

Application Summary

Application: FY26 DMO Plan - Bozeman Area Chamber of Commerce

Applicant: Bozeman Area Chamber of Commerce

Funding opportunity: FY26 DMO Plan

Application Responses

Organization Name: Bozeman Area Chamber of Commerce

First Name: Daryl

Last Name: Schliem

Street Address 1: 2000 Commerce Way

Street Address 2:

City: Bozeman

State: Montana

Zip: 59715

Funding Opportunity: FY26 DMO Plan

Amount Requested: 681,742

TAC Approved Budget: 681,742

General Description Information

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

1a. Destination:

Who we are:

Bozeman, Montana is known for its vast outdoor recreation, including two world-class ski areas, proximity to two of the five entrances to Yellowstone National Park, and its rich cultural offerings including shopping, dining, live music and theater. It's an outdoor mecca of hiking, biking, fishing, rafting, backpacking, horseback riding, skiing, and climbing. Home to Montana State University, a thriving technology sector, and stellar air service, what was once a quiet cowboy town, is now a vibrant tourist destination, and a sought-after location for new businesses.

In 2024, the Institute for Tourism and Recreation (ITRR) estimated 4,078,000 people traveled to Bozeman, approximately 30.4% of all visitors to the state. 2024 lodging tax revenues in Bozeman total \$5,180,057, down slightly from the previous two years, but still close to double pre-pandemic revenues.

Bozeman Yellowstone International Airport is the busiest airport in Montana, with another record-breaking year hosting 2,642,707 passengers, an increase of 178,382 passengers over 2023 numbers. Serviced by nine airlines, we have over 20 non-stop flights to major cities across the U.S, with new flights this past winter from Boise, Idaho, Boston, MA, and New York City. Construction is currently underway to expand the east terminal adding three gates, additional baggage claim, a second security checkpoint and an expanded runway.

All of this combines to make Bozeman an attractive, and easily accessible destination for year-round travel.

Who we wish to attract:

Bozeman has traditionally attracted mountaineering men and women who have a clear appreciation for outdoor recreation, preserving our natural landscapes, and the Montana way of life. These visitors come from our own state, as well as the neighboring areas of Wyoming, Eastern Idaho, and Eastern Washington. 2024 data from ITRR confirms these areas are still important travel groups, with 9% of nonresidents coming from Idaho, and 8% coming from Washington.

Our goal is to continue to invite visitors from Montana and our neighboring regions who share the same love of outdoor recreation, respect for Western hospitality, and who are close enough in proximity to experience the area during the less busy times of year. We are also working diligently with meeting and convention planners, and continuing to draw big sporting events such as the Spartan and Belgian Waffle Races.

Why they would come:

Bozeman is an outstanding blend of outdoor recreation and rich cultural activities including shopping, dining, theater, live music and art. It's a great destination for getaways, particularly for regional and in-state residents who can enjoy events such as festivals, rodeos, fun-runs, and other year-round community events.

In FY25, Visit Bozeman contracted Future Partners to conduct a Regional Sentiment Study. The study found that most regional residents held a favorable view of Bozeman as a leisure destination, with 79% of recent visitors saying there is a high likelihood they will return. 44% of all visitors were from Montana, and three-quarters say they plan to visit again within the next two years, citing access to warm-weather outdoor recreation and Yellowstone National Park as the key draws.

Other drivers included unique things to do, family-friendly activities, visiting friends and relatives, and attending special events, festivals or shopping experiences. Overall, trip satisfaction is high, even though accommodation costs and overall affordability rank low.

1b. Strengths:

Bozeman's mix of outdoor recreation, rich culture, and ease of access makes it a desirable destination for those who love the outdoors while still appreciating a rich cultural experience.

