

Executive Summary: Visit Spokane 2012 Tourism Research Study

The objective of this study was to conduct comprehensive travel research for Visit Spokane. Randall Travel Marketing, Inc. (RTM) of Mooresville, North Carolina, was retained to conduct this study.

Study Methodology:

1. Initial Meeting and Materials Gathering:

Initial meetings were conducted to review methodology, deliverables, questionnaires, etc.

2. Lodging Property Survey:

A confidential survey was sent to all Spokane lodging properties (50 lodging properties with a total of 7,114 rooms). 20 hotel/motel lodging properties (3,772 rooms) responded, representing a 63% response. In addition, a comparison of the data submitted to RTM and the data submitted to Smith Travel Research, revealed directly comparable statistics.

3. Reconnaissance & Mystery Shopping:

A Reconnaissance Team visited Spokane May 1-7 and October 17-20, 2011. The team mystery shopped a sampling of visitor information centers, attractions, hotels, restaurants, retail stores, and amenities. Other elements evaluated included signage, gateways, wayfinding, etc.

4. DMO Performance Review:

RTM conducted an analysis of the organization's governance and structure, mission statement, funding, budgeting, program of work and performance measures. Comparability of funding and budget allocation was analyzed. Staffing and organizational structure were reviewed. RTM reviewed program performance and results measures.

5. Attraction Manager Survey:

A total of 14 attractions elected to participate in this study. A survey was written by RTM and approved by Visit Spokane.

6. Inquiry Conversion E-Survey:

Visit Spokane provided RTM with the inquiries received and fulfilled during a twelve month period. A survey containing thirty-two (32) questions was written by RTM and approved by Visit Spokane. 4,500 invitations were emailed to a census sample of inquiries/leads. 461 surveys were completed. A report of the data and conclusions was developed.

7. Visitor Intercept Interviews (by market segment)

Visitor intercept interviews, by season and market segment, were conducted at various lodging properties, events and venues June 2011 through March 2012. A survey questionnaire containing 22 questions was written by RTM and approved by Visit Spokane. The survey included a drawing for a free weekend visit in Spokane, to be selected from those that participated. The survey responses have been tabulated as part of the final report.

8. Staff Interviews:

Visit Spokane staff members participated in a written survey during March 2012. The survey contained eleven (11) questions, was written by RTM and approved by Visit Spokane. Twenty-four (24) staff members participated in the survey. The results were tabulated, and a written report of the data and conclusions were developed as part of this overall study.

9. Convention Study: An independent study of meeting/convention planners and a Customer Advisory Board focus group of was conducted by Radcliffe Company and is a part of this overall report.

10. State, Regional and National Data:

Travel research data from the State of Washington and the U.S. Travel Industry Association of America was obtained and analyzed as part of the study.

12. Report and Recommendations:

Based on the research findings, a comprehensive report was written and delivered.

Summary of Reconnaissance and Mystery Shopping

Overall Destination Assessment Summary

- When assessing a destination, RTM looks at the overall appeal, as well as the specific infrastructure that supports various visitor segments. Typically this includes:
 - Business
 - Meeting/Conventions
 - Sports (tournaments & teams competitions)
 - Leisure
 - VFR (visiting friends & relatives)
 - Transient (those passing through along the interstate)
 - Group (weddings, reunions, etc.)
- Simply put, Spokane is an outstanding destination for the following reasons:
 - Scenic beauty
 - Lively & fun downtown (Riverfront Park), unique & high-end shopping, chef-owned restaurants and a full range of dining experiences
 - Entertainment
 - Facilities (Convention Center, INB Performing Arts Center, Spokane Arena)
 - Spokane Valley Mall
 - Outdoor recreation
- Spokane has an international airport (the second largest in the state), and it is served by Amtrak's most popular route, the Empire Builder, and Interstate 90 with a daily traffic count of 45,000 vehicles.
- Further, Spokane has a wealth of Native American heritage as well as its Pacific Northwest settlement history and the story of the natural resources.
- Spokane is also fortunate in that it is clearly the Inland Northwest regional "hub". It is the "urban center" for a large multi-state, multi-country region. This results in a built-in customer base that becomes an excellent asset.
- Spokane has a good, diverse lodging inventory of approximately 7,100 rooms.
- Spokane is the home to Fairchild Air Force Base with nearly 5,700 personnel, and has excellent Universities and colleges including Gonzaga University, Whitworth University, Eastern Washington University, and Washington State University.
- In 2000 Spokane began an aggressive downtown redevelopment project that has transformed the city including the following sampling:
 - 100-block downtown wireless network – the largest in the country.
 - Renovated high-end Davenport Hotel and the 10-block area surrounding the hotel now known as the Davenport Arts District.
 - 400,000 square foot Spokane River Park Square anchored by Nordstrom, Macy's, AMC Theatres, etc.
 - Numerous restaurants and shops throughout the downtown with "destination appeal"
 - Renovated 1931 Art Deco Fox Theater.
 - Connectivity of downtown to the University District.
 - INB Performing Arts Center, Spokane Arena, and Spokane Convention Center.
 - The renovated Knitting Factory.
- The city's nickname is "The Lilac City". It is where Father's Day was founded.
- Spokane's regional brand is "Near nature. Near perfect" which is a good match for the wealth of urban environment amenities surrounded by outdoor recreation and scenic beauty.
- The RTM team likens Spokane to Asheville, NC and other similar destinations with strong regional appeal. Quite simply, this is a destination with outstanding potential! Residents can have pride in the outstanding quality and lifestyle offered in Spokane. Research conducted in this study has documented that visitors rate their satisfaction with Spokane highly, and return to Spokane frequently. The resulting economic impact is impressive. Continuing to develop tourism in Spokane is a sound strategic idea.

Summary of Lodging Report

- Spokane has approximately 7,114 lodging rooms according to Smith Travel Research (This number fluctuates regularly as lodging properties add and delete rooms from their inventory.)
- Lodging built prior to 1980 accounts for 47.1% of room inventory (3,348 rooms). Approximately one-third (33.8%) of the lodging inventory, 27 properties (2,404 rooms) were developed during 1980-1999. A total of 13 properties (1,362 rooms) were opened between 2000- 2010, which accounts for 19.1% of current lodging inventory. One additional lodging property is currently under construction which will add an additional 115 rooms.
- Occupancy in Spokane outperformed national averages in 2009 and 2010.
- Business travelers account for the largest portion of reported market segmentation at 29.44% of lodging occupancy. Individual business travelers represent 21.84%, while blue collar workers represent 7.60%.
- The convention/meeting market segment accounts for approximately 22.24% of lodging occupancy. The convention/meeting market mix consists of the following mix; association (7.05%), SMERF (5.83%), corporate (5.70%), and government (3.66%).
- Leisure travel accounts for 18.83% of market segmentation. It consists of: tourists visiting the area for local attractions, events or shopping (15.40%) and those visiting friends and relatives (3.43%).
- Transient/other represents 17.89% of those overnighiting in Spokane. This market segment consists of: Transient: passing through as part of a longer trip (10.14%), university related (4.70%) and other (3.05%).
- Group travel accounts for 11.58%; team sports & tournaments (6.32%), weddings/ reunions/family events/social events (2.71%) and group tour/motorcoach (2.55%)
- The winter months of December and January are slowest; summer months of August and July are consistently the strongest.
- Friday is the highest average weekday occupancy at 69.7%, while Sunday is the lowest at 42.1%.

