

**Major Shakeup at TIA, As Quarter of D.C. Staff is Let Go:** Making good on a promise he made last month in an e-mail to the membership that “you will hear about and see new changes and new faces at TIA,” **Roger J. Dow**, the new president and CEO of the **Travel Industry Association of America** closed out May by implementing a sweeping reorganization of the association that resulted in the elimination of some 15 positions – or about a quarter of TIA’s Washington, D.C. staff – and the folding into TIA offices the staff of the **Travel Business Roundtable (TBR)**. The job cuts came in every department, and the restructured TIA looks very different than it did just last year. Notable among those who are out are **Frank O’Rourke**, senior vice president of finance and administration (the position no longer exists) and **Bob McClure**, vice president of membership services and development (the post was also eliminated). O’Rourke, a 31-year veteran of TIA, chose to retire from the organization. McClure, who had come to TIA in 1986 after serving as chief of staff to former U.S. Rep. **Frank Guarini**, had also been responsible for putting together the program and recruiting speakers for TIA’s annual **Marketing Outlook Forum**, and he had served as staff liaison for the **TIA Foundation**, which awards scholarships to students taking a travel and tourism curriculum at both the undergraduate and graduate levels.

The change that stunned most industry insiders was the departure of the popular **Mike Pina**, manager of public relations. A savvy Washington, D.C. insider – he once served on the staff of former U.S. Sen. **Howard Metzenbaum** (D-Ohio) – he was a reporter for the widely read travel industry trade publication, *Travel Weekly*, before joining the association. An eight-year veteran of TIA, Pina created a number of new products during his tenure, including a public relations spokespersons directory and the highly successful Media Marketplace, held each year during the TIA Pow Wow. Pina was also the only African American management-level employee at TIA.

While Dow, who became TIA’s president and CEO at the beginning of 2005 after the retirement of **Bill Norman** following the latter’s 10-year tenure in the office, oversaw the reorganization, it was **Michael Pusateri**, senior vice president and chief operating officer (he was hired by Dow this past March as senior vice president of strategy and development) who did the “hands-on” work of implementing the changes, which also resulted in a variety of actions, some of which follow:

- Out as vice president, communications, is **Dexter Koehl**, who made a lateral move to the position of vice president, industry relations, where he will be charged with developing a new benefits package for TIA’s sustaining level members.
- In as the new senior vice president, communications, is **Dennis Petroskey**.
- **Judith Harris**, who remains director, membership and development, and will oversee the membership department, has had her post cut back to a part-time, four-day-a-week slot.

- The government affairs department was effectively gutted. **Rick Webster**, director of government relations, remains, but has a new title – director of government action.

Government affairs will largely be the province of the **Travel Business Roundtable (TBR)** staff, which is moving from its Washington, D.C. headquarters on K Street, NW (known unofficially as Lobbyists’ Corridor) to TIA offices at 1100 New York Ave., NW, three blocks from the **White House**. **Courtney Fox** currently serves as the executive director of TBR. Though operating out of TIA, sources tell TDM that the new staff will continue to be on the TBR payroll. TBR was established in 1995 by **Jonathan Tisch**, chairman and CEO of **Loews Hotels**, who felt that the travel and tourism industry needed a stronger lobbying presence in our nation’s capital. It is comprised of some 80 member organizations that are represented mostly by CEOs, which contrasts with the membership of TIA and its board of directors, both made up primarily of sales and marketing executives. TBR also reaches out to organizations not necessarily thought of as directly involved in travel and tourism. Its members include, for instance: **Paul Tagliabue**, commissioner of the **National Football League**; **Gary Bettman**, commissioner of the **National Hockey League**; **J. Thomas Cochran**, executive director of the **U.S. Conference of Mayors**; and **Carlton L. Curtis**, vice president of external affairs, the **Coca Cola Co.**

