

ANNUAL REPORT

2009-2010

Travel Salem

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www.TravelSalem.com



Bush House



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THRIVING

The *Desperately Seeking Salem* blog put it best: “Travel Salem is kickin’ it downtown and running, Usain Bolt-like into the new millennium.” (Usain Bolt was a three-time gold medalist at the 2008 Summer Olympics.)

The 2009-10 fiscal year was defined by bold creativity, nimble strategy and healthy partnerships which enabled Travel Salem to manage City of Salem budget cuts (6.5%) and overall tough economic times.

Travel Salem was selected as a “**Top 100 Best Nonprofits to Work for in Oregon**” by Oregon Business magazine for 2009, and snagged the 16th best small nonprofit and 21st overall.

Later in the year, we were recognized as a “**Top 100 Best Green Companies to Work for in Oregon**.” Travel Salem was one of only five Salem businesses recognized — and the only nonprofit —ranking 80th overall. This recognition helps tell Salem’s story as a “green” destination for recruiting green meetings/conferences and eco-conscious leisure travelers.

Travel Salem received the **Green Building of the Year** award for the Travel Café at Salem’s first-ever Mid-Willamette Valley Green Awards honoring sustainable business practices.

A three-year Travel Café partnership was launched with **Willamette Valley Vineyards** featuring a tasting room, the first-ever partnership of its kind.

A staff-driven interest to support community needs fueled the creation and implementation of the year-round **“Absolutely Giving Back”** campaign to encourage donations to local charitable organizations. Donations of food, children’s coats, school supplies and more were collected and donated to the Mid-Valley Women’s Crisis Center and the Marion-Polk Food Share.

The **key performance measurements** reveal influences of the recession, with decreases in both economic impact (\$452 million) and TOT revenues (\$2.2 million). However, the third measurement of leverage increased 11% to \$1.5 million as a result of increased capacity through Visitor Information Network partnerships and a strong public relations program. The results outlined in this report demonstrate that without Travel Salem’s efforts, the decreases in economic impact and TOT would have been more severe.

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. The tourism ecosystem in Marion and Polk counties is strong and vibrant.

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

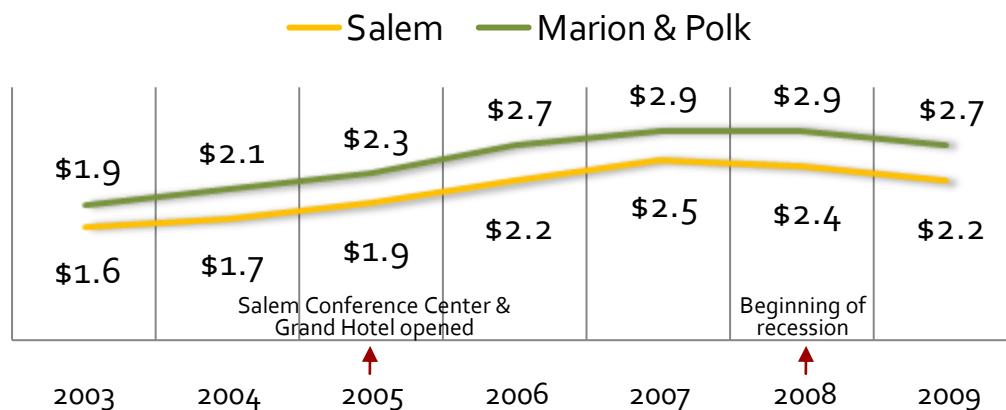
Travel Salem's programs and services are designed to deliver tangible results for the communities and businesses we serve. There are several key performance indicators that can provide a sense of the overall economic health of the Salem area tourism industry. When evaluating progress, these indicators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

" You are positioning yourselves as leaders in social media. Thank you for your knowledge & willingness to invest in the community. You guys are cutting edge."

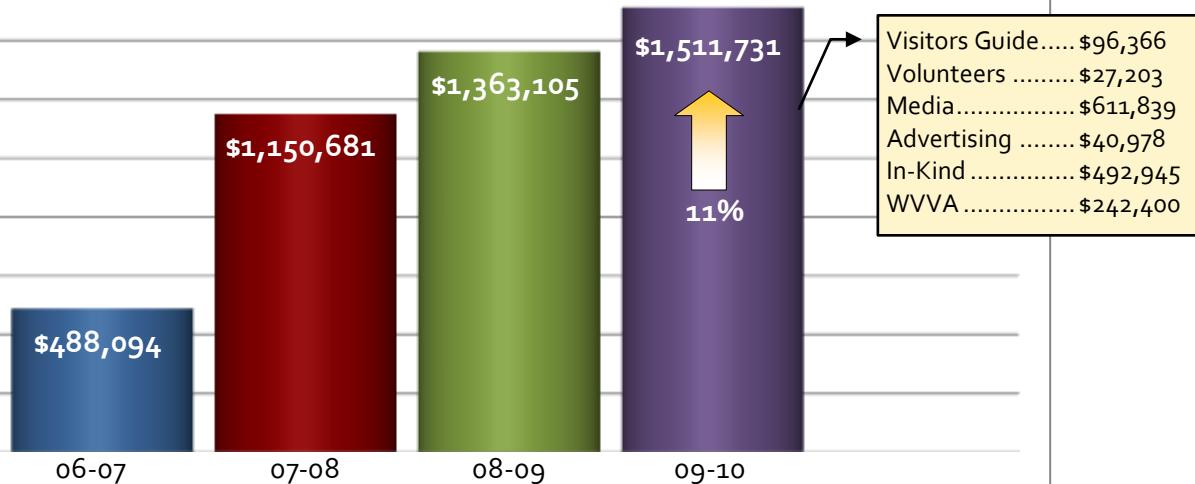
—M. Roddick,
Oregon Employer Council
(regarding Travel Salem's free social media seminars)

