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March 10, 2005

Board of County Commissioners
Lane County
125 East 8th Avenue
Eugene, OR 97401

Dear Commissioner:

Enclosed please find the FY05 Semi-Annual Report published by the Convention & Visitors Association of Lane County Oregon. This report is intended to meet the mid-year reporting requirements outlined in our marketing contract with Lane County.

Included on page three is an executive summary, which gives a quick overview of our achievements during the first half of the program year, July 1, 2004 through December 31, 2004. We achieved strong results in several areas for the period. There remains much work to be done, however, and we remain very focused on our mission of attracting overnight visitors to Lane County.

I am grateful for the hard work of the staff here at CVALCO. We are all very proud to serve the citizens of Lane County in our role of attracting new visitor dollars to the local economy.

I look forward to discussing this report with you in person on March 16, and answering any questions you may have. Thank you for your continued support and recognition of our marketing programs.

Sincerely,

Kari Westlund
President & CEO

See All of Oregon in Lane County

FY05 Semi-Annual Report

July 2004 - December 2004



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President's Perspective

Kari

Westlund, CVALCO President/CEO

As we pass the halfway point in our program year, we sense travel demand heading back to normal levels. Hotel occupancies and room tax collections are up. Responses to CVALCO's tourism ads continue to grow. Convention,

conference, and sporting event room night and attendance projections are also up from last year.

A reduction in our meeting space and room inventory is changing the booking of conventions and meetings. Remaining hotels are busier, and rightfully choosier about the business they are booking. As a community, some business is being lost due to price, availability, or capacity. We will find it tougher to compete with new convention and conference centers being built in Oregon and the Pacific Northwest. Current booking levels for future years are up from last years' efforts, but still lag record levels. On the plus side, we are getting very creative and building new partnerships with facilities throughout the area that are serving as alternative meeting and event space. And, the hotel sector has gained substantial strength from a difficult recessionary period.

Room tax collections are up 5.34 percent for the first half of FY05, and indications are that 2005 will see growth of around 5 percent.

A great deal of effort was focused over the first half of FY05 on the Lane County Regional Tourism Strategy Task Force. The Task Force was charged with identifying a regional strategy around the development of tourism infrastructure and enhancement of Lane County as a destination. At the end of eight months, the Task Force recommended that the County and cities look at an inter-jurisdictional model, or entity, of some sort to take responsibility for the analysis and implementation of infrastructure much as CVALCO is responsible for marketing. The skill disciplines needed for infrastructure planning and development are different than those needed for marketing, so to house both within CVALCO doesn't seem to make sense. Because the model that would represent the necessary multi-jurisdictional cooperation at both the staff and policy level around public, public-private tourism, and perhaps even incentives for private infrastructure development is not yet in place, the Task Force recommended technical expertise be assembled to move the strategy forward. CVALCO will continue to work closely with this issue, and the resulting model to support both market assessment and to generate market demand against infrastructure projects that are developed in the future.

Just as local businesses are supported through CVALCO's positive image building of Lane County as a visitor destination, our work depends upon leveraging a positive image of Oregon and a powerful state brand. Travel Oregon began to receive and invest statewide room tax funds during the period.

As discussed in this report last year, research on travel motivators and categorical groupings of travelers has become more important to our work here at CVALCO, and identifying the crossroads of where our destination's strengths meet with those motivators is critical. We will continue to focus on outdoor recreation and sports. And, as gardens and nurseries flourish throughout the county, we are promoting agri-tourism in a variety of formats. We are also marketing Lane County's abundant cultural arts, wines and microbrews, and extensive culinary virtues from great eateries to high quality food production. The City of Eugene and Eugene-based organizations are embracing the slogan of the World's Greatest City of the Arts and the Outdoors, and promoting the concept that Eugene is the cultural epicenter for

the region. At the same time, all of Lane County's communities have strong arts and cultural events relative to their size.

**Executive
Summary**

Overall Returns: \$24,445,426 **Room Tax Investment:** \$554,809 **Ratio:**
44:1

For every dollar of room tax invested by Lane County in CVALCO, an estimated \$44.06 in visitor spending came or will come to the county economy. This is an estimate of direct expenditures; no multipliers are incorporated. In addition to \$64,205 in private dollar revenues, CVALCO generated \$330,893 in public relations exposure and \$42,737 in in-kind support, extending the reach of its budget.

Convention Sales	Jul-Dec '04	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00
Leads Achieved	62	86	85	91	92
Room Nights Booked	33,247	22,428	18,551	44,939	31,310
Delegates Booked	173,231	51,558	25,249	47,071	38,892
Est. Economic Impact	\$18.4 million	\$12 million	\$7.6 million	\$16.9 million	\$14.1 million

Tourism Sales	Jul-Dec '04	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00
Ad Inquiries/Regional Coops	16,803	25,180	7,874*	14,843	17,975
Media Coverage (non-local)	\$306,430	\$521,456	\$555,500	\$888,047	\$543,437

*Decline due in part to OTC's drop of the Business Reply Card, making fewer leads available for purchase.

