



FY 2018 MARKETING PLAN

Discover Kalispell



DiscoverKalispell.com



Welcome to Kalispell

Welcome to Kalispell, the scenic capital of Northwest Montana and the historic heart of the Flathead Valley. This is where adventure meets opportunity.

This is a community encompassing all corners of life with exciting passions and pursuits. This is the home of towering mountain ranges and pristine rivers, the largest freshwater lake in the West and the famed Glacier National Park. This is the retail, professional, medical and governmental center of the region, where ranchers and blue-collar tradesmen rub shoulders with young professionals and company executives, where families enjoy small-town comforts and where neighbors share turns in knee-deep powder or casts at the silver sheen of a trout.

Montana's rich culture and history is on full display in downtown Kalispell alongside unique shopping opportunities and vibrant new businesses. This is the community's classic center, and it remains home to celebratory parades and the one-of-a-kind experience of small-town lifestyle.

A stroll down Main Street and throughout the surrounding small-town neighborhood means **experiencing museums and art galleries that showcase the culture of the West**. The Hockaday Museum of Art, housed inside the classic Carnegie Library, is one of the state's premier museums. Tours of the Conrad Mansion Museum shed light on the exciting life of the city's founding family and the development of the Northwest Territory. Visitors can step back in time and experience the elegance of a bygone era. Just down the street, one of the most comprehensive collections of local history in the area lives inside The Museum at Central School.

Discover 100-year-old storefronts, such as the Kalispell Grand Hotel, where famed artist Charles M. Russell frequented. Stop into the oldest bike shop in the valley, Wheaton's, and learn about the extensive and exciting local trail system. **Explore the colorful boutiques** that offer stellar souvenirs and unique gift items. **Indulge in a dining scene full of casual sophistication**. Enjoy a pour of craft beer at the brewery, or stand in the sawdust and enjoy the best pizza in Montana at Moose's Saloon. Gourmet dishes can be found throughout downtown, from Hop's classic fare to Scottibelli's revered Italian dishes and Blue Samurai's fresh sushi. The list goes on with breakfast cafes and coffee shops to lunch-time eateries.

The distinct details of downtown are worthy of exploration. Can you spot the cowboy and climber scaling the red brick facades? Or the horse carriage? Have you noticed the original mural paintings of Glacier National Park inside Rocky Mountain Outfitter?

There is truly **discovery in every direction**.



Executive Summary

2016 Nonresident Data for Kalispell

17% of groups all first time visitors

74% of groups with all repeat visitors

52% stated primary reason for trip is vacation.

Of those who had visited Montana before, 42% said their last visit was less than one year ago

78% plan to return within 2 years

18% flew on a portion of their trip

Top Entry Points:

2016 – Roosevelt, Kalispell Air

2015 - Superior, West Yellowstone

Residence of Origin:

2016 – AB, WA, CA, MN, ID

2015 – WA, CA, OR, ID, CO

Lodging:

2016 - 62% stayed in hotel/motel;

16% home of friend/relative;

3% rented cabin/ home

2015 - 48% hotel/motel;

22% home of friend/relative;

6% rented cabin/home

(Source: ITRR Quarterly Nonresident, Q1-Q4 2016, Travelers that spent at least one night in Kalispell)

Flathead County

Nonresident visitors spent \$635 million in 2015, the second highest level of all counties. (ITRR)

33% of total spending for MT occurred in Glacier Country region. (ITRR)

Top 5 Expenditures



Facts & Figures

22,500 – population of Kalispell (2016)

96,000 – population of Flathead County (2016)

4.57% - increase in ridership at Glacier Park International Airport

2.95 million – visitors to Glacier National Park in 2015, 24% increase

185 – miles of shoreline around Flathead Lake

2 million – pounds of sumptuous cherries harvested annually in the Flathead Lake region

160,000 – acres of operating farmland in Flathead County

\$129 million – private investment in new business expansion in Kalispell during 2016, one of the highest on record

70% - households comprised of families in Flathead County, higher than the national average of 47%

\$54 million – bond approved by Kalispell voters for new and expanded school facilities, construction commences in 2017

\$14 million – ER expansion and renovation at Kalispell Regional Medical Center, to be completed in 2017

Discover Kalispell – The Kalispell Convention & Visitor Bureau

Structure

The Kalispell Convention & Visitor Bureau is a division of the Kalispell Chamber of Commerce. It is funded through Kalispell's share of the 4% Lodging Facility Use Tax (Bed Tax) and the \$2/room night Tourism Business Improvement District (TBID) fee and a private event account which includes registrations and sponsorships from the CVB signature events. The Kalispell CVB (Discover Kalispell) is governed by Kalispell Chamber board and the Tourism Advisory Council that approves and oversees the allocation of the bed tax funds, and the Kalispell TBID board of directors and the Council of the City of Kalispell that approves and oversees allocation of the TBID funds.

2016 Highlights

Hosted large conferences: such as Professional Outdoor Media Association and Montana Governor's Conference on Tourism. CVB-sponsored conferences attracted over 1,300 attendees during 2016.

