

Bob Gilbert (00:24):

Welcome to Tourism Heads and Their Tales, a podcast series that explores with travel and tourism leaders and their take on key issues of the day. My name is Bob Gilbert, general manager for the tourism and destination marketing practice at the award-winning strategic marketing agency, Eddy Alexander, who are bringing you this podcast series. I have had the privilege to have worked with iconic global brands, including Disney Choice Hotels, Yosemite and Shenandoah National Parks, Kennedy Space Center Visitor Center, and Best Western International. Plus, served on the boards of the US Travel Association National Tour Association, and an elected commissioner for Visit California. Looking forward, I will be chatting with those that are helping shape the travel and tourism industry, all with unique tales to share that I know you will find both interesting and educational. So without further ado, let's get started. Welcome to Tourism Heads and Their Tales. Today I'm delighted to welcome Scott Balyo. Scott is the executive director of Capital Region USA, which is the official destination marketing partner of Washington DC, Maryland, and Virginia working together to promote the region to overseas leisure travelers. So Scott, welcome and, and let's kick off with a little background, you know, what has your career journey looked like to this point?

Scott Balyo (01:56):

Well, thanks Bob, and appreciate the chance to be here. And yeah, my career journey has been, I, a lot of it has been in tourism. My, my background is in communications and journalism specifically. So early on, very early on outta college, I actually owned a small newspaper, but then had an opportunity to work for what at the time was Rocky Mountain International. It's now known as Great American West, but a very similar position to this marketing, the Rocky Mountain states internationally. And then between that position, uh, and this one I actually ran a Chamber of Commerce out by Yellowstone National Park. I worked for a university, uh, and then about six years ago, had a chance to take this position after the current director Matt Gaffney, uh, retired. So in some ways it's kind of come a little bit full circle, uh, back into international tourism marketing.

Bob Gilbert (02:43):

Got it. So was Matt and I know Matt, uh, before he retired actually, when he was at in Virginia, um, right. You know, before Capital Region and, and PAC Man before that. So that's what comes with being a senior citizen in this industry. Uh, you know, a lot of people. So talking about Matt, was he the first to lead the capital Regions usa?

Scott Balyo (03:08):

He was, and I certainly had some big shoes to fill coming in Capital Region or CRUSA has been around formally since 1997, although even before that, the partners had been kind of working together a little more in a grassroots fashion. But no, Matt was the first director. He'd had a lot of experience coming in, as you said, with Virginia tourism and knowing the region. And we actually crossed paths while I was at Rocky Mountain International. I think we, you know, maybe chatted at a world travel marketer and itb. So I, I knew Matt before I applied for this position. And, you know, he was definitely a, a legend, not only in Virginia and regional tourism, but of him around the country. Everybody loved Matt. He did a great job from what I know, he is really enjoying his retirement. But coming in, I had some pretty big shoes to fill for sure.

Bob Gilbert (03:51):

Sure. So how did Cruiser or Capital Region, USA come into being and understanding that shared objectives, shared goals, um, you know, it's not easy to pull something like that together. What was the history, the genesis behind that with the, the three destinations?

Scott Balyo (04:11):

Yeah, I believe it came about because the three partners realized in the nineties that, uh, especially for international travelers, yes, there were some that were just visiting dc but it just made sense to work together, understanding that travelers, especially international travelers don't see borders. And that they would be able to get further with their marketing and public relations efforts, uh, by pooling their resources together.

Bob Gilbert (04:35):

So what is the structure and relationship with Washington, with DC, Maryland and Virginia? What does that, that relationship look like from a working perspective?

Scott Balyo (04:47):

Mm-hmm. <affirmative>? Yeah. So we're organized as a, as a nonprofit. Uh, and each of the three destinations has three board seats. So we have a board of nine members, uh, made up of representatives from Virginia Tourism Corporation, the Maryland Office of Tourism Development and Destination dc. Additionally, we do receive a significant funding stream from the Metropolitan Washington Airports Authority, uh, who run Dulles Airport, which is obviously the primary international gateway into the region, as well as, uh, Reagan Airport, just outside dc. So the three main destinations though have an equal partnership in the organization. Uh, staffing-wise, there's myself, executive director, uh, and then I have two other team members with me, Stacey Sheetz, uh, and Kimberly Peterson who help us run, uh, our, the all the, the variety of programs that we have.

Bob Gilbert (05:34):

So talking of programs and initiatives, how do you reach consensus on those particular programs and the initiatives that, that you lead with the three destinations, with the three states and DC I guess the two states and DC <laugh>,

Scott Balyo (05:52):

Right? Yeah. I think between the two, Virginia, Maryland, and dc, and this is where I think maybe being the smallest of, of all the regional organizations is perhaps helpful in, in terms of reaching consensus at least because there are only three partners. So it's always a very collegial conversation among them. We, we present a marketing and communications plan late in the spring, and then look at the budget that we have available, and then we just work through, uh, the different markets we were trying to reach. And honestly, I think they've been doing it for so long that for the most part there's, there's usually quite a bit of agreement. You know, we may nibble at the edges a bit, or certain destinations may have themes or places in their, in their states or in the capital that they're trying to promote a little bit more, but they really do get along so well and it's been a longstanding board, so they're just comfortable with each other

Bob Gilbert (06:38):

Too. Right, right. So other regional DMO's that's travel south, but that has a very different model, um, I, um, how many other regional DMO's are there that you're aware of that follow your good neighbor partner model

Scott Balyo (06:54):

<laugh>? Yeah, I think, you know, and we have a, we have a quarterly call with the other regional DMOs but the ones that I'm in contact with regularly, um, as you said, Travel South, as well as Discover New England, uh, and then Great Lakes USA. So, uh, there's others certainly, but those tend to be the five that are probably most similar to us.

Bob Gilbert (07:14):

Do you think that there are others that would like to follow your model?

Scott Balyo (07:18):

I think so. It's a great model for, for a lot of reasons. Uh, again, a visitor not seeing borders, being able to pool resources, taking advantage of all the destinations within a region versus just promoting one place. So yeah, I, I think it's a great model for anybody, whether it would be somebody else maybe in the middle of the country or on the west coast. The organizations I listed, I think we take in about half the states, uh, in the country. So there's certainly room for additional partners. And you know, I, I know they're working together for, for instance, you know, in the, in the Pacific Northwest. I think they work pretty well together. They may just not be, at least to my knowledge, as formally organized as we are.

Bob Gilbert (07:54):

Yeah. But I, you know, I concur. I mean, you're a hundred percent correct. Visitors do not see borders. They don't see state lines. You know, when I first came to the US I worked with, uh, Choice Hotels, they were in, at the time before they moved to Rockville in Maryland, they were in Silver Spring. Mm-hmm. <affirmative>. And I loved being in suburban Maryland, but we would go into DC to look at the different attractions, activities, tours, and Virginia. And clearly I didn't see a <laugh> a border, right. I didn't see a a county line or whatever line. And I think it's important that, you know, you have to put yourself in the shoes of, of the visitor and work accordingly. So I think it's a great model. Would Capital Region USA CRUSA, as you call it, was it the second after Im I or were there others that were ahead of that thinking?

Scott Balyo (08:51):

Yeah, that's a good question. I, I think that it's very likely, we, we were the second, I, I don't know the exact formation dates of those other three, each of them have been around for a while and there's been different iterations. Uh, I mean, one of the challenges of having a a multi-state group is as state tourism directors and initiatives and, and politics change, uh, sometimes partners drop out and they come back in. And I know that's been the case with, with some of our colleagues. But yeah, I think we're, we're certainly one of the oldest in the mix.

Bob Gilbert (09:21):

I, I would, I would think perhaps part of the challenge for others is the, the funding mechanism. I mean, I'm just thinking out loud, you know, go back cuz I think I had worked with RMI a long time ago. Four Corners. There was, is it Brad Smith? Um mm-hmm. <affirmative>. I, I would think the funding mechanism may be a barrier to entry for some, and you've cracked that and have been successful with that. So let me ask you a question. Let's use an example. I'm in Roanoke, which is where Eddy

Alexander's headquarters are. I'm a CVB in a, in a town in Virginia, in, in a destination with points of interests or things to see and do that I believe will appeal to international visitors. What as a DMO or CVB, should I do approach my state or directly to you? How does, how does that process work?

Scott Balyo ([10:16](#)):

Yeah, I think you can take kind of a multi-pronged approach there and you hit on it. Uh, we always encourage DMO to first start that relationship with their, with their state dmo, so with their state travel department to get on their radar, uh, talk about goals, talk to an international visitor. Uh, and then usually pretty quickly after that, the state will direct them our way. Um, and then I'll set up a conversation with 'em just to talk about, uh, the markets that we're in, uh, kind of a typical visitor to the capital region, uh, and the different programs that we have available, uh, for them to take advantage of. And a couple of years ago we launched, actually, I guess it was just before, um, the pandemic. Uh, we launched a, an allied member and an affiliate member program, uh, for that very reason, um, to, to allow individual ds, uh, especially some of the larger DMOS in the region to invest and participate more directly. We'd always offered opportunities, but this was the first time that we brought kind of all of those opportunities, um, in a couple of different tiers under one umbrella for them to participate in. And that's made it easier for them from a budgeting standpoint. And it's made it easier for us to have kind of almost like a larger presence. We have our three main partners, but then we have a network of, of 10 DMO throughout the region as well who are really invested in the program.

Bob Gilbert ([11:31](#)):

So how do you determine, or how does a state DMO determine that that destination is in fact a right fit? And is there a raw honesty that perhaps they aren't a right fit for international because they, they don't have infrastructure in place to be able to cater to the needs of international visitors?

Scott Balyo ([11:53](#)):

Yeah, and I think we, and I know our partners do this as well, we try to cast a pretty wide net. But I mean, I think you hit on it a little bit from the in infrastructure standpoint. You know, one of the things we wanna make sure is that they have, uh, certainly if they're trying to attract overnight visitors, you want to have, uh, hotels or, or lodging properties who are working with Receptives. And so that those properties are, are bookable most are at least bookable along the lines. So that's perhaps not as big of a barrier as it used to be, but we do want them to be kind of international ready. But most places, if you're on the map with domestic visitation, you're usually in pretty decent shape, uh, these days for international as well. But certainly that overnight issue is, is one challenge.

Scott Balyo ([12:34](#)):

But we want people to be involved and we understand that visitors are more sophisticated and they are trying to get further a field. That's one of our goals with the program is we, we know DC is always going to attract the lions share and that some of our larger urban areas, maybe it's Baltimore or Annapolis or Virginia Beach or, or or over to Richmond and you know, certainly Shenandoah National Park sign of kind of some of those larger profile destinations that they're gonna be kind of on that first tier for visitors. But we don't want to turn anybody away and we don't want anyone to think that there aren't places, say in southwest Virginia or Western Maryland or out on the eastern shore that aren't, aren't worth visiting either because, uh, the region is packed with, with special places.

Bob Gilbert ([13:16](#)):

Right. So I think you touched on a point, and this is actually a conversation I had a couple of weeks back with Tom Gazi at, uh, brand usa, who was subsequently, you know, left that organization after almost 10 years. But part of the challenge was the book ability, you know, can the international visitor actually make that a booking for an attraction, a tour, a hotel in a smaller destination, sometimes in larger destinations as well. But that is almost a prerequisite for the smaller destinations when they're actually looking at China market to international visitors. So talking of the international market, how did you manage during the Covid No international travel period

Scott Balyo (14:05):

<laugh>? Yeah, well obviously, um, you know, as we come up on the three year anniversary of that, uh, it was a, it was a major challenge for us. Uh, we're, you know, we're certainly not unique in that, but I remember thinking at the time, it was early to mid-March, and I think we had a German sales mission that we had coming up the first week of April. And I remember reaching out to all of the participants and saying, you know, we have this situation and I think we're probably gonna have to push this mission back maybe two or three weeks. And at the time, naively thinking that that would, uh, take care of it and that everything would be resolved. But, uh, as we got obviously into late March, early April of 2020, I think everyone pretty quickly realized that this was not going to be some small interruption, that it was going to be pretty significant.

Scott Balyo (14:49):

And I think one of the things that, that our partners did, and perhaps it speaks to the longevity of the partnership, is they said very early on, international is going to come back. We don't want to have wasted these decades of work that we've done together, all the dollars invested. And so we do want to stay with it. And, and we made some modifications. I mean, we, we pretty quickly reduced or significantly reduced what we were doing in China. We paired back some of our other activities in our core markets in the UK and Germany and France. And a lot of that was around the active marketing and public relations work we were doing, just because we knew there was no reason to market when people couldn't travel. But we kept our representation offices open, we kept our staff, our US staff in place. We continued to make enhancements and add content to our website. We continued our holiday guide and we continued our, you know, even though it was much smaller our, our research efforts. And so the things that we could reasonably continue to do, we did. And to their credit, our partners continued their investment, which left us on good footing with the trade and with the press and with consumers as we came out of the pandemic and as we continue to come out of it because we didn't take a break from, from our markets, which was important.

Bob Gilbert (16:07):

No, I think that's very important and, and, and I think that's a good lesson from a marketing perspective that you, you can't jump in, jump out, jump in, jump out. You have to be consistent. You have to support, educate, and just hold your breath. You know, while some of these things occur that you have no control over, neither the visitor nor us trying to market, you know, it's, it's waiting it out and making sure that, you know, we are still here, that we are there for them. But it was interesting, you know, you mentioned, uh, you had a, a mission to Germany, I think, if I'm not mistaken, I in Berlin at the time, it actually had booths were in place, people were there and it had to say, sorry, we are closing before it actually opened. And you know, you, it takes time to build, you know, let's say a brand USA booth, you know, which is as you know, you know, huge with all the different participants. You know, that was what they had to do. I think Arrival was actually piggybacking on it and they, they had people there and they had to make the same decision because it was really government. Um, you know, the German

government overtook the events and, and that's what happened. But, so here we are now post Covid in most cases. How is the recovery looking for you?

Scott Balyo ([17:27](#)):

Yeah, our recovery is looking good. You know, it's going to be kind of fits and starts a little bit here. And I think everyone's experiencing that. You know, a few things that we were right about. We, we, we felt like kind of our core markets and it wasn't maybe a hard prediction, but we felt like our core markets in Western Europe would be resilient and would come back pretty quickly. And that's proven to be the case. I think everybody maybe overstated a little bit during Covid and, and frankly we were all sort of making it up as we went, but there was a big push in maybe people going away from city visits and doing all rural and everything. Rural and off the beaten path was big. And I mean, that's continued to be popular, but I think it was overstated that people wouldn't wanna return to cities.

Scott Balyo ([18:13](#)):

And they certainly, certainly have, you know, we're still wrestling and we will continue to wrestle with how to approach China. Obviously that's loosening up now, but there's a lot of challenges there. Uh, everything from visa wait times to airlift, uh, to just the geopolitical realities of working in China. Uh, we had started some fledgling efforts in India piggybacking on what destination DC and especially Virginia tourism were doing in that market. And so we're reexamining that, uh, and we're taking a fresh look at kind of some of our bread and butter markets too. We had thought that maybe by the end of this year we'd be back to 2019 levels. I think it's more realistic to think that it's gonna be, uh, more 2024. So next year, given the reality is that everybody can't look too far ahead these days. I think we've learned that a little bit as

Bob Gilbert ([19:01](#)):

Well. Yeah. And I think we've learned the lesson to be agile <laugh>. Sure. I I try not to use the P word pivot <laugh>. Um, but it's, it's really more the ability to be agile, which is not easy. Mm-hmm. <affirmative> and it, it is not easy. But you mentioned that the post covid visitor has changed a little bit in terms of the experiences that they're looking for. Is that, you know, something that you are following up on in terms of offering itineraries and, and thoughts about the rural side of the capital Region usa? Is that something that is an initiative that you are following up on?

Scott Balyo ([19:45](#)):

It is. One thing that the pandemic did give us was some time, uh, maybe to explore some things that we hadn't done. So for instance, we developed in conjunction with Cruise America a an RV tour in the region, which you may not traditionally think of, uh, kind of the East coast as a camping destination, uh, for overseas travelers. A lot of that focus goes out west and rightfully so. But we do feel like, um, and what we're hearing from the operators and, and, and from the press is that there is an appetite for those off the beaten path destinations. And also we're seeing that people are taking more time. Now, some of that may still be a product of them having savings in place and, and having holidays that they didn't take. And so they're making up for that now. But we are seeing people take more time, which then allows them to get further out into, into our states.

Scott Balyo ([20:34](#)):

And, you know, we recognize too that obviously we would love for people to come and spend their 10 to 14 days just in the capital region. And there's certainly people who do that, but we're part of a larger

whole as well. And so we know that, uh, we're positioned well for people who want to take in visitation to the Carolinas or Tennessee. We get a lot of traffic down from Boston, New York, and of course, Philadelphia Train travel, uh, is something that we're, that we're pushing. We, you know, we had pushed it before, but we're really pushing it now, both because sustainability is big. Amtrak is making investments in, in their stations and their tracks. And our region is one of the few that you can legitimately get to, not, not the entire region, but a very significant part of it via train travel. So if you don't want to have a car, you're able to, to have a really robust holiday in the capital region and do that all by train on foot or bike or other modes of transportation.

Bob Gilbert ([21:31](#)):

So as we've seen the reinvention of certain types of travel, you know, and it was interesting, you, you pointed out the RV vacation experience. Are we seeing an evolution with what I used to call way back in the days before we had technology, the internet in the days of paper vouchers and, you know, the big receptive operators operating fly drive programs. I mean, I would think that as happened here in the US when people couldn't travel overseas, then they, good old road trip kind of reinvented itself. People still wanted to travel, but they, they traveled closer to home. And from an international perspective, that would be a good use of an updated fly drive program. Is that something you are seeing?

Scott Balyo ([22:19](#)):

It is. And what we're seeing too, especially as, as rental car prices kind of ease, is that there is still an appetite for that fly drive. I think a couple of encouraging things on kind of that traditional, um, you know, the traditional approach is people like to have the backing, uh, of an operator or, or their travel agent backed by an operator. Just because I think we saw, and you'd even mentioned it with itb, where people were on their way to destinations and in, in many cases were sort of left on their own during those chaotic first few weeks as things were shutting down mm-hmm. <affirmative>, uh, and airline routes were being stopped. So I think that's an important trend, uh, and something that I know the trade is encouraged about, but we are seeing people, I think, and maybe because they have more time and a little more money, slow down a little bit and look for more authentic experiences and take more time. I think there's maybe a little less of the box checking, like, let's try to, let's try to hit as many destinations as we can and just to say that we, you know, we snapped our photo for social media and moved on. And so I think we're seeing that Yeah,

Bob Gilbert ([23:19](#)):

People are, that reminds me of that, that reminds me of what the Europeans used to call us.

Scott Balyo ([23:24](#)):

Right.

Bob Gilbert ([23:25](#)):

For sure. If we hope you enjoyed today's episode, please like thumbs up, subscribe and leave a review. You can also visit eddyalexander.com to learn more about our tourism, marketing, and destination management services and read some of our recent case studies. Finally, if you'd like to suggest future guests or podcast discussion topics or to sign up to get an email alert when we drop new episodes, please do eddiealexander.com/thatt