



International Markets

Segmentation and Trends

USA

VisitTheUSA.com

Brand USA



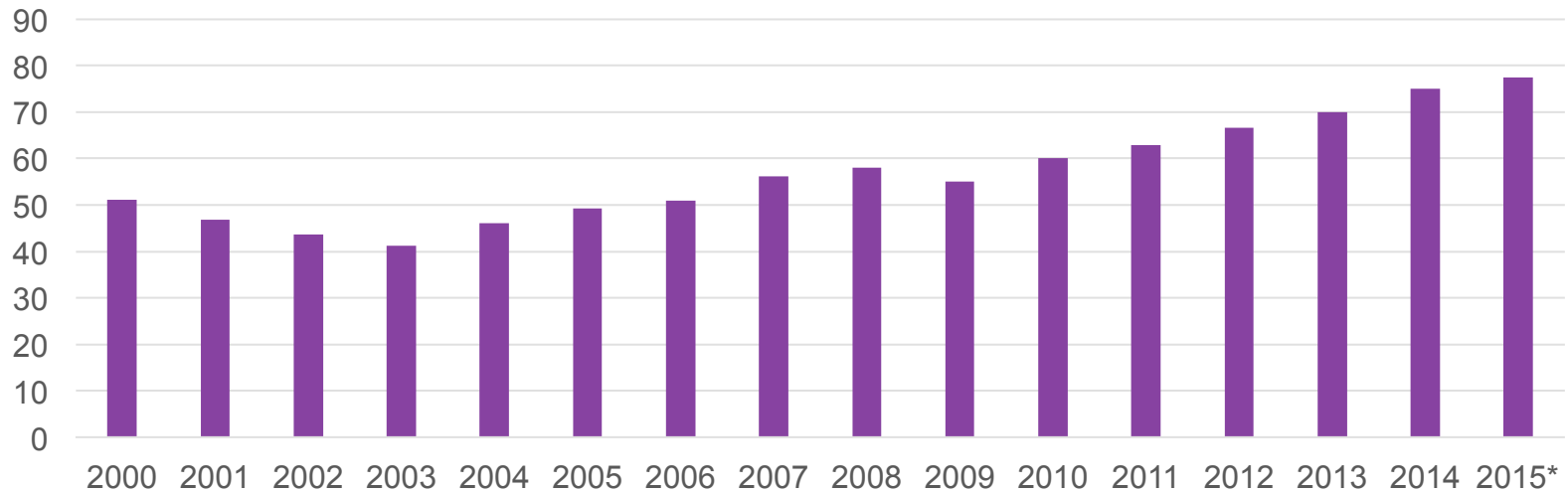
Carroll Rheem

Vice President, Research &
Analytics




Credit: NASA/GSFC & AVHRR

Annual International Arrivals (Millions)



* Break in series; 2015 changes (excluding Canada and Mexico) reflect a combination of additional records counted in 2015 and market conditions.

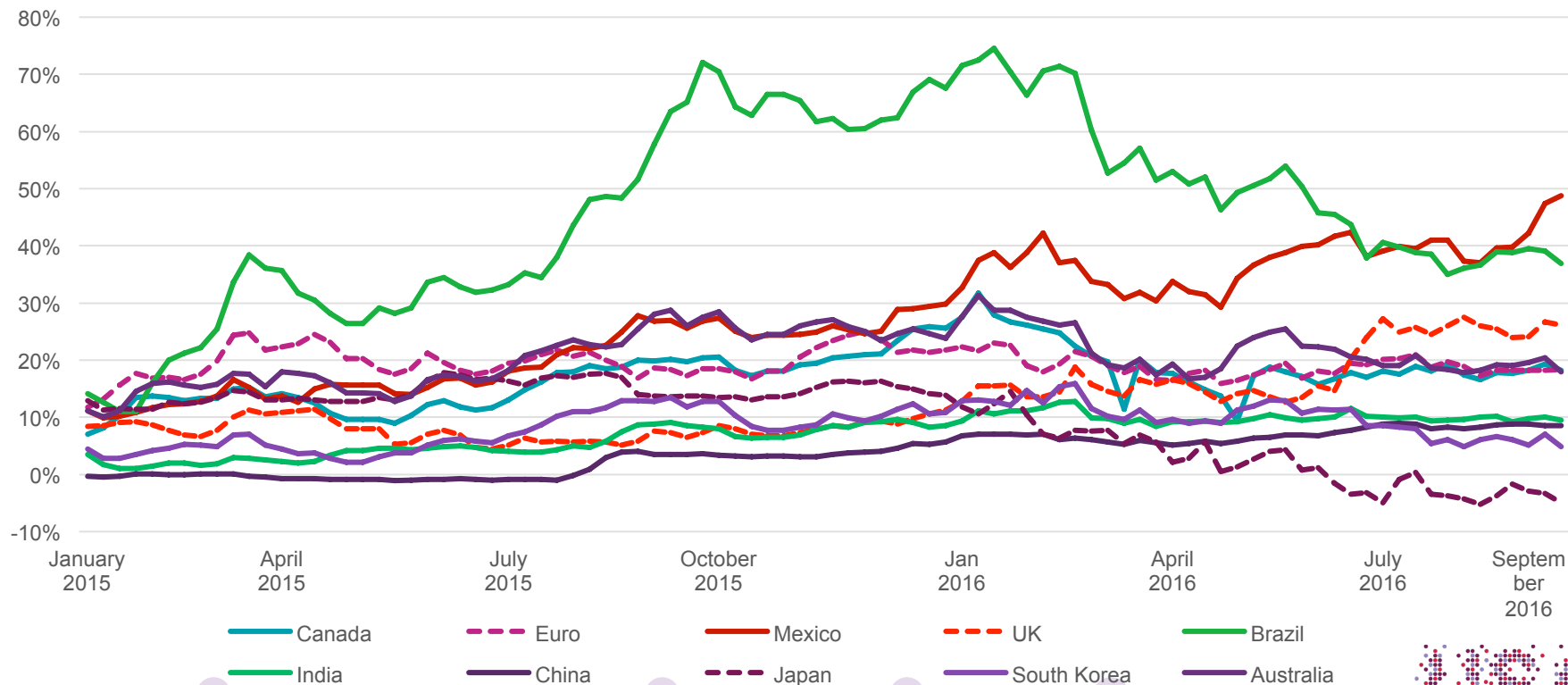
Source: NTTO



We don't operate in a vacuum
Currency exchange drove a 3.1% decline in arrivals in 2015, equating to a loss of 2.6 million visitors compared to a scenario of no exchange rate shifts.

Source: Oxford Economics

Value of U.S. Dollars (Indexed against 2014 Average)



Canada v Mexico



Canada v Mexico





The Ultimate U.S. Vacation Selfie Exercise



Manuel.

NOMBRE:

Fg1

NAME:

Mariana Marcano

CAPTION:

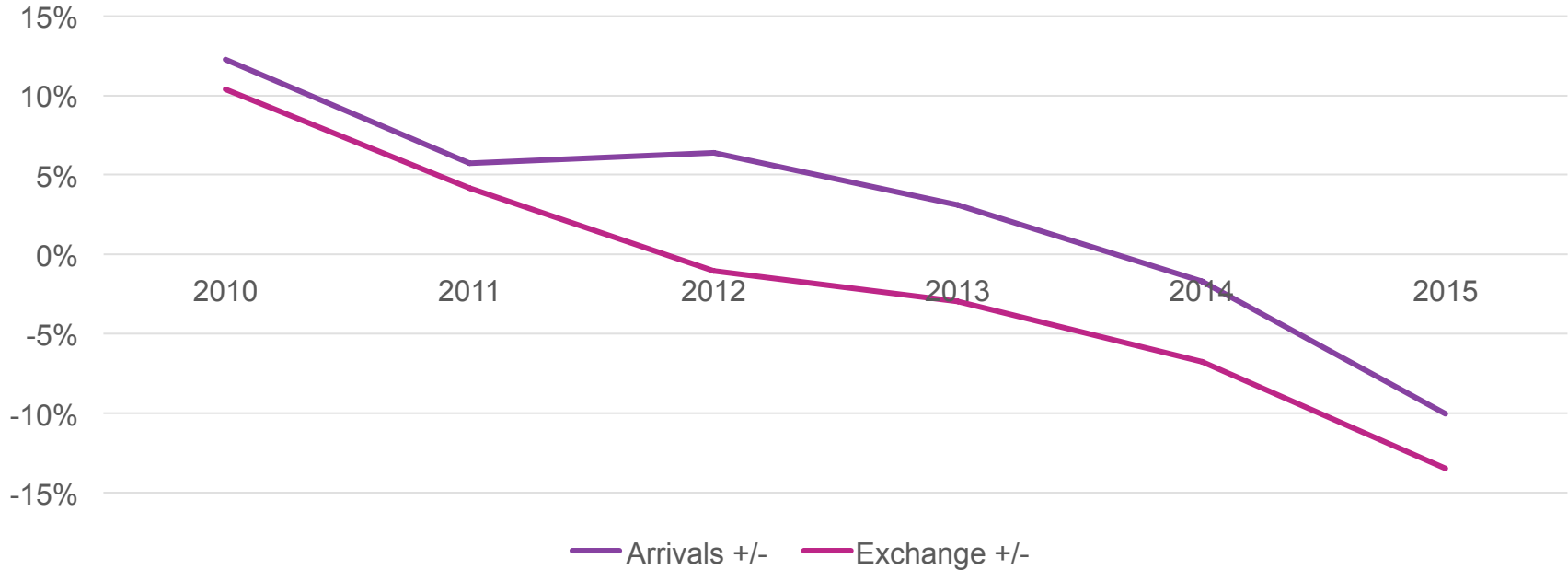
#ROADTRIP



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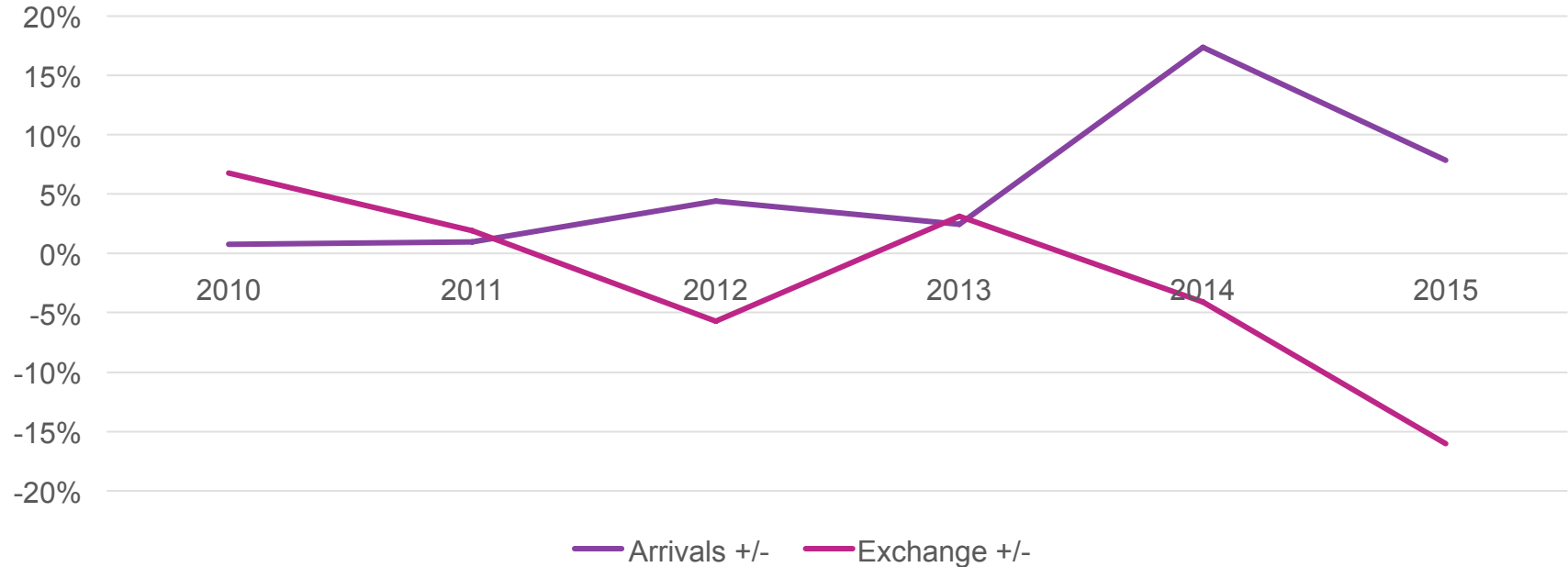
Canada Change in Arrivals and ForEx

Strong
Correlation = 0.96

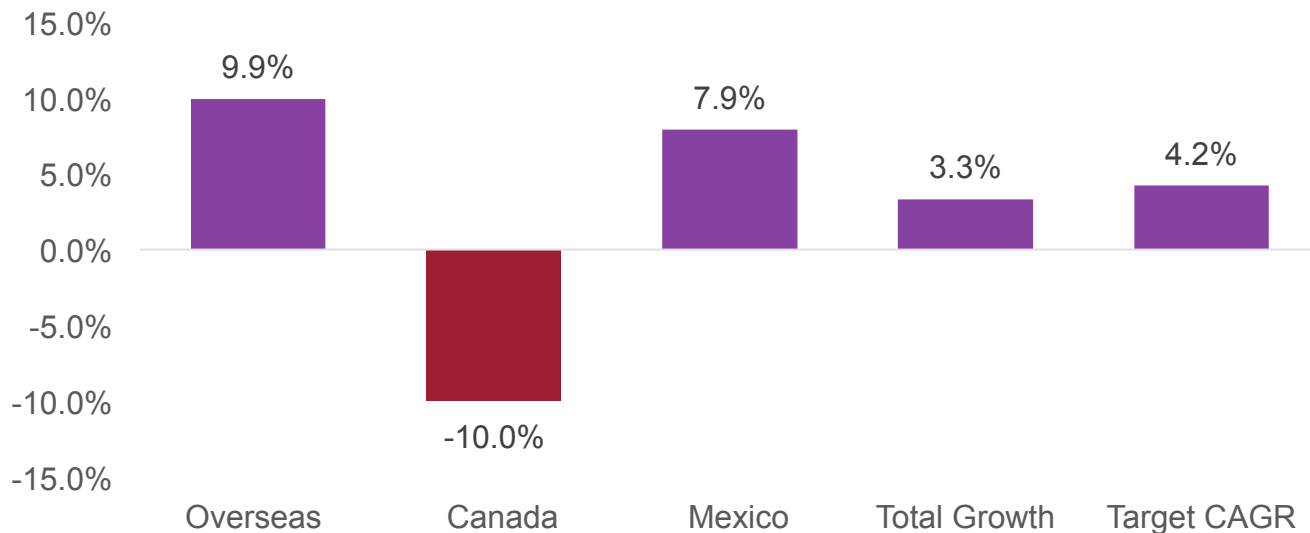


Mexico Change in Arrivals and ForEx

No
Correlation = -0.5



2015 International Arrivals Growth Forecast





100 million
visitors by 2021

2015-2021
Target
4.2% CAGR

2016-2021
Target
4.34% CAGR

2015
Growth
3.3%



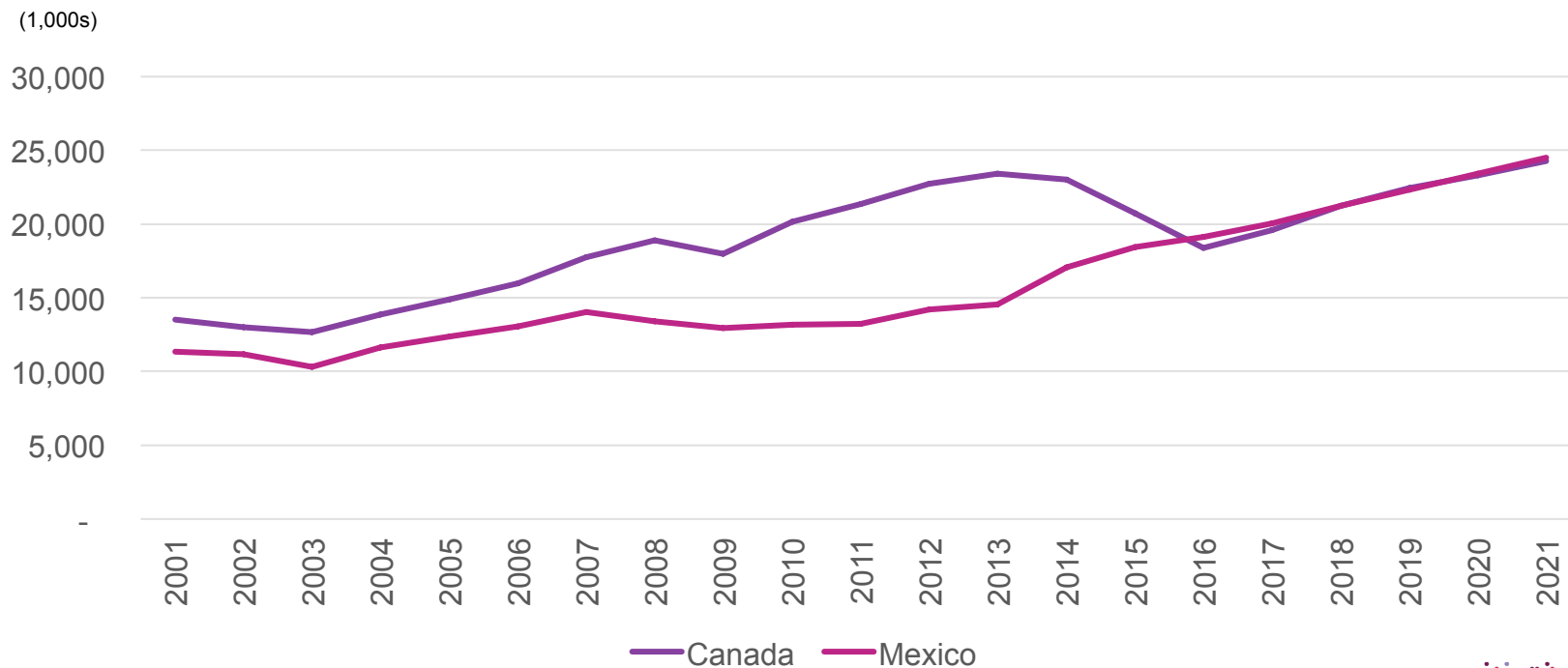
Opportunity-Based Market Selection Model



Market Selection Model



USA Arrivals - North American Markets



Short Term Outlook

Canada

Origin of GDP

(% real change)

■ = 2016 ■ = 2017

Agriculture



Industry



Services



Source: The Economist Intelligence Unit

Mexico

Origin of GDP

(% real change)

