

ANNUAL REPORT

FISCAL YEAR 2018
October 1, 2017 to September 30, 2018





ABOUT THIS REPORT

In compliance with the Travel Promotion Act, Brand USA submits this report for Fiscal Year 2018 (FY2018) to the Secretary of Commerce to transmit to Congress as an update on the organization's progress, activities, financial condition, and accomplishments for the period October 1, 2017 to September 30, 2018.

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The Brand USA team includes a diverse group of talented travel and tourism professionals dedicated to our mission of increasing incremental international visitation, spend, and market share to fuel our nation's economy and enhance the image of the USA worldwide. See page 123 of this report or visit TheBrandUSA.com to learn more about our dynamic team.

ABOUT BRAND USA

As the destination marketing organization for the United States, Brand USA's mission is to increase incremental international visitation, spend, and market share to fuel the nation's economy and enhance the image of the USA worldwide.

Established by the Travel Promotion Act of 2009 as the nation's first public-private partnership to spearhead a globally coordinated marketing effort to promote the United States as a premier travel destination and communicate U.S. visa and entry policies, Brand USA began operations in May 2011.

As one of the best levers for driving economic growth, international travel to the United States currently supports 1.2 million American jobs* and benefits virtually every sector of the U.S. economy. Since its founding, Brand USA has worked in close partnership with more than 900 partner organizations to invite the world to explore the exceptional, diverse, and virtually limitless travel experiences and destinations available in the United States of America.

According to studies by Oxford Economics, over the past six years Brand USA's marketing initiatives have helped welcome 6.6 million incremental visitors to the USA, benefiting the U.S. economy with \$47.7 billion in total economic impact, and supporting, on average, nearly 52,000 incremental jobs each year.

Brand USA's operations are supported by a combination of nonfederal contributions from destinations, travel brands, and private-sector organizations plus matching funds collected by the U.S. government from international visitors who visit the United States under the Visa Waiver Program.

For industry and partner information about Brand USA, please visit TheBrandUSA.com

For information about exceptional and unexpected travel experiences in the United States, please visit Brand USA's consumer website at VisitTheUSA.com

*Source: U.S. Department of Commerce

STATEMENT OF PURPOSE

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

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

We will realize our vision and accomplish our mission by staying true to these foundational elements:

Build and Maintain Trust

Build and maintain trusted relationships with stakeholders worldwide through inclusive, proactive, and transparent outreach with a commitment to compliance and integrity through words, actions, and results.

Create Innovative Marketing

Promote the entirety of the USA with innovative marketing that supports all 50 states, the District of Columbia, and five territories to, through, and beyond the gateways.

Add and Create Value

Add and create value by pioneering cooperative marketing platforms and programs that leverage and grow the USA brand in ways our partners would be challenged or unable to do on their own.

Market the Welcome

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

Drive Results

Maximize and optimize the return on investment of Brand USA’s resources by deploying the right messages, through the right channels, in the right markets, at the right times, and at the right levels of investment.

While specific objectives, goals, strategies, and measures will be developed on an annual basis to successfully realize our purpose, these elements establish the foundation for all we do. As we track our progress in pursuit of this purpose, the true measure of our success will be the degree by which we create sustainable funding sources and meet our responsibility to drive significant, year-over-year increases in incremental international visitation, spend, and market share and our country benefits in economic prosperity and growth as a result of our efforts. We will build upon the effectiveness of our overall destination marketing strategies by leveraging the strength of federal resources, including embassies and consulates, worldwide.





“ The organization continues to create exciting programs and campaigns that inspire people from across the globe to enjoy the unique experiences one can only enjoy in our 50 states, five territories, and the District of Columbia.

LETTER FROM THE CHAIR OF THE BOARD

The United States travel and tourism sector is a critical component of our country's economy with impacts that are felt across a wide variety of industries—from lodging and transportation to retail and professional services. According to the U.S. Department of Commerce, combined domestic and international travel and tourism accounted for 2.8 percent of gross domestic product and generated over \$1.62 trillion in economic output in 2017. In the same year, travel and tourism supported 7.8 million jobs across a variety of industries in the United States—with 1.2 million of those jobs the direct result of international traveler visits to the USA (travel exports).

In 2017, the latest year for which the Department of Commerce has complete international arrivals and spend data at the time of this writing, 76.9 million international visitors traveled to the USA and spent \$251.4 billion, leading to a \$77.4 billion trade surplus and an impressive level of travel exports for the United States. In fact, travel and tourism exports accounted for 11 percent of all U.S. exports and 32 percent of all services exports in 2017, making the industry the country's largest services export.

Economists at the Department of Commerce forecast that international travel to the United States should increase by about 3.7 percent each year over the next five years – which will continue to add to travel and tourism's contribution to our nation's economic output and employment figures.

Brand USA is committed to continue to foster this growth and ensure that the benefits are spread throughout the country.

The United States is the world's top exporter of travel and tourism services, but faces several challenges to maintaining and increasing that position. The strength of the U.S. dollar directly impacts arrivals and spend and also decreases the competitive position of the United States compared with other countries with weaker exchange rates. Additionally, as more and more consumers around the world look to travel outside their borders, many of those who have already visited the United States are marketed to by new countries inviting them to visit their destinations. Finally, the United States and many of our key source markets are, or recently have been, in periods of political change, which can lead to delays in individual travel decisions.

Brand USA is well equipped to help the United States overcome these challenges. The organization continues to create exciting programs and campaigns that inspire people from across the globe to enjoy the unique experiences one can only enjoy in our 50 states, five territories, and the District of Columbia.

Brand USA's marketing and communications remind audiences that travel transcends politics and that the USA is as amazing a destination as ever.

In my second year as board chair and fifth year on the board, I have seen the organization continue to innovate with research-driven marketing strategies at the forefront of emerging trends and technologies in order to increase the number of international travelers Brand USA has welcomed to the USA.

Marketing and communications have been increasingly tailored to specific audiences, while new channels have increased the efficiency and effectiveness of media spend. These qualities manifest themselves in a high return on investment, and this FY2018 annual report serves as a testament to Brand USA's effectiveness and the way it is successfully achieving its mission.

International travel and tourism is critically important to our nation's economy. That is why, in the face of threats to the United States' ability to earn an increasing share of the world's travelers, the work of Brand USA is more important today than ever before.

With continued support and the recognition of Brand USA's contributions to the U.S. economy, I am confident the organization will continue to build on its strong record as the nation's destination marketing organization—showcasing our country's incredible people, places, and experiences to international travelers worldwide.

Barbara J. Richardson

Barbara Richardson
Chair of the Board
Brand USA

May 15, 2019





“ We understand how important our work is to supporting economic growth in communities large and small, and we are proud to showcase to the world our nation’s unique and diverse destinations, experiences, and people.

LETTER FROM THE PRESIDENT & CEO

Brand USA’s annual report to Congress for Fiscal Year 2018 (FY2018) details all the ways we are successfully accomplishing our mission by leveraging our strategies to create innovative marketing, market the welcome, build and maintain trust, and add and create value in order to drive results.

Our international marketing efforts this year included a combination of consumer-focused USA campaigns, cooperative marketing programs, travel-trade outreach, media and public relations campaigns, and collaboration with our federal partners.

A recent study by Oxford Economics demonstrates the strong results of Brand USA and its work with partners in all sectors of the travel and tourism industry and beyond. The study reveals that over the past six years, Brand USA generated:

- 6.6 million incremental visitors
- \$21.8 billion in incremental spend
- \$47.7 billion in total economic impact
- \$6.2 billion in federal, state, and local taxes
- Nearly 52,000 incremental jobs supported each year
- A return to the U.S. economy an average of \$28 for each \$1 spent on marketing activities.

Additionally, research by Phocuswright and Oxford Economics found that Brand USA’s first giant-screen film, National Parks Adventure, will generate \$700 million in incremental spend and 172,335 incremental visitors to the United States from FY2017 through FY19.

During FY2018, Brand USA premiered its second giant-screen film, America’s Musical Journey, which takes viewers on a journey with Grammy-nominated artist Aloe Blacc as he traces the musical heritage of the United States. The film is playing in IMAX™ and other giant-screen theaters in Australia, Canada, France, Japan, Mexico, Spain, South Korea, Switzerland, and the United Kingdom. Earned media coverage to date equals \$100 million in advertising value, based on nearly 1.5 billion in media impressions generated by the 343 news stories. To compliment the film, we launched the Hear the Music, Experience the USA campaign that featured five artists, from five U.S. cities representing different music genres and their interpretation of the iconic song “Do You Want to Dance.” The campaign’s success resulted in an expansion of the program for FY2019.

We also were the first national destination marketing organization to launch a proprietary connected TV channel, with the introduction of GoUSA TV to audiences worldwide.

The channel streams inspiring content in the form of documentaries, films, and vignettes, as well as episodic features, each with a distinct sense of place as told from the diverse perspectives of people across the USA—all designed to pique interest in travel to the USA. GoUSA TV is available on demand with no subscription fees or logins required on smart TVs or streaming sticks from Roku, Apple TV and Amazon Fire; and via the GoUSA TV app available on iOS and Android mobile devices.

Our cooperative marketing programs continue to provide value for destinations and travel brands. During the year, we worked to further refine our program offerings, which helped us increase program participation by 29% compared to FY2017. In fact, in FY2018 we worked with nearly 400 partners of all shapes and sizes to promote destinations and experiences in rural and urban areas of the USA through our cooperative programs.

Our work with the influential travel trade also expanded considerably during the year, with our global trade development team hosting four sales missions, 16 road shows, 18 product familiarization tours, and 17 trade shows; introducing new training initiatives; and placing a new focus on product and itinerary development.

All indications during the year were that travel interest to the USA remained strong, but not without certain challenges, including the strength of the U.S. dollar to other currencies and misperceptions about U.S. visa and entry policies. As a result, our messaging through owned and earned channels focused on emphasizing the inherent value the USA offers travelers, the welcoming nature of the people of the USA, and the critical importance of the work of the U.S. government's efforts to ensure the security of its citizens and the millions of travelers who visit the USA each year.

As part of this effort, we also worked with our federal partners to communicate across all our available channels accurate and timely travel policy information to international travelers and the international travel trade industry.

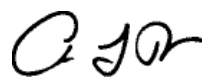
We worked on several key initiatives with our federal partners throughout the year primarily with the National Travel and Tourism Office (NTTO) at the U.S. Department of Commerce.

In September 2018, I had the pleasure of accompanying Phil Lovas, deputy secretary for travel and tourism at the U.S. Department of Commerce, to India where we discussed ways we can grow our presence and tap into India's emerging travel market. We also led the USA's involvement in the 2018 China – U.S. Tourism Leadership Summit in Hangzhou, China, an annual event designed to build and strengthen relationships between the U.S. and Chinese travel industries.

While we await the final international arrivals figures for 2018 from the U.S. Department of Commerce, the NTTO data shows nearly 77 million international travelers visited the United States and spent \$251.4 billion through calendar year 2018. While these numbers demonstrate continued growth in visitation to the USA, which by all accounts remains the most aspirational destination in the world, the United States' market share has fallen in the past two years as more and better resourced destinations compete for an increasing share of the world's travelers. In addition, certain of our competitors have the geographic advantage of proximity to tourism growth in China, broader Asia, and the Indian sub-continent.

To ensure Brand USA is best positioned to compete within this environment, we continually track the effectiveness of our efforts to increase international visitation to all 50 states, the five territories, and the District of Columbia. We understand how important our work is to supporting economic growth in communities large and small, and we are proud to showcase to the world our nation's unique and diverse destinations, experiences, and people. We look forward to working with our many partners to generate strong results for years to come.

Together, we are marketing the USA!



Christopher L. Thompson
President & CEO
Brand USA

May 15, 2019



HOW WE MARKET THE USA

New Orleans, Louisiana



HOW WE MARKET THE USA



USA Campaigns



Cooperative Marketing Programs



Trade Outreach

Brand USA deploys a number of market-driven strategies to increase inbound visitor travel to the United States and drive tourism dollars to communities in all 50 states, the five territories, and the District of Columbia.

During FY2018, these ongoing initiatives included the USA Campaigns, cooperative marketing programs, and trade outreach initiatives that, in total, promoted the United States in its entirety and added and created value for our partners.

We also collaborated closely with our federal partners, led by the Department of Commerce, to support our shared objectives to increase incremental international visitation and spend, as well as communicate U.S. visa and entry requirements and correct misperceptions about those policies.

THE USA CAMPAIGNS

(Direct to Consumer)

The USA Campaigns, which include any combination of broadcast, out-of-home, print, digital, and multi-media strategies, are fundamental to Brand USA's ability to reach, engage, and inspire travelers to visit the USA. Notably, the USA Campaigns also include high-profile global marketing initiatives, such as cinematic film production.

The creative featured in our campaigns is informed by consumer research and enhanced by learnings from consumer testing in target markets. In addition to the tangible results these campaigns deliver, they provide opportunities for our partners to reach international travelers through cooperative marketing opportunities.

Broadcast

Brand USA currently uses a limited amount of broadcast media (TV and radio) in its overall marketing, but this medium remains an important channel. Most often, broadcast is used to create broad-based awareness about the USA or to promote or amplify marketing campaigns.

Out-of-Home

Out-of-home advertising, which includes signage (print and digital), video, billboards, and other on-location advertising, is utilized in select markets to reach international travelers when they are in active, public places. These include, but are not limited to, public transportation and transit (subway, taxi, bus, highway, etc.) and commercial locations (city centers, retail venues, cinema, etc.).

Print

Through print advertisements and advertorials featuring vibrant imagery, inviting messaging, and clear calls to action, Brand USA inspires travelers to visit the USA.

Digital Marketing/Social Media

The majority of the USA Campaigns are driven by digital marketing strategies to engage, inspire, and prompt international travelers to visit the United States. A variety of channels and methods are used, including:

- Proprietary website platforms
- Social media channels
- Global digital marketing and social campaigns
- Rich media
- Targeted advertising

Proprietary Consumer Website Platforms

Brand USA has two online consumer identities in the marketplace:

- VisitTheUSA (VisitTheUSA.com), which includes a global site in English plus in-language sites in most markets where Brand USA markets the United States to international travelers
- GoUSA, which is active in Asian markets, including China and Hong Kong (GoUSA.cn), Taiwan (GoUSA.tw), India (GoUSA.in), Japan (GoUSA.jp), and South Korea (GoUSA.or.kr)

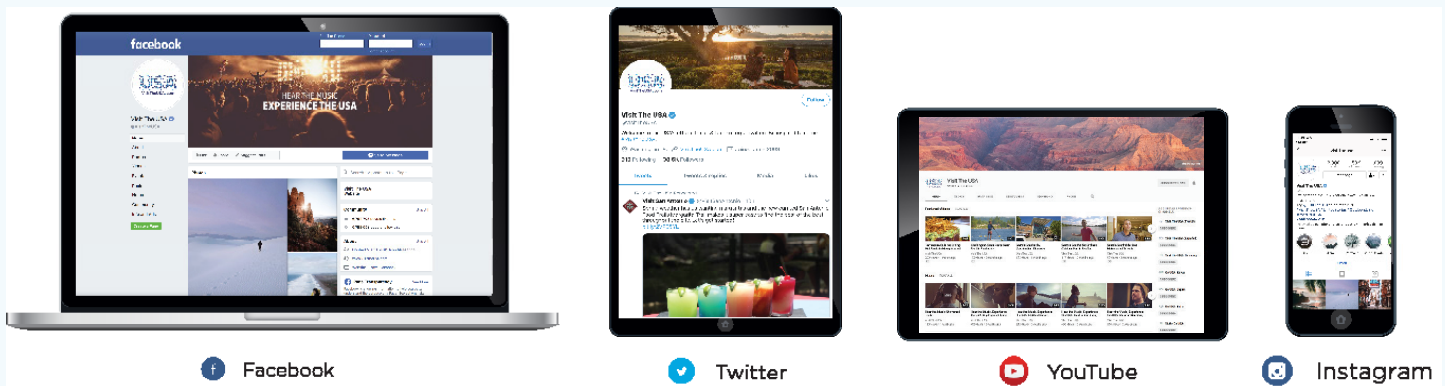
Together, the VisitTheUSA and GoUSA website platforms are the consumer-facing online identities international travelers associate with travel to the United States.

 Global English	 English (UK)
 English (Australia)	 English (Canada)
 English (India)	 French (Canada)
 Portuguese (Brazil)	 English (Sweden)
 French (France)	 German (Germany)
 Korean (Korea)	 Spanish (Chile)
 Spanish (Colombia)	 Spanish (Mexico)
 Japanese (Japan)	 Simplified Chinese (China)

Each site is mobile-responsive and geo-targeted, enabling travelers in each of our target markets to view content on their preferred devices and in their native language. In addition, each site includes content and interactive functionality to maximize engagement, encourage return visits, and influence travelers to plan their USA trip now. Features include interactive maps, a custom trip itinerary planning tool, consumer travel ratings, seasonal weather, and practical travel information, plus game-like and other multi-dimensional functionality to prompt trip planning. Content is continually adjusted and personalized for returning visitors to enhance site performance—with modifications to existing pages and the building of new pages simplified through the use of immersive templates incorporated within each site.

During FY2018, Brand USA continued to optimize the performance of its consumer websites with the addition of rich content tied to the USA Campaigns. For example, custom playlists by Spotify helped promote U.S. destinations as part of the Hear the Music, Experience the USA campaign.

Also during the year, Brand USA revamped and re-launched its in-language sites for travelers from China and Taiwan. The new GoUSA.cn and GoUSA.tw consumer websites are now on the same platform as Brand USA's other consumer sites and therefore benefit from their same deep content and expanded functionality.



These improvements helped drive increased visits and engagement. In fact, the VisitTheUSA and GoUSA consumer sites generated more than 39 million page views and 28.7 million sessions during the fiscal year—increases of 20 percent and 27 percent, respectively, compared to FY2017.

Social Media Channels

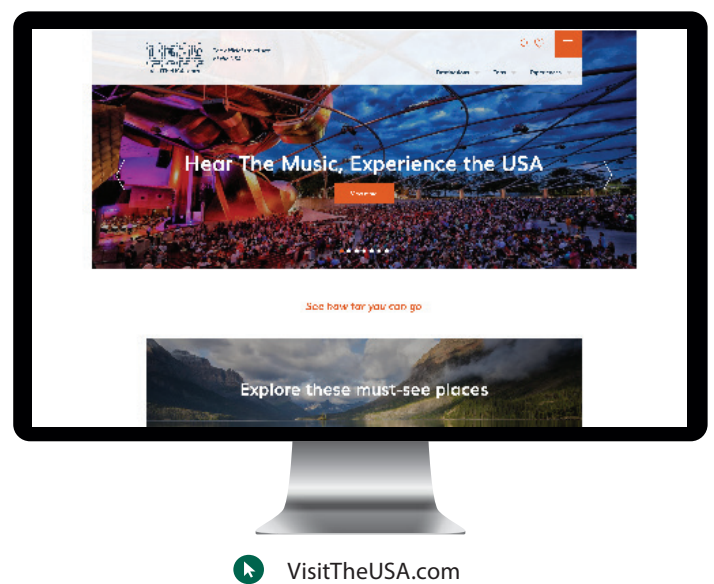
In addition to the global and in-market VisitTheUSA and GoUSA proprietary websites, Brand USA leverages related social media accounts in consumer-facing content and communications. Each market where Brand USA has a fully developed marketing presence and dedicated in-language website has a complementary set of social channels Brand USA uses to reach and engage consumers.

The following handles are used for global, consumer-facing promotions in English:

- Website: VisitTheUSA.com
- Twitter: @VisitTheUSA
- Facebook: Facebook.com/VisitTheUSA
- YouTube: YouTube.com/VisitTheUSA
- Instagram: VisitTheUSA

The following are some of the campaign hashtags that supported global and thematic promotions and initiatives during FY2018:

- Global: #VisitTheUSA
- Flavors/Culinary: #TasteUSA
- Road Trips: #RoadTripUSA
- Great Outdoors: #OutdoorsUSA
- Market the Welcome: #USAWelcome



Brand USA currently has localized digital media efforts in the following markets via the channels shown in Chart 1.

CHART 1

Digital Channels

MARKET	URL	LOCAL TAGLINE	FACEBOOK	TWITTER	HASHTAG	INSTAGRAM	YOUTUBE
Australia	VisitTheUSA.com.au	Plan Your USA Trip Now	facebook.com/VisitTheUSAau	@VisitTheUSA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA
Brazil	VisiteosUSA.com.br	Planeje Sua Viagem Aos USA Agora Mesmo	facebook.com/VisiteOsUSA	@VisiteOsUSA	#VisiteOsUSA	VisitTheUSA	YouTube.com/VisiteOsUSA
Canada: English	VisitTheUSA.ca	Plan Your USA Trip Now	facebook.com/VisitTheUSAcA	@VisitTheUSAcA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA
Canada: French	fr.VisitTheUSA.ca	Planifiez Votre Voyage Aux USA Dès Maintenant	facebook.com/VisitTheUSAcA	@VisitTheUSAcA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSAfr
Chile	VisitTheUSA.cl	Planifica tu viaje a USA ahora	facebook.com/VisitTheUSAcl	@VisitTheUSAes	#VisitTheUSA	VisitTheUSA	(Spanish) YouTube.com/VisitTheUSAes
China	GoUSA.cn	即刻 定制 您的 USA 旅行 计划	n/a	Sina Weibo (Chinese microblogging site/hybrid of Twitter and Facebook): http://weibo.com/GoUSAcn Tencent Weibo (Chinese microblogging site): http://t.qq.com/DiscoverGoUSA Youku (YouTube equivalent): http://i.youku.com/gousacn Weishi (Vine equivalent): http://www.weishi.com/u/23484775 Wechat (Chinese mobile social network for texting, images, music and articles sharing, mobile only): 美国国家旅游局 Lofter (Photo sharing platform): http://GoUSA.lofter.com			
Colombia	VisitTheUSA.co	Planifica tu viaje a USA ahora	facebook.com/VisitTheUSAcO	@VisitTheUSAes	#VisitTheUSA	VisitTheUSA	(Spanish) YouTube.com/VisitTheUSAes
France	VisitTheUSA.fr	Préparez Votre Voyage Aux USA Dès Maintenant	facebook.com/VisitTheUSAfr	@VisitTheUSAfr	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSAfr
Germany	VisitTheUSA.de	Plant Jetzt Eure Reise In Die USA	facebook.com/VisitTheUSAdE	@VisitTheUSA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSAdE
India	GoUSA.in	Plan Your USA Trip Now	facebook.com/GoUSAin	@GoUSAin	#USATrip	VisitTheUSA	YouTube.com/GoUSAin
Japan	GoUSA.jp	今すぐ USAへの旅の計画を	facebook.com/GoUSAjp	@GoUSAjp	アメリカ旅行	VisitTheUSA	YouTube.com/GoUSAjp
Mexico	VisitTheUSA.mx	Planifica Tu Viaje A USA Ahora	facebook.com/VisitTheUSAmx	@VisitTheUSAes	#VisitTheUSA	VisitTheUSA	(Spanish) YouTube.com/VisitTheUSAes
Korea	GoUSA.or.kr	지금 USA 여행을 계획해보세요	facebook.com/GoUSAkr	@GoUSAkr	#미국여행	VisitTheUSA	YouTube.com/GoUSAkr
Sweden	VisitTheUSA.se	Plan Your USA Trip Now	facebook.com/VisitTheUSAse	@VisitTheUSA	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA
Taiwan	GoUSA.tw	n/a	facebook.com/GoUSA.official	n/a	n/a	n/a	n/a
United Kingdom	VisitTheUSA.co.uk	Plan Your USA Trip Now	facebook.com/VisitTheUSAuk	@VisitTheUSAuk	#VisitTheUSA	VisitTheUSA	YouTube.com/VisitTheUSA



Because every place has a story.

Because every place has a story.

Introducing the new GoUSA TV. The premier travel entertainment channel, available at your fingertips with no subscription, no fees and no logins required.

Watch full episodes, documentaries and films, told from the diverse perspectives of real people across America.

Download. Escape. Explore. GoUSA TV.

Over-the-Top (OTT) TV Channel

During FY2018, Brand USA launched GoUSA TV, the first proprietary OTT TV channel (also known as connected TV) established by a national destination marketing organization. GoUSA TV streams entertainment-driven travel content “on demand” to viewers on smart TVs or streaming sticks via Roku, Amazon Fire, or Apple TV and its associated iOS and Android apps for mobile devices and tablets. Following a soft launch in November 2017, Brand USA officially introduced GoUSA TV to worldwide audiences in February 2018. The channel takes advantage of digital video trends and the growth of households that are cutting their reliance on cable and broadcast television programming in favor of on-demand entertainment.

GoUSA TV is available without a subscription and offers viewers direct access with no associated fees or logins required. Brand USA seeks to establish GoUSA TV as the go-to channel to entertain viewers and ultimately inspire travel to the USA. The channel attracts viewers worldwide with its range of episodic content, documentaries, and films about U.S. destinations and experiences told from the diverse perspectives of real people across America.

Global Digital Marketing and Social Campaigns

By creating and cultivating content on our primary digital channels, we are able to increase familiarity and affinity for the USA with consumers in our target markets. Through ongoing search engine optimization and consumer engagement utilizing local social media managers, influencers, and others, we are able to continually enhance campaign performance on our owned and third-party digital channels, and connect with travelers using culturally relevant content steeped in storytelling.

