The background image shows a waterfall with white, foaming water cascading down a series of dark, mossy rocks. The water flows into a pool below. In the background, there is a dense forest of trees with autumn-colored leaves, ranging from deep reds and oranges to bright yellows and greens. The lighting suggests it might be late afternoon or early evening, with sunlight filtering through the trees.

ANNUAL REPORT

2010-2011

Travel Salem

181 High Street NE :: Salem, OR 97301
www.TravelSalem.com

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Travel Salem moved the needle forward in 10-11 through innovative programs that set the bar for the industry.

Top of the list was the successful passage of SB 442 to create the **Wine Country Plate**, a specialty license plate and the first of its kind in the country! The concept was conceived of and initiated by Travel Salem, but it took support from veteran legislators as well as the tourism community to make it a reality. The initiative will pump new dollars into communities throughout Oregon, and will brand the state as a premier culinary destination. The revenues will be granted out to wine and culinary tourism projects, as well as regional tourism agencies in major wine-growing portions of the state. Once the plates go on sale in Spring 2012, visitors and residents alike will be reminded about Oregon's culinary bounty on a regular basis through these gorgeous moving billboards. Cheers to Oregon's tourism industry!

Travel Salem made the **100 Best Nonprofits to Work for in Oregon** list again for the second year in a row, which is a testament to a fabulous team that enjoys working together and delivering results for the community.

The key performance measurements continue to reveal downward pressure from the recession, however, improvements were made over the previous year. Both the Estimated Economic Impact (\$496 million) and Leverage (\$1.9 million) increased in 10-11, showing a marked improvement in the health of the local industry. While the

TOT revenues decreased in 10-11, the decrease slowed with only a 5% difference from the previous year. The significant increase in Leverage was due to a healthy and effective public relations program that is putting the Salem area on the map and building brand awareness for the community as a visitor destination. While the industry continues to suffer effects from the recession, the industry is showing signs of recovery as corporate travel rebounds and job growth continues to expand.

Travel Salem's mission is to bring value to the businesses and communities we serve, by creating jobs and enhancing the overall quality of life of the region.

Thank you for your investment and partnership in Travel Salem, and we look forward to continuing our work together in the coming year!



Dwane Brenneman
Chair



Angie Morris
President & CEO

KEY PERFORMANCE MEASUREMENTS

Travel Salem's programs and services are designed to deliver tangible results for the communities and businesses we serve. There are several key performance indicators that can provide a sense of the overall economic health of the Salem area tourism industry. When evaluating progress, these indicators must be considered alongside other measurements such as financial resources and membership support. Add into the mix environmental influences and other economic

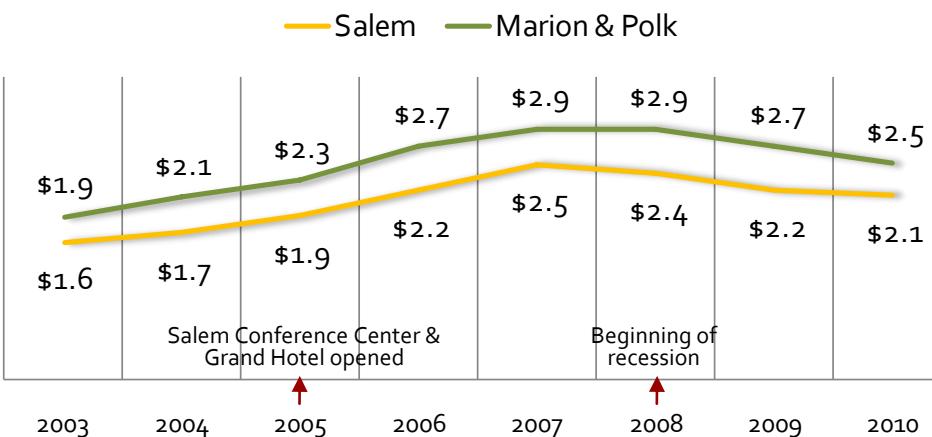
trends to gain better insight into the health of the industry. Specific tourism-based activities also provide context for evaluating the big picture, and can reveal trends and key market factors that influence how the organization makes adjustments in program initiatives. Travel Salem is not the sole contributor or driver to the region's tourism economic outcomes. However, the organization takes a leadership role in tourism promotion to help shape industry results.

"Kudos to Travel Salem for connecting us with a new client we will take on a ride later this month ... they do an awesome job of connecting tourism-related businesses with potential customers!"

