THE RETURN ON INVESTMENT OF BRAND USA MARKETING

Fiscal Year 2019

OXFORD ECONOMICS

WWW.OXFORDECONOMICS.COM
WWW.TOURISMECONOMICS.COM

TABLE OF CONTENTS

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 2019 fiscal year (October 1, 2018-September 30, 2019). Ad tracking surveys in 16 markets, a market share analysis, and Brand USA key performance indicators of market activity informed the analysis to quantify the incremental visits and spending generated by Brand USA. Results were further validated based on mobile device tracking of visitors who were exposed to Brand USA marketing and surveys of film audiences.

Section 1: 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.

Section 2: Brand USA ROI

Brand USA marketing generated 900,784 million visits to the US in FY2019. This was 1.4% of all visitors to the US in FY2019.

Across all markets, each dollar of Brand USA marketing generated $23.60 of visitor spending. Including all operating overhead in the calculation, Brand USA achieved an ROI of $20.90 and generated $3.2 billion in visitor spending. Brand USA generated 3.2 times its funding in incremental federal taxes in FY2019.

Over the past seven years, Brand USA has averaged an ROI multiple (visitor spending per dollar of budget) of $24.20.

Section 3: Brand USA economic impact

Brand USA generated $3.2 billion in incremental visitor spending to the US in FY2019. Including indirect and induced impacts, a total of $6.8 billion in economic activity was generated by Brand USA. This economic activity generated by Brand USA sustained 42,524 jobs earning $2.0 billion in personal income. At $491 million, Brand USA generated 3.2 times its budget in incremental Federal taxes and another $422 million in state and local taxes.

Section 4: US international inbound market performance

US international inbound travel contracted 0.6% in 2019 as overseas markets posted mixed performance and both Canada and Mexico fell. Tourism still generated US exports of $195 billion in 2019 and ran a trade surplus of $13 billion (excluding education and medical visitor spending).

The US dollar continued to be a headwind for international travelers as the dollar strengthened. Meanwhile, the global economy slowed across both emerging and developed markets.

Within this challenging external environment, overseas air arrivals increased an estimated 1.3% in 2019. Canadian visits to the US fell 3.5% while arrivals from Mexico also contracted, falling 1.3%. As a result, the US share of long-haul travel from key overseas markets fell in 2019 as global long-haul international travel continued to grow around the world.

KEY FINDINGS

BRAND USA RETURNS BY MARKET

FY2019

Marketing investments, including the visitation motivated by the America's Musical Journey film, generated an ROI of $23.60 per dollar invested in FY2019.

Summary of Brand USA Marketing Returns on Investment

FY2019

Market	Investment	Incremental Visitors	Incremental Spend	ROI Multiple
Australia	$ 4,245,243	37,746	$ 225,744,191	53.2
Brazil	$ 3,352,659	40,386	$ 212,681,863	63.4
Canada	$ 10,060,142	144,797	$ 174,240,452	17.3
China	$ 11,898,012	128,122	$ 809,086,854	68.0
Germany	$ 5,767,093	68,420	$ 246,398,544	42.7
France	$ 2,586,691	37,174	$ 118,712,135	45.9
India	$ 3,742,293	51,951	$ 256,648,262	68.6
Japan	$ 2,667,868	46,286	$ 181,214,710	67.9
South Korea	$ 2,119,870	29,813	$ 97,913,079	46.2
Mexico	$ 6,394,166	93,924	$ 88,947,657	13.9
UK	$ 19,383,813	110,476	$ 339,654,721	17.5
Other / Global	$ 62,347,023	82,082	$ 339,440,025	5.4
America's Musical Journey		29,608	$ 80,650,691	
Total marketing budget	**$ 134,564,873**	**900,784**	**$ 3,171,333,186**	**23.6**
Overhead	$ 16,905,442			
Total operating	**$ 151,470,315**			**20.9**

Source: Oxford Economics

TOURISM ECONOMICS

BRAND USA RETURNS BY MARKET

FY2019

Brand USA promotional investments generated 900,784 visits to the US in FY2019 with especially strong returns in emerging markets.

Summary of Brand USA Marketing Returns on Investment

FY2019

Market	Investment	Incremental Visitors	Incremental Spend	ROI Multiple
N America	$ 16,454,308	238,721	$ 263,188,110	16.0
Europe	$ 27,737,597	216,070	$ 704,765,400	25.4
APAC	$ 24,673,286	293,917	$ 1,570,607,097	63.7
LATAM	$ 3,352,659	40,386	$ 212,681,863	63.4
Other / Global Infrastructure	$ 62,347,023	82,082	$ 339,440,025	5.4
America's Musical Journey		29,608	$ 80,650,691	
Total marketing budget	**$ 134,564,873**	**900,784**	**$ 3,171,333,186**	**23.6**
Overhead	$ 16,905,442			
Total operating	**$ 151,470,315**			**20.9**

Source: Oxford Economics

These visitors spent $3.2 billion in the US, including spending on transportation, hotel, restaurant, recreation, retail, and other services.

Including all overhead, Brand USA yielded a return of $20.9 in visitor spending for every dollar invested.

ECONOMIC IMPACT SUMMARY

Key concepts

Including secondary impacts, Brand USA generated $6.8 billion in US economic output in FY2019.

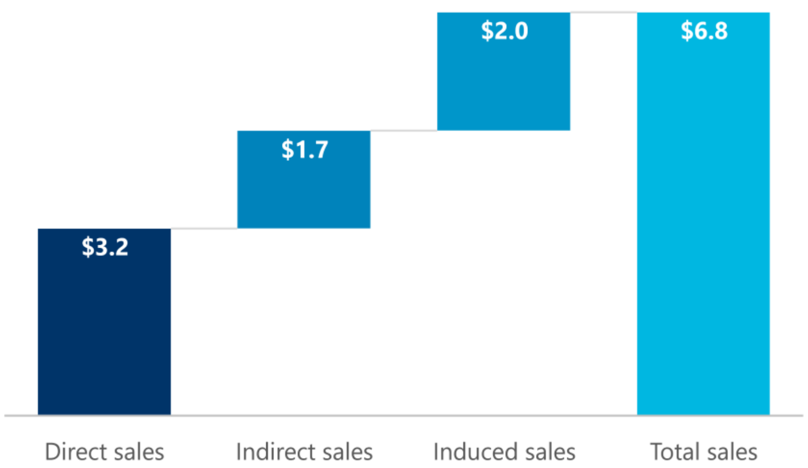
Economic activity generated by Brand USA sustained 42,524 jobs earning $2.0 billion in personal income.

Brand USA generated value added (GDP) in the US economy of $3.5 billion.

Brand USA Economic Impacts

Fiscal Year 2019	Direct	Indirect	Induced	Total
Total sales ($ milllion)	**$ 3,171**	**$ 1,655**	**$ 2,010**	**$ 6,836**
Value added ($ million)	$ 1,491	$ 890	$ 1,124	$ 3,505
Income ($ million)	$ 817	$ 522	$ 633	$ 1,972
Jobs	22,090	8,252	12,183	42,524

Total Sales Impacts ($ billions)



Source: Oxford Economics

CUMULATIVE IMPACTS

Total Brand USA ROI (FY 2013-2019), including films

Brand USA has attracted 7.4 million visitors to the US over seven years.

Fiscal year	2013	2014	2015	2016	2017	2018	2019	Average	Total
Spending ROI	**$ 34.4**	**$ 17.7**	**$ 19.3**	**$ 27.7**	**$ 26.1**	**$ 28.5**	**$ 20.9**	**$ 24.2**	
Federal Tax ROI	**$ 5.2**	**$ 2.7**	**$ 2.9**	**$ 4.2**	**$ 3.9**	**$ 4.3**	**$ 3.2**	**$ 3.7**	
Brand USA budget (mn)	$ 99	$ 173	$ 158	$ 147	$ 156	$ 144	$ 151	$ 147	$ 1,028
Spending impact (mn)	$ 3,402	$ 3,070	$ 3,036	$ 4,084	$ 4,064	$ 4,100	$ 3,171	$ 3,561	$ 24,928
Federal tax impact (mn)	$ 512	$ 462	$ 457	$ 615	$ 612	$ 618	$ 491	$ 538	$ 3,768
Visits impact	1,143,186	903,440	1,025,183	1,193,893	1,158,645	1,127,976	900,784	$ 1,064,730	7,453,107

Across seven years, Brand USA has generated $25 billion in incremental international visitor spending with an implicit ROI of $24.20 in visitor spending per budget dollar invested.

THE VITAL ROLE OF DESTINATION PROMOTION

DESTINATION PLANNING

Visitor spending

International visitor spending is the largest US export

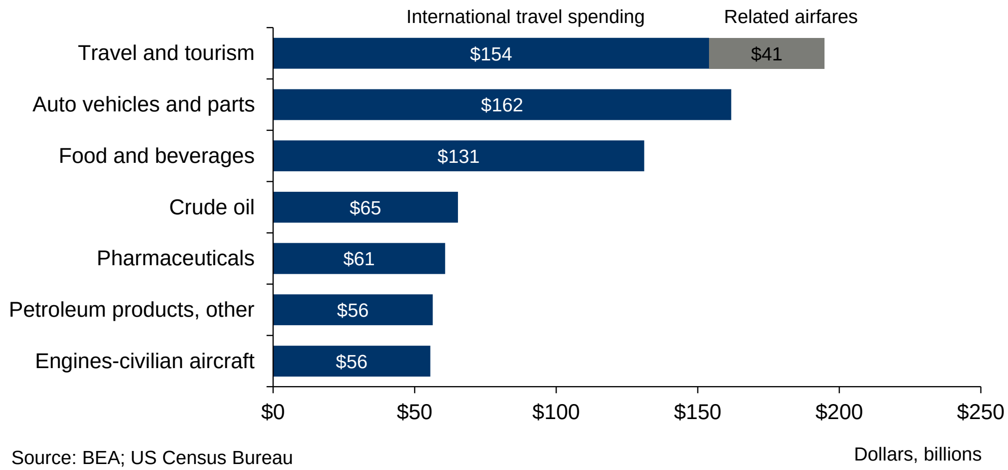
Tourism generated US exports of $195 billion in 2019 and ran a trade surplus of $13 billion (excluding education and medical visitor spending).

Tourism is far and away the country's largest service export and consistently runs a trade surplus. That is, visitors to the US spend more in the US economy than US residents spend abroad on travel.

Tourism is also the largest export overall, including goods, when disaggregating transportation products as shown on the adjacent chart.

US international travel receipts and other exports

Amounts in billions of nominal dollars



Source: BEA; US Census Bureau

Note 1: Airfares represent spending of international travelers on US carriers
Note 2: including international visitor spending in the education and health care categories brings travel-related exports to $254 billion and the travel trade surplus to $59 billion in 2019.

THE VITAL ROLE OF DESTINATION PROMOTION

Destination marketing plays an integral and indispensable role in the competitiveness of the local and national visitor economy by addressing three challenges.

Challenge #1: The visitor economy is fragmented

The visitor economy is diverse with benefits accruing across various industries (e.g. hotels, restaurants, retail stores, transportation, performance venues and other attractions), and in many cases, these establishments are operated as small businesses that lack the capacity to conduct certain types of marketing. Moreover, certain benefits accrue across the economy rather than to just an individual business.

The adjacent chart shows the relative concentration of small and medium size company employment within the arts, entertainment, & recreation and the accommodation & food services sectors. A massive 95% of all accommodation and food service employment is found within small and medium-size businesses. The share is 82% for the arts, entertainment, & recreation sector. This implies that very few, if any, of these organizations would have the resources needed for concerted investments in global marketing.

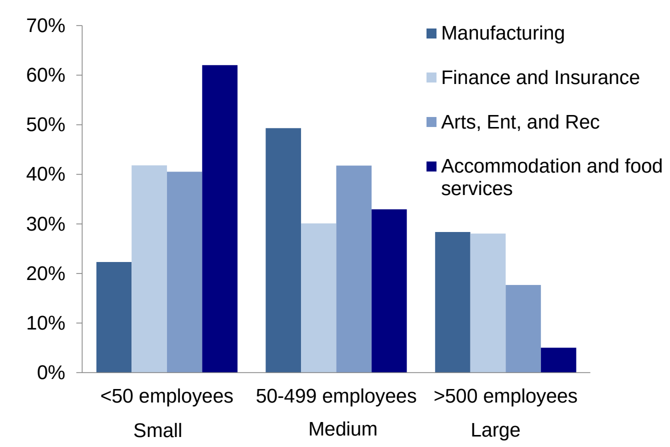
Only 5% of accommodation & food services employment and 18% of arts, entertainment, & recreation employment is within large establishments which would have the scale for international marketing. In contrast, large companies have a more significant footprint in manufacturing (representing 28% of industry employment) and finance & insurance (representing 28% of industry employment).

