



THIRD QUARTER REPORT 2010-11 January, February, March

INTRODUCTION

Travel Salem is pleased to submit the tourism and convention third 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 third quarter produced positive results in key program areas. References to specific sections in the 10-11 Business Plan are included.

Marketing & PR

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. (2/b #1, #5-9, 2/d #3, #4)

Hosted **travel writers** from *The Oregonian*, *VIA*, *Register Guard* and *Bend Bulletin* on press junkets. Hosted travel writers from *Imbibe* magazine, the *NY Times*, *The Oregonian* and *1859* magazine to attend the E.Z. Orchards and Wandering Aengus Ciderworks Cider Festival. (2/b #1, #6)

The "**Gold Pioneer Giveaway**" promotion gained momentum during the third quarter, featuring Sal who was busy promoting the region with the following partners:

- Oregon Film Commission rally on the Capitol steps to kick off the Elsinore Theatre special screening of *Meek's Cutoff*
- "Adopt a Pet" event at the Humane Society
- Breast Cancer Awareness event at Corbin University

- Tulip Festival at Wooden Shoe Tulip Farm
- Bentley's Grill for Ladies Night Out
(2/b #1, #5, #7, #9)



Created a **“Mind Exhilarating & Mouth Watering” Salem area adventure**, featuring a recreation wine trail of Salem & Polk County attractions. (2/b #5, #8, #10)

Attended the **Oregon Truffle Festival** that attracts journalists from across the U.S. Pitched a national food author and two food/wine writers. Willamette Valley Vineyards hosted the country’s only “truffle dog seminar” for dozens of truffle hunters and their canines. Published a blog post on Travel Oregon, reaching 10,000 subscribers. (2/b #1, #5, #6, #8, #10)



Installed two additional **“i” signs** to clarify directions to the Travel Café (Church/Trade & Court/High). (1/b #7, 2b #3, #12)

Scouted additional **film locations** for Okanogan Films for their Indy production “Silver Falls” which is a mystery/thriller. Secured locations in Silverton, Stayton and Salem for the film shoot. (2/b #8, #12)

Partnered with Travel Oregon on the **China ITM** (China International Travel Mart) to promote the mid-Willamette Valley. Followed up on tour & travel leads. (2/b #1, #7, #8, #10)

Social media efforts continued to progress: 101 images were posted on Flickr and 8 videos to YouTube with 10,503 viewer sessions during the quarter; 193 tweets were posted on Twitter reaching 2,959 local, national and international followers; and 198 events, specials and announcements were posted on Facebook reaching 1,692 fans. (2/b #5)

Secured a designated day of the week to promote the Salem area on the **Willamette Valley Visitor Association's Facebook page**. This social media outlet reaches 12,182 fans. (2/b #5 #8)

Conventions & Groups

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. This piece of business is valued at \$14.2 million in EEI. (2/a #5)

Rebooked the 2011 **Good Vibrations Motor Cycle event**. Hosted Randy Burke of Roadshows Inc. to research expanding the event into Marion County by adding an extra day and making it a four day event. This piece of business is valued at \$420,000 in EEI. (2/a #10)

Secured lodging for **Stihl Timbersports** (\$62,500 value in EEI) and the **2011 softball** season (\$1.4 million in EEI). (2/a # 10)

Services

Completed a mailing to **survey restaurants** and update the Travel Salem database of venues that have banquet and meeting space. (2/a #9)

Provided **services** to 16 conferences and events that were held at locations throughout the Salem area, serving roughly 2,445 delegates. (2/c #7)

Financials & Key Performance Measurements

Financial statements for the third quarter are attached: revenues were \$193,082, while expenses were \$172,044.

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.
- Third quarter **TOT receipts** were flat compared to the prior year same period at \$395,691.
- **Leverage** results were \$365,881, an increase of 30% over the previous year. The increase was primarily due to media exposure. *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 | 3 rd Qtr 10-11 | % Change from 09-10 | 10-11 YTD | 3 rd Qtr 09-10 | 3 rd Qtr 08-09 |
|---|------------------------------|------------------------|--------------------|------------------------------|------------------------------|
| Marketing & PR | | | | | |
| Publicity Ad Equivalency Value (see PR Addendum) ¹ | \$202,670 | 81% | \$774,621 | \$111,742 | \$96,242 |
| Visitor Information Inquiries ² | 8,579 | 96% | 20,507 | 4,368 | 11,975 |
| Visitor Information Network Attendance ³ | 27,054 | -19% | 90,187 | 33,260 | 5,924 |
| Events & Community Activities Assisted ⁴ | 319 | -41% | 1,210 | 538 | 201 |
| TravelSalem.com Visits | 33,808 | 7% | 105,570 | 31,600 | 47,843 |
| Convention & Event Marketing | | | | | |
| Real-Time Conventions/Events ⁵ | 3 | -40% | 21 | 5 | 7 |
| • Number of Delegates ⁶ | 815 | -95% | 13,505 | 16,800 | 1,700 |
| • Number of Room Nights ⁷ | 3,700 | 270% | 11,572 | 1,000 | 5,350 |
| Sales Leads Generated ⁸ | 39 | 77% | 53 | 22 | 10 |
| Bookings ⁹ | 9 | 29% | 18 | 7 | 5 |
| Convention & Event Services | | | | | |
| Conventions Assisted ¹⁰ | 16 | 100% | 100 | 8 | 16 |
| Visitors Reached | 2,445 | -23% | 52,926 | 3,157 | 7,625 |
| Welcome Bags Distributed ¹¹ | 735 | 39% | 8,786 | 530 | 680 |
| Membership | | | | | |
| Total Membership | 339 | 4% | 339 | 327 | 275 |
| New Members Acquired ¹² | 21 | -45% | 43 | 38 | 22 |
| Attrition | 11 | -15% | 49 | 13 | 0 |
| Leverage (detail below) | \$365,881 | 30% | \$1,311,743 | \$281,688 | \$260,750 |
| Visitors Guide | \$0 | 0% | \$0 | \$0 | \$0 |
| Volunteers | \$8,538 | 16% | \$17,295 | \$7,362 | \$5,130 |
| Media – Advertising Equivalency | \$202,670 | 81% | \$740,831 | \$111,742 | \$96,242 |
| Advertising | \$11,217 | 138% | \$23,649 | \$4,717 | \$12,758 |
| In-Kind | \$100,307 | -2% | \$400,471 | \$102,367 | \$82,370 |
| WVVA/Regional | \$43,149 | -22% | \$129,497 | \$55,500 | \$64,250 |

¹ Publicity Ad Equivalency Value – the increase is due to having a designated PR person to pitch story ideas and follow up on a regular basis.

² Visitor Information Inquiries – the increase is due to timing of ads breaking in *Sunset* magazine.

³ Visitor Information Network – visitation was down at two satellites during remodeling (Best Western Mill Creek and Salem Airport).

⁴ Events & Community Activities Assisted – the decrease is due to less self-submitted events. Publicity regarding this free service will be increased.

⁵ Real-Time Conventions/Events – conferences that were held in 09-10 were not held in 10-11.

⁶ Number of Delegates – conferences that were held in 09-10 were not held in 10-11.

⁷ Number of Room Nights – conferences held in 10-11 used more room nights than 09-10.

⁸ Sales Leads Generated – the increase is due to the difference in the number of softball leads distributed (changed process in 10-11).

⁹ Bookings – increase is tied to Sales Leads Generated (see above).



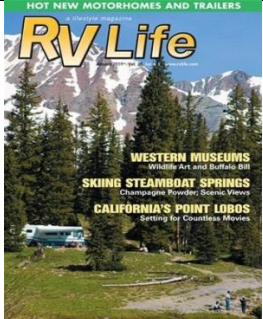
¹⁰ Conventions Assisted – increase is due to a targeted proactive campaign to provide services to groups.




¹¹ Welcome Bags Distributed – provided support to more groups during the quarter.

¹² New Members Acquired – had additional sales staff in place in 09-10 that were not in place in 10-11.

PR ADDENDUM
National & Regional Media
3rd Quarter 2010-11

Secured 109 published articles/references with an
advertising equivalency of \$202,670

| | Media/Headline | Value | Reach | Key Messages/Content |
|---|---|--------------|--------------|---|
|  | <i>Bend Bulletin</i> Making Sense of Government in a Brief Visit to Salem | \$11,912 | 118,000 | Restaurants, hotels and attractions included. “Between State and Ferry streets, is the city's ‘restaurant row.’ Legislators and their staffs also flock to La Capitale, a French brasserie; Andaluz, a Spanish tapas bar; and Jonathan's, a traditional seafood and steak house.” |
|  | <i>Sunset Magazine</i> Cover Image of Silver Falls | \$18,990 | 800,000 | “Waterfall junkies can get their fix big time at Silver Falls State Park on a 7-mile Trail of Ten Falls hike. 5 extra miles of paved paths make it an ideal spring-day tripper’s paradise.” |
| | <i>Statesman Journal</i> J Building becoming part of the past | \$11,122 | 46,826 | Story about upcoming Oregon State Hospital Museum (opening April 2012). “An extensive makeover of the oldest and most historically significant sections of the J Building...” |
|  | <i>RV Life</i> Great Escapes | \$4,900 | 21,000 | A. C. Gilbert’s Discovery Village, Riverfront Carousel, Riverfront Park and the Willamette Queen Sternwheeler. |

| | | | | |
|---|---|-----------------|----------------|---|
|  | <p><i>Where to Retire Magazine</i> Two Wheels, Laid-Back Living – Salem, Oregon</p> | <p>\$7,540</p> | <p>222,000</p> | <p>Interview with a retired Salem couple shares why Salem is a bike-friendly city and great place to retire. “In a region that includes Seattle, Portland and other cycling hotbeds, Salem is sometimes overlooked, but the city has more than half of its roads accommodating cyclists.” Mentions the Farmer’s Market, downtown shopping, Minto Brown Park, & Willamette River.</p> |
|  | <p><i>Travel Channel</i> Rachel Ray’s \$40 a Day</p> | <p>\$57,376</p> | | <p>Ways to spend \$40 a day at Busick Court, Goudy Commons, Hallie Ford Museum, Pentacle Theatre, Willamette Valley Vineyards, Morton’s Bistro.</p> |
|  | <p><i>Statesman Journal</i> Infamous Chapter in Oregon History</p> | <p>\$4,885</p> | <p>46,826</p> | <p>Story on the front page of the Arts section about the showing of pioneer film, <i>Meek’s Cutoff</i> for an Oregon Cultural Trust fundraiser at the Elsinore Theatre.</p> |
|  | <p><i>Willamette Woman</i> Robin Morris Collin- Professor of Law</p> | <p>\$4,250</p> | <p>12,000</p> | <p>Secured a profile on Willamette University law professor Robin Morris Collin in relation to Willamette’s Martin Luther King Day events in February.</p> |
|  | <p><i>Statesman Journal</i> Licensed to Wine</p> | <p>\$7,966</p> | <p>46,826</p> | <p>Story on Travel Salem’s vision of a specialty wine country license plate. The story was picked up by the AP and ran in more than a dozen other local and regional news sources.</p> |