Wayfinding: Discover Kalispell completed the 36-sign citywide Kalispell wayfinding project, a continuation of the 32-sign downtown wayfinding system.

Signature Events: recurring annual events generated over \$4.8M in economic impact during 2016. Even with the forced cancellation of the Montana Pond Hockey Classic due to unseasonably warm weather, 60 of the teams chose to defer their registration to the 2017 event.

M&C Promotion Infrastructure: completed promotional infrastructure to increase group and meeting business such as quarterly e-news, downloadable meeting guide, incentive program for local referrals, show booth display and LinkedIn company page.

Effective Marketing Campaigns: fall/winter and spring campaigns generated over 15M impressions and 25,000 clicks to DiscoverKalispell.com

Purpose of marketing plan

The FY18 marketing plan serves to direct the initiatives and spending for Discover Kalispell and inform and educate the board of directors, community stakeholders, Tourism Advisory Council and the City of Kalispell. The bed tax and TBID funds work complimentary to support one marketing plan.

The mission of Discover Kalispell is to build awareness of Kalispell as a travel destination and increase room night stays in Kalispell hotels and motels. This is done with a consistent brand message delivered through a mix of advertising, signature events, public relations, group sales, and service programs to promote visitations during the shoulder and winter seasons.

Kalispell Chamber of Commerce/Convention & Visitor Bureau and Visitor Information Center

President/CEO: Joe Unterreiner, joe@kalispellchamber.com

Director/CVB: Diane Medler, diane@discoverkalispell.com

Group Sales Mgr: Dawn Jackson, dawn@discoverkalispell.com

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Kalispell Exemplifies the Montana Brand

More spectacular unspoiled nature: Kalispell sits in a valley where one national park, two national forests, and one wilderness area converge.

Vibrant and charming small town: A vibrant downtown that merges historical charm with contemporary culture.

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.

Discover Kalispell highlights *What Makes Montana Unique* to our high-value audience through vivid, quality imagery and videos highlighting our natural beauty, wide open spaces, and unique experiences.

About Kalispell

Strengths

- Kalispell offers visitors a balance of city and outdoor adventure with our museums, shopping and dining located right in the middle of Montana's most iconic natural places. Its residents are welcoming tour guides and genuine people who care about the visitor experience. Kalispell is not a resort town, but a real Montana community with an authentic history, traditional industries and real, local events.
- Kalispell provides a full range of lodging, dining and shopping options that help make for a great vacation on any budget and with a sense of Montana sophistication that visitors find both surprising and comfortable.
- The place to discover the history of the Flathead Valley through three well-preserved museums and iconic Main Street buildings.
- Energized downtown that is experiencing a reinvention including new retail outlets that have a local and global reach as well as popular new eateries and breweries.
- Annual signature events such as the Montana Dragon Boat Festival, Montana Spartan Race, Montana Pond Hockey Classic and The Event at Rebecca Farm that attract participants from across North America.
- Kalispell is a growth economy: home to one of the fastest growing economies in the state, a testament to the area's quality of life and business climate creating an ideal place to build a career or company.

Opportunities

- During 2016 and 2017 Glacier National Park saw increased visitation during the shoulder and winter months. Discover Kalispell will continue to focus on the off-season particularly as additional amenities and services become available in or near the Park during those months.
- Parks Canada is celebrating a 150 year anniversary in 2017, offering free entrance into all parks. That promotion should increase travel into Glacier from Waterton. Discover Kalispell will continue to provide information on our area to GNP and area visitor kiosks to push those travelers to activities and amenities outside the park.
- From Flathead Lake cherries to huckleberries from the surrounding mountains, locally grown and raised vegetables, or yak and bison, this valley is home to an assortment of tasty foods that are blended into the community flavor. Agriculture is a deeply rooted tradition with generations of families living and working in local farms and ranches. Discover Kalispell will continue play a role in promoting and building our agri-tourism product through promotion of locally sourced products, tours, and activities that are available to visitors and groups.
- The historic 1896 McIntosh Opera House was a primary element in the Main Street commercial district. It served as an opera house, lodge meeting hall, ball room, theater, and was the pride of Kalispell at the time. Discover Kalispell will continue to work with the property owners, the City of Kalispell and other local stakeholders to assess the feasibility of restoring the space as a unique event venue to compliment the historic downtown.