Brand USA focuses on storytelling as a core marketing strategy because we know the best way to move people — both literally and emotionally — is by showcasing the exceptional, diverse and real experiences found in our destinations. Storytelling also has the versatility to reach consumers at every stage of the travel lifecycle—from dreaming to consideration to booking to traveling and sharing experiences with others—as well as the flexibility to be enjoyed on a range of platforms from mobile to the giant screen and everything in between.

During FY2018, Brand USA significantly evolved its screen and storytelling strategy to match the right content to the right person at the right moment on the right channels. As the year progressed, our USA Campaigns definitively moved from a “one size fits all” approach to one that allowed us to tailor our messaging and creative to give a voice to real travel experiences in the USA—and in so doing drive more organic, locally relevant, positive, and cost effective engagements with consumers.

Brand USA’s screen and storytelling strategy manifested itself in the following campaigns over the course of the fiscal year:



- Roadtrips USA (October 2017 – December 2017): Social campaign highlighting classic American roadtrips promoted via Facebook, Twitter, and Instagram

Ask A Local

- Ask a Local (October 2017 – September 2018): “Always on” online video campaign providing unique travel recommendations from locals, featured on VisitTheUSA.com and GoUSA TV and promoted via Instagram Stories and paid social.



- Go Now (January 2018): “Always on” campaign to motivate travelers to plan their USA trip during the height of the trip planning season, promoted via Facebook, Twitter, and Instagram



- Hear the Music, Experience the USA (March 2018 – July 2018): “Always on” online video campaign to showcase the music that helps define U.S. communities, featured on VisitTheUSA.com and promoted via display advertising and paid social and supported by our partnership with Spotify



- Sound Travels (March 2018 – August 2018): Integrated digital campaign in partnership with Expedia, which utilized 3D audio to promote travel to the USA via an interactive content hub where travelers were able to access recommended itineraries based on their individual sound and activity preferences. An integrated booking widget provided travelers promotional offers and booking options. The campaign was promoted via social media in Australia, Canada, Mexico, and the United Kingdom plus co-branded TV spots in Mexico and the United Kingdom.

- India Influencers (June 2018 – September 2018): Influencer campaign promoted via social marketing on YouTube, Instagram, and Facebook designed to drive travelers to GoUSA.in to plan their USA trip during peak planning and booking periods.



India influencer Shirley Setia in Grand Canyon National Park, Arizona (top), Natural Bridge, Death Valley, California (middle), and Badwater Basin, Death Valley, California



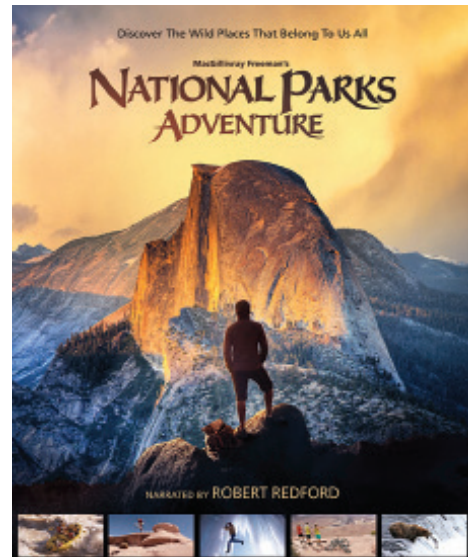
Cinematic Films

During FY2018, Brand USA continued to leverage its award-winning giant-screen films to promote the USA. These films included:

- National Parks Adventure, which premiered in February 2016 and celebrates the centennial of the U.S. national parks, and
- America's Musical Journey, which premiered in February 2018 and takes viewers on a journey across the USA using music as a cultural lens to explore the sights and sounds of iconic music destinations.

Both films were and continue to be promoted at science centers and commercial theaters throughout the world and are scheduled to be shared on Brand USA's owned and third-party channels as they near the completion of their theater runs. For example, in February 2018, Netflix, the world's leading internet entertainment service with over 130 million memberships, began streaming the multi-award-winning film National Parks Adventure—further extending its value and reach.

These immersive films have proven to be our most effective and highest-value marketing platform to date.



In fact, according to a study by Oxford Economics, Brand USA's first film, National Parks Adventure, is expected to inspire 170,000 incremental international visitors to come to the USA from 2017 through 2019. The study estimates these travelers will generate \$700 million in incremental visitor spending, resulting in a total economic impact of \$1.5 billion and a return on investment for the film of 56:1.

In February 2018, Brand USA's second giant-screen film, America's Musical Journey, opened in more than 75 theaters around the world, capturing the attention of movie-goers and generating nearly 2 billion impressions across earned and paid media. The film follows singer/songwriter Aloe Blacc as he traces the roots of American music and follows the path of legendary musician Louis Armstrong as he made his way across the USA, influencing popular culture and breaking new ground as he faced the challenges of racial discrimination. Along this journey, the film explores some of the USA's great musical cities—places like New Orleans, Chicago, Nashville, Miami, New York City and more—where such electrifying art forms as jazz, the blues, country, soul and rock and roll were born.

America's Musical Journey was the flagship platform for our global messaging strategy during FY2018 that focused on music as a cultural lens to discover the richness of travel in the USA. In April 2018, the film won "Best Audience Recommendation Award" in the Science and Technology section at the Beijing International Film Festival.

As a result of the success of the first two films, Brand USA began production on a third film during FY2018, Exploring Wild America (working title), scheduled for release in February 2020. The film will bring to life trails and trailblazers by sharing stories of the great outdoors, the discovery of new cities, and people who overcame seemingly devastating challenges in order to bring their dreams to life. Ultimately, this is a film about America's unexpected places—her hidden gems—and the power of exploration and travel to enrich our lives.





Yarmouth, Massachusetts

COOPERATIVE MARKETING

(Consumer-focused)

Cooperative marketing opportunities make up the majority of our marketing efforts and deliver an array of marketing options to increase awareness, visitation, and spend by international travelers. They also provide opportunities in which partners of all shapes and sizes can participate. With more than 100 programs available in more than 20 markets, we offer destinations, attractions and travel brands the opportunity to effectively and cost efficiently reach international travelers in ways they would be challenged to do on their own.

Cooperative marketing programs are built upon the framework of the USA Campaigns, but integrate more specific travel experiences and messages.

Brand USA has two major cooperative marketing categories: Brand USA Originals and Brand USA Affinity Programs.

Brand USA Originals

Brand USA Originals are cooperative marketing programs developed and offered exclusively by Brand USA. They include proprietary programs developed by Brand USA and those created in partnership with influential travel media and major lifestyle brands. Included in these offerings are market-specific programs designed to reach prospective travelers with messages and calls to action timed to make the most impact.

The programs are ideal for cities, states, and attractions focusing on specific markets or entering a market for the first time.

Brand USA Affinity Programs

Brand USA Affinity programs are cooperative marketing programs Brand USA has developed with media, online travel agencies (OTAs), or other travel-related publishers to advertise and promote U.S. destinations, experiences, attractions, and other travel opportunities. They are a particularly effective way to highlight offers and activate USA travel experiences.

Enhanced Program Offerings

During FY2018, Brand USA enhanced the value of its cooperative opportunities by refining and simplifying program offerings. As a result, Brand USA was able to grow its partnership network 15 percent to 982 partners, compared to 851 partners through FY2017. In addition, partner participation in Brand USA market-specific and trade marketing programs increased by 44 percent over the prior year.

In addition, the positive effect of these enhancements was evident in the results of our annual partner satisfaction survey, with 94 percent of respondents noting “Brand USA provides value to my organization” and 100 percent saying they intend to partner with Brand USA again.

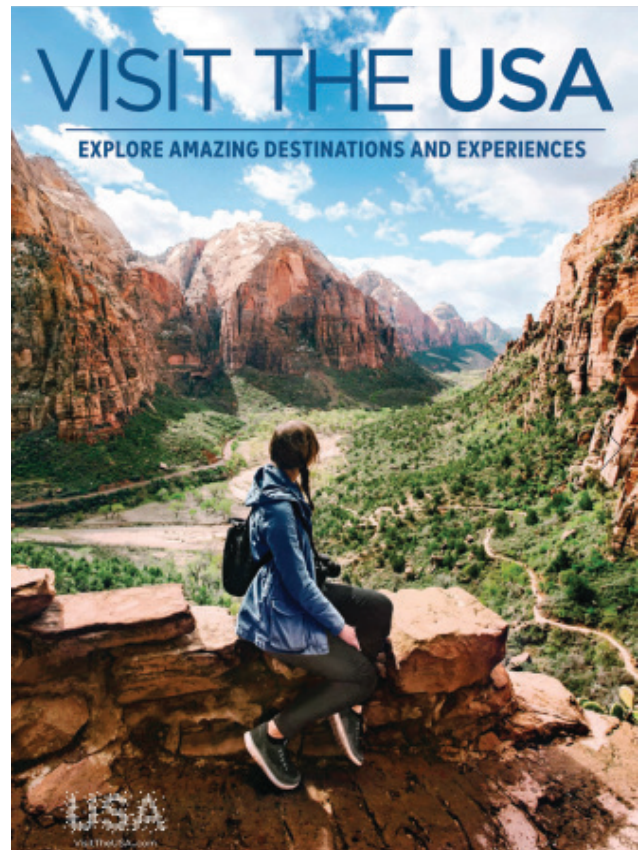
Much of the value enhancements were driven by continued improvements made to our most popular cooperative marketing platforms: Visit The USA, our travel inspiration guide produced in 13 languages and distributed in 21 international markets; our in-language video series; and our multi-channel campaigns.

Inspiration Guide: Visit The USA

During FY2018, we produced 547,000 printed inspiration guides with accompanying in-language digital versions that garnered more than 3.5 million page views and average time spent on site of seven minutes. In addition, eight customized digital versions of the inspiration guide were created in six languages to support activation efforts by 57 in-market tour operators promoting the USA.

In-language Videos

In-language videos continued to be an effective way to promote destinations and experiences across the USA. During FY2018, Brand USA produced 142 in-language videos (compared to 133 in FY2017).



Visit The USA Inspiration Guide

VisitTheUSA.com

We also expanded opportunities for partners to leverage Brand USA’s proprietary global and in-language consumer websites, VisitTheUSA and GoUSA. Targeted campaigns helped increase traffic to the sites and generated more than 1 million impressions and 800,000 completed clicks for 200 participating partners during the year.

In addition, in FY2018, we launched a new program providing partners the opportunity to leverage Brand USA’s consumer website platform through the creation of destination-specific subsites. Travel Oregon, Travel South USA, and the Colorado Tourism Office were among the first participants in the program.

Multi-channel Campaigns

In addition, 248 partners participated in the 13 multi-channel campaigns we produced during the year to promote the USA. The campaigns ran in nine markets (Australia, Brazil, Canada, China, Germany, India, Japan, Mexico, and the United Kingdom) and generated nearly 453 million impressions. We also introduced new programs and continued successful media partnerships, including multiple Chinese media programs to reach Chinese travelers on the platforms they engage with the most: Fliggy, Ctrip, Mafengwo, Baidu, and WeChat/Weibo.

With the introduction of these programs, we were able to increase the amount of contributions that supported cooperative marketing efforts in China by nearly 100 percent in FY2018 compared to FY2017.

Singles Day Promotion

The program offerings included a campaign with online travel booking site Fliggy on “Singles Day,” which occurs each year on November 11 (11/11) in China.

Singles Day is widely recognized as the largest shopping holiday in the world, and Brand USA used the opportunity to promote U.S. destinations among young, affluent Chinese travelers in order to boost sales for U.S. travel products (specifically airline and hotel bookings).

The marketing effort included live streaming and digital posts by key opinion leaders in China about their U.S. travel experiences, plus the opportunity to win a trip for two to the USA, and was capped off with the USA being featured as the headline destination on Fliggy on Singles Day. The campaign helped generate \$42 million in U.S. travel bookings made via Fliggy on one day, a 35 percent increase compared to U.S. travel booked via Fliggy on Singles Day the prior year.

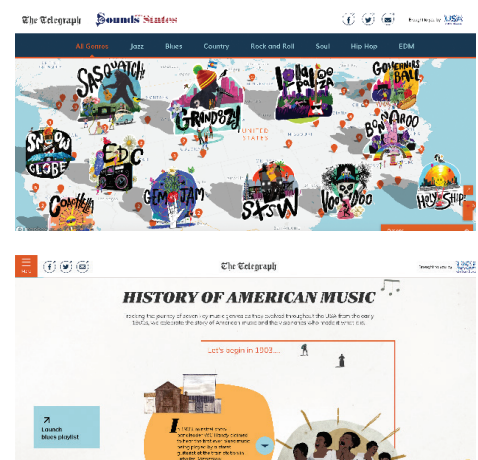


Brand USA's Fliggy “Singles Day” promotion of Illinois

The Telegraph: USA Music and Festivals

One of our most successful programs in FY2018 was the media partnership we developed with The Daily Telegraph (commonly referred to as The Telegraph), Britain’s national newspaper. The program focused on USA music and festivals as core themes and included interactive content ranging from advertorials, exclusive online display ads, custom print supplements, a “History of American Music” immersive long-form article with imbedded Spotify playlists, and a “Sounds of the States” interactive, illustrated map to navigate major U.S. music festivals. Editorial content by The Telegraph’s award-winning editorial team amplified across social channels for maximum reach.

The campaign drove strong results in reach and engagement, as well as click-through rates to offers and other promotions for travel to the USA.



The Telegraph “History of American Music” multi-channel program with Brand USA

TRADE OUTREACH

Brand USA's global trade team provides the influential international travel trade with the inspiration, tools, resources, and first-hand USA experiences they need to promote the USA to international travelers. Brand USA focuses its global trade efforts on four key areas in order to drive measurable and incremental bookings to the USA:

- Building a strong international presence to ensure Brand USA can leverage and effectively manage opportunities in key international markets
- Developing U.S. itineraries and promotions to help the trade create and promote new travel experiences, as well as extend those opportunities to Brand USA partners
- Providing resources and training to educate and inspire the travel trade to better promote the USA to, through, and beyond the gateways
- Engaging the travel trade to keep the USA top of mind with tour operators, travel agents, online travel agencies (OTAs), airlines, and other travel providers

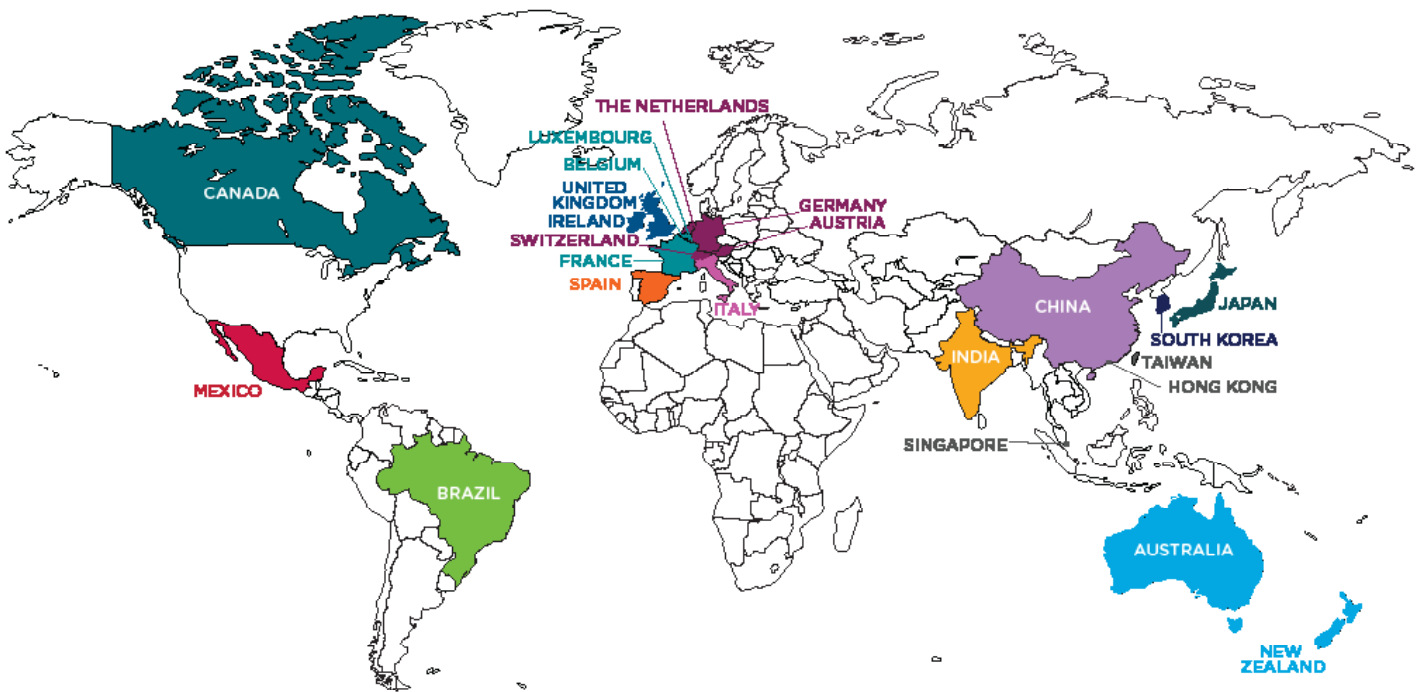


Images from 2018 IMM Australia, Brand USA's B2B Travel Mart, 2018 India Sales Mission, and 2018 IPW tradeshow

			
International Presence	U.S. Itineraries Development and Promotion	Resources and Training	Travel Trade Engagement
International Offices In-market Representation	Itinerary Development Trade Marketing Co-op Marketing Promotions	USA Discovery Program Training Sessions Travel Trade Website Toolkits	Trade Shows Sales Missions Road Shows Product Fams Mega Fams

International Presence

Since its founding, Brand USA has significantly expanded its international presence and now has 15 offices* that represent Brand USA’s marketing interests in more than 20 markets on four continents.



The Americas

- Canada (Toronto)
- Mexico (Mexico City)
- Brazil (Sao Paulo)

Europe

- Austria, Germany, the Netherlands, and Switzerland (Munich)
- Belgium, France, and Luxembourg (Paris)
- Italy (Milan)
- Spain (Madrid)
- United Kingdom/Ireland (London)

Asia

- China (Shanghai)
- Hong Kong (Hong Kong)
- India (New Delhi)
- Japan (Tokyo)
- South Korea (Seoul)
- Singapore (Singapore)
- Taiwan (Tai Pei)

Oceania

- Australia & New Zealand (Sydney)

* Office locations are noted in parenthesis

During FY2018, Brand USA expanded its international presence to the following six markets as part of a pan-European approach to its representation:

- Belgium
- France
- Italy
- Luxembourg
- The Netherlands
- Spain

With the exception of our office in Canada, which is managed by a Brand USA employee, these offices are staffed by employees of international representation firms. The teams that work out of these offices are an integral part of Brand USA and provide an important level of market expertise as well as the deployment and day-to-day management of a range of trade initiatives within the markets they represent.

U.S. Itineraries Development and Promotions

The United States provides travelers with more diversity of experiences than any other destination in the world. Leveraging this unique value proposition, Brand USA's global team initiated a program two years ago, which expanded considerably in FY2018: The development of U.S. itineraries that travel agents and tour operators can promote directly to their customers.

In FY2018 we created 19 new self-drive experiences that include 24 states, the District of Columbia, and two territories.

To help promote these driving experiences to international travelers, Brand USA secured partnerships with some of the leading U.S.-based receptive tour operators who include these self-drive experiences as part of their international programs.

In addition, the self-drive experiences (or customized versions of them) are now featured in international tour operator programs in the following markets:

- China
- Germany
- Italy
- The Netherlands
- Spain
- Switzerland
- United Kingdom

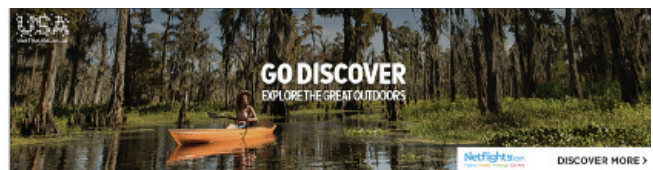
To further promote the featured itineraries, Brand USA developed more than 50 trade cooperative marketing programs with qualified, leading travel trade and trade media to showcase the USA to a focused and targeted clientele.

In addition, Brand USA launched a high-profile digital campaign in the United Kingdom and Ireland to promote self-drive itinerary bookings. The campaign was supported by eight tour operators who helped promote and facilitate bookings to the USA. Phase 1 of the campaign (which was active from February through May 2018) generated 147,000 qualified customer visits to USA itineraries, with a 21 percent increase in passengers booked and a 24 percent increase in room nights booked through the tour operators who served as activation partners.

Phase 2 of the program, which launched toward the end of FY2018 and ran through November 2018, generated even stronger results—including an 88 percent increase in passengers booked and a 95 percent increase in room nights booked through the tour operator activation partners.



Brand USA's U.S. itineraries



Example of UK and Ireland high-profile digital campaign to promote self-drive itinerary bookings

Resources and Training

USA Discovery Program, Training Sessions,
Travel Trade Website, Toolkits

Brand USA provides a variety of resources and training opportunities to the travel trade in international markets. These initiatives provide the tools and information international travel buyers need to sell, up-sell, and cross-sell U.S. travel destinations and experiences to, through, and beyond the gateways and include:

- **USA Discovery Program**
This online, experience-based, training platform features a variety of destination modules to inspire and motivate the travel trade to sell destinations, including well-known and unexpected experiences, to their customers. Travel agents and tour operators earn specialist badges as they complete each section.
- **Training and Education Seminars**
These in-market training seminars for the travel trade focus on specific experiences or regions in the United States — providing a targeted approach to promoting U.S. travel destinations.
- **The Brand USA Travel Trade Website and Toolkits**
These online resources make it easier for tour operators and travel agents to package and promote the USA as a premier travel destination.

During FY2018, Brand USA launched the USA Discovery Program in Mexico—making the program available in seven international markets (Australia, Brazil, China, India, Mexico New Zealand, and the United Kingdom) plus a global site in English. This proprietary, award-winning online training platform educates and motivates the travel trade to promote travel to the USA and now has nearly 30,000 tour operator and travel agent registered users.

Australia & New Zealand

- **MegaFam Incentive Training Program:** 350 travel agents in five cities (Sydney, Melbourne, Perth, Adelaide, and Brisbane) participated in Brand USA-hosted trainings in June 2018 designed to educate travel professionals about the USA. Participation was a requirement for agents to be eligible for a spot on Brand USA's Australia and New Zealand MegaFam in August 2018.

Brazil

- Conducted six regularly scheduled in-house trainings with nearly 800 agents
- Coordinated a 10-city roadshow that included training workshops for more than 420 agents

Canada

- Conducted two training events in Ontario with 74 agents

China

- Hosted a Meetings, Incentives, Conferences, and Exhibitions (MICE) Educational Seminar for 33 travel agents
- Conducted nine regularly scheduled in-house trainings in nine cities with 935 attendees

India

- Hosted nine destination training seminars in nine cities across India with 614 agents
- Held weekly USA Discovery Program incentives, which helped increase registrations to 4,700 and specialist badges earned to 10,411
- Conducted Pan India webinar with more than 1100 participants

Japan

- Hosted regional seminars & workshops in seven cities with 220 tour operators and agents in partnership with United Airlines
- Trained 240 operators/agents in partnership with Visit USA Committee Japan as part of a five-city road show
- Held in-house training seminars with five major wholesalers together with 13 partners and 150 agents

FY2018 IN-MARKET TRAINING HIGHLIGHTS

South Korea

- Developed a USA Specialist Agent program and held 13 training events during the year culminating in five product fairs for 52 agents with five airline sponsors

Mexico

- Launched the USA Discovery Program in-market and hosted launch events for more than 500 attendees

United Kingdom and Ireland

- Hosted eight regularly scheduled training events

Austria, Germany, the Netherlands, and Switzerland

- Hosted 12 regularly scheduled training seminars with 750 travel agents
- Hosted three training sessions for 96 travel agents, tour operators, and airline staff

Belgium, France, and Luxembourg

- Trained more than 300 agents during monthly webinars featuring Brand USA itineraries

Italy

- Established partnerships with key operators (Naar Tour Operator, Alidays, and Casa Quality Event) and hosted related training webinars with 250 agents

Spain

- Conducted five training sessions with a total of 75 travel agents, tour operators, and airline staff (Tourmundial, TUI, Pangea, Destinia, Iberia/American Airlines)



Ongoing incentives for agents to register on the platform and/or earn specialist badges (plus tour operator partnerships promoting the platform) helped boost registrations and the number of specialist badges earned by the travel trade. The strongest increases over the

past year originated in Brazil, China, and India.

To build upon the educational content provided by the USA Discovery Program, we also hosted nearly 100 training and education seminars (directly or in collaboration with Visit USA Committees) with the travel trade in 16 international markets (Australia, Austria, Belgium, Brazil, Canada, China, France, Germany, India, Italy, Japan, South Korea, Luxembourg, Spain, Switzerland, and the United Kingdom). These sessions provided the travel trade a deeper dive into the range of destinations and experiences available in the USA.

We also continued to expand our training offerings for U.S. partners on how to build itineraries that will capture the attention of the international travel trade, plus market-readiness trainings for partners entering new international markets—with a focus on China.

Our introductory program for partners entering the China market helps prepare U.S. destinations and travel brands on the cultural nuances and imperatives that are critical to know when working with the travel trade in China. The program is tailor-made to each participant and covers sales calls, destination trainings, co-op programs, sales missions, trade shows, and public relations. The related market readiness program is a three-hour accredited program designed to educate destinations, hotels, restaurants, attractions, and more on how to properly welcome Chinese travelers.

