Application for Gold West Country Cooperative Marketing Funds

Approved audit/ apps cmte
3/8/09 Barb

Organization Name: Madison County Economic Development Council

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Legal Address: PO Box 365 Virginia City MT 59755

Project Supervisor: Sam Korsmoe
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Regional President: Mike Steele
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Tourism Region: Gold West Country

Project Title: **Two Days More of Southwest Montana**

Total Budget for Project: $7968.00

Percentage of Cooperative Funds Requested: 25% of total budget
Dollar Amount of Cooperative Funds Requested: $2,000

Proposed starting and ending dates: From: March 2009 To: Indefinitely

Funding Sources:

a. Regional/CVB funds	$2,000
b. Memberships	$0
c. Advertising Revenue	$0
d. Cash on Hand	$2000
TOTAL	$7968.00

Narrative description of this project. Include how the project is executed.

Two Days More is a free, tourism-targeted newspaper distributed throughout Southwest Montana. As its title implies, the goal of the newspaper is to encourage tourists and visitors to stay in Southwest Montana for two more days to enjoy all that Gold West Country has to offer. The logic for this type of marketing is straightforward. They, the 1.47 million people who visit Gold West Country every year, are already in Montana. The challenge is to convince them to stay longer than originally planned or to make their next planned trip a few days longer than the previous one and to travel through Gold West Country. This is what **Two Days More** will do.

This is not a marketing campaign to get the masses to Montana. Rather, it is a campaign to convince the converted to stay longer. The **Two Days More** newspaper is a project of the Madison County Economic Development Council (MCEDC), a 501 c 3 non-profit organization based in Ennis. The newspaper has a limited advertising component so the focus is its content and not the advertisements within the publication. The articles focus on the Southwest Montana region, people, businesses and activities to compel travelers to learn more about the area and to change their minds about simply passing through. With the help of the newspaper, travelers will be compelled to stay in the region longer (ideally much longer than just the advertised two days more) rather than passing through to their next destination.

The key to this type of marketing newspaper is the content. We do not need to sell Montana (since they are already here), but we do need to sell the pieces and places of Montana that travelers never hear about. In an eight-page tabloid sized format, the content will be arranged as follows:

Page One/Cover Page – Cover photo and story. This will be a professional photo with a compelling and unique story on one aspect of Southwest Montana. The draft topics for 2009 include but are not limited to a feature on Butte America, Southwest Montana's ski resorts, backcountry camping, etc. Like all cover stories, the design and the writing will "pull" or "hook" the reader and compel them to pick up the newspaper, take a copy with them, and pass it on to others.

Page Two – The First Day. This is a real 'one day' experience written by a freelancer. Some articles will have themes such as activities with children, girls' day out, food-centric fun, etc. The activity is real and the articles will most likely be written in first person with high quality photos.

Page Three – The Second Day. This is a planned activity for a niche market of people with particular needs such as parents with children, spouses whose other half are fishing or hunting, art lovers, history lovers, etc. This article will be written in-house in a journalistic style to convince people to give something new a try or to inform them of something they may not have known existed in Southwest Montana. Draft topics for 2009 include the Grizzly/Wolf Discovery Center in West Yellowstone, the Montana Auto Museum in Deerlodge, and art museums in Butte and Bozeman among other topics.

Page Four/Five Center Spread – Map of Activities and Advertorial. This center spread is a well-designed map of our target area with 'pull out boxes' with information on a unique place of interest that travelers can visit as they drive through or around the region. Each issue will feature different places and activities. The advertorial will be from a featured business who will directly invite travelers to come to their town and cater to their business (e.g. a delicious bakery or restaurant that is known only by locals, a quirky bed and breakfast, a fishing/hunting/horseback riding guide service, an out-of-the-way beautiful spa, etc.). The center

spread will be very user friendly and have no advertisements at all. The pull out boxes will be a type of subtle advertisements of those businesses/industries, but the proprietors will not be charged any kind of fee. The advertorial will be similar to a column, but with fewer words and good quality photos.

Page Six – Day in the Life. This will be a feature article on an individual(s) who lives, works, and has a unique and engaging life or business within Southwest Montana. It may also be about a business that is developing a creative niche business model. The stories might be on "regular" people who are simply doing their job, but the job itself has some appealing or interesting characteristics such as a rancher calving in sub-zero temperatures in February and March, a local artist who gets his/her inspiration from the environment of Southwest Montana, or a wildlife biologist that tracks grizzly bears. These articles will be written by professional freelance writers. Draft topics for 2009 include the Anaconda Brewery, a wolverine researcher in Ennis, an artist in Virginia City, and other topics.