Chart 1: 2010 Annual Overall Lodging Market Mix

| 2010 Lodging | Category |
|---------------|--|
| 29.44% | Business |
| 21.84% | Individual white-collar business travelers |
| 7.60% | Individual blue-collar workers/construction/etc. |
| 22.24% | Convention/Meeting |
| 7.05% | Association |
| 5.83% | S(Social) M(Military) E(Education) R(Religious) F(Fraternal) |
| 5.70% | Corporate |
| 3.66% | Government |
| 18.83% | Leisure |
| 15.40% | Tourists visiting Spokane (local attractions/events, shopping, etc.) |
| 3.43% | Visiting local friends & relatives |
| 17.89% | Transient/Other |
| 10.14% | Transient: Passing through as part of a longer trip |
| 4.70% | University-related |
| 3.05% | Other (specify): _____ |
| 11.58% | Group |
| 6.32% | Team sports & tournaments |
| 2.71% | Weddings/reunions/family events/social events |
| 2.55% | Group Tour/motorcoach |

Source: RTM Lodging Survey for Visit Spokane

Lodging Occupancy Patterns (Source: STR Six-Year Trend Report – Spokane, WA)

Chart 2: Six-Year Spokane & National Occupancy Trends

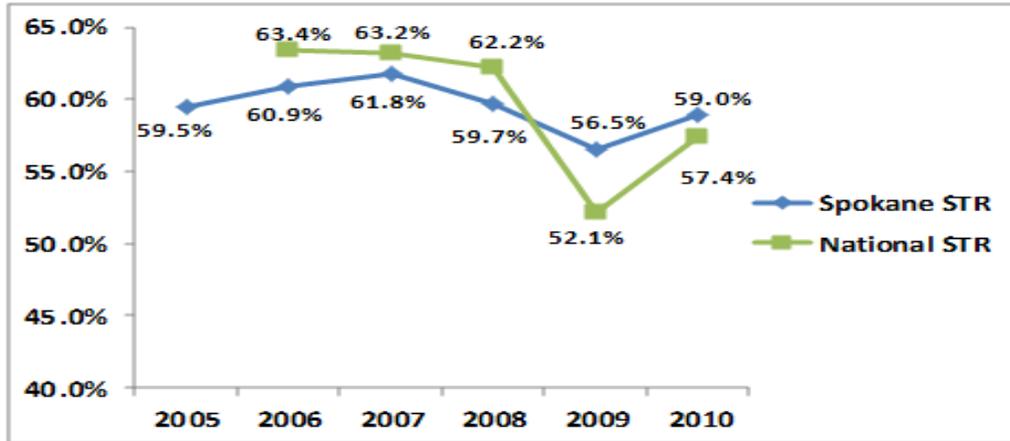


Chart 3: Six-Year Monthly Lodging Occupancy Trend

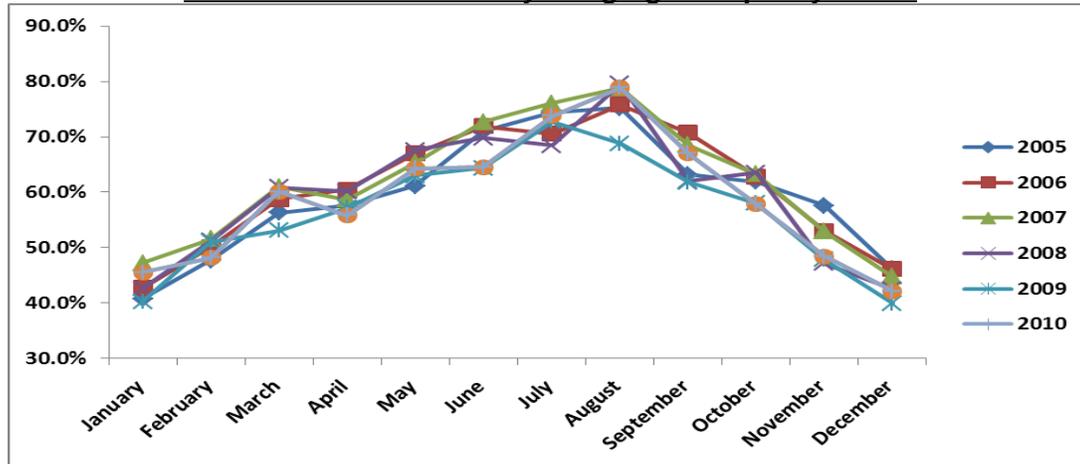


Chart 4: Occupancy by Day of the Week

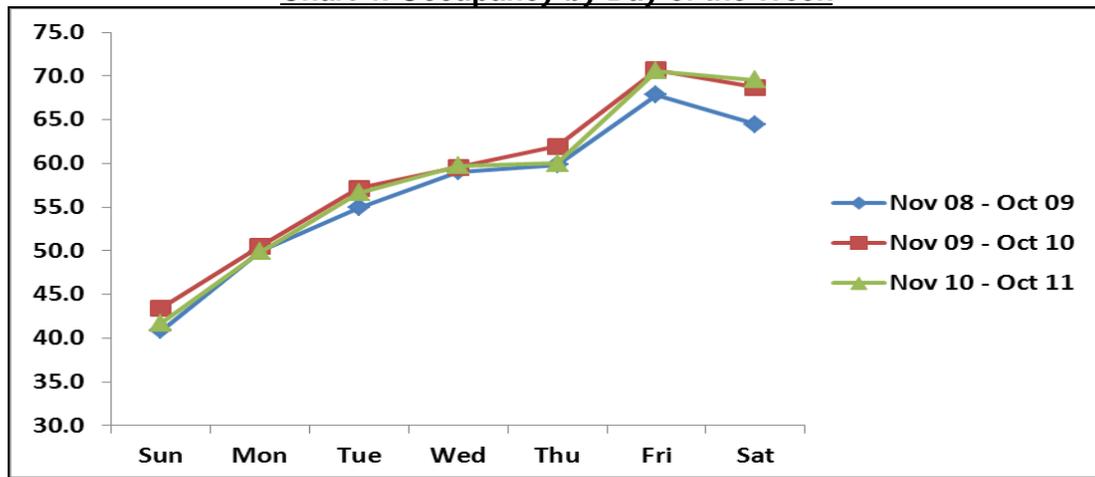


Chart 5: Six-Year Hotel/Motel ADR and RevPAR Trend



Chart 6: Spokane Lodging Annual Supply and Demand

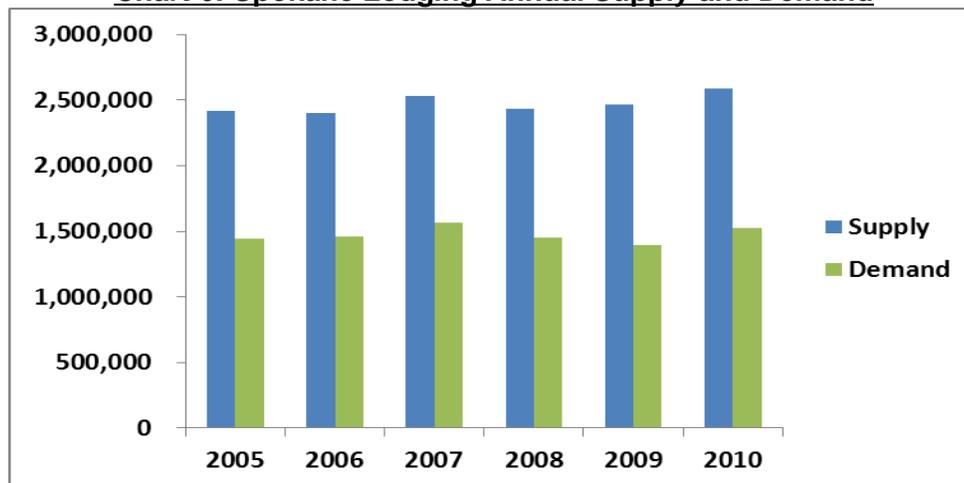
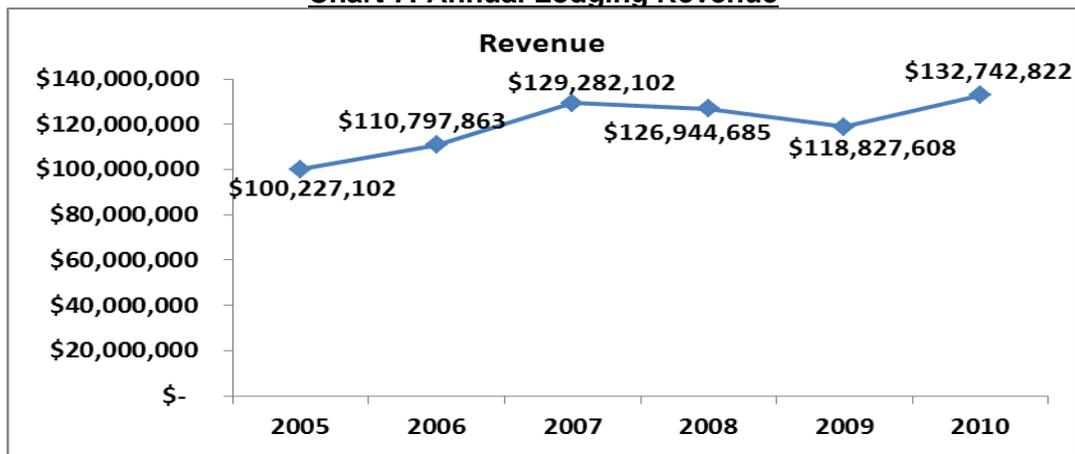


Chart 7: Annual Lodging Revenue



Summary of Visit Spokane Performance Review

- Visit Spokane is a 501 (c) (6) organization and was originally organized by the Chamber of Commerce in August 1985.
- The primary mission is ***“To create economic growth for the Spokane Region by effectively marketing Spokane and Spokane County as a preferred convention and visitor destination.”***
- Visit Spokane has a Board of Directors comprised of 19 seats in accordance with its By-Laws. The Board represents a good cross-section of the tourism industry in Spokane.
- Visit Spokane has an excellent 2012-2016 Strategic Plan. This plan establishes Performance Goals including:
 - Increase visitation to Spokane resulting in a 4% per year increase in visitation directly connected to Visit Spokane programs and promotions.
 - Increase the number of city-wide group bookings by 5%.
 - A 4% increase in visitor spending as a result of Visit Spokane programs and promotions.
 - Increase the earned media placements by 5% per year in leisure, meetings, and sports related publications, blogs, and television coverage.
 - Measure customer service throughout all Visit Spokane programs and aim for a rating of 4 or higher on a 5 point scale (with 5 being the highest score) for quality and benefit of services.
 - Monetize Visit Spokane programs to increase private sector investments by 10% over the course of 3 years.
 - Track education and training program effectiveness through evaluations and program ratings.
 - Track the number of bookings through the online booking engines.
 - Track impressions, followers, and website traffic, and online contacts with conversion studies to determine visitation and build upon the baseline each year.
- The average funding for destinations similar to Spokane (7,000-10,000 room range) is approximately \$580 per room in the marketplace. The average of Visit Spokane is \$504. Thus, Visit Spokane is underfunded compared to similar destinations.
- The total of Lodging Occupancy and TPA Tax Collections in the Spokane Region for 2011 was \$4,662,821 while the net funding to Visit Spokane was \$2,745,457 or approximately 59%. This is somewhat lower than the standard funding for a destination similar to Visit Spokane and RTM encourages the region to work to bring the funding for Visit Spokane up the equivalent of 66% of the total Lodging and TPA Tax Collections.
- ***Tax Relief per household in Spokane County is \$315.84 (2009 data).***
- RTM recommends developing a comprehensive Destination Development Plan to take Spokane to the next level of tourism development. Specifically this should address facilities (meetings, events, sports), lodging variety, signage/wayfinding, attractions & activities, linkages between Visit Spokane and its partners (Public Facilities District, Sport Commission, Greater Spokane Incorporated, Downtown Spokane Partnership, Regional Chambers of Commerce, Arts Commission, Native American Tribes, etc.) and marketing power.

Summary of Scientific Visitor Research Data

Intercept Survey: Conducted on-site with visitors at hotels, attractions, meeting venues, etc. in Spokane.
E-Survey: E-Survey emailed to those who inquired to Visit Spokane about visiting Spokane, Washington.

Chart 8: Intercept and E-Surveys

| | | Overall Intercept Survey | E-Survey |
|---|-------|--|---------------------------------------|
| Quantity of Interviews: | | 448 | 359 |
| Demographics: | | | |
| Average Age | | 48.27 | 50.08 |
| Gender: Male / Female | | 52.57% / 46.38% | 37.03% / 62.97% |
| Point Of Origin: Mostly regional - except for summer | | Washington, Idaho, Oregon, Montana, Canada | Washington, Canada, Texas, California |
| Generations: | | | |
| Millennium Generation | 9-27 | 6.76% | 4.92% |
| Generation X | 28-48 | 46.40% | 35.79% |
| Baby Boomer | 49-66 | 37.61% | 51.01% |
| Silent Generation | 67-84 | 9.01% | 8.05% |
| War Generation | 85+ | 0.23% | 0.22% |

