



## Grant Details

### 118486 - FY23 DMO Plan

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122511 - FY23 Visit Big Sky DMO Plan

DOC Office of Tourism

**Grant Title:** FY23 Visit Big Sky DMO Plan

**Grant Number:** 23-51-042

**Grant Status:** Underway

**Comments:**

**Applicant Organization:** Visit Big Sky

**Grantee Contact:** Brad Niva

**Award Year:** FY23

**Program Area:** DOC Office of Tourism

**Amounts:**

**Contract Dates:** Contract Sent 06/15/2022 Contract Received 07/01/2022 Contract Executed 06/30/2023

**Project Dates:** Proposal Date 06/15/2022 Project Start 07/01/2022 Project End 06/30/2023

**Grant Administrator:** Barb Sanem

**Contract Number:** 23-51-042

**Award Year:** FY23

**Contract Dates**

Contract Sent    Contract Received    Contract Executed    Contract Legal

**Project Dates** 07/01/2022

06/30/2023

Project Start    Project End

**Comments**

**Amendment Comments**

## **DMO Plan Narrative**

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### **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.*

The community of Big Sky, Montana's greatest strength is its world class skiing. Boasting over 39 chairlifts, Big Sky is synonymous for amazing skiing, on-slope accommodations and a bustling culinary scene. The summer business continues to grow and fill in the gap that many resort areas struggle with. However, the real growth opportunity over the last three years, is our shoulder season products. We're typically seeing growth from 20% occupancy in 2019 to over 40% in shoulder seasons of 2021. 1st quarter of 2022, we broke new records for occupancy and rate, however we are seeing a dip going into the second quarter with lower than expected occupancy, around 33% and rate staying high. This might be a precursor of what's to come. We may have hit our high watermark for occupancy and Big Sky might dip.

The increase in shoulder season occupancy is based on affordability. With an average daily rate above \$600 in winter and summer, we know we've priced many Big Sky visitors out of the market. We believe those who have sticker shock are coming when rates are more affordable. On one hand we're very happy for the potential of being a four season destination, however with limited work force, high cost of living and continued product demand that drives rates up, we see this a potential challenge in our future.

In 2021, 94% of Big Sky's visitors came from outside the State of Montana. California, Texas, Florida, Minnesota, Idaho and Georgia making up nearly half of our annual visitors. Our clientele continues to expect a higher-end product and we're quickly becoming a luxury destination. With this in mind our demographic to whom we're marketing to has shifted to a more affluent traveler. It's a strength to have a higher end clientele, but with that comes challenges. Namely, meeting their expectations. It's going to be one of Big Sky's challenges moving forward. Already we're getting comments from visitors to our welcome center "where is the shopping? Don't you have a Prada or higher end shopping?" In regards to dining "why can't I get a reservations, why don't you have more restaurants?" "Why does the parking lot at the ski area fill by 11am and we have to ride a bus?" In our most recent data collections we are seeing a percentage of our visitors not return the following years. That's a disturbing trend and is probably one of our biggest challenges.

Our opportunities are endless. The community of Big Sky is a tourism destination and will be for years. There will always be opportunities to bring in new customers and develop what we have to offer them. But the reality is our community really needs to make a fundamental shift to destination development and stewardship. The people are coming and we're not ready for them. We realize Covid-19 accelerated our visitor growth, but we've been challenged to meet the needs of our visitors and our residents before the pandemic. The opportunity for us is to grab the horns and wrangle our visitor economy. We're launching more direct to consumer messaging where we're asking our visitors to be kind, be patients and trade smiles. We're working on traffic issues, better signage and a more welcoming feel when guests come to our town. We've launched direct to mobile reminders from past visitors to come back again and visit us.

With everything going on, our community does need to recognize the challenge that we've left our residents out of a lot of our decisions and narratives. We're focused going forward to continue to support our tourism industry partners but to also do collaborative events that brings our residents into the fold and to make sure we as an office are focused on stewardship of our special place.

## **2. Align with Montana Brand**

*Briefly describe how your destination aligns with the Montana Brand.*

Big Sky is what the Montana Brand is all about. Our town core is made up of passionate locals who work and play in Big Sky, while offering great shopping, dining and hospitality. Big Sky Town Center lies in the shadow of the 5800 acres of skiable terrain at Big Sky Resort. This community is surrounded by pristine national forest land that continues to offer exceptional year round recreational experiences. Our visitor expects unspoiled nature, small town hospitality and breathtaking experiences.

