



Department of Commerce
Innovation is in our nature.

Wanted: More Visitors! Marketing “Washington - The State”

More Visitors=More Spending=More Tax Revenue

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Prepared by the Washington State Tourism Commission
For Fiscal Year 2010

June 2010
Report to the Legislature
Rogers Weed, Director

ACKNOWLEDGEMENTS

Special thanks to the destination marketing organizations across Washington, whose support has greatly contributed to the success of the state’s travel program and the growth of Washington’s travel industry.

Washington State Tourism Commission

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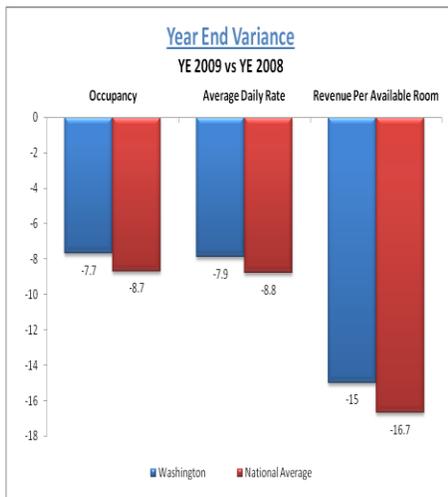
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As provided for in RCW 43.336.060, on or before June 30 of each fiscal year, the department shall submit a report to the appropriate policy and fiscal committees of the Senate and House of Representatives that describes the tourism development program for the previous year. Beginning in 2010, the report shall be submitted every even-numbered year. The report must contain information concerning targeted markets, benefits to different areas of the state, return on the state's investment and other relevant information related to tourism development.

Executive Summary:

By all measures, 2009 was a difficult year for the tourism industry both in Washington State and nationally. A key measurement for the industry is hotel performance, measured in occupancy, average daily rate (ADR) and revenue per available room (RevPAR). 2009 showed a decline in all three, nationally and here in Washington, although **Washington did perform better than the national average.**

In 2009, visitor spending in Washington was **\$14.2 Billion**, down by 7.9 percent from peak year 2008, with much of the spending drop due to price deflation primarily in hotel room rates and gas prices. Travel generated employment in Washington fell by 2.1 percent, but **fell less sharply than the state's overall decline** of 4 percent in private sector employment. Total state and local tax receipts generated by travel spending fell 5.4 percent from 2008 to 2009. Again, this drop is **not as deep as the overall decline in total taxable retail sales** in Washington, estimated at 10 percent. **In short, the Tourism sector performed well even in the economic downturn.**



Despite a difficult economy and a very competitive landscape, **Washington actually held its own in terms of national market share; no small feat in such challenging times.** Significant marketing strides have been made over the last two years, as Washington stepped up its investment in this important industry sector.

Industry indicators are positive for the year ahead. Research shows that pent up demand for travel will have Americans hitting the roads and airspace once again, albeit still looking for discounts and good value. Hotel metrics in the first quarter of 2010 shows slight improvement over same time period in 2009 in occupancy and RevPAR. As an international gateway, SeaTac continues to increase lift, with new direct service starting in June 2010 between

Seattle / Beijing and Seattle / Osaka. **There is excellent opportunity to grow tourism to Washington.**

Now concluding the third year since the 2007 legislation established the Tourism Commission and increased the marketing funds for tourism development, Washington's tourism initiatives are in full swing. FY 2010 found the Tourism Commission providing strong, consistent leadership to the industry, the office fully staffed and working with an established and experienced team of contractors, our programs maturing, and our industry engagement more solid than ever. Stakeholders around the state are working closely with Washington State Tourism – on cooperative advertising, cooperative promotions, web content, familiarization tours for media and travel trade, and most importantly, speaking with a more unified voice on industry issues. **However, with a 72 percent reduction in funding for Tourism in FY2011, there will be dramatic cuts to marketing, grant and outreach programs.**

Highlights of Key Successes in Fiscal Year 2010:

- Tourism Commission exceeded private sector “match” funding goal of \$2 million by \$300,000.
- Tourism Competitive Grant program awarded \$250,000 to 20 communities and tourism marketing organizations, in order to support local tourism marketing initiatives.
- New state tourism brand was developed and launched.
- Marketing initiatives were fully integrated across advertising, web and public relations.
- The branded “Official State Travel Planner” was launched two months early, and has expanded distribution through electronic channels. A coordinated electronic marketing campaign also provided increased exposure for advertisers, and greater communication with interested consumers.
- New initiatives were developed to drive traffic to the website with special promotions, targeted advertising, integrated public relations, and improved linkages with stakeholders.
- Tourism’s consumer website saw improved functionality with significant enhancements in both usability and content. Website traffic improved by nearly 20 percent.
- Expanded outreach internationally in support of increased lift into SeaTac International Airport. With significant support from the industry, we have been able to bring over 110 media and travel professionals to Washington for first hand education on the state’s diverse offerings.
- Public relations outreach capitalized on key and timely themes to take advantage of new interest in Washington and the region, such as the “Twilight” books and movies, the 2010 Winter Olympic Games in Vancouver, BC, and the renewed national and international interest in U.S. national parks.
- In conjunction with growing nationwide interest in wine and culinary themes, the “slow food” movement and more hands-on experiential travel, new initiatives were developed in the culinary /agri-tourism arena, providing excellent cross-agency opportunities.

Under the dedicated leadership of Washington’s Tourism Commission, the state’s tourism office has made significant strides in raising the visibility and desirability of Washington as a premiere visitor destination for domestic and international visitors alike. Over the past two years, the Commission has proven themselves good stewards of the dedicated marketing funds provided by the 2007 legislation, working closely with the industry to match the marketing dollars invested.

