



DISCOVER KALISPELL FY2019 Destination Marketing Plan



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Welcome to Kalispell

Welcome to Kalispell, where the spirit of Northwest Montana lives. Where the mighty mountains of the Crown of the Continent soar. Where the cold, clear Flathead River snakes from wild lands in Glacier National Park and the Bob Marshall Wilderness to the largest freshwater lake in the west.

Where you can plan ahead for a trip of wonder—or let each new moment lead your adventures. Follow the open road to see what’s at the very end. Lay out the map and chart a course to its furthest corner. Or explore the galleries, museums, and shops in historic downtown Kalispell—and maybe let the bakery tempt you into an unexpected sweet treat.

Here in the heart of the Flathead Valley, life is awe-inspiring and simple at the same time. If we wish to lose ourselves, there’s millions of acres of protected, pristine forest to wander. If we wish to find ourselves, we need only to channel the confident frontier spirit that drove the development of a regional economic, cultural, and governmental powerhouse. These Western roots form the strong foundation for a growing and diversifying community. Which is to say, we are proud of our history but we don’t plan on slowing down anytime soon. Just imagine how much energy all this fresh mountain air gives us.

In the past few years, we have doubled down on our commitment to our walkable, vibrant downtown. It’s growing by the minute. And the amount of new breweries, distilleries, coffee shops, and restaurants that have opened their doors on Main Street means your night out just planned itself.

Kalispell, Montana, is a place for skiers and hikers and fisherman. It’s a place for creatives and ranchers and scientists. It’s a place for foodies and history buffs and lovers of the arts. It’s a place for you.



Executive Summary

Nonresident Data

Flathead County - 2016

Nonresident visitors spent \$505 million in 2016, 2nd highest level of all counties.

Kalispell - 2017

20% of groups all first time visitors

70% of groups with all repeat visitors

55% stated primary reason for trip is vacation.

78% plan to return within 2 years

20% flew on a portion of their trip

Top Entry Points:

2017 – Superior, West Yellowstone

2016 – Roosville, Kalispell Air

Sites Visited On Trip:

GNP, YNP, Flathead Lake State Parks

Residence of Origin:

2017 – WA, OR, CA, BC, FL

2016 – AB, WA, CA, MN, ID

Lodging:

2017 - 54% hotel/motel;

18% home of friend/relative;

5% rented cabin/home or room

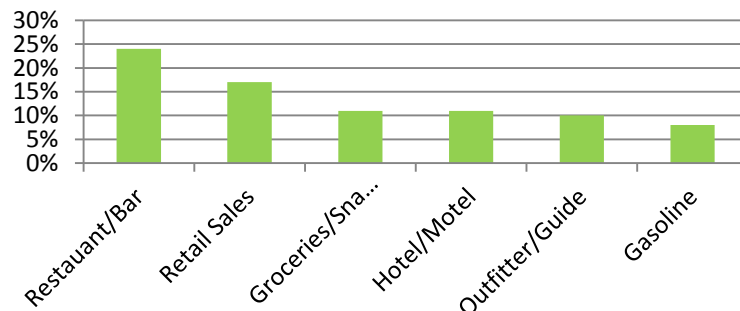
2016 - 62% stayed in hotel/motel;

16% home of friend/relative;

3% rented cabin/ home

(Source: ITRR, Travelers that spent at least one night in Kalispell)

Nonresident Expenditure Percentages - Flathead County 2016



Facts & Figures

22,500 – population of Kalispell (2016)

96,000 – population of Flathead County (2016)

9.5% - increase in ridership at Glacier Park International Airport (2017)

3.3 million – visitors to Glacier National Park, 10% increase (2017)

\$18 million – Flathead Valley Community College facility campaign to create a new library, student center and performance hall.

Revitalization – a core area plan and the City of Kalispell Downtown Plan are underway, including removal of rail tracks and reclaiming Main Street for pedestrian-friendly shopping, dining & community services.

Increased Air Service – United Airlines elevated their commitment to Kalispell with summer direct service to Los Angeles as well as San Francisco.

\$65 million – of new facilities under construction at Kalispell

Regional Medical Center including pediatric center, emergency room expansion and digestive health unit.

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

94% - of Flathead County land mass is national or state forest, wilderness, agricultural, or corporate timber land.

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.

2017 Highlights

National Award: U.S. Association of Chamber Executives (ACCE) selected Discover Kalispell's winter marketing campaign for its highest honor in communication excellence at the national meeting in Nashville, July, 2017.

Step On Guide Services: KCVB staff member completed certification in providing historical and cultural tours under the auspices of the National Association for Interpretation. CVB is now able to fill requests for a local guide from conferences and tours hosting events in Kalispell.

New Event: As the first youth indoor soccer/Futsal championship in the state, the Montana Indoor Soccer Championship, kicked off March 2-4, 2018. Discover Kalispell's newest destination event targeted to increase visitation during a low occupancy time of year.

Challenges with the Changing Climate: Due to wildfire smoke and inconsistent winter temperatures, Discover Kalispell was forced to cancel two signature events: MT Dragon Boat Festival and MT Pond Hockey Classic.

Purpose of marketing plan

The FY19 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

Sales & Admin Assist: Vonnie Day, vonnieday@discoverkalispell.com

Visitor Services: Meche Ek, info@discoverkalispell.com

www.kalispellchamber.com | www.discoverkalispell.com

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Kalispell and the Montana Brand

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: 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

- Growth economy: Kalispell is 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.
- Well-preserved cultural offerings: Discover the history of the Flathead Valley through three well-preserved museums and iconic Main Street buildings.
- Energized downtown: Kalispell is undergoing several revitalization projects including completion of a rail park, removal of railroad tracks in downtown and development of a linear park, and several enhancements to improve the walk-ability and vitality of Main Street.
- Annual destination events: Montana Dragon Boat Festival, Montana Spartan Race, Montana Pond Hockey Classic, Montana Indoor Soccer Championship, Skijoring at Rebecca Farm, The Event at Rebecca Farm, Three Blind Refs and other events that attract participants from the U.S. and Canada.
- Winter destination: Kalispell and NW Montana offer easy access to a wide range of activities for the winter destination traveler including Glacier National Park and Whitefish Mountain Resort.
- State Parks: Kalispell is surrounded by eleven state parks providing trails, activities, interpretative visitor center, and water-based activities on Flathead Lake and Whitefish Lake.
- Authentic: Kalispell's residents are welcoming tour guides who care about a visitor's experience. It is a local's mountain town with a deep-seated culture of outdoor adventure, agriculture, and other traditional industries. Deep roots that form a strong foundation around which to grow and evolve.

