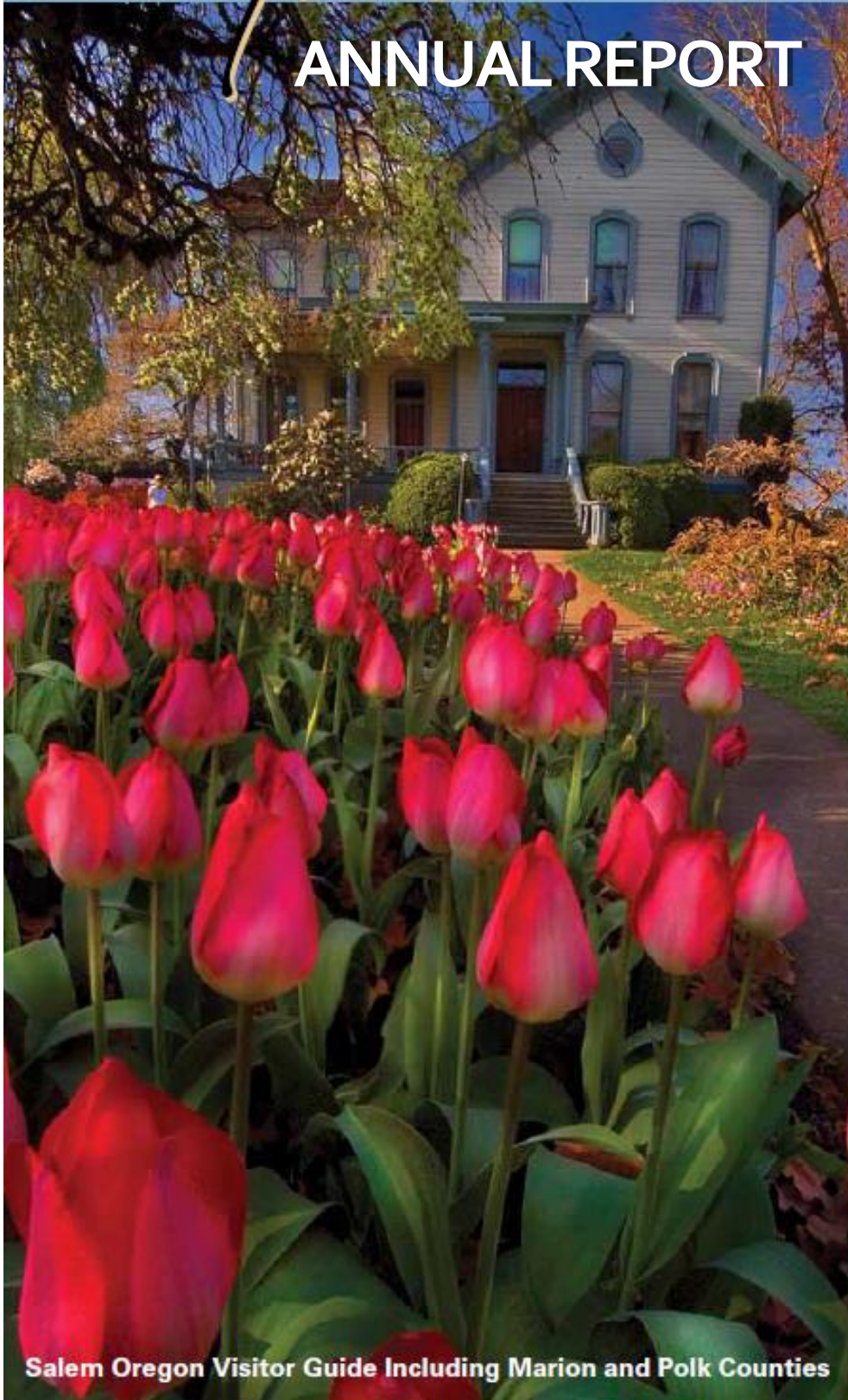


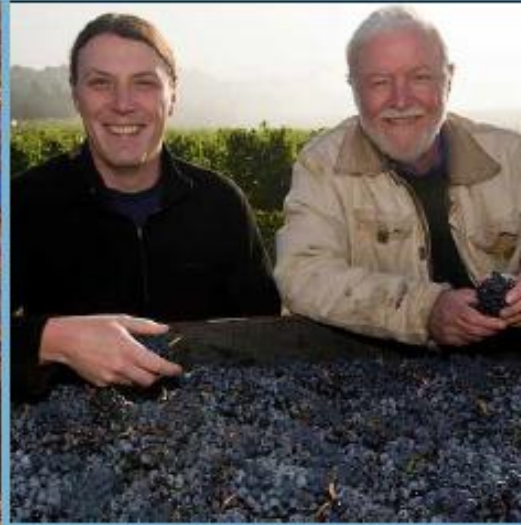
Travel SALEM

2012-2013

ANNUAL REPORT



Salem Oregon Visitor Guide Including Marion and Polk Counties



CONTENTS

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 4 :: Key Performance Measurements
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 13 :: Board of Directors :: Mission



Ron Cooper



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EXECUTIVE & ADMINISTRATION

Angie Morris President & CEO

MARKETING & PUBLIC RELATIONS

Irene Bernards EVP & Director of Marketing & PR

Kathie Reeves Marketing Manager

Kara Kuh Public Relations Manager

Barb Cowan Guest Services

Barby Dressler Weekend Travel Café Host

Andrew Toney Weekend Travel Café Host

CONVENTION & EVENT MARKETING

Debbie McCune VP & Director of Sales

Tara Preston Program Assistant

BUSINESS DEVELOPMENT

Sue Nichols Community Development Director



The Grand Hotel & Zenith Vineyards/Ron Cooper

Regional tourism efforts were running at full tilt in 2012-13!