Summary Metrics	FY 08/09	FY 09/10 (ytd May, 2010)	Measurement of
Advertising Spring / Summer Campaign - Print Impressions	71,720,000	74,100,356	Consumer outreach
Website Visits	1,213,781	1,664,941	Consumer outreach
Repeat Web Visit Percentage	20%	23%	Consumer outreach
Travel Planner Distribution - Individual Requests	88,093	110,402	Consumer outreach
Travel Planner Distribution - Electronic Downloads	54,148	53,889	Consumer outreach
Opt-in Database Development	13,571	56,591	Consumer outreach
Travel Trade - International Trade and Press FAM Trip Participants	56	110	Industry outreach
International Ad Equivalency	11,371,000	12,934,000	Consumer outreach
Product Development Workshop Participants	545	612	Stakeholder outreach

Tourism’s Role in Economic Development: A Vital Investment

Travel and tourism is one of the most important industries in Washington

Spending by visitors to the state — on lodging, food services, recreation, transportation and retail — supports jobs for Washingtonians and contributes tax revenue for state and local governments.

Tourism provides a way to acquire dollars in a challenging time to bring additional revenue into the state. As a proven engine of job creation and tax revenue, tourism acts as a cornerstone of economic stability and a foundation for our quality of life.

**In 2009 alone, visitors to Washington spent
\$ 14.2 billion**

From hotels, bed and breakfasts, campgrounds, parks, restaurants, festivals and fairs to museums, wineries, breweries, tour operators and theaters - all depend on tourism spending to continue to grow their businesses. Travel related spending brought in nearly **one billion dollars** in **local and state tax** revenue in 2009. Travel generated jobs are vital to our state’s economy. In 2009, total employment generated by travel spending was **147,600 jobs** with a payroll of \$4.2 billion.

(Source: Washington State Department of Revenue and Dean Runyan Associates 2009 Washington State Travel Impacts report.)

State Tourism Budget Comparison

In 2009, Washington’s tourism budget was nearly **\$7 million**, placing 41st in the United States. However, Washington was still heavily out-spent by competing states – all vying for the same travelers into our western states.

Western States	FY 09 / 10 Tourism Budgets
California	\$50,037,000
Colorado	\$18,250,000
New Mexico	\$17,430,000
Arizona	\$13,818,000
Alaska	\$12,330,000
Utah	\$12,312,000
Oregon	\$10,213,000
Nevada	\$ 9,963,000
Montana	\$ 9,290,000
Idaho	\$ 6,970,000
Washington	\$ 6,800,000
U.S. State Average	\$13,845,000

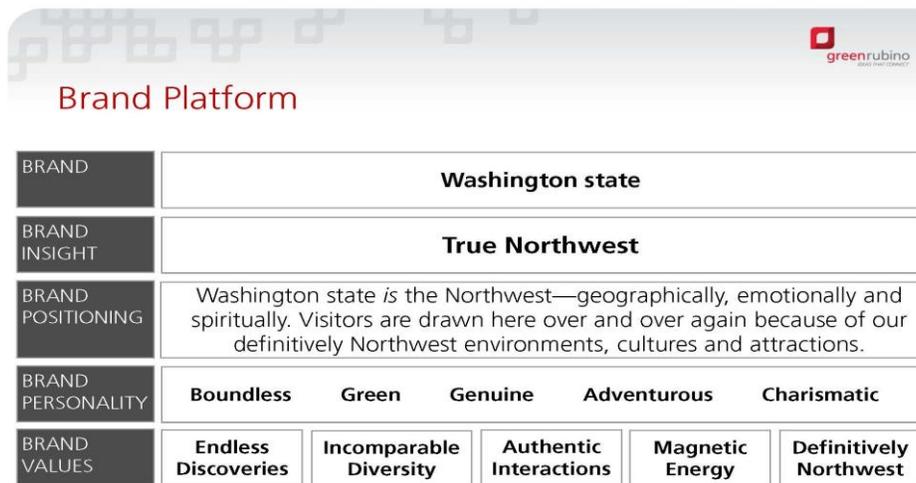
**Simply put,
tourism is economic development
at a time when economic
development is needed more than
ever.**

2009/2010:

Marketing “Washington - The State” Results Driven Advertising

Goals: Promote awareness of and preference for Washington State as a premier travel destination to nearby urban markets and in-state residents utilizing the state tourism website (experiencewa.com) as the primary call to action for more information. Increase consumer engagement with the website through site enhancements, and more interactive features.

Accomplishments: The most significant marketing accomplishment was the development of the new “Washington – The State” brand. More than a slogan, the brand is the syntheses of consumer research and feedback from the industry that is intended to convey the “place” that the state should occupy in the mind of potential visitors. The brand platform below describes the values and personality that are the foundation of all communication.



BRAND	Washington state				
BRAND INSIGHT	True Northwest				
BRAND POSITIONING	Washington state <i>is</i> the Northwest—geographically, emotionally and spiritually. Visitors are drawn here over and over again because of our definitively Northwest environments, cultures and attractions.				
BRAND PERSONALITY	Boundless	Green	Genuine	Adventurous	Charismatic
BRAND VALUES	Endless Discoveries	Incomparable Diversity	Authentic Interactions	Magnetic Energy	Definitively Northwest

The 2010 Spring/Summer advertising campaign uses print (magazine) and online (website) as the primary distribution channels. The campaign began in March 2010 and will continue through the year. The theme, “What’s Your Excellent Washington State Adventure?” is about exploring and experiencing new and unexpected adventures all over Washington. Real people are featured sharing destinations throughout the state providing a local perspective. Consumers are encouraged to add their own Washington State adventures! In this section users can see and rate other consumers’ trip itineraries and photos or add their own.

2010 Spring / Summer Ad Campaign	FY 2008 / 2009	FY 2009 / 2010
Print Impressions (campaign)	71,720,000	74,100,356
Co-op Ad Sales – Print	\$ 231,402	\$ 214,882
Co-op Ad Sales – Electronic	N / A	\$ 95,435

Inspiring Visitors

Public Relations for Washington State Tourism

Goals: Working with media outlets, both print and online, secure steady coverage on Washington as a desirable and dynamic destination, supporting key marketing initiatives and driving traffic to consumer website.

Accomplishments: Major PR initiatives during 2009/2010 included outreach to capitalize on the proximity of the 2010 Winter Olympic Games in Vancouver, B.C., the launch of the online “Twilight Travel” page on the tourism website (experiencewa.com), the launch of the “Experience More Washington Giveaway” promotion and the creation of a highly successful social media program, which established Washington State Tourism’s presence on Twitter and Facebook. Working with the media, both domestically and internationally, is an important way to raise the visibility of Washington as a desirable travel destination. The stories generated both in print and increasingly online, help inspire, inform and motivate potential new visitors to our state in a very cost effective manner.

Partnerships: Working closely with Washington’s network of destination marketing organizations (DMOs), Washington State Tourism’s public relations efforts resulted in a wealth of national editorial coverage, including positive stories in *The New York Times*, National Geographic Adventures, Budget Travel, MSNBC.com, ABC News, Travel + Leisure and many others for a total of more than 160 million media impressions.

Activity	FY 08/09	FY 09/10 YTD thru April
Press Contacts Made	3,663	3,212
Ad Equivalency	\$1,967,953	\$1,755,607
Articles Placed	84 (print)	771 (print & electronic)

Media Coverage Highlights

BudgetTravel.com & Budget Travel Newsletter: (Readership & Circulation: 1,308,469; Ad Equivalency: \$7,751.36)

Vacation packages from across the state including Seattle, Spokane, San Juan Islands, Quincy and more

TravelandLeisure.com: (Readership & Circulation: 378,858; Ad Equivalency: \$6,314.30) Featured Willow’s Lodge

wine-cation package in the “Wednesday Hot Deals” section

CNN.com: (Readership: 20,700,000; Ad Equivalency: \$69,000.00) Eileen Ogintz’s nationally syndicated *Taking the Kids*

column mentioned the Pike Place Market Ghost Tours in her article on spooky October travel

ABC News: (Readership: 13,100,000; Ad Equivalency: \$43,666.67) ABC News included Forks and the La Push area

in a roundup of “America’s 11 Spookiest Halloween Destinations”

Launch of 2010 Olympic Travel Resource Page

Surrounding the 2010 Winter Games in Vancouver B.C., a broad communications plan was executed, which launched the 2010 Winter Games webpage, individual media FAM trips to the U.S. Figure Skating Championships in Spokane and the development of a special “deck of destinations” media kit. Two Winter Games-themed matte releases resulted in more than 1,000 placements in community newspapers and online outlets nationwide.

New York Times In Transit blog: (Online Readership: 10,595,013; Ad Equivalency: \$176,583.55) Michelle Higgins at the

New York Times released a story on 2010 Olympics travel that recommended visitors stay in Bellingham, Washington as an alternative to Vancouver

FAM Trips

In an effort to introduce travel media to Washington, the PR team hosted more than a dozen journalists on media familiarization trips throughout the year.

Spokane:

SeattlePI.com: (Online Readership: 1,692,546; Ad Equivalency: \$6,770.18) Through partnership with the Spokane Regional Visitor's Bureau, Sue Frause featured the U.S. Skating Championships and other attractions around Spokane in two blog posts on Seattlepi.com

Examiner.com: (Online Readership: 140,000; Ad Equivalency: \$466.67) Sue Frause also published an article on ten Pacific Northwest getaways including Spokane's Northern Quest Resort & Casino

Olympic Peninsula:

AAA Journey: (Circulation: 588,335; Ad Equivalency: \$47,900) *AAA Journey* included Lake Crescent in a roundup article of five Northwest weekend getaways. The article highlights Lake Crescent Lodge, surrounding outdoor activities and culinary recommendations



Fodors.com: (Online Readership: 266,396; Ad Equivalency: \$5,327.92) Jennifer Miner posted an article on Fodors.com highlighting five essential stops in the Olympic Peninsula for families

Experience More Washington Giveaway



KOMO 4 [Seattle's ABC affiliate]: (Online Readership: 635,116; Ad Equivalency: \$722.69) On Nov. 18, Seattle's ABC affiliate KOMO news covered Tourism's Experience More Giveaway and directed residents to the Website

Gadling.com (Online Readership: 379,297; Ad Equivalency: \$1,264.32) Announced the launch of the Experience More Giveaway and the kick-off prize to the Olympic Peninsula

About.com (Online Readership: 31,682; Ad Equivalency: \$211.21) On February 3, About.com featured the Experience More Giveaway and available prizes

National Geographic Central Cascades MapGuide

The Columbian: (Online Readership: 145,800; Ad Equivalency: \$486.00) On Jan. 20, the *Columbian* featured the National Geographic Geotourism MapGuide and the seven Clark County sites which are included in the guide

The Oregonian (Daily Circulation: 283,321) On Jan. 21, *The Oregonian* featured an article on the National Geographic MapGuide and encouraged readers to nominate sites. Similar features on the map guide also ran in the following outlets: *The Seattle Times* (Daily Circulation: 198, 741); *Seattle Post-Intelligencer* (Daily Circulation: 117,572); *The News Tribune* (Daily Circulation: 106,335); *The Daily News* (Daily Circulation: 33,472); *The Olympian* (Daily Circulation: 29,425); *The Bellingham Herald* (Daily Circulation: 21,527); *The News-Review* (Daily Circulation: 18,287)



Twilight Travel Page on experiencewa.com

New York Daily News: (Online Readership: 6,200,000; Ad Equivalency: \$20,654.07) Based on the PR team's outreach, the *New York Daily News* featured "Twilight" and Forks as the number one winter getaway for New Yorkers