Challenges

- The Flathead Valley saw an increase of 325 new guest rooms during the summer of 2016. 2017 is slated to bring additional new properties in Whitefish and Kalispell. The new inventory has already proven to demand adjustments for the established properties, particularly outside of the summer busy season.
- Alberta has been the number one residency for visitations into northwest Montana over the past several years, and as a key component of our drive market visitations during months outside the busy summer season. With the decline of the Canadian economy and fluctuation of the dollar, Flathead County has seen a decrease in visitations from Alberta. The Alberta economy is predicted to see a recovery of 2% during 2017.
- The travel ban policies and media coverage will impact international travel to the U.S. and Montana. Kalispell is already receiving comments from Canadian travelers that have strong hesitations to cross the border for recreation, shopping, or events due to perceived and actual border crossing issues.
- Availability of direct air service to Kalispell is a focus for both the tourism and the business communities. Cost and availability of seats is a barrier for Kalispell to effectively increase visitations from some geographic and psychographic markets. The nonprofit Glacier AERO group continues to work with airlines and the community to fund MRG's and marketing campaigns.
- The lack of public transportation throughout the Flathead Valley as well as from Kalispell to Glacier Park impacts some visitors including the international traveler. It is hoped that the implementation of Uber and other ride-sharing services will help to offset some of that demand.
- Although the area's tourism industry is making strides in smoothing out the hotel occupancy levels between the height of summer and the quiet of November and April, seasonality continues to be a challenge. The seasonality creates work force issues both due to a shortage of qualified workers in

the summer and ability to maintain adequate staffing levels during the fluctuating shoulder and winter months.

- Climate change is affecting our weather, stream flows, water temperature and forests. Weather conditions that are deviating from historical patterns are posing a challenge for tourism in northwest Montana. Our area relies heavily on predictable water and air temperatures and appropriate levels of precipitation for winter activities, events, and to avoid summer wildfires.
- The traditional lodging properties in Kalispell have begun to feel the impacts of the increasing popularity of VRBO, Airbnb and other shared economies. There has been a measurable decrease in room night stays by teams attending signature events and an obvious increase of businesses utilizing space within the historic downtown buildings to create rental space that doesn't fit within the room requirement structure for TBID. As the shared economy options grow and shift it is crucial that Montana Department of Revenue and local municipalities ensure proper taxes are collected.

The Travel Decision Process

"If you want to attract more travelers, don't give them more information. Give them inspiration. Don't just tell them what they'll get while they're there – tell them what they'll take home at the end of the journey." Daniel Levine, Travel Trends Expert

The trip planning cycle is not always a linear path, particularly for travel groups like Millennials. During a traveler's quest for a one-of-a-kind trip they will encounter a 'whole world' of options and Montana is not a first-tier top-of-mind destination. To get our destination on a traveler's itinerary means understanding who our visitors are, and the travel resources influencing their choices. Destination Analyst Destination Brand Research Study clarified that "Montana should assume little working knowledge of its destination attributes among the traveling public". Being mindful of the trip planning cycle and most effective media to use during that cycle is critical to the success of destination marketing.

Inspiration

During the first stage of the planning cycle, travelers are gathering ideas and inspiration. This is when the traveler either decides the type of trip they are interested in, or researches destinations that fit the trip type they want.

Messages delivered: Speak to the desire for a trip that includes scenery/being outdoors, relaxation, and discovery/free-spirit adventure while also addressing safety, availability of modern comforts, and dispelling perceptions of Montana being difficult to access. Highlight family-friendly events and activities. Tell an inspiring story of what makes our destination special. Most travelers are also considering the trip budget in the inspiration stage and the budget continues to have a strong influence throughout the planning cycle.

Sources used:

- Destination websites: Visitmt.com, Glaciermt.com, DiscoverKalispell.com
- Use search engine marketing – targeted keyword campaigns for Glacier National Park and Flathead Lake, for example.

- Keep in touch with past visitors and engage locals on social media. Friends and family are a highly used source in this stage.
- Videos for inspiration
- Blogs/articles about what makes your destination unique
- Sponsored content on online travel resources and retargeting to those who show interest
- E-newsletters sent to past visitors and prospects
- Compelling imagery of iconic natural resources and welcoming small town hospitality
- Consumer travel shows in target markets
- Earned media

Orientation

Second stage of the trip planning cycle revolves orientating themselves to the selected destination or trip type - planning their memorable moments. This stage includes deciding the dates of travel, learning about available activities, events, historical, cultural and natural attractions, and setting the trip budget.

Messages delivered: address traveler's lack of knowledge of the historical and cultural offerings and soften the perception that they will be isolated (being without common amenities) and the perceived challenges of harsh weather. Highlight local food and culture. Food is a major hook in trip planning; restaurants have evolved to become destinations in their own right, particularly with younger travelers.

Sources used:

- Provide access to reviews and ratings and sources to compare prices and features for lodging and activities.
- Be present on popular travel sites - online advertising that leads to specific landing pages
- Content should encourage next steps – reserve a room, book an activity, schedule a tour
- Provide suggested itineraries - what you can do in 1 day, 3 days, 5 days – encouraging drive market visitations
- E-marketing targeted to specific interests and demographic factors
- Highlight niche activities such as Breweries, Wineries, Distillery tours
- Local events calendar
- Use videos to highlight activities
- Provide checklists – i.e. 10 Day Hikes within 30 Minutes of Kalispell

Facilitation

Third stage includes making specific plans: booking activities and tours, making reservations for transportation and lodging, checking weather predictions.

