

**MONTANA OFFICE OF TOURISM
+ MONTANA FILM OFFICE**

ANNUAL REPORT 2014-15



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FROM THE DIRECTOR



It's Time: That's the new marketing campaign the Montana Office of Tourism (MTOT) launched in fiscal year 2015, and it rings true a number of ways—to the consumers MTOT's marketing reaches, to our partners, and to how we're prioritizing our work here at the Montana Department of Commerce.

According to the Institute for Tourism and Recreation Research at the University of Montana, 10.9 million visitors last year agreed it's time to visit Montana, adding \$3.9 billion to the state's economy and breaking last year's non-resident spending record by more than 8 percent.

After 20 years of using the same digital infrastructure, we decided it's time to build a new state-of-the-art website from the ground up. VisitMT.com is the go-to source for more than 2 million users per year who are learning about Montana for the first time, planning a vacation, or who are already here and looking for more ways to make the most of their time under the big sky.

Built with bold photos and video front and center (not to mention reworked under the hood to be faster and more responsive to evolving technology), the new VisitMT.com launched in March to better serve its users and to bring Montana's tourism promotion efforts into a new generation.

And finally, recognizing the many connectivities between Montana's tourism industry and economic development, we decided it's time to bring these areas closer together at the state and have begun laying the groundwork to merge MTOT with the Business Resources Division in FY16 in order to maximize resources and market Montana both as a place to visit and to do business.

Thank you for your interest in the Montana Promotions Division. Fiscal year 2015 was an exciting one, and even more exciting times are yet to come.

A handwritten signature in blue ink that reads "Meg O'Leary". The signature is fluid and cursive, with a large, sweeping flourish at the bottom.

Meg O'Leary, Director, Montana Department of Commerce

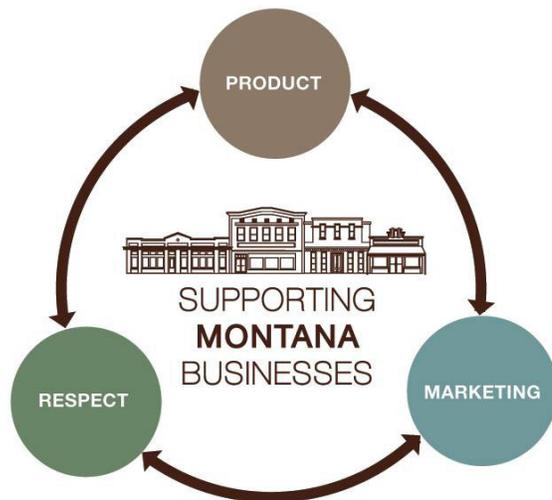
MONTANA OFFICE OF TOURISM

MISSION STATEMENT

The Montana Office of Tourism's mission is to strengthen Montana's economy through the promotion of the state as a vacation destination and film location. By maximizing the combined talents and abilities of its staff, and with guidance from the Governor's Tourism Advisory Council, The Montana Office of Tourism strives to promote a quality experience to visitors while encouraging preservation of Montana's environment and quality of life.

VISION STATEMENT

The Montana Vision is to increase visitation and improve the visitor experience while preserving Montana community values and protecting its unique places. The Montana Office of Tourism strives to achieve its guiding principles by focusing on the supporting pillars of Montana businesses via product, marketing, and respect.



MONTANA OFFICE OF TOURISM STAFF

MARKETING

Jenny Pelej | Director of Marketing
Kim Birrell | Travel Trade Coordinator
Erinn Donnell | Director's Office & Marketing Assistant
Norm Dwyer | Digital Marketing Manager
Caitlin Hassler | Social Media Coordinator
Brandee Hay | Publications Specialist
Raylee Honeycutt | Consumer Marketing Manager
Marlee Iverson | Travel Trade Manager
Mako Sakaguchi | Japan Trade Office
Donnie Sexton | Media Relations & Staff Photographer
Jan Wirak | Web Content Specialist