Outdoor Activities

- Access to Yellowstone National Park; 4,744,352 visitors visited Yellowstone in 2024, and Bozeman sits between two of the busiest entrances.
- Thousands of miles of trails for hiking, biking, backpacking.
- World-class skiing at Bridger Bowl Ski Area and Big Sky Resort.
- Several State Parks and Historical Sites are within driving distance: Missouri Headwaters State Park, Madison Buffalo Jump, Virginia and Nevada Cities, and Lewis and Clark Caverns.
- Nordic Skiing opportunities: Crosscut Mountain Sports Center and Bridger Ski Foundation.
- Multiple hot springs.
- Close to four major rivers for fishing and boating.

Bustling Downtown

- Abundance of restaurants, breweries, and live music.
- Wide array of shopping including retail boutiques, art galleries, flagship brands and outdoor gear.
- Walkable downtown with several hotel options.
- Montana State University brings lectures, sporting events, music, and cultural entertainment, along with a lively college town vibe.
- High-quality museums: Museum of the Rockies, Gallatin History Museum, American Computer and Robotics Museum, Bozeman Art Museum.

Ease of Travel

- Bozeman Yellowstone International airport is the busiest in the state with over 20 non-stop flights to major cities across the U.S.
- Minimal traffic and easy, scenic drives.
- Large variety of lodging options.
- Bozeman is centrally located within Montana making it easy for visitors from all over the state of Montana.

Other Strengths

- Community partnerships between the Bozeman DMO, Yellowstone Country, Visit Big Sky, Big Sky Resort, Yellowstone Club, Montana State University, Gallatin Valley TBID, and the Bozeman Area Chamber of Commerce are working to increase both tourism and business development.

1c. Opportunities:

The Visit Bozeman Regional Sentiment Study 2024 found trip satisfaction to Bozeman to be high, even though accommodation costs and overall affordability rank low. 79% of regional residents, and 72% of Montana residents say they plan to visit Bozeman in the next two years citing access to warm-weather outdoor recreation and Yellowstone National Park as key draws. This tells us our biggest opportunity lies with Montana and other regional residents to fill hotel rooms year-round.

- Invite Montana residents and regional neighbors to rediscover Bozeman, showcasing the new offerings in accommodations, dining, shopping and entertainment.
- Drive visitation during shoulder and winter seasons by promoting the “Montana Rate;” discounted rates for Montana residents.
- Partnerships with MSU and our community welcoming prospective students, families, and visitors to Bozeman. Through the admissions partnership program, MSU offers exclusive deals on lodging and rental cars, making their visit easy, affordable, and enjoyable. This partnership supports MSU Fridays, Orientation, and STATE Days.
- Montana High School Association Event Rate.
- Create more packages similar to the Southwest Airlines Employee Incentive Package
- Bring new visitors to town through sporting events such as Spartan and Belgian Waffle Races, both with high volumes of followers.
- Discussions to begin around non-stop flights to Canada and the UK.
- Increased momentum around building a convention center.
- Collective effort among the tourism stake holders to bring more events to Bozeman to fill hotel rooms outside of leisure travel.
- High likelihood of return visitation, especially among Montana and regional residents. (ITRR Nonresident Visitor Study, 2024 and Future Partners, Resident Sentiment Study, 2024)
- High percentage of people visiting family and friends (21% in 2024.) (ITRR Nonresident Visitor Study, 2024)

1d. Potential Challenges:

Bozeman’s biggest challenge is the perception that it’s too expensive, which has led to less interest from Montana residents visiting Bozeman for leisure travel and sporting events. While Bozeman’s ADR is higher on average, there are still plenty of affordable lodging options on the off season. However, the rates do increase significantly during the busy season. This, coupled with the increased inventory coming online presents a challenge in keeping rooms filled year-round.

