



Annual Report 2020

Discover Kalispell strengthens the economic health of Kalispell by promoting the community as an attractive travel destination and therefore enhancing its public image as a dynamic place to live and work.

IT IS A **ROUGH ROAD**
THAT **LEADS TO THE**
HEIGHT OF **GREATNESS**
LUCIUS ANNAEUS SENECA



AS WE ARE PREPARING THIS
ANNUAL REPORT, WE REFLECT ON

A year like no other

2020 started out on a high note then quickly pivoted to survival mode followed by continual adjustments based on market trends, consumer and community sentiment.

A 'NORMAL' BEGINNING

- ▶ TBID district renewal finalized.
- ▶ Seven conferences scheduled for 2020 through Discover Kalispell group sales department - 3,245 room nights.
- ▶ May 2-3, 2020, Montana Spartan Race - largest offering to date with two new races added and NBC Sports onsite to film.
- ▶ New and expanded flights at GPIA including LaGuardia weekly non-stop beginning June 2020.
- ▶ Improved visitor guide design including tear-out maps and formatted as self-mailer with bulk mail.
- ▶ Increased conversions: 30% increase in website visits; 55% increase in visitor guide requests in 2019.
- ▶ Attended trade and travel shows: Spokane Outdoor and Cascadia Conference.
- ▶ Preparing for the 3rd annual MT Indoor Soccer event – 40 teams registered.

MARCH: COVID-19 BEGAN

- ▶ Discover Kalispell adjusted by revising budget, reducing expenses, preparing for possible short- and long-term scenarios.
- ▶ Discover Kalispell pivoted from marketing and sales to advocacy, providing resources for residents and businesses to support the community and lodging industry.
- ▶ Kalispell did ok, better than national projections and competitive destinations. People wanted to come to Montana, breathe in fresh mountain air and practice social distancing.

AS 2021 BEGINS WITH CONTINUED COVID-19 CONCERNS and national unrest, Discover Kalispell remains focused and nimble to meet the next challenge, to effectively support the travel industry and reopen Kalispell's economy through tourism.

SHUTDOWN & TRAVEL RESTRICTIONS

- ▶ Stay at home and travel bans: March 28 – April 10. Messaging changed to Daydream Now, Travel Later; COVID-19 resource page added to website.
- ▶ GNP closed March 27, reopened west entrance June 8.
- ▶ Canadian border closed March 20.
- ▶ TBID: occupancy rate dropped to single digits in March. Hotels reduced staff, implemented enhanced cleaning protocols, saw future reservation cancellations. June average occupancy increased to 44% with extended stay properties performing better.

PRIORITIES FOR ORGANIZATIONAL AND INDUSTRY STABILITY

Mitigating risks:

- ▶ TBID budget reduced for FY21 from \$675,000 to \$560,000.
- ▶ Discover Kalispell furloughed staff, reduced expenses, received CARES Act grants.

Retaining brand awareness and connection with travelers:

- ▶ Maintaining connection for when time is right to travel. In-state promotions, blog and paid social advertising centered around 'Kalispell, The Backyard You Never Knew Existed'.
- ▶ Newsletters to consumer, meeting planner and tour operator contacts: 9 newsletters, 77,136 recipients, avg open rate 33%
- ▶ 80% of groups booked by Discover Kalispell group sales for 2020 rescheduled into 2021 and 2022.

Resource for information and industry advocacy:

- ▶ Regular newsletters to TBID Members providing local news, data and resources, global trends and articles of interest.
- ▶ Tourism Crisis Management Group convened for discussions with area industry partners. April onward.
- ▶ Championing local business while advocating for safe and responsible travel. Example: Spring shop local campaign and promoting restaurants with take-out and delivery.

Daydream Now. Travel Later.

While now is not the time to travel, we're daydreaming about a future trip to Montana right along with you. As you stay safe at home for a little while longer, we hope you'll find travel inspiration, tips, deals and more in this newsletter. And when the time is right, our rivers, trails and mountain town will be right here waiting for you.

