

Opportunities

International Inbound Market Update

By Carolyn J. Feimster SCMD, President, CJF Marketing International, North Brunswick, NJ

AS NOTED IN MY MAY 2011 ARTICLE, "TOP 10 WAYS TO BUILD YOUR TOURISM MARKETING," GLOBAL TOURISM HAS RECOVERED STRONGLY, increasing 6.7% in 2010, or by 935 million international tourist arrivals, according to the UN World Tourism Organization. This article will present an international market update along with tactical programs on how to reach these markets with new and creative ideas!

International markets have been "hot" for many shopping destinations over the years, but now they are on fire! US Travel Association's International Pow Wow, held May 21-25, 2011 in San Francisco, boosted delegate numbers to pre-9/11 figures of around 5,000.

Representing Historic Shopping & Dining Attractions, an alliance of Faneuil Hall Marketplace in Boston, The Seaport in NYC and Union Station DC, we had over 40 high-quality appointments that in the few short weeks since the show have paid off in international business. We have already hosted a FAM Tour (familiarization tour) at The Seaport with a tour operator from Guatemala, 14 travel agents from that country and their local receptive tour operator, Bahia! in NYC. Two of the delegates attending the FAM were from the Delta Airlines Guatemala office, and there is a good possibility of a joint promotion, with Delta distributing shopping and dining coupons or vouchers from The Seaport.

"Most FAMs take their delegates in and out of hotels, where every room and lobby start to look alike. We prefer to offer an experience that

includes time in the different neighborhoods in NYC. At the Seaport, our Guatemalan delegation was able to experience terrific shopping, waterfront dining, a harbor excursion and a tour of the Seaport's historic district, all in one location," explained Allan Finder, president of Bahia Receptive Services, Inc.

So what made this year's Pow Wow so successful? According to Jake Steinman, publisher/editor of *The INBOUND Report*, "Delegates I spoke with ranked this Pow Wow as the best ever! Why? It seemed that all the planets were aligned in the right way ... stronger economies in the key source markets, no major disruptions such as last year's BP oil spill and ash cloud, affordable hotel rates, a continued weak US dollar and the prospects for a robust national marketing campaign in key overseas markets. This delivered encouragement to the approximately 1,500 buyers not seen since before 2000."

Included in Steinman's "Top Trends from the Show" was "Shopping as a rationalization for travel to the US." He said, "Shopping has been a driving force for tourism to this

country in the past, but this year the desirability of items went beyond couture and fashion retailers. Members of the media were writing about how they were able to buy iPads at the Apple store for 45% less than they were selling for in their home countries." The reality is that the money saved on shopping in our country justifies the cost of the trip.

Additional international trends seen at Pow Wow and reported by *INBOUND* included:

- An 18% increase in the quality of buyers.
- New types of buyers, including the incentive market and motorcoach operators attending as buyers.
- A Chinese delegation of 100 journalists and tour operators with 25 translators for the appointments.

My appointments included tour operators from Western and Central Europe, Latin America, Asia, Russia, the Scandinavian countries and the Middle East, but the greatest number of appointments was with the Chinese tour operators!

Opportunities for You?

If you are in a primary des-

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Continuation for the international market, this is clearly a market you need to capitalize on. If you are a secondary market, work with your DMO to identify opportunities and target specific international markets that are most lucrative. When you leverage the activities your DMO (destination management organization or convention & visitors bureau) is doing to capture a greater market share, your merchants will reap the benefits.

So what are the hot markets and what are shopping centers doing to attract them?

China – One of the Largest Emerging Markets

As China's economy expands, so does consumer spending, including travel to the US. According to the US Department of Commerce, 802,000 residents of mainland China visited the US in 2010, a 53% increase over the previous year. That number is projected to grow by 24% this year, to 994,000. Every year through 2015, growth is expected to be 20% to 35%.

Average per person expenditure by the Chinese is \$6,243, and much of that is on shopping. Not only are the Chinese obsessed with fashion and brands, basics such as vitamins and medications are purchased here because they do not trust these same brands sold at home. They travel with extensive shopping lists from their friends and family.

Still not convinced? According to the US Office of

Travel and Tourism (OTTI), within five years, this market will be our number-two overseas in-bound market. Correspondingly, while currently ranked fifth among outbound markets worldwide, China is expected to be number two within five years.

So are shopping centers marketing to the Chinese? "With OTTI predicting a 346% growth from China over the next five years, the answer is yes! Westfield San Francisco Centre has translated its marketing materials into Mandarin, including its sales sheets for the trade and Passport to Savings vouchers for the consumer," explained Kathy Anderson, president of Anderson Retail Tourism Marketing.

They have also created a PowerPoint presentation in Mandarin to better inform Chinese trade and media about shopping, dining and spa opportunities. This presentation is shown at trade shows such as Active America China, Go West and Pow Wow. Language assistance is provided to groups with advance notice.

Europe

Four of the top 10 international markets are from Europe: the United Kingdom, Germany, France and Italy. Of these, the UK is strongest, ranking third with 3.85 million visitors, actually making it the number-one overseas destination (Note: Overseas markets are exclusive of the top two international markets, Canada and Mexico.) Hard hit by the recession, UK numbers to the US have been off, but with their gradual economic recovery,

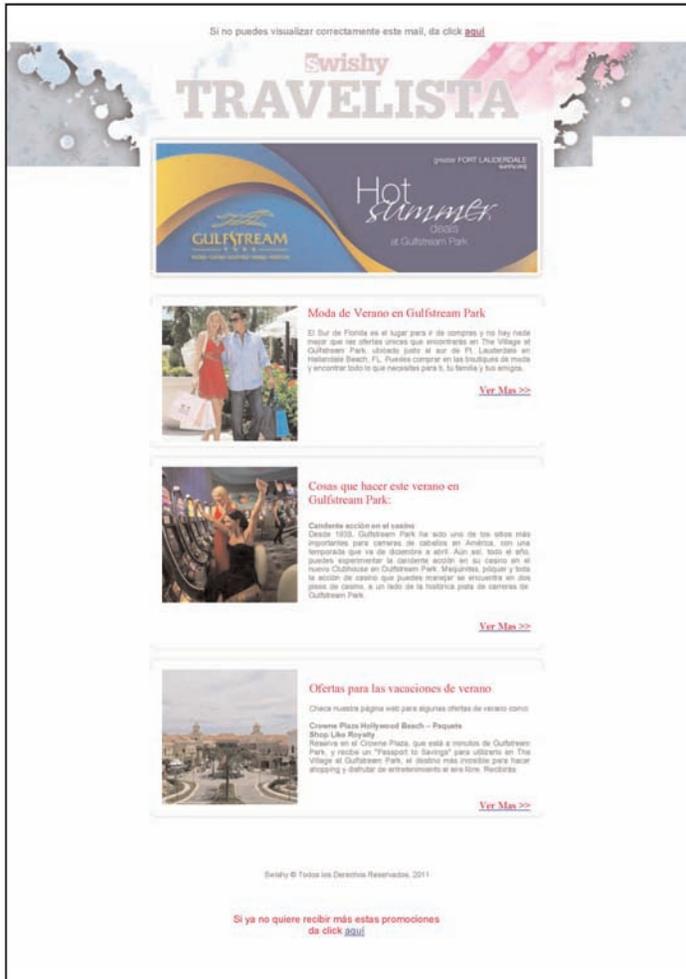
they are projected to start coming back. Many shopping centers market to the UK because of their numbers, their love of shopping and the low cost of goods compared to the UK.

Each year for the last five years, Shop America Alliance has taken a delegation to the UK for sales calls to the top tour operators. This year, they added a new element. "Because shopping is the number-one activity of all UK travelers to the US, this summer we are partnering with the Visit USA Committee and participating in the annual ball they host for the tour operators and journalists by producing an event called, 'Shop 'Til you Drop for Just a Drop' to benefit the Just a Drop organization, which promotes safe drinking water," explained Rosemary McCormick, president of Shop America Alliance.

She explained, "We have coordinated a silent auction of fabulous brand names from Alliance members in Las Vegas, Dallas, Denver and San Francisco, which includes not only more than two dozen items, but also a grand prize Shopping Getaway to Dallas, including air, hotel, tours and shopping." Sponsors of the event include Shop Las Vegas, Cherry Creek Shopping Center in Denver, Westfield San Francisco Centre and Tax Free Shopping in Texas.

Savvy marketers such as General Growth Properties, who long ago branded their tourism centers as America's Premier Shopping Places (APSP), have retained in-market representation in Europe for the past four years to make cer-

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tain they capitalize on the UK and Western European travel markets. They work with Direct Tourism which develops and maintains all trade relationships, distributes Premier Passports and coordinates promotions with major international tour operators for booking incentives.

“We develop consumer promotions where everyone who books a trip to one of the APSP destinations is eligible to win a \$1,000 shopping spree at the centers in those markets. We are able to reach tens of thousands of international travelers via emails and website

placement to achieve a promotional value of \$10,000 to \$20,000 while costing the centers only the \$1,000 gift card, showing a high ROI,” explained Renee Ward, owner of Direct Tourism.

Brazil

Ranking number seven, Brazil is the only South American country in the top 10 international markets to the US, boasting a six-year growth trend with a 34% growth rate last year and accounting for 1.2 million visitors. Brazilians love to shop for clothes, electronics, computer and technology goods, sport shoes and brand-name products. They prefer malls, department stores, megastores and now are hitting the outlets.

Of course, this is an important market for South Florida (Orlando and Miami are their top destinations, even over NYC) and Gulfstream Park, located between Miami and Fort Lauderdale has partnered with the Fort Lauderdale CVB on several programs that target Brazil and other Latin markets.

According to Director of Marketing Jeannie Roberts, the philosophy of The Village at Gulfstream Park, a Forest City Enterprises development adjacent to the world-renowned Gulfstream Park Racetrack and Casino, is, “We understand that targeting the international markets with a new shopping, dining and entertainment venue may not result in immediate business, but that it needs to be cultivated and nurtured. Success is better achieved with an aggressive approach to developing partnerships with

DMOs, key tour operators, hotels and other attractions. This is an ongoing process and a long-term commitment. But the results are worth the effort.”

The first program with Gulfstream Park and the CVB is a 10-month Ezine campaign to 10,000 travel trade, not only in Brazil but in other Latin American countries as well. This exclusive program with the CVB, Grupo BT in Miami and *Swishy Travelista*, a pan-regional luxury travel trade magazine (http://www.revistaswishy.com/swishy/mail/news_31may11_a.html), allows for complete editorial control by Gulfstream Park with a minimum of three articles submitted to the online version of *Swishy* that is then translated into Spanish and blasted to the tour operators each month.

“This is a win-win for everyone because we receive current articles from the newest South Florida shopping, dining and entertainment destinations on topics that are important to our readers, such as fashion trends, major events, partner hotel shop-and-stay packages, the new shopamericatours.com package that was just launched, store activities, nightlife, casino and racing stories ... basically everything a tour operator would be interested in can be included,” explained Larry Cohen, president, Northeast Media, Inc. and the partner responsible for developing the idea and trafficking the project on behalf of all parties.

The second joint promotion with the Fort Lauderdale CVB is a sweepstakes to the trade to win a \$500 shopping spree. Originally launched in

Colombia, the sweeps has been extended to all Latin countries and includes both print and online. "We felt that just running an image ad would not receive the attention that something interactive would. So to participate, the tour operator has to read the message and answer three very simple questions about Gulfstream Park to enter the contest," explained Roberts. Additional partners secured by the CVB include Spirit Air, the Hampton Inn Aventura, Thrifty Rental Car and Grupo BT.

Mexico – The Number-Two Market to the US

Mexicans also love to shop in the US, and many of the 13.42 million Mexicans who traveled here last year did just that. A number of shopping centers and developers successfully market to this country. Mexico's economy is also beginning to turn around, and the numbers traveling to the US are starting to go back up. General Growth Properties also has in-market trade and media representation for APSP in Mexico. Their rep, Barbara Jackson from Jackson Marketing International explains, "Living in the country and understanding the culture and the Mexicans' shopping desires and needs allows us to coordinate promotions that will work for our clients, and we work hard to develop important relations with the travel trade and media to promote our clients, including APSP."

They recently launched a promotion with Travelocity Mexico that can be viewed at www.travelocity.com.mx. This is a dedicated shopping promo-

tion featuring offers and gifts from seven APSP centers and four Premium Outlets in Las Vegas, San Antonio, Miami and NY. The promotion is the first of its kind and has been live for 60 days, generating over \$300,000 thus far in promotional value via advertising, publicity and cardholder promotions by America Express Mexico.

Other in-market promotions besides the standard trade shows, sales missions and sales calls, are frequent events and fashion shows that APSP and Jackson Marketing International coordinate in Mexico, both alone or with DMOs such as the Las Vegas Convention & Visitors Authority. Fashion photo shoots are also coordinated with travel and fashion publications in-market for increased exposure.

Canada

The number-one international market to the US, Canada has recently become a more attractive market for shopping centers. In 2010 arrivals were 19.96 million people representing approximately 63% of their population. This is an 11% increase from 2009 and a record number of arrivals. There are plenty of ways for shopping centers to reach this market. Partner with your hotels and DMOs on sales missions and in-market travel trade shows, both consumer and trade. Many DMOs will work with Canadian travel publications to produce sections to promote the destination, and you can participate with advertising and editorial usually at a decent rate.

There is a wealth of information out there to help you determine which markets would be most lucrative to target. Don't try and go at it alone. Partner with your attractions, hotels and DMO to develop the most effective ways to capture this lucrative market.

We are continuing this series of articles on tourism every other month and would like to focus on some of the more innovative tourism programs. Please submit your programs to me, either via e-mail Carolyn@CJFMarketingInternational.com, fax 732-545-3138 or mail. If possible, include samples of your graphics via e-mail. Full credit will be given to the person or team responsible for the program. Visit our new web site: www.cjfmarketinginternational.com. ■

CJF Marketing International offers a range of services for creating and implementing strategic tourism, economic development and marketing programs for shopping centers, urban entertainment projects, downtown retail districts, communities and commercial properties globally. The firm also offers educational programs and seminars for corporate meeting planners, shopping center developers, communities and re-development agencies. Feimster can be reached at 732/249-6080.

Resources

- US Travel and Tourism Statistics (Inbound)
http://tinet.ita.doc.gov/outreachpages/inbound.general_information.inbound_overview.html
- Top 10 International Markets: 2010 Visitation and Spending
<http://library.constantcontact.com/download/get/file/1103548877271-236/2010-Top-10-Markets.pdf>
- US Travel Association Research
<http://www.ustravel.org/research>
- *The INBOUND Report* (415-339-0578)
- World Tourism Organization
<http://unwto.org/>