- Hotel inventory coming online could saturate the market; 2,856 new hotel rooms are under construction or are in the planning stages in the Gallatin Valley, bringing the total to 6,353, almost double the current number.
- Most leisure visitation is condensed to summer months. Need to fill hotels in the shoulder seasons.
- Declines in interest with in-state visitation.
- Perception that Bozeman is too expensive. Actual ADR is perceived as higher than it is.
- Overall economic concerns of visitors.
- Not enough meeting & event space to attract larger events or fill hotel rooms consistently in the off season. As a result, we conducted a Lead Generation Survey done through a professional vendor, Smart Meetings, to generate leads for our hoteliers. Also conducting round table discussion with DOS and Sales Teams to see how we can best connect them with these leads year-round.

- Workforce challenges; housing prices and lack of childcare adding to staffing issues.
- Difficult to attract sports tournaments with the perception that Bozeman rates are higher than other cities. As a result, we have implemented a Sports Facility Study and Inventory Guide to help identify deficiencies in our market and what is currently available or not available.
- Lack of sports facilities to hold major events.
- Pent up demand for international travel could result in more competition.
- Congestion in Yellowstone National Park during the summer months.
- Perception that Yellowstone and the USFS are not open due to federal layoffs.
- Growing local sentiment resisting increased visitation and population growth.
- Maintaining infrastructure with increased pressure from visitors and residents.
- Significant weather events, including poor snow, bitter temperatures, poor road conditions, increased wildfires, or water restrictions.
- AI travel planning has changed how people plan their travel making it more difficult to reach them in the planning phase.

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2. Briefly describe how your destination aligns with the Montana brand or describe the Brand strategy for your DMO.:

Brand Statement:

Bozeman brings together the pristine outdoors, access to the renowned wilderness of Yellowstone National Park, a bustling downtown, and a community feel all in one place. Plus, it's never been easier to visit. It's the ideal vacation destination with all the best things in life at your fingertips.

Brand Messaging Pillars:

Outdoor Activities

- Access to Yellowstone National Park
- Thousands of miles of trails
- Two ski areas within an hour

MT Brand Pillar: More spectacular, unspoiled nature than anywhere else in the lower 48.

Bustling Downtown

- Restaurants, breweries, and nightlife
- Trendy, local retail
- Walkable downtown

MT Brand Pillars:

Vibrant and charming small towns that serve as gateways to our natural wonders.
Breathtaking experiences by day, and relaxing hospitality at night.

Ease of Travel

- Direct flights/Airport
- Minimal traffic and easy, scenic drives
- Large variety of lodging options

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Destination Marketing: ✓

Destination Management: ✓

Destination Stewardship: ✓

Destination Development: ✓

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

Destination Marketing: Promoting Bozeman as a year-round getaway full of outdoor adventure, and a cultural hub of shopping, dining, and live entertainment.

Destination Management: Enhancing the visitor experience while balancing the needs of residents and preserving Bozeman's natural resources.

Destination Development: Exploring, planning and fostering sustainable practices to ensure long-term tourism growth.

Destination Stewardship: Preserving and protecting Bozeman's cultural, natural and social assets.

Destination Marketing

Outdoor Adventure Seekers: People showing interest in skiing/snowboarding, national parks, hiking, fly fishing, adventure travel, and camping. These outdoor-oriented travelers are high-potential visitors. (Montana Brand Exploration Study, 2016.)

Western Culture Seekers: Western culture has broad appeal. Outfitters and guides accounted for \$73,283,000 of non-resident expenditures in Gallatin County in 2023. (ITRR Nonresident Visitor Expenditures by Location, Gallatin County.) In addition, the television show Yellowstone and its offshoots has increased awareness of the area and added to this demographic.

Winter Enthusiasts: With two alpine ski areas, a plethora of Nordic and snowshoe trails, plus vast snowmobiling terrain, Bozeman is an ideal fit for the winter enthusiast, particularly those with a high interest in cold season activities. (Montana Brand Exploration Study, 2016.)

Families: Findings from Destination Analysts Montana Brand Exploration Survey, 2016, identified Family Travelers as a high-value segment indicating that they index high on outdoor psychographics, have high incomes, and would expect to spend more and stay longer in the state than other travelers.

