

2010 - 2011

MONTANA



OFFICE OF TOURISM
ANNUAL REPORT
FOR 2010

Montana Department of Commerce

MONTANA OFFICE OF TOURISM

.....WHO WE ARE AND WHAT WE DO

Our 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.

Montana Office of Tourism, Department of Commerce

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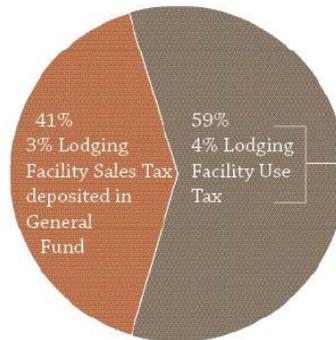
MONTANA'S TOURISM FUNDING

.....STRENGTHENING THE ECONOMY

Funding for tourism promotion comes from a 4% Lodging Facility Use Tax, commonly known as the "Bed Tax." Enacted by the 1987 legislature, the tax is collected from guests of hotels, motels, bed and breakfasts, guest ranches, resorts and campgrounds. These funds are divided among the entities shown in the pie chart to the right.

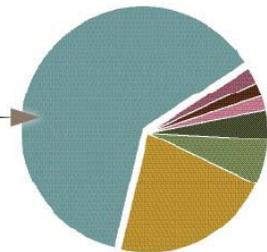
It should be noted that no additional money for tourism funding comes from Montana's General Fund. In fact, tourism helps support the General Fund due to the additional 3% Lodging Facility Sales Tax that was added in 2003 to the original 4%. This additional 3% accounted for \$12 million deposited directly into the General Fund in FY10 due to the success of Montana's tourism industry.

HOW THE 7% LODGING TAX IS DISTRIBUTED

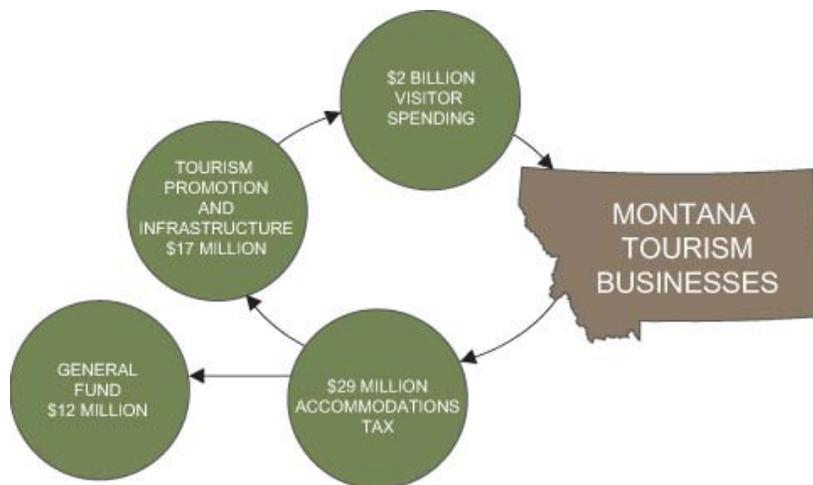


- 41% | 3% Lodging Facility Sales Tax deposited in General Fund
- 59% | 4% Lodging Facility Use Tax

HOW THE 4% LODGING FACILITY USE TAX IS DISTRIBUTED (Including administrative appropriations)



- 62% Department of Commerce/Montana Office of Tourism
- 22% Tourism Regions/CVBs
- 6% MT Fish, Wildlife & Parks
- 4% Historical Society
- 2% MT Heritage Preservation & Development Commission
- 2% Department of Revenue
- 2% University of MT/ITRR Research



Montana hosted 10.5 million visitors in 2010, which translates to 11 new customers per Montana resident, for our Main Street businesses.

Visitors to Montana spent \$2.5 billion, which is new money for Montana's economy.

