

Application Summary

Application: FY26 DMO Plan - Kalispell

Applicant:

Funding opportunity: FY26 DMO Plan

Application Responses

Organization Name: Discover Kalispell - Kalispell Convention & Visitor Bureau

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City: Kalispell

State: MT

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Funding Opportunity: FY26 DMO Plan

Amount Requested: 220,616

TAC Approved Budget: 220,616

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:

Discover Kalispell is a destination marketing and stewardship organization. As Kalispell continues to grow and evolve, Discover Kalispell remains steadfast in its mission to champion sustainable tourism, foster economic vitality, and elevate the unique character of our community. The FY26 DMO Plan reflects a comprehensive, data-driven roadmap designed to harness Kalispell's dynamic growth, natural beauty, and cultural vibrancy to attract meaningful visitation year-round.

This plan outlines a holistic strategy that positions Discover Kalispell not only as a promotional entity, but as a steward of the region's future—balancing visitor attraction with resident well-being, and economic opportunity with environmental responsibility. It acknowledges the shifting landscape of tourism—marked by new travel behaviors, market opportunities, and pressing challenges—and responds with intentional goals, innovative marketing approaches, and collaborative initiatives.

By deepening community engagement, strengthening the visitor experience, and targeting high-value travelers, Discover Kalispell aims to ensure that tourism remains a sustainable and enriching force for both visitors and locals alike. FY26 marks a pivotal moment to align vision with action, and to continue building a resilient, thriving destination for today and generations to come.

1b. Strengths:

- Redevelopment: The Kalispell Center Mall is under redevelopment as the Parkline District, providing a vital face lift and new energy to downtown. Kalispell's north end continues to grow with new single-family and multi-family developments, two new hotels and new commercial office space. South Kalispell will see a new Amazon Distribution Center in 2025 and the Flathead Valley Community College will open a new \$4 million Center for Entrepreneurship and Innovation.
- Kalispell is home to the Conrad Mansion Museum, Hockaday Museum of Art, Northwest Montana History Museum, Wachholz College Center, Glacier Symphony and Chorale, art galleries, street art and juried arts & crafts shows and events.
- The Wachholz College Center, a performing arts center located at the Flathead Valley Community College, includes a 1,000-seat auditorium, lecture hall and flexible event space. The center has featured a star-studded line up of year-round national-caliber performances and events.
- Glacier Range Riders, a Pioneer league baseball team, play at Glacier Bank Park in Kalispell.
- Kalispell is in the center of iconic natural landmarks: 32 miles from the entrance to Glacier National Park, 10 miles to Flathead Lake, and surrounded by 2 million acres of Flathead National Forest. Eleven state parks in the valley provide trails, interpretative visitor services, and water-based activities.
- Kalispell's Glacier Park International Airport saw a total of 501,692 enplanements in 2024, a 10% increase over 2023. Residents and visitors have more options for business or leisure travel through increased seat capacity year-round. GPIA is undergoing a \$150 million terminal expansion to handle increased traffic over the next 20 years. Phase 1 completed March 2024, Phase 2 scheduled to open summer 2025. <https://www.gpiexpansion.com/our-story>. [Glacier AERO](#), a non-profit organization represented by Flathead Valley business and tourism industries, serves to increase winter and year-round flights through revenue guarantees and other partnerships with the airlines.
- [Workforce Flathead](#), led by the Discover Kalispell Chamber convenes students, job seekers, educators and employers to support the jobs of today and grow jobs for the future including for the travel and hospitality sector. Discover Kalispell employs student interns and provides curriculum at the high schools to educate future generations on the importance of tourism to our area's economy.

1c. Opportunities:

- As the regional trade center for northwest Montana, Kalispell is ranked as the 3rd fastest growing micropolitan area in the U.S. (Policom). This measurement shows that Kalispell is well-positioned for long-term sustainable economic strength. Moderate growth continues in healthcare, technology and innovation manufacturing and tourism.
- Discover Kalispell and the Discover Kalispell Chamber function as one organization, each working to support the local economy, community vitality, business and industry. We serve to Venture Boldly while assuring Kalispell is built to last and well-positioned for long-term sustainable economic strength.
- Shift in hotel supply: two new upper scale lodging properties are opening in 2025: Home2Suites by Hilton, and Everhome Suites adding 221 rooms to Kalispell's hotel inventory. Two economy hotel properties closed recently removing 110 rooms from inventory. Kalispell will receive a net gain of 111 rooms by the end of 2025.
- Discover Kalispell has increased our commitment to sports by directing sales, grant funding and marketing resources to support sports for the youth and adults in our area, while continuing to promote Kalispell as a sporting destination.

1d. Potential Challenges:

Travel and Hospitality Industry:

- Canadian visitations have long been a staple to the Kalispell and Flathead County economy and is the number one international market to our area generating year-round leisure travel, participation in sporting events, recreational shopping and investment in businesses and real estate. The impacts of recent US/Canada economic policies are generating cancellations of leisure trips and group

bookings.

- Recent concerns and uncertainty around tariffs, inflation, personal finances and a potential recession impact domestic leisure and group travel planning.
- Glacier National Park has continued the vehicle reservation pilot system for summer of 2025 adding a timed-entry component to the reservations. Separate vehicle reservations are now required for the west side of the Going-to-the-Sun Road, North Fork/Polebridge entrance.
- Kalispell hotel demand decreased 4.7% in 2024. Supply has fluctuated since 2022 ending 2024 at a decrease of 1.8%. RevPAR had seen steady growth since 2022 based on solid occupancy and strong ADR. (*STR*)
- Short-term rentals continued to have reduced Demand and outpacing the drop in Supply, netting a decrease in Occupancy. Total Available Listings and ADR vary per month but have generally slowed compared to the large increases we were seeing in recent years. (*AirDNA*)

Northwest Montana:

- Anticipate continued but slower business and community growth than in 2024.
- Uncertainty with federal work force, notably the potential staffing and funding restrictions with GNP and Flathead National Forest.
- Climate conditions continue to become more unpredictable and severe creating challenges when promoting outdoor recreation and outdoor sports and events. Seasonal weather impacts include low snowpack, wildfires and unhealthy air quality, low water levels impacting water recreation on Flathead Lake and fisheries throughout the region. Outdoor recreation plays an important role as a driver of visitations for Kalispell and northwest Montana. As climate events become more frequent and severe, the need for product development to attract and retain visitors becomes greater.
- Aquatic invasive species pose a threat to the Flathead Basin waterways. Introduction of non-native species disrupts the balance of native ecosystems threatening the recreation viability in our area. Discover Kalispell will continue to support FWP's communications of Clean, Drain and Dry and watercraft inspection stations.

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

We do not know what the current Montana brand is. I will say that Discover Kalispell aligns with how Montana's travel industry strives to promote the authentic Montana story, through highlighting our spectacular unspoiled nature balanced with the charming small towns, places to stay and variety of amenities and unique experiences. We focus on building a sustainable and balanced year-round tourism economy and direct our marketing messaging around responsible recreation, supporting small businesses and caring for the natural resources.

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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):

Who We Wish to Attract – definition of Discover Kalispell’s high-value visitor:

- Visitors that will stay more than one night in Kalispell.
- Visitors who are interested in fall, winter and spring travel.
- Visitors who are respectful of natural resources and strive to recreate responsibly.
- Visitors who are interested in local restaurants, craft beverages and shopping.
- Visitors who seek adventures beyond heavily trafficked areas and popular recreation sites.
- Visitors who are seeking, Sporting events, Destination events and Accessible travel resources.
- Business travelers
- Group travelers – meeting planners, domestic and international tour trade, other group travel segments such as reunions, incentive travel, niche interest groups.

Who is the current Kalispell Visitor – mobile location and credit card data informs Discover Kalispell’s seasonal evergreen and retargeting campaigns.

2024 non-resident visitors that stayed at least one night in Kalispell (ITRR):

- 2,034,000 visitors
- Average LOS: 6.6 nights. 69% of those spent in Glacier Country.
- Top U.S. geographic markets of origin: WA, ID, WI, Alberta, CA, TX, MN, NE, OR. IL
- 66% of travel groups had no first-time visitors

Top origin markets to Kalispell in 2024 (% of total devices) (Zartico):

Spokane - 13.6%
Missoula - 11.1%
Denver - 6.8%
Great Falls - 6.4%
Seattle - 5.9%

% of Visitor Spend by Category in Kalispell (% of total spend, all visitors) (Zartico):

1. Food – 50.7%
2. Retail – 23.7%
3. Gas & Service Stations – 10.6%
4. Accommodations – 9.6%
5. Transportation – 2.2%
6. Outdoor Recreation - 1.6%

Visitor credit card spending in Kalispell (2024) (Visa Destination Insights):

- Credit card spending by domestic non-resident visitors was \$211 Million, a 2.8% decrease YoY.
- Credit card spending by international visitors equaled \$16.9 Million, a 12.6% increase YOY. 93% of that spending was by Canadian visitors. Followed by Germany, Australia and UK.

Visitor credit card spend in Kalispell by quarter (domestic CMAs 2024) (Visa Destination Insights):

Q1: Missoula, Seattle, Bozeman, Great Falls, Helena
Q2: Missoula, Seattle, Phoenix, Los Angeles, Bozeman
Q3: Missoula, Seattle, Phoenix, Los Angeles, Bozeman
Q4: Missoula, Seattle, Phoenix, Los Angeles, Bozeman

3b. What research supports your DMO strategy? :

1. **A decline in Canadian visitations** will directly impact Kalispell’s visitor economy in 2025. The political climate is directly influencing personal travel decisions. People are not just canceling leisure trips—they’re canceling entire group bookings. That impacts hotels, restaurants, event venues, and local retailers.

The first quarter 2025 data quantifies the perceived decline in Canadian travel to Montana:

- Credit card spending by Canadians in Kalispell decreased 13% in Jan'25 and 36% in Feb'25 (YoY).
- Border crossings into NW MT decreased 14.8% in Feb'25 and 26% in Mar'25 (YoY)
- Kalispell hotels reported a 50% decline in Canadian room nights in March, cancellation of a CAN tour group resulting in a \$36,000 loss of revenue for one hotel, and multiple reservation cancellations by youth sports groups for spring and summer tournaments.

We will continue to monitor the data and run paid or organic social in that market at the appropriate time.

2. Lodging data reveals availability year-round. While emphasizing promotions during the shoulder seasons, it's important to note a decline in peak season occupancy at hotels and an overall slowing in short-term rental demand in the summer months.

Kalispell Hotel Performance – 2024 (STR):

- Average occupancy June-September: 79% (+1.7% YoY)
- Average occupancy October-May (2023-2024): 43.5% (-8.8% YoY)

Kalispell Short Term Rentals - data indicates a slowing compared to the steady growth of inventory and demand experienced between 2020-2022. Between January and April 2025 (YTD YoY) (AirDNA):

- Listing nights booked decreased 36%
- Listing nights available decreased 27%
- Room nights booked decreased 30%
- Occupancy decreased 5%

3. The ITRR 2023 Montana Resident Attitudes Toward Tourism report show that the perception of overcrowding and tourism's value versus negative impact appears to be improving from the record highs that were seen in 2021-2022.

- 69% of MT residents agree that the benefits of tourism outweigh the negative impacts.
- 75% of residents agree that tourism promotion by the state benefited their community economically.

The data also shows a decline in number of residents that feel that if tourism were to increase the overall quality in life would improve.

- 33% agreed or strongly agreed, down from 35% in 2022 and 55% in 2019.

4. Marketing Trends

A. 2025 Trends Report - Crowdriff

- DMOs are trying to strike the right balance between organic and paid social. They report having the most success with Meta ads, and IG Reels. Short form videos perform best according to 89% of DMO's surveyed.
- Leverage UGC and give old videos new life by adding listicles and montages.
- While 75% are concerned about AI data accuracy and 51% have ethical concerns, the majority use some form of AI and anticipate using it more in 2025.

