

UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

May 22, 2020

The Honorable Wilbur Ross
Secretary of Commerce
Washington, D.C. 20230

Dear Mr. Secretary:

In the United States, travel and tourism is a \$2.6 trillion business supporting almost 16 million jobs across the country. These jobs and the families they support are at risk as the containment programs put into place to control the spread of the COVID-19 virus and “level the curve”, have also had significant economic effects across the economy. The leisure and hospitality industries, in particular those linked to both domestic and international travel and tourism, have been extremely hard hit.

Over the past few weeks, under guidance from public health officials at the national and local levels, many destinations and businesses have begun to open again to their employees and customers. Cities and states will be closely monitoring this evolution in mobility and any further spread of the disease in order to continue to open the economy.

It will be necessary for both the public and private sectors to have reliable and consistent indicators of the pace and scope of the recovery and the revitalization of the travel industry. These data will provide guidance to key inflection points in the process and provide important indicators of the improving situation as well as guidance for the future both in the short and the long term to support the development of policy at the federal level through such important outlets as the Tourism Policy Council and the National Economic Council, as well as inform the private sector across industry segments.

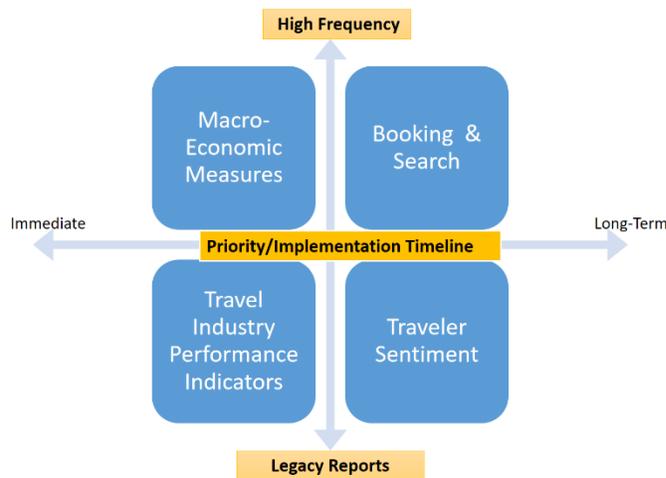
Recommendations

In these unprecedented circumstances, the Travel and Tourism Advisory Board (Board) recommends to the Secretary that the National Travel and Tourism Office (NTTO) create and make available a comprehensive tracking and forward-looking dashboard to inform the industry’s recovery for the industry and key policy makers.

In preparation for these recommendations, the Board has consulted with industry research and data professionals and reviewed the possible tools available to the Department of Commerce to help indicate the key signals and turning points of recovery and the goal posts or steps along the way to full recovery. This tool will build upon data resources currently being used by the NTTO as well as coordinate and link to the presentation of other public and private indicators.

This innovative situation analysis designed to assess inflection points and progress along multiple lines will provide policy makers and the private sector with a nationally-focused model of resiliency and recovery from the COVID-19 crisis on a continuing basis.

The Board recommends approaching this task by examining four sets of key indicators along two dimensions – the priority or immediacy of the need and the frequency or timing of their availability. As outlined in the graphic below, these cover four primary areas: high frequency releases of macroeconomic data, regular tracking of travel industry performance, forward-looking indicators of travel search and booking, and ongoing insights into traveler sentiment.



The Board acknowledges that many of the high frequency and immediate variables are currently available to the NTTO and comprise the basis for the initial metrics dashboard.

Background on TTAB Approach and Findings

Model of Tracking Inputs

While the COVID-19 health crisis has cut deeply into many aspects of the U.S. economy, when it comes to travel it may not be a matter of **if** it resumes, but rather **when** and **who** will be traveling.

The recommendations of the Board essentially classify the key data sets and metrics in terms of their priority (travel behavior and economic performance) alongside a longer-term outlook of traveler sentiment and booking behavior. The content of each indicator will necessarily cover global and domestic economic performance, specific travel and tourism industry performance metrics, and the changing landscape of consumer attitudes/sentiment and behavior regarding travel. Each of these categories offers multiple data inputs that can be used to benchmark and measure actual behavior as well as serve as leading indicators of the direction of change. (See Appendix for a list of possible resources).

