THE UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

14 September, 2011

The Honorable Rebecca Blank
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

Dear Dr. Blank:

On behalf of the Travel and Tourism Advisory Board (TTAB), we appreciate your understanding of travel and tourism's value and the exceptional role our industry plays in President Obama's National Export Initiative (NEI) to "double the country's exports over the next five years" - supporting two million, non-exportable American jobs. Note that the travel industry can be highly leveraged to generate hundreds of thousands of those jobs. We welcome this opportunity to be of service.

Through this letter, we respectfully submit the conclusions of our work regarding critical measurements that support: the Department of Commerce (DOC) and the Office of Travel Promotion (OTP) reaching the 2009 Travel Promotion Act (TPA) mandates; the Corporation for Travel Promotion (CTP); the TTAB; and the overall Travel & Tourism Industry. A basic tenet of the Research Subcommittee is that if you do not adequately measure it, you will not understand it, leverage it, or know your success or failure – and therefore, you will not know what to do to enhance your future success.

Preface

Mission: The United States Travel and Tourism Advisory Board seeks to provide practical recommendations that will, through the application of improved measurement based insights, support the growth of the travel industry, exports, job creation and tax revenue.

Contributors to this mission have included many government and industry individuals, as well as our team's 'best practices' experience. Success will largely depend on the cooperative efforts of the DOC/Office of Travel and Tourism Industries (OTTI), OTP and other government entities, in partnership with the CTP and the travel & tourism industry. The recommendations represent minimal "downside cost," but they do provide for leveraged "upside potential."

The Approach

In order to provide clarity in both purpose and action, we have adopted a "problem-solution/recommendation" approach. Given recent mandates and the greater information needs of organizations, the final recommendations are provided following clarification of three **problem areas**:

Recommendations Summary by Problem Area

A. Recommendations (with sub-parts) Addressing Measurement of International Visitation (Near-Term):
(1) Operationalize the Electronic System for Travel Authorization (ESTA) Page;
(2) Operationalize the “DAPS” Site;
(3) Seek CTP support.

B. Recommendations Addressing International Competitive Knowledge for U.S. brand Development & Promotion (Near to Mid-Term):
(1) Develop Contextual Understanding;
(2) Test U.S. Positioning and Promotions;
(3) Use Objective Clarity.

C. Recommendations Regarding Comprehensive Metrics and Their Communication (Near to Mid-Term):
(1) Provide an Authoritative Dashboard;
(2) Provide an Ongoing Monthly “Total” Travel Measure;
(3) Improve Core Metrics;
(4) Use Competitive Share Metrics;
(5) Use “Metrics by Objective.”

Detailed Problem Area A
INSUFFICIENT MEASUREMENT OF INTERNATIONAL VISITATION TO THE USA

International Visitor measurement is needed and, in fact, mandated. The available measurement systems can meet neither increased Government requirements nor Industry needs. Here are specifics:

Congressional Travel Promotion Act (TPA) Mandate
The TPA requires enhanced visitor measurement and directs the DOC through OTTI to:

''(a)(2) expand the number of inbound air travelers sampled by the Commerce Department's Survey of International Air Travelers [SIAT] to reach a 1 percent sample size …" [See Appendix 1].

Note, however, that while the SIAT currently obtains only a 0.2 % sample, Congress did not provide additional funding (and may actually reduce funding) for the mandated fivefold sample increase. See Appendix 2 for OTTI's SIAT description and problems/solution statement.

Governmental and Industry Data Needs
The DOC must work with the Administration, various department of Government and the Congress to develop policy and legislation that impact the travel industry. Additionally, the Department of Homeland Security (DHS) needs a system in support of I-94 and ESTA data processing as well as to understand, for security reasons, where travelers go, when they are in the U.S. and why they visit. The Bureau of Economic Analysis (BEA) requires international visitor volume and spending data for balance of payments calculations.

The TPA further mandates measurement expansion for state level export analyses [See Appendix 1]:

''(a)(3)…developing estimates of international travel exports (expenditures) on a State-by-State basis to enable each State to compare its comparative position to national totals and other States"

Industry leaders also confirm that for such information demand is high and supply is low. A 2010 survey of industry leaders [see Appendix 3] found that 70% say they need international visitor data for marketing and budgeting decisions and 69% claim they are unable to attain such information to meet their needs. This means that many destinations and travel organizations are, by default, making sub-optimized international marketing decisions, are unable to demonstrate their accountability and cannot well meet their fiduciary obligations. Many states, cities and commercial organizations find themselves in this position.

The CTP Data Needs
The CTP needs visitor based data for marketing insight, success measurement, and for its TPA mandate. See Appendix 1:

''(a)(4)Evaluate the success of the Corporation in achieving its objectives and carrying out the purposes of the Travel Promotion Act of 2009";

''(5) Research to support the annual reports required by section 202(d) of this Act;"

''(a) The Office of Travel and Tourism Industries shall expand and continue its research and development activities in connection with the promotion of international travel to the United States, including— H. R. 1299—17".

Unassailable metrics are required if the CTP's promotional efforts are to continue and expand. It is also clear that there is only one established international visitor measurement system with the history and Governmental acceptance required – OTTI's SIAT [see Appendix 2]. Since CTP pre-promotion measurements are essential to show change, clearly time is of the essence for SIAT supplement development to ensure that the TPA section 203 research objectives are achieved [see Appendix 4].

“Problem Area A” Solutions and Recommendations

The criticality of the data is obvious, but the cost for SIAT expansion appears prohibitive. Therefore low cost methods to increase sample size and potential quality have been sought, primarily to move from paper and pencil to online survey efficiencies. Integrated approaches to funding were also considered.

Working with the Industry, OTTI and DHS/Customs and Border Protection (CBP) has resulted in one approach with immediate potential. CBP will allow a “pop-up” with a click-through button at ESTA’s registration acceptance page. This would move willing visitors to an opt-in site where these potential visitors can be invited to participate in the SIAT online survey. Further, preliminary legal approval, has been obtained based on Michigan’s prototype (provided by Travel Michigan’s George Zimmermann with Fluency Media [see Appendix 5].

Likely Result: CBP registers about a million potential visa waiver country visitors through ESTA each month (two-thirds of overseas visitors and about half of all visitors). Currently Discover America (DA), with just a simple “button” at this ESTA page (not a “pop-up” with inviting text), generates about 25,000 hits per month or about 2.5 percent of ESTA volume. This suggests that even if SIAT opt-in obtains less than half the DA level, the mandated 1% SIAT sample will be obtained.

