

The Impact of Travel

An Interview with Roger Dow,
President and Chief Executive Officer, U.S. Travel Association

EDITORS' NOTE Roger Dow has served in his current post since 2005. Prior to this, he rose through the ranks at Marriott International starting as a summer lifeguard at the sixth Marriott hotel and, over a 34-year career, became Senior Vice President, Global and Field Sales. Dow has co-authored two books, *Turned On – Eight Vital Insights to Energize Your People, Customers and Profits* and *The Trust Imperative – The Competitive Advantage of Trust-Based Business Relationships*. He served in the United States Army with the 101st Airborne Division in Vietnam, where he received the Bronze Star. Dow earned a Bachelor of Science degree from Seton Hall University and, in 2009, was presented an honorary degree from Johnson & Wales University.



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ORGANIZATIONAL BRIEF Headquartered in Washington, D.C., the U.S. Travel Association (www.ustravel.org) represents all segments of the \$704 billion U.S. travel and tourism industry, with an active presence in Europe, Asia, and Latin America. The company's mission is to increase travel to and within the United States. It advocates the power of travel to leaders in government, provides authoritative travel research and commentary, and hosts annual signature events that support its mission. U.S. Travel also manages *DiscoverAmerica.com*.

How much of an impact have you seen on the travel industry over the past 24 months?

The past two years were devastating for the industry. We saw declines in every travel category. Sadly, travel is one of the first things organizations can cut back on before they lose people.

This year, it's coming back stronger than we imagined. The growth seen in 2010 will slow a bit in 2011 but will still be positive. We're expecting an increase of 1.5 percent for domestic leisure, 2.5 percent for business travel, and about 4 percent for international inbound. Travel spending will also rise for both domestic and international visitors to the U.S. next year – 4.5 percent and 10 percent, respectively. The feedback I get from hoteliers is that their inquiries are up significantly and the lead time is very short for corporate because of the meetings that didn't get held in the past two years.

Is there an effective understanding of the true impact the travel and tourism industry has on jobs and the economy?

The industry is too big for people to get their arms around it – it is defined in many different ways. People don't realize that one in nine employees in the U.S. work in the travel industry.

We're two and a half times bigger in employment than the automobile industry. Yet we don't hear anything out of Washington about watching employment in the travel industry.

It also involves how business is accomplished through travel. When we're down on visitors from outside the U.S., including the 20,000 people that don't go

to the Consumer Electronics Show, for instance, it's not just that we don't get their travel dollars; they also don't buy Bose speakers, Apple iPods, etc.

Also, you cannot name a community in the U.S. that doesn't have a travel and tourism business. You can't say that with any other business. Most businesses are regional. This is the one industry that is pervasive, so when it goes up, everybody goes up. It's also one of the few industries where you can bring people in at the bottom of the employment spectrum and they can move up.

How important is the research you conduct in promoting travel?

It's extremely important since I have to have the facts and numbers to support our arguments. When I go to Congress and report that the U.S. lost 37 percent of its inbound market share in the past 15 years and that, in 2000, 53 million people around the world traveled long haul and we have 2 million less now, this information resonates.

We asked Oxford Economics to study 25 disasters that impacted travel around the world and they concluded that it takes two to three years to recover from something like the BP Gulf oil spill because of the perception. We put numbers around it and Congress now realizes the Gulf is going to be out upwards of \$22 billion for three years unless we can make them come back faster. So we need compelling data.

At the government level, should there be an appointed position to oversee and promote U.S. travel?

Up until now, we were the only developed country in the world that did not have a promotional program to support travel. Travel is truly the front door to economic development. The passage of the Travel Promotion Act in March 2010 was a great step forward for the U.S. travel and tourism industry. By leveling the playing field, it enables the United States to finally be competitive in the

world's tourism market. It will not only help us reverse the declines since 9/11 in overseas travel to the U.S. but the influx of new visitors will boost our economy, create new jobs, and improve international perceptions of our country.

When you have membership across so many segments, can you have a unified voice?

We can, and that unifying voice is important. One of the things I've focused on is bringing the industry together. We created a CEO Roundtable two years ago. Never before did the CEOs of all the travel industry segments sit in the same room.

At our first CEO Roundtable, we ended up in a half-hour meeting with President Obama. I've been in this business for more than three decades and never before has a sitting President met with this industry. The next time the CEOs were in town, we met with Secretary Geithner and Secretary Napolitano.

When it's about getting more people traveling and breaking down the barriers that make it difficult, we all have the same goal in mind, and that is to raise the level of awareness of what travel means to this country and what it means to communities.

Is it difficult to be patient in a role where sometimes things don't happen as quickly as you would like?

Yes, because you have to get consensus. For instance, the industry had been talking about creating a national tourism promotion office for 16 years. In 2006, U.S. Travel launched the Blueprint to Discover America containing a three-dimensional solution for safe and friendly travel to the U.S. This also helped set the stage for the need to have a public/private partnership to promote the U.S. and to establish ongoing communications about ever-changing security procedures. The Travel Promotion Act was introduced in January 2007 and the President signed it into law on March 4, 2010. The influx of new visitors will boost our economy by the billions, create thousands of new jobs, and improve international perceptions of our country.

It also took us two years to get eight new visa waiver countries added. There were 27 visa waiver countries in 1987 and not one had ever been added since. We got nine added, one of which is South Korea, and that will add one million more visitors every year to the U.S. Los Angeles has already reported that their South Korean visitors are up significantly. We can make a few changes in visa policy and add hundreds of thousands of travelers from China in one year. ●