

New Landscape Report

2022

BRAZIL



TRAVEL
SOUTH
USA

EXECUTIVE SUMMARY

This report presents an overview of Brazil's tourism industry, according to the guidelines requested by TSUSA, compiling data and the current situation during this challenging period of the Pandemic, update to February 2022 to follow and reflect market news and trends.

After the strong negative impact on the economy in 2020 and until the first quarter of 2021, all productive sectors in the country resumed their activities. With the return to the job market of millions of workers and more money circulating, the economic recovery and investment rates performed better than expected.

The first three months of the National Vaccination Program were difficult; however, since April 2021, the pace has improved, and we have reached a good condition at the moment. Even after facing two variants that worried the whole world, the occupancy of beds in hospitals is at low levels, and the restriction measures are moving towards a smoother level.

The United States continues to be the most popular long-distance destination for our market. Brazilians remain a target group that travels more often and spends more in the USA, especially in Orlando and New York.

The travel trade market has learned to postpone, transfer and captivate their clients for future trips; investment in digital resources and business reimagination is destined to survive. Travel agents gained consumers' attention and respect during this period, showing the benefits of these channels.

Most media publications are going digital for recent news and reserving the most valuable content with no expiration date for print editions. In the era of fake news, investment in quality has been one of today's biggest concerns.

There is a repressed desire for travel inside every Brazilian, and we are ready to resume tourism to the USA, depending now on visa issues and currently depending on the family being properly prepared with up-to-date documentation and confident enough to make a long trip without fear of health problems.

We are glad about the continuous partnership and market confidence from Travel South USA, and we believe that the situation is improving. Political decisions for vaccination and lifted travel restrictions are already boosting the global travel industry.



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Factors Affecting Travel

A BRIEF OVERVIEW OF BRAZIL'S ECONOMY AND FORECAST FOR 2022 AND BEYOND

The Gross Domestic Product (GDP) is the leading indicator to measure the country's growth. Considering the last ten years as a parameter, we see that its GDP per capita has increased every year. Although the average annual growth has decreased since the 2008 crisis, Brazil's economic situation still improves each year.

According to the Ministry of Economics, the growth expectation for this year 2022 is very conservative. The current projection is 0.3%. However, just like last year, where there was an estimated growth of 3.4% and it surpassed and reached the rate of 4.5%, analysts assure that the increase will be greater this year. The Central Bank has adopted this policy of conservative expectation, as the market, despite having reacted positively to the sharp decline in numbers related to the Pandemic, is still unstable. In any case, the Central Bank has a better forecast, 1.1% growth – in recent weeks, the U.S. dollar downward trend reinforces this idea.

Although inflation rose sharply in 2021, which was already expected due to the earthquake of problems caused throughout 2020, some very positive numbers contribute to an optimistic outlook for this year. For example, after a sharp drop in the rate of new jobs since the beginning of the Pandemic, 2021 closed with a number of 3.1 million people who returned to the job market.

The Federal Government's Export Financing Program, which supports Brazilian companies that want to export products and services, will inject \$ 692 million in 2022. The Brazilian Trade Balance had a surplus of USD 1.1 billion last year.

Over USD 58 billion were injected into the economy last year, almost the same number registered before the Pandemic. The Central Bank predicts a 1% drop in interest rates, another factor helping the domestic market.

The projection for the year 2023, at the moment, is for a growth of 1.5% of the GDP. Naturally, this number tends to improve once the world economic recovery is back on track, and following these more positive data, the slight drop in inflation from the last quarter is expected to continue until the end of this year, and the outlook for 2023 is even a little better, at around 3.5%, in contrast to 5% in 2022.

VIEW ON COVID-19 (spikes, vaccines, etc.)

Since the last report, a lot has changed, for the better, regarding the COVID-19 situation in Brazil. The already known fact that our population is used to national vaccination campaigns facilitated the good results and the acceptance by the vast majority of the population.

April 2021 was the worst month in the number of deaths; since then, due to vaccination, the numbers have dropped dramatically, especially from July 2021. As the vaccination progressed, the restrictive measures were gradually reduced, and people began to resume their normal activities as much as possible.

Currently, 84% of the population has been vaccinated with at least one dose; 72.6% are fully vaccinated, and 30% have already taken the booster dose (or third dose).

The main result was the return to a normal situation in ICUs and emergency rooms.

With the emergence of the most feared and fastest-spreading variant, Omicron, infection rates rose again quickly, but the severity of the cases was much lower. Research by the Ministry of Health showed that more than 80% of people who needed to be hospitalized in the ICUs did not have a complete vaccination schedule or had not even been vaccinated. The effectiveness of the vaccine, added to these data, made part of the small portion of the population that chose not to be vaccinated reconsider this attitude.

The most advanced states in vaccination levels have already started to mobilize; in the coming weeks, they will announce that the mandatory use of protective masks in public places will be abolished. Finally, we are moving towards normality, although it is a consensus that vaccination campaigns against COVID-19 should be adopted annually, as is already done for the Influenza virus.

GLOBAL INDUSTRY TRENDS (where is open/what is being booked)

At the beginning of the Pandemic, when Brazilians felt confident enough to travel internationally, open destinations such as Mexico and the Maldives were options; even quarantined options were used to reach North America or other restricted destinations. Currently, internal restrictions such as delays in scheduling and delivering visas, even with embassies already working to resolve these issues, still imply a delay, especially for family trips, making it more complicated to coordinate documentation with all members.

There are no more closed borders for Latin American countries, and travel is still well-analyzed according to the pandemic situation in each destination.

Domestic travel continues on the rise, especially for families still not ready (visa) for international travel, and national hotel structures are enjoying higher occupancy. Domestic hotel pricing is on the rise, which stimulates international travel since high prices for domestic trips are back.

It is worth remembering that in the last 15 years, over 210 thousand Brazilians have acquired European citizenship and were able to travel to European countries, even during the Pandemic. The mask-free announcements have attracted and stimulated trips to Europe.

Switzerland starts this March with flexible COVID-19 protocols for international travelers, requiring proof of full vaccination and no need for pre-travel tests (PCR or Antigen) or entry forms. Same procedure for France, Italy, the U.K., Japan and Canada.

News regarding the U.S. travel trade industry requesting flexibility to international travelers creates overall happiness in Brazilian operators.

Australia announced it reopened its borders for Brazilians on February 21 for fully vaccinated travelers. (Australia had been closed for Brazilians since March 2020, and as one of the last countries to open its doors, the international travel scene shows that the world map returns to the world for travelers).

To return to Brasil, travelers still need antigen tests. As a differential, some hotels and destinations facilitate testing and thus influence the choice for Brazilian travelers.

Some Brazilian travelers will still wear the mask even in destinations that no longer require it, to maintain a sense of security and protection.

Brazilians are already very calm with all the protocols maintained by hotels and attractions, and the biggest concern for some is agglomeration and hygiene. Large hotels and resorts are once again an option for most travelers.

GLOBAL INDUSTRY TRENDS (where is open/what is being booked) cont...

During this period, the results demonstrated by the airlines gave security for long trips, and it is no longer an issue that discourages tourism. We are still waiting for airlines to slowly return their normal routes and the number of aircraft in their fleets.

The high occupancy of flights, around 88%, has served as an incentive for an even faster resumption than scheduled by the carriers.

Of course, we have our theme park fanatics, and they are showing no extra care regarding mask use or social distancing – the numbers of travelers infected during the trip are very low compared with the number of travelers.

The country's three largest companies (Latam, Gol and Azul), which operated at around 10% of flights in April and May 2020, have expanded their airline networks. In September 2021, they were already operating at 40% of regular traffic. As of October, all markets in the country were already served again, focusing on leisure travel since most companies were still in the home office regime. The number of aircraft is still below the regular, and the routes are still to resume to the pre-pandemic era.

VIEWS ON TRAVEL TO THE USA

In particular, Orlando, Miami and New York have always been at the top of Brazilian tourists' preference for trips to the USA, and this trend remains.

As the world is opening up to Brazilian travelers, travel options have been based on the destination's level of confidentiality and pricing opportunities.

Omicron does not scare fully-vaccinated Brazilians, since the in-country numbers show that the variant is not an obstacle to travel.