A major objective of the initiative will be to provide both an economic and a behavioral view of the U.S. travel and tourism economy including business and leisure travel, short and long-haul trips, domestic and international source markets, as well as types of accommodations, local attractions and transportation alternatives. With the insight gained from past crisis experiences, such as post 9/11 or the 2008 recession, this project entails an on-going commitment as the expected recovery period may last through 2020 and 2021.

Outline of Recommended Resources

We are living and working in the era of big data, the availability of large data sets that can provide insight into past, present and future behaviors and purchases across the travel and tourism industry. They add an additional input to the regular traveler surveys and the official industry and government reports and releases. Together they provide a more inclusive picture of the ongoing conditions and changes taking place across the many sectors involved in reviving the country's destinations and travel-related industries.

The list below highlights this approach and the types of data available. In many cases, these are reports that currently form part of the NTTO analysis of the industry and when viewed in conjunction with new or additional resources will add additional insights for policy and business development. As a first step, we recommend focusing on four to five inputs that will provide regular insights. Additional resources are outlined in the Appendix.

Macroeconomic variables: Among the most important indicators of the ability to travel from any market are the measures of local employment and GDP. As economists work to track the shape and pace of the economic recovery, it will be necessary to also track the behavior of the key segments of the travel market.

Recommended resources:

- Federal Reserve Bank Weekly Economic Indicator
- BEA/Census US Exports/Imports of Goods & Services (Travel Expenditures)
- BLS Employment, Unemployment, Payroll in L&H sector
- Census Bureau Small Business Pulse Survey
- U.S. Travel Association Weekly Travel Spending Index

Travel Industry/Activity Tracking: The key metrics will encompass and contextualize insights regarding travel behavior and intentions along a matrix of key time periods (immediate, short-term and long-term)) as well as segments/sectors of the industry: transportation, hotels and traveler accommodations, arts & entertainment, indoor and outdoor recreation, theme parks, as well as dining and shopping. Measurement of supply and actual travel behavior, together with measures of consumer attitudes, will enable the industry to better assess and project the recovery of consumer spending, jobs, and tax revenues.

Recommended resources:

- NTTO APIS/I-94 (non-resident overseas visitors)
- DOT Domestic Airline Passengers
- DHS TSA Throughput

- STR Weekly Hotel Review
- Location-based measures of automobile travel (Arrivalist US Daily Travel Index)

Forward Search & Travel Booking: Multiple data sources tracking air and hotel reservations and attractions ticketing will point to the pace and type of activities that will mark the industry's recovery.

Recommended resources:

- Forward air ticketing (e.g., ARC)
- Forward hotel booking (e.g., TravelClick, an Amadeus Company)
- Aggregated trip booking (e.g., Sabre Travel Network)
- Online search for US travel destinations and bookings

Traveler Sentiment & Attitudes about Travel: Among the most difficult to measure and the most sensitive to changing conditions, it will be essential to include measures of consumer confidence, travel intentions and attitudes.

Recommended resources:

- Conference Board Consumer Index (including vacation intentions)
- Brand USA International Travel Sentiment

A broader list of potential resources is included in the Appendix and their incorporation will depend upon their availability and utility. They represent both public sector and private sector resources and should be used in combination for the most reliable insights.

In support of the array of U.S. businesses dependent upon the travel and tourism economy, these accessible and informative data dashboards will provide needed information to help shape recovery plans and timelines.

Respectfully submitted,



John Sprouls
Chair



Kurt Ekert
Vice Chair

Attachments:
Appendix: Data Sources

Appendix: Data Sources

With the intent to measure the effects of the COVID-19 crisis on the travel and tourism industry and to identify the stages and successes in the recovery, the Board suggests looking at building a tracking system employing a selection of the following resources. These are suggestions that incorporate both public and private sector resources and where possible may find best use when combined into an index or aggregate indicator. The following is a suggested list of resources.

To the extent possible, especially with official statistics, the historical data sets need to cover at least a 5-year period (from 2016 to 2020) to provide a suitable benchmark and trend analysis. For many of these indicators, indexing the trend to a standard time period will increase the utility of the data.

