



UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

June 10, 2013

The Honorable Cameron Kerry
U.S. Department of Commerce
1401 Constitution Ave NW
Washington DC 20230

Dear Secretary Kerry:

On behalf of the Travel and Tourism Advisory Board (Board), we appreciate the opportunity to be of service as you seek information to craft federal policy and programs to bolster the U.S. tourism industry and the millions of direct and indirect jobs tourism supports nationally.

With active engagement from representatives across a broad cross-section of the tourism industry, the Board respectfully submits recommendations related to the Survey of International Air Travelers (SIAT), a key tool for quantifying inbound and outbound international tourism managed by the Department of Commerce's Office of Travel and Tourism Industries. The recommendations to improve and expand the SIAT are driven by four main goals: to support the SIAT's role as a core data source for U.S. balance of trade calculations; to achieve the SIAT's mandate outlined in the Travel Promotion Act; to establish funding mechanisms to satisfy the mandate for the SIAT; and to augment the SIAT's ability to guide international marketing efforts in support of tourism at the local, state, tribal and national levels.

SUMMARY

The Department of Commerce's Office of Travel and Tourism Industries (OTTI) surveys international visitors (all countries except Canada) via the SIAT. Although originally conceived to provide the U.S. government necessary data to measure travel exports and imports, the SIAT also gathers key information about visitors' travel patterns, spending and activities and provides vital data for many U.S. destinations and attractions. The data results from the SIAT are invaluable when promoting commerce and U.S. competitiveness in the tourism industry. However, the SIAT is regularly under threat of elimination despite its necessity in U.S. balance of trade calculations and its value as a data source for guiding international marketing in support of tourism at the local, state and national level.

The clear consensus of the Board is that the current methodology of the study should be retained yet enhanced by the addition of electronic data collection and improvements to sampling methodology. After examining all feasible options for data collection, the group agrees that the existing methodology of the SIAT,

using intercept surveys on flights and at airports, is the optimal option given the complexities of collecting data from foreign visitors.

Supported in greater detail later in the document, the TTAB makes the following recommendations:

- **Increase the SIAT sample size.**
- **Maintain the core SIAT methodology but incorporate enhancements.**
- **Dedicate sufficient funding for the SIAT to achieve its mandate.**
- **Establish a dedicated SIAT line item within the federal budget.**

BACKGROUND

The SIAT is a short self-administered questionnaire, available in twelve languages and is requested of a small minority (less than half of one percent) of international air travelers departing from the United States. It asks practical and useful questions about their visit, including air travel, lodging, activities, places visited while in the United States, and level of spending. It takes just a few minutes of time to complete on an aircraft or in an airport boarding area prior to departure.

The number of surveys captured varies each year based largely on funding and the participation of both airlines and airports. OTTI administers a competitively-bid contract with a vendor and establishes basic guidelines for the program and a funding level, from which the number of surveys is determined. For Calendar Year 2011, OTTI requested 70,000 completed surveys. In that year, roughly 38,000 U.S. residents and 40,000 departing foreign visitors completed surveys. These surveys included samples from all types of visitors, including tourists, business travelers, and those visiting relatives.

As noted above, the SIAT continues to fulfill its originally intended function of providing the vital source data required by the Bureau of Economic Analysis (BEA) to complete its balance of trade calculations for quantifying travel imports and exports for the U.S.

The SIAT has had many iterations over the years, but when Congress passed the TPA in 2010, they not only validated the survey's need and value to the nation's export economy but mandated its sample be increased to represent one percent of overseas visitors. Notably, no funding was provided to achieve this mandate. The following excerpt from the Travel Promotion Act details the clearly enunciated expectation to continue and expand the SIAT program:

*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: 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.*

One notable and important development since the Research Subcommittee has been evaluating the SIAT is that the Bureau of Economic Analysis (BEA), after exploring other sources of data, stated their intent to resume use of SIAT data for the U.S. balance of payments. BEA had examined other sources of data and used consumer credit card data for a period of time but has since concluded that SIAT data is a superior source of data for their purposes.

RECOMMENDATIONS

The following recommendations for the enhanced methodology and funding of the SIAT are driven by four core goals: to support the SIAT's role as the primary source of data for U.S. balance of trade calculations; to achieve the mandate for SIAT outlined in the Travel Promotion Act; to establish reliable funding mechanisms for the SIAT; and to serve as an effective measurement of international marketing efforts in support of tourism at the local, state, tribal and national levels.

RECOMMENDATION: Increase the SIAT sample size to represent at least 0.5% of international travelers with the ultimate goal of achieving a 1% sample.

Echoing the intent of the TPA's mandate to increase the sample size to one percent of international travelers, the Board supports efforts to increase the sample size of the SIAT while assuring full funding and support from Commerce and OTTI. With a larger sample size and other methodological enhancements outlined in the document, the SIAT has the potential to double the number of states and destinations for which country-specific visitation estimates may be generated. The larger sample size will also result in an increase in the number of countries for which visitation estimates can be calculated.

The steps outlined below are recommended to achieve a larger sample for the SIAT:

- Incorporate questions into the Electronic System for Travel Authorization (ESTA) website to capture email addresses from those ESTA registrants who voluntarily provide such information. With these email addresses, OTTI can augment their SIAT sample with invitations to participate in post-trip surveys.
- Expand the Supplemental Airport Survey Program (SASP) by providing best practices from current airports to expand the number of airports where SIAT surveying can take place. Destinations seeking SIAT results can encourage their airport's participation in the SASP.
- Combine the use of leave-behind or take-away cards directing international visitors to complete the survey online via a smart device or home computer within one week of returning home. As a complementary but voluntary option, potential respondents could also be invited to offer their email address for a subsequent invitation to complete the survey online. Upon receipt of the email address, an immediate invitation with a link to the online survey could be sent to the potential respondent's email account and/or smart device.
- Incorporate the use of incentives (such as entry into a drawing for a free iPad) to increase response rates.
- To increase response rates, incorporate a staggered "short form" questionnaire for capturing core data (e.g., visitor counts, length of stay) vs. other important, but less vital data such as visitor demographics that are captured in the lengthier full questionnaire. In theory, a simpler short form questionnaire could capture where international travelers visited while in the United States while the "long form" questionnaire would capture other information from visitors.

RECOMMENDATION: Maintain the core SIAT methodology, but incorporate enhancements to improve the sample and data quality.

The clear consensus of the Board is to enhance the current methodology that is being used by OTTI. After review of all other feasible options such as online panels and analyses of credit card data, the task force

concluded that there are no other methodologies that can achieve adequate levels of reliability and validity. Below are added suggested actions in support of the broader recommendation to improve the quality of the data collected and presented via the SIAT:

- Revise the sampling plan to set minimum sample thresholds guided by each airport’s representative share of outbound international air seats. While OTTI currently bases their sample in part on outbound air seats, such sample stratification should be re-assessed and updated with greater frequency to ensure it mirrors the fluid nature of flight schedules in the course of a year. Complementary to these sampling plan enhancements, OTTI will continue to use I-94 results to weight SIAT data after it is collected.
- Incorporate a broader multi-modal approach to data collection. Currently, the only source for data is from intercept surveys in airport boarding areas and on-board select departing overseas aircraft. Online or web-based survey capabilities to complement the existing survey collection methodology are recommended.
- To improve efficiencies for data collection while potentially reducing costs, expand the use of tablets and other electronic media to allow non-English speaking travelers to more easily fill out a survey on a tablet to be returned to an observing surveyor.

We propose a test of the new approach we are recommending. This “parallel testing” of new data resources will be needed to confirm that enhancements to the SIAT are indeed achieving the desired goals of a larger and better sample.

RECOMMENDATION: Establish a dedicated SIAT line item within the federal budget.

Despite its necessity for the federal government’s balance of trade calculations and its vital role reinforced in the Travel Promotion Act, the SIAT has no dedicated budget line item within the DOC budget and has chronically suffered from insufficient funding to capture the data it is intended to measure. Such a line item would appropriately position the strategic role the SIAT plays relative to the broader \$2 trillion impact of tourism on the U.S. economy.

RECOMMENDATION: Dedicate sufficient funding for the SIAT to achieve its mandate in support of the tourism industry.

The SIAT currently costs approximately \$1.8 – \$2.0 million annually. With the enhancements addressed in this document to achieve the mandate of the TPA and expand the strategic value of the SIAT to the federal government and the tourism industry, the program would optimally be funded at a level of \$8-\$10 million annually.

In support of its mandate outlined in the TPA, the Board recommends that a dedicated permanent funding source for the SIAT be identified and will further engage the Department on those funding options with possible further recommendations at the next Board meeting. Funding options for the SIAT must address the combined costs of a) the core SIAT program, b) expanding the sample through new methods to complement the intercepts at airports and onboard aircraft, c) potential incentives and d) the costs of parallel testing new and enhanced methods (for example, the ESTA surveys, web surveys).

Regardless of the ultimate current or future funding source(s) that are determined to sustain the SIAT, the management and execution of the SIAT is recommended to remain within OTTI. Echoing the direction outlined in the TPA, the Board recommends that OTTI should continue as the neutral administrator of the SIAT program to ensure the SIAT remains a source of unbiased data to guide Brand USA programs and to generate the vital metrics needed by stakeholders across the tourism industry.

CONCLUSION

In sum, the Board reached broad consensus that the Survey of International Air Travelers should continue to be conducted under the management of the Office of Travel and Tourism Industries at the Department of Commerce with an expanded methodology that supports government and industry needs for accurate measures of the travel industry's contributions to the United States and state economies.

The Board recommends augmenting the SIAT with the addition of enhancements to the sample plan; increasing the potential number of respondents; increasing surveying at more airports; adding an electronic data collection component via personal computers, tablets and other mobile devices; and supplementing the survey with ESTA data from DHS.

To support its mandate outlined in the TPA while providing resources to test the enhancements outlined in this document, the Board recommends increased and dedicated funding for the SIAT. To further reinforce the ongoing crucial need for the SIAT for balance of trade calculations and international metrics for the tourism industry, the task force recommends a line item within the Department of Commerce budget dedicated to the SIAT.

The Board and the Task Force members, all volunteers from the travel industry bringing expertise in data, tourism, and/or the SIAT, that we worked with in development of these recommendations, overwhelmingly support the need for the SIAT and the importance of the government's continued role in maintaining this critical measure of the country's success in attracting its share of international travelers.

Sincerely,



Todd Davidson
Chair



Sam Gilliland
Vice-Chair



Rossi Ralenkotter
Research Subcommittee
Co-Chair



Laura Mandala
Research Subcommittee
Co-Chair

APPENDIX 1: THE SIAT TASK FORCE OF THE TTAB RESEARCH SUBCOMMITTEE

In August 2012, the Board Research Subcommittee convened an industry task force to address ways to sustain and enhance the SIAT. The task force has met face-to-face and held numerous conference calls to address the SIAT methodology, effectiveness, funding, and adherence to the mandate of the Travel Promotion Act (TPA).

The members of the task force are varied, representing a wide range of industry representatives that are SIAT users and research experts with staff from government agencies in attendance for technical support. The research firms represented include polling experts such as Gallup, and travel industry experts from DK Shifflet, Longwoods, Ipsos, Euromonitor, George Washington University and others. Key destinations that were represented include New York City, Las Vegas, Oregon, and California. Trade associations included US Travel, CEIR, TTRA and DMAI. Attractions and other industry representatives also took part in the working group discussion and included Disney, Universal Studios, and Amadeo Travel Solutions, among others.

Task Force Participants:

- ▶ *Amadeo Travel Solutions*
- ▶ *American Bus Association*
- ▶ *Barry Clark & Associates*
- ▶ *Brand USA*
- ▶ *Bureau of Economic Analysis*
- ▶ *California Travel & Tourism*
- ▶ *Center for Exhibition Research (CEIR)*
- ▶ *CIC Research*
- ▶ *Dahlman Rose & Co*
- ▶ *Dean Runyan Associates*
- ▶ *DK Shifflet & Associates*
- ▶ *DMAI*
- ▶ *EuroMonitor*
- ▶ *Gallup*
- ▶ *George Washington University*
- ▶ *Go West*
- ▶ *Hawaii Department of Business, Economic Development & Tourism*
- ▶ *Ipsos Loyalty - Travel & Leisure*
- ▶ *Las Vegas Convention and Visitors Authority*
- ▶ *Longwoods International*
- ▶ *Mandala Research*
- ▶ *National Tour Association*
- ▶ *NYC & Co*
- ▶ *Office of Survey Programs, U.S. DOT*
- ▶ *Office of Travel and Tourism Industries*
- ▶ *Reach Market Planning*
- ▶ *Receptive Services Association of America*
- ▶ *Sabre Holdings*
- ▶ *Seabury Airline Planning Group*
- ▶ *Suzanne Cook Consulting*
- ▶ *TNS*
- ▶ *Tourism Economics, PA*
- ▶ *Travel Market Insights*
- ▶ *Travel Oregon*
- ▶ *U.S. Department of Interior*
- ▶ *U.S. Travel Association*
- ▶ *United States Tour Operator Association*
- ▶ *Universal Orlando*
- ▶ *Virginia Tourism Corporation*
- ▶ *The Walt Disney Company*