



Grant Details

118486 - FY23 DMO Plan

122516 - FY23 Kalispell

DOC Office of Tourism

Grant Title: FY23 Kalispell
Grant Number: 23-51-051
Grant Status: Underway

Comments:
Applicant Organization: Kalispell Area Chamber of Commerce

Grantee Contact: Diane Medler

Award Year: FY23

Program Area: DOC Office of Tourism

Amounts:

Contract Dates:	Contract Sent	Contract Received	Contract Executed
Project Dates:	06/15/2022 Proposal Date	07/01/2022 Project Start	06/30/2023 Project End

Grant Administrator: Barb Sanem

Contract Number: 23-51-051

Award Year: FY23

Contract Dates

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Project Dates 07/01/2022

06/30/2023

Project Start	Project End
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Comments

Amendment Comments

DMO Plan Narrative

1. Describe Your Destination

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

WHO WE ARE

Kalispell is an unfiltered mountain town that remains true to itself. Kalispell is 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 four-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 you to be mindful of the impact you 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.

Recreate Responsibly – The outdoors are made for everyone and are an essential part of any Montana experience. These lands have been home to wildlife and humans for thousands of years and we want to keep them untouched, beautiful and wild for generations to come. But we need your help.

Discover Kalispell is a Destination Marketing and Destination Stewardship organization. We serve to build a purpose-built tourism economy which supports local businesses and to participate in a multi-stakeholder approach to maintain the cultural, environmental and economic integrity of Kalispell.

Strengths

- **Downtown Kalispell:** The new Parkline Trail, a two-mile linear trail running through downtown completed spring 2022. This project has spurred redevelopment in the area adding to the goal of 18-hour vibrancy and walkability throughout the heart of the city.
- **Arts and Culture:** A burgeoning art scene including new street art and sculptures. Conrad Mansion Museum, Hockaday Museum of Art, Northwest Montana History Museum, Glacier Symphony and Chorale, KALICO Art Center.
- **Iconic Natural Landmarks:** 32 miles from the entrance to Glacier National Park, 10 miles to Flathead Lake, surrounded by 2 million acres of Flathead National Forest.
- **State Parks:** Kalispell is surrounded by eleven state parks providing trails, activities, interpretative visitor services, and water-based activities.
- **Air Service:** Kalispell's Glacier Park International Airport enplanements in 2021 surpassing 2019 by 16%. GPIA is undergoing a \$100 million expansion to handle increased traffic over the next 20 years. New carriers – Jet Blue, Frontier, Sun Country, and addition of flights to new cities were received in 2020. Glacier AERO, a non-profit

represented by Flathead Valley business and tourism industry, works to increase winter and year-round flights through revenue guarantees and other partnerships with the airlines.

- Healthcare: Logan Health (formerly Kalispell Regional Healthcare) is a 577-bed health system that services 13 Montana counties. Includes the nation's first rural air ambulance service, more than 4,300 physicians, nurses, health care professionals and support staff. Includes Montana Children's Medical Center, the region's first pediatric hospital.
- Education: Flathead Valley Community College's recent addition includes the 58,000 sq ft Wachholz College Center which includes a 1,000 seat performing arts and lecture hall, gymnasium and fitness center and flexible event space. Scheduled to open fall of 2022.
- Workforce: A program led by the Discover Kalispell Chamber called Workforce Flathead works with students, job seekers, educators and employers to support the jobs of today and grow jobs for the future.
- Infrastructure: continued completion of the Kalispell bypass and the designation of the Hwy 93/Reserve to improve freight and passenger vehicle mobility. City of Kalispell Move 2040, the transportation plan for the Kalispell urban area was adopted in 2021.