BlackBookMag.com: (Online Readership: 318,989; Ad Equivalency: \$1,268.01) On Nov. 17, BlackBookMag.com featured the Tourism "Twilight" resource page in an article and directed readers to check out the page to plan a trip to the area

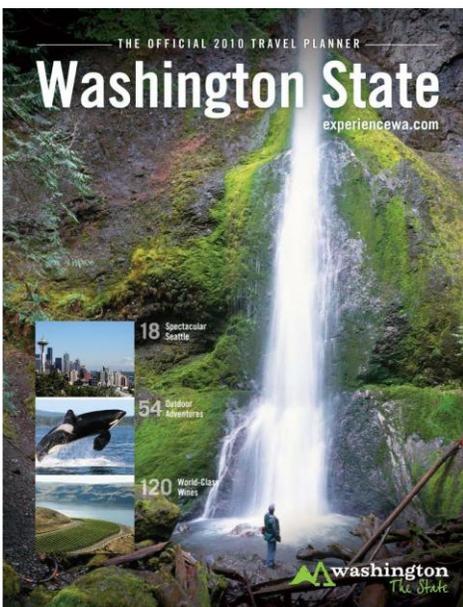


Engaging with Visitors

Planners, Promotions and Website

Goal: Expand co-op partnerships with industry representatives to provide additional print and web promotional campaigns that increase the state’s visibility and interaction with consumers.

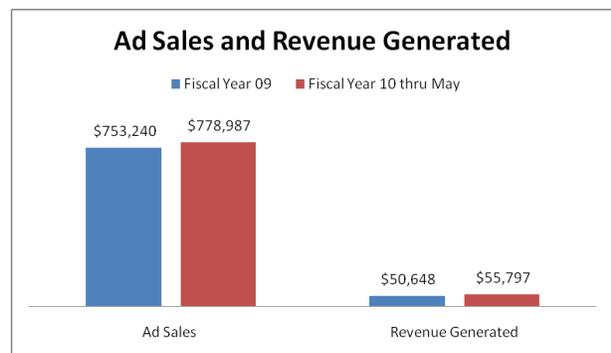
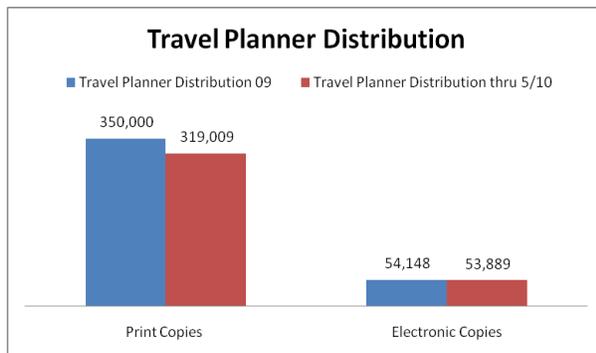
Accomplishments: The *Official Washington State Travel Planner* is in its second successful year of publication. The 2010 edition features 150 pages of photography and travel information for the entire state.



Not only does industry advertising in the *Planner* cover all production and printing costs for 350,000 printed copies, but through a revenue share, a percentage of the \$800,000 in ad sales is returned to the state to help cover distribution costs. The *Planner* is also available as a downloadable version on the experiencewa.com website in English, Spanish, French, German and Japanese.

To date, 108,000 copies of the *Planner* were mailed to individuals who ordered it online from the website or the toll free number through the state’s call center. An additional 30,000 electronic copies (estimate Jan-Jun 2010) were viewed online. The remaining 136,000 copies that have been distributed to date were distributed on the state ferries, in visitor outlets, information centers throughout the state, sent to adjacent states and a small amount in other countries.

One added value for advertisers in the *Planner* is an outreach e-mail promotion sent monthly to all consumers who sign up to receive more information about lodging and attraction deals and packages. Eighteen “e-blasts” featuring 44 premium advertisers from the *Planner*, have been sent to date to the website consumer database of over 50,000 individuals.



Experience More Giveaway

In November 2009 the Tourism Office launched the online sweepstakes program “Experience More Giveaway.” This six month online promotion was intended to increase site traffic during the shoulder season, highlight online deals and packages offered by the destination marketing organizations and the convention and visitor bureau community, increase travel planner orders and promote cross state travel ideas to site visitors.

15 DMO offices acted as coordinators for each region of the state, this promotion created 18 prize packages, with a total value of \$20,000. This promotion generated interest across the U.S. and Canada. The top 5 participating U.S. states were: Washington, Oregon, California and Pennsylvania, and New York. British Columbia, Ontario, Alberta, Quebec and New Brunswick were the top 5 Canadian Provinces.

The main Experience More Giveaway page increased overall site traffic by **76,593** page views

- **34,845** total entries
- 6,736 unique entries (based on email)
- 27,382 (78.6%) of consumers completed the survey
- **3,149 (9.0%)** opted to receive deals and promotions
- **3,572 (10.3%)** of consumers also ordered a planner



By the end of the promotion, the Experience More Giveaway drove **3,828** offsite referrals to participating sponsors and destination marketing organizations for a conversion rate of **10.99%**.

Other Featured Web Pages:

2010 Winter Games

- Interest in Washington State in conjunction with Winter Games resource pages garnered **15,437** page views.

