

Application Summary

Application: FY25 DMO Plan

Applicant:

Funding opportunity: FY25 DMO Plan

Application Responses

Organization Name: Discover Kalispell

First Name: Diane

Last Name: Medler

Street Address 1: 2 S. Main St, Ste 205

Street Address 2:

City: Kalispell

State: MT

Zip: 59901

Funding Opportunity: FY25 DMO Plan

Amount Requested: 235,000.00

General Description Information

1. Describe your destination (who you are, who you wish to attract and why would they come) addressing your strengths, opportunities, and potential challenges.:

1a. Destination:

Kalispell is an unfiltered mountain town that remains true to itself. Kalispell is a place that believes in living with intention, supporting one another and making the most of every day. It's a place that accepts you as you are and encourages intentional exploration, all while soaking up fresh mountain air, playing on our glacial-fed waters, tasting Montana's culinary offerings and rubbing elbows with the locals.

In Kalispell **VentureBOLDLY** is our mantra, it's a call that grounds us in and to this beautiful corner of the world we call home. To truly understand what venture boldly means in Kalispell, we invite you to learn more about its three-pronged definition:

Intention – Our roots and traditions run deep. We live with intention and make bold moves with a firm understanding of who we are, where we come from and how we'll grow.

Stewardship – As residents of Montana, we serve as stewards of this special place. Whether you're here for a minute or a month, we ask visitors to be mindful of the impact they have on this place, from public lands to local businesses.

Stronger Together – As with anything in life, we know we're better together. Kalispell is a place for dreamers, makers, doers, creators and intrepid spirits to live fully and boldly embrace adventures. A community known for coming together to solve problems, putting collective energy around getting things done.

Discover Kalispell is a Destination Marketing and Destination Stewardship organization, dedicated to fostering a vibrant year-round tourism industry through a community-centric approach. We are committed to actively engaging in a collaborative, multi-stakeholder effort to preserve the rich cultural heritage and environmental vitality of Kalispell.

1b. Strengths:

- The Parkline Trail, a two-mile linear trail through downtown and connecting to the Great Northern Rail Trail has spurred redevelopment in the downtown core, adding to the goal of 18-hour vibrancy and walkability throughout the heart of the city.
- City of Kalispell saw 1,180 new residential units constructed between 2022 and 2023 with 79% of those units multi-family, improving the availability of attainable and workforce housing.
- Kalispell is home to the Conrad Mansion Museum, Hockaday Museum of Art, Northwest Montana History Museum, Wachholz College Center, Glacier Symphony and Chorale, art galleries, street art and juried arts & crafts shows and events.
- The Wachholz College Center, a performing arts center located at the Flathead Valley Community College, includes a 1,000-seat auditorium, lecture hall and flexible event space. The center has featured a star-studded line up of year-round national-caliber performances and events.
- Glacier Range Riders, a Pioneer league baseball team playing at Glacier Bank Park in Kalispell.
- Kalispell is in the center of iconic natural landmarks: 32 miles from the entrance to Glacier National Park, 10 miles to Flathead Lake, and surrounded by 2 million acres of Flathead National Forest. Eleven state parks in the valley provide trails, interpretative visitor services, and water-based activities.
- Kalispell's Glacier Park International Airport ranked #3 in boardings for airports in Montana in 2023. GPIA saw a total of 455,837 enplanements, an 8.4% increase over 2022. Residents and visitors have more options for business or leisure travel through increased seat capacity year-round. GPIA is undergoing a \$150 million terminal expansion to handle increased traffic over the next 20 years. Phase 1 of the new terminal opened in March 2024. Glacier AERO, a non-profit organization represented by Flathead Valley business and tourism industries, serves to increase winter and year-round flights through revenue guarantees and other partnerships with the airlines.
- Logan Health is the region's independent healthcare system. 2023 saw the merger of Logan Health and The Billings Clinic creating a state-wide health system for Montana.
- [Workforce Flathead](#), led by the Discover Kalispell Chamber convenes students, job seekers, educators and employers to support the jobs of today and grow jobs for the future including for the travel and hospitality sector. Additionally, the Chamber-led Childcare Action Steering Council launched four childcare action teams resulting in identifying 500+ childcare slots over the next two years.

