

SOVA Symposium
Monday, March 5, 2012
9:00-9:30am
Red Lion Inn, Medford, Oregon

"Great leaders are never satisfied with traditional practice, static thinking, conventional wisdom, or common performance. In fact, the best leaders are simply uncomfortable with anything that embraces the status quo. **Leadership is pursuit** – pursuit of excellence, of elegance, of truth, of what's next, of what if, of change, of value, of results, of relationships, of service, of knowledge, and of something bigger than themselves."

And I returned to this quote as I thought about what I wanted to share with you today because it's something I aspire too—and take as a personal challenge and is one I give our team. You see, you honor me by asking to come and be with you every year. And we've done this together nearly every year since you started.

We'd gather and challenge each other to unify our branding, or build the mother of all databases, or become a model for Destination Marketers everywhere,

And, in the spirit of - "Leadership being pursuit" - you'd respond by showing us, and the state, how to do it right: by creating innovative product offerings like Paddles and Pints rafting on the rogue, by providing **real** value to tourism businesses through one of the most robust co-op programs in the state. By supporting emerging businesses and exploding industries, like the wineries, through grant investments. By supporting new, signature events like the Oregon Chocolate Festival and the Oregon Cheese Festival. By keeping a sharp focus on customer service and making training an ongoing key strategy. By truly understanding your consumer through visitor intercept research. I can tell you there are few DMO's in the country that do a much as Southern Oregon does with limited resources, but with the level of buy in and partnership, expertise, and creativity that you do.

Similarly, that one word – Pursuit - encapsulates for me our work at Travel Oregon and the blend of leadership and servant's heart that is at *the heart* of the Travel Oregon team.

Consider, for example, that 2011 was the year:

- Travel Oregon received three Mercury awards for excellence representing three distinctive disciplines within Travel Oregon – our interactive food and drink website food.traveloregon.com, our Korean travel guide and our domestic visitor guide. This is the most awards we have ever won in a single year.
- And this on the heels of being honored with best overall campaign for Oregon Bounty just last year, competing against every other state in the country, a campaign that has seen a 20% average growth in response rates over the past 5 years, despite a troubled economy.
- We launched Travel Oregon Forever with its Sustainable Business Challenge and Travel Philanthropy Fund. No other state in the country has programs like these, yet for us it's only natural to do so as we seek to preserve this place we have the privilege to promote.
- We rode hundreds, if not thousands of miles and launched 8 Scenic Bikeways, the first program of its kind in the country.
- We launched one of the first State tourism Facebook co-op, helping our partners increase their fans by an average of 275%.
- Our international visitation numbers grew by near double digits year over year. And PDX continues to be the smallest market in the U.S. that supports non-stop air service to Europe and Asia.
- We hired our first China in-country representative recognizing not the current size, but future potential of this market.
- We pulled off a first ever culinary blogger invasion to launch this year's Oregon Bounty and drove 1200 social media posts and almost 10 million impressions through a single weekend of media immersion into Oregon's food scene.

- Individual members of our team were recognized by professional peers for their contributions – our Operations team, Noreen and Kendra secured a Gold Star from the state for their fiscal reporting and kudos from the auditor for the best financial controls they'd seen, Lisa Itel was elected to the board of the National Tourism Association, Teresa O'Neill was asked to serve on U.S. Travel's Pow Wow planning committee (the largest trade show of its kind in the US), Holly Macfee and Kevin Wright were tapped to lead the professional development network of their peers from all 50 states and Mo Sherifdeen was named one of the 100 most influential tourism social media professionals.
- The strategic shift from print to television advertising was successfully and seamlessly executed as we leveraged creative assets, tripled impressions, went national in our TV buy, deployed robust on-line vehicles, and focused on key message drivers for our outdoor recreation and culinary campaigns. Response impact just from spring Adventurecation effort: 189,000,000+ targeted impressions and a YOY increase in overall responses of 13%.
- Tourism products and services were expanded with the advancement and specialization of our rural tourism studios, and our first full year's operation delivering quality service through our team at the PDX Welcome Center.

And the ultimate beneficiary of our mutual shared pursuit has been Oregon's economy. And we stand at a moment in time where the opportunity that travel and tourism affords our economy has never been greater or more necessary.

As the Oregon and U.S. economies have been striving for recovery, the tourism industry has been a primary player in that effort.

Everyone is talking jobs and we are in the job creation business.

Today, Oregon's tourism industry directly supports nearly 92,000 jobs...a 12% increase since 2001.

Jobs where Oregonians can learn work maturity skills and jobs where they can establish their careers.

Jobs where they can become part of a major multi-national corporation and jobs where they are the proprietor – showing up every morning to unlock the door.

In every case, these are good, honorable jobs for Oregonians – jobs that cannot be outsourced.

Yes, nearly 92,000 Oregonians owe their jobs to visitors traveling and spending dollars, Euros, Yen and other currencies in our state.

And we have watched these expenditures grow – and I am pleased to stand before you today and celebrate the fact that visitor spending reached nearly \$8.8 billion last year – our highest level ever!

Yet, there's another facet to the job creation. As important as the 90,000+ direct jobs are the jobs in Oregon's economy in other industries that would not be there if Oregon had no visitor spending. These are the jobs in construction, manufacturing, agriculture and other sectors that are there because of the demand created by direct visitor spending.

- As demand for lodging increases, more hotels are built.
- As more flights come into a region, terminals are reconfigured, and runways added or extended.

There are nearly 41,000 additional jobs in Oregon due to the spending done by visitors and visitor industry employees.

The total payroll for these 132,000+ is over \$3.4 billion annually.

Nationally, travel and tourism is a \$1.8 trillion industry employing over 7.5 million

Americans. Sadly though, since 9/11, America has experienced a 33% drop in market share. Not because we have a lousy product. Not because the states, regions and cities weren't trying to invite them. Not because more international visitors weren't traveling...they just weren't traveling here, to America at the same rate they were to other destinations across the globe because America had no unified national branding campaign with the resources necessary to catapult Brand USA onto the scene.

It's the same situation Oregon faced before the passage of the Tourism Investment Proposal. But we all came together did something about it!

In 2003, following years of effort from a lot of folks, the Oregon Tourism Investment Proposal became law.

Several aggressive and strategic assurances were given to the legislature and the Governor as to the economic stimulus that would result if the Tourism Investment Proposal was implemented and chief among them was a forecast that visitor spending would increase by \$500,000,000 (half a billion dollars) annually. I am thrilled to share that we – all of us in Oregon's tourism industry - met that challenge.

From the time the proposal was implemented in 2004, when factoring out the recessionary period that began in 2008, the average growth in visitor spending in Oregon since 2004 was \$537 million (107% of forecast).

Put another way - In 2003, there were 19.1 million overnight trips to and within Oregon – of which 8.5 million were marketable leisure trips. By 2009, total overnight trips had surged to 27.5 million – of which 12.9 million are marketable leisure trips.

This represents a 44% increase in total trips and 52% increase in marketable leisure trips.

Similarly, the Commission's advertising programs have become more effective and efficient. Today, Travel Oregon is generating a new trip for every \$1.14 invested in media advertising - these are new trips that would not have come to Oregon. The same

research indicates that every \$1 invested in the Oregon Tourism Commission's media advertising programs generates \$8 in state and local taxes. And our research firm claims this is one the strongest, most effective advertising campaigns they have measured in the U.S.

Even more importantly, Oregon grew its share of national visitor spending by .01% over this time frame - meaning that an additional \$78 million was being spent in Oregon each year as a result of Oregon increasing its "wallet share" of domestic and international visitors who chose Oregon over other U.S. destinations.

This positive shift in market share is responsible for supporting an estimated 877 jobs for Oregonians that, otherwise, might not exist.

Well, in the same way things changed for Oregon, they are changing for America too. And it's time for America to reclaim that market share.

There is global campaign set to be launched later this spring with a \$200 million budget rocket strapped to it. They'll blend broadcast, on-line, print, social and out-of-home marketing into an integrated campaign that, in May, they'll take to Canada, the UK and Japan and in June they'll add South Korea and Brazil.

And lest you think there's not much excitement around this, on January 19th President Obama issued an Executive Order calling for the creation of a Task Force on Travel and Competitiveness to develop a National Travel and Tourism Strategy and address our current visa processing situation.

I have the privilege of having been appointed to Chair of the US Travel and Tourism Advisory Board and we are called out in the President's order as advising the Secretary of Commerce as the national strategy is developed. As a result, since January 19th I have assisted in leading the 30+ member board through our process of bringing forth recommendations to be included in the strategy and have met with Commerce Secretary Bryson and Interior Secretary Salazar to review strategy development.

Let me bring this closer to home. Oregon's tourism and hospitality industry is a primary driver of Oregon's economy. Consider this...

At last month's Oregon Business Summit, they released job growth figures for the past year. Oregon's Leisure and Hospitality industry created 8000 jobs since October 2010 making it the #1 job growth sector of Oregon's economy.

The Oregon Employment Department just released the findings of their survey of Oregon businesses and determined that 46% of leisure and hospitality businesses plan to hire in the next six months – making this sector the largest new employer in Oregon's economy.

These two examples serve to amplify this incredible opportunity I have referenced this morning.

And it is our opportunity to seize or to squander.

Therefore, during this time of economic recovery, Oregon's tourism industry must remain laser focused on strategically positioning our experiences, innovating new products and technologies, and leveraging one another's voice and resources.

And it is important to the future of this state that we do.

The Tourism and Hospitality industry impacts thousands of businesses and tens of thousands of jobs. But it is also the industry that introduces many people to Oregon for the first time.

Their awareness of Oregon – as a place – may first come through an ad, an article they read, a vacation. What can this awareness lead to?

Tourism also introduces Oregon products to our visitors. Our visitors travel to Oregon and enjoy our foods, wine, and craft beer. They purchase our manufactured goods and artisan products and return home with a stronger affinity for Oregon and these products.

Travel Oregon undertook a Consumer behavior study last spring to measure the effects of travel to and within Oregon on consumer behavior in terms of purchasing Oregon products during and after their trip.

- 85.0% of Oregon visitors rated their trip as Very or Extremely Satisfied (only 1.4% were unsatisfied with their trip to Oregon)
- 43.0% of Oregon visitors said they are More or Much More Likely to purchase Oregon products than before their trip (only 4.5% were less likely)
- 30.7% of Oregon visitors stated they have purchased Oregon products “several times” since visiting (55.8% said “a few times” and “several times”)
- 41.7% of Oregon visitors stated that introducing their family and friends to Oregon’s local products will greatly influence their decision to visit Oregon in the future (18.2% felt it would have little influence)

So, we need to continue to build strong, innovative connections between our respective promotional efforts, introducing folks to Oregon as a vacation destination and subsequently making them consumers of Oregon products – even after they return home. Then they become natural ambassadors – a sales force – for the state. And there’s power in this - 79% of travelers trust reviews by other tourists over advertisements

We can’t be afraid to dream big when it comes to recognizing the sheer force of Oregon’s tourism industry and its potential to stimulate other sectors of Oregon’s economy as well.

The same Consumer Behavior study I referenced earlier also determined:

- 2.6% of Oregon visitors said they would consider expanding their business

- 1.5% would consider relocating their business

Small numbers, perhaps, but we're talking 2.6% of 27.5 million trips...715,000 potential expansions.

John Muir once said that when you tug on one thing in the world, you suddenly discover it is connected to everything else. The same is true for the tourism industry in Southern Oregon and the entire state. The impacts of this industry are so complex and so far-reaching, that if you nurture it you will strengthen your efforts in other areas. But, similarly, if you weaken it – ignore it, redirect support for it, disparage it – you will blunt the overall economic vitality and opportunity in your community, your region, this state and this country.

So, the full potential of this opportunity will not be realized without your participation.

We all need to realize that we are part of something that is crying out with opportunity.

An opportunity to galvanize ourselves around a common vision and purpose. An opportunity to unify the experience we offer to visitors.

Please note that I said “experience”, not “experiences”. You see I envision a time where a trip to Oregon is a singular experience – not a collection of little experiences.

A time where we have so cohesively unified our various offerings that from the time they begin planning their trip, to the time they return home, our visitors know they have been somewhere unlike any other.

It is about Oregon. Every last piece, place and person being intertwined and interconnected to provide a unique and magical singular Oregon experience. And this experience then becomes the promise we make to our visitors.

I am excited for us. We're not willing to coast or settle for just meeting a goal. Nope, we're a little more determined than that. We believe we can still squeeze one more trip

out of that marketing dollar, help one more business or community find its place in the tourism industry, enhance the warmth of a visitor's experience by one more degree...and as a result gain that greater market share of visitor spending that helps one more, actually 877 more Oregonians find employment that enables them to provide a better life for themselves and those they love.

So, since the 877 Oregonians exceed the Fire Marshall's limitations on our meeting room today, please allow me to thank you for what you do every day on their behalf. It really does matter.

And I am forever grateful that together we are "...never satisfied with traditional practice, static thinking, conventional wisdom, or common performance.

In fact, we are simply uncomfortable with anything that embraces the status quo."

These are amazing times and I am excited to be here today and I look forward to moving ahead together with you.

Thank you.