Solution: Brand USA provides the scope and strategic vision supporting a wide array of individual businesses.

The U.S. tourism industry faces a massive challenge given the scale that international marketing requires. Collaborative destination marketing effectively deals with this challenge by representing a fragmented tourism industry as a single product to a common customer.

Tourism-related businesses tend to be smaller

% of total employment by establishment size, January 2019



TOURISM ECONOMICS

THE VITAL ROLE OF DESTINATION PROMOTION

The fundamental motivation driving a visit is not usually the offerings of a single business; instead, it is the destination.

Challenge #2: The primary motivator of a trip is usually the experience of a destination, extending beyond the offerings marketed by a single business

The fundamental motivation driving a visit to a given destination is frequently not the offerings of a single business—instead it is the destination, including a range of attractions and the overall experience of a place. This experience is comprised of a visitor's interaction with, and patronage of, numerous businesses and local experiences: hotels and other accommodations; restaurants; shopping and galleries; conferences; performances and other events; family activities; sports and other recreation; and cultural sites and attractions.

Simply put, the decision of an international tourist to visit the United States is not typically driven by a hotel, restaurant, a single attraction, or even a single destination within the United States—the average overseas tourist to the United States visits two destinations.

Marketing efforts that focus on only one sub-sector of the visitor market, such as communicating the offering of a specific hotel or other business, do not also adequately address the core motivation for potential visitors. Through coordinated destination promotion, local businesses are able to represent the destination collectively, and in doing so drive demand for all segments of the visitor economy. Stand-alone marketing efforts would almost certainly be less effective than a collective destination marketing campaign.

Solution: Brand USA articulates the brand message that is consistent with consumer motivations

Destination marketing is effective because it is consistent with the customer mindset. Marketing efforts that focus on only one segment of the tourism market, a specific hotel or attraction, will not address the core motivation for potential visitors. Destination marketing recognizes this fact. Collective marketing represents the United States as a set of diverse offerings to a single customer and, in doing so, is uniquely able to create demand for all segments of the tourism industry.

This relates to the significant importance of a destination's brand. The most successful destinations are those that develop a strong and distinct brand identity, maintain awareness among key target markets, and provide a compelling call to action. This is only an achievable task if approached at the destination level since company-level efforts will inevitably fail to create consistent and representative brand awareness among global travelers.

THE VITAL ROLE OF DESTINATION PROMOTION

The scale of collaborative destination marketing is more effective than what individual businesses could accomplish.

Challenge #3: Effective marketing requires scale to reach potential visitors across multiple markets

Effective destination marketing requires significant and consistent funding with the aim of gaining a sufficient "share of voice" to be heard and make an impact. Whether in the form of advertising, public relation efforts, or group sales, scale produces efficiencies that maximize the share of funding that goes to actual marketing and advertising, drives down per unit advertising costs, and enables higher impact, more specialized efforts. As a result, the larger scale of collaborative destination marketing is more effective than what individual businesses could accomplish. Simply put, the whole of destination marketing is greater than the sum of individual parts.

Solution: Brand USA articulates the brand message that is consistent with consumer motivations

One of the benefits of coordinated marketing facilitated by a DMO is the ability to have a stable organization and funding base to support destination marketing. As a result, DMOs are able to efficiently leverage the brand, infrastructure and relationships that have been built over time.

For example, Brand USA:

- Conducts marketing that leverages a base level of awareness of the destination that has already been established with some target customers, allowing annual marketing spend to be more effective at activating and reinforcing key messages;
- Uses existing infrastructure, such as websites and publications, that are updated on a recurring basis;
- Employs a staff with established relationships with local tourism-sector businesses and marketing service providers;
- Supports market research that helps individual businesses better target market opportunities, but which would likely not be economical for individual businesses to support independently; and
- Represents a broad and diverse industry at trade shows and builds awareness through travel trade "familiarization trips".

BRAND USA ROI

BRAND USA KEY PERFORMANCE INDICATORS

Calculating returns across markets

An econometric model was developed to calculate the returns across all markets based on survey findings and other performance indicators.

Key performance indicators (KPIs) of Brand USA marketing provide inputs into a pooled cross-sectional econometric model.

The econometric model was designed to identify the average 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.

Key performance indicators fell in FY2019 but remained elevated in comparison to the average over the past four years.

Brand USA key performance indicators (KPIs)

2018 KPIs	Media impressions	Social media engagements	Web page views	Market share change (FY2018)
Total	**16,538,898,968**	**24,120,901**	**41,506,825**	**-3.0%**
By market				
Australia	607,509,710	786,300	1,258,806	1.0%
Brazil	1,565,822,157	2,318,739	2,798,868	-0.6%
Canada	1,280,855,759	122,388	1,174,350	-1.1%
China	4,475,403,228	91,967	9,829,753	-4.1%
Germany	703,727,102	695,893	1,448,638	-7.0%
France	666,336,775	206,495	1,730,584	4.4%
India	2,980,751,705	17,613,171	10,991,354	-1.2%
Japan	628,305,508	287,307	1,245,158	-4.5%
South Korea	697,254,024	196,271	1,561,822	-6.5%
Mexico	1,409,264,170	1,661,325	2,464,475	1.9%
UK	1,143,410,512	133,130	1,825,291	-2.9%
Other Markets	380,258,318	7,915	5,177,726	
% change since 2017	*112%*	*119%*	*27%*	

2019 KPIs	Media impressions	Social media engagements	Web page views	Market share change (FY2019)
Total	**12,858,399,450**	**16,558,221**	**26,308,841**	**-4.2%**
By market				
Australia	436,535,724	1,073,258	788,337	-1.0%
Brazil	1,343,417,999	2,952,784	2,595,788	1.7%
Canada	920,565,738	555,727	1,214,963	1.0%
China	1,802,433,092	205,442	3,342,196	3.9%
Germany	541,860,598	1,493,194	1,621,310	6.6%
France	450,871,142	1,768,530	1,386,013	-8.0%
India	3,131,153,314	4,840,357	6,327,736	0.5%
Japan	516,712,472	107,307	1,310,115	4.2%
South Korea	487,348,852	115,779	1,532,294	6.1%
Mexico	1,259,097,931	321,294	2,291,746	-1.4%
UK	1,158,251,251	1,502,766	1,481,200	2.7%
Other Markets	810,151,337	1,621,783	2,417,143	
% change since 2018	*-22%*	*-31%*	*-37%*	

BRAND USA ROI

Key performance indicators

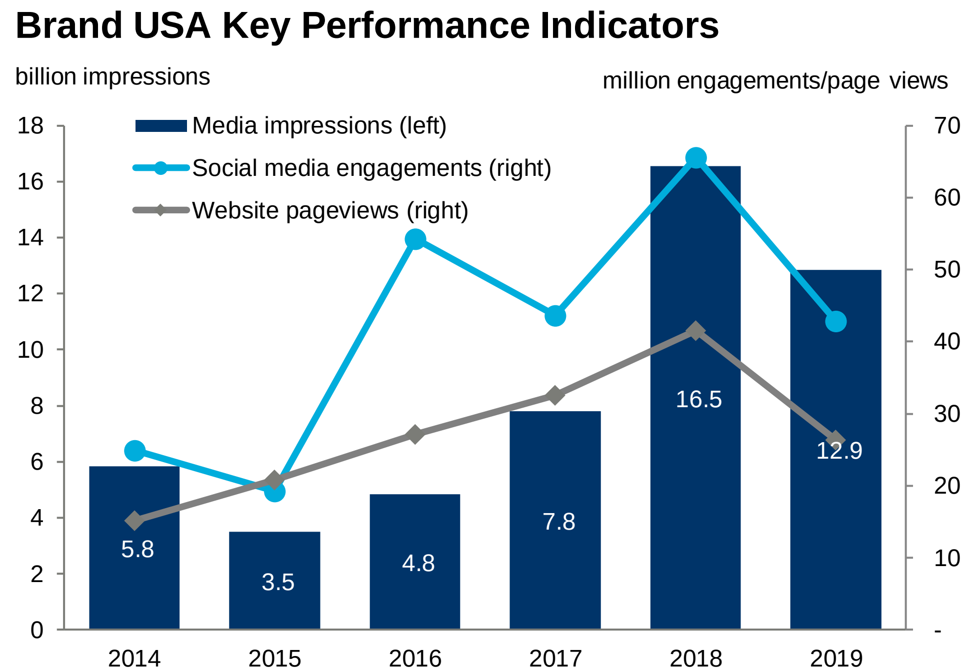
Brand USA key performance indicators (KPIs) indicate the organization's reach into consumer travel markets remained strong in FY2019.

Brand USA has substantially increased its presence within travel markets over the past five years.

Brand USA campaign media impressions increased 120% to 12.9 billion in FY2019 from 5.8 billion in FY2014.

Social media engagements surged 72% over five years, tallying 43 million in FY2019.

And website page views have expanded 74%, registering 26 million in FY2019 from just 15 million in FY2014.



TOURISM ECONOMICS

BRAND USA ROI

Advertising effectiveness surveys as a basis for modeling

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

Ipsos, a global market research firm, has 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

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*	
2014 Surveys						
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%
2015 Surveys						
Brazil	33%	33%	79%	67%	12%	2.0%
Mexico	33%	33%	79%	70%	9%	1.5%
Germany	33%	33%	27%	18%	9%	0.5%
2016 Surveys						
Mexico	21%	21%	96%	89%	7%	1.3%
China	21%	21%	61%	46%	15%	7.2%

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%).

BRAND USA ROI

Historic ROI projections for surveyed markets

Surveys indicate a strong response to campaigns in terms of incremental visits and associated spending.

Oxford Economics projected the results of the "influence share" analysis to the total long-haul market (outbound travel to destinations outside the market's region) to calculate the incremental visits to the US generated by the campaigns. The incremental spending is then calculated as the product of average spending per visitor (per the Bureau of Economic Analysis) and incremental visits.

The ROI for each market is measured as the incremental spending generated by the campaigns divided by the investment in that market.

ROI projections (survey-based)

Market surveys 2014-2016

	Long-haul travelers	Marketing investment	Incremental visits	Incremental spending	ROI
2014 Subtotal	**38,896,400**	**40,084,144**	**306,267**	**$1,422,038,701**	**35**
Brazil	7,141,750	10,460,412	71,989	$415,042,874	40
Australia	7,262,450	7,379,119	47,932	$262,214,627	36
Germany	10,852,200	10,765,373	37,766	$131,745,744	12
Japan	9,410,900	7,962,828	101,638	$452,948,109	57
Korea	4,229,100	3,516,412	46,943	$160,087,345	46
2015 Subtotal	**38,545,960**	**20,484,207**	**495,071**	**$1,282,829,139**	**63**
Brazil	7,655,160	7,520,197	151,572	$854,873,548	114
Mexico	19,612,000	5,170,729	285,943	$237,516,920	46
Germany	11,278,800	7,793,281	57,556	$190,438,671	24
2016 Subtotal	**34,516,400**	**20,980,389**	**1,211,126**	**$5,685,973,722**	**271**
Mexico	21,830,400	7,148,052	292,025	$230,083,013	32
China	12,686,000	13,832,337	919,101	$5,455,890,709	394

Results for the two markets (Mexico and China) where surveys were conducted in 2016 indicate a very strong response to the campaign. Given the above average impacts indicated by the survey respondents, the ROI impact model (described later) is used as a more conservative basis for estimating returns.

BRAND USA ROI

Model overview and equation

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.

The estimated model equation is

LN(IVIS(i)/LH(i)) = K + b1*LN(MED(i)/LH(i)) + b2*LN(ONL(i)/LH(i)) + b3*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

Where survey-based ROI calculations are available, a pooled cross-sectional model estimates coefficients for each right-hand side variable.

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

* Online engagement is the sum of social media engagements and DiscoverAmerica/GoUSA page views.