The data sources include a number of new “big data” resources as well as historically validated surveys and industry metrics. Together they offer an opportunity to fully track the effects of COVID-19 on the U.S. travel and tourism industry. Additionally, a number of these reports are being made available during the crisis without a paid subscription.

Economic Indicators

These reports will set the context for measuring both the potential for recovery and the pace and economic impact of the travel industry over time.

- Federal Reserve Bank Weekly Economic Indicator
- U.S. Travel Index (weekly prepared by Tourism Economics)
- BEA/Census US Exports of Goods & Services & US Imports of Goods & Services (Travel Expenditures)
- Census Bureau Small Business Pulse Survey
- BLS Employment & Unemployment rates (by industry, segment, state),
- BLS Payroll (by industry, segment, state)
- Consumer Confidence Index – US & Global (Conference Board, Michigan, Bloomberg Consumer Confidence)
- Conference Board Vacation Intention Index

Industry Supply

Even as more of the restrictions around the country ease, some tourism-related business owners will choose not to reopen immediately as demand remains challenged and some may choose to shutter completely. Understanding the extent to which travel sectors are open and changes in capacity are an important part of understanding the industry’s recovery.

- Flight Schedules, Frequency and Capacity (OAG)
- Hotel Supply (e.g., STR, CBRE, PKF, Kalibri)
- Short term rental capacity (e.g., AirDNA)
- National Park Service capacity adjustments
- Leisure & Hospitality booking and ticketing (e.g. Sabre)

Travel Activity

The travel and tourism industry relies on a diversity of industry measures for hotel, air, leisure spending, and other key indicators. The focus on historical data will provide a key series of benchmarks, while real time measures over the next months will indicate the pace of industry recovery. This also covers domestic travel and international arrivals and visitation as well as spending.

I. U.S. historical travel activity and recovery tracking

- Hotel supply, demand, occupancy, rate, revenue (e.g. STR, CBRE, Kalibri, CBRE and others)
- AirDNA (Short-term Rentals)
- NTTO APIS/I-94 (Non-resident overseas visitors)
- U.S. DHS ESTA Fees Paid
- U.S. DHS TSA Throughput (daily and weekly)
- DOT US Airline Passengers (Domestic)
- NTTO SIAT (Survey of International Air Travel)
- Banco de Mexico (visits by Mexicans)
- Statistics Canada (visits by Canadians by mode)
- Domestic Travel Patterns (Longwoods International &/o DKShifflet)
- VisaVue Travel –Credit Card Spending in travel destination

II. US travel booking and activity – current and forward looking

- U.S. DOS Visa Issuance for leisure travel
- Airline frequency and capacity including schedule changes (OAG)
- Forward air booking for domestic & international passengers (various global distribution systems such as OAG/SABRE/BTS/ARC)
- Forward hotel booking data (TravelClick-an Amadeus Company, ADARA)
- Forward segment (air, hotel, packages, car rental) booking data and search activity (e.g., Sabre Travel Network, OTAs, ADARA)
- UberMedia Geolocation of visitors to US destinations and distance from home
- Trips based on distance from home location (a new mobile device-based data service from Arrivalist)

Traveler Sentiment & Intentions

Both survey and “big data” resources are available to track and forecast consumer confidence, travel attitudes and concerns, planning and purchases as the industry comes back online. In addition to the several resources listed here, there will be occasional studies which may support the overall picture of industry performance that can be aggregated as a resources or reference tool. As always, these are time and condition sensitive, so they will need to be viewed over the long-term.

- Conference Board Vacation Intention Index
- Destination Analysts Corona Virus Sentiment Index Report
- MMGY Travel Intentions Pulse Survey (TIPS)
- Miles Partnership/Longwoods International National Tracking Poll: COVID-19 and Travel Sentiment)
- Brand USA ORC International Travel Sentiment Surveys
- Engagious Back-to-Normal Barometer
- Travel-related General Search – volume and keyword trends (Google)
- Industry white papers as relevant and available (e.g. GBTA, PCMA, CEIR, etc.)

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