

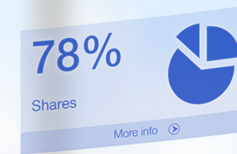


International Market Outlook and Strategy

Carroll Rheem
VP, Research & Analytics



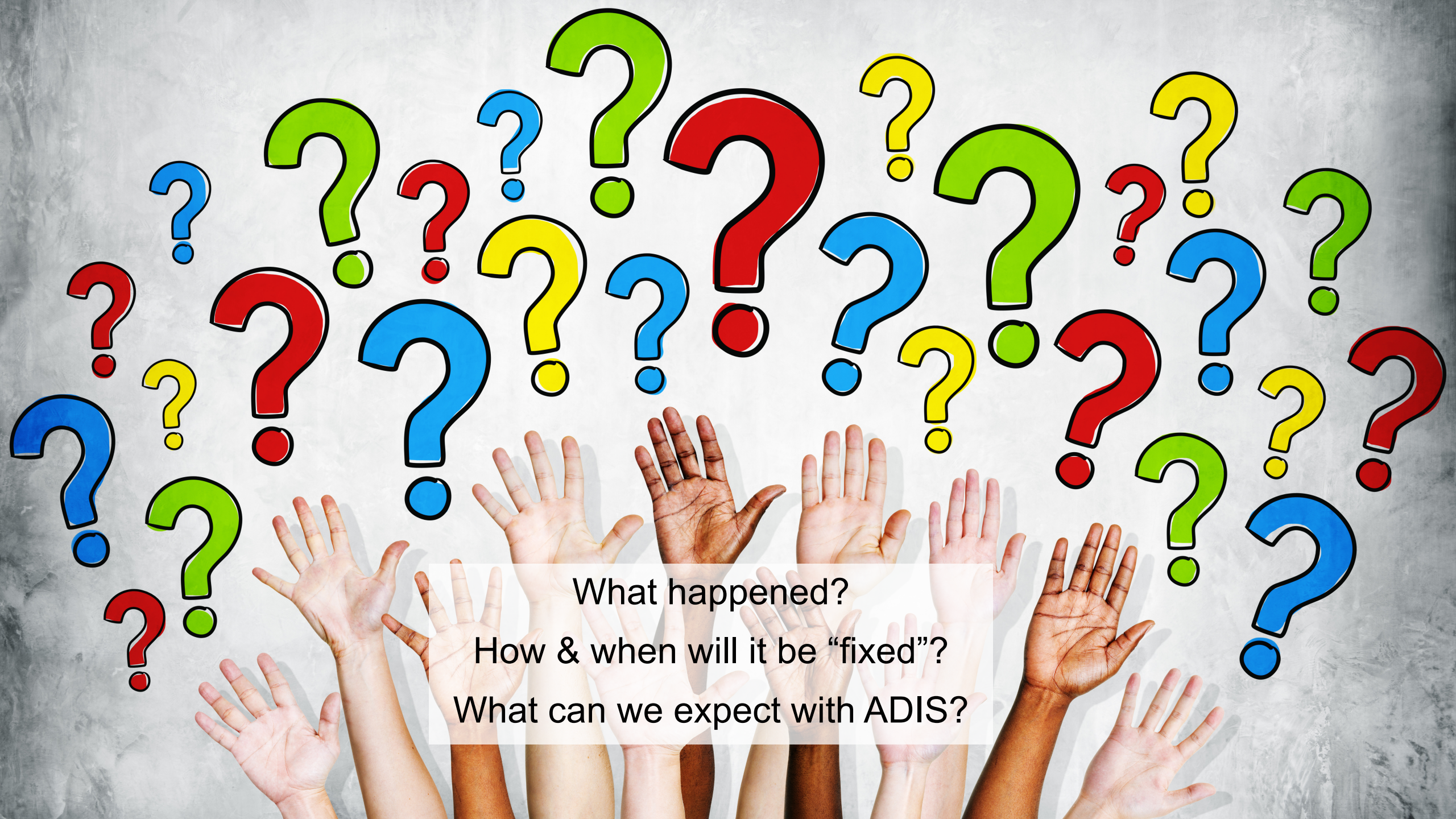
20189



CTMX	0.45	▲	+0.45%
FTR	-0.23	▼	-2.34%
CSCO	-1.01	▼	-1.89%
CHK	0.02	▲	
AAPL	+2	▲	
PRTG			
AMZN			
TSLA			
AVGO			
SIRI	0.65		





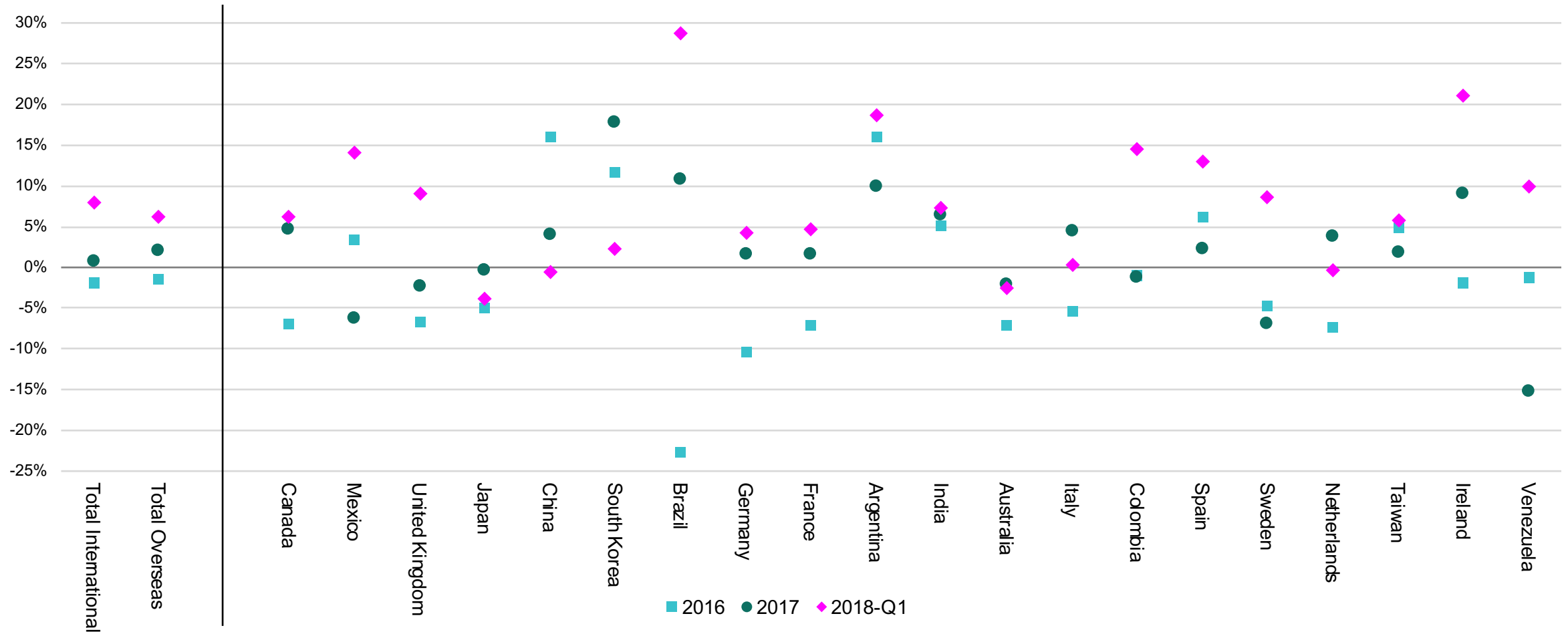


What happened?

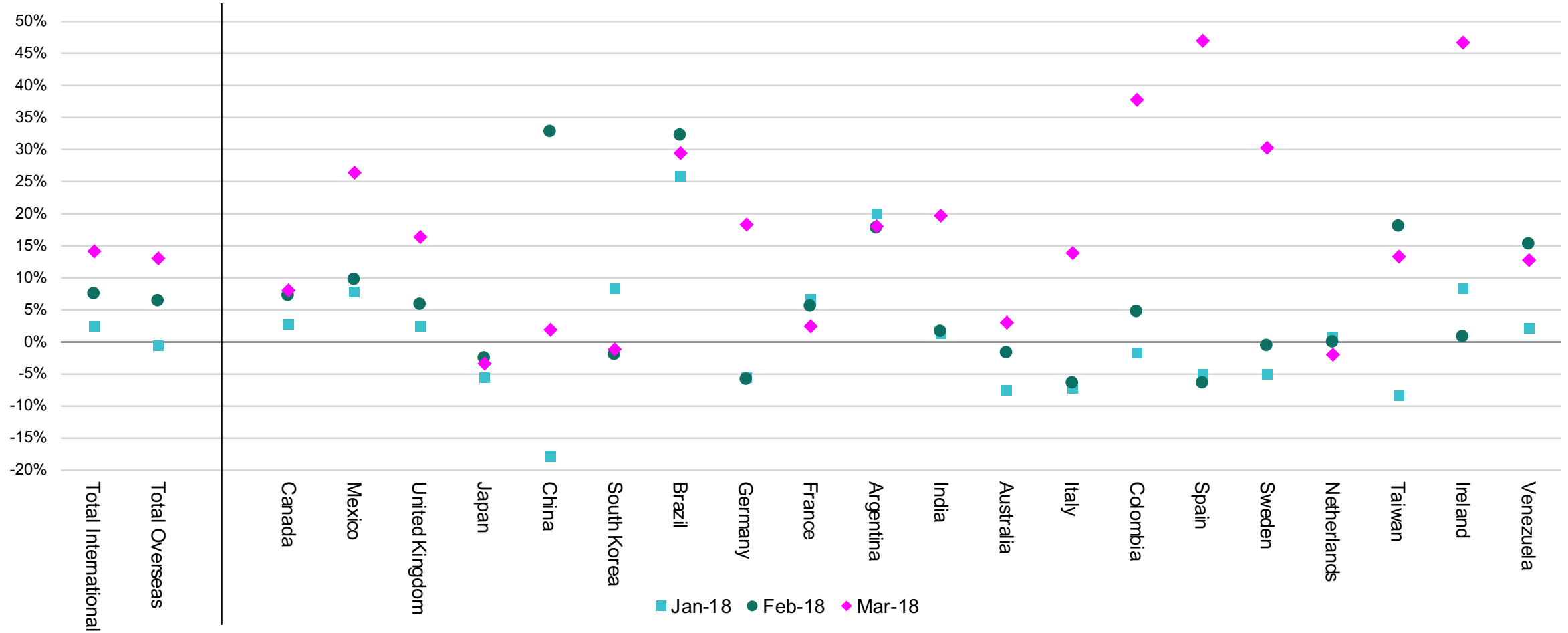
How & when will it be “fixed”?

What can we expect with ADIS?

Top 20 Markets: Arrivals to the US (Change % YoY)



Top 20 Markets: Arrivals to the US (Change % YoY)



Market Selection Model

GDP (PPP)

GDP (PPP)
Growth
(2019/2017)

International
Travel
Expenditure

International
Departures

Unemployment
index

Civil Liberty

Population

Ease of Doing
Business

GINI (Wealth
distribution)

Geographic
Distance

Event-based
factors

2019 Market Prioritization

China

India

France

Korea

Brazil

Canada

Mexico

UK

Germany

Australia

Japan

Tier 1

Fully Customized: (Contingency Plan)
Search, Inspiration & Consideration Media, Social Ads, Macro Influencers

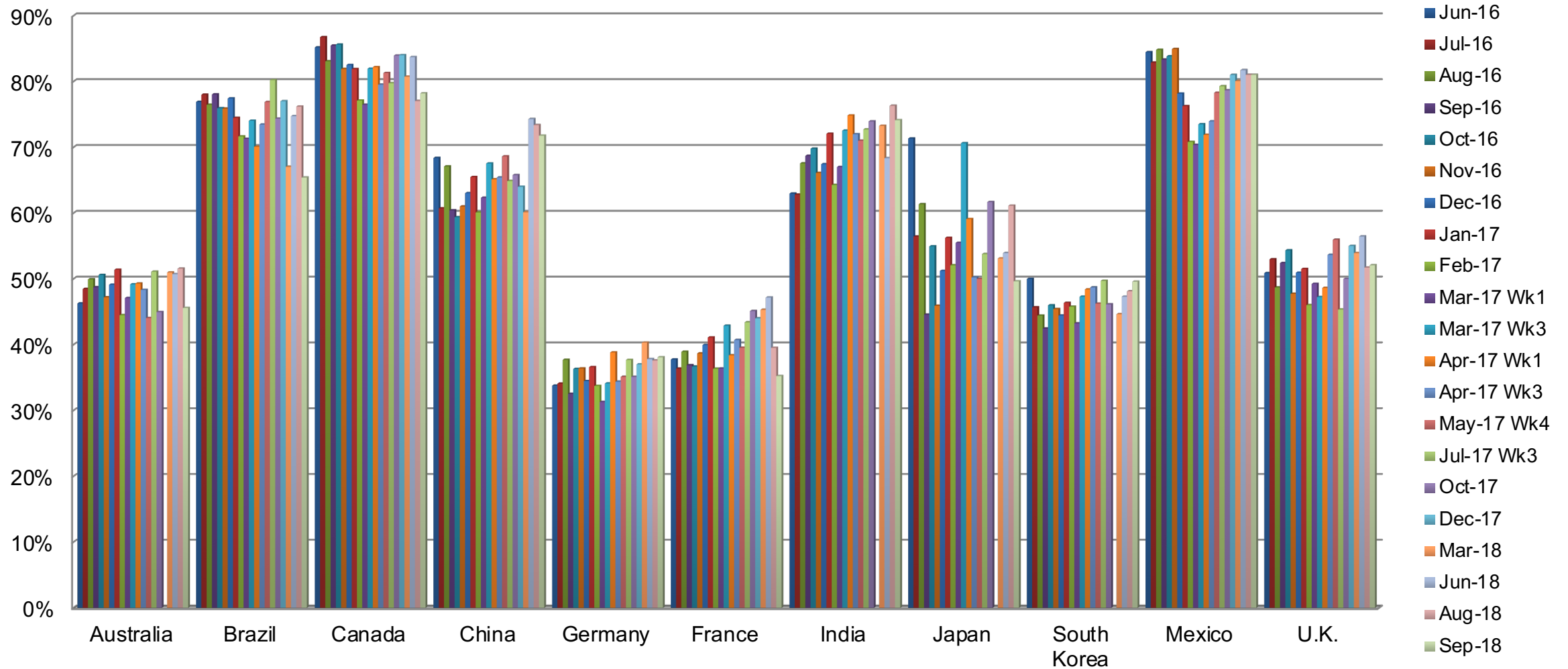
Tier 2

Cultural Relevance:
Search, Consideration Media, Social Ads, Macro Influencers

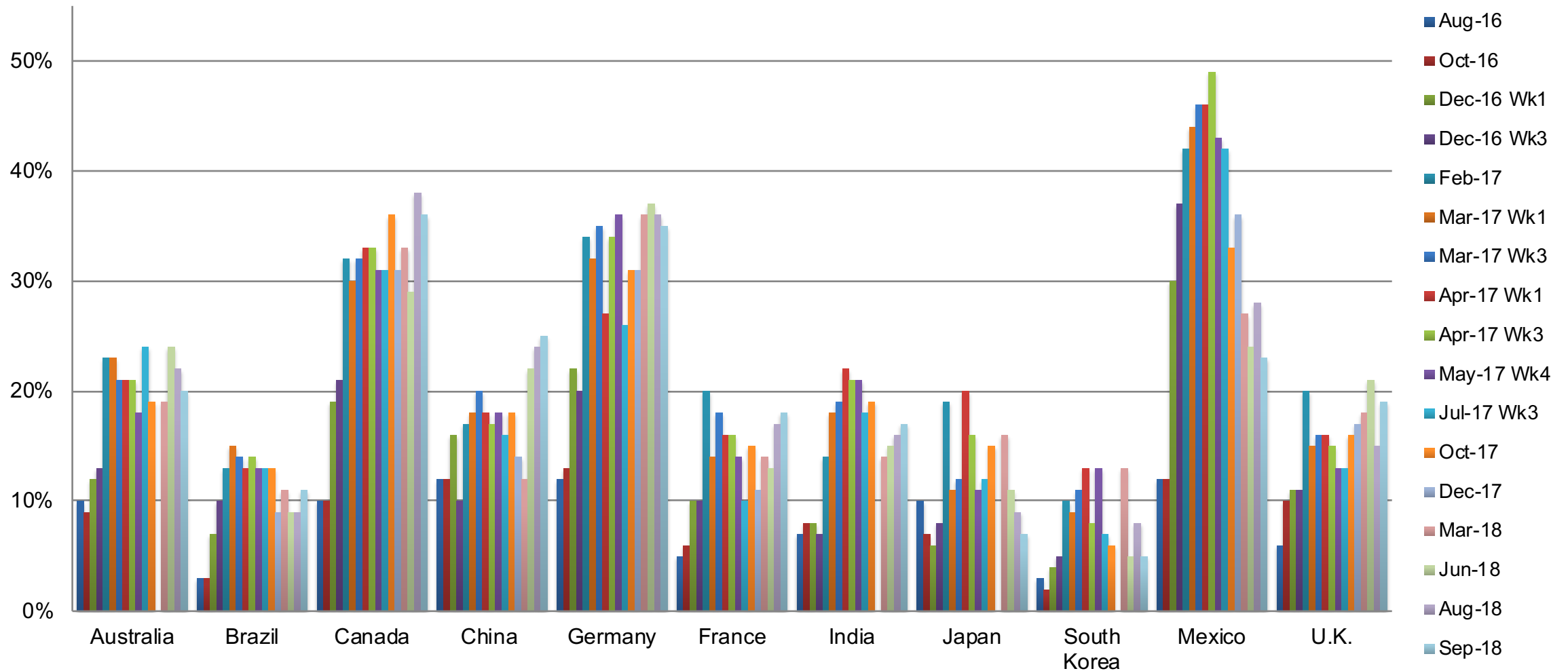
Tier 3

Localized Global Approach:
Search, Activation Media, Influencers

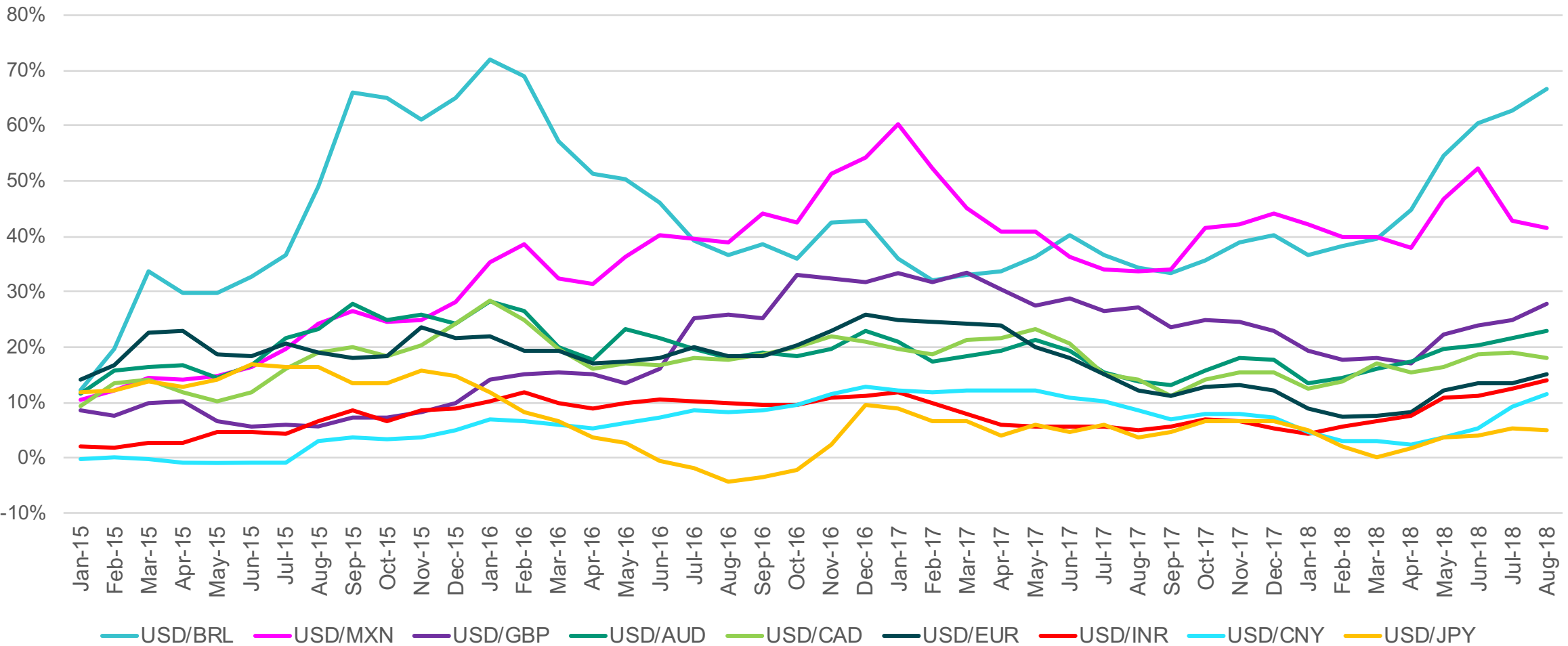
Likely to Visit the US in the Next Two Years



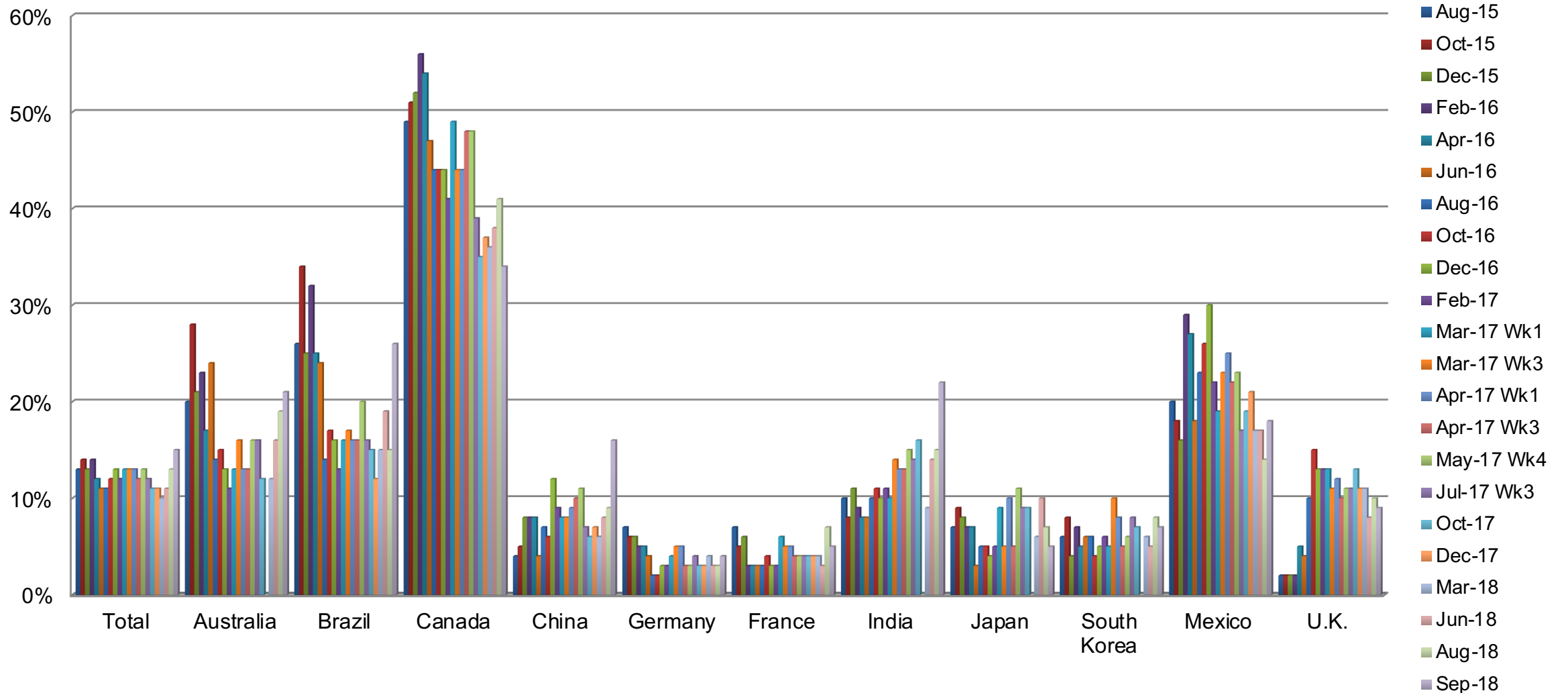
Political Climate as Reason for Not Visiting USA (Among those not planning to visit)



Currency Exchange Rates (2014 Index)



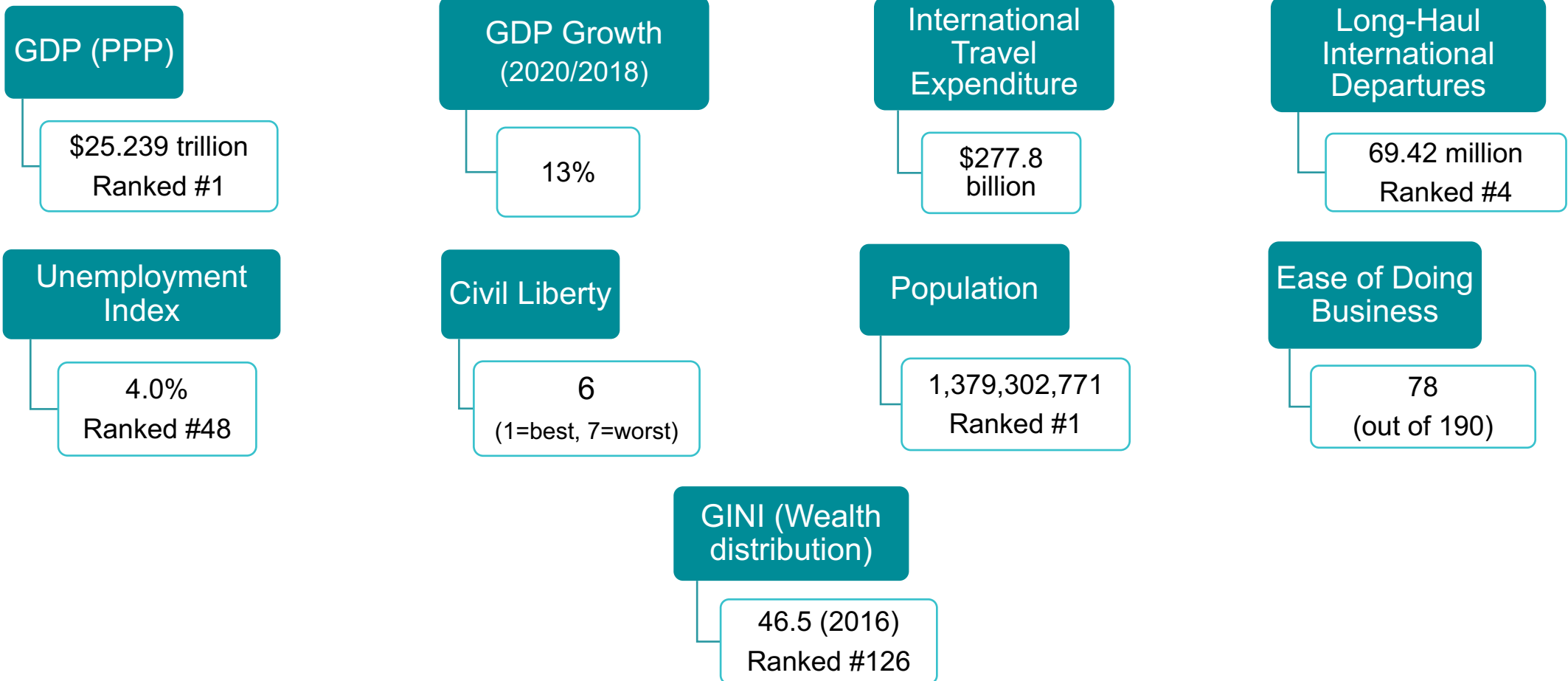
Currency Exchange as Reason for Not Visiting USA (Among those not planning to visit)





China

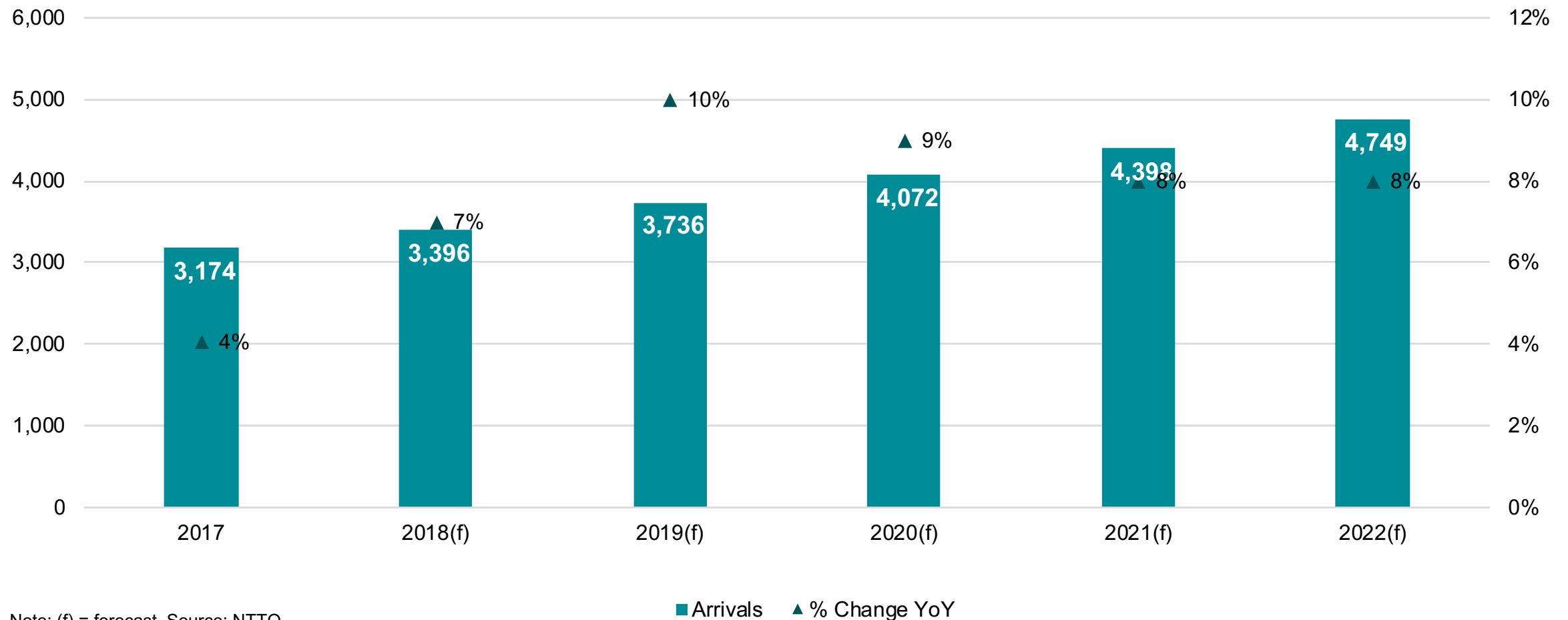
Market Selection Criteria: China



Sources: CIA World fact book, World Bank, Oxford Economics, Freedom House, IMF

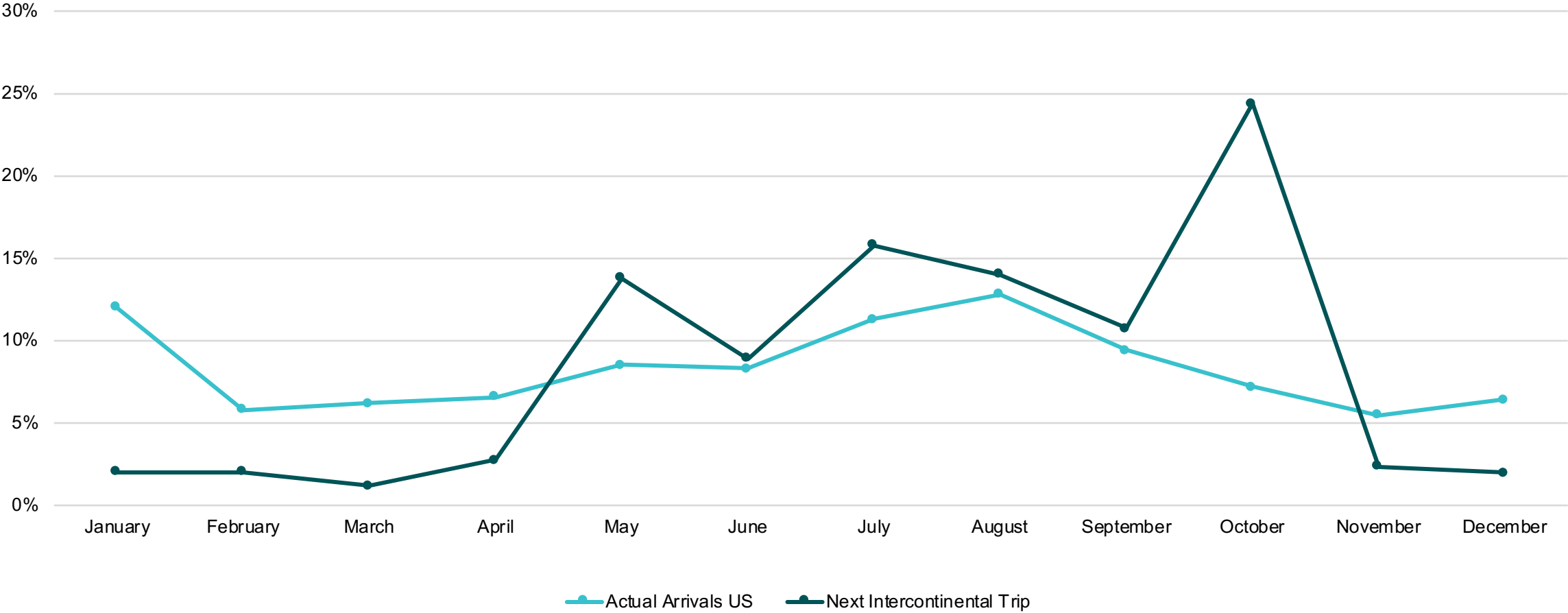
Arrivals to the US from China: 2017–2022(f)

(in thousands)



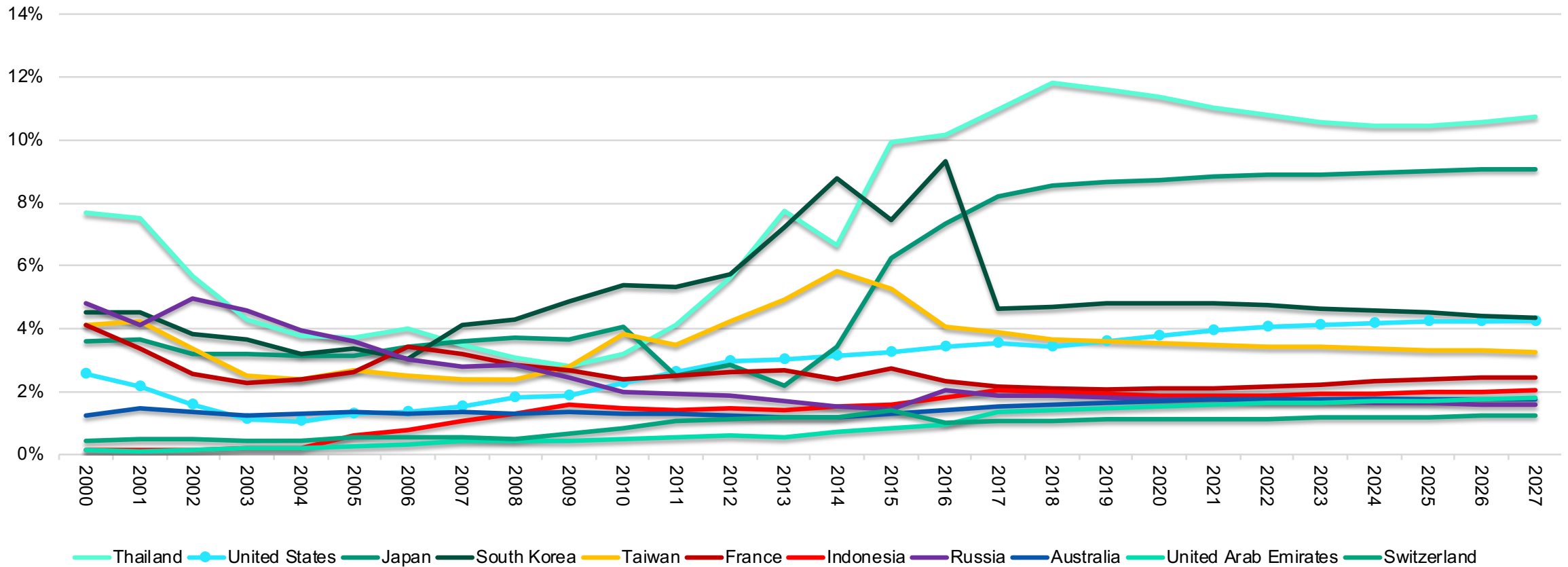
Note: (f) = forecast. Source: NTT

Monthly Arrivals from China: Actual Arrivals to the US vs. Next Intercontinental Trip



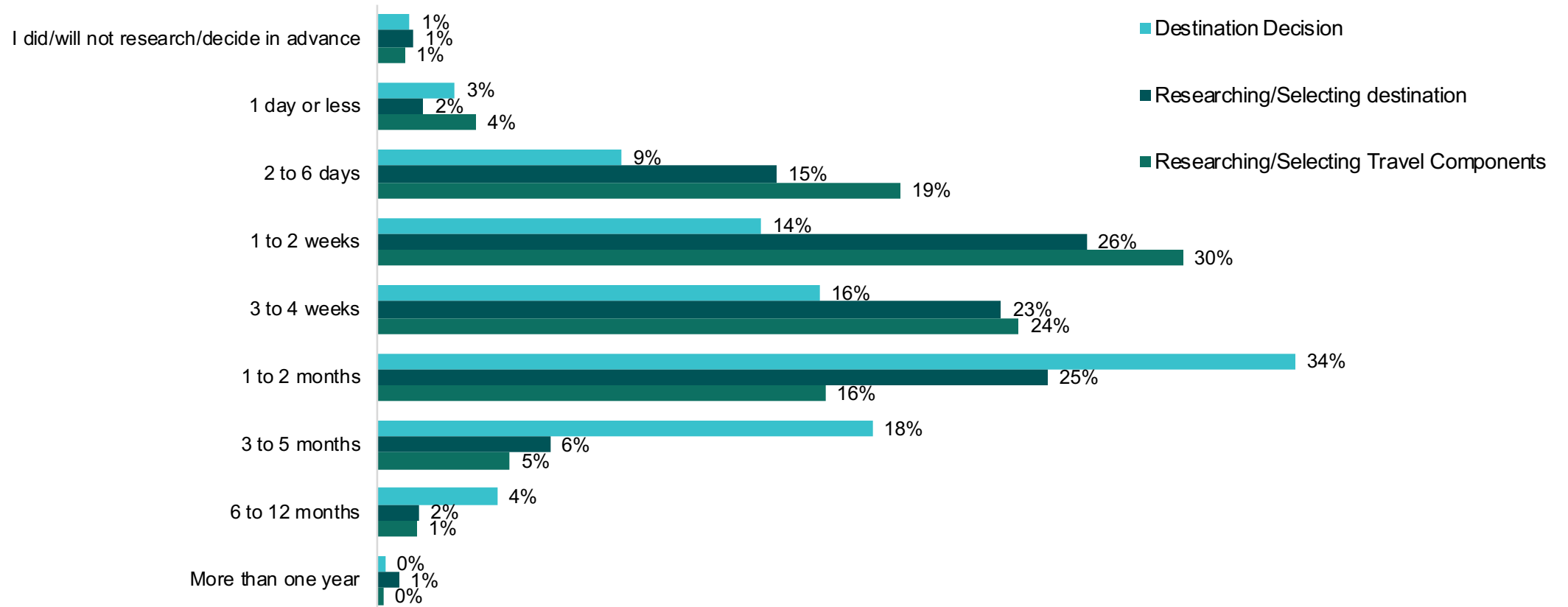
Source: NTTO & Phocuswright Market Intelligence Survey 2018

Market Share of China Travel US vs. Select Competitors 2000-2027



Source: Oxford Economics

China Destination Decision, Selection and Travel Component Shopping Window – 2018



Question: How far in advance of your departure date did/will you decide on the destination? How much time did/will you spend researching/selecting your destination for this holiday? How much time did/will you spend researching/selecting travel components, such as airline tickets or hotel rooms, before you made/make the first booking for this trip?

Base: China international travelers (N=1,063)

Source: Phocuswright Market Intelligence Survey 2018

China Weighted Perception of Destination Characteristics - 2018

Motivators	USA 2017	USA 2018	Difference
Activity options (mountain, climbing, diving)	49	46	-3
Landmarks and sightseeing options (historical sites, museums)	62	60	-2
Leisure attractions (dining, shopping, nightlife)	62	60	-2
Natural features/landscapes (mountains, rainforests)	66	64	-2
Ease of travel to the destination (length of flight, number of stops)	59	57	-2
Quality of beaches	59	56	-3
Appeal of local culture (food, music, etc.)	62	59	-3
Reputation/popularity as a travel destination	60	57	-3
AVERAGE	60	57	-3
Demotivators	USA 2017	USA 2018	Difference
Inconvenience of travel to the destination (no direct flights)	21	23	2
Distance from home	15	15	0
Crowdedness	27	29	2
Visa requirements/entry procedures	25	26	1
Personal safety concerns	32	37	5
Political climate	26	27	1
Lack of visitor resources/support in the destination	21	23	2
Unfamiliarity with local customs/language	19	20	1
High prices	28	30	2
AVERAGE	24	25	1

<~25 = Not a factor

~25 - ~50 = A contributing factor

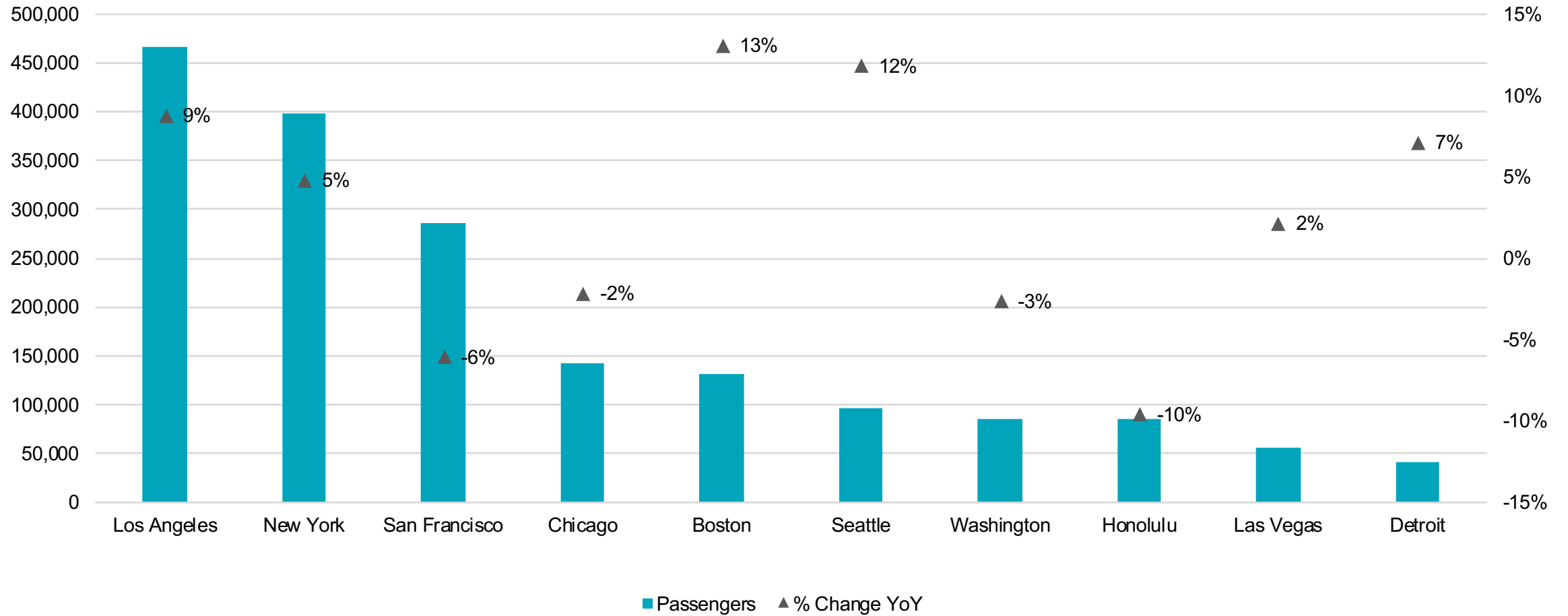
~50+ = A strong factor

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Base: China international travelers (N=377-1,063)

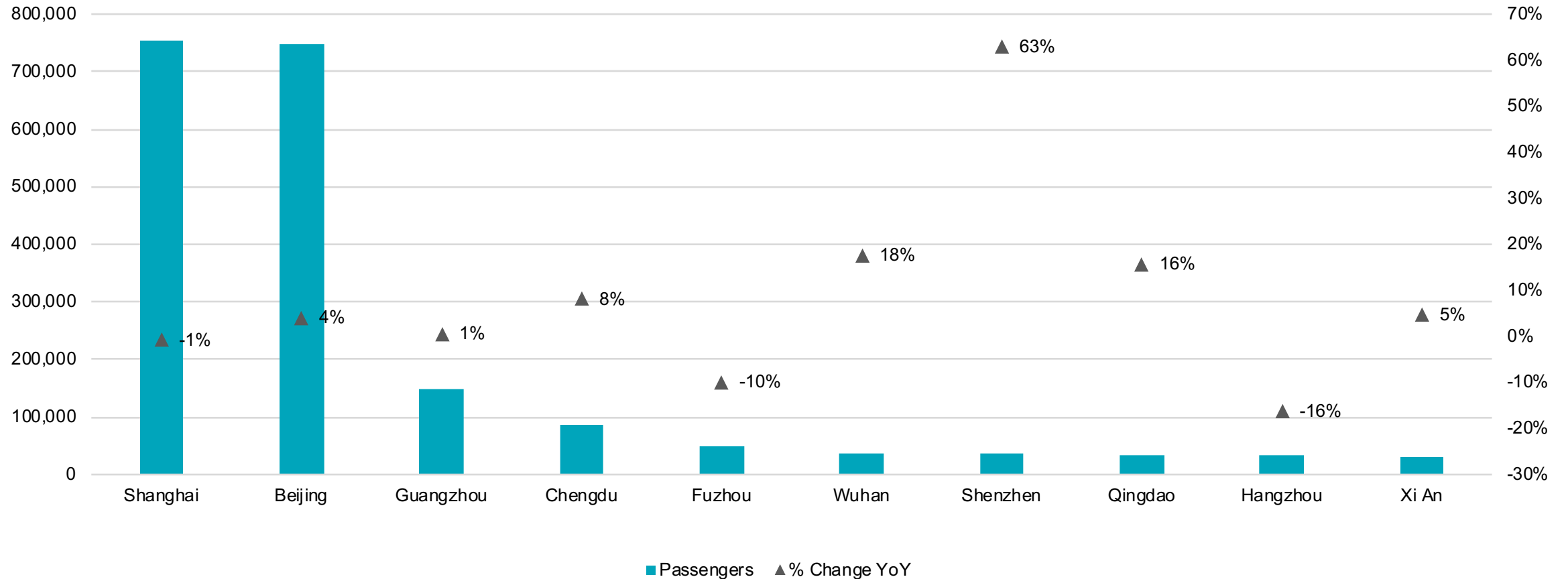
Source: Phocuswright Market Intelligence Survey 2018

Top 10 US Destinations from China Last 12 Months



Source: Sabre Market Intelligence August 2017 – July 2018

Top 10 Chinese Origin Cities Last 12 Months

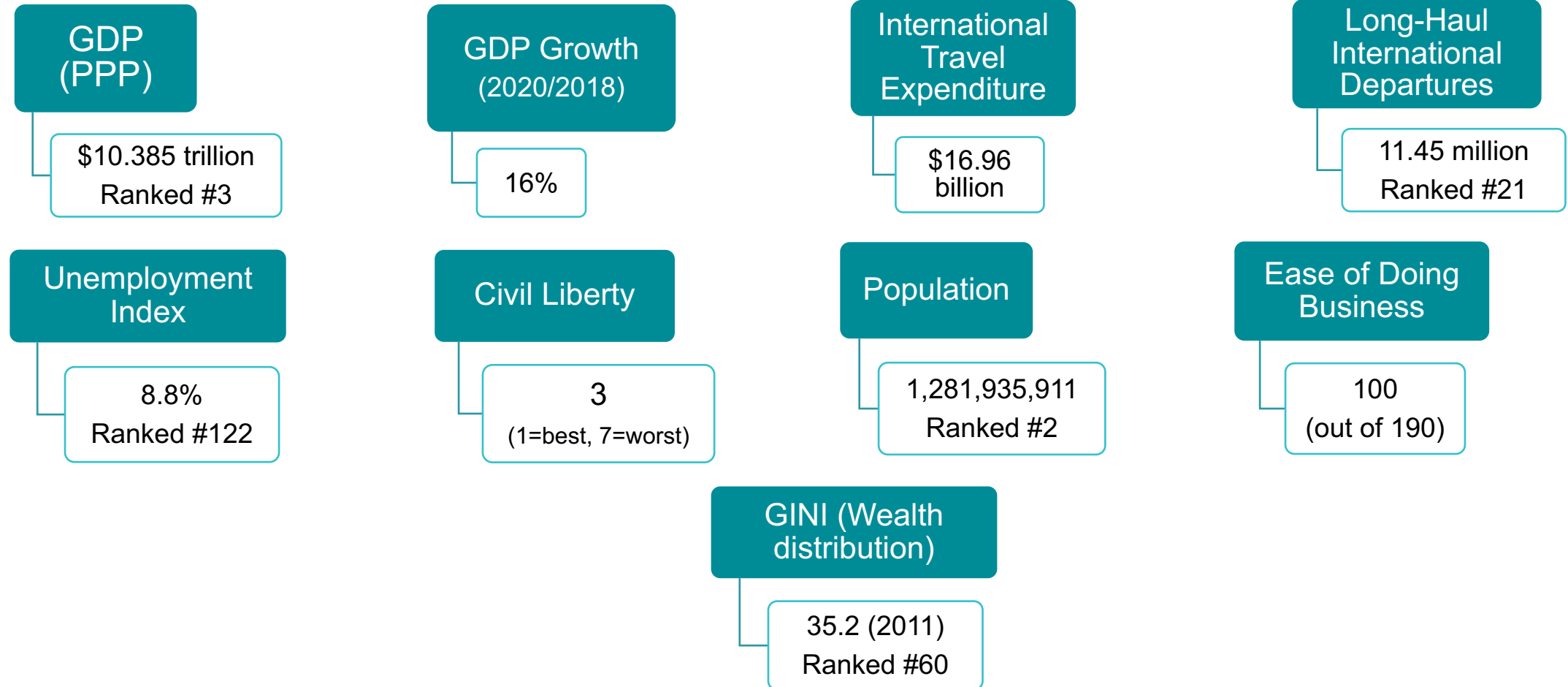


Source: Sabre Market Intelligence August 2017 – July 2018



India

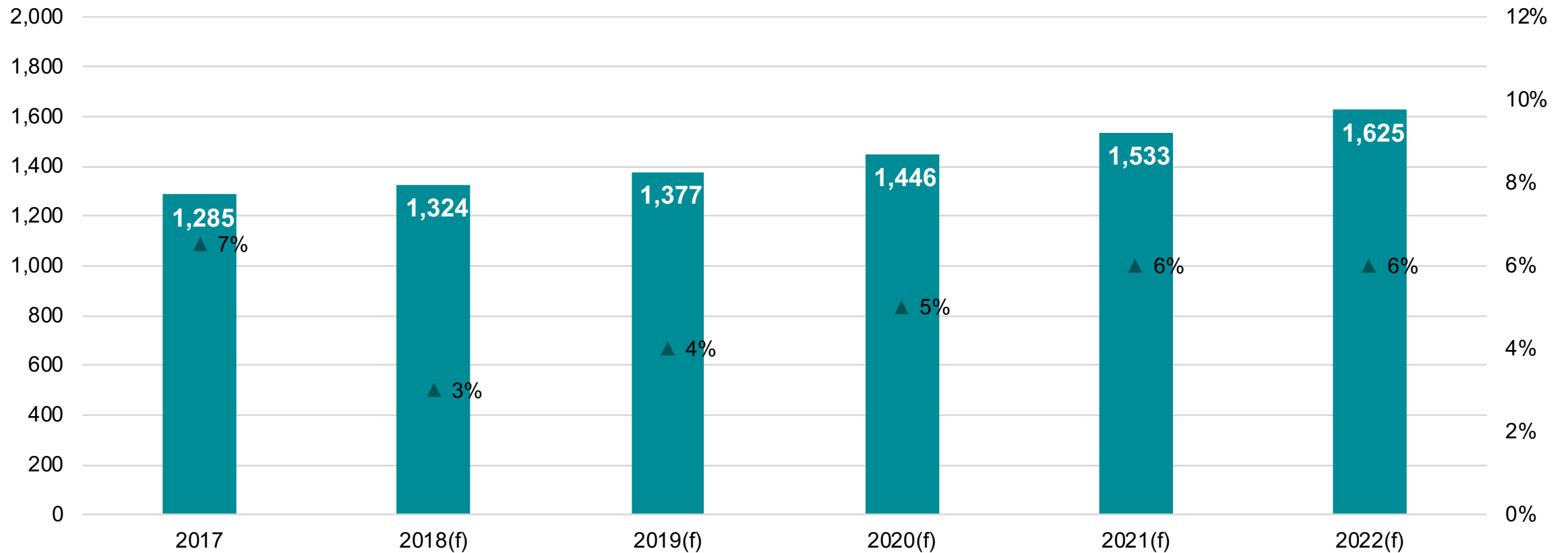
Market Selection Criteria: India



Sources: CIA World fact book, World Bank, Oxford Economics, Freedom House, IMF

Arrivals to the US from India: 2017–2022(f)

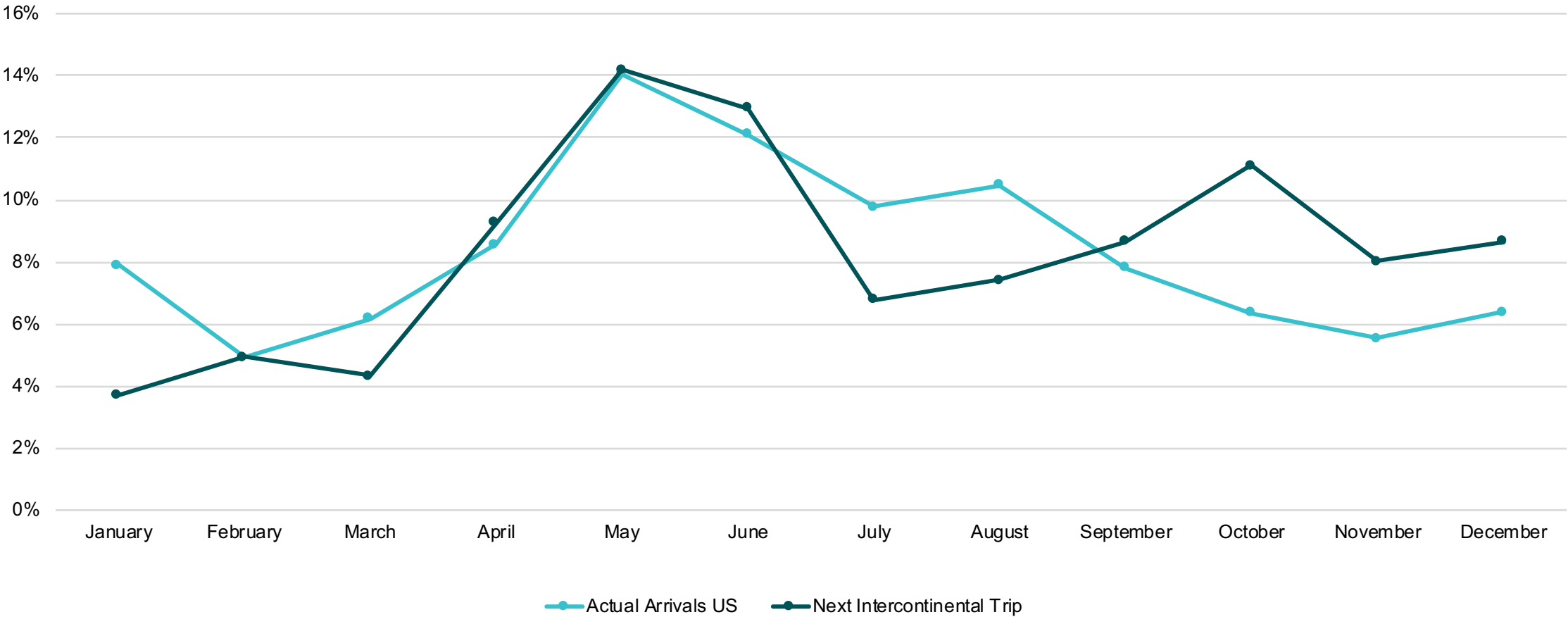
(in thousands)



Note: (f) = forecast. Source: NTTO

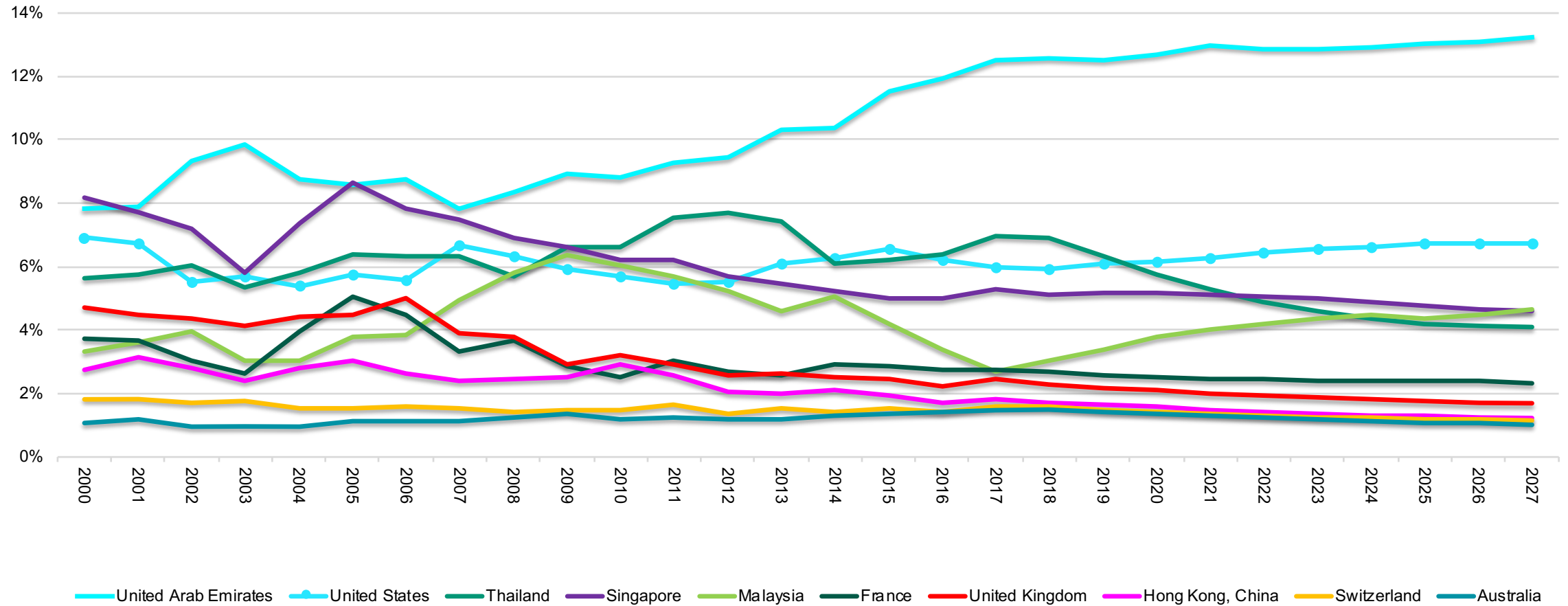
■ Arrivals ▲ % Change YoY

Monthly Arrivals from India: Actual Arrivals to the US vs. Next Intercontinental Trip



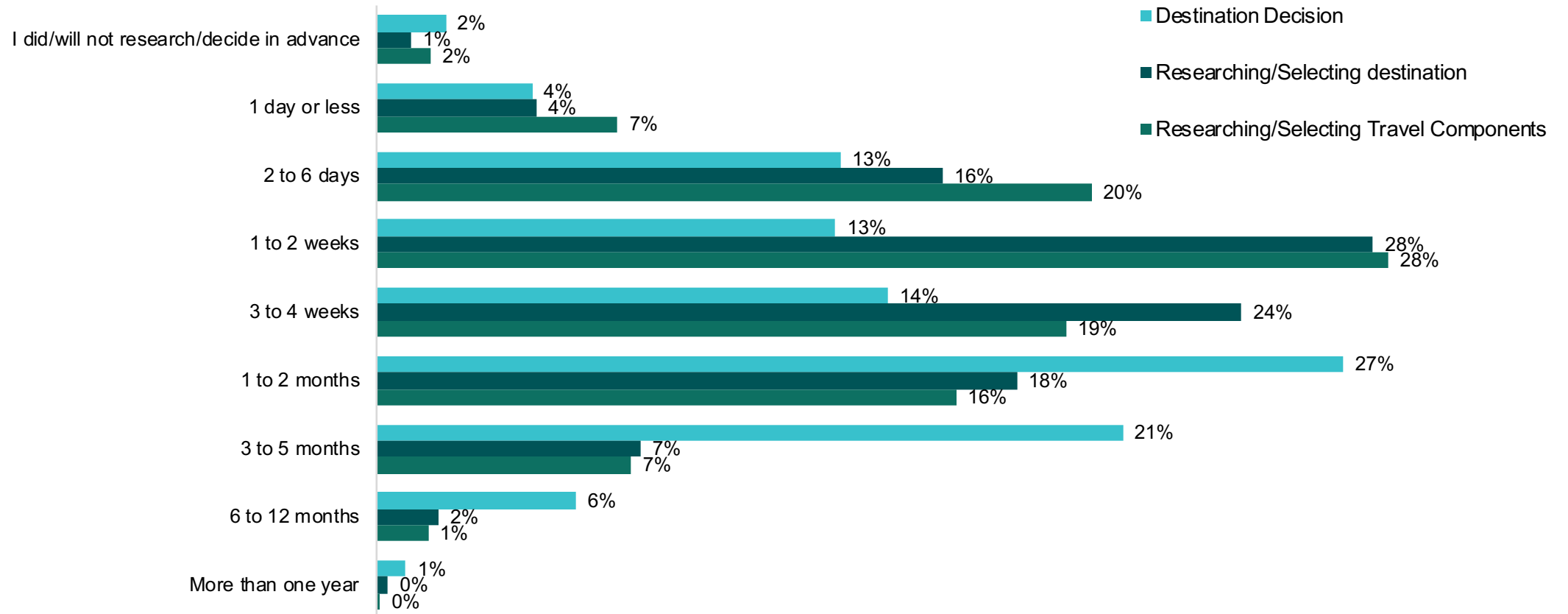
Source: NTTO & Phocuswright Market Intelligence Survey 2018

Market Share of India Travel US vs. Select Competitors 2000-2027



Source: Oxford Economics

India Destination Decision, Selection and Travel Component Shopping Window – 2018



Question: How far in advance of your departure date did/will you decide on the destination? How much time did/will you spend researching/selecting your destination for this holiday? How much time did/will you spend researching/selecting travel components, such as airline tickets or hotel rooms, before you made/make the first booking for this trip?

Base: India international travelers (N=1,039)

Source: Phocuswright Market Intelligence Survey 2018

India Weighted Perception of Destination Characteristics - 2018

Motivators	USA 2017	USA 2018	Difference
Activity options (mountain, climbing, diving)	61	62	1
Landmarks and sightseeing options (historical sites, museums)	69	70	1
Leisure attractions (dining, shopping, nightlife)	70	70	0
Natural features/landscapes (mountains, rainforests)	70	71	1
Ease of travel to the destination (length of flight, number of stops)	66	65	-1
Quality of beaches	68	68	0
Appeal of local culture (food, music, etc.)	64	66	2
Reputation/popularity as a travel destination	67	67	0
AVERAGE	67	68	1
Demotivators	USA 2017	USA 2018	Difference
Inconvenience of travel to the destination (no direct flights)	28	29	1
Distance from home	20	23	3
Crowdedness	26	28	2
Visa requirements/entry procedures	33	33	0
Personal safety concerns	38	38	0
Political climate	35	34	-1
Lack of visitor resources/support in the destination	27	30	3
Unfamiliarity with local customs/language	22	22	0
High prices	34	36	2
AVERAGE	29	30	1

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~25 - ~50 = A contributing factor

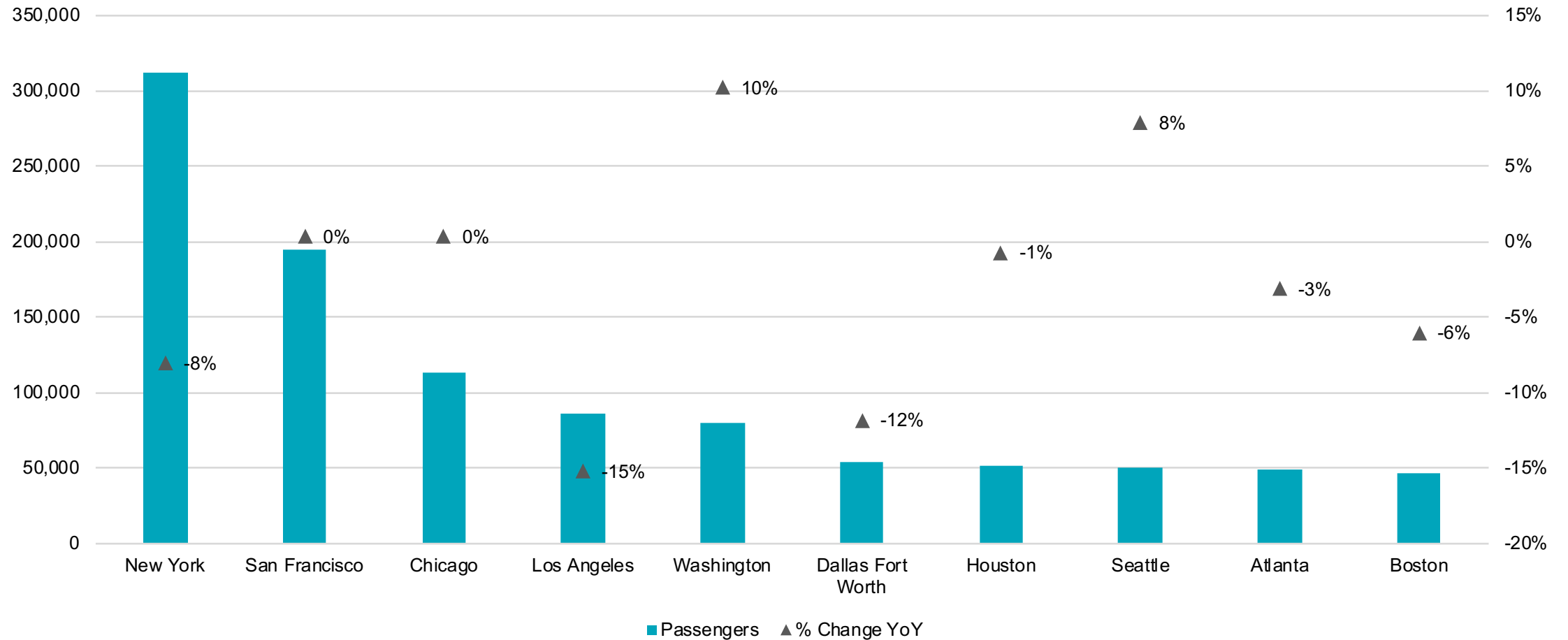
~50+ = A strong factor

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Base: India international travelers (N=376-1,039)

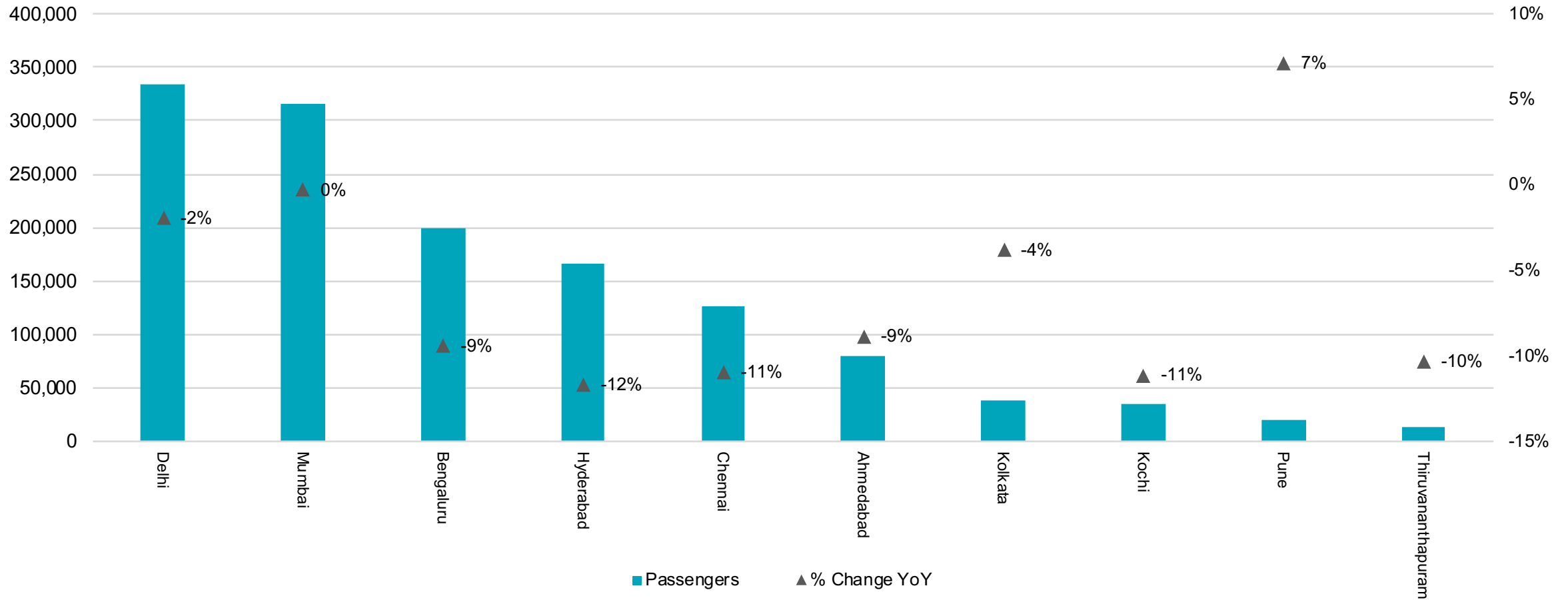
Source: Phocuswright Market Intelligence Survey 2018

Top 10 US Destinations from India Last 12 Months

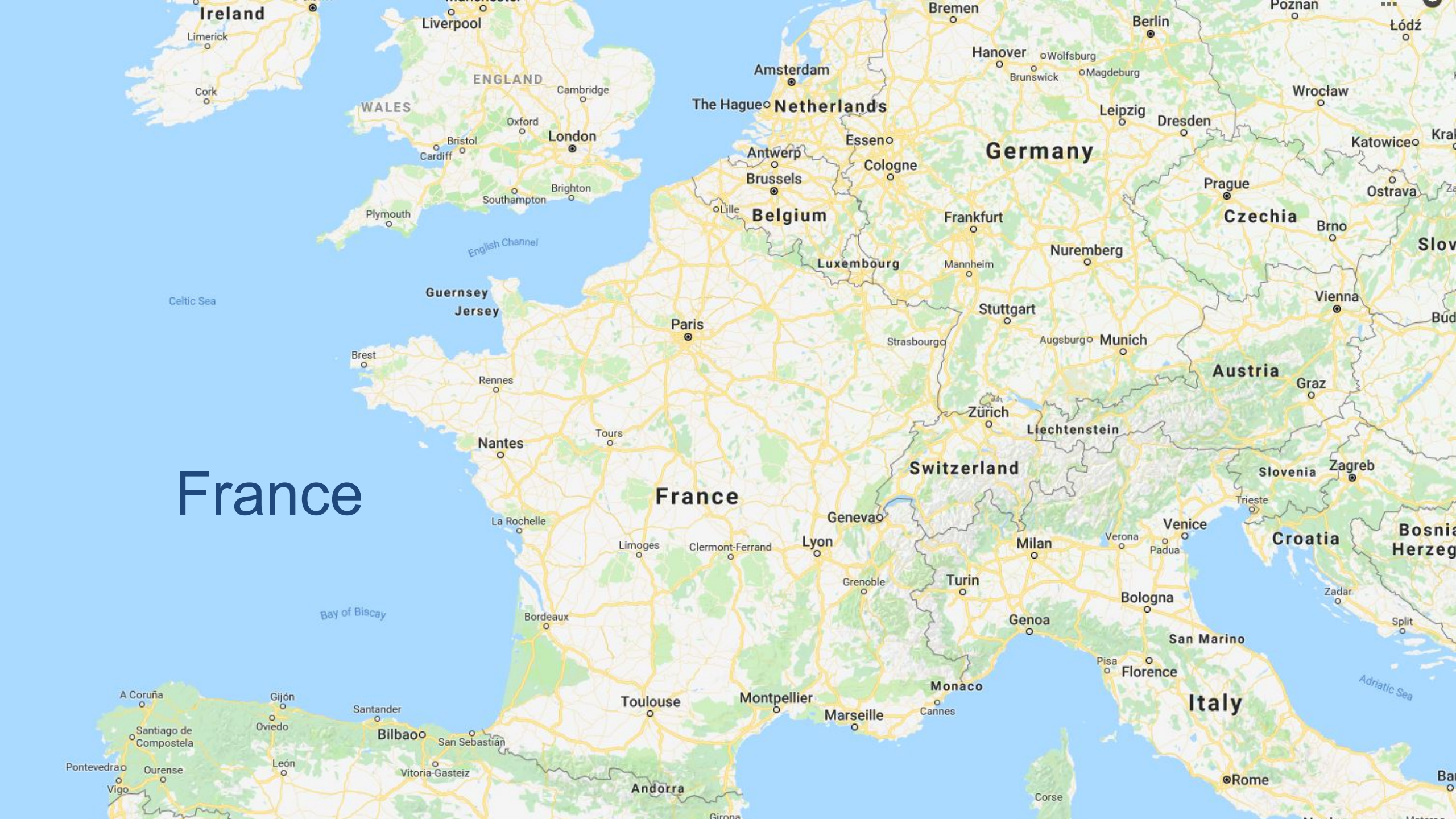


Source: Sabre Market Intelligence August 2017 – July 2018

Top 10 Indian Origin Cities Last 12 Months



Source: Sabre Market Intelligence August 2017 – July 2018



Market Selection Criteria: France

GDP (PPP)

\$2.960 trillion
Ranked #10

GDP (PPP) Growth (2020/2018)

4%

International Travel Expenditure

\$41.98
billion

Long-Haul International Departures

29.38 million
Ranked #8

Unemployment Index

9.5%
Ranked #135

Civil Liberty

2
(1=best, 7=worst)

Population

67,106,161
Ranked #21

Ease of Doing Business

31
(out of 190)

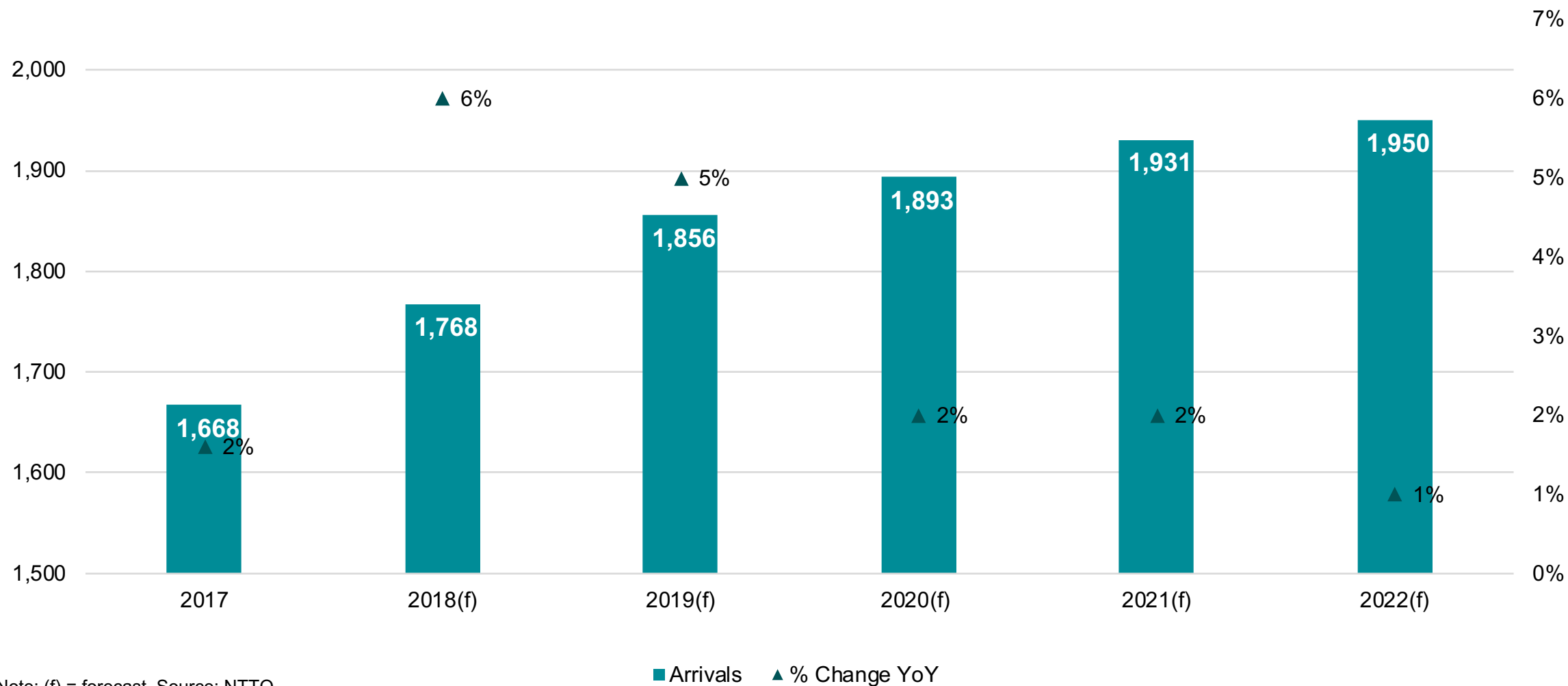
GINI (Wealth distribution)

29.2 (2015)
Ranked #22

Sources: CIA World fact book, World Bank, Oxford Economics, Freedom House, IMF

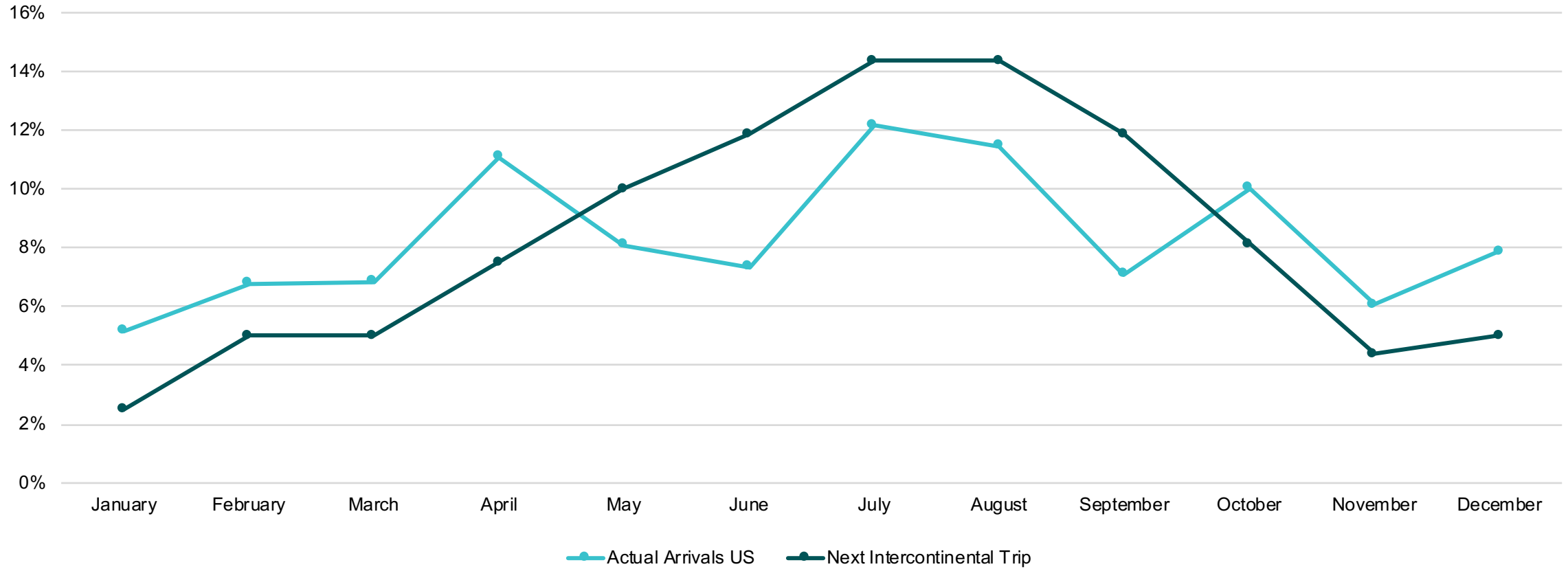
Arrivals to the US from France: 2017–2022(f)

(in thousands)



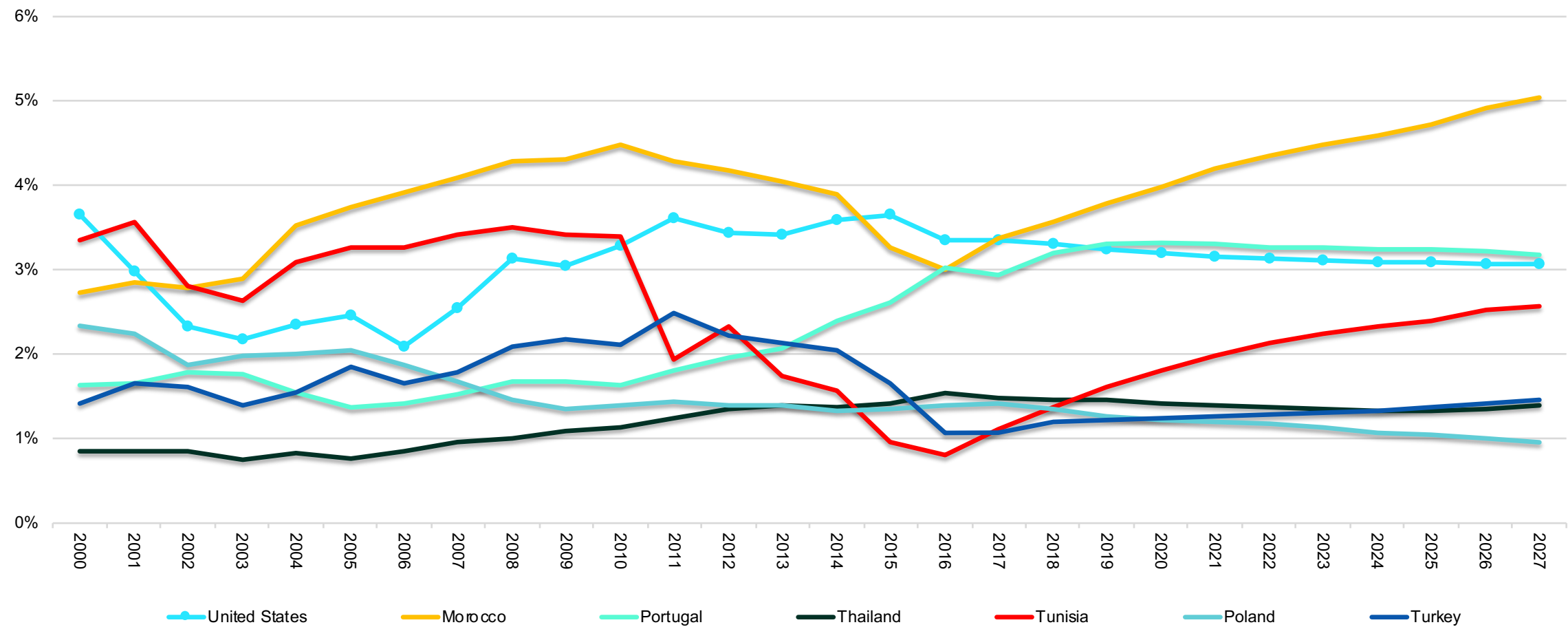
Note: (f) = forecast. Source: NTTO

Monthly Arrivals from France: Actual Arrivals to the US vs. Next Intercontinental Trip



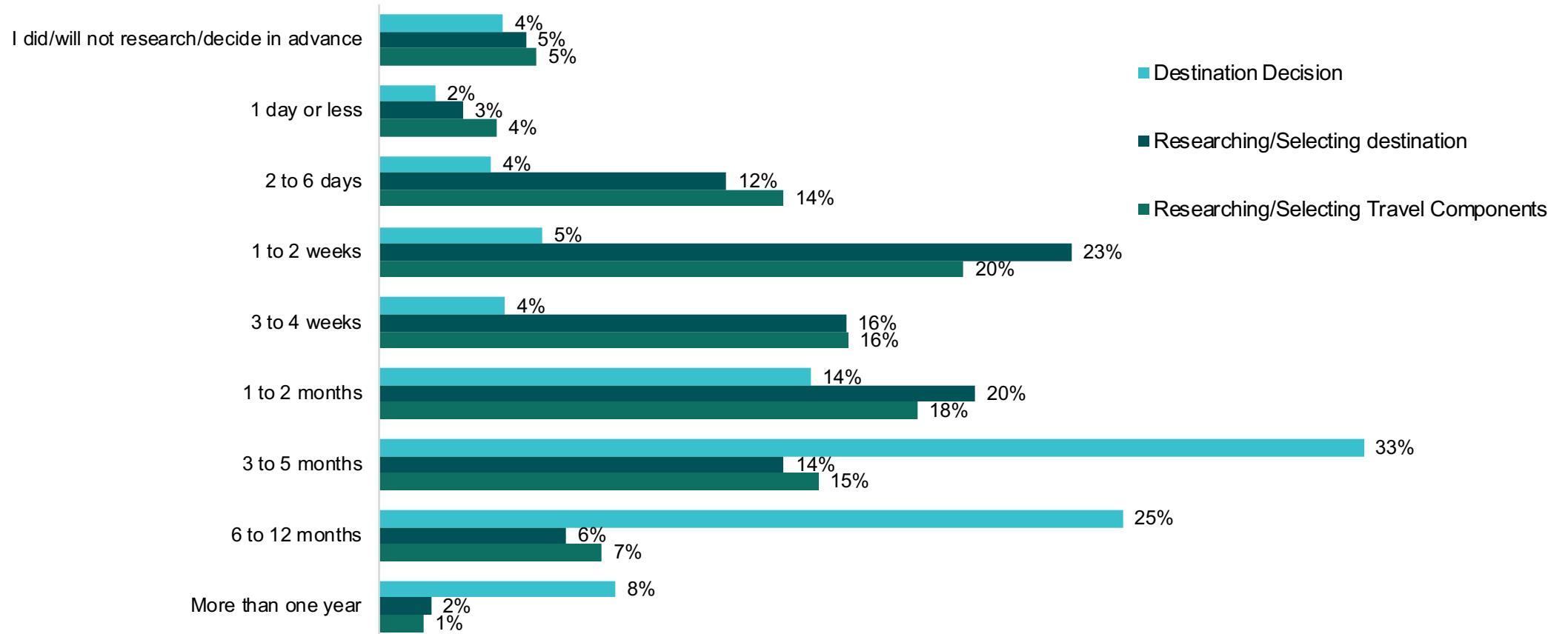
Source: NTTO & Phocuswright Market Intelligence Survey 2018

Market Share of France Travel US vs. Select Competitors 2000-2027



Source: Oxford Economics

France Destination Decision, Selection and Travel Component Shopping Window – 2018



Question: How far in advance of your departure date did/will you decide on the destination? How much time did/will you spend researching/selecting your destination for this holiday? How much time did/will you spend researching/selecting travel components, such as airline tickets or hotel rooms, before you made/make the first booking for this trip?

Base: France international travelers (N=1,044)

Source: Phocuswright Market Intelligence Survey 2018

France Weighted Perception of Destination Characteristics - 2018

Motivators	USA 2017	USA 2018	Difference
Activity options (mountain, climbing, diving)	38	38	0
Landmarks and sightseeing options (historical sites, museums)	56	52	-4
Leisure attractions (dining, shopping, nightlife)	47	47	0
Natural features/landscapes (mountains, rainforests)	60	58	-2
Ease of travel to the destination (length of flight, number of stops)	46	47	1
Quality of beaches	40	39	-1
Appeal of local culture (food, music, etc.)	47	45	-2
Reputation/popularity as a travel destination	45	43	-2
AVERAGE	47	46	-1
Demotivators	USA 2017	USA 2018	Difference
Inconvenience of travel to the destination (no direct flights)	20	20	0
Distance from home	14	14	0
Crowdedness	27	28	1
Visa requirements/entry procedures	29	30	1
Personal safety concerns	33	35	2
Political climate	36	36	0
Lack of visitor resources/support in the destination	22	23	1
Unfamiliarity with local customs/language	15	15	0
High prices	40	41	1
AVERAGE	26	27	1

<~25 = Not a factor

~25 - ~50 = A contributing factor

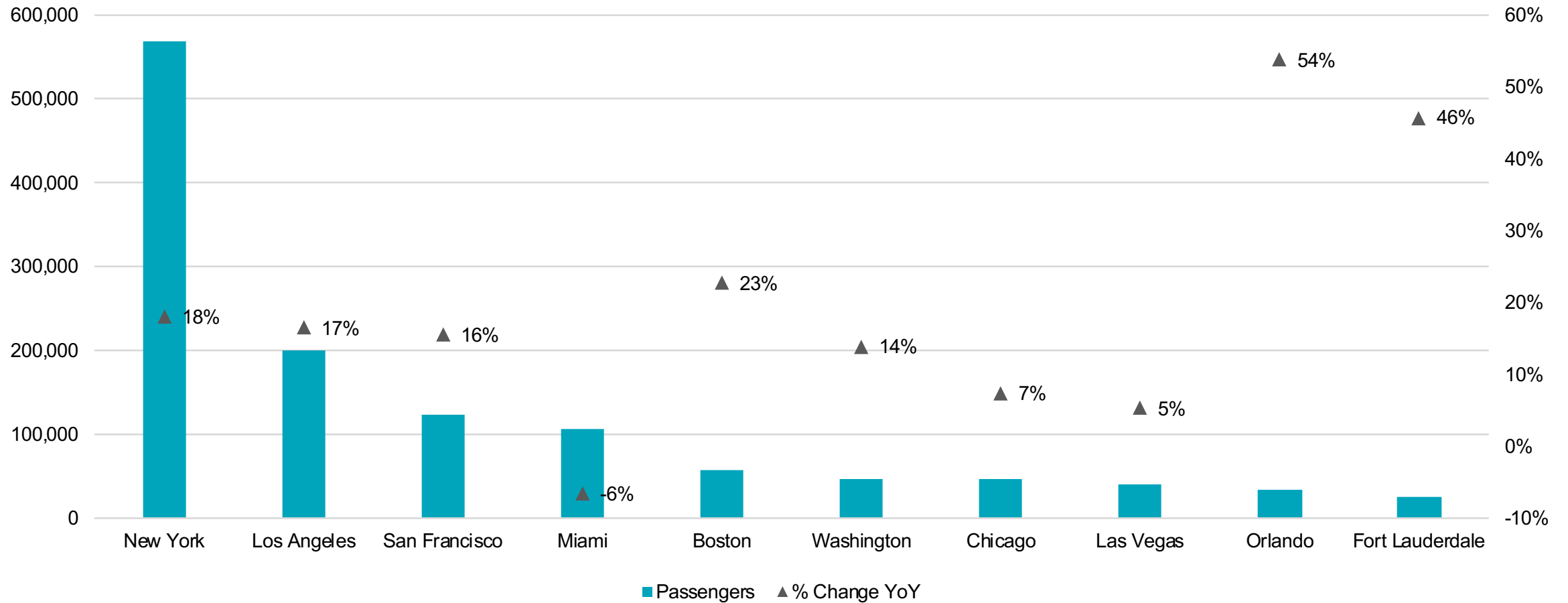
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Base: France international travelers (N=364-1,044)

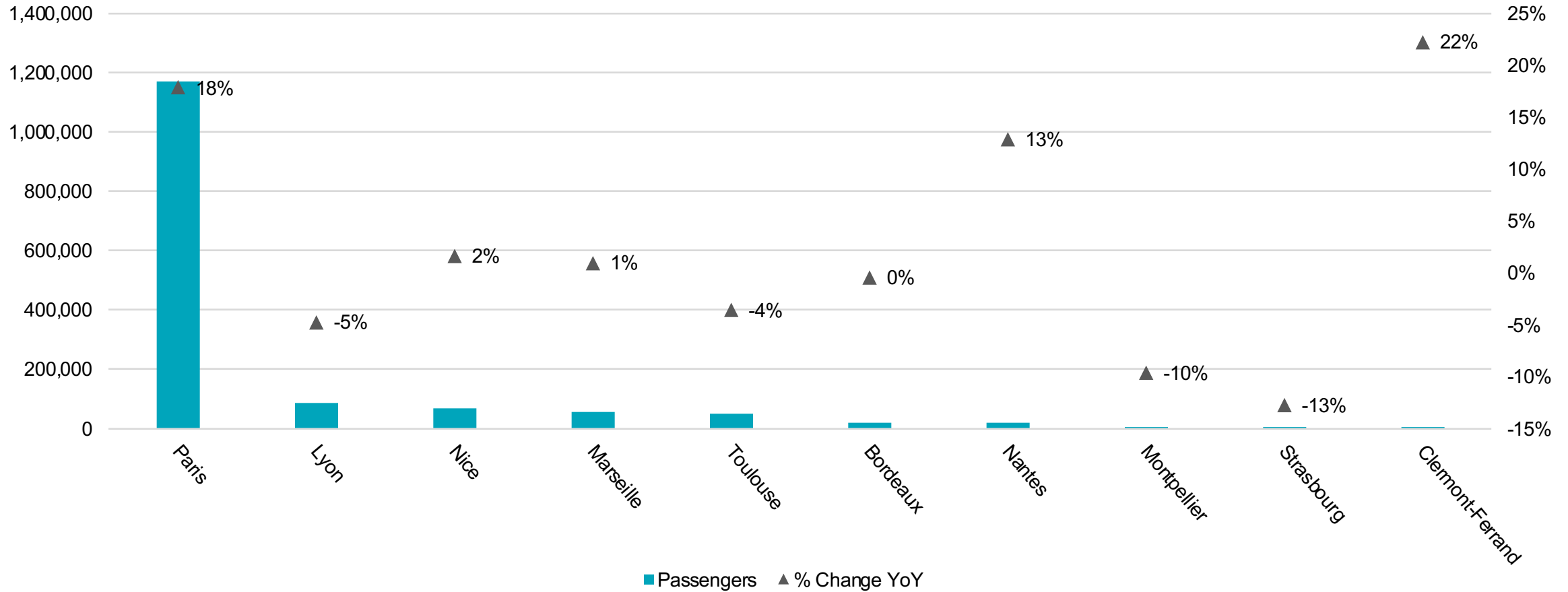
Source: Phocuswright Market Intelligence Survey 2018

Top 10 US Destinations from France Last 12 Months



Source: Sabre Market Intelligence August 2017 – July 2018

Top 10 French Origin Cities Last 12 Months



Source: Sabre Market Intelligence August 2017 – July 2018



South Korea

Market Selection Criteria: South Korea

GDP (PPP)

\$2.138 trillion
Ranked #14

GDP Growth (2020/2018)

6%

International Travel Expenditure

\$28.32
billion

Long-Haul International Departures

27.25 million
Ranked #9

Unemployment Index

3.8%
Ranked #43

Civil Liberty

2
(1=best, 7=worst)

Population

51,181,299
Ranked #27

Ease of Doing Business

4
(out of 190)

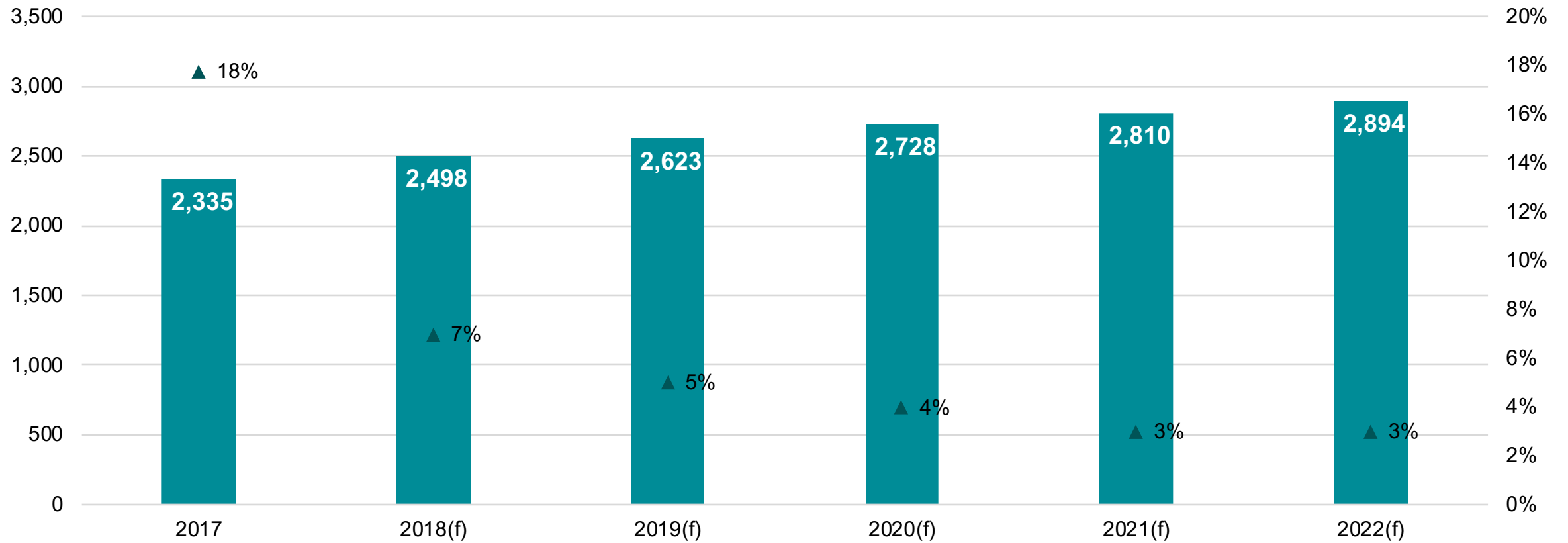
GINI (Wealth distribution)

34.1 (2015)
Ranked #54

Sources: CIA World fact book, World Bank, Oxford Economics, Freedom House, IMF

Arrivals to the US from South Korea: 2017–2022(f)

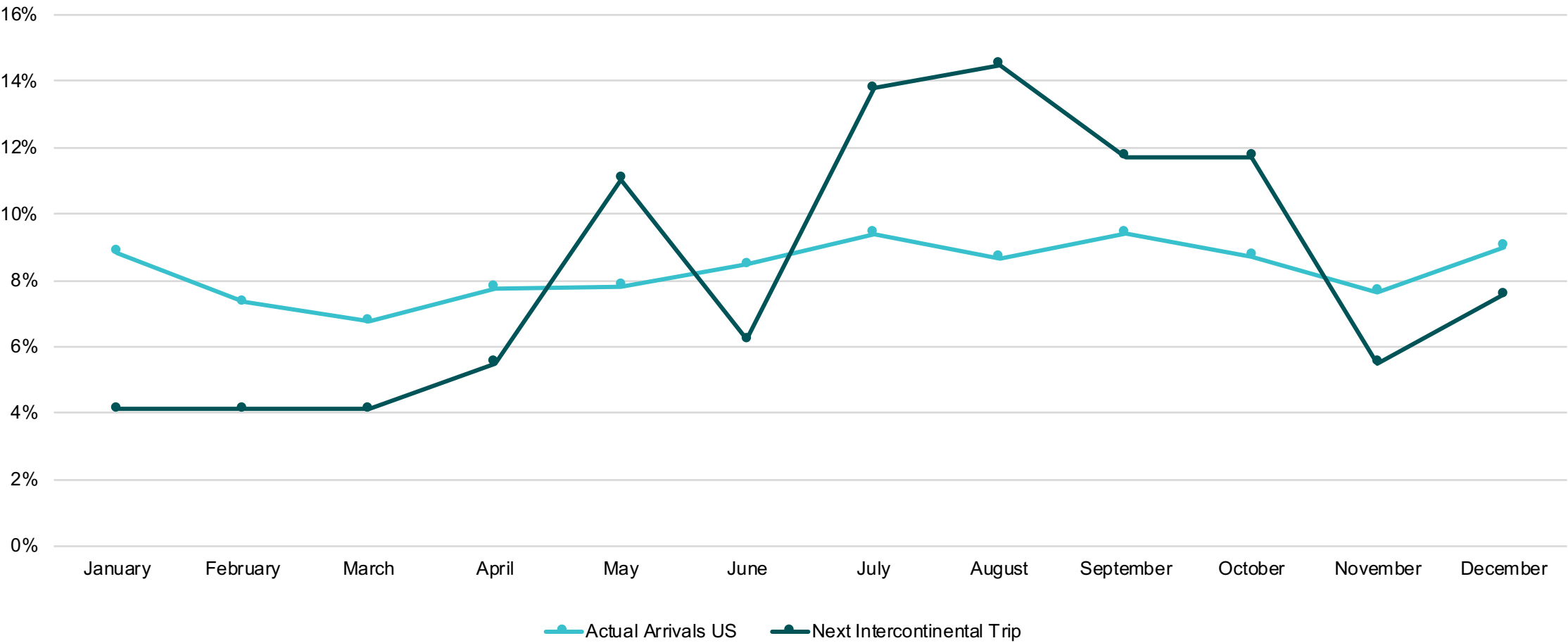
(in thousands)



Note: (f) = forecast. Source: NTTO

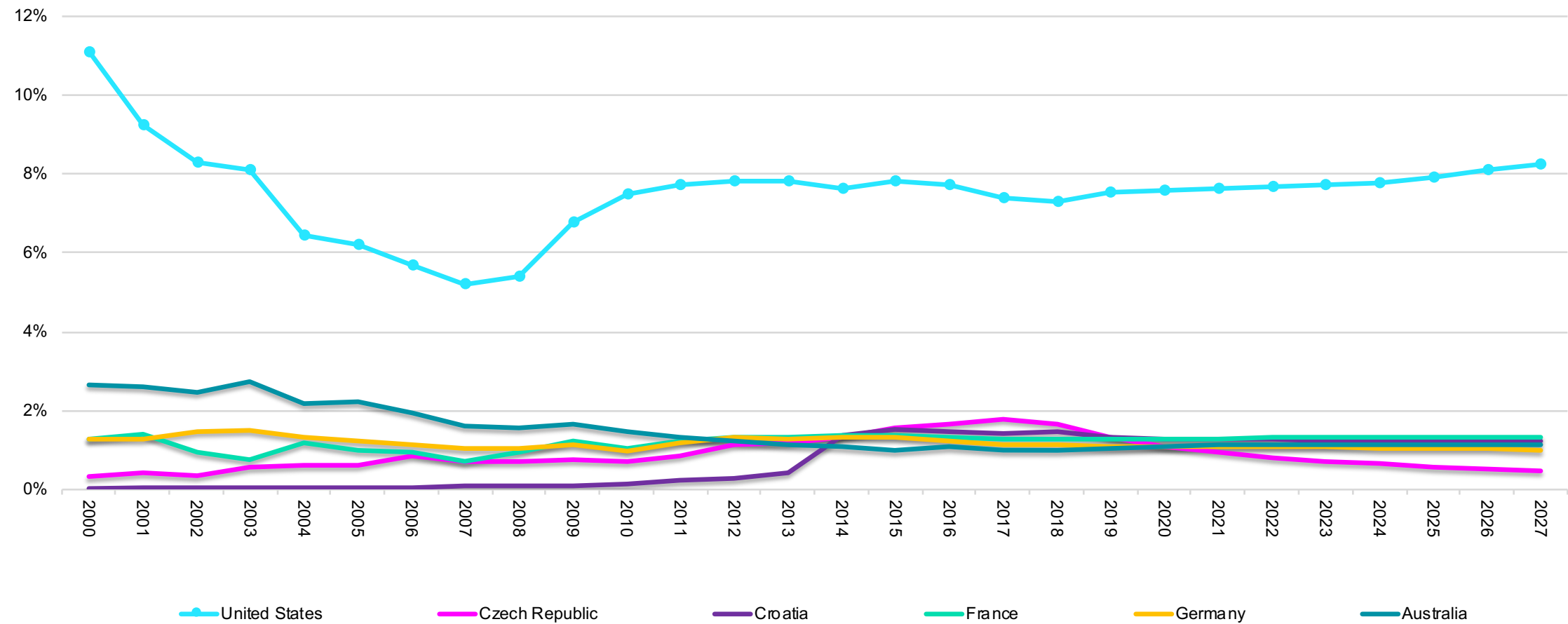
■ Arrivals ▲ % Change YoY

Monthly Arrivals from South Korea: Actual Arrivals to the US vs. Next Intercontinental Trip



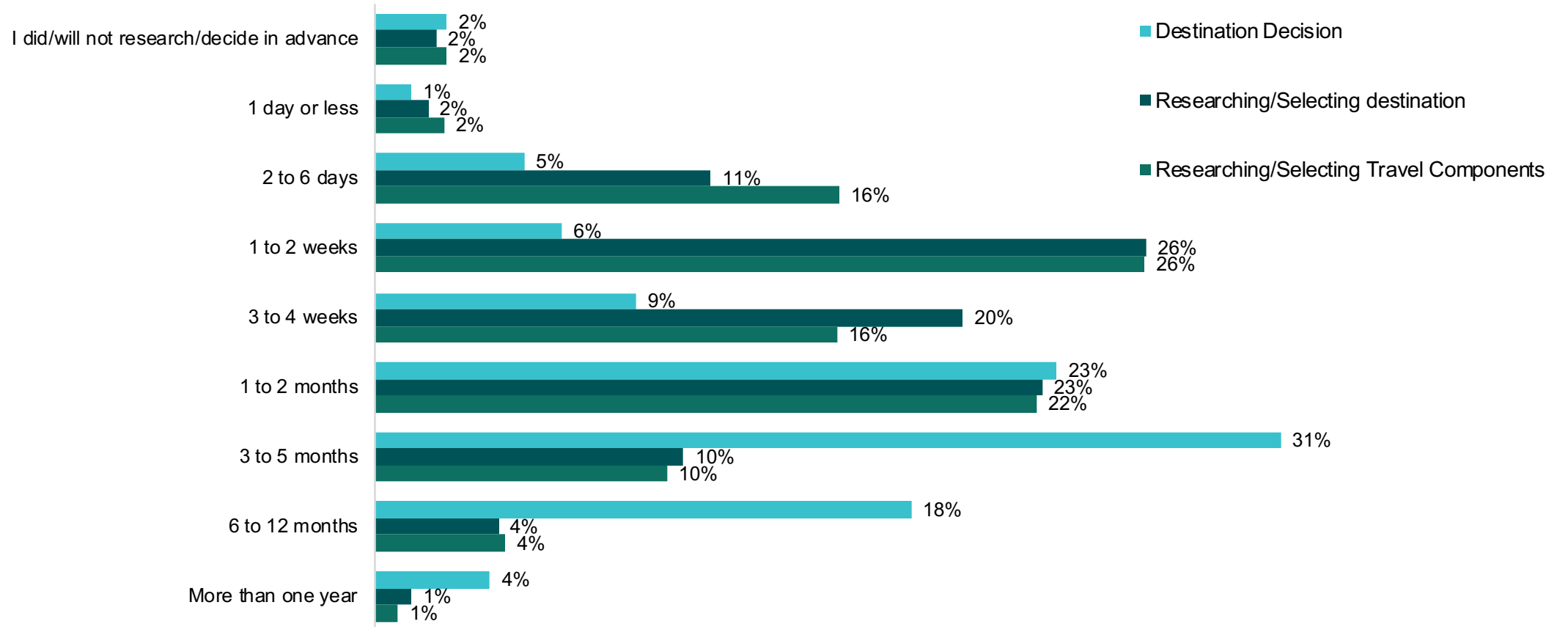
Source: NTTO & Phocuswright Market Intelligence Survey 2018

Market Share of South Korea Travel US vs. Select Competitors 2000-2027



Source: Oxford Economics

South Korea Destination Decision, Selection and Travel Component Shopping Window – 2018



Question: How far in advance of your departure date did/will you decide on the destination? How much time did/will you spend researching/selecting your destination for this holiday? How much time did/will you spend researching/selecting travel components, such as airline tickets or hotel rooms, before you made/make the first booking for this trip?

Base: South Korea international travelers (N=999)

Source: Phocuswright Market Intelligence Survey 2018

South Korea Weighted Perception of Destination Characteristics - 2018

Motivators	USA 2017	USA 2018	Difference
Activity options (mountain, climbing, diving)	30	32	2
Landmarks and sightseeing options (historical sites, museums)	44	43	-1
Leisure attractions (dining, shopping, nightlife)	49	50	1
Natural features/landscapes (mountains, rainforests)	53	53	0
Ease of travel to the destination (length of flight, number of stops)	44	45	1
Quality of beaches	48	47	-1
Appeal of local culture (food, music, etc.)	54	53	-1
Reputation/popularity as a travel destination	49	49	0
AVERAGE	46	46	0
Demotivators	USA 2017	USA 2018	Difference
Inconvenience of travel to the destination (no direct flights)	25	26	1
Distance from home	24	25	1
Crowdedness	27	28	1
Visa requirements/entry procedures	30	32	2
Personal safety concerns	41	43	2
Political climate	34	31	-3
Lack of visitor resources/support in the destination	22	24	2
Unfamiliarity with local customs/language	18	17	-1
High prices	39	42	3
AVERAGE	29	30	1

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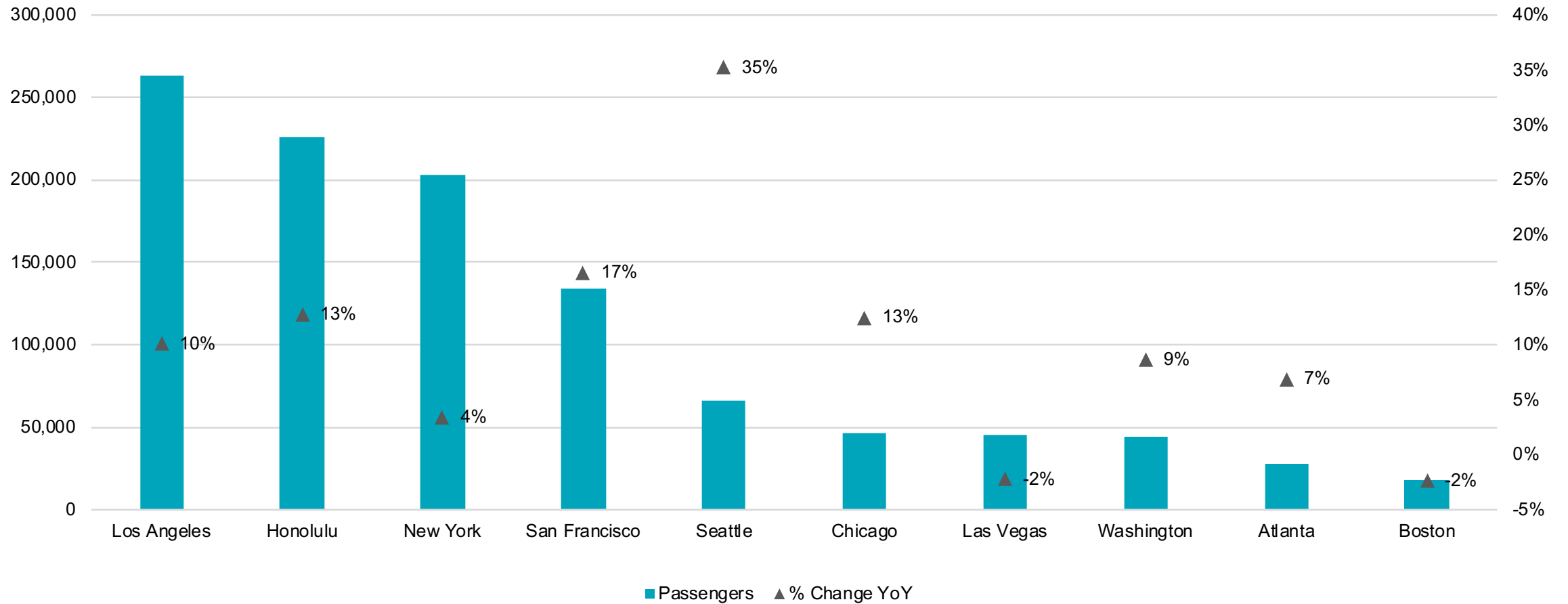
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Base: South Korea international travelers (N=343-999)

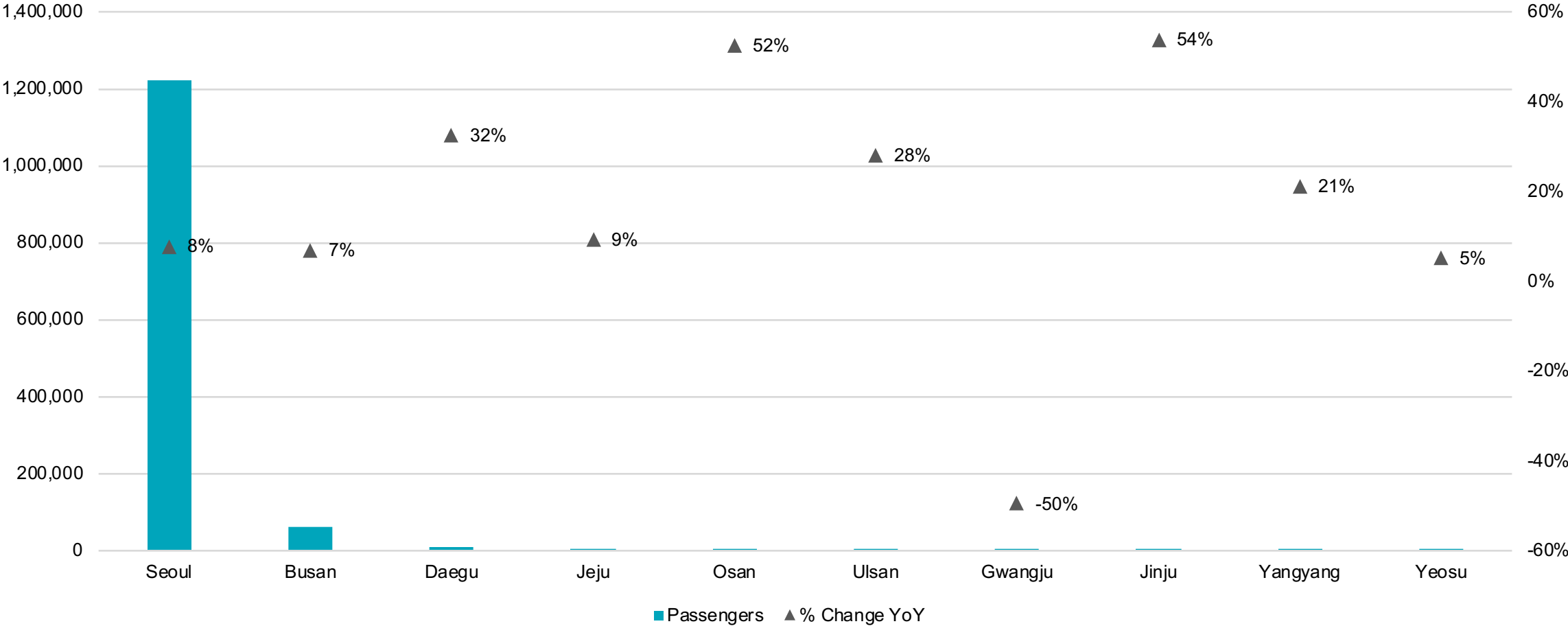
Source: Phocuswright Market Intelligence Survey 2018

Top 10 US Destinations from South Korea Last 12 Months



Source: Sabre Market Intelligence August 2017 – July 2018

Top 10 South Korean Origin Cities Last 12 Months

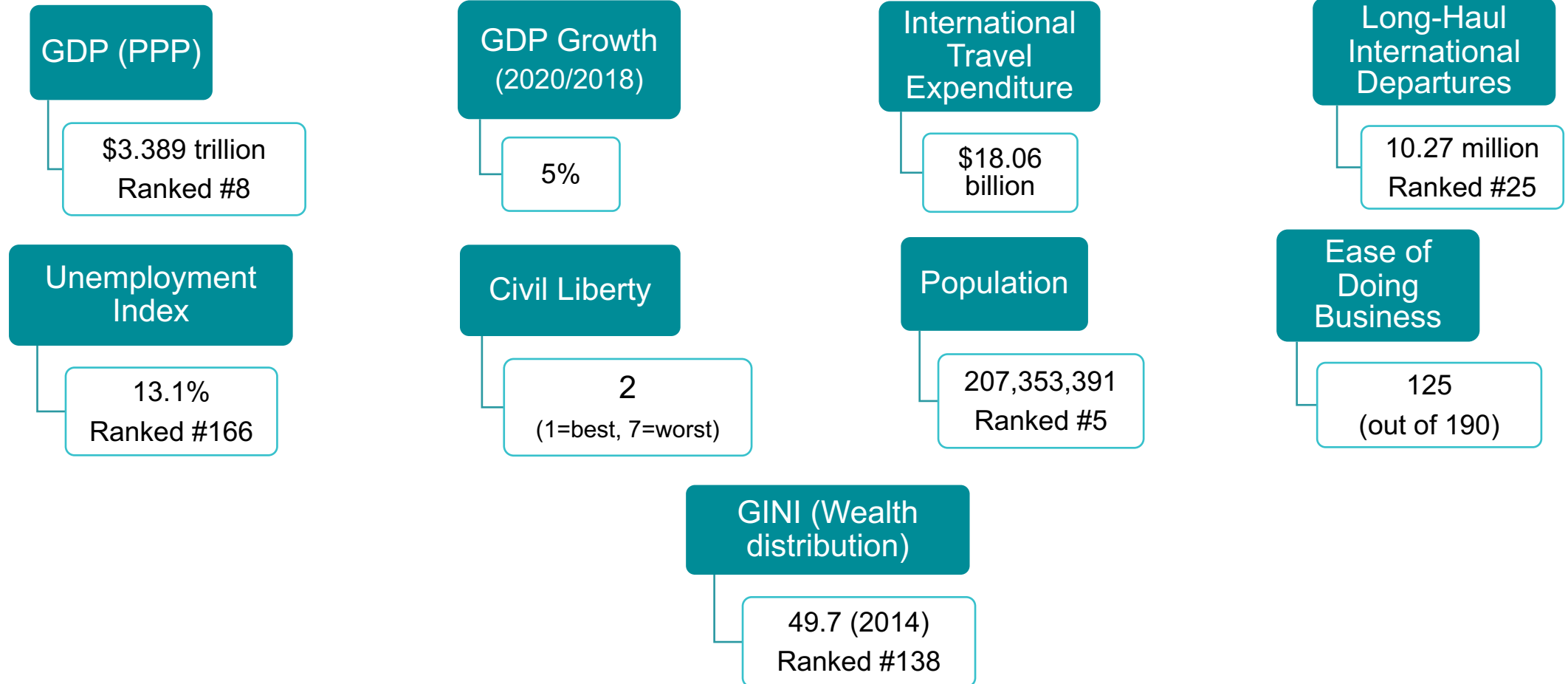


Source: Sabre Market Intelligence August 2017 – July 2018



Brazil

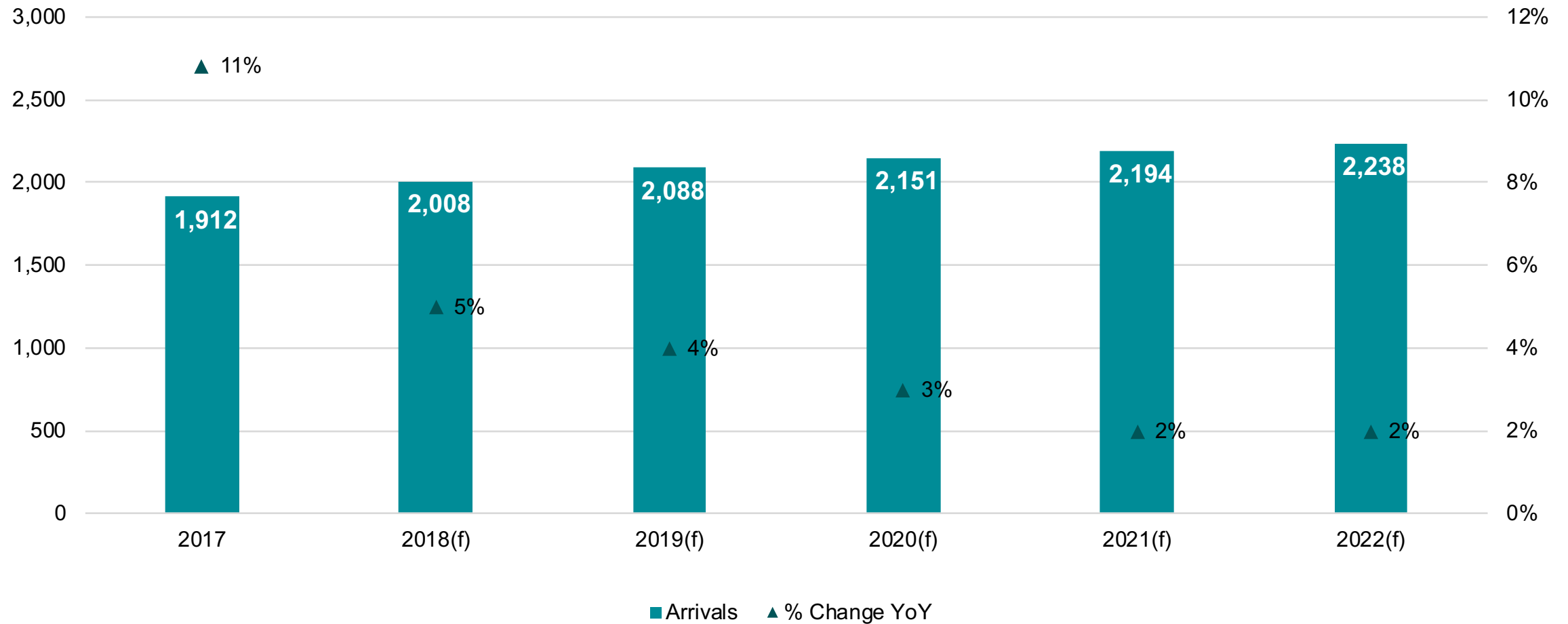
Market Selection Criteria: Brazil



Sources: CIA World fact book, World Bank, Oxford Economics, Freedom House, IMF

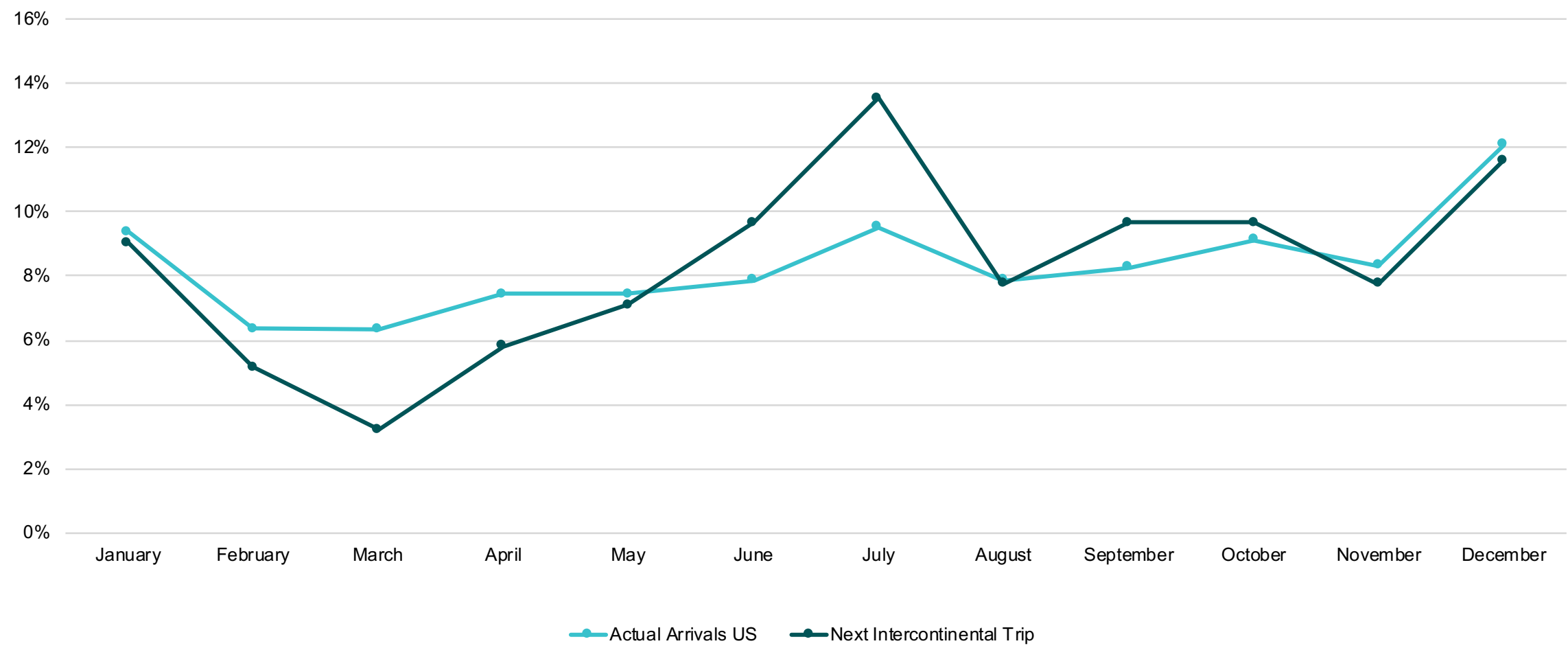
Arrivals to the US from Brazil: 2017–2022(f)

(in thousands)



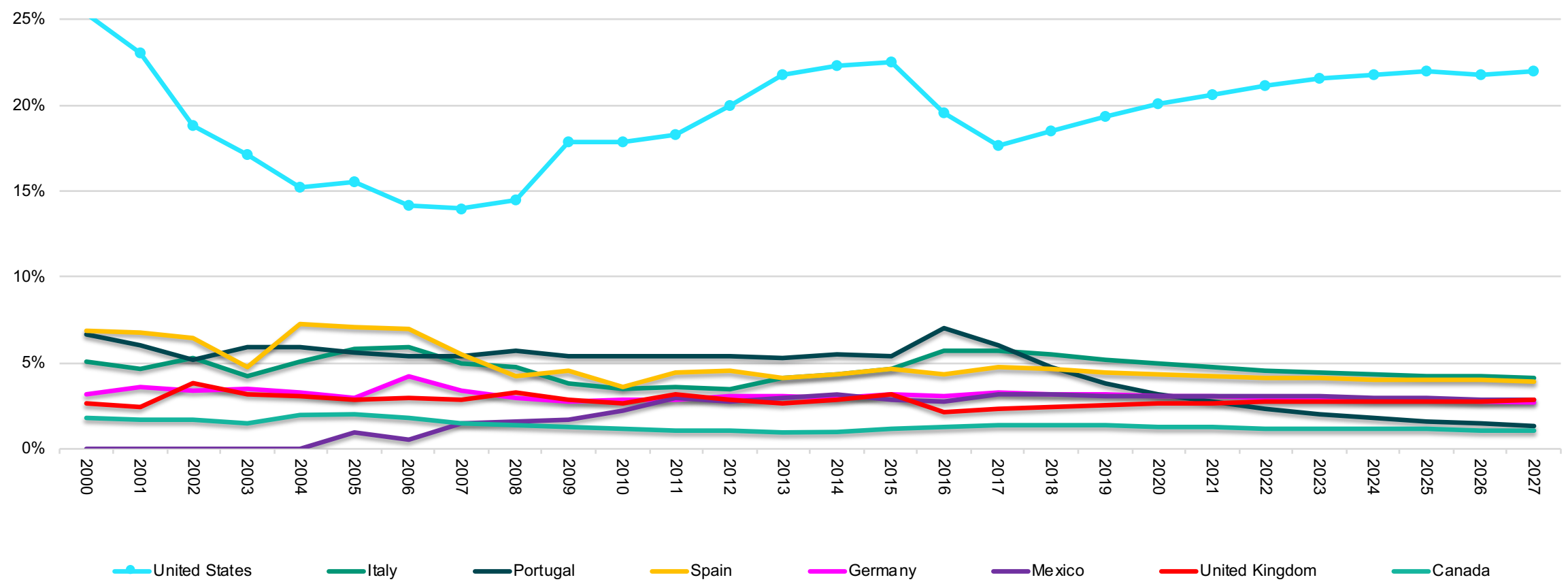
Note: (f) = forecast. Source: NTTO

Monthly Arrivals from Brazil: Actual Arrivals to the US vs. Next Intercontinental Trip



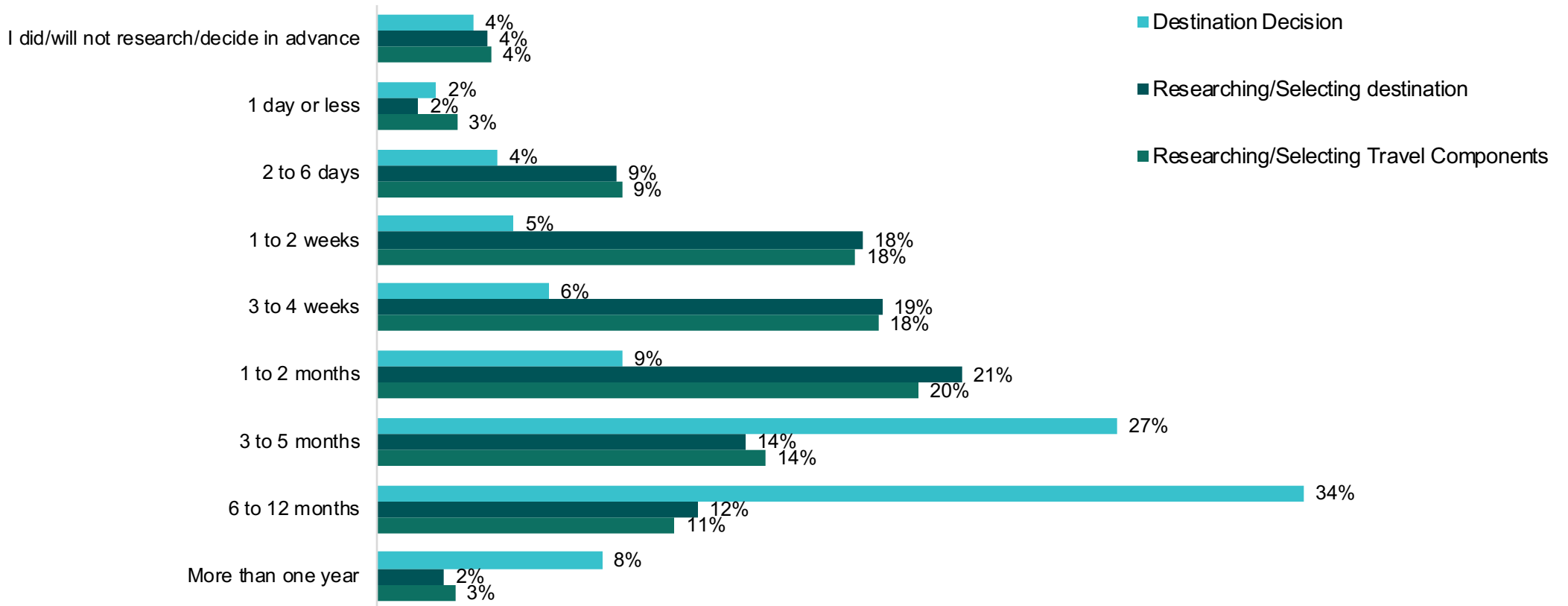
Source: NTTO & Phocuswright Market Intelligence Survey 2018

Market Share of Brazil Travel US vs. Select Competitors 2000-2027



Source: Oxford Economics

Brazil Destination Decision, Selection and Travel Component Shopping Window – 2018



Question: How far in advance of your departure date did/will you decide on the destination? How much time did/will you spend researching/selecting your destination for this holiday? How much time did/will you spend researching/selecting travel components, such as airline tickets or hotel rooms, before you made/make the first booking for this trip?

Base: Brazil international travelers (N=1,036)

Source: Phocuswright Market Intelligence Survey 2018

Brazil Weighted Perception of Destination Characteristics - 2018

Motivators	USA 2017	USA 2018	Difference
Activity options (mountain, climbing, diving)	46	40	-6
Landmarks and sightseeing options (historical sites, museums)	62	60	-2
Leisure attractions (dining, shopping, nightlife)	69	69	0
Natural features/landscapes (mountains, rainforests)	58	57	-1
Ease of travel to the destination (length of flight, number of stops)	61	60	-1
Quality of beaches	47	47	0
Appeal of local culture (food, music, etc.)	59	57	-2
Reputation/popularity as a travel destination	60	59	-1
AVERAGE	58	56	-2
Demotivators	USA 2017	USA 2018	Difference
Inconvenience of travel to the destination (no direct flights)	20	19	-1
Distance from home	11	11	0
Crowdedness	25	26	1
Visa requirements/entry procedures	34	32	-2
Personal safety concerns	36	35	-1
Political climate	36	31	-5
Lack of visitor resources/support in the destination	28	28	0
Unfamiliarity with local customs/language	13	14	1
High prices	43	44	1
AVERAGE	27	27	0

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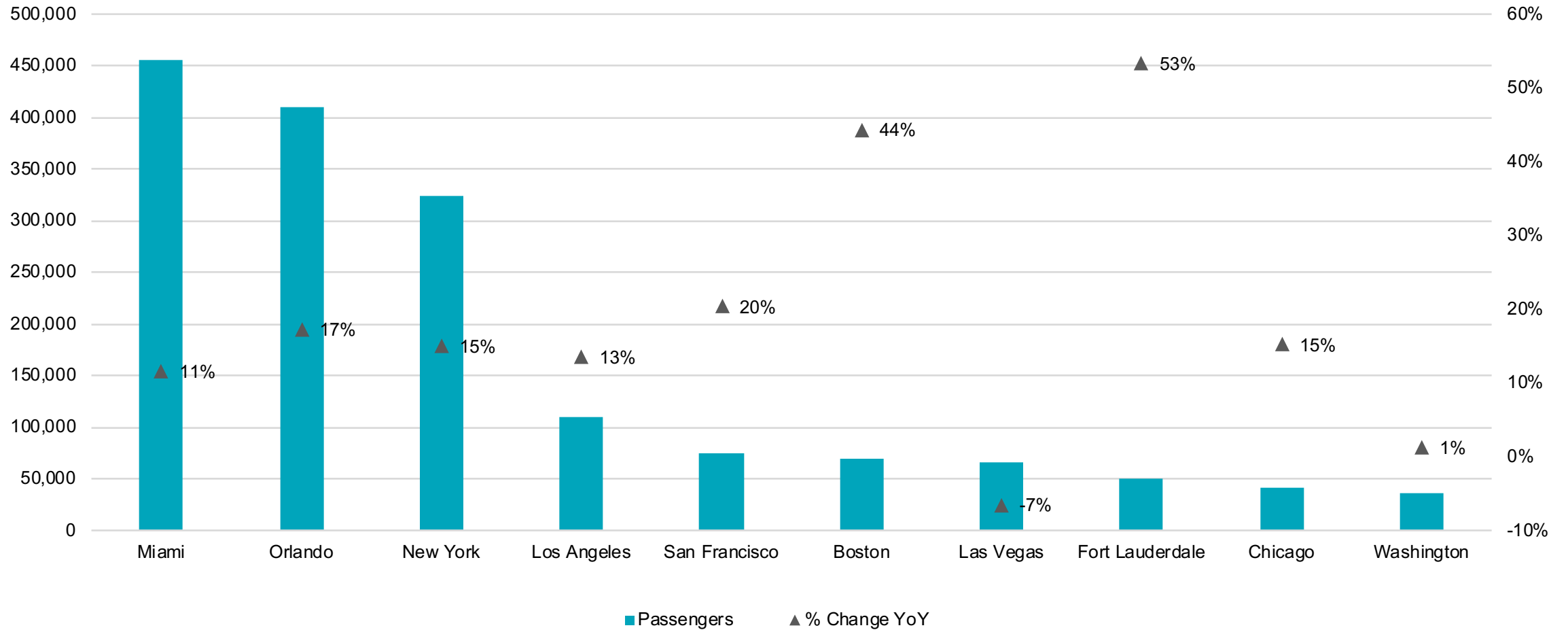
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Base: Brazil international travelers (N=340-1,036)

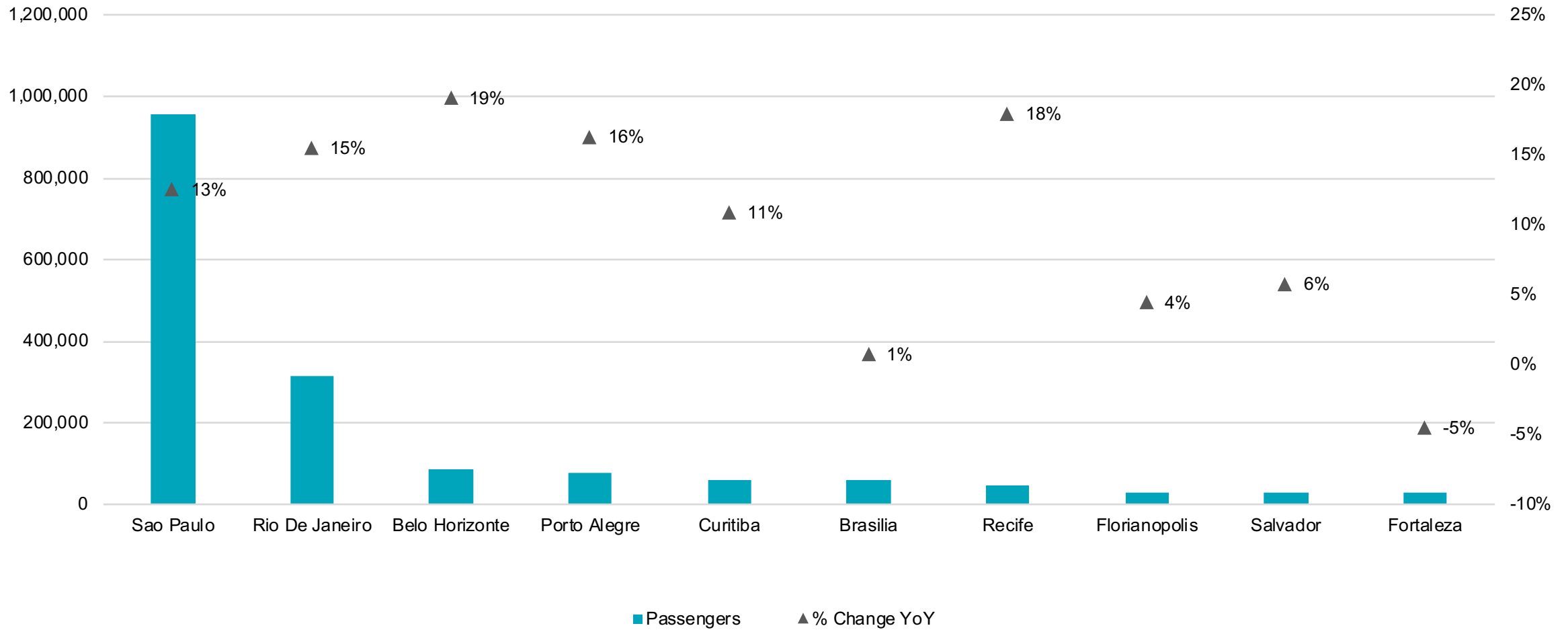
Source: Phocuswright Market Intelligence Survey 2018

Top 10 US Destinations from Brazil Last 12 Months



Source: Sabre Market Intelligence August 2017 – July 2018

Top 10 US Brazilian Origin Cities Last 12 Months



Source: Sabre Market Intelligence August 2017 – July 2018



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