



OREGON ECONOMIC
DEVELOPMENT
ASSOCIATION
“TOURISM MATTERS”

SALEM, OREGON

MARCH 19, 2009

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THE ROLE OF TOURISM

- “Tourism is a job creator on its own but it’s also essentially the front door to the rest of the economy.”

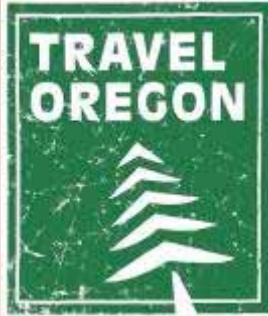
Duncan Wyse, President

Oregon Business Council

Feb 2009 Tourism/Hospitality Consortium

Summit

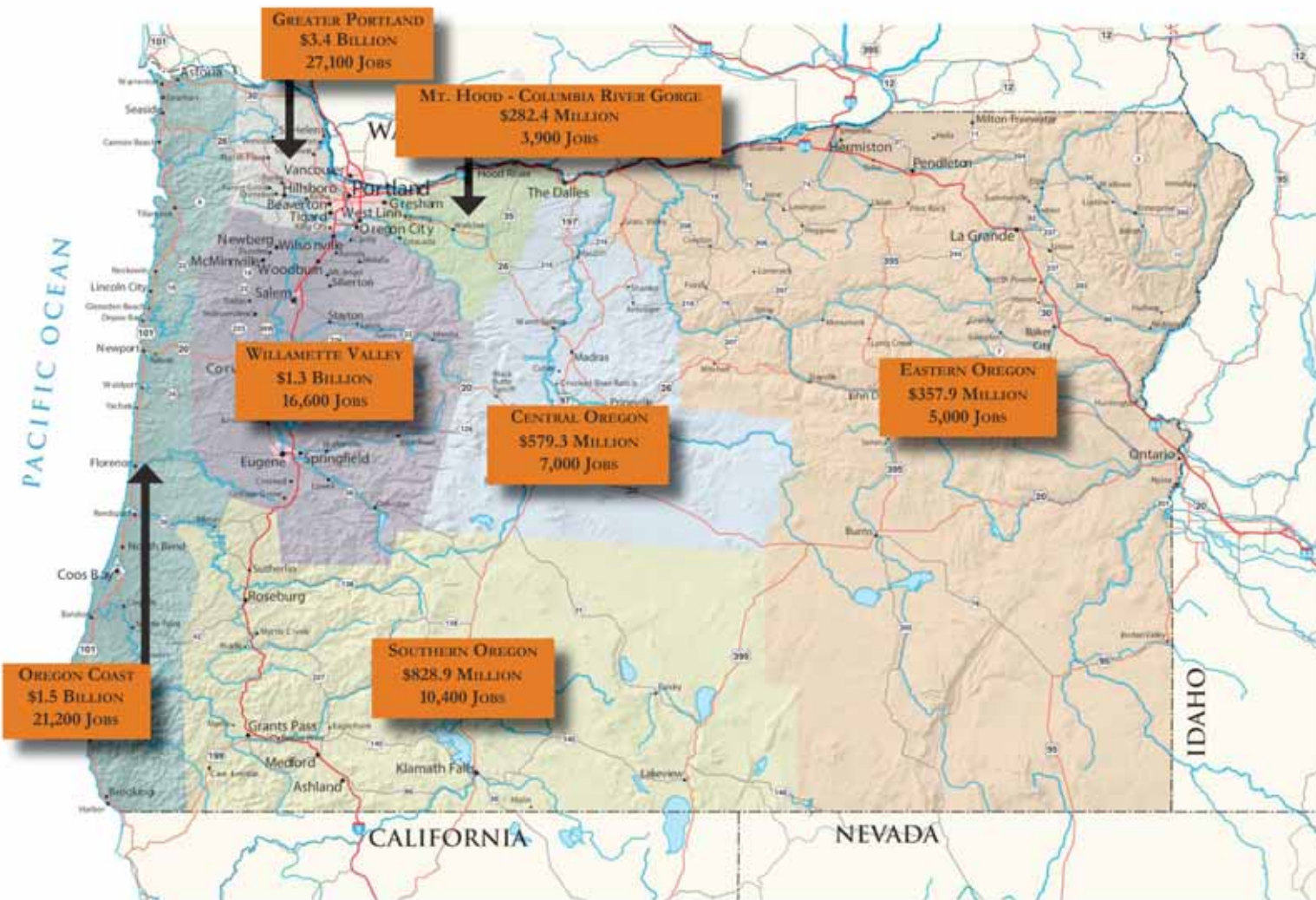
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WHAT IS OREGON'S TOURISM AND HOSPITALITY INDUSTRY?

- \$8.3 billion in travel spending in 2007
- 91,100 jobs for Oregonians in the industry
- \$2.0+ billion in payroll and earnings annually
- \$320 million in state and local taxes annually
- Employed in restaurants, hotels, attractions, visitor information centers, chambers of commerce, convention and visitor bureaus, gas stations, charter boats, wineries, taxis, shopping centers, printers, art galleries and...
- Construction, manufacturing, agriculture – 40,000 additional jobs

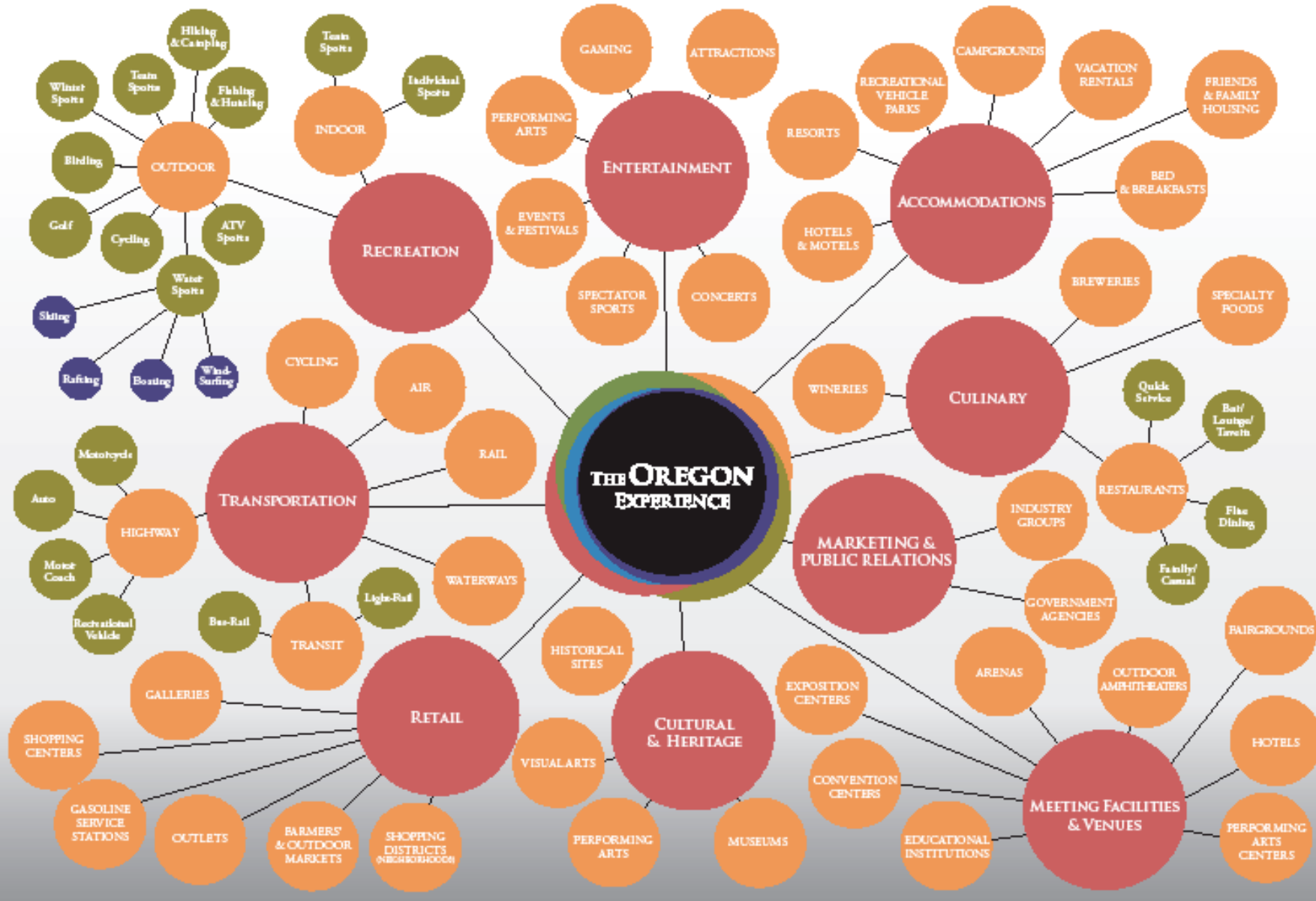
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TOURISM & HOSPITALITY INDUSTRY CLUSTER MAP

The Industry Cluster map is designed to be a visual narrative of the relationships or categories that make up an industry. It immediately demonstrates the strategic interdependence that defines an industry. The map can be developed on multiple levels to show additional corresponding relationships that support any given sector or the whole industry, (examples agriculture, real estate development, production and processing services). This specific map has been created to show what makes up the tourism industry from the standpoint of what the consumer experiences and what is actually marketed and sold. It is important to understand that the industry benefits as a whole when each of the categories is healthy and vibrant—it's what makes Oregon a destination point rather than a stop-over point

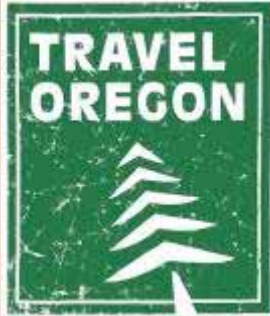




INVESTING IN OREGON'S TOURISM INDUSTRY

- Pre-2004, Oregon's tourism budget was:
 - 46th lowest of the 50 states
 - Oregon was losing market share to other states
- Fact: Oregon needed an economic stimulus
 - Nationwide Unemployment 6.2% - Oregon 8.5%
- Tourism Investment Proposal passes in 2003:
 - Statewide: 1% Statewide Lodging Tax implemented in 2004
 - Local lodging taxes:
 - Existing local rates and allocations for tourism were “grandfathered”
 - Increases in local tax rates with at least 70% dedicated to tourism are allowed

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AND TODAY... ...COMPARED TO 2003

- Visitor Spending - Up 28%
- Direct Employment - Up 6%
- Earnings - Up 18%
- State and Local Tax Revenue - Up 30%

- Oregonians Support the Tourism Industry
 - 95% say “Important to Economy”
 - 82% say “Improves Quality of Life”
 - 77% believe industry is “Environmentally Friendly”

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TRAVEL OREGON'S KEY OBJECTIVES

- #1** Maximize the return on public and private investments in tourism.
- #2** Drive year-round travel from visitors in our domestic target audience and lengthen their average stay by encouraging them to be destination-oriented in this state.
- #3** Drive online marketing leisure visitors to Oregon from our primary international target markets: Germany, UK, Japan, Mexico, Canada, and European and Asian feeder markets.
- #4** Provide leadership and support through collaboration with local, regional, national, tribal and private-industry tourism entities.

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DMO's & RDMO's

➤ DMO = Destination Marketing Organization

- A Destination Marketing Organization is an organization whose primary function is to attract visitors to its locale for the purpose of enhancing the local economy through purchase of room nights, food and beverage, retail items, transportation, visitor services, etc. In Oregon, local DMO's work with their Regional Destination Marketing Organization (RDMO) to cooperatively leverage budgets, advertising, services, and information for the benefit of all tourism entities in the region.
- **Examples:** Salem Convention and Visitors Association (which works closely with Salem Area Chamber), Albany Visitors Association, Corvallis Tourism

➤ RDMO = Regional Destination Marketing Organization

- Oregon is divided into seven tourism regions. Each region has identified one Destination Marketing Organization (DMO) to act as its Regional Destination Marketing Organization. The RDMO partners with Travel Oregon for the purpose of attracting visitors to their specific region.
- **Examples:** Seven regions shown on previous slides & in your packet. Our region is the Willamette Valley Visitors Association.

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TOURISM INDUSTRY PARTNERING

Local Tourism & Hospitality Industry

(Business, Organization, Individual)

Example: Salem-Keizer Volcanoes (Chamber member)



Local Destination Marketing Organizations

(DMO)

Example: Salem Convention & Visitors Association



Regional Destination Marketing Organizations

(RDMO)

Example: Willamette Valley Visitors Association



Travel Oregon

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DOMESTIC CONSUMER MARKETING

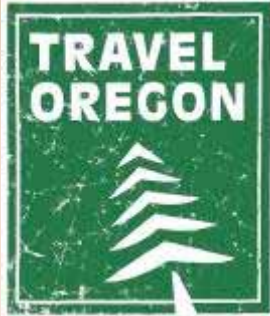
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THE RESULTS: ROI

- Most successful campaign we've ever run (32% more efficient than last campaign)
- Every \$1.31 spent on media generates a new trip to Oregon
- Every \$1.00 spent on media generates:
 - \$159 in visitor spending
 - \$6 in new state and local tax revenue



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SOURCE: LONGWOODS RESEARCH COMMISSIONED BY TRA



SEVEN REGIONS

- \$11.5 million collected in 2008
- Up to 15% goes to the regions
 - 1.65 million total in 2006
 - 1.78 million total in 2008
- **Breakdown of dollars that each region received for their 2008/09 Regional Cooperating Marketing Programs:**

| | | |
|---------------------------------|-----------|------------------|
| - Mt. Hood/Columbia River Gorge | \$66,113 | |
| - Eastern Oregon | \$74,888 | |
| - Central Oregon | \$163,240 | |
| - Southern Oregon | \$176,509 | |
| - Willamette Valley | | \$219,254 |
| - Oregon Coast | \$455,717 | |
| - Metro Portland | \$627,904 | |

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INTERNATIONAL & DOMESTIC TRAVEL TRADE DEPARTMENT

- In-country representatives in major markets
 - Public relations
 - Research trips
 - Tour operators/Receptive tour operators
 - Travel agent education
 - Trade shows
 - Cooperation with air carriers

 - Consumer Awareness:
 - Travel Channel Europe
- “Oregon Uncovered” Series – 15 episodes, 48M households across Europe.



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TOURISM DEVELOPMENT

- Industry Communication
- Niche Product Development
- Rural Tourism Studios
- State Welcome Centers
- Scenic Byways
- Governor's Conference on Tourism
- Policy & Research
- Tourism & Hospitality Consortium
- Q Care Customer Service Training
- GeoTourism / National Geographic Project

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THANK YOU

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