Visitor Services	Jul-Dec '04	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00
Walk-ins	4,003	4,489	4,405	3,910	5,879
Mail/Phone/Ad Inquiries	20,010	28,394	12,280	20,15	25,348
Visitor Van	<u>9,495</u>	<u>9,938</u>	<u>7,346</u>	<u>6,432</u>	<u>6,005</u>
Total	33,508	42,821	24,031	30,500	37,232

Web Site	Jul-Dec '04	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00
Users	178,989	180,148	141,446	121,284r	59,234
Hits	3,758,770	3,433,901	2,768,630	1,653,854r	821,615

r=revised (New company tracking reports. Previous Jul-Dec '01 figures were: Users: 98,729; Hits: 1,653,196.)

Membership	Jul-Dec '04	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00
New Members	21	37	43	20	34
Total Membership	403	407	403	392	402

Community Relations	Jul-Dec '04	Jul-Dec '03	Jul-Dec '02	Jul-Dec '01	Jul-Dec '00
Media Coverage (local)	\$16,084	\$12,085	\$9,457	\$14,232	\$15,200
Press Releases	16	23	33	9	24
Media stories	58	49	55	44	58
Presentations	12	10	8	7	6

Travel and Tourism: An Economic Generator

Return on Lane County Room Tax Investment in CVALCO

While not all of CVALCO's marketing efforts are quantifiably measurable in the returns they provide, CVALCO is able to measure many of its programs. Summarizing those programs measured for quantifiable returns, an investment of \$554,809 by Lane County into CVALCO secured over \$24.4 million in current and future economic impact to the county during the first half of the FY05.

Private businesses contributed \$22,577 in in-kind donations, \$43,292 in dues, and \$18,594 in program support, to leverage Lane County's investment and increase CVALCO's overall effectiveness. Interns and volunteers contributed \$20,160 in labor, and media efforts extended the reach of CVALCO's budget by another \$330,893 for the six-month period.

Tourism in Lane County

Lane County is continuing to experience growth in visitor spending. Overall, travel spending in Lane County reached \$481.8 million in 2004p, up 6.8 percent from 2003.² The visitor industry in Lane County is made up of many small and medium sized businesses. Together they employed an estimated 7,200 people and paid out \$125.5 million in earnings in 2004p.³

Tourism in Oregon

During 2003, travelers to Oregon contributed \$6.3 billion directly to the state economy, up 2.3 percent over 2002, directly supporting 89,500 jobs with earnings of \$1.7 billion.⁴

Tourism in America

Travel and tourism generated \$554.5 billion⁵ in travel expenditures during 2003, down 4.9 percent over 2002. Meanwhile, 2004 expenditures are expected to be up around four percent when tallies are complete. Tourism supported 7.2 million jobs for Americans, with a payroll of \$158.4 billion, making it one of America's largest employers. Travel and tourism remains America's third largest retail industry; following automotive dealers and food stores. It also generated \$94.7 billion in federal, state, and local tax revenue.

CVALCO: A Private-Public Partnership

A recognized visitor industry leader, CVALCO partners with business, civic, government, and community groups, including its 403 members. As a private, non-profit corporation, CVALCO is governed by a 30-member board of directors, including representatives from the Lane County Board of Commissioners, the Eugene City Council, and the Springfield City Council. Ex-officio board members provide additional links to city and county government.

CVALCO is funded by county room tax, paid by visitors staying overnight in commercial lodging and campgrounds. It receives 70 percent of three of the eight points of room tax collected by the County, except in Florence where it receives 70 percent of two out of seven total points collected. This method

of percentage-based funding sets up a healthy incentive; the better job CVALCO does at bringing overnight visitors and their dollars into the county, the more funds it receives to re-invest in marketing.

CVALCO's Mission

CVALCO is dedicated to its stated mission of increasing the number of overnight visitors to Lane County for the benefit of its members and all businesses and citizens who depend on a strong Lane County economy. CVALCO continues to implement marketing strategies to promote Lane County as a convention, meeting, event, and leisure-travel destination. Ongoing areas of focus include convention and meeting sales and service, tourism marketing, visitor information services, membership and community relations.

Room Tax

During July through December of 2004, room tax collections increased 5.34 percent overall in all regions of the county. Cottage Grove posted the highest rate of gain, 13.13 percent, followed by Florence at 10.12 percent.

Lane County Room Tax Collection Summary

Dec '02	% Change	Jul-Dec '04	Jul-Dec '03	Jul-
Eugene	\$1,500,773	\$1,432,666	\$1,328,533	4.75%
Springfield	672,605	647,490	705,054	3.88%
Florence	159,676	144,997	149,189	10.12%
Cottage Grove	104,016	91,941	75,819	13.13%
Other	507,606	478,216	479,631	6.15%
Total	\$2,944,676	\$2,795,310	\$2,738,266	5.34%

Source: City of Eugene Transient Room Tax Collections Monthly Reports.

Hotel/Motel Occupancy for Lane County Metro Area

Room tax collections are a function of both occupancy and rate. Through a weekly survey, CVALCO assists in tracking room occupancy rates. Figures are based on a sample of 2,000 metro area hotel/motel rooms. The first half of FY05 saw a strong increase over the same period last year, due in part to real gains, but also because of the Clarion Hotel closure, which resulted in the loss of 234 rooms each day from the area's supply.

Lane County Metro Area Average Occupancy Rate

Jul-Dec 04	Jul-Dec 03	Jul-Dec 02	Jul-Dec 01	Net Change
69.35%	64.01%	63.21%	61.23%	↑8.3%

Eugene Airport Deplanements/Service

A total of 188,348 deplanements were reported the first half of the fiscal year, up 16.45 percent from the same period last year.⁶ The increase, in part, reflects the added service added just prior to the first half of the fiscal year. In May 2004, two daily round-trip flights between Eugene and Salt Lake City began on SkyWest, a Delta connection carrier. Strong passenger counts have led to a third daily flight, which will begin January 31, 2005. During the period, work continued on the Eugene Airport's \$16.5 million construction

of a new 6,000-foot runway—the largest development in at least 20 years. The new runway will serve as backup for commercial air carriers, running parallel to the primary 8,000-foot runway. This new runway system will provide greater capacity and safety, allowing airplanes to take off and land simultaneously. The airport expects to open the new runway in late 2005.

Convention Sales & Marketing

Janis Ross, Vice President of Convention Marketing Sue Krug, Convention Sales Manager
Sandee Hansen, Convention Services Manager Michelle Geschke, Convention Sales Manager
Sue Gorham, Convention Sales Manager

The Convention Sales and Marketing program continued its efforts to attract conventions, meetings and events to Lane County. The staff's sales strategies to develop new business and maintain existing accounts during the first half of FY05, resulted in a direct economic impact of over \$18.4 million in anticipated convention and event delegate spending. Trade shows, sales presentations, advertising, direct sales calls and sales missions targeting meeting and event planners have been effective means of increasing overnight visits to Lane County.

During the period, staff changes played a role in mid-year results. In August, Janis Ross was hired as the new vice president of convention marketing and a vacant convention manager position remained unfilled throughout the period. In addition to overseeing the convention sales staff, Ross took on a participatory sales role to become quickly acclimated to the department and better understand the needs of the program.

While the number of leads decreased the number of delegate and room night bookings increased. This is due to bookings of numerous large events, such as the Oregon School Activities Association (OSAA) championships and Oregon Horse Center events.

Business Booked	Jul-Dec '04	Jul-Dec '03	%Change
Delegates	173,231	51,558	↑ 236.0%
Room Nights	33,247	22,428	↑ 48.2%
EET	\$18.4 million	\$12 million	↑ 53.3%

Leads	Jul-Dec '04	Jul-Dec '03	%Change
Total Leads Generated	62	86	↓
27.9%			
Generated (w/rooms)	62	77	↓ 20.0%
Confirmed	46	58	↓ 20.7%
Pending	13	15	↓ 13.3%
Lost	2	10	↓ 80.0%
Cancelled/Postponed	1	3	↓ 66.7%

The reductions in lost and cancelled business is a positive indicator. CVALCO's confirmation ratio of 74 percent is very strong (46 of 62 leads confirmed). Eighteen of the 46 confirmations (39%) were new business, also a positive measure.

Sample Confirmations (Groups)	Meeting Year	Attendees	Scope
Conference on Social Theory, Politics & the Arts International	2005	2005	100
Oregon Trail Championships	2004	2750	Regional
Assn. for the Study of Literature & the Environment National	2005	2005	400

Pacing Report (calendar year)

CVALCO's pacing report is designed to better track and compare sales results against historical efforts.

Booked In		Booked	One	Two	Three	Four	Five	Totals
		For Same Year	Year Out	Years Out	Years Out	Years Out	Years Out	
1999	Room Nights	20,806	14,440	3,850	825			39,921
	Delegates	50,247	23,736	3,525	950			78,458
2000	Room Nights	27,545	26,485	7,730	4,770	1,500		68,030
	Delegates	57,994	41,935	6,272	4,898	1,050		112,149
2001	Room Nights	33,987	27,821	7,460	5,470			
	Delegates	56,456	32,709	6,127	7,680		1,000	75,738
							450	103,422
2002	Room Nights	35,273	18,340	2,580	1,935	250		58,378
	Delegates	58,126	23,218	3,230	1,520	250		86,344
2003	Room Nights	38,850	25,154	11,670	9,560	11,560	6,882	103,676
	Delegates	73,313	78,533	44,055	42,250	46,460	21,500	306,111
2004	Room Nights	26,049	26,568	510	600			53,727
	Delegates	58,550	147,061	3,170	3,170			211,951

Tradeshaw Participation

Participation in industry trade shows continued to play an important role in the sales team's marketing strategy. During the first half of FY05, the sales staff attended the following shows to meet with meeting planners and promote Lane County as a meeting destination:

- Oregon Society of Association Management annual meeting, Portland, Ore.
- Teams 2004 in Houston, Texas
- American Society of Association Executives annual meeting, Minneapolis, Minn.
- Adventures in Travel Expo, San Mateo, Calif.
- The Reunion Network in Nashville, Tenn.

In addition, CVALCO hosted a TRN (The Reunion Network) Confam, bringing over 20 military reunion planners and their guests to Lane County.

Site Inspections

CVALCO assisted meeting planners with inspections of hotels, meeting facilities and other areas of interest. The following groups came to Lane County to research the potential of holding a meeting, convention or event. Three groups remain pending, while one group was lost due to limited property amenities:

Open Bible Standard Churches 2007 - Lost to Spokane

4th Infantry Division 2008 - Pending

C-7A Caribou Association 2007 - Pending

59th Medical Group & Burtonwood Association 2005 - Pending

Advertising

The Convention Sales and Marketing Department placed advertisements targeting meeting and event planners in the following publications: Meeting Professionals International, Meetings in the West, Greater Oregon Society of Government Meeting Professionals, and The Reunion Network.

Convention-Related Media Coverage

CVALCO press releases and media assistance to convention publications generated \$8,379 in free editorial coverage during the period. Article topics included coverage about Lane County as a meeting destination, sightseeing for convention delegates, hotel renovations, and news about CVALCO's convention sales staff. Publications included *Black Meetings and Tourism* magazine, *The Meeting Professional* magazine and the Oregon Lodging Association's *Lodging News*.

Projects

The Meeting & Event Planner was completed and in-hand in FY05. This folder-style publication features loose pages for each category of convention facility and service, as well as individual pages for entities such as Lane Events Center, Hilton Eugene & Conference Center, Valley River Inn, and the University of Oregon. This format will allow annual updates of the individual pages, while maintaining the outer folder design for several years. Individual pages are also available in a printable PDF format, allowing the sales staff to email information to meeting and group planners.

Convention Services Program

The Convention Services program continued to explore new approaches to servicing meetings and assisting meeting planners. Services are designed to enhance meeting planning, help ensure the overall success of meetings or events, increase the chances for repeat business in Lane County and encourage planners to utilize applicable CVALCO member products and services.

During the first half of FY05, services were provided for 83 groups and 38,350 delegates. These services included delegate welcome signs and letters, VIP packets, press releases, media contacts, registration personnel, promotional videos, slides, transportation assistance, local attraction brochures and on-site visitor information assistance. Room referrals were operated for 19 conventions, to assist planners and delegates in booking reservations during events with extensive lodging demands.

Staff also worked as a liaison between meeting planners and CVALCO's members. A total of 18 service and informational leads, identifying meeting planner needs, were sent to CVALCO members to help them procure business and ease meeting planners' search for products and services. Working closely with the Visitor Services Department, the mobile visitor van was on-site at many meetings and events. Gift bags and baskets were also distributed to various organizations, conventions and events, including Oregon Logging Conference President's Field Trip, Red Devil Reunion, 33rd Infantry Division, Eugene Mayor's Office (Sister City Programs), University High School Reunion, and Oregon Moose.

Staff continued to serve on the planning committee for Rotary, Kiwanis, University High School Reunion, Oregon Chamber of Commerce Ambassadors/Greeters 2005 Convention, Oregon Diversity Institute, Association of Oregon Counties, and Oregon Moose.

Tourism Marketing & Sales

Natalie Inouye, Vice President of Tourism Marketing Katie Onstad, Tourism Sales Manager
Debbie Williamson, Tourism Public Relations Manager

CVALCO's Tourism Department implemented successful marketing strategies to gain a greater share of the travel market. Regional and national advertising, cooperative marketing promotions through regional partnerships, travel trade shows, and extensive media coverage were all utilized to attract both group tour and independent leisure travelers. Working with the Oregon Film and Video industry also increased opportunities for exposure. Tourism marketing efforts during the first half of FY05 resulted in more than \$3,064,591 in returns from inquiry generation, fulfillment and bulk brochure distribution alone.⁷

Leisure Marketing

Lane County continued to be a draw for independent leisure travelers seeking the scenic beauty, nature-based recreation opportunities and highly acclaimed cultural and performing arts events and activities the area offers. CVALCO marketing efforts capitalized on brand awareness of Oregon with special focus on activities for visitors to enjoy.

Visitor Inquiries Generated by	Jul-Dec '04	Jul-Dec '03	Jul-Dec '02	%Change
(FY '04: '05)				
CVALCO's Destination Advertising	5,106	4,343	1,666	↑17.5%
Regional Partnerships: Purchased leads	8,459	16,537	3,245*	↓48.8%
Other	3,238	4,300	2,963	↓24.6%
Total	16,803	25,180	7,874	↓33.3%

**Decline due in part to OTC's drop of the Business Reply Card, making fewer leads available for purchase.*

CVALCO Destination Advertising and Regional Partnerships

CVALCO continued its general destination advertising program. Ads in the following publications and Web sites generated 5,106 requests for information: America Journal (German magazine), Good Housekeeping, Northwest

Travel, Oregon Attractions Insert, Oregon Coast magazine, Travel Oregon, Oregonian, Register-Guard, Travel Oregon, Western Journey (AAA), oregon.com and GHTravel.com.

CVALCO's radio advertising campaign in Bend also continued with on-going promotions of Lane County events and vacation packages and messages that encourage people to visit Lane County. A musical jingle format, the ads are updated weekly and direct listeners to CVALCO's Web site for more information.

Travel Trade Marketing

Travel trade shows continued to be effective marketing venues for attracting new group tour travel business to Lane County. CVALCO participated in the Oregon Tourism Commission Sales Mission to Tokyo, Japan and also attended the National Tour Association in Toronto, Canada, resulting in 35 appointments.

Media Relations/Editorial

Extensive national and international media coverage stretched CVALCO's marketing efforts by providing publicity and exposure for Lane County worth \$306,430.

CVALCO has worked to generate coverage through press releases, press kits and by responding to media requests for assistance with articles, stories, guidebooks, and travel television shows. Editorial coverage included Lane County's events, activities, attractions, outdoor recreation, fall foliage and the coast. Special press releases were sent on the Junior Olympics, Cultural Cascades, Fall Foliage, What's New and Holiday Events. A total of 426 Lane County events appeared in various publications as a direct result of CVALCO efforts.

Numerous national and international media provided coverage about Lane County during the period.

Magazines: Alaska Air Magazine; Bike Magazine; Essentially America; Horizon Air Magazine; News-Review; Northwest Travel; Oregon Coast Magazine; Oregon Family; Organic Style; Portland Family; RV Journal; SkyWest Magazine; Travel America; Travel Oregon; VIA Magazine; Western Oregon Visitor. *Broadcast:* Today Show. *Travel Trade Publications:* The Group Travel Leader and Leisure Group Travel. *Newspaper:* Albany Democrat-Herald; Bicycle Paper; Corvallis Gazette Times; Oregonian; Statesman Journal and USA Today.

Press Trips

During the period, CVALCO assisted with six press trips: Kay Grant researching an article on Eugene; Taste Dining & Travel researching wineries, covered bridges and downtown Eugene; Don Rickel working on a new guidebook, Treasures of Western Oregon; Holly MacFee, new director of communications for the Oregon Tourism Commission; Culinary media tour organized by Myra Plant of The Campbell House, A City Inn; and a newspaper journalist.

Cultural Cascades Campaign

CVALCO continued its Cultural Cascades partnership with Portland, Tacoma, Seattle and Vancouver, B.C. Efforts focused on the promotion of the www.culturalcascades.com Web site through targeted advertising and media outreach. Each community placed a Cultural Cascades ad or editorial in their 2004/2005 Visitor Guides.

Group Tour Tracking

The total number of actual group tour travelers and complete economic impact are unknown since CVALCO must rely on voluntary reports from lodging, attraction, and restaurant operators. However, during the period CVALCO worked with a core group of accommodations and attractions that regularly report their tour business. The results of the groups CVALCO was able to track generated 1,534 room nights and 5,426 passengers, resulting in \$710,806 in spending⁸.

Film & Video

The Tourism Department continued its partnership with the Oregon Film and Video office by assisting movie and television production companies considering Lane County as a site for filming. During the period, CVALCO provided assistance for four feature films, four television series/segments and one reality show.

Lane County Fair Photo Contest

CVALCO participated in the annual Lane County Fair Photo Contest by purchasing non-exclusive rights to use three winning entries, as selected by a panel of CVALCO judges. As a result, three new slides were added to CVALCO's inventory of slides used for publications and editorial needs.

Visitor Guide

The process of updating editorial, redesigning and adding new features to the Official Lane County Oregon Visitor Guide got underway during the period. The Guide will be released in March 2005. The guide is used as CVALCO's primary promotional and visitor fulfillment piece. A total of 120,000 copies will be printed and distributed through CVALCO's Visitor Center and Visitor Van, Oregon Welcome Centers, Chamber of Commerce offices, CVALCO member businesses and visitor centers statewide.

Visitor Services

Natalie Inouye, Vice President of Tourism Marketing
 Meg Trendler, Visitor Services Manager
 Pujita Mayeda, Membership/Visitor Services Assistant
 Phillips, Karen Long,
 Margaret DeYoung, Visitor Fulfillment Specialist
 and Geoffrey Wilson
 Pujita Mayeda, Fulfillment and Member Services Manager

Visitor Services Specialists: Vivian Doolittle,
 Larry Moran, Marcella Schoen, Barbara Allen,
 Audi Fleishman, Krista
 Janet Auxier, Peggy Price

As CVALCO's frontline, Visitor Services continued to gather and provide information about Lane County and Oregon to meet the needs of visitors. The department fulfilled requests from both walk-in visitors to the center and those received via phone, mail or advertising responses. CVALCO's Official Lane County Oregon Visitor Guide and other literature on lodging, attractions, events, restaurants, maps, and CVALCO member services/products were distributed throughout the year as needed. The department maintained a detailed account of information requests and their place of origin. Visitor Services continued its operation of the mobile visitor van, which provided visitors and residents a convenient way to receive assistance and literature.

Visitor Information Requests

Despite a decline in overall requests for visitor information during the first half of the year compared to the previous year, numbers are still relatively strong when compared to FY03. Due to a change in how CVALCO purchased leads from Travel Oregon (Oregon Tourism Commission), FY04 phone/mail/ad inquire figures saw an unusual 131 percent increase skewing comparisons between FY04 and FY05 figures. Meanwhile, walk-in and visitor van requests declined only slightly. CVALCO's Visitor Van, which serves as a mobile information center, remained effective in reaching visitors and Lane County residents. Throughout the period, the van appeared at various festivals, events, and attractions.

Estimated economic impacts reflected in this section are dollars attributable to CVALCO's leisure marketing efforts and are not inclusive of overall visitor spending, which totals \$481.8 million per year in Lane County.⁹ The economic impact figures here are not inclusive of all CVALCO returns - only those programs verified through tracking and published research methodology.

Visitor Information Requests	Jul-Dec '04	Jul-Dec '03	Jul-Dec '02 (FY '04:'05)	% Change	Estimated Economic Impact
Walk-In	4,003	4,489	4,405	↓10.8%	\$868,651
Phone/Mail/Ad Inquiries	20,010	28,394	12,280	↓29.5%	\$2,059,447
Visitor Van	9,495	9,938	7,346	↓4.46%	\$2,060,415
Total	33,508	42,821	24,031	↓21.7%	\$4,988,513

Web Site*	Jul-Dec '04	Jul-Dec '03	Jul-Dec '02	%Change (FY '04:'05)
Users	178,989	180,148	141,446	↓0.6 %
Hits	3,758,770	3,433,901	2,768,630	↑9.5%

**Users are tracked each time an individual enters CVALCO's site. Hits are counted for each page an individual searches on the site.*

While the volume of hits to CVALCO's Web site continued to climb, users declined slightly. During the period, CVALCO continued its efforts to direct visitors to CVALCO's Web site through all channels of its advertising, publications and promotions. CVALCO also continued on-line accommodation bookings and a leisure-based e-newsletter. The Travel Hero booking system resulted in 29 reservations and 39 room nights. During the period, the fall e-newsletter was viewed by 2,227 people with a 9.7% (349) click through rate. The winter e-newsletter was viewed by 1,835 people with a 16.5% (586) click through rate. A total of 4,356 currently subscribed to CVALCO's e-newsletter.

Relocation Requests

Of the total number of visitor information inquiries, 1,313 were relocation requests, up slightly from last year's total during this period. Relocation requests are fulfilled with CVALCO's Lane County Official Relocation Guide and a Lane County Official Visitor Guide. Visitors receiving CVALCO's Relocation Guides are given countywide information and overviews of Lane County communities. In addition, applicable members were provided the opportunity to follow up on these leads available through CVALCO's label program.

State Welcome Center Distribution

A total of 6,300 Lane County Official Visitor Guides and 1,420 promotional guides were distributed to welcome centers and visitor information centers throughout the state during the period. This resulted in an estimated \$1,005,144 in economic activity in Lane County during the first half of FY05¹⁰.

Volunteer/Internship Program

The Visitor Services Department continued to develop the volunteer program to support the Visitor Center and all staff departments. Volunteers served 2,195 hours, an increase of 81 percent over last year. This resource represents a value of approximately \$19,755. Currently the program covers at least 35 percent of the front desk staffing during weekdays. Volunteers who have worked during this time period are Catherine Burke, Sandi Hill and Kamara Glenn.

The Department also oversaw CVALCO's internship program. One intern, Sara Conley, worked with CVALCO staff on a service binder for the McKenzie River Valley, learning important skills and providing invaluable assistance. A total of 45 hours was valued at \$405.

Q Customer Service Training Program

The initial grant period that created the Q Customer Service Training program ended. This fall, Q went through a transition. The Q Program is now administered through the Oregon Tourism Commission and Chemeketa Community College. CVALCO has two trainers on staff and will continue to work closely with the Q program.

Membership

Sally McAleer, Vice President of Membership Development & Organizational Marketing
Pujita Mayeda, Fulfillment & Member Services Manager

Membership remains a critical component of CVALCO's marketing efforts. In addition to membership recruitment and retention efforts, the membership program helped members utilize CVALCO's marketing tools to promote themselves to visitors and other members. The quality products and services members provide are key to the success of CVALCO and Lane County's visitor industry.

Membership Sales

CVALCO currently has 403 members. During the period, CVALCO gained 21 new members and lost 36 members with no commissioned sales staff support. Members contributed \$43,292 in dues revenue. For the past three years prior to FY05, CVALCO has had commissioned sales staff selling membership during this time. Last year commissioned sales staff brought in 12 of the 37 new members.

Membership		Jul-Dec '04	Jul-Dec '03	Jul-Dec '02
New Members	21	37	43	
Lost Members	36	36	26	
Net Loss/Gain	(15)	1	17	
Total Members	403	403	403	

Publication Production & Advertising Sales

The Lane County/Eugene & Springfield visitor map work began in December 2004. The \$10,000 revenue goal was exceeded by \$850. Membership was also involved in the production of the Meeting & Event Planner, which was completed at the beginning of FY05, as detailed Convention Marketing.

Membership Meetings/Outreach

Beginning in September 2004, CVALCO changed the format and name of the Membership Benefits Briefing to a new power point presentation called *Tourism Builds Business*. Presentations have been made in Eugene, the McKenzie River area, Oakridge and Florence. Open to CVALCO members and non-members, 31 business/organization have attended. The presentation informs attendees about CVALCO and how they can leverage marketing opportunities through membership. CVALCO gained three new members as a direct result.

During the period, quarterly Membership Spotlights continued to provide members with the opportunity to talk about their business or product to CVALCO staff. A total of 11 members participated.

In December 2004, CVALCO held its annual holiday event. Six members provided complimentary food for the event and over 40 members participated.

Web Site/Database Management

About 50 percent of CVALCO's vice president of membership development and organizational marketing's hours were spent on Web site and database issues for the organization. The Web site continued to increase in importance as a marketing strategy and CVALCO's ability to expand offerings through the Web has helped keep information fresh so users will keep coming back. Current Web site statistics are included in the Visitor Services section of this report. A primary focus during this time has been to improve CVALCO's communication

systems to our members. CVALCO's new group e-mail function has improved the look of the Weekly Update and allows staff to easily create groups for sending information.

Membership Services

During this time Membership Services made 120 member renewal calls thanking them for rejoining CVALCO. Member Services has begun surveying new members to ensure that CVALCO is meeting expectations. In addition to maintaining the CVALCO database, Membership Services also tracked collateral disbursement to members and businesses, which include: Lane County promotional brochures (13,695), relocation guides (3,420), pad maps (41,900) and visitor guides (42,020) Additional non-CVALCO pieces were also disbursed.

Labels

CVALCO's label program continued allowing members to purchase the names and addresses of information requests for use in sending out their promotional materials to prospective visitors. During the first half of FY05, members purchased 1,354 visitor inquiry, relocation, or membership labels. Currently, there are 32 members utilizing the convention and event calendar leads, up by 12 percent over last year. There is no fee for this service as is it part of the convention marketing package.

Community Relations

Lisa Lawton, Director of Community Relations

The Community Relations program continued to provide a voice for the Lane County visitor industry and be a point of contact for the local media. Additional efforts continued to inform, educate and maintain open communications with the business/community groups, government/public officials and local residents to heighten awareness about CVALCO and the impacts of tourism.

	Jul-Dec '04	Jul-Dec '03	Jul-Dec '02	
%Change				
Media Exposure (Local)	\$16,084	\$12,085	\$9,457	↑33%
Media stories/articles	58	49	55	↑18%
Press Releases	16	23	33	↓30%
Presentations	12	10	8	↑20%

Media Coverage (Local)

CVALCO continued to be a strong resource for visitor industry related coverage. Local media exposure about CVALCO and CVALCO-generated coverage about Lane County's tourism industry totaled \$16,084, a 33 percent increase over FY04. Coverage included the economic impacts of conventions and events, visitor spending statistics, the USA Junior Olympic Championships, the Globe Trekker and Zerophilia film shoots, the CVALCO Meeting & Event Planner, the Red Devils Military Reunion Banquet, UO Museum of Art and CVALCO staff news.

Advertising Campaigns

CVALCO renewed its advertising partnership with Eugene Weekly to provide members with the opportunity to advertise year-round at a substantial discount. CVALCO's cooperative television advertising campaign with KMTR-TV aired through parts of July and early September. The ads, which aired in five counties, promoted Lane County as a visitor destination, promoted the positive impacts of Lane County's visitor industry and provided opportunities for members ad. All member ads were tagged with the message "proud member of CVALCO." The Community Relations department also assisted with the design and content creation of the new CVALCO back-lit display at the new LTD Springfield Station.

Community/Member Outreach

CVALCO staff made a concerted effort to partner with chambers and other community groups throughout the County. In this effort, CVALCO staff attended and participated in 128 community and business group meetings, events and activities. Presentations to business and community groups continued to be an effective means of spreading the word about CVALCO and the positive benefits tourism brings to Lane County. CVALCO staff made a total of 12 presentations, up 20 percent over the same period last year.

Communication/Publications

CVALCO continued to produce a four-color quarterly newsletter sent out to more than 900 members, public officials and other key business and visitor industry constituents. Weekly Updates, emailed to more than 400 members, continued to be an effective way to communicate with members about marketing opportunities and other visitor industry news. A modified design provides

members with a more professional looking e-mail with opportunities to include direct links and images. The Community Relations department also continued to coordinate and produce the CVALCO Semi-Annual Report. The Department also assisted with the new CVALCO Meeting and Event Planner by providing editorial copy for the piece.

Web Site Development

The Community Relations Department continued to focus on improving CVALCO's Web site content. During the period, 29 feature pages were added to CVALCO's site, (up 107%), providing users with ongoing seasonal sightseeing and activity ideas. Featured pages are linked to both member pages within CVALCO's site and to outside member links providing enhanced member exposure and easier information access for Web users. Pages have included features on waterfalls, festivals and events, USA Junior Olympic Championships, Lane County Photo Contest, Animal House Celebration, fall foliage venues and travel ideas, Eugene Depot Restoration, winter recreation, Oregon Bounty campaign, holiday shopping, gardening events and other festivals and events.

Lane County Photo Contest

During the semi-annual period, five photographs were secured from the winning entries of CVALCO's 2004 Lane County Photo Contest, which launched in May of FY04. The photographers have been entered into CVALCO's library of images and are now available to use for CVALCO publications and editorial purposes at no charge. Photo contest entries and winners were displayed in the Visitor Center during the month of July.

Holiday Calendar

The production and release of CVALCO's fifth annual calendar was completed during the period. The calendar featured an image of Goodpasture Bridge in the McKenzie River Valley, which was one of the 2004 CVALCO Lane County Photo Contest winners. The calendar was sent to CVALCO members, key community groups, public officials, media representatives and distributed at various trade and business expos.

Administration

Kari Westlund, President & CEO

Betty Schmitt, Director of Finance & Administration

Employee Hires

Two staff department changes were made during the period. Janis Ross was hired as vice president of convention marketing. Ross replaced Pat Phillips who retired after 17 years of service. Betty Schmitt was hired as the director of finance and administration. She replaced Stephanie Turner who left the position due to illness.

In-Kind Support

In-kind donations, valued at \$22,577, were received in connection with travel writer/media visits, television advertising, free visitor van access to fair and festivals, and member donations supporting trade shows, conventions and CVALCO events. CVALCO received 1,333 hours of donated work through volunteers and interns. Assuming a \$9 per hour pay rate, this labor was valued at \$20,160. A total of \$42,737 was generated through in-kind support during the period.

Footnotes & Sources

1. \$18,451,769 million from convention sales bookings, \$2,059,447 million from inquiry generation and related visitor guide/mail fulfillment, \$868,651 million from visitor information center operations, \$2,060,415 million from mobile visitor van operation, and \$1,005,144 from bulk brochure distribution. No economic returns from trade shows, group tour sales, international sales efforts or film and video are included.
 2. Lane County Travel Impacts 1991-2004p. Prepared for CVALCO by Dean Runyan Associates, January 2005, for CVALCO.
 3. Ibid.
 4. Oregon Travel Impacts and Visitor Volume. Prepared by Dean Runyan Associates for the Oregon Tourism Commission, February 2004.
 5. Travel Industry of America 2003p Report.
 6. Monthly report from the Eugene Airport.
 7. \$2,059,447 million in inquiry generation and related fulfillment and \$1,005,144 million in bulk brochure distribution, for a total of \$3,064,591.
 8. Based on GMA Research: 5,426 passengers at \$131 per person, per trip, for a total of \$710,806.
 9. Lane County Travel Impacts, 1991-2004p, Dean Runyan Associates, February 2005.
 10. Research by the Oregon Tourism Commission and StoryCo has shown that 60% of visitors to Oregon are influenced to visit additional destinations due to visitor guides and promotional materials they pick up in visitor information centers. CVALCO distributed 6,300 visitor guides and 1,420 promotional guides to visitor information centers during July-December 2003. Using the 60% factor, and the average party expenditure of \$217 per day, identified in the visitor profiles mentioned above, total economic impact is \$1,005,144.
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Formulas

Overall Returns: \$18,451,769 (convention bookings); \$2,059,447 (tourism inquiries/fulfillment); \$868,651 (visitor center operations); \$2,060,415 (mobile van operations); \$1,005,144 (bulk brochure distribution). Total: \$24,445,426 (without group impacts).

Convention Sales Bookings: Determined by regional convention and visitor association averages using the International Association of Convention and Visitor Bureau's formula for convention delegate spending. By multiplying the number of delegates by the number of days of the event by \$166, the economic impact is estimated at \$18,451,769.

Inquiry Generation: GMA Research identified an overall conversion rate of 31%. 67.5% of those are true conversions of people who would not otherwise have visited. In addition, 10% of visitors receiving CVALCO's visitor guide extended their stay by an average of 1.8 days. $20,010 \text{ inquiries} * 31\% = 6,203$. $6,203 * 67.5\% = 4,187 \text{ parties} * \$434 = \$1,817,158$. $6,203 * 10\% * 1.8 \text{ days} * \$217 = \$242,289$. The average party spent \$434 per group per trip and \$217 per group per day. Total economic impact: \$2,059,477.

Visitor Information Center Operations and Mobile Visitor Van Operations: Based on research by Salem CVB, CVALCO estimated facilitating a one-day extension for walk-in visitors. The visitor center served 4,003 visitors at \$217 per day, per group, for a total of \$868,651. The Mobile Visitor Van served 9,495 for a total of \$2,060,415.

Group Tours: CVALCO is active in this market segment and provides planning assistance and sales promotion efforts to many group tour leaders each year. CVALCO relies on voluntary reports from lodging establishments, attractions and restaurants. CVALCO received reports totaling 2,490 passengers at \$131 per person, per trip for a total of \$326,190.

Media: CVALCO has been directly or indirectly responsible for print, broadcast, and film exposure of Lane County, but has limited tracking ability. Articles generated from our national/international efforts on the leisure side that CVALCO was able to track were valued at \$306,430. An additional \$8,379 in free media editorial was generated through national convention-related coverage. Editorial generated through Lane County media sources totaled \$16,084. This included coverage about CVALCO and CVALCO-generated coverage about Lane County's visitor industry.

Bulk Brochure Distribution: Research by the Oregon Tourism Commission and StoryCo has shown that 60% of visitors to Oregon are influenced to visit additional destinations due to visitor guides and promotional materials they pick up in visitor information centers. CVALCO distributed 6,300 Lane County Visitor Guides and 1,420 promotional guides to visitor information centers during the period. Using the 60% factor, and the average party

expenditure of \$217 per day identified in the visitor profiles mentioned above, total economic impact is \$1,005,144.