— *Into the Wild Equine Adventures*

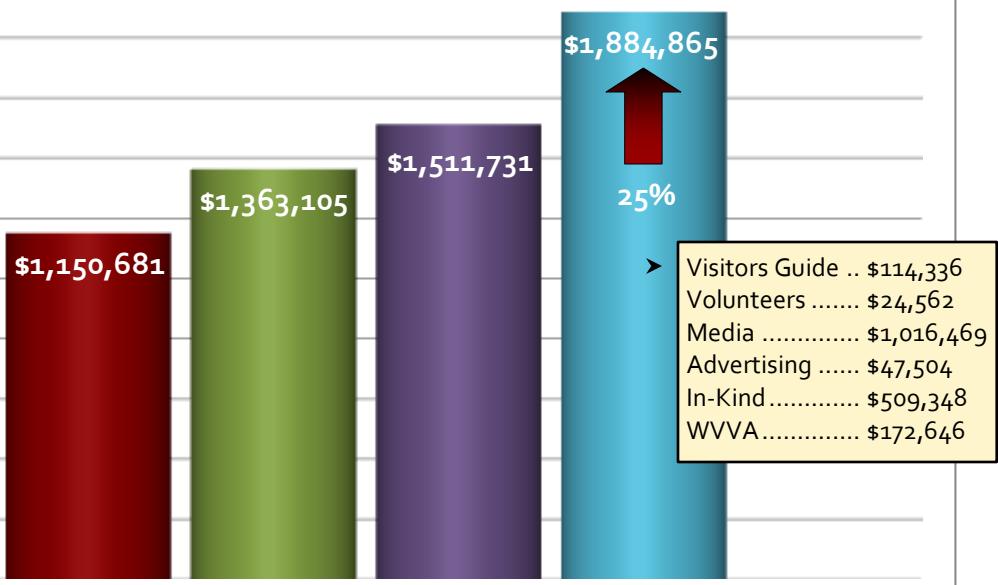
Transient Occupancy Tax

(in \$ millions)



Leverage

Donated products & services



2010 Travel Impacts*

(in \$ millions)

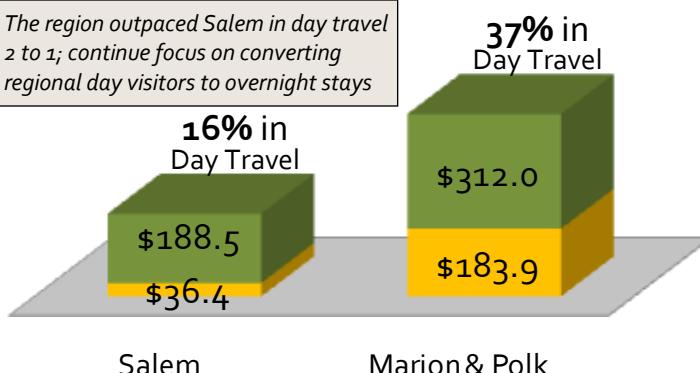
MARION & POLK COUNTIES

Accommodations	\$49.1
Food & Beverage	\$112.9
Food Stores	\$47.8
Ground Transportation & Fuel	\$46
Arts, Entertainment & Recreation....	\$126.8
Retail Sales	\$55.5
Other Travel	\$11.4
Direct Travel Spending	\$495.9
Direct Earnings	\$132.7
Jobs	6,260

Day vs. Overnight Travel

■ Day ■ Overnight

The region outpaced Salem in day travel 2 to 1; continue focus on converting regional day visitors to overnight stays



Tourism Economic Development

Over the past five years, direct travel spending in Marion & Polk Counties grew **\$9.62 million** on average each year, while also adding **112 jobs** on average annually.

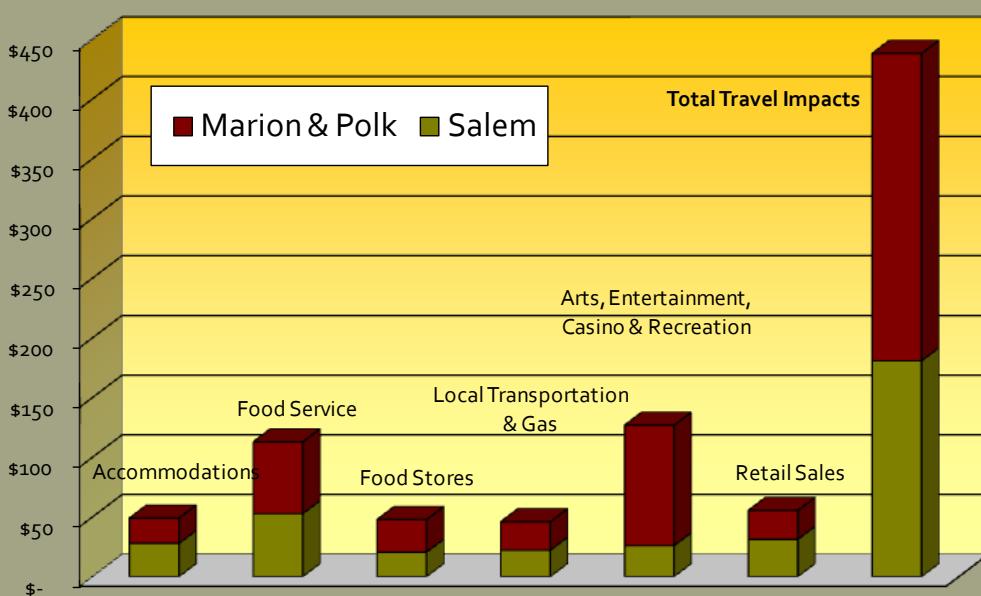
Estimated Economic Impact Trends

(in \$ millions)

— Salem — Marion & Polk



Visitor Spending by Commodity



Visitor Volume & Average Spending

Visitors made roughly **947,000 trips** to Salem in 10-11.