Opportunities

- Glacier National Park and Glacier Park International Airport saw increased visitation in 2017, particularly during the shoulder and winter months such as October, December, January, and April. Discover Kalispell will continue to focus on the off-season particularly as additional amenities and services become available in or near the Park and as seasonal direct flights increase.
- 2018 is the 50th Anniversary of the Wild & Scenic River Act which protects large segments of the three forks of the Flathead River. Leverage media coverage of this event put out by national sources such as NPS, NFS, BLM, US Fish and Wildlife Service or other mainstream media.
- Agriculture is a deeply rooted tradition with generations of families living and working in local farms and ranches. 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. Discover Kalispell will continue to 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 City of Kalispell has adopted a Downtown Plan, providing guidelines to develop a vision to address long-term sustainability of Kalispell's downtown.
- Alberta's economy saw resurgence in 2017 with an estimated growth of 4.5% due in part to improving oil prices and a rebound in consumer spending. 2018 is expected to see a moderate growth of 2.8%.
- The City of Kalispell has adopted a Conditional Use Permit that regulates short term rentals within the city limits. Regulations include proof that the property is registered with the MT Department of Revenue to collect bed tax. This increased oversight should help to shore up revenue losses as the shared economy continues to grow in popularity with travelers.

Challenges

- The Flathead Valley received 325 new guest rooms during the summer of 2016. In 2018 additional new lodging properties are opening in Whitefish and Kalispell. The new inventory has already proven to demand adjustments for the established properties, particularly outside of the summer busy season.
- 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.
- 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, major events, and to avoid summer wildfires.
- The National Park Service is anticipating a fee increase which will affect Glacier National Park during the peak summer season. The increase would significantly impact tour operators.
- Depending on national policy decisions regarding travel ban and immigration, negative media coverage may continue to have an impact on international travel to the U.S. and Montana.

- 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.
- The traditional lodging properties in Kalispell are experiencing 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

Top reasons to travel: see new cultures and customs, experience the outdoors, conquer new adventures, have time to think and reflect, create memories with friends and family.... Whatever the reason and wherever you decide to travel, the trip planning cycle is not always a linear path and includes several different stages.

During a traveler's quest for a one-of-a-kind trip they will encounter a 'whole world' of options and Montana in general and Kalispell specifically, is not necessarily a top-of-mind destination. To be part of a traveler's consideration set means understanding the visitor that would be attracted to our destination and the travel resources influencing their choices. Good news is that the "Expectations to Travel" remain strong. A national survey by Destination Analysts shows that 37% of American travelers expect to take more leisure trips in upcoming year and 36.5% expect to increase their travel budget. The January 2018 report included survey data which gauged the Likelihood To Visit for a long list of potential destinations. The survey showed that 14.5% stated they were "likely to travel" to Montana during the next 3 years, which is up from 12.7% in 2016. (Webinar, State of the American Traveler, Destinations Edition, March 2018, Destination Analysts and Miles Partnership)

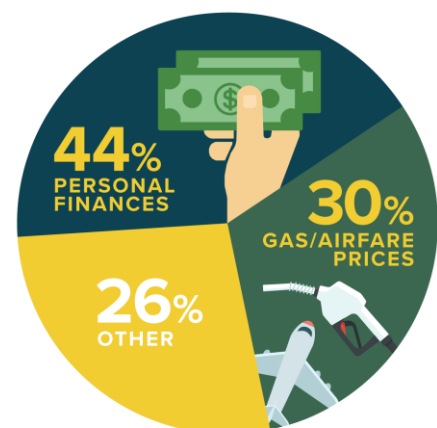


Stage 1: Inspiration - Dreaming

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. Cost of travel and availability of personal finances to travel will impact the destination and type of trip chosen. Airfare and distance to travel to and within Montana may impact the decision to select Montana. But when prioritizing what they do on their trip "activities and unique experiences drive travel decisions." (Expedia Media Solutions)

Impediments to Travel: 44% of America leisure travelers said personal finances kept them from traveling more in the past year and over 30% reported that gasoline or airfare being too expensive kept them at home during the past year.

Messages: Speak to the desire for a trip that includes 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. Include messaging in our promotions that shows the affordability of a Montana vacation once they arrive and the unique experiences and memories they'll receive. 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.

Tools:

Destination websites – visitmt, glaciermt, discoverkalispell

Targeted keywords for SEM

Destination social media channels

Blogs, articles, and inspiring photos & videos – show what makes destination unique

Sponsored content in targeting and retargeting campaigns

Emarketing to database – keep followers engaged

Travel shows – 1:1 conversations with targeted potential travelers

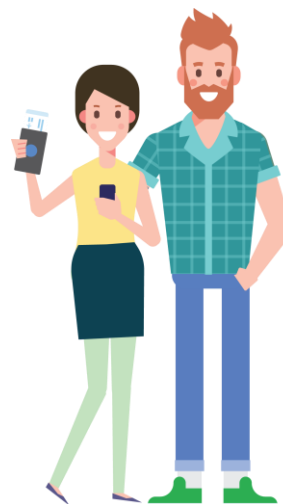
Earned media/WOM – let others tell your story



Step 2: Orientation – Planning

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: Highlight the historical and cultural (what's local and unique) offerings along with the outdoor recreation opportunities 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 - locally grown food and cultural food choices have evolved to become destinations in their own right.