BRAND USA ROI

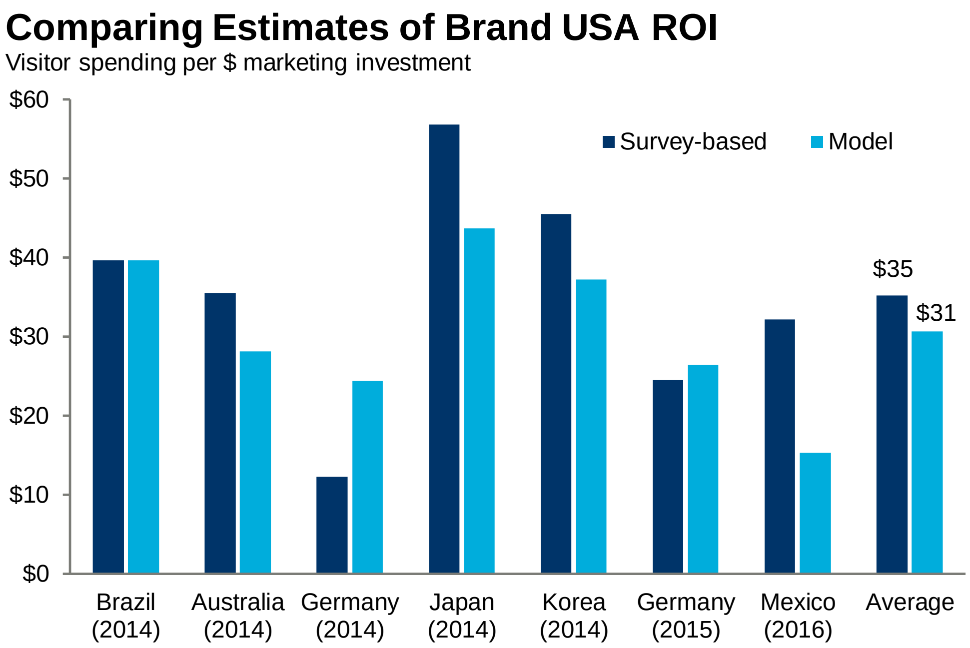
Model fit over time

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

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.



BRAND USA ROI

Model fit (2014)

Across all five markets, the model predicts the ROI multiple for 2014 with 97% accuracy.

Accuracy by market varies from a very close fit for Brazil, moderate underestimation for Australia, Korea, and Japan, and overestimation for Germany.

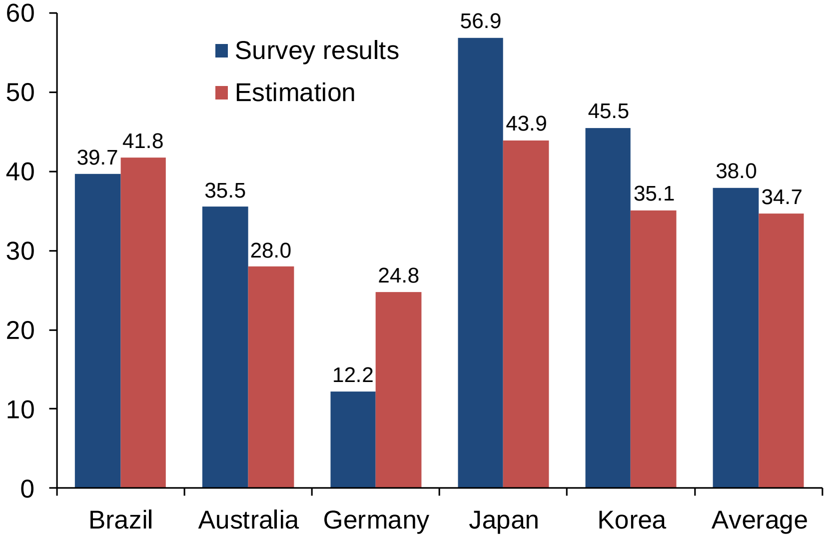
The variations reflect as much on the margin of error surrounding ad tracking survey results as they do on actual campaign effectiveness across markets, and model accuracy.

Nevertheless, the model accurately identifies the market where the greatest ROI was achieved (Japan) as well as the weakest (Germany).

The close fit of the model results with the calculation for all five markets provides confidence in extending the model results to other markets.

Estimated ROI by source market

ROI multiple



Model fit (2014)	Visits	Spend	ROI
Model	304,726	$1,383,483,943	34.46
Survey	306,267	$1,422,038,701	35.48
% diff	-0.5%	-2.7%	-2.9%

TOURISM ECONOMICS

BRAND USA ROI

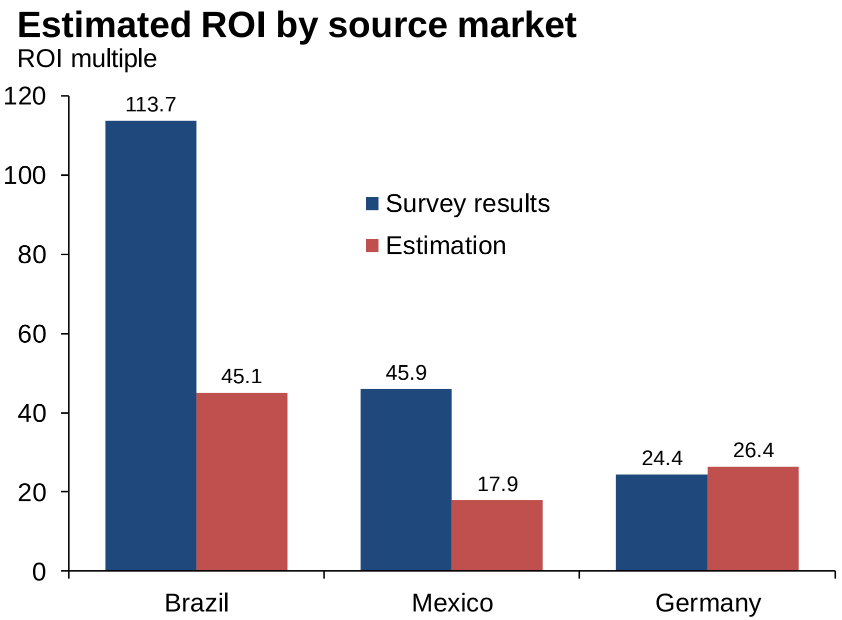
Model fit (2015)

An additional three surveys were conducted in 2015 with wide-ranging results.

The survey indicated very strong results for Brazil with a 2.0% lift in travel intentions among respondents who had seen the ad and correctly identified the US. Given that the implied 113.7 ROI is an outlier across the research components, the KPI-informed model result of 45.1 was used for Brazil.

The survey-based ROI for Mexico, while higher than the econometric model results, was still within reasonable range of other findings and reflects the strength of Mexican travel to the US despite the strong dollar.

Survey and model results for Germany were nearly identical and the more conservative survey findings were incorporated into the overall Brand USA ROI analysis.



Model fit (2015)	Visits	Spend	ROI
Brazil (survey)	151,572	$854,873,548	113.7
Brazil (model)	60,139	$339,184,871	45.1
Mexico (survey)	285,943	$237,516,920	45.9
Mexico (model)	111,263	$92,420,069	17.9
Germany (survey)	57,556	$190,438,671	24.4
Germany (model)	62,268	$206,029,324	26.4

BRAND USA ROI

Model fit (2016)

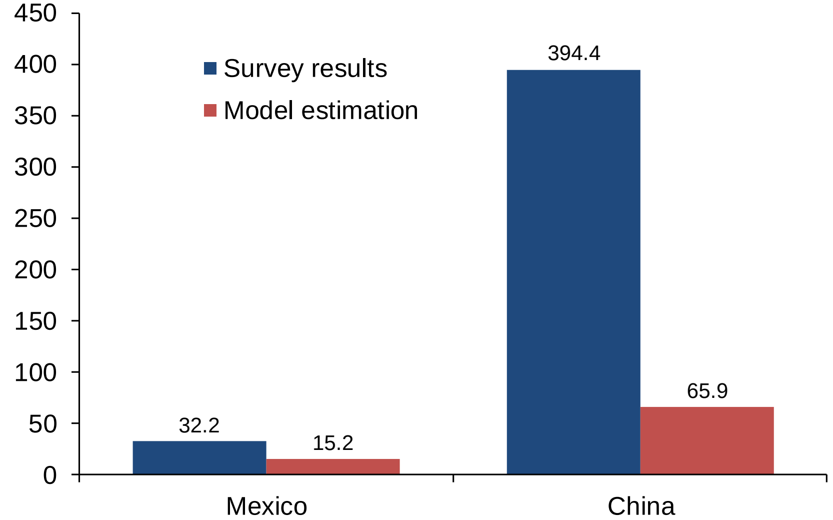
Two additional surveys were analyzed for 2016 with both showing strong results.

The survey indicated very strong results in 2016 with a "lift" in travel intentions of 1.3% for Mexico and 7.2% for China. This implies that, for China, intentions to travel to the US were 7.2 percentage points higher among those who had seen Brand USA ads and correctly identified the destination.

Given that both surveys produced results that are stronger than the KPI-informed model, the more conservative model results were used.

Estimated ROI by source market

ROI multiple



Model fit (2016)	Visits	Spend	ROI
Mexico (survey)	292,025	$230,083,013	32.2
Mexico (model)	138,352	$109,005,991	15.2
China (survey)	919,101	$5,455,890,709	394.4
China (model)	153,505	$911,222,639	65.9

ALTERNATIVE MODELING

Validation of 2018 model using mobile device tracking

Data from Arrivalist, a location services company tracking mobile devices, was analyzed to confirm FY2018 modeling.

Overview of Arrivalist research

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. In order to maintain the targeting/optimization techniques employed during the course of a program, Arrivalist set up two sets of control groups.

The first control group was based on the requirement to provide lift by display advertising publishers separately for all the 10 markets. In order to do this, Arrivalist purchased 5% of overall impressions that Brand USA served and asked the partners to deliver public service announcement (PSA) ads (which were served by Arrivalist) to a similar group of users that "matched" the exact targeting that Brand USA laid out throughout the program. The partners were requested to "optimize" the control group buy with the same changes that were made to the original buy throughout the lifetime of the program.

A second control group was set up in order to measure a combined lift from "rest of partners" across 10 markets. In order to do this, Arrivalist leveraged their programmatic platform to deliver PSA ads to a group of users that closely matched to the targeting parameters laid out, while excluding users who have already been exposed to the Brand USA ads.

The "Rest of Partners" lift for each country includes a combined performance from native advertising publishers, where applicable.

Key outputs

- Given that Arrivals per 1,000 Impressions (APM) are often skewed by frequency employed, Arrivalist employed a different metric for comparing arrival efficiency.
- In order to have an apples-to-apples comparison, Arrivals per 1,000 Unique Users was considered a primary efficiency metric for comparison between control group and exposed group.
- A unique user is a unique device targeted with an advertisement.

Arrivals per 1,000 Unique Users (APMU) =

$$\frac{\text{(No. of Verified Arrivals)}}{\text{(No. of Unique Users Targeted)}} \times 1{,}000$$

ALTERNATIVE MODELING

Validation of 2018 model using mobile device tracking

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.

Additional Modeling

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
Total	**195,206**	**132,205**	**0.190**	**0.128**	**48%**
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.

ALTERNATIVE MODELING

Mobile device analysis of incremental visits

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

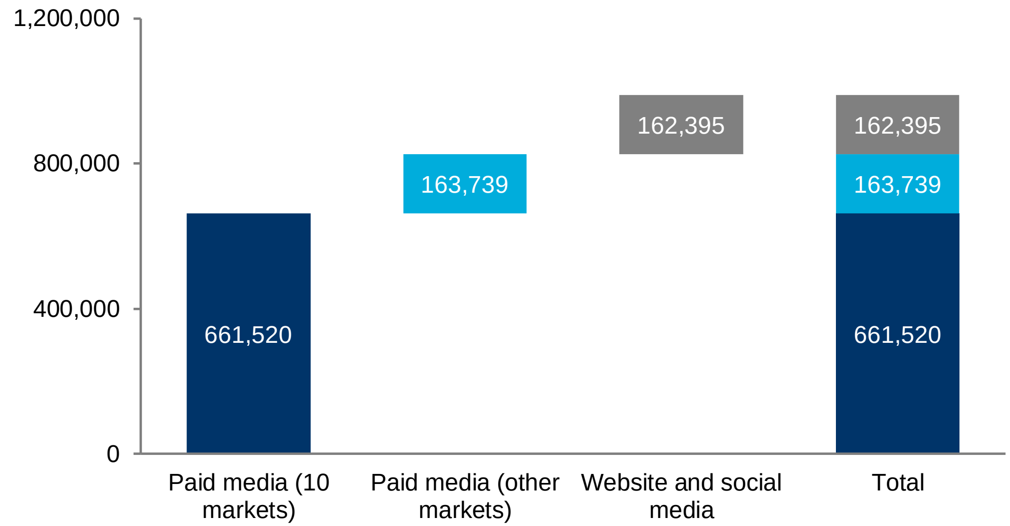
These results further confirm the survey- and KPI-based econometric model with findings within a similar range.

The mobile device model yields and ROI of $27.80 per marketing dollar. This compares to $29.75 from the econometric model (excluding film impacts) in FY2018.

The econometric model indicates 1,057,911 incremental visits influenced by Brand USA marketing (excluding residual film impacts), which is 7.1% higher than the mobile device-based model.