Page Seven – Only In Southwest Montana. This article will be on unique and/or strange events, happenings, or historical facts about Southwest Montana. The writing will be colorful and include high quality photos. Many articles will probably be quite humorous. These articles will be written in-house. Draft topics for 2009 include St. Patrick's Day in Butte, alpaca ranchers, ghost stories in Virginia City, and other topics.

Page Eight/Back Cover – Full Page Ad. This is the only full page advertisement in the newspaper. The ideal client would be a resort or travel business based in Southwest Montana who believes in the Two Days More idea and is an ideal stop for either 'Day One' or 'Day Two' for Gold West Country travelers.

The MCEDC has a one-year draft editorial plan already mapped out as well as a first draft of the newspaper design (see attached).

The newspapers will be distributed for **free** in convenient locations throughout Southwest Montana. A large portion of the publications will be distributed in and near Yellowstone Park to draw those visitors deeper in to Southwest Montana. The MCEDC is using tourism data from the Institute for Tourism and Recreation Research (ITRR) as well as data from local chambers of commerce to identify and quantify the highest human-volume traffic locations. The simple yet elegant style of the newspaper will make it an inviting read, and the compelling articles will keep the interest of the reader and encourage them to pass the newspaper on to others. The advertising throughout, though limited, will be stylish and attractive so the reader is more apt to notice these ads rather than a large, jumbled array of advertisements. There will be careful attention invested in the photographs. The MCEDC will take photos as often as possible, but it will also purchase stock photos from more qualified professional photographers. Most importantly, **Two Days More** will not have a 'home-made' look about it. Instead, it will be a newspaper in which, because of its high quality, the reader will wonder where it was produced and be pleasantly surprised that it is produced in Southwest Montana.

Sam Korsmoe, the Executive Director of the MCEDC, is a published author and spent 10 years in journalism before taking on his current position with the MCEDC. He will be the editor-in-chief and lead writer for the publication. Robin Blazer, MCEDC's Project Manager and a freelance writer and photographer, will be a contributing photographer as well as a writer. The remainder of the content will be provided by regional journalists, highly qualified freelance writers, and professional photographers. Advertising sales will be contracted out on a commission basis to ensure the best return on the money invested into the newspaper.

This project has a five-year plan with full financial projections (see attached). The first issue of **Two Days More** is scheduled for December 2008. This will be the soft launch of the publication. Our flagship year will be 2009 with the publication of the January 2009 edition. The MCEDC is requesting the financial assistance of a Gold West Country grant to get the publication off the ground in its proper fashion for 2009. Although there will be some advertising income to offset costs, the startup costs of publishing a region-wide tourism newspaper are well beyond what the advertising revenue can cover in the first year and well beyond the financial capacity of the MCEDC. With the help of a Gold West Country grant, the MCEDC expects to break even in the first year. From its third year on, **Two Days More** will be and remain self-sustaining.

Anticipated economic benefit of this project (i.e. increased visitation, length of stay, how project will increase appeal of region as a travel destination, etc.)

The anticipated economic benefit of the **Two Days More** newspaper is tremendous. According to the Institute of Tourism and Recreation and Research (ITRR), Madison County, to name just county that will benefit from this project, receives on average $52.4 million in revenue from out of state visitors per year. This translates to approximately $143,562 per day in economic revenue. If **Two Days More** compels these visitors to stay just two more days on their vacation, it could mean an increase of $9,307,500 in annual revenue for the Gold West Country region from Madison County alone.

As the table below indicates, the total impact of a marketing campaign such as **Two Days More** would, if 100 percent successful increase revenues in Gold West Country from the current $396,544,000 to $793,088,000.

While 100 percent success is not likely, a more realistic projection is that within the next five years a total of 12 percent of Southwest Montana's visitors will stay an extra two days while vacationing in the region. If so, the total revenue generated from tourism would increase to $444,129,280 per year from $396,544,000 currently if no such campaign had ever been initiated.

