

Mexico Snapshot

The Numbers

- **2012:** Mexico is the leading source of international travelers to the state, with 6.8 million visitors in 2012 (56% market share). Air travel from Mexico alone accounted for 504,000 travelers to California in 2012 (23.8% market share), and air visitors spent \$498 million in California. 10.6-night average stay for air travelers and \$678 spend per trip.
- **2013 Projection:** Total: 7.0 million visitors (+1.9%), \$2.7 billion spending (+1.9%). Mexico Air: 525,000 visitors (+4.1%), \$535 million spending (+7.5%).
- **2014 Projection:** Visitation up +4.7%
- **2013-2016 Projection:** Visitation up +16.3%

Overview

- Mexico is a growing economy, with a strong aviation industry and a growing middle-class consumer market. Inflation is decreasing, making outbound travel more attractive, and the country enjoys a stable currency and low unemployment.
- Visit California's efforts in the market are aimed at air travelers, who spend more in the state.
- Mexico has the second-largest online retail market in Latin America, with \$1.2 billion in sales per year, and the fastest-growing Internet penetration in the region. As more Mexicans obtain Internet access, online sales are projected to nearly triple to by 2016.
- Travel agencies continue to have a very important presence in the consumer's travel decision and purchase process, but they are being forced to adapt to a competitive online market.

Key Market Strategies

- Develop and maximize the consumer platform to reach potential travelers and the growing middle class and family segments.
- Leverage California Advisory Board program to increase sales and visitation to the destination.
- Expand product knowledge nationwide, and grow California's market share.
- Promote visitation during peak travel seasons, particularly Easter and summer.

Air Service Update

- Airlift to California increased in 2013 due to increased capacity on existing routes with Aeromexico and Volaris, primarily from secondary markets such as Guadalajara and Leon.
- Currently, California is served by **421 weekly nonstop flights** (+4.7%), accounting for **59,733 weekly flights** (+3.0%).
- 9 California airports offer direct flights to Mexico daily. Major airlines such as Aeroméxico, Volaris, Interjet, United Airlines, American Airlines and more have several flights everyday to Mexico's major cities from California's principal airports.

Trip Information and Booking Sources (2012)

	Travel information sources (%)	Air travel booking methods (%)
Travel agencies	16.7	24.0
Airlines direct	43.3	31.2
Tour operators	8.9	4.3
Personal computer	39.6	34.6
Corporate travel office	8.6	7.9
Personal recommendation	27.3	na

Sources: Office of Travel and Tourism Industries, CIC, Tourism Economics, OAG

HALL & PARTNERS RESEARCH HIGHLIGHTS

Familiarity & Interest of California Areas

	Like to visit	Like to learn more about it	I'm not interested
San Francisco Bay Area	80%	20%	4%
San Diego County	68%	24%	10%
Los Angeles County	66%	26%	10%
Deserts	42%	41%	21%
Orange County	39%	44%	18%
Central Coast	35%	49%	18%
North Coast	35%	49%	18%
Shasta Cascade	35%	51%	17%
Central Valley	33%	51%	18%
High Sierra	33%	51%	18%
Gold Country	31%	52%	19%
Inland Empire	21%	56%	24%

Source: Hall & Partners

Top motivating California features

Disneyland	54%
San Francisco	54%
Hollywood	34%
Los Angeles	33%
Napa Valley/Wineries	32%
Universal Studios Hollywood	30%
San Diego	29%
Shopping outlet malls	25%
SeaWorld	21%
Beverly Hills	20%

Source: Hall & Partners

Third Party Websites - Influencers in Planning

	Use, less influential	Use, influential	Don't use
Despegar.com.mx	37%	52%	11%
Bestday.com	30%	43%	28%
Travelocity.com.mx	30%	36%	33%
YouTube	37%	29%	34%
Viajar.com	32%	27%	42%
Online newspapers	42%	27%	31%
Facebook	40%	26%	34%
Twitter	28%	13%	58%
Lonelyplanet.com	19%	13%	68%
Destinia.com	21%	7%	72%

Touch Points Across Stages

	Becoming aware of the destination	Gathering information	Making my final decision
Average Number of Sources Used	4	4	2
Destination website	45%	35%	17%
Search Engine	45%	36%	17%
Read articles/reviews in a magazine/newspaper	31%	37%	12%
Watch TV program/news story about destination	30%	31%	8%
Friends & family	29%	37%	23%
OTA with reviews	27%	46%	18%
Travel supplier website	27%	41%	27%
Discuss/view pictures on social networking site	26%	29%	6%
Read a travel book	25%	24%	11%
Travel discounter website	24%	40%	20%
Order a destination visitor's guide	21%	19%	18%
Visit a travel agent	17%	28%	23%
Visit a chat room/discussion board/blog	16%	15%	3%
Attend a travel convention	12%	12%	5%
None of the above	11%	7%	21%

Source: Hall & Partners

Visitor Spending by Category (air travelers only)

Sector	Spending	% of Total
Accommodations	\$106,000,000	21%
Entertainment/Recreations	\$95,000,000	19%
Food & Beverage	\$73,000,000	15%
Ground Transportation	\$27,000,000	5%
Shopping	\$165,000,000	33%
US Air Transportation	\$15,000,000	3%
Other	\$4,000,000	1%
Total	\$498,000,000	100%

Sources: U.S. Dept. of Commerce; CIC Research, Inc.; U.S. BEA; Tourism Economics

Shopping Spend Detail (Mexico Total)

Categories (Credit Card Spending)	% of Total CC Spend
Jewelry Stores	14.2%
Other Travel & Entertainment	8.2%
Mens/Womens Clothing Stores	7.8%
Womens Access/Specialty	7.6%
Radio TV & Stereo Stores	5.4%
Department Stores	4.4%
Womens Ready To Wear Stores	4.2%
Men/Boys Clothing/Acc Stores	3.6%
Misc Apparel/Access Stores	3.4%
Misc. Specialty Retail	2.4%
Shoe Stores	2.4%
Family Clothing Stores	1.8%
Misc General Merchandise	1.6%
Furniture/Equip. Stores	1.1%
Discount Stores	0.5%
Sporting Goods Stores	0.4%
Wholesale Clubs	0.0%
Other	9.2%
Shopping % of Total CC Spend	78.2%

Source: Visa Vue, 2012