Partners celebrated the announcement that the Willamette Valley received the Trip Advisor 2012 Travelers Choice Best U.S. Wine Destination—ranking 3rd out of the top 10 wine destinations in the United States, after Napa and Sonoma. The region continues to lure visitors from all over the world who want to experience the culinary, recreation & cultural heritage assets of the Mid-Willamette Valley!



The Mid-Willamette Valley tourism industry bounced back from the recent recession driving positive results in two of the three key performance indicators (KPI). Based on the fact that a DMO is working to secure promotions & events 3-5 years in the future, some of these increases are derived from efforts from previous years.

Despite increases in two of the KPIs, it should be noted that due to significant budget cuts from the City of Salem in 12-13, Travel Salem's staff levels went from 8.67 FTE in 11-12 to 5.7 FTE in 12-13. This resulted in 12-13 program cuts across the board including decreased Travel Café hours, cuts in trade shows & advertising, and part-time staffing in public relations. Cuts directly translate into decreased leverage, and decreases in future EEI & TOT.

The 12-13 **estimated economic impact** (EEI) trends improved with \$511.3 million in travel impacts being generated for Marion & Polk counties. This represents a 2.7% increase over the previous year, and bodes well for ongoing upward trends as market conditions improve.

The 12-13 **transient occupancy tax** (TOT) kept pace with the previous year by generating \$2.6 million in revenues for Salem. Occupancy was up 7% to 364,608 room nights sold, with average daily rates on the rise.

The third key performance measurement, **leverage**, was down 40% to \$1,914,854 in 12-13. This decrease was due to the public relations program functioning at half capacity. The program went from a full-time person in 11-12 to a part-time position in 12-13 due to budget cuts. The leverage generated in 11-12 through public relations initiatives alone was \$2,166,423 ... compared with \$960,533 in 12-13. Visitors Guide advertising sales were down 22% due to recessionary market conditions. In addition, resources from Willamette Valley Visitors Association were down 16%.

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. Let's keep the positive momentum moving forward into 2013-14!



Austin McGuigan
Chair



Angie Morris
President & CEO

KEY PERFORMANCE MEASUREMENTS

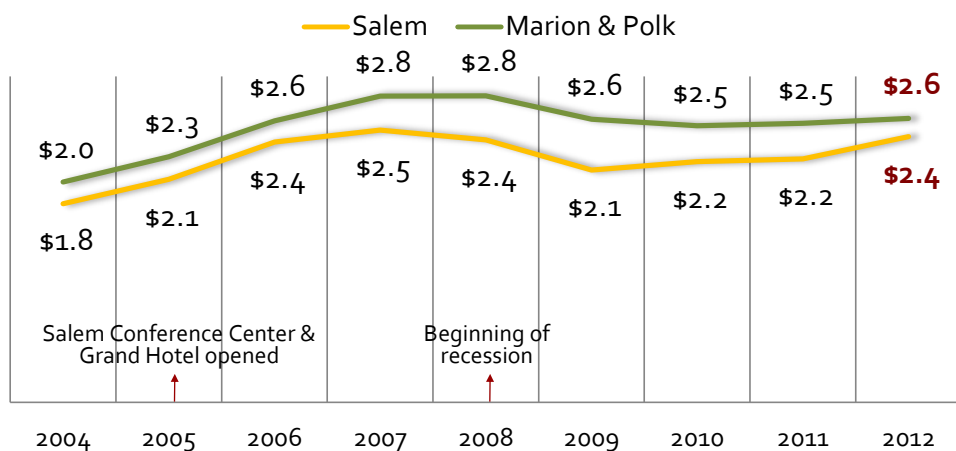
Travel Salem's programs and services are designed to deliver tangible results for the communities and businesses we serve. There are several key performance indicators that can provide a sense of the overall economic health of the Salem area tourism industry. When evaluating progress, these indicators 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.

"As Miss Marion-Polk County 2013 your website helps me make my list of appearances and know what is going on in Salem. I love it! and I am so thankful for Travel Salem making it easy to know what is new in town."

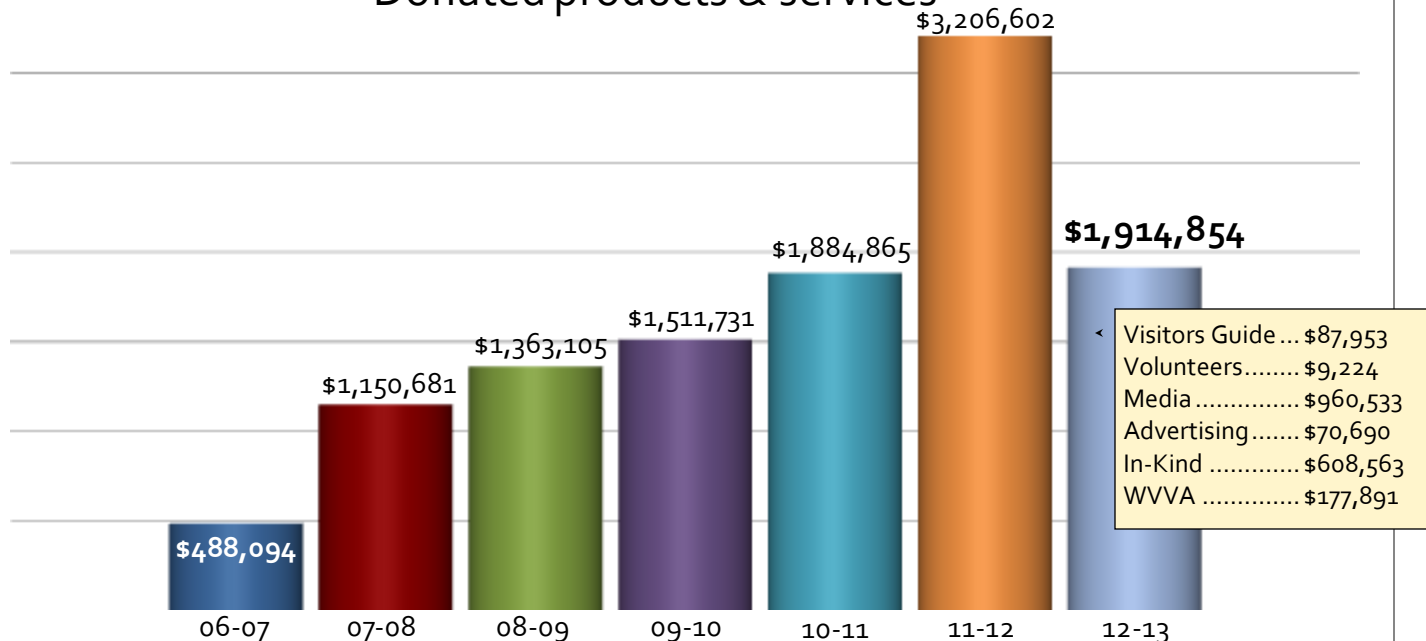
— Nicole Crane
Miss Marion Polk County

Transient Occupancy Tax (in \$ millions)



Leverage

Donated products & services



2012 Travel Impacts*

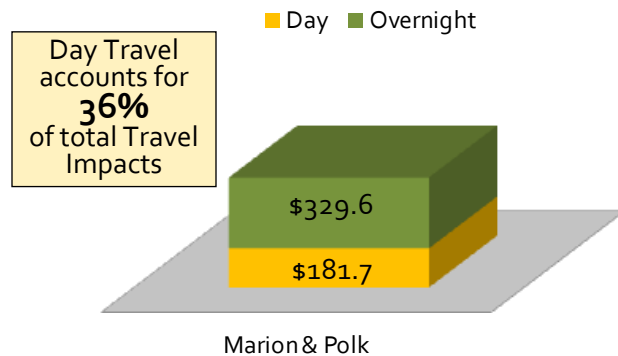
(in \$ millions)

MARION & POLK COUNTIES

Accommodations	\$56
Food & Beverage	\$112.9
Food Stores	\$48.3
Local Transportation & Gas	\$48.9
Arts, Entertainment & Recreation.....	\$123
Retail Sales	\$53.7
Other Travel	\$68.4
Direct Travel Spending	\$511.3

Direct Earnings	\$127
Jobs	6,290

Day vs. Overnight Travel

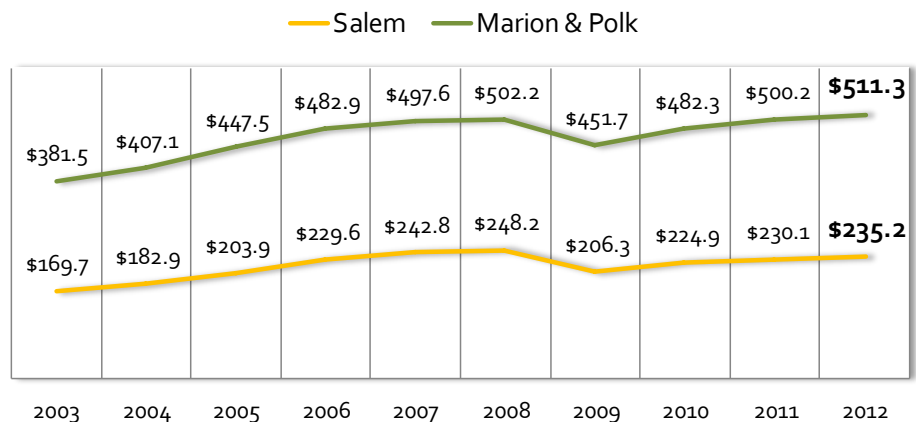


Tourism Economic Development

Over the past five years, direct travel spending in Marion & Polk Counties grew **\$3.68 million** on average each year. (Growth remained steady even during recession.)

Estimated Economic Impact Trends

(in \$ millions)



Willamette Heritage Center/Ron Cooper



Visitor Volume & Average Spending (Marion County only)

Visitors made roughly **1.76 million trips** to the region in 12-13.

On average, there were **2.6 people** per travel party, spending **\$125 per day**, and staying **2.7 nights**.

COMMUNITY RELATIONS & ENGAGEMENT

Create partnerships & resources to influence community dialogue and decision-making that impacts tourism; support local businesses and harness best practices; create broader understanding of tourism as an economic development generator.

RESULTS:

- Secured a \$15,000 grant from Polk County for the next phase of the **Interactive Online Map**. This dynamic online resource is designed to provide the visitor with a visual representation of the region's assets and ultimately extend their trip. The IOM will be expanded to include other industry categories such as culinary, outdoor recreation, gardens, etc. The funding will be expended in 13-14 when new technology is secured that will allow the IOM to function on all mobile devices.
- Compiled the results of Travel Salem's **Visitor Intercept Survey** that was conducted at 11 regional locations from November 2011 through November 2012. Following are highlights of the results:
 - What ranked high as the motivating factor to travel to the Salem region was not the highest ranking once they were "on the ground" in the region. Visitors were drawn by a particular niche, but broadened their experience to a variety of niches when in the region.
 - Visitors spend an average of \$1,294 per visit, much higher than previously thought.
 - Travel Salem's marketing strategies (Travel Café, Visitors Guide, TravelSalem.com, I-5 signage) played a significant role in attracting & expanding the length of stay for 66% of the visitors surveyed.
 - 75% of those surveyed stayed overnight an average of two nights in Salem.
 - Visiting family & friends is a major driver for why consumers visit the region.
- Served on the **Downtown Advisory Committee** to provide support in the areas of website development, First Wednesday themes, and the development of a block captain strategy to facilitate communication and teamwork.
- Travel Salem and the Salem Area Chamber of Commerce launched a fact finding mission to capture the opinions and perspectives of some of the region's most prominent employers regarding **Salem's livability** as it pertains to recruiting and retaining top level executives. The goal is to identify action steps, tools and resources to support two specific areas: recruitment efforts by employers & relocation needs of employees. The results of this study will be presented in 13-14.



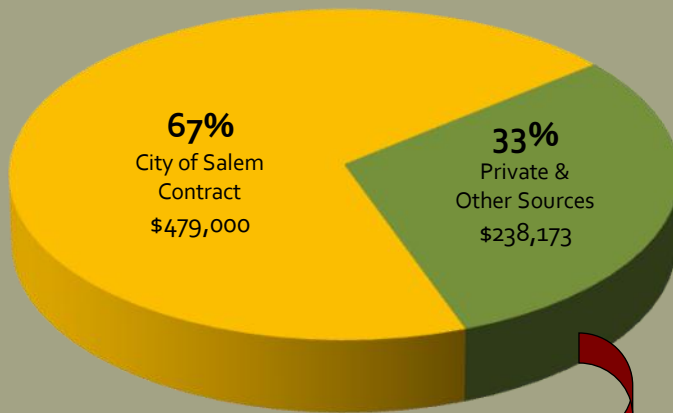
Farmers Market Vegetables/Ron Cooper

CAPACITY BUILDING

Develop long-term stable funding, strategic staffing levels, and the technology and tools necessary for organizational growth.

Travel Salem Revenue Sources

2012-13 Actual: \$717,173

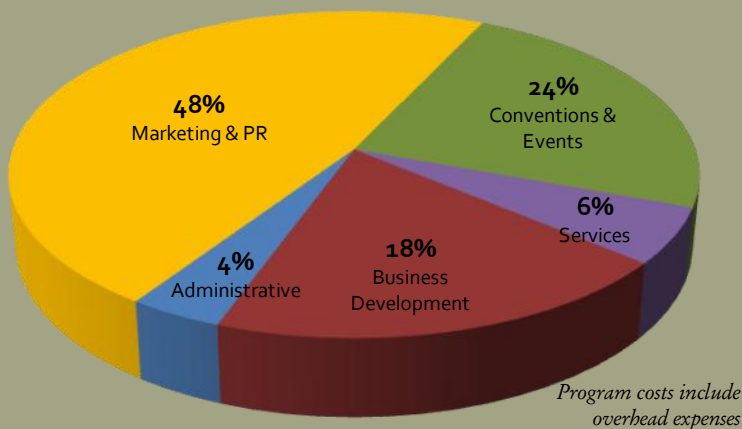


PRIVATE & OTHER SOURCES

42% - Marion & Polk Contracts	2% - Special Events
37% - Advt & Sponsorship	2% - Grants
17% - Membership	1% - Other

Travel Salem Program Expenditures

2012-13 Actuals: \$674,336



MEMBERSHIP PROGRAM



RESULTS:

- **Wine Country Plates** officially went on sale in May 2012. By June 2013, a total of 7,182 plates had been sold, making the Wine Country Plate the second-fastest selling specialty plate in Oregon history. Travel Oregon plans to unveil its plan for distributing funds in Spring 2014. Travel Salem will apply to be the regional destination marketing organization to market the Mid-Willamette Valley region (Marion, Polk and Yamhill counties).
- **Leverage** decreased 40% to \$1,914,854 in 12-13. The sharp decrease was related to budget cuts and staff reductions. The PR Manager position was vacant for 3 months, and then made into a part-time position shared with the Willamette Valley Visitors Association for the remainder of the year. However, even with reductions in PR capacity, the program still generated \$960,533 in advertising equivalency for media exposure. Visitors Guide advertising sales were down roughly 22% due to recessionary factors, and regional funding with Willamette Valley Visitors Association was down 16%.
- **Membership** decreased 4% to 424 members, while revenue increased 5% to \$108,492 due to 17% of members either adding new marketing options to their membership packages or increasing their overall investment. Recessionary factors played the primary role in 33 businesses closing their doors during the year. New activity was healthy with 88 new businesses coming on board.

TOTAL 2012-13 OPERATING BUDGET:

Revenue	\$717,173
Leverage	\$1,914,854
TOTAL	\$2,632,027

3.64 : 1 RATIO

For every \$1.00 Travel Salem received in public funding—another \$3.64 was generated from private regional sources.

MARKETING & COMMUNICATIONS (MARCOM)

Position the region as a desirable travel destination for convention & leisure travelers utilizing vertically integrated marketing & communication strategies. Leverage the regional travel experience by connecting visitors to the unique people, products, and stories that will lengthen the visitor's stay. Drive Travel Salem's key performance measurements.

RESULTS:

- Hosted **20 wine bloggers** on a Salem area tour of seven sites. Roughly \$7,000 in donations were secured from regional partners including gourmet meals, lodging and transportation to provide a premier destination experience for these travel influencers. The travel writers generated 9 blogs from the tour, and one of the bloggers has since moved to the region based on her experience!



- Published the **12-13 Salem Area Visitors Guide** with \$87,953 in private funding secured to produce the guide. The level of advertising support was \$25,000 less than the previous year due to recessionary factors.
- Marketed & promoted 1,653 **Salem area events** (a 17% decrease), including 179 events in the month of August alone. An average of 138 events were promoted every month.

- The **Travel Café & Visitor Information Network** served 111,112 visitors in 12-13, down 19% from the previous year. The decrease can be attributed to a change in tracking methodology: information that was handed out to groups was tracked under the Services program. Total VIN reach would have been 141,904 (a 4% increase over the previous year). Added the South Salem Phoenix Inn as a satellite location, and began distributing guides through Roth's fresh markets.
- Travel Salem's **AbsolutelyTix** outlet in the Travel Café sold 1,363 tickets for 25 regional cultural heritage partners.
- Leveraged **Willamette Valley Visitors Association (WVVA)** partnership:
 - Executed a **\$60,000 Facebook campaign** over six weeks promoting visitation to the Willamette Valley. Each WVVA regional member was featured for one week. Travel Salem's Facebook fans increased to 5,133 and generated 6,236,127 advertising impressions.
 - Launched a **Wintercation campaign** through Madden Media, with Salem area attractions featured in 3 of 5 itineraries. The campaign drove 5,995 visitors to the OregonWineCountry.org website.
 - Launched an **Adventurecation campaign** that added 6,595 Facebook fans.

TRAVEL SALEM WEBSITE & SOCIAL MEDIA DASHBOARD

	2012	2011
Visits	234,277 visits from 135 countries (U.S., Canada, UK, India) (up 26%)	185,382 visits from 123 countries (U.S., Canada, UK, India)
Absolute unique visits	181,116 (up 26%)	143,676
Pageviews	660,054 pageviews/2.84 avg pageviews (up 9%)	603,026 pageviews/3.28 avg pageviews
Average time on site	00:03:06	00:03:39
New visits	76.39%	76.94%



- Added Google maps to TravelSalem.com online itineraries courtesy of funding from Marion County.
- Executed a comprehensive **social media program** with concentrated efforts in:
 - Facebook**—posted 355 events & promotions reaching 7,104 fans (up 160%).
 - Twitter**—maintained “real-time” conversations with 3,966 local, national and international followers. Posted 331 tweets promoting Salem area businesses & events.
 - Flickr**—posted 408 regional images with 47,002 viewer sessions during the year. Visitors and journalists utilize this resource as all images are tagged and searchable online.
 - Pinterest**—featured 195 pins with 108 followers.

- Represented the Willamette Valley at the statewide “Feast” event showcasing The Wild Pear Restaurant and E.Z. Orchards at the Oregon Bounty Grand Tasting portion of Feast. Engaged with 300+ foodies during a one-hour tasting event. Pre-promoted the event through the “Trails to Feast” sweepstakes, leveraging a \$1 million advertising campaign.
- Partnered with Travel Oregon, Delta Air Lines

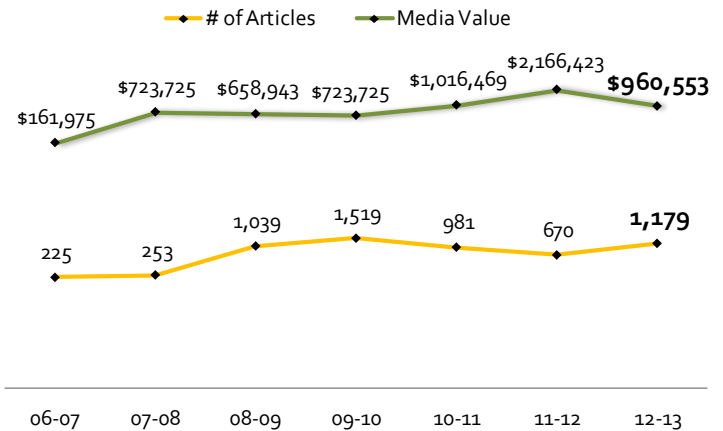


and the Port of Portland to host **Hana Tour** representatives (Korea’s largest tour operator) on a familiarization tour of The Oregon Garden, Woodburn Company Stores and Seven Brides Brewing.

- Hosted **travel writers** from Boston Herald, Northwest Travel, Smart Meetings, Destinations Travel, and several freelance writers.
- Conducted a **Travel Salem “Speed Pitching”** event that attracted 17 organizations & businesses uncovered new ideas for PR pitches promoting the region.
- Provided support to 93 **relocation inquiries** from businesses, families/individuals seeking assistance with resources & connections — an increase of 15%!

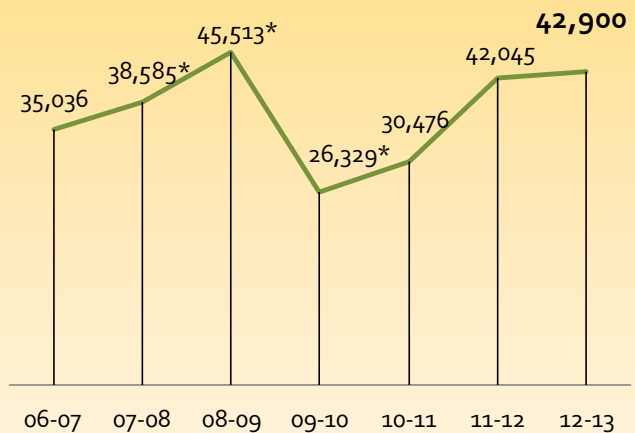


Media Impressions & Value



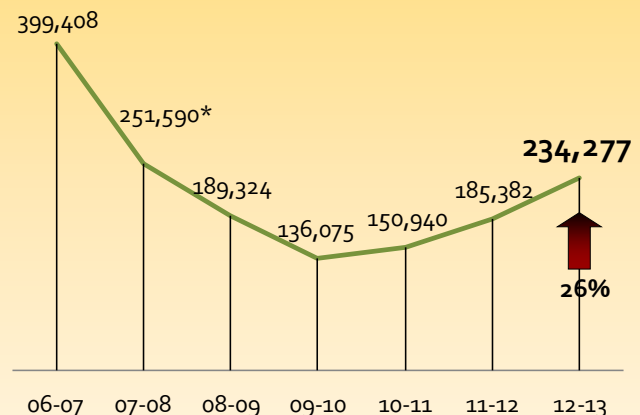
Inquiries

(Advertising, Mail, Phone & Internet)



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

Online User Sessions



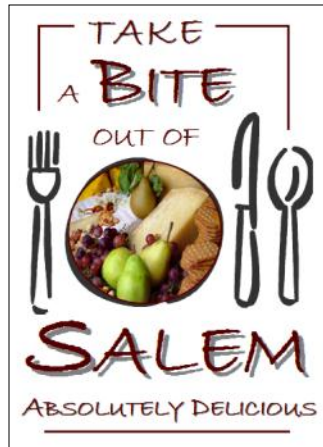
*Began using Google Analytics in 2007-08 to more accurately reflect website traffic

CONVENTIONS & EVENTS

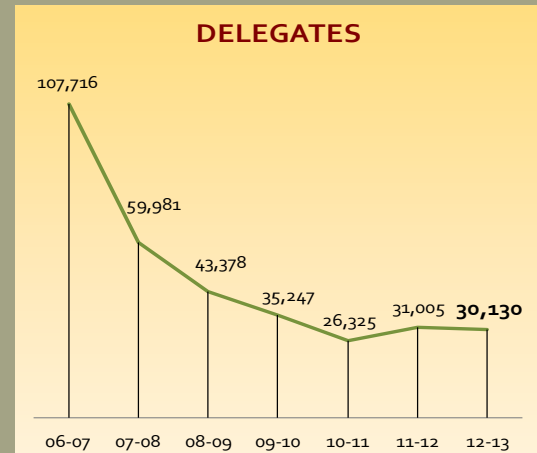
Contribute to the overall economic health of the region by booking conventions & events through direct sales efforts, cooperative promotional efforts & innovative marketing strategies. Drive Travel Salem's key performance measurements.

RESULTS:

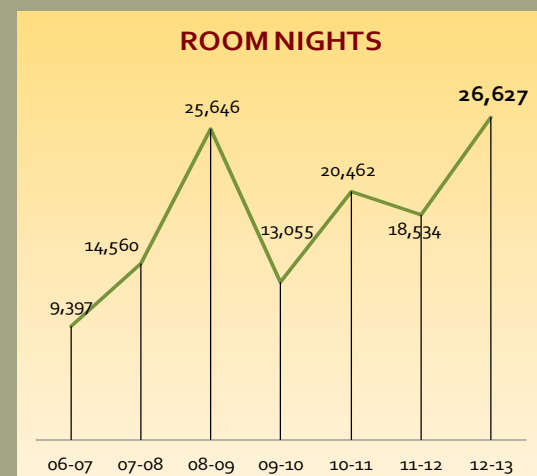
- Hosted the **2013 Oregon Governor's Conference on Tourism** at the Salem Convention Center (SCC), drawing 500+ tourism professionals from across the state. In partnership with SCC, coordinated a downtown dine-around dinner "Take a Bite Out of Salem" to showcase the burgeoning restaurant scene and vibrant downtown.
- Secured the **2013 Travel Oregon Annual Welcome Center Conference** at Spirit Mountain Casino, and participated in the tradeshow portion of the event. Coordinated regional wine & dine tours, including a reception at the Travel Café.
- Attended the **BMW Motorcycle Owner's Association Rally** in Sedalia, Missouri to pre-promote the 2013 rally to be held in Salem. This opportunity was made possible by support from the Salem Convention Center to cover travel expenses. The Missouri event hosted 8,000 delegates which required a minimum of two Travel Salem staff to provide services. The 2013 rally will be held at the Oregon State Fair & Expo Center in July 2013.
- Secured the **2016 American Antique Truck Historical Society annual convention**. Traveled to Yakima, WA to bid against Salt Lake City, UT. The convention will bring 900 trucks from across the U.S. and an estimated 2,000 delegates to the Oregon State Fair & Expo Center.
- Represented the Mid-Willamette Valley at the **BRAVO! Live Tradeshow** in Portland with co-op partners including the Salem Convention Center and Hampton Inn & Suites.
- **Rebooked** Good Vibrations and the Oregon Master Gardener's Mini Conference for 2013.



Convention & Event EEL: \$7,335,900



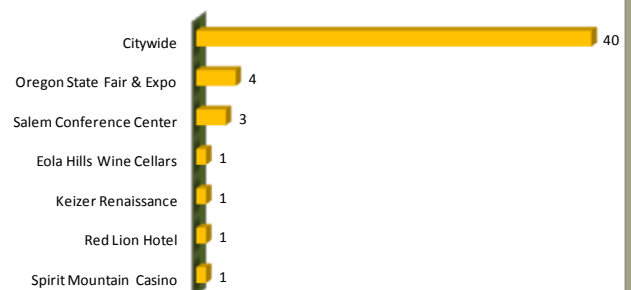
06-07 delegates included wrestling tournaments, which subsequently moved to Portland in 07-08.



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.

Bookings

83 Leads Resulted in 51 Definite Bookings



SERVICES

Provide the information, resources and support necessary to enhance the travel experience of the convention & group delegate and bolster repeat visitation.

Groups Contacted for Service:

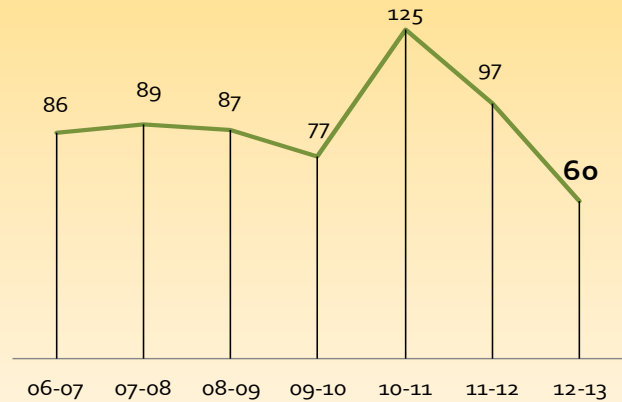
33

All hands were on deck in 12-13, including the Director of Sales jumping in to provide much-needed support and services to groups visiting the Mid-Willamette Valley. With fewer FTE providing support, the Services program had decreases in outreach and on-site support compared to previous years. However, Travel Salem still provided services to 60 groups representing more than 47,000 delegates.

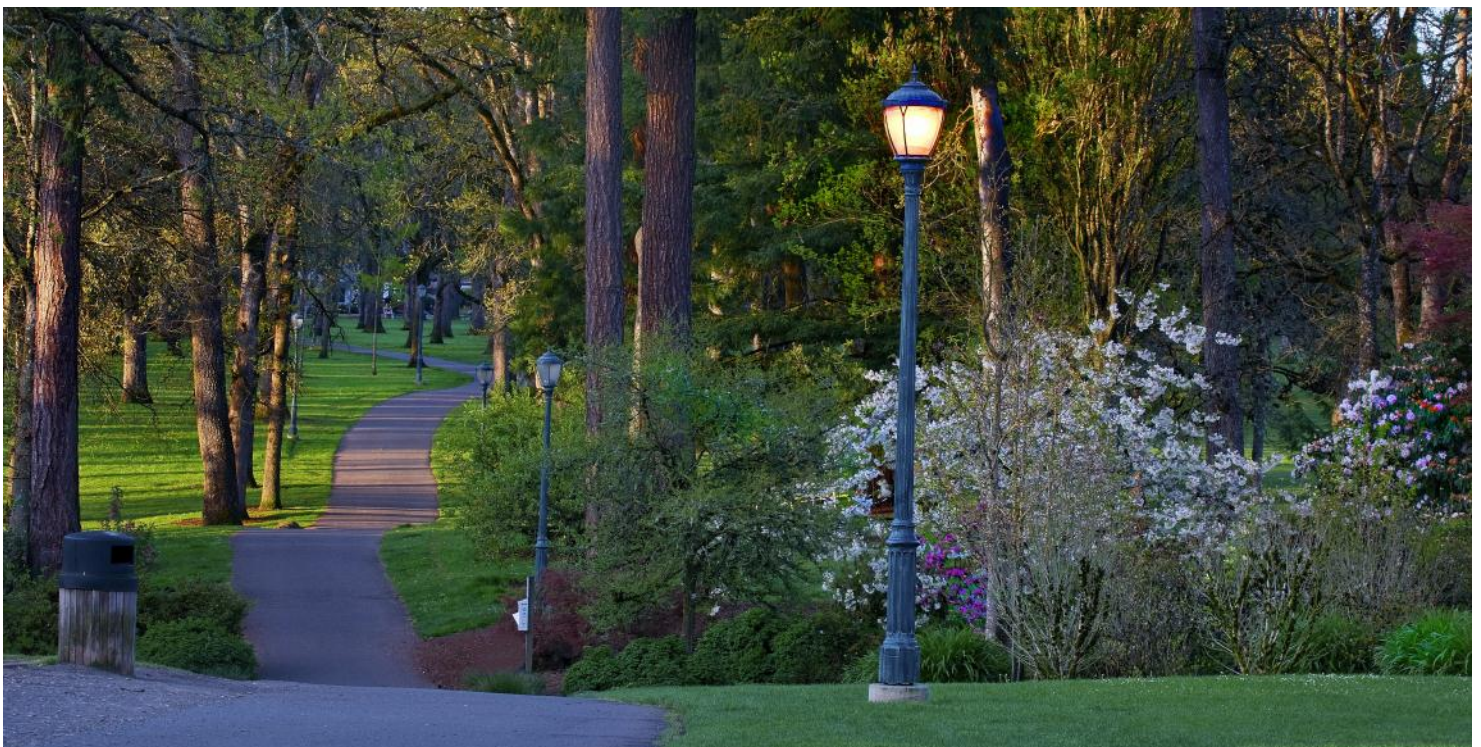
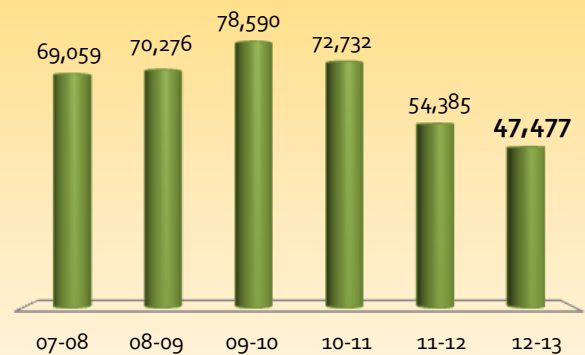
The key to the success of the Services program is **customization of services** for each group—and Travel Salem has developed a reputation for service that goes the extra mile. It makes the planners look good to their attendees, the attendees feel valued, and this service approach improves the odds of groups rebooking in the future. This level of service is labor intensive, but enhances the destination's appeal to meeting planners.

The Services program provides support at all levels of the group experience including booking rooms, creating regional tours & customized dine arounds, providing on-site information & resources, event planning, and coordination of local partners. All of these programs enhance the destination experience!

CONFERENCES/EVENTS ASSISTED



VISITORS REACHED



TRAVEL SALEM 2012-13 FINANCIALS

For every \$1.00 Travel Salem received from public sources—another \$3.64 was generated from outside sources. These results leveraged a 3.64 : 1 ratio for the region's investment in tourism promotion.

REVENUES

PUBLIC

City of Salem Contract \$ 479,000

REGIONAL

Marion County \$ 75,000

Polk County \$ 13,000

PRIVATE

Membership \$ 35,515

Special Events \$ 4,345

Advertising & Sponsorship \$ 77,977

Grants \$ 15,000

Leads \$ -

Other \$ 2,336

RESTRICTED

Temporarily Restricted Revenue \$ 15,000

TOTAL REVENUES \$ 717,173

EXPENSES

Salaries & Related Expenses \$ 449,886

Operations \$ 168,594

Professional Services \$ 34,277

Advertising \$ 899

Trade Shows & Fam Tours \$ 1,230

Special Events \$ 4,443

Agility Fund \$ 13,500

Misc \$ 1,507

TOTAL EXPENSES \$ 674,336

OPERATING SURPLUS / (DEFICIT) \$ 42,837

OTHER INCOME - LEVERAGE

Visitors Guide \$ 87,953

Volunteers \$ 9,224

Media \$ 960,533

Advertising \$ 70,690

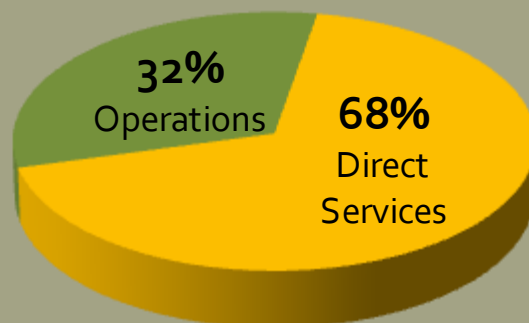
In-Kind \$ 608,563

WVVA/Regional \$ 177,891

Subtotal \$ 1,914,854

Direct Visitor Services

(% of budget)



Downtown Salem/Ron Cooper

"The 2012 Tandem Rally allowed us to increase attendance at the Deepwood Wine & Jazz Festival by over 30%! Thanks for the partnership!"

— Lois Cole, Historic Deepwood Estate

2012-13 BOARD OF DIRECTORS

OFFICERS

Austin McGuigan :: Chair
Polk County Community Development

Mona Hayes :: Vice Chair
Salem Multicultural Institute

Dwane Brenneman :: Past Chair
Retired Nissan North America

Greg Leo :: Secretary
The Leo Company

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Cori Frauendiener :: MaPS Credit Union

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Ivy Hover :: Left Coast Cellars

Terry Kelly :: Salem Electric

Bunni Oslund-Fisk :: Lancaster Mall

Commissioner Patti Milne :: Marion County

Mayor Anna M. Peterson :: City of Salem

Jim Rasmussen :: Modern Building Systems

Ross Sutherland :: Salem Art Association

Rep. Jim Thompson :: Oregon Legislature

John Wales :: City of Salem Urban Development



181 High Street NE :: Salem, OR 97301
tel 503-581-4325 :: fax 503-581-4540
www.TravelSalem.com

MISSION

Travel Salem markets and promotes the greater Salem area as a premier, year-round destination for conventions, events and leisure travelers. Serve as the official destination marketing organization and a vital tourism economic development generator for the region.

VISION

Through bold innovation and integrated partnerships, Travel Salem's programs and services heighten the visitor experience and drive economic impact, which supports local businesses, job creation and an enhanced quality of life.

VALUES

We are committed to service, integrity and excellence that provide tangible results and strengthen the businesses and communities we serve.