Travel Trade Website and Toolkits

During FY2018, we continued to build out our travel trade website, which provides resources and inspiration for the travel trade to promote and book travel to the USA. The site is available at VisitTheUSA.com/traveltrade and provides quick and easy access to:

- Training tools
- Videos and photos
- Destination descriptions
- Suggested itineraries
- Important contact information
- Essential travel information

Also available on the site are digital promotional toolkits that include:

- Regularly updated photo and video assets hosted on Brand USA's digital asset management system
- Translated sales presentations in English, Chinese, French, German, Japanese, Korean, Portuguese, and Spanish
- New multi-day itineraries that contain must-do experiences and off-the-beaten-path adventures
- The digital version of Brand USA's inspiration guide, Visit the USA

Travel Trade Engagement

Trade Shows, Sales Missions, Road Shows, Product Fams, MegaFams

Brand USA's in-market teams are the day-to-day contacts for the travel trade—working to ensure Brand USA's ongoing engagement in numerous trade activities, as well as providing partners with valuable and direct exposure to the travel industry's most influential professionals. Ongoing engagement includes access to thousands of travel buyers and influencers at USA-branded pavilions during high-profile trade shows, sales missions, road shows and familiarization tours.

Trade Shows

Throughout the year, Brand USA hosts a series of USA-branded pavilions at leading travel and trade shows — providing participating U.S. exhibitors the opportunity to reach 1.6 million international travel buyers and sell future travel to the United States.

Brand USA serves as the unifying element at these shows, representing U.S. travel and tourism interests on a global scale, with destinations, travel brands, federal partners, and other organizations participating as exhibitors.

Participating organizations retain their own identity yet benefit from being part of a more visible, collaborative United States effort. To further amplify the USA's and participating partners' presence, Brand USA also organizes related events before, during, and after many of these shows.

Brand USA pavilions provide exhibitors:

- Increased global exposure and coherent branding
- Customer engagement and entertainment opportunities
- Value-add amenities including Internet access, expanded conference space, hospitality services, marketing materials, and interactive displays
- Brand USA proprietary market analytics and insights
- Marketing, advertising, public relations, and media exposure

During FY2018, Brand USA hosted, sponsored, or participated in 19 international trade shows together with 720 U.S. exhibitors and held a combined total of 2,006 appointments. As part of our ongoing trade show strategy, we continued to seek input on ways to further increase the value of these shows to participating partners. As a result of these discussions, we evolved our trade show format—expanding the amount of shared meeting space and increasing the hospitality services available to U.S. exhibitors at USA pavilions.

Sales Missions, Road Shows, and Themed Events

FY2018 BRAND USA SALES MISSIONS	
Australia & New Zealand	February 19-27, 2018
China	March 19-23, 2018
Japan and Korea	July 9-13, 2018
India	September 23-28, 2018

Sales missions are another essential component of Brand USA's trade outreach. Through these Brand USA-hosted events we invite travel and tourism industry professionals in key markets to meet with U.S. organizations at designated international locations.

Through a series of planned events, Brand USA and participating partners connect directly with international travel buyers, including tour operators, airlines, travel agents, incentive and meeting planners, and media. These connections allow us to provide a more in-depth look at U.S. destinations and experiences in order to increase the quantity and diversity of travel bookings to the United States.

Our outreach also includes taking participants directly to the travel trade in international markets via road show events. Brand USA and partner organizations are able to connect directly with tour operators, travel agents, and travel buyers through a series of seminars, receptions, and events in which participants acquire the knowledge and information needed to better promote the United States as a travel destination. These road shows often include federal partners to educate trade representatives on travel policy. Brand USA manages all of the planning and logistical legwork—coordinating B2B meetings, media opportunities, educational seminars, networking events, and travel from city to city.

Based on market need and opportunity, Brand USA also organizes custom, themed events in key international markets that position and promote the United States as the go-to travel destination.

These events are generally celebratory programs, themed around specific holidays and experiences, to help promote U.S. destinations, travel brands, and other organizations.

During FY2018, Brand USA hosted 16 road shows that provided 241 destinations the opportunity to meet with 4,073 travel agents, plus four sales missions with 140 U.S. destinations, travel brands, attractions, and receptive tour operators who participated in 5,099 appointments with travel trade and media from the following international markets: Australia & New Zealand, China, India, Japan and Korea.



Meeting sessions at Brand USA's South Korea Sales Mission (top) and India Sales Mission (bottom)

MegaFams and Other Familiarization Tours

FY2018 BRAND USA MEGAFAMS		
Germany	February 19-27, 2018	Airline Partner: Lufthansa
India	March 19-23, 2018	Airline Partner: Air India
UK & Ireland	July 9-13, 2018	Airline Partners: British Airways and American Airlines
Australia & New Zealand	September 23-28, 2018	Airline Partner: Air New Zealand

Familiarization tours, or “fams,” with the travel trade are an integral part of the Brand USA’s marketing strategies to create awareness of the diverse destinations and travel experiences available throughout the United States. These tours bring groups of travel agents and tour operators to destinations in the United States to familiarize them with new experiences and itineraries they can offer to customers back home.

The highest-profile Brand USA fam tours are “MegaFams,” which are the largest multi-itinerary, simultaneous familiarization tours conducted in the United States. Brand USA organizes and coordinates these diverse U.S. travel experiences in order to more fully promote multiple destinations. They are especially effective in motivating the travel trade to sell destinations to, through, and beyond the gateways to their clients because the itineraries include a broad range of travel experiences, attractions, and brands from popular gateway cities to off-the-beaten-path encounters.

Through Brand USA MegaFam experiences, travel agents and tour operators become better informed, empowered, and inspired to sell a multitude of U.S. destinations and experiences.

During FY2018, Brand USA hosted four MegaFams that brought nearly 200 travel agents to nearly 100 destinations in 19 states and the District of Columbia, as well as 18 smaller-scale familiarization tours that brought 1,084 product managers to 54 U.S. destinations.



The MegaFam has been an amazing experience ... we got some wonderful ideas that we will be able to take back to our clients and definitely promote the destination.

-Debby McRobbie
Senior Consultant,
House of Travel
New Zealand



Tour operators participating in Brand USA's MegaFam tours.

MEDIA AND PUBLIC RELATIONS

(Consumer and Trade)

Brand USA works with media outlets to promote the entirety of the United States and offers a number of programs that provide partners opportunities to increase awareness and inspire travel to their destinations through the power and credibility of earned media coverage.

Leveraging its access to and relationships with journalists, plus its online newsroom platform and ongoing visiting journalist familiarization tours, Brand USA promotes destinations and travel experiences in every state, the five territories, and the District of Columbia with extensive coverage in both travel trade and consumer media, including broadcast, print, and digital channels.

A core part of this strategy is the visiting journalist program, which showcases the diversity and depth of experiences available across the USA to inspire international visitors to plan their USA trip now. Through this program, Brand USA proactively reaches out to influential travel writers to invite them to visit and write about the USA, as well as responds to requests from journalists seeking assistance to travel to and write about U.S. destinations and attractions. All journalists are fully vetted and pre-approved for participation in the program.

During FY2018 Brand USA hosted 35 visiting journalist trips and group press trips from six markets (Brazil, Hong Kong, India, Japan, South Korea, Southeast Asia, Taiwan, the UK & Ireland). The hosted journalist trips resulted in over 550 articles promoting travel to 36 states, the District of Columbia, and the U.S. Virgin Islands.

In addition, during the year Brand USA also launched the first-ever Mega Media Venture. The program sent 50 international journalists to the 50 states, five territories and the District of Columbia and was supported by contributions from Marriott International and American Airlines.

The effort yielded more than 60 articles with a total advertising value of over \$9 million through the end of FY2018 (with additional articles promoting U.S. destinations scheduled for publication in FY2019) by top-tier journalists from Australia, Brazil, Canada, China, EMEA, France, Germany, Hong Kong, Italy, Japan, South Korea, Mexico, New Zealand, and the United Kingdom.

The vast majority of journalists went to U.S. destinations they had not previously visited—enabling us to expand the coverage they usually provide and promote new destinations to international travelers in our key markets.



Mega Media Venture coverage written by journalist Juliana Saad. Both articles were featured in Correio Braziliense Newspaper Tourism.

FEDERAL PARTNER AND VISIT USA COMMITTEE COLLABORATION

As the public-private partnership created to promote the United States as the premier international destination and communicate U.S. travel policies and procedures, Brand USA works closely with a variety of federal government partners. Much of our collaboration is conducted within the framework of the Tourism Policy Council, an interagency group chaired by the Secretary of Commerce and managed by the National Travel and Tourism Office. Through this collaboration, Brand USA conducts joint activities and leverages federal assets to support international marketing efforts and policy communications.

As provided for in the Travel Promotion Act, Brand USA's work with U.S. government partners is designed to maximize the economic and diplomatic benefits of travel to the United States. We do this primarily by:

- Supporting the development of integrated country plans and joint promotions to promote travel to the United States.
- Providing useful information to travelers, the travel trade, media, and other stakeholders regarding entry requirements, required documentation, fees, processes, and information concerning declared public health emergencies; and identifying, countering, and correcting misperceptions regarding United States entry policies.
- Deploying "Market the Welcome" programming in international arrivals halls of U.S. airports and embassies and consulates worldwide.
- Coordinating with Visit USA Committees to amplify each other's efforts in market to promote the USA as a premier travel destination as part of film events and other promotions.



(Top and middle) Brand USA's Visit USA Committee meeting session. (Bottom) 2018 China-U.S. Tourism Leadership Summit in Hangzhou, China.

Country Plans

During FY2018, Brand USA worked with U.S. embassies and consulates around the world to support their development of travel and tourism country plans, which is led by the deputy chief of mission and coordinated by the U.S. Commercial Service in the top ten source markets and France.

Brand USA contributed to this effort in all markets by providing our marketing and trade calendars and coordinating with the other entities on joint events, such as support for Independence Day celebrations, trade outreach events, and other embassy/consulate initiatives. Other relevant activities included road shows, travel agent trainings, embassy events and announcements, and high-level government and industry visits.

Tourism Promotion Toolkits

In addition, throughout the year, Brand USA supported or collaborated with U.S. embassies and consulates throughout the world on key initiatives. In FY2018, this included the ongoing deployment of a tourism promotion materials toolkit to U.S. embassies and consulates through the Brand USA digital asset management system.

We also continued leveraging federal partnerships for content and information in marketing and communications activities. In total, this work enriches Brand USA's consumer and trade presence and also provides a platform for key federal agencies to connect with international travelers and the travel trade and media.

Communicating U.S. Visa and Entry Policy

A major focus for our collaborative communications efforts includes those regarding visa and entry policy information as required by the Travel Promotion Act. During the year, we developed communications plans and messaging for a variety of policy issues such as visa and entry policies and procedures and aviation security, as well as information to correct misperceptions about government shutdowns, ESTA fees; and more.

Some of the specific results include:

- Finalized country-by-country visa and entry policy language for the Inspiration Guide and consumer websites in conjunction with federal partners
- Included U.S. Custom and Border Protection and/or Bureau of Consular Affairs at key trade shows and Brand USA sales missions to facilitate their communication of travel policy to the travel trade and international travelers.
- Executed a high-level film activation event at Canadian Music Week in conjunction with the U.S. Consulate. This activation included the first public screening of America's Musical Journey in Canada and a concert by Aloe Blacc.



West Yellowstone, Montana



Brand USA President and CEO Chris Thompson speaks at the Market the Welcome unveiling at Hartsfield-Jackson Atlanta International Airport.

Market the Welcome

In addition, during FY2018 Brand USA expanded the “Market the Welcome” program to international arrivals areas at Hartsfield-Jackson Atlanta International Airport (ATL) and Los Angeles International Airport (LAX). This program is designed specifically for gateway airports, offering customized display graphics and templates with welcoming messaging, impactful photography and more—all of which is customized to the local destination. In the case of ATL, the imagery focused about 75 percent on the city of Atlanta and 25 percent on other destinations in the state of Georgia. In the case of LAX, the imagery focused on diverse areas in the city of Los Angeles.

In addition to the international arrivals halls, at the end of FY2018, Brand USA had “Market the Welcome” installations at 58 embassies and consulates in 48 countries, including a bespoke project installation in Beijing, Chengdu, Shenyang, and Guangzhou, China (see Chart 2).

Our ability to support the installation of welcoming imagery and messaging in these locations is an important part of the “Market the Welcome” program, given its high visibility among international travelers who visit these locations—usually as part of the requirement for applying for visas to travel to the USA. According to State Department data, these 58 posts issued 3,073,078 non-immigrant visas in 2018.



Market the Welcome installation at Hartsfield-Jackson Atlanta International Airport

CHART 2

Market the Welcome Installations at U.S. embassies and consulates during FY2018

COUNTRY	POST	COUNTRY	POST
Afghanistan	Kabul	Morocco	Casablanca
Albania	Tirana	Mozambique	Maputo
Angola	Luanda	Nepal	Kathmandu
Australia	Melbourne, Sydney	Netherlands	Amsterdam
Azerbaijan	Baku	Norway	Oslo
Bolivia	La Paz	Oman	Muscat
Canada	Calgary	Paraguay	Ascuncion
Chile	Santiago	Peru	Lima
China	Beijing, Chengdu, Shenyang, Guangzhou	Philippines	Cebu
Costa Rica	San Jose	Portugal	Lisbon
Denmark	Copenhagen	Romania	Budacrest
Ecuador	Quito	Russia	Yekaterinburg
Gabon	Libreville	Saudi Arabia	Riyadh
Georgia	Tbilisi	Slovenia	Ljubljana
Germany	Frankfurt, Hamburg	South Africa	Durban
Guyana	Georgetown	Sudan	Khartoum
India	Kolkata, Mumbai	Switzerland	Bern
Italy	Palermo	Taiwan	Kaohsiung
Japan	Tokyo	Tanzania	Dar Es Salaam
Jordan	Amman	Turkey	Ankara
Kenya	Nairobi	Ukraine	Kiev
Korea	Seoul	Uruguay	Montevideo
Kuwait	Kuwait City	Vietnam	Ho Chi Minh
Lithuania	Vilnius	Zambia	Lusaka
Mexico	Mexico City	Zimbabwe	Harare

Embassy-led film events

During FY2018, Brand USA also collaborated with the U.S. Department of State and U.S. Department of Commerce to host special screenings of National Parks Adventure in Hungary, Kuwait, and Spain plus America's Musical Journey in Guatemala. These events allow Brand USA and our federal partners at embassies and consulates to bring the inspirational message of these films to an even broader audience than achieved by pure commercial distribution. It also allows U.S. diplomatic missions to enrich the quality of their public engagement and tourism promotion efforts.



Visit USA and Discover America Committee Collaboration

During FY2018, Brand USA worked in collaboration with Visit USA and Discover America committees in various markets on programs and initiatives with the travel trade. As non-profit associations led by top travel and tourism industry professionals, these committees have long-standing relationships in market working with the travel trade and the U.S. Commercial Service. They are an important part of our collaborative efforts to promote the United States as a premier travel destination.



Brand USA-sponsored activities with Visit USA and Discover America committees included travel trade seminars and workshops, roadshows, media events, high-level networking events, familiarization tours, and international trade shows. In addition to reaching thousands of travel trade professionals, these coordinated activities helped amplify our partners' efforts in international markets, as many of them are members of key Visit USA and Discover America committees.

A list of some of the events Brand USA sponsored as part of its Visit USA and Discover America committee collaboration during the year is shown on Chart 3.



(Top) National Parks Adventure giant-screen showing at The Scientific Center in Kuwait;
(Middle) Brand USA's booth at ITB Berlin;
(Bottom) Australia Roadshow

Brand USA-sponsored events with Visit USA and Discover America committees during FY2018 included:

CHART 3

FY2018 Brand USA-sponsored events with Visit USA and Discover America committees

MARKET	ACTIVITY	MONTH/YEAR
Colombia	Tourism Road Show	March 2018
Colombia	USA CVBs and Destinations Exclusive Event	March 2018
Denmark	USA Travel Show 2018	March 2018
Ecuador	Workshop Visit USA	October 2017
Finland	Educational Evening: USA - Your Preferred Golf Destination	February 2018
Finland	Experience Native American Culture	April 2018
Finland	Summer Event	June 2018
Finland	MATKA 2018	January 2018
France	Tourissim Lille / Mahana Lyon / Salon Mondial De Tourisme	January 2018
Germany	Visit USA Roadshow	September 2018
Germany	Visit USA Trainings / Seminars	October 2017
Germany	Travel Agent Education and Bowling Event	April 2018
Italy	Showcase USA - Italy	March 2018
Italy	Native America FAM Trip	May 2018
Italy	U.S. Presence at BIT	February 2018
Japan	Jointly-hosted Sales Roadshows (multiple)	June 2018
Japan	Deeply America Seminars	April 2018
Japan	Christmas Party	December 2017
Japan	Summer Bash	June 2018
Netherlands	Vakantiebeurs	January 2018
Netherlands	Road Show	September 2018
Netherlands	Film Event	July 2018
Norway	Discover American Norway 20th Anniversary Grand Gala Ball	March 2018
Norway	Thanksgiving Dinner and USA Update	November 2017
Norway	Reiselivsmessen Oslo Trade Show	January 2018
Norway	Grand Travel Awards 25th Anniversary	March 2018
Sweden	Workshop	October 2017
Sweden	Travel News Market	November 2017
Sweden	Thanksgiving Luncheon	November 2017
Sweden	Workshop - Stockholm	January 2018
Sweden	Workshop - Linkoping	May 2018
Sweden	Workshop - Malmo	September 2018
Switzerland	Visit USA Seminar	January 2018
Switzerland	USA Roadshow 2018	June 2018
United Kingdom	Post-WTM Thanksgiving Event	November 2017



ACTIVITIES TO PROMOTE TOURISM IN RURAL AND URBAN AREAS

Hudson Valley, New York



Memphis, Tennessee

ACTIVITIES TO PROMOTE TOURISM IN RURAL AND URBAN AREAS

As outlined in the Travel Promotion Act, Brand USA is charged with promoting tourism to rural and urban areas equally, including areas not traditionally visited by international travelers. While the ratio of rural/urban areas promoted in any single marketing effort will vary depending on the different phases of familiarity and affinity for travel to the USA, Brand USA meets the requirement to promote rural and urban areas equally through the combined total of its marketing initiatives.

The following provides a summary of the ratios for which rural and urban destinations were featured in our primary marketing efforts during FY2018.

The USA Campaigns & Brand USA Proprietary Consumer Channels

Of the U.S. destinations promoted as part of the USA Campaigns during the year, 24 percent were in rural areas and 76 percent were in urban areas.

The destinations featured by campaign are shown below.

Roadtrips USA (October 2017 – December 2017)

The American road trip has long been one of the best ways to experience the USA. Continuing our multi-year focus on this theme, we highlighted classic American road trips which bisect the USA and are a key inspiration point for international travelers.

Destinations featured: Brooklyn and the Hamptons, New York; Charleston, South Carolina; Monument Valley, Utah; and the Oregon Trail

Go Now: January Inspiration Campaign (January 2018)

The objective of this campaign was to inspire travelers to book their trips to the USA during the busy January Travel planning period. It's right after the holidays. It's just before or after the new year when the entire world is travel dreaming. It's that one time on the calendar when the entire globe is beginning to plan their yearly vacations. Our goal was to capture the attention of international travelers and motivate them to plan their USA trip now.

Destinations featured: Antelope Canyon, Arizona; Fairbanks, Alaska; Hawaii; and Miami, Florida

Hear the Music (March 2018 – July 2018)

Highlighting music as a cultural lens to explore the diversity of USA experiences, Brand USA launched Hear the Music, Experience the USA, a campaign that built on the music platform that also spawned America's Musical Journey. Music is the sound of culture, and everywhere in the USA visitors hear the energy of real places overflowing with local personality. From guitar licks to banjo picks, from brass horns to thumping bass, music opens the door to amazing discoveries around every corner.

The campaign concept focused on one classic American song - Bobby Freeman's "Do You Wanna Dance" - which was covered by five artists in five cities. This approach enabled Brand USA to use various genres to showcase the wide variety of culture available to tourists.

Destinations featured: Atlanta, Georgia; Denver, Colorado; Houston, Texas; Portland, Oregon; and San Juan, Puerto Rico

Ask a Local (October 2017 – September 2018)

From beaches to bike trails to breweries, the United States has something for everyone to explore. Personal recommendations always make a visit unique and memorable, because it's the people that truly make the place special.

Using a documentary-style approach, the "Ask A Local" campaign shares amazing travel experiences through the voices and faces of U.S. residents. In partnership with our destinations, these first-person recommendations highlight local attractions, food, nightlife, music, and scenery throughout the 50 states, five territories, and the District of Columbia.

Destinations featured: Rural and urban areas equally throughout the United States

India Influencers (June 2018 – September 2018)

In an effort to connect organically and authentically with audiences in India, Brand USA launched an India influencer strategy in FY2018—which aimed to bring six key content creators each with an audience of more than 500,000 followers to explore the USA and build positive sentiment for travel to the USA.

Destinations featured: Grand Canyon, Arizona; Lake Tahoe, Los Angeles, San Diego, San Francisco, Sequoia, Yosemite in California; Washington, DC; Chicago and Naperville, Illinois; Saugatuck and Traverse City, Michigan; Gallatin, Montana; New York City; Death Valley and Las Vegas, Nevada; Shenandoah National Park, Virginia; and Grand Teton, Wyoming

Sound Travels (March 2018 – August 2018)

This integrated and innovative campaign utilized 3D audio to promote international travel to the USA. Through a custom interactive content hub, travelers could explore the vibrancy and diversity of the United States through immersive audio technology. The site provided all the resources to explore, plan, and book a trip to the USA, and the campaign leveraged the music, sites, and sounds of destinations featured in Brand USA's giant-screen film America's Musical Journey. Visitors were prompted to connect their headphones—no special equipment required - and select their preferred auditory experience.

While the selected 3D audio clip played, an on-screen animation dissolved into a first-person point of view photo, revealing the selected experience and allowing users to also visualize themselves in the experience they were hearing. After listening to their selected sounds, visitors were presented with custom travel recommendations based on their personal sound and activity preferences. Visitors to the hub could also explore additional destination content, including editorial-style articles, photos, suggested itineraries, and special deals and promotions, and filter their preferences by 3D audio playlists or locations.

Destinations featured: Austin, Texas; Chicago, Illinois; Las Vegas, Nevada; Miami, Florida

GoUSA TV

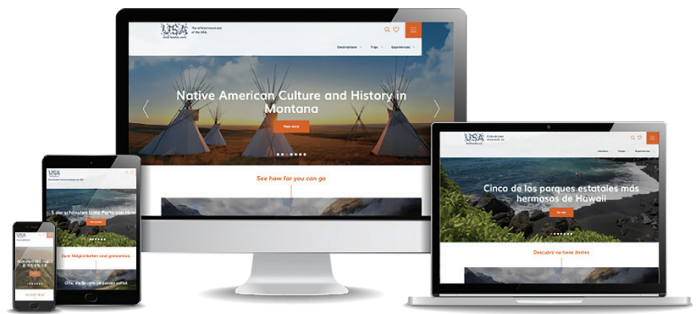
Brand USA launched its Over-The-Top (OTT) channel in February 2018 to take advantage of digital video trends across the globe, and growth of cord-cutting/video streaming worldwide. GoUSA gives us the space to create, curate, and collaborate on the production of content so we can better harness the power of entertainment to get people to actively consider a USA destination for their next vacation.

Of the content now playing on GoUSA TV, 35 percent represents rural areas and 65 percent represents urban areas.

VisitTheUSA.com

Brand USA's proprietary websites serve as the primary call to action for many of Brand USA's campaigns. Website page views, therefore, offered a platform for understanding the areas where Brand USA was especially successful during the year in engaging consumers to explore the many destinations and attractions in the USA.

As Chart 4 depicts, 72 percent of website page views in FY2018 included regional or national content (such as the homepage, maps, road trips, and travel information).

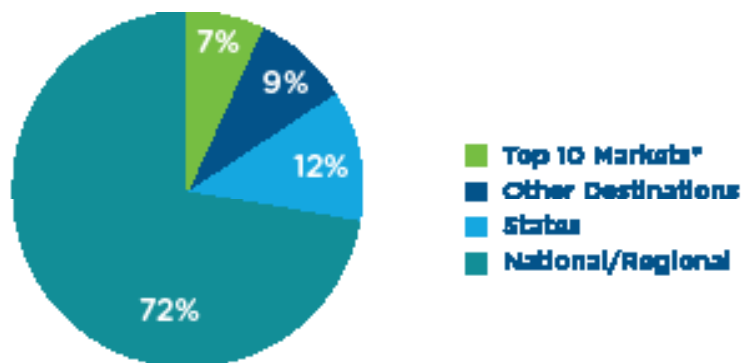


VisitTheUSA.com

Seven percent of page views featured content on the top 10 inbound destination cities and their attractions (New York City, Los Angeles, San Francisco, Miami, Orlando, Las Vegas, Honolulu, Chicago, Boston, and Washington, DC). Nine percent of views were a combination of other destinations — most commonly state pages. While states such as California, Florida, Illinois, New York, and Texas include major international gateways to the United States, the content of those web pages focuses on a broader range of experiences that go to, through, and beyond those arrival points to represent and promote the state, including rural and urban areas, as a whole.

CHART 4

FY2018 Distribution of Page Visits on VisitTheUSA.com by Geography



*Top 10 Markets: New York City, Los Angeles, San Francisco, Miami, Orlando, Las Vegas, Honolulu, Washington, DC, Chicago, Boston

Analysis of top 5,000 pages, representing 98 percent of all page views. GoUSA.cn results not included.