Twilight in Washington

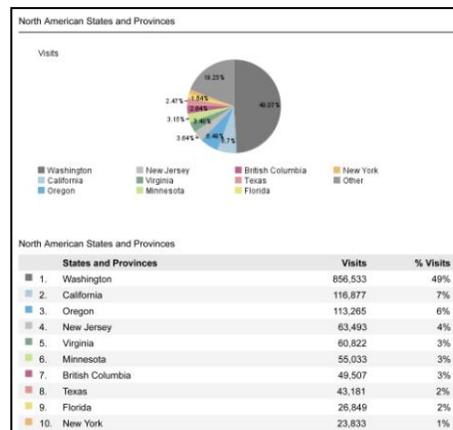
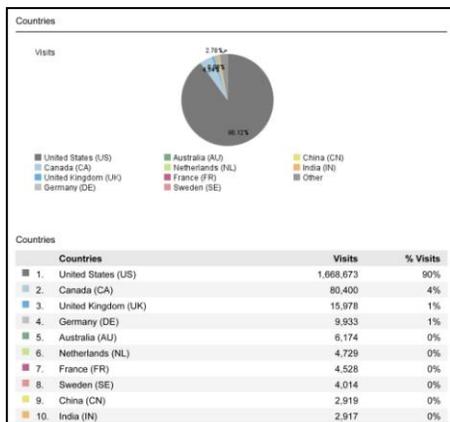
- Interest in Olympic Peninsula and Twilight generated **16,014** page views to the Twilight in Washington section, **2,442** downloads of our Olympic Peninsula/Twilight Road Trip Map and **5,148** referrals to Twilight resources



Web Site Enhancements Recap & Metrics:

During the year, we continued our plan to add enhancements to experiencewa.com. By combining feedback received from industry stakeholders with the independent Blink Interactive site usability study, we made several pages more interactive and provided a more engaging user experience.

Basic Site Metrics:	7/1/08 - 6/30/09	7/1/09 - 6/8/10	% of Change
Visits	1,213,781	1,716,713	41.44%
Average per Day	3,325	5,004	50.50%
Average Visit Duration	0:07:03	0:06:18	-10.64%
International Visits	10.60%	10.14%	-4.34%
Visits of Unknown Origin	0.01%	0.03%	200.00%
Visits from Your Country: United States (US)	89.39%	89.83%	0.49%



Site Enhancements:

Home Page:

- Dynamic Flash Filmstrip
- Monthly spotlights on statewide Features and Event
- Social Networking Real-time Twitter Feed – Driving real-time information and updates directly from the tourism industry to site visitors
- Quick Links - Deeper access to key areas of the site

Core Site Marketing Pillar Pages (*Natural Beauty, Outdoor Activities, Wine & Cuisine, Arts Culture and Heritage & Scenic Byways*):

- Interactive Flash Filmstrip
- Monthly Features and Articles
- Real-time Twitter Feed
- Deals and Packages
- Featured Events

City, Activity & Attractions and Business Listings Pages:

- Added Tabbed Browsing to pages, allowing users to search across a wide variety of interest from one page, limiting the number of page backs needed to navigate the site.
- Made adjustments to how the Paid and Free business listing are showcased.

Building Excitement

Product Development

Goal: The Product Development program is responsible for developing ongoing strategic partnerships and programs focusing on growing segments of the tourism industry including geotourism, agritourism, nature-based tourism and rural tourism to increase Washington visitors and promote extended stays through education, packaging and itinerary building. The program also coordinates with several state, federal, and other tourism organizations who have tourism products. These agencies look to the Tourism Office for marketing expertise.

Accomplishments: National Geographic Central Cascades MapGuide

In collaboration with Washington State Department of Agriculture, Travel Oregon and National Geographic, a geotourism mapguide on the Central Cascades region was produced. This project involved numerous state stakeholders and has strong potential benefit to our rural areas.

- The mapguide is a large format, two-sided fold out covering a region that stretches from Mt. Rainier to Crater Lake. It calls out more than 200 of the 1,200 nominations of the geological, cultural and recreational attractions that define the region and make it unique.
- A successful roll out to media and the public, January 19-21, 2010. Media coverage for this project includes 63 placements; online readership/circulation of 11,753,132 and ad equivalency of \$39,177.
- 65,000 maps will be distributed via the website and at visitor centers throughout the region.
- Distribution of 126,337 mapguides inserted in the May/June issue of the National Geographic Traveler, (Western edition) which includes subscribers in WA, OR and CA.

Washington State Culinary/Agritourism Program

With local food movements and artisan farms being the fastest growing culinary travel trends, Washington is poised to deliver. Washington grows nearly 300 specialty crops; has abundant orchards, ranches and farms; is renowned for wine; and has charming rural communities adjacent to the places where food is grown. To identify and refine travel product that will appeal to culinary travelers, Washington State Tourism, in collaboration with Washington State Department of Agriculture's Small Farm and Direct Marketing Program developed a culinary/agritourism pilot project that yielded fantastic results (listed on page 15), for Washington farmers who market more products locally.

This program is intended to enhance awareness of and visitations to Washington's farms and could positively impact sales and consumption of Washington's specialty crops.



Program Accomplishments: Conducted five two-day workshops around the state. The most hopeful aspect of these workshops was creating relationships between farmers and local destination marketing organizations. In effect, the partnership allowed for farms to access the tourism industry and its marketing and media network.

- 1) Introduced more than 30 restaurants and independent lodging facilities to over 75 farms that offer locally grown, fruits, vegetables, flowers and nuts.
- 2) Received media coverage on farms offering educational experiences and lodging such as, “Go rural at hands-on farms near Port Townsend” a feature article focusing on four farmers in the Chimacum Valley ran in the *Seattle Times* in April 2010. With a print circulation of 263,588 readers and 1,572,620 monthly visitors to the online website the valued ad equivalency (the cost to buy this much space) was \$70,540.
- 3) Gained widespread support from the Office of Regulatory Assistance, the Heritage Caucus, WSU Extension, legislators and agricultural organizations.
- 4) Developed a Washington State Culinary/Agritourism Facebook [page](#) to stay engaged with workshop participants and build a social networking component that promotes Washington culinary/agritourism offerings to a larger audience.
- 5) KING5 TV will air ten episodes featuring farms and restaurants from the culinary/agritourism workshops on locally produced series, [Northwest Backroads](#).
- 6) Developed 10 new travel itineraries that market Washington culinary agritourism offerings in four different rural regions of the state.