Transient Occupancy Tax (in \$ millions)



Leverage

Donated products & services



2009 Travel Impacts*

(in \$ millions)

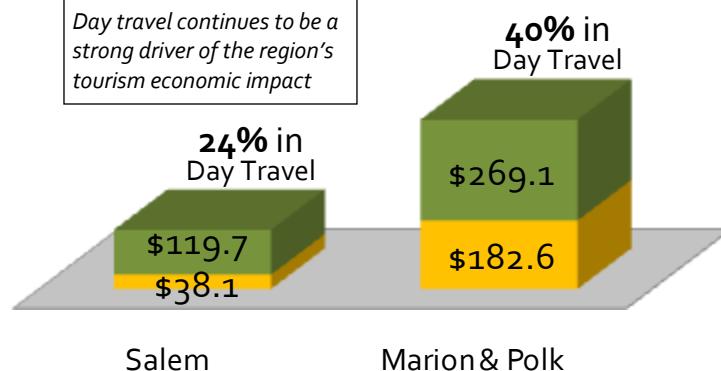
MARION & POLK COUNTIES

Accommodations	\$44.8
Food & Beverage	\$95.2
Food Stores	\$36.4
Ground Transportation & Fuel	\$114.7
Arts, Entertainment & Recreation.....	\$114.3
Retail Sales	\$41.1
Other Travel	\$5.2
Direct Travel Spending	\$451.7
Direct Earnings	\$118.3
Jobs	5,660

Day vs. Overnight Travel

■ Day ■ Overnight

Day travel continues to be a strong driver of the region's tourism economic impact

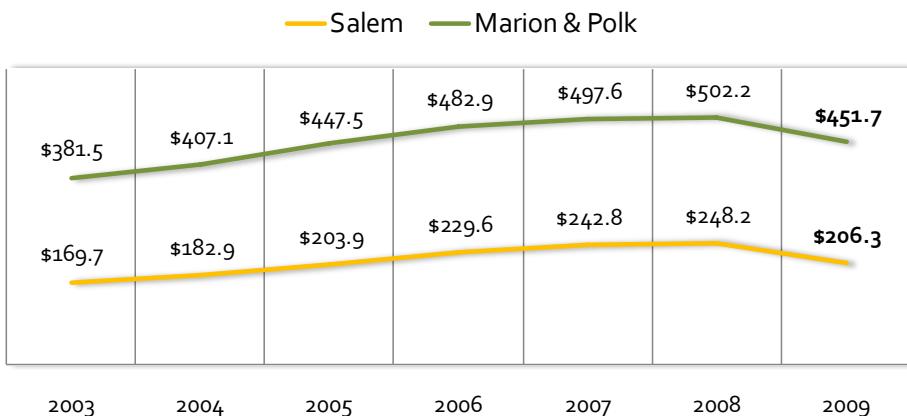


Tourism Economic Development

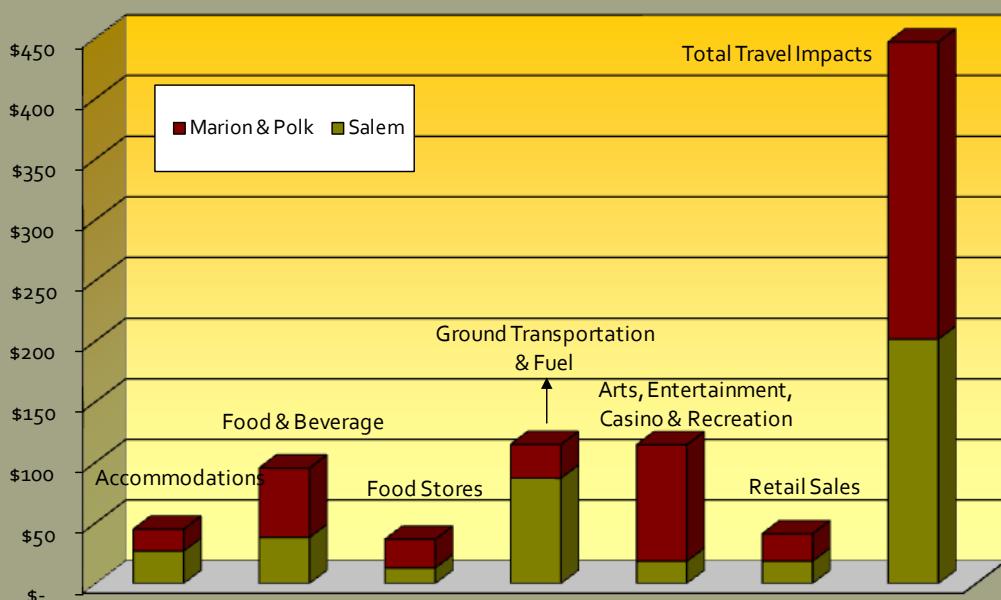
Over the past five years, direct travel spending in Marion & Polk Counties grew **\$8 million** on average each year, while also adding **52 jobs** on average annually.