■ = 2016 ■ = 2017

Agriculture



Industry

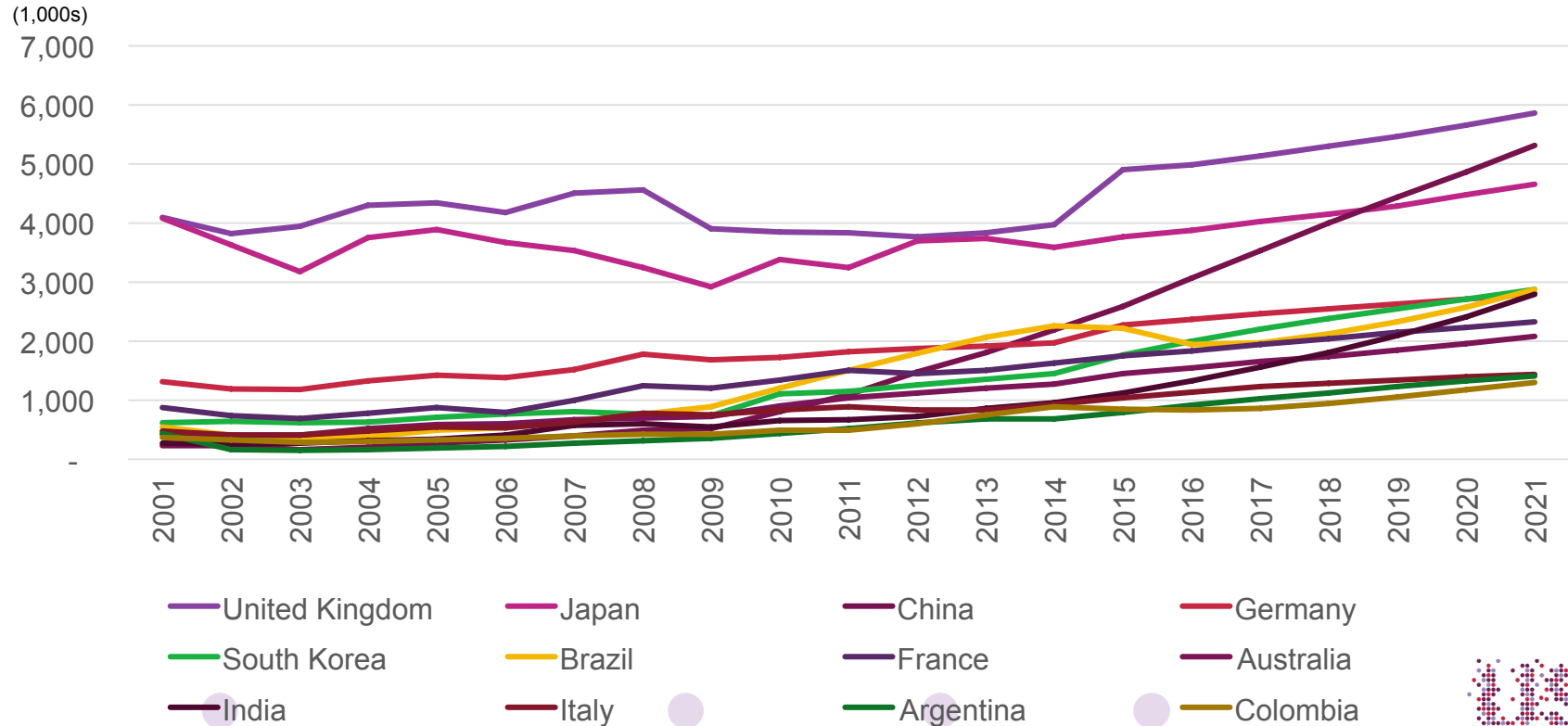


Services



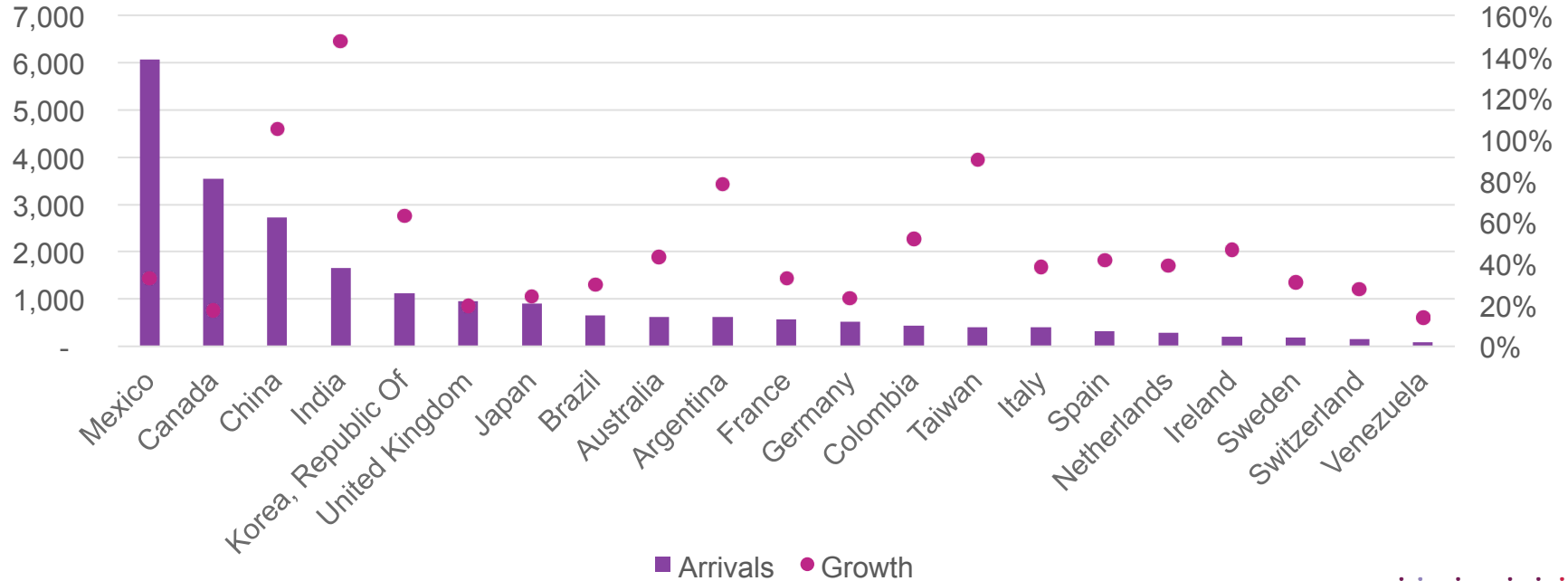
Source: The Economist Intelligence Unit

USA Arrivals – Overseas Markets



2021 Vs. 2015 Arrivals

(1,000s)

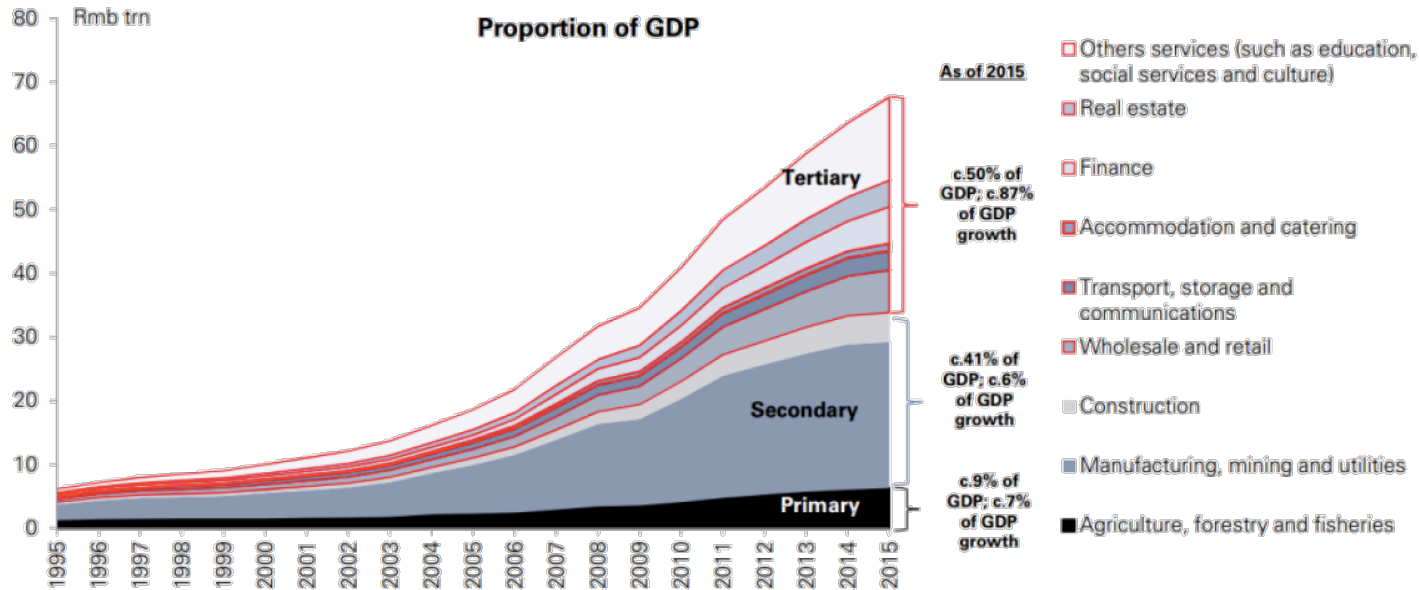


China will become the
top overseas market to
the US within in the
next decade.



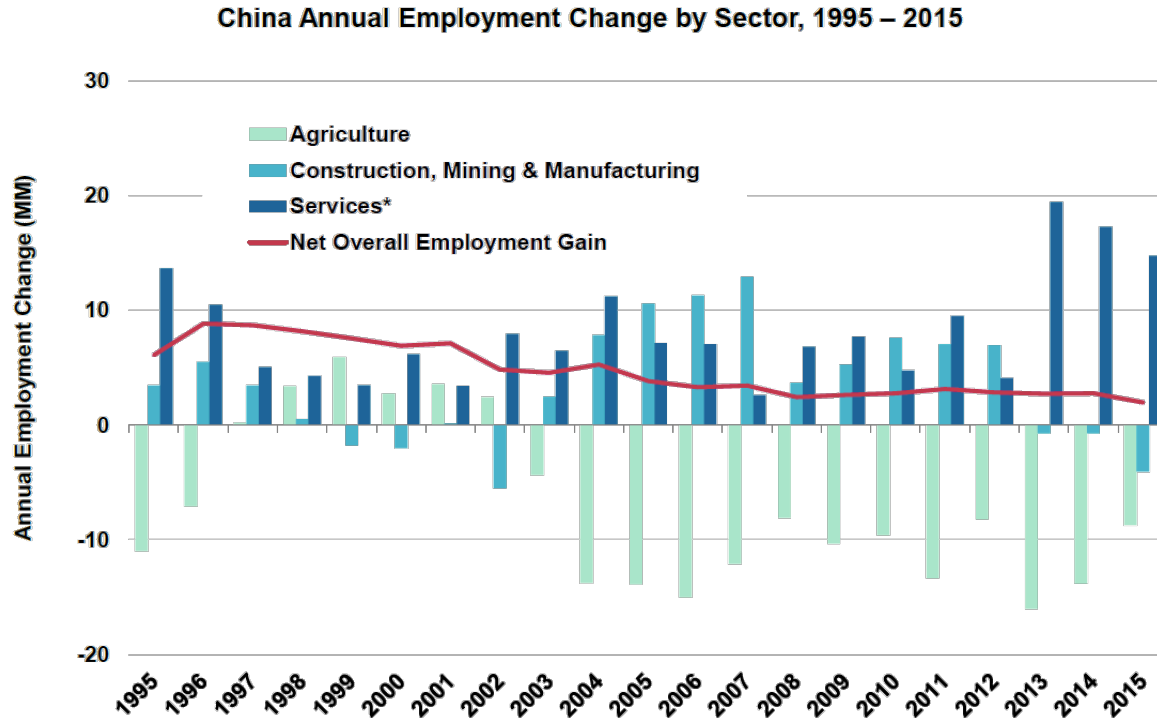
Services Industries 50%+ of China's GDP (& Rising) ~87% of GDP Growth

China's GDP by Sector, 1995 – 2015



Source: KPCB, National Bureau of Statistics of China, CEIC, Goldman Sachs Global Investment Research.