“You have influenced the creation and direction of a new event, Bite of Bainbridge! Additionally, my non-profit organization, Islanders4Arts, has a mission statement of Advancing Arts and Culture on Bainbridge Island. To that end, we are embracing Culinary Agritourism as part of our mission statement. Bainbridge Island has a deeply rooted agricultural heritage (those farming Norwegians!). It was extremely helpful to find out about the latest trends in Culinary Agritourism.” - Elizabeth Gadbois, Islanders4Arts

Washington State Scenic Byways

Scenic Byways has become the vehicle through which Washington State Tourism can tell the story of Washington’s history, culture, and lifestyle. (Storytelling is essential in capturing the imagination of today’s seasoned traveler.) Each and every Byway represents a different aspect of the reason Washington is the “True Northwest.” In addition, the participants in each Byway coordinating group add a new, important dimension to the stakeholders the Tourism Office represents.

Program Highlights include:

- Providing continued support to Byway leaders in providing education and training and supporting sustainable economic growth in scenic Byway communities.
- Initial work on developing a statewide Scenic Byways Travel Guide funded through a federal grant for \$320,000 through the National Scenic Byways Program. The four color guide will feature 29 byways and their compelling stories, photography, and maps.
- 13 Native American tribes are involved with different Scenic Byway groups. A consortium of ten tribes [known as Northwest Tribal Tourism (NWT)] manages the Pacific Coast Scenic Byway (Hwy 101 on the Olympic Peninsula). Through Scenic Byway involvement, State Tourism can assist the promotion of tribal tourism throughout the state.

International Appeal

Overseas Marketing

Washington State is a “repeat visitor” destination for most international travelers. International visitors to Washington are usually more experienced travelers on their third or fourth visit to America. While other “first destination” locations such as New York, Florida, California and Las Vegas experienced double digit decline in international visitation last year, Washington State, due to its unique demographic of traveler, fell only five percent in comparison. International visitors to Washington generated 8% or \$1.2 billion of the \$14.2 billion in visitor spending in Washington State.

With three national parks and one national volcanic monument, Washington State offers a diverse natural experience unlike any other in the United States. From the international visitor’s perspective, Seattle is the crown jewel attracting visitors to our wealth of outdoor recreation, scenic beauty, native experiences and islands, with the burgeoning wine and culinary attractions complimenting the package.

Key Inbound Overseas Markets:

- Japan
- United Kingdom
- Germany
- France
- China



Emerging Markets:

- Australia
- Korea
- India



Goals: Continue partnerships with the Port of Seattle and Seattle’s Convention & Visitor Bureau, for proven success in securing and maintaining contractual representation and cost effective sales efforts in key international markets of Japan, United Kingdom, Germany, France and China. Increase stakeholder participation in key international events such as the Go West Summit, ITB Berlin, Pow Wow and domestically with the National Tour Association and Specialty Travel Agents Association. Creatively continue growth within ad equivalency and familiarization tour goals for both international press and travel trade.

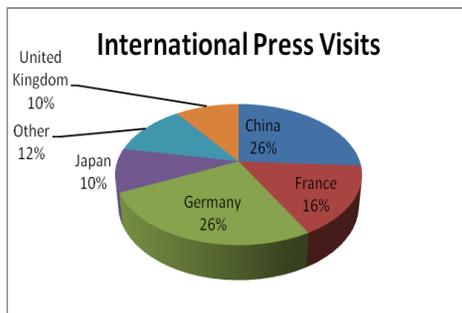
International Access:

The Seattle gateway is served by 23 carriers to 18 international locations, including excellent service to Canada and Mexico. At a time when other major airports such as San Francisco and Los Angeles are losing service, Sea-Tac International Airport has gained important new routes every year for the last four, including two new routes to Asia beginning June 2010. Direct non-stop air service into Sea-Tac International Airport is vitally important as “ease of travel” has been found to be a key factor for international visitors when making the decision where to spend their six to eight weeks of annual holiday.



Familiarization Tours:

Referred to as “FAM” tours, these “invitation only” events are hosted by the state and stakeholders for media and travel trade. Themed itineraries highlighting new areas / activities are offered to overseas journalists. Through their personal experiences, stories are created from a perspective of “enthusiasm” which stimulates overseas consumer demand. Travelers usually request planning assistance from travel agents and tour operators. This “travel trade” component is then pre-qualified and invited to experience the themed itinerary to build their knowledge base and assist in tour planning for consumers, generating revenue when the consumers arrive in Washington State from our key markets.



Total Int'l. Press Visits: 58
By June 30, 2010

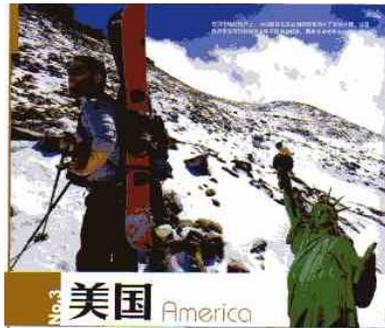


Total Travel Trade Visits: 44
By June 30, 2010

Measurements and Metrics for Success:

Tools which assist in measuring international inbound success:

Ad Equivalency – Measured dollar for dollar, this is the value given to any story or article generated by the state’s overseas tourism efforts. The amount calculated would be the “hard dollar cost” to place the same size ad in each publication. Goal is just over \$ 11 million, and currently through April 2010 equivalency has achieved \$ 12.9 million.



Match Dollars – Measured on what was contributed both in-kind as well as dollars from our stakeholders to support the cost of FAM tours in this fiscal year. Travel Trade brought in \$309,982 dollars in match from the private sector.

Itineraries From Overseas Tour Operators – Calculated annually with release of tour operator catalogs, this is an excellent indicator of what areas of the state are growing in popularity and how new market trends such as fly-drive vacations are modulating. It is also a measurement of the “shelf space” that Washington State as a visitor destination has within the supermarket of U.S. travel locations.

Training for Travel Professionals – Released in April 2010, the creation of an online “invitational webinar” tool for travel professionals will assist educating travel agents and tour operators. Through education and knowledge of Washington State’s many attractions, they are better able to recommend and sell extended visits into the more rural areas of the state.

Key initiatives: Strength through Diversity

Focusing attention on niche tourism markets will help attract more international and domestic visitors to Washington State based on their own personal “special interests” directly aligned with new tour product. Examples of these special interests, or niche markets:

Tribal Experiences

With 29 federally recognized tribes in the state and the creation of the Northwest Tribal Tourism Association, many experiences are offered featuring the diversity in our state between the “water people” and “plains people.” Two new itineraries have been created to highlight the potential in this niche market.





Equestrian / Ranch

Equestrian experiences abound with Norwegian Fjord horses in Stehekin, cattle ranching in Kettle Falls, wine tasting by horseback in Zillah, Quinault guided rides through the rain forest and mountaintop chuck wagon dinners and buckaroo breakfasts in Winthrop. The Eastern Washington Ranch Tour itinerary is a result of the European interest level in this niche market.



Cruise

20 percent of all cruise business is to the destination of Alaska. 2010 brings 222 departures to Alaska (from Seattle), this is a key market for pre and post-land tours throughout the state. Partnership has been secured with Specialty Travel Agents Association to provide webinars to cruise agents for their Seattle-bound Alaska cruise clients. STAA promoted Washington State as the only domestic destination in their “Top Ten Travel Picks for 2010.”

Birding

The United Kingdom has a very large concentration of “birders.” By leveraging our partnership with the Audubon Society, two new birding guides were created specifically for the shoulder travel seasons of winter and spring. These guides were based on migratory patterns of rare birds such as white pelicans, trumpeter swans and wintering bald eagles to maximize travel during normally slow seasons. These guides were sent to niche operators who provide birding itineraries from the UK.



Twilight Saga

Stephanie Myers’ book series, turned movie phenomenon has increased awareness and demand for the Olympic Peninsula’s setting of Forks and La Push. Twilight promotions in the UK, Germany, France and Japan have all been highly successful. With the third movie coming out June 30, 2010, this interest level will only continue to rise and one additional movie is already in production to complete the series to be released in Summer 2011.

Culinary / Wine

With over 650 wineries in Washington State and the plentiful agricultural and seafood contributions available, culinary and wine tourism is a natural fit to represent all areas of the state. With the new agritourism focus in product development, ten new itineraries will be completed by the end of May. These itineraries will be sent to all USTA Pow Wow trade show appointments as a new reference tool for spurring new product in Washington State.



Investing in Local and Regional Communities

Competitive Grants

The Washington State Tourism Commission was mandated by RCW 43.336.040 to develop a tourism competitive grant program to enhance local efforts that support tourism-related activities. The main objective of the Tourism Competitive Grant Program is to award grants to local organizations with projects that are closely linked to the Tourism Commission’s six-year strategic plan and two-year marketing plan. Reinforcing the importance of tourism in local economies, these grants inject funds into projects that will directly benefit their communities as visitor destinations.

In April 2009, following a competitive selection process, 20 groups from across the state were selected to receive grants ranging from \$2,550 to \$25,000. For fiscal year 2010, the Tourism Commission awarded \$250,000 in grants to support local tourism development projects. (NOTE: Due to reduction in funding, the Tourism Competitive Grant program is suspended for FY 2011 and beyond.)

2010 GRANT RECIPIENTS INCLUDE:

APPLICANT	AMOUNT AWARDED	PROJECT
Allied Arts of Whatcom County	\$25,000	"Sebastian in Bellingham" - Sculpture Exhibit
Bainbridge Island Downtown Association	\$5,000	Ferry Terminal Directional Kiosk
Cascade Loop Association	\$19,000	"Hear Our Heritage" Marketing Project
Cowlitz County	\$6,325	Enhanced Trade Show Schedule
Grays Harbor Tourism	\$25,000	Affordable Green Grays Harbor
Kennewick, City of	\$7,097	Southern Gateway to Wine Country (Signage)
Kirkland, City of	\$7,000	Artists Guide to Kirkland
Methow Valley Sport Trails Association	\$15,987	"Next Best Place in 2010" Promotion Campaign
NW Agricultural Business Center	\$10,000	2010 World Tulip Summit
Olympia-Lacey-Tumwater VCB	\$10,000	Tourism E-Marketing
Olympic Peninsula Visitors Bureau	\$15,750	Olympic Peninsula Loop Culinary Tourism Assoc.
Prosser Chamber of Commerce	\$5,000	Advertising Expansion
Puget Sound Regional Council	\$10,000	Survey / Central Puget Sound "Int'l Friendliness"
SeaFair Foundation	\$25,000	Rock n Roll Marathon
U.S. Canada Peace Anniversary Assoc.	\$7,097	International Sculpture Exhibition
University Place, City of	\$15,000	Wayfinding Signage / Chambers Bay Golf
Visit Rainier	\$7,097	Website Enhancement
Washington Wine Country	\$25,000	Cooperative Advertising Program
Woodinville Wine Country	\$7,097	Wine Notes Marketing
Yakima Valley VCB	\$2,550	Wayfinding Signage

"The Cascade Loop Scenic Highway has always relied on partnerships to create successful tourism results in our region. The State Tourism grant partnership program doubles the impact of what our individual entities can do on our own! It helped us capture and share our Cultural Heritage information for the benefit of not only our visitors, but our residents as well. The grant enabled us to reach a broader spectrum of the tourism market. Our visitor statistics show that the grant positively impacted visitation to our region. Thank you for investing in this successful grant program!"

Nancy Trucano, Executive Director, Cascade Loop Association

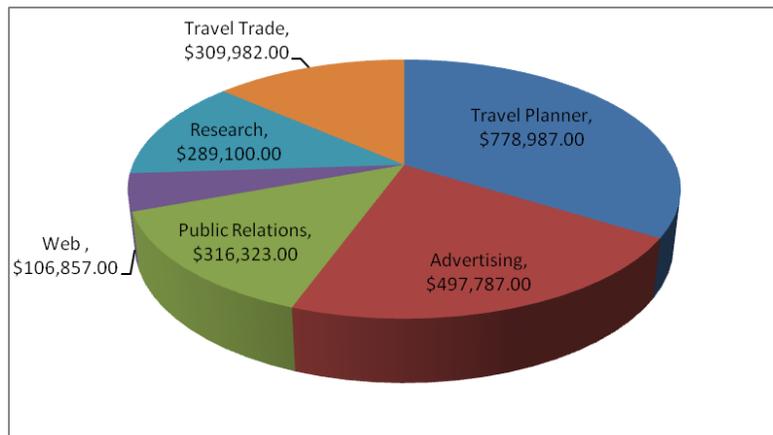
Washington State Tourism Commission Secures Private Match Contributions

Private Sector Grows Tourism

Not only did the 2007 historic support for tourism from the Governor and the Legislature create the Washington State Tourism Commission, it increased the state’s strategic investment in tourism marketing and established a public-private partnership model to leverage state support for tourism promotion with private support. This matched dollar requirement ensures that the Tourism Commission continues to actively engage the state’s travel industry and that the state presents a unified vision for tourism marketing.

Through its strategic and marketing plans, the Tourism Commission has created opportunities to secure matching funds from private sector investment through in-kind donations, monetary contributions and co-op spending.

In the third year of this partnership (FY 2009/2010), legislation required that 50 percent of the money transferred from the Washington State Convention and Trade Center account be matched by the private sector. Through cooperative advertising opportunities, website business listings, in-kind donations of lodging, meals and activities for media and tour operator familiarization tours, and travel planner advertising sales, the Washington State Tourism Commission will surpass this goal of acquiring \$2 million in matching funds by 15% for the 2009/2010 fiscal year.



Total Match Funds (through 4/10): \$ 2,299,036

Conclusion and Forward View:

Fertile Ground for Continued Growth, but Storm Clouds on the Horizon

The first three years of expanded funding for marketing Washington as a dynamic and desirable tourism destination have been very successful. Each year has built upon the success of the previous, and strong forward momentum has been achieved.

Moreover, the tourism sector with its associated visitor spending and tax generation, is a proven economic boost to cities, counties and the state as a whole. An economic impact study on Washington's advertising program, done by Longwoods International, showed that for every \$1 invested in advertising, \$11 in state / local taxes was returned (**ROI = 11:1**) .

Rounding out the third year of increased investment in tourism development, Washington could be well positioned for the current rebounding travel trends. Washington's Tourism program has a strong brand platform, an enhanced consumer website, integrated marketing initiatives and an engaged group of stakeholders. These offer a solid foundation on which to build. Few industries are more "shovel ready" than tourism: the hotels are built, the transportation systems are in place, the attractions and restaurants are ready and available. All they need are the visitors.

However, for the near future, our ability to reach out to potential visitors will be severely limited. The sudden discontinuation of tourism funding will dramatically impact tourism revenues. For fiscal year 2011 and beyond, **our investment in Washington's tourism development has been cut by over 70 percent (loss of \$5 million.)** The dedicated marketing funds from the Washington State Convention and Trade Center will be discontinued (\$4.5 million), and the state general fund resources for tourism have been reduced by over 20 percent (loss of \$500,000). The Tourism Competitive Grant Program is suspended indefinitely. In the near term, the tourism's print advertising campaign will be eliminated. Our international outreach will be dramatically cut back. Washington's tourism development efforts will be strongly disadvantaged as our neighbors dramatically outspend us by a factor of 400 percent or more. Washington is expected to lose market share. The collective impact of all this is certain to undermine the investments made to date.

Going forward, the Tourism Commission's leadership will be vital as the industry works together to come up with a new, more reliable funding model for the future. Having worked diligently to unite the industry, and having tasted success, the Tourism Commission, the state's Tourism Office and the stakeholders around the state hope for future legislative support to restore and enhance the tourism development budget so that we can continue to attract strong visitor spending and tax revenues to Washington, for the benefit of all our citizens.

Glossary of Marketing and Travel Industry Terms

Advertising Equivalency (“Ad Equivalency”) - Ad equivalency is the process of quantifying the value of an earned media placement (e.g. a mention in a news article) based on the cost to purchase an ad in that media outlet. In other words, if Washington State Tourism is mentioned for three column inches in a newspaper, how much would it cost to purchase an ad of that size in that newspaper?

Advertising Impressions - The count of a delivered basic advertising unit from an ad distribution point.

Convention and Visitors Bureau (CVB): These organizations are local tourism marketing organizations specializing in developing conventions, meetings, conferences and visitations to a city, county or region. They are often membership based.

Destination Marketing Organization (DMO): A general term for an entity or company, which is promoting a tourist destination, in order to increase the amount of visitors to this destination. They promote the long-term development and marketing of a destination, focusing on convention sales, tourism marketing and services. Examples include convention and visitors bureaus, chambers of commerce, and others.

Hotels: Average Rate – room revenue divided by the average number of room nights sold

Hotels: Occupancy - rooms occupied by hotel guests, expressed as a percentage of rooms that are available

Hotels: RevPAR – Revenue per available room. Room revenue divided by the number of room nights that are available (can be mathematically derived from occupancy rate multiplied by average daily rate).

Media impressions - the number of people who may have seen an article, heard something on the radio or in a podcast, watched something on television, or read something on a web page or blog

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