## **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

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

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

Visit Big Sky has the unique task of supporting our tourism industry with marketing efforts to continue to drive demand to fill our greater than 2000 rooms, but at the same time manage our residents sentiment with comprehensive destination management efforts. Over the last three years we've witnessed a shift in household income of our residents. We're now seeing that over 58% of our visitors are over the age of 45, with a household income of greater than \$150K a year.

As mentioned above in section 1, our demographic of our visitors are out of state and over 40% coming from only five states. The psycho-graphic profile of our guests lean heavily on activities available in Big Sky.

Our strategic role is based on marketing to existing and future visitors, but we also need to prioritize the needs of our residents. In 2022, our efforts have shifted monumentally to educate our visitors and encourage them to be respectful, patient and trade smiles, which is the Big Sky way.

*3b. What research supports your DMO strategy?*

Under new leadership in June of 2021, our office made a significant investment of defining who our visitors was. Besides defining where they come from we're able to see how long they stay, how did they get here and what activities they participated in. We've also continued to work with our lodging partners to capture nightly occupancy and gauge

demand every month. This new collection of data points now gives us the ability to look ahead and plan accordingly for busy weeks.

Under Destination Management we're monitoring pressure points where visitor and local interactions could escalate. Examples being: trailheads, ski area parking and transportation challenges.

### **3c. What are your emerging markets?**

Over the last few years we've seen over 30 non-stop flights connecting Bozeman-Yellowstone airport to key cities around the country. Each and every year we see an increase in visitors from these 30 different locations. Our efforts in the future will continue to develop additional air routes and support these flights with targeted marketing to the residents.

We look forward to the return of our international visitors. Visit Big Sky is actively reestablishing itself as the luxury gateway to Yellowstone National Park for our international visitors. With more 3 star and higher accommodations than any other gateway community we see Big Sky perfectly aligned to meet the needs of these visitors. We've ramped up our sales efforts and staff are attending Go West, International Round-Up and IPW for 2022. We're also extending our research scope to capture international cell phone and credit card use to give us a better idea of that visitor impact.

## **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.***

Where past efforts have been solely designed to increase visitation, our future goals are shifting to find a point of balance between destination marketing and destination management. Key goals under our new leadership is to get back to the basics of the visitor experience. Simple things such as a high functioning website, helpful wayfinding signage, inspirational social media posts and delivering useful research to our stakeholders are all obtainable goals. At the same time setting goals in regards to destination management are being defined in our future work with our community, stakeholders and partners.

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

Here are a list and explanations to proposed tactics for FY 23 DMO Budget

**Administration:** Allowable up to 20%, Visit Big Sky continues to need staffing to meet it's goals for marketing and destination management. With the expensive cost of living and the need to be competitive Visit Big Sky has high administration costs.

**Agency Services:** Visit Big Sky is currently using three agencies for services. Marketing Campaigns: JayRay Marketing, Public Relations: Emele Hibdon Agency, Research: Blue Room Consulting. Additional investment in

destination development consulting will be an additional add later in the year.

**Earned Media:** Visit Big Sky continues to put a priority for earned media. With the everchanging shifts in the media world, we're finding that available funds to host media is the best return on our investment. With the help of our public relations agency we continue to host top notch media.

**Joint Venture:** Visit Big Sky would like to continue leveraging our available funds to joint venture collaborations with BRAND MT and Yellowstone Country. Project examples: Sojern, Pinterest and Trip Advisor campaigns.

**Marketing Resources:** Currently Visit Big Sky is using a number of products for marketing resources: AirDNA, Destimetrics, Datafy and Visavue. New in 2023, we're considering with Simpleview for a central booking system for our lodging partners.

**Opportunity Marketing:** As we come out of Covid-19 we're giving ourselves some flexibility to pivot to take advantage of opportunities that will arise over the next year.

**Paid Media:** Paid media continues to be key to the success of Big Sky. With billboards, airport messaging, print and online advertising in key cities, we see a good opportunity to bring new visitors as well as focus on returning guests.

**Marketing Personnel:** Visit Big Sky hasn't had anyone in the role of marketing specialist for the last year. If there is one key position that we're in desperate need of is specific marketing efforts. A written description outlines our needs for a digital marketing coordinator who will manage social media, email marketing, online campaigns and coordinate research assets.

**Product Development:** This category will see additional funds dedicated if we receive more funds above forecast. The community of Big Sky is in need of a large investment into visitor amenities and experiences. From public bathroom enhancements to visitor signage there is a great need to update our community and meet the needs of our visitors.