The inclusion of COVID-19 clauses in most health plans for international travel and the mandatory travel insurance make travelers feel more protected in case of contagion during the trip or pre-boarding preparations.

In December, foreign tourist spending in the United States more than doubled in 2021. With a 108% growth compared to the last month of 2020, international travelers moved US\$ 10.4 billion in tourism-related activities. According to the U.S. Department of Commerce's Office of Tourism, the country's trade balance has tipped to a surplus of more than \$2 billion.

Regarding the year as a whole, from January to December, foreign spending in the United States, surprisingly, registered a drop of 5% in 2021 compared to 2020, totaling US\$ 80.1 billion in goods and services related to the travel sector.

STATE OF LONG-HAUL OVERSEAS FLIGHTS

The Brazilian airline network (international and domestic) was affected by the Pandemic; likewise, it was in the entire world, with the cancellation of numerous flights or reduced frequency.

The domestic flight offer, now more focused on the leisure travel segment, reached 100% in December 2021 compared to 2019's results or even topped that year's provision. The situation is different in the international segment.

The projection is that all borders will be opened by the end of the year, at least to fully-vaccinated travelers. Therefore, the airline network is slowly going to be recuperated.

The projection is that the number of pre-pandemic flights will only go back to normal at the end of 2022 or the beginning of 2023. Nevertheless, some markets can be surprising. Canada, for example, reopened its borders to Brazilian tourists on September 7, 2021. By December 2021, Air Canada had already achieved the same number of flights compared to 2019: daily flights to Toronto and 3 times a week to Montreal. Meanwhile, Qatar Airways has reached twice the amount of pre-pandemic operations, flying twice a day from São Paulo to Doha.

Air connectivity in Brazil with its main markets is an essential aspect of the tourism revival, considering the 11 main airports in Brazil, flight schedules are evolving and occupancy is high.

Most airlines are gradually returning to flight operations with their regular Brazil - United States traffic:

An investment agreement signed by Gol with American Airlines for the expansion of its commercial cooperation has resulted in investment in the amount of US\$ 200 million by the North American airline, and in 22.2 million new preferred shares to be issued by Gol in a capital increase, representing a 5.2% interest in the economic rights deriving from the company's shares.

American Airlines: American operates 16 weekly flights from São Paulo to Miami, Dallas and New York, and Rio de Janeiro to Miami. Flights from São Paulo to Miami will resume to twice a day as soon as they receive new airplanes - Boeing delayed some deliveries to the company due to the pandemic.

Gol: The company's total occupancy in January 2022 was 82.6%. Gol Linhas Aéreas (Gol Airlines) announced the traffic figures for January 2022 compared to the same period in 2021. The total number of seats grew by 29.8%, and the number of departures increased by 29.3%. With the return of demand for flights to the U.S., Gol announced for May 2022 the return of its operations to Orlando and Miami departing from Brasília airport.

STATE OF LONG-HAUL OVERSEAS FLIGHTS

cont...

Delta Airlines: The airline has kept the Atlanta to São Paulo (daily) and New York to São Paulo routes (3 times/week); the Atlanta to Rio de Janeiro route was resumed for the Carnival period (Feb/Mar) and has returned to seasonal flights from December to March for the holidays (all were daily flights in 2019).

Copa Airlines: Recognized as the most punctual airline in Latin America for eight consecutive years, the airline has plans to continue as a highlight in the region and meet the pent-up demand for travel. The Panamanian company has resumed operations from Panama City to São Paulo, Rio de Janeiro, Brasília and Porto Alegre. The company is investing in promoting its new flight to Atlanta. In the second quarter of 2021 they transported almost 100 thousand passengers, which makes it the second airline that transported the most travelers to/from Brazil that year as well.

With a strong presence in North America, Copa noted that the success of the routes to the United States is mainly driven by tourists from South and Central America, especially after the opening of the United States to Brazilians. From Panama, the company operates to New York, Boston, Chicago, Washington D.C., San Francisco, Los Angeles, Orlando, Miami, Tampa and Fort Lauderdale. And recently relaunched the route to Denver.

Latam: For the domestic market, the airline scheduled for this month an average of 495 flights per day to 49 destinations – in the pre-pandemic period, there were 44.

On the international routes from Brazil, the company expects to recover up to 49% of its seat offerings. It has already re-established flights to 19 international destinations, including Miami, New York and Orlando.

At this moment, only from São Paulo – Guarulhos airport – daily flights to Miami and JFK and 3 times/week to Orlando. The company also announced the returning of its flights to Boston in June.

Azul: The Brazilian company operates from Viracopos airport, Campinas, S.P., to Fort Lauderdale (daily flights) and 6 times/week to Orlando.

United: The American company operates from Houston to São Paulo and Rio de Janeiro and New York (Newark), Chicago and Washington D.C. to São Paulo.

Bankruptcy

ITA Airlines began operating in the middle of last year. They unexpectedly stopped flying just before Christmas, leaving passengers and employees unprepared by the decision, not warning customers, and doing little to minimize damage. ITA Corp. (buses) has also suspended its routes to 73 Brazilian cities, and the Public Ministry has decreed the bankruptcy of the Itapemirim Group.

TRAVEL RESTRICTIONS TO THE USA

Since the USA's opening borders on November 8, 2020, Brazilians must have a complete vaccination schedule and present an immunity test one day before travel.

Types of Tests Accepted: Passengers must present a negative antigen or PCR test. What counts as one day: The period of one day refers to the day before departure. By setting one day, test acceptability does not depend on the time of flight or the time of day the test was performed.

Travel Industry Landscape

TRAVEL INDUSTRY LANDSCAPE

The issuance of U.S. visas for Brazilians soared in 2021. If in January 2021, only 995 visas had been issued, this number reached 50,794 visas in December 2021. The 5000% increase is directly linked to the resumption of visas in November.

There was a very pent-up demand for practically the whole year due to the restrictions adopted by the United States to contain the expansion of COVID-19 in the country, which included barring the entry of international travelers. In Brazil, consulates were closed or with most of their services suspended for almost the entire year. The normalization of activities took place only in the second week of November, creating a rush for visas and a mass release of orders awaiting review. No wonder visas granted in the last two months of 2021 represent 71.83% of documents issued throughout the year!

Travel techs challenging the model of TMCs marked the year, and it is not by chance that an article by Onfly's CEO, Marcelo Linhares, was the champion reader in the Market section. Are they TMCs with new clothes or a new mindset in the tourism industry? The discussion promises to be heated in 2022 and beyond.

The health crisis effects of the Pandemic continue to affect the tourism sector but on a smaller scale than expected since travelers are already more accustomed to protocols and safety regarding flights and hospitality.

What did we learn?

- Listen, learn and adapt to support; understand and be present.
- Home office is here to stay - Hybrid work for management / for operational staff in-person work is mandatory.
- Reinvent and create to learn other ways to communicate and deliver.
- Greater concern for others.
- Search for travel insurance, including coverage for COVID-19.

TRAVEL INDUSTRY LANDSCAPE cont...

During this period, this is the most relative market information:

The giant CVC Corp had a series of layoffs that transformed the area for 2022. One of CVC Corp's priorities will be to show the new B2B structure with a new system and team. In B2C the response is a new store model and the challenge of reformulating the physical world and connecting it to multi-channels.

In 2021, the Belvitur group from Belo Horizonte bought none other than the once-mighty Flytour, hoping to revive the good times of sales and prestige. The name BeFly was created combining Belvitur and Flytour. **BeFly** created a financial support program Agencia Credita to offer 450 travel agencies and franchisees credit, support, and technological solutions. The group wants to become the largest and the country's best tourism ecosystem. The group's great differential is the agility and capacity of cross-selling and up-selling in the tourism trade industry, with businesses helping and complementing each other.

After months of negotiation and judicial recovery, BeFly incorporated **Queensberry** at the beginning of 2022. The plans are to double the collaborator's number, insert new products aiming for generation 25+ and maintain the high-end signature products already on the market.

Teresa Perez Tours announced the second company of the holding, which has TP as its flagship: a joint venture with American Embark Beyond. Embark Beyond Brasil will be a host agency for travel agents and independent consultants that want to join the network. **New Age** is the fourth company in the holding (TP Corporate by LTN, Teresa Perez's corporate venture). With 33 years of experience in the travel market and owner of a portfolio with itineraries on all continents, which now gains the support and expertise of a team formed by the entrepreneur, New Age was one of the companies most recognized by travel agents.

