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TEXAS TOURISM FY 2015 MARKETING PLAN

MISSION STATEMENT:

Texas Tourism's mission is to enhance and extend local economic development efforts by marketing Texas as a tourist destination in out-of-state domestic and international markets, thereby generating non-Texan travel to the state and ultimately creating revenues and jobs.

Texas Tourism provides a truly integrated marketing effort. The functions and services of each of the three interrelated program areas—advertising, public relations and travel research/development—support Texas Tourism's overall mission.



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TEXAS TOURISM FY 2015 MARKETING PLAN

Travel Research

OVERVIEW:

Primary travel and tourism research is conducted by contracted research vendors, with reports published to www.travel.state.tx.us throughout the year. Travel research staff are available to assist communities, tourism-related businesses, regional associations, economic development offices and other partners with interpreting the latest research estimates and travel trends. Although research is conducted primarily at the state-level, whenever possible local information is also provided to assist with local tourism marketing and development efforts. Detailed domestic visitor estimates and profile information are available for the seven Texas Tourism regions as well as for all Metropolitan Statistical Areas (MSA's) in Texas as defined by the Office of Management and Budget. Economic impact estimates are available for tourism regions, Texas legislative districts, MSA's and counties with city level estimates available for more than 100 locations across Texas. Hotel performance can be tracked at the MSA, county and city levels.

In addition to research conducted through the plan of work, travel research staff regularly serve as a resource for communities interested in developing tourism. Presentations, site visits and training materials designed for rural communities are available to provide a guide to the tourism planning process. Community assistance commonly involves providing a Texas Tourism agency overview, sharing tools for identifying the importance of tourism through research, conducting a community tourism assessment and developing tourism goals and strategies.

The Travel Research section tracks economic impact, hotel performance, domestic travel, international travel and advertising effectiveness to document the latest industry trends and support advertising and marketing programs. The sections below provide a brief summary of current estimates with full reports available at www.travel.state.tx.us.

ECONOMIC IMPACT:

Dean Runyan & Associates	<ul style="list-style-type: none"> • Economic Impact of Travel on Texas • Domestic Air Travel Summary • Website/Database Support
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In 2013 travelers in Texas spent more than \$67.5 billion, a 3% increase from the previous year, which directly supported more than 601,000 jobs and generated \$4.7 billion in state and local taxes. Tourism consistently ranks among the largest export-oriented industries in Texas.

HOTEL PERFORMANCE:

Source Strategies, Inc.	<ul style="list-style-type: none"> • Hotel Performance Reports • Quarterly Updates • Website/Database Support
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In 2013, Texas hotels collected an estimated \$8.8 billion in revenues, with more than 93 million room nights sold, with occupancy at 63.6% which exceeds the long term industry average . Revenues and room nights sold were both up at 9% and 3.5% respectively for the year.



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Travel Research

DOMESTIC TRAVEL:

D.K. Shifflet & Associates	<ul style="list-style-type: none"> • Domestic Visitation Estimates • Quarterly Updates • Custom Database Support
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The volume of domestic visitors to Texas destinations in 2013 increased over 2012 with an estimated 233.5 million domestic travelers visiting Texas destinations totaling an estimated 500 million person-days. Top origin markets for domestic travel to Texas include Louisiana, Oklahoma, California, Missouri, and Florida.

INTERNATIONAL TRAVEL

Travel Market Insights; U.S. Department of Commerce; Stats Canada	<ul style="list-style-type: none"> • Overseas and Mexican (Air) Visitors • Supplemental Airport Survey Program • Canadian Travel to Texas
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International travelers from Mexico, Canada and overseas spent \$6.6 billion across the state in 2013, which supported 59,000 jobs and generated \$510 million in state and local taxes. Travel from Overseas markets grew by an impressive 17% to 1,570,000 visitors. In addition to a growth in visitor volume, the state increased its market share of Overseas visitors to the U.S. to 4.9% making it the 6th most visited state.

ADVERTISING EFFECTIVENESS:

State led activities have a significant impact on the tourism industry with the most recent estimates available showing that tourism advertising and promotion influenced 2.5 million non-Texan leisure trips resulting in \$4.1 billion in direct travel spending and \$222.7 million in state taxes for an ROI of \$7.83 in Fiscal Year 2014.

SMARI	<ul style="list-style-type: none"> • Advertising Effectiveness • Return on Investment • Quarterly Updates
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TEXAS TOURISM FY 2015 MARKETING PLAN

Advertising

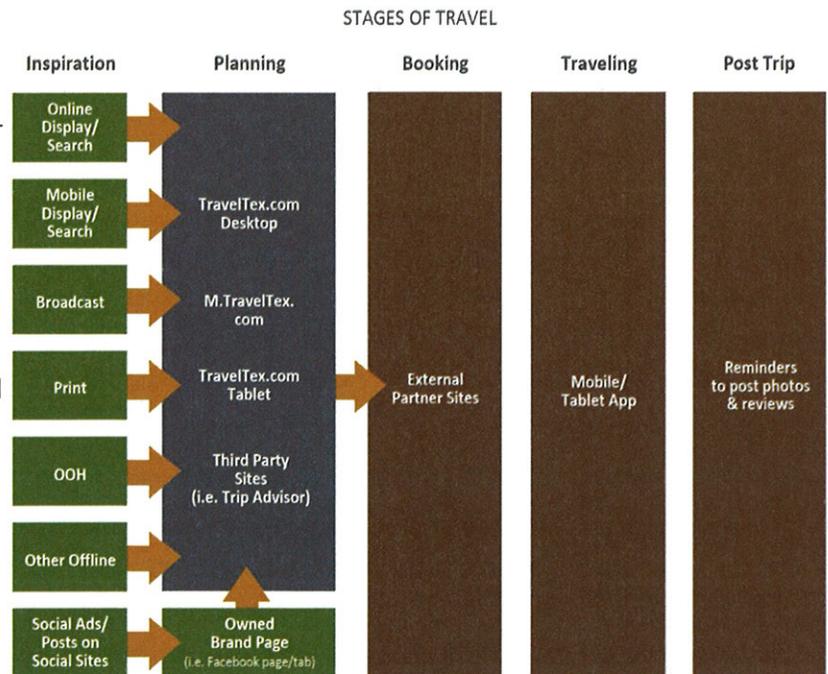
OVERVIEW:

This award-winning advertising program is driven by the various themes: *Texas. It's like a Whole Other Country*, showcased in the domestic markets; and *Texas. De Todo Un Poco. Y Mas* (loosely translated: *Texas. A Little of Everything. And More.*), in Mexico and Latin America markets. In other select markets the Texas patch logo is used without a tag line to promote international travel to Texas. Both the domestic and international advertising highlights the variety of travel and leisure experiences available in the Lone Star State. The campaign is designed to promote Texas as a premier travel destination through advertising in consumer and trade magazines, national cable television, radio, newspaper, out-of-home, the Internet and the TravelTex.com website and mobile site.

The advertising program focuses primarily on a national campaign as it produces the greatest opportunity to reach all vacation travelers efficiently, while delivering the lowest cost per inquiry, highest awareness levels and largest return-on-investment. To influence shoulder season and winter travel to the state, local TV and digital videos are used in key markets. The top producing international markets are also targeted with an integrated advertising and marketing program in order to increase international travel to Texas.

OBJECTIVES:

- Use innovative advertising creative with powerful images and “call to action” messages together with an effective media placement strategy, to measurably increase the advertising return on investment, consumer inquiries, engagement, time spent and/or consideration of Texas as a premier leisure vacation destination, advertising influenced travel to the state and advertising influenced spending in the state
- Measurably increase non-Texan vacation travel and overnight stays in hotels, motels, and other types of paid accommodations
- Engagement/awareness will be measured on engaged traffic to site, email signups, completed video views and app downloads
- Use advertising and marketing strategies, messages, images and media outlets that enhance the image of the State of Texas as a tourist destination, generate maximum consumer response that are at all times commensurate with the dignity of the State of Texas





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TEXAS TOURISM FY 2015 MARKETING PLAN

Advertising- Domestic Media

TARGET AUDIENCE: Texas Tourism has identified three target audience categories in which to build and maintain awareness of Texas as a premier vacation destination.

Primary: Gen X	<ul style="list-style-type: none">• HHI \$60K+• Children in HH under 18• Leisure Travel• 25% of Texas Travelers*
Secondary: Boomers	<ul style="list-style-type: none">• HHI \$60K+• Leisure Travel• 36% of Texas Travelers*
Tertiary: Adult Millennials	<ul style="list-style-type: none">• HHI \$40K+• Leisure Travel• 21% of Texas Travelers*

*2012 Texas Visitor Profile- non-resident overnight leisure person-stays

OBJECTIVES:

- Clearly differentiate
- Positively change perceptions
- Drive inquiries
- Provide innovative co-op opportunities
- Increase advertising-influenced travel to the State
- Increase top of mind awareness of Texas as a destination

STRATEGIES:

- Balance media delivery to generational targets in relation to their importance recognizing that some tactics will be universal
- Target generations based on passion points, digital targeting methods and print readership
- Cultivate multi-screen approaches for video content to mirror generational viewing habits
- Maintain presence in key travel decision making environments
- Utilize past proven performers to deliver low-funnel audience

TACTICS:

- Impactful placements and key content adjacencies for high-impact creative
- Multiple media and multi-screen touch points to reach all targets at inspiration and planning phases
- Year-long baseline plan with focus on key seasons
- Shoulder season promotion in key markets
- Support passion points in relevant placements
- Leverage mobile/tablet/social media opportunities
- Strategically engage users and breakthrough competitive clutter

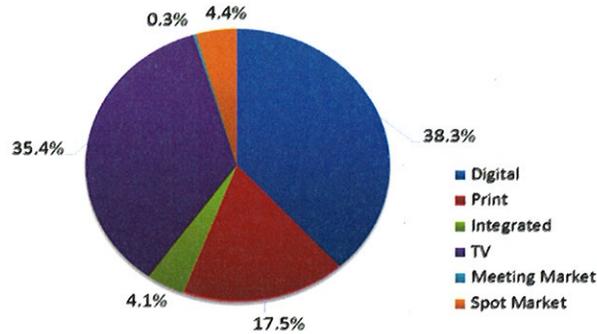


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TEXAS TOURISM FY 2015 MARKETING PLAN

Advertising- Domestic Media

MEDIA MIX:



DIGITAL:

The Fiscal Year 2015 digital plan delivers a well-rounded mix across partner sites and networks and will help extend the awareness to our audience in all phases of the consumer journey when planning travel. Media placements will engage the users in travel specific content, passion point content with flash and rich display, video, engaging high-impact placements. Partners were selected on content, ability to target the generational targets, past performance, scale and efficiency of partners and the ability to deliver against the awareness and lead generation objectives.

A baseline plan will run for the full fiscal year with heavy up periods in the fall and spring in impressions and high impact units as consumers are constantly in market for travel in conjunction with continued presence within network media, mobile, search and social running throughout the year.

TELEVISION:

For Fiscal Year 2015, cable television will be used build awareness and positively change consumer perception. We will continue to use the successful fixed schedule approach to cable TV which began in 2013. Additionally, an interactive TV platform will be utilized again to enhance our national cable schedule. Interactive TV will be fully customized and allow users to engage with the Texas brand. At this time, networks and interactive TV platforms have not yet been determined.

PRINT:

National print titles have been selected to not only help raise awareness of Texas as a premiere travel destination, but to also clearly differentiate and positively change perceptions of the state. Through custom programs and added value opportunities, print will extend Texas' exposure while also generating inquiries for the Texas State Travel Guide. Titles were selected based on coverage of the generational targets, cost efficiencies, editorial relevance and overall marketing proposal.

In addition to the stand alone print programs, custom integrated programs will be utilized in Fiscal Year 2015. All programs allow for cross platform integration and seamless branding opportunities across print and digital. Integrated proposals were selected based on the strength of the overarching idea and tie in to Texas, ability to reach target(s), cost and reach of the program.

To view full Domestic Media Plan please visit <http://travel.state.tx.us>.



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TEXAS TOURISM FY 2015 MARKETING PLAN

Advertising- International Media

OVERVIEW:

International efforts will focus on the following markets and media strategies to generate travel to Texas:

- **Canada**
 - * TV
 - * Online display advertising
 - * Search Media
 - * Social
 - * Consumer/trade magazine
- **Mexico**
 - * TV
 - * Online display advertising
 - * Search Media
 - * Newspaper
 - * Consumer/trade magazine
 - * Radio
 - * Out of home media
- **UK**
 - * TV
 - * Online display advertising
 - * Search Media
 - * Social
 - * Newspaper
 - * Consumer magazine
 - * Radio
 - * Out of home media
- **China/Japan**
 - * Online display advertising
 - * Search Media
 - * Consumer/trade magazine
- **Germany**
 - * TV
 - * Online display advertising
 - * Search Media
 - * Social
 - * Consumer magazine
 - * Out of home media
- **Brazil**
 - * Online display advertising
 - * Search Media
 - * Consumer/trade magazine
- **Australia**
 - * Online display advertising
 - * Search Media
- **France**
 - * Online display advertising
 - * Search Media
- **The Netherlands**
 - * Online display advertising
 - * Search Media

INTERNATIONAL OBJECTIVES:

The advertising efforts in each country are aimed to build awareness of Texas as a premiere vacation destination that appeals to all interests among the international consumer and travel trade audiences. Additionally, seek to leverage media to maximize inquiries/requests for travel packages while also providing co-op opportunities for partners in the international markets.

To view full International Media Plan please visit <http://travel.state.tx.us>.



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TEXAS TOURISM FY 2015 MARKETING PLAN

Advertising- Experiential Marketing

EXPERIENTIAL MARKETING PLAN:

Texas on Tour provides consumers with a one-of-a-kind, tangible and entertaining experience, while educating them on the vacation opportunities available in Texas. It also provides continued communications beyond the exhibit, and the acquisition of opinion data to gauge perceptual feedback on the Texas travel product.

New to the 2014 tour is a live musician stage showcasing Texas talent, a green screen inviting participants to “Picture themselves in Texas” and a phone charging station. Texas on Tour also, interactively transports participants to Texas through five multi-media gaming experiences. Guests learn how Texas is truly like a whole other country by exploring the state through a life-size touch screen passport that highlights the variety of vacation experiences in Texas. It is a fully interactive experience that complements our advertising media campaign efforts and is designed to generate an emotional response from participants and entice them to visit Texas on their next vacation.

The 2014 Texas on Tour experience is traveling to markets throughout the U.S. and experiencing great results. Co-operative opportunities with Texas on Tour 2015 are being developed and will be posted on www.travel.state.tx.us when available.

2014 Tour Events	Date	Location
CMA Festival	6/5-6/8	Nashville, TN
BBQ Battle	6/21-6/22	Washington, DC
Summerfest	6/25-6/29	Milwaukee, WI
Cherry Creek Arts Festival	7/4-7/6	Denver, CO
Orange County Fair	7/11-7/13	Costa Mesa, CA
Bite of Seattle	7/18-7/20	Seattle, WA
Ohio State Fair	7/31-8/3	Columbus, OH
Musikfest	8/8-8/10	Bethlehem, PA
Chicago Air & Water	8/16-8/17	Chicago, IL
Minnesota State Fair	8/21-9/1	Minneapolis, MN
The Big E	9/12-9/16	West Springfield, MA
Taste of St. Louis	9/26-9/28	St. Louis, MO
Georgia National Fair	10/2-10/5	Perry, GA

2013 TEXAS ON TOUR HIGHLIGHTS:

- Texas On Tour traveled to 9 markets in 2013, generating 375,827 impressions
- More than 23,854 people registered on-site at the 2013 events
- Based on post-event survey, one quarter of 2013 respondents reported they had been to Texas six months after their Texas On Tour experience
- Generated more than \$5.9 MM in additional estimated revenue



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TEXAS TOURISM FY 2015 MARKETING PLAN

Advertising- Co- Op

CO-OPERATIVE OPPORTUNITIES:

The 2015 Co-op Advertising plan provides partners the opportunity to participate in Texas Tourism advertising by purchasing cooperative space in print and interactive ads. By participating in Co-op Advertising, partners are able to extend their reach into markets and audiences that may not have been attainable without these cost-saving opportunities. There are a variety of ways to utilize the Co-op Advertising plan to promote Texas destinations to a captive audience at Texas regional, national and international levels. Please visit www.travel.state.tx.us/Advertising/CoOpAdvertising.aspx for more information.



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TEXAS TOURISM FY 2015 MARKETING PLAN

Public Relations

OVERVIEW:

This area works proactively to target consumers and works with the travel trade and media industries throughout the United States and international markets including Mexico, Canada, Europe, Latin America and Asia. Through trade shows, sales and media missions, trade and media familiarization tours, educational seminars, and consumer promotions; Public Relations provides first-hand promotion of the Texas leisure travel and meetings market product. Public Relations creates cooperative opportunities for travel industry partners, as well as offers travel trade and media leads online to industry partners at www.travel.state.tx.us.

OBJECTIVES:

- Increase travel to Texas
- Build and maintain awareness and packaging of Texas as a premier vacation and meeting destination, targeting domestic and international audiences with the highest propensity for travel
- Increase awareness of the many and diverse travel experiences throughout Texas
- Market Texas as a meeting/convention destination
- Emphasize digital and social media delivery to drive consumer engagement

STRATEGIES:

- Market Texas at travel trade events and tradeshow in key markets
- Organize sales and media missions to primary markets, allowing in-state travel partners cooperative opportunities to sell their travel product
- Conduct media and travel trade familiarization tours
- Market the Texas travel product at consumer shows
- Work cooperatively with travel industry (i.e. tour operators, airlines, hotels, etc.) to increase Texas product packaging and leverage their extended consumer audience reach
- Leverage emerging media opportunities such as digital, mobile and social channels to extend the Texas brand message, engage potential visitors and encourage viral activities
- Contract full-time representation or ad-hoc services as necessary within markets to assist in marketing the Texas travel product to consumers, travel trade, meetings and media markets



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TEXAS TOURISM FY 2015 MARKETING PLAN

United States

OVERVIEW:

According to the U.S. Travel Association, activities with the greatest level of interest among U.S. adults include visiting friends and relatives, shopping, fine dining, rural sightseeing, visiting beaches, urban sightseeing, visiting state and national parks, visiting historic sights, visiting museums, and theme parks. Given that Texas features these interests, the destination is well-positioned for continued success. Texas Tourism will develop and execute successful tactics to reach key markets—consumers, media and the travel industry—through generating maximum media and influencer outreach, hosting media familiarization tours, continuing to build and to use social media channels, creating consumer and media promotions and participating in travel trade activities.

VISITOR DATA:

Growth in domestic visitor volume to Texas destinations in 2013 resulted in the state retaining its ranking as the third most visited state in the country. The most recent data shows that domestic visitor volume to Texas destinations increased by 6% to more than 233 million domestic travelers to Texas destinations. More than 170 million of the 233 million domestic visitors came for leisure related purposes, up more than 7% from 2012.

DOMESTIC TRAVEL TO TEXAS (2013) ***NON-RESIDENT OVERNIGHT LEISURE VISITORS***

- Average length of stay is 3.39 days
- Spring and Summer are the dominant travel seasons
- Daily per-person spending in Texas is \$122
- The largest origin markets are Louisiana, Oklahoma, California, and Florida
- Top activities while visiting Texas: visiting friends and relatives, shopping, culinary and dining experiences, and visiting museums/art exhibits and historic sights

TOP 5 TEXAS DESTINATIONS*	
1. Dallas- Fort Worth- Arlington	46.92 million
2. Houston- Baytown Sugar Land	38.14 million
3. San Antonio	30.60 million
4. Austin- Round Rock	21.54 million
5. Corpus Christi	8.65 million
Rural (not in an MSA)	34.97 million
Total person-stays to Texas	233.49 million

*Measured in person-stays and destinations are defined as a Metropolitan Statistical Area (MSA). Source: D.K. Shifflet & Associates

Across the U.S. domestic travel is on the rise, which is being seen across the state of Texas. Non-resident overnight leisure travelers to Texas stayed an average of 3.4 days and increased their daily spending to an average \$122, up from \$115 in 2012. Spring and summer are the most popular seasons for non-resident overnight leisure travel to the state.

The top ten out-of-state origin Designated Marketing Area's (as defined by Nielsen Media Research, Inc.) for overnight leisure travelers to Texas in 2013 were: Oklahoma City, OK; Los Angeles, CA; New Orleans, LA; Albuquerque- Santa Fe, NM; New York, NY; Baton Rouge, LA; and Kansas City, MO.



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TEXAS TOURISM FY 2015 MARKETING PLAN

United States

MARKETING ACTIVITIES:

EVENT	DATE	LOCATION
<u>Media Mission:</u> Near-Market Media Mission	Nov 12, 2014	St. Louis, Missouri
New York Media Mission	Apr 7 – 8, 2015	New York, New York
Near– Market Mission	May 13, 2015	New Orleans, Louisiana
<u>Travel Trade Shows:</u> RTO Summit & MICE Event	Nov 17–18, 2014	Orlando, Florida
American Bus Association (ABA)	Jan 10– 13, 2015	St. Louis, Missouri
Go West Summit	Feb 10–13, 2015	Colorado Springs, Colorado
International Pow Wow	May 30–June 3, 2015	Orlando, Florida
West Coast Sales Mission	June 24–25, 2015	Los Angeles, CA
<u>Texas Travel Industry Events:</u> TTIA Texas Travel Summit 2013	Sept 28–Oct 1, 2014	Galveston, Texas
TTIA Unity Dinner	tbd	Austin, Texas
TTIA Texas Travel Fair	Apr 2015	Wichita Falls, TX
Texas Travel and Tourism Week	May 2–May 10, 2015	
ESTO 2015	Aug 23–Aug 15, 2015	Portland, OR
TACVB Annual Conference	Aug 2015	TBD



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TEXAS TOURISM FY 2015 MARKETING PLAN

Mexico

OVERVIEW:

Mexican travelers are drawn to Texas because of its proximity, diversity, infrastructure and premiere travel and tourism services. Mexican visitors, in particular, enjoy destinations which offer shopping, entertainment, amusement parks and cosmopolitan environments.

Wholesale operators continue to be an important distribution channel in the Mexican travel and tourism market with wholesalers selling their packages to travel agents who then provide the travel services to consumers. This is particularly important for Mexicans traveling to the U.S. and Texas by air. The majority of Mexican visitors to Texas arrive by land. Direct consumer marketing becomes more important for the Mexican drive market to keep Texas both top of mind and as an easy to reach destination where they can find the products and experiences they desire.

VISITOR DATA:

More than 6.5 million travelers from Mexico visited Texas in 2013, making it the largest international market to Texas. Visitors from Mexico spent an estimated \$4.2 billion in 2013. An estimated 506,000 Mexican travelers visited by air in 2013, an increase of 12% over the previous year. Air Visitors from this market stayed on average 9.4 nights, with total expenditures of more than \$485 million. For more information on trends in this market [click here](#) to access the 2013 Texas Overseas and Mexico (air) Report.

MEXICO TO TEXAS (2013)
Visitor Volume: 6.5 million
Direct Travel Spending: \$4.2 billion
Avg Nights (air travelers): 9.4

Travelers from Mexico enjoy direct flight service to Texas from 32 locations including multiple daily flights from Mexico City, Monterrey and Guadalajara as well as daily flights from 26 other important second-tier cities. Year over year the drive market from Mexico continues to be highly valuable segment of international travelers for Texas. With 11 ports of entry along the Texas-Mexico border, the state captures more than half of bus and personal vehicle passenger crossings between Mexico and the United States. Historically, visitors from this market have come to the state for leisure related purposes, specifically shopping, which contributes greatly to direct travel spending in Texas.

With 14.4 million visitors having traveled to the United States in 2013, Mexico is the 2nd largest international market to the United States. Mexico accounts for a 20.6% share of visitor volume to the U.S. in 2013. Though Mexico is the second largest international market by visitation, it is ranked 4th in spending, with visitor spending increasing 5% to \$10.5 billion in 2013. Of the 14.4 million visitors to the United States from Mexico, more than 2.2 million traveled by air, with the majority of these travelers coming for leisure or to visit friends and relatives. Mexico air travel to the United States has been steadily increasing since its decline in 2009, and for the year air travel was up 5% in 2013.



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TEXAS TOURISM FY 2015 MARKETING PLAN

Mexico

MARKETING ACTIVITIES:

Texas Tourism's strategy for Fiscal Year 2015 will be to continue efforts to increase the profile of Texas within the Mexican marketplace, to develop opportunities to promote Texas as a premier travel destination for these visitors and to increase packaging of the Texas product. Texas Tourism will develop and execute successful tactics to reach the key markets which are consumers, media and the travel industry. In addition to several scheduled marketing Co-op opportunities, Texas Tourism will continue ongoing media and trade outreach, media and trade familiarization tours, consumer promotions, Co-op programs with travel trade, distributing quarterly newsletters to trade, media and meetings market and managing the TravelTex.mx Spanish microsite.