TRAVEL RESUMED

- ▶ June 1st the 14-day quarantine was lifted.
- ▶ Reopened the visitor information center with safety and cleaning protocols in place.
- ▶ Resource pages: What To Expect When You Visit and blog articles to share latest information on travel and trip ideas.
- ▶ Promoting clean and safe experiences when traveling to Kalispell: in-state paid social, Google ad words and retargeting campaigns.



A SUMMER LIKE NO OTHER

- ▶ Travel is part of the solution to reopen the local economy. Need to balance that with priority of keeping community and workers safe.
- ▶ CARES ACT Tourism Safety Grant messaging: signs at airport and hotels, bus wraps, radio ads, banner ads, Mask Up for MT window clings, safe travel videos.
- ▶ Our area saw a different type of visitor this summer which caused a growing resentment within the community towards visitors.
- ▶ Provided resources to help visitors build travel-safe itineraries. Examples: road trip itineraries and in-state and regional drive market promotions.
- ▶ TBID work session with Flathead County Health Department providing input on health directives for lodging facilities.
- ▶ Increase in drug and illegal activity at hotels – reinstated TBID Safety Awareness network.
- ▶ Contracted with The Abbi Agency - visual brand refresh and improved reach and ROI for campaigns.
- ▶ Maintain organizational stability: strong cash balance, staffing wages offset by CARES Act grants, shifting responsibilities to meet demands, TBID revenue higher than projected.
- ▶ TBID: occupancy in July averaged 66.8% (-21%), August 72.3% (-8.4%). Short booking window of 1-3 days, staff shortages, unrealistic expectations by guests.

Come Discover Kalispell. Join Us In A Shared Commitment to Keep Montana Healthy.

We do lots of simple things to protect ourselves in the outdoors. Like carrying a map, sticking with our group, knowing how to act around wildlife. While traveling in Montana during COVID-19, Kalispell reminds you to be considerate, kind, wear face coverings and give others room.

WRAPPING UP 2020

- ▶ Tourism Safety grant – information distribution and digital marketing campaigns expanded to regional drive and direct flight markets.
- ▶ Group RFP's and inquiries increase – seven received between Oct-Dec (63% of total received in 2020).
- ▶ Creating hybrid and virtual meeting resources and packages to promote to meeting planners.
- ▶ Shop Local Shop Safe promotions.
- ▶ TBID editorial in Daily Inter Lake and Flathead Beacon – Tourism, the Little Engine That Can.
- ▶ Winter digital campaign launched utilizing new photo and video assets: SEM, paid social, streaming radio, LinkedIn.

Safety First, Adventure Second

We're big believers that winter is what you make it. And with wide-open spaces, a mix of outdoor and indoor activities and local businesses that are dedicated to safe spaces, it's time to create winter memories in the soul of Montana. Come winter in Kalispell.

OCCUPANCY AND REVENUE - 2020



JANUARY - MARCH

OCC 32.4%, 5.6% decrease
ADR \$72.45, 1.9% decrease
TBID Revenue: projection 20% decrease; actual 5% decrease



APRIL - JUNE

OCC 30.9%, 44.6% decrease
ADR \$76.65, 19.5% decrease
TBID Revenue: projection 75% decrease; actual 46% decrease



JULY - SEPTEMBER

OCC 70.6%, 9.9% decrease
ADR \$127.09, 12.4% decrease
TBID Revenue: projection 40% decrease; actual 13% decrease



OCTOBER - DECEMBER

OCC 37.3%, 1% decrease
ADR \$73.67, 0.44% decrease
TBID Revenue: projection 50% decrease; actual TBD