**Research:** Visit Big Sky continues to make significant investments into targeted research for the community of Big Sky. So often previous data was only available for Gallatin County, but with new technology we can now get a snapshot of our visitor economy and defining who our visitor is.

**Travel/Trade Shows:** Our staff is ramping up attendance at key international tourism trade shows. Go West, International Round-Up and IPW are just three key shows our staff will be attending with Brand MT. We're considering additional consumer show activities with our Big Sky partners.

**Visitor Services:** We've made an increase in the visitor services budget line for FY23. With an investment in our visitor information center with additional hours of operations for summer 2022. We're also in the process of developing a new visitor guide that will incorporate visitor information, restaurant guide and relocation information.

**Website Development:** Visit Big Sky continues to make investments more in the digital format than in traditional print media. However, to meet the needs of these new platforms our office is in the process of auditing our current platforms to make sure they're mobile friendly. We continue to put great effort to increase our google my business listings for partners and are committed to improving Google street view as well.

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Average Big Sky Occupancy and Rate.pdf

**Objectives/Metrics/Evaluation**

Objectives	Measurable Metrics for Success	Report the Metric Achieved	Evaluation of Measurable Metrics for Success	Add'l Attchmnt
Build out a solid foundation of information for our prospective and returning visitors and establish customer relationship management system (CRM) for tracking visitors.	Launch a new integrated website for Visit Big Sky in FY23 that includes integration into of our social media and campaigns throughout the year.	1	1	
Focus on targetted markets using state of the art market research and evaluating the best ROI for our marketing dollars	Working with Datafy and Blue Room Consulting to put a value on the "best" visitor for Big Sky. Based on the spending value of that visitor and the number of days in market. Which will rank our visitors by location and value.	1	1	
Bring industry leading agency support into play to support the ever increasing Big Sky tourism economy and our partners	Launch a campaign that targets our competitors customers and bring them to Big Sky to try a new experience. Targetting visitors who have been in-region in the past three years and target cell phones with app serving ads to drive return visitation.	1	1	
Host top-notch media from key domestic markets as well as expand our media outreach into the international marketplace	Host 3-5 international journalists and 5-6 key domestic journalists in key target markets			
Buld out product development projects that support our visitor experience	Build new visitor experience infrastructure with private funds, but maintained by statewide lodging funds. Examples, public	1	1	

	bathrooms, wayfinding signage, public safety initiatives around fire evacuations of Big Sky.			
Hire in-house marketing specialist to manage our campaigns and create new digital outreach	Launch new industry facing website and email marketing programs in-house.			
Establish our first destination development planning process for the community of Big Sky	Hire Cross-Currents or an equivalent to lead our community through the steps of establishing a destination development plan			

### ***DMO Budget***

<b>Allowable Methods</b>	<b>Amount Budgeted</b>	<b>% of Budget Allocated</b>	<b>Amount Expended</b>	<b>% of Budget Expended</b>
Administration	\$125,905.00	20.0	\$0.00	0
Agency Services	\$40,000.00	6.3	\$0.00	0
Earned Media/Tourism Sales	\$24,000.00	5.0	\$0.00	0
Education/Outreach	\$12,000.00	1.9	\$0.00	0
Joint Venture	\$15,000.00	2.3	\$0.00	0
Marketing Resources	\$18,000.00	2.8	\$0.00	0
Opportunity Marketing	\$58,000.00	10.0	\$0.00	0
Paid Media	\$30,000.00	4.7	\$0.00	0
Marketing Personnel	\$88,000.00	13.9	\$0.00	0
Product Development	\$64,841.00	10.3	\$0.00	0
Research	\$18,000.00	5.5	\$0.00	0
Travel/Trade Shows	\$15,000.00	2.3	\$0.00	0
Visitor Services	\$70,000.00	11.1	\$0.00	0
Website Development (Online, Website, Mobile)	\$25,000.00	3.9	\$0.00	0
	\$603,746.00	100.00	\$0.00	0.00

### ***Narrative Evaluation***

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## ***Reg/CVB Required Documents***

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<b>Description</b>	<b>File Name</b>	<b>File Size</b>
FY 23 Visit Big Sky Certificate of Compliance	20220501_FY23 CERTIFICATE OF COMPLIANCE TO BE SUBMITTED WITH THE.pdf	296 KB
Bylaws for Visit Big Sky	Revised-VBS-Bylaws-050218 (2).pdf	189 KB
Visit Big Sky Board Meeting Minutes with approval of the FY23 DMO Marketing Plan	VBS_SPECIAL_Board_Minutes_4_29_22[22].docx	48 KB