Messages delivered: Travelers are interested and motivated but probably have not finalized trip plans. To not lose them to another destination, make it easy for them to book. Connect travelers with hotels and activity providers, highlight unique events during their travel dates, promote activities outside of Glacier National Park to extend the trip, and make the transaction as smooth and seamless as possible.

Sources Used:

- Mobile friendly website - bookings are still primarily done on desktops although consumers rely heavily on mobile for researching travel - weather, attractions, and on-the-ground research.
- Provide clear methods to talk directly with a local expert – Visitor Information Center, mobile friendly travel guide, answer any questions posted on social media channels.
- Feature season-specific content on website and social media
- Provide access to maps online
- Checklists – i.e. 10 Easy Hikes in Glacier National Park; Boat rentals and guides on Flathead Lake
- Lodging packages
- Visitor Information Center that has ample resources and knowledgeable staff
- Wayfinding signage to direct them to resources and unique activities once on the ground

Experience

Once they are here, be present with resources on the ground and current info on the website and social media. Provide welcoming hospitality and don't promise something you can't deliver!



Discover Kalispell's Key Markets

Leisure/Consumer Travel

Montana's (and Kalispell's) primary audience is the nature-based outdoor traveler. According to Destination Analysts' Montana Destination Brand Research Study, Montana is an aspirational destination. Our unique scenic beauty and unspoiled natural assets make Montana an "unequaled place to engage with the natural world while still enjoying the comforts of the modern one". Montana offers untapped adventure, a place to "enjoy experiences that are entirely new as well as novel ways of enjoying the familiar."

The leisure market for Kalispell continues to be active matures and young families that are looking for affordable variety and a bit of culture and shopping with their outdoor-centered vacation. The Montana Destination Brand Research Study stated that family travelers are a high potential visitor who index high on outdoor psychographics and would expect to spend more and stay longer in the state than other travelers. Kalispell is also seeing an increase in millennial visitors as the availability of amenities that appeals to that generation are expanding in Kalispell. This is also verified by the ITRR 2016 Nonresident Travel study, our signature event data, and anecdotal analysis within downtown Kalispell.

The Destination Analysts study found that travelers interested in Montana were clear about what they wanted in a vacation: “although the sense of a free-spirited vacation was attractive, the concept of isolation was unnerving and they did not want to give up the “comforts of modern comfort””. Kalispell’s brand, Discovery in every direction, and our brand messaging of location - in the middle of northwest Montana’s iconic experiences - is the key message to attract this high value traveler. Kalispell’s character and local culture, highlighted in our downtown amenities, local events and opportunities to experience a taste of Montana heritage in agriculture based activities, rodeo, hunting, fishing and history found in our quality museums and Main Street experience, speaks to the high potential visitor’s need for comfort and authentic experiences.

Supporting Data

2016 ITRR Nonresident Travel Survey Report for Kalispell: (those that spent at least one night in Kalispell)

Top non-resident activities:

60% scenic driving	35% wildlife watching
44% nature photography	24% recreational shopping
42% day hiking	24% visiting historical sites

Demographic: Highest percentage age groups: 1) 55-64, 2) 65-74, 3) 25-34. Average age 55
Household income 1) \$75k to less than \$100k followed by 2) \$50,000 to less than \$75,000
61% had a travel group size of 2
74% of groups had all repeat visitors; 17% all first time visitors
78% plan to return within 2 years
65% said reason for visiting was vacation/recreation/pleasure

2016 - Top 5 residency of origin for nonresident visitors to Kalispell

ITRR - Alberta, WA, CA, MN, ID

DiscoverKalispell.com – WA, UT, CA, TX, CO

Kalispell VIC – Alberta, CA, WA, MI, TX

Direct Flight Markets

Glacier Park International Airport is serviced by Delta (SLC, MSP & seasonal to LA), Alaska (SEA & PDX), United (Denver and seasonal to Chicago, Atlanta and SFO), Allegiant (Las Vegas and seasonal to Oakland). GPIA had a 4.57% increase in ridership during 2016. The KCVB is on the board of Glacier Aero, the Flathead Valley’s non-profit group dedicated to increasing and sustaining direct flights to Kalispell, and supports the revenue guarantee flights through media events, press trips, online marketing and other targeted promotional campaigns. Increasing flights and seat availability are critical to our success in attracting visitors from our key markets. ITRR study - Montana Expression 2016, Vacation Planning, stated the two most cited reasons for not flying into Montana were that it was a trip with destinations both in and outside of Montana, and the cost of flights. This was followed by the fact that some indicated no direct flights were available from their city of origin.

Public Relation Key Markets

Discover Kalispell leverages the PR exposure from media events in Seattle and San Francisco and hosted press trips from those markets. Discover Kalispell is building awareness of our destination in emerging geographical markets through our annual Signature Events.