Older Couples w/ No Kids: 79% of visitors to Gallatin County in 2024 were 55+, and 50% of visitors are traveling as a couple. (ITRR Non-Resident Study, 2024.) This segment has a more flexible schedule, disposable income, and an appetite for adventure. They still seek the ease of travel and the comforts they expect in larger markets, but they are drawn to National Parks as bucket list destinations, including Yellowstone.

Conferences and Meetings: As our hotels expand, we gain capacity for conferences and meetings.

Sports Tournaments and Events: Working in collaboration with the Gallatin Valley Tournament Committee and the Gallatin Valley TBID, we focus on statewide and regional tournaments inside and outside the Montana High School Association. Created a MHSA Event Rate.

Film: With state incentives working to encourage filmmakers to bring their work to Montana, we welcome the opportunity to collaborate with the Montana Film Office whenever possible. Upon request we will work with filmmakers that look to Bozeman as a potential film location.

Destination Development

In-state and Regional Visitors: Creating packages that incentivize in-state and regional travelers. Opportunity to encourage visitation during less popular times of year. ITRR Non-Resident Visitor Report, 2024, found 67% of visitors come to Bozeman by auto or truck.

Meeting & Events: Bozeman is placing more emphasis on developing a more diligent approach to increasing awareness as a great place to hold meetings and events through engagement with Meeting Planners. This year we plan to host a Meeting Planner FAM Trip to familiarize them with Bozeman, its offerings and all there is to do around the area.

Destination Management and Destination Stewardship

Bozeman Residents and Business Owners, Tourism Partner Stakeholders: Educating our local population about the positive economic outcomes of tourism. Partnering with local organizations to amplify our messaging.

Visitors to Bozeman: Partnering with Outside Kind, educate those visiting Bozeman about trail etiquette, safety, and resource preservation across various outdoor activities.

GEOGRAPHIC TARGETS

Outside of the region, our target markets are tied very closely with our direct flight markets as we have seen visitation and website traffic from these markets.

Top Tier	
National	Regional
Denver	Montana
Seattle	Idaho
Los Angeles	Wyoming
Dallas	Spokane
	Salt Lake City
Second Tier	
Minneapolis	Boston
New York	Dallas
San Francisco	Chicago
Atlanta	Washington D.C.
Phoenix	North Dakota
Florida	Philadelphia
Las Vegas	Portland
Emerging Marketings	

New York City	Boston
Washington DC	North Carolina
Michigan	Nashville

3b. What research supports your DMO strategy? :

Visit Bozeman, Regional Sentiment Study 2024

Key Findings:

- Regional residents feel positive about Bozeman, but Montana residents are lukewarm.
- 42% of Montana residents feel Bozeman is losing its authenticity.
- 62% of regional residents feel too many people are moving from the outside, which is affecting the culture.
- 55% of people feel Bozeman is a destination for the wealthy, while 40% feel it's a good value.
- Strong likelihood to visit in the next two years (79% of regional residents, and 72% of Montana residents.)
- Highlighting unique things to do that offer value or appeal to families can help with conversion.

ITRR Nonresident Visitor Study 2024

Key Findings:

- 4,078,000 visitors in 2024, accounting for 30.4% of the state visitors as a whole.
- 79% of visitors are ages 55+
- 50% of visitors are traveling as a couple
- 67% of visitors entered Gallatin County via automobile or truck
- Top Residences of Visitors:
 - ID 9%
 - WA 8%
 - TX 7%
 - CA 7%
 - MN 6%
 - ND 4%
 - CO 4%
 - WY 4%
 - WI 4%
 - France 3%
 - UT 3%
- 46% of visitors visited Yellowstone National Park
- Visitors expressed positive sentiment amount of open space, wildlife viewing, welcoming attitudes, and restaurants serving local products

Meeting Planner Surveys

Key Findings

July Survey: https://www.dropbox.com/scl/fi/kx41v11a11r93p6a7q13m/Bozeman-CVB_July-Survey.pdf?rlkey=hy9c5fmxeg8u4wf9sqgvrmytr&dl=0

September Survey: https://www.dropbox.com/scl/fi/n8hrkld57k5jd203hbr3r/Bozeman-CVB_September-Survey.pdf?rlkey=pgwo2hh7hww96nyt2161ccrqg&dl=0

- Bozeman has a lot to offer as a meeting destination

- There is a sweet spot for meetings below 500 people that Bozeman could go after
- Awareness and/or perception is probably impacting Bozeman
- Shoulder seasons are a great time for meetings
- We need to get Meeting Planners to Bozeman

Other Research Used

- CoStar Data - STR Reports
- Air DNA
- Montana Department of Commerce
- Placer.AI - Visitation Data
- ITRR Nonresident Expenditure Study, 2023
- Visit Bozeman Website
- Google Analytics

3c. What are your emerging markets?:

Geographic Markets

- The East Coast has been strong this winter
 - NYC, Boston, Washington DC, Florida
 - Getting People here: Marketing direct flights from these markets
- Regionally - Eastern Idaho, Idaho Falls DMA
 - Getting People Here: Promoting Weekend getaways & events

Emerging Psychographic Markets

Retirees: We are seeing a larger percentage of older demographics that have more disposable income and aren't tied to the school year. We can continue to nurture this audience by advertising in publications that are popular to that demographic and utilizing targeting opportunities through digital marketing.

Entertainment Seekers: The Elm, a music venue, opened in 2021, brings in a wide array of musical talent several times per week. In addition, The Rialto, Brick Breeden Fieldhouse, Ellen Theatre, Emerson Cultural Center, and the Willson Auditorium all bring in top-notch national, regional, and local music, theater, dance, and comedy.

International Travelers: Canada and the Asian Pacific Rim have traditionally been good markets for Bozeman. However, with the current political climate, visitation from these areas could decline. This year we will be working with WestJet and Air Canada to see if we can possibly put a direct flight into play for these travelers. With Canada having precheck and a lot of Asian Pacific Rim travelers it could help us maintain and / or increase our market share.

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

Destination Marketing:

Goal: Increase lodging revenue.

Strategies/Tactics:

- Create targeted campaigns in drive markets specifically in winter and shoulder seasons to invite Montana and regional residents to "Rediscover Bozeman." Tactics will include paid media, earned media, social media, paid

social, video and content creation.

- Continue to create itineraries to entice specific demographics to visit Bozeman.
- Focus on storytelling, utilizing long form video that can be broken into smaller stories.
- Partner with Yellowstone Country and other DMOs to host travel writers and influencers.

Destination Management:

Goal: Provide regular, consistent reporting with data on visitor trends.

Strategies/Tactics: Provide data to board members in the Marketing Dashboard to help the DMO and hoteliers make educated marketing decisions.

Destination Development

Goal: Increase visitation from in-state residents and nearby drive markets.

Strategies/Tactics:

- Create incentives and packages for Montana and regional residents to visit Bozeman.
- Continue to explore the viability of a convention center.

Goal: Create Awareness in the Meeting Planner Community

Strategies/Tactics:

Host a meeting planner FAM trip using the contacts that completed our two surveys from July and September. Connect them with the sales teams at our local hotels, tour them around the various venues, allow them to explore the Downtown area, take them to a nice dinner, show them all the recreational opportunities Bozeman has to offer.

Destination Stewardship

Goal: Improve resident sentiment toward tourism.

Strategies/Tactics: Continue our partnership with Outside Kind, which includes Gallatin Valley Land Trust, Bridger Ski Foundation and Friends of Hyalite. Tactics including helping to re-work trail signage for the Be Good to Bozeman campaign.