Two significant issues remain: (1) Only one “click-through” button can effectively work at the ESTA site (once one is “clicked,” the site is left behind and the other button is no longer available). This means that a cooperative DA/SIAT survey opt-in on a separate site is required; and (2) Online surveys are less expensive, but not free. The opt-in “hosted site” will require development with secure data storage, re-contact algorithms for survey timing (ESTA authorization is good for two years), and completed questionnaire collection and transmission for SIAT system integration. Cooperative DA/SIAT survey efforts and financing are needed now to develop, test and deliver a “pre” measurement of several months before the CTP promotions begin.

Cost: Preliminary site development costs are anticipated to be approximately $100K and the ongoing annual survey supplemental cost is expected to be in the $300K range. However, the site is expected to be self-funded. That is, targeted promotional ad space on the site could be sold based on knowing when and where the visitors are going (brief opt-in questionnaire as they provide their email address), thus, the initial investment could also be repaid. Further, with the success of this online survey program, OTTI’s SIAT paper surveys can be reduced and eventually eliminated, thus freeing up those budgeted funds.

Note: All of the “Problem A” Recommendations are applicable in the Near-Term.

A1. Operationalize the ESTA Registration Page for Click-Through to New Site

A1.1 Develop the introductory wording for the ESTA registration acceptance page including: a US Welcome, and invitations to Discover America, Promotions and SIAT Opt-In Survey Site (DAPS). CTP will program the “button” (their expense).

A2. Operationalize the Entire “DAPS” Site.

A2.1 Develop the site “look and feel,” the promotional incentives program, the wording for the survey opt-in invitation and button to move them to the survey “back-end;” and

A2.2 Develop the secure survey operations “back-end”, including the, email address registration, “where and when” questions, secure respondent name/address storage, recontact algorithms and the programming to send, receive and transfer questionnaires to the processing site for integration into the SIAT System.

A3. Seek CTP Support for: input, initial funding, DA cooperation and creation of the self-funding, promotional and ongoing survey programs.

Problem Area B
INSUFFICIENT INTERNATIONAL COMPETITIVE KNOWLEDGE FOR USA BRAND DEVELOPMENT & PROMOTION

Organizations concerned with U.S. brand positioning and promotion face challenges including product complexity, audience cultures, competitive communications and diverse stakeholder pressures. CTP board members have expressed interest in TTAB inputs. Here are experience based Best Practices Recommendations. Note: All "Problem B" Recommendations are applicable in the Near- To Mid-Term.

B1. Develop Contextual Understanding Using Integrated, Competitive Surveys.

- Current U.S. Image Information Sufficient? Travelers compare destinations before deciding. Therefore, knowledge of competitive strengths by trip purpose and traveler type is critical. For example, if visitors rate U.S. beaches high, that is not a compelling point if they believe their own beaches are better, closer and cheaper. The CTP's surveys audit is necessary, but insufficient without competitive benchmarking.
- Avoid the "Inside-Out-Perspective." Stakeholders typically analyze their product from their perspective. The resultant communication tells buyers why we think they should buy our product, rather than why the product will better deliver what they want. Unless buyers mimic us, the "inside-out" approach fails.
- Trumping Alternative Destinations' Positioning! Potential visitors currently satisfy their interests and emotions elsewhere. How can the U.S. beat that experience? Quantitative competitive knowledge 'remaps the mind-set' for an "outside-in" view of the motivational competitive opportunity.

B1.1 Seek International Research Studies Cooperation with the Canadian Tourism Commission (CTC)

- The CTC has conducted a series of such studies for years and if the questionnaires and sampling can be tuned to meet the needs of the U.S., then good quality data with history at lower cost maybe achievable.

B2. Test U.S. Positioning and Promotions for Uniqueness and Communication Universality

- Universal, Clear and Simple. The core communications need to be immediately recognizable by people in all cultures and such that they always "get it" as the brand's unique communication; such universal brand positioning is often more visual than linguistic, e.g. the Nike Swoosh. For an extensive product line of destinations and attractions, the core position needs to be broad enough for all U.S. entities to 'get under' for fast recognition and added communication value that builds leverage leading to a ubiquitous U.S. brand.
- Unique. This requires positioning that cannot be confused with that of any other brand and while this seems obvious, it is difficult to avoid 'Me Too' claims. The U.S. has great mountains, beaches, crafts and more! However, most competitive destinations also offer such experiences. Avoiding "Me Too" is further complicated by stakeholder pressures for specific inclusion. This typically leads to the "Montage of Everything" approach with 'something for everyone' communications that convey "nothing to nobody." Preliminary Test: remove the U.S./destination name and see if the potential visitor still knows it is the U.S. For example, 'Whatever happens in ____, stays there' is recognized even in corrupt forms.

B3. Use Objective Clarity for Position Development and Evaluation.

- Develop agreed upon, specific, measureable communication objectives. This refers to what potential visitors are to get out of the communications. The objectives include not only 'what the message is," but also what it "is NOT." Such objectives help keep stakeholders "onboard" and out of the way once the creative team is underway and on the objective track. Testing is needed to assure that the visitor perceptions of our brand position are in line with the image objectives we seek.

Problem Area C
LACK OF COMPREHENSIVE METRICS AND THEIR COMMUNICATION

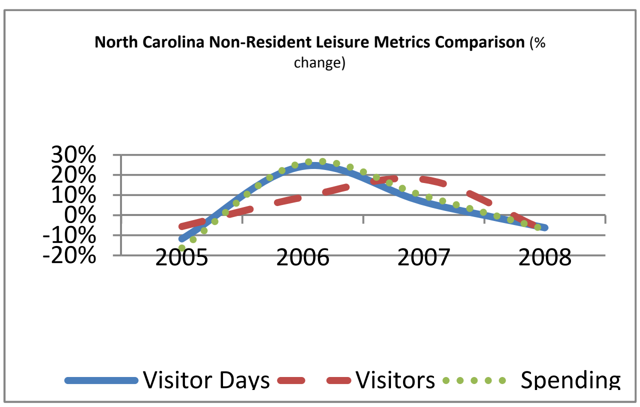
Understanding the status of travel to any destination is basic for marketing, planning and budgeting. Effective decisions are rare when the issues are not understood; and issues are not well understood without good measurement. Good measurement requires the appropriate metrics given clear objectives. The current environment, with increased marketing demands and lower budgets, requires leveraged decision-making based in effective measurement, clearly presented. Here are our recommendations.