Given the need for estimating markets and channels not tracked by Arrivalist, the econometric model was used to confirm FY2018 ROI.

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
Total	987,654
Econometric model results	1,057,911
Difference	7.1%

IMPACT OF AMERICA'S MUSICAL JOURNEY

FY2019 Travel Impacts

Tourism Economics analysis of ticket sales and survey data by market indicates that 29,608 incremental visits to the US were influenced by the film in FY2019, generating $81 million in visitor spending.

A total of 960,000 tickets were sold across 2018 and 2019. Travel impacts are assigned to FY2019 given the typical lag between the decision to take a trip and the actual travel dates.

Survey's of audiences found that 3.1% of viewers were motivated to visit the US in the next 12 months as a result of seeing the film. This motivation share for each market is applied to the number of tickets sold and multiplied by average spending per visitor as tracked by the Bureau of Economic Analysis.

Note, these results are not exhaustive of all impacts given streaming viewership which was not tracked.

ROI of Americas Musical Journey Film

FY2019 Impacts

	Canada	Europe	Mexico	Asia	Total
Tickets sold (2018)	72,000	38,000	59,000	20,000	**189,000**
Tickets sold (2019)	-	2,000	49,000	720,000	**771,000**
Total tickets sold	72,000	40,000	108,000	740,000	**960,000**
Motivated to visit US within 12 months*	14.4%	5.3%	4.3%	1.7%	**3.1%**
Incremental visitors	10,398	2,124	4,629	12,458	**29,608**
Average spending per visitor	$ 1,851	$ 3,193	$ 1,263	$ 3,915	**$ 2,724**
Return on investment	**$ 19,249,466**	**$ 6,782,494**	**$ 5,844,429**	**$ 48,774,301**	**$ 80,650,691**

* Survey share; France results used for Europe. Singapore results used for Asia.

IMPACT OF HEAR THE MUSIC

FY2019 Travel Impacts

Tourism Economics analysis of the Hear the Music 2.0 campaign finds that 16,974 incremental visits to the US were influenced in FY2019, generating $48 million in visitor spending.

The analysis is based on data from Arrivalist, which tracked a control group that was exposed to non-Brand USA ads and compared their travel patterns to those who viewed the Brand USA ad.

Cost per arrival is calculated to understand the average cost to convert an arrival on a relative basis.

Cost per arrival (CPA) =

Total cost of media delivered

No. of verified arrivals

Lower CPA reflects better performance. Arrivals are a representative sampling of visitation from exposed users who visit the US. Only the "lift" or rate of visits relative to the unexposed group is considered in the measurement of campaign impacts.

ROI of Hear the Music Campaign 2.0

FY2019 Impacts

	Australia	Brazil	Canada	France	Germany	India	Japan	Mexico	UK	Total
Brand USA Spending	83,915	123,510	124,705	132,398	117,269	289,414	84,062	153,387	61,427	1,187,021
Cost per arrival*	$ 719	$ 96	$ 41	$ 748	$ 4,525	$ 56	$ 184	$ 23	$ 692	$ 70
Visits generated	117	1,281	3,049	177	26	5,215	457	6,564	89	16,974
Average spending per visitor	$ 5,981	$ 4,787	$ 1,388	$ 3,193	$ 3,601	$ 4,940	$ 3,915	$ 1,263	$ 3,074	$ 2,818
Return on investment	**$ 698,414**	**$ 6,134,100**	**$ 4,234,010**	**$ 565,401**	**$ 93,336**	**$25,761,198**	**$ 1,788,394**	**$ 8,288,044**	**$ 272,797**	**$ 47,835,694**
…per dollar invested	$ 8.32	$ 49.66	$ 33.95	$ 4.27	$ 0.80	$ 89.01	$ 21.27	$ 54.03	$ 4.44	$ 40.30

* Cost per arrival is adjusted upwards to factor in all Arrivalist data, including "negative lift" in the data

BRAND USA RETURNS BY MARKET

FY2019

Marketing investments, including the visitation motivated by the America's Musical Journey film, generated an ROI of $23.60 per dollar invested in FY2019. These results factor in the econometric model across all media activities.

Summary of Brand USA Marketing Returns on Investment

FY2019

Market	Investment	Incremental Visitors	Incremental Spend	ROI Multiple
Australia	$ 4,245,243	37,746	$ 225,744,191	53.2
Brazil	$ 3,352,659	40,386	$ 212,681,863	63.4
Canada	$ 10,060,142	144,797	$ 174,240,452	17.3
China	$ 11,898,012	128,122	$ 809,086,854	68.0
Germany	$ 5,767,093	68,420	$ 246,398,544	42.7
France	$ 2,586,691	37,174	$ 118,712,135	45.9
India	$ 3,742,293	51,951	$ 256,648,262	68.6
Japan	$ 2,667,868	46,286	$ 181,214,710	67.9
South Korea	$ 2,119,870	29,813	$ 97,913,079	46.2
Mexico	$ 6,394,166	93,924	$ 88,947,657	13.9
UK	$ 19,383,813	110,476	$ 339,654,721	17.5
Other / Global	$ 62,347,023	82,082	$ 339,440,025	5.4
America's Musical Journey		29,608	$ 80,650,691	
Total marketing budget	**$ 134,564,873**	**900,784**	**$ 3,171,333,186**	**23.6**
Overhead	$ 16,905,442			
Total operating	**$ 151,470,315**			**20.9**

Source: Oxford Economics

BRAND USA RETURNS BY MARKET

FY2019

Brand USA promotional investments generated 900,784 visits to the US in FY2019 with especially strong returns in Asia Pacific and Latin American emerging markets.

Summary of Brand USA Marketing Returns on Investment

FY2019

Market		Investment	Incremental Visitors		Incremental Spend	ROI Multiple
N America	$	16,454,308	238,721	$	263,188,110	16.0
Europe	$	27,737,597	216,070	$	704,765,400	25.4
APAC	$	24,673,286	293,917	$	1,570,607,097	63.7
LATAM	$	3,352,659	40,386	$	212,681,863	63.4
Other / Global Infrastructure	$	62,347,023	82,082	$	339,440,025	5.4
America's Musical Journey			29,608	$	80,650,691	
Total marketing budget	**$**	**134,564,873**	**900,784**	**$**	**3,171,333,186**	**23.6**
Overhead	$	16,905,442				
Total operating	**$**	**151,470,315**				**20.9**

Source: Oxford Economics

These visitors spent $3.2 billion in the US, including spending on transportation, hotel, restaurant, recreation, retail, and other services.

Including all overhead, Brand USA yielded a return of $20.9 in visitor spending for every dollar invested.

FY2019 ECONOMIC IMPACTS

ECONOMIC IMPACTS

How visitor spending generates employment and income

To determine the total economic impact of Brand USA activities, visitor spending is 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 discreet 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.

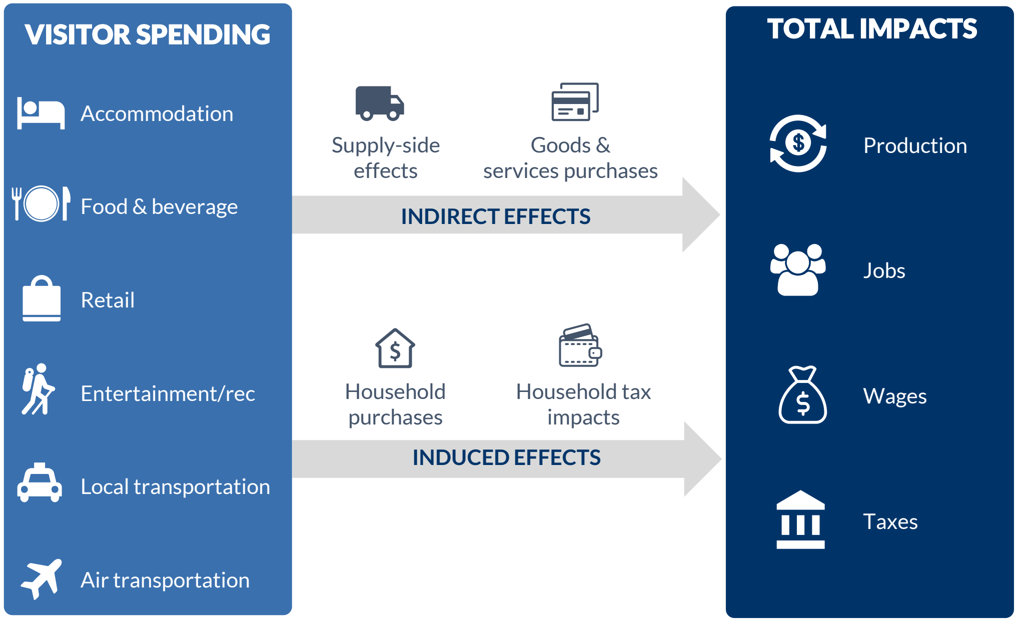
ECONOMIC IMPACTS

How visitor spending generates employment and income

Illustration of economic impact flows

The modelling process calculates three levels of impact – direct, indirect, and induced – for a broad set of indicators. These include the following:

- Business Sales (economic output)
- Gross Domestic Product
- Personal Income
- Employment
- Federal Taxes
- State Taxes
- Local Taxes



ECONOMIC IMPACT SUMMARY

Key concepts

Including secondary impacts, Brand USA generated $6.8 billion in US economic output in FY2019.

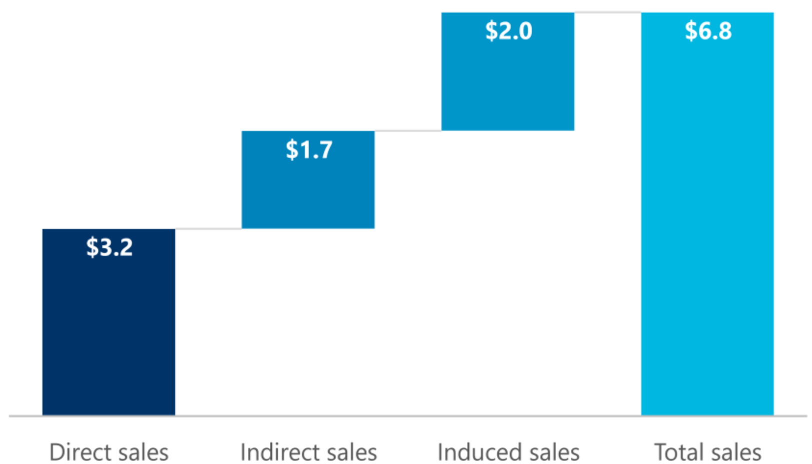
Economic activity generated by Brand USA sustained 42,524 jobs earning $2.0 billion in personal income.

Brand USA generated value added (GDP) in the US economy of $3.5 billion.

Brand USA Economic Impacts

Fiscal Year 2019	Direct	Indirect	Induced	Total
Total sales ($ milllion)	**$ 3,171**	**$ 1,655**	**$ 2,010**	**$ 6,836**
Value added ($ million)	$ 1,491	$ 890	$ 1,124	$ 3,505
Income ($ million)	$ 817	$ 522	$ 633	$ 1,972
Jobs	22,090	8,252	12,183	42,524

Total Sales Impacts ($ billions)



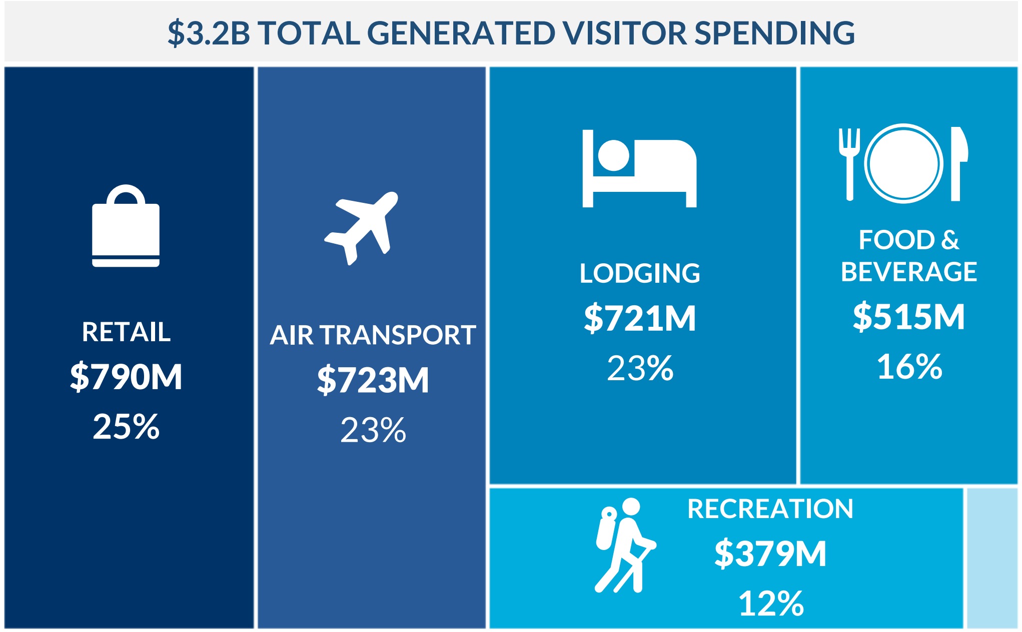
Source: Oxford Economics

ECONOMIC IMPACT SUMMARY

Key concepts

Including secondary impacts, Brand USA generated $3.2 billion in US visitor spending in FY2019.