Challenges

- As this plan is being written gas prices are over \$4 per gallon and the projection for warm season travel gas prices is unknown. Montana as a state, and also for the Kalispell area, is served heavily by the drive traveler. Higher fuel costs also impact air travel and rental car usage so there are strong concerns about the impact on visitations during the second half of 2022.
- Glacier National Park is continuing with the vehicle reservation system for the Going-to-the-Sun Road and new this year, the Polebridge entrance station vehicle reservation. Reservation systems begins May 27 through September 11, 2022. In addition, the park is undergoing a road utility project on the west side creating road closures 10pm to 6am each day beginning June 1, 2022. Beginning October 1, 2022, the entire west side will be closed 24 hours per day until May 2023.
- Kalispell has been identified as the fastest growing micropolitan area in America by the U.S. Census Bureau on March 24, 2022. From July 1, 2020 to July 1, 2021 Kalispell added 3,681 new residents, 3.5% growth. This level of growth adds to already existing issues of workforce housing, traffic, and real estate prices. Resident sentiments towards tourism are impacted by the increase in number of residents. Although increase in area amenities and services can be attributed to a healthy tourism economy, resident sentiment is clear that a tourism-driven economy doesn't give license for unlimited or unmanaged growth.
- 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. This distinction is an integral part of what sets Kalispell apart and vital to understand the competitive dynamics when setting expectations for seasonality of visitation, occupancy and room rates.
- Short term rentals (STR) such as AirBNB and VRBO influence traditional lodging occupancy and average daily rate. As of February 2022, over 257 STR's were active in Kalispell city limits, a 54.8% increase over 2021. During 2021, each month saw an average of 41% increase in supply over the previous year. Kalispell STR activity during the peak summer months shows the average occupancy rate of 86% and average daily rate of \$337. (Source: AirDNA)
- Canadian border crossing continues to pose challenges for travelers even though the border is now open. Stringent and expensive testing requirements are identified as the reasons why we have yet to begin seeing traditional visitation patterns from Canada.
- Weather conditions are deviating from historical patterns which poses a challenge when promoting outdoor recreation and outdoor events. The impact of national media headlines around wildfires in GNP, as well as the wildfire smoke from surrounding states impacts visitations to our area.
- Aquatic Invasive Species pose a threat to the Flathead basin waterways. Introduction of non-native species disrupts the balance of native ecosystems posing a threat to the recreation viability in our area. The impact to Montana from zebra mussels alone is estimated at \$234M in mitigation costs and lost revenue. (Source: Flathead Lake Biological Station)

Opportunities

- Partnership with Kalispell Chamber: Discover Kalispell and the Kalispell Chamber function as one organization, Discover Kalispell. Each organization serves to benefit the local economy, each with a different focus. The launch of the overarching aspirational community brand in 2021 helps to align the opportunities for growth with the needs of the community.
- Business Resiliency and Recovery: Discover Kalispell Chamber delivers programming and convenes stakeholders to address key issues for business and residents such as childcare, housing, and transportation.
- Steward for community values and natural resources: Discover Kalispell's commitment to be an advocate for sustainability of natural resources is integrated in our communication and promotional strategies directed to travelers as well as our alliances and partnerships with area non-profits and businesses.
- Equity, Inclusion and Diversity: Discover Kalispell's marketing and stewardship initiatives will focus on fostering a welcoming environment to all, both to the community and the outdoor recreation landscape. This includes the development of content and programming for accessible travel.
- Sports and Event Facility: The increased number of sports and event facilities being developed within our competitive destinations highlight the need for Kalispell to prioritize the creation of an indoor sports venue. Discover Kalispell, through the TBID, is meeting with community-based sports groups and developers that have indicated interest in indoor sports facilities and will initiate a study to identify gaps and potentials to increase sports tourism and serve local needs.

2. Align with Montana Brand

Briefly describe how your destination aligns with the Montana Brand.

HOW WE ALIGN WITH THE MONTANA BRAND

Kalispell fits perfectly with the Montana Brand enabling Discover Kalispell to work cooperatively with Brand MT and Montana's region and CVB DMO partners.

More spectacular unspoiled nature: Kalispell is surrounded by 10 mountain ranges, a national park, two national forests, one wilderness area, and the largest freshwater lake in the west.

Vibrant and charming small town: Kalispell's vibrant downtown offers Montana-inspired dining, spirits and brews. Situated perfectly between Glacier National Park and Flathead Lake, blending four-season adventure and soul-stirring beauty for an unforgettable experience.

Breathtaking experiences by day, relaxing hospitality at night: Making waves on Flathead Lake, rafting the Middle Fork, cycling the Going-to-the-Sun Road, exploring 'The Bob', or viewing fall's dramatic transformation in the Flathead National Forest. However you choose to spend the daylight hours, your evenings will be full of hearty food and homey accommodations in Kalispell.

3. What is the strategic role of your DMO?

Select all that apply: Destination Marketing, Destination Management, Destination Stewardship, Destination Development).

Destination Marketing, Destination Management, Destination Stewardship, Destination Development

Based on the strategic role you serve, provide the following information.

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

Who We Wish To Attract

- 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
- Visitors who will spend money at locally owned businesses
- Visitors who seek adventures outside of the heavily trafficked activities and recreation areas.
- Visitors who are seeking accessible travel resources
- Visitors seeking sporting events
- Visitors seeking destination events
- Business travelers
- Group travelers – meeting planners, domestic and international tour trade, other group travel such as reunions, incentive travel, niche interest groups.

3b. What research supports your DMO strategy?

Destination Think - Why Do Destination Marketers Need Passionography, Katie Shriner, February 2021.

Passionography – the study of people who share an interest in a particular pursuit, experience, lifestyle, or activity.

By determining the destination's assets, what activities would bring people here, a DMO can tap into like-minded consumers. This helps to target niche segments that fit within the destination's visitor distribution goals - defining where they like to go and why and how they make decisions of where to travel. This can also help to improve the travel experience and generate more visits.

Harvard Business Review, 10 Truths About Marketing After The Pandemic, March 2021

1. *Know your marketing segment* – create a connection with potential travelers through messages that are personally relevant and aligned to that traveler segment's values.
2. *Courting customers is just like online dating* – connecting with a traveler that matches a destination is less about chance and more about data and algorithms. Build reach to generate leads through better integration of paid, earned, and owned media, and targeting past visitors to return in a less busy season.
3. *Agility is a modern marketing approach* – includes continuous listening to consumers and the community as well as faster decision cycles - more flexibility with creative, budgeting and media.
4. *Brands should stand behind values* – The EY Future Consumer Index showed that while quality, convenience and price still matter to consumer choice, factors like sustainability, trust, ethical sourcing, and social responsibility are increasingly important to how consumers select products and services. (https://www.ey.com/en_us/future-consumer-index)

ITRR – Montana Resident Attitudes Towards Tourism 2021

- 71% of Montana residents that participated in the study agreed that the benefits of tourism outweigh the negative impacts. When analyzed by region, 61% of Glacier Country respondents felt the benefits outweighed the negative.
- 83% of survey respondents agreed or strongly agreed on the economic benefits provided to their community as result of the state's promotion of tourism.
- For the first time since ITRR began asking this question in 1992, a majority of residents (56%) agreed that the state is becoming overcrowded because of more tourists.
- 38% of residents felt that the quality of life for Montanan's would improve if tourism were to increase in the state – lowest level since 1992 and a 22% decrease in agreement since 2020. Within Glacier Country, only 27% felt the resident's quality of life would improve as a result more tourism.

Glacier Country Tourism, Destination Stewardship Resident Survey, 2022

Glacier Country Tourism survey indicated that residents of the Glacier Country region prefer a Montana visitor versus out of state visitors, feeling that they are more respectful of the Montana lifestyle.

