



TRAVEL TEXAS

————— [FY2021 Marketing Plan] —————

An aerial photograph of two kayakers on a river. The water is a clear, light blue-green color, revealing the rocky riverbed below. The kayakers are positioned in the upper left quadrant of the frame. The riverbanks are composed of large, light-colored rocks. The overall scene is serene and scenic.

ADVERTISING



Let's Texas Safely

Travel Texas will continue to build on the positive momentum of the “Let’s Texas” campaign with new advertising that takes into account travel sentiment during the current situation. We will continue to showcase the state of Texas as dynamic, authentic and welcoming.

We will modify messaging to highlight safe travel and encourage future travel when appropriate based on consumer sentiment and the state of recovery within Texas. The advertising will also highlight experiences travelers want during this time, such as road trips, outdoor activities and other travel activities that easily accommodate social distancing.

Advertising Objectives

Inspire Future Travel (Phase 1)

- Provide inspirational information to the traveler who is actively seeking out information about travel to Texas

Outreach (Phase 2)

- Instill confidence in Texas as a destination with a variety to offer the traveler who is traveling or planning a future trip
- Increase awareness of Texas as a premier vacation destination
- Increase intent to book a trip to Texas



Media Plan

With the pandemic situation changing constantly, our media plan will need to be flexible in order to reach prospective travelers.

We will constantly monitor the pandemic situation, travel restrictions and consumer behaviors and optimize both our messaging and targeting to ensure that our campaign is relevant and effective at reaching people who are considering travel.

Media Phases

| Phase 1 | Phase 2 |
|--|--|
| INSPIRE FUTURE TRAVEL | OUTREACH |
| Modified creative with messaging that addresses topics that travelers are most interested in/trending | Creative messaging that reflects the dynamic and diverse activities and the unique spirit of Texas. Will address new travel behaviors related to COVID-19 as necessary |
| Use Paid Search and Pinterest to target those travelers actively seeking out information about travel to Texas | Use a combination of efficient, effective and branded content to target those ready to travel based on online behaviors and expand to include all travel intenders |
| Texas + Extended Drive States | Texas + Extended Drive States with an expansion into Drive & Fly States with an emphases on key origin markets for select programs |
| October 2020 – January 2021 | February – August 2021 |

*Exact timing subject to change depending on pandemic developments and consumer sentiment



Media Approach

Our overall media approach will utilize a variety of tactics and strategies that will evolve throughout the year. The FY21 advertising program focuses primarily on a domestic campaign as it produces the greatest opportunity to reach potential vacation travelers efficiently, while delivering the highest awareness levels and largest return on ad spend. When border restrictions are lifted and market indicators show that the time is right, our top producing international markets, Mexico and Canada, may be added through targeted advertising opportunities.

Domestic Target Market Demographics

- GenXers, HHI \$60K-\$100K with children under 18 in Household
- Affluent GenX Travel Enabled / Travel Intender HHI \$100K+
- Millennials, HHI \$40K+, Travel Enabled/Travel Intender
- Boomers, HHI \$60K - \$100K with no children
- Affluent Boomer Travel Enabled / Travel Intender HHI \$100K+



Target Travel Intenders

While demographics allow us to target the advertising message to the right audience in the right channel, each of the generational targets have one common, shared conceptual mindset—they are all travel intenders. With an effective strategy, Millennial and Gen X audiences will continue to be the primary targets in all markets and Boomers will remain an important secondary target in 2021. In FY21, we will also set diversity goals across all generations to ensure travel intenders across all racial and ethnic groups are reached.

Audience Outreach Strategies

Our overall media approach will allow us to reach the widest possible targeted audience while maximizing the investment. Our audience outreach strategies will build upon the successes achieved in 2020 and will consist of four parts:

- A-B-C-TV or Advanced-Blended-Connected TV for inspiration, reach and visibility
- IBC or Integrated Branded Content, integration within high profile/own-able content
- SOCIAL, influencing with passion via social media
- DIGITAL, leveraging digital advertising to control our data

Key Performance Indicators

- Advertising awareness and intent to travel (lift) as a result of advertising and website exposure
- Advertising impact on perceptions of Texas as a vacation destination (“makes me want to visit Texas”)
- Hotel bookings, hotel revenue generated as a result of the advertising and website (sales tax)
- Leads (engagement) generated by the marketing efforts (website visits, State Travel Guide downloads and orders, email sign- ups, conversion rate, video views, social media followers)
- Return on Investment (ROI)



Co-op Advertising

- For the Outreach phase, Travel Texas will continue to offer cooperative advertising opportunities through the Travel Texas Co-Op All Access Program (CAAP). These opportunities will include low-cost and no-cost options, including in-state opportunities. We are also developing new co-op programs for the Outreach phase to be announced in the winter of 2020.
- Details on additional FY21 co-op advertising programs and information and updates will be located at <http://travel.texas.gov/advertising-marketing>.



PUBLIC RELATIONS

Overview

The domestic market is the primary focus for Travel Texas.

Due to challenges presented by COVID-19, some traditional PR & Social Media tactics utilized in previous years may take a different form in FY21. For example, virtual press appointments and experiences will be coordinated in lieu of traditional in-person media missions as appropriate.

As the situation around COVID-19 develops, elements of the domestic PR and Social Media program may change to more appropriately respond to the challenges and opportunities of the future.

Objectives

- Position Texas as a safe, year-round travel destination by promoting the destination's unique and on-trend attributes that cater to travelers eager to get out and explore.
- Generate impactful and positive local, regional and national press coverage in target media outlets.
- Drive an increase in meaningful engagements across owned social media channels and elevate social content by utilizing industry best practices and month-over-month channel performance to guide content strategy.

Targets

Public Relations & Social Media programs will initially target Texans with a focus on travel-related safety measures and socially-distant activities. Messaging will tap into Texas pride and the unique travel experiences that can be found right in our own backyard.

Depending on how the COVID-19 situation develops in Texas, as we see increased positive sentiment around the safety of traveling domestically we will expand media and social media targets to regional drive, drive/fly and national markets.

Public Relations Tactics

The Public Relations program works proactively with media, influencers, travel trade and industry leaders to generate positive media coverage for the Texas travel experience. Tactical elements include:

- Ongoing proactive pitching
- Media Missions – Virtual and/or In-Person as appropriate
- Hosted FAM experiences
- Partnerships with national travel, outdoor and lifestyle brands
- Consumer activations – Virtual and/or In-Person as appropriate



Social Media Tactics

Primary Travel Texas social media platforms are Facebook, Instagram, Twitter and Pinterest, with an aggregate follower count of more than 1 million potential travelers. Tactical elements include:

- Curated content highlighting TX destinations and activities
- Large-scale interactive campaigns designed to drive consumer participation
- User Generated Content (UGC) engagement via the state's official hashtag, #TexasToDo.



Influencer Marketing

Both Texan and out-of-state influencers will be tapped to reach new audiences and offer a trustworthy, first-person perspective for those seeking travel inspiration.

Dependent on factors related to travel safety and consumer confidence, Travel Texas seeks to develop two (2) themed influencer campaigns in FY21. Programs will focus on creating inspirational content highlighting road trips, culinary and family-friendly activities.

Travel Trade Marketing

The future of many travel industry events is uncertain and will be either virtual or a hybrid of virtual and in-person events. Currently planned domestic travel trade events include:

- *American Bus Association Marketplace, June 19-21, 2021*

Travel Texas will evaluate opportunities to participate in trade shows, conferences, media and trade events - whether virtual or in-person - throughout FY21 and will announce any related partner co-op opportunities on the PR/Marketing Calendar at

<http://travel.texas.gov/advertising-marketing>





INTERNATIONAL

Overview

International marketing and public relations efforts by Travel Texas will refocus due to the impacts of COVID-19 on international inbound travel to the U.S.

Travel Texas will conduct international marketing and public relations efforts in key international source markets for Texas and the U.S. as market conditions in the U.S., Texas and source markets evolve positively to support such activities.



Overview

Important criteria for consideration of levels of activity will include, but is not limited to, COVID-19 conditions in Texas and the U.S.; U.S. entry policies towards source markets and source market policies towards the U.S.; North American land border crossings opening to non-essential travel; increases in international air service; and consumer sentiment.

TARGETS

Travel Industry Professionals

While international travel is limited, Travel Texas will principally engage with international travel trade professionals including tour operators, OTAs, travel agents, industry organizations, airlines, and media.

Travelers

Travel Texas will continue to provide inspirational messaging to consumers in primary international source markets to keep Texas top-of-mind for future trips. Activities targeting international leisure travelers will evolve as international travel to the U.S. and Texas resume sufficiently.

Tactics

- Travel Texas will conduct proactive outreach, virtual training, and participate in virtual trade shows, seminars, or other marketplace opportunities.
- If travel and market conditions evolve positively, activities such as in-person trade shows, trade and consumer marketing opportunities and other activities will be considered.
- Travel Texas will endeavor to generate virtual or in-person cooperative marketing and public relations opportunities for Texas travel industry partners through international activities.

Planned International Activities and Co-op Opportunities

Many international travel industry events in FY21 will be either virtual or hybrid events. Currently planned travel events include:

- *Go West Travel Summit – March 2021 – Virtual event*
- *Brand USA Global Marketplace - Various virtual events TBA*
- *Brand USA Travel Week Europe, Oct 26-30, 2020 – Virtual event*

Travel Texas will evaluate opportunities to coordinate activities or participate in international trade shows, conferences, and media and trade events – whether virtual or in-person – through FY21 and will announce any related partner co-op opportunities on the PR/Marketing Calendar at

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MARKETING RESEARCH



Marketing Research

Survey data on origin markets, traveler demographics, trip characteristics, and trip planning for domestic and international travelers in 2019 were used as baselines for marketing strategies. Data tables on 2019 travel are provided in this section for reference.

Survey data on consumer sentiment and travel intent following COVID-19 will help to guide recovery planning. Travel Texas is also monitoring the number of COVID-19 cases and other health and safety considerations to guide recovery planning.

Other travel industry indicators like hotel performance, airline schedules, travel bookings and mobility data are being monitored to track travel industry recovery from the impact of COVID-19 and inform strategies.

Domestic Travel to and within Texas

Origin Market Tiers for Leisure Travel

Travel Texas uses distance from the state and propensity to drive or fly when visiting to create tiers that guide out-of-state marketing and promotions. The tiers segment the domestic out-of-state market into drive, drive/fly or fly markets.

In total, domestic overnight leisure travelers from out-of-state visiting Texas are more likely to drive (67%) versus fly (28%). The likelihood to fly increases as you get further from the state. Among in-state overnight leisure travelers, driving accounts for nearly all the leisure-oriented travel around the state (96%).

Residents of drive market states are more likely to drive compared to the overall out-of-state average, drive/fly states are around the average, and fly states are more likely to fly. A map illustrating the tiers is included on the following slide.

Drive

90/10 drive/fly

Drive/Fly

70/30 drive/fly

Fly

50/50 drive/fly

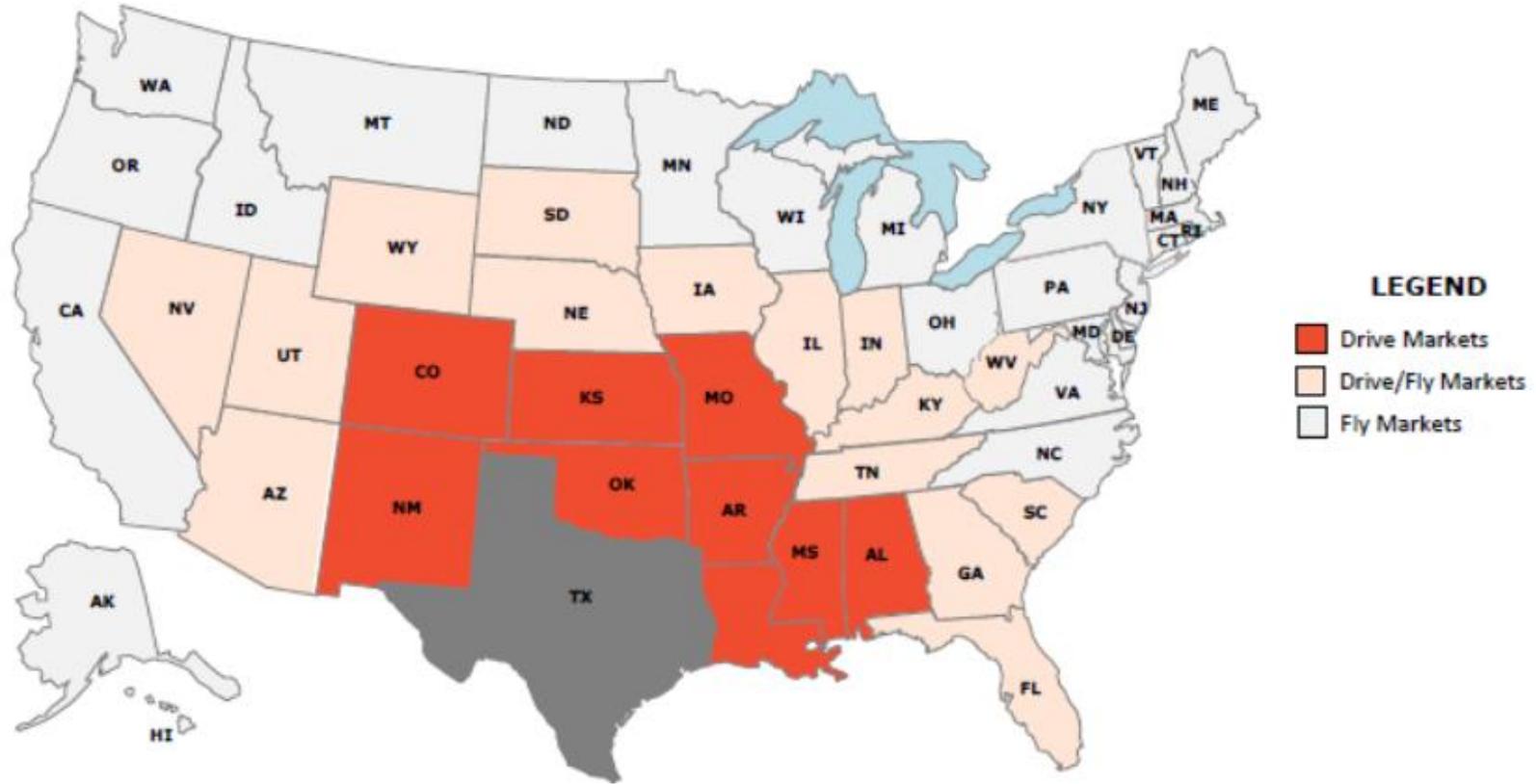
In-state

travel by Texas residents

Sources: DK Shifflet & Associates,
Strategic Marketing and Research
Insights

Domestic Travel to and within Texas

Origin Market Tiers for Leisure Travel



Domestic Travel to and within Texas

Visitor Profiles

The following slides will highlight different segments of travel to and within the state with an emphasis on overnight leisure travel. Leisure travel is defined as including travel for general vacations, getaway weekends, to visit friends and relatives, attend a personal special event (reunion, celebration, etc.) and all other leisure-related travel purposes. Business travel includes travel for meetings as well as transient business.

The demographic and transportation estimates are weighted by length of stay to show the share of travel days by generation or auto versus air travelers. Spending estimates are averages per party per stay. Trip planning is related to a stay at a destination.

Domestic Out-of-State to Texas

Non-Resident Overnight Leisure Visitor Profile

Millions of travelers visit Texas destinations annually from across the United States. All leisure purposes are included in the non-resident overnight leisure visitor profile as well as breakouts for the drive, drive/fly and fly markets.

Overnight leisure visitors to Texas from further away, like those originating from the fly market, spend more on average. These visitors also take longer to plan their trips. Many visitors from closer in drive and drive/fly markets have a shorter trip planning window.

53.9 Million

domestic overnight out-of-state trips
in 2019, 70/30 leisure/business

Drive

35% of leisure travel days

Drive/Fly

26% of leisure travel days

Fly

37% of leisure travel days

Domestic Out-of-State to Texas

Non-Resident Overnight Leisure Visitor Profile

| Demographics / Transportation (2019) | |
|--------------------------------------|--|
| Age | Average: 52 Median: 55 |
| Household Income | Average: \$109,645 Median: \$85,299 |
| Generation | Millennial/Gen Z (27%) Gen X (22%) Boomers (45%) |
| Transportation | Air (30%) Auto (65%) |
| Road trips (one way distance) | Average: 758 miles Median: 678 miles |

| Average Spending per Party (2017-2019) | |
|--|---------|
| Millennial/Gen Z | \$664 |
| Gen X | \$861 |
| Boomer | \$874 |
| Adults Only | \$758 |
| Kids Present | \$1,073 |

| Trip Planning (2019) | |
|----------------------|-----|
| Less than one month | 35% |
| One month or more | 65% |

Domestic Drive Market to Texas

Non-Resident Overnight Leisure Visitor Profile

| Demographics / Transportation (2019) | |
|--------------------------------------|--|
| Age | Average: 51 Median: 48 |
| Household Income | Average: \$94,620 Median: \$83,810 |
| Generation | Millennial/Gen Z (29%) Gen X (28%) Boomers (36%) |
| Transportation | Air (10%) Auto (89%) |
| Road trips (one way distance) | Average: 408 miles Median: 406 miles |

| Average Spending per Party (2017-2019) | |
|--|-------|
| Millennial/Gen Z | \$525 |
| Gen X | \$672 |
| Boomer | \$636 |
| Adults Only | \$549 |
| Kids Present | \$838 |

| Trip Planning (2019) | |
|----------------------|-----|
| Less than one month | 41% |
| One month or more | 59% |

Domestic Drive/Fly Market to Texas

Non-Resident Overnight Leisure Visitor Profile

| Demographics / Transportation (2019) | |
|--------------------------------------|--|
| Age | Average: 56 Median: 59 |
| Household Income | Average: \$115,627 Median: \$86,147 |
| Generation | Millennial/Gen Z (15%) Gen X (23%) Boomers (55%) |
| Transportation | Air (26%) Auto (67%) |
| Road trips (one way distance) | Average: 826 miles Median: 813 miles |

| Average Spending per Party (2017-2019) | |
|--|---------|
| Millennial/Gen Z | \$895 |
| Gen X | \$862 |
| Boomer | \$853 |
| Adults Only | \$790 |
| Kids Present | \$1,211 |

| Trip Planning (2019) | |
|----------------------|-----|
| Less than one month | 33% |
| One month or more | 67% |

Domestic Fly Market to Texas

Non-Resident Overnight Leisure Visitor Profile

| Demographics / Transportation (2019) | |
|--------------------------------------|--|
| Age | Average: 48 Median: 48 |
| Household Income | Average: \$117,052 Median: \$90,956 |
| Generation | Millennial/Gen Z (36%) Gen X (20%) Boomers (38%) |
| Transportation | Air (46%) Auto (47%) |
| Road trips (one way distance) | Average: 1286 miles Median: 1202 miles |

| Average Spending per Party (2017-2019) | |
|--|---------|
| Millennial/Gen Z | \$703 |
| Gen X | \$1,150 |
| Boomer | \$1,198 |
| Adults Only | \$969 |
| Kids Present | \$1,630 |

| Trip Planning (2019) | |
|----------------------|-----|
| Less than one month | 29% |
| One month or more | 71% |

Texans within Texas

Resident Overnight Leisure Visitor Profile

As a big state with a large population, in-state travel is a significant share of overall Texas travel. All leisure purposes are included in the resident overnight leisure visitor profile data.

In-state travelers take more frequent overnight leisure trips within the state with lower average spending per trip than those traveling from outside the state. In-state travelers have a much shorter planning window with roughly 60% making travel plans within one month.

52.4 Million

domestic overnight in-state
trips in 2019
80/20 leisure/business

Texans within Texas

Resident Overnight Leisure Visitor Profile

| Demographics / Transportation (2019) | |
|--------------------------------------|--|
| Age | Average: 49 Median: 48 |
| Household Income | Average: \$101,595 Median: \$74,826 |
| Generation | Millennial/Gen Z (32%) Gen X (27%) Boomers (35%) |
| Transportation | Air (2%) Auto (96%) |
| Road trips (one way distance) | Average: 184 miles Median: 177 miles |

| Average Spending per Party (2017-2019) | |
|--|-------|
| Millennial/Gen Z | \$441 |
| Gen X | \$559 |
| Boomer | \$465 |
| Adults Only | \$445 |
| Kids Present | \$670 |

| Trip Planning (2019) | |
|----------------------|-----|
| Less than one month | 63% |
| One month or more | 38% |

Domestic Day Trips

Day Leisure Visitor Profile

Day trips are defined as trips from home and returning home on the same day, not including routine trips like work or school. As a large state with a large population, it is primarily Texas residents taking day trips for leisure to destinations around the state (roughly 90%).

Most day trips are for leisure purposes like visiting friends and relatives or a vacation/getaway day trip. Like in-state overnight leisure travel, these travelers do not need much time to make a travel decision. Nearly 80% make travel plans within one-month and about half (47%) in less than one week or same day.

116.5 Million

domestic day trips in 2019
80/20 leisure/business
primarily Texas residents

Domestic Day Trips

Day Leisure Visitor Profile

| Demographics / Transportation (2019) | | Average Spending per Party (2017-2019) | | Trip Planning (2019) | |
|--------------------------------------|--|--|-------|----------------------|-----|
| Age | Average: 50 Median: 51 | Millennial/Gen Z | \$159 | Less than one month | 77% |
| Household Income | Average: \$89,412 Median: \$71,262 | Gen X | \$196 | One month or more | 21% |
| Generation | Millennial/Gen Z (30%) Gen X (26%) Boomers (37%) | Boomer | \$146 | | |
| Transportation | Air (*) Auto (98%) | Adults Only | \$142 | | |
| Road trips (one way distance) | Average: 133 miles Median: 73 miles | Kids Present | \$249 | | |

International Markets

2019 Estimates

Most international travel to the United States has stopped due to the COVID-19 pandemic. Traveler estimates for 2019 are included for reference and as a benchmark for planning. It is expected that the recovery for international travel could last many years.

An estimated 10.5 million international travelers explored Texas in 2019. International travelers spend more and stay longer when visiting Texas compared to those from domestic markets generating more economic impact.

8.3 Million

overnight trips from Mexico in 2019

1.7 Million

overnight trips from Overseas in 2019

518,300

overnight trips from Canada in 2019

Mexico

2019 Estimates

Due to geographic proximity and close ties between Texas and Mexico, especially along the border region, it is expected that Mexico will be the first international market to return in significant numbers.

Roughly 75% of trips to Texas captured in a recent survey of Mexico leisure travel in 2019 were from border states. The remaining trips originated from interior Mexico. Travelers from interior Mexico spend more on average and are more likely to visit large Texas cities. Visitors from border states take more frequent trips and are more likely to visit destinations in the border region.

8.3 Million

overnight trips from Mexico in 2019

497,000

visitors by air, 1/5 of US air visitors

Canada

2019 Estimates

Travel from Canada to the United States and Texas is also more likely to recover before overseas markets. The majority of Canadian visitation to Texas is by air, but like Mexico, there are significant numbers traveling via land.

Top origin states for travel from Canada to Texas in 2019 include Ontario, Alberta, British Columbia and Quebec. Many Canadian travelers who visit Texas take multiple trips to the United States each year and are interested in return visits.

518,300

overnight trips from Canada in 2019

347,000

visitors by air