Tisch still chairs TBR, which says on its website that it “has helped ensure that the diverse industry speaks with a unified and powerful voice,” and asserts that “Members of Congress and members of the media now recognize TBR as the leading voice on government policy in Washington.” Closer cooperation with TBR has been one of the moves called for by TIA board members for some time. In the mid-1990s TIA’s Norman had indeed try to effect a closer relationship with TBR when, at the urging of the late **George D. Kirkland**, then president and CEO of the **Los Angeles Convention and Visitors Bureau** (now **LA INC. The Convention and Visitors Bureau**), he offered Tisch a slot in TIA’s slate of officers, which would have had Tisch move up to become TIA’s national chair at some point. But there was friction between Norman and Tisch, and the latter declined the offer. With Norman gone from the scene, Tisch apparently found it easier to forge a relationship with TIA.

Dow has moved with dramatic speed in implementing changes at TIA. After taking office this past January, he announced that TIA would abandon its annual Travel and Tourism Industry Unity Dinner in Washington, D.C.; and decided not to replace the position of vice president, international marketing, vacant since the resignation last fall of **Mark Hoy**. He also changed the style in which the TIA board of directors operates. At the board’s spring meeting in early April – TIA board meetings under Norman were formal affairs, with every report and presentation carefully scripted – he implemented a casual dress policy and broke up the board into working groups.

A 30-year veteran of the travel and tourism industry who was senior vice president, global and field sales for **Marriott International** before coming to TIA, Dow is clearly not finished. His background obviously appealed to the sales and marketing executives who make up TIA's board and, in addition to the steps he has taken to strengthen TIA's role as a lobbyist in official Washington, he plans on making the organization a more muscular marketer for the travel and tourism industry. Sources tell *TDM* that he wants to double the budget of TIA, which is currently around \$15 million a year, and that he wants to forge new partnerships. He wants to develop, for instance, a **See America** credit card, using TIA's See America brand, that would be a value-added element to TIA membership. He might have some difficulty making the brand go global, as TIA has been trying to do. Currently, the organization has been working to make some 30 **Visit USA Committees** worldwide – the committees are comprised primarily of in-country representatives of U.S. travel suppliers – convert to **See America Committees**, but only several have done so. During TIA's recent Pow Wow in New York, many committee members told *Inbound*, sister publication of *TDM*, that they preferred the Visit USA brand which, for many years, has served as the brand that most international tour operators identify with when it comes to marketing the U.S. travel product. They also resisted the idea of surrendering what autonomy they have to a central TIA authority in Washington, D.C.

**Correction:** In the last issue of *TDM*, it was reported that Dow, upon taking the helm at TIA, quickly vetted the senior vice president (Elyse Wander) who oversaw TIA's government affairs operation. Dow wrote *TDM* to say, "Two weeks prior to my arrival at TIA, Bill Norman informed me that he had accepted Elyse's resignation. She wanted to pursue an entrepreneurial opportunity in the real estate area. She is a high quality individual whom I have great respect for, who departed before I arrived at TIA. I certainly don't want her TIA friends and industry colleagues to think that I had anything to do with her departure. It was her decision to make a career change."

#### DESTINATIONS

**Chairman Says Palm Springs Desert Resorts "Completely Destroyed":** Since mid-March, when allegations of financial improprieties on the part of the then-president and CEO of the **Palm Springs Desert Resorts Convention and Visitors Authority (CVA)** became public, the CVA has been the focus of almost daily news accounts of suspected wrongdoing, prompting **Tom Freeman**, chairman of the **Joint Powers Authority** – in effect, the board of directors – of the CVA, to question the very existence of the authority. In a memo sent out last week to other members of the board in which he called for a series of special meetings to discuss the future of the CVA, Freeman wrote: "I believe that the CVA has no standing with the general public, industry leadership or the local media. The events that have unfolded since March 15, 2005 have without a doubt completely destroyed our organization and have created a lack of trust by the general public. If we do not take drastic action, look at all options, and explore all possibilities, it may be entirely possible that the CVA as we know it today will not survive. We should make every effort to ensure that this vital

organization and its role in the tourism industry in this valley is given its due."

In a saga that began less than three months ago with the resignation of **Michael Fife** as the CVA's president and CEO over allegations of financial impropriety on his part, the latest exchange in what can be aptly described as a war between the CVA and *The Desert Sun* came when the CVA agreed to turn over a series of documents that the newspaper had earlier sued to get. This followed an account in *The Desert Sun* that told how Fife and **Gary Sherwin**, the CVA's vice president of market development and one of three interim presidents to succeed Fife, tinkered with the results of an audit of the CVA conducted last year before the audit was released. According to the newspaper's account, the two rewrote the audit, making at least 79 changes. They did so with the apparent blessing of the consultant, **Marshal Murdaugh** (a travel industry veteran who previously headed the **Atlantic City CVB**, as well as other tourism organizations), who prepared the report. Many of the Murdaugh's criticisms of the agency were deleted, including:

- Morale is low and needs immediate, consistent improvement.
- Senior management doesn't communicate with staff.
- Some hoteliers mistrusted the Palm Springs Desert Resorts and Convention and Visitors Authority.
- Traffic to the CVA's website was less than 30 percent of comparable markets, which the consultant described as "extremely low."
- The CVA should place a dollar figure on the in-kind contributions it receives from its members.

All were deleted from the report given to the CVA board last year. The \$18,000 audit was generally favorable and not all criticisms were deleted. *The Desert Sun* obtained a copy of the draft and a version with hand-scrawled editing changes made by Sherwin and Fife, who never disclosed that they altered the audit and deleted some criticisms. The two told the newspaper that they had done nothing wrong and that they were simply trying to make the report more readable and digestible for the governing board. They say they had latitude to change the report because they commissioned it - not the governing board. Murdaugh says the final report accurately reflects his findings. But some board members, when *The Desert Sun* told them of changes in the audit, were "outraged" about being misled.

This latest episode follows two months of improbable events following the resignation of Fife. Sherwin was first named interim president, then replaced by **Gary Sloan**, former city manager of La Mirada, Calif. After just eight days on the job, Sloan resigned, citing health reasons for leaving. Then, after it was reported that **Ted Sprague**, former **Atlanta CVB** president, was about to be named -- he fell out of favor after some CVA board members became disenchanted when they learned that Sprague had been fired from the Atlanta post -- **Steve Morris**, who had just retired after serving 18 years as president and CEO of the **Seattle CVB**, was named interim president.

**San Antonio Tries to Recoup Following Tennant's Resignation:** The resignation two weeks ago of **Melvin Tennant** as executive director of the **San Antonio CVB** amidst

reports that he had a personal relationship with an office employee stunned the tourism community in the city, but the bureau is moving on under the direction of **Janis Schmees**, who is serving as acting executive director. With the bureau only eight months as assistant executive director, she previously was CEO of the **Hershey-Capital Regional CVB** in Pennsylvania. The city has no schedule in place yet to find a new executive director. And while waiting for the search process to take place, Schmees said a vacant director of sales position will not be filled. Some of that position's salary, she indicated, will be used to lure another tourism liaison in the Washington, D.C. market.

#### **The Pioneer Valley is in Massachusetts, Not the U.S. West:**

An 18-month project to develop a new brand identity for the Pioneer Valley, home to Springfield, Mass., bore fruit several weeks ago when the regional tourism bureau, the **Greater Springfield CVB**, unveiled its new logo and tag line. The new logo clearly places the Pioneer Valley inside Massachusetts, with a blue swath representing the valley inside a green-filled outline of the state. A big "Wow!" in a dialogue balloon emanates from the Valley area of the map. The artwork appears under the words "Massachusetts' Pioneer Valley." Underneath is the trademarked "positioning line": "Arrive curious. Leave inspired." **Mary Kay Wydra**, president of the CVB, said months of research, including interviews with people who inquired about visiting the valley, people who actually visited the valley, community leaders and others, went into developing the new logo and advertising campaign. Wydra said that, when people heard "Pioneer Valley," many "placed us in western states - Arizona, Utah. I think it's the word 'pioneer,' the connotation is a covered wagon."