Jumping Ahead TO NEW POSSIBILITIES



JANUARY THROUGH JUNE 2021

- ▶ Reevaluate mission and reprioritize based on travel trends, consumer confidence and community sentiment.
- ▶ Community driven destination growth. Example: Recreate responsibly outreach, safety messaging, campaigns to support local businesses, co-branding partnership with Kalispell Chamber.
- ▶ Where will future growth come from? Mobile locator and credit card spending data enable Discover Kalispell to know who is traveling to Kalispell and adjust our ad campaigns accordingly.
- ▶ Brand promotion – The Abbi Agency directing logo redesign, full launch of marketing and sales programs.
- ▶ Restart events – Montana Indoor Soccer Championship hosting outdoor soccer event in early spring; Spartan Race scheduled for May 1 & 2 with full menu of races offered.
- ▶ Spring and summer visitations predicated on:
 - o Traveler confidence due to pandemic and economy
 - o Local and state COVID conditions
 - o Canadian border reopening
 - o Status of GNP - East side reopening
- ▶ Groups and M&C industry – restart for the industry projected for September 2021:
 - o Discover Kalispell working closely with planners, hotels and activity providers to set up itineraries for groups that had rescheduled for 2021.

TBID Projected Revenue – YOY change

- ▶ January - March: projecting 50% decrease
- ▶ April-June: projecting 0% change



May 2021 bring you open roads, new adventures and happiness.

Business RECOVERY STRATEGY

JULY THROUGH DECEMBER 2021

- ▶ Grow revenue by Identifying high-value visitors for 2021 through mobile locator data and effective retargeting campaigns.
- ▶ Consumer confidence towards travel – monitor weekly through Destination Analyst, website traffic and visitor guide requests. Remain nimble, adjust messaging and marketing as needed.
- ▶ Destination stewardship – communicating with visitors when they are here, demonstrating to residents the value of tourism and our commitment to responsible travel and recreation.



When travel returns, which it will, destination promotion competition will be fierce and crowded.

- ▶ Group business: Four groups scheduled for September, two for October - 2,077 total room nights.
- ▶ Scenarios for GNP: 1) like 2020 with issues of overcrowding, possibly without shuttles or red buses, or 2) east side open, shuttles and red buses running, continued increase in visitations. Work with land managers – GNP, FNF, State Parks – to mitigate overcrowding, directing visitors to other assets in Kalispell and providing guidelines to recreate responsibly.
- ▶ GPIA: anticipate return to flight schedule and larger aircraft and restart of terminal expansion project.
- ▶ Anticipation of events returning: Three Blind Refs - Rebecca Farm - Under the Big Sky Festival - NW Montana Fair.

TRAVEL PROJECTIONS

- ▶ Destination Analyst data indicates that 2021 will be approximately 39% of 2019 levels.
- ▶ Longwood International – 50% are planning to visit family and friends on first trip in 2021 with vast majority planning to travel by car. About 40% plan to wait until after vaccine distribution.
- ▶ NW Montana predicted to fare better than the national average with the continued focus on outdoor and less crowded destinations and experiences.



DISCOVER KALISPELL LODGING PARTNERS

- | | |
|--------------------------------|----------------------------|
| Aero Inn | Holiday Inn Express |
| America's Best Value Inn | Homewood Suites by Hilton |
| Best Western Plus | Kalispell Grand Hotel |
| Flathead Lake Inn & Suites | Kalispell Super 8 |
| Best Western Plus | Marriott Springhill Suites |
| Kalispell Glacier Park West | Montana Base Camp RV Park |
| Blue & White Motel | Motel 6 |
| Econo Lodge | My Place Kalispell |
| Fairbridge Inn & Suites | Quality Inn |
| Glacier Ridge Suites | Red Lion Hotel |
| Greenwood Village Inn & Suites | Sherman Lodge |
| Hampton Inn | Travelodge |
| Hilton Garden Inn | |

Whether you're exploring its beautiful downtown or taking a scenic drive, Kalispell, Montana is the perfect place to relax.



KALISPELL CONVENTION & VISITOR BUREAU

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