SALES & CONSTITUENT SERVICES

Jeri Duran | Director of Sales & Constituent Services
Sue Clark-Jones | Administrative Assistant
Teresa Cooper | Communications Specialist
Carol Crockett | Tourism Grant Manager
Daniel Iverson | Communications Manager
Carmen Levick | Executive Assistant
Barb Sanem | Compliance Specialist
Lonie Stimac | Sales & Constituent Services
Julie Walker | Industry Marketing Coordinator

BUDGET & OPERATIONS

Anna Marie Moe | Director of Budget & Operations
Marchita Mays | Administrative Assistant
Jo Morand | Operations Manager
Don Todd | Network Administrator
Robert Webster | Fulfillment Specialist
Carmen Whiting | Administrative Assistant

MONTANA FILM OFFICE

Deny Staggs | Film Commissioner
John Ansotegui | Location Coordinator
Becky Cummings | Office Coordinator & Crew Liaison
Rachel Gregg | Multi-Media & Project Coordinator



INDUSTRY PARTNERS

TOURISM ADVISORY COUNCIL

The Tourism Advisory Council regulates the use of Lodging Facility Tax funds by tourism regions and convention and visitor bureaus (CVBs) and advises the Montana Office of Tourism relative to tourism promotion.

Bill McGladdery, Chair (2016)

Butte

Glenniss Indreland, Vice Chair (2017)

Big Sky

Mark Anderlik (2016)

Missoula

Matt Ellis (2017)

Missoula

Rhonda Fitzgerald (2016)

Whitefish

Kim Holzer (2018)

Stanford

Stan Ozark (2016)

Glasgow

Brian Sprenger (2018)

Bozeman

Alger Swingley (2018)

Babb

Dude Tyler (2017)

Livingston

Steve Wahrlich (2017)

Billings

Amber Wood-Jensen (2017)

Butte

REGIONS/CONVENTION & VISITOR BUREAUS

Montana is organized into six tourism regions and 18 CVBs, each of which is a nonprofit organization dedicated to promoting its area.

Central Montana

Great Falls CVB

Glacier Country

Kalispell CVB

Missoula CVB

Whitefish CVB

Missouri River Country

Sidney CVB

Southeast Montana

Billings CVB

Glendive CVB

Miles City CVB

Southwest Montana

Butte CVB

Dillon CVB

Helena CVB

Yellowstone Country

Belgrade CVB

Big Sky CVB

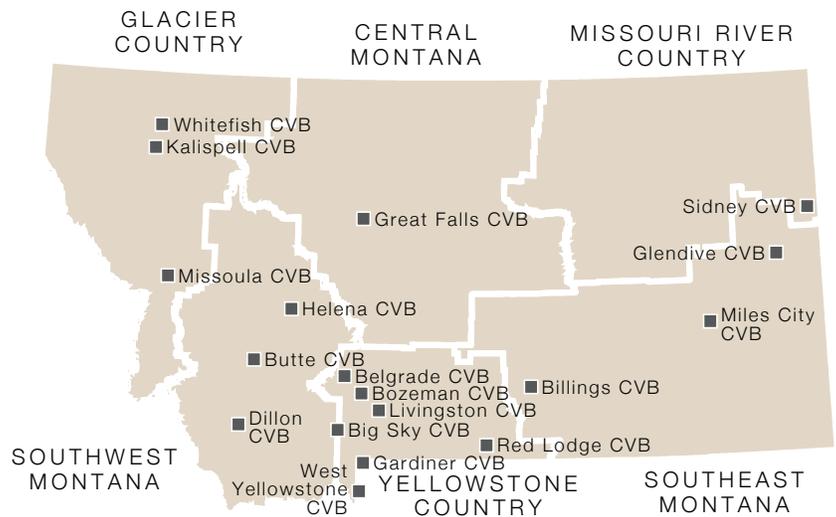
Bozeman CVB

Gardiner CVB

Livingston CVB

Red Lodge CVB

West Yellowstone CVB



2014 ECONOMIC IMPACT

Tourism is one of Montana's leading industries. Non-resident visitors add money to the state's economy, supporting jobs and reducing state and local taxes for Montana residents. The Montana Office of Tourism markets Montana to maximize non-resident spending. From 2010–14, visitation increased 4.9% while spending increased 59.4%.