EVENT	DATE	LOCATION
<u>Sales Mission:</u> Reverse Latin America Mission	Dec 4, 2014	Dallas, Texas
<u>Travel Trade Shows:</u> FITA (Feria Internacional de Turismo Las Americas)	Sept 26 – 29, 2014	Mexico City, Mexico
ARLAG	May, 2015	Guadalajara, Mexico
Meeting Place	June, 2015	Puebla, Mexico



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TEXAS TOURISM FY 2015 MARKETING PLAN

Canada

OVERVIEW:

Canada contributes the largest number of international visitors to the United States. In addition to being the largest market in terms of visitation, visitors from this market contribute the highest level of spending as a whole while traveling in the United States. Travelers from this market tend to take shorter trips to the United States than the average international traveler, and behave similarly to American travelers in regards to travel booking behavior, predominately booking without the aid of travel professionals.

VISITOR DATA:

Canada is the second leading source of international travelers to Texas, with 416,000 thousand travelers from Canada visiting Texas in 2012, generating an economic impact of roughly \$367 million in visitor spending for the year. A 7% growth in total spending by the Canadian market was driven by an increase in per- person trip spending. Over two-thirds of Canadian travelers from Texas originate from Ontario and Alberta. There are multiple daily flights to Texas from major Canadian markets like Calgary, Edmonton, Montreal, Toronto, and Vancouver.

CANADA TO TEXAS (2012)

Visitor Volume: 416,000

Direct Travel Spending: \$367 million

Avg Nights: 14

The average length of stay in Texas by Canadian travelers increased for the second year to 14 nights, with average trip spending increasing 7% to \$882. Visitors from this market come primarily for leisure-related purposes such as personal vacation or visiting friends and relatives, with more than one-third coming for business purposes. Canadian travelers to Texas have an average travel party size of 1.68, and participate most frequently in shopping, sightseeing, visiting historic sites, and nightlife. While on travel to Texas more than half of Canadian travelers stay in hotel or motel accommodations, with another 20% staying in private homes.

For the second year Canadian travelers had record breaking spending traveling in the U.S., with spending increasing by \$1.5 billion to a strong \$27 billion in 2013. In addition to again setting record spending levels, visitor volume out of Canada hit record levels for the 4th straight year with more than 23.4 million visitors. 42% of United States service exports to Canada were attributable to travel and tourism. Growth is expected to continue through 2018 with a 14% increase in visitation expected between 2013– 2018.

*2013 Texas specific Canadian visitor data will be available December 2014.



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TEXAS TOURISM FY 2015 MARKETING PLAN

Canada

MARKETING ACTIVITIES:

Texas Tourism's strategy for Fiscal Year 2015 will be to continue efforts to increase the profile of Texas within the Canadian marketplace to increase consumer awareness and demand. Secondly, Texas Tourism will continue to target tour operators to increase packaging, as well as develop and execute successful tactics to reach key markets – consumers, media and the travel industry. While efforts are national in scope, focus will be kept on top tier provincial markets of Ontario, Alberta, British Columbia and Quebec.

Strategically, Texas Tourism will continue building on the “theming” concept across tactics for Fiscal Year 2015. Themes that remain of interest to Canadians include: culinary and wine, city breaks, family vacations, long-stay escape from winter, outdoor adventure, sports, golf, getaway weekends, cruise ship and experiential travel.

Canadians are similar to Americans in regards to travel booking behavior, predominately booking without the aid of travel professionals. Due to the changing purchase behavior from this market, Texas Tourism is evolving activities to effectively reach specific target markets in Canada. Specifically, direct consumer marketing will be increased, while still maintaining a presence with travel trade. In addition to several scheduled marketing Co-op opportunities, Texas Tourism will continue ongoing travel trade training, media and trade outreach, media and trade familiarization tours, and developing/leading Co-op programs with travel trade and media targeting the consumer. Texas Tourism will continue to run its online campaigns utilizing the Canadian microsite and other online resources.

EVENT	DATE	LOCATION
<u>Sales and Media Mission:</u> Canadian Sales and Media Mission	Nov 2014	TBD
<u>Consumer Shows:</u> Salon International Tourisme Voyages	Oct 24 – 26, 2014	Montreal, Canada
Outdoor & Adventure Travel Show	Feb 20 – 22, 2015	Toronto, Canada
The Ottawa Travel & Vacation Show	Mar 28 – 29, 2015	Ottawa, Canada
Calgary Stampede	Jul 3– 12, 2015	Calgary, Canada
<u>MICE:</u> Ignite Business Event Expo	Apr 15 – 16, 2015	Toronto, Canada



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Brazil

OVERVIEW:

The stability of the Brazilian economy, an expanding middle class and higher incomes has created a dynamic situation for Brazilian travelers and U.S. destinations. Brazilians love to travel and their ability to travel internationally is growing with an updated and streamlined process in getting travel visas to the U.S. Shopping in Texas has been rated as one of the driving forces for Brazilians visiting our state due to pricing, availability of goods, diversity and tax free shopping. . The U.S. is the top overseas international destination for Brazilians.

VISITOR DATA:

An estimated 70,000 visitors from Brazil traveled to Texas in 2013, a decline following two years of strong visitation numbers. These visitors stayed on average 10.3 nights, with total expenditures estimated at \$121.1 million. By volume, Brazil is the 9th largest international market to Texas and is ranked 7th in terms of visitor spending. Visitors from Brazil benefit from direct daily flights from São Paulo to Houston and Dallas-Fort Worth, as well as daily flights from Rio de Janeiro to Houston and four flights a week from Rio de Janeiro to Dallas-Fort Worth.

BRAZIL TO TEXAS (2013)
Visitor Volume: 70,000
Direct Travel Spending: \$121.1 million
Avg nights: 10.3

In nine of the past ten year Brazil has posted double-digit growth to the U.S., resulting in the 4th consecutive record setting year, with 15% growth in 2013, when the U.S. received more than 2.06 million visitors. This increase in visitation pushed Brazil past Germany to be the 5th largest origin market. Spending from Brazil increased 13% from the previous year to more than \$10.5 billion in 2013, making this the 6th consecutive year of record-setting expenditures from this market. As a strong growth market to the United States, travel from Brazil is expected to increase by 50% between 2013-2018.

MARKETING ACTIVITIES:

Texas Tourism promotes the state's travel product directly to the Brazilian consumer through advertising, media activities and cooperative marketing activities. Packaged travel is obtained from travel agents or directly through tour operators, both of which are still important parts of the Brazilian international travel purchase process. An increasing number of travelers are obtaining long-haul travel online and Texas will be driving several consumer promotions. Texas Tourism focuses marketing efforts on tour operators and travel agents to increase Texas product offering and knowledge of the destination. To achieve these goals, Texas Tourism coordinates travel show presences and sales missions in Brazil and in Texas, travel agent training, and familiarization tours for travel trade and media.

EVENT	DATE	LOCATION
<u>Travel Trade Shows:</u> Reverse Latin America Mission	Dec 4 –5, 2014	Dallas, TX
World Travel Market (WTM) Latin America	Apr 22 – 24, 2015	São Paulo, Brazil
Brazilian Sales & Media Mission	TBD 2015	São Paulo, Curitiba and Porto Alegre, Brazil
<u>Travel Trade Training:</u> Visit USA Brazil	May 2015	São Paulo & Rio de Janeiro, Brazil



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United Kingdom

OVERVIEW:

The United Kingdom is the 3rd largest international market for Texas, and the largest overseas market in terms of both volume and spending. Many UK travelers to Texas report that they have previously been to other states and are finding Texas destinations desirable due to the diversity of experiences, shopping bargains, entertainment and unique cities. For these reasons the number of UK travelers to Texas has seen an increase far greater than that of the US as a whole. Travel professionals continue to be the main method of trip planning and booking but there is a growing segment of travelers purchasing their trips through online methods for long-haul travel.

VISITOR DATA:

More than 226,000 travelers from the United Kingdom visited Texas in 2013, an increase of 43%, solidifying its spot as the 3rd largest international market to Texas by visitor volume. These visitors stayed on average 11.9 nights, with total expenditures while traveling in the state totaling more than \$244.7 million making this the 3rd largest market in terms of visitor spending. Travelers from the United Kingdom benefit from direct flight service that includes multiple daily flights from London to Dallas-Fort Worth, Houston and Austin.

UK TO TEXAS (2013)
Visitor Volume: 226,000
Direct Travel Spending: \$244.7 million
Avg Nights: 11.9

As the 3rd largest market to the United States, visitors from the United Kingdom account for 5.5% of total visitor volume to the United States. Visitation from the UK was up for the first time in five years, increasing to 3.84 million, with expenditures reaching \$13.7 billion. This is a highly leisure oriented market, with an estimated 72% of travelers from this market coming for leisure-related purposes. The United Kingdom is an established market for the United States, consistently ranked in the top five markets for the past decade, with 16% increase in visitation projected between 2013-2018.

MARKETING ACTIVITIES:

In order to increase awareness and demand for the diverse Texas travel products, Texas Tourism promotes directly to United Kingdom consumers through various media activities and cooperative marketing opportunities. Packaged travel obtained from travel agents or direct from tour operators is still an important part of the UK international travel purchase process but a growing number are using Online Travel Agents and Texas Tourism will have promotions offered to further increase this business while also focusing marketing efforts on tour operators and travel agents to increase Texas product offering and consumer knowledge of the destination. To achieve these goals, Texas Tourism coordinates trade and consumer show presence and sales missions, develops and coordinates cooperative marketing opportunities, conducts travel agent training and hosts familiarization tours for travel trade and media.

EVENT	DATE	LOCATION
World Travel Market	November 4 — 7, 2014	London, England
UK Sales & Media Mission	March 2-3, 2015	London, England
Visit USA	July, 2015	London, England



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Germany

OVERVIEW:

German travelers to the United States are less likely to book pre-paid packages than the average overseas visitor, and subsequently more than half of these travelers use online resources to find trip related information. Primarily, German travelers come to Texas and the United States for leisure-related purposes.

VISITOR DATA:

Germany is the 4th largest international market to Texas with more than 111,000 travelers from Germany visiting Texas in 2013, maintaining a 5.8% share. These visitors stayed on average 12.5 nights, with total expenditures while traveling in the state totaling more than \$108.2 million making it the 8th largest market by visitor spending. Travelers from Germany benefit from multiple daily flights from Frankfurt to both Dallas-Fort Worth and Houston.

GERMANY TO TEXAS (2013)
Visitor Volume: 111,000
Direct Travel Spending: \$108.2 million
Avg Nights: 12.5

Visitation from Germany to the United States remained stable in 2013, with an estimated 1.92 million visitors, once again pushing the market to near record numbers. Marking the third straight year of notable growth in spending, visitors from Germany spent a record \$7.5 billion on travel in the United States, making this the 7th strongest market for international visitor spending. The proportion of travel from Germany to the United States that come for leisure and business purposes is comparable to the split seen from total overseas, an estimated 80% and 20% respectively. There is a projected 11% growth in visitation from this market between 2013-2018.

MARKETING ACTIVITIES:

Within this market, Texas Tourism promotes the state's travel product directly to consumers through media and trade cooperative marketing activities, with an ultimate goal of increasing both consumer awareness and demand for the destination. While packaged travel obtained from travel agents or directly from tour operators is still an important part of the German long-haul travel purchase process, the technologically advanced consumers in this country have shown massive growth in online purchases in the last two years. Though they still book with trusted German travel entities, they now conduct most research electronically. Because of this, Texas Tourism supports marketing efforts with tour operators and travel agents to increase Texas product offering and consumer knowledge of the destination, while maintaining a strong online branding presence with frequent consumer promotions. To achieve these goals Texas Tourism coordinates travel show presence and sales missions in Germany, develops and coordinates cooperative marketing opportunities and conducts travel agent training and hosts familiarization tours for travel trade and media.

EVENT	DATE	LOCATION
ITB	March 4-7, 2015	Berlin, Germany
IMEX- Frankfurt	May 19 – 21, 2015	Frankfurt, Germany



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France

Visitor volume from France increased by more than 9% to 57,000 travelers to Texas in 2013, making it the 10th largest international market to Texas. These visitors stayed on average 12.7 nights, with total expenditures while traveling in the state estimated at \$57.2 million making this the 11th largest market in terms of visitor spending. Travelers from France to Texas enjoy direct air service with daily flights from Paris to Dallas– Fort Worth and Houston.

FRANCE TO TEXAS (2013)
Visitor Volume: 57,000
Direct Travel Spending: \$57.2 million
Avg Nights: 12.7

A 3% increase in visitation from France to the United States allowed it to remain as the 8th largest inbound market with an estimated 1.5 million visitors in 2013. Visitor spending increased in 2013 by 11% to \$5.9 billion. This is the third consecutive year that visitors from France have spent more than ever previously seen from this market. Visitors from France come to the United States primarily for leisure purposes, with less than 20% coming for business. Through 2018, travel from this market to the United States is forecasted to increase by 14%.

THE NETHERLANDS

NETHERLANDS TO TEXAS (2013)
Visitor Volume: 55,000
Direct Travel Spending: \$ 46.5 million
Avg Nights: 9.3

More than 55,000 travelers from the Netherlands visited Texas in 2013, increasing 17% from the previous year, making this the 11th largest international market to Texas. These visitors stayed on average 9.3 nights, with total expenditures while traveling in the state remaining stable at \$46.5 million, making this the 12th largest market in terms of visitor spending. Travelers from the Netherlands to Texas benefit from daily direct flights from Amsterdam to Houston and five flights a week to Dallas-Fort Worth. Texas Tourism conducts activities as opportunities arise in the market.

More than 589,000 visitors from the Netherlands visited the United States in 2013, making this the 17th largest inbound market to the country. Spending from this market increased by 9% in 2012 to an estimated \$2.5 billion, continuing a four-year increasing trend. Travelers from the Netherlands primarily visit the United States for leisure related purposes. Growth is expected to continue from this market, with a 7% increase projected from 2013–2018.

MARKETING ACTIVITIES:

Within the secondary feeder markets in Europe, Texas Tourism promotes the state's travel product directly to European consumers through advertising, media and cooperative marketing activities in order to increase awareness and demand for the destination. Packaged travel obtained from travel agents or directly from tour operators is still an important part of the European international long-haul travel purchase process. Because of this, Texas Tourism also focuses subsequent marketing efforts on tour operators and travel agents to increase Texas product offering and knowledge of the destination. To achieve these goals Texas Tourism markets the Texas travel product to tour operators at European and international trade shows while developing and coordinating cooperative marketing opportunities, training travel agents and hosting familiarization tours for travel trade and media.



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China

OVERVIEW:

This growing market is valuable due to high levels of spending, lengthy durations of stay, and future growth estimates. Travelers from China come primarily for business and incorporate leisure trips into their itineraries, and enjoy activities such as shopping, visiting historic sites and dining out. In addition to these activities, a large portion of this market seeks out Western heritage experiences while traveling in the state. Self-driving tours are a relatively new trend that is becoming more predominant with this market, while traditional group travel remains the norm for their trip. New air service from Shanghai and Hong Kong to Dallas-Fort Worth provides greater ease of travel for visitors from this market, in addition to the daily flights from Dallas-Fort Worth to Shanghai and Hong Kong.

VISITOR DATA:

Texas received 54,000 visitors from China in 2013, a 6% increase, making this the 12th largest market for the state. Visitors from China have a longer average length of stay compared to other markets, with visitors staying on average 29.4 nights. Total expenditures while traveling in the state totaled more than \$139.7 million, making it the 5th largest market by visitor spending.

CHINA TO TEXAS (2013)
Visitor Volume: 54,000
Direct Travel Spending: \$139.7 million
Avg Nights: 29.4

Growth in visitation out of China was the highest of all top inbound markets to the U.S., with 1.81 million visitors in 2013. The country maintained its spot as the 7th largest inbound market to the U.S. closing out the 4th consecutive year of record spending, visitors from the country spent \$9.8 billion on U.S. travel and tourism related services. Continued increases in spending from this market could push it to be the 6th largest Overseas market by spending, surpassing Brazil. Overall visitation to the United States from China is forecasted to increase 139% during the six year period from 2013–2018.

MARKETING ACTIVITIES:

Texas Tourism promotes and markets in China to further build brand awareness in this growing market, as well as to generate Texas package development/offerings and media coverage, ultimately leading to an increase in market share of visitors. For Fiscal Year 2015, Texas Tourism plans to continue working within the Chinese market to promote Texas travel product to travel trade, media and consumer audiences.

EVENT	DATE	LOCATION
Travel Trade Shows and Sales Missions: China International Travel Market (CITM) and Mini- Sales Mission	Nov 14 – 16 and 17 – 19, 2014	Shanghai, Hangzhou, and Chengdu, China
Guangzhou International Travel Fair (GITF)	Mar 6 – 9, 2015	Guangzhou, China
Active America China Summit	Apr 7 – 9, 2015	Las Vegas, Nevada
China Outbound Travel and Tourism Market (COTTM) and Mini- Sales Mission	Apr 14– 16 and 17 – 19, 2015	Beijing and Guangzhou, China



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Japan

OVERVIEW:

The cowboy experience, national parks, and wide open spaces found across the state are a main attractor for visitors from Japan to the State. Japanese travelers to the United States and Texas rely primarily on travel professionals for trip planning - more than almost any other international traveler segment. For Texas, business travel from Japan comprises a larger share of total travel when compared to the United States. New increased air service between Tokyo and Houston launched in Fiscal Year 2014 expanding access to the Texas market.

VISITOR DATA:

In 2013, visitor volume from Japan grew by more than 30,000 visitors to an impressive 75,000 visitors traveling to the state that year making it the 7th largest inbound market. These visitors stayed on average 10.4 nights, with total expenditures while traveling in the state estimated at \$122.5 million, pushing this to be the 6th largest market by visitor spending. There are currently four (4) daily direct flights from Tokyo to Dallas-Fort Worth and Houston.

JAPAN TO TEXAS (2013)
Visitor Volume: 75,000
Direct Travel Spending: \$122.5 million
Avg Nights: 10.4

Visitor volume from Japan to the United States remained stable in 2013 following a year of double digit growth in 2012, with a total of 3.73 million visitors. In 2013, direct travel spending from this market has fully recovered from market setbacks and is now surpassed the record set in 1995. Last year alone spending out of this market increased by 9% to \$18 billion, making this the second most valuable market to the United States. The volume and purchasing power of the Japanese travel market has been consistent despite unsteady economic conditions and the 2011 tsunami. Travel from Japan to the United States is projected to increase by 5% between 2013-2018.

MARKETING ACTIVITIES:

Texas Tourism continues to focus on targeting tour operators to maintain and generate new Texas packages. Activities in the Japanese market for Fiscal Year 2015 will kick off in September 2014 with the Japanese Association of Travel Agents (JATA) tourism forum and travel showcase. Throughout the year Texas Tourism will focus on the travel trade industry, and will also expand efforts to reach consumers in the Japanese market. Texas Tourism will conduct FAM trips throughout the year, distribute press releases and newsletters, participate in travel trade events, and continue consumer promotions that utilize the Japanese micro-site and other online resources.

EVENT	DATE	LOCATION
Travel Trade Show and Sales Mission: Japanese Association of Travel Agents /Tourism Forum & Travel Showcase (JATA) and Mini- Sales Mission	Sept 25 – 28 and Sept 29 – Oct 2, 2014	Tokyo and Nagoya, Japan



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South Korea

An estimated 27,000 travelers from South Korea visited Texas in 2013, following a year of 32% growth in 2012, making this the 14th largest international market to Texas. These visitors stayed on average 42.2 nights, with total expenditures while traveling in the state totaling \$80.9 million, making this the 10th largest market by visitor spending. Travelers from Korea enjoy three daily direct flights from Seoul to Dallas—Fort Worth and Houston. Texas Tourism conducts activities as opportunities arise in the market and maintains a Korean micro-site on TravelTex.

SOUTH KOREA TO TEXAS (2013)
Visitor Volume: 27,000
Direct Travel Spending: \$80.9 million
Avg Nights: 42.2

Following the 2010 inclusion in the Visa Waiver Program, South Korea has set a four-year period of record visitation to the United States with an estimated 1.36 million visitors in 2013. In 2013, South Korea was the 9th largest inbound market to the United States, contributing \$4.6 billion in direct travel spending. Considering their growing economy and recent acceptance to the Visa Waiver Program, South Korea is a strong emerging market for the United States and Texas, with visitor volume projected to increase 28% between 2013– 2018.

MARKETING ACTIVITIES:

Texas Tourism promotes and markets in South Korea to further build brand awareness in both trade and media relationships. Activities in the South Korean market for Fiscal Year 2014 will include activities targeting the travel trade to build Texas packaging and travel media to build awareness. Texas Tourism will endeavor to conduct familiarization tours for media and trade throughout the year when the opportunity arrives.

EVENT	DATE	LOCATION
Hana Tour Travel Trade Show	May, 2015	Seoul, S. Korea
West Coast Sales Mission	June 24 – 25, 2015	Los Angeles, California



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Australia

OVERVIEW:

As the 6th largest in-bound international market for Texas by volume and the 9th largest overseas market in terms of spending, Australia is a strong market with stable growth potential for the U.S. Over three-quarters of visitors from Australia to Texas are repeat visitors to the U.S. with visitors taking part in a large variety of activities while visiting the state. Booking through travel professionals continues to be a primary method of trip planning and booking for this market. To support demand out of this market there will be enhancements to the Sydney– Dallas Fort Worth daily direct flight in September 2014.

VISITOR DATA:

76,000 travelers from Australia visited Texas in 2013, positioning the country as the 6th largest international market to Texas. These visitors stayed an average of 9 nights, with total expenditures while traveling in the state estimated at \$99.9 million, making this the 9th largest market by visitor spending. Travelers from Australia enjoy daily direct service between Australia and Dallas-Fort Worth. An A380 will be introduced for the direct flight in September of 2014 which will increase the capacity by 10% over the current aircraft.

AUSTRALIA TO TEXAS (2013)
Visitor Volume: 76,000
Direct Travel Spending: \$99.9 million
Avg Nights: 9

In 2013, Australia marked the 9th consecutive year of record visitation to the United States, with travel increasing by 7% for the year to more than 1.21 million visitors - making this the 10th largest market. The Australian market posted growth in 46 of the past 48 consecutive months, one of the longest growth trends of any origin market to the United States in recent years. For the fourth consecutive year visitors from Australia have contributed record spending on travel and tourism goods and services in the United States. Visitor spending increased by 12% to a record setting \$6.1 billion in 2013. Travel from this market is forecasted to grow through 2018 by 25%, due to increased ease of transportation to the United States and a strengthening Australian dollar.

MARKETING ACTIVITIES:

In order to increase awareness and demand for Texas' many travel products, Texas Tourism promotes the state's travel product directly to Australian consumers through various media activities, advertising and cooperative marketing opportunities. Packaged travel obtained from travel agents or directly from tour operators is still an important part of the Australian travelers purchasing process. For this reason, Texas Tourism partially focuses marketing efforts on tour operators and travel agents to increase Texas product offering and consumer knowledge of the destination. To help achieve these goals, Texas Tourism coordinates a presence in Australia for the Visit USA roadshows as well as travel agent training and familiarization tours for travel trade and media.

EVENT	DATE	LOCATION
Visit USA—Australia Roadshow	Feb 16- 20, 2015	Melbourne, Sydney & Brisbane, Australia



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Meetings Market

OVERVIEW:

For Texas Tourism, the meetings market includes meetings, incentives, convention, exhibition travel, and new airline route development marketing efforts. Texas' central location makes the Lone Star State an attractive and prime destination for meeting planners and business professionals alike. With an amazing number of direct flights and as the home of six international airports - Dallas-Fort Worth, Houston, Austin, San Antonio, El Paso, and McAllen - Texas is a convenient place to reach for meeting, convention and conference attendees.

VISITOR DATA:

In 2013, business travel represented almost 30% of domestic visitation and 40% of direct travel spending. Nearly 40% of domestic business travel to Texas destinations was for attending group meetings (conventions, seminars, etc.) and the remaining 60% was for transient business purposes.

Traditionally Texas has attracted a greater share of Overseas business travel in comparison to the overall U.S., making this a highly valuable travel segment for the state. In 2013 business travel accounted for more than 30% of Overseas arrivals to the state.

MARKET ACTIVITIES:

To increase the presence of and promote Texas as a meetings market destination and encourage new airline route development in the state, Texas Tourism markets Texas via several activities throughout the fiscal year to expand the opportunities for state travel industry partners to target domestic and international meetings business. The meetings market will be a target in sales and media missions planned throughout the fiscal year.

Event	Date	Location
Travel Trade Shows:		
World Route Development Forum (World Routes)	Sept 29 – 23, 2014	Chicago, Illinois
IMEX America	Oct 14 – 16, 2014	Las Vegas, Nevada
Meeting Place	Oct 26 – 29, 2014	Puebla, Mexico
Texas Association Market Event in D.C.	Dec 3, 2014	Washington, D.C.
IGNITE Business Event Expo	Apr 8 – 9, 2015	Toronto, Canada
ASAE Spring Expo	Apr 9, 2015	Washington, DC
IMEX Europe	May 19 – 21, 2015	Frankfurt, Germany
ASAE Annual	Tbd	Tbd