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DEAR FRIENDS OF NEW ENGLAND,

I am pleased to present Discover New England’s annual report for July 2015 to June 2016. For those who may not know, Discover New England was founded in 1992 as a nonprofit cooperative destination marketing organization, with the sole mission of promoting New England internationally. In partnership with the six state tourism offices, we are able to help the New England travel and tourism industry to reach the global market and attract new and repeat international visitors.

We work directly with travel trade professionals to promote the New England tourism product while providing our regional suppliers with the tools they need to compete internationally. DNE helps to ensure that New England’s tourism offerings appeal to international consumers and travel planners by connecting the industry with the latest research, educational tools and travel trends. We use a research firm, Travel Market Insights, to gather all the pertinent data that our industry will need to make educated decisions when marketing to the international visitor.

Discover New England offers access to an extensive network of industry contacts in New England and abroad. We work directly with U.S. receptive operators, group tour operators, travel agencies, online booking agencies, and international travel writers to provide them with new trip ideas, offerings and enhancements, as well as marketing tools to promote New England travel.

One of our main goals is to be positioned as the premier resource for reaching key international markets for New England-based state tourism offices, regional tourism organizations and tourism suppliers. In the following report, you’ll get a snapshot of our key target markets, including consumer trends and behaviors, details on the country’s economic state, and an overview of how that specific traveler interacts with the U.S. market.

Best wishes,

Lori Harnois
Executive Director
Discover New England’s board of directors is comprised of the tourism directors from each of the six New England states. The head office is located in Portsmouth, New Hampshire, USA, where two staff members develop, direct and oversee all the day-to-day activities. Ongoing, face-to-face contact with the international travel trade industry is ensured by Discover New England’s representative offices in the United Kingdom, Germany, Japan, and Australia.

**Board Chair:** Carolann Ouellette, Maine (July – June)
**Vice Chair:** Randall Fiveash, Connecticut (July – June)
**Treasurer:** Megan Smith, Vermont (July – June)
**Secretary:** Mark Brodeur, Rhode Island (July – June)
**Member:** Francois Nivaud, Massachusetts (April - June)
**Member:** Victoria Cimino, New Hampshire (July – June)

### 2016 MAJOR ACCOMPLISHMENTS

- Expanded the industry-resource webpage
- Completed a style guide for use by all contractors and vendors
- Enhanced our Valued Partners program
- Began an east coast partnership with DC, Philly, NYC and NY state
- Added Australia/New Zealand as one of our primary markets and hired an in-country representative on a per project basis
- Record overseas visitor arrivals – up 68% since 2002
CONSUMER TRENDS & BEHAVIORS

The UK continues to be the top driver of overseas tourism to the U.S. Amid recent terrorist attacks, safety was a strong consideration among four out of ten Britons in their vacation planning. As turmoil surfaces in different geographical regions, the list of “safe destinations” has decreased at a steady rate since 2015.

With an estimated 4.9 million arrivals, the U.S. has seen a growth of 18% in visits from the UK market compared with arrival figures from 2014 (4.1 million). Spending has also increased from $14.4 billion in 2014 to $16.1 billion in 2015. While in the U.S., UK visitors often come to shop, sightsee, visit our national parks and monuments, experience fine dining, and explore our small towns and countryside.

Around three to five Brits plan all or most of their vacation activities before they leave home. The average visitor from the UK takes a bucket-list holiday once every three years, rising to more than once every couple of years among 18-34 year olds. The main purpose of most international travel is for a vacation/holiday; 66% of travel from the UK to the U.S. is for this reason.

THE ECONOMY

The UK economy may be stalling, with significant uncertainty caused by the EU Referendum on June 24, 2016. Interest rates are remaining at historic lows and are not expected to rise until 2017. Unemployment rates have fallen and earnings have risen 2% over the previous year.

THE UK TO USA MARKET

With the average length of stay being 14 nights in North America, the UK is by far the largest European source market for the USA, well ahead of Germany and France, as well as being a larger market than China. ONS figures for 2015 show a 6.4% increase in British visitation to North America, with an accompanying increase in spend of 14.9% per visit, the highest spend of all destinations. The National Travel and Tourism Office (NTTO) reports that the average household income dropped from 2014 to 2015 by $5,240 and first-time visitors to the U.S. also decreased by .4%.
Tour operators have been expressing concerns regarding availability and subsequent room rate increases during peak months, as this will lead to upward pressure on pricing. Even with these concerns, the USA is still the most popular long-haul vacation destination for the British. Visitors from the UK use airlines a majority of the time for information to help plan their vacations. Online travel agencies and personal recommendations also saw a small increase but remain in the top three information sources used to plan trips to the U.S.

The UK remains the top overseas visitor market to New England in 2015 shown by data compiled by Travel Market Insights. New England hosts 312,000 visitors a year from the UK, alone. The country’s market share is up a fraction of a point, from 6% market share in 2014 to 6.36% in 2015. While visiting, travelers from the UK often stay an average of 8.8 nights, with an average $80 per night spend. In total, visitors spent $219,648,000 in the New England region.

**BRITISH MILLENNIALS RESHAPING TRAVEL EXPERIENCE**

A new global report reveals that millennials in the UK are disrupting traditional models for travel planning. Research shows that 92% love to travel to new places and the majority agree that travel involves new experiences and going off the beaten track.

This generation is comprised of dedicated travelers with three in four prioritizing travel above any other expense, but members of this generation are also savvy bargain hunters with a penchant for luxuries. They are more likely to book through intermediaries and less likely to be in loyalty programs.

The research also shows that when compared to their older counterparts, millennials in the UK are more likely to use digital resources, such as review sites (29% vs. 21% among those 35+) to plan and book their travel.

**TRADE SHOWS**

- **Premier Holidays USA Training Day, October 2015**
  - Presented to nine groups of five to six staff members

- **World Travel Market, November 2015**
  - Small drop in the number of qualified buyers; in 2015 it was 9,126 and in 2014 it was 9,132; increase of appointments of 43 in 2014 and 46 in 2015
  - 2,768 of the world’s media were in attendance, making WTM London 2015 the largest recurring press operation in the UK

- **Travel Counsellors Conference, November 12-15, 2015**
  - More than 800 travel counsellors in attendance

- **Visit USA Irish Roadshows, April 12-13, 2016**
  - In Dublin and Cork – 35 agents and Irish media guests present at both events

- **IPW in New Orleans, June 18-22, 2016**
  - 45 appointments

- **Media events attended**
  - Visit USA Ball, July 2, 2015
  - TravMedia, September 14, 2015
  - The Independent Travel Awards, October 2, 2015
  - British Guild of Travel Writers Awards Dinner, November 1, 2015
CONSUMER SHOWS

● Women’s Institute Show, September 2015
  250 maps and guides distributed; interest was good despite the show not being specifically for travel and holiday inquiries

● Bon Voyage Consumer Day, September 2015
  Guests were Bon Voyage customers who were personally invited by the tour operator

● Destinations Show, Olympia, London, February 4-7, 2016
  Biggest consumer travel show in the UK with an attendance of 42,169, a 9% increase and biggest gate in the 23-year history of the show

● Bon Voyage Consumer Day, March 2016
  Guests were Bon Voyage customers who were personally invited by the tour operator
## Joint Marketing Activities

<table>
<thead>
<tr>
<th>Tour Operator</th>
<th>Proposal</th>
<th>Budget</th>
<th>Date of Promo</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAYLI</td>
<td>2 national press adverts, e-shot and social media posts</td>
<td>$2,000</td>
<td>16-Mar</td>
<td>E-shot: 37% opening rate, 15% click through; 28 inquiries, 9 bookings, 22 passengers, 113 room nights</td>
</tr>
<tr>
<td>American Affair</td>
<td>2 targeted emails, social media, blog post, landing page, PPC targeted campaigns, HTML 5 ads</td>
<td>$3,000</td>
<td>16-May</td>
<td>Requested</td>
</tr>
<tr>
<td>American Sky</td>
<td>Half page in mini brochure direct mailer</td>
<td>$1,000</td>
<td>Oct-15</td>
<td>11 quotes: average revenue £3,755; 5 bookings consisting of 10 pax and £17,235 revenue</td>
</tr>
<tr>
<td>Best At Travel</td>
<td>Sunday Times advert, 2 emails</td>
<td>$2,000</td>
<td>Apr-16</td>
<td>Newsletters - 73 clicks &amp; 125 clicks; Sunday Times - 90 clicks; Bookings taken: 13 pax</td>
</tr>
<tr>
<td>Black Tomato</td>
<td>Little Black Book - print and distribution, website feature, 2 emails, social media posts</td>
<td>$4,000</td>
<td>Apr-16</td>
<td>Requested</td>
</tr>
<tr>
<td>Bon Voyage</td>
<td>Consumer Show and dedicated newsletter</td>
<td>$1,000</td>
<td>May-16</td>
<td>Requested</td>
</tr>
<tr>
<td>Collette</td>
<td>One page advert in the US &amp; Canada mailer, partnership mailing, training webinar for travel professionals</td>
<td>$5,000</td>
<td>Apr-16</td>
<td>Requested</td>
</tr>
<tr>
<td>Frontier Travel</td>
<td>Telegraph classified advert</td>
<td>$1,000</td>
<td>Apr-16</td>
<td>Requested</td>
</tr>
<tr>
<td>NATS</td>
<td>Flyer for WI show, e-shot to consumer and trade, home page on website</td>
<td>$2,000</td>
<td>Sep-15</td>
<td>Requested</td>
</tr>
<tr>
<td>Sunway Ireland</td>
<td>One page advert in the RTE guide, newsletter</td>
<td>$1,300</td>
<td>Dec-15</td>
<td>RTE ad: received 24 calls, 3 bookings; E-newsletter was sent to 63,500 with an open rate of 11% and click-thru rate of 2.92%</td>
</tr>
<tr>
<td>Tour America</td>
<td>Flyer for Dublin holiday show</td>
<td>$2,000</td>
<td>Jan-16</td>
<td>Room nights: 344 year to date, 287 for the same period last year</td>
</tr>
<tr>
<td>Travel Counsellors</td>
<td>E-magazine offer slot, TCTV broadcast, one page advert in consumer e-brochure</td>
<td>$3,000</td>
<td>May-16</td>
<td>Requested</td>
</tr>
<tr>
<td>Travel Planners/US Airtours</td>
<td>Featured as destination of the month, two newsletters and social media, dedicated New England months</td>
<td>$4,000</td>
<td>Sep-15</td>
<td>Requested</td>
</tr>
<tr>
<td>Virgin Holidays</td>
<td>Group e-newsletter, plasma screens, social media coverage</td>
<td>$5,000</td>
<td>Nov-15</td>
<td>Email: total clicks 822, open rate of 18.4%; Social posts had a reach of 84,054, 2,956 likes, 97 shares and 48 comments; Room nights: 857; Total pax: 475</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>$36,300</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FAMILIARIZATION TRIPS – TRADE

- Post-Summit FAM trip
  - Visited Providence, Rhode Island; Plymouth and Sturbridge, Massachusetts; and Hartford, Mystic and New Haven, Connecticut
  - Four tour operators in attendance

FAMILIARIZATION TRIPS – MEDIA

- Five individual media visits
- Four on an annual group media trip – June 13-18, 2016
- Three 2016-2017 IMVs in planning stages

PRESS RELEASES AND NEWSLETTERS

- Issued 10 press releases since July 1, 2015, covering topics from autumn and winter fun in New England to award-winning composer Randy Newman to headline Vermont Jazz Festival
- Distributed three newsletters with DNE Gold Partners: Brand USA and Best Western Hotels
- 67% of leisure travelers use their smartphone to research vacation options, with 94% using their computer or tablet
- Travel videos are viewed by 52%-66% of people when researching and choosing a vacation destination and the activities and accommodations available there
- 2015 saw an increase of 9.4% in visits abroad by UK residents, up to 65.7 million, the highest number since 2010; of these, nearly two thirds were for vacations
- List of major tour operators:
  - Virgin Holidays
  - First Choice
  - Tui
  - Thomas Cook
  - Trailfinders
- Specialist tour operators offering tailor-made vacations:
  - Bon Voyage
  - America As You Like It
  - North America Travel Services
- Luxury operators:
  - Abercrombie & Kent
  - Scott Dunn
  - Exsus
  - Lusso Travel
  - Audley Travel
NTTO research:

- Total arrivals to the USA – visitation trends
  - 2013 – 3,835,000 (up 2% over 2012)
  - 2014 – 4,149,000 (up 8% over 2013)
  - 2015 – 4,901,000 (up 18% over 2014)

- Main purpose of the trip (2014 vs 2015)
  - Vacation/Holiday (down .2%)
  - Visit Friends/Relatives (up .5%)
  - Business (down .2%)
  - Convention/Conference/Trade Show (up .5%)
  - Education (down .1%)

- Top activities
  - Shopping
  - Sightseeing
  - National Parks/Monuments
  - Experience Fine Dining
  - Small Towns/Countryside

- Characteristics
  - Advance trip decision times average (up 4.4% from 2014)
  - First international trip to the U.S. (down .4% from 2014)
  - Average number of states visited – 1.4
GERMANY, AUSTRIA & SWITZERLAND
CONSUMER TRENDS & BEHAVIORS

Germany continues to be a strong market for the U.S. even though operators are reporting sluggish bookings throughout 2015 and 2016. The National Travel and Tourism Office reported that arrivals actually grew 10% over 2014 figures, with 2.3 million visitors coming to the U.S. in 2015. Spending also increased from $8.2 billion dollars in 2014 to $8.9 billion in 2015.

Tour operators and travel agents saw a single-digit rise in bookings for the summer of 2015, according to the German Travel Association (DRV), stating that “organized holidays with tour operators and booked through travel agents remain a hit.” In early 2016, the outlook for the German tourism market remained good despite the slow bookings. And, leading market researchers remained optimistic that Germans would travel more than ever this year despite a series of terrorist attacks.

However, in April there was a survey conducted by TravelZoo of 1,000 online consumers that found 63% of Germans had not yet booked their summer holiday. The explanation of fear of another terrorist attack in a holiday destination was given as the reason for the delayed bookings. 35% of the travelers surveyed said that they were planning on selecting their destination based on security and safety of the location. NTTO reported that 43% of travelers use airlines as their primary source of information for trip planning and 39% use online travel agencies.

THE ECONOMY

The German Travel Association (DRV) reorganized the German school summer holidays in the 16 federal states to ensure maximum usage of the holiday period schedule and to support the tourism sector. This year the ‘holiday corridor’ only covered 80 days, whereas there are 92 available between the earliest possible start and latest possible end of the six-week school summer holidays.

The early-spring hopes of a post-ITB upturn in German bookings were crushed as reports showed an 11% decline in package holiday bookings. Summer bookings were also down 7% during this time of year.

The German Employment Commission (BA) showed a decrease in unemployment rates in the country and were reporting a rate of 6.3%, the lowest recorded rate since 1991. This decrease was much stronger than had been anticipated.
THE GERMANY TO USA MARKET

According to a trend analysis in late 2015, Germans seem to be booking more long-haul holidays online and heading to more mainstream short-haul destinations. It has been noted that because of terrorist attacks, many travelers are sticking with trusted and safe destinations. Earlier in the year, operators who specialize in the U.S. product were optimistic about travel to the U.S. because the destination had been deemed a safe destination. Then came a series of three terrorist bombing events in Brussels and Belgium, and just 140 miles from Cologne. Hopes were dashed as the tourism market saw an 11% decline in bookings after these terrible events.

All in all, German tour operators saw good bookings for the U.S. The dollar has had a noticeable effect on incoming travel to the USA. Operators are trying to offer more value to their packages through upgrades, additional value-adds and increased marketing for USA-specific destination packages. Overall, the winter season was good for U.S. sales on the German market and experts believe that 2015’s record number of 2.1 million visitors will be achieved again.

Germans traveling to the U.S. are primarily visiting while on vacation/holiday (56%) and to visit friends and relatives (21%). Shopping, sightseeing, visiting our national parks and monuments, and exploring our small towns and countryside, as well as historical locations, top the list of attractions and activities Germans like to partake in when in the U.S. There was a decrease of $20,765 in household income compared to visitors from 2014 and for 21% this was their first international trip to the U.S.

In regards to the New England market specifically, there were 155,000 overseas visitors from Germany. New England’s market share of overseas visitor arrivals rose a fraction of a point from 6.21% in 2014 to 6.84% in 2015. While in New England, visitors spent an average of 12.2 nights and an average of $64 per night. In total, German visitors spent $121,024,000 in 2015.
TRADE SHOWS

ITB 2016, March 09 – 13, 2016

- DNE and Massachusetts Office of Travel & Tourism
- Over 10,000 exhibitors from more than 187 countries
- 120,000 trade visitors (up from 2014: 115,000)
- 50,000 attendees
- Nine delegates from DNE and two from MOTT staffed the booth
- DNE had 44 pre-scheduled trade and media appointments, plus walk-ins during the show and at the Visit USA Germany Media Breakfast
- Distributed 900 Reiseplaner and 600 New England maps, as well as 300 pieces of state literature and maps

IPW New Orleans, June 18-22, 2016

- 20 appointments with German-speaking tour operators
- 42 trade leads have been generated through these meetings
CONSUMER SHOWS

- Discover New England (GIA) participated in the joint Visit USA / Brand USA booth at various consumer shows in 2016.
  - CMT Stuttgart, January 16-24, 2016 – attendance was 220,000 consumers (2015: 241,000), distributed 800 Reiseplaner, as well as 500 NE maps and 300 lure brochures and maps of the different states
  - f.re.e München, February 10-14, 2016 – attendance was 122,000 consumers (2015: 118,000), distributed 400 Reiseplaner, as well as 250 NE maps and 100 lure brochures and maps of the different states
  - Reisen Hamburg, February 17-21, 2016 – attendance was 76,000 (2015: 70,000), distributed 400 Reiseplaner, as well as 200 NE maps and 100 lure brochures and maps of the different states

- Brochure distribution at other German consumer shows includes the following number of travel guides:
  - VUSA Consumer Event Düsseldorf, Dec. 05, 2016 100
  - CRD Consumer Weekend Open House Hamburg 500
  - Motorcycle Show Bodensee, January 29 – 31, 2016 150
  - Motorcycle Show Swiss Moto Zurich, February 18 -21, 2016 150
  - Motorcycle Show Dortmund, March 3 – 6, 2016 150
  - Reisemarkt Mannheim, Jan 6-10, 2016 150
  - (America Unlimited) ABF Hannover, Feb. 3-7, 2016 200
  - (Fairflight) Touristik & Caravaning International, Nov. 18-22, 2015 400
## JOINT MARKETING ACTIVITIES

<table>
<thead>
<tr>
<th>TOUR OPERATOR</th>
<th>BRAND USA BUDGET TOTAL</th>
<th>DATES OF ACTIVITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>America Unlimited</td>
<td>$4,000</td>
<td>Nov 15</td>
</tr>
<tr>
<td>Argus Reisen</td>
<td>$1,200</td>
<td>Feb 16</td>
</tr>
<tr>
<td>CANUSA</td>
<td>$5,000</td>
<td>March 2016</td>
</tr>
<tr>
<td>Explorer Fernreisen</td>
<td>$3,400</td>
<td>Jan - March 2016</td>
</tr>
<tr>
<td>Fairflight</td>
<td>$1,500</td>
<td>Nov 01, 2015</td>
</tr>
<tr>
<td>Faszination Fernweh</td>
<td>$4,200</td>
<td>Dec 2015</td>
</tr>
<tr>
<td>FTI</td>
<td>$5,000</td>
<td>March 2016</td>
</tr>
<tr>
<td>Meier’s Weltreisen</td>
<td>$3,300</td>
<td>Feb 01, 2016</td>
</tr>
<tr>
<td>Tom on Tour</td>
<td>$2,600</td>
<td>Jan 2016</td>
</tr>
<tr>
<td><strong>TOTAL JMA FY15</strong></td>
<td><strong>$30,200</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Left Over</strong></td>
<td><strong>$1,150</strong></td>
<td></td>
</tr>
</tbody>
</table>
TRAINING & PRODUCT MISSIONS

- Thomas Cook / Neckermann: TravelConneXion, Joint-USA booth with Brand USA, October 31, 2015, 2,500 travel agents
- DER Touristik: Program presentations 2016 in Hamburg at joint BUSA booth, November 6-8, 2015, 8,000 travel agents
- Air Berlin Travel Agent Evenings: Mettmann (Düsseldorf) and Cologne, February, 22 & 23, 2016, 100 travel agents
- Visit USA activities
  - Attended three Visit USA Germany meetings
  - VUSA Consumer Event in Düsseldorf, December 5, 2016, 100 visitors
- German Sales Mission, November 7 – 12, 2015, Hamburg, Hannover, Bovenden, Frankfurt
  - Five DNE representatives and one DNE/GIA representative

FAMILIARIZATION TRIPS – TRADE

- Post-Summit FAM trip
  - Visited Rhode Island, Massachusetts and Connecticut
  - Five tour operators in attendance
- Hotelplan / Skytours, May 4-13, 2016
  - One product manager and ten travel agents in attendance

FAMILIARIZATION TRIPS – MEDIA

- Three individual media visits
- Five on group media fam – August 13-20, 2015, partnered with Condor and Brand USA, visited Rhode Island, Connecticut, and Massachusetts
- Five on a group media trip – June 13-20, 2016, partnered with Condor and Thomas Cook, visited Rhode Island, Connecticut, and Massachusetts

PRESS RELEASES AND NEWSLETTERS

- Issued 10 press releases since July 1, 2015, covering topics from the 50th anniversary of the Vermont Maple Festival to the centennial celebration of Acadia National Park
JAPAN
CONSUMER TRENDS & BEHAVIORS

Japan continues to be one of the top five sources of overseas visitors to the USA. When looking at outbound travelers from Asia, Japan falls just behind China. Due to the terrorist attacks in France, many Japanese travelers are canceling their vacations to France and the surrounding European countries. Because of these events, bookings to the U.S. have increased, specifically to the east coast.

In 2014, the number of visitors arriving from Japan to the U.S. decreased 3% from 2013 to 3.6 million visitors. There was a small rebound in 2015 of an increased visitation of 4% and arrivals were comparable to 2013 figures of 3.7 million visitors. Visitors spent an estimated $16.9 billion in total travel and tourism exports. According to the research compiled by Travel Market Insights, Japan is being forecasted behind the UK and China as the top visitor market for the U.S. with 3.8 million arrivals through 2020.

THE ECONOMY

According to the Maine International Trade Center’s 2015 Travel and Tourism Resource Guide to Japan and China, “about 80% of outbound trips in Japan are accounted for by households earning above U.S. $50,000 per annum in 2014.” This accounts for 65% of all households in Japan.

The country’s currency, the Yen, weakened drastically in 2013 and in 2015 was at a five-year low against the U.S. dollar. Still, Japan remains as the world’s third-largest economy and boasts an unemployment rate of 3.3% in 2015.

THE JAPAN TO USA MARKET

The USA is one of the top international destinations for the Japanese traveler. When planning their vacations, travel agencies and online travel agencies have seen a minimal decline of use (-.3% and -1.4% respectively) during 2015, while airlines have seen an increase of 3.4% of usage. Personal recommendations saw an increase of .5% and national, state and city travel offices have seen a decrease of .4% for travel planning purposes. The main purpose of the trip has remained consistent at 69% of the travelers coming to the U.S. for a vacation/holiday and an increase of 1.6% of travel related to a convention, conference or trade show.

While in the states, Japanese tourists often came for sightseeing and shopping, to experience fine dining, and for water sports and guided tours. NTTO also reports that the average household income has

\[1\] NTTO – Japan Market Profile 2015
\[2\] ycharts.com/indicators/japan_unemployment_rate
dropped almost $13,000 (from $97,727 in 2014 to $84,669) and that first-time visitors have increased almost 3.4% over 2014 figures.

New England saw 76,000 visitors from Japan in 2015, ranking sixth overall in top overseas visitor markets. Dropping a small fraction of a point, New England saw a decrease in market share from Japan, 2.34% in 2014 to 2.03% in 2015. Even though there was a small decrease in market share, New England still saw great spending from this country’s visitors. This market spent an average of 8.2 nights and an average of $62 per night, with the overall spend of $38,638,400 in 2015.

There are three holiday periods when travel is more prevalent. During the beginning of the new year, many companies close allowing the opportunity for travel. This ranges from the last week of December until just after the new year begins. Golden Week is another holiday that takes place at the end of April and beginning of May. This is a period of time where the Japanese celebrate four public holidays and time off can range from five to nine days. The last of the long holidays is Obon which takes place in mid-August. This month is historically the peak month for all Japanese travel.

Japan Airlines updated their aircraft to 787-9 and added 10 seats with a total number of seats at 196.

Brand USA held an event at Tokyo’s MLB café to promote major league baseball. The Boston Red Sox was one of the teams they chose.

TRADE SHOWS

- JTB Travel Festa, Tokyo, July 26, 2015
- JATA Tourism Expo, Tokyo, September 24-27, 2015
  - DNE participated with MOTT
  - Largest tourism show in Asia
  - 173,000 trade, press and consumers in attendance; the highest attendance in the history of the show, increasing 8% over 2014 attendance
  - 40,622 trade and media attended on the September 25 travel trade day
  - Exhibitors came from 181 countries/regions

- Niseko Festival, Hokkaido, December 31, 2015
  - 4,000 consumers
  - Ski festival

  - DNE had 5 pre-scheduled meetings with Japanese tour operators

Other trade shows in Japan
(DNE did not participate, but provided brochures through Brand USA booth)

- Brand USA Seminar, Tokyo, February 17, 2016
- Brand USA Seminars, Osaka and Nagoya, June 1-2, 2016
- Kansai Airport Travel Expo, Osaka, June 4-5, 2016
TRAININGS AND PRODUCT MISSIONS

- **JBT Night, Tokyo, September 15, 2015**
  - Presentation to 270 JTB employees organized by Brand USA

- **JTB America Seminar, Tokyo, November 15, 2015**
  - Gave seminar to 200 JTB sales staff in greater Tokyo area

- **Tonichi Kanko**
  - Gave seminar to 80 high school students who are interested in studying abroad

- **DNE Sales Mission, Tokyo & Osaka, January 30 – February 6, 2016**
  - 4 private sectors participated
  - 7 sales calls in Tokyo
  - 3 sales calls in Osaka

- **LA Sales Mission, Los Angeles, California, April 20 & 21, 2016**
  - 7 appointments with LA-based Japanese tour operators

- **NYC Sales Mission, New York City, New York, May 23, 2016**
  - 4 appointments with NY/NJ-based Japanese tour operators
CHINA
CONSUMER TRENDS & BEHAVIORS

China has become a viable market for the USA and, in terms of international travelers, this country has become the largest market in the world. The U.S. is the only long-haul destination among Chinese travelers’ top destinations.

Middle-to-upper-class Chinese travelers spend around 19% of their annual salaries on overseas travel. This percentage is much higher than other international travel markets and 56% of this group’s preferred leisure pursuits is travel. The top three selection drivers for this market are affordability, quality of food and safety.

Social media has soared to the forefront of the vast array of communication tools used to target the Chinese consumer. It has become a part of their daily lives and 98% of brands are discovered through social platforms. “The importance of social is further validated by Brand USA’s strategic shift to a social-first approach in all markets.” In the second-quarter microsite-statistics report from Brand USA, it was found that social contributed 92% of total views to New England and 165,000 views on Weibo.

THE CHINA TO USA MARKET

The U.S. has become an increasingly popular destination for the Chinese tourist. When planning their vacations, airlines are the number one used resource even though it dropped 3% over the past year. Personal recommendations and online travel agencies are used by 32% and 28%, respectively, of travelers to plan their trips. Both of these saw an increase of 3.2% and 1% of usage compared to 2014.

More and more Chinese tourists are coming to the states for a variety of reasons. Travelers citing the main reason of their visit was a vacation/holiday increased 5% in 2015 compared to 2014. Visiting friends and relatives saw a decline of 2.3% and business also saw a decline of 2.6%. Chinese tourists want to shop, sightsee, experience fine dining, and visit national parks/monuments, as well as art galleries and museums. 42% of Chinese travelers coming to the U.S. are first-time visitors. The average household income dropped $3,745 from 2014 to $73,087. The average spend per person traveling from China to the U.S. is $6,000-7,200, making them the highest spending group that comes to the U.S.

New England is seeing more and more Chinese visitors and this market is now the second highest overseas visitor market for the region, welcoming

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3 thebrandusa.com’s China market update
4 Brand USA’s Q2 New England Chinese microsite report
266,000 visitors. The region did see an increase in market share from China, rising from 9.6% in 2014 to 10.28% in 2015. Chinese visitors spent the most while visiting New England, mainly due to trip length, which is an average of 19.9 nights. During this time, Chinese visitors spent an average of $78 per night, with a total spend of $412,885,200 in 2015.

Additional Marketing

- Discover New England also hosted Chinese receptive operators at the 2015 Annual Summit & International Marketplace
- A microsite was developed through a partnership with Brand USA; this page went live in the beginning of June (www.gousa.cn/new-england)
  - 178,776 total views
    - 13,776 website – the website remains an important part of the equation for travelers seeking DIRECT QUERIES to make pre-travel decisions and planning
    - 148,000 social – social media has become an integral part of daily life with 98% of brands seen by consumers through their online presences; the importance of social is further validated by Brand USA’s strategic shift to a social-first approach in all markets
  - $0.0927 per view
  - 74% were new visitors and 26% were returning visitors
  - Social contributed to 92% of total views to New England generating 165,000 views on Weibo

- Top 10 activities by pageview
  - Maine lobster
  - Acadia National Park
  - White Mountain National Forest
  - The Freedom Trail
  - Plymouth Whale Watching
  - Skydive Pepperell
  - Newport Mansions
  - The Breakers
  - Boston Harborfest
  - New England Aquarium Adventure
AUSTRALIA
CONSUMER TRENDS & BEHAVIORS

Australian arrivals have been steadily growing over the past three years. In 2013, there were 1.2 million visitors arriving, 2014 saw 1.3 million visitors and 2015 had an increase to 1.45 million visitors, showing a growth of 7%, 6% and 11%, respectively, over the three-year period.

Air access from Australia is on the rise. In February of 2016, Qantas increased their Sydney to San Francisco International Airport run from five times a week to six and also doubled their daily services from Sydney, Melbourne and Brisbane to Los Angeles International Airport (and John F. Kennedy International Airport in New York via LAX). In addition, United Airlines switched Sydney’s 777 services to a newer Boeing 787 in March of 2016. With increased demand, Virgin Australia announced they will be launching additional Melbourne to LAX services starting in the spring of 2017.

Another great flight that has direct connections to Boston, Massachusetts, is Air New Zealand’s five-time weekly service from Auckland to Houston, Texas, landing at the George Bush Intercontinental Airport. Houston has direct connections to and from Boston’s Logan International Airport.

ECONOMY IN AUSTRALIA –

The Australian economy is entering its 25th year of economic growth, something few other developed economies have done. Employment has been growing and consumers are benefiting from lower prices and interest rates.

Australia’s economic growth prospects are favorable, with real GDP forecast to grow 3.16% in 2016.

Total outbound travel from Australia continues to grow, driven by increased demand, expansion of airline services, economic growth and low airfares (20-30% lower than 2-3 years ago), caused by a softening of global fuel prices. The United States of America remains graded as the number one long-haul travel destination for Australians, posting 10 years of constant growth and record arrivals. The majority of travel to the United States is for leisure (around 76%).
In 2015, the Australian market grew by 6% and 1.28 million Australians visited the United States. In 2016, it is likely that Australian travel will have increased again and 1.3 million Australians will have visited the United States. It is forecast that from 2014 to 2020, Australians traveling to the United States will grow by approximately 25%, and that the United States will welcome 1.6 million Australians in 2020.

Sources:
www.budget.gov.au (GDP Growth)
www.xe.com (Exchange rates)

THE AUSTRALIA TO USA MARKET

The United States has seen a 110% increase in Australian visitors since 2008. They are mainly using airlines as their primary source of information, seeing a 6.4% increase, while travel agencies and online travel agencies are their second and third stop for travel planning information. Both, travel agencies and online travel agencies, saw a decline of 5.6% and 1%, respectively.

A majority of Australians, 68%, are traveling to the U.S. for a vacation/holiday, while 17% are visiting family and friends. The most popular activities sought out while in the U.S. are shopping, sightseeing, national parks and monuments, guided tours, and historical locations. In a recent VUSA update, it was mentioned that in 2015 there was a 35% increase in visiting art galleries and museums, attending sporting events, camping and hiking, and visiting Native American communities.

Australians mainly visit from April to October and during the month of December. While here, they visit 2.2 states. The National Travel and Tourism Office reports that Australia’s spending trends have increased steadily since 2008 (except for a small decline in 2012). Currently, visitors are spending an estimated $8.4 billion a year in the U.S. The average household income of the Australian visitor decreased about $8,000, from $118,845 in 2014 to $110,890 in 2015.

As an emerging market, New England is seeing an increase in overseas visitors coming to explore the region. 72,000 visitors came to New England during 2015 and, while the region saw a small drop in market share from 2014 to 2015, 5.27% to 4.94% respectively, New England still benefited because this market spends the most per visitor per day while in the region. With an average number of 9.5 nights and an average of $112 per night, Australian visitors had an overall spend of $76,608,000 in 2015. To help facilitate increased visitation, Discover New England hired Canuckiwi on a per project basis from January 2016 – June 2016.
TRADE SHOWS

- Visit USA Expo
- New England Sales Mission to Australia and New Zealand

FAM TRIPS

- There are three upcoming media visits scheduled for fiscal year 2017
  - September 2016 – Audrey Young – NZ Herald
  - October 2016 – Alicia Pyke – YOURS & Woman’s Day
  - 2017 – Kerry Heaney – Eat, Drink + be Kerry

PRESS RELEASES AND NEWSLETTERS

- Issued six press releases since January 1, 2016, covering topics from “Antiques Road Trips” to “Outdoor Adventures Abound.”
ANNUAL TOURISM SUMMIT & INTERNATIONAL MARKETPLACE
ANNUAL TOURISM SUMMIT & INTERNATIONAL MARKETPLACE

April 4-6, 2016
Newport Marriott
Newport, Rhode Island

Participation:
- 364 delegates – 73 buyers from 69 companies and 10 countries, and 287 New England suppliers, including state tourism organizations, officials and international representatives

- Staff and volunteers coordinated and managed four Marketplaces, all with pre-scheduled 8-minute meetings

- An overview video of all of DNE’s efforts was shown at the Tuesday luncheon

- Facilitated more than 5,100 meetings between international buyers and New England suppliers

- Coordinated one pre-Summit FAM (Germany and the Netherlands) and three post-Summit FAMs (UK, Italy, France)

- Buyers came from:
  - Canada (1)
  - China – U.S.-based (2)
  - China (3)
  - France (6)
  - Germany (4)
  - Italy (7)
  - Japan – U.S.-based (6)
  - Netherlands (5)
  - Switzerland (1)
  - UK (9)
  - USA (29)
  - Online travel agencies/operators (4)
  - Travel writers (3)
DNE & BRAND USA –
PRE-SUMMIT GERMAN / NETHERLANDS / SWISS FAM

March 30 – April 7, 2016
MA & CT

**German Participants:**
Christiane Bender, Escort, GIA/Discover New England
Markus Elter, Escort, GIA / Discover New England
Susanne Fuhrmann, Destinc Travel
Tanja Kiep, Thomas Cook
Christian Duebler, Faszination Fernweh
Thorsten, Freimuth, AAR Reisen
Lotti Plass, Chinook Tours

**Netherlands Participants:**
Esther Rosenhart, Escort, Target Travel/Discover New England
Jolanda Harbers, DO-USA.nl
Lucia van der Veer, Atlantic Dream Vacations
Manon van Delft, Nettravel Associates
Marlon Beauperthuy, Le Beau Reizen
Melanie Modder, Tenzing Travel
AirBerlin representative: Roel Bouten

DNE & BRAND USA –
FRENCH POST-SUMMIT FAM

April 6-11, 2016
NH, VT, ME

**Participants**
Hervé Duxin, escort, Duxin Com
Emmanuelle Blondin, escort, Duxin Com
Béatrice Valat - Intermedes
Guillaume Leroy – My Luxury Travel
Sandy Hervet - Jetset
Sylvia Riou Avalos - Anapia
Arnaud Verin - Little Big Road
Ana Raskovic – Marco Vasco
DNE & BRAND USA – ITALIAN POST-SUMMIT FAM

April 6-11, 2016
NH, VT, ME

Participants
Olga Mazzoni, escort Thema Nuovi Mondi Srl
Roberto Nadalini, Alidays
Martina Dubs, Cividian Viaggi, Product Manager
Assistant
Roberto Maccatrozzo, Etnia Viaggi (Travel Concept) Product Manager
Andrea Alessandrelli, Go America, Product Manager
Mrs. Khadija Faouzi, NAAR, Product Manager Assistant
Maurizio DiBella, Press Tours, USA Product Manager
Viviana Valentini, SIMA Viagi, Product Manager Assistant

DNE & BRAND USA – UK POST-SUMMIT FAM

April 6-9, 2016
RI, MA, CT

Participants
Jenni Bridgman, escort, KBC PR & Marketing/Discover New England
Jayne White, Tital Travel
Jenny Culverwell, Imagine North America
Stuart Perry, Travelsphere
James Leigh, America As You Like It
WEBSITE
In 2015 and 2016, Discover New England’s concentration for the website was focused on cleaning up the analytics. Having clean statistics is one of the most important factors to help guide content creation and maximize the value of content for the audience.

The internal 2016 trends show consistent growth during the year. The second half of the year’s traffic has been stronger than the first half and recent months’ statistics have shown that the DNE site is right on track for performance similar to 2015.

As Google continues to update its search algorithms to provide all searchers with the most relevant results for their queries, Discover New England’s appearance on page one of search results for terms related to New England travel and recreation is increasing for both U.S. and U.K. searches. This change by Google has increased DNE’s domestic traffic (as a part of all country visits) from 78% to 80% for fiscal year 2015.

Continuing to look at and analyze the site metrics on an ongoing basis is extremely important. DNE’s bigger numbers from 2014-2015 may have inadvertently been padded by artifacts of “spam” traffic and referrals. This type of spam is unavoidable but as time passes and analytic tools get more accurate, DNE can pinpoint these types of traffic and omit them from the reporting.

Performance of the DNE site was also affected by the launch of the new site at a new host, which given the size and complexity of the redesign, and the complete reorganization of the pages, resulted in a predictable dip in organic search and direct referrals. In addition, there was a glitch in the Google Analytics reporting system from July to August 2015, which affected reporting statistics.

- Compared to 2010, the DNE website had 1,136,053 additional unique visitors in 2015
- 48.8% of users visited via mobile devices
- 10,900 guide downloads
- Top landing pages:
  - Homepage
  - New England States
  - One Week Foliage Tour
  - Fall Foliage Maps
  - Beaches
  - New England Quick Facts
  - New England Maps
  - Seasons: Fall
  - Northern Coastline Tour
  - Events
Main Site

Growth in unique visitors
All segments (FY2010 – FY2016)

UNIQUE VISITORS

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57,883</td>
<td>122,674</td>
<td>249,523</td>
<td>430,925</td>
<td>890,253*</td>
<td>1,041,384</td>
<td>1,262,204</td>
</tr>
</tbody>
</table>

Note:
*DNE launched a new website and analytics program in FY2015. One of the goals for FY2016 was to clean spam referrals within the analytics.

FY2009 was approximately 50,000 unique visitors (site started in the spring).
Other Key Statistics

Average bounce rate has dropped 18% to 43% overall – comparable average of other similar sites is 40%-60%

New visitors have remained steady at 76%

Pageviews: 2,377,315

Site speed:

- Average page load time dropped 18.5% (4.71 seconds vs. 5.78 seconds)
- Average page download time improved by 10% (.22 seconds vs. .25 seconds)

Traffic Sources (No Paid Campaigns)

Referrals from Social Networks

<table>
<thead>
<tr>
<th>PLATFORM</th>
<th>REFERRALS</th>
<th>PERCENT OF SOCIAL REFERRALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>facebook</td>
<td>4,203</td>
<td>36%</td>
</tr>
<tr>
<td>pinterest</td>
<td>3,434</td>
<td>30%</td>
</tr>
<tr>
<td>tripadvisor</td>
<td>484</td>
<td>1%</td>
</tr>
<tr>
<td>buzzfeed</td>
<td>164</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>twitter</td>
<td>102</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>weebly</td>
<td>44</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>vkontakte</td>
<td>34</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>google+</td>
<td>24</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>netvides</td>
<td>24</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>reddit</td>
<td>24</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>
Average bounce rate dropped to 44.5% from a previous average of 55.5%

- 97,911 pageviews

- Mobile growth: 43% of users visited via mobile vs. 34% last year for a total of 18,670 total visits via mobile

- Top landing pages:
  - Homepage
  - Fall Foliage
  - New England Quick Facts
  - Boston Attractions
  - New England Beaches
  - New England States
  - Whale Watching
  - Fall Foliage Drives
  - Massachusetts
  - Walking & Hiking
Social contributed 92% of total views to the New England site, generating 165K views on Weibo

New England ranked 11 out of 31 partners

Total views: 178,776
  - Web – 13,776
  - Social – 148,000

Top 5 activities by pageview
  - Maine Lobster
  - Acadia National Park
  - White Mountain National Forest
  - The Freedom Trail
  - Plymouth Whale Watching

Total number of blogs: 27
Total blog engagements: 197

*Stats are from April 2016 to July 2016
SOCIAL MEDIA
FACEBOOK

New Organic Likes: 1,527
Total Likes: 8,532
Daily Total Reach: 295,988
Daily: The number of people who have seen any content associated with your Page. (Unique Users)
Total Daily Page Engaged Users: 11,757
Daily: The number of people who engaged with your Page. Engagement includes any click or story created. (Unique Users)
Daily Total Impressions: 550,448
Daily: The number of impressions seen of any content associated with your Page. (Total Count)
Daily People Talking About Page: 2,958,297
Daily: The number of people sharing stories about your page. These stories include liking your Page, posting to your Page’s timeline, liking, commenting on or sharing one of your Page posts, answering a question you posted, responding to one of your events, mentioning your Page, tagging your Page in a photo or checking in at your location. (Unique Users)

Fans are coming from 36 different countries:

Albania   Germany   Pakistan
Argentina  Greece   Singapore
Australia  India    South Africa
Austria    Indonesia Spain
Azerbaijan Ireland  Sweden
Belgium    Israel    Switzerland
Bolivia    Italy     Thailand
Brazil     Japan     United Kingdom
Canada     Malta     United States of America
Denmark    Mexico    Uruguay
Finland    Netherlands
France     New Zealand
Facebook Posts with Most Impressions

People Reached: 7,420
Likes: 129
Comments: 36
Shares: 31

People Reached: 6,592
Likes: 9
Comments: 0
Shares: 0
Facebook Posts with Most Impressions

People Reached: 3,090
Likes: 17
Comments: 0
Shares: 4
TWITTER
Total Followers: 2,866
New Followers: 524
Tweets: 1,994
Retweets: 74
Engagement: 786

INSTAGRAM
Media Posted: 237
Followers: 651

PINTEREST
Average Daily Impressions: 991
Average Daily Viewers: 567
Total Impressions: 29,744

YOUTUBE
Watch Time: 91,935 minutes
Views: 42,403
Likes: 104
Comments: 12
Shares: 148
Videos in Playlist: 139
New Subscribers: 99

Traffic Sources
- External: 36%
- YouTube Search: 34%
- Suggested Videos: 18%
- Other: 12%

Top Geographies by Watch Time
- United States: 52%
- United Kingdom: 14%
- Germany: 7.9%
- Canada: 2.2%
- Italy: 2%
CONTACT US
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Vice Chair
Randall Fiveash, Tourism Division Director
Connecticut Office of Tourism
Department of Economic & Community Development
One Constitution Plaza
2nd Floor
Hartford, CT 06103
860-256-2769

Maine
Board Chair
Carolann Ouellette, Director
Maine Office of Tourism
59 State House Station
Augusta, ME 04333
207-624-7483
carolann.ouellette@maine.gov

Massachusetts
Board Member
Francois Nivaud, Executive Director
Massachusetts Office of Travel and Tourism
10 Park Plaza, Suite 4510
Boston, MA 02116
617-973-8500
execdirector.mott@state.ma.us

New Hampshire
Board Member
Victoria Cimino
State of New Hampshire Division of Travel and Tourism Development
172 Pembroke Road
Concord, NH 03301
603-271-2665
Victoria.cimino@dred.nh.gov

Rhode Island
Secretary
Mark Brodeur, Director
Rhode Island Tourism
315 Iron Horse Way, Suite 101
Providence, RI
401-278-9152
mbrodeur@commerceri.com

Vermont
Treasurer
Megan Smith, Commissioner
Vermont Department of Tourism and Marketing
1 National Life Drive, 6th Floor
Montpelier, VT 05620
800-837-6668
megan.smith@vermont.gov
DNE STAFF

Lori Harnois, Executive Director
lharnois@discovernewengland.org

Kathy Scatamacchia, Operations Manager
kathy@discovernewengland.org