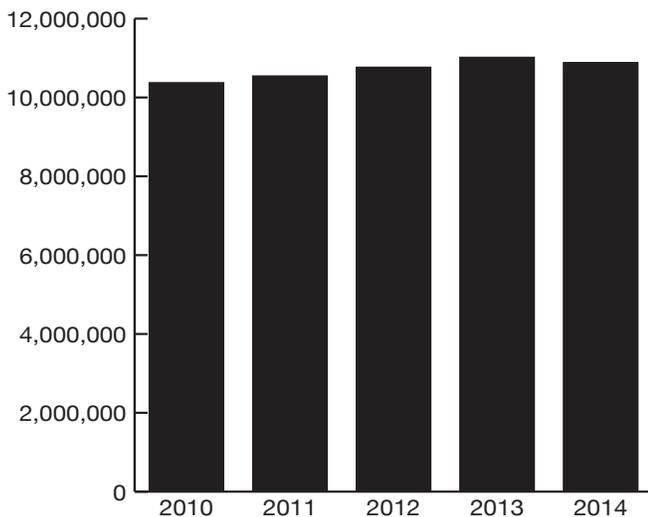
ECONOMIC IMPACT PROFILE (VS. 2013)

Non-resident Visitation: 10.9 Million (-1.2%)
Non-resident Spending: \$3.9 Billion (+7.6%)
Jobs Supported: 53,280 (+10.4%)
Salaries: \$1.3 Billion (+3.2%)
State & Local Taxes: \$217.6 Million (-7.8%)

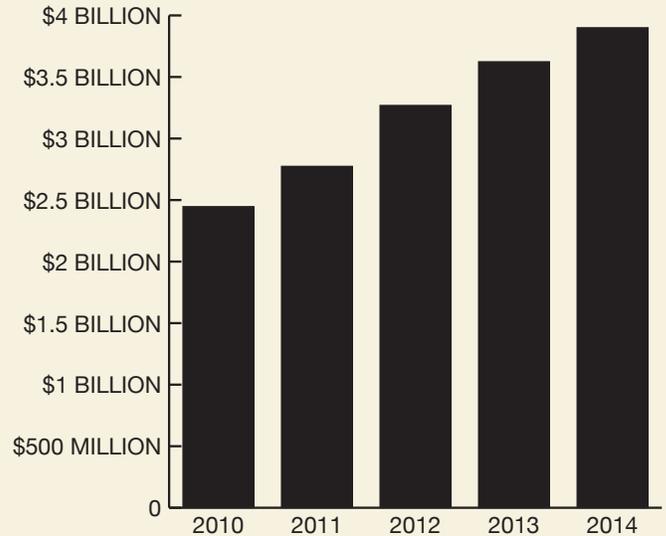


Without non-resident tax revenue, each Montana household would pay an estimated \$537 additional state/local taxes. (*Total state and local tax revenue/total occupied housing units.*)