1c. Opportunities:

- As the regional trade center for northwest Montana, Kalispell is holding steady as the 6th fastest growing micropolitan city in the U.S. A measurement of factors that show Kalispell is well-positioned for long-term sustainable economic strength. Moderate growth continues in healthcare, advanced manufacturing and tourism.
- Discover Kalispell and the Discover Kalispell Chamber function as one organization, each working to support the local economy, community vitality, business and industry. We serve to Venture Boldly while remaining Future Ready, assuring Kalispell is well-positioned for long-term sustainable economic strength.
- New indoor and outdoor sports venues came online in 2023 and additional indoor facilities are scheduled to break ground in 2024. With the increase in available venues Discover Kalispell can increase sales efforts to recruit adult and youth sports tournaments.
- Community development priorities include improved ground transportation to lessen traffic congestion particularly during the peak season. Visitors need options to get from the airport to city centers, to lodging and to Glacier National Park.

1d. Potential Challenges:

Challenges for Kalispell's Travel and Hospitality Industry:

- Visitation patterns in northwest Montana have shifted since the pandemic, summer months now have available lodging capacity. Visitation trends can be impacted by the U.S. economic conditions, travel costs, and local factors such as GNP vehicle reservation system and climate conditions such as low snow levels this winter.
- Hotel lodging demand in Kalispell decreased 3% during 2023, and 10% since 2021. RevPAR had seen steady growth since 2021 based on solid occupancy and strong ADR. The recent double-digit drop in occupancy has

created a decrease in revenue Jan-Mar 2024. Booking for the late spring and summer are trending lower than normal, shorter planning windows may attribute to that trend. (*STR*)

- Short term rental inventory in Kalispell and Flathead County experienced a fourth year of increase during 2023, which impacts hotel demand. Although short term rental inventory continues to build, 2024 data shows a slowing with a decrease in OCC, ADR and revenue. Supply may have surpassed current demand. (*AirDNA*)
- The influx of visitors and new residents during the pandemic created increased resentment towards tourism. Although that resentment has reduced in intensity since 2022, the attitude that there are too many visitors in the peak season remains a factor and informs Discover Kalispell's stewardship and management initiatives as well as shifting our marketing to be further focused on non-peak periods.

Challenges for Northwest Montana:

- 2023 saw adjustments to the business market, primarily with increasing interest rates and construction costs prompting a slowing in commercial and single-family developments.
- Glacier National Park has continued the vehicle reservation pilot system for summer of 2024. Separate vehicle reservations are now required for the west side of the Going-to-the-Sun Road, North Fork/Polebridge entrance and Many Glacier areas of the park, May 26 - September 8, 2024, 6am – 3pm.
- Climate conditions continue to become more unpredictable and severe creating challenges when promoting outdoor recreation and outdoor sports and events. Seasonal weather impacts include low snowpack, wildfires and unhealthy air quality, low water levels impacting water recreation on Flathead Lake and fisheries throughout the region. Outdoor recreation plays an important role as a driver of visitations for Kalispell and northwest Montana. As climate events become more frequent and severe, the need for product development to attract and retain visitors becomes greater.
- Aquatic Invasive Species pose a threat to the Flathead Basin waterways. Introduction of non-native species disrupts the balance of native ecosystems threatening the recreation viability in our area. Discover Kalispell will continue to support FWP's communications of Clean, Drain and Dry and watercraft inspection stations.

:

2. Briefly describe how your destination aligns with the Montana brand or describe the Brand strategy for your DMO.:

At Montana and Discover Kalispell, we endeavor to distinguish ourselves from other destinations while remaining steadfast in our identity. Our promotions are crafted to inspire exploration across our expansive landscapes. We authentically showcase our rich culture, storied history, and cherished way of life. Forward-thinking yet deeply rooted, we aim for visitors to feel welcomed, inspired, refreshed, and alive during their time here. Additionally, we emphasize responsible travel, urging respect for the land, wildlife, and local communities. We honor those who diligently safeguard our natural resources and provide the amenities and services that enrich the visitor experience.

The brand strategy for Discover Kalispell is to establish Kalispell as a destination, not just a gateway to what's around us, while defining and sharing what makes Kalispell distinct. Sized between a larger Montana city and a resort town, Kalispell is neither. It's a burgeoning, thriving community that is best viewed and described as a small city with mountain-town amenities and culture. What sets Kalispell apart is the way two worlds come together. This is a town dripping with history but not stuck in the past...our spirit is our balance, between our work life and our home life, and between playing and building, all while remembering what really matters, the time with each other and the land that keeps it all in perspective.

:

Destination Marketing: ✓

Destination Management: ✓

Destination Stewardship: ✓

Destination Development: ✓

:

3a. Define your audience(s) (demographic, geographic and psycho-graphic):

Who We Wish To Attract – definition of Discover Kalispell’s high-value visitor:

- Visitors that will stay more than one night in Kalispell.
- Visitors who are interested in fall, winter and spring travel.
- Visitors who are respectful of natural resources and strive to recreate responsibly.
- Visitors who are interested in local restaurants, craft beverages and shopping.
- Visitors who seek adventures outside of the heavily traffic activities and recreation areas.
- Visitors who are seeking:
 - Sporting events and other vacation-making events

- Business travelers
- Group travelers – meeting planners, domestic and international tour trade, and other group travel such as reunions, incentive travel, niche interest groups.

Who Is The Current Kalispell Visitor - survey, mobile location and credit card data that inform Discover Kalispell’s seasonal evergreen and retargeting campaigns.

2023 non-resident visitors that stayed at least one night in Kalispell:

- 2,700,000 visitors
- Average group size - 2.5; average age 52
- Top U.S. geographic markets of origin: WA, FL, MN, CO, UT, IL, ID, AZ, WI, TX
- 52% of travel groups had no first time visitors

(ITRR)

Top origin markets to Kalispell in 2023 (% of total devices):

Spokane	13.3%
Missoula	10.7%
Great Falls	6.3%
Seattle	5.4%
Salt Lake City	4.7%

(Zartico)

Spending by category in Kalispell (% of total spend, all visitors):

1. Food – 42.2%
2. Retail – 20.9%
3. Accommodations – 17.1%
4. Gas & service stations – 8.9%
5. Transportation – 6.0%
6. Outdoor Recreation - 1.6%

(Zartico)

Visitor Credit Card Spending in Kalispell for 2023

- Credit card spending by domestic non-resident visitors was \$218 Million, a 4.5% decrease YOY.
- Credit card spending by international visitors equaled \$15 Million, a 28% increase YOY. 93% of that spending was by Canadian visitors.

(Visa Destination Insights)

Top spend in Kalispell by domestic CMAs:

Q1: Missoula, Seattle, Salt Lake City, Bozeman, Helena

Q2: Missoula, Seattle, Phoenix, Los Angeles, Bozeman

Q3: Missoula, Seattle, Los Angeles, Phoenix, Bozeman

Q4: Missoula, Seattle, Bozeman, Los Angeles, Helena, Spokane

(Visa Destination Insights)

3b. What research supports your DMO strategy? :

Refine the promotion and marketing strategy to focus on boosting tourism during the fall, winter, and spring seasons, backed by data on occupancy, spending, visitation, and resident sentiment. This data reveals untapped potential to draw more visitors beyond the peak season. While emphasizing promotions for shoulder season visitations, it's important to note a decline in summer occupancy, Flathead County has over 12,000 jobs supported by nonresident travel (ITRR 2022) which highlights the need for continuous destination marketing and sales efforts throughout the year.

- Kalispell average annual occupancy (2023): 58%
- Average occupancy June-September (2023): 78%
- Average occupancy October – May (2022-2023): 48%

Montana Travel and Recreation Research

The ITRR Montana resident attitudes interactive data shows that residents want a balanced approach towards tourism in the state. Flathead County residents recognize that while overall benefits outweigh the negative (49% agree), only 22% agree that if tourism increases in Montana the overall quality of life for residents will improve.

The Montana Travel Experience Survey of nonresidents shows that the trip planning window continues to decrease. 1-4 weeks ranks high as a time frame to start planning route and sites to visit. Planning activities is primarily done less than 1 week before the visit.

In that same study, repeat visitors to Montana had a positive response to changes of flourishing downtowns, increased amenities and better roads and signage. But those visitors were dismayed at the increase in travel costs, crowds, and wildfire smoke and adverse weather conditions.

(Institute for Recreation Research at the University of Montana)

Tourism Digital Marketing Trends

- Most Facebook videos are watched without sound, highest reach have text overlay.
- Use stories that link to your website, tell a story and have a min of 4 slides.
- 118.3 million leisure travelers (78% of all leisure travelers) participate at some level in cultural and heritage activities while on their leisure trip.
- Most U.S. adults use YouTube and Facebook, about half use Instagram.
- Most popular from greatest to least: YouTube, Facebook, Instagram, Pinterest, TikTok.
- The best opportunity for video engagement is less than 1 minute.
- Facebook recommends keeping videos to around 15 seconds, research shows 47% of the value in a video is delivered in the first 3 seconds.
- Instagram videos that average 26 seconds receive the most comments.
- Viewers want storytelling within 7-15 seconds, as well as video series to follow.

(Dave Serino, TwoSix Digital)

Increased Cost of Paid Media (CPM) and Cost Per Acquisition (CPA) Requires a Larger Media Budget for DMO's to Remain Competitive.

- Global digital advertising spend has increased 10.6% since 2022 and 18.9% since 2021. (Meltwater)
- Dentsu Global Ad Spend states that what's driving the increase in spend is economic stabilization, digital innovation and cyclical occurrences such as elections.

- Between 2022 and 2023 ad buy on Meta has increased by 61%, Google programmatic display by 75%, search ads by 14%. As CPM increases it drives up CPA. (Linked In Digital Advertising Prices)

U.S. Market Review – Travel Demand

Despite recent slowing, growth trends largely continue across sectors:

- U.S. domestic leisure: Trips have fully recovered to 2019 levels, though growth has decelerated due to tighter credit conditions and the restarting of student loan payments.
- Modest lodging demand growth in the U.S. will be supported by household prioritization of travel, a continued rebuilding of business travel and group events, and a rebound in international visitation (*Tourism Economics*)
- The latest STR/Tourism Economics lodging forecast expects RevPAR in the U.S. to grow 4.1% in 2024, moderately slower than 2023 (4.9%), with an expected 3.1% gain in ADR.
- International inbound: Pre-pandemic levels are not expected to return until 2025 as the strong dollar and visa wait times continue to pose challenges, but 2023 ended with international visitation at 84% of 2019 levels. The U.S. is experiencing a highly unusual travel trade surplus with outbound travel outpacing inbound travel.
- Travelers still feel generally optimistic about their financial circumstances—especially in comparison to the average American adult—and remain financially committed to travel.
- A recent Longwoods International study reports 26% of travelers say financial concerns will greatly impact their decision to travel within the next six months—emphasizing the importance of value perception especially among lower-income earners.
(Tourism Economics, STR, Future Partners, Longwoods International)

3c. What are your emerging markets?:

Emerging Markets

- Leisure - direct flight markets (new and flights with increased seat capacity): Dallas, Burbank/LA area, San Diego, and Sonoma County.
- Sports Tourism – with increasing number of indoor and outdoor sports facilities in our area, Discover Kalispell is placing an increased focus on attracting youth and adult sports and adventure events.
- Groups – segments looking for unique venues and experiences.

4. Describe proposed tactics and projects as related to overall goals and controlled by the organization in its financial statements.:

DESTINATION MARKETING - Integrated approach to paid, earned and owned media to promote year-round travel, emphasizing winter, unique Kalispell experiences, local businesses, and Go With A Guide to assure responsible recreation.

- Increase visibility and engagement with target audiences through various digital advertising channels.
- Build awareness of Kalispell as a destination for sports and group events through targeted media.
- Develop comprehensive campaigns in direct flight markets, prioritizing flights that run outside of the June-Labor Day timeframe.
- Implement retargeting strategies within evergreen campaigns to re-engage with users who have previously interacted with the brand.
- Utilize AI-powered platforms to optimize advertising and target relevant audiences.
- Maintain and enhance DiscoverKalispell.com to provide engaging content, easy to use trip planning tools, and resources for business development marketing.
- Host travel media and selected influences to achieve earned media in targeted publications and channels.

DESTINATION STEWARDSHIP/MANAGEMENT

- Visitor Services: Develop visitor services appropriate to today’s consumer. Use online resources, AI tools, and local partners to disseminate visitor resources to promote Kalispell as a destination and promote member businesses.
- Community Development Grants: Foster community engagement and the beautification and vitality of Kalispell

through utilization of Discover Kalispell’s Community Development Grant funding.

- **Crisis Communication:** Continue to build relationships with partners to deliver accurate, up-to-date information seamlessly to locals and visitors during crises such as wildfires, smoke, floods, and low water levels.
- **Accessibility:** Grow Discover Kalispell’s accessibility resources by becoming better informed as to what Kalispell has and needs to accommodate travelers with accessible limitations. Help inform local businesses to improve accessibility resources.
- **Workforce Development:** Develop hospitality/customer service resources to provide to businesses, particularly those with front desk or customer service operations.

DESTINATION DEVELOPMENT - Secure new destination events, sports tournaments, and meetings and conventions. Bring additional tour operator and small group business to Kalispell, spreading those room nights amongst a greater number of Kalispell lodging properties.

- Develop marketing and sales plan to grow the sports tourism market working cooperatively with current and future sports venues and clubs.
- Continue to build connections and secure booked business in the military reunion, government and association segments.
- Drive continued growth in the M&C segment securing RFP’s for group events strategically maximizing the utilization of convention space within Kalispell conference hotels and other large venues.
- Attend trade shows to connect with organizers of events, sport and group business, targeting tour operator, meeting planner and sports shows that provide direct contact with planners.
- Outreach to the local business community to solicit and incentivize leads for group business through the Bring Your Meeting Home to Kalispell program.

FY25 Goals:

1. Increase visitation to meet the needs of Kalispell's visitor distribution goals of seasonality, niche markets and diverse audiences.
2. Tourism sales initiatives to attract sports, events, group travel, tour trade, and meetings and convention segment bookings.
3. Enhance destination storytelling through earned media.
4. Encourage residents and visitors to travel and recreate responsibly and respectfully. Align visitor education programs with community values.
5. Develop visitor services that align with leading trip planning and booking trends, enhancing opportunities for an exclusive and genuine travel adventure.
6. Be engaged in destination, product and experience development that benefits residents and visitors.
7. Support tourism workforce development and hospitality training.
8. Be an active partner on initiatives for natural resource sustainability.

5. Define and describe your overall objectives. Objectives are formed from your goals. They are logical, attainable steps to achieve the goals and are able to be measured.:

Objectives/Metrics/Evaluation:

OBJECTIVES	MEASURABLE METRICS FOR SUCCESS	REPORT THE METRIC ACHIEVED	EVALUATION OF SUCCESSFUL METRICS
Create targeted campaigns promoting fall, winter and	Create 6 new short form videos for organic and creative storytelling.		

spring travel, niche activities and inclusivity using paid media, website marketing, owned media and digital asset acquisition.	Utilize retargeting strategies within DK seasonal evergreen campaigns to re-engage users linking them to Instagram and DK trip planning tools.		
Implement focused sales and promotional strategies to engage and attract group event planners.	Execute 20 sales calls or client events. Produce 2 videos to use in group and sports tourism sales promotions.		
Deploy educational resources to visitors through owned and sponsored media channels. Support messaging that is important to community stakeholders and land managers. Offer seamless crisis communication services to both locals and visitors.	Schedule a minimum of one post per month on DK social media channels, utilize DK's recreate responsibly reels, and promote opportunities for volunteer and guided experiences.		
Increase connection with visitors when in-market through online resources and expanding the distribution of visitor resources throughout the community.	Deliver visitor guides, Flathead Valley maps, informational displays to partners including hotels, shops, restaurants, airport and rental cars. Use trackable (paid) QR codes to gauge ROI.		
Partner with local organizations to support conservation projects related to visitor amenities and visitor impacts.	Champion two projects led by local natural resource organizations through sponsorships, messaging, and volunteering.		

:

Budget Form: Kalispell DMO FY25 budget.xlsx

:

DMO Budget:

Kalispell DMO

Allowable Method	Amount Budgeted	% Budgeted	Amend +/-	Updated Budget	% Budgeted
Administration	\$46,692.00	19.87%	\$0.00	\$46,692.00	19.87%
Agency Services	\$18,800.00	8.00%	\$0.00	\$18,800.00	8.00%
Marketing Personnel	\$23,500.00	10.00%	\$0.00	\$23,500.00	10.00%
Marketing Resources	\$13,000.00	5.53%	\$0.00	\$13,000.00	5.53%

Earned Media/Tourism Sales	\$8,000.00	3.40%	\$0.00	\$8,000.00	3.40%
Research	\$11,750.00	5.00%	\$0.00	\$11,750.00	5.00%
Education/Outreach	\$5,008.00	2.13%	\$0.00	\$5,008.00	2.13%
Opportunity Marketing	\$4,800.00	2.04%	\$0.00	\$4,800.00	2.04%
Cooperative Marketing	\$2,000.00	0.85%	\$0.00	\$2,000.00	0.85%
Joint Ventures	\$3,000.00	1.28%	\$0.00	\$3,000.00	1.28%
Paid Media	\$40,000.00	17.02%	\$0.00	\$40,000.00	17.02%
Visitor Services	\$33,000.00	14.04%	\$0.00	\$33,000.00	14.04%
Product Development	\$25,450.00	10.83%	\$0.00	\$25,450.00	10.83%
	\$0.00	0.00%	\$0.00	\$0.00	0.00%
	\$0.00	0.00%	\$0.00	\$0.00	0.00%
TOTAL BUDGET	\$235,000.00	100.00%	\$0.00	\$235,000.00	100.00%

Revenue Projection	\$233,461.00
Funds not spent during previous fiscal year	\$1,539.00
Rollover Funds at Commerce	\$0.00
Allocated Following Audit	\$0.00
Budget increase total	\$235,000.00

:
Narrative Evaluation: