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COUNTY CLERK THE BOARD OF COMMISSIONERS OF LANE COUNTY, OREGON
BY Pat Duke

Order No. 94-6-28-1) IN THE MATTER OF APPROVING FY 94-95 VISITOR
) SERVICES PROGRAM AND BUDGET AND EXERCISING
) THE YEAR 2 CONTRACT RENEWAL PROVISION WITH
) C-VALCO IN THE AMOUNT OF \$833,000

Whereas on February 1, 1993, Ordinance 15-92A increasing the transient room tax rate for a number of special purposes became effective; and

Whereas visitor marketing services are a specific purpose described in the ordinance; and

Whereas the Eugene-Springfield Convention & Visitors Bureau (BUREAU), now the Convention and Visitors Association of Lane County (C-VALCO), was selected as the contractor to plan and implement a visitor marketing and services program for three years, subject to annual review and approval; and

Whereas C-VALCO has submitted a proposed marketing plan and budget for visitor marketing services for Year 2 of a three year program; and

Whereas the Board wishes to renew its contract for the period July 1, 1994 through June 30, 1995; now, therefore,

IT IS ORDERED that the County Administrator be delegated authority to execute a FY 1994-95 (Year 2) contract with the Convention and Visitors Association of Lane County, in the amount of \$833,000, in a manner substantially consistent with the work plans attached as EXHIBIT A and EXHIBIT B and directed by an initial budget attached as EXHIBIT C.

Dated this 28th day of June 1994.

Jerry Rust
Chair, Lane County Board of Commissioners

APPROVED AS TO FORM
Date 6/28/94 Lane County
Teresa J. Webb
OFFICE OF LEGAL COUNSEL

IN THE MATTER OF APPROVING FY 94-95 VISITOR SERVICES PROGRAM AND BUDGET AND EXERCISING THE YEAR 2 CONTRACT RENEWAL PROVISION WITH C-VALCO IN THE AMOUNT OF \$833,000

LANE COUNTY TOURISM

--MARKETING PLAN--

1994/1995

Presented to the

LANE COUNTY BOARD OF COMMISSIONERS

Presented by the

***CONVENTION AND VISITORS ASSOCIATION
OF LANE COUNTY, OREGON***

May, 1994

THE MISSION OF THE CVALCO TOURISM DEPARTMENT

The mission of the CVALCO Tourism Department is to foster and support the growth and diversification of the Lane County economy through the visitor industry. Specifically, the Tourism Department seeks to enhance the employment opportunities and the quality of life for Lane County residents by promoting leisure travel to Lane County.

In support of this mission, CVALCO endeavors to position Lane County, its image and visitor products, in the most favorable and competitive light possible to the travelling public. To this end, the following basic marketing purposes are set forth:

1. To identify, support, and market the image and products of Lane County to the appropriate visitors and markets.
2. To aggressively pursue tourism sales opportunities in the markets with the most potential to impact the Lane County visitor industry.
3. To encourage the cross-selling of Lane County's assets and visitor products, and to promote partnerships with and between other marketing organizations.
4. To support efforts of Lane County organizations, rural and urban communities, and other marketing entities to reach their potential markets.

INDUSTRY ASSESSMENT

This analysis is designed to give an overall view of the travel and tourism industry, as well as Lane County's position in that industry. Information for this analysis has been gathered from many sources: research conducted by the CVALCO Tourism Department, NTA/IACVB survey results, the Travel Industry Association of America, the Oregon Tourism Division, the World Travel and Tourism Council, the United States Travel and Tourism Administration, and the United States Travel Data Center.

A. LANE COUNTY AND THE WORLD'S LARGEST INDUSTRY

Tourism in Lane County is an integral part of, and closely tied to, the world's largest industry - Travel and Tourism. In the world economy, 1 of every 9 workers are employed in the industry, and the industry creates a new job every 2.5 seconds. It is an industry that accounts for 10.9% of all consumer expenditures in the world. And, beyond being the world's largest industry and greatest generator of jobs currently, it is rapidly expanding its impact as new markets and opportunities are opening for more of the world's peoples.

The United States has long been a leader in this industry. Travel and Tourism is the nation's second largest employer, and it generated a 121% payroll growth during the decade of the 1980's. America enjoys a 58% travel surplus (the difference between what international visitors spend in the U.S. and what Americans spend outside the U.S.), and international visitors accounted for over \$17 billion in expenditures in 1991.

In Oregon, the industry employs over 51,000 people with a payroll of \$596.9 billion. In 1992, 23.3 million visitors traveled to and within Oregon, and these visitors generated expenditures of \$3.13 billion. In addition to the \$33.7 million in transient lodging tax (room tax) collected in 1992, \$88.5 million of state tax revenue in the form of gasoline, corporate income and personal income taxes were realized as a result of visitor spending.

Travel expenditures in Lane County in 1992 totalled over \$241 million, ranking Lane County second of Oregon's counties behind Multnomah County, in visitor spending. The industry supports over 4,300 Lane County jobs with a payroll of \$44,345,000. Visitor requests topped 32,000 at CVALCO offices in 1993. That figure represents an 11% increase over 1992, and an almost 200% increase since 1987.

B. THE CHANGING MARKETPLACE/CURRENT TRENDS

The CVALCO tourism marketing effort exists in a worldwide travel environment that has undergone significant changes in recent years. Perhaps no two more important changes have taken place than the segmentation of the travel market, and the changing travel season.

MARKET SEGMENTATION/NICHE MARKETING

Today, the travel market is much more segmented than ever before. There are no longer any massive consumer markets for which a single message will generate the desired effect of influencing travel decisions. Leisure travel consumers are more discerning in their destination choices, and their choices tend to be related to their individual activities and avocations. This change has led to niche marketing and a proliferation of media by which consumers obtain destination information. It is vital that destination marketing organizations know their product, know their markets (consumers), and know where their potential clients are looking to make travel and destination decisions. The product must be specific enough to appeal to a more narrowly-defined consumer group, and it must deliver the excellent experience expected by consumers.

SHORTER TRIPS, CLOSER TO HOME/CHANGING TRAVEL SEASON

For the past several years, leisure travelers have consistently been taking shorter trips closer to their home. At the same time, they have also expanded the traditional season of travel. There are several reasons for these trends:

1. Despite the predictions made in the '50's and '60's of more leisure time, the single-parent and two-income families of today are hard-pressed to find the time to 'get away'. In many households, the traditional two or three week summer vacation is virtually impossible to achieve.
2. Long weekends, those weekends that include the Monday holiday, are seen as prime times to plan a short getaway.
3. The active, mature American, the fastest growing segment of the American population, does enjoy significant leisure time. Their travel season is not tied to work or school, and they often opt for shoulder or off season travel.
4. Schools are beginning to experiment with a changing school year that supports year-round rather than summer only travel.

OTHER SIGNIFICANT TRAVEL TRENDS

1. Travel consumers want to feel like 'a better person' for having invested time and money in a destination. Simple relaxation does not fulfill travel expectations as well as the opportunity to have an excellent experience based on a favorite activity (i.e. cycling, rafting, fishing, exploring etc.), or to learn something of a new area or culture.
2. Travel safety has become a factor for today's consumer. Destinations that are perceived as not safe must spend considerable resources reversing that perception or suffer lower visitor numbers.
3. The "Greening of Leisure Travel" refers both to the specific eco-tourism travel motivations, and to the more general desire that consumers wish to be responsible travelers.

C. LANE COUNTY'S IMAGE AND IDENTITY

IMAGE

The Lane County image continues to be primarily one of a destination with abundant natural resources and great scenic beauty. It is also seen as a very diverse destination - diverse in its natural settings from the Oregon Coast, to the Willamette Valley, to the Cascade Range, and diverse in its cultural offerings and recreational opportunities.

Lane County's image continues to be a positive factor with first time visitors. At least 9 of 10 (93%) first time visitors plan a future visit to Lane County. Moreover, the Lane County image seems to meet the three most important criteria to visitors when planning a vacation: 1) Finding new experience/activities, 2) Exploring the outdoors, 3) Going to an uncrowded area.

IDENTITY

The positive image of Lane County is supported by the fourth edition of the Official Visitors Guide, published in February, 1993, and by the Lane County Driving Guide, published in September, 1993. Both publications highlight the diversity of experience available in Lane County, and both help the visitor access all aspects of the visitor industry in Lane County.

Evidence of the appeal of Lane County and the success of ad campaigns supporting travel to the county can be seen in the rate of disbursement of the Visitor Guide and the Driving Guide. Over 50,000 of the original 105,000 Visitor Guides, and 23,000 of the original 50,000 Driving Guides have been used to fulfill visitor requests for information since their publications. Both pieces continue to define Lane County as a special place of many possibilities for visitors.

VISITOR PERCEPTIONS

Visitor perceptions of a destination are critical to the success of any effort to garner a share of the travel market. And, while visitors to Lane County generally carry away positive impressions with them, it should be recognized that the perception of Oregon itself to potential visitors will have an effect on visitations to Lane County. The following are some general perceptions of Oregon that have an impact on efforts to bring visitors to Lane County:

- * People go to Oregon for its natural beauty. Other scenic descriptions include "unpolluted," "green," and "unspoiled".

- * Oregon is known for its friendly, "laid-back" people.

- * Oregon is perceived as a place for active people. It attracts people who are looking for outdoor adventures and a variety of activities while on vacation.

- * The anti-gay issue is seen as a "turn-off" to visiting Oregon. Other negative perceptions included a general "lack of sophistication", "intolerant people", "red-neck towns," "provincialism," and "closed communities", "extreme environmentalists" and recent "news about hate crimes".

- * Visitation to Oregon boosts positive associations within the state on most dimensions EXCEPT FOR: 1) good wildlife/nature, 2) good climbing/hiking, 3) snow skiing, 4) open spaces. Other states and destinations have a better reputation for these activities.

- * Awareness of advertising for Oregon boosts the following images: 1) safety and security, 2) great place to get away, 3) good museums/galleries 4) local festivals/crafts, 5) night life/entertainment, 5) great golf courses

These perceptions of the state are echoed in findings about Lane County from several sources. Visitor intercepts during the 1992 Visitor Intercept Study, the NTA/IACVB Leisure Travel Survey, and general impressions gathered at the Teens 'N Travelers kiosks seem to reinforce the importance of perceptions and expectations of the leisure traveler. As Lane County is a microcosm of what Oregon has to offer, so too, it shares in the state's general perceptions.

E. THE LANE COUNTY VISITOR PRODUCT

Many of the key components to the Lane County visitor product continue to focus on the natural beauty and outdoor recreation opportunities offered to the visitor. In light of the marketing trend toward consumer niches, however, it is important to consider whether visitor products have local, regional, or national and/or international potential to attract visitors to Lane County. The following list reflects both traditional and emerging visitor products important to the future of the industry in Lane County:

- * An emerging national reputation for all types of competitive and recreational cycling
- * A growing regional awareness of diverse, accessible and affordable golf courses
- * Diverse natural attractions and scenery
- * A regionally recognized performing arts program including the internationally respected Oregon Bach Festival
- * A continued reputation for premier Track and Field events and PAC-10 sports
- * An emerging rural tourism product development program
- * Excellent lodging and meeting facilities both in the rural and metro areas
- * Outdoor recreation opportunities including hunting, fishing, rafting, skiing, hiking, water sports and nature viewing
- * Access to local history through attractions such as Dorris Ranch, Westward Ho! Sternwheeler, city and county museums, and the new Old West attraction of Saragosa
- * Access to local culture and people through numerous fairs and festivals including the well-established Saturday Market, Oregon Country Faire, the Scandinavian Festival, the Rhododendron Festival, the Eugene Celebration, and many other community events.
- * Emerging celebrations and festivals that highlight the diversity of Lane County people
- * A variety of shopping facilities and experiences

F. STRENGTHS AND OPPORTUNITIES FOR TOURISM IN LANE COUNTY

STRENGTHS

Some of the strengths of Lane County are fundamental to its location. The Northwest is generally seen to be a desirable region to visit. Lane County benefits by having two major conduits of travel, the I-5 freeway and Highway 101, bringing visitors to and through the county. In addition, Highway 58 and Highway 126 do a good job connecting the county with other important areas of the state and the Northwest.

The diversity of opportunities for visitors in Lane County is also a major strength. The appeal of the county is not based on one product, and visitors generally are pleased to find more to do and see than they expected when visiting Lane County.

Finally, the commitment of Lane County government to fund and support an aggressive and effective marketing effort must be seen as a major strength. The fact that visitor spending in Lane County ranks second only to Multnomah County points to the positive return of the county's investment.

OPPORTUNITIES

Lane County's greatest opportunity lies in maximizing the existing visitor product, and in determining and supporting products that can compete with other destinations on a regional and national basis. Although progress continues to be made in bringing the proposed Oregon Rivers Museum project to fruition, no one new major visitor product is expected to be created in Lane County during this next year.

There are, however, ongoing marketing strategies and product developments that do present important opportunities for the growth of tourism in Lane County.

1. Rural tourism development is maturing in Lane County. Cities such as Oakridge, Cottage Grove, Florence, Junction City and Mapleton are working hard to make tourism a part of their economic base, and are well on the way to attracting new visitors.
2. The growth of niche marketing presents Lane County with opportunities as well. Cycling is emerging as a Lane County activity that can compete with any other destination in the United States. Other nationally competitive markets should continue to be identified and supported to gain a larger market share of dedicated visitors.
3. Partnerships and cross-selling are becoming a part of the Lane County landscape. It positions the county well in the state as other marketing organizations are just beginning to explore this area.

GOALS AND OBJECTIVES

1. To continue to identify and support visitor products and activities that will enhance the competitive stature of Lane County as a general destination.
2. To increase room tax revenues throughout the county by expanding the appeal of Lane County to a wider audience and by supporting the growth of the traditional travel season to Lane County.
3. To maintain Lane County presence and strength as a destination within Oregon, and to its potential consumers in the important nearby markets of Northern California, Washington, and British Columbia.
4. To maximize marketing efforts through partnerships with other Lane County agencies and marketing organizations.
5. To increase the length of stay of visitors to Lane County.
6. To increase group tour/motorcoach business to Lane County.
7. To expand the shoulder season through an aggressive 12-month advertising plan.
8. To continue to identify and support regional and national markets for the Lane County visitor product.
9. To continue working with the Willamette Valley Visitors Association and the State Department of Tourism in promoting travel to the state and the Valley.
10. To encourage and support cross-selling of the county's visitor products between the various regions and cities of Lane County.
11. To maintain a database of all general visitor requests (now being done), and to develop a database of requests for specific activities and attractions in Lane County. To work these databases to convert requests to first time and repeat visits to Lane County.

MARKETING STRATEGIES AND ACTION PLAN

This section of the plan is designed to identify marketing strategies that directly support the goals and objectives of the CVALCO Tourism effort. It will also serve as a plan of action for 1994/1995 in striving to fulfill tourism goals.

MEDIA ADVERTISING

Media exposure for the Lane County visitor product is critical for its continued success. It serves the dual purpose of highlighting the county's attributes, as well as locating and defining Lane County as a Northwest destination. Awareness of Lane County as a destination has grown over the past several years of media promotion, and general destination advertising should be continued in our primary markets of Oregon, Northern California, Washington and British Columbia.

In addition to general destination promotion, the Lane County media campaign has begun to support important niche markets. Cycling and golf are two potentially important attractors to the county, and an ad campaign in support of those niches should yield a more dedicated visitor response. It is expected other niche markets in which Lane County competes regionally or nationally, will be identified in the future.

The following are consumer publications in which Lane County ads will appear during 1994. They support both general and niche marketing efforts.

Sunset/Northwest Edition	Sunset/Sacramento Edition
Motorland (AAA to California)	Oregon Coast Magazine
Mountain Bike Action	VeloNews
AAA Tour Book	

Ads appearing in Mountain Bike Action and VeloNews represent support of a niche market through national consumer exposure to the Lane County product.

Additional consumer publication ads contemplated at this time include further media buys to support the shoulder season, and buys in Oregon Cycling, both to support the cycling market and to procure an excellent fulfillment piece (overruns of Oregon Cycling).

DIRECT MAIL CAMPAIGN

Direct mail campaigns will target both the tour operator and consumer markets. The campaigns will utilize databases of companies and individuals who have previously shown interest in the Lane County product. These markets will be continually 'worked' through direct mail with an aim to convert them to visitors to Lane County.

INDUSTRY TRADE SHOWS

Trade shows are excellent opportunities to reach specific target markets. We will continue to participate in trade shows that have been important in carrying our marketing efforts in the past, and add trade show opportunities that will increase Lane County awareness in new and important market segments.

1. Group Tour/Motorcoach Industry

Participation with both the Spring and Fall NTA Exchanges will continue to bring motorcoach leads and business to Lane County. In addition, through a renewed membership with the American Bus Association, another opportunity will exist to market to the important group tour industry. The ABA National Convention takes place in Portland, Oregon, in 1996, and we will play a considerable role leading up to this national meeting.

2. International Group and FIT Travel

In partnership with the State Department of Tourism, we will attend POW WOW, the world's largest international travel exchange. International marketing is a long-term commitment, and it is anticipated that Lane County Tourism will participate in POW WOW for several years to come.

3. Niche Markets

Trade Shows supporting both the cycling and golf market in Lane County will be added in 1994/1995.

4. Consumer Market

We have participated in the Sacramento Travel Faire for several years, and will continue to do so. In addition, another consumer show will be added to the agenda in 1994/1995 - either in Portland or Seattle. These consumer shows will be combined with sales missions to travel agencies and tour operators in these cities.

FAMILIARIZATION TRIPS (FAMS)

FAM's are a most effective method to convert interest in the Lane County product to business for Lane County's visitor industry. Thus far in 1994, successful FAM's have been conducted for AAA travel consultants from Oregon, Washington and California, and, in conjunction with the State Department of Tourism, with an important group of German travel professionals. Other FAM's under consideration for 1994/1995 include:

Lane County Tourism Contacts
Collette Tours/Group Leaders

Group Leaders/Frontier Tours
State-wide Tourism Contacts

REGIONAL/NATIONAL/EDUCATIONAL OPPORTUNITIES

Participation with organizations such as the Travel Industry Association of American and the Western Association of Convention and Visitors Bureaus are vital in keeping abreast of current industry information and trends. The Tourism Department will continue to take advantage of educational seminars offered during the Oregon Governor's Conference and National Tour Association Exchanges.

GROUP TOUR/MOTORCOACH INDUSTRY SALES

The Tourism Department will continue to produce group tour leads and business for Lane County. Participation with the National Tour Association and the American Bus Association, and attendance at the Exchanges and POW WOW are critical to working the market for leads and cementing existing relationships with important contacts. The following are sales goals for this segment of the industry for 1994/1995.

- a. Annual goal of 60 new contacts/leads developed
- b. Annual goal of 120 active leads being worked for future commitments

LANE COUNTY VISITOR INDUSTRY SUMMIT

The first summit was conducted during January, 1994, in Florence. Survey results show a strong desire by summit delegates to plan to make the Summit an annual event. The Summit is vital in supporting the cross-selling of Lane County visitor products between regions and cities in Lane County.

PERSONAL MARKETING/SALES BLITZES

Personal marketing, whether as a Lane County initiative or in conjunction with a marketing partner, emphasizes one-on-one selling of Lane County to valuable travel contacts. The Tourism Department is planning sales blitzes to our nearby markets such as Sacramento, Portland and Seattle. Individual participation, whether with the State Group Tour Task Force, the Governor's Tourism Conference, or the Willamette Valley Visitors Association, leads to increased opportunities for Lane County.

REGIONAL PRODUCT MARKETING

We will continue the successful affiliation with the Willamette Valley Visitors Association. Coop efforts have included publication of the Willamette Bicycle Brochure (its reprinting is currently being finalized), AAA travel consultants FAM's, consumer ad for this special area of Oregon. In addition, much valuable tourism information and trends are shared between this group.

LANE COUNTY INFORMATION DISTRIBUTION

The Teens 'N' Travelers Program will be continued to intercept I-5 travelers as they enter Lane County. This long-running partnership with the Summer Youth Employment Program not only disseminates Lane County information to thousands of summer visitors, it also supplies employment to several Lane County youth each year. This program will continue to be reviewed in terms of effectiveness of reaching our markets, and return on investment. Official Visitors Guides and Lane County Driving Guides are also supplied in quantity to important visitor centers throughout Oregon. All nine state Welcome Centers are also supplied with these publications.

FILM AND VIDEO

Although it has been some time since a major feature film has been based in Lane County, interest in the county as a possible film location remains high. Several leads from the State Film and Video Department have been pursued by the Tourism Department. This activity has produced better permitting information and cooperation between the department and other interested organizations. In addition, through a Special Projects Grant, MOPAN (the Mid-Oregon Production Arts Network) has produced and made available to CVALCO an extensive photo file which has proven to be invaluable to fulfilling requests from film companies.

PUBLICITY AND PUBLIC RELATIONS

Plans have been made to update the Lane County Press Kit during 1994/1995. It will be used to garner editorials about Lane County by travel writers in strategic Lane County markets. Activity specific information and sample itineraries will be featured in the new Press Kit, and these elements will be aggressively marketed to the appropriate travel writers.

The Tourism Department answers many inquires for information about Lane County, its attractions and tourism industry. There is a need, however, to upgrade the slide file that is used so extensively in this area. Outside of the Lane County Fair Photo prize slide added to the file each year, there has been virtually no updating or upgrading to the file since the 1985 Lane County Shoot-Out. New slides will reflect the changing marketing for the county, and will be much more representative of what the county has to offer.

HOSPITALITY TRAINING

In absence of a state-sponsored hospitality training program, it falls to individual marketing organizations to initiate their own training programs. This need was brought out during the Lane County Visitor Industry Summit and at other such tourism meetings. It is hoped that a county-wide program can be created that will educate front line employees about Lane County, and will make front line employees sensitive to the relationship between service skills and meeting visitor expectations.

PUBLICATIONS

1. The Lane County Official Visitors Guide

The Guide continues to be the most used fulfillment piece in response to visitor inquiries to Lane County. Now in its fourth edition, the Guide represents the diversity of activities available to visitors to all parts of Lane County, and remains a valuable tool for visitors in reaching their travel decisions.

2. The Lane County Driving Guide

The Lane County Driving Guide is a rack brochure intended to highlight driving tour possibilities throughout the county. It was produced in-house at considerable savings, and has been uniformly well received by both leisure visitors and convention delegates.

3. The Lane County Group Tour Manual

Work is almost complete on the latest edition of the Lane County Group Tour Manual. It will serve tour operators and travel agents as they seek destinations for their clients. The Group Tour Manual is the major fulfillment and follow-up piece for group tour contacts.

4. Lane County Cross-selling Guide

This guide to the images and visitors products of Lane County, fostered by ideas arising from the first Lane County Visitor Industry Summit, will soon make its appearance in Lane County. The aim of the Guide will be to quickly and simply make front line employees aware of the images and visitor products of the various regions of the county. It is hoped this will lead to more effective cross-selling, longer stays in the county, and greater visitor satisfaction.

CVALCO

CONVENTION SALES MARKETING PLAN

1994

Convention & Visitors Association of Lane County Oregon (CVALCO)
305 West 7th
Eugene, OR 97401
484-5307 FAX: 343-6335
May 1994

CONVENTION & VISITOR ASSOCIATION OF LANE COUNTY OREGON
SALES MARKETING PLAN 1994

I. Convention Sales Department

A. Statement of Purpose

The primary function of the convention sales department is to promote the Eugene/Springfield and Lane County area as a convention/meeting and trade show site to professional trade, cultural, religious, and fraternal organizations. That effort encompasses, but is not limited to, these segments.

A result of the above effort and implied in the mission statement is the contribution to, and the enhancement of, the economic growth of the Eugene/Springfield area.

B. Description of Function

The fundamental sales activities of the department are:

1. To research and identify potential customers for the Eugene/Springfield area.
2. To contact meeting planners by telephone, letter, or personal visit to qualify groups and determine potential.
3. To identify and contact local members of prospective associations to enlist their help in bringing meetings to Eugene/Springfield.
4. To familiarize decision makers with our area by arranging and hosting site tours and "fam trips".
5. To present Eugene/Springfield as a meeting site in proposals, whenever possible, using CVALCO promotional material, video, etc., to site selection committees, encouraging them to select our area.
6. To act as liaison between the organization and all of the meeting/housing facilities in the community.
7. To send sales leads with specific bid requests to facilities.
8. To advise local facilities of organization's decision.
9. To attend industry trade shows and conventions to represent and sell our area.
10. To follow-up on group after convention to maintain contact and attempt to re-book.

II. Situation Analysis

A. Local Economy

Steady increases in population, employment and income, characterize a healthy economic expansion in the Eugene/Springfield area and Lane County. Continued growth in these categories is predicted for the rest of the 1990's.¹

For example, Lane County gained 6,000 new residents in 1991, while it gained 7,686 residents in the decade of the 80's. Total employment in Lane County increased 13% from 122,000 in 1986 to 137,000 in 1991. At the same time, per capita income increased approximately 32%.²

One indicator of this growth is building activity. For example, total valuation (all permit activity) in Eugene rose from \$37 million in 1982 (a recession year) to \$159 million in 1990. Total valuation on residential sales between 1988-1991 rose 34%. A house costing \$70,000 in 1984 now costs \$91,068.³

Finally, in Lane County lumber related jobs continue to decline as a percentage of all manufacturing jobs, while service related sectors and jobs have shown the most dramatic growth in the 80's and continue to do so. Over 67% of all jobs in Lane County are services producing.⁴

An area of continued concern in our economy is the uncertain future in the lumber industry regarding the allowable annual timber harvest which will depend on final spotted owl habitat decisions and how the industry adjusts and redefines its position, production and end products, etc. Of course, this says nothing of lost ONC revenue from lower federal timber cuts and receipts and how that will affect our state and local government's fiscal climate.

Also, property tax limitation Measure 5 is presenting major fiscal problems to our community and state. If a plan to replace lost revenue resulting from its implementation is not put into place by the next biennium, we face severe budgetary problems.

An additional issue which has created substantial negative publicity in Oregon and nationally is Springfield Measure 20-08 and State Ballot Measure 9. Groups opposed to these anti-gay rights' measures have not sited meetings in the City of Springfield. Cities such as Seattle and Atlanta have instituted policies which

¹ Planning & Development Dept., Business Assistance Team, July 1991

² Ibid.

³ Ibid.

⁴ Ibid.

will not allow city employees to patronize hotel/motel facilities in Springfield. In general, the publicity has had a negative impact on convention/group business in Springfield.

On balance, however, the economic picture seems to be a positive one, Measure 5 notwithstanding. The Northwest has been discovered and continued population in-migration from California and other states and continued visitor interest seem certain for at least the near future, resulting in economic growth.

B. Area Overview/Convention Sales

An area's success in attracting conventions and delegates depends upon its amenities, and its ability to communicate those amenities and benefits to potential customers. Location, accessibility, accommodations, and facilities, price/value relationship, scenic beauty and recreational, leisure and entertainment opportunities combine to make an attractive convention package.

In terms of meeting facilities (size, number and location near hotels), accommodations (size and number), accessibility (air service), etc., our major competitors (Portland, Spokane, Boise and Seattle) are at a definite advantage, especially in the regional and national market.

In order to sustain the economic health and growth of the hospitality industry and make a positive contribution to the community as a whole, we must maintain our present share of the market in all categories, and continually develop new business wherever possible.

At the "big three" hotels in Eugene/Springfield, group business accounts for approximately 30% to 40% of total room sales, depending on the property.

The following figures show the number of total convention attendees in each of the last ten years:

Year	<u>Attendees</u>
1982	60,129
1983	58,422
1984	69,788
1985	87,204
1986	81,981
1987	95,212
1988*	84,277
1989*	96,845
1990	90,918
1991	103,014
1992	100,051
1993	99,074

*Totals don't include Valley River Inn statistics

1. The following figures show the number of conventions held in Eugene/Springfield in each of the past ten years, and the breakdown of percentages in each category⁵:

Year	Number of Conventions	Categories-					
		I	S	R	N	C	L
1982	143	.5%	56%	26%	5%	3%	9%
1983	180.5%		68%	24%	6%		1%
1984	209	1.0%	70%	23%	6%		
1985	220		63%	29%	6%		2%
1986	309	4.0%	51%	26%	5%	6%	8%
1987	302	.5%	61%	24%	7%	5%	2%
1988*	259	1.0%	55%	29%	5%	4%	6%
1989*	249	2.4%	56%	28%	4%	4%	3.5%
1990	325	.5%	59%	21.5%	8%	8%	3%
1991	335	0.0%	57%	19%	5%	9%	10%
1992	295	.1%	51%	21%	5%	5%	17%
1993	275	4.0%	53%	22%	7%	2%	11%

*Totals don't include Valley River Inn statistics

The number of events/conventions decreased in 1992 over 1991 by 11%, and in 1993 over 1992 by 6%, while attendance figures have decreased in the same years by 3% and by 1%. This trend mirrors the present national trend of fewer meetings and higher average attendance per meeting.

In an IACVB survey of 349 IACVB member cities, it is interesting to note that the number of meetings and conventions held nationwide in 1991 declined substantially, 23.6%, from 1990 while the number of delegates recorded declined only slightly, 3%.

It is obvious that our primary markets are state and regional. The national and international business we attract is a direct result of the active involvement of local individuals, or is related to specific departments at the University of Oregon.

The percentage of business in major categories has basically been static since 1985. It seems that given the fairly constant numbers in total conventions and the percentage each geographic category represents, we have reached an equilibrium point. We are getting at least our fair share of state meeting business, and will not experience substantial growth in regional or small national business until we see an expansion in our product, i.e. meeting and exhibit facilities, accommodations, destination attractions, services, air service, etc.

All things being equal, some improvement can be made in regional and small national conventions by CVALCO focusing on group categories with special affinities to our area, especially where

⁵ I(International), S(State), R(Regional), N(National), C(Corporate), L(Local)

we have solid local contacts and support. For example, amateur sporting events and educational and medical groups. A more focused effort in those areas to uncover more individuals locally who are willing to bid for meetings should help to increase business.

In summary, CVALCO will focus on developing multi-facility or city-wide business from pre-qualified groups which have expressed an interest in Pacific Northwest meetings. The major responsibility for developing individual facility business must belong to the facility. Although CVALCO's priority is to pursue regional and small national groups, we will pursue all categories of business when the opportunities present themselves. We will also continue to pursue statewide group business to insure that we continue to receive our share of that market. And we will look for ways to increase cooperative efforts with our local hotel/motel community and within our community, in general.

C. Competitive Position

Competition for convention business in the U.S. is fierce. In an attempt to tap this multi-billion dollar market, more than 300 U.S. cities have created Convention and Visitor Bureaus. According to the 1993 International Association of Convention and Visitors Bureaus Funding Survey, in which 274 cities participated, \$585 million was spent to solicit convention and tourism business. The average CVB budget was \$2,135,6126.

In this same study, CVB's with budgets of \$750,000 to \$1,250,000 have increased an average 5.05% over 1991, at the same time bureaus with budgets over \$5,000,000 reported an 11% overall decrease in budgets.

Also, survey participants have increased from 170 in 1989 to 274 in 1993. Most of this increase is reflected in new membership and mostly in the category of "smaller" bureaus. Finally, this figure of 274 bureaus represents only 70% of IACVB's membership. Competition for visitor business between new, second and third level cities and communities is increasing dramatically.

"The tried and true convention cities are working hard to remain on top...but they are being challenged on two fronts--by older cities that are finally taking part in the nation's urban renaissance and by smaller, growing cities that are just now hitting their stride," writes Andre Shashaty in a recent Meeting News article ("Intense Redevelopment Pushes Smaller Cities into Big League").

Regionally, we must compete with Portland, Seattle and Spokane and Boise. Portland and Seattle are perfect examples of what the industry is calling "emerging cities"; cities moving from second level status to major convention city status.

The Portland Oregon Visitors Association (POVA) operates on a \$3.7+ million budget with a staff of 38-40, including seven sales positions. Seattle's budget is \$4.7 million, with a staff of 44, including eight sales position. Spokane's budget is \$870,000 with fourteen full-time employees, including four full-time sales positions. Boise's budget is \$850,000 with eleven full-time staff members, including five full time sales positions. The CVALCO budget is \$818,000 with eleven full-time and two part-time staff members, including 3.5 sales positions.

In the past four-five years we have moved from third among this group of CVB's in terms of budget and product offering, to last. We have fewer resources to compete with, relatively speaking, than we had in 1989.

As mentioned earlier, convention sales seem to be fairly static. If no additional facilities and services attractive to convention/meeting groups (especially regional and national segments) are added to our inventory, we may increase our business by continuing a more focused marketing/sales effort. However, as one can see by the growth in the size of budgets, sales staff, etc., of our competition, all things are not remaining equal. The sales/marketing efforts (including advertising) of our competitors, and especially Portland and the Oregon Convention Center, are becoming more intense. Large sums of money are being spent on the national marketing effort. In addition, a very strong effort is being made for regional and statewide group business by POVA to make up for bookings which have gone to the Oregon

Convention Center rather than the local hotels. We continue to lose bookings to Portland and an interesting development is that Portland is beginning to lose regional and small national meetings to Spokane. Couple Portland's efforts with those of our competitors, inside and outside Oregon, and we are faced with a climate of intense competition for all categories of business.

Convention business doesn't just happen. The sales effort is a job for professionals with full community support. One of our most important tasks is to raise the level of community awareness so that we are assured of the support necessary for the increasing challenges we are sure to face in the future.

D. Market Strengths/Opportunities

1. Price/Value Relationship

One of our biggest advantages over regional competitors has been in this area. Over the past two years, however, our hotel convention rates have been moving up steadily. Presently we still offer lower room rates than Portland and Seattle, but we are very comparable to Spokane and Boise and the outlying Portland area such as the I-205 Corridor and Beaverton.

Also, comments from meeting planners to the effect that our rates are very close to Portland's or that a Portland hotel has matched our rates on a specific bid, are becoming more frequent.

2. Location/Transportation

Our location on I-5 offers excellent north/south automobile access and we are served daily by Amtrak. We are accessible by air with 40 to 45 flights per day serving Eugene Airport. The airport expansion has certainly increased our potential. Also, a seldom mentioned airport advantage is its proximity to our convention facilities. Our location is central in the state which provides pre- and post-convention touring opportunities to major attractions outside of the metro area.

3. Convention Facilities

In general, the quality of our convention/meeting facilities are very good. The "big three" convention hotels offer distinct personalities and provide a broad range of offerings to our customers. Truly, there are facilities available for virtually all tastes and budgets.

The Lane County Convention Center offers the largest amount of trade show/exhibit space in our community and is second in size only to Portland, however, LCCC offers free parking for over 2,000 attendees which is substantially more than what Portland can accommodate.

The All Events Center in Florence projected to come on-line in 1995 will be a welcomed addition to our county's facilities inventory, and it will give us a competitive product to offer on the coast.

4. Recreational Opportunities

Lane County offers an abundance of recreational opportunities at our doorstep. The combination of rivers, lakes, mountains, and the ocean, mixed with the cultural opportunities of the Hult Center, the University of Oregon and the many performing arts groups, provide something for just about everyone. Covered bridges, festivals, wineries, unique shopping and locally crafted products, athletic events, fishing, rafting, biking, hiking and so much more make up an offering hard to duplicate. Best of all, it's very affordable!

5. Ambience

Eugene/Springfield's friendly, warm atmosphere belies the fact that it is the second largest metro area in Oregon and a center of culture and education. These days many groups are looking for these qualities after experiencing just the contrary in larger cities. This combination of large city facilities/amenities and smaller town atmosphere and friendliness is one of the stronger aspects of our appeal.

E. Market Weakness/Challenges

1. Air Service

One of our major challenges with relation to attracting regional and national meetings is the lack of air service (frequency, connections, etc.) to major hubs and the generally higher air fares in and out of our community as compared to Portland.

We have lost Morris Air and its lower air fares and frequency. Presently, we have one major carrier, UAL and 40-45 total flights per day. We have one hub city east (Denver) and our service to Los Angeles is one stop through San Francisco. Flights north are by commuter aircraft and service is limited.

Portland has 17 carriers and 350+ flights daily. Spokane is served by four carriers with over 200 flights daily. Boise is served by four carriers and has over 170 flights daily.

The recent expansion of our runways and the improved instrument rating are pluses for Eugene Airport. Now we need additional service, including at least one more major hub east.

2. Facility Size

Many regional and small national meeting planners frequently choose other cities over Eugene/Springfield because they want their meeting "all under one roof". Currently, we have no hotel which will provide more than 250 rooms. Therefore, several facilities must be used which usually necessitates some form of transportation between properties. This complicates the process. Also, the lack of a hotel immediately adjacent to the Lane County Convention Center is a handicap. For example, Spokane offers approximately 900 rooms and over 110,000 square feet of meeting space in their downtown area between major hotels and their convention center.

3. Image/Awareness

The lack of a well defined image or awareness nationally and even regionally is a definite hurdle to overcome. However, Portland and Seattle's success in the convention/meetings market will benefit our area and create a higher level of awareness among meeting planners. Also, the Northwest's recent rise in popularity as a visitor destination and as a place to live will definitely improve the level of awareness and general knowledge of our area.

4. Community Awareness

As mentioned earlier, a major challenge is the raising of community awareness of CVALCO's role in the development of our area's economy and its positive effect in enhancing the quality of life in our area.

A critical factor in attracting large conventions is the support offered by local organization members. Too often, their attitude is one of "why would they want to come here?", rather than "what can I do to help this happen?" Ignorance of the quality and scope of our facilities, the resources available to help attract groups and create a positive experience and the benefit to the community are obstacles we must eliminate with information and contact by our organization and personnel.

5. Seasonal Business

Our convention business is seasonal. Peak months are September, October and early November, March, April and May. There has been some increase in convention business in June and August but we need to pursue that more aggressively, as well as January and February business.

III. Marketing Objectives

The Convention Sales Department will:

- A. Our 1993 future booking goal where CVALCO played a direct or indirect role was:

Delegates:	50,000
Room Nights:	28,700
Estimated Value:	\$ 8.1 Million

Actual year-end figures were:

Delegates:	55,805
Room Nights:	32,191
Estimated Value:	\$ 8.6 Million

The 1993 goal for sales lead production was 100 qualified leads. Actual production was 98.

The 1994 future bookings goal is:

Delegates:	57,500
Room Nights:	33,200
Estimated Value:	\$ 8.9 Million

The 1994 goal for sales lead production is 105.

- B. We will work in cooperation with the hotel/motel community to review occupancy information identifying demand periods in the short and long term. This will allow CVALCO's convention sales staff and the hotel to cooperatively create strategies to increase business when it is most needed and to assist in measuring our efforts at creating higher levels of overall occupancy.
1. We will develop a sales activity plan for each sales person dealing with local production, site tours, sales calls, proposals, etc. and a projected level of activity.
 2. We will pursue all categories of business, especially new business.
 - (a) A special effort will be made to develop new business at the University of Oregon via direct mail and personal calls.
 - (b) At least two telesales campaigns using IACVB Leads will be conducted by the entire sales staff, targeting regional business. Each blitz should result in contacting 300-400 potential accounts.
 3. We will concentrate on Northwest and Western regional groups with emphasis on those with special affinity to our area, e.g. lumber-related, educational, medical, sports, school administration, religious, software, agricultural and fraternal.
 4. Emphasis will be placed on personal and telephone contacts followed by appropriate correspondence.
 5. We will work all files in our systems (State, Regional, and National accounts) to re-qualify and book business.
 6. We will strive to make at least five calls on established accounts and five calls to qualify or follow up on pre-qualified prospects per day.
 7. We will work with area convention hotel/properties to develop a cooperative marketing/sales action plan that will allow all parties to compliment efforts and benefit from the strength of joint efforts when possible.

8. We will work closely with the hotel support staff (sales secretaries, conference coordinators, etc.) in developing a personal rapport and educating them on the functions of the convention & visitors association.
- C. We will intensify our effort to find local contacts connected to specific associations and societies. This is the most economical and effective use of our time and resources.
1. University of Oregon -- We will make personal contacts in all departments and with administrative staff.
 2. We will continue to work with the staff at Sacred Heart Hospital to attempt to develop group/convention businesses for the community.
 3. We will contact McKenzie-Willamette Hospital with the aim of developing group business.
 4. Contacts will be made at Lane Community College in an attempt to develop a method to reach faculty as in #1.
 5. We will continue to work with all other organizations and potential sources of association contact.
 6. Amateur Sports Groups -- we will work closely with the Metropolitan Sports Commission to assist in the development of tournaments and sport-related events which generate room nights for Eugene/Springfield.
- D. We will strive to re-book as much group business as possible. The best business is known, previous customers (hopefully satisfied customers).
1. We will talk to all convention groups in the sales process in terms of returning to Eugene/Springfield on a regular basis.
 2. The sales staff will work closely with the convention services department to stay in close contact with meeting planners during the planning process and during the convention to do all possible to assure "satisfied customers".
 3. Sales staff and convention services staff will work as closely as possible with hotel/facilities staff to assure good communication of customer needs and service.
- E. We will strive to increase local awareness of the benefits of the convention industry to the community.
1. We will attempt to take advantage of all opportunities to share our story with local groups and organizations whenever possible. This can motivate members to help bring their meetings here.

2. We will further develop the positive relationships we have had with local media and inform them of topical or unique groups meeting in our area.
- F. There is no better way to sell our area than to bring association directors/meeting planners here for a first-hand familiarization of our facilities and attractions. We will host at least one familiarization tour a year in cooperation with local facilities and suppliers.
- G. We will be especially aware of opportunities to book groups who have potential to meet in generally slow meeting periods...July, August, December, January and February. Of course, this business is limited in volume and highly sought after. Examples of segments which have potential in this area are the religious markets and amateur sporting groups.
- H. To achieve a high level of industry visibility we will maintain our membership and involvement in such organizations as:
1. Professional Conference Management Association and participate in its annual conference.
 2. National Association of Exposition Managers--participate in northwest regional meetings.
 3. Oregon Society of Association Executives--participate in meetings, annual convention and social events.
 4. Western Association of Convention and Visitors Bureaus--participation in annual conference and education programs.
 5. Society for Government Meeting Planners--Oregon Chapter.
 6. The National Coalition of Black Meeting Planners--participate in conference and trade show.
 7. Meeting Planners International--participate in annual Oregon conference.
 8. Religious Conference Management Association--participation in annual trade show.
 9. Affordable Meeting Convention/Trade show
 10. Destination Showcase--Two trade shows (Chicago and Washington D.C.)

- I. We will promote the unique cultural amenities and natural attractions as potential leisure activities and special programs for conventions.
- J. We will fairly and impartially represent all member facilities and maintain close working relationships with hotel/facility sales personnel.
1. We will schedule a hotel/facility meeting once a quarter to discuss upcoming events, association activities, issues of interest, suggestions, etc.
 2. We will schedule a quarterly non-convention motel marketing meeting to address the special issues and challenges facing our smaller properties.
 3. Determine interest and feasibility of biennial events to bring industry people together on social basis to develop closer ties, etc...e.g. golf tournament, McKenzie rafting and barbecue, football tailgater and game outing.
 4. Continue to hold regularly scheduled Director of Sales meetings.
 5. We will create an airline relations committee made up of interested hotel representatives, CVALCO staff and airport administration staff to develop better lines of communication with our carriers and airport administration and to assist in any way possible to improve air transportation product.
- K. We will attend numerous industry meetings which offer excellent opportunities to meet with our customers and potential customers. Our tentative schedule is:
1. WACVB - education seminar/Spring - annual meeting/Fall
 2. RCMA - annual trade show and convention/Winter
 3. PCMA - annual convention/Winter
 4. OSAE - annual convention/Fall
 5. SGMP - annual convention/Summer
 6. Affordable meetings/ trade show and convention/Fall
 7. Destination Showcase - trade shows/Winter
 8. National Coalition of Black Meeting Planners - trade show and convention/Fall
- L. Market Research
1. Maintain a rejection file on "lost business" to document why we don't get business to aid in remedying those things that can be improved.
 2. Continue to use the proposal shell and divider format that was developed last year for state, regional and national convention proposals.

M. Advertising/Media

1. In the past, CVALCO has not had sufficient funding to effectively advertise in industry publications. The expense of full color, full page ads necessary to be competitive are prohibitive. It seems that presently a better use of our limited funds is to limit advertising to publications that better support our regional efforts and trade show participation, e.g. the Religious Conference Management Association's Directory. We expect some benefit from tourism advertising done through our contract with Lane County. Also, Portland's marketing effort to sell itself and the Oregon Convention Center as a venue for larger national and international conventions and trade shows will certainly increase the "top of the head" awareness of Oregon in the meetings industry. This will benefit us to some degree in a general sense. However, if we were able to "hitch-hike" on their advertising by being present in selected publications when their ads appear, the benefits would be greater.
2. We will update and publish a "second edition" of the Meeting Planner Guide. Approximately 5,000 copies will be produced. This product is five years old and is in need of updating.
3. We will produce a new promotional video. It is approximately seven years old and must be updated.
4. We will be producing at least two direct mail pieces to be sent to meeting planners in Oregon, regionally and nationally. These mailers will be used to continue our contact with qualified prospects. They will also assist us in building a list of potential Familiarization tour attendees.

CVALCO
DRAFT BUDGET - FY 1994/95

Exhibit C

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	BUDGET 93/94	BUDGET 94/95
Revenues:		
Lane County Room Tax	\$735,000	\$ 833,000
Government Grants	0	0
Membership Dues	60,000	65,000
Coop & Miscellaneous	2,450	23,000
Event Hosting	2,300	6,400
93/94 Carryover	10,000	26,000
Advertising Sales	0	70,600
Publication Sales	2,900	3,000
Service Fees	2,000	0
Interest	<u>3,000</u>	<u>3,000</u>
 Total Revenue	 \$817,650	 \$ 1,030,000
Expenses:		
Payroll	332,200	343,500
Payroll Taxes	35,000	35,000
Benefits	35,000	44,950
Rent/Utilities	43,000	54,150
Furniture/Equipment	13,500	7,200
Supplies/Office Expense	11,300	11,500
Repair/Maintenance	1,000	1,000
Telephone	17,000	17,000
Auto Allowance	4,800	5,000
Dues & Subscriptions	5,300	7,700
Insurance	3,250	3,250
Postage	20,000	21,000
Professional Fees	3,500	3,700
Staff Development	5,000	5,000
Local Meetings/Hosting	7,700	5,500
Event Hosting	3,500	6,600
Local Marketing	0	4,000
Travel & Promotion	50,000	46,500
Advertising Production	20,000	18,500
Collateral Development	62,500	134,870
Convention Services	800	3,025
Fam/Site Visits	8,000	13,400
Trade Shows	8,600	35,860
Research	10,900	7,800
Communications/Public Affairs	3,000	17,600
Visitor Services	18,300	21,000
Advertising Placement	84,750	118,295
Membership Promotion	750	1,500
Relocation Costs	0	24,600
Bad Debt/Cancellations	4,000	6,000
Depreciation Expense	0	0
Opr Reserve/Contingency	<u>5,000</u>	<u>5,000</u>
 Total Expenses	 \$817,650	 \$ 1,030,000