38%
OF TRAVELERS ARE
USING DMO SITES
AND VISITOR
GUIDES

58%
OF THOSE
TRAVELERS ARE
LOOKING
DISCOUNTS AND
BARGAINS

47.7
AVERAGE MEAN
AGE OF THOSE
TRAVELERS

5
NUMBER OF
LEISURE TRIPS
THEY TAKE PER
YEAR

Tools:

Consumer reviews and ratings on travel websites

Be present on popular travel sites

Strong call to action in all content

Customized content for emarketing database

Local events calendars

Use video to highlight events and activities so they can imagine themselves in the picture

Checklists to incentivize trip planning – i.e. 10 day hikes within 30 minutes of Kalispell



Stage 3: Facilitation – Booking

Third stage includes making specific plans: booking activities and tours, making reservations for transportation and lodging, checking weather predictions. Travelers do their homework when deciding on how to spend the moments of their trip. These ‘hyper-informed’ consumers have amped their consumption of content across various media and devices.

Messages: 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.

Tools:

Mobile friendly website

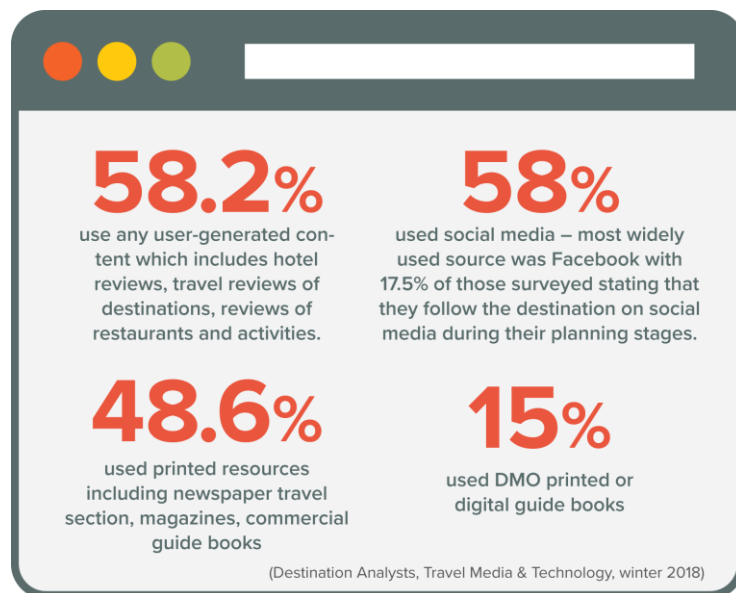
Reliable sources for questions - VIC, travel guide, response to questions posted on social media

Season-specific and niche activity content on website and social media

Online maps

Checklists - i.e. list of boat rentals and guide on Flathead Lake with complete contact info

Visitor Information Center that’s open year-round



Stage 4: The 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!



Stage 5: Sharing

Hopefully you've created loyal fans to your destination and they'll be sharing trip photos on social media and telling stories about their adventures at the next party and family gathering.

Back to Stage 1, with the next traveler:

Inspiration – Word of Mouth, opinions of friends and relatives, either direct or via social media, is the most important way to find inspiration when deciding where to travel.



Discover Kalispell's Key Markets

Northwest Montana, due to the close proximity to Glacier National Park and world-class recreational opportunities, is a leading destination for travelers interested in Montana. The primary audience for both Kalispell and Northwest Montana in general, is the Glacier National Park and nature-based outdoor traveler. Kalispell competes for those visitor room nights with other locales in the Valley.

Kalispell seeks to identify the target audience that will connect with our destination to base their outdoor adventure/Glacier National Park vacation and will travel for destination events. A visitor interested in Kalispell is looking for affordable variety of shopping, dining and activities along with a bit of culture for their outdoor-centered vacation. 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.

Kalispell is the hub for meetings and conventions in northwest Montana offering more than 1,700 rooms and 65,000 square feet of meeting and exhibit space managed by experienced hospitality professionals and professional planners.

Leisure/Consumer Travel

Kalispell's key markets in the leisure travel segment are active adults, budget conscious families, and winter enthusiasts.

The emerging market for Kalispell is the Los Angeles basin area. As identified in the Montana Destination Brand Research Study, Los Angeles "appears to be a hotbed of interest for Montana" for both warm and winter season travel. This is supported by Kalispell's data sources which demonstrate a strong and consistent growth of interest in Kalispell from Los Angeles. United Airlines recently announced summer direct service in 2018 and Los Angeles is also serviced seasonally by Delta and Allegiant.

Warm Season

Kalispell will continue to connect with visitors interested in Glacier National Park, positioning our destination as the ideal 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 (70% 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

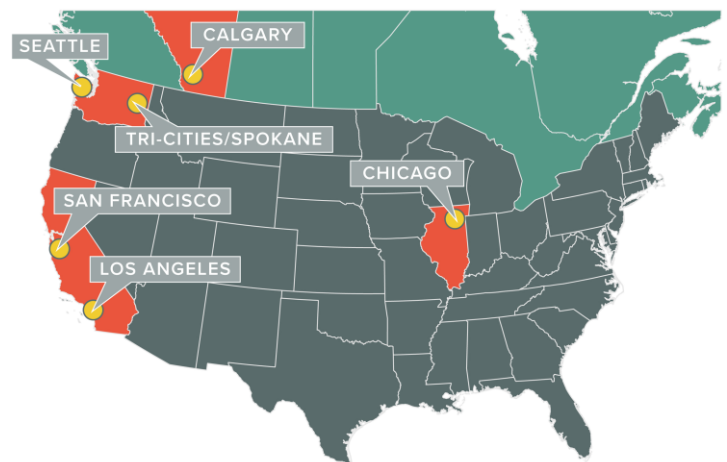
KEY GEOGRAPHICAL MARKETS: WASHINGTON, SAN FRANCISCO, LOS ANGELES, ALBERTA

WARM SEASON

SAN FRANCISCO • LOS ANGELES
SEATTLE TRI-CITIES • SPOKANE/CDA
CALGARY

WINTER AND SHOULDER SEASON

SPOKANE/CDA • SEATTLE • CALGARY
LOS ANGELES • SAN FRANCISCO • CHICAGO



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 marketing campaigns typically run April – June.

