



Tourism Assessment and Strategic Plan

**Prepared for the
City of Walla Walla Tourism Commission**

**By
Tourism Development Associates
April 2004**

Tourism Development Associates

79 Blackstrap Road ■ Falmouth, Maine 04105

Phone 207-797-9957 Fax 207-797-5476 tcm@maine.rr.com

Table of Contents

Introduction	1
Understanding of the Project	1
The Business of Tourism	1
Trends	4
National Travel Trends	4
Washington State Travel Trends	7
Walla Walla Valley Travel Trends	11
Walla Walla Valley Wine Industry Trends	11
Situational Analysis and Assessment	13
Current Tourism Product and Infrastructure	13
Strengths, Weaknesses, Opportunities and Threats	18
Identification and Analysis of Strategic Issues Associated with Tourism Development	20
Organizational/Administrative Key Issues	20
O/A Issue #1: Should the community continue to contracting the tourism effort or should it develop a local effort?	20
O/A Issue #2: What is the appropriate tourism organizational structure?	22
O/A Issue #3: What is the appropriate funding level for the WWV CVB?	26
O/A Issue #4: Use of the Hotel/Motel Tax	33
O/A Issue #5: Research, Tracking and Evaluation	34
Product Development Key Issues	36
P/D Issue #1: Tourism Infrastructure	36
P/D Issue #2: Wineries	37
P/D Issue #3: The Fairgrounds	38
P/D Issue #4: Hospitality	38
P/D Issue #5: Event Coordination	39
P/D Issue #6: Education	39
P/D Issue #7: Driving Tours	39
P/D/ Issue #8: Packaging	40
Marketing Key Issues	41
Marketing Issue #1: Outdoor Recreation	41
Marketing Issue #2: Accessibility	41
Marketing Issue #3: Target Markets/Strategies	41
Marketing Issue #4: Sales Staff	42
Marketing Issue #5: Special Events	42
Community Relations Key Issues	43
C/R Issue #1: Resident Understanding of Tourism	43
C/R Issue #2: Community Competition	43
Strategic Action Plan	44
Organization and Administration	44
Tourism Product Development	46
Marketing	51
Community Relations	56
Conclusion	57
Appendix	59

Introduction

Understanding of the Project

Walla Walla wishes to build on previous work, evaluate current directions, confirm strengths and weaknesses, identify changes that have occurred in the last five years (i.e. substantial increase in number of wineries, changes in governance, etc), identify and focus attention on strategic issues that are currently barriers of growth, frame the issues within the context of Walla Walla's current development and recommended goals, objectives and strategies in an action plan that will take the community to a new level in tourism development. This report will discuss and make recommendations to the following:

- **Situation Analysis Update and Assessment:** including tourism promotional efforts, tourism organizational infrastructure to facilitate delivery of necessary services; attractions, lodging, dining, retail, accessibility, and public assembly facilities.
- **Identification and Analysis of Strategic Issues** associated with tourism development.
- **Action Plan** (with goals, objectives and both short term and long term strategies) to address these strategic issues. Categories include:
 - Tourism Product Development, including demographic appeal, special interest appeal, seasonality and underdeveloped potential
 - Tourism Marketing, including positioning and image, competitive analysis, current and target markets.
 - Community Relations, including strategies for keeping the program in tune with the communities' needs and priorities.
 - Organization/Administration/Governance, including an operations plan to implement a Convention and Visitors Bureau; including structure and governance, Board and Committees, Mission and Bylaws; Goals and Objectives; Funding and Budget; Reports and Financial Statements; Personnel Needed, Marketing and Methods to measure results.

The Business of Tourism

Why do people compete for visitors?

Because tourism is economic development. Visitors bring money into a community from outside its borders, generating revenue for local businesses, providing jobs, generating taxes for governments and contributing to the economic vitality of the area. Historically, tourism was seen as a service business, that is, one that simply recycled local dollars. With a more in-depth economic analysis, people have come to understand that it is more equivalent to the highly valued manufacturing base sought by many communities because it brings in new dollars from non-residents.

Why do communities, states and countries choose to make tourism part of their economic development strategy?

They do so because tourism can generate money more quickly than building a manufacturing plant and often with minimal adverse environmental impact. Tourism can help diversify a local economy. In doing so, they have the opportunities and resources to preserve local heritage and feel the pride in sharing it with others. Promoting a positive destination image is generally translated into increased retail activity, business attraction/retention, resident attraction/retention and support for property values. Services, such as restaurants and attractions, supported by the volume of visitor dollars are also available to residents adding to the quality of life in a community. Tourism also is a major job provider with over 7 million jobs in the United States being tourism related and has significant opportunity to create self-employment .

Is tourism an economic cure-all?

No. There are costs associated with it. Visitors need a place to park, they need places to eat and sleep and they need information on things to see and do. It requires time and money to attract them to a community and to provide services to them while they are visiting. Visitors, like residents, also require police and fire protection, streetlights and sewers. They do not however put children in schools, require social services or need band uniforms. Most visitor needs are resident benefits and the revenue communities receive from visitors more than offsets the costs associated with visitor needs. Thus, residents benefit financially and culturally from hosting visitors.

Some destinations beginning a local tourism effort often express concern that hordes of visitors will descend upon them in cars and motor coaches, reducing the quality of life for the residents. Unless an area has the desire and capacity to handle hordes, it is important to recognize the carrying capacity of various areas and attractions. Fragile areas, residential streets, small resident quality of life attractions should not be promoted. To a significant extent, a destination has the ability to determine when, where, and under what circumstances that visitors are welcome in a program of “managed tourism”.

How exactly does tourism produce dollars for a community?

Tourism is a business that a community develops and promotes for its own benefit, both financial and cultural. Tourism creates dollars and jobs by bringing people from outside the area, who spend money. People who stay overnight in hotels/motels and resorts spend approximately two to three times what a day visitor spends, thus a clear economic goal is to “put heads in beds.” The more nights they stay, the more money they spend. Although a lower overall per day spender, the daytrip visitor can have an excellent impact on a community by attending a cultural event, festival, dining and shopping.

Benefits to local businesses and cultural heritage attractions are clear, but additionally, municipalities reap the rewards of increased local taxes, i.e. sales tax and hotel tax; healthier local businesses paying property taxes; increased awareness and positive image of the community promoted outside the area with property values that reflect this positive image; and increased community pride by residents in their community.

Tourism has been used successfully as a vehicle to promote economic diversity in many urban, suburban and rural communities. Tourism should be considered as part of an overall economic development plan and its importance in that plan will vary depending on the community. Tourism may provide a basis upon which communities can develop, strengthen and renew community pride in their heritage and their area’s quality of life.

Direct visitor expenditures are spread over a wide range of businesses – from lodging, restaurants and gas stations to grocery stores, gift shops and cultural attractions. Indirect visitor spending occurs with the construction of new hotels and restaurants. These new businesses require local bank financing, the services of floral and landscaping companies for centerpieces and shrubs for decorative gardens. Printing companies provide menus, place mats and brochures for the hospitality industry. Tourism creates a strong and prosperous environment for both businesses and residents.

Trends

The following trend data was selected for relevance and potential use on future marketing strategies.

National Travel Trends

In 2002, U.S. residents took an estimated 1.0 billion person trips, while international travelers to the United States reached an estimated 41.9 million. A person-trip is one person traveling on a trip, 50 miles or more, one-way, away from home. Total domestic travel volume has increased faster since 1994 than the increase in the size of the U.S. population during the same timeframe (7% vs. 5%).

According to TIA's newly released [*Domestic Travel Market Report, 2003 Edition*](#), Baby Boomers (age 35 to 54) generate more travel than any other age group in the U.S., registering more than 241 million household trips last year. A number of Baby Boomer households spend a substantial amount on their trips, with 14 percent paying \$1,000 or more for a vacation, excluding the cost of transportation. This group is also more likely to stay in a hotel or motel, travel for business and fly to their destination.

Source: Travel Industry Association of America/USTDC

Travel Forecast

According to the Travel Industry Association's latest travel forecasts, 2003 total U.S. resident person-trips were projected to increase by 3.6%. 2004 projections show an even greater increase of 4.2% in total domestic person trips totaling over 1 billion.

U.S. resident traveler spending decreased 3.8% in 2001 after 9/11. In 2002 the decrease was only -1.6% thus showing that recovery from 9/11 is continuing. TIA projected a 3.6% increase for 2003 and a 4.2% increase for 2004 totaling \$498.7 Billion.

Source: Travel Industry Association of America/USTDC

Leisure Traveler Interests and Activities

The primary purpose of the total domestic US person trips for 2002 was for leisure travel (77%). 75% of these leisure travelers used auto, truck or RV as the mode of transportation.

- **Dining, shopping, museums and tours** are the top activities for travelers.

Dining out in **restaurants** was popular with more than 67 million travelers (48%) and was the most popular activity planned after arrival at a destination.

Going to a **shopping area** was the second most popular spontaneously planned activity (45%), followed by visiting a museum (26%).

Other activities planned after arrival include: **sightseeing tour** (24%) **movie** (16%), theme park (15%), **religious service** (14%), **live theater or live performance** (14%) and **festival** or parade (13%). One-quarter of past year travelers (24%) went to some other type of attraction, which they planned after arrival at their destination.

- **Educational travel** is important to U.S. travelers, with about one-fifth, 30.2 million adults, having taken an educational trip to learn or improve a skill, sport or hobby in the past three years. Eighteen percent of travelers in the past year said that taking such a trip was the main purpose of their travel. Overall, educational travelers are more likely than total U.S. travelers to be male (56%), younger (39 years average age), a college graduate (49%), have a professional or managerial occupation (38%), have children in the household (51%) and have a higher annual income (\$75,000 average annual household income).
- **Festivals** are a popular way for travelers to experience new and interesting cultures. One-fifth of U.S. adults (21%) attended a festival while on a trip away from home in the past year. This translates to 31.0 million U.S. adults. One-third of festival travelers (33%) attended an arts or music festival in the past year, making it the most popular type of festival to attend while traveling. Twenty-two percent of festival travelers attended an ethnic, folk or heritage festival. This was followed by county or state fairs (20%), parades (19%), food festivals (12%) and religious festivals (11%). Thirty percent of festival travelers attended a type of festival other than the six previously mentioned.
- **Garden tours** are popular with many travelers. Nearly 40 million Americans, or one-fifth of U.S. residents (20%) went on a garden tour, visited a botanical garden, attended a gardening show or festival, or participated in some other garden related activity in the past five years. This translates to 39.3 million U.S. adults. Ten million U.S. adults (5% of U.S. adults, 7% of past year travelers) participated in a garden-related activity in the past year. College graduated, (33%) travelers with an annual household income of \$75,000 or more (33%), residents of New England (31%), married travelers (28%) and travelers 55-64 years old (28%) are most likely to take in a garden-related activity while traveling. Nearly three-fourths of garden travelers (71%) visited a botanical garden in the past five years, making it the most popular garden activity. Thirty-six percent of garden travelers attended a gardening show or festival and 29 percent went on some type of garden tour. Another 16 percent participated in some other type of garden-related tour.
- **Sports event travel** is a \$27 billion a year industry in the U.S. In the past five years, 75.3 million U.S. adults attended an organized sports events, competition or tournament as either a spectator or as a participant while on a trip. Baseball leads as the most preferred sports event during travel (33.7 million), followed by football (30.3 million) and basketball (18.8 million).
- **Cultural and Historic Tourism** is one of the more popular sectors of the travel industry. A recent TIA survey found that 53.6 million adults said they visited a museum or historical site in the past year and 33 million U.S. adults attended a cultural event such as a theater, arts, or music festival. Cultural and historic travelers spend more, stay in hotels more often, visit more destinations and are twice as likely to travel for entertainment purposes than other travelers.
- **Biking** vacations attracted more than 27 million travelers in the past five years and they rank as the third most popular outdoor vacation activity in America, (following camping and hiking). People who take biking trips tend to be young and affluent. About half are between the ages of 18 and 34 and one-fourth are from households with an annual income of \$75,000 or more. More than 80% of biking travelers took a camping trip in the past five years and 72% took hiking trips in the past five years.
- **Golf** and travel go together. Twenty-nine million U.S. travelers, or one-fifth of all travelers, have golfed in the past three years while traveling.
- **Romantic vacations** are popular with all Americans, especially married couples, who are looking to rekindle the romantic feelings in their relationships. Thirty-one percent of U.S. adults (61.8 million Americans) said they took a romantic getaway in the past 12 months. The average traveler took 2.5 romantic trips in the past year. Romantic travelers without children in their households took more getaways in the past 12 months than romantic travelers with children (3.1 vs. 1.9 trips, respectively).