C1. Provide an Authoritative Dashboard Across Government Agencies [Near-Term Applicability]
Coordinated industry efforts require readily available, easily understood, timely information in context. A website "dashboard" format is a best practices approach for reporting such key metrics, trends and contextual benchmarks, thus allowing effective action across diverse stakeholder groups. Also, data external to DOC that highly impacts travel can usefully be included, such as U.S. Dollar exchange rates and U.S. visa and immigration wait times.

C2. Provide an Ongoing Monthly "Total" Travel Measures [Near to Mid-Term Applicability]
OTTI provides ongoing international counts, but not an overall industry total. Adding domestic travel to get a total is essential to understanding the U.S. travel industry, of which about 85% is domestic.

C3. Improve Core Metrics – Consider Use of "Visitor Days" [Mid-Term Applicability]
The most ubiquitous destination metric is flawed. Most destinations use "Arrivals," "Visitor Counts," "Person-Stays," or "Person-Trips" (essentially the same metric), which is more traditional than practical. Such "turnstile" visitor counts can be misleading because they make the value of a one-day-visitor equal to someone who stays for two weeks. In fact, <u>visitor counts imply that the objective is simply to get as many people to come as possible, even if they immediately leave and spend nothing.</u>

Canada and Mexico arrival counts suggest they are more important than overseas visitors; however, their value per visitor is lower since overseas visitors stay longer and spend more. Revenue is the result of "engaged visitation" or "visitor days" (visitors x stay length), not simple visitor counts.



In the real world chart here, "visitor days" and "spend" move together, while "visitors" increase into recession as stay lengths and spend drop off. Traditional measures are useful; however, visitor counts which misguide should not dominate the landscape when better measures are available. Consider that "for-profit" businesses have moved beyond counting customers to bottom line impact metrics: the hotel industry has moved from folio counts to room-nights demand; airlines have moved beyond passenger enplanements to passenger miles; and rental car companies and theme parks as well.

Source: D.K. Shifflet & Associates Ltd.

C4. Use Competitive Share Metrics [Near to Mid-Term Applicability]
Absolute measures are necessary, but insufficient in the highly competitive world of tourism. Consider: if international visitor dollars spent in the US are up 4% we feel successful, but if total international spending is up 7% we have failed to keep pace. The reverse is also true; if the US is up 4% when total international growth is 1%, then the U.S. deserves success credit. Critical comparison metrics such as share by country, target populations, and purpose are required. [See Appendix 6: UNWTO Methodology for country shares –].

C5. Use the "Metrics by Objective" Framework [Always Applicable]

A recent Hotel Management article states that :"While many sophisticated hoteliers set clear objectives and critical success criteria, a surprisingly large number of businesses measure success based on criteria which are unclear, or, in the worst case, conflicting."

The framework below helps users rationally select the metrics needed to measure success. It also allows all stakeholders to be "on the same page," supports oversight and helps avoid inappropriate measurement (application examples below). This format can also help set the importance level of the objectives by rank ordering them for the organization.

Metrics by Objective Worksheet - Consider decision based components in the I-V sequence:

(I) Unambiguously stated **Objective**(s);
(II) Identify **Drivers** impacting "success" (analyses);
(III) State metric **Decision** use/application;
(IV) State the metric **components and the calculation** formula;,
(V) The **METRIC** with any "filter" clarifications.

	I. Business Objective(s)	**II. Contributing Driver(s)**	**III. Metric Application(s)**	**IV. Metric Components and Calculations**	**V. FINAL METRIC(S)**
					ABSOLUTE TREND
1	Increase Int'l Leisure "Visitor Days" by 'X' Percent	-Leisure Int'l Marketing Level -Econ Environment -US Dollar Rates	-"Success" Diagnostic - Compare to Objectives - Call to agreed upon actions -	1Y. Leisure Visitors Count 1Z. Their Stay Length 1A = 1Y x 1Z 1B = 1A(ty) ÷ 1A(ly)	1A. **Int'l Leisure Visitor-Days** 1B. Percent Change Chart across years
					ABSOLUTE TREND
2	Increase Domestic Leisure "Visitors Days" by 'X' Percent	-Leisure Domestic Marketing Level -Econ. Environment -Competitive Adv.	-"Success" Diagnostic - Compare to Objectives - Call to agreed upon actions -	2Y. Leisure Visitors Count 2Z. Their Stay Length 2A = 2Y x 2Z 2B = 2A(ty) ÷ 2A(ly)	2A. **Domestic Leisure Visitor-Days** 2B. Percent Change Chart across years
					COMPETITIVE TREND
3	Increase Share of World Market Visitors' by X' Percent	-Competitive Marketing Levels - Economics -Dollar Exchange Rate	- Diagnostic of Competitive "Success" - Compare to Objectives/Benchmarks -Call to Action – e.g. Increase/Decrease Budgets	3Y. Number of US Visitors 3Z. Total Int'l Worldwide Travelers* 3Y ÷ 3Z *Total Worldwide Travelers includes all travel purposes (UNWTO Visitor Counts)	3A. **US Share of Worldwide Arrivals (Visitors/Travelers)** Chart across years
					ROI TRENDS
4	Generate a CDP 10 to 1 ROI for Int'l Leisure Visitors from Target Markets	-Leisure Marketing Competitive Spend -Econ. Environment -Dollar Exchange Rate	-"Success" Diagnostics - Compare to Objectives - Call to agreed upon actions -	4Y. Leisure Visitors Spend Level above prior year from Target Mkts (econ. Adjusted) 4Z. CTP Spend Level in Target Markets 4A = 4Y ÷ 4Z	4A.**CTP ROI for Year One**

There are many metrics one could use [see Appendix 7 – Types of Success Metrics] and, in fact, the other TTAB Subcommittees have each suggested multiple metrics for measuring implementation success of their recommendations. Consider reviewing those metrics in light of the Metrics by Objective Worksheet [see Appendix 8].

In Conclusion

Dr. Blank, thank you for this opportunity to present our best practice recommendations with the sincere hope that this approach and the resultant knowledge base will be found both practical and of lasting value to the DOC.

Respectfully submitted,

Rossi Ralenkotter Chairman U.S. Travel and Tourism Advisory Board	Douglas K. Shifflet Chairman Research Committee

Research Committee Members:

George Zimmerman, Vice-Chair
Helane Becker
Adam Sachs
Joe Saunders
Paul Wilke

APPENDIX 1 – TRAVEL PROMOTION ACT (TPA) – EXCERPTS

Title II of the International Travel Act of 1961 (22 U.S.C. 2121 et seq.), as amended by subsection (g), is further amended by inserting after section 202 the following:

''SEC. 203. RESEARCH PROGRAM.
(Underline is for identification and emphasis)

''(a) IN GENERAL.—The Office of Travel and Tourism Industries shall expand and continue its research and development activities in connection with the promotion of international travel to the United States, including— H. R. 1299—17

''(1) expanding access to the official Mexican travel surveys data to provide the States with traveler characteristics and visitation estimates for targeted marketing programs;

''(2) expanding the number of inbound air travelers sampled by the Commerce Department's Survey of International Travelers to reach a 1 percent sample size and revising the design and format of questionnaires to accommodate a new survey instrument, improve response rates to at least double the number of States and cities with reliable international visitor estimates and improve market coverage;

''(3) developing estimates of international travel exports (expenditures) on a State-by-State basis to enable each State to compare its comparative position to national totals and other States;

''(4) evaluate the success of the Corporation in achieving its objectives and carrying out the purposes of the Travel Promotion Act of 2009; and

''(5) research to support the annual reports required by section 202(d) of this Act.

APPENDIX 2 - OTTI DOCUMENTS - SIAT DESCRIPTION AND HISTORY + CHALLENGES

What is the SIAT: The Survey of International Air Travelers (SIAT) is an ongoing monthly primary research program administered by the U.S. Dept. of Commerce which gathers comprehensive, comparable statistical data about air passenger travelers in U.S. - overseas and U.S. - Mexican markets. Survey data provides information on arrivals, spending, trip purpose, travel party size, advance trip decision time, means of researching and booking trips, port of entry, leisure activities and a host of other demographic information for two separate populations: Non-U.S. residents traveling to the U.S. and U.S. residents traveling from the U.S. Surveying both populations allows the Dept. of Commerce to measure the travel and tourism balance of trade on an annual basis.

The SIAT is the only research tool on the market today providing international arrivals, spending/economic impact and demographic data required by destinations and other partners to (1) monitor relative international performance and (2) guide strategic international marketing decision making and resource allocation.

What it is not: The SIAT should not be confused with the In-flight Survey, which relied on airlines to voluntarily administer the survey. Many airlines either did not participate up to their expected level or declined to participate at all, meaning that thousands of consumers were not sampled. To combat this challenge, the SIAT has gradually migrated from being administered in-flight to being administered in airport boarding areas. In 2008 approximately 51 percent of surveys collected were administered in-flight. By 2010, nearly 73 percent of all surveying was done in airport boarding areas.

There are clear benefits to boarding area surveying vs. in-flight:

- It allows for more control in determining which ports and which specific flights are actually surveyed, meaning data collection is no longer subject to the whims of the airlines
- The sampling is conducted in a controlled environment at airport international departure gates by trained staff

Notes:
While most of the surveys are now administered at departure gates, In-flight surveys are still administered by the following airlines: US Airways, Air China, Aer Lingus, Asiana, ANA, British Airways, EVA, Icelandair, JAL, Lufthansa, Malaysia and Singapore. The In-flight surveys accounted for just 27% of all collections in 2010. These airlines are performing well and are providing a reliable number of completed surveys.

In this report, "International" includes all countries except Canada and Mexico land and sea visitors.

OTTI's VIEW OF SIAT CHALLENGES

Challenge 1: The Survey of International Air Travelers (SIAT), administered by the U.S. Department of Commerce, is underfunded to meet the goal of a 1 percent sample of international travelers to the US, as mandated in section 203 of the Travel Promotion Act. The SIAT is the only research tool on the market today providing international arrivals, spending/economic impact and demographic data required by destinations and other partners to (1) monitor relative international performance and (2) guide strategic international marketing decision making and resource allocation.

Additionally, the sample collection process requires adjustment so that it is representative of actual visitor traveler patterns – and avoids over or under sampling at various gateway airport collection points.

To address these challenges, the U.S. Department of Commerce implemented the Supplemental Airport Survey Program (SASP) by partnering with destinations and airports authorities to enhance survey collections in the boarding areas at specific airports including Washington Dulles, Philadelphia, Denver, Atlanta, Orlando, Las Vegas, and Los Angeles. In 2011, OTTI has added Dallas/Ft. Worth, Houston, Minneapolis and Honolulu and is working with several additional destinations. However, the program is not comprehensive at this time.

Challenge 2: Provide strongly invested destinations with the opportunity to expand the amount of sample needed to meet specific market needs that cannot be satisfied by a 1 percent international sample. For example, provide a given destination with the means to enhance its sample of French leisure visitors to provide actionable data on arrivals, economic impact and visitor travel characteristics.

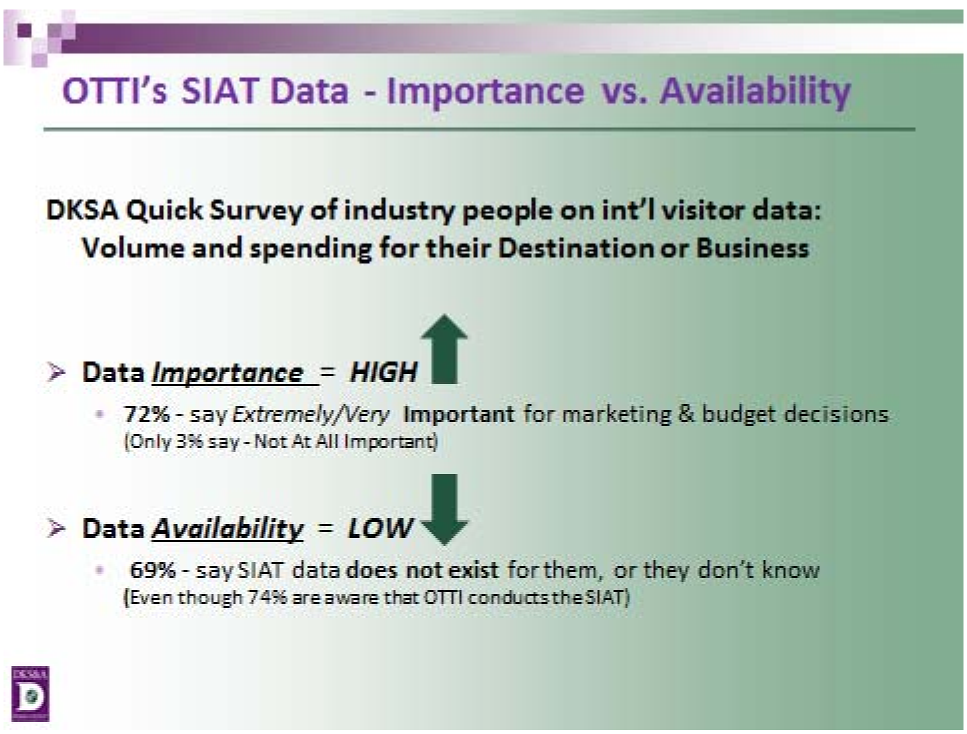
Time is of the essence to ensure that the research objectives stated in section 203 of the Travel Promotion Act are achieved.

OTTI's Possible Solutions:

Challenge 1: To reach a 1 percent sample size and to at least double the number of states and cities with reliable international visitor estimates, as called for in the Travel Promotion Act, the board of the Corporation for Travel Promotion (CTP) should authorize additional funding for the SIAT beyond what is currently being spent by the U.S. Department of Commerce, Office of Travel and Tourism Industries.

Challenge 2: Destinations that require more in-depth visitor metrics beyond what the 1 percent sample can provide may elect, at their own expense, to participate in the existing SASP program. This public-private partnership is entirely voluntary and compliments and enhances the overall SIAT program in that additional surveying by one destination at its gateway airport further enhances the national sample for the benefit of the entire country. The SASP would benefit from additional surveying starting at the following gateways: Miami, Boston, Agana Guam, Ft. Lauderdale, Detroit, Seattle, San Juan, Charlotte, Tampa, Phoenix, Cincinnati, Portland, Memphis, Baltimore & Salt Lake City.


DKS&A
DIRECTIONS
D.K Shifflet & Associates Ltd
DOC Travel & Tourism Data Industry Needs
Measuring and Enhancing Services Trade Data and Information Conference
September 14, 2010
Doug Shifflet
Chairman, TTAB Research Committee


OTTI's SIAT Data - Importance vs. Availability
DKSA Quick Survey of industry people on int'l visitor data: Volume and spending for their Destination or Business
Data Importance = HIGH
72% - say Extremely/Very Important for marketing & budget decisions
(Only 3% say - Not At All Important)
Data Availability = LOW
69% - say SIAT data does not exist for them, or they don't know
(Even though 74% are aware that OTTI conducts the SIAT)

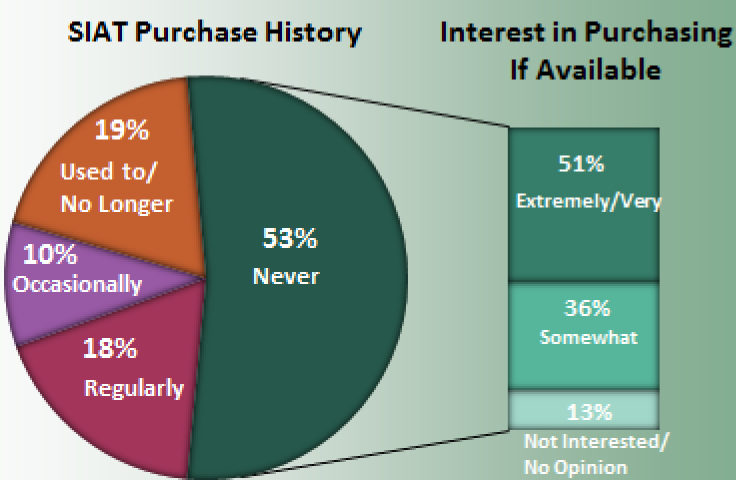
Currently No Other Source of Complete International Visitor Data for Dest./Businesses

- **60%** - say aware of **no source other than OTTI** for complete international visitor and spending data
  (Open-end: Greatest SIAT Survey weakness as sample size)

- **Alternatives** mentioned
  (Open-end response by those aware of Int'l data)
  - Visa Vue[1] 26%
  - WTTC, UNWTO, Stats Canada <5%
  - Other Single Mentions <12%

[1] Most comments: incompleteness or methodological issues

SIAT Data Sales Potential



APPENDIX 4 – CTP'S IMPACT MEASUREMENT

It is essential that the ROI associated with the CTP's promotional efforts be clearly demonstrated. This requires unassailable measurement. Consider the following:

1. The TPA requires impact measurement of CTP results;
2. Such measurement must be historically calibrated and competitively compared;
3. There is one US established international visitor and spending measurement system with the history and Governmental acceptance required (OTTI's SIAT);
4. The new TPA requires an annual 1% sample of foreign visitors (currently the SIAT obtains a 0.2 % sample), but Congress failed to fund the mandated 5x sample increase;
5. Our TTAB Research Subcommittee has been working with OTTI and DHS to develop a high quality, cost effective solution;
6. DHS has reasonably rejected multiple solutions, but the CBP has identified an ESTA system opportunity to invite visa waiver country visitors to participate in an online survey.
7. We have obtained CBP legal approval to place a "pop-up" invitation on their ESTA registration site (Michigan's George Zimmermann with Fluency Media provided the prototype);

NOTE:
While the CBP requires that the pop-up on their site simply be a click through to another site for respondent information/email address that can be visitor entered, this "hosted site" requires development which has upfront and ongoing costs; However, there is a self-funding revenue opportunity given the potential for organizations to place destination relevant promotions on the new site.

<u>Costs and Revenues</u>: The ESTA sample based SIAT supplement has anticipated host development costs of about $100K and an ongoing system at about $300K/year with two added benefits: possible reduced cost of the total SIAT program and an increase in quality sample given the opt-in survey incentive and get travel offers/deals.

This additional quality sample helps not only the CTP, but several current SIAT data users including States and the BEA (balance of payments calculations). Further, high demand for such data was identified in a recent DKSA Industry Survey showing that 70% of industry organizations seek such international traveler information, while 68% of that group cannot find the data they seek given current OTTI SIAT sample sizes – this is particularly true for many states, cities and commercial organizations. Therefore this ESTA based SIAT supplement is a win-win for all concerned as a project of high worth for early CTP participation and modest financial support.

APPENDIX 5 – ESTA “POP-UP” PROTOTYPE

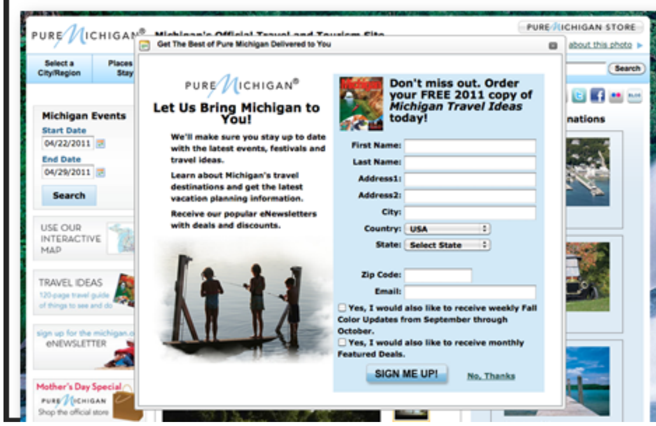
U.S. Travel and Tourism Advisory Board

ESTA Survey Opt-In Recommendations

June 21, 2011

Fluency media

michigan.org Pop-Up Interstitial Email Opt-In Form



michigan.org Pop-Up Interstitial Email Opt-In Form

HOW IT WORKS:

- Appears over website page – must be acted upon or closed in order to continue website visit
- Only appears once for each site visitor (cookie is set to prevent repeat viewings)
- Incentive of free, *Michigan Travel Ideas* magazine is a sufficient “carrot” to earn the email address

1

Fluency media

michigan.org Pop-Up Interstitial Email Opt-In Form

RESULTS:

- Introduced in March 2009
- Email opt-in rate immediately increased by 1,200%
- Travel Michigan email database grew by 90% in the first year
- Introduction of the pop-up form actually reduced the website bounce rate of michigan.org

4

ESTA Post-Travel Survey Opt-In

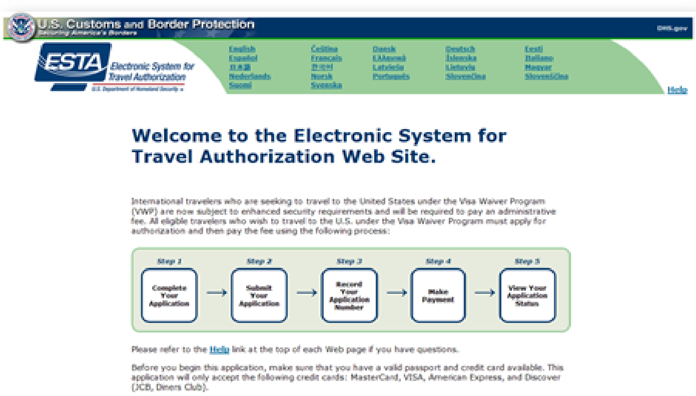
RECOMMENDATIONS:

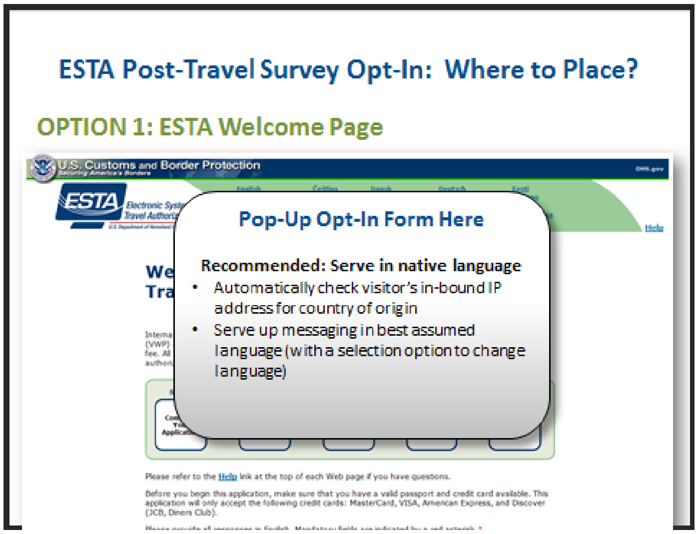
- Use a similar, interstitial pop-up form approach
- Ask only for essential info: email address, name, postal code or country
- Offer a travel-based incentive in exchange for email address (Examples: Discount offers from Avis, Hertz, or hotel chain)

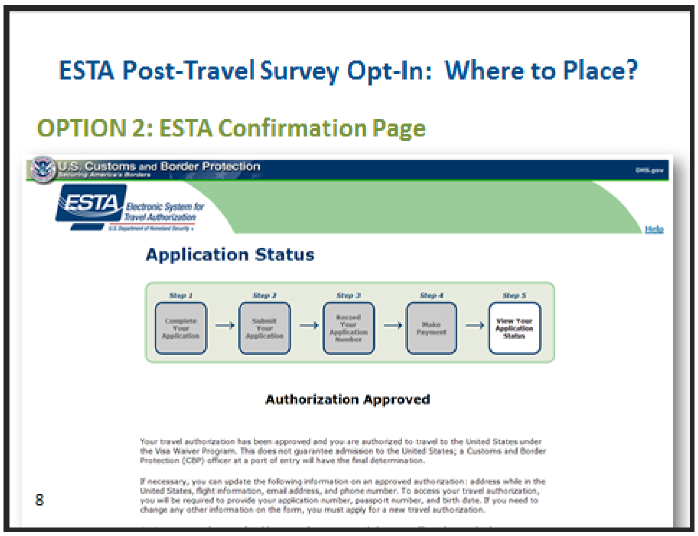
5

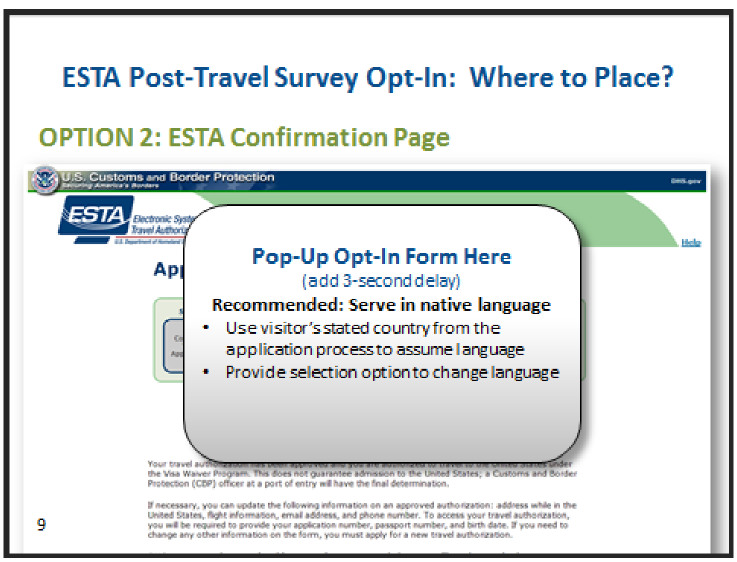
ESTA Post-Travel Survey Opt-In: Where to Place?

OPTION 1: ESTA Welcome Page



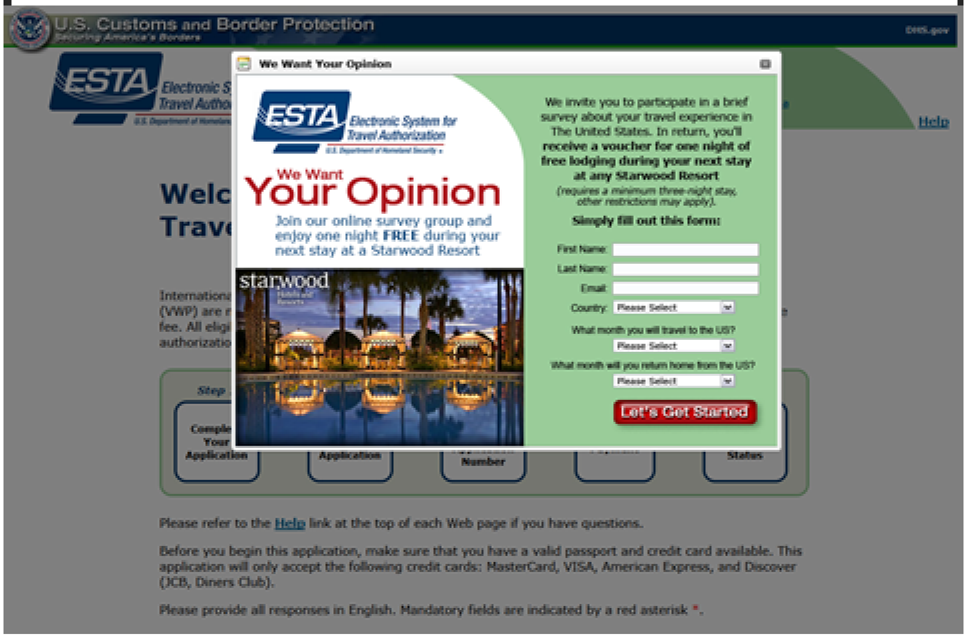

ESTA Post-Travel Survey Opt-In: Where to Place?
OPTION 1: ESTA Welcome Page
U.S. Customs and Border Protection
ESTA
Pop-Up Opt-In Form Here
Recommended: Serve in native language
• Automatically check visitor's in-bound IP address for country of origin
• Serve up messaging in best assumed language (with a selection option to change language)


ESTA Post-Travel Survey Opt-In: Where to Place?
OPTION 2: ESTA Confirmation Page
U.S. Customs and Border Protection
ESTA
Electronic System for Travel Authorization
Help
Application Status
Authorization Approved
8


ESTA Post-Travel Survey Opt-In: Where to Place?
OPTION 2: ESTA Confirmation Page
U.S. Customs and Border Protection
ESTA
Help
Pop-Up Opt-In Form Here
(add 3-second delay)
Recommended: Serve in native language
• Use visitor's stated country from the application process to assume language
• Provide selection option to change language
9

Concept

(example offer indicated)



THANK YOU!

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VP Operations

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APPENDIX 6 - UNWTO METHODOLOGY AND AVAILABLE DATA

Sources and data treatment

Quantitative tourism-related data presented is based on a selection of data included in the UNWTO database on World Tourism Statistics. This database contains a variety of series for over 200 countries and territories covering data for most countries from the 1980's on. The database is maintained by the UNWTO Secretariat and is updated on a continuous base.

Except where otherwise indicated, statistical data has been collected by the UNWTO Secretariat from the official institutions of the countries and territories (UNWTO member as well as non-member countries) or from official international bodies, e.g. the Caribbean Tourism Organization (CTO), International Monetary Fund (IMF).

The data for individual countries are based on full year results, or projections, as communicated to the UNWTO Secretariat by the authorities of the countries and territories or disseminated through a news release, publication or on the Internet.

In the world and (sub) regional aggregates, estimates are included for countries and territories with data still missing based upon data available for a part of the year or the general trend for the region. In particular for the Middle East and Africa the regional and subregional aggregates for 2002 should be treated with caution as estimations are based on a relatively small number of countries and territories that supplied data for the entire year. In the tables, provisional figures are marked with an asterisk (*).

UNWTO tourism statistics generally refer to figures for a country as a whole. In the collection of statistics, however, except for independent states, there are also a number of dependencies or territories of special sovereignty included (for instance Hong Kong (China) or French Polynesia). These territories report tourism figures independently and are for the sake of tourism statistics considered as an entity in itself. Because of this, where reference is made to "countries" the term generally should be taken to mean "countries and territories". In a few other cases, dependencies are not separately listed but included in the total for the country they depend upon (for instance Guernsey, Jersey and the Isle of Man in United Kingdom).

In general UNWTO does not collect data on the level of regions, states, provinces or specific destinations within a country (Hawaii is one of the few exceptions made because of its relevance for Asian outbound travel; in the overview tables, however, Hawaii is included in the United States figure). Most countries will have a further regional breakdown available as well as other series not included in the UNWTO database on World Tourism Statistics. Please refer to national sources for this data.

The regional country groupings are according to the UNWTO regional grouping.

The World Tourism Organization is aware of the limitations of the available statistical information on tourism. Despite the considerable progress made in recent decades, international tourism statistics are often not uniform, because definitions and methods of data collection tend to differ. Every user of this information should bear in mind that the international comparability of statistical data is still not optimal.

Tourism series in "Tourism Market Trends" reports

A number of derived series are included relating tourism volume to the size of the population or tourism receipts and expenditure to tourism volume. Ratios are based on simple divisions of the concept in question by the population or of the receipts or expenditure by the corresponding concepts:

- **International Tourist Arrivals per 100 of inhabitants** = International Tourist Arrivals / population * 100;

- **Trips abroad per 100 of inhabitants** = Trips abroad / population * 100;
- **International Tourism Receipts per International Tourist Arrival** = International Tourism Receipts / International Tourist Arrivals;
- **International Tourism Receipts per International Visitor Arrival** = International Tourism Receipts / International Visitor Arrivals;
- **International Tourism Receipts per capita** = International Tourism Receipts / population;
- **International Tourism Expenditure per trip abroad** = International Tourism Expenditure / Trips abroad;
- **International Tourism Expenditure per capita** = International Tourism Expenditure / population.

Financial data is generally collected and kept in the UNWTO database in US $ values. In the cases where countries report in local currency, values are transferred by UNWTO into US $ applying the average exchange rate for the corresponding year. However, part of the tables are also published in euros. These euro values are in general derived from the US $ values using the corresponding average annual exchange rates for the two currencies. The following exchange rates have been applied:

Exchange rate US dollars versus euro

- As exchange rates fluctuate substantially over time, the evolution of International Tourism Receipts is also estimated in (weighted) local currencies. For this, receipts in US $ have been recomputed in local currencies using an exchange rate table provided by IMF. In order to take care of inflation, receipts have been put in constant prices using country data on inflation from IMF as deflator.

The data on international tourist or visitor arrivals and nights of international tourists by country of origin correspond to the series as included in the UNWTO Yearbook of Tourism Statistics. Please refer to the latter publication for additional series, methodological references and notes on the series for specific countries.

APPENDIX 7 - TYPES OF "SUCCESS METRICS"

Success Metrics can be classified into groups. Below are examples.

Absolute Volumes

1. Spend (Dollars – currently measured with trends nationally and for some states and a few cities)
2. Visitation (Person-Trips – historic metric, but it makes a 1 day visit as important as a 2 week stay)
3. Engaged Visitation (Person-Days – a more useful metric that takes length of visit into account)

Competitive Shares (apply to the above absolute measures)

1. Share of Total World Travel (Between countries)
2. Share of Key Feeder Markets (Outbound Travel)
3. Share of US Exports (Internal Competitive)

Driver Ratios and Indices (Comparisons to Competitive Set of Countries)

1. Facilitation Indices: Days to Visa (includes interview wait and pick-up), Customs Wait Times
2. Competitive Promotion Ratio (Competitive Tourism Promotion Spend to Country GDP)
3. Origin Markets Opportunity Index (Incorporating Currency Exchange Rates)

Economic Impacts

1. TTSA Value (Travel & Tourism Satellite Account) including dollars, jobs, etc.
2. Promotion ROI and ROI True Gain/Loss (Target gains/losses vs. control country gains/losses)

APPENDIX 8 - ADDITIONAL METRICS BY OBJECTIVE
PRELIMINARY (ROUGH) APPLICATION EXAMPLES

I. Business Objective(s)	II. Contributing Objective & Drivers (committee recommendation)	III. Metric Applications	IV. Metric Components and Calculations	V. Potential Metrics (actual metrics will depend on final success criteria)
TTAB Facilitation Committee				
Faster visa issuance	5 day *maximum* visa processing time	A. Diagnostic B. Compare to other countries Major competitors Others	A. Develop '5-days' calculation B. Define 'processing time' C. Implement. Date (Σ visa processing times (in days) for each visa issued)/)total number visas issued)	A. Average # of days Total By country
Faster visa issuance	Add few hundred visa processing officers in key countries	A. Diagnostic B. Compare to other countries Major competitors Others	A. Define 'few hundred' B. Define 'key countries' C. Time frame? A/B. For each country, count officers added within specified time period	A. # officers added by country B. Time measure
Faster visa issuance Reduce travel required	Add 4-6 visa processing locations in China, Brazil, India	A. Diagnostic B. Compare to other countries Major competitors Others	A. Time frame A/B. For each country, count processing locations added within specified time period?	A. # processing locations added each country B. Time measure for adding locations Each country Each location within each country
Funding additional officers and locations	State Dept. retain all visa processing and consular fees	A. Diagnostic	A. Define 'porcessing' fees B. Define 'consular' fees A. total fees retained/total fees collected	A. % of collected fees retained
Reduction in # visas processed	Increase validity of non-immigrant visas for Chinese visitors to 10 years	A. Diagnostic B. Compare to other countries Major competitors Others	A. Count # 10 year Chinese visas issued each year B. # 10 year Chinese visas issued/Total # active Chinese visas	A. # of 10 year Chinese visas issued each year B. % of all Chinese visas that are 10 year
Reduction in # visa interviews	Increased discretion of State Department regarding in-person visa interviews	A. Diagnostic	A. Define 'discretion' B. Define discretionary procedures C. Define discrtionary conditions	A. Percentage of time or interviews where 'discretion' was invoked B. Opinion of officer
Expand visa waiver program	Allow Secretary of Homeland Security discretion for admitting countries with less than 10% refusal rate into visa waiver program	A. Diagnostic	A. Define 'discretion' B. Develop 'refussal rate' calculation	A. Portion of 10% refusal rate countries in visa waiver program B. % visa waiver country decisions made by Secty of DHS

Faster inbound processing	20 minute wait time goal at immigration	A. Diagnostic B. Compare to other countries Major competitors Others	A. Develop '20 minute' calculation B. Define 'wait time' C. Implementation date	A. Average # minutes waited
Improve inbound processing	Implementation of Model Ports Entry program	A. Diagnostic B. Compare to other countries Major competitors Others	A. Define 'Model Ports' B. Time frame?	A. # ports added B. % of all ports included C. Visitor satisfaction - survey?
Faster inbound processing	Increase number of Global Entry holders	A. Diagnostic	A. Define 'increase' - goal B. Time frame?	A. # holders added annually B. % of goal C. % of international travelers
Increase # international visitors	Achieve 40,000,000 international overseas visitors by 2015	A. Diagnostic B. Compare to other countries Major competitors Others	A. Define 'international travelers' - exclude Canada/Mexico? B. Define 'visitors' - travel parties, people, stays, days	A. # of international visitors annually as measured by SIAT, other?
TTAB Marketing Outreach Committee				
Reduce redundancy	Incorporate OTP into OTTI	A. Diagnostic	A. Define 'incorporate' - which activities of OTP incorporated into OTTI? B. Time frame?	A. Dates by which transition/incorporation occurs B. Time measure
Create continuity	Appoint federal civil servant as Director of Office of Travel Promotion	A. Diagnostic	A. Time frame?	A. Date appointment takes place
Create coordinated marketing efforts	Establish partnerships between national (CTP) and local marketing efforts	A. Diagnostic B. Comparison to other destinations C. Comparison to other marketing efforts	A. Define 'partnerships' B. Assign responsibility C. Time frame?	A. # partnerships established annually B. Type of partnerships established C. Measure success of partnerships ROI #/increase in international visitors
Monitor communications to international visitors	OTP/DHS review of relevant websites to ensure clear/accurate communications to international travelers	A. Diagnostic	A. Determine frequency B. define 'clear/accurate' C. Define frequency	A. Review Dates B. % of changes/revisions made C. International traveler satisfaction - site surveys D. Standard website stats