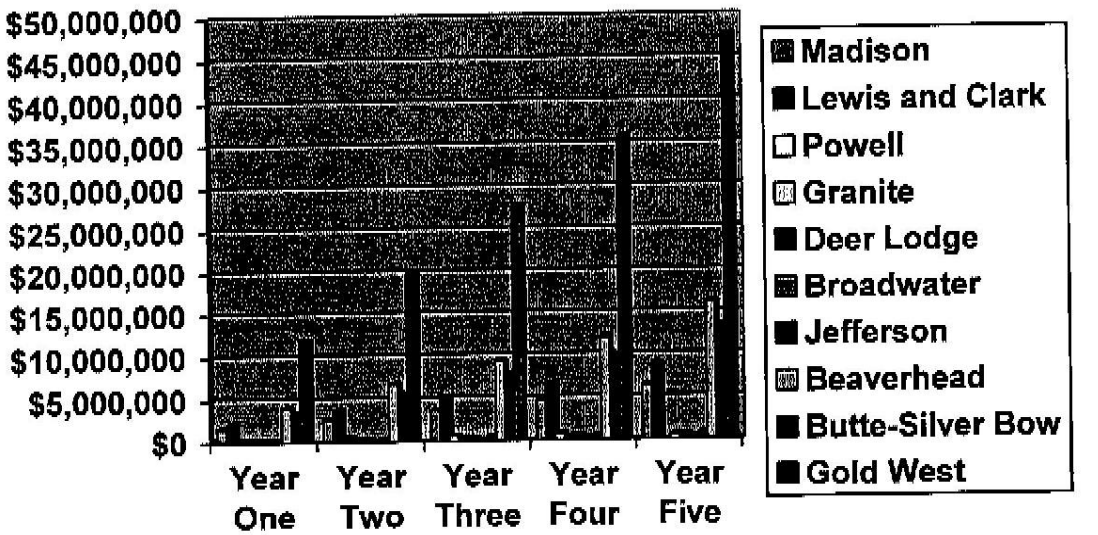
County	Current non-resident tourism revenue per year
Madison	$52,442,000
Lewis and Clark	$72,898,000
Powell	$8,796,000
Granite	$4,370,000
Deer Lodge	$3,972,000
Broadwater	$2,286,000
Jefferson	$6,437,000
Beaverhead	$133,942,000
Butte-Silver Bow	$111,402,000
GOLD WEST COUNTRY	$396,544,000

Source: ITRR

The projected percentage of non-resident travelers who decide to stay two days more and its increased economic impact in dollar terms for each county of Gold West Country is as follows:

	Year One 3%	Year Two 5%	Year Three 7%	Year Four 9%	Year Five 12%
Madison	$1,572,000	$2,620,000	$3,668,000	$4,716,000	$6,288,000
Lewis and Clark	$2,186,940	$3,644,900	$5,102,860	$6,560,820	$8,747,760
Powell	$263,880	$439,800	$615,720	$791,640	$1,55,520
Granite	$131,100	$218,500	$305,900	$393,300	$524,400
Deer Lodge	$119,160	$198,600	$278,040	$357,480	$476,640
Broadwater	$68,580	$114,300	$114,300	$205,740	$274,320
Jefferson	$192,000	$320,000	$448,000	$576,000	$768,000
Beaverhead	$4,017,000	$6,695,000	$9,373,000	$12,051,000	$16,073,040
Butte-Silver Bow	$3,342,000	$5,570,000	$7,798,000	$10,026,000	$13,368,000
Gold West	**$11,896,320**	**$19,827,200**	**$27,758,080**	**$35,688,960**	**$47,585,280**

As the table above illustrates, the projected impact of the **Two Days More** campaign for Gold West Country overall is an increase of $47,585,280 in new revenue within five years. This represents a return on investment of a Gold West Country grant of 2,379%.



Two Days More is an extraordinarily simple and inexpensive way to plant the seed in tourists' minds that Southwest Montana has a tremendous amount of opportunities and activities to offer travelers of every type. **Two Days More** offers ideas and activities for families, single people, people who need pampering, fishermen, hunters, photographers, and more. In addition, **Two Days More** will compel local year-round residents to seek out places they may either have never heard about or had only minimal information on and so were reluctant to visit.

In addition to providing an increased economic benefit to the area, the project will, beginning in Year Three, begin to generate revenue for the MCEDC which will allow the organization to continue to work on economic development projects for the region. The MCEDC's funding sources are entirely based on grants, some revenue generating projects, and some limited county funds. For these reasons, it continually strives to keep its books in the black and its operations viable. With more revenue generated by this project each year, the MCEDC will be able to worry less about its funding sources and spend more time focusing on cultivating the economy of

the region. It will be able to hire more staff and take on more economic development projects. To accomplish this end, the MCEDC needs startup financial assistance.

Target market for this project.

The target market for **Two Days More** is the out of state visitors who may stay in Southwest Montana for a few days and then move on to an entirely different part of Montana for their vacations. **Two Days More** encourages these visitors to linger for two more days, or to completely change their plans, because of their new found knowledge of Gold West Country. The offerings of Madison County alone are enough to fill two days. By encompassing all the activities of the entire region of Gold West Country, the opportunities are limitless. The MCEDC will have no shortage of compelling topics to write about.

According to a study by the University of Montana-based ITRR, Madison County alone generates over $14.5 million in income just from guiding (i.e. hunting, fly fishing, back country horse back riding, guiding of tourists, etc). This is nearly 12 percent of all the guide revenue for the state of Montana. Having this knowledge, **Two Days More** will invest in articles about guiding because it is already a proven revenue earner for Madison County among non-resident tourists. This is one example of how the MCEDC will decide which articles and what kinds of content will be accepted for publication. It will also use a similar approach to decide where to distribute the newspaper. For example, Beaverhead County generates over $87.6 million in revenue from gas and food. Thus, the likely drop spots for **Two Days More** newspapers will be in gas stations, restaurants, and convenience stores. We hope to capture a large percentage of the traffic that flows through Yellowstone National Park. The busiest entrance is through West Yellowstone, right next door to Madison County and Gold West Country. If we can convince these travelers to come into Gold West Country and deeper into Southwest Montana, **Two Days More** will be a success. Naturally, the same data gathered from ITRR will be used to target potential advertisers to ensure they get the most from their advertising dollar when they book ads in **Two Days More**. The data from Beaverhead and Madison Counties are just a sampling of how the MCEDC will determine its distribution strategy as well as its publication content.

Methods of Project Evaluation

The easiest way for **Two Days More** to measure its success is to monitor newspaper depletion. The MCEDC will keep track of how many newspapers have been taken from each month's distribution locations and multiply each copy taken by 2.3, the industry average for pass-along readership. For example, the MCEDC projects that its first run printing of 3000 newspapers will have been read by 6,900 people if the entire print run is picked up, read, and passed on. Thus nearly 7,000 people will have a new idea about where to go and spend the next couple of days in Gold West Country and how to spend their hard-earned money. In addition, after the first year of publication, the MCEDC will survey its advertisers about the increase in business directly due to advertising in **Two Days More**. The MCEDC will happily share this information with Gold West Country officials so they can plan more effective marketing campaigns.

Two Days More will also have a comprehensive website that will be linked to a statistic counting data evaluator (ie: www.statcounter.com). This will be an extremely simple way to monitor how many people read the publication each month as well as monitor the effectiveness of the advertising. The website will be easily accessed from top search engines as well as Chambers of Commerce around the area and www.visitmontana.com, www.yellowstonecountry.net, and www.goldwest.visitmt.com.

PRINTED MATERIALS

Publication: **Two Days More of Southwest Montana**

Quantity: 36,000 total (through one year)

Color: Full color

Paper Stock: Newsprint

# of Pages or Folds: 8 pages

Size: Tabloid newspaper (24" tab on 50# newsprint)

Ad Sales: yes Percentage: 25%

Distribution Plan:

Two Days More of Southwest Montana will be distributed all around Gold West Country and neighboring counties (Gallatin and Park) in coffee shops, oil change locations, restaurants, grocery stores, convenience stores, gift shops, jewelry stores, malls, and any and all places an out of state visitor might go. The distributors will be our in-house staff, with distribution costs merely being gas reimbursement. They will be disbursed within days of publication, once per month.

The website will, of course, be worldwide.

Please list any additional information, which you believe justifies and documents the effectiveness of your project(s).

- MCEDC is an established organization with the human resource capacity and office infrastructure to develop **Two Days More** into a viable publication.
- The Southwest Montana region offers plenty of options for strong editorial content for tourists.
- The **Two Days More** business model will be financially sustainable by the second half of the second year and profitable from its third year.
- MCEDC staff are familiar with journalistic writing and editing procedures, making it easier to provide good, strong content.
- There is no equivalent publication or business model in Southwest Montana yet more than four million visitors travel through the region every year.
- There are numerous tourism and leisure businesses to support an advertising revenue model for **Two Days More.**
- The entry costs for Two Days More is minimal yet the return on investment in financial terms for the publisher is significant and the **return on investment for the region is enormous.**
- The financial model supports the opportunity for MCEDC to be able to expand its operations and possibly hire more staff to develop the economy of Southwest Montana.

REGION/CVB PROJECT BUDGET
PROJECT NAME

	State Tourism Funds		Other Funds		Total
PROFESSIONALSERVICES:					
Printing (one year)	$2000	+	$5968	=	$7968
TOTAL	$2000		$5968		$7968
MARKETING/ADVERTISING:					
	$0	+	$0	=	$0
	$0	+	$0	=	$0
	$0	+	$0	=	$0
TOTAL			$0		$0
TRAVEL:					
Personal Car	$0	+	$0	=	$0
Commercial Transportation	$0	+	$0	=	$0
Meals	$0	+	$0	=	$0
Lodging	$0	+	$0	=	$0
Vehicle Rental	$0	+	$0	=	$0
TOTAL	$0		$0		$0
OTHER: In-House					
TOTAL			$0		$0
REGION/CVB PROJECT TOTAL					