Estimated Economic Impact Trends

(in \$ millions)



Visitor Spending by Commodity



Visitor Volume & Average Spending

Visitors made roughly **462,000 trips** to Salem in 09-10 and stayed **1.2 million days**.

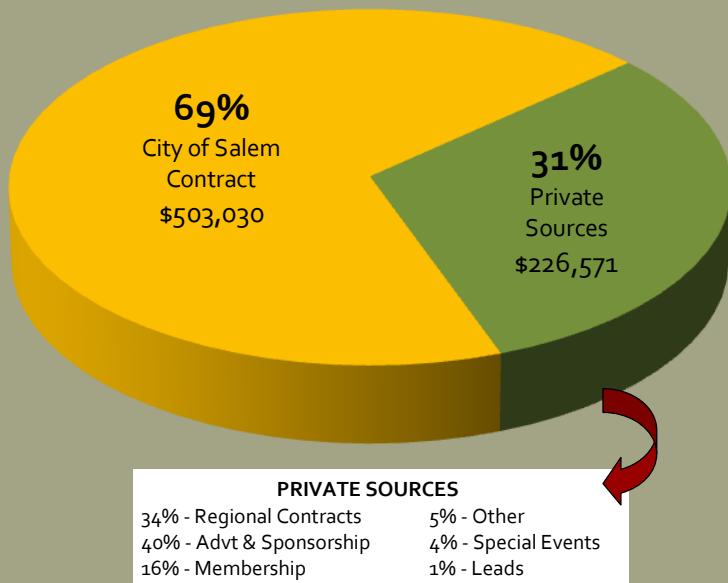
Average daily spending per overnight visitor in Salem for 09-10 was **\$131**, not including spending on transportation.

DIVERSIFY FUNDING STREAMS

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

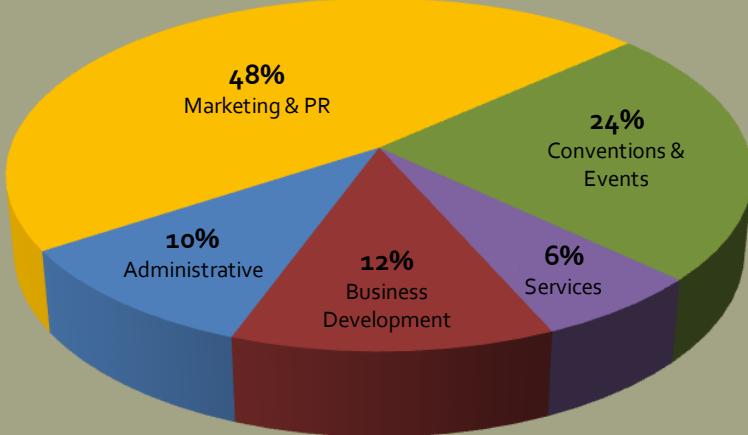
Travel Salem Revenue Sources

2009-10 Actual: \$729,601



Travel Salem Program Expenditures

2009-10 Actuals: \$711,498



TOTAL 2008-09 OPERATING BUDGET:

Revenue \$729,601

Leverage \$1,511,731

TOTAL \$2,241,332

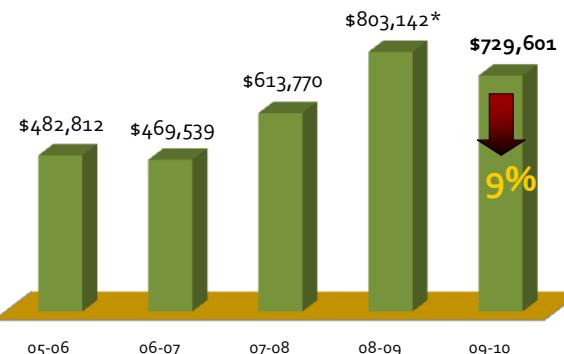
3.5 : 1 RATIO

For every \$1.00 Travel Salem received from City of Salem TOT—another \$3.50 was generated from outside sources.