OVERVIEW OF TRAVEL INDUSTRY LANDSCAPE

Despite the expectations generated by the Pandemic, research reflects that travel agencies are still not the primary means by which travelers buy their trip: the most chosen option is to contact hotels, airlines, attractions etc. directly, over the internet, and buy the trip on their own (FIT, an acronym for “free independent traveler”).

The importance of the travel agent has increased largely due to the experiences lived during the Pandemic and the difficulty of accessing help with online companies - the travel agent has had its place recognized and importance re-evaluated by the final consumer.

Travel agents are up-to-date and offer individualized service and advice, complying with health protocols and virtual assistance, including during travel.

Since February 7, Brazilians can apply online for **Global Entry** (GE) – a program that allows for faster processing of low-risk, previously approved frequent flyers entering the United States. GE-approved applicants can bypass the regular passport control queue and proceed directly to automated kiosks, available at more than 75 airports across the country.

STATUS OF TOUR OPERATORS WHO HAVE PREVIOUSLY WORKED WITH TRAVEL SOUTH USA

It is imperative to emphasize that since the beginning of the Pandemic, all Brazilian operators have focused on national sales, selling domestic destinations and creating products, as many were not specialized in Brazil, and as international destinations were open to the entry of Brazilians, had operators updating themselves, evolving and taking advantage of the promotions and adaptations of the markets.

Agaxtur

COVID-19 affected minimum personal reduction – entered the Pandemic with 30 stores and is now with 70 (regarding Latam deal) and their franchise expansion team. Already managing to increase sales volume, to mention their best sales during COVID-19: national destinations / Caribbean / USA with seven months advance sale open to be rescheduled (in the past, this curve was three months). Southern USA website is active, and Agaxtur is continuously working on updating prices and routes. Looking for new products that include Fly and drive to the bus option. Publicizing many road trips and post COVID-19 trends on their website, billboards, magazines, radio. Asked to be aligned with receptive suppliers who have fiscal accounts in Canada as Allied Pro and EasyTime Travel to avoid extra taxes and reduce costs.

BWT

Has been operating in the Brazilian Market for 10 years with offices in 6 cities and sales executives (home-office) in 5 cities. 100% B2B business, a service for travel agents offering an advanced online system, FIT & Groups products and services worldwide. Offices: Curitiba, Joinville, Porto Alegre, Belo Horizonte, Vitoria and Manaus; Sales Executives (Home Offices): Sao Paulo, Sorocaba, Campo Grande, Maringa and Londrina. Returned to the office and in-person activities recently.

Sales: The Caribbean and Mexico destinations invested hard during this period and are offering discounted nights in hospitality to maintain their positioning and sales. The US is still on the rise, but already surpassed the sales to Dubai.

LA destinations are still on demand, especially Argentina and Chile's snow season. Florida still heavily investing in events and partnerships.

Created and already selling 4 day packages to Atlanta flying Copa Airlines. To promote this product BWT in partnership with Copa and ATL CVB, BWT is conducting a fam trip in April for 6 participants.

STATUS OF TOUR OPERATORS WHO HAVE PREVIOUSLY WORKED WITH TRAVEL SOUTH USA cont...

BWTUSA BUZZARD WING TRAVEL

HOME DESTINOS + OFERTAS HOTÉIS ÁREA DO AGENTE + NOVO SISTEMA BWT 2 VIA BOLETO BWT BLOG

Pacote Terrestre

Nashville & Memphis – Self Drive

07 dias / 06 noites

03 noites em Nashville;
03 noites em Memphis;
07 dias de locação de carro;
Seguro viagem;

A partir de **USD 1.679,00**

[VER DETALHES](#)

Pacote Terrestre

Atlanta

06 dias / 05 noites

05 noites em Atlanta;
Transfer de chegada e saída;
Seguro viagem;

A partir de **USD 719,00**

[VER DETALHES](#)

Pacote Terrestre

Chicago

06 dias / 05 noites

05 noites em Chicago;
Transfer de chegada e saída;
Seguro viagem;

A partir de **USD 879,00**

[VER DETALHES](#)

Pacote Terrestre

Nova Orleans

06 dias / 05 noites

05 noites em Nova Orleans;
Transfer de chegada e saída;
Seguro viagem;

A partir de **USD 775,00**

[VER DETALHES](#)

Orinter Tour and Travel

are a 30yrs old tour operator dedicated only to travel agencies and with 8 branches in different cities in Brazil, which allows us to have capillarity to attend to clients from all over the country. Our integrated online system, connected by XML with many different brokers and suppliers, allows our clients to be independent in their business and offer packages with very good deals.

Saídas garantidas: Junho 13 - Julho 4, 18 - Agosto 1, 22
Setembro 5, 19 - Outubro 3

ROTA DA Música 2022

9 DIAS / 8 NOITES

Inclui:
- Custo de ônibus com guia em español;
- 8 noites de hospedagem em hotéis da categoria turista e/ou superior com café da manhã;
- Entradas: Graceland, Country Music Hall of Fame, Wildhorse Saloon, Museu Direitos Civis, Museu da Música, Museu da Willis Tower Chicago e Indianapolis Speedway e Oak Alley Plantation;
- Almoço (01 mala por pessoa).

Chicago (2 noites), Indianapolis (3 noites), Nashville (1 noite), Memphis (1 noite), New Orleans (3 noites)

A PARTIR DE: **USD 2519**
Por pessoa em apartamento duplo

Observações: Valores por pessoa em dólares americanos. Valores sujeitos a alterações sem prévio aviso, obs vedas para período de ferias, reuniões e eventos. Valores sujeitos a alterações sem prévio aviso. Não estão incluídos os impostos, taxas e impostos federais, estaduais e locais, nem o seguro de bagagem. Pode haver diferenças entre o valor de pagamento e o valor final da reserva devido à disponibilidade. Forma de pagamento: à vista ou entrada e saldo em até 9x. Comunicação válida somente para prestações de turismo. Operado por Orinter Tour & Travel. Imagens ilustrativas.

NASHVILLE & MEMPHIS

Um clássico imperdível pelo sul dos EUA, com história e modernidade em duas cidades onde encontram-se alguns dos pontos turísticos mais importantes da história da música, redutos culturais de nível mundial e o que está em alta na gastronomia e destilarias e cervejarias artesanais.

Inclui:
- 03 Noites em Nashville no Hotel DoubleTree By Hilton Nashville Downtown;
- 03 Noites em Memphis no Hotel Hilton Garden Inn Memphis Downtown;
- 07 Diárias de veículo econômico Thrifty com cobertura All Inclusive Light.

DOUBLETREE BY HILTON NASHVILLE DOWNTOWN & HILTON GARDEN INN MEMPHIS DOWNTOWN

A PARTIR DE: **USD 1145**
Por pessoa em apartamento duplo

Observações: Valores por pessoa em apartamentos duplos standard, em cotações americanas. Valores sujeitos a alterações sem prévio aviso. Não estão incluídos os impostos, taxas e impostos federais, estaduais e locais, nem o seguro de bagagem. Pode haver diferenças entre o valor de pagamento e o valor final da reserva devido à disponibilidade. Forma de pagamento: à vista ou entrada e saldo em até 9x. Comunicação válida somente para prestações de turismo. Operado por Orinter Tour & Travel. Imagens ilustrativas.

Descubra o Norte da Virgínia

Inclui: 5 noites de hospedagem e 6 diárias de carro ICAR com plano all inclusive light.

Lar de uma mistura energética de história, cultura, restaurantes e compras, a Região Cultural da Virgínia reúne Alexandria, Arlington, Fairfax County, Loudoun County e Prince William County para uma experiência de férias como nenhuma outra.

Days Inn by Wyndham Arlington Pentagon ou Holiday Inn Arlington at Ballston

A PARTIR DE: **USD 419**
Valor por pessoa em apartamento duplo

Observações: Valores por veículo em dólares americanos. Valores sujeitos a alterações sem prévio aviso, não válido para período de ferias, reuniões e eventos. Valores sujeitos a alterações sem prévio aviso. Não estão incluídos os impostos, taxas e impostos federais, estaduais e locais, nem o seguro de bagagem. Pode haver diferenças entre o valor de pagamento e o valor final da reserva devido à disponibilidade. Forma de pagamento: à vista ou entrada e saldo em até 9x. Comunicação válida somente para prestações de turismo. Operado por Orinter Tour & Travel. Imagens ilustrativas.

STATUS OF TOUR OPERATORS WHO HAVE PREVIOUSLY WORKED WITH TRAVEL SOUTH USA cont...

Diversa

A tour operator that shows innovation in the market with highly skilled and experienced professionals and technology investments to be competitive for all customer's needs. Tailor-made products for travel agents only, both for groups and FITs. The pricing strategy is clear - with the financial costs shown separately. Have a solid partnership with the best suppliers worldwide, DMCs, local receptive, car rental companies, and hotel chains; most are available through an online booking platform. Based in São Paulo, with home offices in the cities of Campinas, Belo Horizonte (M.G.), Porto Alegre (RS) and Vitória (ES).

Diversity, in the dictionary, is the quality of what is diverse or different, varied - meaning multiplicity. Here, diversity gives its name to a unique product line. Itineraries are developed exclusively for an audience that wants to travel well, safely, without prejudice. To always deliver the perfect trip for the LGBTQ+ public, choose a specialized consultancy that establishes strategic partnerships with the best suppliers at the best destinations in the world, booking platforms, competitive rates and better performances. Travel agents will find it all at Diversa Turismo. They have a dedicated Southern USA exclusive products page.

The screenshot shows the Diversa Turismo website's interface. At the top, there's a dark blue header with the company logo 'Diversa Turismo' on the left and navigation links for 'DIVERSA', 'PRODUTOS', 'MARKETING', 'GRUPOS', 'CADASTRO', 'COMPRE ONLINE', and a search icon on the right. Below the header, a large banner displays the text 'Sul dos Estados Unidos'. Underneath, three travel packages are listed in a grid:

- ESTADOS UNIDOS A Trilha dos direitos civis: Tennessee – Mississippi – Alabama – Georgia** (USD 2.719)
- ESTADOS UNIDOS Rota do Bourbon & Whiskey: Kentucky – Tennessee** (USD 1.129)
- ESTADOS UNIDOS Atlanta – Um destino icônico ao sul dos EUA** (USD 595)

Each package includes a small image of the city skyline and a WhatsApp icon.

STATUS OF TOUR OPERATORS WHO HAVE PREVIOUSLY WORKED WITH TRAVEL SOUTH USA cont...

FRT

A wholesaler based in the South of Brazil. In 2021 FRT is celebrating 20 years on the market selling to travel agencies (B2B); headquarters are in Foz do Iguaçu; offices in Curitiba, Londrina, Maringá, Porto Alegre, Rio de Janeiro and Natal; the team attends travel agencies all over the country. Other companies like FRT Exclusive (luxury), FRT Paraguay and the most recent one: FRT international. FRT International came to help FRT offer travel products for different destinations worldwide. Have a special team of Market Managers dedicated to different countries and regions worldwide.



Teresa Perez Tours

High-end tour operator located in São Paulo, Brasília, and Belo Horizonte leading the luxury travel market in Brazil. Formed by two companies: the retailer travel agency, a Virtuoso Member, and the wholesaler tour operator working with the best travel agencies in the country. Both specialized in deluxe travel, only dealing with very high standard-VIP clients. Recently acquired **New Age**, respecting their DNA and maintaining their client base and products line to reach a high-end secondary market without conflict with T.P. clients and products.

FLOT

Bet on the online tool - Infotravel - in addition to the back-office as "Kangaroo" connected to Ominibees - positive points to update (change) the system at a time of recovering movement. Their primary business is focused on full packages to Europe and itineraries. FLOT rethought the educational format for their audience; invested in the "Guru by FLOT" brand, which shows the market by explaining and reinforcing the operator's role for travel agents. FLOT client is more private and likes adapting the itinerary. Trends: Private services / smaller groups with a van instead of a bus, for example.

STATUS OF TOUR OPERATORS WHO HAVE PREVIOUSLY WORKED WITH TRAVEL SOUTH USA cont...

Easy Travel Shop

Born from Flytour directors Michael Barkoczy and Barbara Picolo. It's a Service Operator / digital platform - B2C and B2B (Travel agencies and content producers with commissions). It was born from the need to create a product to sell experiences in the destination. Created to meet tourists' needs when buying tours, experiences, and tickets for attractions, shows, and events. Complete planning can be done before the trip or at the destination itself. It is used as a guide with travel tips for the passenger, indicating tourist points, events and establishments that offer unique benefits. Does not sell hotel or air tickets - just experiences. The sale is for the final passenger - web app platform - Distributed by travel agencies (DMC / Receptive). Sales suggested by content creators - Agencies are commissioned even if consumers buy directly during the trip.

AIT Operadora

Rio de Janeiro-based operator and a great partner to develop custom-made itineraries and designed trip experiences. Major movement on their director's board in the last couple of years.

Schultz

This circuit-oriented operator from Curitiba is a partner for circuits. Working hybrid-like (in the office or at home) at the moment.

Abreu

Another circuit-oriented operator based in Rio de Janeiro and focused on European itineraries is a partner for circuits. Hybrid working at the moment.

CVC

is going through a significant overhaul in company structure resulting from deep cuts in revenues. The restructuring has affected more than 20 senior-level managers and consists of brand unification, process simplification, department synergy and team reduction, started in 2020. 18% of their franchising was lost, but the group is still the Brazilian travel trade industry leader.

Mondiale Turismo

Still focusing on national destinations for the period. Good opportunities for the future and ready-to-hand-made itineraries when international travel is resumed. They are part of a larger group, **Ancoradouro**.

55 Destinos

is ending their activities and the group will maintain **Quickly Travel** to attend JBL group leisure clients. Some top operational and product staff was already invited to join **New Age**.

TOUR OPERATORS WITH POTENTIAL FOR TRAVEL SOUTH USA

High-end operators and luxury-focused travel agencies are a trend for international travel and a very good fit for Southern destinations. A promising scenario for Luxury Tourism, according to the International Luxury Travel Market (ILTM), customers have begun to spend more at their destinations, with travel in this segment accounting for more than 50% of total travel sales during the global health crisis.

Luxury travel has been transformed into a time for being with the family, reflection and investment in oneself.

Luxury travelers opt for villas that have increased their social facilities, spas, wellness and attractions for children instead of hotels. Search for outdoors and other meaningful experiences with values and appreciation. Young people like to move around and look for activities and no longer want to be stuck in a tour vehicle with a guide; they want to experience each moment on their own. The tourism market is reevaluating itself, with companies looking to each other instead of being so competitive, as they know that currently the customer can opt for OTAs or connect directly with the hotel, looking for interesting and welcoming places. Quality and differentiation in service are the difference.

Other Tour operators to keep in contact and develop products with:

- Luxury: Kangaroo Tours, Nova Operadora, Concierge from Inti Group
- Online and OTA: E-HTL, Viajar Barato, Viajanet, Decolar, Hotel Urbano
- Other Tour operators: RCA Turismo, Stella Barros, Viagens Master, Voetur

PRODUCT SAMPLE – WHAT'S ON SALE

The most encountered circuits generally on sale in the Brazilian market are City Tours and Allied T-Pro. Those circuits have already proved unspecific for the Brazilian market since they were constructed for a European audience and did not generate repeated visitors nor are acclaimed as a great experience. The need for new products and circuits is a constant and specific subject to deal with tour operators in Brazil due to their difficulty finding receptive operators that do multiple states or connect their passengers through the destination. Also, one monetary transaction instead of multiple.

Another subject to consider is that since international taxes are so high in the country, most tour operators search for suppliers with payment options in Canada or Europe, offering a much-valued product.

Music Route and Music Triangle – from Chicago to New Orleans

During recent years, Fly and Drive itineraries were created in partnership with major tour operators, observing their hotel preferences and integrating the best airline deals to offer a personalized product for their clients at a better cost. Excellent opportunity to attract new suppliers, create differentiated routes, and better explore the destination.

Up to this date, all Fly and drive circuits and itineraries created and offered by partner operators in the market remain active and updated with suppliers. New ones are being created to meet the new needs of social distance and security.

A new US receptive Company – **RoadRunAir** is offering a new product in the Brazilian market focusing on high-end customers and offering the Southern Music Route on a private Jet for small groups and gathering Tour Operators' attention and interest. RoadRunAir is promoting their first fam trip in the next month. Their program will include:

Day 1 – group depart from ATL

Day 2 – Chattanooga (Incline Rail, Ruby Falls, Rock City and Choo Choo)

Day 3 – Chattanooga (Lost Sea, Duck Tour, Aquarium)

Day 4 – Nashville (CMHF, Studio B, Grand Ole Opry)

Day 5 – Nashville (Jack Daniels, Parthenon, General Jackson dinner boat)

Day 6 – Memphis / New Orleans (Graceland, Beale Street, Bourbon Street, Ghost Tour)

Day 7 – New Orleans (French Q, MS River Cruise, Two Sisters Court, Jazz Snag Harbor)

Day 8 – New Orleans (Swamp & Bayou Boat Tour)

PRODUCT DEVELOPMENT

Develop and update marketing materials in Portuguese – including more videos that have native speakers explaining destinations.

The luxury market has not stopped traveling, develop marketing tools that highlight red carpet in attractions and experiences, especially, in Portuguese.

Bolster partnerships with airlines, car rental companies and motor homes.

Highlight products that offer dedicated amenities to international travelers, such as breakfast included or special rates.

Feature receptive tour operators that offer Portuguese speaking guides or services.

EXPANSION OF TRADE RELATIONSHIPS

A co-op campaign with the most significant partners can be challenging; still, it is imperative to be present and promote our destinations in partnership with key operators, such as among operators, Orinter, BWT, Agaxtur, Diversa, and FRT.

Continue to invest in training for the national trade, including working with partners to facilitate communication and increase visibility, generating opportunities.

International Showcase & Super FAMS and reciprocal trade missions to Brazil offer the best exchange of trade relationships. Plan a mission or participation in a trade event in 2022-23.

CURRENT AND FUTURE TRENDS FOR DIFFERENT SECTORS OF TRAVEL INDUSTRY

Immunity passports valid worldwide? Many destinations already require a negative test for COVID-19. After the vaccine, this certificate may also be required, as in the case of yellow fever; many destinations are also starting to receive international fully-immunized passengers without the need for a pre-travel COVID-19 test.

Our previous expectations for most secluded places and the great outdoors were challenged. There is already a massive attendance at theme parks in Orlando, great demand for houses in Kissimmee (Brazil is already top 3) and returning to New York.

As a growing trend, the term Afrotourism came to be used by several Brazilian businessmen to qualify their activities, in this case, the commercialization of “Afro-centered itineraries,” meaning they offer itineraries in which tourist experiences revolved around the Brazilian Afro diasporic Culture and also the offerings of related experiences in other countries.

DURATION AND TYPE OF VACATIONS TO THE USA

International trips continue as usual, from 1 to 14 days in American destinations. Fly and drive packages and directions for at least ten nights are operators' most significant requests and reservations so far. The lead time has been four months for those already selling in advance. Tour operators resumed their USA products to the market.

BOOKING CONFIDENCE AND PROCEDURES (change to booking windows, deposits, travel insurance, etc.)

We noticed some tour operators providing quotes and reserving packages for other regions (out of Orlando, Miami and NY), including the South.

Health insurance is a constant concern, even though it is not mandatory. It is already highly recommended when traveling abroad and after COVID-19 is now being offered by most insurance companies, including quarantine extension, for assistance when the customer has to stay longer when tested positive before returning home.

ROUTE TO MARKET (RTO, direct, or both)

Tour Operators / Travel Agents are still the number one reference for the market, especially after all the confusion generated by the Pandemic, with previous bookings and cancellations, which have shown security and generated confidence when buying a trip.

Direct selling grows, and many consumers feel confident making these purchases directly, which can be an excellent opportunity to present in editorials and media for the final consumer, inspiring and removing all doubts about where to visit and how to enjoy the trip better.

Do-it-yourself has become a nightmare with cancellations and rescheduling in the pandemic. Trusting a travel consultant's work has made a difference for many travelers.

LODGING TRENDS (chains, independents, boutiques, rentals, RVs)

Renowned hospitality and health safety certification is a current safety request the seller can offer their client.

In popular destinations like Orlando, rental houses are still receiving greater demand for those already making reservations for the second semester.

The rental car model shows remarkable results, full capacity during long weekends, holidays, or vacations. Traditional models like excursion buses or vans have been replaced by larger vehicles for the whole family and private cars for personalized trips. At immersive resorts, personal transfers are still requested.

Motorhomes gain attention and curiosity in the Brazilian market and increase requests and reservations for the second semester. We have to pay special attention to this variety, since it's not common for Brazilians due to national overall road and campground safety; it is a recent, mind-opening option for Brazilians when imagining a trip closer to nature and avoiding crowded transportation/accommodation. Historically, Brazilians love the attention and amenities offered by hotels. Still, trends such as holiday homes in Orlando show increasing interest in keeping the family or group together and taking care of their housing/R.V. needs during their stay.

Other trends observed in the market:

- Hygiene products are essential travel items (alcohol gel exceeds sunscreen).
- Well-being: the mental health in traveling “smoothly” is priceless.
- The opposite of over-tourism, but remembering that under-tourism can kill several companies and communities dependent on tourism. A balance is needed.
- Sustainable travel, reconnecting with nature, a cultural footprint and experiences with content will help in the recovery of long-distance travel;
- Florida calls consumers' attention with a series of B2C campaigns in Brazil, focusing on Orlando and celebrating the park's 50 years.

ATTRACTIOnS AND EXPERIENCES (included, add on, or not featured)

Receptive focusing on the Southern destinations with a Brazilian mindset for itineraries, including Portuguese-speaking guides, can change this scenario and boost the sales in the market, satisfying the need for a multi-state reception for direct contact and financial transactions.

All Fly and Drive offered by Brazilian tour operators were created to be personalized and follow the TSUSA Inspiration Guide's suggestions to maximize destination visits and ensure all visitor preferences are included. They offer the destination and create the package suggestion per request, respecting client interests and budgets when possible.

As per information purposes, here is a circuit offered and commercialized in Brazil from two major tour groups in the U.S.:

City Tours

Music Route (by City Tours) – 9 Days – including hotel and daily guide

- Chicago > Indianapolis > Nashville > Memphis > New Orleans
- *Attractions:* Vanderbilt University, Bicentennial Park, Country Music Fame Museum, Wildhorse Saloon Sun Studios, Civil Rights Museum, Beale Street, Graceland, Oak Valley, Swamp boat, French Quarter, Jackson Square

Allied T-Pro

Southern Wonders – 10 nights – W/hotel and virtual guide assistance

- Atlanta > Charleston > Savannah > St. Augustine > Atlanta > Nashville > Memphis > Natchez > New Orleans
- *Add on:* Graceland, Swamp Tour, Dinner Cruise, Jazz Brunch in New Orleans

Southern Rhythms – 7 Nights – W/hotel and virtual guide assistance

- Atlanta > Nashville > Memphis > Natchez > New Orleans
- *Add on:* Graceland, Swamp Tour, Dinner Cruise, Jazz Brunch in New Orleans

Southern Charm – 6 Nights – W/hotel and virtual guide assistance

- Asheville > Charleston > Savannah > St. Augustine > Atlanta

KEY TRAVEL INDUSTRY EVENTS

Travel trade events are resuming in 2022; still on a social distancing mindset.

2022 Major Trade Event List:

WTM Latin America

Travel industry – April 5-7, 2022 – Sao Paulo

ILTM

Luxury Travel - May 3-6, 2022 – Sao Paulo

IPW

June 4-8 2022 – Orlando

Forum LGBT

Via Editora + Brasilturis (Rhythms of The South) June 2022

FESTURIS

November 3-6 2022 - Gramado

International Showcase

November 27-30 2022 – Kentucky

Media Landscape

MEDIA LANDSCAPE

Newspapers and magazines are means of communication that charge per copy. In other words, there is an immediate decision by the reader between reading and paying. It is the clearest case of an immediate-value analysis. If it's worth it, the print will be successful. OK, but what is worth reading in a newspaper or magazine? The answer is any refined, in-depth, explanatory, anticipated, well-presented, positioned content. All that is not worth publishing old news. There is no substitution for complementarity. The information strategy is understanding each means of communication. If the news is more agile in digital and electronic media, print needs to invest in everything that does not mean speed.

The market wonders about print media's future - transforming printed brands into something beyond digital, needing to transform the movement. Major newspapers and magazines' mindsets had been looking for new communication forms for years and were already redesigning themselves to update their businesses. The form was unfinished, but the Pandemic transformed that.

Print media is not dead. It's being reinvented and gathering more precious and permanent content. Credible and written media never goes out of style.

COVERAGE OF THE USA AND TRAVEL SOUTH USA REGION

Focused growth of earned media & social media promotional efforts.

Invest in influencers and high-value journalists to share the destinations of the South.

TSUSA has been in the eyes of the national media lately for its original content and public interest in cultural and historical background. Music Trail, Food & Drinks, Outdoors, Road Trips and Festivals. The 12 destinations are becoming the wish list for many Brazilian journalists looking to showcase “off the beaten path” articles and content and finally realize that the U.S. has a culture and history background.

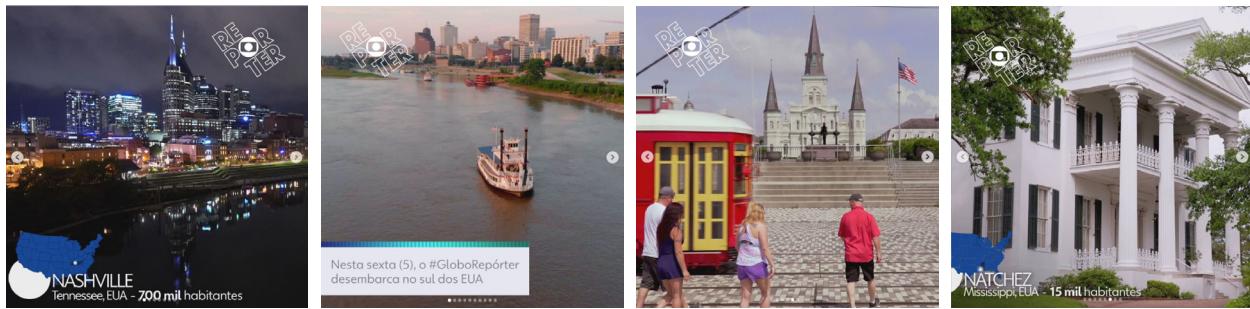
International Showcase proved to be an excellent outlet for journalists to showcase southern destinations and generated loads of coverage from the event itself and pre and post-fams. Many posts were generated from interviews and direct visits.



We are gathering excellent responses from visits by influencers such as Paulo Basso Jr. from Rota de Férias with Louisiana, Mississippi and Tennessee, Eduarda Miranda from *Brazil Travel News (International Showcase)*, Anelise Zanoni from Travelterapia (*International Showcase*) and Marina Vidigal from *Viagens na Mala* (Louisiana, Alabama and Tennessee) generating content without much investment, which can still be an opportunity for Brazilian journalists in partnership with airlines (example Anelise Zanoni and Copa Airlines to create Atlanta Guide) or the ones living in the U.S. We have Four more interested journalists for the Women Trip niche, and we are waiting for projects to be presented soon.

COVERAGE OF THE USA AND TRAVEL SOUTH USA REGION cont...

Outstanding coverage from Brazil's number one TV station Rede Globo – program Globo Reporter, a documentary series specially-themed on Southern Treasures; also promoted on their Social Media for LA – MO – MS and TN, as demonstrated at the end of this report; due to the unfortunate passing of country music star Marilia Mendonça, Rede Globo aired a life tribute and postponed Southern Treasures for 2 weeks, generating over-the-top coverage. This program was watched by 3.82M viewers.



CHANGE IN PUBLICATIONS, DIGITAL AND PRINT, POST-COVID-19

Print versus digital in Brazil: the good news is that the format is not dead and will not die. There has been a reduction in printed matter sales (60%) and a more digital landscape today. National travel does not demand so much informative content, but international does. Destination-related content, including what to see and do.

Media groups in Brazil were hit hard and reduced their staff (journalists).

Using PANROTAS as a reference, they stopped physical magazines and only presented digital magazines. In addition to reading on their portal, they have made the magazine available to our contacts via WhatsApp and Telegram. For 2021, only four special editions will be printed and distributed in the events they promote. They are studying a new format for the digital magazine and believe that there will be no more physical circulation in the future. The main focus today is online media.

EMERGING TRENDS IN CONSUMER AND TRAVEL TRADE PRESS

The media needed to adopt stricter criteria for publishing articles, after all, the newsrooms were leaner, and relations with journalists became even more essential.

Everything has changed - research shows that printed media vehicles will improve in quality since digital media has generated an overdose of information. Fake influencers and lousy content invade the digital market.

For example, Panrotas created the channel through Telegram, the editors' analysis with the news of the day; able to increasingly target media delivery within the portal (everything is and will be increasingly customizable); Panrotas is also investing in content for brands (advertising, branded content, e-books, etc.); this format is still on the rise and copied by other media vehicles.

OPPORTUNITIES AND TRENDS FOR EDITORIAL PITCHING

Focused growth of earned media & social media promotional efforts.

Invest in influencers and high-value journalists to share the destinations of the South.

FIT: Personally-focused experience travel and any niche market opportunities.

Only Girls Trip: The trend encourages women to feel safe while traveling alone or in a group with other female friends. Research from Afar magazine indicates that 56% of leisure travelers are women, and they respond to 85% of travel decisions on where, when, and what to see.

Luxury: Experience trip, learning opportunity, personalized, luxury market targeting red carpet experience trips; cultural enrichment, luxury properties, award-winning restaurants and food & beverages – focus on exclusive experiences not available for all.

Families: One-of-a-kind attractions, outdoors, beaches, movie tours, theme parks; a variation for their regular Orlando vacation. Shopping opportunities, main city attractions and coastal trips, sports, adventure & outdoor activities.

Cultural & Heritage: Music, arts, museum, architecture, civil rights trails and historical heritage; music legacy; live music, festivals and musical heritage at museums and halls-of-fame.

Gastronomy: Barbecue, soul food, seafood, cajun & creole, cocktails, beers & distilleries and farm-to-table restaurants.

FUTURE OF PRESS TRIPS

Journalists are eager for new content and craving opportunities to visit new destinations. Some journalists also signaled partnerships with airlines to secure flights and reduce investment.

It is essential to invest in fam trips for journalists to show destinations in different ways and special care when inviting and forming a press group, since renowned journalists are uncomfortable with influencers' presence in fam trips.

Initiatives generated by opportunities with partners, as done in the past, to accompany small groups can be excellent in the future to promote diverse experiences exploring the states.

Another opportunity is pairing with airlines and rental cars to minimize expenses and still show the destinations to their fullest.

Press trips are essential for the resumption of travel. Journalists and bloggers are the spokespersons to show travel professionals and consumers the real situation.



KEY MEDIA EVENTS (communication, innovation, marketing and advertising)

Travel Trade

WTM, ILTM, IPW and International Showcase. At WTM, trends and news from South America and Brazil usually show up; ILTM understands even more about luxury trends and, most importantly, product customization; IPW and International Showcase; the importance of the American market and its trends that echo across all markets in the world.

WTM Latin America

Travel industry – April 5-7, 2022 – Sao Paulo

ILTM

Luxury Travel - May 3-6, 2022 – Sao Paulo

IPW

June 4-8, 2022 – Orlando

Forum LGBT

Via Editora + Brasilturis (Rhythms of The South) June 2022

Festuris

November 3-6, 2022 - Gramado

International Showcase

November 27-30, 2022 – Kentucky

Media events related to communication, innovation, marketing and advertising

Mídia Master Brasil

May 2-3, 2022 - Royal Palm Plaza, Campinas

Maxmídia

October 4-6, 2022 – Hotel Unique, Sao Paulo

CAMPAIGN AND ADVERTISING

Digital and print for inspiration and storytelling.

These tumultuous times create an opportunity to reach end consumers and speak directly about destinations, including post-pandemic travel suggestions creating trends and generating awareness, focusing on the dream of the long-awaited road trip that has always been put off until later - the time has come to act and invest in advertising and inspire/educate the final consumer.

For reference, a small campaign with trade media and consumers:

Travel Trade:

Panrotas – USD2,500 - 3 days.

(News, publisheditorial, social media, digital magazine)

Consumer

Revista Viajar - USD800 – 1 page or USD1,000 for 2

(Content generation for print, website and social media)

Social Media Influencers

SOCIAL MEDIA & INFLUENCERS

Brazilian travelers seek inspiration for choosing destinations on the internet. The recommendation of friends won first place overall.

Top 10 social media in Brazil in 2020

1. Facebook

We should remember that it owns three other top social media apps (WhatsApp, Instagram and Messenger). 130M accounts in Brazil.

2. WhatsApp

Most popular instant messenger and free for use from most Brazilian cellphone operators. 120M

3. YouTube

It is the most-used social network for videos in Brazil. Reaches 105M Brazilians watching (and posting) videos every month.

4. Instagram

It was one of the first exclusive social networks with access via mobile. Although it is now possible to view publications on desktop, its format remains focused on mobile devices. 4th most used social network in Brazil, with 95 million users.

5. Facebook Messenger

It was incorporated into Facebook in 2011 and separated from the platform in 2016. With the “separation,” downloading the Messenger application has become mandatory for users of the social network via smartphones, and this led to millions of people downloading it.

6. LinkedIn

The largest social network geared towards professionals has become increasingly similar to other sites of the same type, such as Facebook. Another great differential are the communities, which bring together people interested in a specific theme, profession or market. 46M active users.

7. Pinterest

it is a social network of photos that brings the concept of “mural of references.” Its audience is mostly female worldwide. The social network has tripled its user base in Brazil in recent years, reaching a total of an impressive 38 million.

SOCIAL MEDIA & INFLUENCERS

Top 10 social media in Brazil in 2020 cont.

8. Twitter

In 2020, the social network grew with people looking for more agile news updates, making it very relevant journalistically. Today, the social network is used mainly as a second screen on which users comment and debate what they are watching on T.V., posting comments on news, reality shows, football games and other programs. 16.6M active users in Brazil.

9. TikTok

it is today one of the most used social networks in Brazil by teenagers, celebrities, comedians - professional or not - and companies. Nobody knows for sure how many people do all this since the company does not disclose it. We calculate about 16.5 million in Brazil. However, for sure, the TikTok phenomenon is expected to rise soon.

10. Snapchat

is a photo, video and text sharing application for mobile. 11 million users in Brazil, leaving it in the top 10 of the most used social networks in the country. Although not a niche social network, it has a particular audience formed by hyperconnected young people. It is possible to create images with filters based on geolocation, which is a great option for engaging users in events.

HOW KEY TARGET DEMOGRAPHICS ARE USING AND RESPONDING TO SOCIAL MEDIA

Social media is influential in inspiring and showcasing promotions and opportunities and being always on the mind.

The Brazilian traveler does little travel research a year, usually when he intends to travel. To do this they use smartphones and discuss the options. The primary motivator of travel is finding a good promotion, but stories told by acquaintances also stimulate. Sometimes they know which vendors to choose.

IDENTIFY OPPORTUNITIES FOR TRAVEL SOUTH USA

Curated content from specialized journalist visitors, fam trip and releases – digital and print for inspiration and storytelling.

Social media presence should be stronger and more impactful, directly interacting through music, history, culture, civil rights, gastronomy, and curiosities. It should generate a greater integration with the public instead of just inspiring. The best way is being run locally, making it easier to adapt and interact with the constant changes of this kind of communication. General posts do not achieve good results.

INFLUENCERS, CONTENT CREATORS, PODCASTS AND MICRO-INFLUENCERS AND INVESTMENT

The phenomenon of influencer marketing has a simple explanation: brands want to be where the public is, and Brazilian travelers are online.

Since Orkut, Brazil has consolidated itself among the countries that use social networks the most, always at the top of the biggest platforms' ranking. We are the second-largest globally on Instagram and YouTube and the third largest on Facebook and Twitter. We spend almost nine hours online every day, 25% more time online than Americans. When all of our social, business and entertainment behavior is online, our travel choices inevitably pass through as well.

The influencers list is vast and should be created for a specific theme, location and time; since we can select an artist (well-known or sub-celebrity), a famous blogger, a personality chef; a civil rights-focused journalist or a model with a zillion followers; it all depends on our strategy for the specific destinations – and yes, we can have different approaches for each trip.

It is imperative and valid to take journalists and influencers who work with social media to fam's, requiring a good curation when selecting them and to evaluate the presented numbers. Unfortunately, bots are increasingly being used to create fake follower numbers.

The number of social media personalities is increasing in Brazil, so it would be good to use national TV celebrities as a brand, rather than just online celebrities. We need to generate content marketing with credibility.

Investment should be calculated per trip experience and will vary depending on the partnerships we attract.

Consumers

Customers are booking their international travel 4 months in advance and paying the closest attention to safety protocols evolution and destinations with less restriction. The market offers international travel insurance, including COVID-19 clauses.

- Google: 75%
- Specialized Tourism websites: 62%
- Instagram: 46%
- Travel agencies: 45%
- Facebook: 26%
- Travel magazines: 17%
- Others: 4%

WHERE THEY SEEK INFORMATION ABOUT THE DESTINATION

FLIGHT TICKET SEARCH

- Airline websites and apps: 31%
- Websites and apps as OTAs and metasearch platforms: 25%
- Google: 23%
- Travel agencies: 21%

ACCOMMODATION SEARCH

- Websites as OTAs and Metasearch platforms: 21%
- Google: 19%
- Airbnb: 14%
- Hotels and means of accommodation websites: 18%
- Travel agencies: 13%

TOP INTERNATIONAL DESTINATIONS

- | | |
|-------------------|------------------------|
| 1 – United States | 6 - Italy |
| 2 - Paris | 7 - Argentina |
| 3 - Orlando | 8 - Cancun |
| 4 - Portugal | 9 - Japan |
| 5 - New York | 10 - Walt Disney World |

Source: Opinion Box and Matcher

KEY TARGET DEMOGRAPHICS FOR TRAVEL SOUTH REGION (ASPIRATIONS/CONCERNS)

Luxury Traveler: There are 69 million families overall in Brazil. The ones with an income higher than 25 minimum wages (around R\$ 25 thousand) are merely 1.7 million families, which corresponds to 2.5% of the total. Among these families, almost 42% (712 thousand) are in the wealthiest state of Brazil, São Paulo. And adding the Federal District (139 thousand) comprises 50% of the total number of families with high income. They are followed right after by the states of Rio de Janeiro (129 thousand), Minas Gerais (124 thousand), and Rio Grande do Sul (110 thousand). In Brazil, there are 207 thousand people with a patrimony higher than US\$ 1 million, according to a publication by the Global Wealth Report 2021.

According to Forbes and raising the bar even higher, there are 67 Brazilians that are featured in the billionaire ranking. São Paulo has the greatest helicopter fleet globally, and Brazil has the second-highest volume of private jet owners. The high luxury travel market is broad in Brazil. Still, it consists of the consumption of luxury products by the Upper Middle-class, which travels internationally and seeks exclusive and distinguished products. Brazil has important luxury travel operators and agencies, gathered in associations and groups such as Virtuoso, BLTA, Travel Designers Group, Buddah Group, or operating independently.

The Family: They are Class B and Middle-class, from 35 and over and focused on their kids. Women have the final trip decision and plan to satisfy their expectations, securing great memories and fun times. Friends' reports greatly influence them. They travel by plane, stay in rented houses or 3-star to 4-star hotels (avoid tourist category) and visit attractions and restaurants. Traveling is a top priority, especially to revisit favorite attractions and enjoy the destination being with family. They are worried about the Pandemic.

The Boomers: They are middle-class men, over 60 and retired. They make 2 or 3 trips a year, with an average stay of 10 days. They spend more than the average Brazilian traveler and every 2 or 3 years, they travel abroad, preferably to Europe, usually with the spouse and sometimes with the children. They are attentive to promotions, especially those emailed by travel agencies, and are also greatly influenced by friends' reports. They often know the suppliers they want to use and make reservations directly via website, email or phone. They travel by plane, stay in comfortable hotels and visit attractions and restaurants. Traveling is a top priority, especially seeing new places and enjoying the destination.

KEY TARGET DEMOGRAPHICS FOR TRAVEL SOUTH REGION (ASPIRATIONS/CONCERNS)

cont...

Business People on Vacation: Class A men, between 45 and 55 years old, owners of a medium / large company. They make a national trip lasting 6 to 10 days, usually to the Northeast, and spend over USD 1,000. They make 2 to 3 international trips per year, with an average expenditure of USD 7,000 thousand, usually to Europe and the United States. They seek and are motivated by stories from friends or something they saw on TV. They often know which vendor they would like to use and book via agencies' online travel. They decide their destination 3 to 5 months in advance but make reservations 1 or 2 months before travel. Travel by plane and beyond the price, consider direct flight options and the total trip duration. They often stay in comfortable hotels and resorts and sometimes in luxury hotels and boutiques, always checking other travelers' reviews. They frequently travel to beaches and big cities. They have traveled to the beach and mountains during the Pandemic.

Grey Power: Men over 45 years old, of class A. They make 2 or 3 national trips on weekends and holidays, but concentrate their main trips to international destinations; 2 to 4 international trips per year, lasting more than ten days, especially to North America, Europe and South America. They spend between USD 1,000 and USD 4,000 per trip and are usually accompanied by the spouse and research trips a few times during the year, always on the lookout for promotions, not choosing a specific supplier and making their reservations with online agencies. They are frequent consumers of guided tours and buy the components of the trip individually. For air tickets, what matters is price and ease of purchase. Usually stays in budget hotels. In future trips, they intend to upgrade to more comfortable hotels. The main focus is to enjoy the destination to the fullest, and they need a break after returning from the vacation. They have not yet traveled during the Pandemic.

WHO AND WHAT IS INFLUENCING CONSUMERS DECISIONS?

Neither price nor infrastructure and availability for medical care. The biggest concern of traveler is what they miss and want to revisit now. The second place in the mentions was searching for suppliers' commercial policies in rescheduling or cancellation.

EMERGING DEMOGRAPHICS AND HOW TO ENGAGE THEM

The Millennials: As one of the largest generations in history with a sizeable purchasing power, they look for experiences and everything out of the ordinary. Businesses that want to capture the millennial market must stay attuned to their beliefs and lifestyles. Deciding their trips based on current topics, Millennials pay attention to quality. Like the true digital natives, they tend to buy items online and prefer businesses with a social media presence.

The Travel Pods: Different families can travel together. Groups of two or more families know that everyone is complying with quarantine and health care as recommended by authorities. These groups are called travel pods.

Love to Travel: Regardless of demographic characteristics, Brazilians of all ages and income levels love to travel. Traveling is a priority for many, and they feel happier when traveling. In this trend, no new demographics were observed, giving weight to special attention regarding the repressed demand of all travelers.

WHAT VACATIONS CONSUMERS WILL WANT IN 2022 AND BEYOND

In short, trends reflecting what is happening in the world have also become more fragile, anxious, non-linear and even unpredictable, but no less critical.

Consumers want to safely fly away, be taken care of, and have all the information and safety plans to secure the best turnaround for their trips. They will engage, learn and interact, bringing knowledge and openness to transform their trips.

We need to observe more, ask more, understand more, research more, know more as well as find less and guess less. We need to understand that an isolated initiative, a single individual, a singular event can trigger transformations and new trends that will spread quickly and without borders.

2022 TRAVEL TRENDS:

- Luxury Travel
- Wellness Travel
- Solo Travel
- LGBTQIA+ Travel
- Women traveling by themselves or in group
- Multiple purpose Travel (Bleisure, Education, VFR)
- Returning to favorite places
- Update Travel, Destinations that have had many launches and new attractions Sports Events Travel to watch or practice sports
- Nature Calls - traveling to be in touch with nature in authentic destinations and communities

Opportunities and Next Steps

Florida is investing in the Brazilian market, calling their number one travelers back, with promises of safety and news on their most famous attractions. It is a great time to show that there is more to fantastic travel than lines in a theme park and showcase real interactions, learning opportunities, one-of-a-kind attractions and natural gateways to explore and have fun.

SWOT ANALYSIS

Strengths

- The USA, as seen in movies
- History, Nature and Hospitality
- Direct flight and easy connections
- Original Music and Food
- Themed Routes
- Authentic

Opportunities

- Update products with T.O.s
- Interesting for USA repeaters
- Niche markets
- Visitors can easily avoid mass tourism
- Next trip beyond Orlando

Weaknesses

- Language barrier
- Receptive that operates in multiple states and have “Portuguese”
- Brand awareness
- Marketing funds/budgets

Threats

- Competing states / regions
- Other destinations heavily investing in a marketing campaign to promote in Brazil
- USD value
- COVID-19 is still in the air

SUMMARY OF OPPORTUNITIES FOR 2022 - 2025

The luxury market has not stopped traveling, so offering a red carpet in attractions and experiences could be necessary.

Journalist fam trip opportunities - investment in consumer media to present and create demand for southern destinations.

Partnerships with airlines to advertise flights, car rental companies to guarantee a safe trip and motor homes for the inclusion of adventurers and low income.

RECOMMENDED ACTION PLAN

Consistent relationship with trade partners and focused media; make frequent posts on social networks and all communication channels available. Digital and print for inspiration and storytelling.

FOCUSED GROWTH OF EARNED MEDIA & SOCIAL MEDIA PROMOTIONAL EFFORTS

It is imperative to keep the doors open and search for opportunities for journalists visiting destinations. Journalists can partner with airlines or use their mileage or those who already live in the USA for fam trips from Brazil. Invest in influencers and high-value journalists to share the destinations of the South.

To raise awareness, it is important to build, reach out and increase engagement. We need to ensure that investment in targeted marketing activity is directed to deliver a maximum return, engaging the Brazilian Travel trade to ensure that Travel South USA's key tourism assets are effectively communicated and understood.

Expansion of trade relationships. A co-op campaign with the most significant partners can be challenging; still, it is imperative to be present and promote our destinations in partnership with key operators, such as among operators, Orinter, BWT, Agaxtur, Diversa, and FRT.

Continue to invest in training for the national trade, including working with partners to facilitate communication and increase visibility, generating opportunities.

International Showcase & Super FAMS and reciprocal trade missions to Brazil offer the best exchange of trade relationships. Plan a mission or participation in a trade event in 2022-23.

Promote the Southern USA's diverse tourism assets and unique cultural offerings in all communications with media and third parties, positioning the Southern USA as a destination of choice, offering an authentic and exclusive vacation experience.

Resume face-to-face training in Brazil as soon as the situation allows, as the market is saturated with video conferences and eager for more personal contact. Giveaways will be even more fundamental when resuming promotion of destinations.

Investment in co-op opportunities with key tour operators to promote and expand southern programs.

Develop and update marketing materials in Portuguese – including more videos that have native speakers explaining destinations.

The luxury market has not stopped traveling, develop marketing tools that highlight red carpet in attractions and experiences, especially in Portuguese.

Bolster partnerships with airlines, car rental companies and motor homes.

Highlight products that offer dedicated amenities to international travelers, such as breakfast included or special rates.

FOCUSED GROWTH OF EARNED MEDIA & SOCIAL MEDIA PROMOTIONAL EFFORTS cont...

Feature receptive tour operators that offer Portuguese speaking guides or services.

Create sales blitz, maximize destination visibility, and offer the opportunity to showcase the destination to travel agents through future fam trip programs. The could be selected based on their southern program sales.

We are increasingly used to technology, and travelers adopt technological solutions for their travels, as long as they make sense, are simple to use and facilitate the process.

(Itineraries, attractions info, restaurants suggestion, Waze ads).

Tour operators offer discounts for advance purchases to secure travel intention, understand customer needs, and communicate differentiating opportunities.

Best travel experience for the passenger with added value.

Consolidate the southern states as a family and SAFE destinations.

Continue to invest in training for the national trade, including working with partners to facilitate communication and increase visibility, generating opportunities.

Capitalizing on the high level of repeat visitation to Travel South USA destinations must be continuously kept on the Brazilian traveler's mind through continued investment and campaign activity.