VERMONT TOURISM SUMMIT
International Visitors

Vermont Tourism Summit April 13-14, 2016
Killington Vermont
The right data – relevant KPI’s

“Not everything that can be counted counts, and not everything that counts can be measured”
- Albert Einstein

Strategic Market Analysis
- Identify Opportunity
- Understand Competitive Position
- Analyze Strengths & Weaknesses
- Strategic Recommendations for Growth

Annual Visitor Analysis: Custom Strategic Support
U.S. Inbound Travel Monitor: Projected visits and competitive situation
Travel Trade Barometer: Product demand, bookings, projected bookings
International Visitors to New England
World Tourism Arrivals & Receipts
1950-2014

WHY TOURISM MATTERS

9% GDP (direct, indirect, and induced)
1/11 JOBS (direct, indirect, and induced)
US$ 1.5 TRILLION IN EXPORTS
6% OF WORLD EXPORTS
30% OF SERVICE EXPORTS

1.8 Billion International Tourists Forecast for 2030

Source: UNWTO Tourism Highlights, 2015 Edition
The Rise of the Global Middle Class

Linda Yue, Chief business correspondent BBC June 2013

Vermont Tourism Summit April 2016
Resilient Growth

International Visitors to the U.S. (2000-2021)

International Arrivals increased 36% from 2009 to 2014
Visitor Spending (exports) increased 51% since 2009

Sources: U.S. Department of Commerce, ITA, National Travel and Tourism Office; Secretaria de Turismo (Mexico); Statistics Canada. — Fall 2015 Travel Forecast
International Travel Share of Total U.S. Travel

Bureau of Economic Analysis demand components

International travel % of total U.S. travel demand ($)

18% of all Travel Spend is International

2008-2017 Total Traveler Growth:
+12% Domestic
+40% International

Note: Subject to revisions.
Sources: Department of Commerce, National Travel and Tourism Office; Bureau of Economic Analysis; Statistics Canada; Banco de Mexico.
Improving Shoulder Season

Overseas Visitors to USA 2014

- 1ST QUARTER: 6,887,934
- 2ND QUARTER: 8,898,287
- 3RD QUARTER: 10,134,942
- 4TH QUARTER: 8,497,853

Brazilian Travel to USA 2014

- 1ST QUARTER: 531,859
- 2ND QUARTER: 521,538
- 3RD QUARTER: 560,008
- 4TH QUARTER: 650,460
2014 New England Total **Overnight** Visits = 5.04 Million

2014 TOTAL INTERNATIONAL VISITORS (OVERNIGHT)

- **3,060,200**, 61% - Overseas
- **1,921,601**, 38% - Canada
- **59,000**, 1% - Mexico

Source: Canadian visits are cumulative which includes multiple visits by one traveler to more than one state.

Note: Sources: Travel Market Insights, DNE custom SIAT data; NTTO; Statistics Canada.
2014 New England Visitor Nights

<table>
<thead>
<tr>
<th>2014 New England Visitor Nights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada Visitor Nights</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Overseas Visitor Nights</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Overseas visitors spent 3.5 times longer in New England than Canadian visitors in 2014.

Average Nights Spent In New England:
- Overseas = 12.7
- Canada = 3.6

Sources: Travel Market Insights; NTTO; Statistics Canada.
2014 New England Total Spend by Overnight Visitors

Overseas Visitor Spend: $1,857,704,500
Canada Visitor Spend: $1,203,415,400

Overseas visitors spent 1.5 times more than Canadian visitors in 2014.

Sources: Travel Market Insights; DNE custom SIAT data, NTTO; Statistics Canada.
• Annual Report
• Initiated in 2012
• Focused on New England
• In-depth Metrics by Top Countries
Record Overseas Visitor Arrivals
Up 48% Since 2002

Arrivals in (000)

- 2002: 1,300
- 2003: 1,136
- 2004: 1,260
- 2005: 1,257
- 2006: 1,473
- 2007: 1,505
- 2008: 1,723
- 2009: 1,615
- 2010: 1,714
- 2011: 1,785
- 2012: 1,637
- 2013: 1,730
- 2014: 1,922
PORT OF ENTRY OF OVERSEAS VISITORS
OVERSEAS VISITORS TO NEW ENGLAND
2014

Boston, MA 31.5
New York, NY 28.9
Newark, NJ 7.8
Miami, FL 4.3
Los Angeles, CA 4.2
Chicago, IL 4.0
Washington, DC 3.0
San Francisco, CA 2.5
Detroit, MI 2.2

Source: Travel Market Insights, Survey of International Air Travelers to the United States - 2014
Converting Passengers to Visitors

• 90% of 2014 passengers officially entering Boston Logan International Airport visited New England.

• Growth in air routes into Boston Logan International Airport equates to more visitors throughout New England.
Boston Int’l Routes Added & Retained Since 2006

- 32 International Routes
- 1.1 Million Non-U.S. Citizen Passenger Arrivals in 2014
- 2015 Non-U.S. Citizen Passenger Arrivals increased 9%
- New routes being added in 2016

### BOS Int’l Routes Added & Retained Since 2006

<table>
<thead>
<tr>
<th>BOS Route</th>
<th>Start</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Cologne</td>
<td>Jun’16</td>
</tr>
<tr>
<td>2  Dusseldorf</td>
<td>May’16</td>
</tr>
<tr>
<td>3  Manchester</td>
<td>May’16</td>
</tr>
<tr>
<td>4  Oslo</td>
<td>May’16</td>
</tr>
<tr>
<td>5  Copenhagen</td>
<td>Mar’16</td>
</tr>
<tr>
<td>6  London-Gatwick</td>
<td>Mar’16</td>
</tr>
<tr>
<td>7  Doha</td>
<td>Mar’16</td>
</tr>
<tr>
<td>8  Fort de France</td>
<td>Dec’15</td>
</tr>
<tr>
<td>9  Pointe a Pitre</td>
<td>Dec’15</td>
</tr>
<tr>
<td>10 Barbados</td>
<td>Nov’15</td>
</tr>
<tr>
<td>11 Hong Kong</td>
<td>May’15</td>
</tr>
<tr>
<td>12 Mexico City</td>
<td>Jun’15</td>
</tr>
<tr>
<td>13 Tel Aviv</td>
<td>Jun’15</td>
</tr>
<tr>
<td>14 Shanghai</td>
<td>Jun’15</td>
</tr>
<tr>
<td>15 Port au Prince</td>
<td>Jun’15</td>
</tr>
<tr>
<td>16 Dubai</td>
<td>Mar’14</td>
</tr>
<tr>
<td>17 Istanbul</td>
<td>May’14</td>
</tr>
<tr>
<td>18 Beijing</td>
<td>Jun’14</td>
</tr>
<tr>
<td>19 Liberia, CR</td>
<td>Nov’14</td>
</tr>
<tr>
<td>20 Puerto Plata</td>
<td>Nov’14</td>
</tr>
<tr>
<td>21 St Lucia</td>
<td>Nov’14</td>
</tr>
<tr>
<td>22 Panama City, Panama</td>
<td>Jul’13</td>
</tr>
<tr>
<td>23 Tokyo</td>
<td>Apr’12</td>
</tr>
<tr>
<td>24 Grand Cayman</td>
<td>Nov’12</td>
</tr>
<tr>
<td>25 Santiago, DR</td>
<td>Jun’11</td>
</tr>
<tr>
<td>26 St. Maarten</td>
<td>Feb’09</td>
</tr>
<tr>
<td>27 Toronto-City Ctr</td>
<td>Sep’09</td>
</tr>
<tr>
<td>28 Dublin</td>
<td>Mar’07</td>
</tr>
<tr>
<td>29 Madrid</td>
<td>May’07</td>
</tr>
<tr>
<td>30 Punta Cana</td>
<td>Jan’06</td>
</tr>
<tr>
<td>31 Lisbon</td>
<td>Jun’06</td>
</tr>
<tr>
<td>32 Terceira</td>
<td>Jun’06</td>
</tr>
</tbody>
</table>
Counting Visitors To, Within, & Throughout the USA

Understanding NE competitive position

OS 2014 and 2013 Market Share Shift

- Atlantic Islands: 0.3% (2014), 0.4% (2013)
- Pacific Islands: 12.8% (2014), 14.5% (2013)
- Total U.S. Mainland: 88.8% (2014), 87.3% (2013)
- Pacific: 22.5% (2014), 21.5% (2013)
- Mountain: 11.8% (2014), 11.8% (2013)
- West South Central: 5.7% (2014), 6.1% (2013)
- East South Central: 1.5% (2014), 1.4% (2013)
- South Atlantic: 33.5% (2014), 30.7% (2013)
- West North Central: 1.9% (2014), 1.9% (2013)
- East North Central: 6.2% (2014), 6.7% (2013)
- Middle Atlantic: 31.8% (2014), 33.9% (2013)
- New England: 5.5% (2014), 5.4% (2013)

*** = Metropolitan Area

Percent of Visits
NUMBER OF STATES VISITED
OVERSEAS VISITORS TO NEW ENGLAND / U.S.
2014

Percent of visitors visiting only ONE STATE:
U.S. Visitors = 73%
New England Visitors = 31%

Ave. Number of States Visited

Source: Travel Market Insights, Survey of International Air Travelers to the United States - 2014
MAIN PURPOSE OF U.S. TRIP
OVERSEAS VISITORS TO NEW ENGLAND / U.S.
2014

<table>
<thead>
<tr>
<th>Purpose</th>
<th>U.S. Visitors</th>
<th>New England Visitors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacation</td>
<td>58.2%</td>
<td>41.5%</td>
</tr>
<tr>
<td>Friend/Relative</td>
<td>17.7%</td>
<td>22.2%</td>
</tr>
<tr>
<td>Business</td>
<td>11.7%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Convention</td>
<td>6.6%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Study</td>
<td>4.4%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Other</td>
<td>0.9%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Source: Travel Market Insights, Survey of International Air Travelers to the United States - 2014
FIRST TRIP BY AIR TO THE U.S.
OVERSEAS VISITORS TO NEW ENGLAND / U.S.
2014

Source: Travel Market Insights, Survey of International Air Travelers to the United States - 2014
Percent of Repeat Visitors to New England

- **Overseas**: 78.0%
- **China**: 47.1%
- **Australia**: 68.9%
- **Italy**: 72.7%
- **Brazil**: 76.2%
- **Japan**: 83.1%
- **Germany Leisure**: 83.4%
- **Germany**: 84.5%
- **UK Leisure**: 86.3%
- **Scandinavia**: 86.9%
- **France**: 87.1%
- **UK**: 89.5%
Information Sources

TRAVEL INFORMATION SOURCES*
OVERSEAS VISITORS TO NEW ENGLAND / U.S.
2014

Source: Travel Market Insights, Survey of International Air Travelers to the United States - 2014
* = multiple response
# Product Demand Assessment Index

Index Rank for Country to NE vs. Country to USA

<table>
<thead>
<tr>
<th>UK to New England</th>
<th>Index Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Snow Sports</td>
<td>1</td>
</tr>
<tr>
<td>Historical Locations</td>
<td>2</td>
</tr>
<tr>
<td>Small Towns/Countryside</td>
<td>3</td>
</tr>
<tr>
<td>Art Galleries/Museums</td>
<td>4</td>
</tr>
<tr>
<td>Camping/Hiking</td>
<td>5</td>
</tr>
<tr>
<td>Guided Tour(s)</td>
<td>6</td>
</tr>
<tr>
<td>Experience Fine Dining</td>
<td>7</td>
</tr>
<tr>
<td>Cultural/Ethnic Heritage Sights</td>
<td>8</td>
</tr>
<tr>
<td>Environmental/Eco. Excursions</td>
<td>9</td>
</tr>
<tr>
<td>National Parks/Monuments</td>
<td>10</td>
</tr>
<tr>
<td>Sporting Event</td>
<td>11</td>
</tr>
<tr>
<td>Sightseeing</td>
<td>12</td>
</tr>
<tr>
<td>Shopping</td>
<td>13</td>
</tr>
<tr>
<td>Water Sports</td>
<td>14</td>
</tr>
<tr>
<td>Golfing/Tennis</td>
<td>15</td>
</tr>
<tr>
<td>Concert/Play/Musical</td>
<td>16</td>
</tr>
<tr>
<td>Amusement/Theme Parks</td>
<td>17</td>
</tr>
<tr>
<td>Hunting/Fishing</td>
<td>18</td>
</tr>
<tr>
<td>Other</td>
<td>19</td>
</tr>
<tr>
<td>Nightclubbing/Dancing</td>
<td>20</td>
</tr>
<tr>
<td>American Indian Communities</td>
<td>21</td>
</tr>
<tr>
<td>Casino/Gamble</td>
<td>22</td>
</tr>
</tbody>
</table>

*Index under 100*
2014 Vermont Total **Overnight** Int’l Visits = 798,000

VERMONT 2014 TOTAL INTERNATIONAL VISITORS (OVERNIGHT)

- **725,000, 91%**
- **70,000, 9%**
- **3,000, 0%**

**Canada** = 91%

**Overseas** = 9%

**Mexico** = 0%

Sources: Travel Market Insights, DNE custom SIAT data; NTTO; Statistics Canada.
2014 Vermont Visitor Nights

Vermont 2014 Nights in State

- 25% Overseas Visitor Nights
- 75% Canada Visitor Nights

Average Nights Spent In New England:
- Overseas = 8.5
- Canada = 2.5

Overseas visitors spent 3.4 times longer in Vermont than Canadian visitors in 2014.