NON-RESIDENT VISITATION, 2010–14



NON-RESIDENT SPENDING, 2010–14



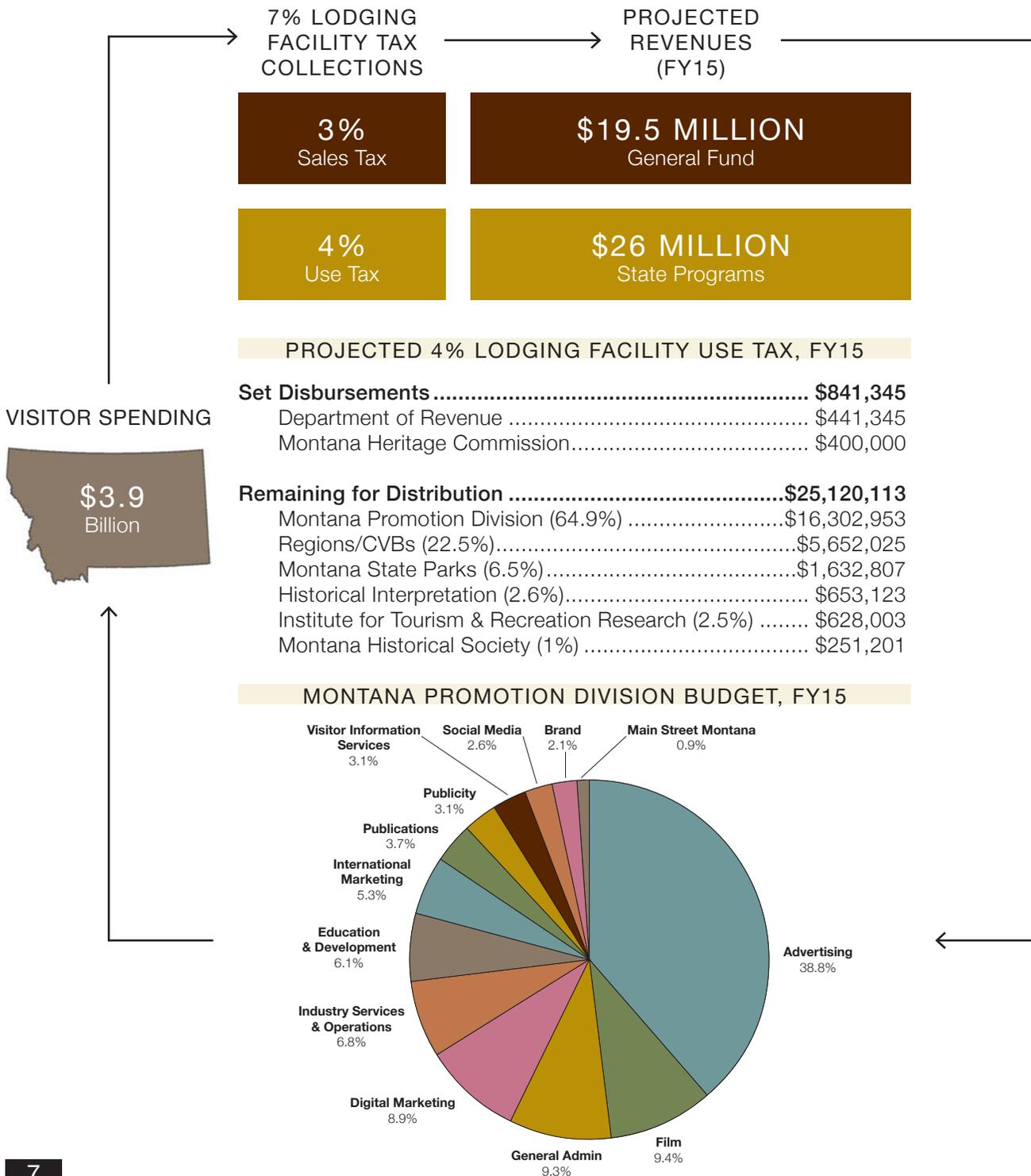
2014 Spending by Category

Gasoline, Diesel	\$1,239,440,000
Restaurant, Bar	\$710,450,000
Retail Sales	\$598,720,000
Hotel, Motel	\$388,790,000
Groceries, Snacks	\$352,270,000
Outfitter, Guide	\$243,640,000
Auto Rental	\$96,830,000
Licenses, Entrance Fees	\$79,080,000
Rental Cabin, Condo	\$62,600,000
Auto Repair	\$41,830,000
Misc. Services	\$30,160,000
Campground, RV Park	\$24,770,000
Gambling	\$18,490,000
Transportation Fares	\$7,280,000
Farmers Market	\$6,090,000
Total	\$3,900,440,000

MONTANA PROMOTION FUNDING

Tourism and film promotion is funded through the 4% Lodging Facility Use Tax, commonly known as the “Bed Tax.” Enacted by the 1987 legislature, the Bed Tax is collected from guests of hotels, motels, bed and breakfasts, guest ranches, resorts, and campgrounds. These funds are divided according to the chart below.

No additional funds come from Montana’s General Fund. In fact, tourism helps to support the General Fund due to the additional 3% Lodging Facility Sales Tax added to the original 4% in 2003.



MARKETING

The Marketing Bureau promotes Montana as a vacation destination to domestic and international audiences through paid, earned, and owned media. Major programs include consumer advertising, digital marketing, public relations, content, social media, and international marketing. The bureau offers opportunities to leverage division resources through joint venture and niche marketing grant programs.

MARKETING CAMPAIGN: IT'S TIME

In FY15, the Marketing Bureau launched a new campaign: It's Time.

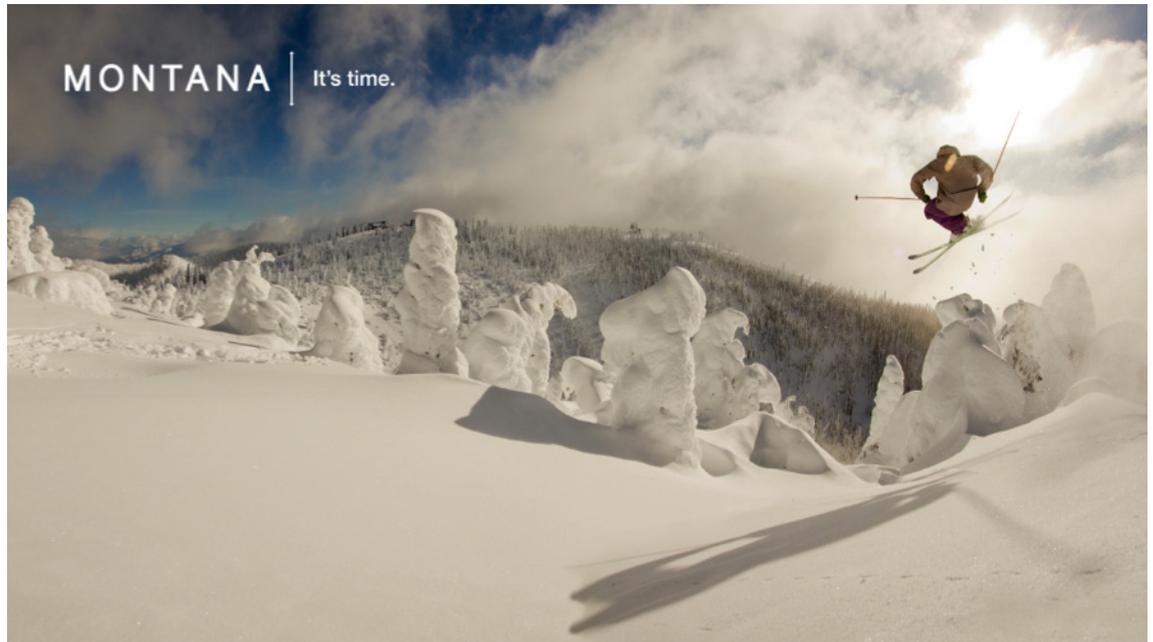
The campaign started in winter and continued into the warm season, incorporating elements of paid, earned, and social media.

Winter Campaign

Digital and print ads featuring Glacier National Park, Yellowstone National Park, winter activities, and Montana's 15 ski areas ran on popular travel websites and major publications. Ads pointed to the freshly redesigned WinterMT.com.

In addition to national digital and print, advertising targets key markets such as Boise, Chicago, Dallas, Minneapolis, Portland, San Francisco, Seattle and Spokane.

MTOT continued to build on its three-year sponsorship with Warren Miller



Entertainment (WME). Nearly nine minutes of footage shot at Montana ski areas was featured in WME's 2014 film, "No Turning Back."

The Montana Timeline Facebook app enabled users to create a custom "timeline" by importing photos they've posted to Facebook or Instagram or by uploading them directly. The app also featured Notable Timelines by Montana professional photographers.



FY Media Spend:
\$4,956,747

Digital Display Impressions:
216,177,201

Average CTR:
0.44%

Social Media Engagements:
4,313,024

Social Media Impressions:
75,102,818

PR Media Impressions:
3,511,321,284

VisitMT.com Sessions:
1,895,300

MARKETING

Summer Campaign

For the warm season, Montana continued its national media strategy and returned to the key markets of Chicago, Minneapolis, and Seattle for innovative out-of-home activations.

The “Montana Mercantile,” a truck set up to appear like a Montana storefront, traveled to each of the key markets and offered samples of Made in Montana huckleberry ice cream and bison jerky while encouraging visitors to post selfies to social media with the hashtag #IdRatherBeinMT.



MTOT continued its custom partnerships with National Geographic Traveler and Men's Journal. “Real Brewers,” a partnership with Men's Journal, paired a recreational activity with drinks from a brewery nearby into a web video series.

Three episodes were produced, one each to highlight Bozeman, Helena and the Flathead Valley. TV personality Zane Lamprey hosted.

Overseas Reach

The Montana Office

of Tourism promotes Montana abroad to key markets like Canada, Scandinavia, Western Europe, East Asia, and Australia.

The International Marketing program has done multi-channel advertising programs in Canada,

Germany, the UK and Australia. The program featured print and direct to consumer components. MTOT offered a joint venture opportunity with various regions and CVBs to create in-language videos for the German market. Three new in-language websites were launched in Germany, Italy and France.

Visitation and spending habits of international visitors appear to be on the rise with nearly \$137 million in visitor spending, approximately \$5 million more than in 2013, according to ITRR.

VISITMT.COM

MTOT launched a new official travel website at VisitMT.com in March, bolstering its capacity to promote Montana as a vacation destination through digital marketing.

The result of a year's worth of planning and production, the new website brings a fresh design with bold, inspiring photography and a host of new features. For example, a

“Trip Ideas” section features 18 itineraries and maps designed to help visitors discover new points of interest, while an alert system provides users with real-time information related to opportunities such as fresh powder in the winter and major road openings in the warm season.

In addition, less visible enhancements under the hood improve the user

experience by bringing the website up to modern standards, including responsive design

for smartphones and tablets, faster servers, and an online business resource tool that

allows businesses and partners to add or maintain listings to their product through the site.



SALES & CONSTITUENT SERVICES

The Sales and Constituent Services Bureau is the outreach and education arm of the Montana Office of Tourism. It helps to connect Montana businesses and organizations with division resources through workshops, trainings, public relations, and programs such as the \$1 million tourism grant program.

MONTANA MAIN STREET

The Montana Main Street program is a collaborative effort between the Community Development Division and the Montana Office of Tourism at the Department of Commerce. The program helps communities strengthen and preserve their historic downtown commercial districts by focusing on economic development, downtown revitalization, historic preservation, and tourism through proactive long-range planning, organization, design, and promotion.

Montana Main Street invested \$51,000 in FY15 into five community projects in Anaconda, Dillon, Helena, Kalispell, and



Thompson Falls.

Welcomed Twin Bridges into the state program to advance total membership to 25 communities; 2 designated and 23 affiliate.

Provided 23 communities with on-site training and technical assistance, and assisted 25 member communities and 21 non-member communities via phone and e-mail.



COMMUNITY WORKSHOPS

Conducted five community workshops, entitled "Coming Together to Expand Montana's Tourism Story," in Browning, Shelby, Hamilton, Chico Hot Springs, and Bigfork.

We explored the communities near and on location at

the workshop. We approached this as a Geotraveler, our target audience, would by visiting museums, attractions, and restaurants and by taking part in activities, etc. Our experiences were documented with images to share

with our followers on Facebook and Twitter. The posts and tweets were used as examples in the workshop deck.