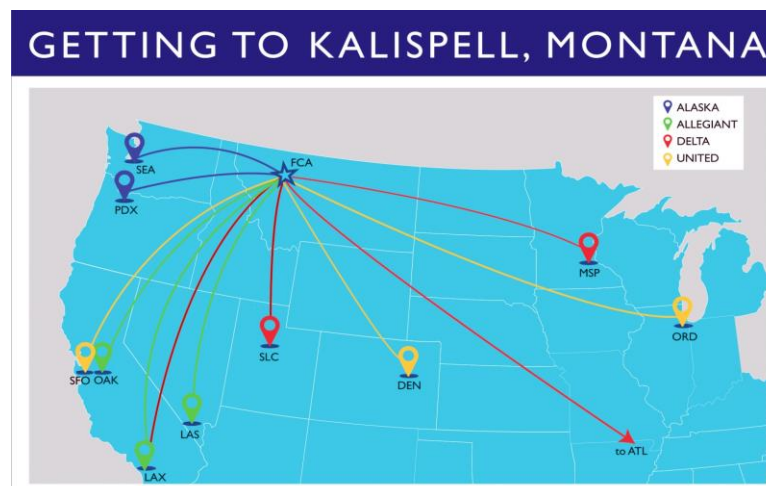
Winter and Shoulder Season

Kalispell's winter and shoulder season visitors primarily travel from Alberta, B.C., Washington, California, Utah, and Idaho. 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 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 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's annual fall/winter marketing campaigns are designed to promote easy access to a Montana winter adventure on direct flights (Chicago, San Francisco and Los Angeles), and a short drive from Spokane/CDA and Calgary.

Direct Flight Markets

Glacier Park International Airport is serviced by Delta (SLC, MSP & seasonal to Atlanta and LA), Alaska (SEA & PDX), United (Denver and seasonal to Chicago, SFO and Los Angeles), Allegiant (Las Vegas and seasonal to Oakland and Los Angeles). GPIA had a 9.5% increase in ridership during 2017. 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.

Leisure Travelers were asked what are the Biggest Impediment to travel: 19.8% said Airfare was too expensive (#3 out of a list of 14) (Destination Analysts)

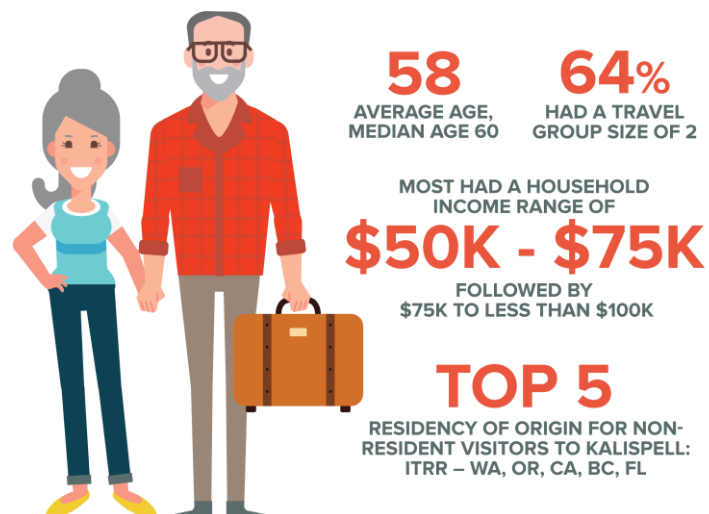


Supporting Data

ITRR: 2017 Nonresident Travel Survey Report for Kalispell: (those that spent at least one night in Kalispell)

Top non-resident activities:

- 68% scenic driving
- 48% wildlife watching
- 47% nature photography
- 47% day hiking
- 40% recreational shopping
- 26% visiting historical sites



DISCOVER KALISPELL.COM ANALYTICS

TOP 5 RESIDENCY OF ORIGIN OF WEBSITE USERS

Alberta, Minnesota, Washington, Oregon, California

KEY MARKETS AS MEASURED BY PERCENTAGE OF NEW USERS:

WASHINGTON

83%

INCREASE

Seattle, Spokane,
Vancouver, Tacoma,
Yakima, Spokane Valley

CALIFORNIA

23%

INCREASE

67% increase in visits
from Los Angeles basin
and 71% increase from
San Francisco area

ALBERTA

3%

INCREASE

Calgary, Edmonton,
Lethbridge

(FY18 over FY17)

NSight – TOP SOURCE MARKETS FOR KALISPELL:

Destinations with the highest percentage for
search to book and book to stay:

Los Angeles basin area consistently has the highest percentage
Followed by: Minneapolis, Florida, Dallas, New York, Philadelphia, San Francisco,
Chicago, and Atlanta

GLACIER PARK INTERNATIONAL AIRPORT PASSENGER ORIGINATING DESTINATION DATA, 2017:

Los Angeles and San Francisco consistently rank in top 10 for highest number of 'visitor' passengers even though direct flights are not available year-round.

Top originating destination of travelers flying into GPIA:

Q1 – SEA, LAS, LAX, DEN, MSP, SFO, ATL, PDX

Q2 – SEA, LAX, LAS, DEN, OAK, MSP, ATL, SFO

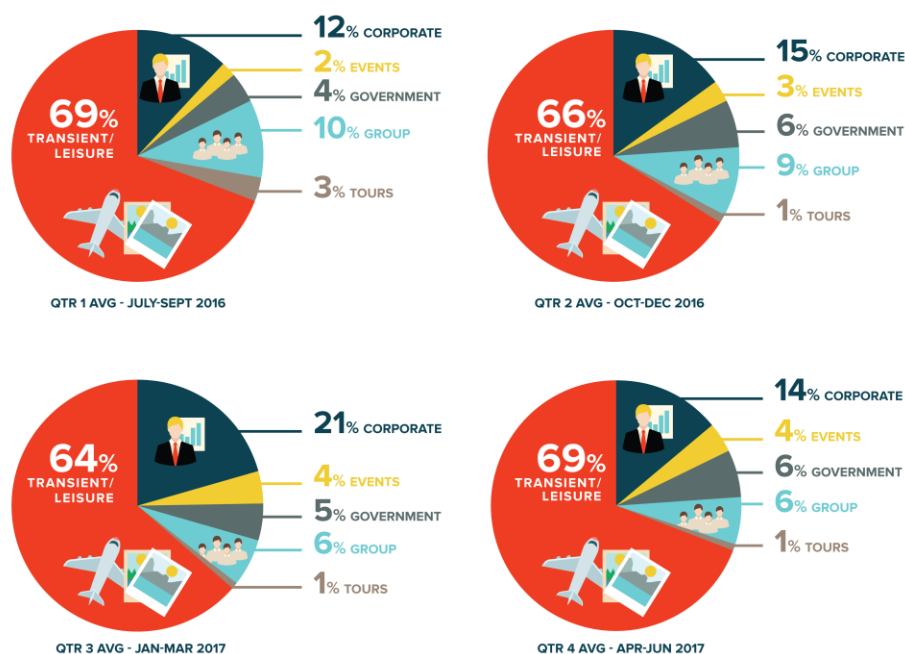
Q3 – LAX, SEA, DEN, MSP, OAK, DFW, SFO, PDX

Group, Meetings & Conventions

One of the primary goals of Discover Kalispell is to increase travel by attracting groups, meeting and conventions. Group and tour business accounts for 10% of total room nights for the 21 Kalispell hotels during FY17. A new property, Country Inn & Suites by Radisson, is scheduled to open in June 2018 with 100 rooms and 4,000 square feet of meeting space, bringing the total room availability to 1,885. Country Inn & Suites is located at the Glacier Park International Airport and will feature a pool with a slide and future development includes a restaurant and convenience store.

Groups of 10-500 can be comfortably and adequately accommodated in Kalispell. The most common group size is 50-120. The largest event space in our hotel properties can hold up to 880 for a reception and 700 for banquet seating. The two largest convention hotels can accommodate up to 280 group rooms per night and have over 29,000 square feet combined. Along with our convention hotel space there are numerous unique meeting venues in the Historic Downtown Kalispell that also serve as part of Kalispell's Cultural museums.

MARKET SEGMENT PERCENTAGE OF TOTAL ROOMS AT KALISPELL LODGING PROPERTIES:



M&C – Key Segment

Association continues to be the most reliable and dependable market due to their organizational structures in their bylaws such as annual meeting agendas, rotation process for state, regional and national and the predictable number of members.

Out of twelve RFP's sent to TBID hotels in FY17 50% are from the association market.

Professionals find it important to belong to associations for reasons such as, networking with like-minded professionals, to be a voice and advocate for their industry and be exposed to industry trends, to name a few. Kalispell's businesses are thriving. Top industries in the Flathead County are Healthcare, Manufacturing and Tourism. For example, healthcare is expected to grow here in the next 10 years and economists are predicting another 21 percent increase in health care employment opportunities.

With this trend on the rise, it will be the goal of Discover Kalispell to tap into the association and organizational connections of local professionals through our *Bring it Home campaign*, a referral program where locals receive a \$10 gift card for every meeting, conference referral they give. The Kalispell Chamber membership of over 700 businesses and associations is a good source to tap into. The Kalispell Chamber continues to be a strong resource for the KCVB and a tourism advocate with their local members.

M&C – Key Geographical Market

The Puget Sound area will remain a focus for Discover Kalispell to discover new planners and continue to build relationships. 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 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 driving distance of major cities.

Discover Kalispell attended the Pacific Northwest Connect tradeshow in December and met with 17 planners specifically from that region. It was great exposure for Kalispell and the information was very well received. Rates, flight availability and activities were high on their priority list and we have all of that to offer here.

Discover Kalispell will continue to partner with MOTBD and Glacier Country on IMEX (Incentive, Meetings and Event Expo's) in Las Vegas. Since Montana as a whole doesn't have a large presence at the meeting and convention shows a partnering with the state, regions and CVB's make it viable to highlight Montana as a meeting destination.

Emerging Markets-Tour Groups, International Market

Kalispell has the right elements and events to attract groups, clubs, and hobby groups for activities related to their specific interest, both regional and international. Discover Kalispell will seek out tour groups and clubs that focus on activities such as history, culture and the activities that encompass our signature events. Our high caliber artists, performers and one-of-a-kind events will be sure to attract the right audiences.



100 TOUR OPERATORS
OFFERED PRODUCT IN
KALISPELL WITH
21,148
ESTIMATED OVERNIGHT
ROOMS FROM
INTERNATIONAL TRAVELERS
IN 2016.
(Rocky Mountain
International's proprietary
T.R.I.P Report)

Kalispell is hosting the International Roundup in April, 2018 to bring in over 40 tour operators to experience Kalispell. It has been over 20 years since this event has been held in this area. It is an opportunity for our local hoteliers, activity vendors to showcase their business or service and for Discover Kalispell to educate them and continue building relationships with these operators. International visitors turn to their travel agencies and tour operators to get help with itineraries, travel insurance and suggestions. International visitors perceive the Rocky Mountain region as safe and want to visit the national parks and experience the historic and western ambiance.



Travel Industry Trends

Destination Marketing – Trends for 2018

Every destination needs to consider the long-term implications of tourism in order to ensure that the right balance is achieved between economic, environmental and social value. (*Destination Think Forum, 2016*). It is the responsibility of a DMO to be involved in planning discussions and have a role in managing and improving the destination. Visitor capacity is already an issue in Glacier National Park during July and August. Tourism stakeholders such as CVB's, Chambers, Glacier National Park, Flathead Forest Service, and activity vendors are developing strategies to promote activities and attractions outside the park to mitigate the negative impacts of overcrowding and potential trail and road closures. Discover Kalispell is also involved in the Flathead Country Trails Plan update, the City of Kalispell Downtown Plan and Core Development Project.

The success of a DMO has traditionally been measured by what is out of their control - hotel occupancy and lodging tax revenue. A DMO's role is to influence travel to a destination. With countless external factors impacting occupancy that measurement is not an accurate correlation of a DMO's success. Industry leaders are recognizing that the key to sustaining and grow funding is effective measurement. As Tourism New Zealand CEO Kevin Bowler stated, "I don't think policy makers struggle to understand the economic value of tourism. They struggle with understanding the additional value that a destination marketing organization brings to the industry." (Skift, Secret to Bigger Destination Marketing Budgets, May 2015). A goal for Discover Kalispell is to invest in research to better understand the ROI of our marketing initiatives then utilize those data insights to make effective marketing decisions. Data from platforms such as Arrivalist measure the way media influences decisions to travel to a particular destination. This type of data more accurately demonstrates a return on investment than relying on hotel occupancy and revenue as performance measurements.

Looking at the bigger picture - Is the role of a destination marketing organization changing? Trends are showing that DMO's are shifting their focus from promotion to product, seeing promotion as a role of the visitor. Utilizing the variety of digital tools travelers can easily share their experiences and build awareness and interest in a destination.

How can a DMO shift its focus on the visitor experience in order to deliver the right destination experience that creates brand advocacy from visitors and residents alike? (Destination Think, Leading Your Destination Into the Future, 2016)

Travelers interested in festivals and special events account for 34.5% of leisure travelers. Event travelers have a mean age of 40, 53.8% are college graduates, this group has a higher annual travel budget, takes 5.1 leisure trips annually and actively use social media to plan their travels. (*Destination Analysts Traveler Segment study, Summer 2017*). Discover Kalispell includes destination events as a major strategy to increase visitations during shoulder and winter months. Our 2017 signature events were impacted by changes in climate, including the wildfire smoke and fluctuating winter conditions, which causes two annual events to be cancelled. Discover Kalispell will build on the six year success of the events by reevaluating current offerings and looking at new opportunities that are less reliant on climate fluctuations.

Destination marketing trends and tools are constantly changing. How to best connect with your audience today will be different a month from now. It is a challenge for DMO's to manage the always-changing social media channel algorithms as well as the numerous other content marketing tactics. Facebook rolled out significant changes in 2018, which forced DMO's to reexamine the social media strategy. Why is social media an effective marketing tool? It allows a destination to talk to visitors and potential visitors and builds word of mouth (WOM) recommendations. Social media's ROI is brand awareness – a tool to grow interest in the destination. To measure the effectiveness of a social media strategy is to increase social engagement as a percent of total followers.

“Companies should focus more on how to BE social, and less on how to DO social media”. (Jay Baer, ConvineandConvert.com)

Just when we were all focused on mobile, trends now show that many traveler groups prefer their desktop computer. 30% strongly prefer laptop to research activities and attractions, with the strongest affinity for desktop by Boomers and the growth in mobile addition is slowing across all demographics. (*Destination Analysts, State of American Traveler, Mobile Edition, Fall 2017*)

DMO's marketing strategies need to be ready to meet the key market visitor where they are today and be ready to go where they are tomorrow. (7 Destination Marketing Trends for 2018, Devin Meister, Wilson Advertising)

The Montana Visitor – Winter Enthusiasts

The winter enthusiast traveler is primarily a ski vacation audience, but when provided a list of 37 winter destination attributes and asked to select which were important to evaluating a destination, 58.9% selected outdoor activities other than skiing or snowboarding. When asked to select the three most important attributes for a winter recreation destination, superior snow quality, outdoor activities other than skiing and snowboarding, and general/overall costs in the destination received the most votes. This is good news for Montana and Kalispell. Outside of superior snow quality which can fluctuate year-over-year, our area offers abundant options for winter experiences and the cost of our destination is lower than the better known winter recreation places such as Colorado and Utah. And when winter enthusiasts take into consideration Montana's beautiful landscape, national parks, and wildlife those travelers have a growing aspiration to choose Montana. (*MOTBD Winter Enthusiast Research, January 2018*)

Discover Kalispell directs approximately 70% of the annual marketing campaign dollars to the winter season. MOTBD is revisiting their winter campaign strategy and is expected to increase their winter marketing budget. Discover Kalispell will plan to coordinate and partner with MOTBD and Glacier Country to promote a consistent message that most effectively speaks to the winter enthusiasts' propensity for quality snow, affordability and other activities, which we know we can deliver on.

Meeting, Convention and Group Travel

Research conducted by Destination Analysts surveyed 569 meeting planners with corporate, association, and third-party planners, as well as those who plan city-wides and those solely focused on self-contained meetings. Here are some of their findings:

Top five most important components in measuring success of a meeting or event, and the type of planner who rated them the highest:

- Attendee satisfaction 38.3% - SMERF Planners (43.0%)
- Number of attendee registrations 36.0% - Association Planners (50.3%)
- Client satisfaction 30.2% - Third-Party Planners (54.3%)
- Achieving meeting goals 28.8% - Corporate Planners (40.0%)
- Staying within the budget 14.4% - Corporate Planners (19.2%)

Top 5 most important attributes for a meeting location and the type of planner that rated that value the highest:

- Geographic location 91.0% - Third-Party Planners (93.4%)
- Hotels – quality 89.3% – Third-Party Planners (93.4%)
- Meeting facilities 89.1% - Association Planners (92.3%)
- Hotels – rates 89.1% - Third-Party Planners (92.1%)
- Overall cost of holding a meeting in the destination 88.2% - Association Planners (92.3%)

(Destination Analysts in partnership with Destinations International and Miles)

While a CVB's role in the meetings process is largely described as a "one-stop shop" for destination expertise, there is notable lack of specific knowledge of many functions and services a CVB provides. In the Destinations International study, meeting planners were asked in an open-ended format, to describe a CVB's role in the meeting planning process:



Despite being a slightly lower measure of success compared to attendee satisfaction, issues related to cost are largely the key challenges meeting planners face in executing a successful meeting. CVB's that can assist or otherwise provide relief in this area are likely to be highly valued. Kalispell is the perfect meeting destination to support meeting planner preferences. Our iconic location near Glacier National Park, quality hotels, ability to help planners combat the overall meeting cost compared to larger cities, and being a one-stop-shop.

Discover Kalispell utilizes monthly, quarterly and annual campaigns to promote the professional services provided through the KCVB. In addition to the downloadable Kalispell Meeting Guide a quarterly newsletter is sent to the meeting planner database, articles are posted regularly to Discover Kalispell LinkedIn profile, and we educate the local business community and tourism stakeholders on the economic impact achieved through meetings and group business. This is achieved through presentations, monthly newsletters, and incentives to refer a meeting or conference through the Bring It Home Campaign.

According to STR's recent study of meeting planners (DestinationMAP), almost two-thirds of all meeting planners attended at least one conference in the past 12 months (2017). Listed as the preferred trade shows and conferences are: IMEX, MPI (Meeting Professionals International), ASAE (America Society of Association Executives), PCMA (Professional Convention Management Association) and Connect. Discover Kalispell's continued attendance at IMEX and Connect give us the ability to meet new planners and build on existing relationships. Additionally, hosting a FAM for meeting planners who have never been to Kalispell, is a cost effective way to validate Kalispell as desired meeting destination.



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. 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 with Montana region and CVB representatives.

During FY18, Discover Kalispell participated in MOTBD Family Fun print advertising match campaign. We will evaluate the available joint venture opportunities in FY19 and participate if it fits within our marketing strategy and budget.

In the local market Discover Kalispell regularly meets with 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. Discover Kalispell provides funding for the West Glacier VIC. Due to the increased visitation and overcrowding during July and August, GNP and Glacier Conservancy staff have assisted by promoting activities and attractions outside of the park during the annual park staff training, making information and resources outside the park available to park visitors, and staffing the VIC at the West Glacier Belton Depot. Discover Kalispell is a member of the Flathead County PATHS Committee, whose vision is to create safe and convenient networks of multi-use trails connecting Flathead County communities, schools, parks, and public lands for the benefit of area families, the economy and the environment.



Marketing Plan Goals and Objectives

Goals

1. Generate increased press and public awareness of Kalispell in targeted U.S. and International markets.
2. Build relationships with visitors as demonstrated through increased usage and engagement with our key platforms.
3. Grow winter and shoulder season visitations.
4. Acquire applicable research to understand the ROI of KCVB initiatives and incorporate data insights to make effective marketing decisions.
5. Promote Kalispell for tour group travel, domestic and international.
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 and involvement in the downtown and core area redevelopment projects.

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 15% over FY18.
3. Increase consumer database by 7% over FY18 (equates to additional 1,000 opt-in subscribers).
4. Gauge interest in Discover Kalispell social media channels by measuring the level of engagement. Obtain an average post engagement equal or greater to 10% of total followers.
5. Generate 10 media stories in target markets through public relations efforts.
6. Maintain crisis communication plan to effectively communicate with Discover Kalispell's audience and to assist local businesses and stakeholders.
7. Host two press trips with travel media from key markets.
8. Successfully produce KCVB signature events: on budget and with increased economic impact to community.
9. Provide sponsorship through the CVB Event Grant program for new or expanding events or sports tournaments that have long term growth potential during off-season.
10. Increase database of qualified and interested meeting planners by 30% over FY18.
11. Retain engagement of meeting planner database through quarterly newsletters.
12. Attend two regional tradeshows to promote Kalispell as a meeting destination.
13. Host one meeting planner FAM of qualified planners who have never been to Glacier Country.
14. Connect and engage with meeting planners through two targeted advertising campaigns.
15. Increase referrals to the KCVB Bring It Home program by 20% over FY18.

Funding

KCVB Combined Budgets FY'19

TBID Projected Revenue	\$ 600,000
FY'18 Carryover	<u>\$ 6,000</u>
Total	\$ 606,000

Bed Tax Projected Revenue	\$ 132,000
FY'18 Carryover	<u>\$ 5,000</u>
Total	\$ 137,000

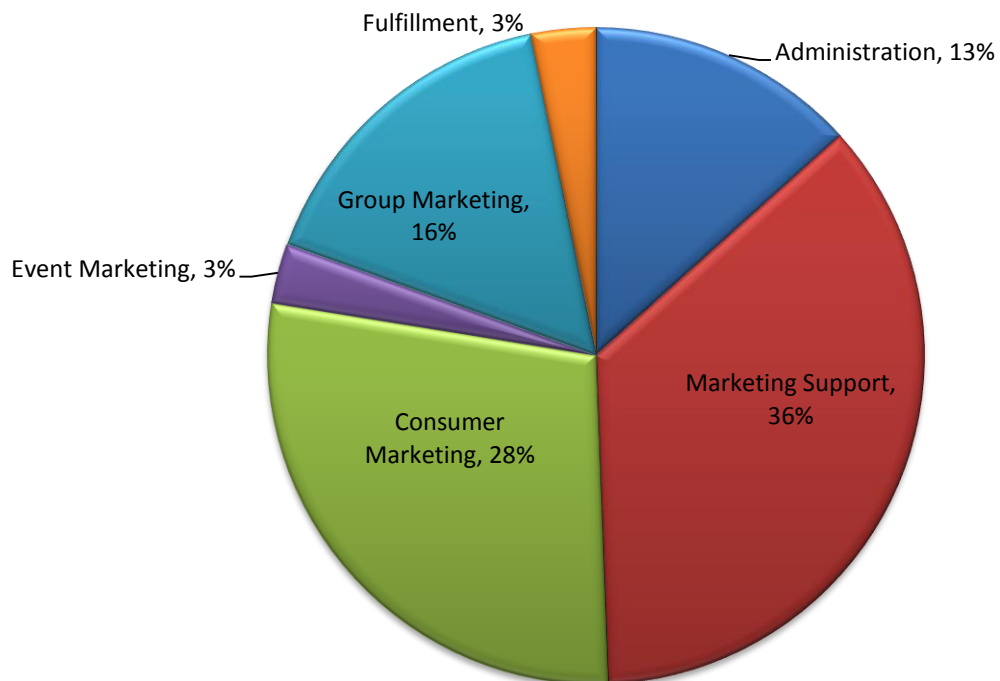
Program Description	Project	Program Total		Project	Program Total
Staffing		\$238,000	Administration		\$18,000
Operations		\$29,000	Staff employer expenses	\$11,000	
Rent	\$7,700		Rent	\$700	
Phone	\$2,800		Office Supplies	\$750	
Office Supplies	\$1,500		Postage & copies	\$1,000	
Postage & copies	\$750		Bookkeeping	\$2,500	
Audit	\$2,000		Tech support	\$250	
Bookkeeping	\$3,000		Equipment & furniture	\$800	
City of Kalispell Assessment Fee	\$5,000		Miscellaneous	\$1,000	
Travel & entertainment expenses	\$2,000				
Tech support	\$500				
Equipment, Software & furniture	\$1,000				
Annual meeting	\$2,000				
Storage Unit	\$750				
Marketing Support		\$18,500			\$48,700
Smith Travel Reports	\$6,500		TAC/Gov Conf	\$700	
Organizational Memberships	\$3,000		VIC staff - year round, seasonal	\$33,000	
Training and Education	\$3,000		Opportunity	\$9,000	
Research	\$6,000		Outreach	\$1,000	
			Wayfinding	\$5,000	
Website		\$37,000			\$ -
Maintenance and enhancements	\$0				
SEO & SEM	\$7,000				
New website	\$30,000				
Fulfillment		\$ -			\$4,300
			phone (800 line)	\$100	
			postage	\$4,000	
			supplies	\$200	

Consumer Marketing		\$80,500			\$40,000
Photo and video library	\$2,000		Photo and video library	\$3,000	
Social Media admin & advertising	\$5,000		Social Media admin & adv.	\$8,000	
Creative services	\$22,000				
Media buy: print and online	\$35,000		Online Advertising	\$16,000	
			Print Advertising	\$8,000	
Travel show attendance	\$2,750		Travel show attendance	\$2,000	
Trade show booth	\$1,000				
Airport displays	\$750				
EMarketing	\$4,000				
Visitor guide and niche brochures	\$8,000		Printed Materials	\$3,000	
Events and Sports -Operations and Promotion		\$93,000			\$4,000
Dragon Boat Festival	\$20,000		Event Promotion - press/media	\$1,000	
Spartan Race	\$23,000		Event Promotion - Social Media	\$2,000	
Winter event	\$30,000		Event Promotion - Electronic	\$1,000	
Event & sports sponsorships	\$10,000				
Event Operations Management	\$10,000				
Groups and M&C		\$80,000			\$22,000
Meeting Planner Shows	\$15,000		Online Digital Advertising	\$10,000	
Meeting Planner FAM	\$14,800		Group Marketing Personnel	\$12,000	
Meeting planner incentive	\$17,800				
Advertising/Enews	\$17,800				
Group photo and video library	\$600				
M&C collateral, website	\$5,000				
CRM System	\$6,000				
M&C memberships	\$1,000				
Sales calls	\$2,000				
Publicity		\$30,000			\$ -
Travel media press trips/FAM	\$13,000				
Proactive & reactive PR	\$16,000				
Kalispell branded merchandise	\$1,000				
TOTAL		\$ 606,000	TOTAL		\$ 137,000

*Bed Tax: If revenue DECREASES by 10%, travel show attendance and photo/video library would be decreased.

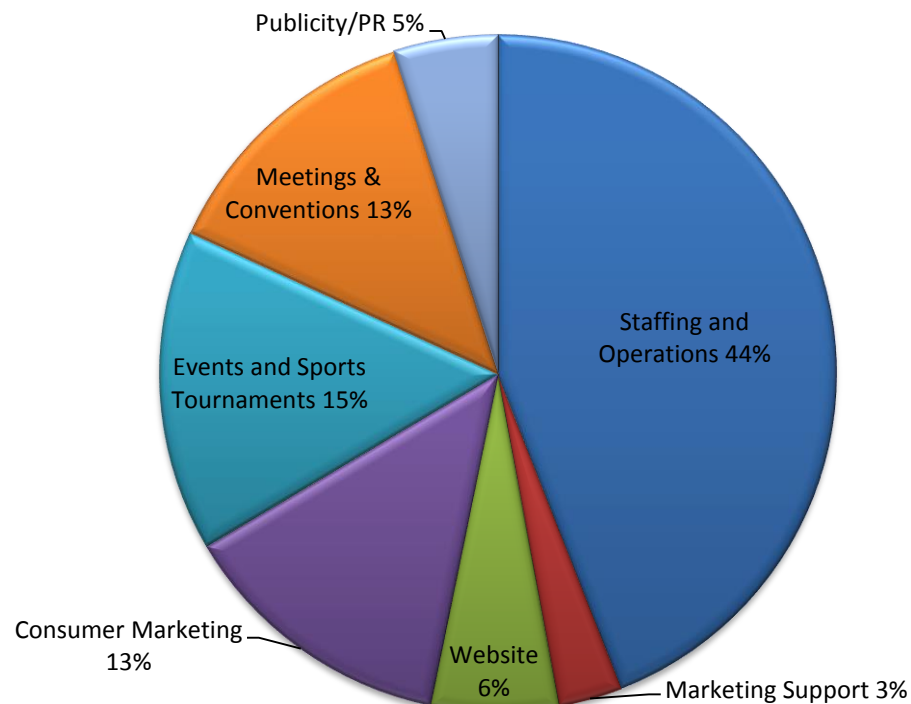
Bed Tax - Total budget = \$137,000

87% of total allocated to marketing – marketing support, consumer, event, group, and fulfillment



TBID - Total budget = \$607,000

56% of total allocated to marketing – marketing support, website, consumer, events & sports, M&C, publicity



Combined Budgets – Total budget = \$743,000

Bed Tax and TBID

62% of total allocated to marketing