Sources: Travel Market Insights; NTTO; Statistics Canada.
2014 Vermont Total Spend by Overnight Visitors

Total Direct Spending in 2014 = $220.4 million

Vermont 2014 Spend by Overnight Visitors

- Overseas Visitor Spend: 22%
- Canada Visitor Spend: 78%

Sources: Travel Market Insights; DNE custom SIAT data, NTTO; Statistics Canada.
Vermont Overseas Visitors - Historical

Sources: Travel Market Insights; DNE custom SIAT data, NTTO; Statistics Canada.
Vermont 2014 Top Overseas Visitor Markets

Arrivals in (000)

Share of Vermont Overseas Top Ten Visitor Arrivals in 2014

- United Kingdom: 41%
- Netherlands: 17%
- Germany: 12%
- Switzerland: 6%
- France: 6%
- Brazil: 4%
- China, PRC: 4%
- Italy: 4%
- Sweden: 4%
- Australia: 4%

Sources: Travel Market Insights; DNE custom SIAT data, NTTO; Statistics Canada.
Vermont Overseas Highlights

- Visits 70,000
- Total Direct Spend $49.4 million
- Average nights in VT 8.5
- Average nights spent in Hotel 7.8
- Room nights in VT 188,500

Sources: Travel Market Insights; DNE custom SIAT data, NTTO; Statistics Canada.
Vermont Overseas Highlights

• **Top Ports of Entry**
  - Boston 27%
  - NYC 27%
  - Newark 13%
  - DC 8%

• **Main Purpose of Trip**
  - Vacation 55%
  - VFR 19%
  - Business 15%

• **Repeat Visitor** 79%

• **First-Time Visitor** 21%

• **Transportation**
  - Car Rental 50%
  - Private Auto 48%
  - Flew (domestic) 38%
  - Bus 14%
  - Rail 11%
  (multiple response)

Sources: Travel Market Insights; DNE custom SIAT data, NTTO; Statistics Canada.
Vermont Overseas Highlights

• Occupation
  - Management/Business/Science/Arts 44%
  - Retired 14%
  - Service 10%

• Top Leisure Activities
  - Shopping
  - Small Towns/Countryside
  - Sightseeing
  - Historical Locations
  - Experience Fine Dining

• Household Income
  - $95,500 (avg. annual)
    - 14% over $200,000

• Travel as couple 33%
• Family-friends 17%
• Children 9%

• Gender & Age
  - Male 59% / 44 Years old
  - Female 41% / 41 Years old

Sources: Travel Market Insights; DNE custom SIAT data, NTTO; Statistics Canada.
Vermont Overseas Visitor Market Share - Historical

Sources: Travel Market Insights; DNE custom SIAT data, NTTO; Statistics Canada.
What if VT maintained market share = to 2009?

Vermont Overseas Visitor Arrivals

Sources: Travel Market Insights; DNE custom SIAT data, NTTO; Statistics Canada.
What if VT maintained overseas visitor market share = to 2009?

- **Visits**
  - 84% Canada Actual 2014
  - 16% Overseas Potential “if market share was maintained”

- **Spend**
  - 63% Canada Actual 2014
  - 37% Overseas Potential “if market share was maintained”

- **Nights**
  - 60% Canada Actual 2014
  - 40% Overseas Potential “if market share was maintained”

- 70,000 more overseas visits
- $49 million more in overseas spend
- 595,000 more nights

Sources: Travel Market Insights; DNE custom SIAT data, NTTO; Statistics Canada.
Reaching 100 Million by 2021

International Visitors to the U.S. (2000-2021)
Arrivals in Millions

Sources: U.S. Department of Commerce, ITA, National Travel and Tourism Office; Secretaria de Turismo (Mexico); Statistics Canada. — Fall 2015 Travel Forecast
INTERNATIONAL VISITOR ARRIVALS FORECAST

Forecast Growth 2014-2020

<table>
<thead>
<tr>
<th>Year</th>
<th>Canada</th>
<th>Mexico</th>
<th>Overseas</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>23,003</td>
<td>17,070</td>
<td>34,938</td>
</tr>
<tr>
<td>2015</td>
<td>21,163</td>
<td>17,923</td>
<td>36,248</td>
</tr>
<tr>
<td>2016</td>
<td>20,951</td>
<td>18,461</td>
<td>37,868</td>
</tr>
<tr>
<td>2017</td>
<td>21,370</td>
<td>19,199</td>
<td>39,166</td>
</tr>
<tr>
<td>2018</td>
<td>22,225</td>
<td>19,967</td>
<td>41,372</td>
</tr>
<tr>
<td>2019</td>
<td>23,114</td>
<td>20,566</td>
<td>43,179</td>
</tr>
<tr>
<td>2020</td>
<td>23,807</td>
<td>21,183</td>
<td>45,276</td>
</tr>
</tbody>
</table>

Sources: USDOC, National Travel and Tourism Office 2015 October Forecast (with revised 2014 arrivals for 2014).
Forecast for Top Visitor Markets to the U.S. (Percent Change 2014 - 2020)

Forecast, subject to revisions.
Sources: U.S. Department of Commerce, National Travel and Tourism Office; Bureau of Economic Analysis; Statistics Canada; Banco de Mexico – Fall 2015 Forecast.
Forecast for Top Visitor Markets to the U.S.
Rank by Arrivals in 2020

Arrivals in (000)

- China: 5,019
- UK: 4,949
- Japan: 3,655
- Brazil: 2,671
- Germany: 2,293
- South Korea: 1,986
- France: 1,903
- Australia: 1,650
- India: 1,414
- Colombia: 1,103
- Italy: 1,074
- Spain: 829
- Netherlands: 702
- Sweden: 691
- Argentina: 585
- Taiwan: 576
- Switzerland: 563
- Venezuela: 461

Source: Travel Market Insights - Based on USDOC, NTTO Forecast Fall 2015

Forecast, subject to revisions.
Sources: U.S. Department of Commerce, National Travel and Tourism Office; Bureau of Economic Analysis; Statistics Canada; Banco de Mexico – Fall 2015 Forecast.
Forecast for Top *Vacation* Visitors to the U.S. 2020 Rank by Visitor Volume

<table>
<thead>
<tr>
<th>Country</th>
<th>Arrivals in (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>3,281</td>
</tr>
<tr>
<td>Japan</td>
<td>2,526</td>
</tr>
<tr>
<td>Brazil</td>
<td>1,931</td>
</tr>
<tr>
<td>China</td>
<td>1,686</td>
</tr>
<tr>
<td>Germany</td>
<td>1,312</td>
</tr>
<tr>
<td>Australia</td>
<td>1,244</td>
</tr>
<tr>
<td>France</td>
<td>1,161</td>
</tr>
<tr>
<td>South Korea</td>
<td>1,102</td>
</tr>
<tr>
<td>Colombia</td>
<td>711</td>
</tr>
<tr>
<td>Italy</td>
<td>695</td>
</tr>
<tr>
<td>Spain</td>
<td>495</td>
</tr>
<tr>
<td>Argentina</td>
<td>455</td>
</tr>
<tr>
<td>Sweden</td>
<td>404</td>
</tr>
<tr>
<td>Netherlands</td>
<td>368</td>
</tr>
<tr>
<td>Switzerland</td>
<td>345</td>
</tr>
<tr>
<td>Taiwan</td>
<td>209</td>
</tr>
<tr>
<td>India</td>
<td>187</td>
</tr>
</tbody>
</table>

*Vacation = Vacation was the traveler's main reason for visiting.*

Sources: Travel Market Insights - Based on USDOC, NTTO Forecast Fall 2015. *Vacation = Main Purpose of Trip Vacation/Holiday.*

Forecast, subject to revisions.
Sources: U.S. Department of Commerce, National Travel and Tourism Office; Bureau of Economic Analysis; Statistics Canada; Banco de Mexico – Fall 2015 Forecast.
Opportunity Growth – 100 Million Visitors by 2021… Both Traditional and Emerging Markets are key.

Overseas Visitors to NE and VT – Travel Regionally! Stay longer, increase room nights – and RevPar, offer off-season growth and diversity.

Growth in Air Routes at Boston Logan International – and potentially other New England airports = ACCESS to the global visitor opportunity.

Partnerships! VT Tourism, Discover New England, Brand USA, airports/airlines, Trade (receptive/operators/agents). Also retail, attractions, sports clubs/assoc., and even other states offer unprecedented marketing leverage and means to grow.
Thank You!
Scott C. Johnson, President Travel Market Insights Inc.