



FOURTH QUARTER REPORT 2010-11 April, May, June

INTRODUCTION

Travel Salem is pleased to submit the tourism and convention fourth quarter report for 2010-11 pursuant to City of Salem contract section 1.5. The contract stipulates that quarterly reports include a financial report, an overview of Contractor's activities, and a statement of output measurements. This report fulfills these contractual requirements.

All programs and services tie back to Travel Salem's 07-10 Strategic Plan, and drive toward two main objectives: long-term stability for tourism leadership, and increased visitation and tourism economic impact. In addition, the quarterly reports connect specific activities and initiatives to the 10-11 Business Plan, demonstrating progress to achieve plan goals.

Travel Salem welcomes the opportunity to present and review this report, answer any questions and share information regarding current marketing efforts.

EXECUTIVE SUMMARY

Activities during the fourth quarter produced positive results in key program areas. References to specific sections in the 10-11 Business Plan are included.

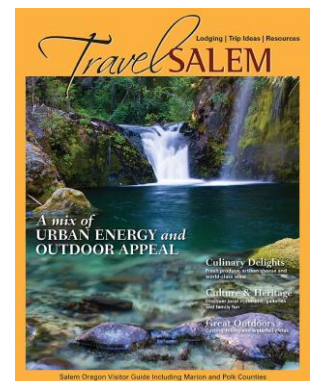
SB 442 the Wine Country Plate was passed by the Senate 28-2 on June 17 and the House 48-11 on June 23! A request was made to Governor Kitzhaber for a signing ceremony. The request was granted, with the bill being signed into law by the Governor on August 4. This is the first Wine Country Plate in the U.S. and a significant branding campaign for Oregon. In addition, the initiative will raise new funds available for tourism promotion in the Mid-Willamette Valley.



Marketing & PR

The **2011 Salem Area Visitors Guide** was published and distributed to more than 760 locations in Oregon, Washington, California & British Columbia. Salem Golf Club and MediAmerica hosted a launch party for advertising partners whose investment made the guide possible.

Launched a new **coupon book** to replace the labor intensive and non-ecofriendly Welcome Bag. MediAmerica partnered with Travel Salem to publish 10,000 Salem area coupon books which will be distributed to convention and event delegates and



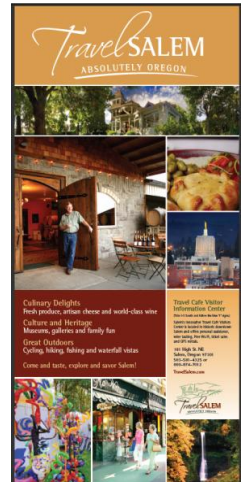
leisure travelers. The coupon book can also be downloaded from TravelSalem.com, where it is featured using page turning software.

Created a new Salem **promotional panel** for the Woodburn Company Stores kiosk (pictured at right).

Produced the **2nd Annual Ab Fab Awards** with a “twist” hosted by Northern Lights Theatre. Held during National Tourism Month, the Ab Fab Awards recognized mid-Willamette Valley tourism leaders who set the bar in 10-11 for innovation and partnership. Emcee Erick Kountz from Positively Twisted used humor and creative group exercises to energize the event.

Ab Fab Award winners:

- Carpe Diem – Reed Underground Tours
- Dedicated – Virginia Green
- A Keystone – Chemeketa Community College
- Green – Grand Cru Wine Tours
- A Home Run – City of Salem Softball Program
- Gets It – Willamette Art Center
- Big Picture – Confederated Tribes of Grand Ronde
- Fabulous – Ron Cooper



Conducted monthly **familiarization tours** with regional attractions: a rafting trip and professional photo shoot with North Santiam River Trips, and an extensive behind-the-scenes peek at Adelman Peony Gardens.



The “**Gold Pioneer Giveaway**” promotion continued to gain momentum during the fourth quarter, featuring Sal who was busy promoting the region with the following partners:

- Indulge Day Spa
 - Joyride Cycling Studio
 - Northern Lights Theatre Pub
 - Hot air balloon ride & promotional video with Balloon Flying Service of Oregon
 - Preservation month at Oregon State Capitol
 - Detroit Lake Fishing Derby with Riverview Community Bank
- (2/b #1, #5, #7, #9)



Social media efforts continued to progress: 221 images were posted on Flickr and 10 videos to YouTube with 1,759 viewer sessions during the quarter; 120 tweets were posted on Twitter reaching 3,136 local, national and international followers; and 175 events, specials and announcements were posted on Facebook reaching 1,955 fans. (2/b #5)

Conventions & Groups

Preparing for the North West Tandem Rally coming to Salem in 2012. The event will be held at Willamette University and throughout Marion County, and is expected to draw 700-900 tandem riders. Travel Salem will attend this year's rally in Spokane to pre-promote the 2012 rally in Salem at the vendor tradeshow.

Coordinating the Marion, Polk and Yamhill counties booth for the National Association of Counties (NACO) convention, to be held in July at the Oregon Convention Center. In conjunction with a tri-county ag tour of our region, this is an opportunity to showcase the mid-Willamette Valley to a national audience. Developed a landing page for NACO on TravelSalem.com to pre-promote the region to attendees.

Services

Provided **services** to 25 conferences and events that were held at locations throughout the Salem area, serving roughly 18,406 delegates. (2/c #7)

Financials & Key Performance Measurements

Financial statements for the fourth quarter are attached.

The results generated by Travel Salem are measured by examining progress in three key areas:

- **Estimated Economic Impact** results are available at year end, and will be reported in Travel Salem's 10-11 annual report.
- Fourth quarter **TOT receipts** increased 4% over the prior year same period to \$782,692.
- **Leverage** results were \$552,575, relatively flat compared to the previous year. The increase was primarily due to media exposure and the Visitor Information Network. *Please note: leverage results are not predictable from year to year because Travel Salem can't guarantee, for example, in-kind donations or that a story will be published. However, Travel Salem strives to increase leverage support each year by continuing to develop and broaden key partnerships.*

OVERVIEW OF ACTIVITIES

Travel Salem tracks numerous activities throughout the year to monitor, evaluate and adjust marketing strategies as needed. These internal measurement statistics assist with forecasting and trending, and need to be examined as a whole to get a true indication of the industry and performance of marketing activities. Outside influences such as gas prices, weather, natural disasters or inflation, will also have an impact on the peaks and valleys that these numbers may reflect.

Glossary of Terms for definitions of the following activities is available upon request.

Activity & Production Statistics	4 th Qtr 10-11	% Change from 09-10	10-11 YTD	4 th Qtr 09-10	4 th Qtr 08-09
Marketing & PR					
Publicity Ad Equivalency Value (see PR Addendum)	\$275,616	0%	\$1,016,469	\$274,331	\$198,023
Visitor Information Inquiries ¹	9,969	67%	30,476	5,968	6,865
Visitor Information Network Attendance	32,158	-5%	122,345	34,000	11,952
Events & Community Activities Assisted	393	-24%	1,603	520	497
TravelSalem.com Visits	45,464	15%	151,034	39,693	35,746
Convention & Event Marketing					
Real-Time Conventions/Events	9	13%	30	8	16
• Number of Delegates	12,820	13%	26,325	11,340	20,145
• Number of Room Nights	8,890	12%	20,462	7,930	14,884
Sales Leads Generated ²	6	-68%	59	19	9
Bookings ³	3	-81%	21	16	7
Convention & Event Services					
Conventions Assisted	25	0%	125	25	34
Visitors Reached ⁴	18,406	-66%	71,732	54,097	24,941
Welcome Bags Distributed ⁵	784	-65%	9,570	2,247	3,234
Membership					
Total Membership	368	6%	368	346	275
New Members Acquired ⁶	43	105%	86	21	17
Attrition ⁷	14	600%	63	2	12
Leverage (detail below)	\$552,575	-2%	\$1,884,865	\$561,189	\$411,837
Visitors Guide	\$114,336	0%	\$114,336	\$0	\$0
Volunteers	\$7,267	13%	\$24,562	\$6,449	\$6,570
Media – Advertising Equivalency	\$275,656	0%	\$1,016,469	\$274,331	\$198,023
Advertising	\$12,869	26%	\$47,504	\$10,182	\$10,947
In-Kind ⁸	\$99,298	-49%	\$509,348	\$194,327	\$151,728
WVVA/Regional ⁹	\$43,149	-43%	\$172,646	\$75,900	\$44,570

¹ Visitor Information Inquiries – the increase is due to a new online promotion with WVVA (30/30 campaign).

² Sales Leads Generated – the decrease is due to sales staff spending more time on services due to a staffing change.

³ Bookings – decrease is tied to Sales Leads Generated (see above).

⁴ Visitors Reached – groups were smaller in attendance.

⁵ Welcome Bags Distributed – phasing out Welcome Bags and moving to Coupon Books.

⁶ New Members Acquired – had one additional sales staff in place during the fourth quarter of 10-11.



⁷ Attrition – many members went out of business or said their budget didn't allow them to join this year; and may re-join next year.

⁸ In-Kind – in 09-10 significant product was donated in the fourth quarter for Welcome Bags.

⁹ WVVA/Regional – Travel Oregon decreased RMCP allocations in 10-11.

PR ADDENDUM
National & Regional Media
4th Quarter 2010-11

Secured 83 published articles/references with an
advertising equivalency of \$275,656

	Media/Headline	Value	Reach	Key Messages/Content
 	New York Times Vines & Valleys in Oregon	\$72,639	1.3 million	“OREGON is hiking country. It’s also wine country, with vineyards that are increasingly destinations for oenophiles.” Oregon’s “first hiking trail through wine country” is featured. Story mentions Grand Cru Wine Tours, Left Coast Cellars, Van Duzer, Firesteed, Oregon pinot noir and Basket Slough Wildlife Refuge.
	Eater Foodie Run Amok	\$2,500	2 million	Mentioned “wiking” (wine/hiking) in Oregon as a hot new trend in the foodie world.
	NW Palate Magazine First Course Datebook Summer	\$3,880	45,000	“The City of Oregon’s political movers and shakers finally has a food scene worth advocating...” Mentions La Capitale, Andaluz, Word of Mouth Bistro, Robert’s Crossing and properties like the Grand Hotel, Betty’s B & B and Inn at Champoege

	<i>Dallas Observer</i> Why go Wiking when you can go Bubing?	\$1300	717,968	A spoof on the <i>NY Times</i> “Wiking” story that mentions Oregon as a wine/hiking destination. EX: Bar-B-Qoga - Yoga's alright, but pretending to do yoga stretches while horking down a pound of brisket? Way better.”
	<i>Bend Bulletin</i> Oregon in Blossom “Exploring botanical gardens of the Willamette Valley”	\$1,960	118,000	Mentions the Oregon Garden Resort and Gordon House: “For garden lovers who want to spend one or more nights surrounded by foliage, try the Oregon Garden Resort... during my dinner I watched a family of deer grazing on the lawn that slopes down from the hotel to the main gardens.”
	<i>Travel Channel</i> Rachael Ray's \$40 a Day	\$57,376		Ways to spend \$40 a day at Busick Court, Goudy Commons, Hallie Ford Museum, Pentacle Theatre, Willamette Valley Vineyards, Morton's Bistro.
	<i>Oregon Business Magazine</i> Top 100 Green Companies	\$1,500	20,000	Mention of Travel Salem as one of the 100 Best Green Companies.
	<i>Statesman Journal</i> Finding your Way in Salem	\$7,966	46,826	Article about Salem's new Wayfinding system.