As of June 30, 2015, we have presented 31 workshops with a total of more than 600 attendees.

GOVERNOR'S CONFERENCE

The Sales and Constituent Services Bureau directed planning of the 41st annual Governor's Conference on Tourism and Recreation, held in March 2015 at the Red Lion Colonial Hotel in Helena.

Approximately 400 people representing a diverse variety of Montana's tourism industry sectors attended the conference for networking opportunities and to attend educational sessions on topics such as MTOT's new "It's Time" campaign, leveraging

the science of relationships, and custom partnerships with National Geographic Traveler. More than half of all attendees responded to a post-conference evaluation survey. Nearly 76% of the responses said the sessions were either "very good" or "excellent."



SALES & CONSTITUENT SERVICES

GRANT PROGRAMS

2015 Tourism Digital Marketing Grant (\$200,000)

Assists Montana businesses improve their competitive digital marketing position within the tourism industry.

- Coram** - Gaining Access to Glacier's Gateway (\$15,500)
- Great Falls** - Crop InFARmation Mobile App (\$33,700)
- Helena** - Interactive Online Hiking Guide (\$50,370)
- Laurel** - Virtual Realities of Natural & Cultural Spaces (\$49,300)
- Missoula** - Next Exit History Mineral County Development (\$43,630)
- West Yellowstone** - Digital Discovery Website (\$7,500)

2015 Special Event Grant Program (\$150,000)

Diversifies and enriches Montana's tourism product by developing and enhancing community-based tourism festivals and events.

- Bozeman** - Cycle Greater Yellowstone (\$18,250)
- Ekalaka** - The Ekalaka Shindig (\$7,350)
- Glasgow** - Montana Governor's Cup Walleye Tournament (\$12,000)
- Hamilton** - McIntosh Apple Day & Liquid Apple Night (\$8,760)
- Kalispell** - Pond Hockey Tournament (\$8,760)
- Missoula** - Big Sky Documentary Film Festival (\$23,178)
- Seeley Lake** - In the Footsteps of Norman Maclean Festival (\$20,701)
- Stevensville** - Western Heritage Days & Cook-off (\$6,351)
- West Yellowstone** - Kids N Snow (\$4,380)
- White Sulphur Springs** - Red Ants Pants Music Festival (\$30,271)
- Wolf Point** - Wild Horse Stampede (\$10,000)

2014 Infrastructure Investment Program (\$500,000)

Invests a portion of MTOT's Bed Tax funding into new tourism-related facilities, the enhancement of existing tourism facilities, and the preservation of Montana's historical and cultural treasures.

- Billings** - Restoration to Historic Interpretive Walking Trail (\$20,486)
- Butte** - Butte-Silver Bow Archives (\$41,421)
- Eureka** - Design and Construction of Walk/Bike Path (\$20,000)
- Fort Belknap** - Mission Canyon Trail Improvements (\$27,319)
- Kalispell** - Wayfinding Signage (\$63,100)
- Missoula** - Fort Missoula Alien Detention Camp (\$27,386)
- Missoula** - Theatre Renovations (\$50,000)
- Missoula** - Development of an Outdoor Art Park (\$50,000)
- Missoula** - Wayfinding Project Improvements (\$51,288)
- West Glacier** - Accessibility at Glacier Institute (\$24,000)
- West Yellowstone** - Banks of the Madison Riparian Exhibit (\$50,000)
- Whitefish** - Education Pavilion & Interpretive Trail (\$75,000)

In FY15, the Department of Commerce provided **\$850,000** in grant funds through the Montana Office of Tourism. These funds supported 29 tourism projects related to digital marketing, special events, and infrastructure investment.



MONTANA FILM OFFICE

Established in 1974, the Montana Film Office (MFO) exists primarily to recruit productions (feature films, commercials, documentaries, television programs, and still shoots) into Montana for the overall economic benefit of the state. A program of the Department of Commerce's Office of Tourism and Business Development, MFO markets Montana as a business destination for film and commercial production companies, provides funding for Montana production through the Big Sky Film Grant program, provides technical assistance to production across the state, and supports workforce development initiatives to promote infrastructure and job growth. MFO and the Big Sky Film Grant are supported by dollars from the Bed Tax to promote travel and film activity to the state. Through increasing production numbers, MFO increases the job opportunities for Montanans, and the economic impact of film production to Montana businesses generated by homegrown and out-of-state production companies.

PROMOTIONS & MARKETING

In FY15, MFO marketing efforts prioritized public relations and face-to-face networking, targeting film festivals, trade shows, media markets and other gatherings of large coalitions of independent filmmakers, digital media makers and international news and press. This has allowed MFO to achieve focused, maximum promotional impacts at a cost effective investment. As a result, digital and print media placement strategies were narrowed to target creative directors, independent filmmakers and influencers in each of these groups. MFO has already seen impressive returns from this strategy. Contacts made through these efforts and the influence of the Big Sky Film Grant have led to 5 major projects shooting in Montana in 2015.



Major marketing highlights include MFO's attendance at the American Film Market as a preeminent film commission exhibitor, providing a sales venue for several Montana filmmakers looking to sell films in the international marketplace. As part of a continued partnership with Film Independent, MFO also became a Festival Supporter of the Los Angeles Film Festival, which provided an elevated presence for Montana in this key market and provided several major leads for large projects now slated to shoot in Montana.

BIG SKY FILM GRANT



In FY15 the Big Sky Film Grant provided funding to 47 projects, investing in Montana productions that collectively spent nearly \$6 million on Montana resident crew, production services, hotels, restaurants, building supplies, props, décor, transportation and other local goods and services. These dollars go into Montana

communities creating new businesses and expanding existing ones with job creation and increased growth potential, furthering development of Montana film industry infrastructure and Montana-centric content for worldwide distribution.

MFO introduced a new application process in FY15 through Missoula-based web application Submittable, streamlining both applicant experience and the committee review process for the Big Sky Film

Grant program.

Grant projects of note include Elements Mixed Media series "Montana Rooted" for YouTube channel Epic Montana, PBS series "Backroads of Montana," HGTV television series "Living Big Sky," and feature film "Certain Women."

MONTANA FILM OFFICE

PRODUCTION ACTIVITY & TECHNICAL ASSISTANCE

FY15 data from the the Reel-Scout production database shows that MFO provided services and/or technical assistance to 220 projects in FY15 including 38 commercials, 20 documentaries, 39 independent features and 30 new media projects. 105 of those projects are currently in production or have wrapped, a 47% conversion rate from inquiry to in-state production. MFO assisted with 5 major



location scouts in FY15. Four of these films shot in 2015.

Projects of note that shot in FY15 include Bozeman-based

Oracle Film Group's feature film "Timber the Treasure Dog,"

commercials from Ford, GMC, Kia and Toyota, top rated HGTV television show "Living Big Sky," and feature film "Certain Women" directed by acclaimed filmmaker Kelly Reichardt and starring Laura Dern, Kristen Stewart, Michelle Williams and Montana actress Lily Gladstone.

WORKFORCE AND INFRASTRUCTURE DEVELOPMENT

In partnership with the Roxy Theater and their affiliate the Montana Film Academy, MFO helped launch the Production Intensives Series, a 4-part series providing hands-on training to entry level and professional production work in all departments including camera, lighting, sound and production assistance. Two

weekend-long courses took place in FY15 and produced a small class of set-ready trainees.

FY15 saw the first Montana Forum on Film + New Media, a forum for conversations among the Montana production industry including filmmakers, production companies, content creators,



MONTANA FORUM
ON FILM + NEW MEDIA

media agencies, photographers and other stakeholders to promote networking, collaboration and support. Organized and hosted by MFO, the forum was attended by over 150

Montana media makers over two days in Butte, Montana. The event included panels, keynote talks, networking activities and exhibition of recent Montana productions.



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