More Chinese Are Working in Service Industries

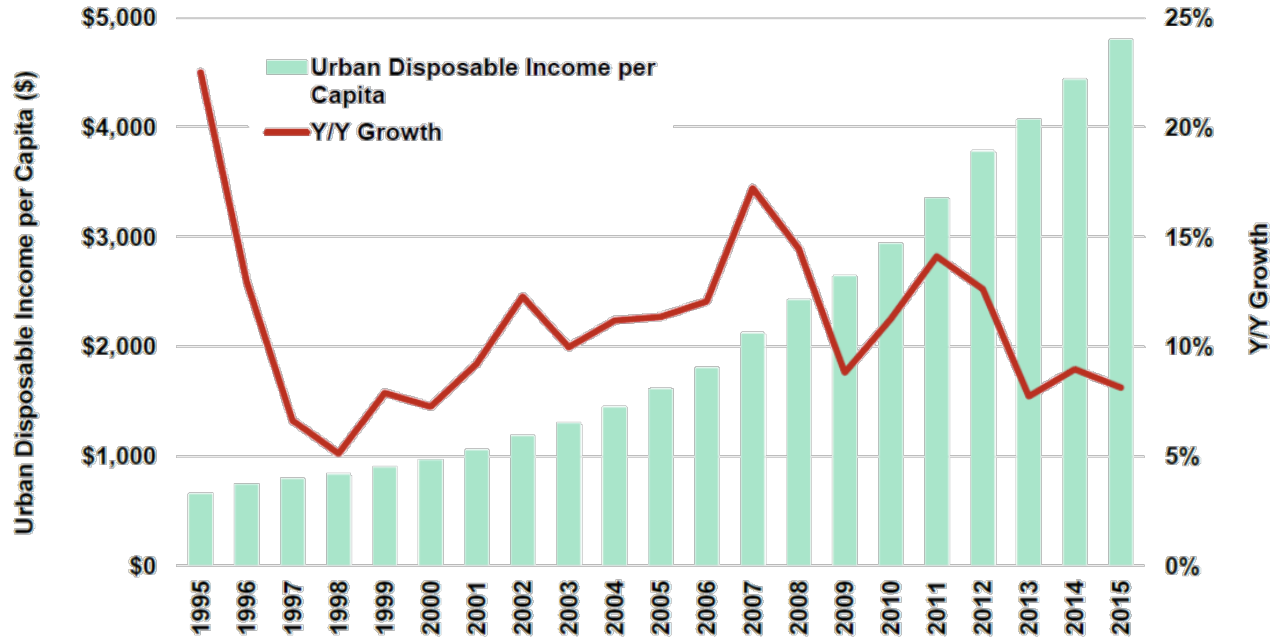


Source: KPCB, National Bureau of Statistics of China, Wind Information.

*Note: Services include wholesale, retail, transportation, storage, communication, accommodation, catering, finance, education, real estate and other services.

China Disposable Income/Capita

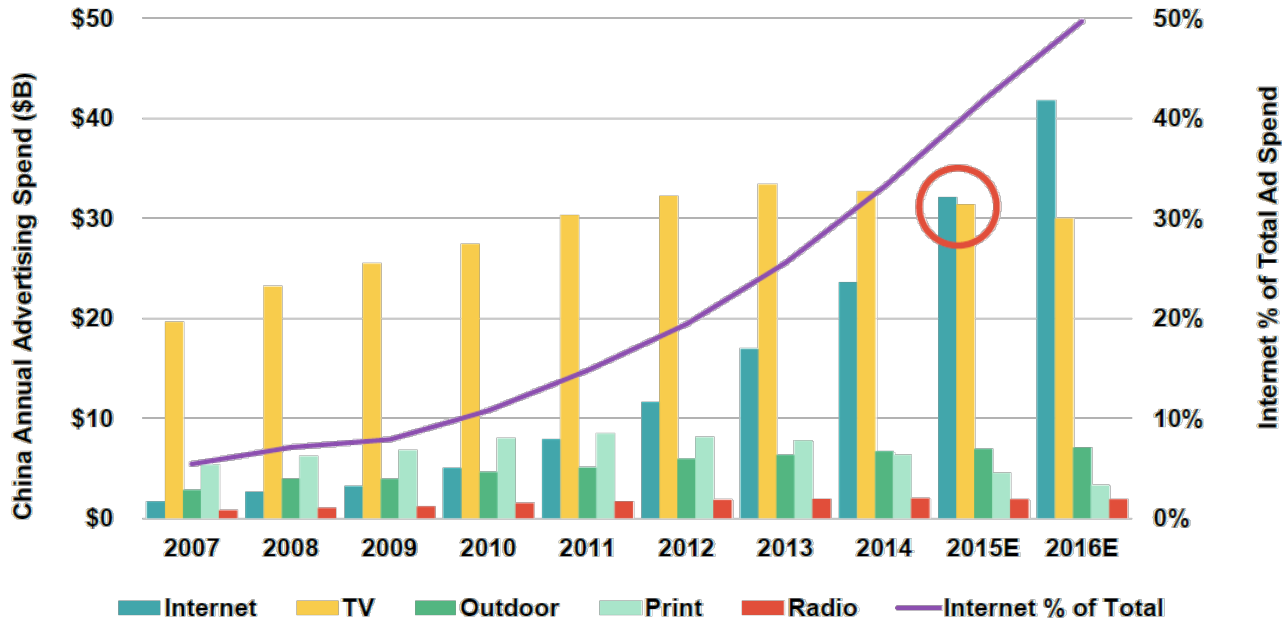
China Urban Disposable Income per Capita & Y/Y % Growth,
1995 – 2015



Source: KPCB, CEIC, assume constant FX 1USD=6.5RMB.

Digital Media Is Pulling Ahead

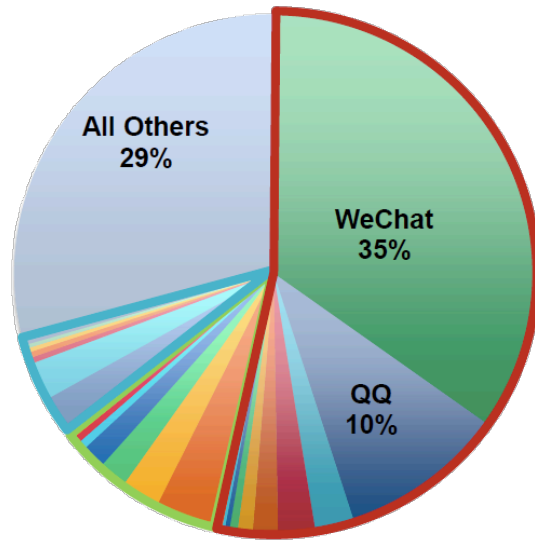
China Annual Advertising Spend by Medium, 2007 – 2016E



Source: KPCB, GroupM China, April 2016 Forecast. Assume constant FX 1USD = 6.5RMB

Young But Already Consolidated

Share of Mobile Time Spent, April 2016
Daily Mobile Time Spent = ~200 Minutes per User, Average



Tencent

Alibaba

Baidu

Note: KPCB, Grouping of apps include strategic investments made by Tencent, Alibaba and Baidu. Only apps in top 50 by time spent share are called out. Source: QuestMobile, Trustdata, and Hillhouse estimates.

Chinese Conglomerates

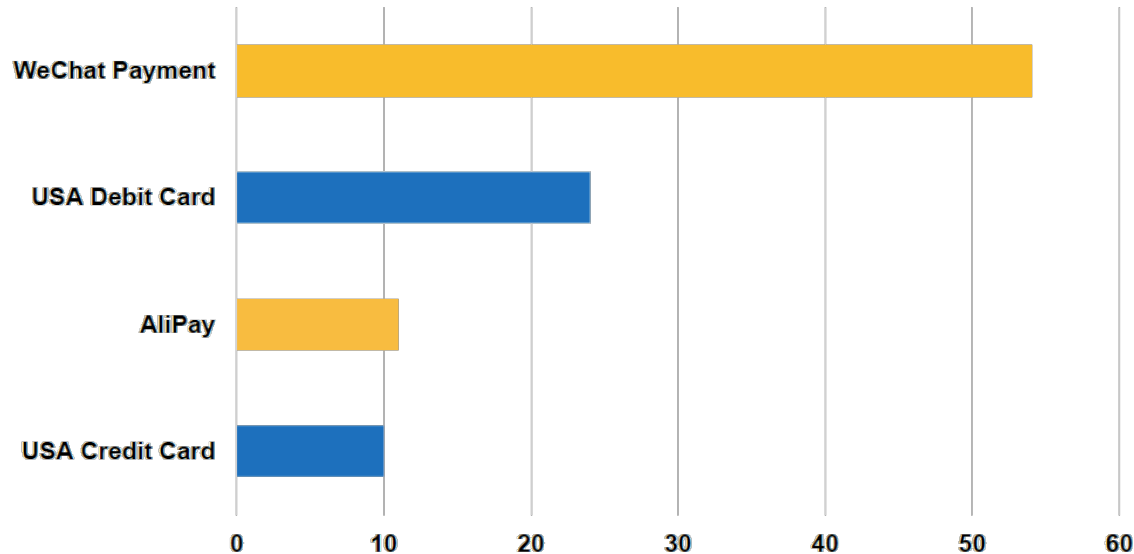
Rank	Company	Region	Current Market Value (\$B)	Q1:16 Cash (\$B)	2015 Revenue (\$B)
1	Apple	USA	\$547	\$233	\$235
2	Google / Alphabet	USA	510	79	75
3	Amazon	USA	341	16	107
4	Facebook	USA	340	21	18
5	Tencent	China	206	14	16
6	Alibaba	China	205	18	15
7	Priceline	USA	63	11	9
8	Uber	USA	63	--	--
9	Baidu	China	62	11	10
10	Ant Financial	China	60	--	--
11	Salesforce.com	USA	57	4	7
12	Xiaomi	China	46	--	--
13	Paypal	USA	46	6	9
14	Netflix	USA	44	2	7
15	Yahoo!	USA	36	10	5
16	JD.com	China	34	5	28
17	eBay	USA	28	11	9
18	Airbnb	USA	26	--	--
19	Yahoo! Japan	Japan	26	5	5
20	Didi Kuaidi	China	25	--	--
Total			\$2,752	\$447*	\$554*

Source: KPCB, CapIQ, CB Insights, Wall Street Journal, media reports. Market value data as of 5/31/16. * Includes only public companies.

Note: For public companies, colors denote current market value relative to Y/Y market value. Green = higher. Red = lower. Purple = newly public within last 12 months (applied here to both eBay and Paypal given Paypal spinoff on 7/20/15). Yellow = private companies, where market value represents latest publicly announced valuation.