COOPERATIVE MARKETING

Through cooperative marketing programs and in coordination with its marketing partners, Brand USA was able to promote tourism to both rural and urban areas. During FY2017, 60 percent of these programs promoted urban U.S. markets, and 40 percent promoted rural U.S. markets. Chart 5 provides a summary of these programs.

CHART 5

Summary of FY2018 Brand USA Programs Promoting Urban and/or Rural U.S. Markets

MARKET	PARTNER OR PROGRAM	RURAL AND/OR URBAN
Australia	Sunrise and Flight Centre	Rural/Urban
	News Corp	Rural/Urban
Canada	Dreamscapes	Rural/Urban
China	PPTV	Rural/Urban
	Sohu, Inc.	Rural/Urban
	SINA Corporation	Rural/Urban
	Wanda Group	Urban
	Youku	Urban
	Tudou	Urban
	Travel Weekly China	Rural/Urban
Germany	Air Berlin	Rural/Urban
	Essentially America (ITB Taxis)	Rural/Urban
	FVW Medien	Rural/Urban
India	Hindustan Times	Urban
	Times of India	Urban
Mexico	Turistampa	Urban
New Zealand	New Zealand Media and Entertainment (NZME) and Flight Centre	Urban
United Kingdom	British Airways	Rural/Urban
	Royal Horticultural Society	Rural/ Urban
	NFL	Urban
	Essentially America (WTM Taxis)	Rural/Urban
	The Telegraph	Rural/Urban
	TTG Media	Rural/Urban
	JC Decaux OOH	Urban
	ESPN	Urban
	BBC International	Rural/Urban
	In-language Videos	Rural/Urban
Global	Inspiration Guides	Rural/Urban
	National Geographic	Rural/Urban
	Travelzoo	Rural/Urban
	Travel Channel International	Rural/Urban
	STA Travel	Rural/Urban
	Thomas Cook	Rural/Urban

Two of the most popular cooperative marketing platforms Brand USA has offered partners are the inspiration guide and in-language video production. Brand USA's inspiration guides helped U.S. destinations, attractions, and travel brands reach potential travelers from key international markets via 547,000 printed guides produced in 13 languages and distributed in 21 international markets with an accompanying digital version.

The 2018 edition of the guide featured 201 partners, with content showcasing diverse experiences in a balanced combination of urban and rural U.S. destinations, travel brands, and attractions.

Brand USA also created and distributed engaging video content to promote travel experiences to international travelers. During FY2018, Brand USA produced 133 videos. Over a third of these videos promoted rural areas of the USA.

TRADE OUTREACH AND TRAINING

Trade Shows

During FY2018, Brand USA hosted USA pavilions at the following major international trade shows that showcased both rural and urban areas.

FY2018 Trade Shows

SHOW NAME	CITY	COUNTRY	DATES
TTG	Rimini	Italy	Oct. 12-14, 2017
ITB Asia	Marina Bay Sands	Singapore	Oct. 25-27, 2017
ITF Taipei	Taipei	Taiwan	Oct. 27-30, 2017
WTM	London	England	Nov. 6-8, 2017
IBTM World	Barcelona	Spain	Nov. 28-30, 2017
Vakantiebeurs	Utrecht	Netherlands	Jan. 10-14, 2018
Reiselivsmessen	Oslo	Norway	Jan. 12-14, 2018
Fitur	Madrid	Spain	Jan. 17-21, 2018
Matka	Helsinki	Finland	Jan. 18-21, 2018
BIT	Milan	Italy	Feb. 11-13, 2018
Showcase	Venice	Italy	March 3-6, 2018
USA Travel Show	Copenhagen	Denmark	March 5, 2018
ITB Berlin	Berlin	Germany	March 7-11, 2018
WTM Latin America	Sao Paulo	Brazil	April 3-5, 2018
ATM	Dubai	UAE	April 22-28, 2018
IMEX	Frankfurt	Germany	May 15-17, 2018
ITE Hong Kong	Hong Kong	China	June 14-17, 2018
JATA	Tokyo	Japan	Sept. 20-23, 2018
IFTM	Paris	France	Sept. 24-28, 2018



Brand USA India Sales Mission

These shows provide Brand USA the opportunity to promote the diversity of the USA through the entirety of our marketing campaigns and the U.S. exhibitors who participate. Across the total number of shows, approximately 41 percent of the U.S. pavilion exhibitors represented rural destinations and 59 percent represented urban destinations.

Prior to Brand USA's launch, participation in these types of travel shows provided very little value for smaller destinations and travel brands. Without a unified USA pavilion, these smaller organizations simply could not afford to invest at the level that would provide them the exposure and presence they would need to generate a share of voice in these markets. This was particularly true for the larger shows that boast the greatest potential returns. Today, smaller organizations are able to attend and benefit from the significant presence afforded under the umbrella of the high-profile USA pavilion.

Sales Missions

During FY2018, Brand USA hosted four sales missions in the following markets:

- Australia and New Zealand (February 19-27, 2018)
- China (March 19-23, 2018)
- Japan and Korea (July 9-13, 2018)
- India (September 23-28, 2018)

Of the U.S. exhibitors participating in these missions, 44 percent represented rural areas and 56 percent represented urban areas.

MegaFams and Other Familiarization Tours

MegaFams are one of the most effective ways to promote travel to rural and urban areas, because each familiarization tour itinerary includes a combination of travel experiences to the gateways, complemented by destinations and attractions that go well beyond those gateways. These diverse itineraries also offer tremendous value to partners to participate in ways they would be challenged to do on their own.

During FY2018, Brand USA hosted four MegaFams that brought nearly 200 travel agents to nearly 100 destinations in 19 states and the District of Columbia. Of the destinations and attractions included in the combined total of these familiarization trips, 46 percent represented rural areas of the USA and 54 percent represented urban areas.

The percentage of rural and urban destinations represented on each of the four MegaFams held during FY2018 are shown below:

Germany MegaFam with support from Lufthansa (September 27 - October 3, 2017)

Eight itineraries following a kick-off in Seeheim, Germany:

- Arizona (featuring stops in Grand Canyon, Litchfield Park, Page Lake, Powell, Prescott, and Scottsdale)
- Alabama and Georgia (featuring stops in Atlanta; and Birmingham, Huntsville, and Muscle Shoals, Ala.)
- Colorado (featuring stops in Alamosa, Cheyenne, Denver, Frisco, Grand Lake, Great Sand Dunes National Park, Leadville, and Mountain State Park)
- Florida (featuring stops in Marco Island, Naples, Orlando, and Tampa)
- Illinois (featuring stops in Chicago, Galena, Rockford, and Springfield)
- Philadelphia and Upstate New York (featuring stops in Philadelphia; and Corning, the Finger Lakes, Niagara Falls, Rochester, and Watkins Glen, NY)
- South Carolina and Tennessee (featuring stops in Gaffney, S.C.; and Chattanooga, Knoxville, and Sevierville, Tenn.)
- Texas (featuring stops in Fredericksburg, Houston, and San Antonio)

58 percent of the destinations and attractions on the itineraries were in rural areas and 42 percent were in urban areas.

MegaFam with support from Air India (October 4 - 11, 2017)

Three itineraries visiting 4 states, the District of Columbia and 19 cities:

- California with stops in:
 - Monterrey, Carmel, Paso Robles, and Santa Barbara
- Virginia and Washington, DC with stops in:
 - Alexandria, Mount Vernon, Vienna, Fairfax Station, Chantilly, Tysons, Purcellville, Bluemont, Leesburg
- Illinois and Wisconsin with stops in:
 - Chicago, Milwaukee, Hubertus, Cedarburg

Finale event in: Los Angeles, California (with the groups also visiting San Francisco before the participants' return flights to India)

42 percent of the destinations and attractions on the itineraries were in rural areas and 58 percent were in urban areas.

United Kingdom & Ireland MegaFam with support from British Airways and American Airlines (April 26 - May 4, 2018)

Seven itineraries visiting 17 states and 56 cities:

- California, Arizona, and Nevada with stops in:
 - Los Angeles, Universal City, Palm Springs, Palm Desert, La Quinta, CA; Lake Havasu, Kingman, Peach Springs, Grand Canyon, AZ; Las Vegas, NV
- Washington and Oregon with stops in:
 - Seattle, Port Townsend, Sequim, Forks, Olympic National Park, Long Beach, Ilwaco; Astoria, Dayton, Portland, McMinnville, OR
- South Carolina and Georgia with stops in:
 - Myrtle Beach, Charleston, SC; Augusta, Athens, Atlanta, GA
- Florida with stops in:
 - Clearwater Beach, St. Petersburg, Sarasota, Fort Meyers & Sanibel, Captiva, Naples, Ochopee, Miami, FL

- Louisiana, Mississippi, and Tennessee with stops in:
 - New Orleans, Baton Rouge, LA; Natchez, Vicksburg, Indianola, MS; Memphis, TN
- Michigan, Ohio, and New York with stops in:
 - Detroit, MI; Put-in-Bay, Sandusky, Cleveland, OH; Buffalo, Williamsville, Niagara Falls, Rochester, Interlaken, Ithaca, NY
- Washington, DC; Virginia, and Pennsylvania with stops in:
 - Washington, DC; Fredericksburg, Richmond, Shenandoah National Park, Luray, VA; Baltimore, MD; Philadelphia, PA

Finale event in San Francisco

35 percent of the destinations and attractions on the itineraries were in rural areas and 65 percent were in urban areas.

Australia & New Zealand MegaFam with support from Air New Zealand (August 16 - 23, 2018)

Six itineraries visiting 11 states and 23 cities:

- Oregon and Washington with stops in:
 - Bend, La Pine, Terrebonne, Portland, Troutland OR; Seattle, WA
- Alaska with stops in:
 - Fairbanks, Talkeetna, Anchorage, Girdwood, Portage Glacier, Whittier, AK
- Mississippi and Louisiana with stops in:
 - New Orleans, Slidell, Covington, Mandeville, Gulfshore, Northshore, St. Tammary Parish, LA; Jackson, Biloxi, MS
- North Dakota and Montana with stops in:
 - Billings, Yellowstone Park, Crow Agency, Makoshika State Park, Wibaux, South East Montana, Miles City, Glendive, MT; Medora, Bismarck, Mandan, ND
- Illinois and Michigan with stops in:
 - Chicago and Detroit
- Arizona and California with stops in:
 - Phoenix, Grand Canyon, Flagstaff, AZ; San Diego, CA

Finale event in Las Vegas

53 percent of the destinations and attractions on the itineraries were in rural areas and 47 percent were in urban areas.

USA Discovery Program

Through the USA Discovery Program, Brand USA was able to engage nearly 30,000 travel agents and tour operators in seven international markets (Australia, Brazil, China, India, Mexico, New Zealand, and the United Kingdom and Ireland), as well as other markets served by the global site in English. Content on the platform equally featured rural and urban areas and attractions.

MEDIA AND PUBLIC RELATIONS

Brand USA's ongoing outreach to journalists helps generate favorable stories about travel to the United States.

During FY2018 Brand USA hosted 85 total visiting journalist trips and group press trips, including a large-scale program that brought 50 international journalists as part of a program to bring international media to the 50 states, five territories and the District of Columbia. Journalists represented more than 15 international markets (Australia, Brazil, Canada, China, France, Germany, Hong Kong, Italy, Japan, Mexico, New Zealand, South Korea, and the United Kingdom, plus representative markets from the EMEA).

Resulting media coverage included 15% from rural areas and 85% from urban areas.

FOCUS ON SPECIFIC INTERNATIONAL MARKETS AND POPULATIONS

Target Markets

In order to accelerate growth in international arrivals, Brand USA concentrates its consumer marketing efforts in the right markets (those with the strongest indicators of growth) at the right time (when travelers are most motivated to plan and activate travel).

To determine the optimum level of investment in each market, Brand USA utilizes a market selection model as the first step in determining the primary markets where it will focus its consumer campaigns each year.

The model includes 10 factors, shown in Chart 6, which help Brand USA identify the markets that offer the most incremental growth potential over the plan year. International travel behavior and macroeconomic data are more heavily weighted as part of the target markets analysis, but other important factors are also considered, such as civil liberty, wealth distribution, and ease of doing business.

While the markets Brand USA targets in any given year often align with the largest source markets for U.S. arrivals, the model does not utilize U.S. arrivals as an input. Additionally, it's important to note that the objective of defending market share that was otherwise poised for decline is considered equally important to growing market share.

CHART 6

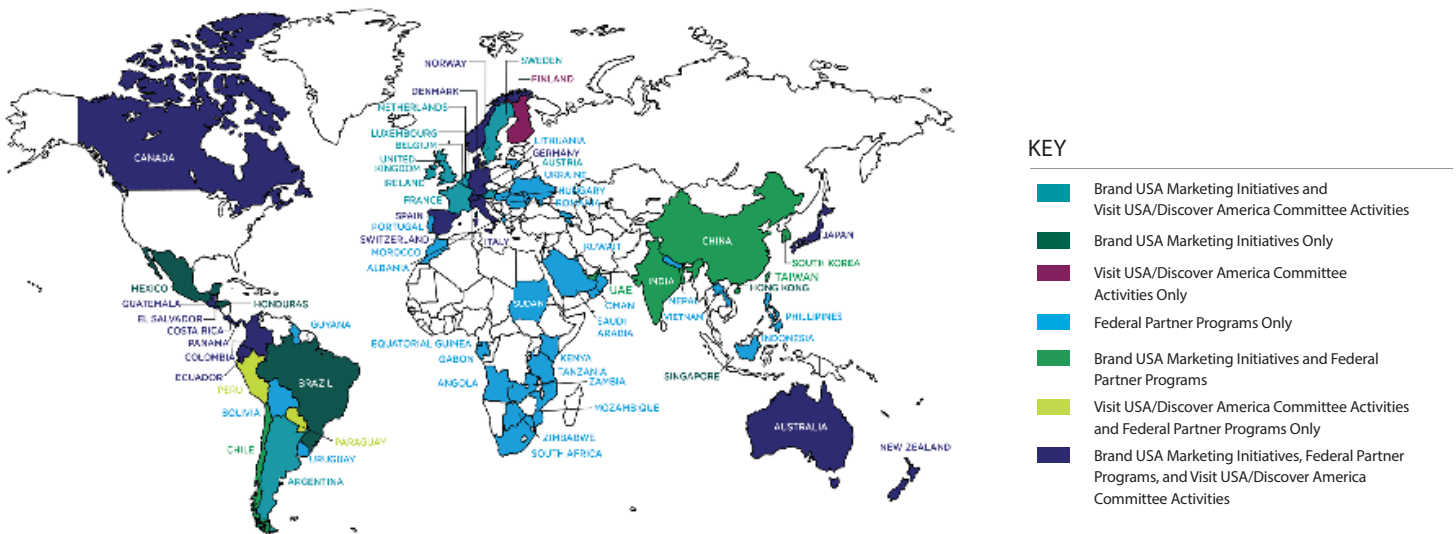
Market Selection Model



Based on our market selection model, the primary target markets for Brand USA’s consumer marketing (the USA Campaigns) during FY2018 were Australia, Brazil, Canada, Chile, China, Colombia, France, Germany, India, Japan, South Korea, Mexico, Sweden, and the United Kingdom. These international markets generate more than 80 percent of inbound travel to the United States.

In addition, Brand USA also executed complementary consumer campaigns, trade outreach, and other initiatives in a variety of other parts of the world to maximize its marketing presence and impact.

Through the combined total of Brand USA’s consumer campaigns, cooperative marketing platforms, global trade outreach, and work with our federal partners and Visit USA Committees, our international marketing effort was present in more than 40 markets during the year.



These markets include:

- Albania
- Angola
- Argentina
- Australia
- Austria
- Belgium
- Brazil
- Canada
- Chile
- China
- Colombia
- Costa Rica
- Denmark
- Ecuador
- El Salvador
- Equatorial Guinea
- Finland
- France
- Gabon
- Germany
- Guatemala
- Guyana
- Honduras
- Hong Kong
- Hungary
- India
- Indonesia
- Ireland
- Italy
- Japan
- Kenya
- Kuwait
- Lithuania
- Luxembourg
- Mexico
- Morocco
- Mozambique
- Nepal
- Netherlands
- New Zealand
- Norway
- Oman
- Panama
- Paraguay
- Peru
- Philippines
- Portugal
- Romania
- Saudi Arabia
- South Africa
- Tanzania
- Ukraine
- United Arab Emirates
- Uruguay
- Vietnam
- Zambia
- Zimbabwe

Target Traveler Populations

The traveler segments, or populations, Brand USA targets in any given year vary by market (based on the opportunities in market). However, as a general rule, demographically our marketing typically targets adults aged 25 to 59 who are affluent, educated travelers. Media and messaging are then aligned to market-specific characteristics, such as cultural preferences and historical response to previous marketing efforts.

Because the target markets that will drive the most visitation in the coming years are at different levels of consumer demand and commercial development, most require a targeted and market-specific approach.

Taking all of the above into consideration for FY2018, the components of the USA Campaigns deployed by market included a combination of macro-level promotion and marketing messages via the channels and campaign approaches determined to be the most effective in each market as outlined in the market tiers shown below.

<p>Tier 1: Permeate the Culture Focus on custom programming and integrated media mix, including traditional, digital, and social channels.</p>	<p>China India</p>
<p>Tier 2: Influence & Inspire Focus on influencers, and digital and social channels.</p>	<p>Brazil Mexico South Korea</p>
<p>Tier 3: Make it Easy & Obvious Focus on Online Travel Agencies (OTA), other activation partners, and digital and social channels.</p>	<p>Australia Canada France Germany Japan United Kingdom</p>
<p>Tier 4: Reach Hand-raisers (i.e., USA “fans” who are actively searching online for more information about visiting the USA) Focus on search and organic social reach.</p>	<p>Chile Colombia Sweden</p>

More information about the media channels Brand USA employs to reach international travelers is provided in the pages that follow.

MEDIA CHANNELS EMPLOYED

Brand USA uses a range of media for its marketing and promotional activities. The total expenditure and ratio of media channels deployed in each market during FY2018 are detailed in Charts 7 and 8.

CHART 7

Media Optimization: FY2018 Expenditures by Market and Media Type

MARKET	DIGITAL	PRINT	TV	OOH	CINEMA	RADIO	TRADE SHOW/ EVENT	MULTI-MEDIA/ INFRA-STRUCTURE	TOTAL
Australia	\$1,626,728	\$132,594	\$26,464	-	-	-	-	\$2,274,539	\$4,060,325
Brazil	\$2,672,530	\$144,373	\$302,497	\$8,500	-	-	\$86,853	\$753,361	\$3,968,114
Canada	\$4,586,421	\$274,125	\$733,852	\$249,206	\$582,155	\$246,435	-	\$1,910,059	\$8,582,253
China	\$6,505,148	\$171,566	\$27,464	\$344,477	\$625,000	-	\$26,991	\$7,823,047	\$15,523,694
France	\$1,139,208	\$6,577	\$26,464	-	-	-	\$61,176	\$577,499	\$1,810,924
Germany	\$2,580,000	\$392,987	\$26,465	\$170,231	-	-	\$285,662	\$2,236,873	\$5,692,218
India	\$3,498,638	\$67,403	\$225,243	\$9,109	\$14,977	-	-	\$1,077,092	\$4,892,463
Japan	\$1,844,888	\$190,434	\$26,464	-	-	-	\$78,231	\$900,532	\$3,040,549
South Korea	\$1,047,505	\$3,141	\$26,464	-	-	-	-	\$989,878	\$2,066,989
Mexico	\$2,708,853	\$159,482	\$135,770	-	-	\$1,250	-	\$2,539,149	\$5,544,504
United Kingdom	\$7,670,507	\$1,145,973	\$126,057	\$1,262,456	-	-	\$399,674	\$6,678,448	\$17,283,114
Global & Other Markets	\$6,912,895	\$345,461	\$819,483	\$1,250	-	-	\$2,944,222	\$38,005,558	\$49,028,868
Total Marketing	\$42,793,322	\$3,034,115	\$2,502,689	\$2,045,228	\$1,222,132	\$247,685	\$3,882,808	\$65,766,035	\$121,494,015
Communications & Research									\$7,621,514
Overhead									\$14,908,272
Total Operating Budget									\$144,013,801

CHART 8

Media Optimization: FY2018 Expenditures by Market and Media Type

MARKET	DIGITAL	PRINT	TV	OOH	CINEMA	RADIO	TRADE SHOW/ EVENT	MULTI-MEDIA/ INFRA-STRUCTURE	TOTAL
Australia	1%	0%	0%	0%	0%	0%	0%	2%	3%
Brazil	2%	0%	0%	0%	0%	0%	0%	1%	3%
Canada	4%	0%	1%	0%	0%	0%	0%	2%	7%
China	5%	0%	0%	0%	1%	0%	0%	6%	13%
France	1%	0%	0%	0%	0%	0%	0%	0%	1%
Germany	2%	0%	0%	0%	0%	0%	0%	2%	5%
India	3%	0%	0%	0%	0%	0%	0%	1%	4%
Japan	2%	0%	0%	0%	0%	0%	0%	1%	3%
South Korea	1%	0%	0%	0%	0%	0%	0%	1%	2%
Mexico	2%	0%	0%	0%	0%	0%	0%	2%	5%
United Kingdom	6%	1%	0%	1%	0%	0%	0%	5%	14%
Global & Other Markets	6%	0%	1%	0%	0%	0%	2%	31%	40%
Total Marketing	35%	2%	2%	2%	1%	0%	3%	54%	100%

Digital channels were the largest single media type used for marketing and advertising activities during the year and encompass a variety of executions, including search, display, social media, online video, and email. Both Brand USA proprietary research and industry studies indicate that digital channels are the most frequently used information source for consumer travel decision-making. These channels also allow us to more effectively engage travelers with inspirational and authentic content.

Importantly, as we have allocated more of our marketing spend to digital channels, we have also worked to optimize our content marketing and storytelling strategies. These enhancements helped drive a 177 percent increase in social engagements (comments, likes, shares, and rich media interactions) during FY2018 compared to the prior year. By telling a deeper travel story and utilizing the most effective channels and formats, we've increased social interactions significantly and gained in the areas that are most effective in influencing travel decision-making.

Chart 9 summarizes the key factors we consider when making channel allocation decisions.

CHART 9

Media Allocation Criteria

Brand/Audience Alignment	General Media Consumption of Target Consumer Segment	Cost per Targeted Unit	Alignment to Targeted Travel Lifecycle Phase	Added Value Opportunities	Social Audience	Cooperative Marketing Partner Parameters
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The foundation of Brand USA's consumer marketing activity is alignment with the appropriate stage of the travel lifecycle by market. By designating each market with its corresponding phases in the travel lifecycle, depicted in Chart 10, Brand USA is able to better focus its marketing messaging and strategy in order to most effectively engage international travelers.

CHART 10

Travel Lifecycle



Based on the varying phases of familiarity and affinity for travel to the USA in any given market, Brand USA deploys its marketing activity with the objective of positively influencing travelers within specific stages of the travel lifecycle. Although each market has a designated primary target phase, execution is not limited to just that phase or media type.

In addition to segmentation alignment, Brand USA's media allocation primarily focuses on the preferred media channels of target audiences and the cost efficiency of ad units and other marketing expenditures in each market.

Additionally, Brand USA considers other added-value opportunities to leverage or amplify media spend in target markets through joint media campaigns, contributed media, scaled discounts, and social media uplift. These factors are applied after the general allocation structure is determined and are used to optimize marketing among specific providers.

Through a combination of more than \$57.2 million in contributed media, plus cooperative marketing initiatives and media procured directly, Brand USA was able to reach millions of travelers in key markets and maintain an active campaign throughout the year, as demonstrated in Chart 11.

CHART 11

FY2018 Marketing Activity

MARKET	MARKETING INITIATIVE	OCT-2017	NOV-2017	DEC-2017	JAN-2018	FEB-2018	MAR-2018	APR-2018	
AUSTRALIA/ NEW ZEALAND	Fall 2017 Multi-Channel Campaign	█							
	Spring 2018 Multi-Channel Campaign							█	
	Fall 2018 Multi-Channel Campaign								
	News Corp								
	Flight Centr		█						
	NZME	█				█			
	OLV/Native/Digital/Display						█	█	
	Expedia					█	█	█	
	Social				█	█	█	█	
	Search Engine Marketing	█							
	Trade Activity								
	Video & Audio								
	Collaborative Trade and Media Outreach with Visit USA Committee								
	BRAZIL	Spring 2018 Multi-Channel Campaign						█	█
Decolar (included in FL Fun Series)		█							
OLV/Native/Digital/Display							█	█	
Social					█	█		█	
Search Engine Marketing		█							
Trade Activity			█					█	
Video & Audio									
CANADA	Winter 2018 Multi-Channel Campaign				█	█			
	Spring 2018 Multi-Channel Campaign								
	OLV/Native/Digital/Display						█	█	
	Expedia					█	█	█	
	Social				█	█	█	█	
	Search Engine Marketing	█							
	Dreamscapes	█							
	Post Media	█							
	Video & Audio								

MARKET	MARKETING INITIATIVE	OCT-2017	NOV-2017	DEC-2017	JAN-2018	FEB-2018	MAR-2018	APR-2018	
CHINA	Fall 2017 Multi-Channel Campaign	█							
	Spring 2018 Multi-Channel Campaign								
	Ctrip	█	█	█	█	█	█	█	
	Mafengwo		█	█	█	█	█	█	
	Fliggy Single's Day		█						
	Fliggy				█	█	█	█	
	Baidu			█	█	█	█	█	
	Essentially America		█					█	
	Chinese New Year Inspiration Campaign (OTA, social, display, search)				█	█			
	SHFYCG Campaign (OTA, OTV, social, display, search)						█	█	
	Ctrip Super Destination Week								
	Display & Native	█			█			█	
	Golden Week Fall Campaign (display, OTV, search)								
	Search Engine Marketing				█	█	█	█	
	Video & Audio							█	
	Trade Activity		█				█		
	FRANCE	OLV/Native/Digital/Display						█	█
		Social				█	█		█
Search Engine Marketing		█	█	█	█	█	█	█	
Trade Activity									
Video & Audio									
Collaborative Trade and Media Outreach with Visit USA Committee					█		█		
GERMANY	Fall 2017 Multi-Channel Campaign		█	█	█				
	Spring 2018 Multi-Channel Campaign							█	
	Display & Native						█	█	
	Essentially America	█						█	
	Social				█	█		█	
	Search Engine Marketing	█	█	█	█	█	█	█	
	Video & Audio								
	Collaborative Trade and Media Outreach with Visit USA Committee	█			█			█	
INDIA	Annual Multi-Channel Campaign (Winter 2018)				█	█			
	Hindustan Times								
	Times of India								
	Star TV								
	OLV/Native/Digital/Display						█	█	
	India Local								
	Influencers								
	Social				█	█	█	█	
	Search Engine Marketing	█	█	█	█	█	█	█	
	Video & Audio							█	
	Trade Activity	█							

MARKET	MARKETING INITIATIVE	OCT-2017	NOV-2017	DEC-2017	JAN-2018	FEB-2018	MAR-2018	APR-2018
JAPAN	Spring 2018 Multi-Channel Campaign							
	OLV/Native/Digital/Display							
	Social							
	Search Engine Marketing							
	Trade Activity							
	Video & Audio							
	Collaborative Trade and Media Outreach with Visit USA Committee							
MEXICO	Spring 2018 Multi-Channel Campaign							
	Travel Impressions (April 2017 - April 2018)							
	Culinary							
	Despegar							
	Televisa (AZ,Woodlands, Nevada,-Expedia)							
	Essentially America							
	OLV/Native/Digital/Display							
	Expedia							
	Social							
	Search Engine Marketing							
	Video & Audio							
SOUTH KOREA	OLV/Native/Digital							
	Social							
	Search Engine Marketing							
	Expedia							
	Video & Audio							
	Trade Activity							
UNITED KINGDOM	Fall 2017 Multi-Channel Campaign							
	Winter 2018 Multi-Channel Campaign							
	Fall 2018 Multi-Channel Campaign							
	Essentially America							
	The Telegraph							
	Culinary							
	UK MegaFam							
	British Airways							
	JCDecaux							
	TTG							
	OLV/Native/Digital/Display							
	Expedia							
	Social							
	Search Engine Marketing							
	Trade Activity							
Video & Audio								
Collaborative Trade and Media Outreach with Visit USA Committee								



KEY

- The USA Campaigns (any combination of consumer above the line, online video, search, display, and social to promote travel to the USA)
- Trade Outreach
- Brand USA Cooperative Marketing Programs (Brand USA Originals and Affinity Programs)
- Combination of contributed and direct-buy media channels

MARKET	MARKETING INITIATIVE	OCT-2017	NOV-2017	DEC-2017	JAN-2018	FEB-2018	MAR-2018	APR-2018
GLOBAL	Travel Channel's Olly's Ale Trails							
	Travel Channel's Flavours of the USA							
	STA Travel							
	National Geographic (Vignettes)							
	National Geographic (Digital Co-Op)							
	Search Engine Marketing in Market							
	BBC FY17/18							
	BBC Incremental FY18							
	Thomas Cook							
	Collaborative Trade and Media Outreach with Visit USA Committees in Market							
	Inspiration Guide 2018							
	Entertainment & Culture Platform							



FY2018 HIGHLIGHTS

San Francisco, California

During FY2018, Brand USA continued to successfully achieve its mission by expanding its marketing initiatives and operating efficiently and effectively. Highlights include:

RETURN ON INVESTMENT (ROI)



- Continued to earn a high return on investment and drive significant incremental international visitation and spend, which is helping to fuel the nation's economy.
 - According to a study by Oxford Economics, Brand USA's marketing efforts during FY2018 resulted in 1.13 million incremental international visitors to the USA who spent \$4.1 billion on travel and fare receipts with U.S. carriers, and generated \$1.17 billion in federal, state, and local taxes and \$8.9 billion in total economic impact, which supported 52,305 incremental jobs. The resulting FY2018 marketing ROI was 32:1—meaning that every \$1 Brand USA spent on marketing generated \$32 in spend by international visitors.
 - The study also showed that the cumulative results of Brand USA's marketing efforts over the past six years (FY2013 through FY018) resulted in 6.6 million incremental visitors to the USA who spent \$21.8 billion on travel and fare receipts with U.S. carriers, and generated \$6.2 billion in federal, state, and local taxes, and \$47.7 billion in total economic impact, which has supported, on average, nearly 52,000 incremental jobs each year. The six-year results equate to an average marketing ROI of 28:1.



CONSUMER MARKETING

- Continued to execute the USA consumer campaign in 14 markets (Australia, Brazil, Canada, Chile, China, Colombia, France, Germany, India, Japan, South Korea, Mexico, Sweden, and the United Kingdom Colombia and Sweden). In total, these markets generate more than 80 percent of all international visitation to the United States.
- Continued to roll out and expand our screen strategy
 - From mobile to giant screen to everything in between, our screen strategy is geared to match the right content to the right person at the right moment.
 - Our USA Campaigns have evolved from a “one size fits all” approach to a device and mindset focused planning to create engaging and emotive stories that build affection for and interest in travel to the United States.
- Continued to produce and promote our successful giant-screen films
 - National Parks Adventure Now Available on Netflix
 - In February 2018, Netflix – the world’s leading internet entertainment service with over 130 million memberships – began streaming National Parks Adventure, the first giant screen film from Brand USA and Macgillivray Freeman Films.
 - According to Oxford Economics, visitors inspired by National Parks Adventure will generate nearly \$700 million in incremental tourism receipts during 2017-2019.
 - Our 2nd Giant Screen Movie Hits the Biggest Screen > America’s Musical Journey
 - In February 2018, at the Smithsonian Air & Space Museum in Washington, DC, Brand USA launched its second giant screen film – America’s Musical Journey.
 - Following the launch, America’s Musical Journey opened at giant screen theaters all over the world and in April 2018 it won “Best Audience Recommendation Award” in the Science and Technology section at the Beijing International Film Festival.
 - Exploring Wild America (Coming February 2020)
 - In FY2018 Brand USA began production of our third giant-screen film, Exploring Wild America (working title).
 - The film, brings to life trails and trailblazers by sharing stories of the great outdoors, the discovery of new cities, and people who overcame challenges and found a way to bring their dreams to life.



- Produced new campaigns
 - Hear The Music, Experience the USA (March to July 2018)
 - Extending the strategy of music beyond giant screen cinemas, Brand USA launched a new campaign called Hear the Music, Experience the USA.
 - This integrated marketing campaign, which launched in March 2018, utilized the power of music to promote international travel to the United States by highlighting music as a cultural lens to explore the diversity of USA experiences,
 - The campaign interpreted Bobby Freeman’s iconic song, “Do You Wanna Dance?” through different musical genres as envisioned by five innovative artists bringing the unique cultural sounds of their cities to life.
 - Destinations, artists, and musical genres featured included:
 - Atlanta, Georgia – Cam James – Hip Hop
 - Denver, Colorado – Bass Physics – EDM
 - Houston, Texas – Nathan Quick - Blues
 - Portland, Oregon – Reptaliens – Rock n roll
 - San Juan, Puerto Rico – Calma Carmona - Soul
 - Distribution Channels
 - Online video, Display, Social, and Spotify
 - Partnership with Spotify included custom playlists for over 20 destinations that enabled listeners to hear the sound of these cities. The playlists were integrated into the campaign website
 - Total Engagements:
 - 993 thousand paid and organic social engagements
 - 1.8 million canvas opens
 - 132 million paid and organic video views
 - The campaign achieved over \$5.8 million in earned media value and 69 million in earned media impressions.
 - The Spotify destination playlists were streamed over 29,000 times, with an average of 21 minutes per session.
 - Spotify Integration:
 - The Spotify destination playlists averaged 21 minutes per session.
 - Social achieved over 3 million engagements.
 - The campaign produced over 70 million digital engagements.



-
- Destinations featured:
 - Atlanta
 - Baltimore
 - Charleston
 - Chicago
 - Cleveland
 - Denver
 - Detroit
 - Houston
 - Los Angeles
 - Memphis
 - Miami
 - Milwaukee
 - Minneapolis
 - Nashville
 - New Orleans
 - New York City
 - Portland
 - Providence
 - San Antonio
 - San Francisco
 - San Juan
 - Sioux Falls
 - Wyoming

 - Launch of a Unique Connected TV Channel, GoUSA TV
 - Brand USA launched its over-the-top (OTT) channel in February 2018 to take advantage digital video trends across the globe, and growth of cord-cutting/video streaming worldwide.
 - GoUSA TV gives us the space to create, curate, and collaborate on the production of content so we can better harness the power of entertainment to get people to actively consider a USA destination for their next vacation.
 - Engagement is significant
 - Average views per international user: 11
 - Average watch duration by international viewer: 32 minutes

 - Roadtrips USA (July – September 2018)
 - The American road trip has long been one of the best ways to experience the USA. Continuing our multi-year focus on this theme, and as part of our “always on” strategy, we highlighted classic American road trips.
 - Destinations featured:
 - Brooklyn, New York
 - Charleston, South Carolina
 - Monument Valley
 - Oregon
 - The Hamptons, New York
 - Distribution Channels:
 - Social (Facebook, Twitter, Instagram)



- Total Engagements:
 - 2.5 million social engagements
 - 51.9 million digital engagements
 - 8.3 million canvas opens
 - 109 million video views
 - 711 million impressions
- Ask a Local
 - Personal recommendations always make a visit unique and memorable, because it's the people that truly make the place special.
 - Through this campaign, we promote unique travel experiences directly from the locals to international travelers (i.e., the best attractions, places to eat, shopping and much more).
 - Using a documentary-style approach, the Ask a Local campaign shares amazing travel experiences through the voices and faces of U.S. residents.
 - In partnership with our destinations, these first-person recommendations highlight local attractions, food, nightlife, music, and scenery throughout the 50 states, 5 territories, and the District of Columbia.
- Go Now: January Inspiration Campaign (January 2018)
 - The objective of this campaign was to inspire travelers to visit the USA during the busy January Travel planning period.
 - Destinations featured:
 - Antelope Canyon, Arizona
 - Fairbanks, Alaska
 - Hawaii
 - Miami, Florida
 - Distribution Channels:
 - Social (Facebook, Twitter, Instagram)
 - Total Engagements:
 - 2 million social engagements
 - 26 million digital engagements
 - 66 million video views
- India Influencers (June – September 2018)
 - In an effort to connect organically and authentically with audiences in India, Brand USA launched an India influencer strategy in FY2018 – which aimed to bring six key content creators each with an audience of more than 500,000 followers to explore the USA and build positive sentiment for travel to the USA.



- Distribution channels:
 - Social (YouTube, Instagram, Facebook)
- Total Engagements:
 - 9 million social engagements
 - 535,000 digital engagements
 - 21 million video views
 - 67 million impressions
- Continued to increase engagement with VisitTheUSA.com and GoUSA.cn
 - Generated over 39 million page views and 28.7 million sessions on these sites in FY2018. This represents growth on VisitTheUSA.com of 20% and GoUSA.cn of 27% compared to FY2017 based on 32.4 million page views and 23.3 million sessions the prior year.
- Launched first-ever Mega Media Venture
 - Program sent 50 international journalists to the 50 states, five territories and the District of Columbia
 - Sponsor partners: Marriott International and American Airlines
 - American Airlines' contribution of 40 tickets and Marriott's contribution of lodging accommodations at 110 of their properties allowed us to host the invited journalists as part of this expansive program.
 - The effort yielded more than 60 media articles (with more on the way) with a total advertising value of over \$9 million (to date) by top-tier journalist from the following markets: Australia, Brazil, Canada, China, EMEA, France, Germany, Hong Kong, Italy, Japan, South Korea, Mexico, New Zealand, and the United Kingdom.
 - The vast majority of journalists went to new U.S. destinations—enabling us to expand the coverage they usually provide—and helped us promote to, through, and beyond the gateways in new ways.
- Continued our successful visiting journalist program
 - In addition to the Mega Media Venture, we hosted 35 individual visiting journalist trips and group press trips from 6 markets, resulting in over 550 articles, covering 38 out of 50 states by journalists from the following markets: South Korea, Japan, UK & Ireland, India, Brazil, Hong Kong, Taiwan & SE Asia.



GLOBAL TRADE DEVELOPMENT

- Continued strong slate of Roadshows, MegaFams, Sales Calls, Trade Shows, Sales Missions, and Product Fams
 - 16 roadshows with 241 destinations represented who met with 4,073 travel agents
 - 3 MegaFams which brought 190 travel agents to 90 U.S. destinations in 33 states from the following international markets:
 - India: October 4-11, 2017
 - UK and Ireland: April 26-May 4, 2018
 - Australia and New Zealand: August 16-23, 2018
 - 14 international offices representing Brand USA in 23 international markets, who conducted 5,732 sales calls with the international travel trade
 - 17 trade shows which included 720 exhibitors promoting U.S. destinations and experiences across the USA and held 2,006 appointments with the international travel buyers and others.
 - 4 sales missions with 140 U.S. destination partners who participated in 5,099 appointments with travel media and international travel buyers.
 - 18 product fams that brought 1,084 international travel trade product managers to 54 U.S. destinations.
- Expanded the number of travel agents registered on the USA Discovery Program
 - Registered 2,643 new travel agents for the USA Discovery Program—bringing the total number of participating agents to 29,661.
 - Launched the USA Discovery Program in Mexico—bringing the total number of markets where the program is active in-language to seven (Australia, Brazil, China, India, Mexico, New Zealand, the United Kingdom and Ireland) in addition to the global site in English.
- Significantly expanded product development
 - Developed 19 new self-drive experiences that promote travel to 25 gateway cities and 135 stopover destinations in 24 States, the District of Columbia and two of the five territories.
 - In addition, partnerships were secured with the following U.S. based receptive tour operators to feature these self-drive experiences as part of their international programs:
 - 7M Tours – India/Latin America
 - AlliedTPro - Global
 - Americantours International - Global
 - American International Travel Services - China
 - Bonotel Exclusive Travel - Global
 - G2 Travel - Global
 - Personal RGE Tours and Travel – Latin America
 - Rocky Mountain Holiday Tours – Europe/Australia
 - Team America - Global
 - TBO Global - Global
 - Travelco USA - Global



- Brand USA self-drive experiences (or customized versions of them) are now featured in international operator programs in the following markets:
 - China
 - Germany
 - Italy
 - Netherlands
 - Spain
 - Switzerland
 - United Kingdom

- Brand USA promoted its product development efforts at 10 international trade shows, two Brand USA sales missions, and five partner seminars/presentations, and also participated in receptive tour operator sales calls in Los Angeles, Miami, New York, and Orlando. In addition, we promoted the itineraries through digital campaigns (phase 1 and 2 executed in FY2018) to inspire travel to the USA and drive itinerary bookings. Key tour operators acted as call-to-action partners. The campaigns and their respective results were as follows:
 - The UK Phase 1 campaign ran from February to May 2018
 - Phase 1 Results: Generated 147,000 qualified customer visits to USA itineraries, a 21% increase in passengers booked compared to FY2018, and a 24% increase in room nights booked year-over-year.

 - The UK Phase 2 campaign ran from September to November 2018
 - Phase 2 Results: A 95% increase in room nights booked, an 88% increase in passengers, a 50% increase in booking value compared to the prior year; 33.2 million Lightbox impressions (29% over target) and a reach of 19.8 million unique users in the United Kingdom.

 - The campaign consisted of:
 - Bespoke designed Lightbox with a dedicated digital media buy for each destination partner across display, re-targeting and social media.
 - Tour operator contra-marketing to promote the featured destination partners.
 - A clear system of tracking sales to the USA through tour operator and airline partners by placing floodlight tags on itinerary pages.
 - Audience data captured from the campaign enabled customer retargeting (fully compliant with GDPR regulations).



- Launched point-of-sale campaign
 - The campaign inspired sales agents to learn more about the USA by leveraging the FY2018 campaign themes of music and culture and highlighting Brand USA's new musical itineraries, and featured a platform for agents to engage and for 30 agencies to have the chance to win a Music Box and musical-themed event for their stores for their consumers
 - The campaign was promoted by Travel Weekly with all activity leading onto the dedicated campaign microsite <https://traveltrade.visittheusa.co.uk/win>
 - Promotional materials included a campaign-themed box, which included a range of point-of-sale materials such as posters, wobblers, brochures, and factsheets for agents to utilize in their respective travel stores.
 - Campaign results included:
 - 701,000 impressions generated throughout the campaign (57% over the campaign target of 445,000)
 - 220 campaign registrations from 160 travel agencies and 60 tour operators
 - In-store events held from November 2018 through February 2019 in 30 agencies.



PARTNER PROGRAMS

- Earned 100% of the federal match from the Travel Promotion Fund for the eighth consecutive year.
- Grew Brand USA's partnership network to 982 partners through FY2018 compared to 851 partners through FY2017 (a 15% increase).
 - Of our partners in FY2018, 89% were LOA contributors (compared to 88% in FY2017) and 16.4% were first-time contributors (compared to 22% in FY2017).
- Maintained strong partner retention
 - 94% compared to 94% in FY2017 (partners that contributed in any prior Brand USA fiscal year who contributed in FY2018)
 - Partner program participation retention (partners that participated in a program in both FY2017 and FY2018) was 78% compared to 76% in FY2017.
- Increased partner participation in our Brand USA Originals, Market-Specific, and Trade Marketing Programs by 44.3 percent over FY2017.
- Continued to enhance two of our most popular cooperative marketing platforms: Travel USA, our travel inspiration guide, and In-language video production

Visit the USA (inspiration guide)

- Produced 547,000 printed guides in 13 languages, which were distributed in 21 international markets with an accompanying digital version.
- The 2018 edition of the guide featured 195 partners (generating total partner contributions of \$3.05 million) and content showcasing diverse experiences in a balanced combination of urban and rural U.S. destinations, travel brands, and attractions.
- In addition to the printed guides, Brand USA produced 13 digital editions Travel USA, which garnered 3.5 million page views and visitors spending an average of 7 minutes on the eGuide sites.
- In addition, eight customized digital versions of the inspiration guide were created in six languages to support activation efforts by 57 in-market tour operators promoting the USA.

In-Language Videos

- Brand USA also created and distributed engaging video content to promote travel experiences to international travelers—producing 142 in-language videos. Roughly a third of these videos promoted rural areas of the USA.
- Launched 13 multi-channel campaigns across nine markets: Australia, Brazil, Canada, China, Germany, India, Japan, Mexico, and the United Kingdom.
 - The 13 campaigns featured a total of 248 destinations and travel brands, with an average participation of 2.4 campaigns per partner.
 - Total multi-channel impressions for FY2018 were 452,766,906.



- Leveraged \$57.2 million in contributed media to promote the USA to international travelers
- Introduced new programs and continued other successful media partnerships that provided value and attracted new partners and helped maintain partner retention, including:
 - Launched multiple Chinese media programs providing Brand USA partners with the opportunity to reach Chinese travelers on the platforms they engage with the most: Fliggy, Ctrip, Mafengwo, Baidu, and Wechat/Weibo. 48 partners participated 94 times in the China programs.
 - Promoted Singles Day (11/11) via Fliggy with five partners.
 - The program generated over 200 million impressions and helped drive \$42 million in travel bookings for the USA on Singles Day, with \$10 million directly attributed to the Brand USA Singles Day promotion
 - Royal Horticultural Society campaign, featuring two destinations (Charleston, Oregon), that generated earned media coverage valued at more than \$9 million and won two Silver Gilt awards.
 - Brought Marriott and BBC together to feature five video vignettes across the BBC network in the Canada, Australia and UK markets, featuring the states of Texas and New York, along with the following cities: Los Angeles, Chicago and Charleston, S.C. The videos promoted booking at Marriott's U.S. destinations and generated a total media value of \$1,016,510.
 - Expanded opportunities for partners to leverage Brand USA's proprietary consumer websites, VisitTheUSA and GoUSA
 - Paid traffic generation campaigns with 200 partners generated over 1 million impressions and 800,000 completed clicks.
- Set the record straight with strong travel transcends politics messaging that helped shift media coverage to be a more accurate report on Brand USA's impact and international traveler interest in visiting the USA—earning an Adrian Platinum Award from HSMIAI.



COMMUNICATIONS AND PUBLIC POLICY

- Maintained strong public-private partnership collaboration: Worked with all tourism-related federal agencies that helped extend Brand USA's reach into more than 12 new markets. Some highlights of our work together:
 - Finalized the Market the Welcome embassy toolkit and video, which features dozens of lesser-known destinations in all regions of the country who would otherwise not have a presence in those markets.
 - Jointly deployed Market the Welcome toolkit with Bureau of Consular Affairs and U.S. Commercial Service.
 - Launched the Market the Welcome airport program for LAX and ATL and developed an updated Market the Welcome toolkit for embassies and consulates, including the video component developed in conjunction with Consular Affairs. We deployed this toolkit globally to more than 40 embassies/consulates around the world (double our target).
 - Ensured ongoing engagement with key federal partners, including Commerce: International Trade Administration, National Oceanic and Atmospheric Administration; Interior: National Park Service, Bureau of Land Management, U.S. Fish and Wildlife Service; Agriculture: United States Forest Service, Foreign Agricultural Service; Homeland Security: U.S. Customs and Border Protection, Transportation Security Administration, Public Service Obligation; State: CA, International Information Programs, Enforcement Bureau; etc.)
 - Executed a high-level film activation event at Canadian Music Week in conjunction with the U.S. Consulate, including a concert by Aloe Blacc. This was a big value-ad for the exhibiting destinations, including Myrtle Beach, Georgia, Chicago, Austin, Portland, and others.
 - Launched embassy engagement plan for America's Musical Journey to include high-level engagement with Brand USA activation and turnkey program for embassy-led activation beyond top tier markets.
 - Provided input to TTAB work products and actively collaborated and informed the TTAB subcommittees, including Hurricane Recovery, Secure Travel Partnership, and National Travel and Tourism Strategy Goal.
 - Produced the U.S.-China Tourism Leadership Summit and managed Brand USA engagement with the U.S.-India travel and tourism work plan. This led to Brand USA enhancing its thought leadership role in the industry and provided great value for attending partners in Hangzhou. This year's summit enjoyed record U.S. attendance and received high marks for its quality and content.
 - Developed communications plans and messaging for a variety of policy issues such as visa/entry procedures/policies; aviation security; government shutdown; ESTA fees; and more.



OPERATIONS

- Maintained 100% compliance with policies and procedures.
- Earned a clean audit for the eighth consecutive year.
- Kept cycle time (average number of filing days from submission to Commerce to receipt of funds) to less than 100 days for both cash and in-kind contributions—demonstrating efficiency and accuracy in ESTA submissions.



AWARDS

- Honored with 30 awards during the year for marketing and communications campaigns.

BALANCED SCORE CARD

DASHBOARD COMPONENT	METRICS	METHODOLOGY	SOURCES	REPORTING FREQUENCY	FY2015 RESULTS
TRAVEL LIFECYCLE Phase 1 Dream/Awareness	Consumer Destination Familiarity ¹	<ul style="list-style-type: none"> Online survey identifying international travelers from Canada and Mexico, plus intercontinental overseas travelers likely to visit the USA in the next 12 months (1,000 completes per campaign market) 	ORC International	Quarterly	93% ² (+1% vs 2014)
TRAVEL LIFECYCLE Phase 2 Consider/Engagement	Engagement	<ul style="list-style-type: none"> Actual values YTD cumulative totals Includes website page views, social engagements (comments, likes, shares), and rich media ad opens Excludes auto play video views ⁴ 	Brand USA internal and agency data	Tracked Monthly; Reported Annually	31.4 million
	Intent to Visit the USA (in next 2 years)	<ul style="list-style-type: none"> Online survey (1,000 completes per campaign market) 	ORC International	Tracked Monthly; Reported Annually	59% (-1% vs 2014)
TRAVEL LIFECYCLE Phase 3 Activate/Book	Attributable Incremental Increase in Visitation	<ul style="list-style-type: none"> Incremental visitation results determined by an econometric analysis incorporating advertising impressions delivered, website and social engagements, consumer response to advertising, and U.S. market share 	<ul style="list-style-type: none"> Oxford Economics NTTO Brand USA internal data 	Annually	1.03 million visitors (+11% vs 2014)
ROI & TRAVEL LIFECYCLE Phase 4 Travel	Attributable Incremental Increase in Spend, Jobs, & Economic Impact	<ul style="list-style-type: none"> Incremental spend & jobs determined by an econometric analysis incorporating advertising impressions delivered, website and social engagements, consumer response to advertising, and U.S. market share Total economic impact calculated based on attributable visitation & spend metrics ROI (overall & marketing) 	<ul style="list-style-type: none"> Oxford Economics NTTO Brand USA internal data 	Annually	\$3.04 billion spend (-1% vs 2014); \$6.60 billion economic impact (-7% vs 2014); 44,533 jobs (-4% vs 2014); ROI 19:1 & 20:1
	Market Share ²	<ul style="list-style-type: none"> Actual values globally (total and long-haul) Actual values by campaign market 	<ul style="list-style-type: none"> NTTO Oxford Economics 	Annually	6.85% total (-1% vs 2014) 11.98% long-haul (+6% vs 2014)
TRAVEL LIFECYCLE Phase 5 Share	Consumer Net Promoter Score	<ul style="list-style-type: none"> Online survey (1,000 completes per campaign market) 	ORC International	Annually	44.7% (-4% vs 2014)
FINANCIAL Partner Revenue Trends	Percentage of Federal Match	<ul style="list-style-type: none"> Actual realized values of ESTA submissions (not including unrealized in-kind amounts) YTD cumulative totals Amounts are before sequestration Contributions only (does not include matching funds) 	Brand USA internal data	Quarterly	100%
	Ratio of Cash/ In-kind Contributions	<ul style="list-style-type: none"> Ratio of cash & in-kind contributions YTD cumulative totals of recognized revenue 	Brand USA internal data	Quarterly	36.9% cash \$47.0 million; 63.1% in-kind \$80.5 million
PARTNERSHIP VALUE	Value Provided to Partners	<ul style="list-style-type: none"> Number of partners (inception to date cumulative totals) Partner program retention rate ³ Partner satisfaction Intent to partner with Brand USA 	Brand USA internal data	Annually	577 partners (+20% vs 2014) 94% retention (0% vs 2014) 92% satisfaction 96% intent
PROCESS & COMPLIANCE	Compliance	<ul style="list-style-type: none"> Percentage compliance to policies and procedures 	Brand USA internal data	Quarterly	100%
	Cycle Time	<ul style="list-style-type: none"> Average number of ESTA/matching fund filing days from submission to Commerce to receipt of funds Totals represent individual quarter results 	Brand USA internal data	Quarterly	Cash: 107 days; In-Kind: 167 days

Brand USA tracks its performance across a variety of metrics that roll up into a balanced score card tracking progress in reaching and influencing international visitors in various stages of the customer journey, as well as our operational effectiveness.

See page 123 for footnote explanation.

FY2016 RESULTS	FY2017 ACTUAL	FY2018 ACTUAL	TREND	COMMENTS
93% ³ (+1% vs 2015)	94% (+1% vs 2016)	93%		Targeting 1% annual increases or maintaining YoY
38.5 million (+23% vs 2015)	43.6 million ⁴ (+10% vs 2016)	57.0 million (+21% vs 2017)		Targeting 10% average annual increases over a 5-year period
60% (+2% vs 2015)	60% (n/c vs 2016)	57% (-5 vs 2017)		Target is to maintain and protect intent to visit due to market conditions
1.20 million visitors (+17% vs 2015)	1.16 million visitors (+5% vs 2016)	1.13 million visitors (-3% vs 2017)		Targeting 7% average annual increases over a 5-year period
\$4.08 billion spend (+34% vs 2015); \$8.88 billion economic impact (+35% vs 2015); 59,463 jobs (+34% vs 2015); ROI 28:1 & 31:1	\$4.06 billion spend (-1% vs 2016); \$8.83 billion economic impact (-1% vs 2016); 54,212 jobs (-10% vs 2016); ROI 26:1 and 29:1	\$4.10 billion spend (+1% vs 2017); \$8.91 billion economic impact (+1% vs 2017); 52,305 jobs (-4% vs 2017); ROI 28:1 & 32:1		Targeting 10% average annual increases for spend; 3% for economic impact; 3% for jobs (each over a 5-year period)
6.48% total (-5% vs 2015) 11.46% long-haul (-4% vs 2015)	6.10% total (-6% vs 2016) 10.80% long-haul (-6% vs 2016)	6.09% total (n/c vs 2017) 10.80% long-haul (n/c vs 2017)		Targeting annual increases of 1.5%
44.1% (-1% vs 2015)	41.1% (-7% vs 2016)	42.0% (+2% vs 2017)		Targeting 2% average annual increases over a 5-year period.
100%	100%	100%		100% target each year
53.2% cash \$52.9 million; 46.8% in-kind \$46.6 million	47.8% cash \$53.1 million; 52.2% in-kind \$58.1 million	43.24% cash; \$46.7 million; 56.75% in-kind \$61.3 million		Minimum of 30% cash/year
707 partners (+23% vs 2015) 98% retention (+4% vs 2015) 96% satisfaction (+4% vs 2015) 100% intent (+4% vs 2015)	851 partners (+20% vs 2016) 94% retention (-4% vs 2016) 92% satisfaction (-8% vs 2016) 81% intent (-23% vs 2016)	982 partners (+15% vs 2017) 94%+ retention (n/c vs 2017) 94%+ satisfaction (+2% vs 2017) 100%+ intent (+23% vs 2017)		Targeting 6% average annual increases in partners and 90%+ retention, satisfaction, and intent each year
100%	100%	100%		100% target annually; Brand USA certifies that it is in compliance with its competitive procurement policy
Cash: 85 days; In-Kind: 122 days	Cash: 64 days; In-Kind: 92 days	Cash: 34 days; In-Kind: 43 days		Targeting Cash: <90 days; In-kind: <130 days

KEY

- Maintaining and within the target range
- Maintaining and/or at the bottom of the target range
- Below the target range
- In compliance and at the required level
- Trending upward and on target
- Within target but inconsistent
- Trending down slightly
- Trending down and below range



FY2018 OBJECTIVES REVIEW

FY2018 Plan Objectives: Summary of Results

OBJECTIVE	GOALS	PROGRESS
DRIVE RESULTS	<ul style="list-style-type: none"> • Generate 1.25 million incremental international visitors • Generate \$4.15 billion incremental international spend • Generate \$9.0 billion in total economic impact • Achieve marketing ROI of 23:1; overall ROI of 20:1 • Maintain overhead below 15 percent 	<ul style="list-style-type: none"> ○ 1.13 million incremental international visitors ○ \$4.10 billion incremental international spend ○ \$8.91 billion in total economic impact ★ Marketing ROI of 32:1; overall ROI of 28:1 ✓ Overhead of 10%
CREATE INNOVATIVE MARKETING	<ul style="list-style-type: none"> • Ensure equal marketing of rural and urban areas • Support all 50 states, the District of Columbia, and the five territories • Maintain destination familiarity of 93% • Increase digital marketing engagements to 48.0 million • Maintain average intent to visit across all markets to 60% 	<ul style="list-style-type: none"> ✓ Equal marketing rural/urban areas ✓ Supported all 50 states, DC, and 5 territories ✓ 93% destination familiarity ★ 57.0 million digital engagements ✗ 57% average intent to visit
MARKET THE WELCOME	<ul style="list-style-type: none"> • Communicate all relevant travel policy information and travel policy updates • Support achievement of 100% of aligned objectives with the Tourism Policy Council • Deploy Market the Welcome program in the international arrivals halls of two U.S. airports • Deploy Market the Welcome program in five embassies and/or consulates 	<ul style="list-style-type: none"> ✓ Communicated all relevant travel policy info and updates ✓ Supported 100% of objectives aligned with the Tourism Policy Council ✓ Deployed Market the Welcome in two airports ★ Deployed Market the Welcome in 50 embassies and/or consulates
BUILD AND MAINTAIN TRUST	<ul style="list-style-type: none"> • Ensure 100% compliance with policies, procedures, and the Travel Promotion Act • Expand partner reporting portal content by 25% 	<ul style="list-style-type: none"> ✓ 100% compliance with policies, procedures, and the Travel Promotion Act. ★ Expanded partner reporting portal content by more than 25% with partner playbooks
ADD AND CREATE VALUE	<ul style="list-style-type: none"> • Generate \$100 million in contributions from private industry and other non-federal sources (with no less than 30% from cash contributions and no more than 70% from in-kind contributions) • Earn a 90% or better (top 2 boxes) partner satisfaction survey question "Brand USA's partnership provides value to my organization." <ul style="list-style-type: none"> • Maintain a 90% or higher partner retention rate • Maintain a 90% or higher partner program retention rate 	<ul style="list-style-type: none"> ★ Generated \$108 million in contributions with 43% (\$46.7 million) from cash contributions and 57% (\$61.3 million) from in-kind contributions, plus \$4 million in sponsorships/programs revenue ✓ 94 % rating on value ✓ 94% partner retention ✗ 78% partner program retention

KEY

- ★ Exceeded goal for the objective
- ✓ Met goal for the objective
- Partially met goal for the objective
- ✗ Did not meet goal for the objective

OBJECTIVE 1: DRIVE RESULTS

Increase international visitation, spend, and global market share for the United States.

GOALS

- 1.25 million incremental international visitors
- \$4.15 billion in incremental international spend
- \$9.0 billion in total economic impact
- Marketing return on investment (ROI) of 23:1; overall ROI of 20:1
- Overhead below 15 percent

FY2018 RESULTS

Brand USA met or exceeded two goals and partially met three goals for this objective.

- 1.13 million incremental visitors (reached 90% of target)
- 4.10 billion in incremental spend (reached 99% of target)
- \$8.9 billion in total economic impact (reached 99% of target)
- Marketing ROI of 32:1; overall ROI of 28:1 (exceeded goals by 39 percent and 40 percent, respectively)
- Overhead at 10 percent (achieved goal)

These results were confirmed in a study by Oxford Economics, which also showed that Brand USA's FY2018 marketing generated: \$1.17 billion in federal, state, and local taxes and supported 52,305 incremental jobs

Although the results for incremental visitors and spend were just shy of their targets, Brand USA achieved record results for incremental international visitor spend, tax revenues generated, and total economic impact. Notably, the FY2018 results show consistently strong marketing performance and a higher return on investment compared to the prior year despite continuing challenges such as the strength of the U.S. dollar against many target market currencies.

The study by Oxford Economics also noted that the cumulative results of Brand USA's marketing efforts over the past six years (FY2013 through FY018) has helped bring:

- 6.6 million incremental visitors to the USA who spent
- \$21.8 billion on travel and fare receipts with U.S. carriers, and generated
- \$6.2 billion in federal, state, and local taxes, which delivered
- \$47.7 billion in total economic impact, and has supported, on average,
- Nearly 52,000 incremental jobs each year

The six-year results equate to an average marketing ROI of 28:1 and overall ROI of 25:1.

We accomplished this by:

- Maximizing ROI by deploying the right messages, in the right markets, through the right channels, at the right times, and at the right levels of investment.
- Continuing to shift marketing investments to the highest ROI markets.
- Executing consumer advertising in selected markets that effectively target travelers and positively impact their intent to visit the USA (according to market prioritization and segmentation strategies).
- Equally promoting rural and urban areas of the United States across all marketing and public relations efforts.
- Analyzing the performance of campaigns and marketing channels against their respective objectives and goals (and adjusting strategies and messaging accordingly) in order to continually optimize the effectiveness of marketing efforts.
- Marketing and distributing our giant-screen film America's Musical Journey and continuing to market and distribute National Parks Adventure.
- Adding new functionality to global consumer and corporate websites.
- Maximizing partner value and ROI through partner programs, global trade development, consumer campaigns, and public relations efforts.
- Continuing to enhance our overall global trade development strategies (international representation, product development, RTO, training, etc.).
- Including "Market the Welcome" messaging in all consumer channels.
- Ensuring the majority of our annual budget is allocated to support our mission by efficiently managing our internal resources and overhead.

OBJECTIVE 2: CREATE INNOVATIVE MARKETING

Promote the entirety of the USA with innovative marketing that supports all 50 states, the District of Columbia, and five territories to, through, and beyond the gateways.

GOALS

- Ensure equal marketing of rural and urban areas across the total of all marketing efforts
- Support all 50 states, the District of Columbia, and the five territories with any combination of the USA Campaign, cooperative marketing, and trade outreach
- 93 percent destination familiarity
- 48.0 million digital marketing engagements
- 60 percent average intent to visit across all markets

FY2018 RESULTS

Brand USA met or exceeded four goals and did not meet one goal for this objective:

- Ensured equal marketing of rural and urban areas across all marketing efforts as summarized on pages 37 to 45 of this report (achieved goal)
- Supported all 50 states the District of Columbia, the five territories, and the District of Columbia as summarized on pages 10 to 35 of this report (achieved goal)
- 93 percent destination familiarity (achieved goal)
- 57.0 million digital marketing engagements (exceeded goal by 19%)
- 57 percent average intent to visit across all markets (missed goal)

We met all of the goals for this objective with the exception of the target to maintain a 60 percent average intent to visit as a result of the continuing challenge we face due to the strength of the dollar compared to other currencies. We believe we have helped mitigate the effect the strong dollar has on intent to visit through our strategy of reinforcing through our marketing and communications efforts the inherent value the USA provides travelers due to the diversity of destinations and experiences available in a single visit.

We accomplished this objective by:

- Emphasizing the value of a USA trip—leveraging the great outdoors, culture, and music as core platforms—in marketing and communications strategies.
- Promoting the inherent diversity of experiences in order to fuel initial discovery, return trips, and extending the stay by shifting our positioning and messaging from overwhelming options to new and diverse experiences.
- Leveraging market prioritization and segmentation strategies with corresponding objectives, goals, and strategies by target market to engage travelers where they are in the travel lifecycle.
- Developing and launching compelling new creative, messaging, content, marketing initiatives, and platforms that inspire travelers to visit the 50 states, five territories, and the District of Columbia.

- Promoting our giant-screen films, National Parks Adventure and America’s Musical Journey, to inspire travel to the USA.
- Continuing deployment of an “always on/social first” strategy with a focus on building momentum and movement across the travel lifecycle/activation—from identifying audiences and media platforms, to developing messaging and strategies.
- Continuing to enhance our digital strategies with a best-in-class responsive consumer digital platform that helps potential visitors imagine and plan their own travel experience (rich content that inspires and informs).
- Executing a partner programs plan that supports the deployment of marketing spend in the markets that drive the strongest increases in (or defense of) visitation, spend, and/or market share and provide partner value.
- Executing partner cooperative programs that help potential visitors imagine and create their own travel experience—emphasizing and leveraging diversity of experiences and proximity.

OBJECTIVE 3: MARKET THE WELCOME

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

GOALS

- Communicate all relevant travel policy information and all travel policy updates.
- Support the achievement of 100 percent of aligned objectives with the Tourism Policy Council.
- Deploy the “Market the Welcome” program in the international arrivals halls of two U.S. airports.
- Deploy “Market the Welcome” program five embassies/consulates.

FY2018 RESULTS

Brand USA met or exceeded the goals for this objective.

- Communicated all relevant travel policy information and all travel policy updates (achieved goal).
- Supported the achievement of 100 percent of aligned objectives with the Tourism Policy Council (achieved goal).
- Deployed the “Market the Welcome” program in the international arrivals halls of Los Angeles International Airport and Hartsfield–Jackson Atlanta International Airport (achieved goal).
- Deployed the “Market the Welcome” program in 50 embassies/consulates (exceeded goal by 900%).

We were able to achieve these objectives by:

- Coordinating our communication of U.S. travel policy to international travelers with the Departments of Commerce, Homeland Security, and State.
- Communicating vital and compelling information regarding visa and entry policies through all Brand USA channels.
- Coordinating with the appropriate Federal agencies in our support of the objectives established by the Tourism Policy Council.
- Incorporating Market the Welcome and One Big Welcome programs and messaging in marketing and communications efforts.
- Ensuring Market the Welcome campaigns carry the national voice across all consumer marketing channels with a cohesive platform.

OBJECTIVE 4: BUILD AND MAINTAIN TRUST

Build and maintain trusted relationships with stakeholders worldwide through inclusive, proactive, and transparent outreach with a commitment to compliance and integrity through words, actions, and results.

GOALS

- Ensure 100 percent compliance with policies, procedures, and the Travel Promotion Act.
- Expand partner reporting portal content by 25 percent

FY2018 RESULTS

Brand USA met or exceeded the goals for this objective.

- 100 percent compliance with policies, procedures, and the requirements of the Travel Promotion Act (achieved goal)
- Partner reporting expanded by more than 25 percent (exceeded goal)

We were able to achieve these objectives by:

- Increasing methods and frequency of results reporting with the expansion of partner playbooks providing annual results of cooperative marketing efforts for key partners.
- Deploying communications and partner engagement strategies to increase partner satisfaction and retention.
- Maintaining ongoing compliance management and monitoring with appropriate policies, procedures, and controls.
- Expanding strategic communications, industry relations, and media relations plans that ensure consistent, accurate, and frequent updates on progress.
- Participating in key industry conferences (presenting updates and opportunities via speaking roles and workshops led by Brand USA management, as well as meeting with partners before during or after each event).
- Ensuring Market the Welcome campaigns carry the national voice across all consumer marketing channels with a cohesive platform.

OBJECTIVE 5: ADD AND CREATE VALUE

Pioneer cooperative marketing platforms and programs that leverage and grow the USA brand in ways our partners would be challenged or unable to do on their own.

GOALS

- \$100 million in contributions from private industry and other non-federal sources (with no less than 30 percent cash and no more than 70 percent in-kind)
- 90 percent or better (top two boxes) on partner satisfaction survey question “Brand USA’s partnership provides value to my organization”
- 90 percent or higher partner retention rate
- 90 percent or higher partner program retention rate

FY2018 RESULTS

Brand USA met or exceeded two goals and did not meet one goal for this objective:

- \$108 million in contributions from non-federal sources, with 43% (\$46.7 million) from cash contributions and 57% (\$61.3 million) from in-kind contributions, plus \$4 million in sponsorships/programs revenue (exceeded goal by 8%)
- 94 percent partner retention rate (achieved goal)
- 78 percent partner program retention rate (missed goal)

We exceeded the goal for partner contributions and met the goal for partner retention for this objective. However, we missed the goal for partner program retention due to a strategic decision we made to restructure and refine many of our partner programs during the year. Notably, we did increase the total number of partners who participated in our cooperative marketing programs during FY2018, which is a testament to the value of our programs overall. Our annual partner satisfaction study supports this assessment given the strong ratings (and increases from the prior year) for both “intent to partner” and “Brand USA provides value to my organization.”

We were able to achieve these objectives by:

- Building and expanding upon programs that provide value to partners of all shapes and sizes.
- Timing the development and roll out of partner program offerings to align with partner needs.
- Creating new/improved product (relevant, sample itineraries, toolkits) for trade use.
- Educating and training destinations on how to build product and work internationally.
- Expand the reach of the USA Discovery Program.
- Evaluating methods with partner input on ways to enhance the value of USA Pavilions and presence at international trade shows (right presence, right markets, and right shows).
- Incorporating learnings from the annual partner satisfaction survey.
- Continuing our proactive media relations program.



FY2018 AUDITED FINANCIAL STATEMENTS & NOTES



THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

Financial Statements

September 30, 2018 and 2017

(With Independent Auditors' Report Thereon)



KPMG LLP
1878 International Drive
McLean, VA 22102

Independent Auditors' Report

The Board of Directors
The Corporation for Travel Promotion, dba Brand USA:

We have audited the accompanying financial statements of The Corporation for Travel Promotion, dba Brand USA, which comprise the statement of financial position as of September 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Corporation for Travel Promotion, dba Brand USA as of September 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.



Report on Summarized Comparative Information

We have previously audited the 2017 financial statements of The Corporation for Travel Promotion, dba Brand USA, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 16, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

**McLean, Virginia
February 6, 2019**

THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

Statements of Financial Position

September 30, 2018 and 2017

<i>Assets</i>	<u>2018</u>	<u>2017</u>
Assets:		
Cash and cash equivalents	\$ 34,891,949	43,100,580
Investments	28,327,504	28,890,242
Accounts receivable, net	53,293,217	64,529,078
Accounts receivable with related party	500,000	500,000
In-kind assets, net	32,052,589	33,227,344
Prepaid expenses and other current assets	5,117,839	2,859,278
Property and equipment, net	1,212,387	1,538,120
Intangible assets, net	8,464,845	9,397,054
Total assets	\$ 163,860,220	183,841,676
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 9,821,080	10,131,729
Accrued expenses and other liabilities	13,885,940	18,762,747
Total liabilities	23,508,920	28,894,476
Net assets:		
Unrestricted	84,508,244	88,858,377
Temporarily restricted	55,555,056	58,190,823
Total net assets	140,153,300	155,047,200
Commitments and contingencies		
Total liabilities and net assets	\$ 163,860,220	183,841,676

See accompanying notes to financial statements.

THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

Statements of Activities

Year ended September 30, 2018
(with summarized financial information for fiscal year 2017)

	2018			2017 Total
	Unrestricted	Temporarily Restricted	Total	
Support and revenue:				
Travel promotion fund proceeds	\$ 83,437,124	—	83,437,124	101,987,632
Partner contributions	28,151,398	20,563,154	48,714,550	53,115,200
In-kind contributions, net	33,412,860	23,788,448	57,201,298	85,721,308
Trade show and other revenue	1,987,215	—	1,987,215	2,173,842
Sponsorships	—	2,894,311	2,894,311	1,298,318
Release from restrictions	48,881,851	(48,881,851)	—	—
Total support and revenue	194,880,298	(2,635,767)	192,244,490	244,254,088
Expenses:				
Program services	180,717,158	—	180,717,158	188,474,580
General and administrative	18,221,240	—	18,221,240	18,717,880
Total expenses	200,938,398	—	200,938,398	215,192,440
Total change in net assets	(12,258,133)	(2,635,767)	(14,893,900)	29,081,858
Net assets, beginning of year	86,858,377	58,190,523	155,047,200	125,885,542
Net assets, end of year	\$ 74,598,244	55,555,058	140,153,300	155,047,200

See accompanying notes to financial statements.

THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

Statements of Functional Expenses

Year ended September 30, 2018
(with summarized financial information for fiscal year 2017)

	2018			2017 Total
	Program services	General and administrative	Total	
Salaries	\$ 4,123,811	5,122,154	9,245,785	8,754,185
Benefits	858,271	1,063,620	1,919,891	1,757,880
General and administrative	804,988	827,825	1,632,791	1,817,388
Communication	2,577,102	2,850,285	5,227,387	5,862,188
Insurance	47,846	48,204	97,049	98,429
Information technology	318,005	327,035	645,040	758,631
Legal	—	341,431	341,431	281,363
Accounting and audit	—	183,842	183,842	180,763
Professional services	103,912	627,182	731,094	979,155
Advertising and media	104,712,832	—	104,712,832	118,888,070
Market activation	11,222,081	—	11,222,081	8,811,747
Product development	481,365	—	481,365	452,528
Trade shows	4,258,289	—	4,258,289	2,811,047
Research	1,987,200	—	1,987,200	2,564,588
In-kind expenses	58,378,054	—	58,378,054	55,082,511
Travel	848,788	500,119	1,348,885	1,415,848
Depreciation and amortization	—	4,548,543	4,548,543	4,800,201
Total	\$ 180,717,159	18,221,240	200,938,399	215,182,440

See accompanying notes to financial statements.

THE CORPORATION FOR TRAVEL PROMOTION, dba BRAND USA

Statements of Cash Flows

Years ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Net cash from operating activities:		
Change in net assets	\$ (14,893,800)	29,061,658
Adjustments to reconcile change in net assets to cash from operating activities:		
Realized and unrealized loss on investments	228,802	252,257
Allowance for doubtful accounts	(338,646)	11,550
Allowance for sequestration	(868,480)	250,927
Allowance for in-kind assets	(8,851,682)	11,164,083
Depreciation and amortization	4,548,543	4,800,201
Change in operating assets and liabilities:		
Accounts receivable	12,441,886	(20,483,286)
In-kind assets	7,828,450	(41,822,858)
Prepaid expenses and other current assets	(2,458,381)	(550,982)
Accounts payable	(528,786)	2,771,109
Accrued expenses and other current liabilities	(4,858,770)	5,158,222
Net cash used in operating activities	<u>(5,553,854)</u>	<u>(9,587,149)</u>
Net cash from investing activities:		
Purchases of investments	(7,858,154)	(7,205,084)
Proceeds from sales of investments	8,385,000	8,400,000
Purchase of property and equipment	(80,731)	(44,258)
Purchase of website and development	(3,208,872)	(2,079,671)
Net cash used in investing activities	<u>(2,854,757)</u>	<u>(2,829,023)</u>
Net change in cash and cash equivalents	<u>(8,408,611)</u>	<u>(12,516,172)</u>
Cash and cash equivalents, beginning of year	<u>43,100,580</u>	<u>55,816,732</u>
Cash and cash equivalents, end of year	\$ <u>34,691,969</u>	<u>43,100,580</u>

See accompanying notes to financial statements.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA

Notes to Financial Statements

September 30, 2018

(1) Organizational Structure

The Corporation for Travel Promotion (CTP), also doing business as "Brand USA," was formed pursuant to the Travel Promotion Act of 2009 (the Act). CTP's mission is to promote increased foreign leisure, business, and scholarly travel to the United States of America (USA), which in turn will drive significant economic growth and job creation in communities across the country.

CTP is a not-for-profit corporation incorporated in November 2010, subject to the provisions of the District of Columbia Non Profit Corporation Act. CTP is qualified as a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code. The public-private marketing entity works in close partnership with the travel industry to maximize the social and economic benefit of travel in communities around the country.

The funding provided to CTP originates from visa application fees collected under Section 217(h)(3)(B)(i) of the Immigration and Nationality Act (8 U.S.C. 1187(h)(3)(B)(i)). Under the Act, the U.S. Department of Homeland Security (DHS), through the Secretary of the U.S. Department of the Treasury, made available to CTP initial funding, not to exceed \$10 million, for initial expenses and activities in fiscal year 2011. For each of the fiscal years 2012 through 2015, from the fees collected by DHS, the Secretary of the U.S. Department of the Treasury will transfer not more than \$100 million to CTP. For fiscal year 2012, funds were made available to CTP on a matching basis, for every \$1 of unrestricted cash or in-kind contributions raised (from nonfederal sources) by CTP, \$2 would be transferred up to the \$100 million cap. For each of the fiscal years 2013 through 2015, funds were made available to CTP on a matching basis, for every \$1 of unrestricted cash or in-kind contributions raised (from nonfederal sources) by CTP, \$1 would be transferred up to the \$100 million cap.

In December 2014, the U.S. Congress approved a five-year reauthorization for CTP through 2020. For each of the fiscal years 2016 through 2020, from the fees collected by DHS, the Secretary of the U.S. Department of the Treasury will transfer not more than \$100 million to CTP, and funds will be made available to CTP on a matching basis, for every \$1 of unrestricted cash or in-kind contributions (from nonfederal sources) raised by CTP, \$1 will be transferred up to the \$100 million cap.

CTP's programs, activities, and operations are managed and supported from its corporate office in Washington, D.C.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements present the financial position, activities, functional expenses and cash flows of CTP on the accrual basis of accounting.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments with maturities at the date of investment of not more than three months.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA

Notes to Financial Statements

September 30, 2018

(c) Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances taking into account the credit worthiness of donors and history of collection. Management provides for probable uncollectible amounts through a charge to expense and an increase to a valuation allowance based on its assessment of the current status of individual accounts. At September 30, 2018 and 2017, the allowance for doubtful accounts was \$117,871 and \$154,271, respectively. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction of trade accounts receivable.

(d) Allowances for Sequestration and Travel Promotion Fund

On March 1, 2013, the Budget Control Act of 2011, P.L. 112-25 became effective, and triggered automatic cuts to spending. CTP's funds received from the Department of Treasury under the Travel Promotion Act were automatically reduced by sequestration of 6.6% and 6.9% in fiscal 2018 and 2017. As a result, CTP has recorded an allowance for the sequestration expected to be withheld from future collections on its accounts receivable due from the Department of Treasury as of September 30, 2018 and 2017 in the amount of \$2,180,411 and \$3,058,871, respectively.

CTP has also recorded an allowance for the amount of in-kind contributions submitted to the Department of Commerce for matching funds, which may require additional valuation support prior to being able to receive matching funds in the amount of \$706,888 and \$1,010,134, respectively at September 30, 2018 and 2017.

(e) In-Kind Assets

In-kind contributions with future economic benefit are capitalized until the benefit of such contributions has been received. At September 30, 2018 and 2017, In-kind assets consist of donated advertising and marketing campaigns in the amount of \$36,584,860 and \$44,381,407, respectively. In-Kind Assets are expensed as used and, as such, an in-kind asset balance will remain as of any given fiscal year end for media that is scheduled to be used in future fiscal periods.

(f) In-Kind Assets Allowance

CTP has recorded an allowance for in-kind assets, which may be adjusted by final third-party evaluations in the amount of \$4,512,371 and \$11,184,063, respectively as of September 30, 2018 and 2017. The allowance directly reduces in-kind contributions revenue.

(g) Investments

Investments are carried at their estimated fair value. Interest and dividends earned on investments are also included in trade show and other revenue on the statements of activities and changes in net assets in the year earned. Unrealized gains and losses reflect the changes in the market values of investments from the prior year. The date of record for investments is the trade date.

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GTP holds various investments, including certificates of deposit (CDs) and corporate bonds. The CDs and corporate bonds are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities and investment contracts and the level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risks in the near term would affect GTP's account balances and the amounts reported in the statements of financial position and the statements of activities and changes in net assets.

GTP follows an investment policy that anticipates a sufficient return while maintaining the preservation of capital as the highest priority and ensuring adequate liquidity. The after-tax return on investment of the portfolio is tertiary to the objectives of preservation of capital and fulfillment of liquidity needs. Given the parameters set forth in the investment policy, the goal is to achieve an aggregate rate of return consistent with a conservatively managed, liquid fixed income investment portfolio. GTP follows the criteria that in no event shall the average of all fixed income securities exceed 3 years in duration.

(b) Fair Value Measurements

A financial instrument is defined as a contractual obligation that ultimately ends with the delivery of cash or an ownership interest in an entity. Disclosures included in these notes regarding fair value of financial instruments have been derived using external market sources or other valuation techniques.

GTP carries all investments at fair value. Fair value is defined as the price that would be received to sell an asset (i.e., the exit price) in an orderly transaction between market participants at the measurement date. Fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that GTP has the ability to access at the measurement date;

Level 2 – Inputs other than quoted prices that are observable for the asset either directly or indirectly, including inputs in markets that are not considered active;

Level 3 – Inputs that are unobservable.

Inputs are used in applying the valuation techniques and broadly refer to the assumptions that GTP uses to make valuation decisions, including assumptions about risk. Inputs may include quoted market prices, recent transactions, manager statements, periodicals, newspapers, provisions within agreements with investment managers and other factors. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to GTP's perceived risk of that investment.

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Although CTP uses its best judgment in determining the fair value, there are inherent limitations in any methodology. Future confirming events could affect estimates of fair value. These events could also affect the amount realized upon liquidation of the investments.

(j) Property and Equipment

Property and equipment is stated at acquisition cost or at the estimated fair value at the date of gift, if donated, net of accumulated depreciation or amortization. All donated assets are reported as unrestricted support unless donors' stipulations specify how the assets are to be used. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally ranging from three to five years. Leasehold improvements are amortized using the straight-line method, over the shorter of the life of the improvement or the lease term. Expenditures for maintenance and repairs are charged to operations as incurred, while renewals and betterments are capitalized. When property and equipment is retired or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is reflected in the statements of activities and changes in net assets for the period.

(k) Indefinite-Lived Intangible Assets

Identifiable intangible assets deemed to have indefinite lives are subject to annual impairment tests. Depending upon the results of that review, the recorded intangible assets may be written down when their carrying value exceeds their estimated fair value. Management, using its best estimates based on reasonable and supportable assumptions and projections, reviews indefinite-lived intangible assets, annually, or in certain circumstances, as required, for impairment. Management has concluded that no impairment exists as of September 30, 2018 and 2017.

(l) Intangible Assets

Intangible assets are stated at fair market value at the date of purchase or contribution, net of accumulated amortization. Amortization is provided on the straight-line method over the estimated useful life. When intangible assets are retired or otherwise disposed of, the cost and related accumulated amortization are removed and any resulting gain or loss is reflected in the statements of activities and changes in net assets for the period.

(m) Net Asset Presentation

CTP classifies resources into three net asset categories according to externally imposed restrictions:

Permanently restricted net assets are comprised of the historical dollar amount of gifts, including pledges, which are required by donors to be permanently retained and only expended to the extent of earnings on investment of the funds. CTP had no permanently restricted net assets as of September 30, 2018 and 2017.

Temporarily restricted net assets are comprised of partner contributions, sponsorships, and in-kind contributions with future economic benefit. In-kind contributions consist of donated advertising and marketing campaigns, which are scheduled to benefit CTP in future periods.

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Unrestricted net assets are all the remaining net assets of CTP, including those derived from revenues of project activities, government grants and unrestricted donations and pledges. Unrestricted net assets may be, in part, limited as to use by contractual agreements with outside parties.

When a time restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions.

(a) Travel Promotion Fund Proceeds

CTP has the right to receive travel promotion funds (earmarked by the Department of Commerce) upon submission of qualified matching contributions. Such funds are recorded as accounts receivable upon submission to the Department of Commerce, and recognized in the statements of activities as travel promotion fund proceeds to the extent that CTP fulfills the revenue recognition criteria. Management has determined that revenue recognition occurs upon fulfilling the purpose of the donated funds, expending on programs, activities, and operations to promote increased foreign leisure, business, and scholarly travel to the USA. Matching contributions that exceed the allowable matchable funds in a given year can be carried forward and applied against the match of a future year. For fiscal years 2018 and 2017, CTP collected the full amount allowed for under the Act.

(a) Partner Contributions

Partner contributions are recognized in the year an agreement is executed and are classified as either temporarily restricted or unrestricted based on whether the Partner (donor) intends for the contribution to be used in the current or future fiscal year.

(a) In-Kind Contributions

In-kind contributions are recognized at fair value, which is defined as the price that an asset could be bought or sold in a current transaction between willing parties, with neither being required to act; both having reasonable knowledge of the relevant facts. Contributions of services shall only be recognized if the services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not donated.

Management uses estimates based on available information provided by donors to record the fair value of certain in-kind contributions which are still in the valuation assessment process. The recorded fair value of such an in-kind contribution is subject to change in the subsequent fiscal year upon completion of the valuation process. The change in fair value is recorded as an adjustment to the allowance in the fiscal year in which the fair value has been established. The allowance for fiscal years 2018 and 2017 is discussed in note 2(f).

During the year ended September 30, 2017, CTP changed its timing of recording the estimate for the fair value of donated media based on recent historical experience and maturation of relationships with Partners donating in-kind assets. As a result, CTP increased the change in unrestricted net assets by \$18,828,442, the change in temporarily restricted net assets by \$814,833 and the total change in net assets by approximately \$20,744,275, respectively.

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(p) Functional Expenses

The costs of providing the program services and general and administrative activities have been summarized on a functional basis in the statements of activities. Most expenses are directly charged to the respective program or supporting activity. Certain costs have been allocated among the program and support services benefited based upon management's estimate of each program's share of the allocated costs.

Program services activities, representing marketing, business development, and strategic outreach programs to promote increased foreign leisure, business, and scholarly travel to the USA, and general and administrative activities, are expensed as incurred.

CTP does not have any significant fundraising expenses.

(q) Income Taxes

CTP has been recognized by the Internal Revenue Service as exempt from federal income taxes under the provisions of Section 501(c)(6) of the Internal Revenue Code, except for taxes on unrelated business income. Contributions to CTP are not tax deductible by donors under Section 170(c)(2) of the Internal Revenue Code. CTP's accounting policy for evaluating uncertain tax positions is to recognize tax positions if the positions would "more likely than not" be ultimately sustained. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. CTP does not believe its financial statements include any uncertain tax positions.

(r) Concentration of Credit Risk

CTP maintains cash in bank deposit accounts, which, at times, may exceed federally insured limits. CTP has not experienced any losses in any of its accounts. CTP believes it is not exposed to any significant credit risk on cash and cash equivalents.

As of September 30, 2018 and 2017, approximately 58% and 62% of CTP's accounts receivable came from one grantor.

For fiscal 2018 and 2017, approximately 48% and 38% of CTP's in-kind contributions came from three donors.

For fiscal 2018 and 2017, approximately 24% and 27% of CTP's partner cash contributions came from three donors.

(s) Related Parties

For 2018 and 2017, \$8,214,850 and \$9,103,000, respectively, of partner contributions came from organizations affiliated with members of the Board of Directors. Of this amount, \$4,784,250 and \$5,408,775, respectively, is due to CTP as of September 30, 2018 and 2017.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA

Notes to Financial Statements

September 30, 2018

(j) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(k) Subsequent Events

CTP recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statements of financial position, including the estimates inherent in the process of preparing the financial statements. CTP's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statements of financial position, but arose after the statements of financial position date and before financial statements were available to be issued. CTP has evaluated subsequent events through February 6, 2019, which is the date the financial statements were available to be issued.

(3) Investments

The following table summarizes CTP's investment returns for the years ended September 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Interest income	\$ 833,057	878,348
Realized loss	(84,504)	(38,183)
Unrealized loss	<u>(142,288)</u>	<u>(218,096)</u>
Net investment return	<u>\$ 708,255</u>	<u>423,022</u>

The following table summarizes CTP's investments by asset class for the years ended September 30, 2018 and 2017:

	<u>2018</u>		<u>2017</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Certificates of deposit	\$ 8,455,000	8,411,583	7,855,000	7,858,081
Corporate bonds	<u>20,088,435</u>	<u>19,816,031</u>	<u>21,131,712</u>	<u>21,032,181</u>
Total investments	<u>\$ 28,551,435</u>	<u>28,327,584</u>	<u>29,086,712</u>	<u>28,890,242</u>

Net investment return is reported on the statements of activities within the Trade show and other revenue line item.

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Notes to Financial Statements

September 30, 2018

(4) Fair Value Measurements

The following table presents information about CTP's assets measured at fair value on a recurring basis as of September 30, 2018 and 2017:

		2018			
		<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$	8,411,583	—	8,411,583	—
Corporate bonds		<u>19,918,031</u>	<u>—</u>	<u>19,918,031</u>	<u>—</u>
	\$	<u>28,327,584</u>	<u>—</u>	<u>28,327,584</u>	<u>—</u>
		2017			
		<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$	7,958,081	—	7,958,081	—
Corporate bonds		<u>21,032,161</u>	<u>—</u>	<u>21,032,161</u>	<u>—</u>
	\$	<u>28,990,242</u>	<u>—</u>	<u>28,990,242</u>	<u>—</u>

The fair values for certificates of deposit and corporate bonds are based on quoted market prices for similar securities. CTP's policy is to recognize transfers in and out of level classifications as of the first day of the reporting period in which the change in circumstances causing the transfer occurred.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA

Notes to Financial Statements

September 30, 2018

(5) Property and Equipment

Property and equipment consists of the following at September 30, 2018 and 2017:

	<u>Cost basis</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
As of September 30, 2018			
Furniture	\$ 581,021	(258,342)	302,679
Computer equipment	381,754	(331,608)	50,146
Leasehold improvements	1,372,240	(512,678)	859,562
	<u>\$ 2,315,015</u>	<u>(1,102,628)</u>	<u>1,212,387</u>
	<u>Cost basis</u>	<u>Accumulated amortization</u>	<u>Net book value</u>
As of September 30, 2017			
Furniture	\$ 480,280	(164,805)	315,485
Computer equipment	381,754	(214,715)	167,039
Leasehold improvements	1,372,240	(316,644)	1,055,596
	<u>\$ 2,234,284</u>	<u>(696,164)</u>	<u>1,538,120</u>

For 2018 and 2017, depreciation expense of \$406,463 and \$403,850, respectively, is included in general and administrative expense in the statements of activities.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA

Notes to Financial Statements

September 30, 2018

(6) Intangible Assets

Intangible assets consists of the following at September 30, 2018 and 2017:

	<u>Useful life</u>	<u>Cost basis</u>	<u>Accumulated amortization</u>	<u>Net book value</u>
As of September 30, 2018				
Website	3 years	\$ 24,247,817	(18,440,852)	4,797,085
License	3 years	878,382	(841,314)	237,088
Brand name	Indefinite	3,400,000	—	3,400,000
Website WIP		29,812	—	29,812
		<u>\$ 28,555,811</u>	<u>(21,080,986)</u>	<u>8,484,845</u>
As of September 30, 2017				
Website	3 years	\$ 21,217,557	(15,575,078)	5,642,479
License	3 years	728,382	(373,807)	354,575
Brand name	Indefinite	3,400,000	—	3,400,000
		<u>\$ 25,345,939</u>	<u>(15,948,885)</u>	<u>9,397,054</u>

The U.S. Travel Association donated the Discover America website and brand name to CTP. CTP utilized the services of an independent valuation firm to assist in the estimation of the fair value of the donated assets. The assets were valued utilizing the cost approach, which is based on consideration of the costs to recreate the assets. The valuation resulted in an estimated fair value of \$8,400,000, but CTP paid the U.S. Travel Association a nominal fee of \$830,000 as was specified in the donation agreement. Management allocated \$6,000,000 of the contributed assets to the website, based on management's best estimate to rebuild and/or purchase an established website, and assigned the remaining fair value of \$3,400,000 to the Discover America brand name. Management determined that the website had an estimated useful life of three years, and the brand name had an indefinite life.

During fiscal 2018 and 2017, CTP capitalized \$3,030,058 and \$2,004,671, respectively, of additional website development costs incurred, and \$150,000 and \$75,000, respectively, of software licenses. During fiscal 2018 and 2017, CTP recognized \$4,142,080 and \$4,196,351, respectively, of amortization expense, included in general and administrative expense in the statements of activities. Future amortization, including amortization of additional website development costs and software license, is expected to be \$2,381,704, \$1,381,888, and \$858,237 for fiscal 2019, 2020, and 2021, respectively.

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Notes to Financial Statements

September 30, 2018

(7) Commitments and Contingencies

(a) Operating Lease

GTP leases the corporate facility under an operating lease agreement that expires in December 2025. Minimum rental payments under the operating lease are recognized on a straight-line basis over the term of the lease including any periods of free rent. Total rent expense for the lease for the years ended September 30, 2018 and 2017 totaled \$1,177,415 and \$1,200,802, respectively. The related deferred rent liability for the operating lease at September 30, 2018 and 2017 totaled \$1,523,140 and \$1,585,428, respectively, and is recorded as a component of accrued expenses in the statements of financial position.

The future minimum annual lease payments under the noncancelable operating lease are as follows:

Years ending:	
2019	\$ 1,285,048
2020	1,287,678
2021	1,348,384
2022	1,388,485
2023	1,421,187
Thereafter	<u>3,238,252</u>
	<u>\$ 9,965,934</u>

(b) Travel Promotion Funds

GTP receives significant amounts of federal funding from visa application fees collected from international travelers to the USA. These funds are subject to audit by federal agencies. Management believes that adjustments, if any, would not have a significant effect on the financial statements.

(c) Employment Agreements

GTP has employment agreements with certain officers of the organization. The agreements provide for annual compensation and benefit amounts. In the event of termination of employment without cause, in addition to receipt of base pay through termination date, the officers are entitled to receive severance equal to either a) 18 months of current base salary, less applicable withholdings, if termination results from cessation of GTP operations as defined in the agreement, or b) 12 months of current base salary, less applicable withholdings, if termination results from other circumstances.

(d) U.S. Travel Association Agreement

GTP entered into a sponsorship agreement with U.S. Travel Association to be the premier sponsor of the IPW Conference (the Conference) for five years from 2018 through 2020. The Conference is a travel industry trade event that has been occurring annually for approximately 45 years. In accordance with the sponsorship agreement, GTP made an initial annual payment of \$1.3 million in fiscal 2016, with payments increasing by \$50,000 in each subsequent fiscal year, through fiscal 2020. For the fiscal years ended September 30, 2018 and 2017, GTP made annual payments of \$1.4 million and \$1.35 million, respectively.

THE CORPORATION FOR TRAVEL PROMOTION DBA BRAND USA

Notes to Financial Statements

September 30, 2018

(e) Litigation and Other Matters

There are no claims or legal proceedings outside of the normal course of business that are pending or threatened against CTP.



FY2018 IN-KIND CONTRIBUTIONS

Seattle, Washington

CONTRIBUTOR	DESCRIPTION	FAIR MARKET VALUE
ACE Rent A Car	Cooperative Tradeshow Space	\$8,068.08
Action Travel	Cooperative Tradeshow Space	\$1,141.44
Adventure Travel West, Inc.	Cooperative Tradeshow Space	\$1,018.48
AIANTA (American Indian Alaska Native Tourism Association)	Cooperative Tradeshow Space	\$3,609.52
Alaska Latin Tours LLC	Cooperative Tradeshow Space	\$1,141.44
All Alaska Tours	Cooperative Tradeshow Space	\$3,167.19
AlliedTPro	Cooperative Tradeshow Space	\$8,743.16
America & Beyond	Cooperative Tradeshow Space	\$5,235.27
America-Voyages	Cooperative Tradeshow Space	\$3,222.30
American Guest	Cooperative Tradeshow Space	\$2,328.24
AmericanTours International	Cooperative Tradeshow Space	\$8,344.95
Amtrak - USA Passenger Rail	Cooperative Tradeshow Space	\$16,484.71
Arizona Office of Tourism	Cooperative Tradeshow Space	\$40,663.60
Arlington Convention and Visitors Service	Cooperative Tradeshow Space	\$6,842.36
Aviamark Blue s.l.	Cooperative Tradeshow Space	\$1,524.24
BBC Worldwide	Global TV and Digital Media	\$2,772,901
Beaches of Ft. Myers & Sanibel	Cooperative Tradeshow Space	\$3,898.10
Best Western Hotels & Resorts	Cooperative Tradeshow Space	\$6,940.64
Bonjour USA - Blue Time	Cooperative Tradeshow Space	\$10,611.97
Bonotel Exclusive Travel	Cooperative Tradeshow Space	\$11,185.80
Boston Convention and Marketing Center	Cooperative Tradeshow Space	\$3,411.76
Bradley International Airport	Cooperative Tradeshow Space	\$5,731.80
British Airways	Plane Tickets	\$811,491
Colorado Tourism Office	Cooperative Tradeshow Space	\$31,709.59
Condor Airlines	Cooperative Tradeshow Space	\$4,362.01
Connectworldwide	Cooperative Tradeshow Space	\$10,956.63
Contact	Cooperative Tradeshow Space	\$6,695.73
Cruise America, Inc.	Cooperative Tradeshow Space	\$6,933.55
Ctrip	Digital Media in China	\$4,409,858

CONTRIBUTOR	DESCRIPTION	FAIR MARKET VALUE
Destination DC	Cooperative Tradeshow Space	\$6,110.00
Destination Event Services	Cooperative Tradeshow Space	\$2,829.65
Discover the Palm Beaches	Cooperative Tradeshow Space	\$20,120.30
Dreamscapes	Print and Digital Media in Canada	\$223,322
El Monte RV	Cooperative Tradeshow Space	\$6,401.60
Enjoy Illinois	Cooperative Tradeshow Space	\$58,513.09
Event Travel Solutions	Cooperative Tradeshow Space	\$2,833.86
Expedia Inc.	Global Digital Media	\$3,160,847
Experience Kissimmee	Cooperative Tradeshow Space	\$24,086.21
Explore Fairbanks	Cooperative Tradeshow Space	\$3,261.10
Explore Marketing LLC	Cooperative Tradeshow Space	\$3,217.50
Express Conseil	Cooperative Tradeshow Space	\$8,108.45
Flight Centre	Digital, Print, TV, Out-of-Home, and Direct Mail Media in Australia	\$783,066
Florida Keys & Key West	Cooperative Tradeshow Space	\$15,840.87
FWW	Print and Digital Media in Germany	\$336,717
Gastaldi USA	Cooperative Tradeshow Space	\$5,933.86
Go West Tours	Cooperative Tradeshow Space	\$16,526.66
Gray Line New York Sightseeing	Cooperative Tradeshow Space	\$2,295.15
Great Lakes USA	Cooperative Tradeshow Space	\$18,370.11
Greater Ft Lauderdale Convention & Visitors Bureau	Cooperative Tradeshow Space	\$1,403.95
Greater Miami Convention & Visitors Bureau	Cooperative Tradeshow Space	\$32,805.70
Group Company (The)	Cooperative Tradeshow Space	\$3,876.99
Guam Visitors Bureau	Cooperative Tradeshow Space	\$6,435.00
GuestCentric	Cooperative Tradeshow Space	\$729.76
HAT Marketing	Cooperative Tradeshow Space	\$11,053.70
Hawaii Tourism	Cooperative Tradeshow Space	\$5,182.96
Hotel Zephyr San Francisco	Cooperative Tradeshow Space	\$7,279.45
Idaho Tourism	Cooperative Tradeshow Space	\$2,894.19
Incoming America	Cooperative Tradeshow Space	\$6,137.70

CONTRIBUTOR	DESCRIPTION	FAIR MARKET VALUE
Inside Vegas	Cooperative Tradeshow Space	\$441.57
Island Partners Hawai'i	Cooperative Tradeshow Space	\$3,443.06
Jackson Hole Chamber of Commerce	Cooperative Tradeshow Space	\$6,334.88
JC Decaux	Out-of-Home Media in the UK	\$783,132
Juventud y Cultura	Cooperative Tradeshow Space	\$1,050.96
Kaluah Tour	Cooperative Tradeshow Space	\$9,365.42
Kansas & Oklahoma Travel and Tourism	Cooperative Tradeshow Space	\$1,669.79
Kevin Streit and Associates LLC	Cooperative Tradeshow Space	\$6,808.33
Key Tours Inbound USA	Cooperative Tradeshow Space	\$2,894.19
Las Vegas Convention & Visitors Authority	Cooperative Tradeshow Space	\$55,614.98
Le Bridge LLC (New York Tour1/LA Tour1)	Cooperative Tradeshow Space	\$1,669.79
Liberty Helicopters	Cooperative Tradeshow Space	\$3,082.85
Littlebig Road	Cooperative Tradeshow Space	\$4,104.84
Loews Hotels	Cooperative Tradeshow Space	\$11,832.05
Los Angeles Tourism & Convention Board	Cooperative Tradeshow Space	\$27,619.97
Marianas Visitor Authority	Cooperative Tradeshow Space	\$15,496.18
Mark International	Cooperative Tradeshow Space	\$4,655.49
Master Consulting	Cooperative Tradeshow Space	\$3,560.90
Miles Media	Cooperative Tradeshow Space	\$2,417.50
Myrtle Beach Area Convention & Visitors Bureau	Cooperative Tradeshow Space	\$3,458.00
NAR (UK) Ltd (Florida Travel Network)	Cooperative Tradeshow Space	\$1,543.04
New World Travel, Inc.	Cooperative Tradeshow Space	\$7,209.42
News Corp	Print and Digital Media in Australia	\$714,974
NYC & Company	Cooperative Tradeshow Space	\$292,483.75
NZME	Digital Media in Australia	\$477,353
Ocean Five Hotel	Cooperative Tradeshow Space	\$1,752.21

CONTRIBUTOR	DESCRIPTION	FAIR MARKET VALUE
Ocean Holidays	Cooperative Tradeshow Space	\$1,669.79
Ole Tours Hawaii LLC	Cooperative Tradeshow Space	\$1,141.44
Personal RGE Tours	Cooperative Tradeshow Space	\$1,319.12
Philadelphia Convention & Visitors Bureau	Cooperative Tradeshow Space	\$17,700.87
Port of Seattle	Cooperative Tradeshow Space	\$21,910.65
Postmedia	Print and Digital Media in Canada	\$520,603
RCS Advertising	Cooperative Tradeshow Space	\$3,587.21
Reno Sparks Convention & Visitors Authority	Cooperative Tradeshow Space	\$1,669.79
Revamerica Tours	Cooperative Tradeshow Space	\$3,740.80
Rileys Ripley's Believe it or Not (Times Square)	Cooperative Tradeshow Space	\$7,927.43
San Francisco Travel	Cooperative Tradeshow Space	\$11,917.42
Scripps	Global TV	\$1,000,000
STA Travel	Global Digital Media	\$959,295
Sun Islands Hawaii, Inc.	Cooperative Tradeshow Space	\$1,543.04
Taobao (Fliggy)	Digital Media in China	\$4,645,050
Teamamerica Receptive Tour Operator	Cooperative Tradeshow Space	\$27,523.04
Telegraph	Print and Digital Media in the UK	\$1,353,410
Texas Tourism	Cooperative Tradeshow Space	\$31,370.14
Thomas Cook	Global Digital, Print, and Out-of-Home Media	\$8,278,101
Tour America Inc.	Cooperative Tradeshow Space	\$5,167.50
Tourmappers North America	Cooperative Tradeshow Space	\$7,483.72
Travalco USA Inc.	Cooperative Tradeshow Space	\$11,950.60
TravAmerica Receptive Tour Operator	Cooperative Tradeshow Space	\$1,669.79
Travel Insurance Center	Cooperative Tradeshow Space	\$1,543.04
Travel Portland	Cooperative Tradeshow Space	\$183.89
Travel Weekly	Digital and Print Media and Sponsor Benefits in China	\$405,640

CONTRIBUTOR	DESCRIPTION	FAIR MARKET VALUE
Twin America LLC	Cooperative Tradeshow Space	\$911.43
USA A TU Medida	Cooperative Tradeshow Space	\$2,866.96
USA Travel Pro	Cooperative Tradeshow Space	\$12,245.45
Utah Office of Tourism	Cooperative Tradeshow Space	\$32,309.25
Visit Anchorage, Alaska	Cooperative Tradeshow Space	\$7,764.81
Visit California	Cooperative Tradeshow Space	\$46,039.22
Visit Orlando	Cooperative Tradeshow Space	\$51,933.26
Visit Park City	Cooperative Tradeshow Space	\$6,141.42
Visit Pittsburgh	Cooperative Tradeshow Space	\$8,353.19
Visit Seattle	Cooperative Tradeshow Space	\$3,976.12
Visit Tampa Bay	Cooperative Tradeshow Space	\$8,078.53
Wanda	In Theater Media in China	\$8,252,760
XL Airways France	Cooperative Tradeshow Space	\$20,040.94

*Note: The total amount of in-kind contributions submitted for matching funds in any given year may differ from the total amount of in-kind contributions recorded in the organization's financial statements (as shown in the Financial Review section, which begins on page 85 of this report) due to the difference between the revenue recognition policy and matching fund submissions, of which timing plays a major role. The amounts reflected in this chart are consistent with the valuation used to calculate the total amount of eligible matching funds the organization received for the fiscal year.



PARTNERS

Miami, Florida

FOUNDING PARTNERS

Founding Partners are recognized in perpetuity for their significant contributions of \$1 million or more of cash, in-kind or a combination thereof during Brand USA's first year in operation. The contributions made by the partners listed below were critical to the launch of Brand USA and the inaugural marketing campaign. As a result of their contributions during Brand USA's founding year, Brand USA was able to begin operations with a solid foundation from which to build.

- Best Western
- California Travel and Tourism Commission (Visit California)
- Enterprise Holdings, LLC
- Florida Tourism Industry Marketing Corporation (Visit Florida)
- Hilton Worldwide
- Illinois Department of Commerce & Economic Opportunity (Discover Illinois)
- Las Vegas Convention & Visitors Authority
- Marriott International, Inc.
- Massachusetts Office of Travel and Tourism
- NBC Universal
- NYC & Company
- Orlando/ Orange County Convention & Visitor's Bureau, Inc. (Visit Orlando)
- U.S. Travel Association
- The Walt Disney Company



Diamond (contributions of \$1 million and higher)

Air Berlin
Air Canada Montreal (Air Canada)
BBC Worldwide
Bloomberg
Capital Region USA
Choose Chicago
Ctrip
Despegar
Discover LA (Los Angeles Tourism and Convention Board)
Discover South Carolina (South Carolina Department of Parks, Recreation & Tourism)
Enjoy Illinois (Illinois Office of Tourism)
Enterprise Holdings, Inc.
ESPN
EuronewsNBC
Expedia
Experience Kissimmee
Fliggy
Hilton Worldwide
iQiyi
JCDecaux
Kentucky Tourism (Kentucky Department of Tourism)
Leisure Pass Group (Leisure Pass Group Limited)
Louisiana (Louisiana Office of Tourism)
Marriott International, Inc.
MGM Resorts International

Platinum (contributions of \$500,000 to \$999,999)

Avis Budget Group
British Airways
Discover Puerto Rico
Discover The Palm Beaches Florida (Discover The Palm Beaches)
Flight Centre
FVW Mediengruppe
Greater Fort Lauderdale (Greater Fort Lauderdale CVB)
Made in Tennessee (Tennessee Department of Tourist Development)
Massachusetts (Massachusetts Office of Travel & Tourism)
Memphis (Memphis Tourism)
New Orleans (New Orleans & Company)
NZME

National Geographic
News Corp Australia
News UK
PPTV Corporation
San Diego Tourism Authority
San Francisco Travel (San Francisco Travel Association)
Scripps Networks International Limited
Sea World Parks & Entertainment
Sina Corporation
STA Travel
Telegraph
Televisa
Thomas Cook
Travel Michigan (Michigan Economic Dev Corp)
Travel Oregon (The Oregon Tourism Commission)
Travel Wyoming (Wyoming Office of Tourism)
Universal Orlando Resort
Visit Arizona (Arizona Office of Tourism)
Visit California (California Commission on Travel & Tourism)
Visit Las Vegas (Las Vegas Convention & Visitors Authority)
Visit San Antonio
Wanda

Philadelphia CVB (Philadelphia Convention & Visitors Bureau)
Postmedia
Rhode Island Tourism Division (Rhode Island Commerce Corporation)
Star TV
Sunrise
Travel Nevada (Nevada Department of Tourism & Cultural Affairs)
Travel South USA
TTG Media
Universal Studios Hollywood (NBC Universal Hollywood)
Visit Austin (Austin CVB)
Visit St. Pete/Clearwater
Visit Utah (Utah Office of Tourism)
Youku

Gold

(contributions of \$250,000 to \$499,999)

Beaches of Fort Myers & Sanibel (Lee County VCB)

Charleston (SC) (Charleston CVB (SC))

Colorado Tourism (Colorado Tourism Office)

Deutsche Lufthansa

Dreamscapes

Explore Minnesota (Explore Minnesota Tourism)

Greater Miami and the Beaches (Greater Miami CVB)

Hilton Head Island Visitor & Convention Bureau
(Hilton Head Island-Bluffton Chamber of Commerce)

Hindustan Times

Mall of America (MOAC Mall Holdings LLC)

Papillon Group

Sweet Home Alabama
(Alabama Tourism Department)

Times of India

Travel Nation

Travel Portland

Travel South Dakota
(South Dakota Department of Tourism)

Travel Weekly Group

Utah Consortium

Vegas.com

Visit Detroit (Detroit Metro Convention
& Visitors Bureau)

Visit Montana (Montana Office of Tourism)

Visit Tampa Bay

Walt Disney Parks and Resorts

West Virginia Tourism Office

Silver

(contributions of \$100,000 to \$249,999)

Air New Zealand

Bradenton Anna Maria Island Longboat Key
(Bradenton Area CVB)

City Pass (CityPass, Inc.)

General Growth Properties
(General Growth Properties Inc.)

Georgia (Georgia Dept. of Economic Dev.,
Tourism Division)

Greater Newark CVB (Greater Newark Convention
and Visitor Bureau)

Greater Palm Springs CVB

I LOVE NY (New York State Department of
Economic Development, Division of T)

Lafayette (Lafayette Travel)

Louisiana Northshore (St. Tammany Parish Tourist &
Convention Commission)

Macy's (Macy's Inc)

Monterey County CVB

North Dakota Tourism (North Dakota Department
of Commerce)

Orange County Visitors Association

Park City Chamber CVB (Park City Chamber/
Convention and Visitors Bureau)

PhoCusWright

Rhythms of the South (Atlanta Convention & Visitors
Bureau, Nashville Convention & Visitors Corp., and New
Orleans Convention and Visitors Bureau)

San Jose CVB

Surf City USA (Visit Huntington Beach)

Travel Impressions

Turistampa

Visit Anaheim

Visit Baton Rouge

Visit Burbank

Visit Houston (Greater Houston CVB)

Visit Idaho (Idaho Division of
Tourism Development)

Visit Knoxville

Visit Lake Charles (Lake Charles CVB)

Visit Missouri (Missouri Division of Tourism)

Visit Music City (Nashville CVC)

Visit NC (Visit North Carolina)

Visit Seattle (Seattle CVB)

Visit Tri Valley

Visit USVI (US Virgin Islands Department of Tourism)

Visit West Hollywood (West Hollywood Marketing
Corporation)

Bronze

(contributions of \$10,000 to \$99,999)

Alexandria Pineville Louisiana
(Alexandria/Pineville CVB)

Amelia Island (Amelia Island Tourist
Development Council)

Aspen Chamber (Aspen Chamber Resort Association)

Beverly Hills CVB

Bloomington CVB (MN)

Blue Man Group (Blue Man Productions, LLC)

Central Coast Tourism Council (Central Coast
Tourism Council)

Central New York Vacation Region

Chester County's Brandywine Valley (Chester County
CVB)

Chickasaw Country (Chickasaw Country LLC)

Destination Cleveland (CVB of Greater Cleveland)

Discover Flagstaff (Flagstaff Convention and
Visitors Bureau)

Discover New England

Explore Fairbanks (Fairbanks Convention &
Visitors Bureau)

Explore Ocala (Ocala/Marion County CVB)

George Washington's Mount Vernon

High Sierra Visitors Council

Holland Visitors Bureau

Houma (Houma Area CVB)

Huntsville (Huntsville/Madison Country CVB)

Irvine (Irvine Company Retail Properties)

John F. Kennedy Presidential Library and Museum
(John F. Kennedy Library Foundation)

Lake Tahoe Visitors Authority

Louisiana's Other Side (Shreveport - Bossier
Convention & Tourist Bureau)

Macerich

Mineta San Jose International Airport

Museum of the City of New York

Myrtle Beach Golf Holiday

New Hampshire DT&TD (NH Department of Business
and Economic Affairs, Division of Travel and Tourism
Development)

New Mexico True (New Mexico Tourism Department)

New Orleans Plantation Country

NYC & Company (NYC & Company, Inc.)

Pennsylvania Travel (Pennsylvania Association of
Travel & Tourism)

Redondo Beach CoC&VB (Redondo Beach Chamber of
Commerce and Visitors Bureau/Visitors)

River Oaks District

Santa Monica Convention & Visitors Bureau

Seattle Southside (Seattle Southside Regional
Tourism Authority)

Shasta Cascade Wonderland Assoc.

South Coast Plaza

Tempe Tourism Office

The Great American West (Rocky Mountain
International)

The Shops Buckhead Atlanta (OMB Buckhead
Lender LLC)

The Strong (The Strong Museum of Play)

Tourism Ohio

Travel Iowa (Iowa Tourism Office)

Traverse City Tourism (Traverse City Convention &
Visitors Bureau)

Tuolumne County VB (Tuolumne County
Visitors Bureau)

United Airlines

United Airlines

Ventura County Coast (Ventura County
Lodging Association)

Visit American Samoa (American Samoa
Visitors Bureau)

Visit Baltimore

Visit Big Sky (Big Sky CVB)

Visit Buffalo Niagara (Buffalo Niagara CVB)

Visit Camarillo (Camarillo Hotel and
Tourism Association)

Visit Cheyenne (Cheyenne CVB)

Visit Colorado Springs (Colorado Springs CVB)

Visit Durango (Durango Area Tourism Office)

Visit Fort Worth

Visit KS/OK (Kansas/Oklahoma Travel & Tourism)

Visit Mammoth (Mammoth Lakes Tourism)

Visit Marina del Rey (Marina del Rey Convention &
Visitors Bureau)

Visit Oakland (Oakland Convention and Visitors Bureau)

Visit Oxnard (Oxnard Convention & Visitors Bureau)

Visit Panama City Beach (Panama City Beach CVB)

Visit Pasadena (Pasadena CVB)

Visit Pasco (Pasco County Board of County
Commissioners)

Visit Phoenix
Visit Rochester (MN) (Rochester Convention & Visitors Bureau)
Visit Santa Barbara
Visit Santa Cruz County (Santa Cruz County CVC)
Visit Savannah (Savannah Area CoC)
Visit Sonoma County (Sonoma County Tourism Bureau)
Visit Ventura (Ventura Visitors & Convention Bureau)

Visit Vermont (Vermont Department of Tourism and Marketing)
Visit Yosemite Madera County
VisitPittsburgh
Wildwoods NJ (Greater Wildwoods Tourism Improvement and Development Authority)
Wine, Water and Wonders

Supporting (contributions up to \$10,000)

Cannery Row Company
Corning Museum of Glass (The Corning Museum of Glass)
Meet AC (Meet AC, Inc.)
New England Inns (New England Inns and Resorts Association)
North Alabama (Alabama Mountain Lakes Tourist Association)

North of Boston (North of Boston CVB)
Travel Costa Mesa (Costa Mesa CVB)
Visit Hershey & Harrisburg (Hershey Harrisburg Regional Visitors Bureau)
Visit Sarasota (Visit Sarasota County)

Note: Since its inception, Brand USA has had the privilege of working with more than 900 organizations to promote the USA as a premier travel destination. The partners listed in the FY2018 annual report are those who made any combination of cash or in-kind contributions to Brand USA from FY2017 through FY2018.



BRAND USA LEADERSHIP TEAM AND BOARD OF DIRECTORS

Grand Canyon National Park, Arizona

BRAND USA LEADERSHIP TEAM



Christopher L. Thompson
President & CEO



Thomas Garzilli
Chief Marketing Officer



Anne Madison
Chief Strategy &
Communications Officer



Donald F. Richardson
Chief Financial Officer



Karyn Gruenberg
Senior Vice President,
Partner Marketing &
Strategic Alliances



Jake Conte
Vice President,
General Counsel



Cathleen Domanico
Vice President,
Global Trade Development



Tracy Lanza
Vice President,
Integrated Marketing



Joann Pelipesky
Vice President,
Human Resources &
Administration



Carroll Rheem
Vice President,
Research & Analytics



Aaron Wodin-Schwartz
Vice President,
Public Policy & Public Affairs

TOGETHER, WE'RE MARKETING THE USA.

BRAND USA BOARD OF DIRECTORS

Brand USA is governed by an 11-member Board of Directors appointed for a maximum of two consecutive three-year terms by the U.S. Secretary of Commerce in consultation with the Secretary of State and the Secretary of Homeland Security.

As required by the Travel Promotion, Enhancement, and Modernization Act of 2014, all members of the board are United States citizens and are either current or former chief executive officers, chief financial officers, or chief marketing officers, or have held equivalent management positions.

Members of the board have leadership expertise in specific sectors of the travel industry including: hotel accommodations; restaurants; retail or a related association; travel distribution; attractions; state-level tourism office; city-level convention and visitors bureau; passenger air; land or sea

transportation; and immigration law and policy. At least two members of the board are audit committee financial experts. In addition, at least five members of the board have expertise in international travel promotion or marketing broadly representing various regions of the United States.

As provided for in its charter, the Governance & Nominating Committee makes recommendations to the board for committee member appointments and selection of the board leadership, including the chair, vice chairs, secretary, and treasurer.

In accordance with the above, the following business leaders at the time of publication of this annual report serve on the board of directors of Brand USA.



Barbara J. Richardson
CHAIR, BRAND USA
Executive Vice President,
External Relations,
Washington Metropolitan
Area Transit Authority
Board member since
October 2013
Member: Conflict of Interest
Committee and
Finance Committee
Represents: Land or Sea
Transportation Sector



John F. Edman
VICE CHAIR, BRAND USA
Director & CEO,
Explore Minnesota Tourism
Board member since
October 2014
Member: Finance Committee
and Governance &
Nominating Committee
Represents: Official of a State
Tourism Office



Alice Norsworthy
VICE CHAIR, BRAND USA
Chief Marketing Officer,
Universal Parks & Resorts
Board member since
December 2016
Chair: Marketing Committee
Member: Finance Committee
Represents: Attractions or
Recreation Sector



Kyle Edmiston

TREASURER, BRAND USA

President/CEO,
Lake Charles/Southwest Louisiana
Convention & Visitors Bureau
Board member since December 2015
Chair: Finance Committee
Member: Marketing Committee
Represents: Official of a State Tourism Office



Andrew Greenfield

SECRETARY, BRAND USA

Partner, Fragomen, Del Rey,
Bernsen and Loewy, LLP
Board member since October 2013
Chair: Governance & Nominating Committee
Member: Conflict of Interest Committee
Represents: Immigration Law and Policy Sector



Kristen Branscum

BOARD MEMBER

Commissioner, Kentucky Department of Tourism
Board member since February 2019
Member: Marketing Committee
Represents: Official of a State Tourism Office



Paul Brown

BOARD MEMBER

Co-founder and CEO, Inspired Brands, Inc.
Board member since February 2019
Member: Audit Committee and
Marketing Committee
Represents: Restaurant Sector



Mike Gallagher
BOARD MEMBER

Co-chairman & co-founder, CityPASS
Board member since November 2017
Member: Governance & Nominating Committee
and Marketing Committee
Represents: Small Business or Retail Sector



Noel Irwin Hentschel
BOARD MEMBER

Chairman and CEO,
AmericanTours International, LLC
Board member since November 2017
Member: Audit Committee, Finance Committee,
and Marketing Committee
Represents: Travel Distribution Services Sector



Mark Hoplamazian
BOARD MEMBER

President and CEO,
Hyatt Hotels Corporation
Board member since February 2019
Member: Finance Committee
Represents: Hotel Accommodations Sector



Thomas F. O'Toole
BOARD MEMBER

Senior Fellow and Clinical Professor of Marketing,
Kellogg School of Management, Northwestern University
Board member since December 2016
Chair: Conflict of Interest Committee and
Audit Committee
Member: Marketing Committee
Represents: Passenger Air Sector

BOARD COMMITTEES

The board of directors and its committees meet regularly throughout the year. Members of the public are encouraged to participate by webcast and/or conference call. For more information about members of the Brand USA board of directors, regularly scheduled meetings, or records of past board meetings, please visit:

TheBrandUSA.com/about/directors

Board-related questions or comments can be addressed to BoardMeetings@TheBrandUSA.com

AUDIT COMMITTEE

Thomas F. O'Toole, Chair
Paul Brown
Noel Irwin Hentschel

Audit Committee meetings are held at least three times per year with one meeting scheduled to occur with the conclusion of the annual audit.

GOVERNANCE & NOMINATING COMMITTEE

Andrew Greenfield, Chair
John Edman
Mike Gallagher

Governance & Nominating Committee meetings are held at least once per year and timed to occur at or near the conclusion of the board chair's term and/or the appointment of new board members.

CONFLICT OF INTEREST COMMITTEE

Thomas F. O'Toole, Chair
Andrew Greenfield
Barbara Richardson

Conflict of Interest Committee meetings are scheduled on an as-needed basis as determined by the board chair and/or committee chair.

MARKETING COMMITTEE

Alice Norsworthy, Chair
Kristen Branscum
Paul Brown
Kyle Edmiston
Mike Gallagher
Noel Irwin Hentschel
Tom O'Toole

Marketing Committee meetings are held at least four times per year and are scheduled in advance of each board meeting.

FINANCE COMMITTEE

Kyle Edmiston, Chair
John Edman
Noel Irwin Hentschel
Mark Hoplamazian
Alice Norsworthy
Barbara Richardson

Finance Committee Meetings are held four times per year and are scheduled to occur immediately prior to each board meeting.

NOTES

Brand USA Staff Headshots (page 4)

Pictured (from top to bottom, left to right): Alexis Adelson, Cassidy Bailey, Rosina Barbastefano, Laura Berardi, Marc Brooks, Imani Carter, Monica Ceballos, Dev Chadha, Camila Clark, Skylar Clark, Jake Conte, Amanda Davis, Sagia Depty, John Deregla, Peter Dodge, Cathy Domanico, Chris Ellis, Jackie Ennis, Mike Fullerton, Tara Gabaldon, Mitzu Ganley, Thomas Garzilli, Karyn Gruenberg, Casey Harlow, Luke Hennig, Paul Howard, Stephanie Hudson, Nina Hymel, Robyn Jordan, Leila Khadrane, Alex Lacson, Tracy Lanza, Mark Lapidus, Caitlin Levesque, Louis Lu, Judie Macalino, Jesselle Macatiag, Anne Madison, Colleen Mangone, Renee Mason, Nick Mattera, Asrah Mohammed, Sean Moody, James Namude, Jessie Newcomb, Julie Paulson, Joann Pelipesky, Tiwana Perry, Justin Pile, Meghan Quirk, Carroll Rheem, Donald Richardson, Blanca Romero, Jennifer Ross, Ngawang Samphel, Maria Santos, Madison Schorr, Michele Schrei, Erin Setter, Maria Sheetz, Suzy Shepard, Colin Skerritt, Kat St. George, Chris Thompson, Dianne Turner, Rasheeta Turner, Brian Watkins, Jessica Welch, Aaron Wodin-Schwartz, Munira Yusuf, Susan Zachar

Not pictured: Allyson Carpenter, Tatiana Delgado, Cayleigh Farrell, Jevonya Hughes, Sayed Nizami

To learn more about each of the Brand USA team members, please visit TheBrandUSA.com.

Balanced Score Card Footnotes (pages 75-76)

¹ Question: Why is the United States not a likely holiday destination for you in the next 12 months?

Select all that apply. Base: Intercontinental travelers who are not likely to visit the USA in the next 12 months (Brazil and Mexico tracking started in 2014); the measurement is the percentage of those who did not say they are not likely to visit the USA in the next 12 months.

² Percentages may have been adjusted for prior years to reflect updated global and U.S. arrivals data from Oxford Economics and NTTO (on which market share calculations are based).






³ Represents the percentage of contributing partners who contributed in any prior fiscal year and the current fiscal year or number of LOA partners that participated in a Brand USA Original, Affinity, or Market Specific program in the prior and current fiscal year; does not include participation in programs direct billed by B-For or Miles.

CONNECT WITH US







Missoula, Montana

To follow our progress and announcements of new initiatives, please connect with us on these social media channels.

For industry or partner information about Brand USA, please visit or connect with us on the following Brand USA corporate channels:

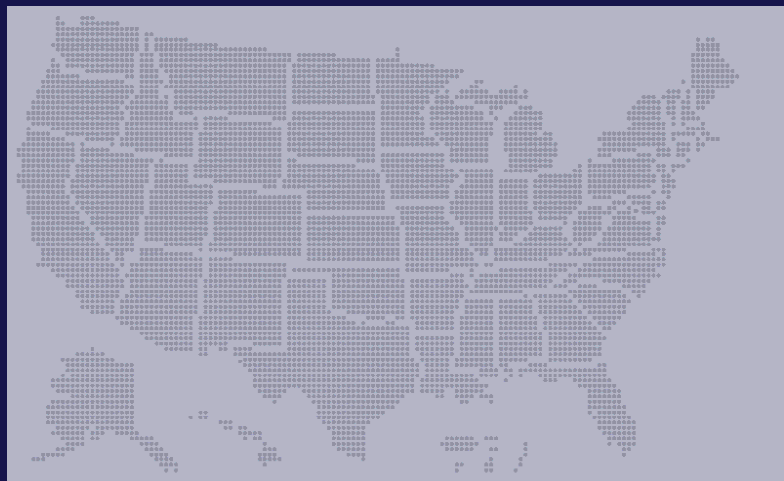
-  TheBrandUSA.com
-  [@BrandUSA](https://twitter.com/BrandUSA)
-  Facebook.com/BrandUSA
-  YouTube.com/BrandUSATV
-  Linkedin.com/Company/BrandUSA

For information about exceptional and unexpected travel experiences in the United States, please visit or connect with us on our consumer channels:

-  VisitTheUSA.com
-  [@VisitTheUSA](https://twitter.com/VisitTheUSA)
-  Facebook.com/VisitTheUSA
-  YouTube.com/VisitTheUSA
-  [@VisitTheUSA](https://Instagram.com/VisitTheUSA)
-  Google.com/VisitTheUSA

GoUSA.tv Available on Roku, Apple TV, Amazon Fire, iOS, and Android

To receive our news and updates, please visit TheBrandUSA.com and enter your email address at the bottom of the home page.



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