

Visit

Tillamook Coast

Annual benchmark report for fiscal year 2016-2017

As required by IGA, section 2.6

“At least semi-annually, including annual reporting, the EDC shall provide updates to the county at one of its regularly scheduled and televised meetings on the progress and status of its work under this Agreement.”

Present to Tillamook County Board of County Commissioners

June 7, 2017

**Prepared by Nan Devlin, Tourism Director
Visit Tillamook Coast**

OVERVIEW of 2016-2017 FISCAL YEAR EFFORTS

The 2016-2017 fiscal year marks the year Visit Tillamook Coast began its transition as a Destination Marketing Organization (DMO) to a Destination Marketing and Management Organization (DMMO).

The primary function of a DMO is to attract the number of visitors to a locale. In Tillamook County, our main focus is attracting visitors from September through May, the shoulder and off-seasons.

The primary function of a Destination Management Organization is one that coordinates efforts of all the elements that make up a destination, such as activities, tours, events, lodging, sales, etc. *More importantly it helps steer destination development.*

The long term goal of Visit Tillamook Coast is to become *a hybrid of the two* – not just market what’s here, but develop “tourism products” from the assets that are here, and encourage businesses (current and new) to join us in those efforts.

We will continue to market and promote to targeted audiences for outdoor recreation, culinary/agritourism, and arts & culture (cultural heritage). And will help develop programs and initiatives around those niche markets, and help link businesses and programs them where it makes sense. Examples:

Agritourism: Link farmers, fishers, chefs, restaurants, breweries, wineries, cheese factory, lodging, retail, cooking schools and makers of locally sourced products into a “trail” that encompasses the entire county plus Cannon Beach and Lincoln City. *Currently underway.*

Locally Sourced Products Program. Working with Partners for Rural Innovation, we will work to help develop a distribution system to get products to local restaurants and regional markets. The more local products available in restaurants and stores, the more economic impact we’ll have for visitor spending – both while here and after they leave home. *Currently underway.*

Nature Experiences: Tap into current offerings from Tillamook Estuaries Partnership, North Coast Land Conservancy and other groups to create a Tillamook Coast Nature Tour program marketed to regional and international travelers. *Slated for spring 2018.*

Visitor Experience Training and Certification: Working with ORLA, Travel Oregon, local chambers and customer service experts, we’ll develop a series of workshops and trainings for lodging, retail, restaurant, cultural and attraction managers/owners to develop a visitor experience culture and regionally recognized certification. *Slated for fall 2017/spring 2018.*

Lodging Technology and Revenue Program: Provide optimized websites and online reservation system to improve direct bookings, reduce third-party fees, and streamline business processes. *Currently underway with data collection.*

SUCCESES in 2017

1. Three main organizational benchmarks – TLT, brand awareness and visitor spending (with one area of adjustment), met and exceeded fiscal year goals. Other marketing efforts, which will be fully reported in July, have exceeded goals and industry standards, including digital campaigns; TV, radio and print, Book Now hotel reservation system; social media growth; and earned media (articles in regional and national publications).
2. Lodging program is ongoing, with quarterly measurement reporting. Despite weather and road problems in first quarter 2017 (Jan/Feb/March), reporting shows that a greater number of room bookings came directly through the lodging website rather than through third-party systems, saving substantial fees – and benefitting the lodging property’s bottom line.
3. Launched a major initiative in culinary/agritourism, starting with a two-day Travel Oregon Rural Tourism studio workshop in February attended by more than 60 community members, and two well-attended follow-up meetings with sub-committee discussions. Next steps include: writing a 15-year plan to inform the application for the \$10,000 Rural Tourism grant; applying for a wine country license plate culinary grant; securing partnership funding with Cannon Beach and Lincoln City; planning and developing a food/farm/fish trail map and website; and developing a marketing plan. Videography has begun on an agritourism film, and a public relations campaign is now being formed. In addition, Oregon Dept. of Agriculture and KOIN TV will be filming a 30-minute program on agriculture and fisheries in Tillamook County. And we have branded a food cart as “Tillamook Coast,” which will serve fresh seafood and produce at a food pod in Portland and at events.
4. Continued highly successful digital marketing campaign for meetings and conference business, and gained media attention in three publications: Northwest Meetings & Events, Northwest Meetings News, and Group Tour Magazine. Aided in several conference RFPs generated through marketing and the website. Surveying venues in January we found an average increase of 19% from 2016 in group events/conferences.
5. Wayfinding program is moving toward its first major signage project in the city of Tillamook, and will work as a blueprint for other communities. Working with north county cities for next phase, beginning in July.
6. Awarded another \$100,000 to 18 county organizations and businesses through the marketing and promotions grant program – over two years, have awarded a total of \$200,000.
7. Won Oregon’s Best Visitor Guide award at the annual Travel Oregon Governor’s Conference on Tourism. Design, photography, writing and production were done in-house with local talent – most visitor guides are produced by regional or national publishing companies.

ORGANIZATIONAL AREAS OF ATTENTION for 2018

1. It is important to better communicate the work done by Visit Tillamook Coast and the benefits of programs to the county. While we have an industry page on the website (tillamookcoast.com/industry), it needs to be more robust. In addition, we will regularly publish an industry newsletter to keep community members informed of activities, programs and tourism news. A stakeholder interview and survey have been conducted to get feedback on the organization and its work, and a report will be available June 20, 2017.
2. The requirements of the tourism sales role have been reduced and more focused than when envisioned as a full-time employee position, so it makes sense now to use a contractor with specific benchmarks, especially given our current conference capabilities. This year, we implemented an extensive digital marketing campaigns for meetings and conferences, with exceptional results.
3. Hiring a new marketing programs manager to assist on initiatives such as village lights, agritourism, lodging program and group tour development. Looking to add a half-time administrative assistant, bringing FTE to 3.0, which is at least 20% lower than industry average for similar organizations and budget.
4. With the loss of a major visitor center on Hwy 101, we need to consider adding electronic kiosks at key tourist sites or open a visitor center in a high-visibility location. To do an electronic kiosk, we must have a more robust, interactive website. Website project starts in July.

STRATEGIC GOALS AND METRICS

The three main goals and measurements of the performance of the Visit Tillamook Coast organization, as agreed upon by the Economic Development Council of Tillamook County and the Board of County Commissioners, are:

GOAL 1: INCREASE TLT REVENUE

(measured by County TLT collection records) *As of May 15, 2017- EXCEEDED GOAL*

Goal: increase of 5-7% over 2015	TLT collected in 2016	% TLT increase from 2015
Gross Lodging Receipts	TLT collected	% TLT Y/O/Y
\$6,635,756	\$370,337	7%
\$12,631,239	\$706,720	14%
\$26,311,610	\$1,457,985	7%
\$7,853,681	\$426,179	4%
\$53,432,286	\$2,961,221	Up 8%
\$3,932,175	up \$217,142	
2015-2016 YOY GLR	2015-2016 YOY TLT	

NOTE: **Q4 2016 (October, November and December)** was affected by bad weather, from tornados to continuous rain to very low temperatures, making travel through the Coast Range difficult for visitors. In addition, there is a misperception that the Cheese Factory is closed, and that has had an effect on tourism. **Q1 2017 (January, February, March)** has seen an increase in TLT collection due to the new county agreement with Air BnB, despite continued bad weather. As of May 15, 2017, the increase is 14% compared to Q1 2016.

GOAL 2: INCREASE BRAND AWARENESS OF THE TILLAMOOK COAST

(measured by study conducted by Dennett Research Group) *EXCEEDED GOAL BY 2X-Plus*

Two-year Goal: increase of 35% in overall brand awareness from baseline report in Sept. 2014	Percent of increase in 2016 study is 85%	Two-year follow-up study conducted in September 2016, published and presented in November 2016
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GOAL 3: INCREASE VISITOR/DESTINATION SPENDING

(measured by the Dean Runyan Report, published May 18, 2017 for 2016 results) *MIXED RESULTS*

Fiscal year Goal: increase of 3-5%	Percent of increase in 2015 from 2014: 3.8% , which is an increase of \$8.3 million in visitor spending	2016 results: Mixed – see description below. Results reviewed with Todd Davidson, CEO of Travel Oregon
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Overall Visitor spending: **down** from \$226.2M in 2015 to \$224.4M in 2016

However, Tillamook County has had an average of 4.8% average annual growth since 2000, outpacing the state's average annual growth of 3.8%

- Lodging spending **up** by \$2.7 million from 2015 – **5.8% increase**
- Industry earnings **up** by \$3.9 million from 2015 – **5.7% increase**
- Industry direct full-time employment **up** by 10, from 2180 to 2190** – **.5% increase**
(*new reports show just 15% of Oregon tourism jobs are minimum wage)
- Government revenue **up** by \$400,000 from 2015 – **5.9% increase**
- Transportation costs **down** \$1.4M – gas and airfare lower than 2015 – costs less to get to Oregon and Tillamook County, and costs were down across the state (**this is good news!**)
- Retail sales **down** \$1M from 2015 – not surprised. Tornado in Manzanita closed multiple businesses, some will not re-open; perception since last fall that the Cheese Factory is closed
- Food service sales **down** by \$300,000 from 2015 – also not surprised. At least three restaurants damaged in tornado, and continuing bad weather caused several restaurants throughout the county to close from November 2016 to April 2017. Among them were Upper Crust Pizza, Portside Bistro, Pronto Pup, and Vino Manzanita (not re-opening),
- Other issues:
 - Significant cancellations of hotel bookings and events in October following the tornado, and cancellations not just in Manzanita
 - Lost the MarClair hotel to Hwy 101 construction – 47 rooms no longer available
 - Lost Pacific Restaurant in March 2016 to Hwy 101 construction
 - Downtown Tillamook businesses disrupted

Thank you for your time.

Nan Devlin, tourism director

June 7, 2017