

# DISCOVER *Kalispell* MT

## Discover Kalispell FY26 DMO Plan and Budget

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## INTRODUCTION

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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.

## ABOUT KALISPELL

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### 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 brings together 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.



## Opportunities

- As the regional trade center for northwest Montana, Kalispell is ranked as the 3<sup>rd</sup> 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.



## 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, International FIT 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.

## DISCOVER KALISPELL'S STRATEGIC ROLE IN FY26

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At Discover Kalispell we are dedicated to supporting our community's success. As a division of the Chamber of Commerce, empowering local businesses lies at the heart of our mission. We believe that by showcasing the unique charm and breathtaking landscapes of our corner of Montana, we not only attract visitors but also create opportunities for the residents of the Flathead Valley to thrive.

While promoting Kalispell remains a core focus, we also recognize the challenges of growth. Our strategy integrates stewardship, visitor management and economic development to foster sustainable tourism that benefits both residents and businesses.

### Key Strategic Priorities:



- **Marketing** – Implement a data-driven promotion strategy that strengthens Kalispell’s brand identity. Focus on winter and shoulder season travel, highlight unique experiences, use organic storytelling and compelling imagery, and engage new audiences through innovative influencer partnerships.
- **Business Development** – Expand group sales by positioning Kalispell as a premier sports destination, refining strategies for attracting meetings and tour groups, identifying major destination events, and providing valuable resources for planners and event organizers.
- **Stewardship and Management** – Assure that tourism contributes positively to the region while maintaining the integrity of its natural beauty and vibrant community. Support local businesses and community projects, foster sustainable tourism growth, encourage responsible visitor behavior and ensure that tourism revenue benefits the broader community.
- **Visitor Services** - Provide travel information and education that encourages visitation, aligns with community values and promotes local business.

## DESTINATION MARKETING

50% of the organization's operations

*We craft bold, inspiring campaigns and eye-catching marketing assets that capture the spirit and diversity of Kalispell. By telling the community's story in fresh, authentic ways, we spark pride among locals, draw in new talent and visitors, and create momentum for those who live, work, and invest here.*

**Overarching Goal:** Increase conversions and key performance indicators (KPIs) which are measured through higher website engagement, paid media click-through rates, engagement time on campaign landing pages, increased room nights through sports, groups and events, and improved brand awareness and perception.



**Overall Media Plan:** Increase visibility and engagement with target audiences through various digital advertising channels: SEM, Google Display Network, social media, evergreen, seasonal campaigns and PR to achieve earned media. Build awareness of Kalispell as a destination for sports and group events through targeted marketing. Develop comprehensive campaigns in direct flight markets, prioritizing flights that run outside of the June-Labor Day timeframe.

## DESTINATION DEVELOPMENT - Business Development/Tourism Sales

30% of the organization's operations

*Group sales is highly competitive. We tell Kalispell's story to score the win, and our group services carry it across the finish line.*

**Overall Goal:** Secure new destination events, sports tournaments, and meetings & conventions. Target niche tour groups and events to spread room nights amongst a greater number of TBID properties and expand our partnerships with local sports organizations. Focus on veteran groups with younger memberships and expand our digital presence in the M&C market.

**Overall Tactics:** Pursue niche and small-market group business to increase room nights at diverse lodging properties, enhancing marketing efforts for family-oriented and sports-related tourism, and developing digital and print collateral to support sales. Additional strategies involve attending industry events, leveraging grant programs, boosting digital outreach, and building



stronger local partnerships to generate leads and gain deeper insights into group needs.

## DESTINATION STEWARDSHIP/MANAGEMENT

20% of the organization's operations

*We foster connections between locals and visitors and serve as the educator of how to enjoy Montana responsibly.*

**Overall Goal:** Reinvesting visitor-generated taxes and fees into responsible recreation initiatives and community projects that support long-term sustainability and enhance quality of life for residents and visitors alike.



**Overall Tactics:** Provide businesses with informational and educational resources on responsible recreation to assist visitors and residents. Promote voluntourism and partner with NGOs and federal land managers to support projects such as trail maintenance and bear aware campaigns and share up-to-date information during crises and travel disruptions. Facilitate DK's Community Development Grant to organizations, local artists, musicians and others, to solicit projects that would enhance Kalispell as a great place to live and to visit.

