OC LEADER BOARD Opinion, Insight, Analysis

Tale of 2 Offices as OCVA Arrives in Japan, India



By Ed Fuller President. Orange County Visitors Association Irvine

International visitors are a huge source of tourism-related income for Orange County. That's why the Orange County Visitor's Association (OCVA) expanded its network of international representational offices to include Tokyo and New Delhi. These outposts opened in recent weeks, continuing a three-year effort that has already provided OCVA members dedicated representation in Shanghai, Beijing, Dubai, Mexico City and Guadalajara.

Our contiguous neighbors, Canada and Mexico, remain the largest contributors of international visitors to California, at just over 9 million last year. Travelers from overseas destinations accounted for nearly 16 million trips here, and that number is expected to grow by nearly 4% this year. For its part, China sends the most visitors to our state, about 1.2 million last year, while the U.K., Germany, France and Australia were next.

The OCVA has doubled down in China, with offices in its top two cities because of the obvious opportunity to be found in such a large market. Just look at the numbers: Last year, 114 million Chinese residents, or a traveling cohort about a third the size of the entire U.S. population, ventured outside their country for business or pleasure. That's almost twice as many who traveled abroad just five years ago. Experts predict that the number will leap to 200 million by 2020.

The latest figures available indicate that about 2 million Chinese visitors came to the U.S. as recently as 2014, an increase of 21% over the previous year. Expect those gains to continue, since travel remains the No. 1 preferred leisure pursuit of China's burgeoning middle and upper classes. It goes without saying that strong appeals to these intrepid travelers remain our strategic priority.

It's also simple to explain why the OCVA has made sure to establish a beachhead in Mexico—a young population with no shortage of crossborder cultural and familial ties that bodes well for steady increases in tourism in the future.

For their part, various constituent members of the OCVA—hotels, numerous destination marketing organizations for individual cities throughout the county, and other members of the local hospitality trade—have taken up various efforts to do business in the U.K., Australia and Canada. So does Visit California, which helps drive traffic in general, leaving local groups to mine for their share.

This now leads to some who might wonder why OC might need an office in Tokyo, since Japan is a fully developed and mature market, familiar with the area and firmly ensconced among the leading contributors to the local tourism market. Then there's New Delhi, which runs counter to Tokyo in many ways, including being an economy that's still developing and representing a fast-growing population that skews young.

Let's take a look at Japan first. The island nation has decades-long economic ties with the U.S. and ranks among the world's dominant economies despite a recent run of near economic stagnation. Its gross domestic product ranks third in the world and places the country fourth in purchasing power.

As a result, Japan's travel history to the U.S. has been erratic in recent years, but even so, it accounts for 110 nonstop, trans-Pacific flights to the U.S. each week. An estimated 28,000 passengers from Japan land each week at four major airports in California—San Diego, Los Angeles, San Jose and San Francisco. Japan Airlines is expected to begin nonstop Osaka-to-Los Angeles service this month. This is why we need to position OC as an attractive and welcoming shopping and tourism venue for these travelers, no matter what their ultimate U.S. destination

Now to India, which is on a roll. Prime Minister Narendra Modi followed his landslide election victory in May 2014 with a message that he needed just 10 years to modernize his country and promised that by 2022—the 75th anniversary of India's independence—the world would recognize the 21st century was India's.

Modi is well on his way to transforming India into an economic behemoth, with an annual GDP of \$2.1 trillion that's growing at 7.4% a year. The economic growth in India is lifting millions into an expanding middle class, which in turn feeds the country's outbound tourism market—expected to be valued at more than \$40 billion by 2020.

Travelers from India have so far made Singapore and Thailand their favorite destinations for holiday. Their collective eye, however, is focused long-term on the U.S., as Indian travelers to the U.S. last year spent more here than in their nine most favored cross-border destina-tions combined!

Last year, 273,000 Indian citizens visited California, arriving on Asian and Middle Eastern air carriers that operate between India and California—including Singapore Airlines, Emirates and Etihad Airways.

India will grow at a slower pace than China, but because of the country's sheer size and long-term economic potential, its burgeoning middle-class and the desire among its people to see the world, we are convinced we need to reach out to these travelers now if we want OC to be a destination on their must-visit list for years to come.

Our pristine beaches, extraordinary entertainment venues, renowned hotels and resorts, and unparalleled dining and shopping offerings make Orange County a world-class tourism destination second to none. Our goal is to ensure that OC is on every potential traveler's radar. Stay

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