

REGIONAL  
COOPERATIVE  
MARKETING  
PROGRAM  
&  
GUIDELINES

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## **Regional Cooperative Marketing Program and Guidelines**

### **Overview**

On November 27, 2003 House Bill 2267 became law. This law implements a 1% statewide lodging tax and comprehensively overhauls how Oregon addresses and funds statewide and local tourism marketing efforts. Revenues from the new statewide lodging are continuously appropriated by the legislature to the Oregon Tourism Commission. Within the scope of the legislation, the Oregon Tourism Commission may appropriate as much as 15% of the revenue from the statewide lodging tax to Oregon's tourism regions for cooperative regional and multi-regional marketing efforts.

HB 2267 mandates that, "As much as 15 percent shall be used to implement a regional cooperative marketing program. The program shall:

- (A) Require that fund allocations focus on creating new business from out-of-state and international markets;
- (B) Utilize a regional allocation formula that distributes revenue to regions, the boundaries of which are established by the commission, in proportion to the amount of transient lodging tax revenues collected in each region;
- (C) Distribute revenue to recipients that are selected by the commission as organizations able to conduct tourism-related marketing for each region;
- (D) Require that all advertising, publications, CD-ROMs, websites, videos and other tourism promotion materials funded through the regional cooperative tourism marketing program carry the Oregon Tourism Commission logo and marketing tag line; and
- (E) Encourage funding recipients to incorporate design elements from commission advertising and promotional campaigns, such as fonts, images and other design elements."

In order to gain tourism industry input on disbursement guidelines for the Regional Cooperative Marketing Program (RCMP) funds, the commission held nine meetings in various locations around the state in late 2003. Those comments and suggestions, along with those of the OTC members and staff, and the requirements of HB2267 were incorporated in the initial guidelines.

As the RCMP unfolded, additional suggestions were brought forward by industry partners and subsequent revisions were made to the program's guidelines. Then, in January 2006, Travel Oregon hired PricewaterhouseCoopers (PwC) to analyze the first year's implementation of the RCMP program. PwC interviewed nearly two dozen industry partners who are responsible for or involved in the implementation of the RCMP in the state's seven tourism regions. In some instances, the interviewees represented statewide tourism industry trade associations and organizations. The results of these interviews and the various alternatives proposed by PwC were reviewed by the Tourism Commission and further revisions to the RCMP were proposed.

### **Goals of the Regional Cooperative Marketing Program**

- Maximize the benefits to Oregon's economy from the new statewide lodging tax.
- Comply with the requirements of HB2267.

- Encourage multi-regional and targeted niche marketing
- Formalize simple, straightforward RCMP procedures.
- Maximize benefits from RCMP funds to the regions.
- Leverage OTC's programs.
- Deliver consistent messages, outstanding experiences, and efficient use of resources.
- Minimize RCMP-related administrative workload on OTC and the regions.

**Definition of Regions** (for partial counties, zip code delineations are available)

- **Oregon Coast:** Clatsop, Tillamook, Lincoln, Coos, Curry, and the coastal portions of Lane and Douglas counties.
- **Portland Metro:** Washington, Columbia and portions of Multnomah and Clackamas counties.
- **Mt Hood/Columbia River Gorge:** Hood River and portions of Wasco, Multnomah and Clackamas counties.
- **Willamette Valley:** Yamhill, Polk, Benton, Marion, Linn and portions of Lane and Clackamas counties.
- **Southern Oregon:** Klamath, Lake, Jackson, Josephine, and portions of Douglas counties.
- **Central Oregon:** Jefferson, Deschutes, Crook and portions of Wasco counties.
- **Eastern Oregon:** Sherman, Gilliam, Wheeler, Morrow, Union, Umatilla, Wallowa, Grant, Baker, Harney, Malheur counties.

*Any region wishing to modify its defined boundary should bring that request to the attention of the Travel Oregon CEO. Regions are encouraged to have agreement among all parties involved in the proposed regional boundary modification prior to bringing the request to Travel Oregon.*

**Procedural Guidelines**

- A. Each of the seven regions will nominate a tourism entity that will contract with Travel Oregon to:
  1. Represent the entire region, including rural areas, incorporated and unincorporated communities,
  2. Serve as Travel Oregon's primary RCMP contact,
  3. Serve as the regional marketing organization,
  4. Serve as fiscal agent by contracting with Travel Oregon to receive and be accountable for RCMP funds,
  5. Oversee the implementation of the regional marketing plan.
  
- B. The Tourism Commission has authorized the Travel Oregon staff to then review these nominations and either accept them or work with the region to modify their recommendation.
  
- C. The DMO selected to implement the RCMP in each region will be a defined DMO that must have:
  1. A non-profit status or be a governmental entity that is a recognized destination marketing organization
  2. Been in existence for at least one year
  
- D. These DMO's will not only have the responsibility to implement the RCMP plan and account for the RCMP funds, they have the *authority* to implement the plan on behalf of the

region once the region's plan is adopted by the Travel Oregon staff and the Oregon Tourism Commission.

- E. A region may elect to have a DMO from another, perhaps adjacent, region implement their RCMP for them. This will not necessarily result in that region no longer being seen as a "tourism region" for the purposes of Travel Oregon's marketing materials (Travel Oregon magazine, website, etc), but should enable efficiencies in the implementation of RCMP plans. It is expected that, in the event that one region selects a DMO from an adjacent region to implement/administer their RCMP plan, the two regions will develop a collaborative marketing plan encompassing both regions.
- F. A region may elect to ask Travel Oregon to implement their RCMP marketing plan on their behalf.
- G. Failure of a region to select a DMO to implement their RCMP marketing plan may result in Travel Oregon implementing that region's marketing plan on their behalf. Failure of a region to develop an approved regional marketing plan may result in those funds originally appropriated to that region not being disbursed and Travel Oregon utilizing those funds to implement their statewide marketing programs. Please note that the Travel Oregon staff are available to provide facilitation services to any region needing assistance in identifying a regional marketing entity.
- H. Each regional entity will develop a cooperative marketing plan for marketing to out-of-state and international visitors. Regional entities are encouraged to develop their plans through a collaborative process, seeking input and support from regional tourism partners. Prior to beginning their regional planning efforts, regional representatives will meet with the Travel Oregon staff to review and discuss the state tourism office's current and potential domestic and international marketing strategies and programs, explore possible multi-regional and state/regional cooperative strategies and determine appropriate metrics for tracking the ROI for each regional plan.

Marketing plan elements shall include, but not be limited to:

1. Brief tourism inventory including current attractions, events, niche markets.
  2. Contact information for the regional marketing entity.
  3. Description of on-going intra-regional communication process.
  4. Target markets; out-of-state and international visitors' profiles.
  5. Marketing goals/objectives.
  6. Plans, strategies, and budgets for incorporating the "Q" Program within the region.
  7. Brief description of the region to be marketed, including rural incorporated and unincorporated communities, Tribes, state and federal land management agencies.
  8. Actions with budgets, timeline, responsible parties, metrics (unless actions leverage OTC programs for which there are existing metrics)
  9. Description of the collaborative process used for developing the marketing plan and efforts to inform local governments and decision makers about this plan.
- I. Regional entities are encouraged to partner directly with Travel Oregon in carrying out their regional marketing plans. A menu of partnership opportunities is available from the Commission and includes consumer ads, publication ads (Travel Oregon, Kid's Guide, etc),

participation in domestic and international trade or consumer shows and others. Regions may also choose to implement marketing strategies that are not part of the menu. No additional metrics are required when regional entities use their RCMP funds to partner directly with Travel Oregon as the metrics are already included in Travel Oregon's Strategic Marketing Plan.

- J. Multi-regional marketing efforts are strongly encouraged. Regions will achieve stronger results by combining resources with other regions to promote targeted niche markets. Travel Oregon encourages regional entities to use the multi-regional approach to market golf, snow sports, culinary, cultural, heritage, Scenic Byways, outdoor recreation/adventure, bird watching, bicycling, agri-tourism, Tribal tourism, and other niche markets as appropriate.

Regional partners have expressed great interest in having Travel Oregon facilitate summits to explore and develop their plans and multi-regional opportunities in the future. Therefore,

1. Travel Oregon staff will convene regions collectively to explore multi-regional co-ops and co-ops with Travel Oregon.
2. Travel Oregon staff will work internally and with the regions to develop a menu of Travel Oregon's domestic and international marketing programs where the regions can propose to invest their allocated RCMP funds.
3. Travel Oregon staff will provide media plans and other information necessary to develop regional RCMP plans in a timely manner.
4. The timeline for presenting RCMP plans will be modified to allow staff to work with each region to identify and agree upon appropriate ROI metrics, allow each region time to prepare their plans to meet those metrics, and to negotiate elements of the region's RCMP plans prior to the plans going to the Commission for adoption.

- K. RCMP funds cannot be spent to market any destination that is outside of Oregon. However, in the case of a region that may be involved with a joint marketing campaign with destinations in a bordering state, RCMP funds may pay for the relative share of the Oregon region's participation in that campaign.

- L. Recent data document that at least 50% of Oregon's visitor revenues are derived from out-of-state and international visitors. It is reasonable to expect that tourism employees interface with those out-of-state and international visitors and that the Q Customer Service Training will affect those interactions. Therefore, RCMP monies can be used to support Q trainings, promotions, and marketing efforts. The statewide goal of the Q Program is to train at least 10% of our tourism workforce annually. In addition, Travel Oregon will encourage training of those entering the workforce, in academic or industry education programs.

- M. The Commission encourages the use of RCMP funds to leverage OTC's programs and target OTC's markets. A list of those programs is found in Travel Oregon's Strategic Marketing Plan ([www.traveloregon.com](http://www.traveloregon.com)).

- N. Success of the region's plan will be measured using metrics included in the regional marketing plans. A demonstrable return on investment in trip generation, response generation, building awareness (in short term) and other metrics must be clearly defined. If

the region is using RCMP funds to partner directly with Travel Oregon, the metrics are already contained in Travel Oregon's Strategic Marketing Plan.

- O. The regions shall receive 25% of the monies collected to date following OTC's receipt of the third quarter lodging revenue, annually. The balance of the RCMP appropriations shall be paid following Travel Oregon's receipt of the fourth quarter revenue. Travel Oregon's fiscal office will have 15 working days after the receipt of the third and fourth quarter lodging revenue receipts to process payments and disperse to the regional marketing organizations.
- P. Mid-year progress/accomplishment reports for the 2006 RCMP plans are required by August 1, 2006. The year-end accomplishment reports for the 2006 RCMP plans are due on February 1, 2007.

For the 2007 RCMP plans, contracts will run for 18 months (until June 30, 2008) to bring the plans in line with a July 1-June 30 fiscal year. For this contract, interim progress reports will be due on August 1, 2007 and February 1, 2008. The contract-end report will be due on August 1, 2008.

For subsequent RCMP plans and contracts, mid-year reports will be due on February 1 and year-end reports will be due on August 1.

- Q. No cash or in-kind match of RCMP funds is required at this time.
- R. Regions are required by law to incorporate Travel Oregon's tagline and/or logo on all marketing materials and are encouraged to follow Travel Oregon's style guide and direction.
- S. RCMP funds may be used for fulfillment costs and travel expenses (e.g. attendance at travel/trade shows) resulting from the increased marketing activities.
- T. RCMP funds may be used for staff if it is demonstrated that the staff are a necessary component of achieving the ROI metrics contained in the region's sales and marketing program.

To provide greater regional flexibility and achieve greater regional accountability, the method of submitting, negotiating, approving and implementing each region's RCMP marketing plan will be modified to include:

1. Each DMO selected to implement the RCMP program in each region is contractually granted the authority to carry-out the program on the region's behalf. Industry input is necessary and desired in developing the plan, and the DMO has an obligation to report regularly to their regional industry partners on their progress in implementing the RCMP plan. But the contracted DMO's, once the plans are adopted by the Travel Oregon staff and the Commission, are authorized and empowered to implement the plan.
2. The regional RCMP plans already include marketing goals and objectives, but will be expanded to include ROI metrics. These metrics will be provided by Travel Oregon and the region. Efforts will be made to utilize broadly recognized and standardized

performance measures such as those included in Travel Oregon's Strategic Marketing Plan and those developed by the International Association of Convention and Visitor Bureaus.

3. Numbers of individuals and businesses participating in the Q and other recognized customer service training programs are allowable metrics.
  4. Regional RCMP plans will then address what ROI metrics will be measured and how they will be achieved.
- U. Travel Oregon and the regions will evaluate the current RCMP procedures periodically, making course corrections at OTC's discretion.
- V. A regional marketing organization can submit amendments to their approved RCMP plan to the Chief Executive Officer and the Director, Brand Strategy for review and approval. Amendments to the plan will also include any unexpended funds that are the result of original budget amounts that were over actual costs. The Travel Oregon staff will submit a report to the Commissioners outlining any changes to the original plan.
- W. Travel Oregon staff are authorized to negotiate elements of each region's RCMP plan and, if necessary, reject elements of proposed plans that won't achieve the ROI metrics agreed upon.
- X. Contracts with DMO's commencing on January 1, 2007 will have a duration of 18 months in order to bring that contract and all future contracts in line with fiscal years of July 1-June 30.

Information regarding Oregon Tourism Commission's travel market mix, demographics, strategies, marketing/development objectives, and metrics can be found in the Commission's Strategic Marketing Plan on [www.traveloregon.com](http://www.traveloregon.com).

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