Chart 9: Travel Size, Purpose and Planning

| Travel Party Size: | | |
|--|---------------|---------------|
| Adults traveling without children | 78.80% | 73.23% |
| Average # adults in party | 2.17 | 2.15 |
| Adults traveling with children | 21.20% | 26.75% |
| Average # of children in party | 2.21 | 1.78 |
| Major Trip Purpose: | | |
| Business | 33.11% | 6.82% |
| White Collar | 26.40% | 3.26% |
| Blue Collar | 3.80% | 1.19% |
| Medical | 2.46% | 1.48% |
| Military | 0.45% | 0.89% |
| Convention/Meeting: 11% stay over for leisure | 12.52% | 7.41% |
| Government | 2.68% | 0.59% |
| Association | 6.26% | 4.15% |
| Corporation | 1.57% | 0.59% |
| SMERF | 2.01% | 2.08% |
| Leisure | 29.29% | 65.29% |
| Vacation | 3.13% | 27.60% |
| Weekend getaway | 3.13% | 9.50% |
| Visit friends/relatives | 15.21% | 20.18% |
| Group tour / motorcoach | 0.22% | 0.00% |
| Gaming | 0.22% | 0.59% |
| Pass thru - longer trip | 7.38% | 7.42% |
| Event | 25.06% | 20.47% |
| Event at arena | 0.45% | 0.59% |
| Sports event | 17.90% | 3.59% |
| Arts event | 2.01% | 1.19% |
| Other event | 4.70% | 3.26% |

| Chart 9 Continued: Travel Size, Purpose, and Planning | | |
|--|---------------|---------------|
| Travel Planning: | | |
| 0-7 days before travel | 17.12% | 7.32% |
| 8-14 days before travel | 19.59% | 7.89% |
| 15-30 days before travel | 22.52% | 18.87% |
| 31-60 days before travel | 17.12% | 29.30% |
| More than 60 days before travel | 23.65% | 36.62% |

Chart 10: Lodging

| Lodging Type: | Overall Intercept Survey | E-Survey |
|--|---------------------------------|-----------------|
| Hotel | 85.57% | 60.45% |
| Motel | 2.58% | 16.72% |
| Campground/Campsite | 3.09% | 4.18% |
| Bed & breakfast inn | 0.00% | 0.64% |
| Friends/family house | 8.51% | 15.11% |
| other (specify) | 0.26% | 2.89% |
| First Visit? | | |
| Yes | 31.59% | |
| No | 68.41% | |
| Average number of prior visits | 20.03 | 4.62 |
| Inquiry Conversion (E-Survey) | | |
| Traveled to or through Spokane <u>prior to receiving</u> requested info? | Yes: 46.29% / No: 53.76% | |
| Travel to or through Spokane <u>after receiving</u> requested info? | Yes: 70.98% / No: 29.03% | |
| Conversion Rate Previous visitors to Spokane | 83.74% | |
| Conversion Rate New Visitors to Spokane | 60.59% | |
| Likelihood of future visit (for those that indicated they had never visited) | Yes: 91.35% / No: 8.65% | |

Chart 11: Average Length of Stay (Nights)

| Average Length of Stay (Nights): | Business | C/Meeting | Event | Leisure | Overall | E-Survey |
|---|-----------------|------------------|---------------|----------------|----------------|-----------------|
| 0 Nights | | | | | | 13.07% |
| 1 night | 19.09% | 3.77% | 21.59% | 41.07% | 23.92% | 8.51% |
| 2 nights | 22.86% | 16.98% | 37.50% | 26.79% | 26.46% | 23.10% |
| 3 Nights | 25.00% | 16.98% | 17.05% | 19.64% | 20.61% | 20.67 |
| 4 Nights | 14.29% | 22.64% | 14.77% | 4.46% | 12.72% | 16.72% |
| 5 or More Nights | 18.57% | 39.62% | 9.09% | 8.04% | 16.28% | 7.29% |
| 6 or More Nights | | | | | | 10.64% |
| Average number of Nights | 2.89 | 3.96 | 2.16 | 1.99 | 2.58 | 2.91 |

Chart 12: Intercept Survey Response for Length of Stay

| Overall Intercept Survey Response | Spring | Summer | Fall | Winter | Survey |
|--|---------------|----------------|---------------|---------------|---------------|
| Day Trip | 71.43% | 0.00% | 83.33% | 54.55% | 58.33% |
| Pass Thru | 28.57% | 100.00% | 0.00% | 18.18% | 27.78% |
| Other (specify) | 0.00% | 0.00% | 16.67% | 27.27% | 13.89% |

Chart 13: Transportation

| Mode of Transportation: | | Overall Intercept Survey | | E-Survey | |
|--|--|--------------------------|-------------|---------------|-------------|
| Automobile only | | 62.53% | | 61.86% | |
| Combination fly/drive | | 34.31% | | 30.79% | |
| Motor coach/bus | | 2.26% | | 0.85% | |
| Motorcycle | | 0.45% | | 0.28% | |
| Other (specify) | | 0.45% | | 6.21% | |
| Overall Satisfaction Rating: | | Overall Intercept Survey | | E-Survey | |
| Overall Rating: | | 4.34 | | 4.41 | |
| 5 (Excellent) | | 45.57% | | 52.27% | |
| 4 | | 43.84% | | 36.93% | |
| 3 (Average) | | 10.10% | | 10.80% | |
| 2 | | 0.25% | | 0.00% | |
| 1 (Poor) | | 0.25% | | 0.00% | |
| Overall Satisfaction Rating by Segment | | Business | C/Meeting | Event | Leisure |
| 5 (Excellent) | | 34.31% | 37.25% | 55.66% | 53.57% |
| 4 | | 55.47% | 47.06% | 33.02% | 38.39% |
| 3 (Average) | | 9.49% | 15.69% | 10.38% | 8.04% |
| 2 | | 0.73% | 0.00% | 0.00% | 0.00% |
| 1 (Poor) | | 0.00% | 0.00% | 0.94% | 0.00% |
| Average Rating | | 4.23 | 4.22 | 4.42 | 4.46 |

Chart 14: Amenities

| Specific Ratings for Amenities: | | Overall Intercept Survey | | E-Survey | |
|--|--|--------------------------|-------------|----------|-------------|
| Quality of the lodging rooms | | 4.29 | | 4.18 | |
| Lodging value you received for the price paid | | 4.19 | | 4.12 | |
| Range of choices for dining | | 4.24 | | 4.23 | |
| Selection of shopping | | 4.29 | | 4.04 | |
| Signage and wayfinding | | 3.88 | | 3.77 | |
| Ease of finding visitor information prior to arrival | | 4.28 | | 4.14 | |
| Ease of finding visitor information once here | | 4.19 | | 3.91 | |
| Level of service/employee training | | 4.49 | | 4.08 | |
| Overall quality of attractions | | 4.27 | | 4.12 | |
| Overall Amenity Rating by Segment by Segment: | | | | | |
| Quality & variety of lodging | | 4.31 | 4.29 | 4.16 | 4.37 |
| Lodging value you received for the price paid | | 4.21 | 4.20 | 4.09 | 4.24 |
| Range of choices for dining | | 4.01 | 4.23 | 4.46 | 4.31 |
| Selection of shopping | | 3.96 | 4.19 | 4.60 | 4.33 |
| Signage and wayfinding | | 3.78 | 3.67 | 4.07 | 3.94 |
| Ease of finding visitor information prior to arrival | | 4.17 | 4.18 | 4.40 | 4.37 |
| Ease of finding visitor information once here | | 4.10 | 4.22 | 4.12 | 4.35 |
| Level of service / employee training | | 4.33 | 4.51 | 4.56 | 4.60 |
| Overall quality of attractions | | 4.11 | 4.22 | 4.31 | 4.39 |

*Red indicates ratings that are below the critical 4.00 mark.

Chart 15: Activities

| Activities: | Overall Intercept Survey | E-Survey |
|--|--|---------------|
| Shopping | 52.23% | 84.87% |
| Shopping locations: | Downtown, River Park Square, Spokane Valley Mall, Northtown Mall | |
| Dining | 87.92% | 89.71% |
| Art/Entertainment (play, concert, performance) | 11.41% | 16.11% |
| Sports event or tournament | 32.35% | 15.57% |
| Attraction, Museum, Historic site | 16.52% | 44.70% |
| Day trip to another area | 12.75% | 44.95% |
| Day Trip areas: | Coeur d'Alene, Grand Coulee, Idaho, Big Burn | |
| Casino/gaming | 13.16% | 13.95% |
| Outdoor recreation | 14.80% | 42.90% |
| Recreation activities included: | Golf, hiking, walking, fishing, kayaking, biking, swimming | |

Chart 16: Intercept Survey Response for Activities

| Overall Intercept Survey | | | | | | E-Survey |
|--------------------------------------|---------------|----------------|---------------|---------------|---------------|----------|
| Shop (by segment) during this visit? | Business | C/Meeting | Event | Leisure | Overall | |
| Spring | | | | | | |
| Yes | 15.79% | 45.45% | 61.90% | 55.56% | 44.93% | |
| No | 84.21% | 54.55% | 38.10% | 44.44% | 55.07% | |
| Summer | | | | | | |
| Yes | 28.13% | 100.00% | 31.25% | 61.67% | 49.56% | |
| No | 71.88% | 0.00% | 68.75% | 38.33% | 50.44% | |
| Fall | | | | | | |
| Yes | 38.89% | 44.44% | 56.67% | 74.36% | 55.28% | |
| No | 61.11% | 55.56% | 43.33% | 25.64% | 44.72% | |
| Winter | | | | | | |
| Yes | 57.38% | 40.91% | 58.70% | 57.14% | 55.24% | |
| No | 42.62% | 59.09% | 41.30% | 42.86% | 44.76% | |

Chart 17: Daily and Trip Expenditures

| Daily and Trip Expenditures | Overall Intercept Survey | E-Survey |
|--------------------------------|--------------------------|-------------------|
| Lodging | \$113.30 | \$111.88 |
| Foods/meals | \$60.49 | \$77.77 |
| Attractions/entertainment | \$73.43 | \$62.72 |
| Events/tournaments | \$41.94 | \$59.48 |
| Shopping | \$84.09 | \$115.88 |
| Transportation | \$72.94 | \$74.75 |
| Other (gaming) | \$29.79 | \$60.64 |
| Average Daily Expense | \$475.88 | \$563.11 |
| Average Length of Stay | 2.58 | 2.91 |
| Total Trip Expenditures | \$1,227.77 | \$1,638.66 |

Chart 18: Average Daily Expense

| Overall Average Daily Expense by Segment | Business | C/Meeting | Event | Leisure |
|--|------------|------------|------------|------------|
| Spring | | | | |
| Average Daily Expense | \$359.07 | \$316.61 | \$551.31 | \$538.26 |
| Average Length of Stay | 2.32 | 3.90 | 1.86 | 1.41 |
| Total Trip Expenditures | \$833.05 | \$1,234.79 | \$1,025.43 | \$758.95 |
| Summer | | | | |
| Average Daily Expense | \$380.64 | \$329.25 | \$472.47 | \$571.29 |
| Average Length of Stay | 2.13 | 3.00 | 2.00 | 1.89 |
| Total Trip Expenditures | \$810.75 | \$987.75 | \$944.94 | \$1,079.74 |
| Fall | | | | |
| Average Daily Expense | \$391.25 | \$419.90 | \$545.28 | \$447.66 |
| Average Length of Stay | 2.94 | 4.17 | 1.40 | 2.67 |
| Total Trip Expenditures | \$1,150.28 | \$1,750.98 | \$763.39 | \$1,195.25 |
| Winter | | | | |
| Average Daily Expense | \$540.44 | \$471.32 | *\$431.12 | \$534.74 |
| Average Length of Stay | 3.43 | 4.05 | 2.87 | 1.36 |
| Total Trip Expenditures | \$1,888.01 | \$1,908.85 | \$1,237.31 | \$727.25 |
| *NOTE: Expenditure costs for Winter: Event travel was slightly less due to 67.39% of visitors being drive-in only. | | | | |

Chart 19: Likes and Dislikes

| Likes and Dislikes | Overall Intercept Survey | E-Survey |
|--------------------|--|--|
| Likes | Friendly people • Weather/climate • Scenery • Shopping | Riverfront Park • Friendly people Weather • Diversity of activities |
| Dislikes | Traffic / road & highway construction • Roads need to be fixed • Weather • One way streets / roads confusing | Wayfinding • Traffic / road construction Weather • Panhandlers |

Chart 20: Attractions

| Attraction Visitation By Inquirers | Inquiry Response | Rating |
|---|------------------|-------------|
| Parks & Gardens | | |
| Corbin-Moore Turner Heritage Garden | 7.84% | 3.86 |
| Manito Park | 25.21% | 4.51 |
| Riverfront Park (downtown) | 71.99% | 4.47 |
| Mirabeau Park | 10.36% | 4.19 |
| Finch Arboretum | 11.48% | 4.15 |
| Discovery Playground at Mirabeau Park | 6.72% | 3.92 |
| State Parks, Trails & Forests | | |
| Riverside State Park | 25.49% | 4.32 |
| Mt. Spokane State Park | 13.73% | 4.45 |
| Lake Coeur d'Alene | 50.70% | 4.59 |
| Lake Pend Oreille | 14.85% | 4.34 |
| Priest Lake | 9.52% | 4.41 |
| Centennial Trail | 14.85% | 4.36 |
| Route of the Hiawatha | 7.00% | 4.28 |
| Trail of the Coeur d'Alene's | 10.36% | 4.54 |
| Other Area Attractions | | |
| Green Bluff Farms | 11.76% | 4.48 |
| Lake Cruises | 7.84% | 4.00 |
| River rafting trips | 4.76% | 4.18 |
| Silverwood Theme Park | 15.41% | 4.33 |
| Rockin' B Ranch | 3.92% | 3.79 |
| Cat Tales Zoological Park | 10.64% | 3.76 |
| Museums | | |
| Bing Crosby Collection at Gonzaga University | 7.28% | 4.19 |
| Carr's One of a Kind in the World Museum | 2.80% | 3.60 |
| Fire Lookout Museum | 3.08% | 3.64 |
| Jundt Art Museum at Gonzaga University | 5.32% | 4.11 |
| Northwest Museum of Arts & Culture | 12.32% | 4.30 |
| Mobius Kids Children's Museum | 5.60% | 4.00 |
| North Spokane Farm Museum | 3.36% | 3.67 |
| Spokane Sea Services Museum | 2.80% | 3.50 |
| Spokane Valley Heritage Museum | 5.32% | 3.95 |
| Wineries | 12.61% | 4.29 |

Based on research, Spokane's primary "Attractor" is:

- Downtown Spokane (shops, restaurants, Riverfront Park, fun & lively)

Spokane's most prominent visitor activities are:

- Dining (87.92%)
- Shopping (52.23%)
- Riverfront park (71.99%)

Overall, what sets Spokane apart is its appeal as an urban center with fun shopping, dining, and entertainment, in a scenic landscape that offers convenient access to year-round outdoor recreation.

Chart 21: Appeal of New Products

| Appeal of New Products: | Overall Intercept Survey | E-Survey |
|--|--------------------------|----------|
| Active outdoor getaway | 70.09% | 52.06% |
| Spa/wellness retreats | 37.95% | 26.03% |
| Public transit between hotels and activity centers | 34.60% | 31.67% |
| Ice Age flood interpretive center | 49.55% | 25.16% |
| Trails of arts & crafts studios & shopping | 52.46% | 40.78% |
| Native American living history center | 49.11% | 37.09% |
| Science center | 61.61% | 36.23% |
| Other | | 11.93% |

Chart 22: Attraction Survey

| ATTRACTION SURVEY (14 attractions participated in survey) | Museums & Attractions | Festivals & Events | Arts & Venues | Wineries |
|--|-----------------------|--------------------|---------------|-------------|
| Individual Visitors (daily admissions): | | | | |
| Local/regional residents | 60% | 82% | 74% | 63% |
| Out of town visitors | 22% | 18% | 10% | 22% |
| Groups: | | | | |
| Group Tour/ motorcoach | 0% | 0% | 2% | 1% |
| School/education groups | 7% | 0% | 3% | 0% |
| Wedding/reunions/family events | 8% | 0% | 5% | 7% |
| Social Clubs (Garden, Book Clubs, etc.) | 0% | 0% | 4% | 2% |
| Corporate events & meetings | 3% | 0% | 2% | 3% |
| Military | 0% | 0% | 0% | 2% |
| Other: (no category) | 0% | 0% | 0% | 0% |
| TOTAL (percentages must total 100%) | 100% | 100% | 100% | 100% |

- The primary points of origin: Seattle, Coeur d'Alene, Portland, Missoula, Billings and the Tri-cities.
- Summer and spring was reported as the busiest seasons, with winter and fall being the least busy.

Study Recommendations

Strategic Direction:

- **Spokane needs to claim its uniqueness.** It is *the* shopping, dining, entertainment, sports, meeting and event hub for a multi-state region. And, it has a surprising **volume and quality** of dining, shopping, lodging, etc. for its size. Not to mention an outstandingly scenic setting. RTM considers Spokane one of great “undersold” destinations in the Pacific Northwest.
- Asheville, NC is a good comparative destination. Asheville has the same “small size, but big appeal” dining, attractions, shopping, scenery, outdoor recreation, etc. It would be good to study the development of Asheville as a model for Spokane. Much as with Spokane, Asheville’s core strategy is as a regional destination, along with an interstate recruiting strategy. This is the cornerstone as Asheville continues to build its national and international awareness over time.
- Now that the initial downtown plan has been implemented for Spokane, it is time to look at the next step in **Strategic Destination Development** including:
 - RTM recommends a city-wide plan to more clearly define (and portray) the **urban districts with streetscapes, lighting, signage, etc.** This could be similar to what Arlington, VA has done with its neighborhoods.
 - RTM recommends a **new gateway/signage/wayfinding program** to accomplish two goals:
 1. Depict more dynamic positioning for downtown Spokane and the neighborhoods
 2. Make Spokane as easily navigable as possible
 - **Upgrade the tracking of visitor segments**, including sports. Currently, Visit Spokane and the Sports Commission share information, but the tracking of visitors is not specific. RTM recommends improving the tracking of visitors of all types, including sports, so that “needs periods” can be better understood and filled.
 - Create a **Dynamic Entertainment Calendar**. Add a new community-wide calendar to provide a more useful planning tool for entertainment, sports, events, etc.
 - Continued recruitment of chef-owned restaurants, arts/crafts galleries, artisan studios, local food growers, wineries, etc. to continually build the appeal of Spokane as a regional destination.
- Increase funding of Visit Spokane from 59% to 66% of total travel industry taxes.
- Broaden the positioning. **“Near Nature – Near Perfect”** is great, but it needs another line to further claim its uniqueness. RTM recommends the following:

Spokane

Near Nature – Near Perfect

The scenic dining, shopping, and entertainment capital of the Inland Northwest

- Add new products that develop Spokane into an ideal multi-state regional hub destination including:
 - Update the convention center – connect to lodging.
 - Add new sports facilities to allow for greater recruitment of targeted sports segments.
 - Add an Inland Northwest Interpretive Center – or consider adding this to the new visitor center.
 - Create an IMAX type film that creates a “WOW” overview of Spokane.
 - Update Riverfront Park (specifically indoor recreation amenities).
 - Create lecture series with internationally known speakers to increase the visibility of Spokane.
 - Creative lifestyle: Add elements that continue to establish Spokane as a center for creative lifestyles including arts/crafts galleries and trails of studios, fresh local food sourcing, continuing education, outstanding performing arts, etc.

Gateways:

- The top priority is for DOT to clean up the various visitor/welcome signs along I-90 in downtown Spokane that are erroneous. This is to prevent drivers from becoming lost and frustrated.
- Need a new structure/gateway on I-90 approaching from west (near Exit 277B – where drivers crest the hill and see the entire valley laid out below). This should be similar in scope/design to the “Welcome to Inland Northwest” gateway sign found near the airport.
- Need to re-open the “Closed – Due to Lack of Funding” visitor center at Exit 299 entering from Idaho. It is a significant disservice to eastern Washington State destinations to not have this gateway functional. A new gateway structure/sign should be added here as well to welcome travelers arriving from the east to Spokane.
- Additional (smaller) gateway signs would be good for Highways 2 and 195 as these are primary north and south gateway routes.
- A small gateway/welcome sign placed at the Amtrak Station in downtown would be good.
- Most of the towns in the region surrounding Spokane have acceptable city gateways.

Signage and Wayfinding:

- Signage and wayfinding in downtown Spokane reliably leads drivers to specific attractions, but unfortunately does little to create a sense of place or to provide meaningful orientation for visitors.
- Attractions in Spokane have good signage from interstate and major roads. No changes are recommended.

Visitor Center(s):

- Since downtown Spokane literally straddles I-90 it is appropriate for Spokane to have one primary downtown visitor center, as opposed to one on each end of town. Signage should begin at the city limits and lead travelers to the visitor center.
- Following the signs to reach the existing visitor center is challenging and creates too much hassle for many travelers. RTM recommends a new location for this primary downtown visitor center. It needs to be as near I-90 as possible, preferably in a location that is clearly visible to traffic on I-90. It should have good parking, including available motorcoach parking.
- The most important aspect is to clearly understand that the purpose of this facility is to be a “Sales Center” as opposed to merely a room full of brochures.
- The exterior of the building should be exciting and enticing. It should have the appeal of an attraction and make people want to come in to learn more. Consider having graphics/structural representations featuring an outdoor waterfall, mountain, Native American symbol, cycling, entertainment, dining, etc. Make it a visual “WOW”.

Airport Visitor Kiosk:

- Space is limited at this airport visitor information site, thus RTM makes few recommendations for change. Primarily, RTM recommends adding more dynamic visuals depicting dining, shopping, entertainment and outdoor activities. The existing desk, kiosk and information rack is fine...it just needs to be updated with a more personalized touch that shows the uniqueness of the destination. Ideally, it would be appropriate to add another kiosk in the second terminal to better serve all visitors.

Washington State Visitor Center at I-90 Idaho Border:

- Having this state visitor center closed is a disservice to all destinations in eastern Washington. While budget cuts have been felt nationally, most states are returning to normal operations at

this point and RTM encourages the State of Washington to open this center as soon as possible.

Governance and Leadership:

- Governance and leadership for Visit Spokane is appropriate.
- The Board is a good size and well represents the industry and the community interests.
- RTM has reviewed in-depth the Enabling Legislation, By-Laws, etc. and makes no recommendations for change.

Funding for Visit Spokane:

- Visit Spokane receives the equivalent of 59% of the total Lodging and TPA Tax Collections. This is somewhat low compared to similar destinations and RTM recommends the community work together to increase the funding to the equivalent of 66% of the total tax collections. This is the standard across the U.S. It is not only important to have this level of funding for sustainability, Spokane is in a growth mode and the funding is even more critically important.
- Evaluating the data above, we find that a destination with approximately 7,000 to 10,000 rooms typically falls in approximately the \$580 per room marketing funding range. Thus, Visit Spokane is under-funded at \$504 per room compared to other destinations.

Visit Spokane Membership:

- Visit Spokane has done an admirable job maintaining its membership in spite of the recent economic recession. Membership contributes approximately 11% of the total Visit Spokane budget, while it requires approximately 8% of total resources (staff and budget). RTM encourages Visit Spokane to enhance its membership program by offering a basic level of membership with options for participation in extended marketing. This allows for greater service to members, and more earned income for Visit Spokane.

Communication and Linkages with Spokane Area Agencies & Partners:

- RTM is impressed with the current cooperative spirit in Spokane as exhibited during the course of this study. This community works together and it shows!
- RTM recommends Visit Spokane host an annual ***“Understanding the Importance of Tourism”*** workshop/conference for elected leaders and those appointed to primary agencies and Boards. The purpose of this is to help these leaders understand how tourism works and Visit Spokane’s strategic plan for growth and how it interfaces with each of the individual partner agencies.
- RTM recommends development of a new **Destination Development Plan** now that the initial downtown development plan has been completed. The purpose of this plan is to take Spokane to the next level of destination development and include:
 - **Gateways, Signage, Wayfinding.**
 - **New Visitor Center**
 - **Hotel Inventory (ensuring a good range of variety of lodging)**
 - **Convention Center and Meeting/Event Facilities**
 - **Sports Facilities**
 - **Native American Interests/Interpretation**
 - **Continued Downtown Development**
 - **Facilitation of the Outdoor Recreation Amenities**

Spokane Sports Commission:

- RTM recommends a deeper partnership between Visit Spokane and the Spokane Sports Commission. Specifically the purpose of this recommendation is to develop better tracking of sports visitors (groups, attendance, etc.) resulting in better definition of “needs periods” and identification of potential sports groups to target for recruitment.
- According to Spokane hoteliers, 6.32% of current hotel use is due to sports teams and tournaments. The Sports Commission has reported they drive approximately 90,000 room nights. 6.32% is somewhat low for a regional “hub” destination such as Spokane. RTM typically finds sports for this type of destination to be in the 10% plus range of lodging occupancy. Only by tracking can both organizations realistically determine the best underserved sports segments and match those to available facilities.
- The framework for this type of tracking does not exist. It is needed.

Public Facilities District:

- Visit Spokane and the Public Facilities District (PFD) have a good partnership, which is commendable given that PFD is primarily in the facilities rental business, and Visit Spokane as a sales and recruiting agency operates in a “what will it take to recruit X group?” mode. This is a natural disconnect and it appears that these two organizations have successfully partnered.
- RTM encourages PFD to understand that Visit Spokane’s mission is to prospect, find potential groups, identify which ones are a priority for Spokane area hotels, and then create the deal that gets them to say yes. This will often mean that facility rental/management issues must be negotiated.
- RTM understands that an incentive/allowance budget (approximately \$500,000) has been established by PFD to offset convention center rental/use fees and that this fund is used for targeting priority events/meetings being recruited to Spokane. The criteria for using these funds was outlined to RTM by PFD professionals and is based on identifying ideal target groups that will provide the greatest economic benefit to the community. The amount used from this fund should be reported by PFD annually so that an accurate accounting of the investment being made is available and tracked, both by PFD and Visit Spokane. The incentive fund should be reviewed annually by PFD and Visit Spokane and rated as to the net result of each investment.

Spokane Arts Commission:

- Continue excellent relationship between regional arts interests and Visit Spokane.
- RTM recommends development of a unified Calendar of Events that incorporates all entertainment options in Spokane. RTM recommends Visit Spokane help to drive the development of this calendar. The purpose of the completed calendar would be to send to database of regional frequent visitors to Spokane, and to distribute to hotel front desks, as well as other front line tourism industry contacts.

Downtown Spokane Partnership:

- Continue excellent relationship between Downtown Spokane Partnership and Visit Spokane.
- RTM recommends Visit Spokane enroll Downtown Spokane Partnership in development of a Destination Development Plan that examines all aspects of “destination Spokane” and strategically establishes a plan for the next level of development. Spokane is ready for this plan!

Native American Tribes:

- The Native American heritage story is not told as reliably as is warranted by this amazing history. Further, the appeal with the traveling public is documented in this study, as well as numerous other U.S. destination studies.
- RTM encourages Visit Spokane to continue to support and interact with the Northwest Museum of Arts & Culture and the Tribal Cultural Council, whose efforts will drive this toward a more complete

portrayal of the heritage story, and specifically sites that can be easily accessed with reliable hours of operation.

Municipality Partners and Regional Chambers of Commerce:

- Visit Spokane has established excellent relationships with its municipality partners and the Greater Spokane Incorporated and the regional Chambers of Commerce.
- Municipality partners should understand the role that Visit Spokane plays in tracking and generating sales tax dollars for their respective communities.
- RTM feels it is the obligation of elected and appointed leaders of these municipality partners to invest time in understanding the tourism industry, how it works, and how Visit Spokane operates.
- RTM further recommends that Visit Spokane prepare and distribute a Monthly Report (dashboard style) to its municipality partners so that they can track the results of this program monthly and better understand the connection between the work of Visit Spokane, the resulting tax collections, and how to best support continued growth in travel and tourism for Spokane.

Reporting by Visit Spokane:

- **Monthly Report:** RTM recommends development of a Monthly Report that provides a “dashboard” of Visit Spokane. This Monthly Report would be shared with all major constituents, industry and municipality partners, etc. RTM envisions that this Monthly Report would include:
 - Smith Travel Annual Statistics (hotel/lodging statistics)
 - Pace Report (sales of meetings/conventions)
 - Including Sports Commission Bookings
 - Services Report (groups serviced by Visit Spokane)
 - Marketing Report
 - Advertising Investment & Inquiries Earned
 - Earned Public Relations & Advertising Equivalency
 - Social Media Statistics
 - Website Analytics
 - Total Number in Core Visitor Contact Database
 - Visitor Traffic Statistics at Visitor Center(s)
 - Conversion Statistics
 - Membership Statistics
 - Occupancy Tax and TPA Tax Collections & Allocation

New Tourism Products:

- **Upgraded Convention Center:** The recent study by Radcliffe Company outlines perceptions of meeting planners and recommendations for enhancement of the Convention Center. RTM endorses this report. Competition between convention centers continues to escalate and a destination simply must continue to improve its meeting facilities if it is to remain competitive. As outlined in the Radcliffe Company report, the Customer Advisory Board (CAB) as a focus group of center users identified some issues for Public Facilities District (PFD) to consider in continued improvement of the Convention Center. Most issues related to the downtown environment and the hotel accommodations supporting the Convention Center.
- **Sports Facilities:** Spokane’s geographic position as a regional hub allows for excellent sport group recruitment. As long as competitive facilities are available, Spokane should excel at sports recruitment. RTM understands the Sports Commission is nearing the conclusion of a competitive sports facilities study. RTM encourages the leaders of Spokane to continue to support strategic sports tourism development. This is an excellent tourism growth segment.

However, RTM also cautions that current tracking of sports is inadequate and must be improved and shared with Visit Spokane if serious growth is to occur. Currently, although sports is 6.32% of local annual lodging occupancy, there is no specific tracking that allows either organization to clearly quantify what facilities are used when, or who is coming and from where. This needs to be corrected to allow for strategic growth and appropriate targeting.

- **Inland Northwest Interpretive Center:** This rich, scenic and historic region is not adequately interpreted. Amazing stories from Ice Age floods, to Native American heritage, to natural resources and modern economies, this is a story that needs to be told. If nothing else, perhaps this can be accomplished at a new, improved visitor center facility for Visit Spokane.
- **“WOW” Orientation Film:** RTM recommends development of an orientation film that delivers a “WOW” factor. Spokane is amazingly rich in scenery, history, and great experiences. This is the “sizzle” to help sell the steak at the visitor center and in marketing.
- **Update Riverfront Park:** This downtown park is an amazing asset for Spokane and visitors love it. It needs to continually be made fresh and user-friendly.
- **Lecture Series to Boost Awareness of Spokane:** RTM recommends establishing a series of lectures by internationally known speakers (former president Bill Clinton, former Prime Minister Tony Blair, the Dalai Lama, Tom Brokaw, Anderson Cooper, etc.) to be hosted by a local university or group. The purpose of this lecture series is to boost multi-state and national awareness of Spokane as a destination while also providing a paying scenario, an entertainment option, and supporting the quality of life in Spokane.
- **Creative Lifestyle:** Spokane is a unique destination with a high quality of life that supports a “Creative Living” lifestyle. RTM encourages Spokane to continually bring this into better focus for potential visitors by adding arts/crafts galleries, trails of art and artisan studios, wineries, growers of fresh foods, outstanding performing arts, and continuing education.

Performance Goals - Visit Spokane Strategic Plan Fiscal Years 2012-2016:

- RTM endorses the 2012-2016 Strategic Plan established by Visit Spokane. Specifically this includes the following Performance Measures:
 - Increase visitation to Spokane resulting in a 4% per year increase in visitation directly connected to Visit Spokane programs and promotions.
 - Increase the number of city-wide group bookings by 5%.
 - A 4% increase in visitor spending as a result of Visit Spokane programs and promotions.
 - Increase the earned media placements by 5% per year in leisure, meetings, and sports related publications, blogs, and television coverage.
 - Measure customer service throughout all Visit Spokane programs and aim for a rating of 4 or higher on a 5 point scale (with 5 being highest score) for quality and benefit of services.
 - Monetize Visit Spokane programs to increase private sector investments by 10% over the course of 3 years.
 - Track education and training program effectiveness through evaluations and program ratings.
 - Track the number of bookings through the online booking engines.
 - Track impressions, followers, and website traffic, and online contacts with conversion studies to determine visitation and build upon the baseline each year.

On-Going Research:

- RTM recommends Visit Spokane develop more internal research functionality to help it continue to grow and develop the destination. This would ideally include:
 - Annual Lodging Study
 - Quarterly Inquiry Conversion Survey
 - Annual (Quarterly) Intercept Interviews for Visitor Profile & Behavior
 - Annual Membership Survey
 - Monthly Sales & Service Survey (Meetings & Groups served in the previous month)
- RTM also encourages Visit Spokane to continue playing a leadership role at the state level to ensure that the State of Washington has reliable research to support all state destination marketing organizations (DMOs).
- Further, RTM recommends that Visit Spokane continue to seek outside research consultants to validate internal data collections, as to assist in monitoring traveler trends, industry trends, and further continue to define the behavior of Spokane's visitor segments.
- RTM recommends Visit Spokane continue to purchase the Smith Travel Research STR Report for monthly monitoring of lodging.
- Additionally, as Visit Spokane continues to refine its programs, RTM recommends that each individual department within Visit Spokane develop a staff survey. The purpose of this survey is to ensure that staff is empowered for growth. The department staff would rate their satisfaction with the clarity of their individual employee goals, their satisfaction with the tools and coaching they are given, and their satisfaction with their personal career growth. Employees should be encouraged to identify challenges and obstacles to continued development of Visit Spokane.

| Chart Reference: Visit Spokane 2012 Tourism Research Study | Page |
|---|-------------|
| • Chart 1: 2010 Annual Overall Lodging Market Mix | 3 |
| • Chart 2: Six-Year Spokane & National Occupancy Trends | 4 |
| • Chart 3: Six-Year Monthly Occupancy Trend | 4 |
| • Chart 4: Occupancy by Day of the Week | 4 |
| • Chart 5: Six-Year Hotel/Motel ADR and RevPAR Trend | 5 |
| • Chart 6: Spokane Lodging Annual Supply and Demand | 5 |
| • Chart 7: Annual Lodging Revenue | 5 |
| • Chart 8: Intercept and E-Surveys | 7 |
| • Chart 9: Travel Size, Purpose and Planning | 7 |
| • Chart 10: Lodging | 8 |
| • Chart 11: Average Length of Stay (Nights) | 8 |
| • Chart 12: Intercept Survey Response for Length of Stay | 8 |
| • Chart 13: Transportation | 9 |
| • Chart 14: Amenities | 9 |
| • Chart 15: Activities | 10 |
| • Chart 16: Intercept Survey Response for Activities | 10 |
| • Chart 17: Daily and Trip Expenditures | 11 |
| • Chart 18: Average Daily Expense | 11 |
| • Chart 19: Likes and Dislikes | 11 |
| • Chart 20: Appeal of New Products | 12 |
| • Chart 21: Attractions | 13 |
| • Chart 22: Attraction Survey | 13 |