Brand USA generated visitor spending of $3.2 billion in FY2019, including $790 million in retail, $723 million in air transport, $721 million in lodging, $515 million in food & beverage, $379 million in recreation, and $43 million in ground transport.



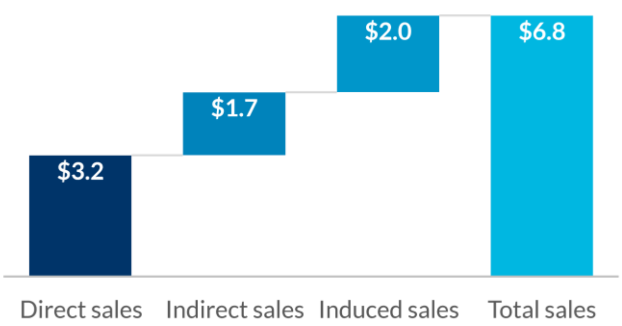
Source: Oxford Economics

ECONOMIC IMPACTS

Business sales impacts by industry

The entire US economy benefits from Brand USA activities, either directly or through indirect or induced impacts.

Summary economic impacts ($ billions)



Business sales impacts by industry

Amounts in millions of current dollars	Direct sales	Indirect sales	Induced sales	Total sales
Total, all industries	**$3,171**	**$1,655**	**$2,010**	**$6,836**
By industry				
Retail trade	$790	$15	$115	$920
Finance, insurance and real estate	$5	$325	$514	$843
Air transport	$723	$8	$13	$744
Lodging	$721	$5	$16	$743
Manufacturing		$338	$313	$650
Food & beverage	$515	$31	$102	$647
Business services	$10	$330	$182	$523
Recreation and entertainment	$369	$24	$32	$425
Education and health care		$2	$245	$247
Other transport	$27	$147	$54	$228
Communications		$113	$111	$225
Construction and utilities		$99	$70	$169
Wholesale trade		$68	$87	$155
Agriculture, fishing, mining		$78	$43	$121
Personal services		$26	$70	$96
Government		$46	$35	$81
Gasoline stations	$11	$1	$6	$19

Source: Oxford Economics

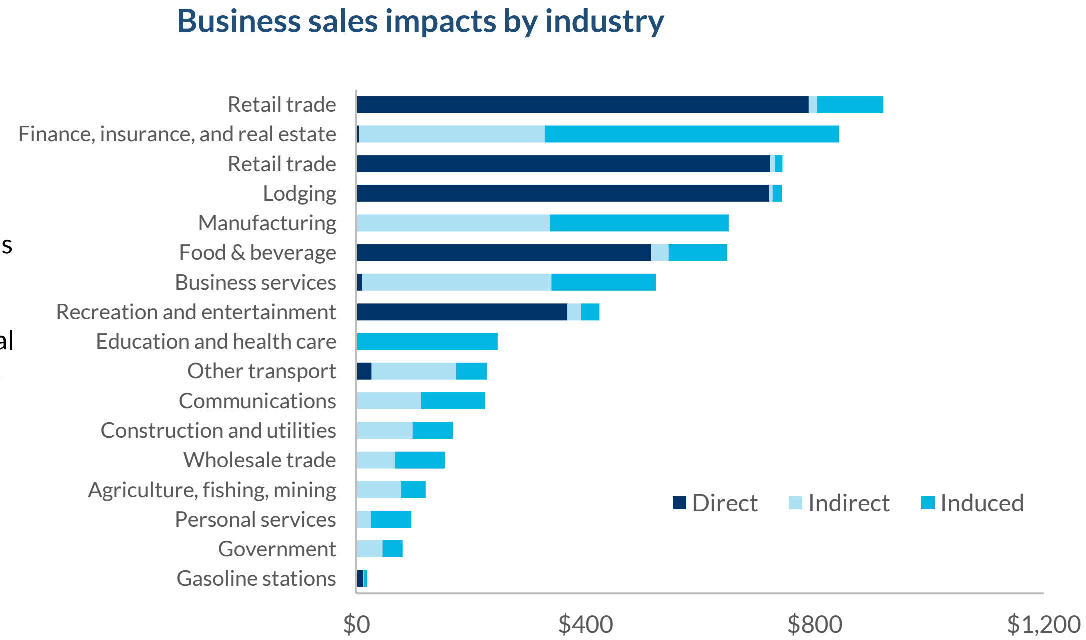
ECONOMIC IMPACTS

Business sales impacts by industry

Including secondary impacts, Brand USA generated $6.8 billion in US economic output in FY2019.

A total impact of $6.8 billion in business sales spans all sectors of the US economy, as reflected in the chart to the right. The finance, insurance, and real estate sector (FIRE) is a beneficiary of international visitor spending as a supplier to tourism industries and as a provider of services to employees who earn income through visitor spending with an economic impact of almost $843 million.

Similarly, the manufacturing sector realized a benefit of $650 million in economic output as a result of Brand USA marketing.



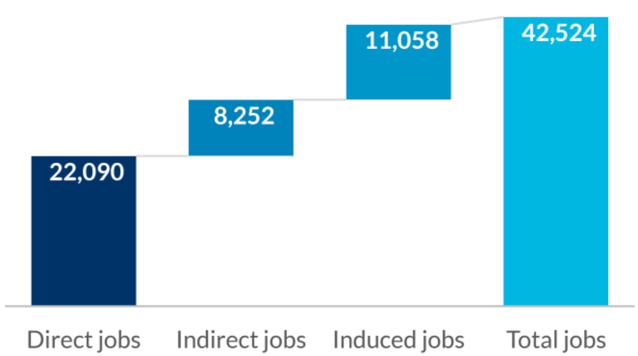
Source: Oxford Economics

ECONOMIC IMPACTS

Employment impacts by industry

The entire US economy benefits from Brand USA activities, either directly or through indirect or induced impacts.

Summary employment impacts (number of jobs)



Employment impacts by industry

Amounts in number of jobs	Direct jobs	Indirect jobs	Induced jobs	Total jobs
Total, all industries	**22,090**	**8,252**	**11,058**	**42,524**
By industry				
Food & beverage	6,594	599	1,566	8,759
Lodging	6,105	46	145	6,296
Retail trade	4,261	179	1,270	5,710
Business services	54	2,556	1,540	4,150
Recreation and entertainment	3,168	348	368	3,884
Finance, insurance and real estat	18	1,316	1,424	2,758
Education and health care		34	2,505	2,539
Air transport	1,689	19	32	1,739
Other transport	178	945	378	1,501
Personal services		242	1,125	1,367
Manufacturing		572	581	1,153
Agriculture, fishing, mining		385	284	669
Wholesale trade		276	353	629
Communications		247	206	453
Construction and utilities		239	179	418
Government		233	143	376
Gasoline stations	23	15	84	122

Source: Oxford Economics

ECONOMIC IMPACTS

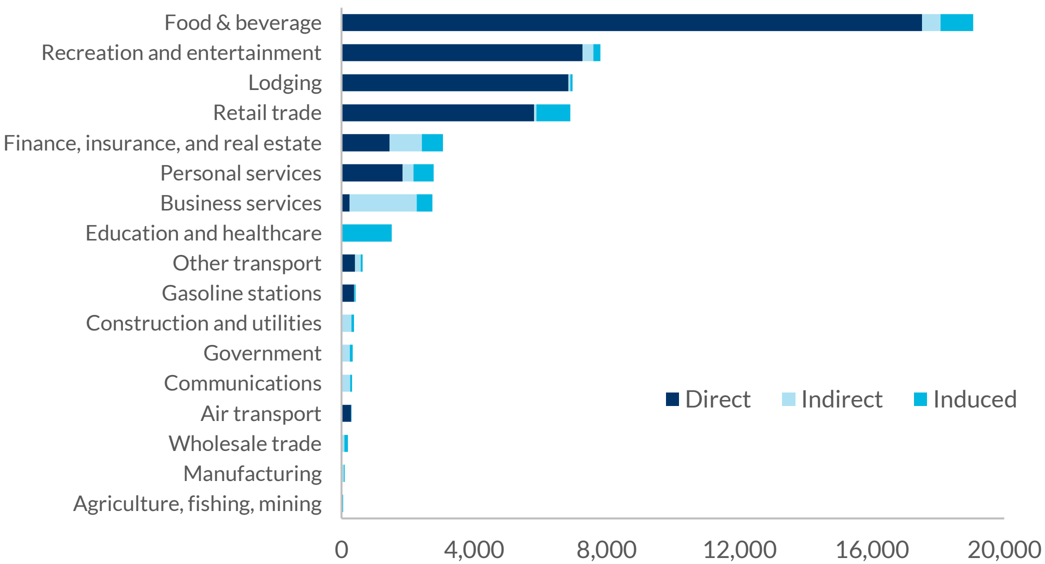
Employment impacts by industry

Direct employment impacts in industries directly serving international visitors tally 22,090. Including secondary impacts, Brand USA marketing in FY2019 sustained 42,524 jobs.

It is important to note that jobs impacts in economic impact modeling represent the number of jobs sustained by a given level of economic output. Therefore, the 42,524 jobs are a combination of new jobs and existing jobs which were sustained by the Brand USA-generated international visitor spending. This is because, unlike taxes or GDP, employment does not respond to increases in business activity on a linear basis.

In addition to travel-related sectors, significant employment impacts accrue in the business services and FIRE (finance, insurance, and real estate) sectors as dollars flow through the US economy.

Employment impacts by industry



Source: Oxford Economics

ECONOMIC IMPACTS

Fiscal (tax) impacts

Incremental visitor spending generated by Brand USA activities yielded $913 million in government revenues. Brand USA generated 3.2 times its funding in incremental federal taxes in FY2019.

Brand USA-generated international visitor spending is estimated to have produced Federal taxes of $491 million.

Another $422 million in state and local taxes were generated by Brand USA marketing in the 2019 fiscal year including direct, indirect, and induced impacts.

Brand USA Tax Impacts

Amounts in millions of nominal dollars	Direct	Indirect/ Induced	Total
Total	**$460.4**	**$388.7**	**$913.4**
Federal	**$212.3**	**$279.0**	**$491.3**
Corporate	$66.1	$94.0	$160.1
Indirect business	$28.1	$46.8	$74.9
Personal income	$27.2	$16.5	$43.7
Social security	$90.9	$121.7	$212.6
State and local	**$248.1**	**$109.7**	**$422.1**
Corporate	$106.7	$0.5	$171.6
Personal income	$0.0	$0.0	$0.0
Sales	$16.4	$23.4	$39.8
Property	$4.4	$7.3	$11.7
Excise and fees	$1.5	$2.0	$3.5
State unemployment	$23.1	$18.2	$41.3

Source: Oxford Economics

ECONOMIC IMPACTS

Total Brand USA ROI (FY 2013-2019), including films

Brand USA has attracted 7.4 million visitors to the US over seven years.

Fiscal year	2013	2014	2015	2016	2017	2018	2019	Average	Total
Spending ROI	**$ 34.4**	**$ 17.7**	**$ 19.3**	**$ 27.7**	**$ 26.1**	**$ 28.5**	**$ 20.9**	**$ 24.2**	
Federal Tax ROI	**$ 5.2**	**$ 2.7**	**$ 2.9**	**$ 4.2**	**$ 3.9**	**$ 4.3**	**$ 3.2**	**$ 3.7**	
Brand USA budget (mn)	$ 99	$ 173	$ 158	$ 147	$ 156	$ 144	$ 151	$ 147	$ 1,028
Spending impact (mn)	$ 3,402	$ 3,070	$ 3,036	$ 4,084	$ 4,064	$ 4,100	$ 3,171	$ 3,561	$ 24,928
Federal tax impact (mn)	$ 512	$ 462	$ 457	$ 615	$ 612	$ 618	$ 491	$ 538	$ 3,768
Visits impact	1,143,186	903,440	1,025,183	1,193,893	1,158,645	1,127,976	900,784	$ 1,064,730	7,453,107

Across seven years, Brand USA has generated $25 billion in incremental international visitor spending with an implicit ROI of $24.20 in visitor spending per budget dollar invested.