B. What AI Means for Destination Discovery - ETourism Summit, 2025

AI is transforming how destinations connect with travelers. DMO's should be mindful to take a proactive approach of their visibility within AI and use technology to connect with visitors in real time. 42% of web traffic is now bots – if a bot doesn't find what it is looking for it moves on.

- How to be discoverable by AI: AI functions differently than SEO. AI scans content, layout and visuals versus looking for keywords. The structure of your website makes a difference whether you are discoverable.
- How to fuel AI with knowledge: translate the content you have into what AI can understand, it looks for clarity, structure and context rather than emotion and inspiration. Use an AI system that scrapes content from your website to give accurate information in your brand's voice.

- How to shift from one-way to two-way communications with travelers: travelers are already talking with AI (ChatGPT, Siri, Alexa). They aren't just searching, they are also asking questions. Look at top queries and add practical travel planning content to your owned media (direction, transportation options, timing/seasonality considerations).

C. WTF - What the Future report - Kayak

- AI Agents: virtual travel agents are the trip planning tool of the future, going as far as intuiting our needs and making planning decisions without being asked.
- Wellness: typical travel destination rankings will be influenced by wellness scores.
- Social shopping: social media is the new search engine including travel purchases. A recent study from Emplifi shows that 53% of Gen Z and 56% of Millennials have bought through social media in the past three months, compared to 39% of Gen X and 29% of Boomers.
- Mindful travel: travelers' tastes are shifting to the unexplored and being mindful of their travel impacts.

5. U.S. Market Review – Travel Demand

Downgraded travel forecasts are fueled by concerns around tariffs, unstable stock market, and slowed GDP growth.

- "Consumers' short-term outlook for income, business, and labor market conditions—dropped 9.6 points to 65.2 in March, the lowest level in 12 years." (Tourism Economics)
- "The CCI and CSI both declined again in March as consumers responded to inflationary fears and financial market uncertainty." (DestiMetrics)
- "International travel to the US is predicted to decline—a result of policy and rhetoric-driven negative sentiment toward the US. Originally forecast to grow by 9% this year, Tourism Economics' updated outlook expects international travel to the US to fall by 9.4% in 2025." (Tourism Economics)
- Longwoods International shows a more optimistic view of traveler sentiment. A March'25 survey shows that 94% of Americans have travel plans – a 6% increase from Feb'25.
- Future Partners April 2025 State of the American Traveler survey showed that travelers are changing buying behaviors due to uncertainty of economy. 27% expects to choose more affordable destinations for their travel plans over the next six months, 25.9% will use rewards programs to save money and 24.2% will travel less frequently.

3c. What are your emerging markets?:

- Leisure - direct flight markets (new and flights with increased seat capacity): Dallas, Chicago, Los Angeles, San Diego, and San Francisco.
- Sports Tourism – Discover Kalispell is placing an increased focus on attracting youth and adult sports and adventure events.
- Group – military, reunions, weddings, tours and meetings and convention business.

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

1. Increase visitation to meet the needs of Kalispell's visitor distribution goals of seasonality, niche markets and diverse audiences.

Tactics: Targeted campaigns promoting fall, winter and spring travel, promoting downtown Kalispell and unique experiences using paid media, website marketing, owned media and digital asset acquisition.

2. Expand group sales by positioning Kalispell as a premiere sports destination, refining strategies for attracting meetings and tour groups, identifying major destination events, and providing valuable

resources for planners and event organizers.

Tactics: Attend trade shows for direct contact with meeting planners and sports event organizers, host FAMs, conduct out-of-market sales calls and client events and produce sales and promotion collateral and resources.

3. Enhance destination storytelling through earned, paid and owned media.

Tactics: Host travel media and influencers to achieve earned media in targeted publications, websites and social platforms. Optimize Meta video content for social search visibility. Lean into authentic and engaging content through organic images and resident stories.

4. Encourage residents and visitors to travel and recreate responsibly and respectfully and to give back to the community.

Tactics: Deploy educational resources through owned and sponsored media channels and distribute printed resources to area businesses. Partner with community organizations to provide accurate and timely messaging during times of environmental or social crisis situations. Promote voluntourism, amplifying the needs of local non-profits

5. Develop visitor services that align with leading trip planning and booking trends, enhancing opportunities for an exclusive and genuine travel adventure.