Visiting a city for dining and entertainment purposes was the number one type of romantic getaway taken by Americans last year.

- **Kids** programs are popular with families. Half of summer family vacationers are likely to take advantage of special programs geared towards children i.e. menus, entertainment, and discounts.
- One in five U.S. domestic trips includes children (22%), stable since 1998. Three in ten pleasure trips (29%) and seven percent of business trips include children.

Leisure Traveler Demographics

- **Family** travel is growing, according to a Travel Industry Association of America (TIA) report sponsored by Better Homes & Gardens. The share of vacationers who travel with their children increased from 45% to 55% from 1992 to 1996, and 87% of families with children took their kids with them on their most recent vacation. Baby boomers (born 1946-1964) comprise the largest segment of family vacation travelers at 47%; followed by Generation X travelers (aged 19-31), 24%; mature travelers (aged 51-65), 18%; and older matures (aged 66 or older), 11%. Most family travelers prefer ocean/beaches, historic sites and cities for their vacation.
- **Married** folks are travelers. Married households represent the largest group of travelers with 61 percent of all trips being taken by married households. Single households took 21 percent of the trips.
- **Baby Boomers** generated the highest volume in the U.S. in 1999 (registering more than 259 million trips, more than any other age group). Boomers are more likely to stay in a hotel or motel (60%), travel for business (35%) and to fly (26%). Boomers spend more on their trips than other age groups, averaging \$460 per trip, excluding transportation to their destination.
- **Mature Americans**, those 55 years and older, are less likely to travel than their younger counterparts; however, their growing numbers coupled with their financial power and availability of time, make them a very attractive market for the U.S. travel industry. Group tours represent three percent of person-trips, similar to 1998.

Leisure Travel Trip Characteristics

Accommodations

- More than half (55%) of all trips include a hotel, motel, or bed & breakfast stay, up four percent in volume from 2001.
- Hotel/motel travelers take more trips, use more services including travel agents and rental cars, and report higher household incomes than do non-hotel travelers.

Travel Time and Seasons

- Summer is once again the most popular travel season for pleasure travel, with 33 percent of all person-trips, followed by spring (24%), fall (24%) and winter (20%).
- Weekend trips by Americans jumped by a dramatic 70% between 1999 and 2002 and they now account for more than half of all U.S. travel. In comparison, non-weekend travel increased by only 15% during the same period. Weekend trips are popular year round but summer is the most popular time for weekend travel, accounting for 28% of all weekend trips.
- 2002 average trip duration is 39% of travelers staying 1-2 nights and 32% staying 3-6 nights.

Washington State Travel Trends

The travel industry is one of Washington State's major industries. Travel related spending by out of state visitors and Washington residents traveling within the state totaled \$10.8 Billion (including airfare sales) in the year 2001 and provided 156,000 jobs with total earnings of \$3.2 Billion.

Sources: Washington State Travel Industry Employment, 2002; Washington State County Travel Impacts 2001.

Despite these figures, the Washington State tourism budget is 45th of 50 in the U.S. This impacts the local tourism efforts in multiple ways, including lack of local tourism funding programs.

Washington State Traveler Geographics

- Washington is primarily a regional destination with about 76% of its travel originating from Washington itself and the nearby states.
- Washington's most important source of overnight marketable visitors is its regional market:
 - Over half of all visitors were residents of the State itself
 - Over one-third of all visitors came from the Seattle-Tacoma area
 - 2 out of 10 visitors traveled less than 100 miles to reach their destination compared to the U.S. norm, very few Washington visitors came from large urban centers
 - Compared to the U.S. norm, very few Washington State visitors came from large urban centers (*Note: this is due to the limited large urban centers in Washington State compared to other parts of the country*)

Source: Longwoods International, Travel and Tourism in Washington State; November 2000

- State Visitor Origin
 - Washington State: 53%; Oregon: 8%; California: 8%; Idaho: 3%
- Urban Visitor Origin
 - Seattle-Tacoma: 36%; Portland: 11%; Spokane: 10%; Yakima: 6%

- Travel Distance
 - Under 100 Miles: 20%
 - 100-299 Miles: 28%
 - 300-499 Miles: 14%
 - 500-1,000: 12%
 - Over 1,000 Miles: 26%

Washington State Traveler Demographics

- The Washington State overnight visitor, compared to the national norm is:
 - Slightly older
 - More likely to be married
 - Less affluent
 - More likely to plan ahead
 - More inclined to make extensive use of the internet to both plan and book travel arrangements
- Gender:
 - Female: 50%; Male: 50%
- Age:
 - 18-24 years: 11%
 - 24-44 Years: 50%
 - 45-64 Years: 28%
 - 65+: 11%
- Marital Status:
 - Married: 67%
 - Never Married: 19%
 - Divorced/Widowed: 14%
- Household Size:
 - 1-3 Members: 73%
 - 4-5+ Members: 27%
- Income:
 - \$75K+: 31%
 - \$50K-74.9K: 18%
 - \$25K-49.9 K: 31%
 - Under \$25K: 20%
- Occupation:
 - Manager/Professional: 51%
 - Other White Collar: 15%
 - Blue Collar: 28%
 - Other/Armed Forces: 7%

Washington State Traveler Psychographics

- The visitor experience in Washington State tends to be outdoor oriented:
 - Visitors are less likely than the norm to participate in more urban activities such as shopping, dining and nightlife.
- Outdoors trips were the most important marketable day trip segment for Washington, followed by city, special event and touring trips:
 - These four segments represent 75% of all marketable day trips
- Washington State has a good image among recent visitors
 - Recent visitors strongly agree that the State delivers on the most important image factors:
 - Excitement
 - Family atmosphere
 - Popular
 - Unique
 - The challenge is that Washington's true product strengths vs. national norms are in the less important travel motivation factors of sports and recreational sightseeing.
- Tourism, outdoors, and special event trips were Washington's most important marketable trip segments, followed by combined business/leisure, beach and city trips.
- Washington's Overnight Trip Segments
 - Visiting Friends and Relatives: 44%
 - Marketable Trips: 36%
 - Touring: 23%
 - Outdoors: 22%
 - Special Event: 18%
 - Beach: 9%
 - Casino: 2%
 - Business Trips: 20%
- Washington State Marketable Day Trip Mix
 - Outdoors: 22%
 - City: 19%
 - Special Event: 18%
 - Touring: 16%
 - Casino: 11%
 - **Beach: 8%**

- Things experienced on Trip:
 - Mountains: 47%
 - Lakes/Rivers: 46%
 - Small towns/Villages: 44%
 - Wilderness Areas: 41%
 - Beaches/Oceans: 36%
 - Rural Farming Areas: 32%
 - City Garden/Park: 31%
 - Historic Areas: 28%
 - Natural Environment: 25%
 - Cultural Event: 16%
 - Wildlife, I don't usually see: 16%

- Sightseeing:
 - Landmarks/historic sites: 26%
 - National/State Parks: 24%
 - Museum/Science exhibit: 14%
 - Interesting Architecture: 13%
 - Brewery: 4%
 - Birdwatching: 4%
 - Winery: 2%

- Dining/Entertainment:
 - Shopping: 45%
 - Unique local foods: 18%
 - Fine Dining: 16%
 - Shows/Entertainment: 9%
 - Fair/Festival: 9%
 - Local Music: 8%

- Sports and Recreation:
 - Beach: 28%
 - Photography: 15%
 - Pool: 12%
 - Hiking: 12%
 - Sauna/Hot Tub: 11%
 - Lake: 11%
 - Fishing: 5%
 - Bicycling: 4%
 - Golf: 4%

- Wine Country Attractions:
 - Yakima: 6%
 - Tri-Cities: 5%
 - Walla Walla: 4%

- Trips involving Washington were, on average, slightly longer, although the extra length is accounted for by additional time spent visiting places outside the State.
- The average travel party size was slightly larger than the national norm, and was more likely to include family members as opposed to friends.
- Trips to Washington are very seasonal in nature, with over 70% occurring in the spring and summer months.
- Average Length of Stay: 5.4 nights (includes visitors who stayed overnight in more than one destination)
- Accommodations:
 - Hotel: 32%
 - Motel: 36%
 - Friends and Relatives: 15%
 - Campground/RV site: 13%
- Composition of Travel Party
 - Spouse/Partner: 63%
 - Child(ren) 35%
 - Friends: 20%
- Travel Party Size: 3.4 persons

Source: Longwoods International Travel and Tourism in Washington State, 2000

Walla Walla Valley Travel Trends

Total travel spending in Walla Walla County was \$47 Million in the year 2000 up from \$42 Million in 1999.

Source: Washington State County Travel Impact, 2001; Washington State Travel Industry Employment, 2002

There is very little trend information available on the Walla Walla Valley general traveler. Additional research is needed.

Walla Walla Valley Wine Industry Trends

Research available from the wine industry is much more extensive than general Walla Walla tourist data. *However this information should be used with the understanding that it represents wine travelers and may not be representative of all visitors to the Walla Walla Valley.* It can be compared to state information and discussed by the tourism industry.

According to a Washington Wine County document, estimated visitor spending in this region is \$112 per person per day.

Demographics

Couples: 35-54

Household Income: \$82,025

Travel Description

68% staying overnight in the region

71% staying in hotel/motel

34% staying more than 6 nights

24% staying 2 nights

Average length of stay: 3.6

2 primary reasons for visiting

- Winery: 16%
- VFR: 38% (VFR is industry terminology for Visiting Friends and Relatives)
- Business: 23%

Top 5 Activities in Wine Country

- Visit winery 71%
- Sightseeing/driving tour 51%
- Shopping 36%
- Visit historical/Cultural site 29%
- Festival/Event 20%

Satisfaction Level:

44% said definitely will return

17% said probably will return

12% said maybe would return

19% said would be unlikely to return.

Note: this latter is a relatively high number and should be probed with further research to determine whether this

is from dissatisfaction by leisure visitors or because the visitors are legitimately one-time business travelers,

penitentiary visitors, etc.

Visitor Origin by State

Washington: 53.2%-66% depending on source

Oregon: 12.2%

Visitor Origin by DMA (Designated Market Area)

Seattle—Tacoma: 25.7% (Puget Sound)

Yakima—Pasco—Richland—Kennewick: 19.6%

Spokane--: 10.0%

Portland OR: 10%

Sources: Washington Wine Country: Eastern Washington's Golden Opportunity, 2003; Washington Wine Country POV Research 2003—Walla Walla Data

Note: Some of this data is from the Wine Country research and should be confirmed through independent Walla Walla research because the wine visitor is a very upscale visitor and it may or may not be representative of the overall Walla Walla visitor market.

Situation Analysis and Assessment

Current Tourism Product and Infrastructure

Attractions

Attractions may be sites, experiences or events; they are the reason people travel. We categorize attractions as:

Magnet—magnet attractions are those attractions that by themselves are strong enough to bring in significant numbers of people and keep them overnight.

Linger-longer—Linger longer attractions are those which encourage visitors to spend more time in the area for the benefit of all.

Resident Quality of Life—Resident quality of life attractions are those that are primarily for local citizens

One type is no more or less valuable than the other; however it is important to differentiate to make best use of those attractions that can draw large numbers to the area.

Magnet Attractions for the Walla Walla Valley Include:

The Wine Experience
Ft. Walla Walla Museum
Historic architecture
Downtown Walla Walla
College related events
“Cradle of Inland Northwest History”
Wildhorse Resort & Casino
Pendleton Underground
Tamastlikt Cultural Institute

Some special events

Key activities are special events, outdoor recreation, sports, performing arts, and wine tasting.

A listing of attractions is attached in Appendix A.

Retail

With shopping a key visitor interest, retail is an important means of generating economic impact. Downtown Walla Walla is the primary shopping experience although it primarily reflects the local market, as well as a magnet attraction with its restored buildings and charm. There are additional, although much smaller, shopping opportunities in Dayton and Milton-Freewater.

The Mall

Downtown

- Bon Marche
- Boutiques

26 Art Galleries

Dining

There appears to be an adequate variety and range of dining opportunities from taco stands to family, fast food and upscale experiences although choice is more limited on the upper end. Dining categories include:

○ Fine Dining	○ Pizza/Italian
○ Wine Bar	○ Mexican
○ Traditional	○ Deli/Bakery
○ Family Dining	○ Casual
○ Asian	○ Fast Food

Lodging

Accommodations is the key factor stimulating tourism for economic development because the per person expenditure is approximately three times the spending of a day visitor. It is also an objective measure used in tourism as it quantifies how many rooms a destination has to sell, how much is spent to sell them and what future potential exists.

Walla Walla Valley Hotel/Motel Capacity

Hotel/Motel	Location	Number of Sleeping Rooms
A&H Motel	Walla Walla	9
Best Western	Walla Walla	78
Blue Mountain	Dayton	23
Budget Inn	Walla Walla	35
Capri Motel	Walla Walla	40
City Center	Walla Walla	17
Colonial Motel	Walla Walla	17
Dayton Motel	Dayton	17
Holiday Inn Express	Walla Walla	81
Howard Johnson	Walla Walla	85
La Quinta	Walla Walla	61
Marcus Whitman	Walla Walla	91
Morgan Inn	Milton-Freewater	34
Out West	Walla Walla	10
Super 8	Walla Walla	101
Travelodge	Walla Walla	39
Weinhard	Dayton	15
New Property	Walla Walla	90
Wildhorse Casino & Resort	Pendleton	100
TOTAL		943
Hotel/Motel Room Count by Location		
	Walla Walla	754
	Dayton	55
	Milton-Freewater	34
	Pendleton	100
Total		943

Source: Walla Walla Valley Chamber of Commerce

Although not counted in the room count because it is not open to transient visitors, Basel Cellars offers an outstanding executive retreat facility with X rooms.

Walla Walla Valley Bed & Breakfast Capacity

Bed & Breakfast	Location	Sleeping Rooms
Elizabeth Inn	Walla Walla	3
Green Gables Inn	Walla Walla	6
Inn at Blackberry Creek	Walla Walla	3
Inn at Abeja	Walla Walla	4
Mill House Lodging	Dayton	4
Purple House	Dayton	3
Top of the Mountain	Walla Walla	3
Wine Country	Walla Walla	2
Total:		28
Bed & Breakfast Rooms by Location		
	Walla Walla	21
	Dayton	7
Total		28

Source: Walla Walla Valley Chamber of Commerce

TOTAL ROOMS IN WALLA WALLA VALLEY: 971

Source: Walla Walla Valley Chamber of Commerce

Committable rooms are the number of rooms that can be blocked out 6 months to 4 years in advance for scheduled groups/events. Group marketing coordinators use this number to estimate maximum capacity for groups. Committable rooms for the Walla Walla Valley are estimated at up to 430 rooms.

Although campgrounds and RV sites do not generate hotel tax, they are a relevant piece of the lodging infrastructure. Both are limited in the Walla Walla Valley and especially in the City of Walla Walla although two facilities are planned, one in the City of Walla Walla and one in the County.

Public Assembly Facilities

Whitman College

Facilities can only be rented to 501 c 3 non-profit organizations.

Borleske Stadium

Capacities: 1800 main; 500 grandstand; 800-1500 portable seating; total 3800
Excellent baseball facility; difficult for football; possibilities for soccer; has adequate bathrooms and concessions but no locker rooms.

County Fairgrounds

Maximum banquet space 800 pp, kitchens; 3 building with 25-250 pp capacities; 3000 pp in grandstand; 1 mile track; 1 indoor riding ring 142' x 240'; 1 outdoor riding ring; 3 horse barns; 100 RV sites with power and water.

Sports Facilities

There are a significant number of sports facilities that may be used to host a variety of tournament events including:

- Soccer
- Softball
- Baseball
- Track
- Football

City fields

- Mill Creek Sportsplex
 - 3 lighted softball fields
 - 1 soccer field (plans to build 2 more)
- Howard Tietan Park
 - 2 Little League baseball fields
 - 3 youth soccer fields
- Eastgate Lions Park
 - 4 Little League baseball fields
 - 1 youth soccer field
- Pioneer Park
 - 3 youth softball fields
 - 1 youth/adult soccer field
- Borleske Stadium
 - 1 lighted football/baseball field
 - 1 soccer field
 - 1 running track
- High School
 - 2 baseball fields
 - 1 softball field
 - 2 soccer fields
 - 1 football field
 - 1 running track
- Walla Walla Community College
 - 1 competition baseball field
 - 1 competition softball field
 - 4 soccer fields
- Whitman College
 - 4 soccer fields

- Milton-Freewater
 - Aquatic center

Accessibility

Air: Less than ten flights a day; small capacity planes

Drive: Distance from two key urban markets, Portland, OR and Seattle is 262 miles. Distance from Spokane is 157 miles.

Statistics

- Population of City of Walla Walla: 30,000
- Population of County of Walla Walla: 55,400
- City of Walla Walla Hotel/Motel Tax: 2% special tax + 2% transient tax
- County of Walla Walla Hotel/Motel Tax: 2% special tax + 2% transient tax

The City of Walla Walla enacts and collects both the special and transient hotel/motel taxes. Other communities in the county elect to collect 2% however the second 2% tax is collected and accrues to the county. Therefore, all communities in the City and the County of Walla Walla have a total tax on hotel/motel rooms of 4%. Milton-Freewater, OR, although in the Walla Walla Valley, does not have a tax on hotel rooms.

Strengths – Weaknesses – Opportunities - Threats

Strengths

- Memorable and unique name: Walla Walla
- Overall diversity of attractions
- Multiple magnet attractions
- Charm of downtown Walla Walla
- Cultural amenities including performing arts, antique shops, art galleries
- Vineyard/wineries image
- Heritage attractions
- Outdoor recreation opportunities
- Organized sports facilities
- Natural beauty
- Adequate funding
- Pro-active community tourism approach
- Weather
- Number and variety of special events
- Range of accommodations, dining and retail
- Fairgrounds
- Conference center
- Stakeholder support and increasing knowledge base

Weaknesses

- Children and youth activities other than sports
- Accommodations/attractions mix
- Limited packaging
- Retail opportunities
- Road gateway
- Signage
- Unwelcoming attitude toward visitors
- Tired properties
- Lack of campground facilities
- Lack of a statistically significant tourism tracking mechanism
- Limited research of any sort; even less of a statistically valid research
- Lack of a local tourism professional to coordinate calendar of events, destination development and provide direction of volunteer involvement
- Lack of cooperative tourism efforts leveraged with other regions
- Lack of evening and weekend activity, including shopping

Opportunities

- Development of a hands-on approach to tourism development with local control and involvement
- Forum for a variety of views to be expressed and decided by a democratic process
- Renewed and refreshed product
- Extension of highway widening
- New legislation for tourism promotion
- Leverage collaborative marketing efforts; state, regional and local

Threats/Challenges

- Distance to major drive markets
- Limited air service
- Much larger budgets of nearby destinations

Identification and Analysis of Strategic Issues Associated with Tourism Development

We have organized the Strategic Issues under the following four categories:

- Organization/Administration
- Product Development
- Marketing
- Community Relations

These issues sometimes overlap, but for reader clarity we have assigned them to one of these four sections.

Key Issues: Organization/Administration

O/A Issue #1: Should the community continue contracting the tourism effort or should it develop some type of local effort?

This is the overwhelming strategic issue that has been identified in the community.

To assist in developing tourism, the community commissioned two previous consultant reports, The Langley Group Tourism Development Strategy 1998 and the Heizer-Klein Product Review 2002. Although there has been significant progress and evolutionary development since these reports were written, we find only a few points of disagreement. They are excellent reports and will continue to be useful to the community. This update will focus on those areas of community change, those that will put the community in a position to utilize more of the information in these documents and take the Walla Walla Valley tourism to the next level.

Currently the City of Walla Walla contracts with The Langley Group in St. Louis for tourism marketing with oversight for the contract provided by the 7 member Tourism Commission appointed by the Walla Walla City Council plus two City Council liaisons and one City staff person. The Langley Group subcontracts with the Walla Walla Valley Chamber of Commerce for visitor information services.

The Langley Group of St. Louis, MO conducts promotional programs for the Walla Walla Valley. This three year contract from 1999 through 2002 was extended for one year in 2003 and has undergone short-term extensions in 2004. The contract is valued at \$250,000/yr including \$60,000 allocated for professional services.

According to the International Association of Convention and Visitor Bureaus, no convention and visitor bureaus contract out their entire tourism effort, although it is very common to contract for elements of the service such as advertising, publications and public relations.

The community is of a mixed mind over the effectiveness of the contracted effort. On one hand, the numbers clearly show that tourism has had very positive growth in the Walla Walla Valley since the advent of the marketing contract and a few feel “we shouldn’t mess with success”. On the other hand, many more stakeholders express frustration with the existing situation and a sense of being “stuck”. As the community has become more sophisticated in seeing itself as a destination, there has been a sense of disconnection with their tourism effort and a realization has grown that there is a significant amount of

work to be done within the community in product development and community relations. Although those areas are clearly beyond the scope of the current contract, that awareness has generated dissatisfaction with the marketing contract.

Actually, these viewpoints are not incompatible. For the goals of increasing awareness of Walla Walla as a destination and resulting leisure visitation, there has been objective success. There has also been excellent progress in consolidating tourism organizations and focusing on the future of the region as a destination.

Both previous consultant reports make many excellent recommendations that **require** a local professional tourism organization in the community. This is the bottleneck and the underlying reason why many feel “stuck”. It has been seen as an either/or situation of creating a local organization or contracting the advertising and public relations effort.

The concerns are

- 1) The operating cost of creating their own effort and the accompanying reduction in strictly promotional dollars
- 2) Retaining the current tourism growth
- 3) The lack of tourism expertise that would be given up in relinquishing the marketing contract.

It is our belief that the marketing contract has served the community well but the community is now ready to become more active and create the tourism organizational structure to deal with those issues.

New budget analysis indicates the Walla Walla Valley is in a position to create that local presence, diversify the marketing effort, increase targeted direct sales efforts, and continue to contract advertising, collateral and public relations. Although the direct advertising/pr budget will initially be lower than current figures, we believe strongly that new sales efforts will more than compensate.

The goals will be to maintain continued growth in tourism effectiveness and become more proactive locally in product development and community relations.

Short-term Recommendation: Create a locally based tourism organization, contracting elements of advertising, publications and public relations as appropriate.

O/A Issue #2: What is the appropriate tourism organizational structure and how should it work?

There are three basic structural options for destination development organizations.

Independent Private Non-Profit. This is the most common structure (69.1% overall; 72.8% in bureaus with budgets less than \$500,000) for convention and visitor bureaus across the country. It is the cleanest and clearest structure to use. Nevertheless, it may not always be the most appropriate structure in any given community. Disadvantages, particularly in a smaller community are the extra cost of “one more organization to support” in overlapping jurisdictions and duplication of effort.

Governmental Function. This option is relatively uncommon in the convention and visitors bureau world although there are some that are municipal or county departments. In bureaus with budgets less than \$500,000, none are city agencies, 4.6% are county agencies and 4.6% are state or provincial agencies. Government entities in a democratic system must be transparent and move very deliberately, while tourism is a competitive undertaking that necessarily precludes some transparency (for example, competitive bids) and requires flexible and quick decision making to take advantage of opportunities as they arise. To maximize the effectiveness of tourism efforts, government entities generally find it more useful to contract with another entity in a public/private partnership. Appropriate government oversight is maintained through the contract itself, participation in the governance of the organization, and regular reporting requirements by the contractor.

Division of the Chamber of Commerce. Overall in convention and visitor bureaus across the country 7.3% are divisions of Chambers with the balance being divided among city, county and state agencies. Among small bureaus, i.e. bureaus with budgets under \$500,000 annually, 18.2 % are a division of a chamber of commerce. It is generally found in smaller communities where tourism is a significant component, sometimes the only component, of a chamber.

Background Information: In the last twenty-five years, communities which are interested in raising their profile, improving their public image, and attracting visitors have found that competitive forces require an aggressive public relations and sales oriented marketing effort. A non-profit Convention and Visitors Bureau (CVB) (less commonly called a Visitor and Convention Bureau or VCB), has been the standard organization created to promote a city, county or region. While there are norms within the more than 400 CVBs in the U.S., there are many variations that have been developed to meet the needs of particular communities. Two relevant tourism trends, both involving the benefits of partnering, are the development of public/private partnerships and the expansion from single-community organizations to multi-community organizations.

The CVB acts as the marketing and communications arm of the destination. A well designed and managed CVB will create and communicate a positive public image for a destination, and be successful as a sales and marketing force to identify appropriate market segments, select strategies to reach those segments, implement the strategies and provide necessary services to prospective and arriving visitors. These visitors may include an individual traveler on business, a leisure vacationer, tour operators and a meeting planner looking for a site for a convention. Increasingly, some bureaus take on a more proactive role in managing the destination through tourism product development.