## DEFINE THE KALISPELL AUDIENCE

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 traffic areas and popular recreation sites.
- Visitors who are seeking:
  - Sporting events
  - Destination events
  - 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%  | Great Falls - 6.4% |
| Missoula - 11.1% | Seattle - 5.9%     |
| Denver - 6.8%    |                    |

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

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

2023 non-resident visitor expenditures in Flathead County (ITRR, 2022-2023 average):

- Non-resident visitors spent \$1.0 billion in Flathead County
- Top spending categories: Restaurants, Outfitters/Guides, Hotel/Motel, Gas/Diesel, Groceries/Snacks.
- Over 14,000 jobs are supported by nonresident travel which further highlights the need for year-round destination marketing and sales initiatives.

#### What Are Kalispell's 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.



## WHAT RESEARCH SUPPORTS THE FY26 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 are reporting 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 cancellations by youth sports groups for spring and summer tournaments.
- Due to high number of critical comments received on Discover Kalispell's organic and paid promotions in Canada, we have temporarily paused all campaigns. We will continue to monitor the data and restart paid and/or organic social campaigns in the Canadian market at the appropriate time.

2. **Lodging data reveals available capacity year-round.** While emphasizing promotions during the shoulder seasons, it's important to note a decline in peak season occupancy at hotels and 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 Rental data indicates a slowing compared to the steady growth of inventory and demand experienced between 2020-2022. January through April 2025 compared to 2024 (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** shows 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 UCG 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 heavily 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 report showed that travelers are changing buying behaviors due to uncertainty of economy. 27% of those surveyed expect 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.



## GOALS, TACTICS and OBJECTIVES

### Goals

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.

#### Objective:

Leverage hyper-targeted advertising to incentivize winter travel to Kalispell with the direct result of increasing room night stays at Kalispell hotels.

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.

#### Objective:

Create a comprehensive suite of promotional materials to grow sports tourism in Kalispell.

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.

#### Objective:

Create three additional stories highlighting a diverse group of residents through the Rediscovering Kalispell campaign.

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.

Objectives:

Support the Flathead Trails Association to develop a volunteer program for trail maintenance. Enhance the volunteer page on DiscoverKalispell.com identifying a variety of natural resources volunteer opportunities for residents and visitors.

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.

Objective:

Deliver visitor guides and informational resources to visitor locations including hotels, shops, restaurants, airport and rental cars. Use trackable (paid) QR codes to gauge ROI.

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.

Objective:

Identify and support two new community projects through grant funding and marketing support.

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 the tourism industry careers.

Objective:

Develop and launch a Kalispell Ambassador digital training program to be utilized by front-line staff and students.

**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.

Objective:

Champion two projects led by local natural resource groups through sponsorships, messaging, and volunteering.



## DISCOVER KALISPELL STRUCTURE AND TEAM

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Discover Kalispell, the Kalispell Convention & Visitor Bureau, is a division of the Discover Kalispell Chamber. Discover Kalispell is funded through the Lodging Facility Use Tax and the Kalispell Tourism Business Improvement District (TBID).

The FY26 Discover Kalispell DMO plan serves to direct the initiatives and spending for Discover Kalispell and inform and educate the Discover Kalispell Chamber and TBID board of directors, community stakeholders, Tourism Advisory Council, City of Kalispell and the state legislature. Kalispell's two funding sources, Bed Tax and TBID, work collaboratively to facilitate the annual DMO plan.

### The Discover Kalispell Team:

President/CEO Discover Kalispell Chamber: Lorraine Clarno, [lorraine@kalispellchamber.com](mailto:lorraine@kalispellchamber.com)

Executive Director, Discover Kalispell: Diane Medler, [diane@discoverkalispell.com](mailto:diane@discoverkalispell.com)

Group Sales Manager: Ben Gould, [ben@discoverkalispell.com](mailto:ben@discoverkalispell.com)

Marketing & Communications Coordinator: Annie Young, [annie@discoverkalispell.com](mailto:annie@discoverkalispell.com)

Visitor Services Coordinator: Meche Ek, [info@discoverkalispell.com](mailto:info@discoverkalispell.com)

2 S. Main St, Suite 205, Kalispell, MT 59901 | 406-758-2811 | <http://discoverkalispell.com>

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