- Of all Glacier Country residents surveyed, 82.3% would strongly welcome visitors from Montana to their community compared to 66.3% to welcome Canadians, 62% to welcome international visitors outside of Canada, and 59% to welcome out-of-state U.S. travelers.
- Of Flathead County residents surveyed:
 - Tourism and Outdoor Recreation ranked highest of importance to western Montana's economy.
 - Tourism to my county: 1) creates traffic congestion, 2) makes housing prices higher, 3) creates revenue for businesses, 4) creates opportunity for new businesses, 5) supports amenities and attractions that local residents can also enjoy.
 - 64% strongly agreed that Glacier Country should focus on attracting visitors who are respectful of the people who live here.

Outdoor Industry Association 2021 Special Report, The New Outdoor Participant

- Lack of information about where to go, how to participate, and whom to participate with can be a barrier to trying new outdoor activities.
- How to improve retention of new outdoor participants and encourage others to try:
 - a) create easily accessible and navigable opportunities to explore the outdoors,
 - b) develop programs with the specific goal of diversifying the participant base,
 - c) position outdoor recreation as a way to get out from computer, office and Zoom time and an antidote to the mental and physical health consequences of the pandemic and stresses of everyday life.
- In 2020 those participating in outdoor activities shifted from 2019: higher percentage are female; average age is younger (45 vs 54); increase in African American and Asian participants while a decrease in Hispanic/Latino participants.

Destinations International – 6 Myths About Disabled Travelers and Accessible Travel Market

- For people with disabilities, any reluctance to travel is caused by the perceived or actual challenges they will face at a destination versus their disability.
- People with disabilities is a larger sub-set of the traveling public than able-bodied people may assume. According to the U.S. Census and the Centers for Disease Control, 20-26% of Americans have a disability.
- Helping a person with a disability feel welcome in your destination is about inclusion, not just compliance to a mandate such as the ADA. Deliver targeted messaging conveying they are welcome and demonstrating the ways they can enjoy a visit.

Visa Destination Insights - Kalispell

Credit card spending in Kalispell by non-resident visitors was \$212 Million in 2021, 33% increase over 2020 and 48% increase over 2019.

Top CBSA markets by spending (2021):

Missoula

Seattle

Salt Lake City

Los Angeles

Phoenix-Mesa

Portland

Bozeman

Great Falls

Spokane

Q1 - Missoula, Salt Lake City, Seattle, Los Angeles, Great Falls

Q2 - Missoula, Seattle, Salt Lake City, Los Angeles, Phoenix, Portland

Q4 – Missoula, Seattle, Salt Lake City, Los Angeles, Portland

Top market segments by spending (2021):

Restaurants & dining 75.4% increase YOY

Hotels & lodging 56.3% increase YOY

Retail 31.3% increase YOY

3c. What are your emerging markets?

Marketing - Travelers new to recreating outdoors in large landscapes and those seeking accessible travel resources.

Stewardship – Community outreach programs and tourism and hospitality training.

Tourism sales – Return of group business including large conferences and international tours.

4. Define and describe your overall goals.

A goal is an idea of the future or desired result that a person or group of people envisions, plans and commits to achieve.

Goals

1. Increase visitation to meet the needs of the Kalispell's visitor distribution goals – seasonality, niche markets, diverse audiences.
2. Develop sales plan to attract sports, events, group travel, tour trade, and meetings and convention segment bookings.
3. Public relations earned media strategy focused on media that match Kalispell's marketing goals, aligns with the DK brand and the high-value target audience.
4. Encourage residents and visitors to travel and recreate responsibly and respectfully. Align visitor education programs with community values.
5. Support guides and outfitters and land manager partners who provide services and education to visitors fostering safe and responsible recreation.
6. Cooperate with local stakeholders to develop and enhance community projects that serve to enhance the visitor and resident experience in Kalispell.
7. Develop programs for community outreach and tourism and hospitality training.
8. Be an active partner on initiatives for natural resource sustainability.

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

1. Targeted advertising campaigns promoting fall, winter and spring travel, niche activity travel and inclusivity through paid media, website marketing, owned media (social, newsletters) and digital asset acquisition.
2. Group sales manager for meetings, conventions and domestic and international tour groups. Sports tourism and destination event development and marketing.
3. Host travel media to achieve earned media in targeted publications and channels on topics such as winter travel, accessible travel, diversity and educating on responsible recreation.
4. Visitor education through owned and paid media and collaboration with community stakeholders and land managers.
5. Promote on paid and owned media through campaigns highlighting guided and educational activities. Support programs led by local recreation/land manager groups.
6. Event and visitor amenity grant programs which provide funding to new or expanding events and community projects that create a visitor amenity.
7. Customer service training for today's workforce addressing today's traveler. Dedicate staffing to community outreach to identify solutions for peak season tourism impacts. Participate in Workforce Flathead programs to support tourism and hospitality workforce priorities.
8. Partner with local organizations such as Flathead Lakers, Flathead River Alliance, Glacier Conservancy, FWP to support conservation projects related to visitor amenities and visitor impacts.

Optional: Add attachment Here ___Discover Kalispell FY23 Marketing Plan.pdf

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Objectives/Metrics/Evaluation

Objectives	Measurable Metrics for Success	Report the Metric Achieved	Evaluation of Measurable Metrics for Success	Add'l Attchmnt
Targeted advertising campains promoting fall, winter and spring travel and hotel lodging, niche activities and accessible travel.	Develop 1 targeted advertising campaign that delivers a CTR of 0.75% or greater for each campaign type: hotel incentive, niche activity travel, and accessible travel.	-	-	
Tourism sales initiatives to attract events, group travel, tour trade and meetings & convention segment room nights.	Execute 20 in-market and out-of-market sales calls or client events. Produce 5 videos to use in group travel and tourism sales promotions.			
Host travel media to achieve earned media in targeted publications and channels on topics such as winter travel, accessible travel, diversity and educating on responsible recreation.	Host 2 travel media whose audience aligns with Discover Kalispell's goals and definition of a high-value target audience.			
Visitor education to encourage responsible travel and recreation distributed through owned media and collaboration with community stakeholders and land managers.	Develop opportunities for newsletter signups and access to visitor information at community events and high traffic visitor areas.			
Partner with local organizations such as Flathead Lakers, Flathead River Alliance, Glacier Conservancy, FWP to support conservation projects related to visitor amenities and visitor impacts.	Champion 2 projects led by local natural resource groups through sponsorships, messaging, and volunteering.			

DMO Budget

Allowable Methods	Amount Budgeted	% of Budget Allocated	Amount Expended	% of Budget Expended
Administration	\$41,500.00	16.0	\$0.00	0
Agency Services	\$20,000.00	8.0	\$0.00	0
Cooperative Marketing	\$2,500.00	1.0	\$0.00	0
Earned Media/Tourism Sales	\$6,500.00	3.0	\$0.00	0
Education/Outreach	\$13,000.00	5.0	\$0.00	0
Joint Venture	\$5,000.00	2.0	\$0.00	0
Marketing Resources	\$11,000.00	4.0	\$0.00	0
Opportunity Marketing	\$10,000.00	4.0	\$0.00	0
Paid Media	\$43,500.00	16.0	\$0.00	0
Marketing Personnel	\$24,000.00	9.0	\$0.00	0
Product Development	\$16,000.00	6.0	\$0.00	0
Research	\$12,000.00	5.0	\$0.00	0
Travel/Trade Shows	\$2,000.00	1.0	\$0.00	0
Visitor Services	\$51,000.00	20.0	\$0.00	0
	\$258,000.00	100.00	\$0.00	0.00

Narrative Evaluation

Reg/CVB Required Documents

Description	File Name	File Size
Certificate of approval by Board of Directors	Certificate of approval by board of directors.pdf	193 KB
Kalispell Chamber of Commerce By Laws	CURRENT Bylaws Kalispell Chamber 11.2021.docx	67 KB
Certificate of Compliance	FY23 Annual Certificate of Compliance.pdf	34 KB

