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TEXAS TOURISM FY 2017 MARKETING PLAN

Mission Statement:

Texas Tourism's mission is to enhance and extend local economic development efforts by marketing Texas as a premier travel 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 2017 MARKETING PLAN

Travel Research

OVERVIEW:

Travel and tourism is a growing industry for Texas having outperformed the greater U.S. travel industry in both traveler spending and travel supported employment since 2000. In 2015, direct travel spending in Texas was estimated at \$68.7 billion. Travel spending in Texas directly supported 647,900 jobs, and an additional 487,500 jobs indirectly across many industry sectors. Some examples include leisure and hospitality, transportation, retail trade, services, finance, real estate, construction, insurance, and others. Travel spending generated an estimated \$10.4 billion in state (\$3.8 billion), local (\$2.4 billion) and federal (\$4.2 billion) tax revenues in 2015.

Travel Research program goals include tracking the health of the Texas travel industry and providing primary data and analysis on travel to Texas Tourism to inform and track marketing and advertising activities. Travel research staff also serve as a resource for communities interested in encouraging tourism development. Primary travel and tourism research is conducted by contracted research vendors, with reports published to www.travel.texas.gov throughout the year. Please visit the website to view research reports available to Texas travel industry partners covering topics that include economic impact, domestic travel, international travel, and hotel performance.

- Economic Impact: Annual report of the economic impact of travel to Texas primarily reports direct travel spending, employment, earnings, taxes generated for the state, seven tourism regions, MSA's, counties and select cities. Additional breakouts include visitor spending by accommodation category, visitor spending by commodity purchased, industry earnings and employment generated by travel spending. Spending, earnings, and employment data is also provided for Texas legislative districts. Additional analysis examines secondary employment and earnings impacts as well as travels impact on the Texas Gross State Product.
- Domestic Travel: Reports provide volume and share of travel, top origin designated marketing areas, purpose of stay, trip party composition/length of stay, trip expenditures, mode of transportation, type of accommodation, and demographic profiles for all seven Texas Tourism regions and the metropolitan areas that comprise each region.
- International Travel: Estimates for travel to Texas, spending and visitor profile information is available for top international markets such as: Mexico, Canada, the United Kingdom, Germany, China, Australia and Brazil.
- Hotel Performance: Estimates for hotel roomnights sold, hotel revenues and occupancy rates are available for the state, MSA's, counties and cities across Texas in 10-year trend reports that allow for tracking of estimates over time.



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Travel Research

In addition to the research areas listed above, the Travel Research section conducts advertising effectiveness studies to measure the return on investment of Texas Tourism promotions. The latest estimates through Quarter 3 FY16 show that Texas Tourism advertising and promotion influenced 3.2 million non-Texan leisure trips, \$4.9 billion in direct travel spending and \$295.5 million in state taxes for an ROI of \$7.92 in state taxes for each dollar invested.

The following table lists the research plan of work for FY 2017, highlighting planned research services and primary data sources. Research estimates are used throughout the marketing plan to report calendar year 2015 travel trends. Forecasting data provided by the U.S. Department of Commerce and Tourism Economics for the US and Texas is included to assist with long-term market planning and are current as of June 2016.

Travel Research Plan of Work (FY17)

RESEARCH SERVICES	DATA SOURCES
Economic Impact	Dean Runyan and Associates
Domestic Travel	D.K. Shifflet & Associates
International Travel	TBD
Hotel Performance	TBD
Advertising Effectiveness & Accountability	Strategic Marketing and Research Insights
Other Professional Services, Information Services or Subscriptions or Memberships	U.S. Department of Commerce Statistic Canada Tourism Economics London Publications U.S. Travel Association Travel and Tourism Research Association



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TEXAS TOURISM FY 2017 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 Spanish speaking 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, digitally and on the TravelTexas.com website.

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. 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 inquires, 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 and other types of paid accommodations
- Engagement/awareness will be measured on engaged traffic to site, email signups, completed video views and social media followers
- 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 2017 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. The current campaign has delivered on influencing travel among our primary and secondary demographics. The Millennial audience have aged into decision makers in the travel category and our advertising is resonating. This year, we will continue to focus on Gen X and older millennials, especially those with families and discretionary income. Boomers maintain an overall impact, although this segment travels to visit friends and relatives at a higher rate than younger generations. Gen-X accounts for the majority of our incremental travelers and spending, while millennials continue to have an increasing impact. Therefore, we are making slight adjustments to our media targeting to make the millennial audience a primary target while maintaining a strong presence with the Boomers as a secondary target demographic.

Primary: Gen X 35% of Texas Travelers*	<ul style="list-style-type: none"> HHI \$60K+ Children in HH under 18 Leisure Travel
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Primary: Millennials 30% of Texas Travelers*	<ul style="list-style-type: none"> HHI \$40K+ Leisure Travel
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Secondary: Boomers 27% of Texas Travelers*	<ul style="list-style-type: none"> HHI \$60K+ Leisure Travel
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*2015 Texas Visitor Profile— non-resident overnight leisure vacation person-days

OBJECTIVES:

- Increase engagement
- Positively change perceptions & drive awareness
- Drive inquiries/generate leads
- 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
- 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:

- Maintain strong presence on national television to drive awareness
- Impactful placements and key content adjacencies for high-impact creative
- Maintain multi-screen presence to reach all targets at planning phases and device agnostic consumers
- Year-long baseline plan with focus on key seasons
- Leverage best in class technologies to continue using passion points but at a more efficient scale
- Leverage mobile/tablet/social media opportunities
- Strategically engage users and breakthrough competitive clutter
- Prioritized video and immersive media units to extend presence of our TV creative
- Utilize alternative pricing models



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TEXAS TOURISM FY 2017 MARKETING PLAN

Advertising- Domestic Media

DIGITAL:

The Fiscal Year 2017 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. Video and immersive units will be expanded in 2017—to extend the reach of our television campaign. 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 KPI objectives.

A baseline plan will run for the full fiscal year with heavy up periods in the spring and summer 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 2017, cable and national network television will be used to build awareness and positively change consumer perception. 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. Social media will be used again this year to engage with travelers during live and appointment viewing television. 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 by analyzing historical performance, demographic delivery, added value opportunities and cost efficiency.

In addition to the stand alone print programs, custom integrated programs will be utilized in Fiscal Year 2017. 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.



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TEXAS TOURISM FY 2017 MARKETING PLAN

Advertising - International Media

OVERVIEW:

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

<ul style="list-style-type: none"> • <i>Canada</i> <ul style="list-style-type: none"> * TV * Online video & display advertising * Search media * Social * Out of home media * Consumer/trade magazine • <i>Mexico</i> <ul style="list-style-type: none"> * TV * Online video & display advertising * Search media * Newspaper * Consumer/trade magazine * Social • <i>Brazil</i> <ul style="list-style-type: none"> * Online display advertising * Search media * Newspaper * Consumer/trade magazine * Social • <i>China</i> <ul style="list-style-type: none"> * Online video & display advertising * Search media 	<ul style="list-style-type: none"> • <i>Germany</i> <ul style="list-style-type: none"> * TV * Online video & display advertising * Search media * Social * Consumer/trade magazine • <i>UK</i> <ul style="list-style-type: none"> * TV * Online video & display advertising * Search Media * Social * Consumer magazine * Out of home media • <i>Australia</i> <ul style="list-style-type: none"> * Online video & display advertising * Search Media * Social * Consumer magazine * Out of home media
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INTERNATIONAL OBJECTIVES:

The advertising efforts in each country are aimed to build awareness of Texas as a premier 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.texas.gov>.



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TEXAS TOURISM FY 2017 MARKETING PLAN

Advertising- Co-Op

CO-OPERATIVE OPPORTUNITIES:

The 2017 Co-op Advertising is currently in development and will be available for purchase in September 2016. Please visit <http://travel.texas.gov/advertising-marketing/> for more information and to view the current co-op opportunities.



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TEXAS TOURISM FY 2017 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 promotes the Texas leisure travel and meetings market product. Public Relations creates co-op opportunities for travel industry partners, as well as offers travel trade and media leads online to Texas industry partners at www.travel.texas.gov.

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 co-op opportunities to promote and market 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 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 2017 MARKETING PLAN

United States

OVERVIEW:

Visitor volume to U.S. destinations increased by 3.3% in 2015 with business travel growing slightly faster than leisure (5.0% and 2.8% respectively). Popular activities for U.S. travelers on either a leisure or business trip in 2015 include visiting friends and relatives, a culinary/dining experience, shopping, beach/waterfront activities, touring/sightseeing, parks (national or state), nightlife, visiting historic sites, museums/art exhibits, and others.

Marketing and public relations activities will encourage engagement around these popular activities along with other events and attractions around the state of interest to travelers. The plan will leverage the power of traditional media – print and TV - to ensure that the Texas story reaches broad, mainstream audiences, along with the inclusion of digital media to amplify the public relations outreach. Within the digital media scope activities will utilize the states owned social media platforms including Facebook, Twitter and Instagram to amplify the audience reach via an extensive editorial calendar.

Marketing and public relations activities will target consumers, media and travel trade audiences in key domestic markets including in-market media missions to both national and local media.

The visitor data below represents all domestic travel to Texas destinations (leisure, business, resident, non-resident, day trip or overnight) while the target audience data looks at non-resident overnight leisure visitors to Texas only. On average, travelers from outside of Texas stay longer and spend more per visit than in-state travelers.

VISITOR DATA:

Domestic visitor volume to Texas destinations in 2015 was estimated at 255 million person-stays (visitors), an increase of 5.2%. Leisure travel related purposes account for roughly 70% of domestic travel to or within the state with the remaining 30% for business related purposes. Business travel increased faster than leisure travel at Texas destinations in 2015 (6.5% versus 4.8% respectively). The table below shows top Texas destinations for domestic travel by Metropolitan Statistical Area (MSA's) and rural or counties not within an MSA.

DOMESTIC VISITORS TO TEXAS DESTINATIONS (2015)

Top Five Texas Destinations by MSA (millions)		Texas Destinations by MSA (3,000,000 - 10,000,000 visitors)	Texas Destinations by MSA (1,000,000 - 3,000,000 visitors)
Houston-Baytown-Sugar Land	41.78	Corpus Christi	Longview
Dallas-Plano-Irving	38.27	Lubbock	Midland
San Antonio	34.45	Amarillo	Wichita Falls
Austin-Round Rock	24.11	Brownsville-Harlingen	Laredo
Fort Worth-Arlington	13.91	Waco	Sherman-Denison
		Killeen-Temple-Fort Hood	Texarkana
		College Station-Bryan	San Angelo
		Abilene	Victoria
		Beaumont	Odessa
		El Paso	
		McAllen-Edinburg-Pharr	
		Tyler	

Note: Rural or counties not within an MSA was 36.23 million. For MSA definitions visit: www.census.gov/population/metro/
 Source: Data displayed is Person-Stays (visitors, D.K. Shifflet & Associates.



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TEXAS TOURISM FY 2017 MARKETING PLAN

United States

TARGET AUDIENCE:

In 2015, non-resident leisure travel to Texas continued to grow across all measures. Visitor volume increased by 8.2% which was higher than overall leisure travel across the state. Non-resident overnight leisure travelers to Texas stayed an average of 2.42 nights and spent an average of \$119.50 per person per day. Summer and spring were the most popular travel seasons. Travelers who participate in any activity on average are more valuable, with higher per party spending than those who do not participate in an activity on their trip.

NON-RESIDENT OVERNIGHT LEISURE VISITORS PROFILE (2015)

Average Trip	Popular Travel Seasons	Top Activities
Length of Stay – 2.4 nights Daily Spending - \$119	Summer (33%) Spring (25%) Winter (22%) Fall (20%)	Visit Friends/Relatives Culinary/Dining Shopping Historic Sites Touring/Sightseeing Nightlife Parks (National/State) Movies Museums/Art Exhibits Concerts/Theater/Dance

Texas draws visitors from across the country. The top ten origin Designated Marketing Area's (as defined by Nielsen Media Research, Inc.) in 2015 for non-resident overnight leisure travelers to Texas, accounting for 37.9% of travel, were Los Angeles, CA; New York, NY; Oklahoma City, OK; Chicago, IL; Atlanta, GA; Denver, CO; Monroe, LA; El Dorado, AR; San Diego, CA; Albuquerque-Santa Fe, NM; and Phoenix, AZ. The top six states, accounting for nearly 40% of travel, were California, Louisiana, Tennessee, Oklahoma, Illinois, and Florida.



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TEXAS TOURISM FY 2017 MARKETING PLAN

United States

Media Missions and Events:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
NYC Media Mission	Oct 4-5, 2016	New York City, NY
Near Market Media Mission	November 17, 2016	Oklahoma City, OK
Near Market Media Mission	April 24-28, 2017	Memphis & Nashville, TN
West Coast Media Mission	March 23, 2017	Los Angeles, CA
PRSA Travel & Tourism Conference	May 21-24, 2017	Palm Springs, CA
Travel Trade Events:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
American Bus Association	Jan 14-17, 2017	Cleveland, OH
Go West Summit	Feb 20-23, 2017	Reno, NV
National Tour Association	Feb 26 – Mar 2, 2017	St. Louis, MO
IPW	June 3-7, 2017	Washington DC
East Coast Receptive Operator Sales Mission	June 26 – 29, 2017	Orlando and Miami, Florida
Travel Industry Events:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
TTIA Travel Summit	Oct 10-12, 2016	Houston, TX
PCMA	Jan 8-11, 2017	Austin, TX
TTIA Unity Dinner	Feb 16, 2017	Austin, TX
TTIA Texas Travel Fair	TBD	TBD
Texas Travel and Tourism Week	May 7-13, 2017	Austin, TX
Texas Association of Convention Visitors Bureau Annual Conference	TBD 2017	Fort Worth, TX
ESTO 2017	TBD	TBD



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TEXAS TOURISM FY 2017 MARKETING PLAN

Mexico

OVERVIEW:

Mexican travelers are drawn to Texas because of its diversity, infrastructure and premiere travel and tourism services. Due to unique proximity, Mexican visitors especially enjoy the shopping experience in Texas, along with the ability to take advantage of tax-free shopping options. Visitors also enjoy the state’s entertainment, amusement parks, sporting events and cosmopolitan environments. Mexican travelers are beginning to seek more experiential travel opportunities, like National and State parks, outdoor experiences, gastronomy, art and culture to name a few. The majority of Mexican travelers book their flight within two weeks of their departure, with Border States requiring less time for their planning and more distant states planning further ahead of their departure date.

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, however 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 as an easy to reach destination where they can find the products and experiences they desire.

There are approximately 130 daily flights from Mexico cities to Texas and 2017 looks promising for Mexican travelers, with a significant increase in flights to major cities throughout Texas. Volaris flights from Guadalajara to Austin, DFW and Houston Intercontinental Airport (IAH) began to take flight in Fiscal 2016. Both domestic carries and international carriers recognize Texas as an important destination and continue to develop new routes from points across Mexico to Texas cities. Texas Airports see more passengers from Mexico than any other country.

VISITOR DATA:

Preliminary estimates show that nearly 8.0 million travelers from Mexico visited Texas in 2015 generating \$4.7 billion in direct spending. The majority of Mexican visitors to Texas travel by land however an increasing number are traveling by air - 619,000 arrivals in 2015 an increase of 28%. Texas welcomed 23% of all Mexican air arrivals to the United States or roughly one out of every four visitors. Travel from Mexico to Texas is projected to increase by 21% by 2020.

MEXICO TO TEXAS (2015p)
Visitor Volume: 8.0 million
Direct Travel Spending: \$4.7 billion
Avg Nights (air only): 8.0

Arrivals from Mexico to the United States were estimated at 18.41 million in 2015, an increase of 8% over the previous year and the third consecutive year of record-breaking totals. Mexico is the second largest market for international travel arrivals to the United States, behind only Canada. Direct spending from Mexico was estimated at \$18.9 billion, an increase of 1%. Although the second largest market by arrivals, Mexico ranks third by direct spending behind Canada and China. Arrivals in 2015 increased faster than spending indicating that Mexican visitors on average are spending less than the prior year. Travel from Mexico to the United States is forecasted to increase by 24% by 2020 with an annual growth rate of 3.7%.



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TEXAS TOURISM FY 2017 MARKETING PLAN

Mexico

MARKETING ACTIVITIES:

Texas Tourism’s goal for Fiscal Year 2017 is to promote Texas as a premier travel destination to the Mexico market. Recognizing top passion points for the Mexican market, Texas Tourism will continue to develop creative and proactive marketing activities to reach the diverse population in Mexico. Texas Tourism will ensure that Texas is prominently positioned in the market, with travel trade, media and final consumers. Our program during this fiscal year will be primarily focused on developing effective partnerships, programs and promotions to enhance the brand visibility within Mexico and strong call to action.

Wholesaler’s travel agencies and Online Travel Agencies continue to be an important channel in Mexico, we will focus resources and activities to encompass events where we will have a strong showing and reach a broader audience of travel trade professionals. With the addition of an OTA Sales Blitz and the inclusion of a Sales and Media Mission to Mexico, our trade activities will have a deeper reach in fiscal year 2017.

Texas is no longer solely being sought after as a shopping destination by Mexican travelers. To stay competitive Texas has to also be recognized for our outstanding cuisine, world class entertainment, luxury experiences, amusement parks, professional sports and culture. Texas Tourism activities in fiscal year 2017 will work to broaden the consumer knowledge of the diverse experiences Texas offers.

In addition to our scheduled marketing co-op opportunities, Texas Tourism will continue ongoing media and trade outreach, media and trade familiarization tours, consumer promotions, monthly newsletters to trade, media and the meetings market, managing the TravelTexas.mx Spanish microsite and social media activities on Texas Tourism’s Mexico Facebook page.

Sales Missions:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
Reverse Mexico Mission	November 7-10, 2016	Houston, Texas
Sales and Media Mission	March 13 -17, 2017	Mexico City, Leon and Monterrey, Mexico
Mexico OTA Sales Blitz	May 16 – 19, 2017	Quintana Roo, Mexico
East Coast Receptive Operator Sales Mission	June 26 – 29, 2017	Orlando and Miami, Florida
Travel Trade Shows:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
Destinos Shopping	November 10, 2016	Monterrey, Mexico
Texas Roadshow	January 23 – 27, 2017	Merida, Puebla and Veracruz, Mexico
ARLAG	May 13, 2017	Guadalajara, Mexico
#NEXT Travel Trade Exchange	May 16 – 19, 2017	Quintana Roo, Mexico



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TEXAS TOURISM FY 2017 MARKETING PLAN

Canada

OVERVIEW:

Canada continues to be the second largest international source of visitor arrivals into Texas and a key market for generating tourism revenue into Texas destinations. According to Statistics Canada, a record 503,100 Canadians visited Texas in 2014 spending approximately \$454 million. Newly received statistical reports show that in 2015, despite a slightly devalued exchange rate, approximately 484,600 Canadians still travelled to Texas destinations, a four percent decrease over 2014's impressive figures.

Texas destinations are well served by airlines from major Canadian cities. Canadians have convenient and non-stop air service to Texas destinations, so weekend getaways are popular as well as multi-day vacations. Air Canada services Dallas/Fort Worth, Houston and Austin (new in 2015) with non-stop flights, WestJet Airlines into Dallas/FW and Houston and American Airlines to Dallas/Fort Worth and United into Houston.

Canada's population is expected to grow to 37.3 million by 2018 (increase of 5.7%) dominated by the "boomer/zoomer" market. Canadians aged 45+ will continue to drive the outbound leisure travel market during the next five years. Currently they are a market of 15.1 million, account for 57 percent of all consumer spending and control 78 percent of the wealth. Millennials (ages 18-34) are another growth market in Canada and total approximately 8.9 million. They are highly engaged through digital and social media and are the next generation of motivated travelers, home buyers and investors. Multi-generational travel, wellness tourism and long stay travel will increase as well.

According to the Conference Board of Canada (CBoC), the Canadian economy will continue to gain momentum throughout 2016 and 2017. While the CBoC anticipates growth in most provincial markets, Ontario and British Columbia will lead other provinces in terms of economic through 2017. The Quebec economy is also strengthening thanks in part to an expected growth in its exports to the United States.

The CBoC does state it is going to be a tough year for Alberta as the province faces cuts in energy investment and job losses which is impacting their economy. However the CBoC forecasts that Alberta will climb out of their recession in 2017 with a 2.5-per-cent growth rate. With a number of non-stop flights from Calgary and Edmonton into Texas, solid corporate market and leisure snowbirds as well as a strong cowboy culture affinity with Texas, Alberta continues to be an important market for 2017.

One of the key market concerns is the devalued exchange rate between the Canadian and U.S. dollar (currently hovering around U.S. \$0.77). The Conference Board of Canada forecasts the exchange rate will be around U.S. \$0.80 over the next two to five years. The lower Canadian dollar will affect not only exchange rate sensitive outbound travelers, but other travelers as many of the costs for tour operators, airlines and travel insurers are in U.S. dollars.



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TEXAS TOURISM FY 2017 MARKETING PLAN

Canada

VISITOR DATA:

Preliminary estimates for Canada show that 485,000 travelers visited Texas in 2015 and generated approximately \$426 million in direct spending. Final estimates for Canadian travel to Texas will be made available in the fall of 2016 from Statistics Canada. Ontario is the largest province by population in Canada as well as the largest source market within the country for Texas travelers.

CANADA TO TEXAS (2015p)
Visitor Volume: 485,000
Direct Travel Spending: \$426 million
Avg Nights: n/a

Arrivals from Canada to the United States in 2015 were estimated at 20.7 million, a decrease of 10% compared to the previous year. This was the second year of declines following four years of record-breaking visitation. The decline in visitation from Canada correlates strongly with the depreciation of the Canadian dollar to the US dollar. Canada was the largest market for international arrivals for the country accounting for 26.7% of arrivals. Direct spending from Canada was estimated at \$22.1 billion, a decrease of -16% from the previous year. Travel from Canada to the United States is forecasted to increase by 3% by 2020 with an annual growth rate of 0.6%.

MARKETING ACTIVITIES:

Texas Tourism’s overall marketing objective for Fiscal Year 2017 is to continue to increase the profile of the Texas brand within the Canadian marketplace and develop new and exciting opportunities to promote the diversity of vacation experiences Texas has to offer Canadians, positioning Texas as a premier U.S. travel destination with great appeal to all types of travelers.

To counter any negativity due to the devalued exchange rate, we will continually stress that Texas offers incredible value for Canadians vacation dollars as well as promote uniquely Texan experiences that can’t be found in other U.S. destinations. We will provide Texas sales and PR partners the opportunity to go to Canada and help promote their destinations, special offers and travel deals. We have incorporated into our plan separate missions for sales and PR delegates. This will be more effective than one traditional joint mission as format and appointments can be best tailored to specific audiences (sales/travel trade vs media).

For FY 2017, we will focus on core passion points as the focus for our marketing campaigns. Each themed campaign will include public relations and travel trade components aligning Texas with leading media brands and travel trade partners that will deliver the best possible exposure to our key target audiences.

We will continue to maintain close contact with media partners across Canada providing them with ongoing updates from Texas partners on everything from new attractions to special offers at hotels/resorts, discount offers, value adds, budget friendly vacation options and free things to do in Texas cities. We will develop effective and integrated promotional campaigns, working with top media brands targeting the 45+ market and those that are in line with our key core passion points.



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TEXAS TOURISM FY 2017 MARKETING PLAN

Canada

We will focus our resources on the primary markets in Canada: Ontario, Western Canada and Quebec. Secondary markets include Manitoba and Eastern/Atlantic Canada.

We will focus on key messages, themes and key motivational drivers and reinforce them in our promotions, webinars, pro-active outreach and trade partnership campaigns. We will ensure that Texas is prominently positioned with the travel trade and key distribution networks in market. Our trade partners will complement our themes in their communication including online digital and print campaigns, attending consumer and trade exhibitions, conducting sales calls and escorting FAM trips.

Sales and Media Missions & WestJet Expo:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
Canadian Sales Mission for Sales Delegates	October 24 – 28, 2016	Toronto & Montreal, Canada
Canadian Media Mission/Event for PR Delegates	Spring 2017	Toronto & Montreal, Canada
Reverse US/Canadian Sales Mission	December 5, 2016	San Antonio, Texas
East Coast Receptive Operator Sales Mission	June 26 – 29, 2017	Orlando and Miami, Florida
Consumer & Travel Trade Shows:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
Uniglobe Carefree Product Launch	September 10, 2016	Saskatoon, Canada
CAA Niagara Travel Show	September 18, 2016	Niagara, Canada
Salon International Tourisme Voyages	October 21 – 23, 2016	Montreal, Canada
Zoomer Show	October 29 – 30, 2016	Toronto, Canada
Zoomer Show	March 2017	Vancouver, Canada
Westjet Travel Trade Expo	May 2017	Calgary, Canada
Westjet Travel Trade Expo	May 2017	Edmonton, Canada



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TEXAS TOURISM FY 2017 MARKETING PLAN

Brazil

OVERVIEW:

Brazil is the third-largest overseas travel market to the U.S. making the U.S. the no. 1 destination for Brazilian travelers. While Brazil is currently facing economic and political pressures that reflect a high inflation rate and the rise in the value of the dollar versus the Real, which makes the U.S. a more expensive destination. Brazilians continue travelling to the U.S., but are altering their travel behaviors, seeking new destinations with more affordable diverse travel opportunities, making Texas a prime destination for the seasoned Brazilian traveler. Brazilian visitations to the U.S. are expected to decrease in 2016 as a result of their hosting the Summer Olympic Games, yet projected growth is expected at a modest rate throughout 2017 and 2018.

American Airlines will introduce their new Boeing 787-9 Dreamliner from DFW to Sao Paulo in November 2016 with daily non-stop service.

VISITOR DATA:

An estimated 69,000 travelers from Brazil visited Texas in 2015, a slight increase (1.5%) over the previous year. Although current visitor estimates are down from the records achieved in 2011 and 2012 the market is still strong based on historical trends. Travelers from Brazil spent an average of 9.7 nights in Texas and generated \$82 million in direct spending. Direct air service between Rio de Janeiro and Houston is available through United Airlines, while direct air service is available from Sao Paulo-Guarulhos to DFW and Houston through American Airlines and United Airlines. Each route offers daily service. Travel from Brazil to Texas is forecasted to increase by 15.2% by 2020.

BRAZIL TO TEXAS (2015)
Visitor Volume: 69,000
Direct Travel Spending: \$82 million
Avg Nights: 9.7

Arrivals from Brazil to the United States were estimated at 2.22 million in 2015. Growth in the market slowed compared to the previous year resulting in a slight -2% decrease in visitation. However, direct spending from Brazil remained consistent with an estimated at \$13.6 billion, a 1% increase from the previous year. Travel from Brazil to the United States is forecast to increase 18% by 2020.

MARKETING ACTIVITIES:

Texas Tourism promotes the state's travel product directly to the Brazilian consumer through advertising, media activities and co-op 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 to increase awareness. 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 presence and sales missions in Brazil, travel agent training, and familiarization tours for travel trade and media



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TEXAS TOURISM FY 2017 MARKETING PLAN

Brazil

In addition to our scheduled marketing co-op opportunities, Texas Tourism will continue ongoing media and trade outreach, media and trade familiarization tours, newsletters to trade and media, managing the TravelTexas.br.com, the Portuguese language microsite as well as brand awareness via social media channels and our in market Facebook page.

Sales Missions:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
East Coast Receptive Operator Sales Mission	June 26 – 29, 2017	Orlando and Miami, Florida
Brazilian Sales & Media Blitz	Tentative July 2017	Sao Paulo, Belo Horizonte and Brasilia, Brazil

Travel Trade Shows:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
Festuris Gramado	November 3 – 6, 2016	Gramado, Rio Grande do Sul, Brazil
WTM Latin America	April 4 – 6, 2017	Sao Paulo, Brazil



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TEXAS TOURISM FY 2017 MARKETING PLAN

United Kingdom

OVERVIEW:

The United Kingdom and Ireland travel markets continue to be extremely resilient. The UK and Ireland travelers continue to take leisure trips whether it be domestically, within Europe, North America or worldwide and sees this as a part of their fixed general annual expenditure.

With unsettling events in the Middle East, North Africa and Europe, the consumer is looking at destinations which they perceive to be “safe” and appear familiar to them even if they have not visited before. Texas is viewed by the UK and Ireland as a desirable, exciting and diverse destination offering many kinds of experiences within one state which include and are not limited to, ranching and cowboys, music, cuisine, history, the great outdoors, cruising, beach holidays and city, state and national parks. Many visitors will try to accomplish this vast array of activities within one holiday thereby incorporating a fuller holiday experience.

In June, 2016, the United Kingdom voted on a referendum on whether to exit or stay in the European Union resulting in a 52% to 48% decision to leave. With this news, the British Pound has had a marked decrease in value and early signs show that bookings and travel searches are declining for long-haul travel. The U.S. Travel Association predicts a 7.7% decline in UK travellers to the U.S. in 2017. Travel trends for international travel will continue to be scrutinized and actively adjusted as economic factors play out. .

In the UK, depending on the type of trip being booked the consumer will either book through a travel agent, tour operator or online travel agency (OTA). In some cases, the OTA and the tour operator are the same company. For the diversity of product and because the consumer still would like to speak to a live person, they will continue to book via a travel agent for most long-haul travel, as the agent will share their destination knowledge with the client. The consumer also has the peace of mind that the travel agent has financial backing should anything go wrong. For these reasons it remains vitally important that we continue to engage with the agents/tour operators. This also enables Texas to benefit from the tour operator/travel agent market penetration getting Texas product in front of more consumers.

The cruise sector continues to be an important market and is experiencing growth for new destinations in both the United Kingdom and Ireland.

Texas has excellent direct flight connectivity from London Heathrow to the main hubs of Austin, Houston and Dallas-Fort Worth. There are also travellers who travel indirectly from regional airports in the United Kingdom via various hub cities, therefore bypassing London completely. Singapore Airlines will begin direct service five times per week from Manchester to Houston at the end of October 2016.



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TEXAS TOURISM FY 2017 MARKETING PLAN

United Kingdom

VISITOR DATA:

An estimated 210,000 travelers from the United Kingdom visited Texas in 2015, an increase of 17.3% over last year. The UK is the largest overseas market for the state by visitor arrivals. Travelers from the UK in 2015 stayed an average of 10 nights in Texas and generated \$189 million in direct spending. Travel from the UK to Texas is forecasted to increase by 46.7% by 2020.

UK TO TEXAS (2015)
Visitor Volume: 210,000
Direct Travel Spending: \$189 million
Avg Nights: 10

Arrivals from the United Kingdom to the United States were estimated at 4.9 million, an increase of 18% over the previous year. Direct spending from the UK in the US decreased in 2015 to \$12.6 billion. Travel from the UK to the US is forecasted to increase by 19% by 2020.

MARKETING ACTIVITIES:

In order to increase awareness, demand and retain booking numbers, it is important that Texas Tourism continue marketing activities within the United Kingdom and Ireland. Texas Tourism will increase presence at consumer shows and consumer promotions in order to keep Texas top of mind when budgets may be restricted due to the devaluation of the British Pound. Texas Tourism promotes directly to consumers through a variety of media and consumer activities which complements advertising and the co-operative programs to increase Texas product development and front line sales.

Texas Tourism's goal in the U.K. market is to increase visitation, room night stays and travel spending. Texas Tourism will continue to evaluate promotional activities with tour operators and travel companies in order to increase knowledge and awareness of the Texas travel product among U.K. consumers. To achieve and complete its goals, Texas Tourism coordinates and attends both consumer and trade events/shows, sales missions, develops and coordinates co-op marketing opportunities, conducts travel agent and tour operator training and hosts familiarization trips for both media and travel trade.



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TEXAS TOURISM FY 2017 MARKETING PLAN

United Kingdom

Trade Shows		
Event	Date	Location
World Travel Market	November 7-9, 2016	London, United Kingdom
United Kingdom Sales Mission	March 13 – 15, 2017	To be confirmed
Unite	March 16, 2017	London, United Kingdom

Travel Trade Training / Events		
Event	Date	Location
Visit USA / Brand USA BFI Event	September 17, 2016	London, United Kingdom
Visit USA Roadshow	October 4, 2016	Newcastle, United Kingdom
Visit USA Roadshow	October 5, 2016	Bristol, United Kingdom
Visit USA Roadshow	October 6, 2016	Brighton, United Kingdom

Media Events		
Event	Date	Location
British Guild of Travel Writers	November 6, 2016	London, United Kingdom
World Travel Market	November 7-9, 2016	London, United Kingdom
Media Market Place	January 2017	London, United Kingdom
International Media Marketplace	March 13, 2017	London, United Kingdom
Visit USA Media Awards	July 2017	London, United Kingdom

Consumer Events / Shows		
Event	Date	Location
Destinations: The Holiday and Travel Show	January 19-22, 2017	Manchester, United Kingdom
Holiday World Dublin	January 27-29, 2017	Dublin, Ireland
Destinations: The Holiday and Travel Show	February 2-5, 2017	London, United Kingdom

MICE Events		
Event	Date	Location
International Confex	March 1-2, 2017	London, United Kingdom
The Meeting Show	June 13-15, 2017	London, United Kingdom



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TEXAS TOURISM FY 2017 MARKETING PLAN

Germany

OVERVIEW:

Some key terms to note in 2017 are: individualization, traveling like a local, wellness and experiential luxury travel.

Payment by Smartphone will increasingly impact the travel industry as will a widespread use of mobile devices as essential travel tools in all phases of the holiday travel process – from planning and booking to on-site use once at the desired destination. That being said, Germany has seen a rise in the number of travel agencies indicating that many are now returning to using a live travel agent after ventures in online travel planning and booking.

Long-haul destinations choices are being influenced by factors such as the currency exchange rate and political tension, the USA is considered a safe destination with many of the younger travelers experiencing no language barriers. The senior population that take vacations is continuously growing, with nearly half of the retired Germans going on vacation in 2014. Not only does half of the total population expect the economic climate to stay as it is this year, the majority (55%) of Germans also believe their personal situation to remain stable as well.

There are direct flights from Frankfurt to DFW and Houston on American Airlines, Lufthansa, and United Airlines, as well as a direct flight from Munich to Houston on United Airways. Each Frankfurt and Munich flight operates daily. The direct flight from Frankfurt to Austin on Condor Airlines will extend the seasonal service in 2017 with increased flights from May through October.

VISITOR DATA:

An estimated 119,000 travelers from Germany visited Texas in 2015, an increase of 3.5% over 2014. This increase was preceded by flat growth in recent years, though the market is still performing above the ten year average for Texas market share. Travelers from Germany in 2015 stayed an average of 11.6 nights and generated \$106 million in direct spending. There are direct flights from Frankfurt to DFW and Houston on American Airlines, Lufthansa, and United Airlines, as well as a direct flight from Munich to Houston on United Airways. Each Frankfurt and Munich flight operates daily. Travel from Germany to Texas is forecasted to increase by 15.8% by 2020.

GERMANY TO TEXAS (2015)
Visitor Volume: 119,000
Direct Travel Spending: \$106 million
Avg Nights: 11.6

Arrivals from Germany to the United States were estimated at 2.27 million, an increase of 10% over the previous year. Germany has experienced steady growth over the past five years surpassing Brazil in total arrivals, though remaining behind China and the United Kingdom. Direct spending from Germany decreased by 8% to \$6.8 billion. Travel from Germany to the United States is forecasted to increase by 12% by 2020.

MARKETING ACTIVITIES:

Texas Tourism promotes the state's travel product directly to consumers through media and trade co-op 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 have shown massive growth in online purchases in the last two years. Though they still book with trusted German travel entities, they now conduct research electronically. Because of this, Texas Tourism will support marketing efforts with tour operators and travel agents to increase Texas product offering and



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TEXAS TOURISM FY 2017 MARKETING PLAN

Germany

consumer knowledge of the destination, while maintaining a strong online branding presence with frequent consumer promotions. To achieve these goals Texas Tourism will coordinate travel show presence, sales and media missions, develop and coordinate co-op marketing opportunities, conduct travel agent training and host familiarization tours for travel trade and media.

Travel Trade Shows:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
ITB	March 8 -12, 2017	Berlin, Germany
IMEX – Frankfurt	May 16 – 18, 2017	Frankfurt, Germany
German Sales and Media Mission	Nov. 10-11, 2017	Frankfurt & Hamburg

Consumer Shows:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
f.re.e consumer show	Feb. 22-26, 2017	Munich, Germany

Travel Trade Training Events:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
Argus Reisen North America Day	September 2016	Hamburg, Germany
Visit USA roadshow	2017	Germany

Media Events:		
<u>Event</u>	<u>Date</u>	<u>Location</u>
Visit USA media event	Fall 2016	Munich, Germany
Visit USA ITB Media Breakfast	March 10, 2017	Berlin, Germany



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TEXAS TOURISM FY 2017 MARKETING PLAN

France

OVERVIEW:

The French continue to travel and have an average of 35 holiday days per year. They will most likely use this time for travelling to both short and long haul destinations depending on budget.

The National Institute of Statistics and Economic Information announced encouraging perspectives for showing a small but steady growth in French travelers which will most likely have an impact on the bookings for long haul destinations. Some of the trends in France are that travelers are looking for perceived safe destinations such as the US. The internet will further gain importance as an information gathering and booking tool for customized as well as last minute travel.

VISITOR DATA:

An estimated 52,000 travelers from France visited Texas in 2015, a decline of -8.8% from the previous year. These visitors stayed an average of 8.6 nights in Texas generating \$38 million in direct spending. There are direct flights from Paris to DFW and Houston on American Airlines and Air France, respectively, with each flight operating daily. Travel from France to Texas is forecast to increase by 16.8% by 2020.

FRANCE TO TEXAS (2015)
Visitor Volume: 52,000
Direct Travel Spending: \$38 million
Avg Nights: 8.6

Arrivals from France to the United States were estimated at 1.75 million in 2015, an increase of 6%. Direct travel spending within the U.S. from France was estimated at \$5.7 billion, a slight 3% decrease from last year's record-breaking spend. Travel from France to the United States is forecast to increase by 15% by 2020.

The Netherlands

OVERVIEW:

In the Benelux traveling is a passion for a lot of inhabitants; a vacation is considered a right rather than a privilege. In Belgium, The Netherlands and Luxembourg, employees receive “vacation money”, which is 8% of their annual gross income and paid between May 1 and June 30. In addition to the extra income, everyone receives 25 vacation days and an average of 9 bank holidays.

The Benelux traveler wants to truly experience the country and travel like a local. They are seeking an authentic experience, whether it's at a local off-the-beaten path destination or one that offers a unique cultural experience which they also want to share with their friends on social media platforms.

The trend to “give back” as in helping the environment and local communities will continue to grow in 2017. Hotels and professionals in the travel industry are making changes to enforce responsible travel and protect destinations. As travelers become more aware of the importance of sustaining and preserving the environment and communities, they are increasingly choosing to travel responsibly to ensure that their experience does not have a negative impact on their surroundings.

Festivals and events are becoming a very important reason to travel, especially those dealing with Music and food, which are attracting many tourists from all over the world. The festivals and events will be incorporated into their itinerary and may be a reason to plan for a specific destination.



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TEXAS TOURISM FY 2017 MARKETING PLAN *The Netherlands*

VISITOR DATA:

An estimated 49,000 travelers from the Netherlands visited Texas in 2015, a decline of -9.3% from the previous year. These visitors stayed an average of 8.7 nights in Texas generating \$37 million in direct spending. There are direct flights from Amsterdam to DFW on KLM Royal Dutch Airlines and to Houston on KLM Royal Dutch Airlines and United Airlines. The DFW route is offered a couple of times a week, while the Houston routes are offered daily. Travel from the Netherlands to Texas is forecasted to increase by 33.8% by 2020.

NETHERLANDS TO TEXAS (2015)
Visitor Volume: 49,000
Direct Travel Spending: \$37 million
Avg Nights: 8.7

Arrivals from the Netherlands to the United States were estimated at 655,000 in 2015, an increase of 2%. Travel from the Netherlands to the United States is forecasted to increase by 9% by 2020. The direct travel spend by the Netherlands within the United States has not yet been made available.

MARKETING ACTIVITIES:

Within the secondary feeder markets in Europe, Texas Tourism promotes the state's travel product directly to European consumers through consumer shows, media and co-op 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 markets to 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 co-op marketing opportunities, training travel agents and hosting familiarization tours for travel trade and media.

Travel Trade Shows:		
Event	Date	Location
Vakantiebeurs	January 11-15, 2017	Utrecht, Netherlands

Consumer Shows:		
Event	Date	Location
"USA Go Wild" Event	Sep. 23-25, 2016	Amsterdam, the Netherlands



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TEXAS TOURISM FY 2017 MARKETING PLAN

China

OVERVIEW:

In 2015 China passed all other markets for travel to the United States in terms of visitor spending which was estimated at \$26.9 billion. Growth has averaged 24% per year since 2004 and in that time China has moved from ninth in terms of tourism spending in the U.S. to number one. The development of China's tourism industry is closely associated with the country's economic growth over the past few decades. China is now the world's largest source of outbound tourists and the biggest spender on the international travel scene. The spending of outbound Chinese tourists abroad, to any destination, also ranks first and witnessed a year-on-year increase of 25 percent, reaching \$292 billion.

As more Chinese enter the middle class they are able to travel abroad and the United States has always been at the top of their destination list. Direct flights connecting China's domestic cities to international destinations continue to be developed including routes to Texas. Air service is available from Beijing to Houston as well as Hong Kong, Shanghai and Beijing to Dallas-Fort Worth providing greater ease of travel for visitors from this market. Travelers from China 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.

The Chinese market is constantly evolving. There is demand for traditional group tours but self-driving tours are increasing in popularity. Chinese travelers still use traditional travel agents to plan leisure trips but also look to online travel agents (OTA's), media, and other sources for inspiration. Beijing, Guangzhou and Shanghai are recognized as first-tier cities within China but increasingly, second-tier cities within China like Chengdu, Chongqing, Xi'an, Wuhan and others are also experiencing economic growth, a rising middle-class and becoming important markets for outbound travel. There are direct flights from Beijing to DFW and to Houston on American Airlines and Air China Limited. There is also a direct route connecting Shanghai to DFW aboard American Airlines. Service from Beijing and Shanghai to DFW is offered daily and service to Beijing to Houston is offered several times a week.

VISITOR DATA:

An estimated 111,000 travelers from China visited Texas in 2015, an increase of 8.8% from the previous year. Travelers from China stayed an average of 14.1 nights in Texas and generated \$122 million in direct spending. Travel from China to Texas is forecasted to increase by 81.6% by 2020.

CHINA TO TEXAS (2015)
Visitor Volume: 111,000
Direct Travel Spending: \$122 million
Avg Nights: 14.1

Arrivals from China to the United States in 2015 were estimated at 2.59 million, an increase of 18%. China surpassed Germany and Brazil to become the 5th largest international market in the United States by arrivals. Following nearly a decade of double-digit growth annually, China is now first when ranked by direct spending, surpassing both Canada and Mexico. Long lengths of stay and high average spending contributed to \$26.9 billion in direct spending from Chinese travelers in 2015, an increase of 12%. Travel from China to the United States is projected to increase by 129% by 2020.



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TEXAS TOURISM

FY 2017 MARKETING PLAN

China

Event	Date	Locations
China International Travel Mart (CITM)	Nov 11-13, 2016	Shanghai, China
Active America China Summit	April 23 -25, 2017	Portland OR
China Trade and Media mission	April, TBD, 2017	Beijing, Shanghai, Guangzhou, China
West Coast Receptive Sales Mission for Europe and Asia Markets	May 4 -5, 2017	Greater Los Angeles, CA
Brand USA Road Show	TBD	TBD

Japan

Texas Tourism will promote and market the Texas travel product at the Japanese Association of Travel Agents/Tourism Forum & Travel Showcase (JATA) in September 2016. Texas Tourism will also coordinate a sales mission targeting Japanese inbound receptive tour operators in order to generate more Texas travel product available to Japanese tour operators and wholesalers in Japan.

Event	Date	Locations
Japanese Association of Travel Agents/Tourism Forum & Travel Showcase (JATA)	Sept 19 - 26, 2016	Tokyo, Japan
West Coast Receptive Sales Mission for Europe and Asia Markets	May 4 -5, 2017	Greater Los Angeles, CA



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TEXAS TOURISM

FY 2017 MARKETING PLAN

Australia & New Zealand

OVERVIEW:

A little over half of travelers from Australia and New Zealand will use an agency to purchase their holiday travel followed by an online travel agent (OTA), which many will use for research and cost comparison. After these two methods, booking with an airline directly comes in a close third. The average Australian traveler is looking to have fun, visit new places, to relax mentally and to experience something new that they can then tell their friends about.

The Air New Zealand direct flight to Houston from Auckland has been the most successful launch in their history and for the one year anniversary, in December, 2016, instead of 3 flights per week it will become daily. The direct flight from Sydney, Australia to DFW on Qantas continues to be a success and a planned route from Melbourne to DFW has been tentatively announced for the third quarter of 2017. Exchange rates for the US dollar have made travel to the United States more expensive but an increase in visitation is forecasted by the U.S. Commercial Service.

VISITOR DATA:

An estimated 126,000 travelers from Australia visited Texas in 2015, an increase of 57.5%. These visitors stayed an average of 8.3 nights in Texas generating \$121 million in direct spending. There is direct air service from Auckland to Houston on Air New Zealand and Sydney to DFW on Qantas. Daily flights are available from Sydney and multiple flights per week from Auckland. Travel from Australia to Texas is forecasted to increase by 44.4% by 2020.

AUSTRALIA TO TEXAS (2015)
Visitor Volume: 126,000
Direct Travel Spending: \$121 million
Avg Nights: 8.3

Arrivals from Australia to the United States increased by 11% in 2015 to 1.45 million. Over the past decade arrivals from the market have doubled with consistent annual growth. Travel from Australia to the United States is forecasted to increase by 27% by 2020. The direct travel spend by Australia within the United States has not yet been made available.

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 co-op 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 at the Australia Visit USA roadshows as well as travel agent training and familiarization tours for travel trade and media.

Event	Date	Locations
Australia & New Zealand Sales & Media Mission	December 5-9, 2016	Auckland, New Zealand; Melbourne & Sydney, Australia
Visit USA and Brand USA Roadshows	Feb 15-24, 2017	Melbourne, Sydney, Brisbane, Australia; Wellington & Auckland, New Zealand



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TEXAS TOURISM

FY 2017 MARKETING PLAN

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:

Business travel represented almost 30% of domestic visitation and 40% of domestic direct travel spending in 2015. Nearly half (43%) of domestic business travel to Texas destinations was for attending group meetings (conventions, seminars, etc.) and the remaining was for transient business purposes.

International travelers to Texas are more likely to be traveling for business than the average international traveler to the U.S., especially for overseas visitors, making this a highly valuable travel segment for the state. In 2015, nearly 40% of Texas overseas visitors indicated business or convention/conference/trade show as their main purpose of trip – roughly twice the U.S. average.

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.

Travel Trade Shows:		
<u>Event</u>	<u>Date</u>	<u>Locations</u>
World Route Development Forum (World Routes)	Sept 24-27, 2016	Chengdu, China
IMEX America	Oct 18-20, 2016	Las Vegas, NV
Texas Event for Association Market	Dec 2016	Washington, DC
IMEX Europe	May 16-18, 2017	Frankfurt, Germany
ASAE Annual	TBD	Toronto, Canada