MARKET PERFORMANCE

MARKET PERFORMANCE

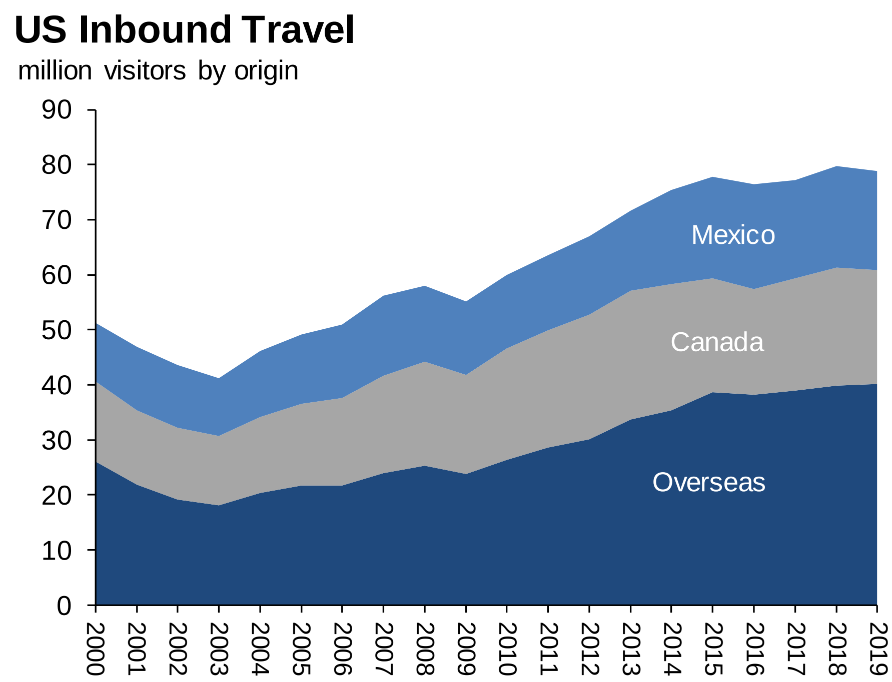
US inbound travel

Overseas markets grew in 2019, but Canadian and Mexican visits declined, leading international visits to the US to fall to 79.3 million.

International arrivals data for the US show strong performance from Asia (India, Japan, and South Korea), though visits from China fell in 2019.

Europe continued to make gains in 2019, supported by growth from France, the UK, and Germany.

Declines from China, Brazil, Canada, and Mexico contributed to the fall in international visits to the US in 2019.



Source: NTTO

MARKET PERFORMANCE

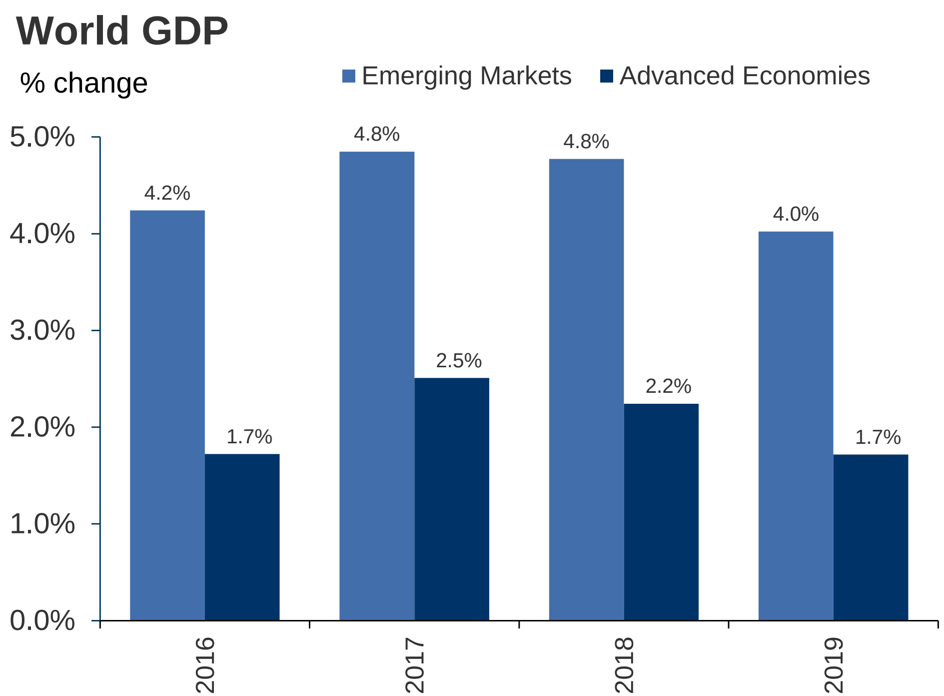
Global economic growth

The global economy moderated in 2019 with a notable slowdown in both emerging and developed markets.

Slowing world trade contributed to a lackluster second half of the year.

Emerging markets, led by China and India, slowed in 2019.

Among developed economies, US GDP grew the fastest at 2.3% in 2019. By comparison, the major economies of Europe all expanded by less than 2.0%.



Source: Oxford Economics

MARKET PERFORMANCE

Global economic growth

Key US visitor markets experienced across the board economic growth in 2019.

China and India continued to lead global economic growth last year, albeit at slowing rates.

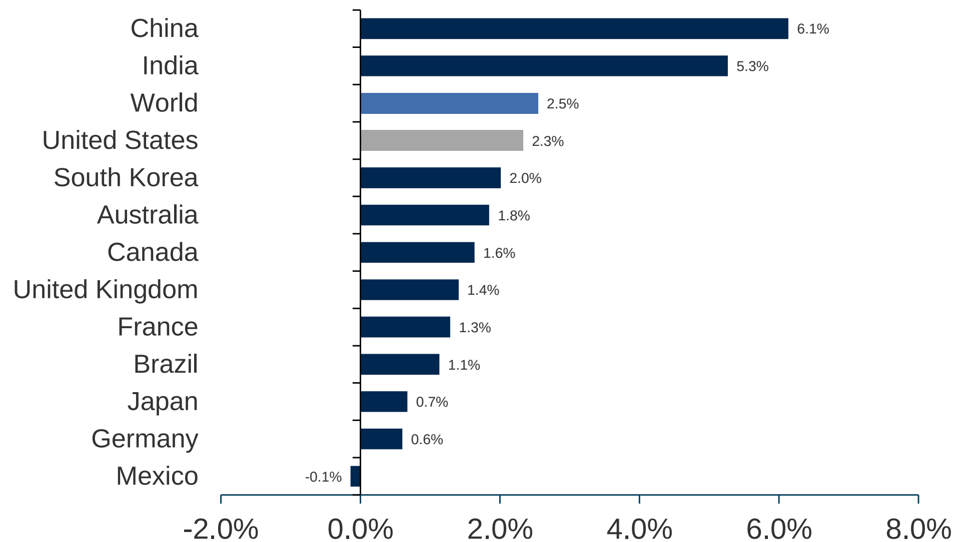
Modest economic expansion in Japan and European markets also helped to drive international travel gains in 2019.

However, travel to the US from Canada, Mexico, China, Brazil, and Australia fell as economic growth slowed in 2019.

.

World GDP by major market in 2019

% change



Source: Oxford Economics

TOURISM ECONOMICS

MARKET PERFORMANCE

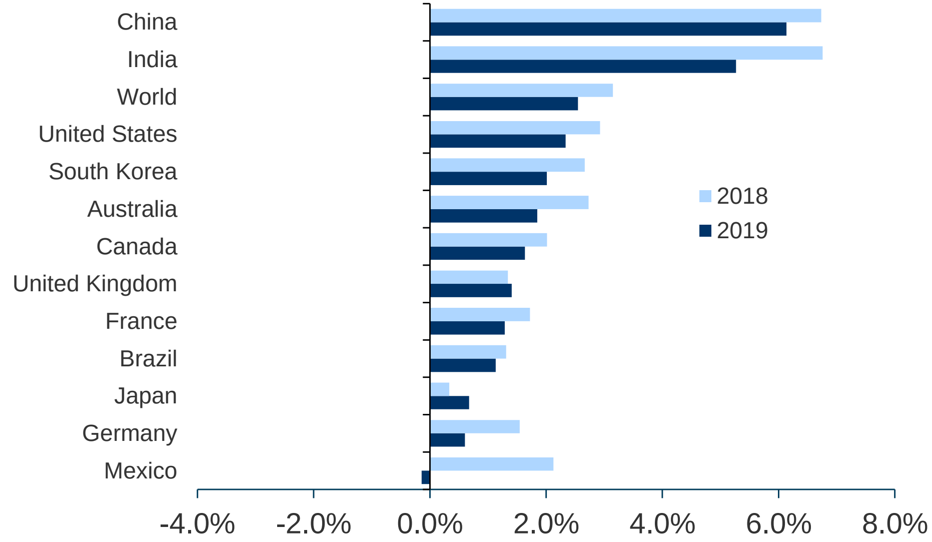
Global economic growth

Nine out of 11 key US travel source markets grew at a slower rate in 2019 than in 2018.

Only the UK and Japan grew faster in 2019 than in 2018 The remaining nine key economies within Brand USA's focus market group decelerated in 2019.

World GDP by major market

% change



Source: Oxford Economics

MARKET PERFORMANCE

Shifts in the dollar

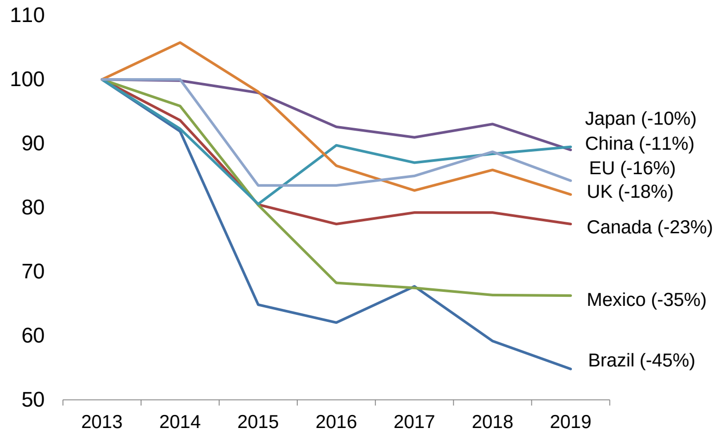
Currency shifts made the US more expensive in 2019 for key European, Asian, and North American markets.

Most major markets have lost visitor purchasing power over the past six years. Visitor from Mexico and Brazil now experience costs that re 35% and 45% more expensive, respectively, due to weakening local currencies.

The dollar continued to strengthen across nearly all major currencies in 2019, making the US more expensive for visitors from most markets. The Japanese yen was the only major currently to gain value against the dollar last year.

$US Exchange rates, $/local currency

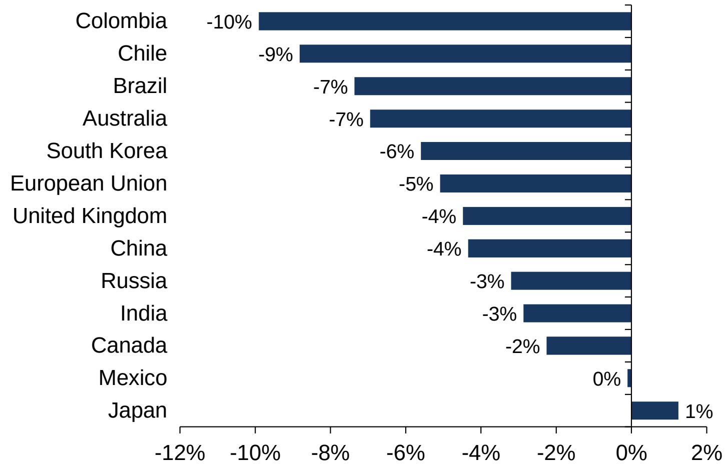
2013=100, annual average



Source: Oxford Economics

Exchange rate shifts in 2019

$US per local



Source: Oxford Economics

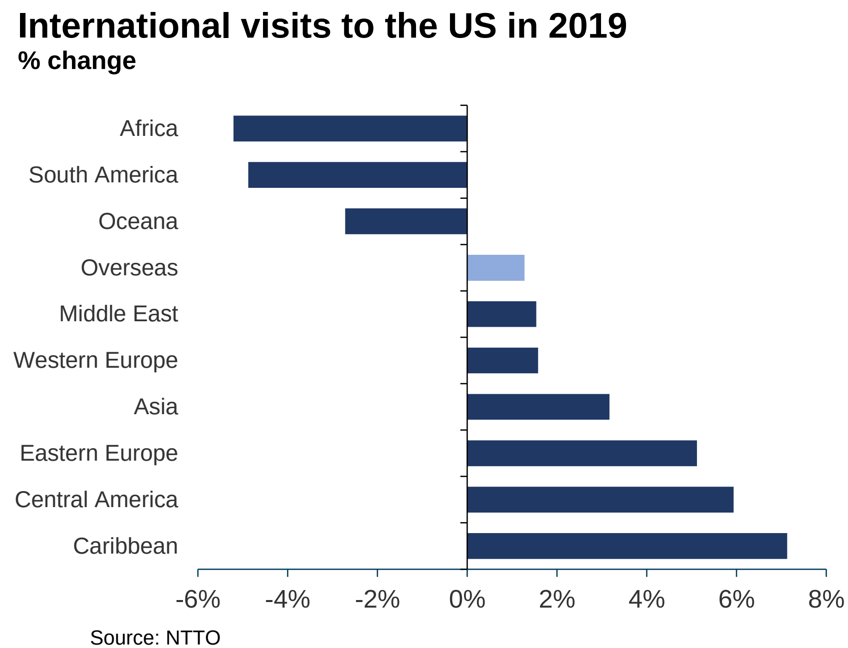
MARKET PERFORMANCE

Performance in 2019

International travel to the US decreased slightly (-0.6%) in 2019 while overseas visits (excluding Canada and Mexico) increased just 1.3%.