Montana Dragon Boat Festival examples: California – southern and bay area, Calgary, Edmonton, Lethbridge, British Columbia

Montana Pond Hockey Classic examples: New England states, Ellensburg Washington, California Bay Area, Alberta, Saskatchewan, British Columbia

Montana Spartan Race examples: 48 states and the District of Columbia as well as four Canadian provinces attend the Montana Spartan Race. Through the national marketing generated by Spartan, NBC Sports coverage of the Montana event, as well as Discover Kalispell's PR and marketing promotion, we are able to directly connect with thousands of out of state travelers that may not have considered Montana for a vacation destination if not for the event.

Warm Season Markets

Kalispell will continue to connect with the Glacier National Park visitor, positioning our destination as the best place to base their trip for easy access to a variety of activities, trails, retail, dining outlets that offer local products, and a variety of affordable options appealing to families. As the majority of our visitors are repeat (74% of groups had all repeat visitors, ITRR), Kalispell will continue to promote the other iconic experiences outside of Glacier Park such as Flathead Lake, Jewel Basin, Lone Pine State Park, trail systems and local and signature events. Close-by drive market travelers visit Kalispell in the warm season for sports tournaments and notable events such as The Event at Rebecca Farm and Arts In The Park, and to enjoy the variety of water sports and scenic driving and biking trails.

Discover Kalispell's Spring/Summer campaign expands to capture the attention of warm season markets such as Salt Lake City, Seattle, Dallas, Denver and Los Angeles. The Los Angeles and Dallas markets are included as key markets for Glacier Country Tourism and Los Angeles was identified as a key market for Montana in the recent Destination Analyst brand study.

Winter and Shoulder Season Markets

Kalispell's winter and shoulder season visitors primarily travel from Alberta, Washington, California, and Oregon. Visitors from Canada come to Kalispell for shopping, Discover Kalispell's signature events, golf, skiing, hockey tournaments and medical tourism. Nonresident visitors from other markets come for our signature events and to enjoy the variety of winter activities that are easily accessible from Kalispell as well as the affordable variety of lodging and dining. They enjoy the traditions such as Moose's Saloon, Western Outdoor, rodeos, downtown events, snowshoeing, dog sledding, and cultural activities at our museums. Younger families both from Canada and our U.S. target markets are becoming aware of what Kalispell has to offer and are attracted to the variety of kid-friendly activities and kid-friendly culture. Discover Kalispell has hosted several family-centered travel writers and media outlets from Canada and the Pacific Northwest to continue to strengthen this niche market.

Discover Kalispell Fall/Winter campaigns are designed to connect with our direct flight markets (Chicago, SFO and Seattle), and close drive markets of Spokane/CDA, Calgary/Edmonton and Lethbridge.

Group, Meetings & Conventions

Kalispell accommodates groups of 10-500 comfortably and adequately. The most common group size is from 50-120. The largest event space in our hotel properties can hold up to 880 for a reception and 700 for banquet seating.

There are twenty one TBID hotels in Kalispell offering over 1,700 rooms. The two largest convention hotels can accommodate up to 280 rooms per night and over 16,000 square feet of meeting space. Many affordable options for overflow rooms are nearby the convention hotels.

Based on our KCVB Occupancy Report, the group segment is a mix of association, corporate, social and team, which was 14% of the total occupancy with November 2015 the lowest (7%) and June 2016 the highest (15%). Corporate and team business support the shoulder seasons and corporate, association, and tours hold strong in the peak seasons.

Group attendees are interested in outdoor activities, local events and tours, hosted receptions and meal functions at unique venues. They are a high value segment for our group sales division.

KCVB Occupancy Mix

Market Segment Percentage of total rooms	QTR 1 AVG July-Sept 2015	QTR 2 AVG Oct-Dec 2015	QTR 3 AVG Jan-March 2016	QTR 4 AVG April-June 2016
Corporate	20%	20%	18%	17%
Event	1%	0%	1%	1%
Government	9%	6%	4%	5%
Group	8%	11%	12%	13%
Tours	4%	0%	3%	1%
Transient/Leisure	60%	62%	63%	63%

M&C - Key Segment

Association business is more reliable and dependable than other market segments due to organizational structures in their bylaws such as annual meeting agendas and a predictable number of members.

Organizations will continue to be part of a trade association to network, increase growth opportunities, uncover new resources, and to have a common voice in industry-related policy.

Within the Association Segment, Agriculture is a key niche market for Discover Kalispell during FY18. Agriculture continues to be one of the top providers for our state's economy and the need for healthier and sustainable products has assisted in the momentum. The Flathead Valley has seen an increase in agricultural activity over the last few years such as organic farms and commercial and school gardens. Kalispell hosted two agriculture conferences in 2016: the Montana Organic Association and AERO (Alternative Energy Resource Organization). Hosting these meetings gave us the opportunity to connect

with agricultural organizations and inform them of how the KCVB can facilitate and support meetings and conferences.

The agricultural industry is growing and expanding within the western region of the U.S. with new developments for educational programs, workshops and new organizations. The Flathead Valley has cultivated a strong agricultural foundation that can be showcased as an example to bring meetings to Kalispell.

M&C - Key Geographical Market

The Puget Sound area lies along the northwestern coast in Washington State. Seattle is part of the Sound and the closest major U.S. city to Kalispell. Other cities in Puget Sound include Tacoma, Olympia and Everett, Washington.

In addition to only being an eight hour drive from Seattle, Glacier Park International Airport offers three direct flights out of Kalispell daily and Amtrak train service twice daily from Whitefish. Although the Puget Sound region offers spectacular coastal scenery, Montana can provide authentic experiences that only true “Montanans” can pull off. With an abundance of lakes, mountains, and Glacier National Park, our iconic outdoor settings can create that inspirational venue for meetings and team building. Productive meetings don’t always require an epic trek and often are within a driving distance of major cities. KCVB plans to attend trade shows that target planners from the Pacific Northwest such as Smart Meeting Events and Connect. Connect offers events specific to Association planners.

Over the last three years KCVB has partnered with Glacier Country to promote and build awareness of Montana as a meeting destination at IMEX (Incentive, Meetings and Event Expo). Our proximity to Glacier National Park and choice of direct flights tends to surprise most planners and impels them to seek more information.

M&C Emerging Market - Tour Groups

Groups or clubs will travel for activities related to their specific interest. The KCVB will seek out tour groups that focus on activities such as history, culture and signature events. The Flathead Valley is fortunate to offer a top-notch professional theatre, musical performances and one-of-a-kind events.

International visitors turn to their travel agencies and tour operators to get help with itineraries, travel insurance and recommendations. International visitors perceive the Rocky Mountain region as safe and want to visit the national parks and experience the western lifestyle.

Tour operators today recognize the seasonality of certain areas and create strategies and marketing to highlight the non-peak times or shoulder seasons. Many companies have group departments that specialize in specific itineraries (example: winter activities).

The KCVB will identify and promote to Groups and Clubs (those with specific interests) and tour operators (regional and international). Identifying and building relationships with tour operators will be beneficial when we host the International Round Up in 2018.

M&C Emerging Market - Healthcare

Healthcare continues to be the leading employment industry for the Flathead Valley. Kalispell Regional Medical Center is building a Neonatal and Pediatric Intensive Care unit and expanding the gastrointestinal facility. The new developments will bring in specialized positions including surgeons, neurologists and cardiologists. The skills they bring will prompt educational seminars and workshops for healthcare professionals from outside the area. The Medical Tourism department at Kalispell Regional promotes Kalispell and our sophisticated medical industry at national conferences and trade shows. KCVB will collaborate with Kalispell Regional's travel coordinators, medical tourism department and education coordinators to identify associations and conference meetings that could be held in Kalispell.



Supporting Research

Destination Marketing – Trends for 2017

One of the challenges the travel industry faces in 2017 is fragmentation – the absence of a unique identifier. A traveler's planning cycle spans across a series of touch points, media, and devices. It is a challenge to adequately reach potential travelers throughout the planning cycle to assure they end up at your destination. Through Facebook's increasing capabilities for advertising and retargeting, and through pixel retargeting and geo-fencing, DMO's are able to start to create efficiency and obtain a true ROI.

Of course with all the technology we're faced with every day, it's only a matter of time before consumers are overwhelmed and relook at the importance of human connections as part of the travel experience. Trends are pointing in that direction especially with certain demographic segments. Although technology may be the primary method used during trip planning human contact and interactive experiences are what create trip memories. "Travel is a huge investment of time and money, travelers will forget what companies offer through tech, what they say in their ads, but they will never forget how these travel brands make them feel." (Skift, Humanity Returns to Travel In An Age of Digital Overload)

A Montana vacation provides memorable, low-tech experiences – either first time experiences or a familiar outdoor activity in a new and spectacular setting. The Google Consumer Survey states that prestige is now linked to unique and outstanding brand experiences versus the cost of an item or

prestige as defined by a logo. 67.6% of consumers surveyed preferred to spend disposable income on a travel experience versus material objects. Perfect for Montana, a place for new and authentic experiences.

The Montana Visitor

A high-value target for Montana is a traveler interested in outdoor travel and National Parks. Montana is a place known for openness, unspoiled landscape, and wildlife. A place thought of as uncrowded, safe, with a welcoming culture, roots in American ranch and agriculture, with rugged individuals. Destination Analysts Destination Brand Research Study clarified that Montana evokes vivid, emotional imagery of the outdoors in the mind of the traveler. Beyond that there is little knowledge of the state's events, and historical and cultural attractions.

Montana is viewed as being more geographically isolated than its competition (CO, WY, UT) and can seem intimidating if the experiences promoted are seen as being isolated. The steepest hurdle for Montana DMO's to overcome is the perception that a Montana trip requires a lot of time (length of stay) and is expensive to travel to. Our remoteness is both an asset and a detriment in the minds of travelers.