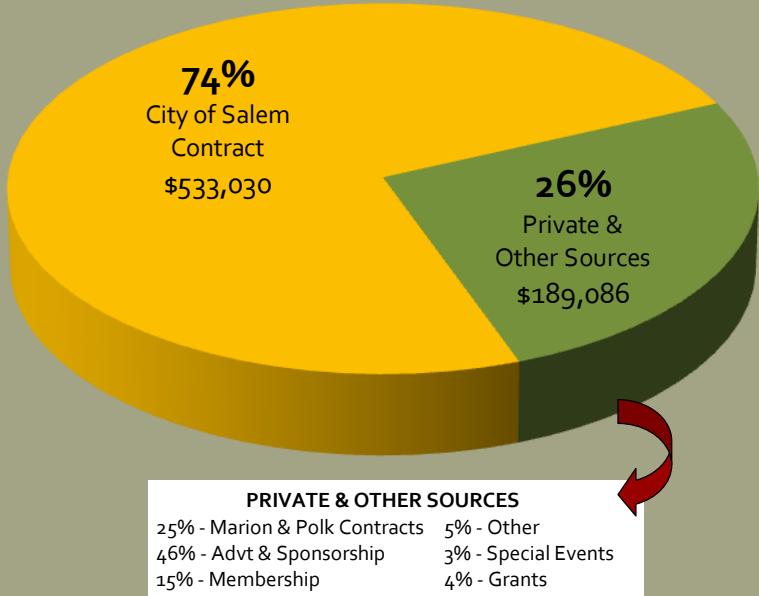
On average, there were **2.5 people** per travel party, spending **\$125 per day**, and staying **2.6 nights**.

DIVERSIFY FUNDING STREAMS

Develop long-term stable funding by examining opportunities within existing program offerings and establishing new revenue streams through creative ventures.

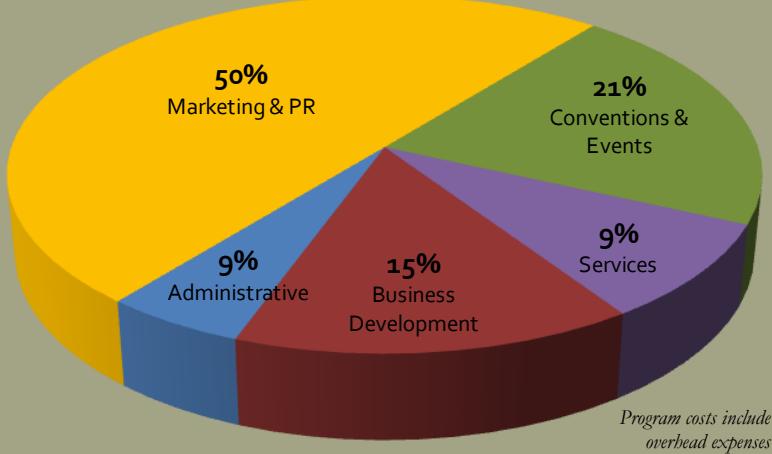
Travel Salem Revenue Sources

2010-11 Actual: \$722,116



Travel Salem Program Expenditures

2010-11 Actuals: \$722,791



TOTAL 2010-11 OPERATING BUDGET:

Revenue \$722,116

Leverage \$1,884,865

TOTAL \$2,606,981

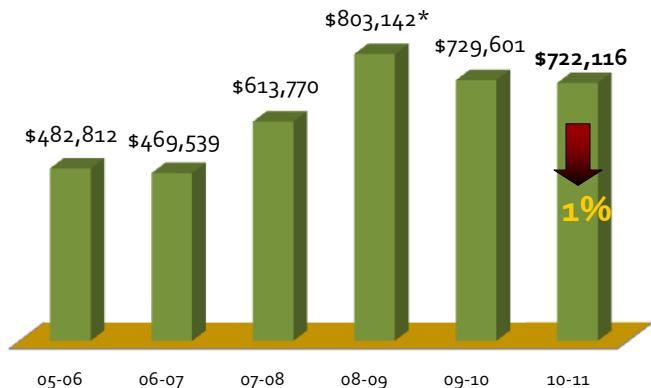
3.9 : 1 RATIO

For every \$1.00 Travel Salem received from City of Salem TOT—another \$3.90 was generated

RESULTS:

- Initiated and passed SB 442 to create the **Wine Country Plate**, a specialty license plate with proceeds benefitting tourism promotion throughout Oregon, and more specifically right here in the mid-Willamette Valley! The bill passed the Senate 28-2 on June 17 and the House 48-11 on June 23! The bill was officially signed into law on August 4, 2011 by Governor Kitzhaber. This is the first Wine Country Plate in the U.S. and a groundbreaking branding campaign for Oregon.
- New record achieved in **Leverage** secured for the year ... \$1,884,865! That's an increase of 25% over the previous year! The results are from public relations efforts in securing local, regional and national media coverage.
- Awarded a Travel Oregon grant to produce an **Interactive Online Map** for TravelSalem.com featuring regional cultural and heritage assets. Secured 18 partners to populate the map and provide both content & financial support for the project.
- Secured Salem Electric as the 10-11 sponsor for the **Absolutely Art Wall** in the Travel Café.