US continued to lose market share in 2018 as international travel expanded 4% globally.

While Africa, South America, and Oceana all contracted, visits to the US from all other overseas regions expanded in 2019.



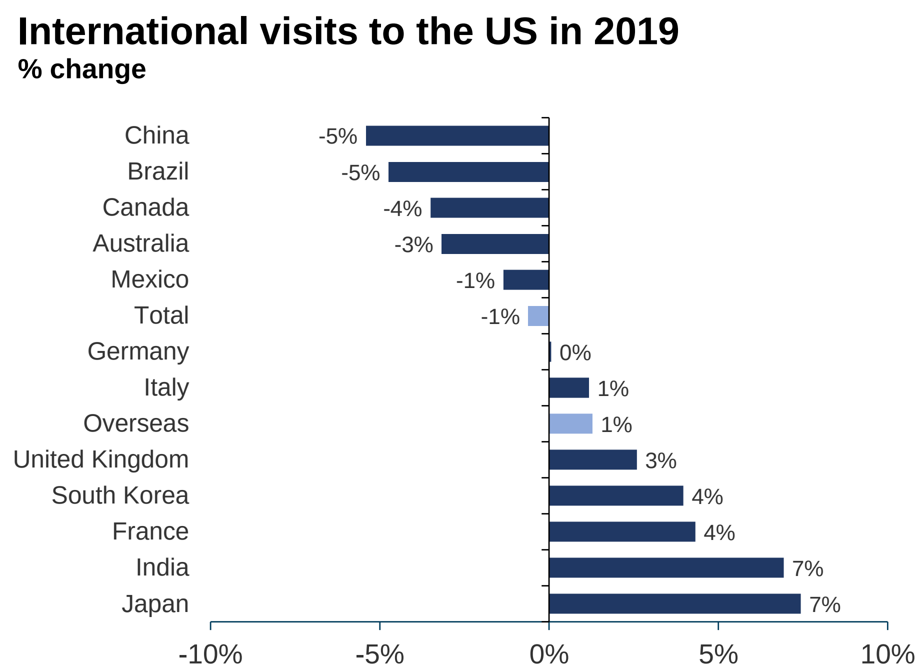
MARKET PERFORMANCE

International visits to the US

Source showed mixed performance in 2019, but modest growth from overseas markets was outweighed by declines from Canada and Mexico.

Disparate performance across markets saw strong growth from Japan and India but significant drops from China, Brazil, and Canada.

A softening global economy and continued strengthening of the dollar prevailed on the overall market in 2019.



Source: NTTO

MARKET PERFORMANCE

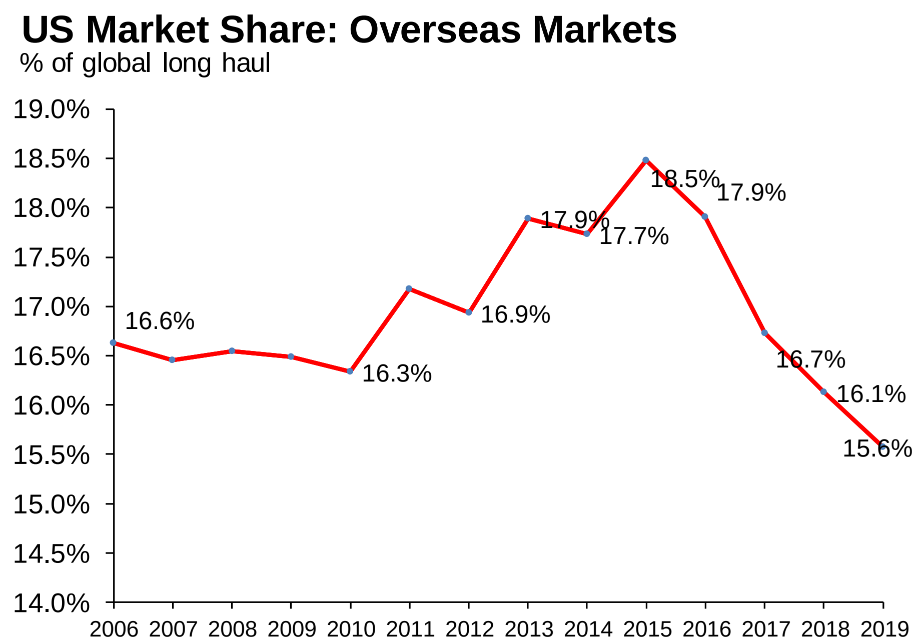
US market share

After peaking in 2015, the US lost 2.9 percentage points of overseas traveler market share over the following four years.

Between 2006 and 2012, the US maintained its market share between 16.6% and 16.9% of overseas long-haul travel*.

US market share began to shift in 2013, rising to 17.9% and increasing steadily over the next few years, reaching a recent history peak of 18.5% in 2015.

Since then, the US has steadily lost market share of long-haul travelers, falling to 15.6% in 2019.



* A long-haul traveler is defined as leaving his/her region of residence based on the following regions: Asia Pacific, Europe, South America, Central America, Caribbean, Middle East, and Africa.

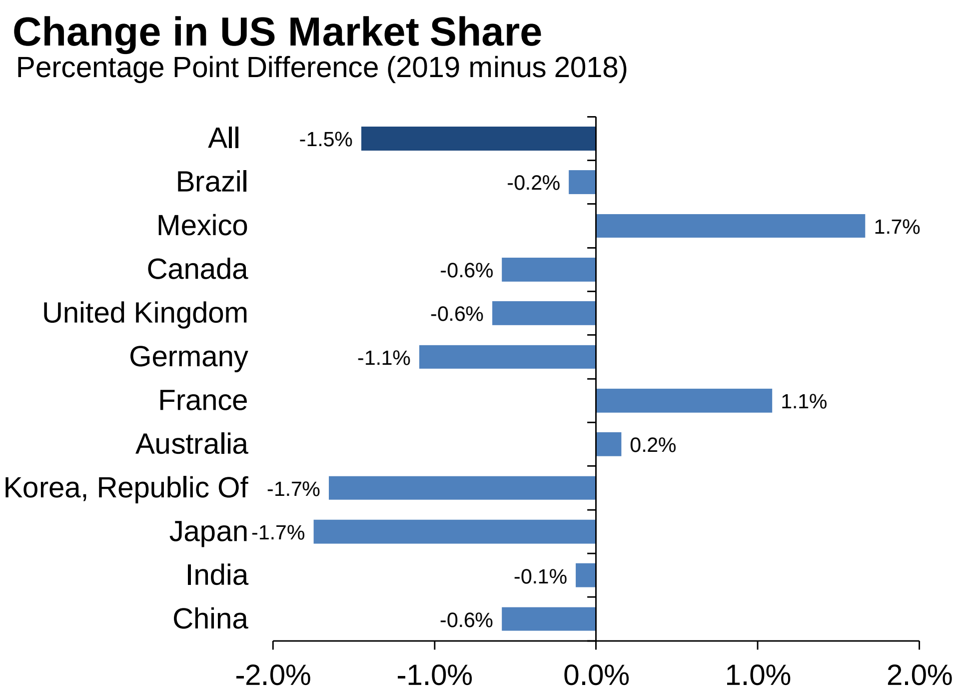
MARKET PERFORMANCE

Focus markets

Focusing on total long-haul travel from 11 key markets, the US lost 1.5 percentage points of market share in 2019.

US experienced decreasing market share in eight of 11 Brand USA's key markets as a strong dollar continued to produce headwinds.

The US gained market share in Mexico, France, and Australia in 2019.



TOURISM ECONOMICS

MARKET PERFORMANCE

US market share of outbound travel

US Market Share of Outbound Travel

	2012	2013	2014	2015	2016	2017	2018	2019
China	13.6%	14.9%	15.2%	14.0%	15.6%	14.9%	14.3%	13.7%
India	10.0%	11.3%	11.1%	11.4%	11.0%	10.5%	10.3%	10.2%
Japan	36.1%	37.0%	35.6%	38.1%	40.0%	40.8%	39.0%	37.2%
S Korea	28.9%	30.1%	26.6%	26.9%	27.7%	27.3%	25.5%	23.8%
Australia	15.4%	17.1%	16.5%	18.0%	16.7%	16.1%	16.2%	16.4%
France	11.4%	12.2%	12.5%	13.3%	12.0%	11.5%	12.5%	13.6%
Germany	17.9%	18.7%	18.5%	19.7%	17.7%	16.9%	15.7%	14.6%
UK	21.5%	21.7%	21.7%	24.1%	22.7%	22.5%	21.8%	21.2%
Canada	63.9%	63.7%	62.8%	59.1%	56.5%	55.8%	55.2%	54.6%
Mexico	86.0%	85.7%	86.4%	86.1%	85.4%	84.5%	86.1%	87.8%
Brazil	25.8%	27.9%	28.5%	28.3%	26.0%	26.3%	26.1%	25.9%
All key markets	**39.8%**	**40.1%**	**40.0%**	**39.1%**	**38.1%**	**36.0%**	**34.9%**	**33.5%**
Overseas key markets	**20.6%**	**21.6%**	**21.2%**	**22.0%**	**21.3%**	**20.0%**	**19.0%**	**18.5%**

MARKET PERFORMANCE

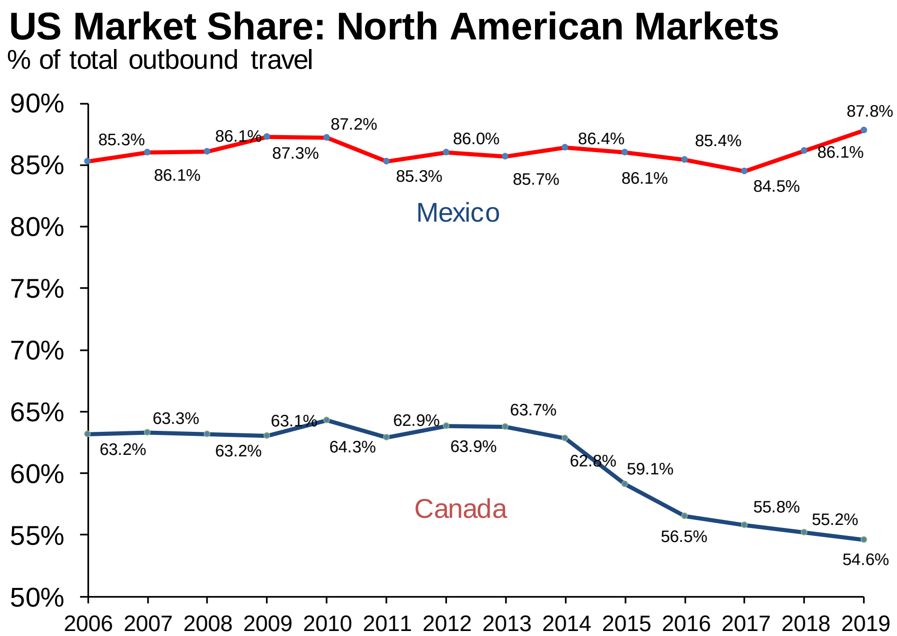
Focus markets

US market position in North America has been mixed, rising in Mexico and falling in Canada.

Canadian travel to the US fell for three consecutive years (2014, 2015, 2016) as the Canadian dollar weakened, lowering the US share of the market to 56.5% in 2016 from 63.7% in 2013. Over these three years, Canadian travel to the US fell 17%.

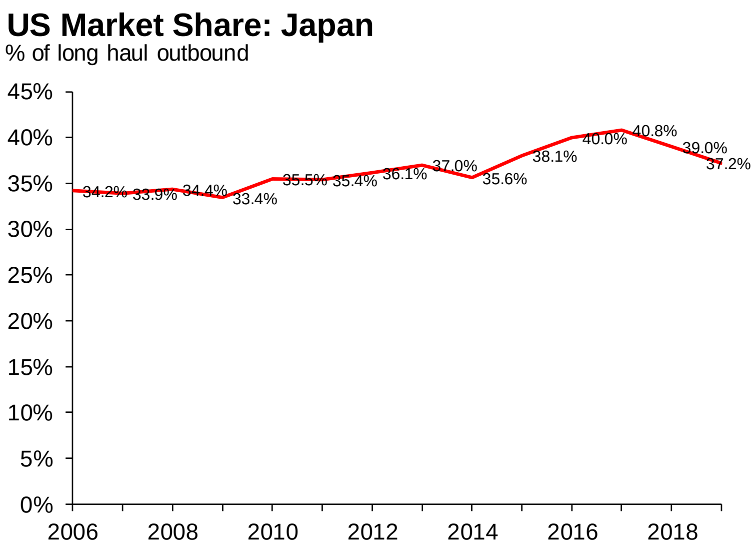
In 2017 and 2018, Canadian travel to the US rebounded somewhat with 4.8% growth in each year. However, Canadian outbound grew faster and US market share fell to 55.2% in 2018. With a 3.5% fall in visits from Canada in 2019, US market share fell further to 54.6%.

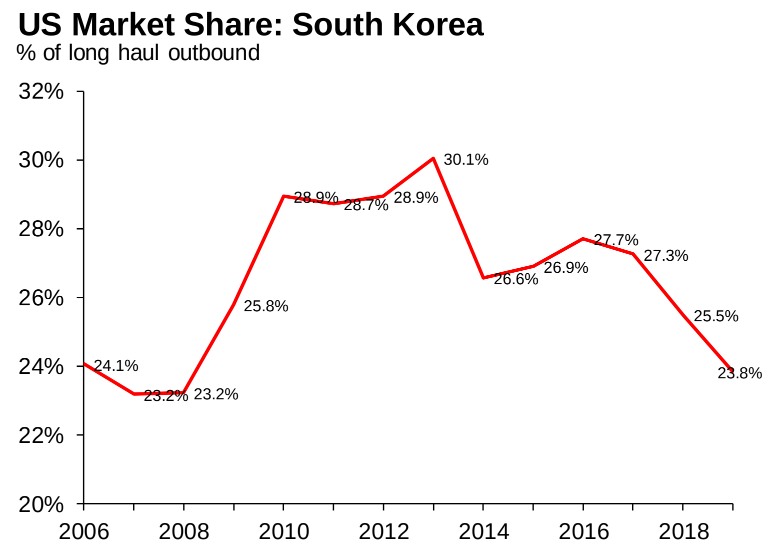
The US holds a particularly strong market position in Mexico, with nearly 90% of all outbound travel going to US destinations. In 2019, the US gained market position to 87.8% of all Mexican outbound.

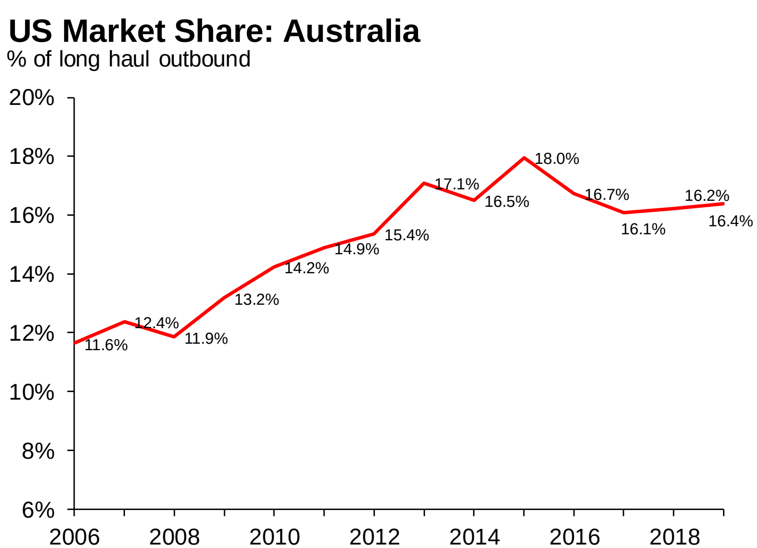


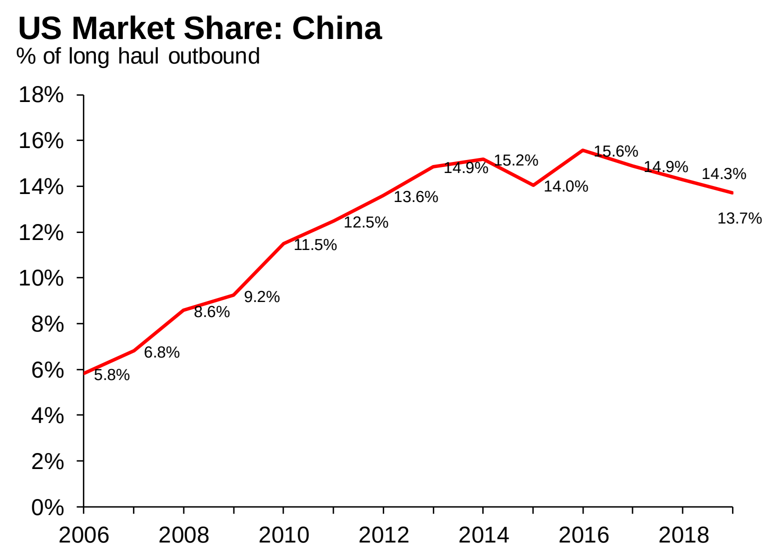
MARKET PERFORMANCE

Focus markets - Asia





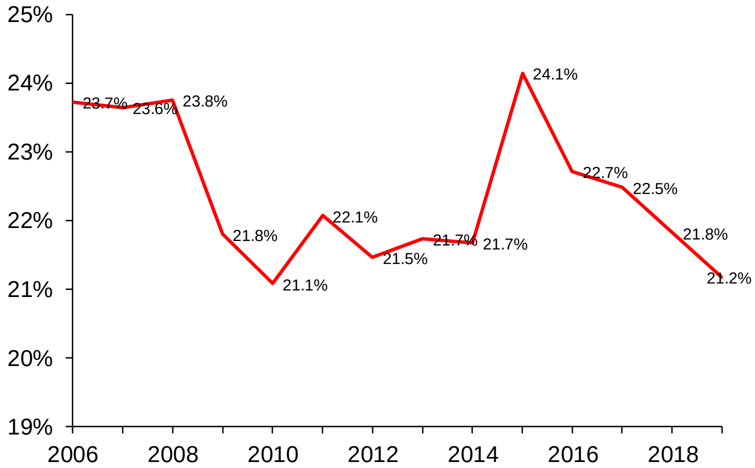




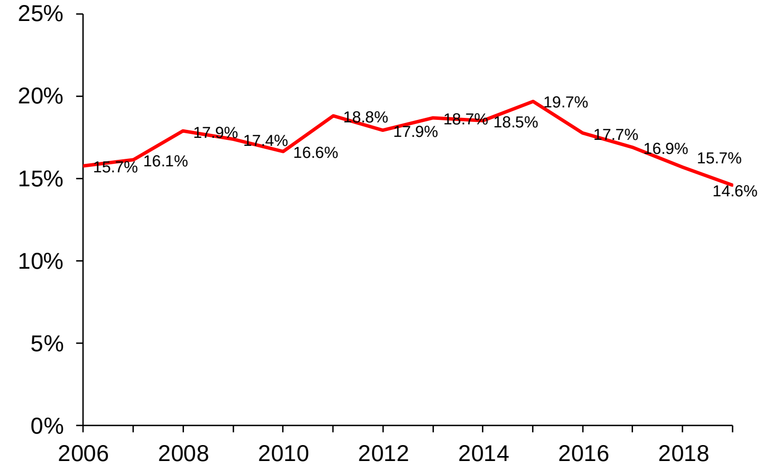
MARKET PERFORMANCE

Focus markets - Europe

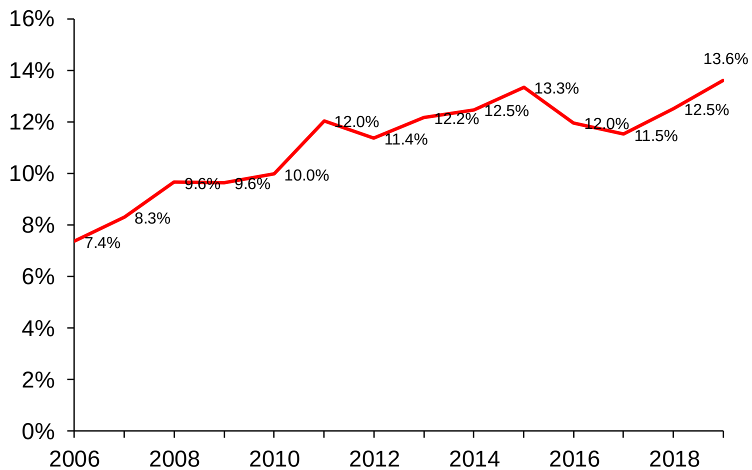
US Market Share: UK
% of long haul outbound



US Market Share: Germany
% of long haul outbound



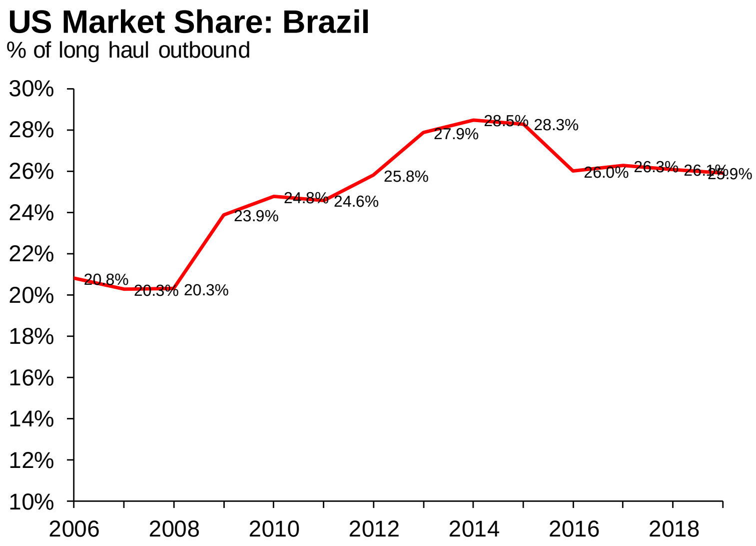
US Market Share: France
% of long haul outbound

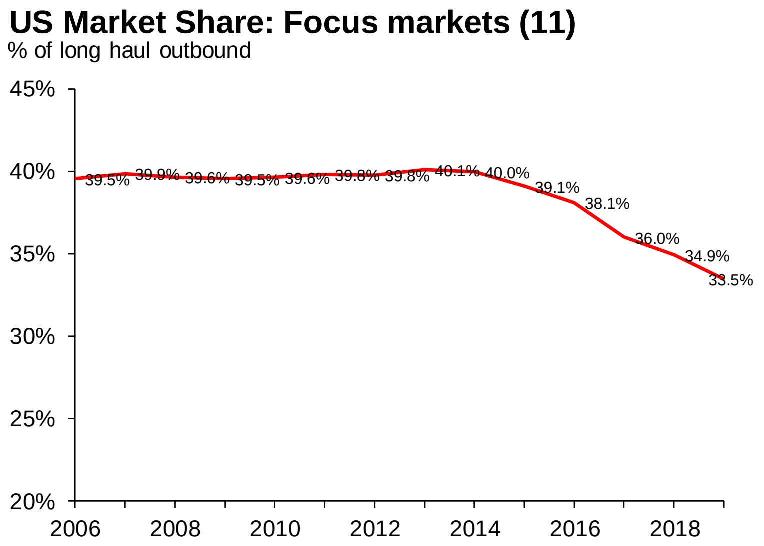


TOURISM ECONOMICS

MARKET PERFORMANCE

Focus markets – Brazil and key market summary





TOURISM ECONOMICS

ABOUT TOURISM 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 250 full-time staff, including 150 professional economists, industry experts and business editors—one of the largest teams of macroeconomists and thought leadership specialists.

For more information:

info@tourismeconomics.com