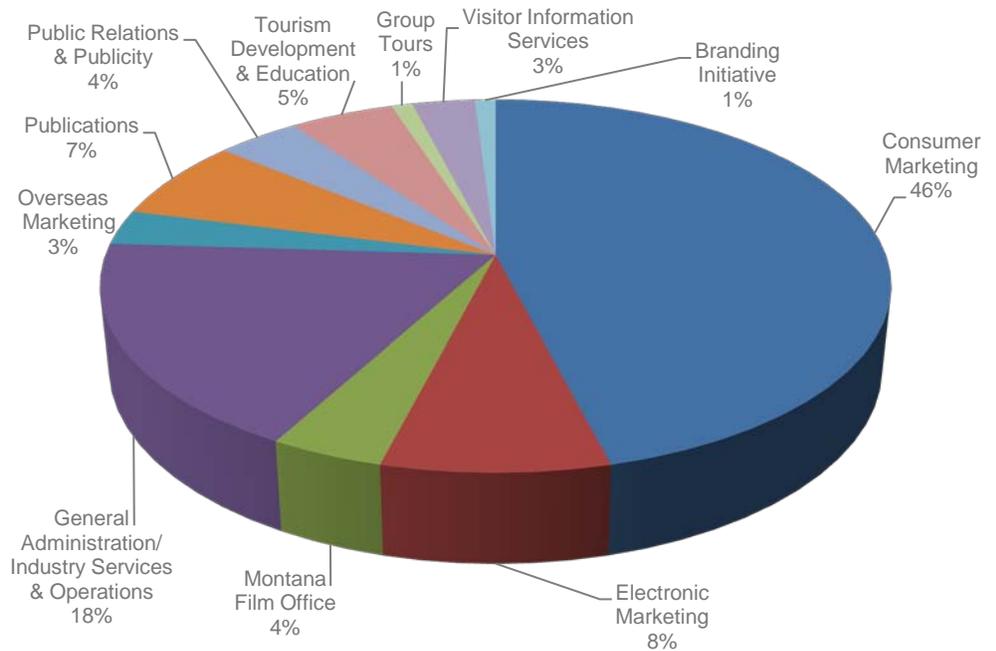
Tourism and recreation businesses support over 28,000 Montana jobs providing \$785 million in workers' salaries.

Visitor spending generated \$180 million in state and local tax revenue in 2010.

MONTANA'S TOURISM FUNDING

.....AN INVESTMENT THAT PAYS OFF

The Montana Office of Tourism's FY11 budget is divided among eleven programs.



2010 VISITOR SPENDING – \$2.5 BILLION IN NEW MONEY

Gasoline/Oil	\$809,204,000	32%	Licenses/Entrance Fees	\$ 51,140,000	2%
Retail Sales	\$469,951,000	19%	Outfitter/Guides	\$ 35,124,000	1%
Restaurant/Bar	\$468,860,000	19%	Misc. Services	\$ 26,797,000	1%
Hotel/B&B/etc.	\$315,210,000	13%	Campground/RV Park	\$ 25,059,000	1%
Groceries/Snacks	\$195,478,000	8%	Gambling	\$ 17,890,000	1%
Auto Rental/Repairs	\$ 63,120,000	3%	Transportation Fares	\$ 3,026,000	<1%

Source: Institute for Tourism & Recreation Research
www.itrr.umt.edu

MARKETING MONTANA

.....BREAKING THROUGH THE CLUTTER

CONSUMER MARKETING

The consumer marketing program develops advertising and promotional campaigns to positively and uniquely brand Montana, differentiate the state as a travel destination, and increase tourism from domestic and Canadian travelers. Nationwide tourism trends, statistics from the Institute of Tourism and Recreation Research (ITRR) at the University of Montana, and the results of contracted research studies help determine the overall marketing strategy.



ACCOMPLISHMENTS

- Created advertising messages that supported Montana's image of spectacular nature and breathtaking experiences.
- Targeted national and regional (including western Canada) audiences, such as Minneapolis/St. Paul, Seattle, and Chicago.
- Placed more than \$4.8 million in media, including magazine, online, radio, newspaper, and out-of-home (transit, billboard, storefront) advertising.
- Contracted a research study on the effectiveness of 2009-2010 marketing campaigns:
 - Increased awareness of Montana as a travel destination by 37%; those aware of advertising 3x more likely to travel
 - Generated 416,000 incremental trips to Montana
 - Average visitor party spent \$1,020 while in Montana
 - For every dollar spent on advertising, \$104 is spent in Montana (\$4.53 of which is returned to the General Fund through state and local taxes)
 - Source: Leisure Trends Group, 2010; Institute for Tourism & Recreation Research; 2010.
- Developed partnerships with private and public entities to extend the advertising budget.
 - *Get Lost (in Montana)*—Partnered with local destination marketing groups and private businesses to encourage in-state travel by Montana residents.
 - *Adventure Travel Hub at Outdoor Retailer*—Partnered with the Adventure Travel Trade Association to host the first-ever travel feature for the 20,000+ attendees of the nation's premier outdoor buying event, Outdoor Retailer. Partnership resulted in Montana photo shoots with Teva and Osprey Packs.
 - *Crown of the Continent*—Partnered with British Columbia, Alberta, and National Geographic to promote sustainable, shoulder season travel to the region surrounding Glacier National Park.
 - *Sled the Rockies*-- Partnered with Wyoming and Idaho to promote snowmobiling in the northern Rockies.