Tourism can be increased by sustained, well targeted, and professional pro-active marketing efforts. To identify and attract the high value customer, to build attendance levels, extend length of stay, attract the leisure and convention/meeting/event markets, expand the seasons, and increase economic impact, a destination must have a competitive product, a sophisticated marketing and promotions program, a stable,

professional destination marketing organization, and the resources necessary in order to attract and service visitors.

In Walla Walla, there are varying opinions on what is the best structure for the community. There are a number of existing circumstances that influence this decision.

- A CVB gains strength from size and variety of tourism product such as accommodations and attractions.
- Walla Walla is the largest municipality, yet still a relatively small community and gains strength from marketing itself as part of the regional Walla Walla Valley.
- The Chamber of Commerce service area is the Walla Walla Valley, and it produces a Visitors Guide and provides the Visitor Information Center function through a subcontract with The Langley Group, the City's tourism marketing contractor.
- The Chamber of Commerce staff and board are enthusiastic about a combined effort. Although there is some residual disaffection with the Chamber because of prior problems, the current situation is favorable.
- It is important to the community to have a strong chamber effort and a strong tourism effort.

How does a Chamber of Commerce differ from a Convention and Visitors Bureau?

The purpose of a Chamber of Commerce is to advance the commercial, industrial, professional and civic interest of the business community and therefore improve the quality of life for residents in the community. The role and responsibility of a Chamber of Commerce within the community is significant and may include:

- Increasing business opportunities through networking and social events
- Providing business to business contacts and referrals
- Training and educational programs designed to help the employer and the employee
- Attracting new business to the community
- Assisting with business retention
- Representing the interests of chamber businesses on local, state and federal issues
- Providing chamber businesses with the information they need to succeed
- Chambers are non-profit membership organizations primarily funded with private funds

The purpose of a Convention and Visitors Bureau is to enhance the economic vitality of the region by marketing the destination to visitors, meeting and convention planners, tour operators, motor coach operators and travel agents and therefore improve the quality of life for residents in the community. The role and responsibility of a Convention and Visitors Bureau, within the community, is significant and may include:

- Promoting the history, cultural, retail, restaurant, and recreational attractions of the destination
- Developing a marketing campaign to attract new visitors and convention delegate to the destination
- Working with local, regional, state, and national and international media outlets
- Implementing print, radio, television, and new media marketing campaigns
- Conducting telemarketing, direct mail, and public relations programs
- Coordinate cooperative advertising programs and attend consumer and trade shows
- Servicing the needs of groups coming to the destination such as accommodations, transportation, etc.
- Servicing the needs of visitors coming to the destination such as developing and sending visitors guides, maintaining information centers, full-time inquiry response
- Creating and advocating for new tourism product development
- Convention and Visitors Bureaus are non-profit organizations primarily funded with public funds

- Convention and Visitors Bureaus can be supported by membership or sponsorship investment and most offer pay-to-play marketing opportunities
- Convention and visitor bureaus are consumer centric; chambers of commerce are member centric.

Both the Chamber of Commerce and the Convention and Visitors Bureau are vitally important to the economic climate of a community while providing different and complimentary roles and responsibilities.

We seriously considered the option of making the CVB part of the Chamber.

Advantages

- A bond is created with an existing institution that provides a valley-wide base of participants for the CVB without creating a separate membership organization to compete with it.
- Existing infrastructure will ensure a quicker, smoother start-up.
- Current Chamber leadership would provide a strong, positive relationship for the new tourism activity in the community.

This structure is viable and is an option for the community to consider; however, it is important to recognize that there are some issues that can arise between Chambers of Commerce and CVBs:

- Supporting development of new facilities that are good for the community as a whole, i.e. new accommodations properties, but that may be opposed by some chamber members that own or operate existing accommodations. Separation of the two entities provides some cover for the chamber in such delicate issues that can jeopardize their income.
- Cash flow issues can arise because chambers are generally funded by membership dollars that wax and wane, whereas convention and visitor bureaus are primarily funded by public dollars, specifically hotel tax paid by overnight visitors. When chambers have tourism departments this can lead to chambers being accused (sometimes falsely and sometimes accurately) of using tourism dollars to fund overall chamber efforts.

To avoid any potential conflict, we recommend setting up an independent WWVCVB.

Short-term recommendations:

- Form a private non-profit (501-c-6) corporation (Walla Walla Valley CVB or VCB or Tourism Walla Walla, or Destination Walla Walla, etc.).
- The existing Tourism Commission becomes the incorporating Board of Directors.
- City of Walla Walla contracts with the CVB to provide all tourism functions and maintains oversight through governance representation and regular presentation of program of work and results achieved.
- House the CVB with the Chamber on a lease basis.
- CVB to purchase services from the Chamber, i.e. bookkeeping, support services, visitor information, etc. as negotiated.
- Chamber and CVB Directors have a seat on each other's Board.
- Membership in the Chamber confers benefits from the CVB.
- Hire an experienced CVB Director/President with industry sales experience.
- CVB Director/President should report to the CVB Board of Directors.
- Contract advertising, collateral and PR with an experienced firm.

We believe that this independence of the tourism program provides the community with the most effective and accountable tourism program. It alleviates the disadvantages of a combined chamber tourism program and confers additional advantages to both entities.

Joint housing and CVB purchase of services offers the benefits of a positive partnership, quick start-up and economies of scale. Positive cash flow in the chamber can be supported by rent, and other payments to the chamber as negotiated between the parties. Proximity offers the opportunity to build a strong relationship from which we would expect creative projects for the community.

We do not anticipate the CVB becoming a membership organization. In a small community it is often not cost-effective and it can be counterproductive to make struggling businesses choose between chamber and CVB membership. Moreover, the community is not served by weakening either organization. In lieu of making the CVB a membership organization, we have proposed a small supplement to Chamber dues to be invested in an appropriate project, determined by Board negotiation. This is intended to increase the awareness by the member businesses that this is a new service to them and solicit their active buy-in.

Legal Foundation and Fiduciary Issues

Such foundations include: articles of incorporation, bylaws, federal identification number, income tax reports and audits, insurance programs, contracts and agreements, employee handbook, banking requirements, and other related legal and fiscal relationships. The bureau should hire professional legal and financial assistance to review all official WWVCVB documents.

Bylaws

If the Walla Walla Valley Convention Visitors Bureau is created as an independent 501-C-6 organization as proposed, it will develop a set of bylaws as the basis from which the CVB operates. A set of suggested bylaws is attached in Appendix H, however, this document should be developed through a collaborative process with the stakeholders. Any official documents should be review by licensed professionals.

A start-up organization should clarify its mission, establish a vision, and describe the organizational values.

Sample mission, vision statement and values statement for the Walla Walla Valley Convention and Visitors Bureau are outlined below.

Sample Mission: The mission of the Walla Walla CVB shall be to promote the continuing economic growth and well being of the Walla Walla Valley through the development and execution of well-planned leisure and business travel sales and marketing strategies, to promote the development of tourism products necessary to promote the growth of tourism to the Walla Walla Valley, and to provide the necessary services to both visitors and group planners.

Vision: “The Walla Walla Valley CVB will be a customer-centric organization that balances the demands of its local constituents with the requirements of the marketplace. The bureau will market its products and

services. Strategic alliances and partnerships will be forged with an array of organizations that share its operational philosophy and support its goals.

Visitor relationship management will be supported by well-integrated technology, and the bureau will engage in knowledge sharing with the surrounding community. The bureau will invest in its people as one of its most important assets. The success of the bureau will be measured not only by the traditional metrics of visitor spending and economic impact but also by employee and visitor satisfaction, return visitation, and environmental responsibility.

Bureau operations will be funded by sources from both the private and public sectors, from strategic alliance relationships and from appropriate internal profit centers. The Board of Directors, will establish the criteria of success, delegating the bureau's management to the designated chief executive officer and monitoring the results.

Values: Values will consist of professionalism and integrity; world-class service; people diversity; professional development, training and education; sustainable tourism and development; economic growth; and fiscal responsibility.

O/A Issue #3: What is the appropriate funding level for a Walla Walla Valley convention & visitors bureau?

To determine possible figures to use to calculate reasonable tourism budgets, it is necessary to use objective and standard comparables. Since economic impact from tourism is determined largely by overnight stays, it is a primary goal of destination marketing organizations to “put heads in beds.” Thus, the number of hotel rooms that are for sale is both objective and a standard comparable.

The following two tables outline a context (of all IACVB member bureaus with 1000 rooms or fewer) for the Walla Walla Valley related to room count.

**National Convention and Visitors Bureaus with
500-1,000 Sleeping Rooms**

Convention and Visitors Bureau	# of Sleeping Rooms
Monroe County, MI	1000
Mt. Pleasant, MI	1000
Walla Walla Valley	971
Midland County, MI	960
Aberdeen, SD	829
Wheeling, WV	829

Oakridge, TN	712
Frankenmuth, MI	704
Amana Colonies, IA	500

Source: International Association of Convention and Visitor Bureaus

Note: Includes hotel/motel rooms and bed & breakfast rooms plus Wildhorse and a projected 90 room new property to be built within a year or so.

Sample Washington State Convention and Visitors Bureau's by Room Count

Convention and Visitors Bureau	# of Sleeping Rooms	Rank
Seattle, King County	28,000	1
Spokane	6,630	2
Snohomish County Tourism	5,000	3
Tacoma Regional	4,300	4
Tri-Cities	3,500	5
Bellingham/Whatcom County	2,188	6
Yakima Valley	1,800	7
Southwest Washington	1,500	8
Wenatchee Valley	1,187	9
Cowlitz County Dept. of Tourism	1,100	10
San Juan Islands	1,088	11
Walla Walla Valley	971	12
Olympia Thurston County	NA	

Source: Tourism Development Associates

This data indicates that Walla Walla Valley would be one of the smallest CVBs in Washington in terms of numbers of rooms to fill. However it is not the smallest in the country and is clearly large enough to benefit from a professional tourism effort

Walla Walla Valley is listed at four budget levels calculated as follows:

- 1) \$264,000 Current funding level (last year's room tax collection of \$314,000 less \$50,000 for Borleske).
- 2) \$456,894 Current funding level plus \$192,894 (\$2 per room night assessment).
- 3) \$487,317 Current funding level plus \$192,894 from \$2/room night assessment, plus an increase in the room count of 90 for a new property to be built within approximately a year.
- 4) \$595,317 Current funding level plus \$108,000 ancillary funding, plus the addition of a new 90 room property, plus an added \$2 per room assessment; a new tourism funding assessment allowed by Washington State calculated as follows:
 - a. \$264,000 existing tax collection (less \$50,000) plus
 - b. an increase in the room count of 90 for a new property to be built within approximately a year.
 - c. 96,447 room nights sold in 2000 per Port of Walla Walla (most recent data for a full year, pre 9/11) times \$2 fee/per room night sold {without tax-free Wildhorse and without the new property }
 - d. \$108,000 ancillary funding
 - e. 96,447 room nights sold in 2000 per Port of Walla Walla (most recent data for a full year, pre 9/11) times \$2 fee/per room night sold {without tax-free Wildhorse and without the new property } equals \$192,894
 - f. \$456,894 plus \$192,894 = \$564,894

For purposes of this study, we will identify them as Budgets 1-4.

New Revenue Option

At this point it is appropriate to indicate that the Washington State Senate has recently passed Senate Bill # 6062 that allows counties with populations between 40,000 and 1 million to assess additional funds for tourism promotion by placing an assessment on hotel rooms up to but not to exceed \$2.00 per room. It requires the signature of lodging property operators in the area who would pay 60% or more of the charges to request that this assessment be put in place. The hotels then collect the room assessments on

sales of sleeping rooms for the Department of Revenue and the funds are allocated back to the county for tourism promotion. A copy of the bill is provided with this document.

Spokane has recently implemented this fee, and their tourism budget is expected to increase from \$1.3 million to \$3.4 million per year. Tri-Cities expects to implement the same program adding \$1.50 per room, bringing their budget well over \$1 million.

We have included this option in one of our proposed budgets at the \$2 assessment fee along with other budget options.

Washington State Convention and Visitor's Bureau's by Budget

Convention and Visitors Bureau	CVB Budget (\$)
Seattle, King County	6,846,100
Spokane*	1,349,811
Tacoma Regional	972,159
Tri-Cities*	831,000
Southwest Washington	725,000
Yakima Valley	750,000
Walla Walla Valley (proposed budget #4)	595,317
Bellingham/Whatcom County	569,570
Snohomish County Tourism	500,000
Walla Walla Valley (proposed budget #3)	487,317
Walla Walla Valley (proposed budget #2)	456,894
Wenatchee Valley	450,000
San Juan Islands	400,000
Cowlitz County Dept. of Tourism	300,000
Walla Walla Valley (current budget #1)	264,000
Olympia Thurston County	NA

Source: Tourism Development Associates

*Spokane just passed a program to increase the tourism budget by approximately \$2 million. Tri-Cities will also be increasing their budget substantially in the near future.