RESULTS:

- Launched a three-year Travel Café partnership with **Willamette Valley Vineyards** featuring a tasting room and retail outlet for WVV products. This is the first-ever partnership of its kind in the nation.
- Formed a ground-breaking partnership with **Digital City Guide** to provide new advertising opportunities for businesses on HDTVs in the Travel Café and in 740 hotel rooms throughout Salem. In addition, TravelSalem.com events are pulled directly onto the screens using RSS feed technology. This is the first partnership of its kind, and a new revenue stream for Travel Salem.
- Secured funding from **Marion County** (\$65,000, a decrease of 10% from the previous year) and **Polk County** (\$13,000, an increase of 63% over the previous year) to support marketing and public relations efforts county-wide. County funding represents a cumulative 3% decrease from the previous year.

Revenue Trends



* Included revenues for Travel Café build

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:

- Formed a new Travel Salem non-profit foundation, **Cultivating Communities**, to enhance opportunities to secure grants to support educational initiatives for the tourism & hospitality industry in the mid-Willamette Valley.



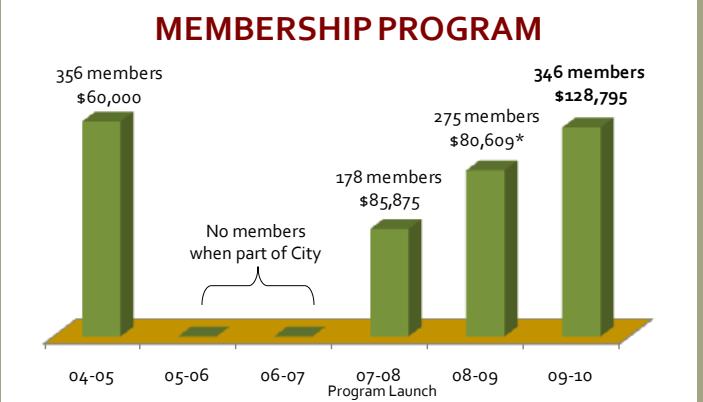
- Recruited **8 new volunteers** to provide broad-based support to visitors, as well as the marketing and convention programs.
- Implemented **social media** promotional efforts to enhance program efficiency (see *Tourism Marketing* section for detail).

BUILD MEMBERSHIP PROGRAM

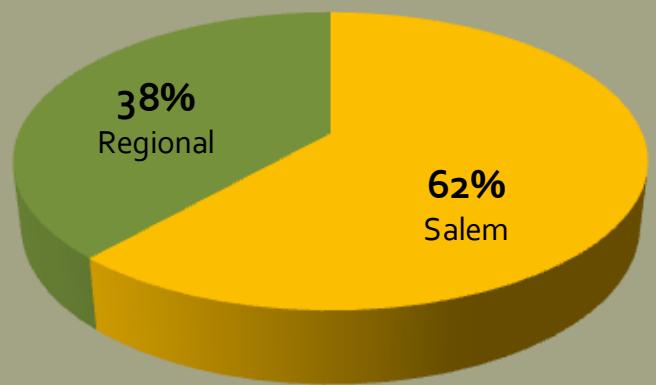
Develop a broad-based, regional membership program that delivers value-added tourism services to members. The membership program will be designed within requirements of the Salem City Charter.

RESULTS:

- In 2009-10, Travel Salem **secured 346 members** (106% of goal), an increase of 26% over the previous year. A total of 133 new members were acquired, with overall annual attrition of 31 members. Sales presentations increased by 209% over the previous year.
- Launched a **membership discount program** for Cultural & Tourism Promotion Advisory Board contractors (save 30%) and other nonprofits (save 15%).
- Partnered with 16 Chambers of Commerce and other membership organizations throughout the region by providing **reciprocal membership** benefits.



MEMBERSHIP COMPOSITION



85% of members select "U-Pick" Options as opposed to pre-packaged options, preferring to custom-build their membership package.

"I got my B&B info and picture to your office last week for my listing and I already had a call and booked my first guests from your website!!! Good work."

—N. Stoltz Petterson,
Airlie Farm Bed & Breakfast

BROADEN SCOPE OF CONVENTION & EVENT MARKETING PROGRAM

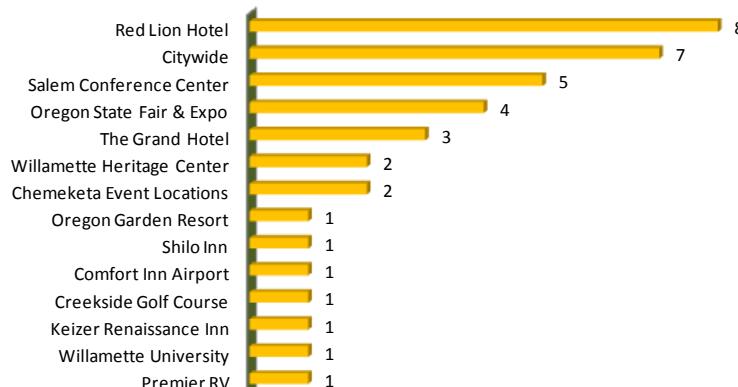
Develop a comprehensive Convention & Event Sales program that promotes and leverages a wide variety of properties and meeting venues throughout the region.

RESULTS:

- Secured five national softball tournaments for 2011 at the Amateur Softball Association's Annual Convention in Reno. Travel Salem and the City of Salem spearheaded an "Oregon" themed booth at the tradeshow including Clackamas County, Washington County and Medford. The effort was designed to position Salem as part of the overall Oregon strategy, and ensured that bids were strategic and not competitive.
- Executed the second year of a three-year commitment with **Jehovah Witness Conventions** at the Oregon State Fair & Expo Center using the Agility Fund. This conference brought 15,000 delegates over three weekends and represented roughly \$3 million in economic impact to the community.
- Secured new conferences/events including Good Vibrations—Music, Motorcycles & Merlot event, the Regional Babe Ruth Tournament, and the Rocky Mountain West Coast Nationals Wrestling Tournament.
- Submitted bids to secure future conferences of the North American Farm Direct Marketing Association, the NAIA Women's Golf Championships, & Pacific NW Travel Writers.
- Attended the **2010 Annual Cascadia Educational Conference** to market Salem to 200+ meeting planners. Travel Salem's attendance was generously sponsored by the Salem Area Lodging Association.
- Hosted a **familiarization tour** for the 2012 Oregon Women's Veterans conference.
- Secured multiple **feature articles** in *Meetings West* and *Smart Meetings* magazine targeting regional & national meeting planners.
- Coordinated **cooperative marketing & advertising** opportunities with various Salem partners for *Group Tour* magazine, *Smart Meetings* magazine, and BRAVO! Tradeshow.

Bookings

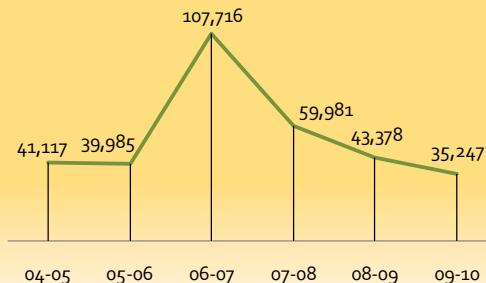
58 Leads Resulted in 38 Definite Bookings



Convention & Event EEI:

\$6,124,070

DELEGATES



ROOM NIGHTS



LEADS SECURED



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.



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:
8,242—17% increase over 08-09

Groups Contacted for Service:
55—48% decrease from 08-09

Groups continued to take advantage of the wide variety of services provided by Travel Salem including on-site support (information tables, registration), Welcome Bags, pre- and post-event planning, recruitment of volunteers for events, event logistics, etc.

The value-added support for the planners remains an important ingredient in Travel Salem's sales strategy for recruitment and retention of groups. Even though services were provided to fewer groups in 09-10, the size of the groups were much larger than previous years, with 8,314 more visitors reached in 09-10.

Due to the increased numbers of visitors served in 09-10 and the time-intensive services provided, the groups contacted for services in upcoming months decreased. The Services program continues to focus on proactive outreach to support group needs.

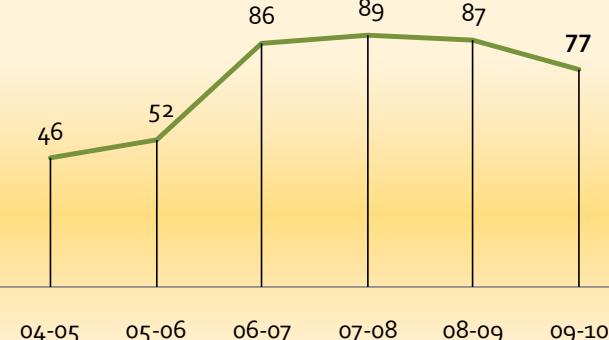
"You have been wonderful to work with for this event. I really think we are on our way to building something special in Salem. Thank you so much for helping us with volunteers, frankly without volunteers we simply could not do this."

—E. Gutierrez,
Rocky Mountain National Wrestling

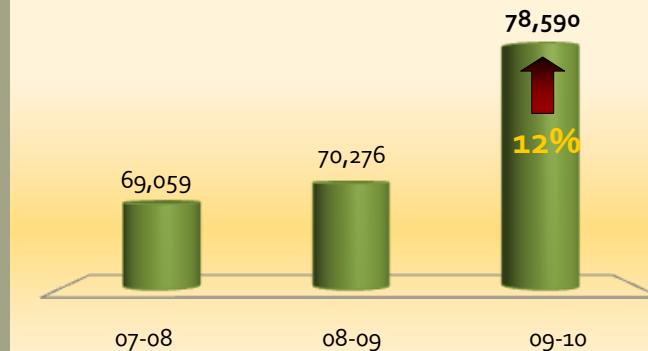
"Thank you again so much for all your help with the Welcome Bags for our wedding guests, this is a fantastic service and you've helped make our lives so much easier!"

—Emily,
Becker/Ness Wedding

CONFERENCES/EVENTS ASSISTED



VISITORS REACHED



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 105,782 visitors in 09-10, up a dramatic 245% over the previous year. The network was expanded by securing new satellite locations at Mission Mill Museum, Lancaster Mall and Amtrak. Installed directional “i” signs for the Red Lion Hotel satellite information center.