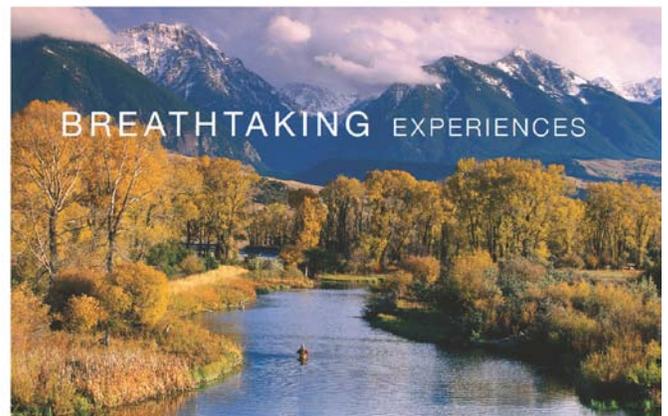
BRANDING INITIATIVE

The brand development program is responsible for implementing and promoting a consistent positive brand image for Montana as a vacation destination. The program works to not only ensure consistency with the brand platform and principles, but also to develop and administer brand outreach and services to encourage cooperation and support of the Montana Office of Tourism brand strategy.



ACCOMPLISHMENTS

- The Branding Initiative program has been incorporated in all Montana Office of Tourism (MTOT) advertising, publication and web efforts, as well as in logo and stationary design.
- In 2010, the brand elements were presented to the following organizations, with a total attendance of approximately 325 individuals: the MT Outfitters and Guides Association annual convention, Yellowstone Country Tourism Region, Whitefish CVB, West Yellowstone CVB, Russell Country Tourism Region, Great Falls CVB, Red Lodge Lodging Association, Missouri River Country Tourism Region, Gold West Country Tourism Region, the annual Montana Downtown Forum, the Bozeman TBID and the Bitterroot Valley Chamber of Commerce.
- Plans are underway to develop and administer brand outreach and services to the tourism industry to encourage cooperation and support of the MTOT brand strategy.



The MONTANA BRAND is:

- ❖ *More spectacular unspoiled nature than anywhere else in the lower 48.*
- ❖ *Vibrant and charming small towns that serve as gateways to our natural wonders.*
- ❖ *Breathtaking experiences by day, and relaxing hospitality at night.*

To find out more information on the brand initiative, or to view Brand Books I and II as well as a sample presentation, visit www.travelmontana.org/branding.

PUBLIC RELATIONS/PUBLICITY

Our public relations/publicity program enables us to tell Montana's myriad tourism stories, leveraging the editorial credibility of journalism. Working with a full spectrum of travel, outdoor and lifestyle media, our public relations team garners placement in all media channels: print, web, broadcast and social, to create awareness for the state's vast range of destinations. We serve as a clearinghouse of Montana information and a concierge service to travel media, providing logistical and vetted financial assistance to media-producing articles and/or programming on Montana.



ACCOMPLISHMENTS

- Helped generate \$30,011,346 in earned media in FY10. This represents a near doubling in publicity values from the \$16 million garnered in FY09. This significant gain is partly attributable to the increase in TV/broadcast coverage. These figures only represent North American coverage, though the publicity program supports international publicity efforts as well.
- Hosted 35 journalists (both domestic and international) on individual press trip visits where we developed custom, story-specific itineraries. Where appropriate, we escort these journalists to maximize their Montana experience(s).
- Hosted 5 group press trips, partnering with in-state tourism constituents and private tourism businesses - lodging, outfitters, restaurants, museums and others.
- Coordinated and assisted 5 TV production crews on multi-day shoots. The logistics of hosting broadcast media is particularly intensive, yet yields a high return on investment.
- On an ongoing basis, we provide hundreds of journalists with researched information, recommendations, contacts, photographs and all of the elements necessary to develop editorial stories on travel and vacationing in Montana.
- Partnered with Glacier Country to host annual NOWA (Northwest Outdoor Writers Association) conference in Seeley Lake.
- Expanded story idea content and photos on MTOT's pressroom website - www.pressroom.visitmt.com. This media-specific web presence has channeled an increasing number of inquiries and PR opportunities our way.
- We have grown our media database to over 1700 active contacts, an increase of 10%.
- Launched a new industry website – www.montanatourismnews.org and accompanying e-newsletter to provide timely, relevant news and resources to our tourism partners.
- Cultivated media coverage of Montana's tourism and film industry through 36 in-state and out-of-state press interviews.

In addition, the program provides information and resources to our in-state constituents and tourism partners about news and issues pertaining to Montana's tourism industry.

PUBLICATIONS

The Montana Office of Tourism publications provide coverage of Montana's year-round recreation and attractions to visitors of all ages. These free guides are packed full of gorgeous photos and easy-to-read information helping our visitor further their sense of discovery while in Montana. They give the local story with depth and perspective portraying Montana at its best.



ACCOMPLISHMENTS

- Conducted two publications studies, one called Geo-Travelers and Travel Planning followed by a second study through ITRR on Vacation Guide usage with the non-resident visitor. Study results sparked the creation of the Montana Guidebook, formerly the Montana Vacation Planner. New design elements better meet consumer needs.
- Study results also set a road map for the future of the guides. Major changes will begin with the 2012-2013 Montana Guidebook.
- Created a Roadside Geological Marker brochure as part of the Governor and First Lady's Math and Science Initiative highlighting 49 geologic sites across Montana.

The guides have been designed to be used in conjunction with the Montana Office of Tourism's website, www.visitmt.com. Consumers can use the printed guides, supplemented by www.visitmt.com and www.wintermt.com to create fun-filled itineraries on where to go, how to get there, where to stay and what to do for a very personal experience.



GROUP TOURS

The Group Travel program provides tour operators with the tools to build a successful group tour product. Group tours can bring a substantial amount of money to our state. For example, on average an individual touring on a motorcoach will spend \$183 per day, and a full capacity motorcoach contributes \$5,000 to \$7,000 per day to the local economy.

ACCOMPLISHMENTS

- Updated the website to be more user friendly, www.montanagroups.com
- A report tracking motorcoach travel to Montana shows 1345 departures were offered which includes overnight stays in more than 25 cities in Montana.
- Coordinated Group Market advertising in major trade publications, which also includes an online presence.
- Attended two national conventions promoting Montana – National Tour Association (NTA), and American Bus Association (ABA).
- Hosted several domestic tour operators on familiarization tours across Montana.

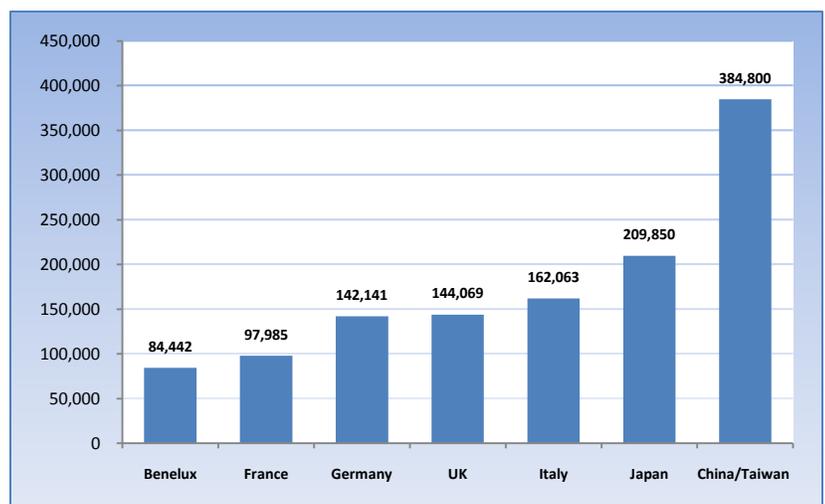


OVERSEAS MARKETING

The Montana Office of Tourism continues marketing in Europe, Scandinavia and Australia, as well as Japan and Taiwan. We continue to see increased overnights offered in each market.

ACCOMPLISHMENTS

- Twenty seven European and Scandinavian tour operators met with 25 Montana suppliers at the Rocky Mountain International Roundup in Great Falls. Seven of the operators participated in either a pre or post Montana Fam.
- Hosted numerous European, Scandinavian and Australia tour operators on Familiarization tours throughout Montana.
- MTOT participated in or was represented at seven international trade shows or missions.
- Montana saw an increase of 12% in overnights offered by Tour Operators.



ELECTRONIC MARKETING

Electronic Marketing utilizes traditional interactive and emerging technologies to develop innovative systems for disseminating Montana travel information and to help define and reinforce the Montana brand. These technologies include interactive websites, mobile applications and social media.



ACCOMPLISHMENTS

- Following national trends, MTOT branched out into new marketing channels including social networking, mobile computing and user generated content.
- The Montana Office of Tourism took over the “Montana” fan page on Facebook in late January 2010, inheriting 20,000 fans. During the remainder of the year, the fan base grew to over 80,000 enthusiastic supporters and admirers of Montana. MTOT uses Facebook to deliver messages about upcoming events and unique travel and recreation opportunities. Additionally, MTOT encourages and fosters community interaction and discussion among the fans.



- MTOT has also established a Twitter presence. As of December 2010 Montana had 2573 Twitter followers.
- In the fourth quarter of 2010, MTOT began working with MMG Worldwide, a specialist in destination marketing and interactive design, to build a mobile specific version of visitmt.com. This site is focused on delivering information to visitors 'on the ground', traveling in Montana. The URL is m.visitmt.com.
- As the primary element of the 2010 in-state campaign, GetLostMT.com was designed to increase awareness of the opportunities the state has to offer by collecting new user-generated content through an incentive-driven forum. The site includes an interactive, online gallery of user submitted stories related to locations within Montana on a Google Map. During the in-state campaign, the site received 50,000 visits and 358 users contributed stories.
- MTOT also continued to enhance the functionality and usability of visitmt.com by doing an extensive content revision on the “Explore Montana’s Regions & Towns” section and renaming it “Places to Go”. Users now have access to a broader spectrum of destinations, as well as, Cities and Towns-redesigned and expanded to feature more photography and rotating featured towns.



The foundation of MTOT's electronic marketing is the tourism database. This is an extensive database of tourism-related information. MTOT works closely with our communities and business partners to gather this information.

VISITOR INFORMATION SERVICES

The Visitor Information Services (VIS) Program is a component of an integrated and comprehensive tourism marketing strategy. Upon arriving in and traveling through Montana via highway, air, or rail, travelers need an integrated, strategic system of information from a variety of sources for a successful vacation experience.

ACCOMPLISHMENTS

- Made in Montana (MIM) Brochure – produced and distributed statewide 15,000 MIM brochures. The MIM program, which also includes Grown in Montana and Native American Made in Montana components, helps build recognition for authentic Montana products.
- Partnered with the Montana Department of Transportation to provide access to live travel counselors through the state’s 511 Traveler Information System.

VISITOR INFORMATION SERVICES (CONT.)

Visitor Information Centers (VICs) are part of an integrated system of travel information dissemination. VIC staff provides itinerary planning assistance to ensure a successful vacation experience.

ACCOMPLISHMENTS (CONT.)

- VICs served 189,319 travelers May through September, a 4.6% increase over 2009.
- Travelers assisted by VIC staff lengthened their stay by 31%.
- From April through September, average expenditure per group per trip for VIC staff-assisted travelers was approximately 55% higher than that of all visitors.
- VICs provide free WiFi service.
- Made in Montana products are displayed in VICs.

- Special Events Grant Program (SEGP) provided \$82,000 for annual events in eight Montana communities:
 - Helena - Rocky Mountain PBR Challenge and Western Rendezvous of Art
 - Great Falls - 42nd Annual CM Russell Art Auction
 - Seeley Lake - Sample the Seeley-Swan
 - Crow Agency - Crow Fair & Rodeo
 - Stevensville - North West Honey Fest
 - Troy - Kootenai River Bluegrass & Beyond Festival
 - Malta - Montana Dinosaur Festival
 - Stanford - CM Russell Stampede

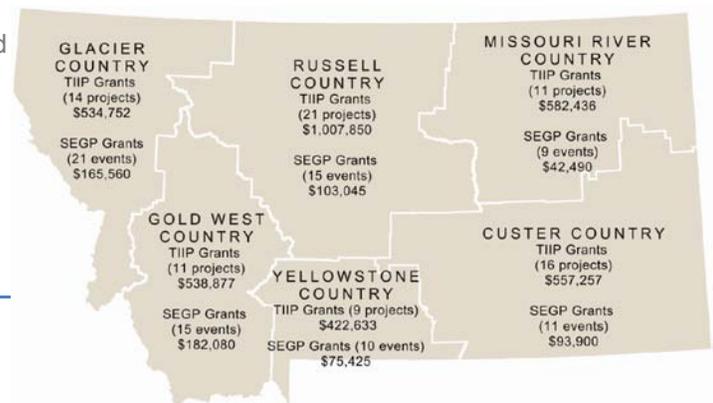
The purpose of the SEGP grants is to diversify and enrich Montana's tourism product by developing and enhancing community-based tourism festivals and events.

TOURISM DEVELOPMENT & EDUCATION

The program focuses on providing technical, financial and marketing assistance for tourism-related projects.

Assistance is provided through education services, including workshops, an annual conference, a recurring statewide strategic planning process and a customer service training program.

- 2010 Montana Governor's Conference on Tourism & Recreation provided tourism education and training for 399 attendees.
- Montana Superhost Program created an on-line customer service training website available to users at no cost, began a free webinar-delivered Supervisor Level Training Program, and conducted on-site customer service training seminars in 40 Montana communities.



TIIP grants are awarded to projects that create, enhance or protect tourism-related facilities that increase Montana's attraction as a visitor destination.

ACCOMPLISHMENTS

- Tourism Infrastructure Investment Program Grants (TIIP) invested \$300,000 into 7 projects resulting in \$2.64 million in tourism facility improvements (\$8/\$1 leverage).
 - Bannack State Park - Group Multi-Use Facility
 - Bozeman – Emerson Arts & Culture Center
 - Great Falls – Great Falls Ice Plex
 - Hardin – Big Horn County Museum
 - Malta – H.G. Robinson House & Gardens
 - Terry–Prairie County Museum & Evelyn Cameron Gallery, Evelyn Cameron Cultural Center

MONTANA FILM OFFICE

The Montana Film Office brings economic development to the state by promoting Montana as a motion picture and television production destination.
www.montanafilm.com



ACCOMPLISHMENTS

- Assisted in bringing more than 70 productions to Montana with an estimated direct economic impact of \$4.6 million and 119 FTE jobs.
- Promoted and administered the Big Sky on the Big Screen Act, Montana's film production incentive bill. This tax credit program keeps Montana competitive among other states and nations.
- Certified 11 new productions for the Big Sky on the Big Screen Act.
- Hosted 61,000 user sessions and 160,000 page views on the Montana Film Office web site, which lists more than 350 Montana crew members and 1000 Montana businesses that provide services to the industry.
- Garnered over 1000 followers on Facebook, over 1400 on Twitter and over 9000 viewing of film office videos on YouTube.
- Fielded 220 project inquiries, a 32% conversion rate.
- Worked with a number of notable new television shows, films, and national commercials. TV shows like Expedition Wild, Frontier Force, and The Wild Within showcased Montana's outdoor adventures and scenery. The feature film *Moonhair* showcased an entirely Native American cast and filmed in Montana in September. Seventeen commercials were filmed including some major spots for Toyota, the US Marine Corp, Polaris, and interestingly, a spot for Alaskan reality TV show, *Ice Road Truckers*.

MONTANA'S TOURISM PARTNERS

.....WORKING TOWARDS A COMMON GOAL

Montana's tourism industry is comprised of a multitude of entities working tirelessly to promote Montana and enhance our visitors' travel experience. It is because of the dedication and active participation of our tourism partners throughout the state that Montana continues to be a valued and treasured travel destination.



■ CVB Location (Convention and Visitors Bureau)
● VIC Location (Visitor Information Center)