**Not-So-Splendid Demise for Splendid China:** The remains of **Splendid China**, the failed Orlando area theme park that closed in 2003, have been bought by an investment group, **Rolling Oaks Investment Properties LLP**, for \$40.2 million. The purchase includes 366 acres and the 330-room **Days Inn Maingate West Hotel**. The hotel is now closed, but may soon be reopened, news reports indicated. The sellers were a series of companies, all under a common owner: **The China Travel Service of Hong Kong**. The park opened in 1993 and flopped virtually from the start. It featured a half-mile miniature replica of the **Great Wall of China**, a 20-foot-tall stone **Buddha** and a **Temple of Light Amphitheater** that showcased Chinese artisans and acrobats. There was a village center that featured restaurants and shops. The attraction never reported attendance, but former park executives said it was attracting 400 to 500 visitors a day through the 1990s, but that dropped to 200 to 300 a day by 2000. The park occupied 76 acres. Some of the buildings remain, but most of the displays, including the Great Wall replica, were sold off in a series of auctions late last year and earlier this year.

**July 1st Is Deadline for IACVB Name Change Vote:** Ballots were sent out June 1st via **Federal Express** to the member organizations of the **International Association of Convention & Visitors Bureaus (IACVB)**. Members are being asked to approve a name change that has been nearly a year in the making, to **Destination Marketing Association International**

(**DMAI**). The deadline for returning votes is July 1st. A two-thirds majority of those voting is required to implement the name change. Most travel and tourism industry observers expect approval for the new name, as IACVB officials have painstakingly sought to avoid the debacle of late last year and earlier this year in which the leadership of the **National Tour Association (NTA)** was soundly rebuked by its operator members, who voted to reverse a move to rename the organization **CrossSphere**. For IACVB, a member-driven brand strategy committee has been at work on the re-branding effort since late last summer. Last December, the group first recommended **Destination Marketing Association** as a new name for the association and sent the suggestion out to members for feedback. By mid-February, more than 250 CVBs completed an online survey that sought opinions on the change, resulting in the proposed **Destination Marketing Association International**. The IACVB board approved the change and, since then, the brand strategy advisory committee, led by **Reint Reinders**, president & CEO of the **San Diego CVB**, has led a determined campaign to get members to approve the name change.

**Bureaus Get Really Dumb Questions:** The **Fort Wayne CVB** recently released a list with which every CVB can connect: some of the dumb and dumber questions that it receives from among the hundreds of thousands of visitors a year who come to the Indiana destination. A list of actual questions (some unanswerable) asked via phone, e-mail and in-person inquiries includes the following:

- "What does an overnight hotel stay mean?"
- "What hotels in Fort Wayne are on Lake Michigan?"
- "What's the distance from the east side of Indiana to the west side?"
- "Can you see Lake Michigan from Fort Wayne?"
- "Can I use the passport from 'Be a Tourist in Your Hometown' to go to France?"
- "How far is it from the city to the country?"
- "Do you have any T-shirts that say property of the Allen County Jail?"
- "Is there a tall building by you?"
- "If you look out the window, can you see a really big building?"

**New IACVB Officers Named:** The following individuals have been selected for the slate of the 2005-2006 officers of the **International Association of Convention and Visitors Bureaus (IACVB)**: chairman, **Jon Hutchison**, managing director, **Sydney CVB**, Australia; chair-elect, **William D. Talbert, III**, president & CEO, **Greater Miami CVB**; and secretary/treasurer, **William A. Hanbury**, president & CEO, **Washington, D.C. Convention and Tourism Corp.** Approval of the slate will take place at IACVB's Aug. 2nd Annual Business Meeting, held in conjunction with the organization's 91st Annual Convention (3-6 August) in San Diego, California.

#### **SURVEYS**

**Gas Prices Causing Significant Travel Curtailment in at Least One Area:** Despite survey results by TIA indicating that Americans will travel in record numbers this summer travel season, a pre-Memorial Day survey of Greater Cincinnati and

Northern Kentucky residents could suggest trouble elsewhere as it showed that more than half of the respondents said high gas prices have caused them to cancel driving trips or pick a destination closer to home. Among the findings of a *Cincinnati Enquirer*/WCPO-TV survey of 500 adults: 28 percent of the

people surveyed have dropped plans for a summer vacation and 25 percent are picking a destination closer to home. Specific questions asked and the results of the respondents' answers follow.

***Have rising gas prices caused you to cancel or change your summer vacation plans?***

Response	%
No effect	43%
Closer destination	25%
Cancel plans	28%
Not sure	4%

Source: Cincinnati Enquirer/WCPO TV/Survey USA telephone poll of 500 Cincinnati area residents conducted May 19, 2005.

***What is the farthest you will drive to a vacation destination this summer?***

Distance	%
Less than 100 miles	12%
100-300 miles	24%
300-500 miles	24%
500-700 miles	10%
More than 700 miles	15%
Will not drive	14%

Source: Cincinnati Enquirer/WCPO TV/Survey USA telephone poll of 500 Cincinnati area residents conducted May 19, 2005.

***How will gas prices affect weekend trips?***

Answer	%
Fewer trips	47%
More trips	12%
Same	38%
Not sure	3%

Source: Cincinnati Enquirer/WCPO TV/Survey USA telephone poll of 500 Cincinnati area residents conducted May 19, 2005.

... **And Elsewhere, Too:** According to a national poll conducted by **Sacred Heart University**, 71.3 percent nationwide said that higher gas prices are very seriously or somewhat impacting their quality of life. Another 28.3 percent suggested the higher prices were not impacting their quality of life. And, while 50.5 percent of those surveyed say their summer travel plans will not be slowed as a result of increased gas prices, 43.5 percent said they will. Some 6.0 percent were unsure. "It is not surprising that Americans are making adjustments in their lifestyle, as they realize that the increase in gas prices is not a temporary spike but is likely to be with us for some time as the worldwide demand for oil continues to increase faster than the supply," said Sacred Heart University professor and economics expert **John Gerlach**.

**ONLINE**

**Hotels Getting Tough with Online Agencies:** Online travel agencies will probably see their share of hotel industry revenue shrink as hotel chains begin to tighten their control of the way in which the online companies can sell rooms. The latest to take a tough stand with the online agencies is the **Hilton Hotels Corp.**, which has implemented an accreditation process that sites like **Orbitz** and **Travelocity** have to conform to by year's end in order to continue offering Hilton inventory. The move is intended to help Hilton protect the use of its trademark, prevent travel sites from purchasing search keywords that divert traffic from

Hilton.com sites, force third-party sites to establish direct connections to Hilton's reservation system and ensure that the hotelier's best-rate guarantee is honored by those sites. For the past year-and-a-half, hotel chains have tried to seize greater control over the online sales of their rooms by beefing up the capabilities of their websites and guaranteeing that those sites offer the lowest room rates. The industry has made substantial progress. In Hilton's case, bookings through Hilton.com sites are up 30 percent year over year and now make up 14 percent of all bookings, whereas the growth of third-party sites is in the single digits and represents less than 2 percent of Hilton's bookings. The launch of Hilton's accreditation process comes more than a year after **InterContinental Hotels Group** became the first major hotel chain to tighten controls over online agencies when it said it would no longer do business with agencies that didn't follow a new set of quality controls. Shortly thereafter, InterContinental stopped providing inventory to **Expedia** and **Hotels.com**, which are owned by **IAC/InterActiveCorp**.