This data demonstrates that, depending on budget, the Walla Walla Valley CVB could be one of the smaller bureaus by budget size and that determines "how loud" a destination can speak in the marketplace. We will address this by a more targeted message.

Washington State CVB Expenditures Per Sleeping Room

CVB	CVB Budget (\$)	# Sleeping Rooms	Spending Per Room (\$)
Walla Walla Valley (proposed budget #4)	595,317	971	613
Walla Walla Valley (proposed budget #3)	487,317	971	502
Southwest Washington	725,000	1500	483
Walla Walla Valley (proposed budget #2)	456,894	971	471
Yakima Valley	750,000	1800	417
San Juan Islands	400,000	1088	368
Wenatchee Valley	450,000	1187	379
Walla Walla Valley (current budget #1)	264,000	881	300
Cowlitz County Dept. of Tourism	300,000	1100	273
Bellingham/Whatcom County	569,570	2,188	260
Seattle, King County	6,846,100	28,000	245
Tri-Cities**	831,000	3500	237
Tacoma Regional	972,159	4,300	226
Spokane**	1,349,811	6,630	204
Snohomish County Tourism	500,000	5000	100
Olympia Thurston County	NA	NA	NA

Source: Tourism Development Associates

* For the purposes of this table, room count for Walla Walla Valley differs depending on whether or not the budget included the 90-room property to be built. All figures include Wildhorse as it is in the marketed service area.

** Tri-Cities and Spokane will be dramatically increasing their budget and thus spending per room in the near future.

This data shows that increasing the number of rooms being marketed drops the per room spending. As Walla Walla Valley adds rooms it will drop into the lower spending per room with greater economies of scale. As a rule, small communities need to spend more per room than large destinations because they don't have the economies of scale. Additionally, weaknesses in tourism product (i.e. isolation from major population centers, minimal air service) need to be overcome with additional marketing.

National Convention and Visitors Bureau's with
Budgets Less than \$500,000

Convention and Visitors Bureau	CVB Budget (\$)
Lewisville, TX	464,110
Council Bluffs, IA	459,786
Walla Walla Valley (proposed budget # 2)	456,894
Carlsbad, CA	451,481
Morgantown, WV	450,000
Oneida County, NY	449,219
Muncie, IN	444,111
Steuben County, NY	425,671
Vallejo, CA	422,106
Athens, GA	412,921
San Angelo, TX	403,648
Mount Pleasant MI	392,170
San Angelo, TX	390,000
Holland, MI	371,537
Parkersburg/Wood County, WV	353,167
Midland County, MI	291,183
Wheeling, WV	280,302
Walla Walla Valley (current)	264,000
Monroe County, MI	200,000
Mercer County, WV	178,375

Source: International Association of Convention and Visitor Bureaus

A Walla Walla Valley tourism effort would be considered small in the national scope of destination tourism efforts (that is, under \$500,000 {We have used the small budget category because the immediate future is likely to be within this range and the next range is \$500,000-\$999,999}). Yet, it is clear that the community is generating enough resources to be able to operate a Walla Walla Valley tourism effort and tourism has a positive effect on the Walla Walla Valley both culturally and economically.

Walla Walla Valley CVB Proposed Revenue Budget

Revenues	\$264,000 Budget	\$456,894 Budget	\$487,317 Budget	\$595,317 Budget
WW City Room Tax	264,000	264,000	264,000	264,000
Room Tax extra 90 rooms			30,423	30,423
\$2 fee per room night		192,894	192,894	192,894
Participants:				
Higher Education ⁶				20,000
College Place				30,000
Non tax collecting Communities ²				8,000
County of Walla Walla ⁵				5,000
Port of Walla Walla ³				20,000
Chamber co-promotion ⁴				15,000
Cooperative advertising				10,000
Total Revenue	264,000	456,894	487,317	595,317

Assumptions

1 – Projected increase in room tax from additional rooms (90 rooms @ \$338/room) (Tax revenue calculated based on room tax collection of \$264,000 divided by 781 rooms {without Wildhorse and new property} = \$338 per room average.)

2 – Based on room tax equivalent of \$338 x 100 rooms discounted for distance.

3- Proposed Port of Walla Walla support of sports marketing, research, or business meeting attraction effort.

4- Chamber co-sponsorship of promotion.

5- Dedicated to marketing the Fairgrounds event facility

6- Higher education institutions in the area provide an excellent opportunity to leverage additional funds for the CVB while supporting the colleges promotional efforts to bring additional visitors/students/alumni/faculty/parents.

There may be additional sources of revenue i.e. Confederated Tribes of the Umatilla Indian Reservation.

Walla Walla Valley is listed at four budget levels calculated as follows:

- 5) \$264,000 Current funding level (last year's room tax collection of \$314,000 less \$50,000 for Borleske).
- 6) \$456,894 Current funding level plus \$192,894 (\$2 per room night assessment).
- 7) \$487,317 Current funding level plus \$192,894 from \$2/room night assessment, plus an increase in the room count of 90 for a new property to be built within approximately a year.
- 8) \$595,317 Current funding level plus \$108,000 ancillary funding, plus the addition of a new 90 room property, plus an added \$2 per room assessment; a new tourism funding assessment allowed by Washington State calculated as follows:
 - g. \$264,000 existing tax collection (less \$50,000)
 - h. an increase in the room count of 90 for a new property to be built within approximately a year

- i. 96,447 room nights sold in 2000 per Port of Walla Walla (most recent data for a full year, pre 9/11) times \$2 fee/per room night sold {without tax-free Wildhorse and without the new property }
- j. \$108,000 ancillary funding

Walla Walla Valley CVB Proposed Expense Budgets

Expenses	% Of Budget ¹	Proposed \$456,894 Budget	Proposed \$595,317 Budget
Personnel Costs			
Salary & Wages	32.8	149,861	195,263
Payroll Taxes	3.9	17,819	23,217
Benefits	3.8	17,362	22,622
Total Personnel Costs	40.5 %	185,042	241,102
Direct Promotion			
Travel & Entertainment	4.9	22,288	29,161
Trade Shows	2.8	12,793	16,669
Familiarization Tours	0.4	1,828	2,381
Event Hosting-sales	0.5	2,284	2,977
Event Hosting-community	1.7	7,667	10,010
Media Advertising	16.1	73,460	95,840
Web site expense	0.7	3,198	4,158
Printed Collateral Material	7.6	34,724	45,144
Giveaway Promo Merchandise	0.7	3,198	4,157
Cost of Merchandise sold	0.1	456	595
Ticket Sales	0.8	3,600	4,519
Research	0.5	2,284	2,977
Fulfillment incl postage	1.4	6,397	8,334
Donated non cash services	0.0	0	0
Other Direct Promotions	1.7	7,667	10,016
Total Direct Promo	39.8 %	181,844	236,938
Other Expenses			
Dues & subscriptions	1.0	4,469	5,853
Bad Debt	0.1	456	595
Computer expense	0.6	2,741	3,572
Depreciation	1.3	5,840	7,639
Staff training & development	0.5	2,284	2,977
Equipment rental/lease contracts	1.2	5,483	7,144

General Insurance	0.8	3,600	4,763
Interest/Bank Charge	0.2	914	1,190
Professional Fees	2.8	12,693	16,569
Office Supplies	1.5	6,853	8,930
Rent/utilities	2.4	10,965	14,188
Telecommunications	2.1	9,595	12,502
Postage	1.2	5,483	7,144
Repairs & maintenance	0.5	2,284	2,877
Other	3.6	16,348	21,334
Total Other Expenses	19.7%	90,008	117,277
Total Expenses	100 %	\$456,894	\$595,317

Expense Budget notes

For purposes of this study, two budget figures were selected for budget breakdown. The \$456,894 budget is the current tax collection, less \$50,000, plus \$2/room night assessment, without any new properties. The \$595,317 budget is current tax collection, less \$50,000, plus ancillary funding, plus estimated revenue generated by a \$2/sold room night fee, with a new 90 room property.

1-This expense budget uses percentages of budget that are national averages from CVBs with budgets under \$500,000 in IACVB. It should be considered a starting guideline as specific circumstances will differ.

2- Percentages/numbers may not add because of rounding.

Long-term recommendation:

- Evaluate community desire to pursue the new assessment fee and, if the decision is positive, begin steps to implement it.

O/A Issue #4: Use of the Hotel/Motel Tax

The new Senate Bill 6062 which allows for the county tourism assessment mechanism defined tourism promotion as “activities and expenditures designed to increase tourism and convention business, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists and operating destination marketing organizations.”

Because investment in tourism marketing and promotion generates such economic impact with accompanying jobs and support for local businesses, it is generally seen as more productive for communities to continue and expand this investment. Because these dollars are paid by visitors and not voting residents, it is always a tempting target for cash strapped communities and strange things can get designated “tourism promotion”. One well-known danger is for destination marketing organizations (CVBs) or governments to re-grant funds to local groups to support their projects. It almost always ends up with political problems and wasted money. It is generally much more useful to support local organizations that produce true visitor products at times when business is needed by promoting them to the visitor.

There are strong feelings on both sides in the community about Borleske Stadium’s annual receipt of \$50,000 from the first 2% hotel tax.

- 1) Borleske Stadium, supported by the City of Walla Walla, Whitman College and the School District, has not had the capital investment necessary to maintain it at a satisfactory level.

- a. Locker rooms have been closed making it a less appealing and less marketable facility.
 - b. The School District is working toward the development of a replacement facility.
 - c. If new replacement facilities are developed, support for Borleske may be reduced and new sources for future additional resources may be needed if Borleske is maintained as a stadium.
- 2) The first 2% tax on hotels was passed as a “stadium tax” to provide capital resources to public facilities. Legislation also allowed for monies to be used for tourism promotion.
 - 3) A portion of hotel overnight business comes from non-solicitible, non-leisure visitors who may be individual business travelers, construction workers, or penitentiary related visitors.
 - 4) Some members of the community see the \$50,000 as money spent on a sinking ship, money that could be used more productively for the community benefit in tourism promotion.

Long-term recommendation:

- The community must make a decision on the future of Borleske Stadium on its merits, independent of this \$50,000. The funds are not adequate to save Borleske from further deterioration. Although they certainly could be used to generate further tourism, that amount will not make or break a tourism program.

Short-term recommendation:

- Until a decision on Borleske is made, emphasis should be on developing a strong local tourism program. In a proposed new emphasis for the WWCVB on sports marketing, the funds going to Borleske can be seen as a) supporting a facility that can be marketed as part of the Walla Walla Valley sports tournament package and b) coming from the non-solicitible visitor market.

O/A Key Issue #5: Research, Tracking and Evaluation

There is little Walla Walla Valley traveler research except that done by the Wine Alliance. This is excellent research for the wine industry but is not representative of the spectrum of visitation to the Walla Walla Valley.

The Black Box Survey provides some useful information, but the methodology is one of self-selection so it would be valuable to get some stronger baseline research using standard statistically valid methods.

Since the Port of Walla Walla stopped tracking occupancy at the request of a few hotel operators, that valuable evaluative mechanism is missing.

Six hotels locally participate in the national independent research firm reports, Smith Travel Research.

Short-term Recommendation:

- After setting up an organization, establish basic tracking mechanisms in order to monitor progress (occupancy, average daily rate {ADR}, and hotel/motel tax revenues).

Long-term Recommendations:

- After discussion with state travel research officials, determine desirable research information, including conversion studies of marketing campaigns, satisfaction levels, etc.
- Discuss with local colleges the opportunities that may exist to have such work done by student classes.

Key Issues: Product Development

PD Issue #1: Tourism Infrastructure

Lodging is concentrated in the City of Walla Walla. While there is a range of properties from high end through low end, overall the product could be described as moderate with quite a few of the rooms being considered “tired”.

There is an inherent disconnect between the overall lodging product with the image Walla Walla promotes of high quality wines and vineyards, high end events, top notch education facilities, cultural amenities and charm. This situation can result in high dissatisfaction levels among visitors or a preponderance of daytrips.

Short-term recommendations:

- Evaluate marketing efforts in light of the accommodations mix and varying occupancy levels to ensure that appropriate emphasis is placed on a corresponding mix of markets. For example, do not target all efforts to the high-end wine appreciator.
- Consider additional emphasis on attracting sporting events, tournaments and outdoor recreation – markets that more closely match the overall lodging product.

Long-term recommendations:

- Over time we would anticipate seeing the development of additional new properties.
- Research loan programs that might be available to upgrade and refurbish existing facilities.

Retail. Although retail is an excellent source of economic impact and the activity of choice for 45% of visitors, shopping opportunities are currently somewhat limited in the Walla Walla Valley. As they develop to meet growing need, retail will provide a greater economic impact.

Short-term recommendations:

- Emphasize the shopping opportunities in downtown Walla Walla and small towns in the Valley.
- Sports tournaments and outdoor recreation are markets that demand less retail.

Long-term recommendation:

- In developing driving tours in the Walla Walla Valley, attention should be paid to getting people out of their cars in places with an opportunity to eat, shop, visit attractions and use facilities.

Attractions. In the development of the sports tournaments market, specifically youth tournaments, it will be important to develop more attractions appealing to children, youth and the family market. What options are available for this market segment in the evenings? During non-tournament time? And in which seasons are attractions needed?

Short-term recommendations:

- Create a matrix of available attractions by seasons and demographic groups.
- Create a matrix of available attractions by time of day and demographic groups.
- Create the same matrices of available attractions by targeted special interests (psychographics) to determine strong matches and holes to plug. These will further refine the focus of marketing efforts and provide direction for prioritizing new product development initiatives.

Long-term recommendation:

- Pursue development of appropriate attractions by market priority and potential benefit.

Gateway and signage continues to be an issue. Talk of expanding and moving the Visitor Information Center to the main entrance road as well as redevelopment of that gateway neighborhood are positive directions. A public art project, perhaps a road-spanning welcoming arch would be a good addition. Driving trail development as well as walking trails could be signed. Signage is a continuing issue for most communities because way-finding is so instinctual for residents. We always recommend a signage survey be done by asking newcomers or visitors to find key sites and riding with them while they attempt to do so. Signage should be in keeping with the ambiance of the communities.

Short-term recommendations:

- Conduct a signage survey from a non-resident perspective.
- Add a brochure rack at the airport.

Long-term recommendations:

- Pursue moving and expanding the Visitor Information Center.
- Pursue gateway neighborhood redevelopment.
- Consider public art welcome at the gateway.
- Sign walking and driving trails.

PD Issue # 2 Wineries

The explosive growth and success of the wineries in the Walla Walla Valley have created an unusual situation. Most of the wineries are small and do not have the infrastructure, staff or resources to be tourist attractions. Their focus is on wine appreciators who purchase high-end wines.

The appealingly promoted image of Walla Walla benefits the image of Walla Walla wine, and the growth of tourism in the Walla Walla Valley is due in part to the appealing image of vineyards and wineries. Thus there is a symbiotic relationship.

To the general public, a cluster of plump, watery grapes is still an attractive and useful image to communicate the connection between Walla Walla and wine. Promotion to the wine appreciator, specifically that done by the Wine Alliance, will be targeted with a more sophisticated approach.

Since the purpose of tourism is community-wide benefit, the challenge is to meet seemingly conflicting needs.

Short-term recommendations:

- Work with the Wine Alliance to identify criteria for visitation (i.e. parking availability, group capacity, hours/days/seasons, gift shop, tasting costs, by appointment/advance notice). It should be relatively easy to develop a positive and tourism friendly approach to promoting the ambiance and wines of Walla Walla without overwhelming the winery owners and staff.
- Identify and promote those wineries with capacity and interest to handle larger groups and casual visitors.

Long-term recommendation:

- Work with interested wineries and the School of Viticulture and Enology to determine if programming packages can be developed that would attract high interest wine appreciators to weekend or weeklong learning programs as visitors.

PD Issue # 3: The Fairgrounds

This is an excellent facility for attracting group events, although it has struggled with limited funds for capital investment and marketing. It has been seen as a resident amenity but it should be seen as the tourism asset that it is and can increasingly become.

Targeted tourism marketing efforts can be directed to potential users of this facility. The nature of fairground type events will often be a good match for the existing hotel product and, as the infrastructure improves, can develop along with the hotel product.

Short-term recommendations:

- Work with the Fairgrounds staff to determine how destination tourism promotion can best help them fill their facility with events that generate overnight stays during community periods of availability and additional daytrips for periods that are at hotel capacity.
- Include Fairgrounds facilities/capacities in all appropriate destination marketing efforts.

Long-term recommendation:

- Work collaboratively to identify and solicit new overnight generating events to utilize the Fairground facilities.

<i>PD Issue #4: Hospitality</i>
--

A community relatively new to being a tourism destination, Walla Walla expresses a strong need for hospitality training. In truth, this is an on-going issue for all tourism destinations for several reasons:

- Front line people who interact with the visitor are often the lowest paid employees.
- Turnover in these positions is high, so the need for training is continual.
- Young people often constitute a large percentage of these entry-level positions and a common feeling at this age is that “nothing happens in this town; everything fun is somewhere else”...not a tourism friendly message.

Recommendation:

- With support from local employers, the WWVCVB should create and implement a hospitality training program that emphasizes customer service, that is repeated regularly, and that encourages visitation of tourism sites by these front line people, and encourages everyone to cross-promote other sites. Under the community relations issues section to follow, we will discuss the role of educating the community to the value of tourism and its role in making the community visitor friendly.

PD Issue #5: Event Coordination

There is frustration expressed often about events being scheduled for the same weekends, resulting in too much business or too little. In some cases, multiple events can create a critical mass to which more people will be attracted resulting in more community benefit and greater economic impact from day trips. In other cases it is wasteful to hold competing tourism driven, overnight generating events because no matter how many people want to visit, there are only 971 rooms to sell each night.

Short-term recommendations:

- The WWVCVB can facilitate an events calendar to help the community in scheduling.
- Events can be evaluated for overnight tourism potential and those with underdeveloped potential can be packaged and promoted.
- Promotional efforts on sold-out events can be minimized and conserved for more critical time periods.

Long-term recommendation:

- A hotel availability/reservation service can be developed to help hotels fill rooms and help visitors locate availability that meets their needs

PD Issue #6: Educational Product Development

With the strength that the Valley offers in educational institutions, there are numerous opportunities to develop thematic programs and packages for the visitor. Note statistics on educational travel on pg. 7.

Short-term recommendation:

- Work in collaboration with the various educational institutions to identify ways to support student/parent/instructor/alumni events that can generate new overnight stays and especially those that have the potential to extend a stay (a one-night visitor who extends to two nights is a 100% increase).

Long-term recommendation:

- New week-long and weekend educational programs can be developed with the local institutions and promoted to bring visitors in to generate overnight stays.

PD Issue #7: Driving Tours

Research shows that sightseeing and driving tours are of high interest to area visitors; for example, exploring the “Blue Mountain Trail” is always more appealing than driving Rt. X.

Short-term recommendation:

- Self driving loop tours (both general interest and themed) should be developed in collaboration with communities throughout the Valley to help extend visitor stays and move them around the valley.

Long-term recommendation:

- An audio component can accompany printed matter if warranted.

PD Issue #8: Packaging

Getaway weekends and packaging events, attractions and accommodations are strong trends in tourism. It makes it easier for the visitor to buy and encourages longer stays. The Walla Walla Valley has enormous potential for any number of themed packages and many hotels, and cultural institutions are looking for someone to facilitate this development.

Short-term recommendation:

- Events held in the area that currently *do not* sell out lodging should be packaged and promoted.

Long-term recommendation:

- Evaluate new events for potential to package and promote as overnight generators.

Key Issues: Marketing

Marketing Issue #1: Outdoor Recreation

The Walla Walla Valley offers great opportunities for a variety of outdoor recreation. There is a high correlation between those who like outdoor recreation and those who enjoy cultural and historic attractions. Therefore targeted marketing to this visitor should be successful with the excellent mix of opportunities in Walla Walla. High number of sunshine days to enjoy these activities should also appeal to this market niche originating in Western Washington and Oregon. Outdoor recreation also offers opportunities for supplemental income for local guides.

Short-term recommendations:

- In targeting outdoor recreation, identify opportunities to cross promote cultural heritage attractions.
- Emphasize sun and micro-climate in Westside marketing.

Long-term recommendations:

- Determine demand opportunities for guiding and encouraging local program development.

Marketing Issue #2: Accessibility

Tourism is in part determined by accessibility to population centers. Walla Walla Valley is disadvantaged by its distance from the key urban centers of Portland and Seattle. Additionally travel from those cities takes a visitor through larger competitors Yakima and Tri-Cities. The highway extension will help perhaps in travel time and perception, but the mileage stays the same.

Secondarily, airlift into Walla Walla is minimal which affects the potential for selection as a conference site for groups coming any distance.

Short-term recommendation:

- Understanding these limitations allows tourism marketing to appropriately focus on a) leisure getaways (where reasonable distance is an asset), b) drive markets where distance is expected or incidental (young, tournament/event goers, smaller meetings) and c) markets for whom distance or flight is not a significant factor (private planes, executive retreats, people with significant leisure time).

Marketing Issue #3: Target markets/Strategies

Leisure advertising is still a very important part of the effort and must be continued.

Because of the personal nature of group marketing, whether motorcoach, conference, executive retreats, or sports, that is an area that does not lend itself to general advertising. These are unexploited opportunities for the Walla Walla Valley.

Another opportunity is to work in concert with local economic development efforts to identify key potential industries (i.e. energy generation) for the region and work to attract small conferences in these sectors, thus exposing decision makers to the potential for business expansion or relocation.

Short-term recommendations:

- Contract leisure advertising to assure continuity of effort.
- Contract public relations to assure continuity of effort.
- Emphasize public relations efforts for niche markets such as food/wine, birding, etc.
- Focus on leveraging other efforts such as the Washington State Tour Group.

Long-term recommendations:

- Develop collaborative marketing partnerships with the Tri-Cities for activities that are mutually beneficial (for example, the Lewis and Clark bicentennial).

Marketing Issue #4: Sales Staffs

Few hotels have sales staff that makes it more difficult to block rooms years in advance. The group sales manager will need to take a pro-active role in representing local properties and other facilities in bidding for groups.

Short-term recommendations:

- After the group sales effort is begun, there will be a need for regular hotel/facilities meetings and an educational process about planner needs. The group sales manager should expect to take a more active role than usual in bidding for groups and events.
- Existing hotel and facilities sales staffs should work closely with the CVB to market the destination.

Marketing Issue #5: Special Events

The number of special events in the Walla Walla Valley is significant, and they raise interesting issues. The new tourism entity should objectively evaluate the special events for tourism impact, and underdeveloped potential for tourism impact. Some will be primarily resident events. Some do not need additional promotion as tourism capacity is reached. Seasonality, length of event, target markets, and uniqueness are all issues to be evaluated. Special events are often scheduled during peak seasons but they are often more useful when used to stimulate travel during other parts of the year. It's important to recognize that Special Events can be "black holes" into which time, energy and resources often disappear. With a few exceptions, a WWV tourism organization should catalyze special events tourism development rather than create them. In these cases it can be productive for the CVB to issue mini-requests for proposals to solicit the type of event creation that is needed for visitor impact.

Short-term recommendation:

- Evaluate existing special events for tourism impact, packaging and marketing potential.

Long-term recommendation:

- Catalyze new special events to fill availability gaps.

Key Issues: Community Relations

Community Relations Issue #1: Resident Understanding of Tourism

Tourism is relatively new to Walla Walla, and many residents do not understand the value of it. Residents enjoy the size and ambiance of the community, and there are fears of getting over-run with visitors leading to excessive commercialization, higher prices and a reduced quality of life (expressed even by some who make their living from visitors.)

These are not unreasonable fears; tourism success can attract more businesses that can lead to higher rents and higher prices. Without community design standards and protected districts, over-commercialization is a danger. The positives of tourism success are job growth, increased tax revenues to support resident services, protection of community assets, a more vibrant community to live in and community pride.

To maximize the advantages and minimize the disadvantages, a tourism effort must be *community driven* to reflect the values of the residents and work to improve the quality of life in a community.

Understanding the qualities of charm and clean natural resources as key attractors will focus attention on preserving those characteristics. Understanding when the community can host additional visitors and when it is “full” will focus marketing efforts.

Educating the residents about the cultural heritage and the attractions will help them see their community in a new way and will stimulate local pride. A locally based WWCVB can spearhead these efforts. One common strategy is to hold an annual Residents Tourist Day.

Short-term recommendations:

- Offer to speak at local group events about the role and benefits of tourism.
- Provide forums for community discussion.
- Initiate local news stories.

Long-term recommendation:

- Create an annual Resident Tourist Day to encourage residents to visit local attractions, making them word of mouth promoters to visiting friends and family as well as visitors.

Community Relations Issue #2: Community Competition

Concern has been expressed over sometimes-not-so-friendly competitive attitudes between some communities. While there may be a variety of issues that may trigger this, a regional tourism effort can be a very positive area to build partnership efforts. Despite the City of Walla Walla having much of the tourism infrastructure, it is significantly enriched by the other communities in the Walla Walla Valley that offer additional attractions, facilities and reasons for visitors to drive farther and stay longer. Other communities would not have the same tourism opportunities without the critical mass of the City of Walla Walla. It is a mutually beneficial relationship.

Creating a regional WWV tourism entity offers the opportunity to create programs that benefit communities both individually and jointly.

Short-term recommendations:

- The Walla Walla Valley CVB should initiate meetings with area communities to identify their interests and determine how the tourism organization can help them achieve their goals.
- Regular public forums should be offered to assist the Bureau in prioritizing its annual plan of work.
- CVB committees should be open to interested parties.
- Participant communities should have proportional governance representation that could be based on contributed resources, room count, services needed, or other appropriate measure.
- The CVB should continually exert strong collaborative efforts with Valley area governments, businesses, business organizations, and non-profit organizations whenever there are overlapping interests in tourism product development and promotion.

Long-term recommendations:

- **It will be very important to make an on-going effort to keep local communities involved and informed both informally, through regular communication as well as representation on the Board of Directors.**

Strategic Action Plan

The following plan has four components with sub-sections.

- Organization/Administration/Governance
- Tourism Product Development
- Tourism Marketing
- Community Relations

Organization/Administration

Goal: Create a locally based Walla Walla Valley tourism organization.

Short-term Recommendation:

- Form a private non-profit (501-c-6) corporation (Walla Walla Valley CVB or VCB or Tourism Walla Walla, or Destination Walla Walla, etc.).
- Clarify the mission of the new CVB, and establish a vision and describes the values for the organization.
 - **Sample Mission:** “To promote the continuing economic growth and well being of the Walla Walla Valley community through the promotion of tourism product development, the attraction of visitors both groups and individuals, and the provision of appropriate visitor services.”
 - Sample Vision: “The Walla Walla Valley CVB will be a customer-centric organization that balances the demands of its local constituents with the requirements of the marketplace. The bureau will market its products and services. Strategic alliances and partnerships will be forged with organizations that share its philosophy and mission.
- Create bylaws
- Register the organization as a non-profit corporation with the State of Washington
- The existing Tourism Commission becomes the incorporating Board of Directors.
- City of Walla Walla contracts with the CVB to provide all tourism functions and maintains oversight through governance representation and regular presentation of program of work and results achieved.
- House the CVB with the Chamber on a lease basis.
- CVB to purchase services from the Chamber, i.e. bookkeeping, support services, visitor information, etc. as negotiated.
- Chamber and CVB Directors have a seat on each other’s Board.
- Membership in the Chamber confers benefits from the CVB.
- Hire an *experienced* CVB Director/President with CVB/destination management and marketing and sales experience; should have strong leadership skills including political and business savvy and a positive personality.
- Contract advertising, collateral and PR with an experienced firm.

- Establish administrative offices and staffing and management structure.
 - Establish budget
 - Complete job descriptions for key staff members
 - Implement administrative budget activities including: purchase of office equipment, CVB logo and letterhead and in-bound 800 telephone number.
 - Establish CVB committees including Marketing, Product Development, Community Relations, and Finance.
 - Set up a calendar for regular committee meetings.
 - After setting up an organization, establish basic tracking mechanisms in order to monitor progress (occupancy, average daily rate {ADR}, and hotel/motel tax revenues).

Long-term Recommendations:

- **Evaluate community desire to pursue the new county tourism assessment mechanism and, if decision is positive, begin steps to implement (Senate Bill 6062).**
- Meet with state officials to identify state promotional opportunities.
- After discussion with state travel research officials, determine desirable research information, including conversion studies of marketing campaigns, satisfaction levels, etc.
- Discuss with local colleges the opportunities that may exist to have such work done by student classes.

Tourism Product Development

Although a new part of CVB efforts, many recognize the importance of renewing, refreshing and further developing their destination for visitors. Such efforts may include:

- Soft product development i.e. driving/walking/biking tours, special interest tours etc.
- Advocacy for hard product development i.e. signage, development of accommodations, public assembly facilities, attractions, etc. as appropriate

Current Appeal

More statistically valid local research would be helpful but available information indicates that the Walla Walla Valley has the variety of tourism product to effectively target both the wine traveler and the general traveler. Of particular note for Walla Walla are lower travel party size and opportunity to increase participation in sightseeing/driving tours, outdoor activities, and festival/events.

	Black Box Survey – Walla Walla²	Wine Traveler	Washington State Travelers
Average age	46.1	35-54	42.9
Travel Party	2.6	3.4	3.4
HHI	\$82,449 ave. >200K-7% 150-199.9 K 5% 125 – 149.9 K 4% 100-124.9 K 15% 75-99.9 K – 17% 50-74.9 K 18% 35-49.9 K 18% 25-35.9 K 9% < 25 – 19%	\$82,025 ave.	75 K + 31% 50-74 K 18% 25-49 K 49% <25 – 20%
Average Stay	3.6	3.4 - 3.6	5.4 ¹
Paid Accommodations	75%	71%	68%
Visitor Origin			
WA	53.2%	53-66%	53%
OR	12.2%	12%	8%
Top Activities			
Visit winery	52%	71%	2%
Sightseeing/driving tour	43%	51%	23%
Outdoors	14%	NA	22%
Festival/event	15%	20%	18%
Culture/Heritage	28%	29%	16-28%

Sources: Washington Wine Country: Eastern Washington's Golden Opportunity 4/27/2003; Washinton Wine Country Visitor Profile 2000, James Lillstrom & Associates; Travel & Tourism in Washington State 1999 Travel Year, Longwoods International.

Notes:

1 - Washington State average length of stay is 5.4 for visitors who stay in multiple places as well as one destination. Average length of stay is 3.4 for those staying in one place.

2 - The "Black Box Survey" is a self-selected group of respondents at multiple locations in the Walla Walla area.

3 – Not all surveys ask the same questions or ask them in the same way leading to some inconsistency in the data.

Seasonality

Although May-October is the primary season, there is great diversity of need for increased business depending on the type of business or organization.

Goal: Utilize and Improve the Tourism Infrastructure Mix

Short-term recommendations:

- Evaluate marketing efforts in light of the accommodations mix and varying occupancy levels to ensure that appropriate emphasis is placed on a corresponding mix of markets. For example, do not target all efforts to the high-end wine appreciator.
- Develop additional emphasis on attracting sporting events, tournaments and outdoor recreation – markets that more closely match the current overall lodging/retail product.

Long-term Recommendations:

- Take steps to improve current and create new infrastructure to improve ability to attract more high value visitors and groups.
- Take steps to increase and enhance the accommodation product in the Valley. Over time we would anticipate seeing the development of additional new properties. One missing type of property is the country inn resort.
- Research loan programs that might be available to upgrade and refurbish existing facilities.

Goal: Improve Retail Expenditures

Short-term recommendations:

- Emphasize the shopping opportunities in downtown Walla Walla and small towns in the Valley.

Long-term recommendations:

- In developing driving tours in the Walla Walla Valley, attention should be paid to getting people out of their cars in places with an opportunity to eat, shop, visit attractions and use facilities.
- Work with the City of Walla Walla merchants to extend retail hours.

Goal: Improve Attractions Mix

Short-term recommendations:

- Create matrices of available attractions by seasons and demographic groups.
- Create matrices of available attractions by time of day and demographic groups.
- Create the same matrices of available attractions by targeted special interests (psychographics) to determine strong matches and holes to plug. These will further refine the focus of marketing efforts and provide direction for prioritizing new product development initiatives.
- Evaluate existing special events for tourism impact, packaging and marketing potential.

Long-term recommendations:

- Pursue development of appropriate attractions by market priority and potential benefit.
- Catalyze new special events to fill availability gaps.
- Evaluate kayak course potential of Mill Creek.
- Evaluate the development of an Artisans Village (cheesemaker, specialty breads, etc.)

Goal: Improve Visitor Services

Short-term recommendation:

- Conduct a signage survey from a non-resident perspective.
- Add a larger brochure rack at the airport.

Long-term recommendations:

- Pursue moving and expanding the Visitor Information Center into an experiential center.
- Pursue gateway neighborhood redevelopment.
- Consider public art welcome at the gateway.
- Sign walking and driving trails.

Goal: Maximize wine image/Minimize negative impacts on wineries

Short-term recommendation:

- Work with the Wine Alliance to identify criteria for visitation i.e. parking availability, group capacity, hours/days/seasons, gift shop, tasting costs, by appointment/advance notice, etc. It should be relatively easy to develop a positive and tourism friendly approach to promoting the ambiance and wines of Walla Walla without overwhelming the winery owners and staff.
- Identify and promote those wineries with capacity and interest to handle larger groups and casual visitors.

Long-term recommendation:

- Work with interested wineries and the School of Viticulture and Enology to determine if programming packages can be developed that would attract high interest wine appreciators to weekend or weeklong learning programs as visitors.
- Utilize the existing product to develop the high-end executive retreat market.

Goal: Develop the Fairgrounds as a year round event facility.

Short-term recommendations:

- Work with the Fairgrounds staff to determine how destination tourism promotion can best help them fill their facility with events that generate overnight stays during community periods of availability and additional daytrips for periods that are at hotel capacity.
- Include Fairgrounds facilities/capacities in all appropriate destination marketing efforts.

Long-term recommendations:

- Work collaboratively to identify and solicit new overnight generating events to utilize the Fairground facilities, i.e. horse shows, RV rallies, etc.

Goal: Maximize Airport Opportunities

Long-term Recommendation:

- Work with airport officials to determine if the airport could accommodate private plane fly-ins.

Goal: Create a Visitor Friendly Walla Walla Valley that Encourages Repeat Visitation

Short-term Recommendation:

- With support from local employers, the WWVCVB should create and implement a hospitality training program that emphasizes customer service, that is repeated regularly, and that encourages visitation of tourism sites by these front line people, and encourages everyone to cross-promote other sites. Under the community relations issues section to follow, we will discuss the role of educating the community to the value of tourism and its role in making the community visitor friendly.

Goal: Improve Coordination for Community and Visitors

Short-term recommendations:

- The WWVCVB should facilitate an events calendar to help the community in scheduling.
- Events can be evaluated for overnight tourism potential and those with underdeveloped potential can be packaged and promoted.
- Promotional efforts on sold-out events can be minimized and conserved for more critical time periods.

Long-term recommendations:

- A hotel availability/reservation service can be developed to help hotels fill rooms and help visitors locate availability that meets their needs

Goal: Maximize Visitor Attraction Capability of Local Colleges

Short-term recommendations:

- Work in collaboration with the various educational institutions to identify ways to support student/parent/instructor/alumni events that can generate new overnight stays and especially those that have the potential to extend a stay (a one-night visitor who extends to two nights is a 100% increase).

Long-term recommendation:

- New week-long and weekend educational programs (e.g. elder hostels) can be developed with the local institutions and promoted to bring visitors in to generate overnight stays.

Goal: Move Visitors around the Walla Walla Valley

Short-term recommendation:

- Self-driving loop tours (both general interest and themed “trails”) should be developed in collaboration with communities throughout the Valley to help extend visitor stays and move them around the valley.
- Develop agritourism products, such as packaging sweet onion, asparagus and apple programs.

Long-term recommendation:

- An audio component can accompany printed matter if warranted.
- Determine demand opportunities for guiding and encourage local program development.

Goal: Extend Visitor Stays

Short-term recommendations:

- Develop, coordinate and promote packaging of events held in the area that currently *do not* sell out lodging.

Long-term recommendations:

- Evaluate new events for potential to package and promote as overnight generators.
- Develop small, special interest attractions, i.e. cemetery tours, etc.
- Develop high image upscale getaway weekend market, including focus on culture, heritage, food/wine, and high-end recreation.

Goal: Support Business Attraction Efforts

Long-term Recommendation

- Coordinate with local economic development efforts to attract new businesses by soliciting small conference groups of targeted industries to showcase the region.

