



INSIGHTS FROM THE NORTH AMERICA LEADERS FORUM

11 JUNE, NEW YORK CITY, USA

JUNE 2019

INTRODUCTION	01
WHY TRAVEL & TOURISM? WHY NORTH AMERICA?	02
NEW YORK, NEW YORK	02
LEADERSHIP IN TIMES OF CHANGE	03
A WIN-WIN MINDSET	04
WATCH OUT FOR THE SHOCKS AHEAD	05
TOMORROW'S SEAMLESS & SECURE JOURNEY	05
BRIDGING THE INFRASTRUCTURE GAP	06
TRANSFORMATION THROUGH DIVERSITY & INCLUSION	06
FROM DOING CSR TO BEING CSR	07
TOMORROW'S WORKFORCE	08
#BRANDUSA	08
BUILDING TOMORROW'S DESTINATIONS	09



For more information, please contact:

TIFFANY MISRAHI | Vice-President of Policy
tiffany.misrahi@wtcc.org



INTRODUCTION

On June 11, 2019, the World Travel & Tourism Council hosted its inaugural North America Leaders Forum in New York City in collaboration with NYC & Company.

This Forum was our most successful leaders Forum to date, bringing together 37 high-level speakers and nearly 200 participants from the public and private sector across North America and the Caribbean to discuss the most pressing concerns for the North American Travel & Tourism sector and advance the regional agenda.

To enable the Travel & Tourism community to continue this conversation beyond our one-day Forum, we have captured below the thought-provoking insights from this important dialogue.





WHY TRAVEL & TOURISM? WHY NORTH AMERICA?

- You are in the right sector. We are going to grow from 1.4 to 1.8 billion international visitors; from 10.4% to 11.5% of global GDP by 2029 and from 1 in 10 to 1 in 9 jobs by 2029.
- Looking to the future, it is important to consider how to maintain and enhance the Travel & Tourism competitiveness of North America and the countries & cities in this region. How do we make sure that North America gets a fair share of international travellers?
- New York City is a role model for other destinations, implementing policies that have enabled it to be a Travel & Tourism leader regionally & globally.



NEW YORK, NEW YORK

- The City welcomed 65.1 million visitors in 2018, a figure forecasted to increase to 67.2 million in 2019. At the same time, direct visitor spending increased from \$29 billion to \$45.3 billion between 2009 and 2018.
- Travel & Tourism saves the average New York household \$2000 a year in taxes and supports 400,000 jobs. In fact, the sector has created 10,000 jobs a year in the City in the past decade.
- NYC is the number 1 city in the US in terms of international visitation and economic impact. It has created unique programs such as restaurant week, which pushes people to discover new neighbourhoods, and Broadway week, which offers 2 for 1 tickets to Broadway shows.



LEADERSHIP IN TIMES OF CHANGE

- The US has been losing Travel & Tourism market share since 2015. While the growth of the sector is up 2% in the US, the rest of the world has been growing by 5%-6%. The administration has a role to play here; but there is more to the story: a strong dollar, weaker economies around the world, the proliferation of low-cost carriers, and the feeling of the US not being as welcoming as it should be.
- Whatever misery befalls the sector, it bounces back; but the sector also shouldn't shoot itself in the foot. Political overtones have an impact on the sector. For instance, in the event of a trade-war, economic ramifications can be immediate, such as was the case of Cuba. The US Administration's policy shift effectively impacted 620 cruise ship calls and 800,000 passengers to Cuba, according to data from CLIA.
- The US should continue seizing opportunities to grow the sector, such as adding a new country to the visa-waiver programme and continuing to enhance its Global Entry Programme. In effect, when South Korea was added to the visa waiver programme, visitation went up by 46%. Adding Brazil, Israel and Poland to the visa waiver programme would be extremely beneficial.
- When looking at attitudes and why people do or don't want to come to the US, research shows that politics is well down on the list, whereas the strength of the dollar and crime are at the very top. The issue of crime and the fear of lack of safety, is a big concern from a perception perspective.
- The world is going through a historic demographic shift: it is ageing. For travel, this means a significant increase in the number of retirees, with time and disposable income. At the same time, millennials, who are now in their prime, value experiences above all.

A WIN-WIN MINDSET

- Today, there is a lot more pressure to be responsible & environmentally sustainable; and as Arnold Donald said, “we need to do better”. He shared that prior to 2013, a Carnival ship had oily waste inappropriately discharged to which Carnival pleaded guilty. He explained that Carnival has been on an environmental compliance plan since then, which required the implementation of certain actions; and recently pled guilty to the violation of probation. While there were good reasons, he stated there are no excuses. He reiterated Carnival’s commitment to making changes and their renewed focus on environmental sustainability.
- Carnival is engaging stakeholders to ensure it lives up to its intentions to be an environmental leader, implementing programmes from shore power and recycling to reducing single use plastic. Arnold Donald put it simply. People don’t want to go to places that are polluted, they don’t want to see destroyed coral reefs or plastic floating in the water. Business interest for Travel & Tourism is making sure the environment is pristine.
- Carnival’s intention is to make every place it touches better than it was before- and that is holistic- from environment to education. It wants to enable travel and bring people together. It does not only go to popular destinations but help build new ones. In the Dominican Republic for instance, Carnival helped build Amber Cove, partnering with the local community to understand their needs and support them. The quality of life for people in the region increased significantly, whilst providing new experiences to travellers.



WATCH OUT FOR THE SHOCKS AHEAD

- Over the last quarter century, terrorist attacks, natural disasters and outbreaks have grown in frequency and magnitude. In fact, it only takes 36 hours for a disease to spread from a small rural village to any major city across the six continents; but as of 2014 only 30% of countries were prepared. Preparation including surveillance and capacity building, is essential to manage an epidemic or any other major crises. But destinations don't have crises, people do.
- In the past 60 years, Cozumel has been hit by a dozen hurricanes with zero deaths; as a result of strong preparation from the government, public-private coordination as well as knowledge passed down from generation to generation in the community.
- Communication can make or break an effective response. It is appropriate to have some fear, but education is key, both in terms of geography, i.e. the impacted areas, and concern, i.e. how much fear they should have. Public-private cooperation to disseminate real-time information as well as to monitor and respond to concerns on social media in a timely way. After the volcano eruption in Hawaii, for instance, a map was created to highlight affected areas to travellers.
- To improve crisis management and response, more needs to be done in terms of preparation. It is important to put together a plan defining and bringing together all key stakeholders and establishing an effective communication and information dissemination strategy. It also important to know what media channels the local communities are using and tap into those channels. The sector should not be scrambling when a crisis happens. It is important not just to plan, but train for those plans.

TOMORROW'S SEAMLESS & SECURE JOURNEY

- Biometrics are the future. And the future has become today's reality. We live in an on-demand, point & click economy. Brands such as Amazon, Uber, CLEAR, Delta and Airbnb among others, have redefined the customer experience. Innovation is front and centre in Travel & Tourism- a sector that is customer-centric. We need to connect, build trust and continuously innovate. Customers want to know "what have you done for me lately?"
- Biometrics are the best form of identity; and the bridge between security and frictionless customer experience. We are seeing that in travel from curb to gate; which is driving the seamless traveller experience. This is particularly important in light of 7 million additional passengers expected to fly on US airlines this summer compared to last summer; and ensuring they have a great experience.
- While infrastructure cannot keep up with this demand, innovation can help. Biometrics will transform travel by removing friction and enabling predictability. Biometrics is a win-win-win for all involved, and trust is key. In fact, only 20% of consumers trust the companies they do business with to maintain the privacy of their data. Building trust & transparency, industry collaboration & the development of industry standards is key.
- CLEAR is trying to disrupt the wallet industry, because the cards in your wallet do not represent you as well as you represent you. With its 3.5 million members, CLEAR has created a platform, enabling customers to enrol once, and use it everywhere. The more experiences are included, the more value is added to the customers; which is why CLEAR is partnering with Hertz and Delta among others.

BRIDGING THE INFRASTRUCTURE GAP

- Biometrics are the future. And the future has become today's reality. We live in an on-demand, point & click economy. Brands such as Amazon, Uber, CLEAR, Delta and Airbnb among others, have redefined the customer experience. Innovation is front and centre in Travel & Tourism- a sector that is customer-centric. We need to connect, build trust and continuously innovate. Customers want to know "what have you done for me lately?"
- Biometrics are the best form of identity; and the bridge between security and frictionless customer experience. We are seeing that in travel from curb to gate; which is driving the seamless traveller experience. This is particularly important in light of 7 million additional passengers expected to fly on US airlines this summer compared to last summer; and ensuring they have a great experience.
- While infrastructure cannot keep up with this demand, innovation can help. Biometrics will transform travel by removing friction and enabling predictability. Biometrics is a win-win-win for all involved, and trust is key. In fact, only 20% of consumers trust the companies they do business with to maintain the privacy of their data. Building trust & transparency, industry collaboration & the development of industry standards is key.
- CLEAR is trying to disrupt the wallet industry, because the cards in your wallet do not represent you as well as you represent you. With its 3.5 million members, CLEAR has created a platform, enabling customers to enrol once, and use it everywhere. The more experiences are included, the more value is added to the customers; which is why CLEAR is partnering with Hertz and Delta among others.

TRANSFORMATION THROUGH DIVERSITY & INCLUSION

- There was a hypothesis in early 2017 that Uber had terrible sexism and racism; but what Bo Young Lee found was that the issue wasn't sexism, but rather it was about Travis being a top-down authoritarian leader, who created a company with as much power-distance as an East-Asian company. Its leadership was all men, mostly white, who had a toxic masculine approach to leadership; but nobody within the organisation felt empowered to speak up. To make real change, Uber went through a cultural transformation, redefining its values by engaging its employees.
- The idea of building a culture around meritocracy is a fallacy. There is no meritocracy in our society today, from our school systems to our organisations. Bias is hard-wired in humans and if you want to be truly inclusive and have diversity, you have to actively engage and manage your biases.
- Most people don't wake up with the goal of discriminating against others, but we are prone to recency bias and in-group bias. When we think of internal pipelines, we instinctively think of those we talk to most and who reminds us the most of ourselves- and that is how you end up with non-diverse pipelines. Part of creating diverse pipelines is about creating an understanding among senior leadership of who are high potential individuals from under-represented groups; and creating opportunities for these individuals including training and development.
- Organisations needs advocates not activists. In that context, it is important to support the creation of ERG (Employee Resource Groups) for minorities; and help guide them towards an advocate approach. These groups also help transform people's belief that diversity is just about women and people of colour.

FROM DOING CSR TO BEING CSR

- Organisations today have a responsibility to the communities in which they operate. Goodwill is not about painting the schools but real enhancements to the lives of people through reinvestment in the communities. It is essential for the private sector to engage with those communities, understand their issues and help them address them.
- CSR needs to be part of our DNA, it needs to be about shared values and the sector needs to do more, together. This move from doing to being, is something which customers and staff are increasingly expecting. But it shouldn't be the requirement that is leading us. This shift has been proven to lead to pride amongst staff as well as increased productivity and retention.
- There is a need to breathe and live the values you speak of: practice what you preach. Changing one's organisational logo to the rainbow during Pride month is like slapping lipstick on a pig- it's not enough. There is a need for authenticity. Broward County for instance is proud of its diversity, and wants the tourists coming to the area to embrace those values.
- There is no planet B and we must act accordingly. Initiatives from recycling used soaps and donating them to creating uniforms from recycled plastic bottles are only some of the initiatives that Kike Sarasola is implementing within Room Mate Hotels.
- Given that safety is the top concern of travellers, it is important educate travellers on risks, especially minority groups. Women are more fearful of travelling alone than they have ever been. How do we make sure that women can travel boldly and with confidence? The same applies to the LGBT+ community. To date, homosexuality is illegal in over 70 countries around the world. How do we prepare the community for when they travel? It is our collective responsibility to ensure their safety and security.



TOMORROW'S WORKFORCE

- The revenue coming in from New York's 65 million tourists is powering the economy, with the Travel & Tourism sector accounting for 400,000 jobs. Given New York City's size and complexity, it is important to understand what the sector's challenges are and address them to enable it to thrive and continue creating quality jobs with paths for growth. The City of New York has been working closely with the private sector to develop programmes to address these gaps and train individuals.
- An indirect benefit of the sector is bringing tourists to the outer boroughs of New York, so that small businesses can harness and benefit from the dollars that are coming into New York through tourism. It is important to help these small businesses market themselves to tour operators and see the value of tourism.
- Making the travel & tourism an aspirational sector will require public and private engagement. The sector will need to be showcased as one that has a path to quality jobs, in which individuals can make a decent living.



#BRANDUSA

- We live in a multi-screen world, where one in three consumers don't have cable TV or never did. We are becoming film producers as we promote destinations. Brand USA works to create and curate content to inspire travel to the USA. Most recently Brand USA created the United Stories social campaign to showcase the USA and share & amplify the stories of people around the country in collaboration with Beautiful Destinations.
- Filming on location in New York City poses many challenges and requires significant coordination, from the police to the fire department among others. New York wants to welcome film production and make the city welcoming. This past year, New York has had over 65 episodic television series and annually over 300 films. New York has a built-in marketing campaign through TV and movies.
- A new type of tourism is called set jetting and location vacations. People come to New York because they want to see the iconic locations from these TV shows and films, and specific tours are designed to take tourists to these spots. Another example is Singapore, where online searches for the destination on Expedia rose by 350% after the release of Crazy Rich Asians in 2018.
- New York has a mandate to prioritise the film and TV production industry, which generates over 100,000 jobs. It is an incredible economic engine for the city, built on a strong talent base with a creative instinct. New York recognises the value of the creative sector and supports the arts.

BUILDING TOMORROW'S DESTINATIONS

- When promoting tourism to a city, destination management is key. It is important for Travel & Tourism to be perceived as an attractive economic tool, valued by the local community. For a city like San Francisco, managing overcrowding and ensuring that tourism is beneficial for both locals and tourists is critical. San Francisco has worked to broaden where tourists go to discover new neighbourhoods and even beyond the bridge. The sector needs to consider how to drive traffic to destinations that want tourism; and steer away from those that aren't as eager.
- The people of Yucatan see the value of tourism to their economy. To attract further tourism investment to Yucatan, the state is creating an incentive package. At the same time, in light of the dissolution of Mexico's Tourism Board, the states of Yucatan, Quintana Roo and Campeche are joining forces to promote their destinations jointly.
- There is a need to balance and align product, promotion and policies to ensure the stability of the investment. The continuity and long-termism of tourism policy beyond a political term is key to investment. In effect, a change in government can lead to investment collapse. It is not only important to look at the leadership and policies of the country in which an organisation plans to operate but at the main source market. You need to look at the US if you plan to invest in Mexico and at Russia if you plan to invest in Turkey.
- Airports, such as LAX, are working to turn their airport into a destination in itself. LAX is not only modernising but bringing LA to LAX. It has brought local restaurants into LAX and is looking to create an observation deck for the Theme Building and develop a hotel and/or convention centre in the airport. It is engaging with the local community to develop the areas around LAX to ensure it's a win-win. Turning an airport into a destination will affect the decision-making of a traveller to go through a specific gateway when they fly.

LIST OF SPEAKERS (IN ORDER OF APPEARANCE)

Gloria Guevara Manzo, President & Chief Executive Officer, WTTC
Fred Dixon, President & Chief Executive Officer, NYC & Company
Arnold Donald, President & Chief Executive Officer, Carnival Corporation
Roger Dow, President & Chief Executive Officer, U.S. Travel Association
Charles Himmelberg, Chief Markets Economist & Head of Global Markets Research, Goldman Sachs
Philip Lovas, Deputy Assistant Secretary for Travel and Tourism, US Department of Commerce
Richard Quest, International Business Correspondent & Anchor of Quest Means Business, CNN International
Glenda McNeal, President, Enterprise Strategic Partnership, American Express Company
Ninan Chacko, Chief Executive Officer, Travel Leaders Group
Pedro Joaquín Delbouis, Mayor of Cozumel
Nancy Knight, Director, Division of Global Health Protection, US Centers for Disease Control and Prevention (CDC)
Stephen Perry, Chief Executive Officer, New Orleans & Company
Dan Richards, Chief Executive Officer & Founder, Global Rescue
Caryn Seidman Becker, Chief Executive Officer and Chairman, CLEAR
Kelly Craighead, President & Chief Executive Officer, Cruise Lines International Association (CLIA)
Tom Klein, Managing Partner, Certares
Huntley Lawrence, Director of Aviation, The Port Authority of New York and New Jersey
Frank Marini, President, Yankee Leisure Group
Jamie Rhee, Commissioner, Chicago Department of Aviation
Adam Sacks, President, Tourism Economics
Bo Young Lee, Chief Diversity and Inclusion Officer, Uber
Kathleen Matthews, WTTC Ambassador and Former Chief Global Communications & Public Affairs Officer, Marriott International
H.E. Edmund Bartlett, Minister of Tourism, Jamaica
Stacy Ritter, President & Chief Executive Officer, Greater Fort Lauderdale Convention & Visitor Bureau
Jeffrey Rutledge, Chief Executive Officer, AIG Travel
Kike Sarasola, President & Founder, Room Mate Hotels & BeMate.com
Darrell Wade, Co-Founder & Chairman, Intrepid Group
Adam Weissenberg, Global Travel, Hospitality & Leisure Leader, Deloitte & Touche
Gregg Bishop, Commissioner, Department of Small Business Services, New York City
Clare Reichenbach, Chief Executive Officer, James Beard Foundation
Christopher Thompson, President & Chief Executive Officer, Brand USA
Anne del Castillo, Commissioner, Mayor's Office of Media and Entertainment, New York City
Joe D'Alessandro, President & Chief Executive Officer, San Francisco Travel
Samantha Bricker, Deputy Executive Director Project Coordination and Environmental Protection, Los Angeles World Airports
Mauricio Vila Dosal, Governor of Yucatan
Alex Zozaya, Chief Executive Officer, Apple Leisure Group
Dan Fenton, Executive Vice-President, JLL Hotels & Hospitality Group, JLL





ABOUT WORLD TRAVEL & TOURISM COUNCIL

WTTTC promotes sustainable growth for the sector, working with governments and international institutions to create jobs, to drive exports, and to generate prosperity. Council Members are the Chairs, Presidents, and Chief Executives of the world's leading private sector Travel & Tourism businesses.

WTTTC works to raise awareness of Travel & Tourism as one of the world's largest industries, supporting over 319 million jobs and generating 10.4% of global GDP in 2018.

To download reports or data, please visit www.wttc.org

© World Travel & Tourism Council: Insights From The New York Leaders Forum - July 2019. All rights reserved.

The copyright laws of the United Kingdom allow certain uses of this content without our (i.e. the copyright owner's) permission. You are permitted to use limited extracts of this content, provided such use is fair and when such use is for non-commercial research, private study, review or news reporting. The following acknowledgment must also be used, whenever our content is used relying on this "fair dealing" exception: "Source: World Travel and Tourism Council: Insights From The New York Leaders Forum - July 2019. All rights reserved."

If your use of the content would not fall under the "fair dealing" exception described above, you are permitted to use this content in whole or in part for non-commercial or commercial use provided you comply with the Attribution, Non-Commercial 4.0 International Creative Commons Licence. In particular, the content is not amended and the following acknowledgment is used, whenever our content is used: "Source: World Travel and Tourism Council: Insights From The New York Leaders Forum - July 2019. All rights reserved. Licensed under the Attribution, Non-Commercial 4.0 International Creative Commons Licence."



You may not apply legal terms or technological measures that legally restrict others from doing anything this license permits.