The Sharing Economy

HVS Consulting & Valuation conducted a recent study on the financial effect Airbnb has had on the hotel industry, focusing on New York City, and found that hotels have been losing around \$450 million in direct revenues to Airbnb each year. Further data from the study found that in a single year's time, Airbnb saw 2.8 million room nights booked versus 480,000 hotel room nights booked. The sharing economy has the ability to be more responsive to market trends and has the potential to cause a "seismic shift in the traditional methods of setting room rates and creating pricing strategies, undermining hoteliers' ability to retain guests and market share". (Today's Hotelier, Rising competition: The sharing economy's effect on pricing strategies)

The impact on traditional lodging properties is a lower ADR particularly during high season and around large events. Each additional 10% increase in the size of the Airbnb market resulted in a 2-3 % decrease in hotel revenue. (Hospitalitynet, The Impact of AirBnb on Hotel and Hospitality Industry)

AirBnb, VRBO and other short term rental options continue to impact the traditional lodging properties in Montana. This impact is heightened with an increasing room inventory from new properties in Montana's larger cities. Not only are the lodging properties adjusting rate to meet the appeal of short-term rentals, they also have to deal with decreased occupancy due to the increase in room availability. This highlights the importance of offering compelling lodging packages particularly tied around an event or activity and the ability to promote that package effectively to potential travelers during the facilitation stage of the trip planning cycle.

International Travelers

The national travel industry is concerned about the forecasted drop in international travel to the United States. Major markets such as New York have revised their 2017 forecast to 300,000 fewer visitors compared to 2016. Although Montana is a third-tier destination for international travelers, it does

provide measurable impact to certain areas of the state including northwest Montana, particularly during the summer months. International travelers have strong interest in U.S. National Parks, positioning Montana well for increased visitation. Experiences International travelers are most interested in fit well for our destination: relaxation, visiting famous landmarks/attractions including National Parks, taking scenic drives and road trips. Considering familiarity, Montana is behind states such as CA, CO, NV, AZ, but ahead of Utah and Wyoming. (Destination Analysts) The potential backlash from the Federal travel bans will likely have an impact on Montana.

Meeting, Convention and Group Travel

Two-thirds of planners surveyed by Successful Meetings said that creating compelling meeting experiences was one of the most important priorities for effective meetings in 2016. (2016 Trends Report and 2017 Forecast by CVENT Hospitality Cloud, March 2017). CVB's should respond by introducing unique and captivating experiences for groups and individual attendees that provide the incentive to choose our destination over others. Montana is the perfect destination for unique and memorable experiences. Hosting qualified planners for a FAM trip is a cost effective way to get planners to experience and then consider Montana as a location for the business they are booking.

A 2016 survey by EproDirect and Tambourine provides key findings of meeting planner preferences:

- Meeting planners would like to see stronger customer service, an improvement in the quality of the facilities, flexibility and quicker response times from hotels in 2017.
- 59.17% stated that Email marketing communications is the best way to reach planners with information, updates, and special offers. Followed by trade shows/events at 14.79%.
- The hotel website is the primary source of information planners use to learn about meeting facilities, followed by CVB websites and internet search engines. They are primarily using their desktop or laptop to access hotel websites, but many are also using their smartphone mobile devices.
- Meeting planners continue to find a great deal of value in FAM tours, meetings facilities guides and new hotel openings.
- Planners seem to find facilities views and virtual tours to be the most helpful when selecting a meeting venue.
- Floor diagrams, measurements and capacity charts are the most important hotel website tools for planners when selecting a meeting venue.
- Planners continue to read trade publications, but don't often use them as their primary source to learn about meeting venues.
- LinkedIn is the most often used social media channel followed by Facebook.
- Saving time and money are the most important benefits for planners who are engaging in multiyear contracts. (EproDirect and Tambourine, online survey of meeting planners, Dec 2016)



Discover Kalispell's Cooperative Marketing

Cooperative Marketing Efforts

Discover Kalispell works cooperatively with the PR and Group Travel departments of MOTBD and Glacier Country to assist with hosting press trips, social influencers, and participating in media events held in Seattle and San Francisco. We collaborate with Explore Whitefish and Glacier Country on PR crisis issues to ensure a consistent message to travelers. For the group travel, meetings and conventions segment, Discover Kalispell participates in FAM trips, RMI site tours and meeting planner shows such as IMEX.

In our local market Discover Kalispell regularly meets with our partners at Glacier National Park, Flathead Forest Service, Associated Chambers of Flathead Valley, Kalispell Downtown Association and Business Improvement District, Montana West Economic Development, Flathead County Parks and Recreation and Fairgrounds, Kalispell Parks and Recreation, and Montana State Parks. The increased visitation to GNP has provided an opportunity to promote activities and attractions outside of the park, making information available to GNP staff and the West Glacier VIC.

During FY17, Discover Kalispell collaborated with Explore Whitefish and Whitefish Mountain Resort, along with a matching grant from MOTBD, to run an out-of-home campaign in San Francisco promoting the new direct flight on United and winter travel to the Flathead Valley.