High Engagement with Mobile Payment Solutions

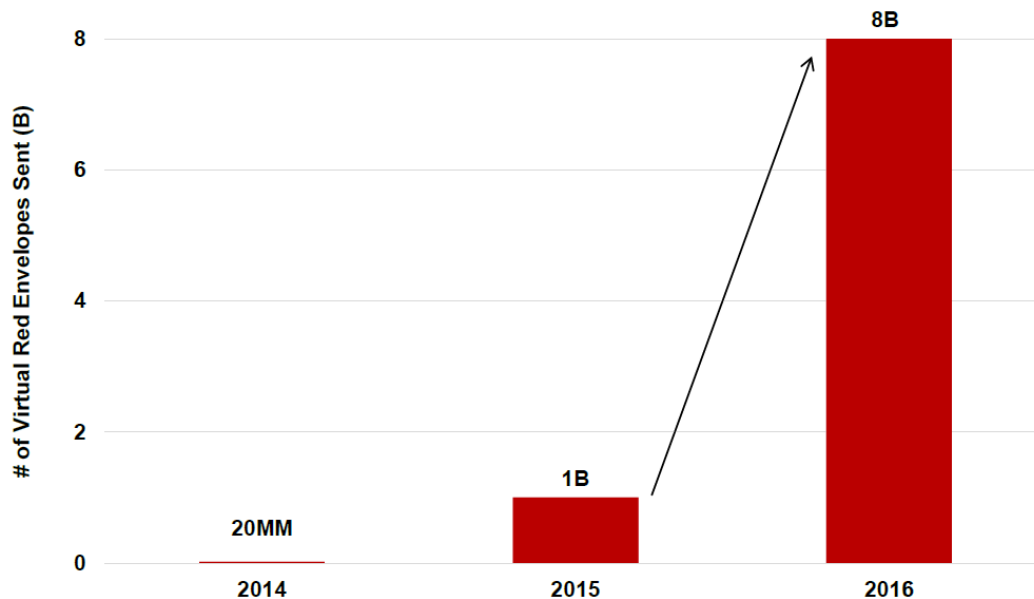
Estimated Monthly Payment Transactions per User



Source: KPCB, US debit and credit card data defined as number of payments (including online and offline) a month per active general-purpose card. Active cards are those used to make at least one purchase or bill payment in a month. Data per 2013 Federal Reserve Payments Study. AliPay / WeChat Pay stats per Hillhouse estimates. WeChat data includes peer-to-peer payments such as virtual Red Envelopes.

WeChat Chinese New Year Transactions

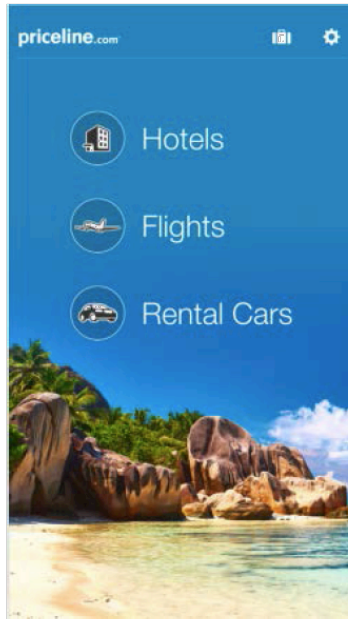
**WeChat Virtual Red Envelopes Sent –
Chinese New Years Eve, 2014 – 2016**



Source: KPCB, Tencent

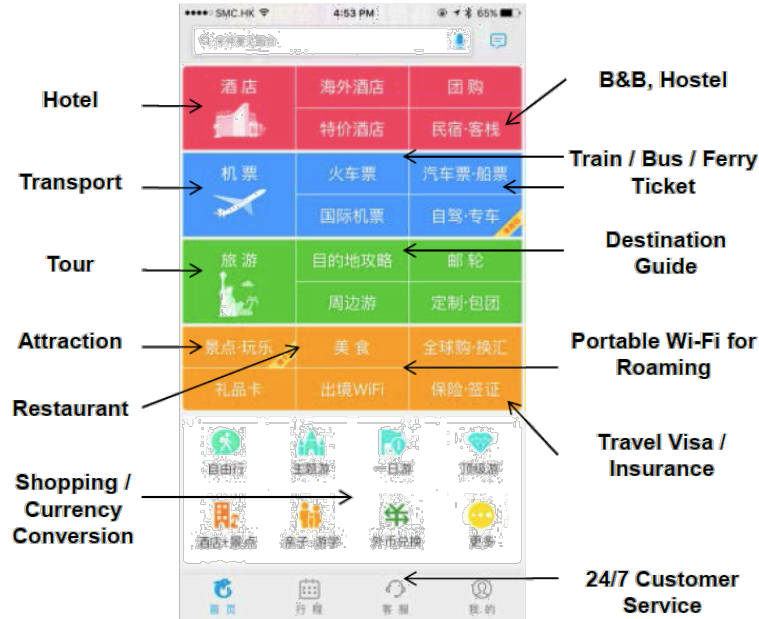
One Stop Shop Approach

Priceline App (USA)



Source: KPCB

Ctrip App (China)



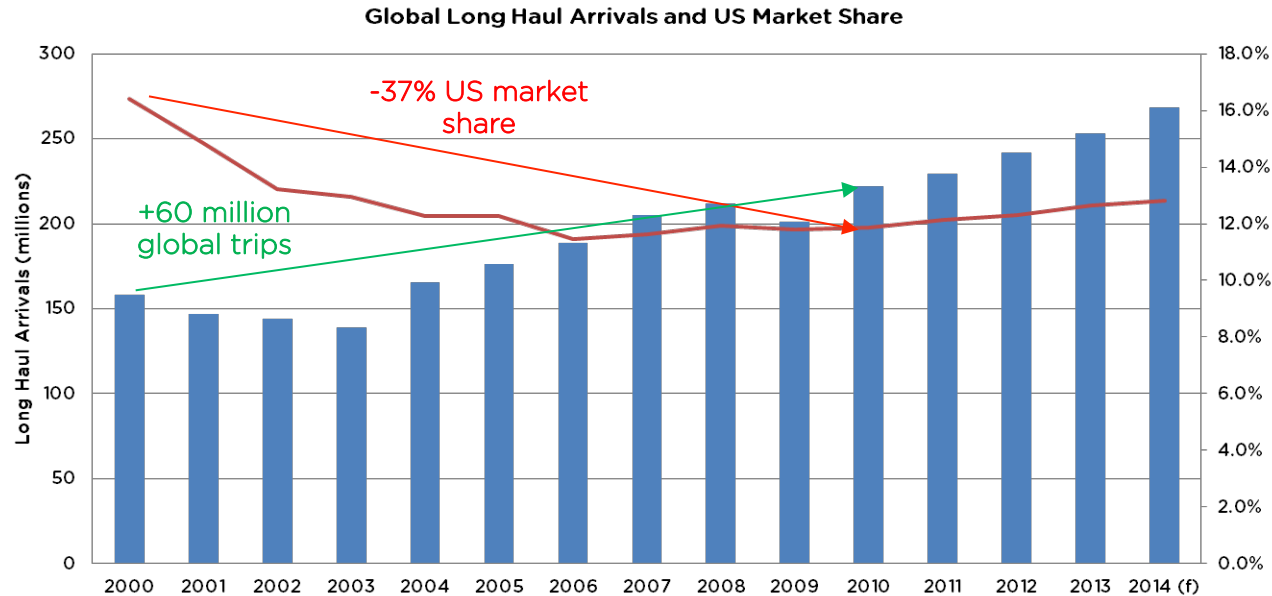
A satellite image of the United States at night, showing a dense network of city lights and urban areas. The Great Lakes are visible in the upper right quadrant. The text "Our Next Chapter in Storytelling" is overlaid in the bottom left corner.

Our Next Chapter in Storytelling



Land of Dreams aimed to solve a problem

Long Haul Market Share



*Long haul defined as extra-regional travel based on seven regions: North America, South America/Central America/Caribbean, Europe, Africa, Middle East, Asia, and Oceania

Source: Tourism Economics



It didn't address that
people already like
us for being...





THE SITUATION

The challenge...

“I just thought about **the fact that destination selection has no system about it**, my husband is a musician and he used to play a lot in the south of France and in the beginning we used to go to southern France a lot, and sometimes you know people who say hey, come and see us, we have friends in Australia who we have yet to visit though, we have relatives in Virginia, so it just so happens, but on the other hand for instance, currently, I think one of my next destinations will be Brazil, where the German national team is staying, the training camp area looks so great, it's a great beach and maybe that is my next destination.”

-Germany

Trip Planning



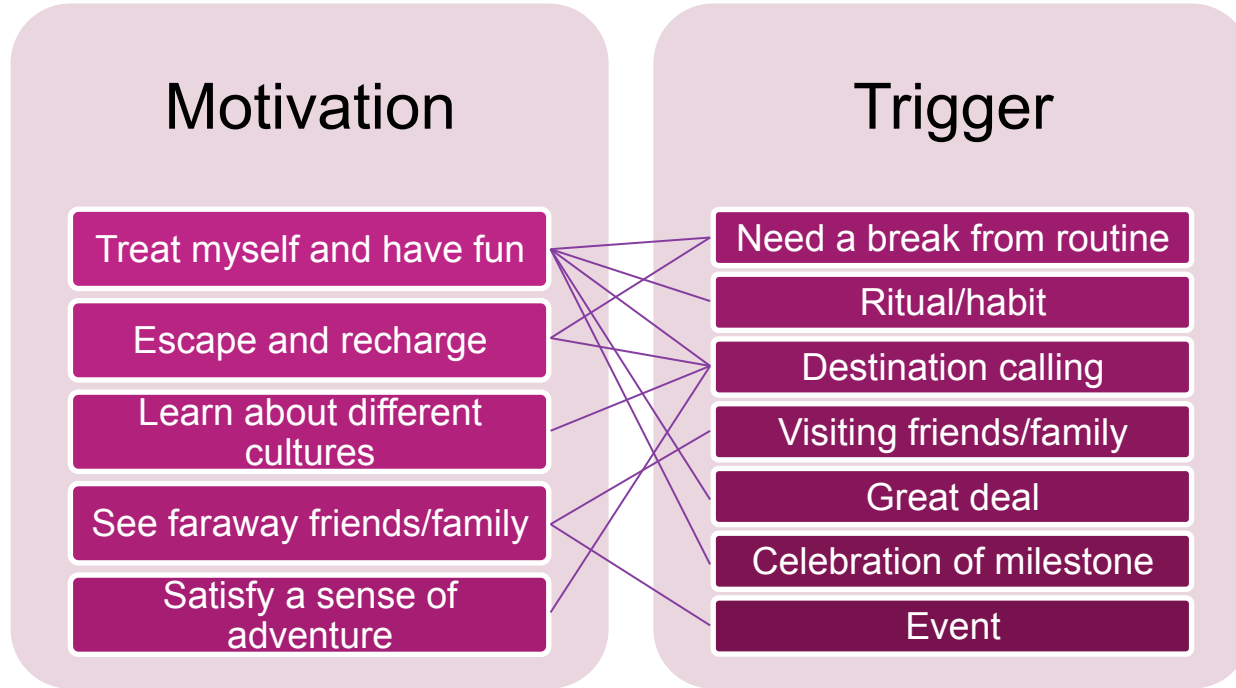
Destination Wish List

- ~~Destination 1~~ Too expensive
- ~~Destination 2~~ Too far
- Destination 3
- ~~Destination 4~~ Not w/ the kids
- Destination 5
- Destination 6

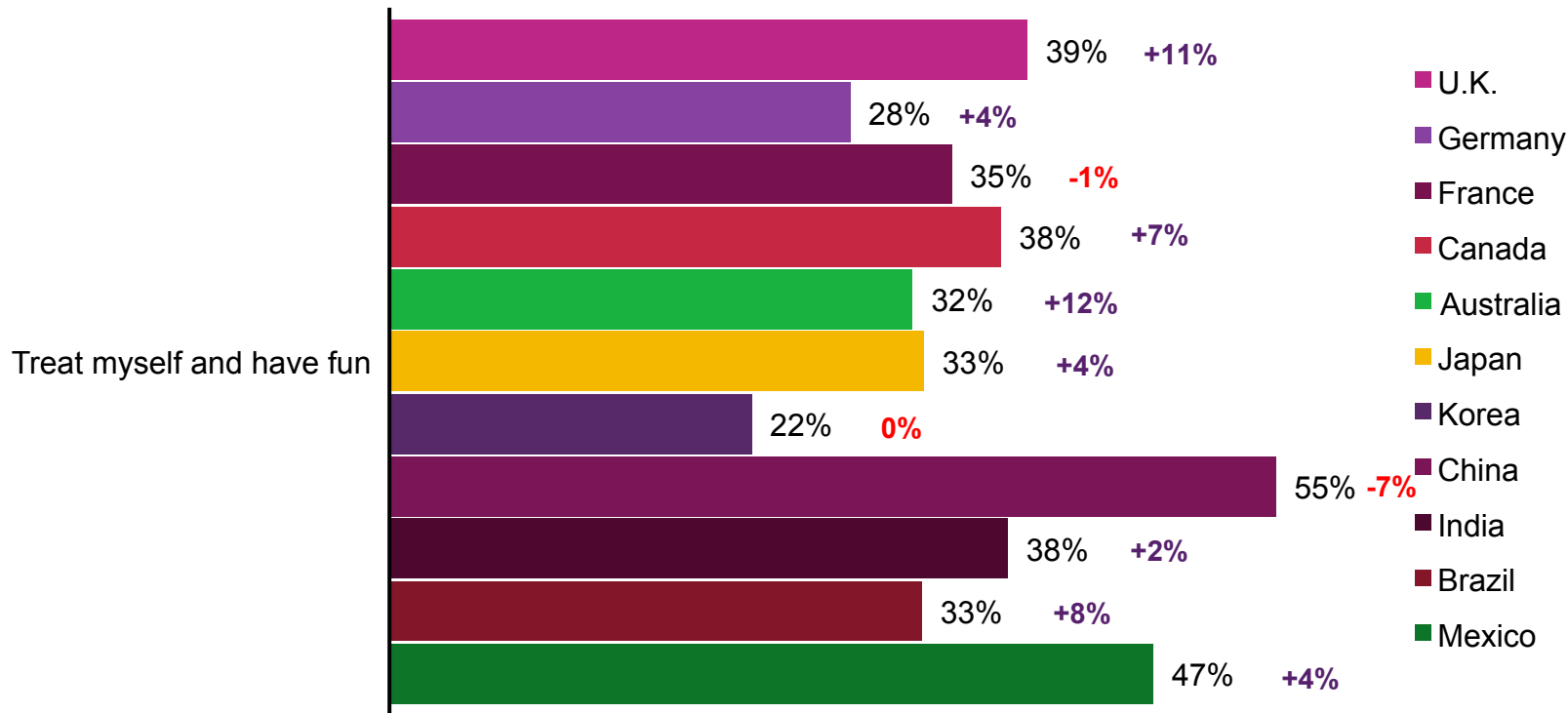
Trip Context

- Who is coming? Kids? Friends?
- When should we go and how long do we want to be away (and accordingly, how far am I willing to go)?
- Do I want an easy, relaxing trip? A bucket list trip?
- What to prices look like now?

Motivation + Trigger = Trip Persona



Main Motivation for Last International Trip



Question: What was the main motivation for your last international trip?

Base: International travelers: U.K. (N=1226), Germany (N=1205), France (N=1219), Canada (N=1163), Australia (N=1216), Japan (N=1260), Korea (N=1278), China (N=1263), India (N=1318), Brazil (N=1225), Mexico (N=1245)

Source: Brand USA Explorer Study

*Differential for travelers to US shown in box

Motivation + Trigger = Trip Persona

Motivation

Treat myself and have fun

Escape and recharge

Learn about different cultures

See faraway friends/family

Satisfy a sense of adventure

Trigger

Need a break from routine

Ritual/habit

Destination calling

Visiting friends/family

Great deal

Celebration of milestone

Event

Brand USA 5 Core Trip Personas

Excitement – “the pursuit of happiness”

(Indulge, non-routine)

- Entertainment, shopping, dining, nightlife

Favorite – “my happy place”

(Indulge, ritual)

- Repeat visitors (what’s new in town), snowbirds, summer vacationers

Local – “something special”

(Indulge, destination calling)

- Quintessential, unique local experiences, off the beaten path in primary destinations, iconic in second tier destinations

Escape – “radical sabbatical”

(De-stress, non-routine)

- Secluded spots, immersive experiences, destination spas

Getaway – “reliable retreat”

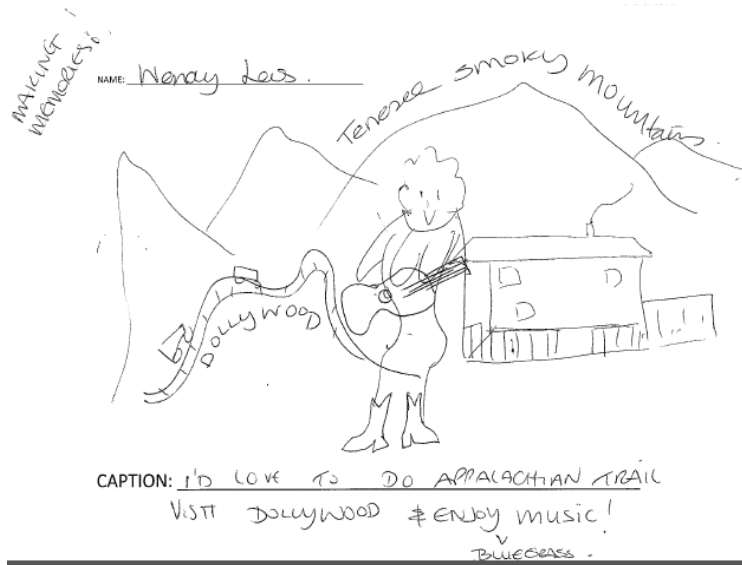
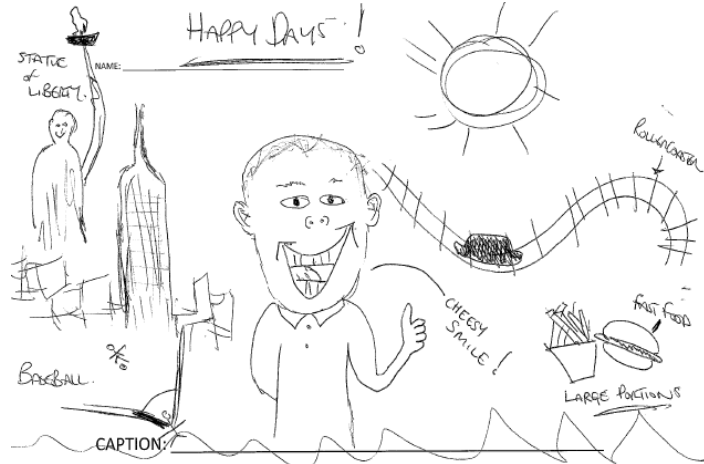
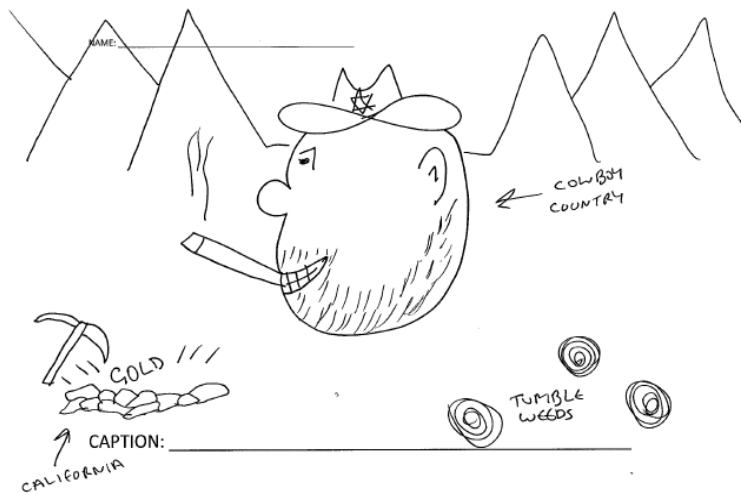
(De-stress, ritual)

- Convenience, comfort, cultural connection

Perceptions of the U.S.

The Ultimate Selfie Exercise





NOMBRE: Marvel.



Subtítulo: _____

NOMBRE: Gladius.