4b. How will the addition of LFST funds enhance your overall goals?:

The additional LFST funds will be put toward digital marketing to help broaden our reach to our regional markets.

5. Define and describe your overall objectives. Objectives are formed from your goals. They are logical, attainable steps to achieve the goals and are able to be measured.:

Objectives/Metrics/Evaluation:

OBJECTIVES	MEASURABLE METRICS FOR SUCCESS	REPORT THE METRIC ACHIEVED	EVALUATION OF SUCCESSFUL METRICS
<u>Destination Marketing:</u>	Increase 12 Month Average REVPAR by 5% to \$135.33 to \$142.10 (Measured in CoStar)		

Objectives: Balance hotel occupancy during traditionally slower times of year.			
<u>Destination Management:</u> Monitor travel trends and modify marketing and sales strategies as needed.	Publish 12 months of consistent reports on the DMO website.		
<u>Destination Development</u> Change the narrative/perception that Bozeman is too expensive.	Increase in-state visitation by 5% (measure in Placer.AI)		
<u>Destination Development</u> Attract more corporate meetings or events during the shoulder seasons to Bozeman.	Host at least one FAM trip and develop a plan/strategy for hosting them regularly.		
<u>Destination Stewardship</u> Educate visitors about the importance of recreating responsibly.	Expand outreach opportunities for the Outside Kind campaign and the Be Good to Bozeman campaign.		

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Budget Form: BZN_FY26_DMO Budget Form LST LFUT 2.xlsx

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DMO Budget:

DMO: Bozeman Area Chamber of Commerce

Allowable Method	Budget	% Budgeted	Amend +/-	Updated Budget %
Lodging Facility USE Tax (LFUT) Budget				
Administration	\$145,074.60	20.00%		\$145,074.60
Joint Ventures	\$195,000.00	26.88%		\$195,000.00

Opportunity Marketing	\$29,667.00	4.09%		\$29,667.00
Research	\$18,000.00	2.48%		\$18,000.00
Product Development	\$45,000.40	6.20%		\$45,000.40
Education/Outreach	\$28,000.00	3.86%		\$28,000.00
Agency Services	\$7,000.00	0.97%		\$7,000.00
Marketing Resources	\$55,000.00	7.58%		\$55,000.00
Website Development (Online, Website, Mobile)	\$1,000.00	0.14%		\$1,000.00
Travel/Trade Shows	\$12,000.00	1.65%		\$12,000.00
Visitor Services	\$65,000.00	8.96%		\$65,000.00
Paid Media	\$81,000.00	11.17%		\$81,000.00
		0.00%		\$0.00
		0.00%		\$0.00
		0.00%		\$0.00
TOTAL LFUT Budget	\$681,742.00	93.99%	\$0.00	\$681,742.00

Lodging Facility SALES Tax (LFST) Budget					
Paid Media	\$43,631.00	6.01%		\$43,631.00	
		0.00%		\$0.00	
		0.00%		\$0.00	
		0.00%		\$0.00	
		0.00%		\$0.00	
		0.00%		\$0.00	
		0.00%		\$0.00	
		0.00%		\$0.00	
		0.00%		\$0.00	
		0.00%		\$0.00	
		0.00%		\$0.00	
TOTAL LFST Budget	\$43,631.00	6.01%	\$0.00	\$43,631.00	

TOTAL LFUT & LFST BUDGET	\$725,373.00	100.00%	\$0.00	\$725,373.00
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LFST Revenue Projection	43,631.00
LFUT Revenue Projection	681,742.00
Funds not spent during previous fiscal year	0.00
LFST Rollover Funds at Commerce	0.00

LFUT Rollover Funds at Commerce	0.00
Allocated Following Audit	0.00
Budget total	725,373.00

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The Narrative Evaluation report is used to a) provide a written evaluation of the Objectives and Metrics section and b) provide a written summary of how the LFST Funds were spent and the metric(s) achieved.: