany, Brazil, and Canada.

## US market share change\*

Gain / Loss in percentage points between 2019 and 2023



Source: Tourism Economics

\* Measured as the difference between 2023 and 2019 market share. Share calculation is based on long-haul travel for outside of home region except for Canada and Mexico, which include total outbound as the denominator.



# About Tourism Economics and Oxford Economics

Tourism Economics is an Oxford Economics company with a singular objective: combine an understanding of the travel sector with proven economic tools to answer the most important questions facing our clients. More than 500 companies, associations, and destination work with Tourism Economics every year as a research partner. We bring decades of experience to every engagement to help our clients make better marketing, investment, and policy decisions. Our team of highly-specialized economists deliver:

- Global travel data-sets with the broadest set of country, city, and state coverage available
- Travel forecasts that are directly linked to the economic and demographic outlook for origins and destinations
- Economic impact analysis that highlights the value of visitors, events, developments, and industry segments
- Policy analysis that informs critical funding, taxation, and travel facilitation decisions
- Market assessments that define market allocation and investment decisions

Tourism Economics operates out of regional headquarters in Philadelphia and Oxford, with offices in Belfast, Buenos Aires, Dubai, Frankfurt, and Ontario.

Oxford Economics is one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC, we employ over 600 full-time staff, including 400 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

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