Key Competitor Analysis

Tri-Cities

The Tri-Cities of Richland, Pasco and Kennewick promote wine/grapes, water sports, golf, sunshine, Lewis and Clark, museums and festivals. They have more than triple the number of lodging rooms as the Walla Walla Valley and are building a 75,000 square foot convention center (June 04).

They do little with the leisure market and focus on conventions and sports groups. They believe that they send to Walla Walla Valley significant summer hotel occupancy from Tri-Cities overflow.

The tourism budget is \$831,000 and expects to be over \$1 million soon. There may be significant opportunity for the WWVCVB to collaborate with the Tri-Cities on driving itineraries, motorcoach promotion, Lewis and Clark and sports marketing. With local facilities, WWV could position itself for Tri-Cities overflow for a variety of events and tournaments.

Tri-Cities is about 218 miles from Portland and Seattle, making them an hour closer to these key drive markets than Walla Walla.

Walla Walla Valley competitive weakness: budget, facilities, capacities, very strong sports program, closer to the Westside.

Walla Walla Valley competitive strengths: size, leisure market; pastoral; variety of outdoor recreation, charm/ambiance, premium wines, agriculture and heritage.

Tri-Cities is also considered by some WW merchants and cultural organizations to be a significant market. While it may remain a stronger day-trip market than overnight, it's proximity can add significant economic value to the Walla Walla Valley.

Yakima

Yakima promotes itself as the "Northwest's Best Kept Secret" with an image of wine, agriculture, fishing, and 300 days of sunshine.

Yakima is two hours closer to the Seattle and Portland drive markets than Walla Walla.

It has twice the number of hotel rooms as Walla Walla plus an 80,000 sf convention center. The tourism budget is \$750,000.

Walla Walla Valley competitive weakness: budget, facilities, capacities, closer to the Westside drive markets.

Walla Walla Valley competitive strengths: size, charm/ambiance, safety, leisure market; pastoral; variety of outdoor recreation, premium wines, agriculture.

Yakima is in the same DMA as the Tri-Cities so should be considered a target market as well as a competitor. (DMA is a term used in purchasing advertising and stands for designated market area).

Spokane

Spokane targets Canadians and promotes itself as the "Heart of the Inland Northwest." It also focuses on culture/arts, film, skiing, golfing, and touring.

At 280 miles from Seattle and 351 miles from Portland, Spokane is at a slight disadvantage to Walla Walla from Seattle and a significant disadvantage from Portland.

The convention and visitor bureau budget is \$1.3 million and expected to go to \$3.4 million soon.

Walla Walla Valley competitive weakness: budget, facilities, capacities.

Walla Walla Valley competitive strengths: premium wines, agriculture, size, different target market; pastoral; variety of outdoor recreation, charm/ambiance, stronger in Portland market.

Although Spokane is an Eastside competitor in the Westside market, its budget and facilities will always outgun the Walla Walla Valley. It may be more useful to consider Spokane as a market for its residents to get away to the charm and rural ambiance of Walla Walla.

Positioning and Image

The City of Walla Walla, as the magnet for the Walla Walla Valley with its wineries, education institutions, redeveloped downtown, historic preservation and cultural community can clearly be perceived as an upscale destination. It has city amenities in a sunny, beautiful pastoral setting. It feels safe, comfortable, with a diversity of activities. Some local residents may not see it the same way as it has long been perceived as part of an economically depressed agricultural area; however residents highly value its outstanding quality of life.

Positioned against its competitors of Tri-Cities, Yakima and Spokane, it stands out as charming, vibrant and authentic, if somewhat newly prosperous. The sense of transition is apparent in the overall tourism support product (hotels, restaurants, retail) having a decidedly mixed quality. Since the community is trending upward rather than downward, it is important to promote that positive image.

At the same time, it is important to acknowledge that the overall hotel, restaurant, retail mix may not yet have tipped the scale toward upscale, and a destination tourism organizations wants all area businesses to prosper. To address the issue of promoting the upscale image without disappointing visitors, a sub-image needs to be cultivated for targeted market segments. That image is one of “fun” and can be heavily promoted to some recreation, some events, and youth tournament markets.

Goal: Build on Existing Efforts

Short-term recommendations:

- Continue to utilize the 1998 Strategic Plan and current work plan to provide on-going direction to the marketing effort.
- In targeting outdoor recreation, identify opportunities to cross promote cultural heritage attractions.
- Separate outdoor recreation niches and target by seasonal capacity and revenue potential, i.e. birding.
- Emphasize sun and micro-climate in Westside marketing.
- Identify cost-effective ways to sell the Walla Walla Valley Lewis and Clark experience to take advantage of national and state efforts. Focus on sales rather than “awareness”.
- Work with the Wine Alliance to target the food/wine appreciator market.
- Work with hotels to develop the multi-hotel conference market.

Goal: Factor Distance from Markets into Strategy Selection

Short-term recommendation:

- Focus on a) leisure getaways (where reasonable distance is an asset), b) drive markets where distance is expected or incidental (young, tournament/event goers, smaller meetings) and c) markets for whom distance or flight is not a significant factor (private planes, executive retreats, people with significant leisure time).

Goal: *Employ Cost Effective Strategies*

Short-term recommendations:

- Contract leisure advertising to assure continuity of effort.
- Contract public relations to assure continuity of effort.
- Emphasize public relations efforts for niche markets such as food/wine, birding, heritage, etc.
- Focus on leveraging other efforts such as the Washington State Tour Group.
- Co-op promotion with area businesses and organizations.
- Use competitive strengths and weaknesses in targeting messages.
- Secure position on the state calendar of events; package and itinerary promotions.
- Work with riverboats in Burbank to increase tour offerings.
- Look for research-supported cross promotion potentials to market i.e. wine/golf, cultural heritage and parks.
- Promote existing programming i.e. National Park Service (Whitman Mission), Army Corps of Engineers, Downtown Foundation, Parks and Recreation, Fort Walla Walla Museum, etc.

Long-term recommendations:

- Develop collaborative marketing partnerships with the Tri-Cities for activities that are mutually beneficial.

Goal: Support Local Promotion Efforts

Short-term recommendations:

- After the group sales effort is begun, there will be a need for regular hotel/facilities meetings and an educational process about planner needs. The CVB group sales manager should expect to take a more active role than usual in bidding for groups and events.
- Existing hotel and facilities sales staffs should work closely with the CVB to market the destination.
- Meet regularly with college outreach personnel, economic development people, the Wine Alliance, Viticulture Institute, Culinary Institute, and key facilities to discuss opportunities for collaboration.
- Create a lure brochure to support marketing efforts of others.

Goal: Know Your Visitor

- Develop on-going research program.

The following are marketing activities and services that a Convention and Visitors Bureau will undertake. Some are currently being done under the marketing contract and some will need to be developed.

Marketing and Promotion

- Produce a Walla Walla Visitor Guide that includes attractions, festivals and events, cultural and recreational opportunities, lodging, shopping, dining, transportation/accessibility, community overviews and heritage and historical information.
- Conduct an active public relations program to promote the image and attractions of Walla Walla Valley as a visitor destination via press kits, press releases, maintenance of slide files, solicitation of journalists for familiarization tours, sales missions to targeted media outlets, etc.
- Produce a Walla Walla Destination Planner Guide for the group market that includes details on accommodations, properties with lodging, meeting space and amenities specifications; public assembly facilities; special event venues such as sports facilities; and businesses which service the group market such as florists, printers, and transportation.
- Actively solicit meetings and conventions, executive retreats, reunions, special events, sporting activities, etc. via trade shows, internet, advertising, telemarketing, sales missions, direct sales, direct mail, and membership/attendance at industry events.
- Actively solicit motorcoach tour operators via industry trade shows, advertising, hosting familiarization tours, special promotions, NTA, ABA, OMCA, etc.
- Produce a Walla Walla Calendar of Events promoting fairs, festivals, cultural activities, and seasonal events.
- Develop and maintain an interactive web site for Walla Walla as a marketing tool for information and promotion, including links to all participating attractions and hotels.
- Actively promote Walla Walla for leisure visitors via advertising, direct mail, cooperative promotions and consumer shows.
- Creation of special interest niche promotions and brochure maps for Walla Walla such as food/wine, antiques, art galleries and museums, architecture, garden tours, history and cultural heritage, sports, golf and recreation.
- Develop a program of research to continue to refine marketing efforts.
- Develop a program of tracking so that progress can be measured objectively, i.e. room tax collections, average daily rate, occupancy, groups booked, groups serviced, website hits and unique users, and visitor center numbers.

Services

Services to group planners and leisure visitors are critical elements of marketing for destinations. Such services include:

- Provide meeting/event planner services, i.e. site inspections, registration services for meetings, housing bureau, coordination of local services such as transportation and entertainment.
- Manage a professionally staffed business office during business hours Monday-Friday year round.

- Manage a professionally staffed Visitor Information Center(s) 7 days/week, year round (ideal) including call center and visitor inquiry response via mail, fax, email.
- Communicate with area communities and businesses re: upcoming events for cross-promotional opportunities for residents and visitors.
- Provide business leads to area lodging properties, public assembly facilities, special event venues and businesses that provide services for groups.
- Assist in bids/proposal preparation for solicitable multi-property meetings and events
- Provide attendance building assistance for meetings, welcome packets for delegates
- Facilitate meeting planner site inspections for prospective groups.

Community Relations

Goal: Strengthen and solidify the WWV CVB as a valley wide organization to reflect community needs and priorities to both improve and retain strong quality of life.

Short-term recommendations:

- The Walla Walla Valley CVB should initiate meetings with area communities to identify their interests and determine how the tourism organization can help them achieve their goals.
- Distribute a CVB newsletter and e-letter.
- Regular public forums should be offered for community discussion of relevant issues and to assist the Bureau in prioritizing its annual plan of work.
- CVB committees should be open to interested parties.
- CVB special interest task groups can be developed around projects of interest, i.e. motorcoach.
- Participant communities should have proportional governance representation that could be based on contributed resources, room count, services needed, or other appropriate measure.
- The CVB should continually initiate and participate in strong collaborative efforts with Valley area governments, businesses, business organizations, and non-profit organizations whenever there are overlapping interests in tourism product development and promotion.
- Offer to speak at local group events about the role and benefits of tourism.
- Initiate local news stories.

Long-term recommendations:

- It will be critical to make an on-going effort to keep local communities involved and informed both informally, through regular communication as well as representation on the Board of Directors.
- Create an annual Resident Tourist Day to encourage residents to visit local attractions, making them word of mouth promoters to visiting friends and family as well as visitors.

Conclusion

A successful tourism program requires community involvement and has something in it for everyone. Planning by business and community leaders is critical to establishing acceptable tourism development strategies. The challenge is to identify, develop and evaluate resources within a community to provide for and facilitate visitor experiences while maintaining and improving the quality of life for residents.

While tourism has become more and more important as an economic development tool, one result has been increased competition. Small communities that were never in the tourism game are now actively competing, making it more important than ever to have a well targeted, well executed marketing effort based on research. The days of simply producing a brochure are long over for destinations that expect results.

Good strategic planning based on sound research, varied and strong attractions, and cooperation from various sectors such as transportation, local government, business, and community leaders can ensure economically sustainable projects and increased economic stimulus.

Programs that are not only successful initially, but also sustainable over time, are those with repeat visitation. Keys to repeat visitation are advertising/promotion, packaging, integration with a varied tourism promotion, and varied and changing programming.

Tourism can be increased by sustained, well targeted, and professional pro-active marketing efforts. To identify and attract the high value customer, to build attendance levels, attract the group leisure and meeting/convention markets, expand the seasons and increase economic impact, the community must have a competitive product, a professional strategic plan, and the organization and resources necessary to implement the plan and provide service to visitors.

CVBs track results from the bureau level by measuring attendance and resulting economic impact, room nights, numbers of leads, publications distributed, inquiries, and value of publicity received. This data is strongest for the meetings and conference market and weakest for the individual leisure market.

Conversion studies can be conducted on marketing/advertising campaigns to estimate return on investment (ROI) for those campaigns.

While an individual community can and should build individually on its attractions to attract tourism, regional cooperation expands the opportunities for all. Multiple interest destinations have greater marketing options, provide greater partnership potential and offer greater economic impact potential. By promoting awareness of a larger image, they have an increased ability to compete. According to D.K. Shifflet & Associates, a major tourism research firm in the U.S., American travelers are seeking out destinations that offer a wide array of activities.

We believe that communities of the Walla Walla Valley can benefit from participation in a regional convention and visitors bureau and that such an organization will improve the quality of life for residents, stimulate the economic vitality of the region, and extend the positive image of Walla Walla Valley.