Tactics: Increase connection with visitors beyond the traditional VIC services during the trip planning phase and when in-market. Use online resources, AI tools and local partners to disseminate visitor resources and promote member businesses.

6. Be engaged in destination, product and experience development that benefits residents and visitors.

Tactics: Provide grant funding for events and sports tournaments that generate room nights stays in Kalispell and for community development projects that enhance the visitor experience.

7. Support tourism workforce development and hospitality training.

Tactics: Provide resources to local businesses for hospitality guest services training. Partner with Kalispell Public Schools to build awareness of tourism industry careers.

8. Be an active partner on initiatives for natural resource sustainability.

Tactics: Partner with local organizations such as Flathead River Alliance, Flathead Trails Association and FWP to support conservation projects related to visitor amenities and visitor impacts.

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

LFST funds will be used to support Admin costs and contribute to the paid media budget, supporting the successful operation of the organization and Goal #1.

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
Leverage hyper-targeted advertising to incentivize winter travel to Kalispell with the direct result of	Promote the 2025-2026 Kalispell ski package campaign through paid and owned media and achieve a 2% growth in room nights (compared to 2024-2025		

increasing room night stays at Kalispell hotels.	ski package campaign).		
Create a comprehensive suite of promotional materials to grow sports tourism in Kalispell.	Compete a sport web page on DiscoverKalispell.com, a sports facility guide and a promotional video.		
Build on the Rediscovering Kalispell campaign by developing additional stories highlighting a diverse group of residents and their contribution to the community and the visitor experience.	Compete three new features on individual residents/business owners which include video and photo assets.		
Provide grant funding for events and sports tournaments that generate room nights stays in Kalispell and for community projects that enhance the visitor experience.	Identify and support two new community projects through grant funding and marketing support.		
Provide resources to local businesses for hospitality guest services training. Partner with Kalispell Public Schools to build awareness of tourism industry careers.	Develop and launch a Kalispell Ambassador digital training program to be used by front-line staff and students.		

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Budget Form: DMO Budget Form LST LFUT Kalispell.xlsx

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DMO Budget:

Kalispell DMO

Allowable Method	Budget	% Budgeted	Amend +/-	Updated Budget	% Budgeted
Lodging Facility USE Tax (LFUT) Budget					
Administration	\$44,123.00	18.80%		\$44,123.00	18.80%
Marketing Personnel	\$23,500.00	10.01%		\$23,500.00	10.01%
Education/Outreach	\$6,000.00	2.56%		\$6,000.00	2.56%
Agency Services	\$18,100.00	7.71%		\$18,100.00	7.71%
Research	\$10,000.00	4.26%		\$10,000.00	4.26%

Marketing Resources	\$8,000.00	3.41%		\$8,000.00	
Paid Media	\$19,000.00	8.09%		\$19,000.00	
Earned Media/Tourism Sales	\$4,000.00	1.70%		\$4,000.00	
Joint Ventures	\$1,000.00	0.43%		\$1,000.00	
Opportunity Marketing	\$1,000.00	0.43%		\$1,000.00	
Cooperative Marketing	\$1,000.00	0.43%		\$1,000.00	
Visitor Services	\$64,893.00	27.65%		\$64,893.00	2
Product Development	\$20,000.00	8.52%		\$20,000.00	
		0.00%		\$0.00	
		0.00%		\$0.00	
TOTAL LFUT Budget	\$220,616.00	93.99%	\$0.00	\$220,616.00	9

Lodging Facility SALES Tax (LFST) Budget					
Administration	\$2,824.00	1.20%		\$2,824.00	
Paid Media	\$11,295.00	4.81%		\$11,295.00	
		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	\$14,119.00	6.01%	\$0.00	\$14,119.00	

TOTAL LFUT & LFST BUDGET	\$234,735.00	100.00%	\$0.00	\$234,735.00	10
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LFST Revenue Projection	14,119.00
LFUT Revenue Projection	220,616.00
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	234,735.00

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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.: