

# Profile of the Emerging Market Visitors

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## Emerging Markets Defined



Previously obscure  
or small visitor  
numbers

Significant future  
visitor and  
spending growth  
potential

Moving from tier  
two/three to tier  
one

# San Francisco Emerging Markets

Our Focus



## Why Focus on These Markets?



- Primary markets are stable, but offer limited growth
- Emerging markets represent great potential
- Large population base with growing middle class
- Strong desire to travel to US
- Large disposable income

## **San Francisco's International Market**

- **Approximately 4M international visitors per year**
- **Top ten overseas market comprise 50% of all international visitors – 2M**
- **International visitors spend significantly higher than domestic visitors**

## Emerging Market Visitation vs. Primary Markets

### Top 10 Overseas Markets- 2013

<b>1. China</b>	<b>379K</b>
2. UK	326K
3. France	281K
4. Australia	242K
5. Germany	240K
6. S. Korea	181K
7. Japan	144K
<b>8. Brazil</b>	<b>99K</b>
<b>9. India</b>	<b>97K</b>
10. Italy	86K

**TOTAL: 2.075m**



# China! China! China!

New US visa policy  
expected to benefit  
inbound US travel  
significantly

- China holds immense potential for San Francisco
- US entry visa shift from one year to ten years is a significant victory
- US Government expect 400% increase in Chinese visitors to US by 2021\*
- Potentially 1.5M Chinese visitors to San Francisco by 2021

*Expanded air service and additional hotel inventory likely needed to reach this target*

- \*-US State Department (November 12, 2014)



# International Spending

Why International Spending in San Francisco is so important

## Average spend per visitor/per day:

▪ China	\$598.71
▪ Brazil	\$522.95
▪ India	\$246.08
▪ Average International	\$325.48

Chinese visitors spend 83% more per day than average international visitors

Brazilian visitors spend 60% more per day than average international visitors

## Our Approach

### Emerging Markets

- Leverage San Francisco's strong international appeal as a "must visit" destination
- Partner with SFO to attract new or expanded air service from these markets
- Utilize tour operators and in-market media to promote and sell San Francisco
- Partner with various regional partners to strengthen our message and appeal
- Liaise with Partners to create the best experience for emerging market visitors, addressing their unique needs

# Challenges



- Visa approval process remains difficult but situation is improving
- SF hotels frequently near capacity
- Influence Chinese visitors to stay longer in San Francisco
- Influence Brazilians to choose San Francisco over Florida, New York or Europe
- Additional air service from all markets, namely India and China

## Opportunities

- New ten year visa will create strong demand for Chinese visitors to San Francisco
- Create compelling media and PR stories to influence these markets to visit San Francisco
- Partner with Brand USA and Visit California to expand our reach in a cost effective manner
- SF Travel international language web sites will offer great opportunity to grow awareness
- Convince emerging markets to visit during need periods

# Opportunities



**New SF Travel  
web sites in 8  
languages**

**Launching in  
2015**

**Portuguese site  
launches first-  
complements SF  
Travel Sales  
Mission**

## Needs

- Additional air service , especially from China
- New non-stop air links from India and Brazil
- More hotel rooms at various price points