- Formed a ground-breaking partnership with **Digital City Guide** to provide new advertising opportunities for businesses, featuring display advertising on the Travel Café plasma screens and in 740 hotel rooms throughout the city. In addition, using RSS feed technology, events are pulled directly from TravelSalem.com and run in a “news feed” along the bottom of the screens.



- Travel Salem’s **AbsolutelyTix** outlet in the Travel Café sold 1,629 tickets for 21 regional cultural & heritage partners.
- Marketed & promoted 2,037 **Salem area events** (up 53%), including 209 events in the month of July alone. An average of 170 events were promoted every month.

- **TravelSalem.com Dashboard** statistics reveal that users spend 4+ minutes on average on the site (this is very high compared to industry standard) with 75% of overall site traffic from unique visitors.

- 136,075 visits came from 123 countries (top traffic from U.S., Canada, India, United Kingdom, Germany, Japan, Australia, Mexico, France, Brazil)
- 101,842 absolute unique visits
- 494,692 pageviews; 3.64 average pageviews/visit
- 00:04:22 average time on site/visit
- 74.84% new visits
- Traffic Sources:
 - 20.70% direct (type in TravelSalem.com)
 - 26.38% referring sites
 - 52.92% search engines

- Executed a comprehensive **social media program** with concentrated efforts in:

- **Facebook**—posted events & promotions reaching 735 fans (up 202%). Travel Salem’s friends are primarily female (91%), with 36% aged 55+.

- **Twitter**—maintained “real-time” conversations with 2,255 local, national and international followers (up 191%). Posted 1,195 tweets (up 132%) promoting Salem area businesses & events.



Twitter at work: a tweet regarding a 1921 photo of the Travel Café building (pictured at right) resulted in TV coverage on NW Newschannel 8.

- **Flickr**—posted 1,171 regional images (up 12%) and 28 videos with 32,151 viewer sessions to date. Visitors and journalists utilize this resource as all images are tagged and searchable online.

- Launched new Marketing Options: **Video Website Listings** to help businesses target 70% of travelers that say online video influences their trip planning; and **Paid Member e-Blasts**, an exclusive e-marketing channel targeting visitors, industry and residents.

- **Public relations** secured 1,145 placements in a wide variety of regional and national print, broadcast & online media valued at \$611,839 in advertising equivalency.

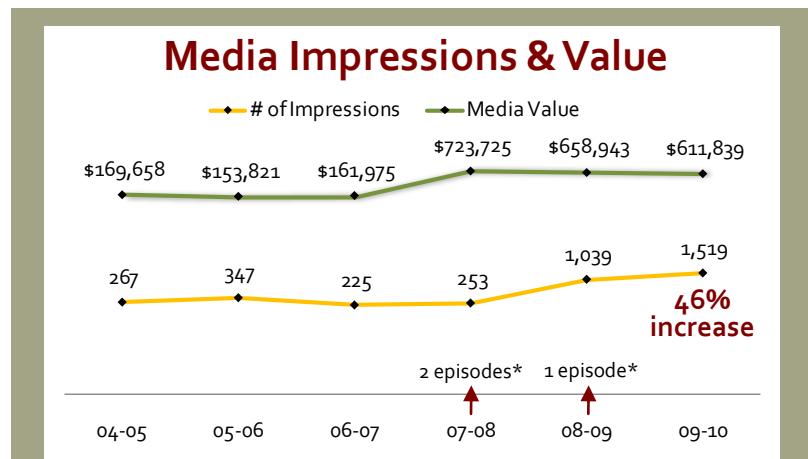
- Leveraged **Willamette Valley Visitors Association (WVVA)** partnership:

- Participated in year-round *Sunset* magazine ad placements (870,000 monthly circulation) and leisure lead generation valued at \$62,400
- Created a Vintage & Vineyards wine trail for the Salem area featuring wineries, attractions, dining & lodging
- Participated in the “WVVA Pack,” a fulfillment program for all leisure leads; targeted 15,579 inquiries (an increase of 163%) with the Salem Area Visitors Guide

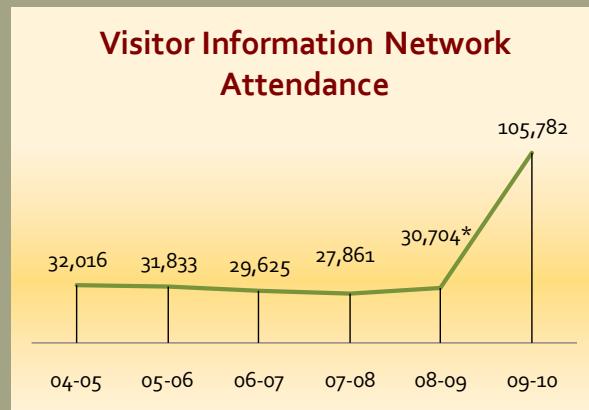
- Leveraged **Travel Oregon**’s marketing efforts:

- Submitted 42 “Adventurecation” specials & deals
- Secured opportunity for Mission Mill Museum & Hallie Ford Museum of Art in a \$1 million Oregon bike promotion focusing on wine & history
- Participated in the Japanese tradeshow JATA to promote Salem area assets to Japanese group and individual travelers

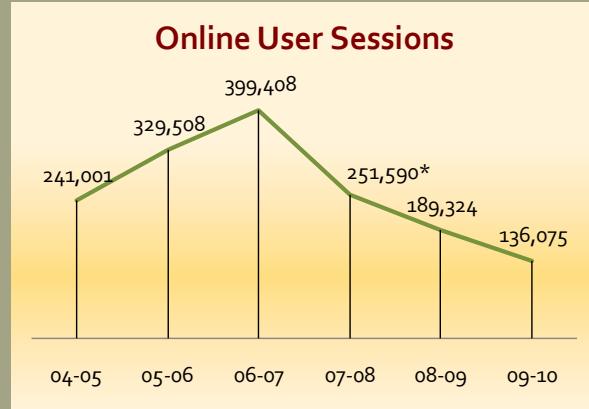
- Established a **Salem channel** on KATU.com making Travel Salem a “community reporter” for submitting content & story ideas.
- Published the **2010 Salem Area Visitors Guide** with eight additional pages of content. Advertising support was secured in the amount of \$96,366, up 5% over the previous year.
- Provided support to 78 **relocation inquiries** (up 129%) from businesses, families/individuals seeking assistance with resources & connections.
- Partnered with organizations such as Salem Hospital to assist with **employee recruitment** efforts by providing one-on-one consulting with candidates to sell the Salem area quality-of-life.
- Assisted two **LA film production companies**: the motion picture “Yogi Bear” filmed at Silver Falls State Park, with an estimated economic impact of \$75,000; and “Unusual Suspects” a TV show for the Discovery Channel.
- Worked with Woodburn Company Stores to secure **product placement** for Willamette Valley Vineyards at a US Travel Association meeting. The organizers requested Oregon wine as a special welcome gift for attendees and other distinguished participants (Harrah’s Entertainment, Walt Disney Parks & Resorts, American Express, National Geographic Society, USA Today, Orbitz Worldwide, Travel Channel).
- Held **free social media seminars** for attractions and businesses to learn about social networking tools that are changing the way businesses connect with consumers, and strategies on how to effectively utilize these tools. Served 96 participants from 47 businesses.
- Consumer e-Newsletter** subscribers increased 342% and **Industry e-Newsletter** subscribers increased by 55%. Travel Salem sent actionable and targeted information that included partnership opportunities for businesses and special deals and values for consumers.



*Participation in Travel Oregon Regional Pack (TORP); canceled participation in 09-10 due to budget cuts



*Expanded visitor information network including Travel Café



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

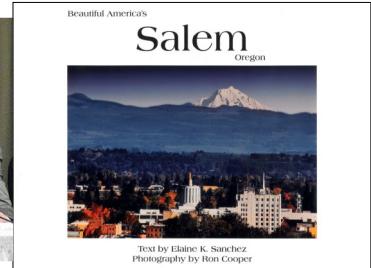
DEVELOP STRATEGIC PARTNERSHIPS AND ALLIANCES

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

RESULTS:

- Launched a three-year Travel Café partnership with **Willamette Valley Vineyards** featuring a tasting room and retail outlet for WVV product. This is the first-ever partnership of its kind designed to showcase this key regional asset and growing agricultural industry.
- Launched Travel Salem's First Annual **Absolutely Fabulous Awards**. The festivities recognized 10 regional partners that exemplified the best of the tourism industry. "Absolutely" award winners:
 - Green..... Salem Conference Center
 - "Heads In Beds"..... Salem Area Lodging Assoc
 - "Thinking Big"..... Willamette Heritage Center
 - Innovative..... HospitalityVision
 - "Big Picture"..... Marion Cty Oregon 150
 - "Pioneering"..... Oregon Travel Info Council
 - "Top of the Barrel"..... Willamette Valley Vineyards
 - "Gets It"..... Austin McGuigan
 - "Smokin"..... Woodburn Company Stores
 - Fabulous Statesman Journal
- **Vision 2020 Wayfinding & Entrance Ways Task Force**
The Task Force made significant progress in 09-10, with a signage system in design at the end of the fiscal year. Efforts focused on city center wayfinding for the first phase of the system. 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 by Spring 2011.
- Travel Salem's "**Member Spotlight**" series for First Wednesday showcased 48 local businesses, and attracted 1,579 residents & visitors. The events featured product sampling, demonstrations and exhibits from a variety of regional partners at the Travel Café.

- Travel Salem held a **Tourism Summit** in partnership with Travel Oregon providing a forum to discuss how tourism powers local economies. This "town hall" forum fostered a brainstorming roundtable designed to bring out the perceptions and realities of tourism as it relates to the business environment. Roughly 65 regional attendees participated in the event. A panel of 12 fielded questions on a wide range of topics (e.g. land use, recruitment, retail, development, lodging, policy, education, etc.).
- Published the **Salem Book** (in partnership with the City of Salem), the community's first coffee table book showcasing the beauty and bounty of the Salem area. The book will be used for economic development initiatives as well as employee recognition and retail sales purposes.
- Launched **Cultural/Heritage Roundtables**, a new quarterly forum with cultural & heritage partners to discuss marketing opportunities and challenges.
- Served on the **Marion County Economic Development Advisory Board** to represent tourism and its role as an economic development engine.
- Assisted 9 partners with **press release** creation and distribution to the media.
- Hosted 6 **Team Salem** meetings designed to bring lodging and attraction partners together to discuss cooperative marketing opportunities and cross promotion.
- Met regularly with the **Cultural & Tourism Promotion Advisory Board** to ensure accountability and transparency. Presented and discussed annual business plan & budget, as well as quarterly results.
- Participated in the **Travel Oregon Tourism & Hospitality Consortium Summit** with partners from around the state to address issues facing the industry and strategically align to tackle those challenges.



L to R: Austin McGuigan/Ab Fab Awards, Oregon Garden/Member Spotlight, Shelley Hanson/Tourism Summit, Salem Book

TRAVEL SALEM 2009-10 REVENUES & EXPENSES

For every \$1.00 Travel Salem received from City of Salem's transient occupancy tax revenues—another \$3.50 was generated from outside sources. These results leveraged a 3.5 : 1 ratio for Salem's investment in tourism promotion.

REVENUES

PUBLIC

City of Salem Contract \$ 503,030

REGIONAL

Marion County \$ 65,000
Polk County \$ 13,000

PRIVATE

Membership \$ 35,813
Special Events \$ 8,274
Advertising & Sponsorship \$ 90,882
Leads \$ 2,100
Other \$ 24,206

RESTRICTED

Temporarily Restricted Revenue \$ (12,704)

TOTAL REVENUES \$ 729,601

EXPENSES

Salaries & Related Expenses \$ 465,221
Operations \$ 177,637
Professional Services \$ 33,136
Advertising \$ 18,391
Trade Shows & Fam Tours \$ 1,153
Special Events \$ 7,559
Agility Fund \$ 7,000
Misc \$ 1,401

TOTAL EXPENSES \$ 711,498

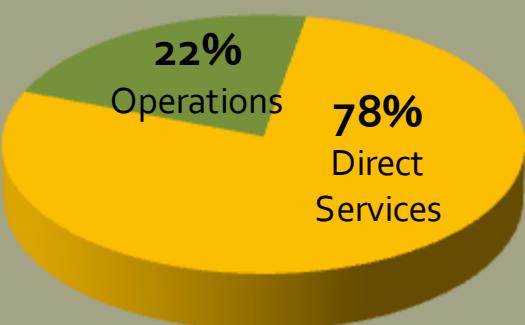
OPERATING SURPLUS / (DEFICIT) \$ 18,103

OTHER INCOME - LEVERAGE

Visitors Guide \$ 96,366
Volunteers \$ 27,203
Media \$ 611,839
Advertising \$ 40,978
In-Kind \$ 492,945
WVVA/Regional \$ 242,400
Subtotal \$ 1,511,731

Direct Visitor Services

(% of budget)



Silver Falls State Park

"WOW, 150 people coming into Travel Salem for First Wednesday! It was a magical evening complete with the possibility of 4 new artists, and 2 or 3 new business connections and lots of good conversation that continues to educate people about what we do. I cannot thank you enough for your time and energy. You are my HERO!"

—G. Whelton, PCL Partnerships

2009-2010 BOARD OF DIRECTORS

OFFICERS

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Retired Nissan North America

Martin Morris :: Vice Chair
Salem Hospital Foundation

Terry Kelly :: Past Chair
Salem Electric

Ray Teasley :: Secretary
Mid-Willamette Valley Council of Govts

Ray Bursteds :: Treasurer
SEDCOR

DIRECTORS

Alan Alexander :: Salem Municipal Airport

Chuck Bennett :: Salem City Council

Suzi Bicknell :: Go Downtown Salem!

Connie Bradley :: Oregon State Fair

Jake Bryant :: Best Western Mill Creek Inn

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 :: Multi-Cultural Institute

Steve Johnson :: VIPS Industries

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

Kristy Kummer :: Woodburn Company Stores

Chuck Bennett :: Salem City Council

Jennifer McCormick :: Oregon State Parks

Commissioner Patti Milne :: Marion County

Sean O'Day :: City of Salem

Bunni Oslund-Fisk :: Lancaster Mall

Stacy Palmer :: Silverton Chamber

John Pataccoli :: Redhawk Winery

Bonnie Stephenson :: Chemeketa Comm. College

Nancy Stockdale :: Oregon Symphony in Salem

Bill Wilkison :: Statesman & Salem Chamber

Roger Yost :: Reed Opera House & Alessandro's



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www.TravelSalem.com

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.



Oregon State Capitol