Revenue Trends



INCREASE ORGANIZATIONAL CAPACITY

Increase organizational capacity in both human and financial resources to boost program support, services and the overall bandwidth of Travel Salem.

RESULTS:

- Filed incorporation documents with the IRS and Oregon to secure nonprofit status for Travel Salem's new foundation, **Cultivating Communities**. Received tax-exempt status from the IRS as a 501c3 nonprofit on December 20, 2010. Cultivating Communities is an education-based nonprofit dedicated to the tourism & hospitality industry in the mid-Willamette Valley.

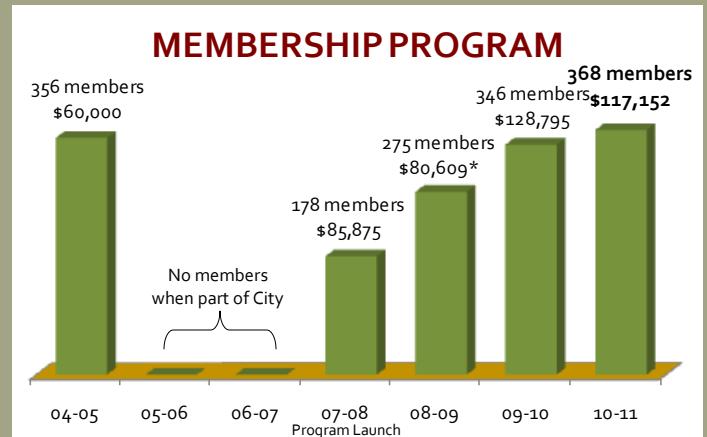
- Recruited **5 new volunteers** to provide broad-based support to visitors, as well as the marketing and convention programs.
- Executed **social media** promotional efforts to enhance program efficiency (see *Tourism Marketing* section for detail).

BUILD MEMBERSHIP PROGRAM

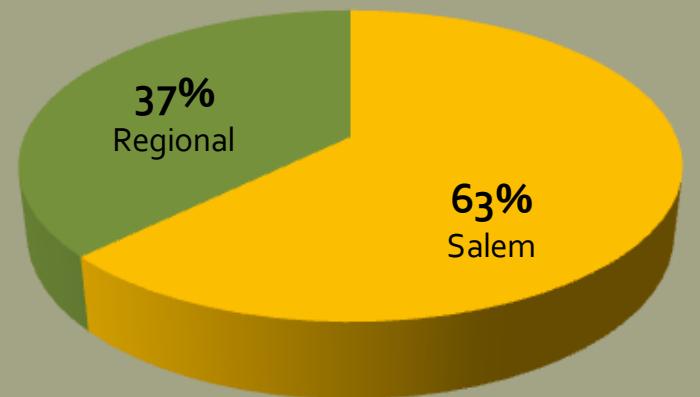
Develop a broad-based, regional membership program that delivers value-added tourism services to members. The membership program was designed within requirements of the Salem City Charter.

RESULTS:

- In 2010-11, Travel Salem **secured 368 members** (105% of goal), an increase of 6% over the previous year. A total of 86 new members were acquired, with overall annual attrition of 63 members due to recession factors and businesses closing their doors. Sales presentations decreased by 28% over the previous year due to staffing reductions.
- Partnered with 16 Chambers of Commerce and other membership organizations throughout the region by providing **reciprocal membership** benefits.



MEMBERSHIP COMPOSITION



"The support they provide businesses is fantastic. Learning everything about what they do will take you two sessions. For the membership fee this is a great way to spend your advertising dollars ."

*—J. Bielke,
Keizer Heritage Foundation*

67% of members select "U-Pick" Options as opposed to pre-packaged options, preferring to custom-build their membership package.

BROADEN SCOPE OF CONVENTION & EVENT MARKETING PROGRAM

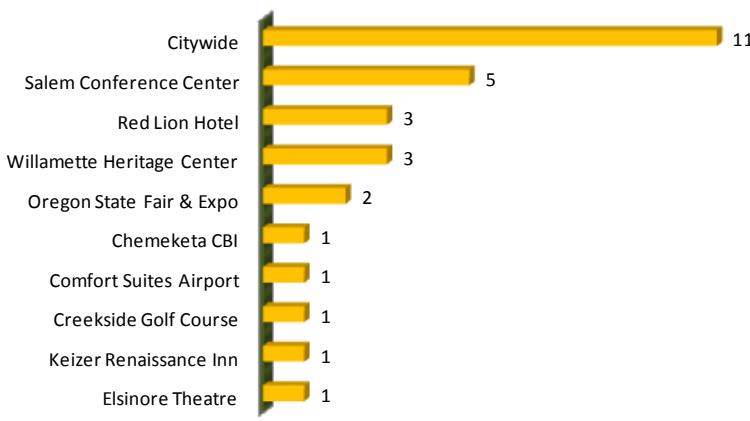
Develop a comprehensive Convention & Event Sales program that promotes and leverages a wide variety of properties and meeting venues throughout the region.

RESULTS:

- Secured an additional three-year contract (2012-2014) with the **Jehovah Witness Convention** and the Oregon State Fair & Expo. Travel Salem committed to an annual binder of \$13,500 in Agility Funds to guarantee this critical piece of business, worth an estimated \$14.2 million in economic impact.
- Secured the 2012 & 2013 **NAIA Men's Golf National Championships** at Creekside Golf Club. The 2012 event will mark the first time that the NAIA has played its men's golf tournament on the West Coast since 1956.
- Secured the 2012 **Oregon Women's Veterans** conference (400+ delegates, valued at \$110,250 in EEI).
- Secured lodging for **Stihl Timbersports** (\$62,500 value in EEI) and the **2011 softball** season (\$1.4 million in EEI).
- Hosted **Good Vibrations—Music, Motorcycles & Merlot** with 700 riders rolling into the Salem area from six states and Canada. This event had the largest attendance of any first-year event produced by Road Shows.
- Hosted **Triple Crown Sports** of Colorado, which is looking to expand their program into Oregon in 2012, on a familiarization tour of regional baseball venues.
- Organized a **Canadian sales mission** targeting group tour operators and travel agents, through a partnership with Willamette Valley Visitors Association.

Bookings

59 Leads Resulted in 29 Definite Bookings



Convention & Event EEI:

\$7,915,800

DELEGATES



06-07 delegates included wrestling tournaments, which subsequently moved to Portland in 07-08.

ROOM NIGHTS

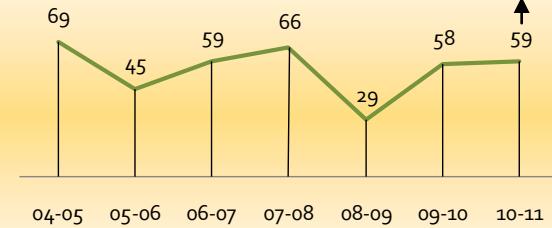


Increasing "value" of groups ... fewer delegates but more room nights.

The decrease in delegates and room nights from 08-09 to 09-10 is due to the Jehovah Witness Convention moving one of their weekends from June to July, which moved the event to FY 10-11 instead of FY 09-10.

LEADS SECURED

Est. Room Nights: 45,209



BUILD SERVICES & HOSPITALITY PROGRAM

Develop a comprehensive services and hospitality program that ensures visitors have the information, resources and support they need to make the most out of their travel experience.

Welcome Bags Distributed:
9,570—16% increase over 09-10

Groups Contacted for Service:
56—2% increase over 09-10

Due to the “green meetings” trend when planning conferences and events, the Services program has worked with planners to provide more sustainable options for groups. Providing more pre-conference/event visitor information online for attendees, encouraging groups to provide information onsite, and introducing a new value-packed coupon book for attendees.

The key to success of the Services program is **customization of services** for each group according to their specific needs—and Travel Salem has developed a reputation for service that goes the extra mile. It makes the planners look good to their attendees, the attendees feel valued, and this service approach improves the odds of the group rebooking in the future.

The Services program reached out to regional partners to update the **Travel Salem database** with venues that have banquet and meeting space, so the most up-to-date information can be provided to meeting planners.

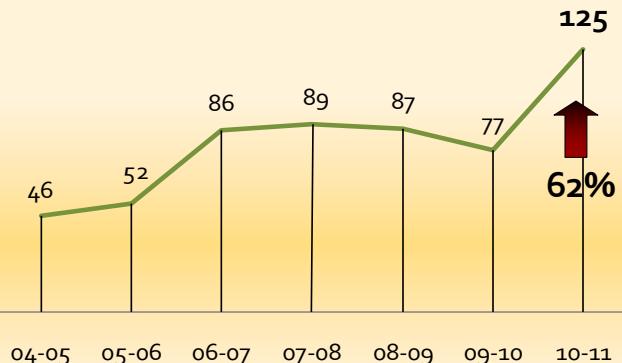
“Thank you for your assistance with the 2010 Annual Western Apiculture Conference ... your service for our visitors was one of the deciding factors in my locating the conference in Salem.”

—D. Caron,
President, Western Apicultural Society

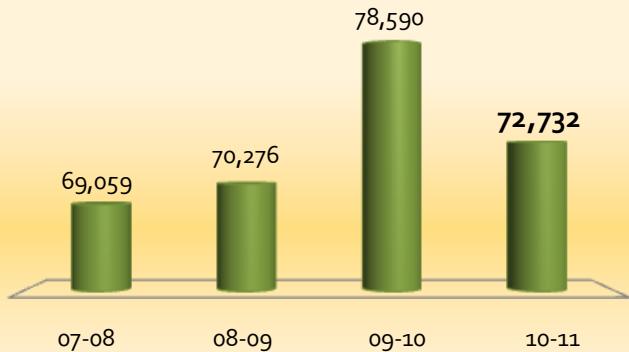
“On behalf of the entire conference, we wish to send a big note of appreciation to Travel Salem for being a warm welcome to our many out of town attendees. The comments on both the Salem Conference Center and charming downtown for after hour pleasures were very positive. So positive, in fact, that the attendee and wrap-up committee already booked the conference for next year!”

—D. Lapof,
EMS Conference Chairman

CONFERENCES/EVENTS ASSISTED



VISITORS REACHED



Wednesday Farmers' Market, Downtown Salem

DRIVE INNOVATIVE TOURISM MARKETING STRATEGIES

Develop a comprehensive leisure tourism marketing program that promotes Salem as a preferred destination for leisure day and overnight visitors.

RESULTS:

- The **Travel Café & Visitor Information Network** served 122,345 visitors in 10-11, up 16% over the previous year, and up a dramatic 298% since relocating downtown and building the Travel Café.
- Hosted a VIP reception for **Extreme Home Makeover** and secured \$80,000 worth of product donations for 100 Welcome Bags and 8 VIPs for the EHM crew and talent.
- Travel Salem's **AbsolutelyTix** outlet in the Travel Café sold 1,882 tickets for 24 regional cultural & heritage partners.
- Marketed & promoted 1,603 **Salem area events**, including 212 events in the month of July alone. An average of 134 events were promoted every month.
- **TravelSalem.com Dashboard** statistics reveal that users spend roughly 4 minutes on average on the site (this is very high compared to industry standard) with 75% of overall site traffic from unique visitors.
 - 150,940 visits came from 123 countries (top traffic from U.S., Canada, India, United Kingdom, Germany, Australia, Mexico, France, Japan)
 - 113,878 absolute unique visitors
 - 529,469 pageviews; 3.53 average pageviews/visit
 - 00:03:42 average time on site/visit
 - 65.52% new visits
 - Traffic Sources:
 - 14% direct (TravelSalem.com or OregonWineCountry.org)
 - 19% referring sites
 - 66% search engines
- Executed a comprehensive **social media program** with concentrated efforts in:
 - **Facebook**—posted events & promotions reaching 1,955 fans (up 166%). Travel Salem's friends are 67% female aged 25-54 years.
 - **Twitter**—maintained “real-time” conversations with 3,136 local, national and international followers (up 39%). Posted 619 tweets promoting Salem area businesses & events. Organized a Twitter Adventure for Oregon State Fair with Travel Oregon and the *Statesman Journal*, which resulted in premium coverage.
 - **Flickr**—posted 624 regional images and 38 videos with 38,093 viewer sessions during the year, and 70,244 viewer sessions to date. Visitors and journalists utilize this resource as all images are tagged and searchable online.

- Launched a new social media promotion called the **“Golden Pioneer Giveaway”** featuring **Sal**. Salem's mascot visited undisclosed locations, then unique trivia questions were posted via Twitter & Facebook to encourage followers to guess his location for a chance to win. Sal's popularity gained momentum throughout the year, with Sal visiting 20 local events and businesses to help increase exposure and drive new customers.



- **Public relations** secured 981 placements in a wide variety of regional and national print, broadcast & online media valued at \$1,016,469 in advertising equivalency. This represents a landmark achievement in publicity generated, and a 66% increase over the previous year.
- Hosted **freelance travel writers** from *Wine Enthusiast*, *Sunset* magazine, *1859*, *The Oregonian*, *VIA*, *Seattle Times*, *Bend Bulletin*, *The Guardian* and *The Metro* (with 3.5 million readers), both U.K. publications, and *Mitteldeutsche Zeitung*, a German magazine with circulation of 328,000.
- Developed Travel Salem's first-ever **photo-rich blog post on Travel Oregon** featuring Willamette Valley Vineyards. The blog is read by 10,000 unique visitors a month.
- Worked with the Historic Elsinore Theatre, the Oregon Film Commission and the Oregon Cultural Trust to promote a fundraiser and special screening of an Oregon film, **Meek's Cutoff**. Pitched and secured a story that ran in the *Statesman Journal* on the front page of the Art's section called “Infamous Chapter in Oregon History Comes to the Big Screen.” Secured a \$300 online membership to Ancestry.com for a giveaway prize in relation to the special screening.
- Travel Café was featured as a destination on **Willamette Valley Vineyard's Wine Tasting Room Passport**.
- Leveraged **Willamette Valley Visitors Association (WVVA)** partnership:
 - Participated in year-round *Sunset* magazine ad

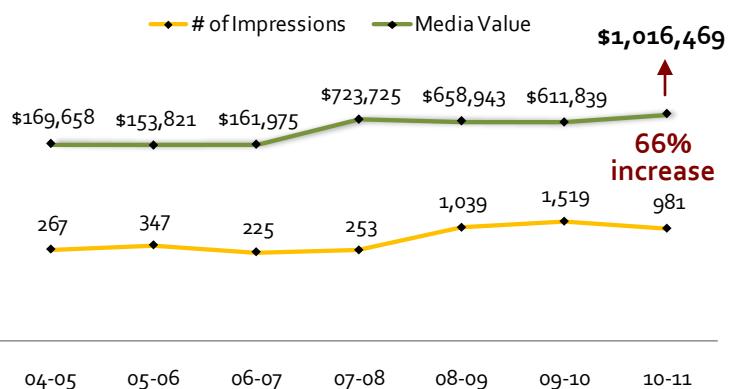
placements (620k monthly circulation and leisure lead generation valued at \$72k)

- Participated in a Madden Media promotion where e-brochures promoting Willamette Valley travel, including Salem, were sent to 50,000 consumers that demonstrated interest in visiting the Willamette Valley.
- Secured a designated day of the week to promote the Salem area on the Willamette Valley Visitor Association's Facebook page (12,182 fans).
- Placed an ad in *Edible Seattle* promoting the Willamette Valley as a premier destination for the "gourmand" or "foodie" traveler.
- Participated in a campaign that promoted Willamette Valley travel to the millennial generation using edgy activities and the website Daily Candy, resulting in 992 new e-news subscribers & 913 new Facebook fans.
- Leveraged **Travel Oregon**'s marketing efforts:
 - Utilized the online lead database leveraging a multi-million dollar advertising campaign
 - Participated in the China International Travel Mart tradeshow to promote the mid-Willamette Valley to Chinese group and individual travelers
 - Participated in a Canadian travel trade mission to promote the Salem area

- Formed a new partnership with MEDIAmerica as Travel Salem's new print & online content manager. Published the **2011 Salem Oregon Visitor Guide** by securing advertising support in the amount of \$115,236, up 20% over the previous year. In addition, launched a new **Coupon Book** to replace the labor intensive and non-ecofriendly Welcome Bag. The coupon book can be downloaded from TravelSalem.com, where it is featured using page turning software.

- Provided support to 61 **relocation inquiries** from businesses, families/individuals seeking assistance with resources & connections.
- Assisted an **Los Angeles production company** with the film "Yogi Bear" filmed on location at Silver Falls State Park.
- Promoted attractions and events to 1,950 **Consumer e-Newsletter** subscribers and 1,680 **Industry e-Newsletter** subscribers. Posted **Weekly Event e-Blasts** to 2,281 subscribers. Travel Salem sent targeted information that included partnership opportunities for businesses & special deals for consumers.

Media Impressions & Value

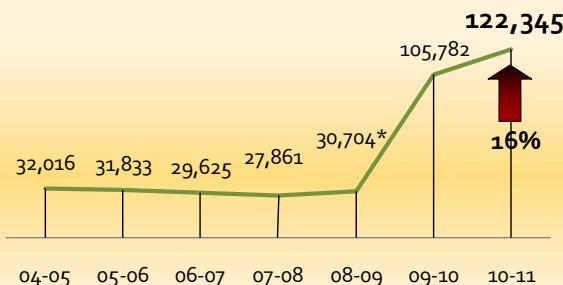


Inquiries (Advertising, Mail, Phone & Internet)



*Participation in TORP; canceled participation in 09-10 due to budget cuts

Visitor Information Network Attendance



*Expanded visitor information network including Travel Café

Online User Sessions



*Began using Google Analytics in 2007-08 to more accurately reflect website traffic

DEVELOP STRATEGIC PARTNERSHIPS AND ALLIANCES

Develop strong, interdependent partnerships that enhance Travel Salem's credibility, improve program effectiveness and increase funding resources and opportunities.

RESULTS:

- Produced the **2nd Annual Absolutely Fabulous Awards** with a “twist” hosted by Northern Lights Theatre. The festivities recognized 8 regional partners that exemplified the best of the tourism industry. “Absolutely” 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



- **Vision 2020 Wayfinding & Entrance Ways Task Force**

The Task Force, led by Travel Salem, finalized the system design and secured funding in 10-11. The design will tie in the “Absolutely Oregon” community brand. The Task Force combined efforts with the City of Salem’s Preserve America grant to leverage existing matching funds to produce heritage-oriented wayfinding information centers (WIC). The first phase of the system will be installed 2011.

- Travel Salem’s **“Member Spotlight” series for First Wednesday** showcased 75 local businesses (up 56%), and attracted 1,851 residents & visitors (up 17%). The events featured product sampling, demonstrations and exhibits from a variety of regional partners at the Travel Café.

- Served on the **Marion County Economic Development Advisory Board** to represent tourism and its role as an economic development engine.

- Produced 15 **press releases** for 11 partners and distributed them to the media.

- Hosted 6 **Team Salem** meetings designed to bring lodging and attraction partners together to discuss cooperative marketing opportunities and cross promotion.

- Participated in **Travel Oregon’s Watershed Project**, designed to create a 20-year vision for Oregon’s tourism industry.



TRAVEL SALEM 2010-11 REVENUES & EXPENSES

For every \$1.00 Travel Salem received from City of Salem's transient occupancy tax revenues—another \$3.90 was generated from outside sources. These results leveraged a 3.9 : 1 ratio for Salem's investment in tourism promotion.

REVENUES

PUBLIC

City of Salem Contract \$ 533,030

REGIONAL

Marion County \$ 35,000

Polk County \$ 13,000

PRIVATE

Membership \$ 29,178

Special Events \$ 6,558

Advertising & Sponsorship \$ 87,174

Grants \$ 7,500

Leads \$ 800

Other \$ 9,876

RESTRICTED

Temporarily Restricted Revenue \$ -

TOTAL REVENUES

\$ 722,116

EXPENSES

Salaries & Related Expenses \$ 459,511

Operations \$ 160,835

Professional Services \$ 65,357

Advertising \$ 11,849

Trade Shows & Fam Tours \$ 300

Special Events \$ 6,235

Agility Fund \$ 13,500

Misc \$ 5,203

TOTAL EXPENSES

\$ 722,791

OPERATING SURPLUS / (DEFICIT)

\$ (675)

OTHER INCOME - LEVERAGE

Visitors Guide \$ 114,336

Volunteers \$ 24,562

Media \$ 1,016,469

Advertising \$ 47,504

In-Kind \$ 509,348

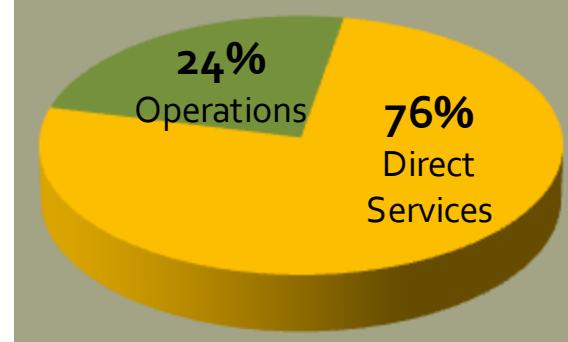
WVVA/Regional \$ 172,646

Subtotal

\$ 1,884,865

Direct Visitor Services

(% of budget)



Kane's Marina, Detroit

"I certainly appreciate all that Travel Salem does to promote our area and the support and encouragement you have offered our business is fantastic. Thank you."

—B. Bunn, The-Trolley

2010-11
BOARD OF DIRECTORS

OFFICERS

Dwane Brenneman :: Chair
Retired Nissan North America

Ray Burstedt :: Vice Chair
SEDCOR

Terry Kelly :: Past Chair
Salem Electric

Nancy Stockdale :: Secretary
Oregon Symphony Association in Salem

Austin McGuigan :: Treasurer
Polk County Community Development

DIRECTORS

Alan Alexander :: Salem Municipal Airport

Chuck Bennett :: Salem City Council

Suzi Bicknell :: Go Downtown Salem!

Jake Bryant :: BEST WESTERN PLUS Mill Creek

Jon Carey :: Western Oregon University

Jessica Carpenter :: Keizer Renaissance Inn

Lore Christopher :: Mayor, City of Keizer

Lois Cole :: Historic Deepwood Estate

Nancy Duncan :: Chemeketa Comm. College

Cori Frauendiener :: MaPS Credit Union

Shelley Hanson :: Spirit Mountain Comm. Fund

Mona Hayes :: Salem Multicultural Institute

Steve Johnson :: VIPS Industries

Tim Klarr :: Today's Hair Salon & Day Spa

Kristy Kummer :: Woodburn Company Stores

Jennifer McCormick :: Oregon State Parks

Commissioner Patti Milne :: Marion County

Martin Morris :: Salem Hospital Foundation

Sean O'Day :: City of Salem

Bunni Oslund-Fisk :: Lancaster Mall

Stacy Palmer :: Silverton Chamber

John Pataccoli :: Redhawk Winery & Vineyard

Bonnie Stephenson :: Chemeketa Comm. College

Ray Teasley :: MWV Council of Governments

Roger Yost :: Reed Opera House & Alessandro's



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MISSION

The mission of Travel Salem is to attract meeting, convention and tourism business to the region, and to enhance and contribute to the overall identity and economic well being of the region.

VISION

- Serve as the leader for tourism economic development.
- Create and sustain top-of-mind awareness for Travel Salem and tourism in the community.
- Foster a tourism-friendly culture.
- Develop communication strategies that engage the community.