Subtítulo: _____

USA

Fg1

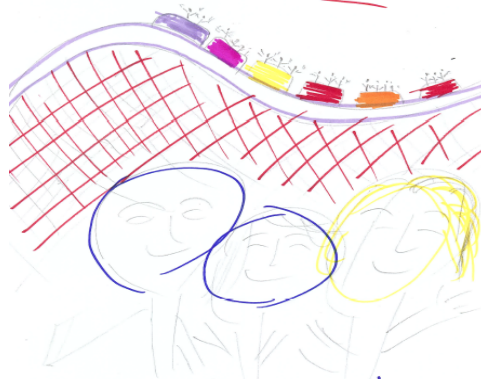
NOMBRE: zaraí



Subtítulo: _____

Disneyland F62

NOMBRE: _____



Subtítulo: _____

Compliendo una ilusión
de mi hijo
Facebook
Bringing to life a dream, my sons FB

Fg1

NOMBRE: Janae



Subtítulo: Las Vegas 15 Sep.

F62

NOMBRE: Rosely



Subtítulo: _____

Big Bear California
Sunny Day!!!



Core Trip Personas

Bold

Light

Excitement

Non-Routine, Indulgence

Excitement trips are all about the iconic sights and experiences – the big, exciting, *must-sees*.

Their motivations are a combination of wanting fun, indulgence and to escape the routine. They will be interested in mostly high-energy experiences and activities.

Escape

Non-Routine, De-Stress

Escape trips are more low-energy. The Great Outdoors (e.g. national parks and beaches) will resonate strongly with this group.

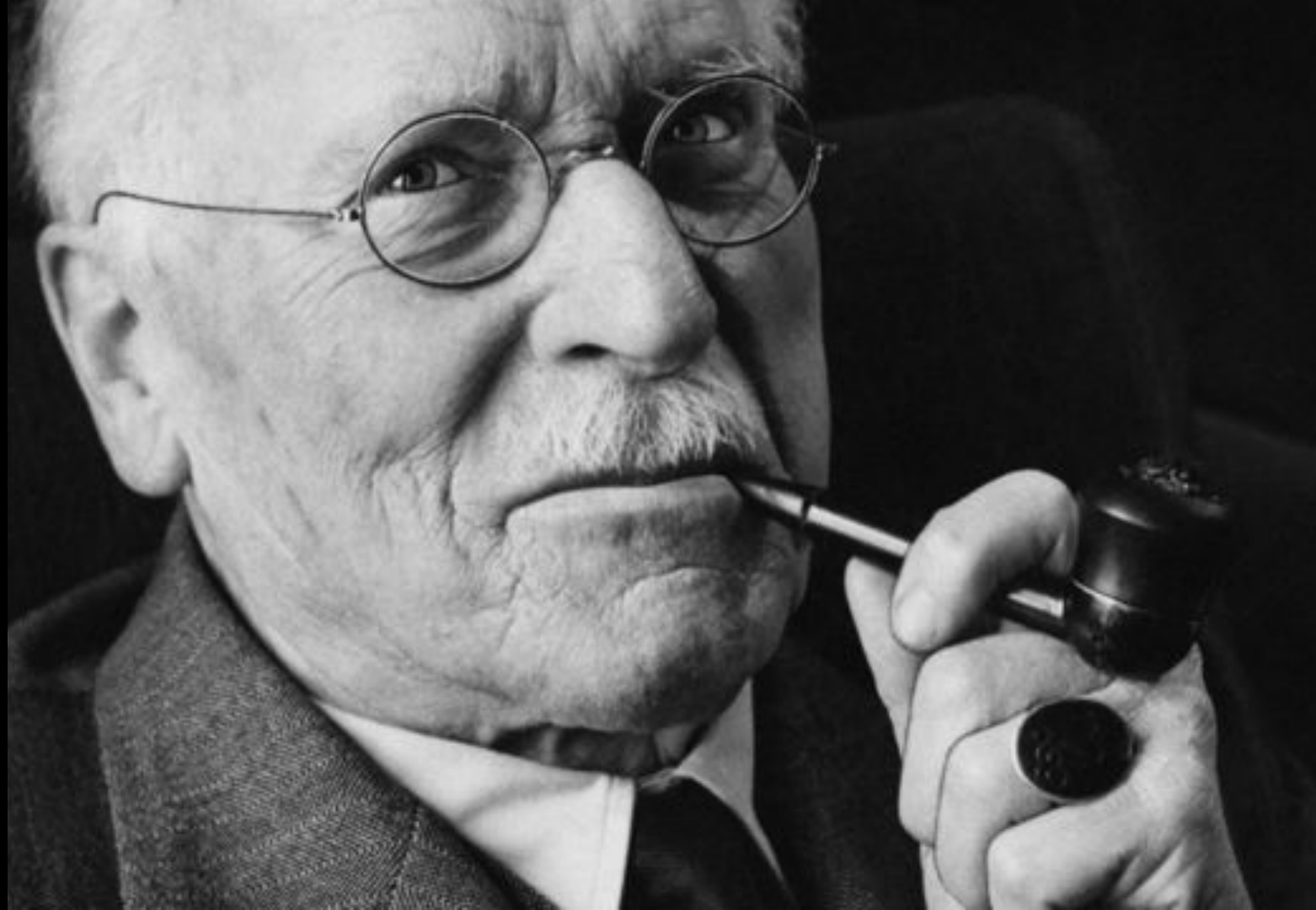
First and foremost, their motivation is to recharge and relax. These travelers are very focused on non-routine experiences (different from what they can get at home).

Local

Destination Calling, Indulgence

Local trips are focused on what's special or unique for an area. Travelers will be looking for off the beaten path and destination-centric experiences.

Their motivation is to discover what makes a given place special and find the experiences that they could only do there.



Protagonist vs. Antagonist

The Quest

**Overcoming
the Monster**

**Rags to
Riches**

Rebirth

**Voyage &
Return**

Tragedy

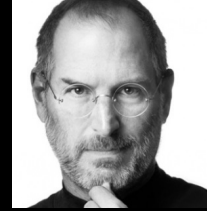
Comedy



Caregiver
Service



Ruler
Control



Creator
Innovation



Hero
We Can Do It



Magician
Transformation



Outlaw
Liberation



Everyman
Regular Guy/Gal



Jester
Fun & Games



Lover
Intimacy



Explorer
Freedom



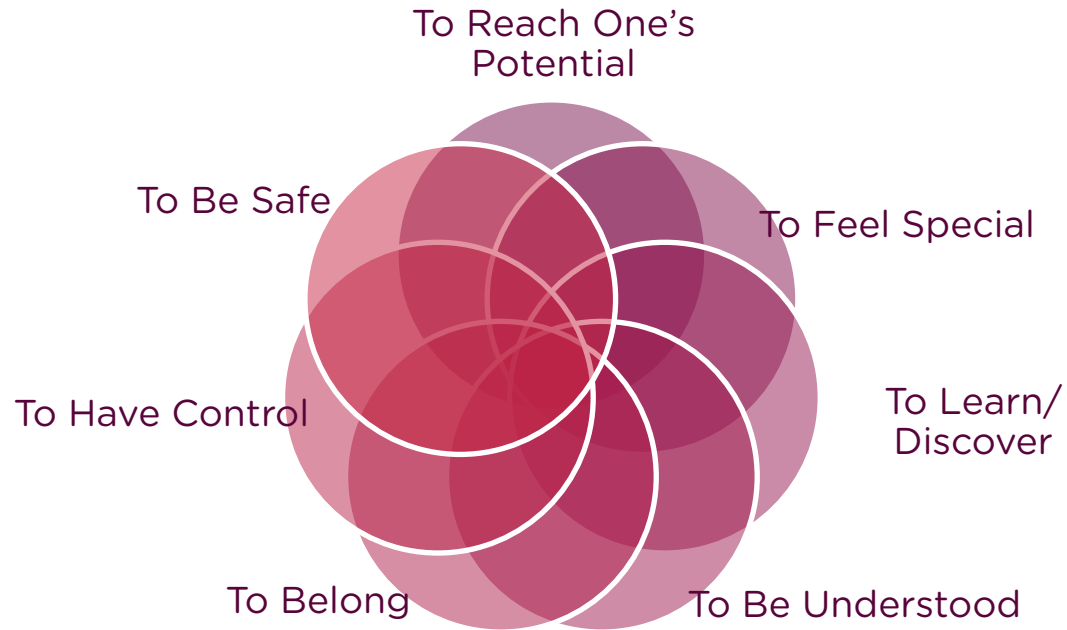
Sage
Understanding



Innocent
Safety

Brand Story Elements

	Protagonist	Antagonist	Conflict/ Plot Twist
Former Approach	USA	Assumptions/ Fatigue	The US not unwelcoming
New Approach	You (as Hero)	Persona- specific (boredom; stress)	The USA (as Magician) will help you transform



Universal Desires Help Us Contextualize



Lysol

February 10

"Like" this if you love using Power & Free!



Like · Comment · Share

86



Lysol

March 1

Sisters bonding over cupcakes is well worth the cleanup. We've got you covered!



Like · Comment · Share

38



Only the USA is full of boundless possibilities because of its diversity in landscapes, people and experiences. As a visitor, the USA guarantees you the most unique experiences that speak to exactly who you are and what you want to do.

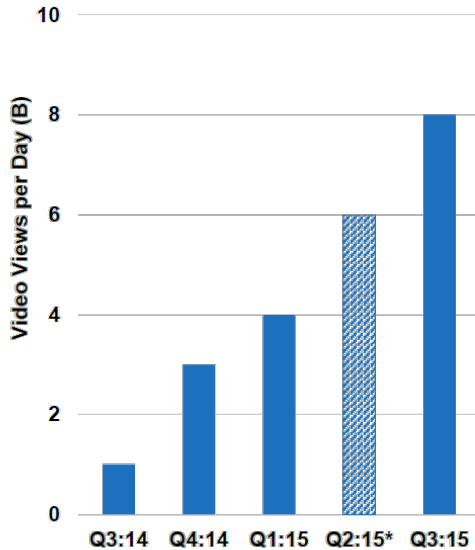




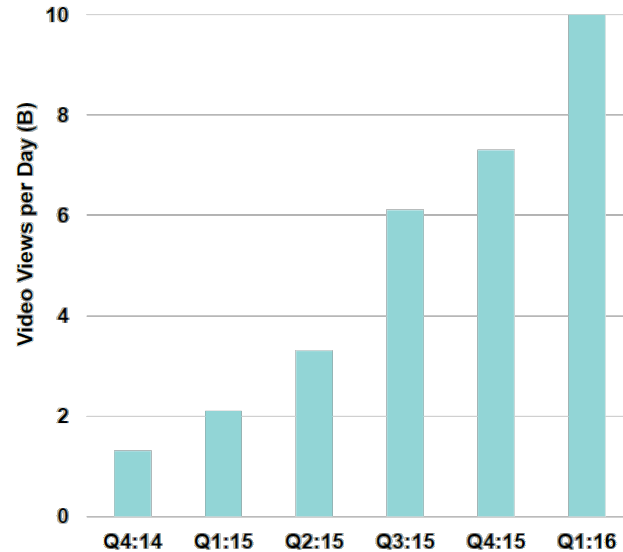
Social-Centric Approach

Video Consumption

**Facebook Daily Video Views,
Global, Q3:14 – Q3:15**



**Snapchat Daily Video Views,
Global, Q4:14 – Q1:16**

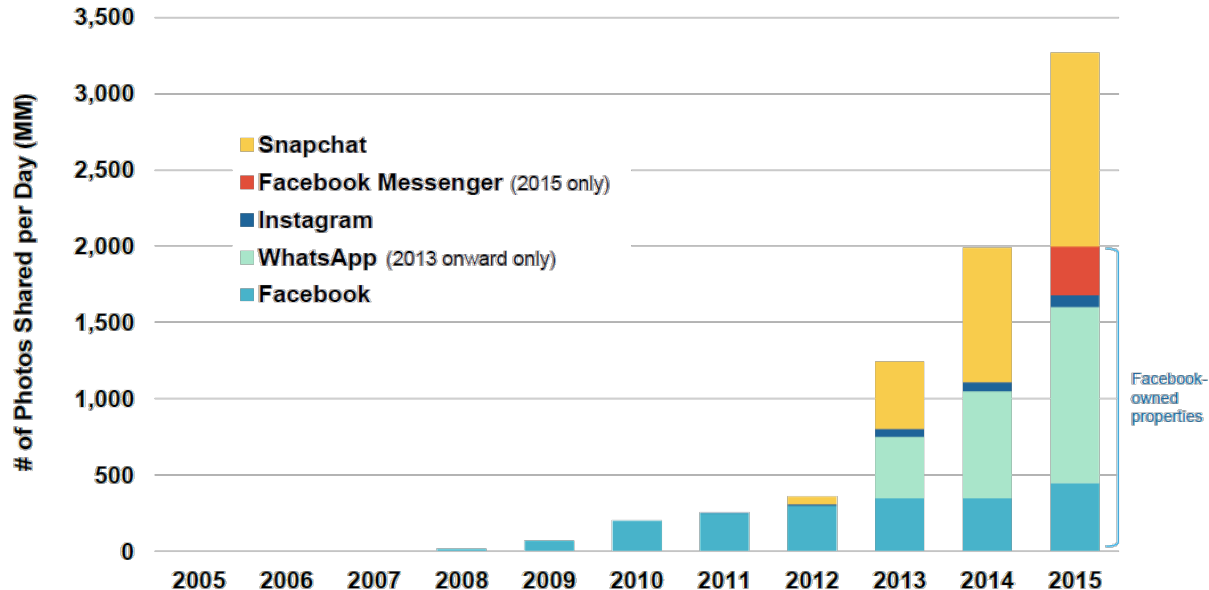


Source: KPCB, Facebook, Snapchat. Q2:15 Facebook video views data based on KPCB estimate.

Facebook video views represent any video shown onscreen for >3 seconds (including autoplay). Snapchat video views counted instantaneously on load.

Image Sharing

Daily Number of Photos Shared on Select Platforms, Global, 2005 – 2015

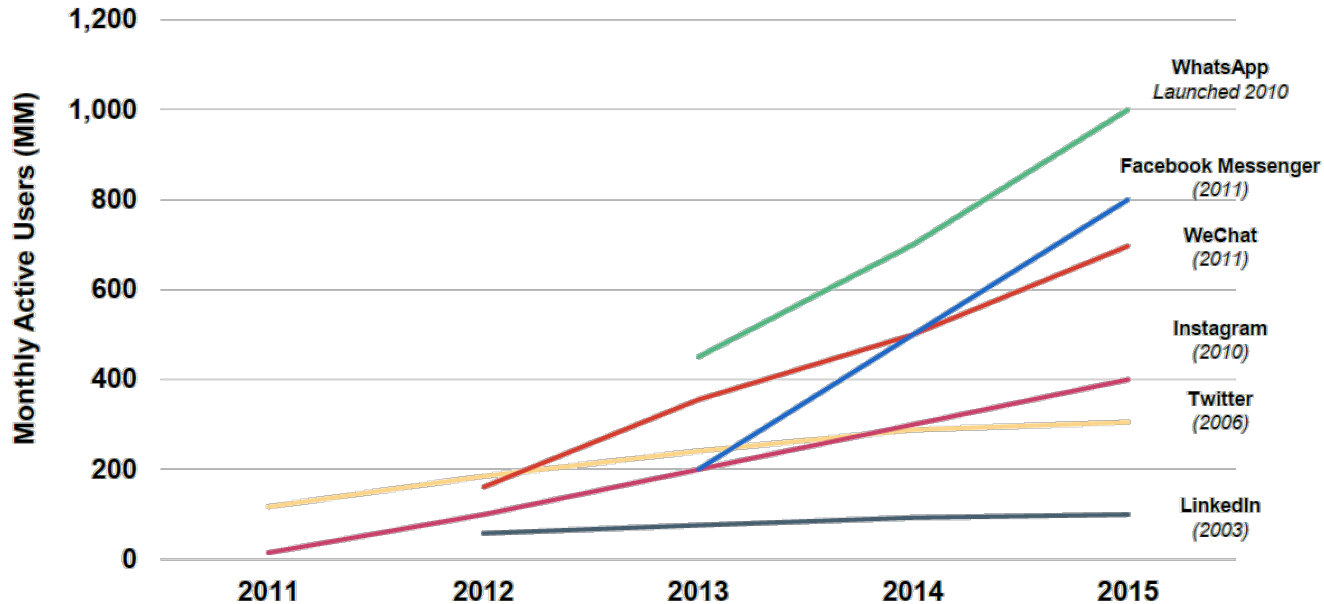


Source: KPCB, Snapchat, Company disclosed information, KPCB estimates

Note: Snapchat data includes images and video. Snapchat stories are a compilation of images and video. WhatsApp data estimated based on average of photos shared disclosed in Q1:15 and Q1:16. Instagram data per Instagram press release. Messenger data per Facebook (~9.5B photos per month). Facebook shares ~2B photos per day across Facebook, Instagram, Messenger, and WhatsApp (2015).

Messaging

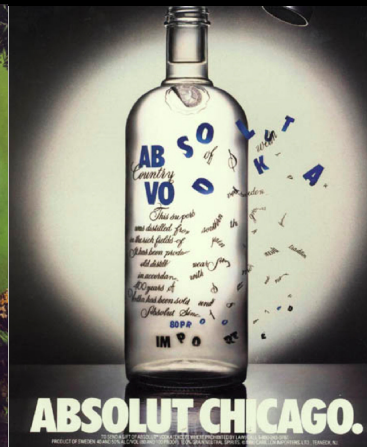
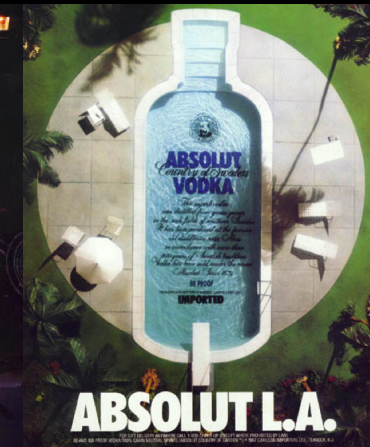
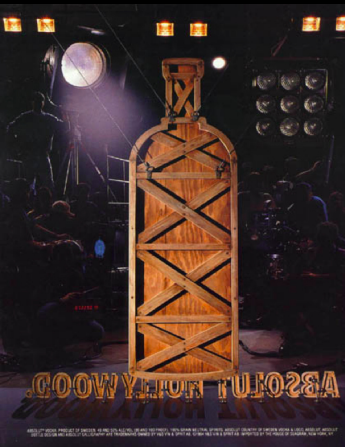
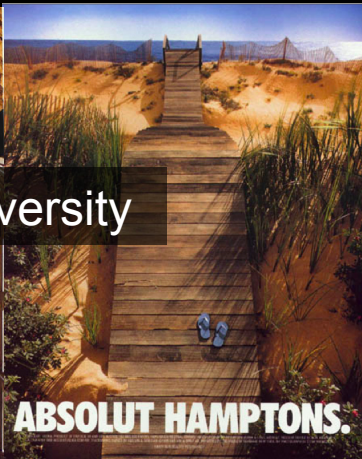
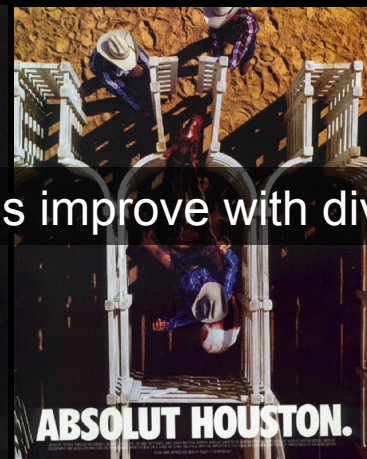
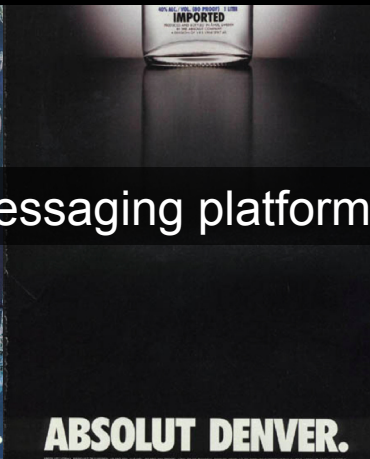
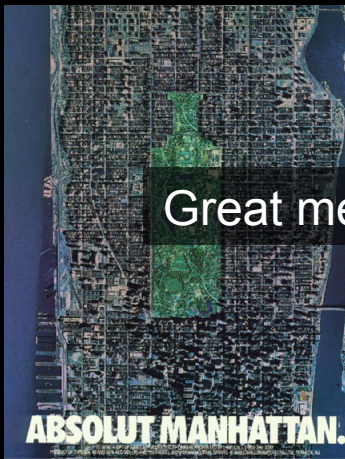
Monthly Active Users on Select Social Networks and Messengers,
Global, 2011 – 2015



Source: KPCB, Facebook, WhatsApp, Tencent, Instagram, Twitter, LinkedIn, Morgan Stanley Research

Note: 2013 data for Instagram and Facebook Messenger are approximated from statements made in early 2014. Twitter users excludes SMS fast followers.

Great messaging platforms improve with diversity







USA

VisitTheUSA.com

Brand USA

Thank you