**RESEARCH**

**Spas Help Us Live a Better Life ... Seriously:** A recent study completed by Professor **Mary H. Tabacchi** of **Cornell University** has revealed that the secret to creating better relationships and leading a more balanced and productive life may be learned at a destination spa. One of the key findings in the study is that respondents felt more connected to family,

friends and work associates after a stay at a destination spa. Essential to developing healthy relationships is self-awareness. Destination spas foster contemplation, meditation and self analysis. As a result, destination spa-goers reported feeling a much greater understanding of themselves following a spa vacation and ultimately more connected with others. Another finding of this study was that destination spa-goers feel more cared for by family, friends and colleagues after a destination spa vacation, which may contribute to better relationships and higher self-confidence. The respondents also reported that their family and friends saw a definite positive change in them. Respondents were randomly chosen from the guest list of 25 destination spas who are members of the **Destination Spa Group (DSG)**. Five hundred completed surveys were obtained from these guests and compared to a list of 500 randomly selected individuals who had not attended a destination spa but who had taken at least one vacation in the past 12 months. "It would appear that a destination spa vacation encourages positive interactions that have a 'halo' effect which surrounds and influences the person's relationships, work associations and social life," says Tabacchi. No doubt.

**More Meetings Planned for '05 and Beyond:** According to a survey of pre-registrants attending the recent ninth annual **HSMIA Affordable Meetings West** show in San Jose, Calif., the majority of the respondents (70 percent) expect to plan more meetings in 2005 and beyond. Most of those respondents (60 percent) anticipate planning one – five more meetings. The survey was sent to 531 planners registered for HSMIA's Affordable Meetings West. A total of 161 completed the survey (a 30 percent response rate) with most planners from association, corporate and independent sectors.

#### **WHO'S ON FIRST?**

**Joseph A. McInerney**, president and CEO of the **American Hotel & Lodging Association (AH&LA)**, has extended his

original five-year contract an additional three years, ending October 2009. The announcement was made during the recent AH&LA spring meeting of its board of directors in Washington, D.C. Prior to joining AH&LA, McInerney was president and CEO of the **Pacific Asia Travel Association (PATA)** and has held top level executive positions with **Forte Hotels, Hawthorn Suites, and ITT's Sheraton** franchise division. ++ After a five-month search for a new leader, the **Peoria Area CVB** has a new executive director. He is **Stephen Powell**, who comes to the job from the same position at the **St. Charles (Mo.) CVB**. Powell was with the St. Charles bureau for 17 years. And **Jeff Creek** is leaving the **Bloomington-Normal (Ind.) CVB** become Peoria's new director of sports sales and development ++ ++ **Gary West**, executive director of the **Bowling Green Area CVB**, has announced his retirement effective July 31. **Vicki Fitch**, the current director of marketing at the bureau, has been named to succeed West. West, 62, has been executive director of the bureau for 12 years and before that was executive director of the **Hilltopper Athletic Foundation**. ++ **Bill Howard**, vice president of marketing, tourism and communications at the **Atlanta CVB**, has announced his retirement, but indicated that he may start a new travel company. A veteran with more than 40 years of experience in the hospitality and transportation industry, Howard spent 14 years with the Atlanta bureau. ++ **Vickie Blake**, director of sales for the **Gatlinburg (Tenn.) Department of Tourism and Convention Center** the past five years, has resigned to become director of sales position with **The Lodge at Buckberry Creek** in Gatlinburg. ++ **Reservation Center, Inc.**, a subsidiary of travel industry distribution and settlement services provider **Onelink4travel, Inc.** has announced the hiring of **Donald Dawayne Flor** as Reservation Center's vice president of sales and marketing. Flor most recently was founder and president of **iGroups**, a sales/marketing consultancy providing programs for clients in the travel industry and other fields as well.