Discover Kalispell did not choose to participate in MOTBD co-ops during FY'16 or FY'17 but is open to reevaluating co-ops as they become available and reengaging with MOTBD.



Marketing Plan Goals and Objectives

Goals

1. Increase awareness of Kalispell as a travel destination to expanded markets and audiences.
2. Build relationships with visitors as demonstrated through increased usage and engagement with our key platforms.
3. Grow winter and shoulder season visitations.
4. Diversify the promotion of Kalispell's amenities to decrease an over-reliance on activities that can be affected by climate conditions.
5. Promote Kalispell for leisure-based group travel.
6. Connect with active meeting planners in drive market and regional areas.
7. Promote Kalispell as a meeting destination to local businesses and organizations.
8. Educate meeting planners on services the CVB provides.
9. Play an active role as a voice for tourism in the state and the community through positive publicity and outreach.

Objectives

1. Increase occupancy at TBID hotels between October and June by 2% (as measured by TBID Collections).
2. Increase total unique visitors to website by 10% over FY'17.
3. Create campaigns that package event tickets and room reservations during winter and shoulder months.
4. Generate 15 media stories in target markets through public relations efforts.
5. Increase total social media reach by 5% over FY17.
6. Create two campaigns that enhance local agricultural products.
7. Successfully produce established signature events: on budget and with increased economic impact to community.
8. Provide sponsorship through the CVB Event Grant program for new events or sports tournaments that have long term growth potential during off-season.
9. Increase database of qualified and interested meeting planners by 20%.
10. Retain engagement of meeting planner database through quarterly newsletters.
11. Attend two regional tradeshow to promote Kalispell as a meeting destination.
12. Host one meeting planner FAM of qualified planners who have never been to Glacier Country.
13. Connect and engage with meeting planners through targeted advertising campaigns.

Funding

KCVB Combined Budgets FY'18

TBID Projected Revenue	\$ 560,000
FY'17 Carryover	<u>\$ 55,000</u>
Total	\$ 615,000

Bed Tax Projected Revenue	\$ 124,000
FY'17 Carryover	<u>\$ 6,000</u>
Total	\$ 130,000

Program Description	Project	Program Total		Project	Program Total
Administration - Operations *		\$28,800		Administration	\$20,050
Staffing - Wages, Employer Expenses		\$220,450		Staff employer expenses (VIC)	\$13,000
Director, Group Sales Mgr, Admin Asst)				Admin-operations	\$7,050
Marketing Support		\$12,500			\$41,750
Smith Travel Reports	\$5,500			TAC/Gov Conf	\$750
Organizational Memberships	\$3,000			VIC Staff – year round	\$27,000
Research and Education	\$4,000			seasonal	\$3,000
				Opportunity	\$5,000
				Outreach	\$1,000
				Wayfinding	\$5,000
Website		\$27,000			\$ -
Maintenance and enhancements	\$9,000				
SEO & SEM	\$9,000				
New website analysis and concepts	\$9,000				
Fulfillment					\$4,500
				phone (800 line)	\$200
				postage	\$4,000
				supplies	\$300
Consumer Marketing		\$88,250			\$35,700
Photo and video library	\$4,000			Photo and video library	\$2,000
Social Media admin & advertising	\$7,000			Social Media admin & adv	\$8,000
Creative services	\$25,000			Online Advertising	\$14,000
Media buy: print and online	\$35,000			Print Advertising	\$8,000
Travel show attendance	\$2,500			Travel show attendance	\$1,700
Trade show booth	\$1,000				
Airport display	\$750				
EMarketing	\$5,000				
Visitor guide and niche brochures	\$8,000			Printed Materials	\$2,000

Events and Sports -Operations and Promotion		\$138,000			\$11,000
Dragon Boat Festival	\$30,000		Event Promotion - Press/media	\$3,000	
Spartan Race	\$23,000		Event Promotion - Printed Adv	\$1,000	
Pond Hockey	\$30,000		Event Promotion - Radio/TV	\$1,000	
Indoor Soccer	\$20,000				
Other event & sports sponsorships	\$10,000		Event Promotion - Social Media	\$3,000	
Event Operations Management	\$25,000		Event Promotion - Electronic	\$3,000	
Groups and M&C		\$70,000			\$17,000
Meeting Planner Shows	\$15,000				
Meeting Planner FAM	\$12,000				
Meeting planner incentive program	\$15,000				
Advertising/ENews	\$15,000				
Group photo and video library	\$2,000				
M&C guide	\$2,000				
Customer Mgmt System	\$6,000				
M&C memberships	\$1,000		Online Digital Advertising	\$7,000	
Sales calls	\$2,000		Group Marketing Personnel	\$10,000	
Publicity		\$30,000			\$ -
Travel media press trips/FAM	\$13,000				
Proactive & reactive PR	\$16,000				
Kalispell branded merchandise	\$1,000				
TOTAL		\$ 615,000	TOTAL		\$ 130,000

*Operations includes bookkeeping, rent, office supplies, postage & copies, tech support, equipment & furniture, phone, audit

