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**State Of Montana - A Five Year Strategic Plan
For The Travel And Tourism Industry
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A Five Year Strategic Plan for the Travel and Tourism Industry

October 1992

Developed Jointly by the Private and Public Sectors of Montana
Guidance Provided by Ernst & Young Management Consultants

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INTRODUCTION

This industry strategic travel and tourism plan was undertaken at the request of Travel Montana, the Division within the Montana Department of Commerce responsible for state visitor promotion. **Specifically**, Travel Montana's objectives were as follows:

- to develop a "vision" of the direction Montana's tourism **industry**¹ should be taking in promotion and development over the next five-years;
- to establish broad objectives and priorities within this "vision";
- to develop specific strategies which will guide the Montana tourism industry in the pursuit of its "vision"; and
- to satisfy the concerns, values and opinions of Montana's tourism industry regarding the three previous objectives.

Implementation of this plan is intended to be undertaken by the industry as a whole, not just Travel Montana. This is discussed further in the implementation section of this report.

The remainder of this report contains a short description of the planning process used to accomplish these objectives, a summary of the current status of travel and tourism in Montana, and the results of the strategic planning process. Detailed information is contained in the Appendices to this report.

¹ The term "tourism industry" is broadly defined to include a wide variety of organizations state-wide, both private and public sectors.

METHODOLOGY

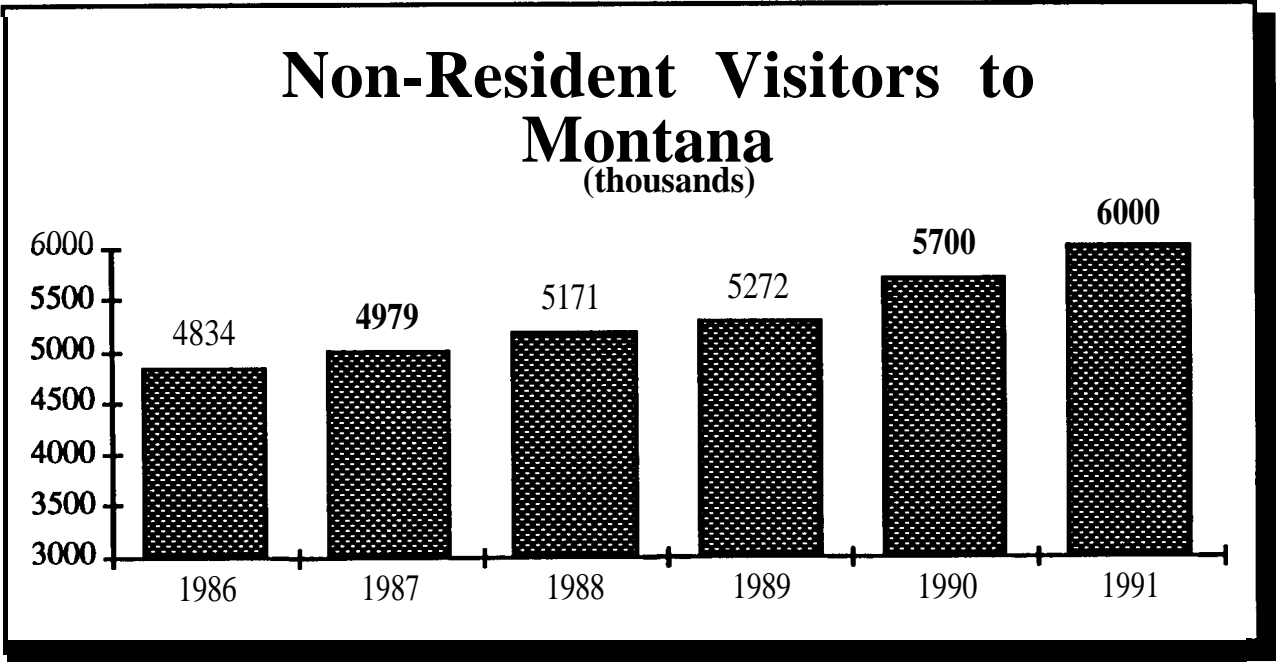
The strategic planning process used to create the five-year Montana Travel and Tourism strategic plan consisted of the following steps:

- A review of existing research.
- Conducting primary research, specifically:
 - a survey of business operators in the State;
 - a request to tourism organizations to submit briefs of key issues in State **tourism**; and
 - interviews with public and private sector organizations, either as **follow-up** to the briefs or in lieu of a request for a brief.
- Analysis of the results.
- Two half-day workshop sessions with the Montana Tourism Advisory **Council (TAC)**.
- One half-day planning workshop with public sector officials from tourism-related agencies.
- A two-day, strategic planning workshop, with approximately **37 people representing** more than **70** organizations in total.
- A review of the results.
- Reporting.

A list of contributors for each of the research activities is included in Appendix 1.

The review of existing research is unmarked in the body of this report under the heading of Situational Analysis. Essentially, research documents relevant to travel and tourism trends in Montana, dating as far back as 1982, were reviewed and assessed. The Situational Analysis was then written and submitted to Travel Montana for comments. The complete version of this analysis is included in Appendix 2.

Primary research included conducting a survey of business operators in Montana (copy attached in Appendix 3), requesting various tourism-related organizations to submit “briefs” which conveyed the collective perspective of each association’s



Source: Institute for Tourism and Recreation Research (ITRR)

membership (copy attached in Appendix 5), and interviewing key tourism players in both the public and private sector. All primary research requested information on the same topic areas. These are as follows

- Key issues relating to the travel and tourism industry.
- Priorities for tourism promotion and development.
- Specific concerns about tourism held by residents.
- Financial **funding** options for visitor information centers.
- Support for state travel and tourism promotion.

The results of the primary research and the situational analysis were **summarized** and sent to the private and public sector workshop participants one week in advance of the workshop planning session. Workshop participants were by invitation only, and were selected on the basis of their ability to represent specific interest groups. Groups invited to send a representative included tourism industry associations, the regional tourism “countries,” convention and visitor bureaus (**CVBs**), Montana Indian tribes, legislators, and a number of tourism operators not otherwise represented.

Appendices 4 and 6 contain **summaries** of the results of the survey of state business operators and the tourism-related association brief preparation process, respectively. These should be reviewed if the reader wishes to obtain more detail on the rationale behind the specific goals and actions associated with this strategic plan.

SITUATIONAL ANALYSIS

A situational analysis of Montana travel and tourism is important to benchmark the strengths and weaknesses of the industry and determine the base from which to pursue future opportunities. This analysis has been constructed **from** secondary research only, and is intended to provide the base from which the results of future actions can be judged. (We present here only the highlights from this **assessment**; a **more** detailed version of this section is provided in Appendix 2).

The Importance Of Tourism

Tourism is one of Montana's most important industries to both the public and private sector, and is also the fastest growing industry in the State. Growth in numbers of non-resident visitors, from 1986 to 1991 is shown in the chart on the opposite page.

In 1991, the influx of approximately 6 million visitors was associated with \$825 million in direct visitor expenditures. The total estimated economic impact of visitor expenditures in 1991 is \$1.88 billion once the multiplier effect is taken into **account**². The State **currently** invests approximately \$6 million in travel and tourism promotion, including the promotion of Montana as a movie/commercial **filming** location. The estimated economic impact **from** this latter activity is \$12 million, excluding personal expenditures by the cast and crew.

1991 visitor expenditures also sustained 29,300 travel related jobs in the state (as estimated by ITR.R). Both expenditures and numbers of jobs have increased substantially from 1990, with direct expenditures increasing by 8.9% and the number of travel-related jobs by 4.8%.

The State funds its travel and tourism promotion through a dedicated 4% Accommodation tax, of which approximately 23% is passed onto the six regional tourism organizations (countries) and the nine local convention and visitor bureaus in the proportion of which the bed tax revenues were collected, and 2.5% is used for research purposes. An additional **1%** is dedicated toward the

² **Research** carried out by **the** Institute for Tourism and **Recreation Research (ITRR)**, University of **Montana**, indicates that this multiplier effect is approximately 2.22.

establishment and maintenance of historic signs. The existence of the dedicated Accommodation tax is a strong contributing factor to the growth of Montana tourism as the resulting predictable revenue stream allows for effective promotional planning.

There is still **significant** potential to increase the benefits **from** tourism to the State. Average expenditures by visitors to Montana, as calculated by Ernst & Young, have been approximately \$130 **(per trip, per visitor)**³ since 1988, consistently lower than many other states. These low expenditure levels can likely be attributed to a combination of shorter visitor stays and lower per day/per visitor expenditures than in other states (no supporting research material appears to be available with respect to overall visitation in Montana). This suggests that Montana may need more revenue generating attractions/visitor facilities in order to obtain better economic results.

Montana competes with a number of other states for the same tourist **market**, including Colorado, Wyoming, **Utah, Oregon**, Alaska and the province of Alberta. Montana's greatest strength, however, lies in the unspoiled nature and extensive variety of its outdoor attractions, **scenery** and wildlife, as well as its considerable **historical** and **cultural** background.

Montana's primary weaknesses for travel and tourism are access to the state and a shortage of visitor facilities. Access issues include a lack of direct air flights **from** major metropolitan areas, limited rail access, and long **distances/travel** times associated with travel to the state. Visitor facilities and attractions are perceived to be lacking by both visitors and Montanans, and a particularly critical issue is the lack of funding available for infrastructure development.

A lack of visitor information centers at key locations in the state is also a key issue. In other states these centers are a vital source of information for visitors, and help increase both length of stay and expenditures, both areas where Montana has significant potential for improvement.

³ **Calculated as follows: Total Expenditures** = **average expenditures** per trip.
Total **Visitors**
source far underlying data on Expenditures and Visitors was ITRR.

Varied Geographical Tourist Concentration

There is presently a geographical imbalance to Montana's tourism. Tourism continues to be heavily concentrated in the west and southern regions of the state (driven by the popularity of the state's two national parks), and considerably less **in** the northeastern regions. The following table shows estimated visitor expenditures for each of the six tourism **regions**:⁴

Glacier	31%
Yellowstone	23%
Custer	18%
Gold West	15%
Charlie Russell	13%
Missouri River	2%

Tourism overcrowding is perceived to be a problem in parts of Glacier Country **in particular**. This uneven distribution of the economic benefits from tourism is clearly a concern **in** planning for the future.

Outlook For The Future

Looking to the near future, Montana faces a number of opportunities and challenges. Continuing the strong **performance** of Montana travel and tourism in recent years will be challenging, particularly given the increasing global competition for tourism dollars. Any number of events could adversely affect travel and tourism, including a weak economic recovery **in** the U. S., and a strengthening American dollar, to mention a few variables.

Nevertheless, there are a number of positive indicators for the future of tourism in Montana. These include a trend of stable energy prices (in real terms), promising tourism promotions, and the accelerating trend in favor of outdoor activities and experiences. The perception of the State as an unspoiled environment is a major strength upon which appropriate development can be based to increase average revenue per visitor.

⁴ Based on distribution of 1990 state accommodation tax revenue, as analyzed by ITRR.

Montana's Markets

Montana's travel and tourism market can be viewed as consisting of a number of sub-markets, including:

- vacation **travellers**, which **in** turn can be segmented into active adventure seekers such as snowmobiles, skiers, campers, anglers, hikers, wildlife viewers, etc., and more passive travelers who enjoy sightseeing, visiting historic parks and sites and other attractions.
- business travelers.
- business/pleasure travelers.

The table on the following pages **summarizes** the impact of each type of visitor with respect to their expenditures per trip, and shows the dominance of the recreation market within Montana's travel and tourism industry (the data presented here refers to 1988, the most recent available):

Summary Table (1988 data)

Segment	Annual Visits	Estimated Total*** Expenditure	Expenditure per Visitor per Trip
Recreationalists	4,548,000	549 million	\$83
Business	370,000*	44 million	\$119
Business/PleaSum	354,000*	65 million	\$184
Overall (approx)**	5,272,000	658 million	\$124

Source Institute for Tourism and Recreation Research (ITRR)

* Denotes the use of an estimated group size figure to convert from reported statistics on numbers of groups by segment to number of visitors by segment. Group size figures for air and highway arrivals were averaged to make this conversion, with corresponding implications for accuracy.

** Totals do not add due to overlaps between segments.

*** Estimates made by Ernst & Young, based on data adapted from ITRR's reported visitor "gross output" figures. The relationship of total visitor expenditures to total visitor gross output was used to calculate visitor expenditures for each of the three segments since only the gross output figures reported by ITRR were segment specific.

The table also shows that the business/pleasure visitor segment, although relatively small, injects a relatively greater income into the state per person .

Implications Of National Travel Trends On Montana

The following national travel trends have implications for the State of **Montana**:

- **Convenience and Accessibility.** As the average age of the visiting population increases there will likely be an increasing need to provide greater convenience in traveling to a destination and convenience in experiencing the attractions at the destination. Convenience will also be critical to families with little time. This demographic segment needs quick access to Montana's attractions and services. The implications for this group will require **more efficient** travel to Montana, better packaging and coordination of tourism packages, and a high level of service.
- **Leisure Time.** Many of the semi-retired and retired visitors to Montana are relatively less sensitive to the time pressures of the younger working demographic groups. Strengthening the interest of this semi-retired and retired group **in** Montana's tourist attractions could assist with the goal of lengthening the average stay of visitors to Montana.
- **Shorter Vacations.** For those visitors seeking shorter but more upscale vacations, Montana is at a considerable disadvantage due to lengthy travel time required to visit the state. This is due to both its distance **from** major metropolitan areas and the lack of direct air access **from** these same centers.
- **Ecotourism:** This is a rapidly growing phenomenon that should hold **significant** potential for Montana. The following are the types of experiences that fall under the general heading of **ecotourism**:
 - opportunities to view scenery and nature-especially endangered and unusual species (an aesthetic experience);

⁵Visitors now tend to spend the same amount of money that they used to spend on a **vacation**, but in a **shorter** period of time.

- opportunities to experience the physical challenges that nature has to offer—e.g., hiking trips, whitewater rafting, “outwardbound style” survival trips, etc. (a participatory experience);
- opportunities to accompany a guide or expert to learn about nature and the outdoors (a learning experience).

With its vast scenery, varied topography, and abundance of natural wildlife, Montana is extremely well positioned to become a key supplier of **ecotourism** experiences to meet these emerging national trends. Of course, Montana will have to ensure that this development is sustainable and does not damage the very resources that it is trying to promote.

- **Cultural Tourism:** This is also a growing area of interest for visitors and cultural groups alike. Visitors, seeking more “experience-oriented” vacations (vs. a more passive “sightseeing” vacation), are looking for opportunities to experience different cultures and/or historic attractions.

Many of the Indian Tribes in Montana presently view tourism as both an opportunity to preserve rites and customs and to earn revenue at the same time. Numerous tribal tourism development and promotion programs are being initiated. “Historical” culture also shows significant opportunities for tourism development and revenue generation.

Conclusion

Montana has made considerable progress in developing its travel and tourism industry over the last few years, but considerable work still remains. Increasing competition from other destinations means that Montana needs to emphasize the further development and operation of visitor facilities, continue targeted visitor promotion, and adapt to changing visitor demands.

KEY ISSUES FACING TRAVEL AND TOURISM

This section reproduces the key travel and tourism issues facing Montana **from** the following points of view:

- Business owners and operators-based on 351 completed mail **surveys** (see Appendix 4 for detailed results);
- Tourism organizations-based on 12 responses (see appendix 6 for detailed results) plus 23 additional surveys completed by assorted other organizations; and
- The Montana public sector-based on a half-day workshop and personal interviews.

These key issues were considered by approximately 40 diverse representatives of Montana's tourism industry at the **two-day** strategic planning workshop.

Business owners and operators, in their responses to the mail survey, ranked the following 21 **travel** and tourism issues for importance. Their responses, sorted in order of importance, are as follows:

- 1) Develop or improve facilities to **attract** additional visitors and lengthen their stay in the state.
- 2) Increase promotional efforts to attract more U.S. out-of-state visitors, including Canadian visitors.
- 3) Increase efforts to obtain **publicity** for Montana.
- 4) Increase efforts to promote **conventions in** Montana.
- 5) Improvements to Montana's **road** system.
- 6) Improvements to Montana's **air transportation** system.
- 7) Initiate a coordinated long range market research plan.
- 8) Establish Visitor Information Centers at key locations within Montana.
- 9) Develop additional or expand existing events (sporting, cultural) to attract additional visitors and lengthen their stay in the state.

- 11) Develop actively encourages customers to request information from the various Montana visitor-related associations and/or individual businesses.
- 12) Promote filming of movies and commercials in Montana.
- 13) Perform customer **service** training designed to ensure visitors experience a pleasant stay, such as the existing Montana Superhost program.
- 14) Increase promotional efforts to attract more overseas visitors.
- 15) Strengthening the political presence and voice of the Montana travel and tourism industry.
- 16) Enhance the packaging of visitor attractions.
- 18) Increase the technical assistance to businesses and communities for tourism assessment studies, promotion support and development **assistance** to businesses and communities.
- 19) Improve Montana's railway system.
- 20) Coordinate Montana out-of-state advertising (advertising by the private sector) to ensure the presentation of a common image to **specific** target markets.
- 21) Develop professional career paths for the tourism and hospitality industry.

Tourism Associations through the preparation of their respective "briefs," were asked to list what they thought the top three tourism industry priority issues to be. These responses were more in-depth than allowed by the more structured **business-operator** survey and discussed a wide range of issues. Ranking not possible in this context.

1. Marketing efforts should focus on:
 - both new and repeat visitors (assess mix);
 - visitors **that**, on average, spend the most amount of money per **day**;
 - the perceived culture of Montana, particularly for Easterners and Europeans;

- agriculture (i.e., cows and cowboys) and wilderness (i.e., bears); and
 - segmenting by active and passive participation in Montana's attractions.
2. A coordinated image or identity which allows for the differentiation of regions and products within needs to be developed in order to increase the **profile** of Montana.
 3. Infrastructure development should focus on
 - improvements in **transportation (e.g., highways and bridges)**;
 - the construction of visitor information centers; and
 - creating a better impression of facilities in the state.
 4. A competitive advantage needs to be strengthened by:
 - developing additional events, "attractions" (**including those** without admission charges such as scenic routes, etc.) and facilities which build on Montana's natural strengths (beauty, friendliness, wild west, etc.);
 - ensuring that a wide range of visitor experiences are available and promoted in order to increase length of stay and to encourage return visitation;
 - **point** out the cultural, diverse scenery and cost advantages relative to Colorado; and
 - emphasizing the creation of quality, sustainable tourism which maintains the state's uniqueness.
 5. **The** Accommodation tax needs to be preserved for the purpose of state visitor promotion through education, political action and tax reform. Additional funding mechanisms need to be identified for the necessary **infrastructure** and facility development.

6. **Regional funding methods** need to **be** assessed in order to ensure that regions have sufficient funds for both the development of facilities and attractions, and to respond adequately to requests generated by state promotion efforts. Organizations within these regions need access to funds as well, for similar reasons.
7. **"Packaging"** of "attractions" needs to be increased through development of "trails" or scenic routes for visitors to follow. This could also enhance cooperation and communication.
8. Promotional activities should place more emphasis on reaching audiences beyond neighboring states and provinces.
9. Public services need to be market priced as they compete with private services in industries such as camping.
10. The circulation of marketing materials among associations, organizations and agencies would promote better cooperation and awareness between groups.
11. Environmental balance needs to be achieved through communication, education awareness and planned growth. Visitors can be encouraged to visit less **travelled** areas.

Montanans also need to be aware that the environment is of primary concern to the tourism industry (the industry's main strength and competitive advantage), that visitors help to pay the State's bills, and that tourism is not necessarily incompatible with their way of life (e.g., working ranches accommodating visitors). The tourism industry needs to become more active in resource conservation and heritage preservation issues.

12. Cooperation between the public and private sectors needs to be strengthened through increased communication and joint actions. Access by **all** parties to information and resources needs to be increased.
13. Montana must become a year-round destination.

14. There is a strong need for visitor information centers.
Alternative development concepts need to be assessed.
15. State marketing efforts need to be coordinated through a long-term marketing plan with **specific** and understood roles for individual organizations, associations and agencies.

The Montana public sector, constructed the following list of key issues during a workshop **session** (again, these are not presented in order of priority):

1. The tourism infrastructure in the state is tired and needs to be upgraded. There is:
 - a lack of capital funds to repair and replace facilities; and
 - existing facilities are overused (e.g., parks, some highways).
2. **Operating** funds of public facilities are insufficient to meet visitor demands (e.g., not enough tour guides).
3. Visitor needs as compared to Montanans' perceptions of those needs may differ significantly. Facilities which Montanans' feel to be **sufficient** may not be enough to attract visitors.
4. State-wide planning (both short and long term) suffers **from** a lack of coordination and ability to
 - anticipate tourism growth and needs; and
 - develop access plans to **specific** sites.
5. The tourism industry lacks a clear sense of direction and well-desired goals.
6. A conflict resolution mechanism is needed.
7. Higher education should be available to develop careers in tourism.
8. Better knowledge of resources available (e.g., money, time of both volunteers and staff people **from** other organizations), outside of the current planning/operating framework, is required.

9. Minority groups should be encouraged to participate in the tourism industry.
10. What is an appropriate rate of growth?
11. Prudent management and sustainable use of resources (natural, cultural & historic).
12. Education of the public on the importance of tourism.
13. Ensure those affected by tourism receive some of the benefits.
14. Communication required to link natural resources with the economy (through tourism).
15. Need to minimize duplication of effort.

All of the above issues **and** concerns were presented to the diverse group of attendees at the **two-day** strategic planning workshop. Workshop participants were given executive summaries of this information in advance of this workshop for their in-depth review.

The following section outlines the actual tourism industry strategic plan developed at this workshop and in subsequent implementation meetings with the Tourism Advisory Council and Travel Montana.

THE FIVE-YEAR **STRATEGIC** PLAN

The five-year plan, **summarized** on the two opposite foldout pages, contains the following components:

- a **Vision** Statement (where the State should be in five-years);
- statements of **Goals** (grouped into four headings, a to d) designed to bring this vision into reality;
- **specific Actions** designed to accomplish those goals;
- statements suggesting "**stakeholder**" groups (i.e., any **groups** with a **potential interest** in any individual action), which **as a minimum**, should be involved in discussing potential actions.

The Five-Year Vision

The vision statement developed by the participants in the strategic **planning** workshop, representing travel and tourism interests from every region of the state, was as follows:

“Tourism is a leading year-round industry in Montana, based upon the preservation and enhancement of the state’s natural, cultural and historical resources. Growth and development of tourism is balanced with environmental and cultural sensitivity providing an authentic and unique guest experience. Public and private sectors of the tourism industry cooperate with each other; as well, tourism overall works in a spirit of cooperation with other key industries in the state. Operating in this manner, tourism fosters an enhanced overall quality of life for residents and guests, as well as providing employment and economic benefit more equitably across the state. As a result, tourism is recognized as a vital industry by residents and policy-makers alike. ”

MONTANA TOURISM DEVELOPMENT AND PROMOTION STRATEGY

VISION

TOURISM IS A LEADING YEAR-ROUND INDUSTRY IN MONTANA, BASED UPON THE PRESERVATION AND ENHANCEMENT OF THE STATE'S NATURAL, CULTURAL AND HISTORICAL RESOURCES. GROWTH AND DEVELOPMENT OF TOURISM IS BALANCED WITH ENVIRONMENTAL AND CULTURAL RESPONSIBILITY PROVIDING AN ENHANCED TOURISM EXPERIENCE. THE TOURISM INDUSTRY AND PRIVATE SECTORS OF OTHER AS WELL, TOURISM OVERALL WORKS IN A SPIRIT OF COOPERATION WITH OTHER KEY INDUSTRIES IN THE STATE. OPERATING IN THIS MANNER, TOURISM FOSTERS AN ENHANCED OVERALL QUALITY OF LIFE FOR RESIDENTS AND GUESTS, AS WELL AS PROVIDING EMPLOYMENT AND ECONOMIC BENEFIT THROUGHOUT THE STATE. TOURISM IS A VITAL INDUSTRY BY RESIDENTS AND POLICY-MAKERS ALIKE.

GOALS

- A) **Tourism, Growth and Development**
 - 1) Educate residents and policy-makers regarding the benefits of tourism, and obtain input on connective actions required for costs incurred
 - 2) Encourage more participation through non-traditional partnerships, as a means to provide the spectrum of information, as well as to access a wider resource base.
 - 3) Encourage appropriate rural tourism development through community-based planning and participation.
 - 4) Support appropriate Native American tourism development and tourism industry involvement
 - 5) Increase state-wide visitor expenditures through appropriate tourism development and promotion.
 - 6) Focus the development of Montana's tourism industry upon the natural, historical and cultural resources that state has to offer.
 - 7) Improve external access to the state.
 - 8) Encourage utilization of mass transportation in sensitive areas.
 - 9) Upgrade existing hiking trail facilities.
 - 10) Encourage appropriate tourism development in less travelled areas of the state.
 - 11) Build a four season tourism industry in the state.
 - 12) Develop a long-range market research plan.
 - 13) Develop a 5 year marketing plan, to re-allocate resources in accordance with changing priorities.

ACTIONS

- develop
- identify required areas of expertise, and recruit resources
- develop program of engagements for Speakers Bureau
- develop economic benefit information package
- meet with Government Agencies and "non-traditional industry" representatives
- develop advertising plan to solicit partnerships
- letter from Governor to support/encourage cooperative action on part of public agencies
- review the "Chateau experience" and other rural tourism development models; develop training program
- develop suggestions for Native American involvement — prepare presentation package
- expand existing tourism industry newsletter to insure broad representation of industry, and distribute through Montana Retail Association
- expand mailing list beyond readers for newsletter (e.g. other Government agencies, policy-makers)
- establish a plan for linking Montana by-ways with scenic by-ways program
- improve existing and expand number of rest stops and scenic and historic turnouts on all highways
- develop improved signage for natural and scenic attractions along highways
- investigate advertising and user fee funding systems for improvement and maintenance
- develop more campsites and visitor amenities
- develop welcome to Montana and informational signs within 2 miles of each highway entrance to state
- develop alternative signage at key points of interest on hiking trails (e.g. Lewis and Clark, Trail of the Great Bear)
- investigate feasibility of radio broadcasting information services
- develop welcoming and learning signage for each tourism region
- research study of air traffic needs, limitations and shortfalls
- assess feasibility of establishing routes in Southern Montana
- assess feasibility of north-south routes (Glacier/Yellowstone, Calgary/Denver)
- investigate potential for greater mass transit utilization in sensitive areas; identify such areas
- identify trail facilities in greatest need of upgrading, based on visitor research — bring to attention of state trails Advisory Committee
- facilitate access to research; perhaps have annual survey of trail initiatives
- raise annual presentation at Governor's Conference on relevant research
- publish annual information sheet on Travel Montana resources
- provide specific technical assistance to rural and Native American tourism projects (esp. hold workshop to determine research requirements)
- expand representation on Indian tourism working group
- strongly support existing "trail" initiatives (one support mechanism currently available is the scenic by-ways program — also see state trails plan)
- identify new "trail themes" and new attractions linked into themes
- publish promotional materials regarding trails
- develop comprehensive inventory of natural, cultural, heritage, religious (sacred sites) resources
- develop resource manager approach (eg. Glacier Country resource awareness model)
- re-evaluate inventory of shoulder season and winter attractions, and special events; target expansion opportunities
- continue identifiable long-range
- upgrade progress
- continue full-time effort in Travel Montana devoted to publicity media relations, and the promotion of movie and commercial filming
- provide greater support for existing community-based VICS (eg. greater access to information, training, etc.)
- community-based
- through
- previous

KEY STAKEHOLDER GROUPS

- Travel Montana; Montana Tourism Coalition
- Travel Montana; Office of Public Instruction
- Montana Tourism Coalition; Travel Montana
- Tourism Advisory Council; Govt
- Travel Montana; ITRR; USFS; Extension Service; FW&P
- Travel Montana — Indian Tourism Working Group; FW&P
- Montana Tourism Coalition; Montana Retail Association; Travel Montana
- Department of Commerce; Department of Transportation
- Department of Transportation; Historical Society
- Travel Montana; FW&P
- Travel Montana; National Park Service; FW&P
- FW&P; USFS; National Park Service; BLM Historical Society; Travel Montana (through a joint committee coalition); COAM
- Travel Montana; Department of Transportation; National Park Service; Trail Group
- Travel Montana; Lewis and Clark organizations; individual communities; Tourism Regions
- Travel Montana
- Travel Montana; Tourism Regions; Dept. of Transportation
- Travel Montana; U of M; Business School; Dept. of Transportation; federal participation; airlines
- AMTRAK; Dept. of Transportation; private interest groups
- National Park Service; Dept. of Transportation
- Travel Montana; USFS; National Park Service; BLM; FW&P; State Trails Committee
- ITRR; Travel Montana
- Indian Working Group; BIA; Coordinator of Indian Affairs; Travel Montana
- Travel Montana; FW&P; BLM
- Historical Society; FW&P; USFS; Indian Working Group; Travel Montana; Tourism Advisory Council
- Travel Montana; Tourism Regions; CVB's; FW&P
- Travel Montana; Dept. of Transportation; Tourism Regions; CVB's

continued

TOURISM IS A LEADING YEAR-ROUND INDUSTRY IN MONTANA, BASED UPON THE PRESERVATION AND ENHANCEMENT OF THE STATE'S NATURAL, CULTURAL AND HISTORICAL RESOURCES. GROWTH AND DEVELOPMENT OF TOURISM IS BALANCED WITH ENVIRONMENTAL AND CULTURAL SENSITIVITY PRIORITIES. AN AUTHENTIC AND UNIQUE GUEST EXPERIENCE. PUBLIC AND PRIVATE SECTORS OF THE TOURISM INDUSTRY COOPERATE WITH EACH OTHER; AS WELL, TOURISM OVERALL WORKS IN A SPIRIT OF COOPERATION WITH OTHER KEY INDUSTRIES IN THE STATE. OPERATING IN THIS MANNER, TOURISM FOSTERS AN ENHANCED OVERALL QUALITY OF LIFE FOR RESIDENTS AND GUESTS, AS WELL AS PROVIDING EMPLOYMENT AND ECONOMIC BENEFIT MORE EQUITABLY ACROSS THE STATE. AS A RESULT, TOURISM IS RECOGNIZED AS A VITAL INDUSTRY BY RESIDENTS AND POLICY-MAKERS ALIKE.

GOALS

- A) Funding, Resource Procurement and Accountability**
 - 1) Ensure long-range commitment to Accommodations tax for promotions funding.
 - 2) Obtain alternative funding sources for appropriate tourism development and for the protection/enhancement of visitor experiences.
 - 3) Be accountable for return on funds spent for both promotion and development.
- B) Enhancement of Visitor Experience - Ensuring Guest Satisfaction**
 - 1) Regularly monitor visitor experience and satisfaction - respond promptly to visitors and the cause of the their complaints/comments.
 - 2) Develop training and incentive programs for all staff of companies/organizations which deal with visitors.
- C) Maintaining & Measuring Quality of Life and Resource Sustainability**
 - 1) Monitor real and perceived impact of tourism on the environment.
 - 2) Review current and proposed developments from the perspective of environmental sustainability, and 'cultural fit' with host community.

- preserve existing, and work to increase
- lobby house and senate representation
- undertake study to identify potential s
- undertake annual review of progress
- create exit survey and administer on
- develop formalized procedure to resp
- survey/training c.m.t.es elsewhere
- evaluate efficiency and effectiveness c
- undertake survey of state residents m
- undertake 'spot checks' of areas where
- make required improvements
- develop process to determine environ
- local-area 'parameters for growth'
- educate local Councils and decision-m

Goals

A total of **20 specific goals**, grouped into four major goal areas, were identified by the workshop attendees as being necessary for the **fulfillment** of the previously discussed Vision Statement. The four goal areas were as follows:

- A) Tourism Growth and Development.
- B) Funding, Resource Procurement and Accountability.
- C) Enhancement of Visitor Experience/Ensuring Guest Satisfaction.
- D) Maintaining and Measuring Quality of Life and Resource Sustainability.

Clearly these goal areas are closely integrated. Goals within the area “Tourism Growth and Development” specifically identify **appropriate** methods (“appropriate” is defined as being environmentally sustainable, having historical and cultural integrity, and improving the overall quality of life in the state) of developing and promoting the tourism industry in Montana. In order to ensure that **there** are sufficient funds to achieve these growth-oriented goals, certain actions in the plan must be oriented towards “Funding, **Resource Procurement**, and Accountability.”

The remaining two goal areas, “Enhancement Of The Visitor Experience /Ensuring Guest Satisfaction” and “Maintaining and Measuring Quality of Life and Resource Sustainability” provide the counterbalancing forces necessary to ensure that tourism industry development is, in fact, “appropriate.”

The individual goals within each of these goal areas are now discussed in turn. Further background on the rationale for these goals can be obtained by reviewing the results of the business operator survey and the summary of the briefs submitted by tourism organizations in Appendices 4 and 6, respectively.

Goal Area A: Tourism, Growth and Development

Goal #1: Educate residents and policy makers regarding the benefits of tourism, and obtain input on corrective actions required for costs incurred.

It was felt by the participants that if both residents and policy makers were more informed about the importance of the travel and tourism industry, and the significance of the revenues that it brings to the State, their willingness to support the further development of the industry would be increased. Also, recognizing that the future of the industry depends upon “the preservation and enhancement of the State’s natural, cultural, and historical resources” (as stated in the vision statement), it was felt that both residents and policy makers should have more opportunities to comment on the impact of tourism on the environment and overall quality of life. These comments will need to be converted into a course of action each year.

Goal #2: Encourage more participation through non-traditional partnerships as a means to broaden the spectrum of interest in the tourism industry as well as to access a wider resource base.

Non-traditional partnerships offer opportunities to overcome scarce resources. For example, partnership arrangements with other government agencies can help develop new attractions, preserve existing historical and cultural resources, and address other concerns such as infrastructure and access to the State. The retail industry is a valuable player which needs to be included in future partnership arrangements as well.

Goal #3: Encourage appropriate rural tourism development ‘through “community-based” planning and participation.

Rural tourism development of new attractions is seen as both a method of more equitably distributing the benefits of tourism, and as a means of increasing the breadth and depth of visitor attractions in the state. “Community-based” planning and participation implies that a consultative process is used by each community to identify the degree to which they wish to be part of the tourism industry.

Increased participation by rural communities in the visitor industry has three benefits:

- increased economic activity and returns for these groups;
- a greater reason to preserve historical and cultural resources; and
- an increased number of **activities/attractions** for visitors to the State.

Goal #4: Support appropriate Native American tourism development and tourism industry involvement.

Native American tourism offers benefits both to natives and visitors. Visitors, through their increasing desire to experience new cultures, enjoy observing native activities such as pow wows and other ceremonies. Native groups see the interest on the part of the visitors as a means **of** earning additional revenues, as a method of **preserving** their culture through continued practice of selected ceremonies and rites, and as a means **to** share their culture with people outside of their tribe. The Montana tourism industry therefore needs to encourage Native participation in the industry.

Goal #5: Increase state-wide visitor expenditures through appropriate tourism development and promotion.

The primary intent of this goal is to encourage visitors to Montana to stay longer and spend more per day. This can be accomplished through ensuring that visitors have a complete knowledge of the various points of interest in the state (i.e. “attractions”), by developing more “attractions” which can be visited, and by increasing the accessibility of certain existing attractions. Specific action elements suggested for each of these areas include:

- **complete knowledge of attractions can be achieved through** ^{Uch} actions as additional **signage** and self-financing visitor information centers
- **development of additional attractions** should be guided by relevant long-range research and can be achieved as specified in **Goals A4, A6, A10, B2, B3 and D2**

- **increased accessibility of existing attractions** can be achieved through activities such as the improvement of roads and the creation of scenic routes or trails which take the visitor close to each of the various attractions.

Further information regarding funding for visitor information centers is contained in the responses to the survey, in Appendix 4, Section B-Questions 4,5 and 6.

Goal #6: Focus the development of Montana's tourism industry upon the natural, historical and cultural resources that the state has to offer.

Montana's natural, cultural and heritage resources are the key strategic assets of its visitor industry and need to be **preserved** in order to sustain the industry. Examples include a "Watchable Wildlife" program, Native American tourism, and developing through preservation Montana's historical attractions. Parks and historic sites currently suffer from underfunding. For parks, both capital and operating funds are scarce and, as a **result**, their tourism potential is not being maximized. Few historic sites are funded at all and thus the majority are not "visitable."

Goal #7: Improve external access to the state.

Convenience and access time are critical to increased visitation and Montana currently has limited direct access from other destinations. This area is currently under study by MDT.

Goal #8: Encourage utilization of mass transportation in sensitive areas.

Mass transportation was seen as a method of both reducing overcrowding and as an example of how the environmental impact of tourism growth can be limited. A related initiative is currently being undertaken, on a national level, by the Secretary of Transportation.

Goal #9: Upgrade existing hiking trail facilities.

Visitor facilities and amenities were seen to be in less than ideal condition and below visitor expectations.

Goal #10: Encourage appropriate tourism development in less travelled areas of the state.

Workshop participants felt that marketing and promotional activities should focus more heavily on less **travelled** areas of the state. This would assist with the more equitable distribution of the benefits from tourism as well as lessening the problem of overcrowding which is perceived to exist in selected areas of the state.

Linking trails (both motorized and otherwise) were seen as an opportunity to both increase the visitors' length of stay (and visitor expenditures) and as a means of more equitably distributing the economic benefits of tourism. The theme of the trail leads visitors to points of interest in various locations. Examples include the Lewis and Clark Trail, the proposed Trail of the Great Bear, and the Outlaw Trail. The Scenic Byways and **Backcountry** Byways programs are seen as tools by which these linking trails can be developed.

Similarly, visitors to Montana must be able to access information about attractions in the State quickly and easily. A visitor information system, including visitor information centers at entrance points to the State, needs to be developed in order for this to occur.

Goal #n: Build a four-season tourism industry in the state.

It was felt that a four-season tourism industry would both increase the benefits of the industry to state residents, and would address **current** overcapacity problems which are perceived to exist in selected regions of the state. Four-season promotion activities need to be designed in order **to** bring visitors to the state during times other than July and **August**, when overcrowding is perceived to occur.

Goal #12: Develop and coordinate a long-range market research plan.

A long-range market research plan was thought to be necessary in order to provide the information base required for Montana businesses to effectively market themselves as well as providing

direction for public sector efforts. Also, this plan would assist in **publicizing** what research is currently available and what will be available soon.

Goal #13: Develop a five-year marketing plan to re-allocate resources in accordance with changing priorities.

Bearing in mind the vision for the state, particularly four-season promotion and increased emphasis on less **travelled** areas of the state, a five-year marketing plan needs to be designed. This plan should be based on the state's competitive advantages and the perception of the workshop attendees that there is a need for increased convention and group business promotion, and more publicity. Survey respondents suggested the following competitive advantages for the state:

- scenery**
- recreation opportunities**
- **national parks, Glacier and Yellowstone**
- **wide open spaces**
- **cleanliness**
- **superior fishing, hunting and back country opportunities**
- quality of **environment**
- **"last great place on Earth"**
"wild west image"
big sky, clean air
towns and areas not "too **touristy**"
- unspoiled**
- **"It's God's country - best place in the world"**
"It is still half-way wild! Leave it - but **promote it!**"- convention and group **businesses.**

Convention and group business, in particular, was seen to be a lucrative source of revenue due to above average per visitor expenditures and a growing **market**, and publicity was seen to be an effective, low **cost**, form of promotion. Film promotion is also a method of generating publicity (spend money to attract **film-makers** in order to increase the viewing public's knowledge of Montana), although a potentially more expensive one, often with less tangible and immediate results.

Goal Area B: Funding, Resource Procurement and Accountability

Goal #1: Ensure long-range commitment to Accommodation tax for promotions funding.

The Accommodation tax is a vital ingredient to the promotion of Montana's lucrative tourism industry. The stability of this funding source is a key advantage which must be protected and enhanced.

Goal #2: Obtain alternative funding source for tourism development and for the protection / enhancement of visitor experiences.

Additional funding is clearly required **in** order to develop further tourism facilities and activities, as well as to improve some components of the state infrastructure. Recognizing that elsewhere in this plan there is an emphasis upon developing tourism in less **travelled** areas, and investing in cultural and historical resources, a funding source for **development** will be a key asset. This funding should also be used to ensure that this development is **appropriate**.

Goal #3: Be accountable for return on funds spent for both promotion and development

Accountability for completing actions that are proposed is the key to ensuring that those actions are in fact completed in a thorough and timely manner, and that this plan has ongoing support. If the return on funds spent is not **sufficient**, then appropriate **modifications** to planned actions must be **carried out**. Returns should be measured by change in visitor expenditures balanced by the achievement of the quality of life and environmental goals also contained in this plan.

Goal Area C: Enhancement of Visitor Experience and Ensuring Guest Satisfaction

Goal #1: Regularly monitor visitor experience and satisfaction - respond promptly to visitors and the cause of their complaints or comments.

Given that repeat visitors are essential for the health of Montana's visitor industry, steps must be taken to ensure that current visitors

enjoy their stay. The monitoring process will assist with identifying new business opportunities, correcting problem areas, and enhancing visitor experiences for the future.

Goal #2: Develop training and incentive programs for all staff in companies or organizations that deal with visitors.

Staff training and incentive programs designed to increase visitor satisfaction and to make visitors aware of the activities available to see and participate in were thought to be necessary for the **long-term** health of the industry.

Goal Area D: Maintaining and Measuring Quality of Life and Resource Sustainability

Goal #1: Monitor the real and perceived impact of tourism on the environment.

In order to fulfill the criterion of the vision statement for “sustainable” **development**, the impact of tourism on the environment will have to be closely monitored, and **corrective** action taken if required. Similarly, the perceptions of the general public and state legislators about the tourism industry’s impact on the environment need to be monitored, and corrective actions devised (preferably with input from the concerned parties).

Goal #2: Review all new and proposed tourism developments from the perspective of environmental sustainability, and “cultural fit” with host community.

Again, this goal is intended to provide the balancing force which ensures that the tourism industry development is “appropriate.” Here, a review process in which **all** interested parties are represented is suggested as the balancing mechanism.

IMPLEMENTATION

This section briefly comments upon the strategic plan and outlines some implementation considerations.

This strategic plan provides the Montana tourism industry with two important elements:

- . an overall framework for future decisions regarding the development of specific attractions or other activities; and
- a common base for communication between diverse groups, both tourism-related and **non-tourism** related.

While the overall framework ensures that the industry progresses in a manner consistent with its vision **statement**, it is the plan's power to communicate which is its real value. Proposed actions are clearly laid out for all interested organizations, agencies and individuals. Many actions may already be underway, or **identified** resources available. Tourism industry growth will be maximized when interested parties join together to complete actions which apply to common interests.

The results of this process, determined by a workshop of approximately 37 people representing more than 70 organizations, have been discussed in the previous section. Also, while this process was not intended to generate recommendations with regard to the need for development of **specific** attractions, such as a particular state park, a scenic trail, etc., readers will find some **specific** comments about these scattered throughout the responses to the briefs and the surveys.

It will be up to the tourism industry, including the various public agencies, to perform the actions determined by the workshop participants. Travel Montana will be able to undertake some of the recommended actions outright, while in others it will serve merely as a catalyst for action. In some cases Travel Montana may have no role at all. Implementation discussions with Travel Montana, the Tourism Advisory Council and various state and federal agencies suggest an initial interest in forming an inter-agency group to undertake some of the actions which would not be directly linked to Travel Montana's legislative mandate.

Given Travel Montana's increased role as a catalyst and facilitator, more responsibility for action will fall upon the six tourism regional organizations to undertake **specific** actions and to be accountable for those actions. Also, these regions will play a coordinating role among interest groups and working groups within their respective regions.

By working together towards common goals, based on a **specific** set of recommended actions, both the private and public sectors of Montana's tourism industry will be able to pool their resources, and avoid duplication of effort. Specific targets or completion dates for each of the recommended actions will need to be set once the various organizations, who want to be involved in any particular action, meet and understand the nature of the pool of resources available to complete that action. Reporting on results for each goal and associated set of actions should take place at the Governor's Conference- on Tourism each year, and adjustments to the plan should be made if necessary.

Accountability for completion of individual actions, and progress towards the achievement of specific goals, is the key to success for this plan.

APPENDIX 1
LIST OF CONTRIBUTORS

Strategic Planning Workshop Attendees

NAME	OFFICIALLY REPRESENTING	TOURISM AND OTHER ORGANIZATIONS YOU ARE INVOLVED WITH
MIKE LABRIOLA	GT FALLS CHAMBER	L & PORTAGE ROUTE & OTHER L&C GROUPS. RUSSELL COUNTRY
ELMER FRAME	CAMPGROUND OWNERS OF MT	GLACIER COUNTRY, MISSOULA CVB A.R.C.
STUART DOGGETT	MT INNKEEPERS ASSN.	MT MANUFACTURED HOUSING & RV DEALERS ASSN.
TERRY ABELIN	YELLOWSTONE COUNTRY	MT SKI AREAS, MT AMBASSADORS, TOURISM ADVISORY COUNCIL
STEPHEN ROHDE	MT SKI AREAS ASSN.	THE BIG MTN, FLATHEAD CONVENTION & VISITORS ASSN.
HENRY W. GEHL	MT CHAMBER, TOURISM ADVISORY COUNCIL	RUSSELL COUNTRY, MIKA
BILL MARTIN	FLATHEAD CONVENTION & VISITORS ASSN.	MT AMBASSADORS, GLACIER COUNTRY
GAYLE FISHER	RUSSELL COUNTRY -	GT FALLS CHAMBER
BARB MOE	ANDERSON-ELERDING TRAVEL SERVICE	TOURISM ADVISORY COUNCIL
LOIS HILL	MT OUTFITTERS & GUIDES ASSN.	RUSSELL COUNTRY, GT FALLS CHAMBER
GREG BRYAN	WHITEFISH CHAMBER	TAC, MIKA, GLACIER COUNTRY MT TOURISM COALITION
GAIL PRICE	CUSTER COUNTRY	CVB
JEANNE FRENCH	MISSOURI RIVER COUNTRY	FLENTYWOOD CHAMBER
MARK ALBEE	MTDNRC	GOV'S COUNCIL FOR MT'S FUTURE TOURISM INTER-AGENCY COUNCIL WATER & SUSTAINABLE DEVELOPMENT WORKING GROUP
MIKE OLIVER	NORTHERN REGION USDA FOREST SERVICE	PUBLIC AFFAIRS OFFICER - HELENA NATL FOREST
ARNIE OLSEN	FW&P	DOC, DOT, MHS, STATE PARKS, STATE RECREATION ORGS, TAC, TOURISM INST., TOURISM COUNTRIES, ETC.
ROBIN CUNNINGHAM	FISHING OUTFITTERS ASSN. OF MT	
ROBERT H. LAWTON	BLM	FEDERAL LAND MANAGEMENT
JIM PETERSON	MT STOCKGROWERS ASSN.	RANCHING AND LIVESTOCK
PAUL RUSSETTE JR.	CHIPPEWA CREE TRIBE	ECONOMIC DEV. TRIBAL PLANNING
RUTH TOWE	MUSEUMS ASSN. OF MT	MOSS MANSION, BILLINGS CHAMBER
WAYNE FINNEY	MT BED & BREAKFAST ASSN.	KALISPELL CHAMBER, WEST SHORE CHAMBER

EDWINA STEWARD

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BOZEMAN AREA CHAMBER

TRAIL OF THE GREAT BEAR

MACE

HELENA CVB

BACKCOUNTRY ADVENTURE
VACATIONS

WOMENS ECONOMIC DEV. GROUP

LEGISLATURE - HOUSE

MT RETAIL ASSN.

MT L&C TRAIL ADVISORY COUNCIL
MT HISTORICAL SOCIETY

WEST YELLOWSTONE CHAMBER

MT TOURISM COALITION

FORT PECK TRIBES

BLACKFEET NATION

(MACE, GOLD WEST - CONNIE KENNEY)

YELLOWSTONE COUNTRY BD
OF DIRECTORS, MACE

ALBERTA MRKTG TASK FORCE
WATERTON-GLACIER BIGSPHERE
RESERVE, SW ALBERTA CONSORTIA
MRKTG

HELENA CHAMBER

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HELENA CHAMBER

MT TECHNICAL COUNCIL

MT TOURISM COALITION

L&C TRAIL HERITAGE FOUNDATION
WESTERNER FOUNDATION

MIKA, YELLOWSTONE COUNTRY

INDIAN TOURISM, WORKING GROUP
MISSOURI RIVER COUNTRY

INDIAN TOURISM WORKING GROUP

Public Sector Planning Workshop Attendees

Arnie Olsen, Administrator
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Carol Hannah, Program Officer
Marketing **Bureau**
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Mike Oliver
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Mark **Albee**
Department of Natural Resources
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Institute for Tourism &
Recreation Research

Bob **Lawton**, Director
BLM

LIST OF ORGANIZATIONS SUBMITTING BRIEFS

Campground Owners Association of Montana

Campgrounds of America

Libby Chamber of Commerce

Missouri River country

Montana Association of Chamber Executives

Montana Department of Fish, **Wildlife** & Parks

Montana InnKeepers Association

Russell **Country**

Tourism Advisory **Council**

Travel Montana

Unknown

Yellowstone Country

LIST OF INDIVIDUALS INTERVIEWED

Sherry Billehus	Vice-President	Missouri River Country, Inc.
Jeanne French	Director	Missouri River Country, Inc.
Jim Mockler	Executive Director	Montana Coal Council
Carol Hannah	Marketing Program Manager	Montana Department of Agriculture
Everett Snortland	Director	Montana Department of Agriculture
Robert Heffner	Administrator, Bus. Dev.	Montana Department of Commerce
Pat Graham	Deputy Director	Montana Department of Fish, Wildlife & Parks
Karen Barclay	Director	Montana Department of Natural Resources & Conservation
Anna Miller	Financial Advisor “	Montana Department of Natural Resources & Conservation
Stephen Kologi	Deputy Director	Montana Department of Transportation
Sandy Straehl	Supr., Special Rejects	Montana Department of Transportation
Janelle Fallen	Executive Director	Montana Petroleum Association
Jim Peterson	Executive V.P.	Montana Stockgrowers Association

APPENDIX 2
SITUATIONAL ANALYSIS - FULL TEXT

Situational Analysis — Montana Travel and Tourism

A situational analysis of Montana travel and tourism is important to benchmark the strengths and weaknesses of the industry and determine the base from which to pursue future opportunities. This analysis has been constructed **from** secondary research only, and will provide a summary of background information relevant to the development of a state vision and strategic plan for Montana's travel and **tourism** industry.

The situational analysis consists of the following elements:

- placing Montana travel and tourism in context relative to other **States**;
- understanding travel and tourism in Montana from a historical perspective;
- an analysis of the current performance and expenditure patterns of travel and tourism in **Montana**;
- identifying **current** travel and tourism trends **in North** America; and
- focusing on the critical issues that face travel and tourism in Montana.

1.0 Montana Travel and Tourism in Context

Tourism is one of Montana's most important industries to both the public and private sector and is also the fastest growing industry in the State. Direct annual tourist expenditures in the State were **approximately** \$828 million in 1991, with a **total** estimated economic impact of \$1.88 billion once the multiplier effect is taken into **account**¹.

1991 visitor expenditures also sustained 29,300 travel-related jobs in the state. Both expenditures and numbers of jobs have increased substantially from 1990, with direct expenditures increasing by 8.9% and the number of travel-related jobs by 4.8%.

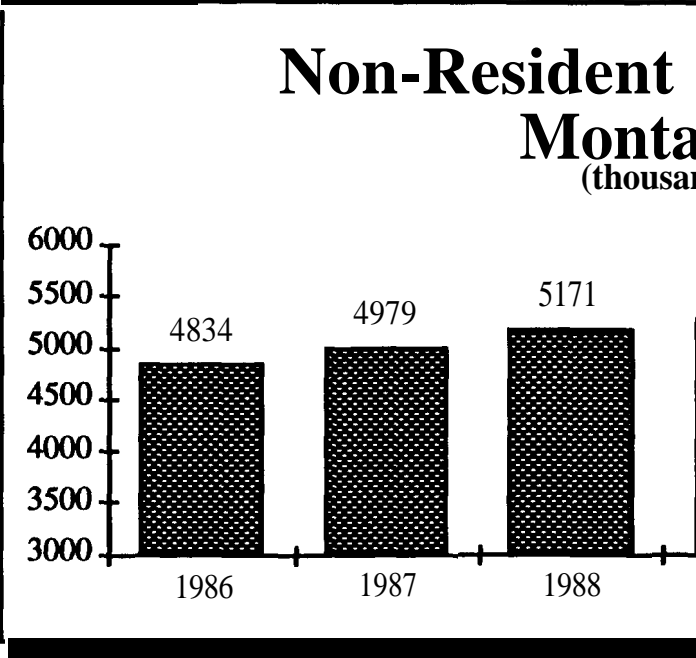
The State funds its travel and tourism promotion through a dedicated 4% Accommodations tax, of which approximately 23% is passed onto the six regional tourism organizations (countries) and the 9 local Convention **and** Visitor Bureaus in the proportion of which the bed tax revenues were collected, and 2.5% is used for research purposes. An additional 1% is dedicated toward the establishment and maintenance of historic signs. The existence of the dedicated **Accommodation** tax is a strong contributing factor to the growth of Montana tourism as the resulting predictable revenue stream allows for effective promotional planning.

There is still **significant** potential for increasing the benefits from tourism to the State. Average expenditures by visitors to Montana, as calculated by Ernst & Young, have been approximately \$130 **(per trip, per visitor)**² since 1988, consistently lower than many other states. These low expenditure levels can likely be attributed to a combination of shorter visitor stays and lower per day/per visitor expenditures than in other states (no supporting research material appears to be available with respect to overall visitation). This suggests that Montana may need more revenue-generating attractions and visitor facilities in order to obtain better economic results.

¹ Source for data on **expenditures/multipliers/jobs** is the Institute for Tourism and Recreation Research (ITRR).

² Calculated as follow: % $\frac{\text{Total Expenditures}}{\text{Total Visitors}}$ = average expenditures per trip.

Source for underlying **data** on **Expenditures** and Visitors was ITRR.



Source: Institute for Tourism and Re

Montana competes with a number of other states for the same tourist **market**, including Colorado, Wyoming, Utah, Oregon, Alaska and the province of Alberta. Montana's greatest strength, however, lies in the unspoiled nature and extensive variety of its outdoor attractions, scenery and wildlife, as well as its considerable historical and **cultural** background.

Montana's primary weaknesses for travel and tourism are access to the state and a shortage of visitor attractions. Access issues include a lack of **direct** air flights from major metropolitan areas, limited rail access, and long distances or travel times associated with travel to the state. Visitor attractions are perceived **to** be lacking by both visitors and Montanans, and a particularly critical issue is the lack of funding available for **infrastructure** development.

The lack of visitor information centers at key locations in the state is also a key issue. In **other** states these centers are a vital source of information for visitors, and help increase both length of stay and expenditures, both areas where Montana has significant potential **for improvement.** _

2.0 Historical Perspective — Travel and Tourism

2.1 Tourism Growth

Montana travel and tourism has generally enjoyed a period of sustained growth over the past decade, both in terms of revenue generated, as discussed previously, and in terms of the number of non-resident visits. **Visits** have grown **from** approximately 4.5 million in 1980's to 6 million in 1991. Growth in the number of visits was slow in the mid 1980's, but accelerated beginning in 1987, and revenue growth was even stronger. The chart on the opposite page illustrates the growth trend in visitation to the state.

This stronger growth appears to have been related to a number of factors, including more effective tourism promotion campaigns (attributable to the introduction of the accommodation tax), strong domestic economic growth (until recently), and an emerging trend towards greater outdoor activities. From 1987 onwards, a considerable portion of this growth has come from Canadian visitors. While Montana's targeted promotional efforts in Canada have likely contributed substantially to this growth, the introduction of the Canadian Goods and Services Tax (**GST**) at the beginning of 1990 resulted in an increased interest in Montana as a shopping destination and sharply increased the number of Canadian visitors.

2.2 Continued Popular Tourist Activities

While no historical data is available, recent studies indicate that approximately 40 percent of non-residents come to Montana to visit family, 35 percent arrive for vacations, and 33 percent conduct business. (These activities overlap and, therefore, do not add to 100 percent).

Historically, the most popular recreational activities for non-residents have been developed campground camping and angling. In terms of revenue-generating activities, the largest source of direct revenue has typically been from angling (**approx.** \$178 million in 1990) and developed campground camping (**approx.** \$151 million), mixed business and **pleasure**³ travel (**approx.** \$60 million), and skiing (**approx.** \$22 million).

³ **Research Report #12**, Montana's Non-Resident **Market** Segment% **ITRR**.

Further information on activities is presented in Section 4.

2.3 The Changing Tourist Profile

Tourism and travel in Montana is also being shaped by the age of the average **traveller**. In general, the average age of non-resident visitors has *increased* during the past decade. This is a reflection of an aging of the North American population, as well as Montana's attraction for semi-retired and retired people. This increase in the average age of visitors, however, may also mask the growing interest in Montana by younger demographic groups who partake in what is typically **referred** to as "adventure tourism."

Further information on **profiles** is presented in Section 4.

2.4 Varied Geographical Tourist Concentration

There is presently a **geographical** imbalance to Montana's tourism. Tourism continues to be heavily concentrated in the west and southern regions of the state (driven by the popularity of the state's two national parks), with considerably less in the northeastern regions. The following table shows estimated visitor expenditures for each of the six tourism regions?

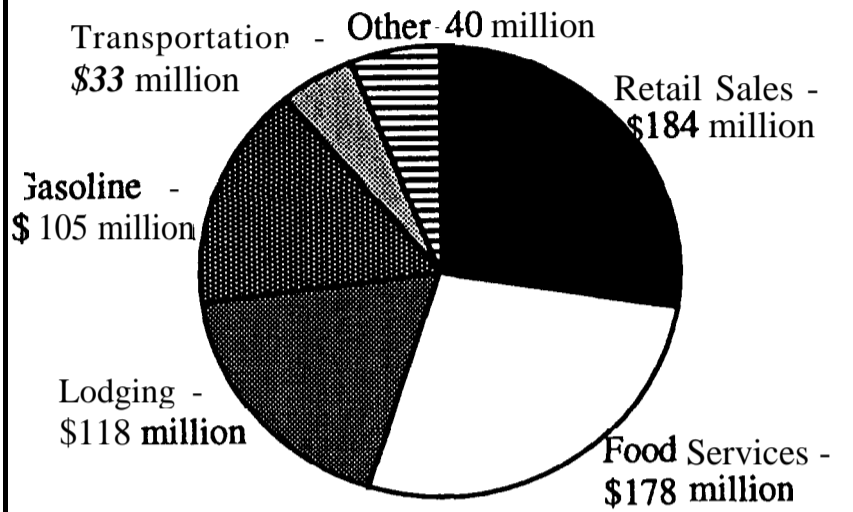
Glacier	31%
Yellowstone	23%
Custer	18%
Gold West	15%
Charlie Russell	13%
Missouri River	2%

Tourism overcrowding is perceived to be a problem in parts of Glacier Country in particular. This uneven distribution of the economic benefits **from** tourism is clearly a concern in planning for the future.

⁴ Based on distribution of 1990 state accommodation tax revenue, as analyzed by ITRR.

Montana - Total Expenditure

1988 - \$658 million



Source: Institute of Tourism and Recreation Research

3.0 Current Performance and Expenditure Patterns

1990-91 Performance

Montana's travel and tourism industry performed strongly in 1991, showing continuing increases in non-resident visits and related total expenditures. Good ski conditions and continued interest in Montana's national parks contributed to this performance. Total non-resident visitors increased approximately 3.9% in 1991, reaching nearly 6 million visitors. Related expenditures amounted to approximately \$828 million, an increase of 8.9%. Average trip expenditures, however, have remained in the \$130 range per person.

The greatest sector increases in total visitor expenditures for the period 1988 to 1990 have been in retail sales (22 percent - **primarily a result** of the Canadian practice of cross-border shopping) and food services (18 **percent**)⁵. The smallest increases have been registered in-lodging and gasoline, as shown in the charts on the opposite page.

It is **significant** that these results were achieved in a recession and when tourism in many other parts of the United States was generally stagnant or declining.

Outlook

Looking to the near future, Montana faces a number of opportunities and challenges. Continuing the strong performance of Montana tourism and travel in recent years will be challenging, particularly given the increasing global competition for tourism dollars. Any number of events could adversely affect tourism and travel, including a weak economic recovery in the U. S., and a strengthening American dollar, to mention a few variables.

Nevertheless, there are a number of positive indicators for the **future** of tourism in Montana. These include a trend of stable energy prices (in real terms), promising tourism promotion activities, and the accelerating trend in favor of outdoors activities and experiences. The perception of the State as being "unspoiled" is a major strength.

⁵ Source: ITRR, an Economic Report on Non-Resident Travel in Montana 1990.

4.0 Market Analysis

Montana's travel and tourism market can be viewed as consisting of a number of sub-markets, including:

- vacation travelers, which in turn can be segmented into active adventure seekers such as snowmobilers, skiers, campers, anglers, hikers, wildlife viewers, etc., and more passive travelers who enjoy sightseeing, visiting historic parks and sites and other attractions;
- business travelers; and
- business/pleasure travelers.

The table on the following pages **summarizes** the impact of each type of visitor with respect to their expenditures per trip, and shows the dominance of the recreation market within Montana's travel and tourism industry (the data presented here refers to 1988, the most recent available):

Summary Table (1988 data)

Segment	-Annual Visits	Estimated Total*** Expenditure	Expenditure per Visitor per Trip
Recreationalists	4,488,000	549 million	\$83
Business	370,000*	44 million	\$119
Business/Pleasure	354,000*	65 million	\$184
Overall (approx)**	5,212,000	658 million	\$124

Source Institute for Tourism and Recreation Research (ITRR)

* Denotes the use of an estimated group size figure to convert from reported statistics on numbers of groups by segment to number of visitors by segment. Group size figures for air and highway arrivals were averaged to make this conversion, with corresponding implications for accuracy.

** Totals do not add due to overlaps between segments.

*** Estimates made by Ernst & Young, based on data adapted from ITRR's reported visitor "gross output" figures. The relationship of total visitor expenditures to total visitor gross output was used to calculate visitor expenditures for each of the three segments since only the gross output figures reported by ITRR were segment specific.

The table also shows that the business-pleasure visitor **segment**, although relatively small, injects a relatively greater income into the state per person.

4.1 Recreation Market

Montana's travel and tourism market focuses heavily on the two components of the recreation **market**: active and passive travelers. Promotional activities specifically target the interest of individuals and groups wishing to experience the beauty and environment of Montana. This focus flows naturally **from** Montana's unique combination of varied and attractive geographic regions, distinct National and State Parks, and the outdoor orientation of many residents.

Montana's traditional outdoor activities for the active adventure seeker include camping, fishing, hunting, hiking, **wildlife viewing**, swimming, skiing (cross country and downhill) and snowmobiling. Other activities include white water rafting, horseback riding, sailing, canoeing, golfii-g and numerous others. Thus, Montana offers a full range of activities for outdoor enthusiasts.

The recreation market accounts for the majority of non-resident travel expenditures in the State. This market consists of numerous sub-markets each with their own characteristics. For example, the snowmobile segment spends the highest amount (\$562 per person per trip, or \$125 per person per day), while campers spend considerably less (\$143 per person per trip, or \$20 per person per day). Not surprisingly, downhill skiers are relatively high spenders at \$333 per person per trip or \$49 per person per **day**.⁶

Age patterns also distinguish these marketing segments. Campers tend to be older (52), while skiers are younger (38), and anglers tend to be in the middle (47).

Other segmentation criteria reinforce the diverse nature of **recreationalists**. Targeting these individuals can be a considerable

⁶ Per person per day expenditure figures were calculated by Ernst & Young based on data contained in the ITRR Report on Non-Resident Market Segments, 1990.

challenge. Nevertheless, there are numerous promotional and marketing vehicles available to reach and attract these individuals.

4.2 Business Travelers

Approximately 370,000 business travelers visit Montana annually. This group accounts for approximately 10% of non-resident expenditures. Not surprisingly, business travelers spend relatively more money than some other visitors, at approximately \$119 per trip (see previous summary table **on** page 7) - a **significant** sum considering the relatively short visit (air **travelers** - average 3.9 days, highway travelers - average 2.6 **days**⁷). Many business travelers come **from** neighboring states and provinces.

4.3 Business/Pleasure

Non-resident business/pleasure travelers number approximately 354,000 per year. Most are college graduates, a majority are in professional ranks, and they tend to be slightly older than the pure business travelers. They stay almost twice as long as the pure business **traveller** (air travelers -7.1 days, highway travelers -6.2 days) thereby increasing their total expenditure per trip (**approx** \$184/ trip - again, no data exists to calculate an overall average length of stay for business/pleasure travelers). In 1988 their direct expenditures in the State were approximately \$65 million. Many of these travelers come **from** neighboring states and provinces.

⁷ ITRR - Report on Non-Resident Market Segments, 1990. ITRR does not **publish** an average **length** of stay figure for **all business travelers**, instead **opting** to provide these figures **separately** for **Highway** and **Air business visitors** only. Thus a **business expenditure per visitor per day figure cannot be calculated**.

5.0 National Travel and Tourism Trends

There are a number of important *national tourism* trends that form the backdrop to Montana's tourism trends. These are briefly outlined below:

- 5.1. The average age of the general population is increasing, resulting in tourists who are, on average, older.
- 5.2 There is now more leisure time for older individuals, and less leisure time for those between 30 and 45.

Employees enjoyed a shortening workweek in the 1960s and early 1970s, but by 1975 this trend had stalled. Between 1982 and 1988 the average workweek for employed individuals increased by one hour. This lengthening of the workweek has been most noticeable for middle aged dual income families and white collar workers. As a **result, baby boom fathers** have lost an estimated 10 hours of leisure a week since 1975 and mothers of preschoolers have lost 4 hours per week over the same time period.

Conversely, there is greater leisure time for older individuals. This is due in part **to** more people taking early **retirement**, and less time spent on activities such as housework than in previous decades (modern conveniences and shifting roles).

- 5.3. Heightened attention paid to children by the vacationing family.

This trend is related to the previous trend of declining leisure time. As baby boomers spend more time away from their families there is a desire to make up for this absence in a variety of ways. Typically this manifests itself in a desire for "quality time" for the family, resulting in heightened demand for experiences the family can share. Thus, vacation packages that include attractions or experiences that interest children or where some form of child care services are available are increasingly popular.

- 5.4. Shorter, but more **upscale⁸** vacations.

There has been a noticeable increase in the frequency of shorter vacations in proportion to total vacations. For

⁸ Visitors typically still spend the same amount of money as they used to spend on a vacation, but in a shorter period of time.

example, the number of weekend vacations taken by Americans **between** 1984 and 1989 increased 28 percent. One explanation for this trend is the increased value of leisure time to many groups as its overall availability decreases. Daily expenditures during these shorter vacations have also risen.

This trend is, in part, also linked to an increasing number of **two-job** families with higher discretionary income.

5.5. There are a number of basic trends in vacations that are changing

a greater emphasis on historical attractions which are of interest to the maturing **market;**

a heightened interest in attractions that offer educational **benefits;**

a greater number of vacation days spent at home;

a greater reliance on third parties to manage vacations;

arising expectations of **quality;**

a greater interest in the arts and culture;

a greater interest in outdoor tourism and environmental tourism.

These national trends have a number of implications for the State of **Montana:**

- **Convenience and Accessibility:** As the average age of the visiting population increases, there will likely be an increasing need for greater convenience getting to a destination, and experiencing the attractions at the destination. Convenience will also be critical to families with little time. This demographic segment needs quick access to Montana's attractions and **services**. The implications for this group would be for more **efficient** travel to Montana, better packaging and coordination of tourism packages, and a high level of service.
- **Leisure Time:** Many of the semi-retired and retired visitors to Montana are relatively less sensitive to the time pressures of the younger working demographic groups. Strengthening the interest of this semi-retired and retired group in Montana's

tourist attractions could help lengthen the average stay of visitors to Montana.

- **Shorter Vacations:** For those visitors seeking shorter but more upscale vacations, Montana is at a considerable disadvantage due to the lengthy travel time required to visit the state. This is due to both its distance **from** major metropolitan areas and the lack of direct air access from these same centers.
- **Ecotourism:** This is a rapidly growing phenomenon that should hold **significant** potential for Montana. Three types of experiences fall under the general heading of **ecotourism**:
 - opportunities to view scenery and **nature—especially** endangered and unusual species (an aesthetic experience);
 - opportunities to experience the physical challenges that nature has to **offer—e.g.**, hiking trips, white water rafting, “outward-bound” style survival trips, etc. (a participatory experience); and
 - opportunities to accompany a guide or expert to learn about nature and the outdoors (a learning experience).

With its vast scenery, varied topography, and abundance of natural wildlife, Montana is extremely well positioned to become a key supplier of **ecotourism** experiences to meet these emerging national trends. Of course, Montana will have to ensure that this development is sustainable and does not damage the very resource that it is trying to promote.

- **Cultural Tourism:** **This** is also a growing area of interest for visitors and cultural groups alike. Visitors, seeking more “experience-oriented” vacations (vs. a more passive “sightseeing” vacation), are looking for opportunities to experience different cultures and historic attractions.

Presently, many of the Indian tribes in Montana view tourism as both an opportunity to preserve rites and customs and to earn revenue at the same time. Numerous tribal tourism development and promotional programs are being initiated. “Historical” culture also shows significant opportunities for tourism development and revenue generation.

6.0 Critical Issues Facing Montana As Raised By Previous Research

Montana faces a number of challenges and critical issues over the next five years. These challenges and issues focus on matters such as the following:

- the changing needs of vacationers;
- the need to encourage cooperation between stakeholders;
- addressing the concerns of all appropriate stakeholders;
- the framework to undertake **future** initiatives;
- the establishment and **priorization** of goals (concerning issues such as marketing, human resource, and environmental goals, to mention a few);
- the mechanisms/structures required to reach these goals;
- the barriers to achieving these goals;
- the actions required to meet these goals;
- Montana's competitive advantage in tourism for the future;
- new approaches to traditional visitor markets; and
- new markets to be considered for Montana tourism.

These challenges and critical issues of the future can be segmented into components such as strategy, marketing, and cooperation. Each of these are briefly addressed below.

6.1 Strategy

Two important issues should be considered **from** the outset when determining a **strategy: first**, to what extent is visitor *awareness* of Montana a critical issue, and second, to what extent has awareness been achieved, but the decision to visit postponed or rejected? Determining where the balance lies in this regard should influence the nature of a strategic plan.

Other issues that need to be addressed **are** the dependence of the State on outdoors activities as its attraction to non-residents. Should travel and **tourism** attempt to **diversify** more actively into other areas such as conventions, **filming**, sports events, and attractions?

To the extent that outdoor activities **are** Montana's sources of competitive advantage, how distinct are they **from** the advantages typically associated with neighboring states and provinces? Differentiating the Montana product from competitors is an

important consideration. This does not necessarily mean simply adding new activities or attractions, but might also include a repositioning of existing activities or attractions through coordinated packaging of events and attractions, for example.

6.2 Marketing

Each of the groups identified in section 4.0 of this appendix is an important source of tourist revenue, and each segment is being addressed by Travel Montana through a number of initiatives. Priorities (i.e. allocation of resources) need to be set for the desirability and revenue potential from each of these markets, and corresponding facilities within Montana need to be “packaged” and promoted accordingly.

At the present time most of Montana’s visitors come **from** nearby states and provinces. While this is the **current** situation there is strong potential to **increase** the percentage of visitors from more distant destinations by appealing to **specific** interest groups. For example, residents of major metropolitan areas interested in mountain activities (skiing, wildlife viewing, camping etc.) are increasingly likely to travel further and pay more in order to pursue their **interest**. This segment may provide the bulk of the growth that will be desired in the future. **Identifying** where Montana’s **profile** can be elevated most effectively will be a key challenge.

There is also a significant opportunity for repeat visits by both visitors who participate in a **specific** activity and those who like to experience a variety of these activities. Maintaining the State’s attractiveness to these repeat customers will be important for all **stakeholders** in the tourism **sector**.

Montana has already recognized this trend and currently does do some national and international promotion on an **interest-specific** basis. These activities need to be emphasized more strongly for the future and an **in-depth** examination of the most efficient vehicle(s) to reach these markets will also be critical. Also, ensuring a **consistent**, attractive, high recall and inviting image of Montana in promotion material not provided by Travel Montana would positively influence the media and travel trade’s awareness of the state’s uniqueness.

6.3 Cooperation

Increased global competition for tourism dollars represents a **significant** challenge to all tourism **stakeholders** in Montana. To compete effectively in this industry will require a coordinated and unified effort on the part of **all** Montanans to address the needs of existing markets and to develop new markets. Of particular importance will be the need to broaden and deepen the cooperation that currently exists amongst the various parties who are both directly and indirectly involved in state tourism. Developing this cooperation and **maximizing** the available resources is an important objective for all **stakeholders**.

Tourist corridors (designated and promoted highway routes) are being considered as a means of altering travel patterns and reducing overcrowding **in** some **areas** while developing other areas as visitor destinations. Potential corridors may include the Trail of the Great Bear, the Outlaw Trail, the Lewis and Clark Trail, and a State Scenic Byways **program**.

APPENDIX 3
SAMPLE BUSINESS OPERATOR SURVEY

TOURISM STRATEGIC PLAN QUESTIONNAIRE

April 1992

PURPOSE

The purpose of this survey is to identify **key** issues in Montana travel and tourism development which **need** to be addressed over the next five years. Your responses to this survey will form a critical part of the information gathering activities needed to put together a five year strategic plan which will be executed by Travel Montana in conjunction with the Montana **Tourism** Advisory council.

PLEASE RETURN BY MAY 1 TO:

Clint Blackwood
Travel Montana
Department of Commerce
1424 9th Avenue
Helena, Montana 59620
Phone 444-2654

Thank you in advance for your participation in Montana's exciting **future** in the increasingly competitive field of travel and tourism.

SECTION A: COMPETITIVENESS AND COOPERATION ISSUES

- 1) Please rank each of the following issues according to their **relative** importance to enhancing the **competitiveness** and **profitability** of Montana's tourism industry on a scale of 1 to 5:
- | | | Not | | Very | |
|--|---|-----------|---|-----------|---|
| | | Important | | Important | |
| a) Development of professional career paths for tourism/hospitality industry | 1 | 2 | 3 | 4 | 5 |
| b) Development of a coordinated image of Montana in the material not produced by Travel Montana | 1 | 2 | 3 | 4 | 5 |
| c) A coordinated long-range market research plan | 1 | 2 | 3 | 4 | 5 |
| d) Development of a code of ethics for tourism operators/businesses | 1 | 2 | 3 | 4 | 5 |
| e) Develop/improve facilities to attract additional visitors and lengthen their stay in the state | 1 | 2 | 3 | 4 | 5 |
| f) Develop additional and/or expand existing events (sporting, cultural) to attract additional visitors and lengthen their stay in the state | 1 | 2 | 3 | 4 | 5 |

- g) Encourage a **greater degree** of packaging of visitor attractions 1 2 3 4 5
- h) The need for a **fulfillment** system -- such as a 1-800 number-- which actively enables customers to be **directed** to Montana **visitor-related** associations **and/or** individual **businesses** 1 2 3 4 5
- i) Improvements to Montana's **railway** system 1 2 3 4 5
- j) Improvements to Montana's **air transportation** system 1 2 3 4 5
- k) Improvements to Montana's **road** system 1 2 3 4 5
- l) **Increase** promotional efforts to attract more **U.S. out-of-state visitors**, including **Canadian** visitors 1 2 3 4 5
- m) **Increase** promotional efforts to attract more_ tours 1 2 3 4 5
- n) Increase promotional efforts to attract more **overseas** visitors 1 2 3 4 5
- o) Increase efforts to promote **filming of movies and commercials** in Montana 1 2 3 4 5
- p) Increase efforts to promote **conventions** in Montana 1 2 3 4 5
- q) Increase efforts to obtain_ for Montana 1 2 3 4 5
- r) **Strengthening** the political presence and voice of the **Montana** travel and tourism industry 1 2 3 4 5
- s) Customer service training designed to ensure visitors experience a pleasant stay, such as the existing Montana Superhost program 1 2 3 4 5
- t) Increased technical assistance to businesses and communities for tourism assessment studies and promotion /development planning
- u) Establishing Visitor Information Centers at key locations within Montana 1 2 3 4 5

Do you care to elaborate on any of the above points? _____

2) **What aspects** of **Montana**, in your opinion, distinguish it from neighboring **states/provinces** as a visitor destination?

3) In your **opinion**, how important is **increased** cooperation between the groups listed below for the purpose of enhancing travel and tourism development in Montana?

	Not		Very		
	Important		Important		
	1	2	3	4	5
a) Between individual businesses	1	2	3	4	5
b) Between private sector organizations (i.e. conv. & visitor bureaus)	1	2	3	4	5
c) Between public sector organizations (i.e. govt. agencies)	1	2	3	4	5
d) Between public and private sector organizations	1	2	3	4	5

Comments: _____

4) With respect to the attitudes of Montana **residents** attitudes towards out-of-state visitors, some potentially sensitive areas have been identified. Please outline any suggestions you may have as to how the following attitudes maybe dealt with (use additional pages as **necessary**):

- “environmental concerns” _____

- “reduce quality/way of life” _____

- “uncontrolled development” _____

- “overcrowding” _____

- “cost of living” _____

SECTION B: FINANCIAL ISSUES

1) The State of Montana currently spends \$5.6 million on tourism marketing and promotion through Travel **Montana**, Regions, and Convention and Visitor Bureaus (bed tax funds). Do you feel that the **benefits** associated with this spending are:

- a) substantial b) average c) minor d) nil e) don't know

2) Do you think that the level of effort to market the State as a **travel** destination should be **increased**?

- a) **Yes** b) No c) Don't Know

3) Do you feel that you have the **opportunity** to provide **input, either directly or indirectly through a local association**, on how the state marketing funds are spent by Travel **Montana**, Regions, and convention and visitor bureaus?

- a) **Yes** b) No c) Don't Know

- 4) Are you supportive of the development of Visitor Information Centers at key entrance points in Montana?
- a) **Yes** b) **No** c) Don't Know

5) If Visitor Information Centers **are** established at **key** entrance points in **Montana**, funding will be arranged to cover-construction costs. Please circle your preference for the following sources of **construction funds** for these Centers.
(Preliminary construction costs have been estimated as high as \$1 million/center)

- a) Existing tourism budgets - **reducing** money spent in other areas
- b) A **special** fund **created** by tourism-related **businesses**
- c) Other: _____

6) If Visitor Information Centers are established at **key** entrance points in **Montana**, funding will be arranged to cover operating costs. Please circle your preference for the following sources of operating funds for these Centers:

- a) Existing tourism promotion budgets - reducing money spent in other areas
- b) An additional assessment on the revenues of visitor-related **businesses**
- c) Self-funding through activities such as sales of quality merchandise, commission on accommodations **booked**, attraction ticket **sales**, etc.
- d) Other: _____

SECTION C: CHARACTERISTICS AND TRENDS

1) Which of the six Montana tourism regions is the majority of your business located in? (circle one only)

- a) Glacier Country c) Charlie Russell Country e) Missouri River Country
- b) Gold West Country d) Yellowstone Country f) Custer Country

2) What percentage of your sales do you estimate come from out-of-state visitors?

- a) 0-25% c) 26- 50% e) 51- 75% d) 76- 100%

3) To the best of your knowledge, what **percentage** of the **out-of-state** visitors to your establishment come from each the following **regions**:

- southwest % _____ South Central % _____ south East % _____
- Northwest _____% North Central % _____ Northeast _____%
- Canada % _____ Overseas % _____

4) *Do* you expect this pattern to change significantly over the next **three** to five years?

- a) **Yes** b) **No** c) Don't Know

If **YES**: please list the top three emerging **markets** likely to be important to you over the next three to five years (please specify by state, province or overseas country).

- 1) _____ 2) _____ 3) _____

5) **What type** Of business do you operate?

- a) Restaurants b) Attractions (with admission fees) c) Ski resorts
- d) **Lodging/Campgrounds** e) Other (specify) _____

6) How many full-time people (or **full-time equivalent**) do you employ during your peak season?

- a) 1-5 b) **6-15** c) over 15

7) How many full-time people (or full-time equivalent) do you employ during your low season?

- a) 0-5 b) 6-15 c) over 15

8) If you have any additional comments regarding travel and tourism development in Montana, please use the space below or attach a separate **sheet**.

APPENDIX 4

RESULTS OF BUSINESS OPERATOR SURVEY

BUSINESS OPERATOR SURVEY ANALYSIS

Of the approximately 2,000 questionnaires sent to businesses within the State of **Montana**, 374 were **returned** within the cutoff period. Responses were distributed as follows:

	# of responses by region	% by region		# of responses by industry	% by industry
a) Glacier Country	88	25.1%	a) Restaurant	20	5.6%
b) Gold West Country	71	20.2%	b) Attraction (w/adm. fees)	13	3.6%
c) Charlie Russell Country	48	13.7%	c) ski Resort	4	1.1%
d) Yellowstone Country	76	21.7%	d) Lodging/Campground	21	5.9%
e) Missouri River Country	2	0.8%	e) Tourism-Related, Other ("R.O.")	114	31.9%
f) Custer country	40	11.4%	f) Orgs. not related to tourism (e.g., banks), ("N.R.")	185	51.8%
Number of Responses Overall	351		Number of Responses Overall	357	
Number of Questionnaires Sent	2000		Number of Questionnaires Sent	2000	
overall Response Rate (for identifiable regional orig.)	17.6%		Overall Response Rate (for identifiable industry orig.)	17.9%	

SECTION A: COMPETITIVENESS AND COOPERATION ISSUES

Question 1.- Please rank the following issues, according to their relative **importance** for the competitiveness and profitability of Montana's tourism **industry**, on a scale of 1 to 5 (1 being "not **important**," and 5 being "**very important**").

Overall Responses:

Overall, the survey respondents ranked the issues stated in question 1 in the following order of importance

- 1) Develop/improve facilities to attract additional visitors and lengthen their stay in the state.
- 2) Increase promotional efforts to attract more **U.S. out-of-state visitors**, including Canadian visitors.
- 3) Increase efforts to obtain **publicity** for Montana.
- 4) **Increase** efforts to promote **conventions** in **Montana**.
- 5) Improvements to Montana's **air transportation** system.
- 6) Improvements to Montana's **air transportation** system.
- 7) A coordinated long range market **research plan**.
- 8) Establishing Visitor Information Centers at key locations within Montana.

Business Operator Survey Analysis

- 9) Develop additional and/or expand existing events (sporting, cultural) to attract additional visitors and lengthen their stay in the state.
- 10) Increase promotional efforts to attract more_ tours.
- 11) **The** need for a **fulfillment** system which actively encourages customers to request information **from** the various Montana visitor-rated associations and/or individual businesses.
- 12) Increase efforts to promote **filming of movies and commercials** in Montana.
- 13) Customer **service** training designed to ensure visitors experience a pleasant stay, such as the existing Montana Superhost program.
- 14) Increase promotional efforts to attract more **overseas** visitors.
- 15) Strengthening the political **presence/voice** of the Montana travel and tourism industry.
- 16) Encourage a **greater** degree of packaging of visitor attractions.
- 18) Increased technical assistance to businesses and communities for tourism assessment studies, promotion support and development assistance to businesses and communities.
- 19) Improvements to Montana's **railway** system.
- 20) Some **degree** of coordination for **all** Montana out-of-state advertising (**incl.** advertising by the private sector) to **ensure** the presentation of a common image to specific target markets.
- 21) Development of professional career paths for tourism/hospitality industry.

Business Operator Survey Analysis

Response Variations by Region and Industry Segment:

Within the overall survey response to question 1, there were some variations in ranking by region and by tourism industry segment. With **respect** to virtually **all** of the key issues, there was at least one region or industry segment which assigned a different **priority** to any one issue than the priority assigned by the survey respondents overall.

For example, the issue ranked first by survey respondents overall was “e) Develop/improve facilities to attract additional visitors and lengthen their stay in the state”. Charlie Russell Country ranked this issue 4th as opposed to the overall **survey** ranking of **first**. This difference of 3 in rank (i.e., 4- 1) **was** regarded to be a **significant** variation and was therefore noted in the table on the opposite page. Other significant **variations** (i.e. a difference in priority **ranking** of 3 or more, between any one region or industry group vs. the **overall** ranking for any one issue) for each issue are **also** noted in the table opposite.

Taking the above example one step **further**, in order to relate it to the facing table, the top ranked issue “e) Improve facilities to am-act...” **is shown as being ranked as number 1** in the overall (“Ovr”) column of the table and ranked **as** number 4 in the Charlie Russell Country column (**region #3**). This **represents** the previously mentioned difference of **three** in the ranking priorities of Charlie Russell vs. the overall survey response.

All other regions and industry **segments**, with the exception of the ski industry, ranked this particular issue (issue “e”) either **first**, second or third and therefore no entry was made in the facing table for these other regions or industry segments with respect to this issue. The number 10 in the ski industry column indicates that they ranked this issue **10th** in priority, significantly lower than the **survey** respondents **overall**.

Similarly, the facing table shows similar variations in ranking for each of the remaining 20 issues, with numbers indicating ranking priorities for **specific regions** or industry groups only being entered if the variation is greater than 3 (e.g., a particular **region** feels **an** issue is much more important than the survey respondents overall or feels that a particular issue is much less important than the survey respondents overall).

Highlights of the variations in **regional/industry** priorities, as shown in the facing table, are **summarized** below:

Region	More Important Issues	Less Important Issues
1) Glacier country	•Improvements to air transportation	•long-range market research plan
2) Gold West country	• Code of ethics for operators •Increased technical assistance	• Improvements to road system •Increased convention promotion
3) Charlie Russell Country	• Greater packaging of attractions”	•Need for fulfillment system

Business Operator Survey Analysis

5) Missouri River country	<ul style="list-style-type: none">• Customer service training programs• Greater packaging of attractions	<ul style="list-style-type: none">• Add or expand existing events to attract more visitors• Improvements to air transportation
6) Custer country	<ul style="list-style-type: none">• Establish Visitor Info. Centers at key locations	<ul style="list-style-type: none">• Improvements to air transportation• Long-range market research plan
Restaurant	<ul style="list-style-type: none">• Code of ethics for operators• Strengthen political voice of Montana's tourism industry	<ul style="list-style-type: none">• Need for a fulfillment system• Customer service training
Attractions	<ul style="list-style-type: none">• Increase overseas promotion• Code of ethics for operators	<ul style="list-style-type: none">• Long-range market research plan• Increased convention promotion
Ski Resorts	<ul style="list-style-type: none">• Improvements to railway system• Increased overseas promotion	<ul style="list-style-type: none">• Improve facilities to attract visitors• Long-range market research plan
Lodging/Camp grounds	<ul style="list-style-type: none">• "Long-range market research plan"• Increase promotion for filming	<ul style="list-style-type: none">• Increased group tour promotion• kc-efforts for publicity
Tourism-Related Other	<ul style="list-style-type: none">• Need for fulfillment system• Strengthen political voice of the Montana tourism industry	<ul style="list-style-type: none">• Improvements to road system• Increased group tour promotion
Non-Related other Orgs	<ul style="list-style-type: none">• Greater packaging of attractions• Code of ethics for operators	<ul style="list-style-type: none">• Increased efforts for publicity• need for a fulfillment system• strengthening the political voice of MT tourism

Question 2. - What aspects of **Montana**, in your **opinion**, **distinguish it** from **neighboring states/provinces** as a visitor destination?

Responses to this question were extremely similar. The majority of respondents cited natural beauty and the abundance of wilderness and wildlife as the characteristics that distinguish it from neighboring states. It was felt that **these** qualities led to some significant opportunities for outdoor activities, such as hunting, fishing, backpacking, etc.

Other respondents cited factors such as lack of crowding, low costs, and friendly people.

Question 3.- In your **opinion**, how **important is** increased **cooperation** between the groups listed below for the purpose of enhancing travel and tourism development in Montana? (Respondents **were** asked to rate each form of cooperation on a scale of 1 to 5, with 5 **being** very important).

Type of Cooperation	Overall Rank
• Between public and private sector organizations	1
• Between private sector organizations	2
• Between public sector organizations	3
• Between individual business	4

This **was the consensus** among **all** the regions and business types in **Montana**, except for Charlie Russell Country and Restaurants which rated “cooperation between private sector organizations” as being the most important while Attractions and Ski Resorts ranked “cooperation between public sector organizations” as being the most important.

Question 4.- With respect to the attitudes of Montana residents towards out-of-state visitors, some potentially sensitive areas have been identified. Please outline any suggestions you may have as to how the following attitudes may be dealt with:

Environmental Concerns

Respondents felt that the best ways to deal with environmental concerns are through education and planning. With respect to **education**, it was felt that **residents** and visitors alike needed to learn about modern methods of natural resource utilization (e.g. forest **management**, resource **extraction**, **wildlife**) in order to **minimize** their concerns about Montana’s **environment**. In the area of **planning** (it was felt that if there was **more** consideration of environmental issues when planning development projects then these issues would be better handled and would **therefore be** less of a controversial **area**. Regulation, zoning and other restrictions were suggested **as** methods of encouraging **more** environmental planning, along with increased public input.

Business Operator Survey Analysis

Reduction in Quality/Way of Life

Many respondents did not feel that tourism reduced the quality of life for Montanans. Those who recognized that others had this attitude felt that the economic benefits of tourism to Montanans should be stressed, and better planning and management of the tourism industry be put into place. Also, many thought that the perception that the tourism industry generates only low-paying jobs should be addressed.

Uncontrolled Development

Again, planning, control and monitoring mechanisms for development **were** seen as being **the tools to ensure that only sustainable** development occurs and that Montana's natural **resources** are preserved. The need for a Development Master Plan, revised zoning and more public input were key issues.

Overcrowding

Some Montana residents believe that tourism is making Montana more crowded. Solutions recommended included changing visitor patterns by promoting areas and seasons which are not **perceived** to be overcrowded, placing limits on the development of scenic areas, charging higher fees in popular areas, and encouraging development in less popular areas.

Cost of Living

Typically, respondents felt that higher costs of living caused by tourism (e.g. **increasing real** estate prices) should be addressed by having tourists pay more to compensate residents for these costs. Specific ideas were **as** follows:

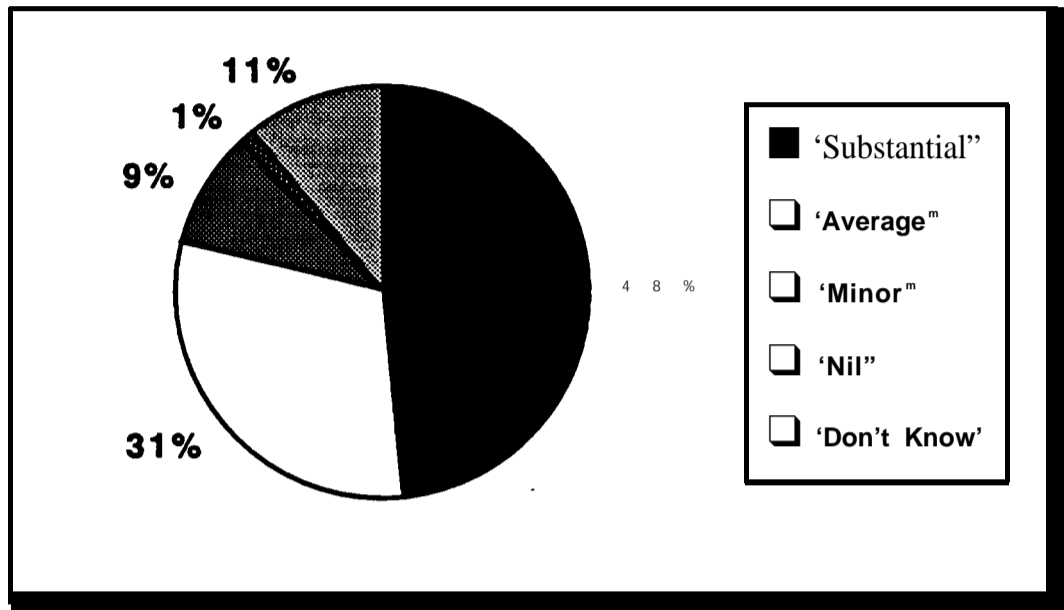
- a sales tax (possibly with a lower rate for Montanans) **to reduce personal property tax** and income tax
- increase bed tax or create a broader "tourism" tax

However, a **significant** number of respondents also felt that the benefits generated by tourism exceeded these costs and that no adjustment mechanism was **necessary**, other **than** publicizing these benefits to residents.

SECTION B: FINANCIAL ISSUES

Question 1.- The State of Montana currently spends \$5.6 million on tourism marketing and promotion through Travel Montana, Regions, and Convention and Visitor Bureaus (bed tax funds). Do you feel that the benefits associated with this spending are

Benefits Associated With State Marketing

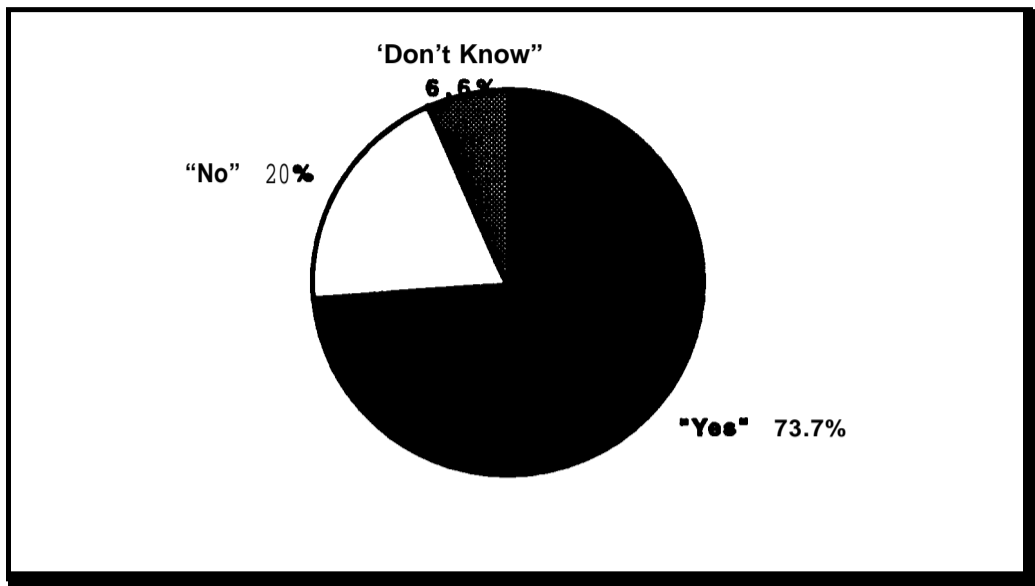


Almost half (48%) of all respondents felt the benefits associated with tourism and marketing spending are “substantial” and a further 30% rated the benefits as being “average.” Of the remaining 22%, approximately half answered “don’t know” while the remainder thought the benefits were “minor” or “nil.”

This was the consensus among all the regions except for Yellowstone Country. Ski resorts and other tourism-related businesses were less inclined to rate these benefits as “substantial” and more likely to rate them as “average”.

Question 2.- Do you **think** that the level of effort to market the State as a travel destination should be increased?

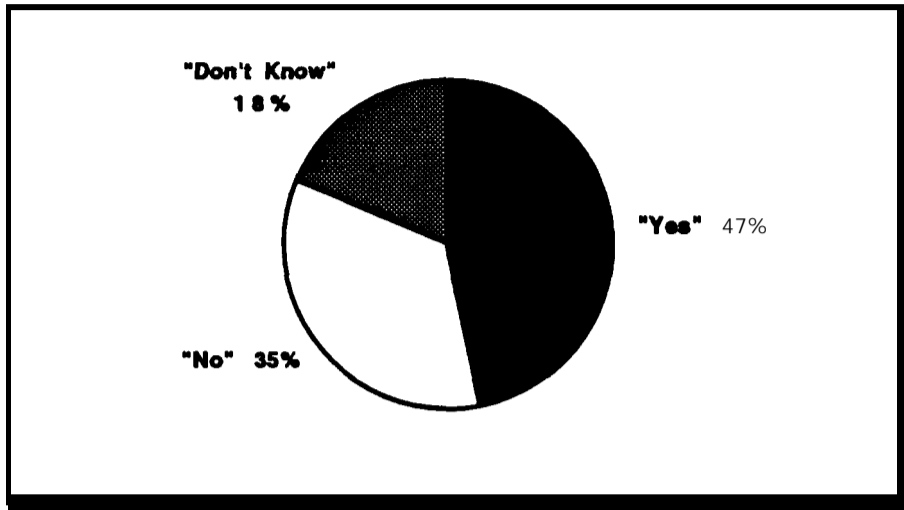
Increase Level Of Effort To Market The State?



As can be seen in the above graph, there was an overwhelming consensus that the effort to market Montana as a visitor destination should be increased. This consensus was also reflected by the individual regions and industry types, with Restaurants in the strongest agreement (95% said "yes"), followed by Ski Resorts (80%), Lodging/Campgrounds (76%) and Attractions (71%).

Question 3.- Do you feel that you have the **opportunity** to **provide input**, either **directly** or indirectly through a local **association**, on how the state marketing funds are spent by Travel **Montana**, Tourism Regions, and convention and visitor bureaus?

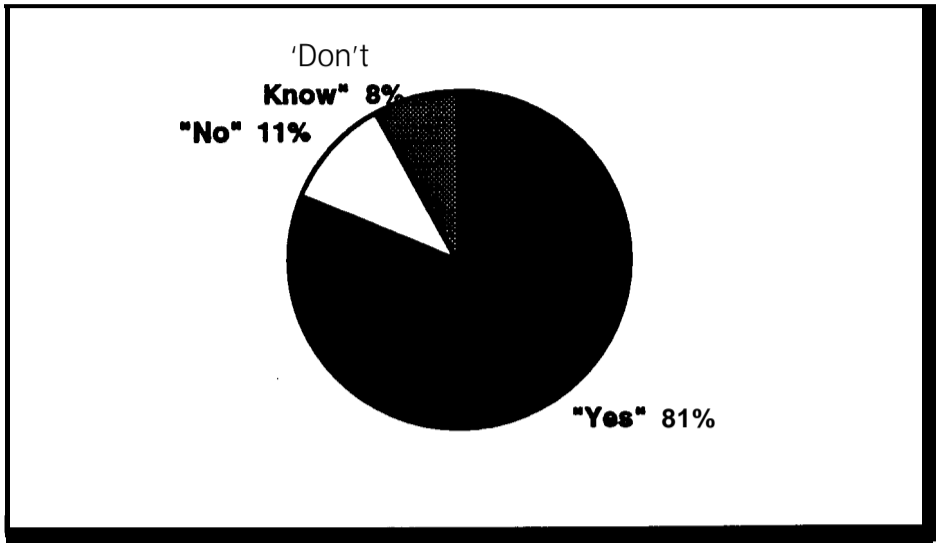
Opportunity To Provide Input?



"Yes" responses were consistently **higher** than the "no" responses to this question except for **Missouri River Country** and **Other Tourism-Related**. In **Missouri River Country**, 30.8% answered **"yes"** while 46.2% answered "no". In the **Other Tourism-Related** business category, 40.2% answered "yes" while 45.5% answered "no".

Question 4.- Are you supportive of the development of Visitor Information Centers at key entrance points in Montana?

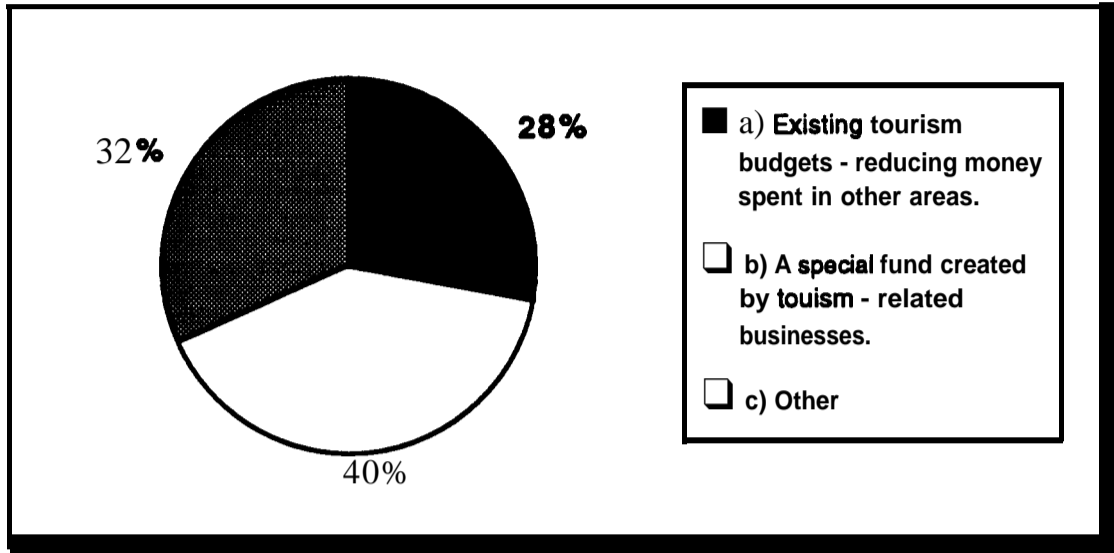
Support Visitor Information Centers?



The results of this question show strong support for **VICs**, with 81% answering "yes". Among **regions** and industry types, the percentage of "yes" respondents ranged between 74% for Other Tourism-Related to 100% for Ski Resorts.

Question 5.- If Visitor Information Centers are established in Montana, funding will have to be arranged to cover construction costs. Please circle your preference for the following sources of construction funds for these centers:

Preferred Sources of Funding For VIC Construct^{on}?



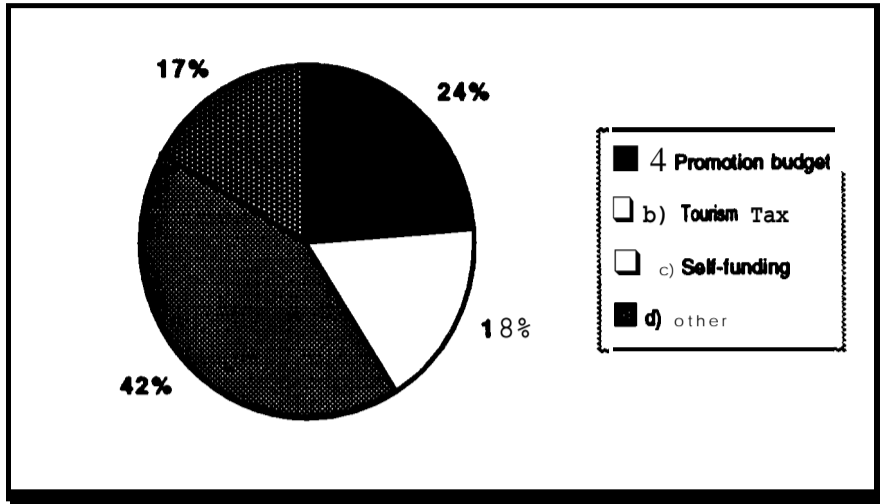
40% of respondents felt that a special fund created by tourism-related businesses was the best alternative, followed by 28% of respondents who felt that existing tourism budgets or reducing money spent in other areas should be the funding source. On a regional basis, the major exception to these results was Missouri River Country with 52% of these respondents choosing the “special fund” source and only 19% choosing “existing tourism budgets.” By industry type, the largest difference in construction funding preference came from ski resorts and lodgings where 50% chose “a special fund.”

Overall, a further 31% of respondents felt that Other Funding Sources should be used. Some common sources were:

- sales tax (of some type)
- increased Bed tax (mentioned numerous times)
- Draw upon coal trust fund interest for **funds**
- gas tax (of some type)
- highway matched funds
- general revenue
- Broaden Bed tax, i.e. airlines, car rentals, restaurants, etc.
- Local counties - support by hotels etc. who will directly benefit.
- A special levy, onetime surtax for all Montanans.
- Aid from State **Govt** and **Parks**.
- Voluntary business donations

Question 6.- If Visitor Information Centers are established in Montana, funding will have to be arranged to cover operating costs. Please circle your preference for the following sources of operating funds for these Centers:

Preferred Sources of Funding For VIC Operations?



42% of respondents felt that VICS should operate on a self-funding basis, earning revenue through activities such as sales of quality merchandise, commission on accommodations booked, attraction ticket sales, etc. A further 24% felt that tourism promotion budgets should be used to cover operating costs, and 18% felt that an additional assessment of the revenues of visitor-related businesses should be the chosen method.

By region, the strongest preference came from Missouri River Country with 51.7% of the respondents choosing self-funding. Only 13.8% chose existing tourism promotion budgets in this region.

By business type, self-funding ranged from 60% for attractions to approximately 32% for restaurants and ski resorts. The range of respondents choosing existing tourism promotion budgets was close to the overall average of 23.7% except for ski resorts where 50% chose this method as their preference.

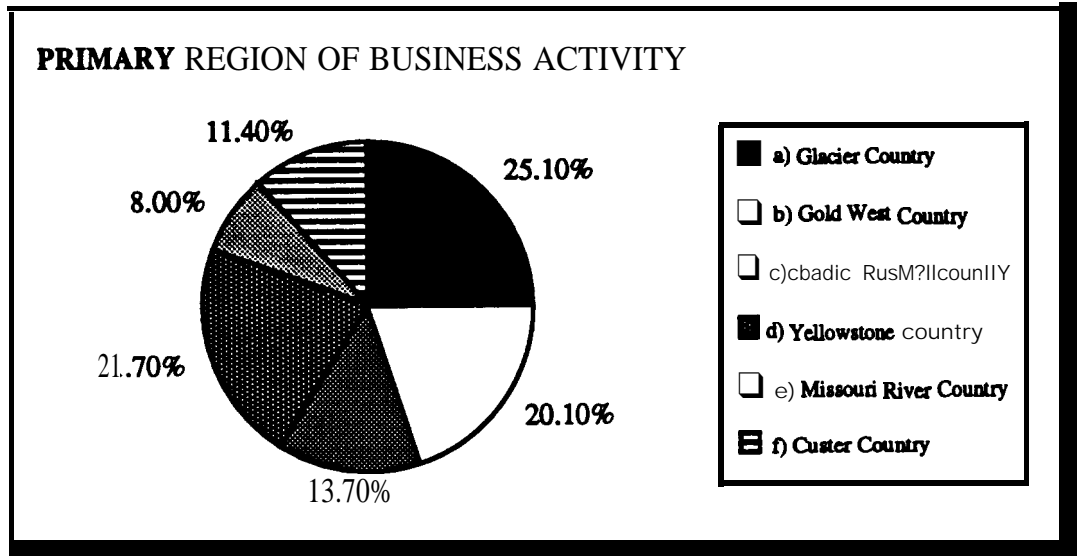
Other alternatives represented 16.5% of the responses, the following quotes illustrate some of the more common suggestions:

- Sales tax (of some type)
- Increased Bed tax (mentioned numerous **times**)
- Broaden Bed tax (e.g., airlines, car rentals, restaurants, etc.-possibly in tourism zones)
- Senior **citizen** volunteers and other types of volunteer programs
- State General Fund
- Shared cost with **local** Chamber of Commerce
- Highway tolls

SECTION C: CHARACTERISTICS AND TRENDS

Question 1.- Which of the six Montana tourism regions is the majority of your business located in?

The distribution of responses by region was as follows:



The following summary of responses provides a breakdown by business type within each region:

25.1% - Glacier Country - The distribution of responses by business type was fairly even within the region, ranging from 15.8% for restaurants to 35.7% for attractions.

20.1% - Gold West Country - In this region, the differences were greater, with attractions accounting for 35.7% of the responses and 0% from ski resorts.

13.7% - Charlie Russell Country - In this region, the distribution of responses ranged from 7.1% for attractions to 20.0% for ski resorts.

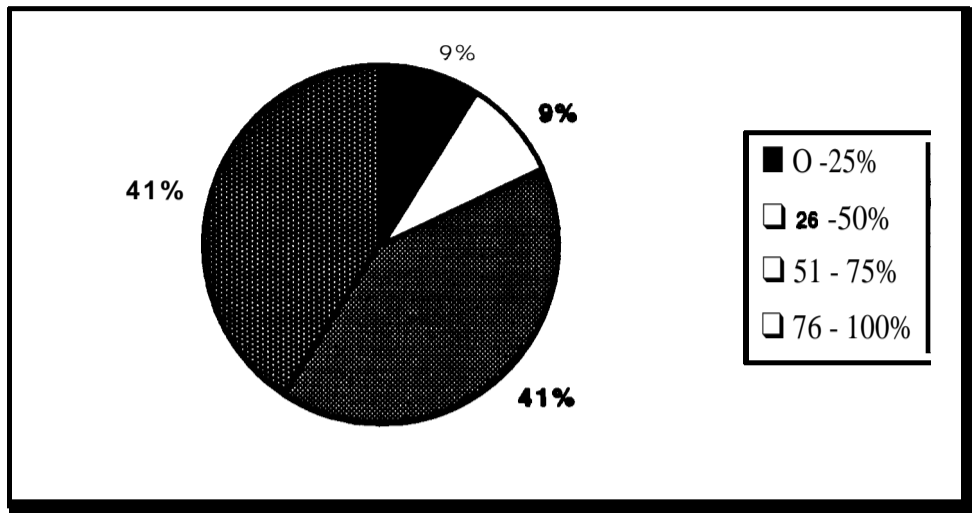
21.7% - Yellowstone Country - The distribution of responses from business types was skewed substantially in this region; 7.1% from attractions and 40.0% from ski resorts.

8.0% - Missouri River Country - This region had the lowest response rate. Of the 8.0%, there were no responses from attractions or ski resorts. Non-dated business made up the highest percentage of responses at 10.8%.

11.4% - Custer Country - This region also made up a smaller percentage of responses overall. Of the 11.4%, restaurants made up 21.1% of the responses while there were 0% from attractions.

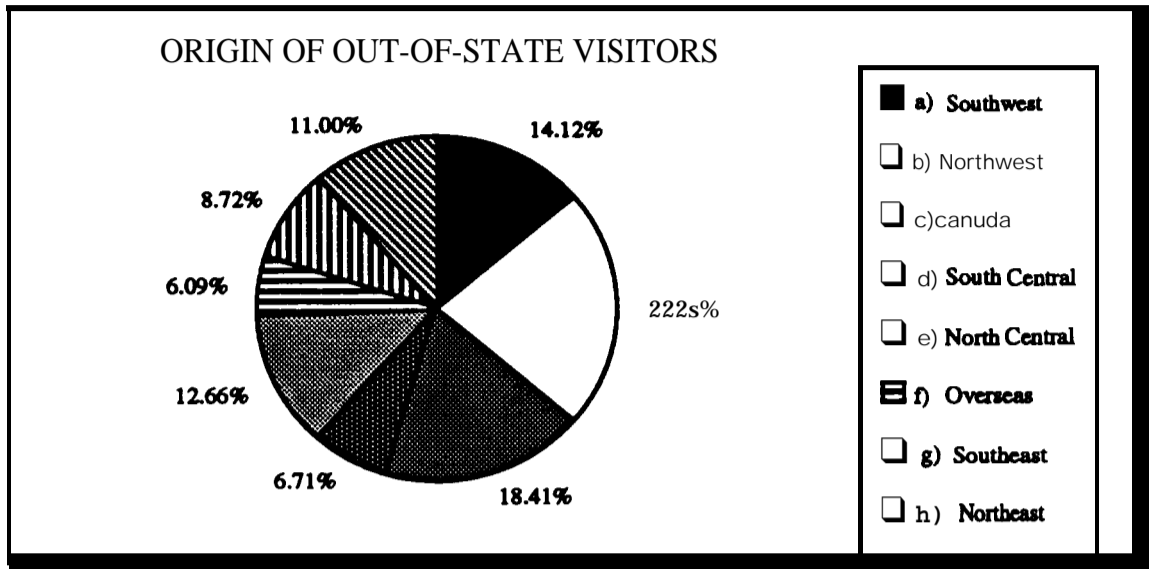
Question 2. - What percentage of your sales do you **estimate** come from out-of-state visitors?

Percentage-Of-Sales-From-Out-Of-State-Visitors.



The results shown in the above chart do not include the responses of non-tourism related businesses as these were not applicable to this question. The revised results show that an **overwhelming** amount of **sales revenue** in the **tourism** industry comes from out-of-state visitors. Slightly over 40% of respondents said that 76-100% of their sales came **from** out-of-state visitors and the same number again said that 51-75% of their **sales** were from out of state.

Question 3.- What percentage of your out-of-state **visitors** come from each of the following regions?

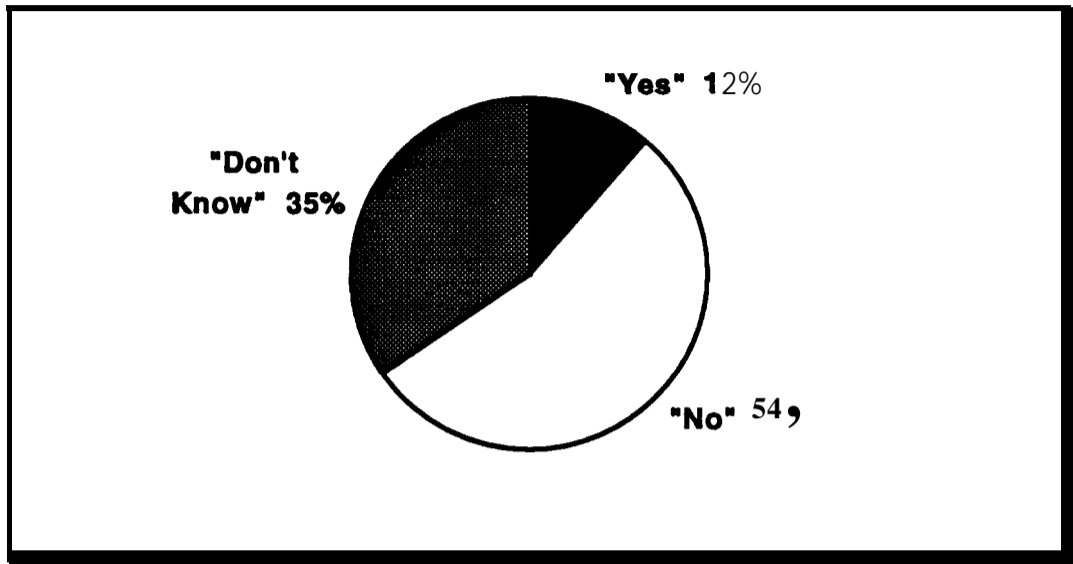


Overall, the largest **percentage** of visitors by region and by business type came from the U.S. **Northwest**, followed by **Canada**. Among regions, Charlie Russell Country and Missouri River Country cited the largest percentage of their visitors as coming from Canada (29% and 33%) **and**, at the other extreme, **Yellowstone** Country said the smallest percentage of their out-of-state visitors came from Canada (6%).

Other significant variations included Charlie Russell Country reporting 7% of their visitors from U.S. North Central region while Custer Country reported 23% from this region.

Question 4. - Do you expect this pattern to change significantly over the next three to five years?

Expect Visitor Origins To Change?



EMERGING MARKETS

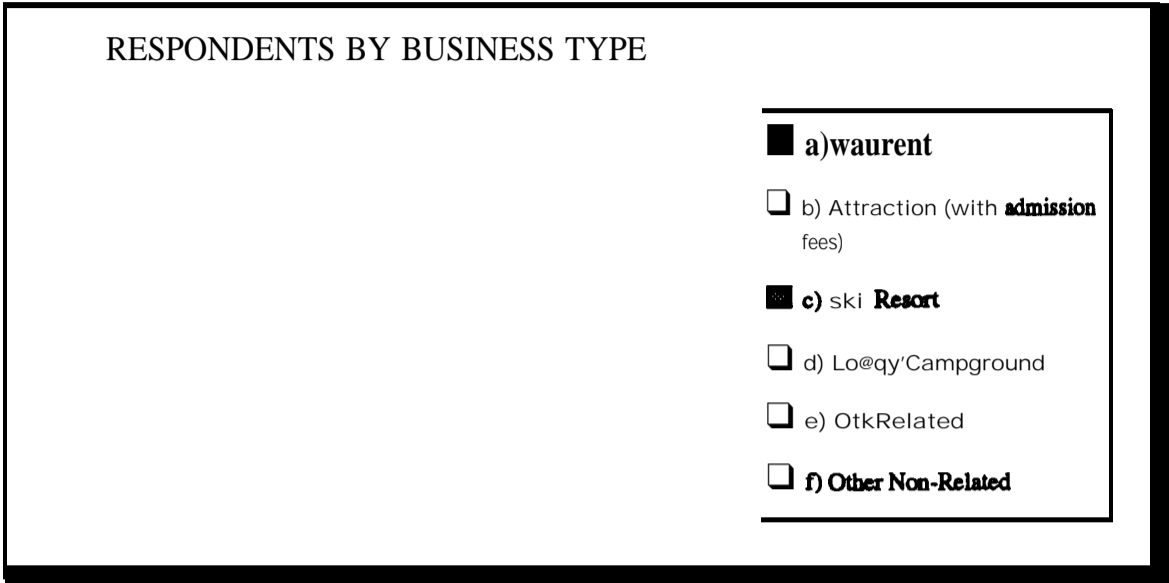
of the **total** responses, **54%** said “no,” they do not expect the origin of their visitors to **change** significantly (in Charlie Russell Country, **75%** of respondents said “no”). **However, a substantial** percentage of overall **respondents (35%)** also said “don’t know”.

A small percentage of total respondents (12%) do **expect** the origin to change, with **Yellowstone** Country feeling more strongly than most with 16% answering “yes”.

Respondents were also asked to list the top 3 emerging markets. **The** results were as follows:

- 15% - California
- 9% - the U.S. Southeast
- 8% - Canada
- 8% - **the** U.S. Northeast
- 7% - *the* U.S. Southwest (excluding California)
- 6% - the U.S. Northwest (excluding Washington State)
- 6% - Washington State
- 6% - **Europe**

Question 5.- What type Of business do you operate?



41.4% - Other Non-Tourism Related - In these businesses, the response distribution between regions was fairly evenly dispersed about the average except for Missouri River Country where Other Non-Related made up 61.5% of responses for that region while Yellowstone Country made up 27.2% for that business type.

37.2% - Other Tourism Related - For this business type, the differences were greatest for Missouri River Country at 23.1% and Custer Country at 50%.

8.7% - Lodging/Campground - Responses from regions generally dispersed about the average except for Custer Country which had no responses from this business type.

5.7% - Restaurant - Responses dispersed about the average except for Custer Country with restaurants making up 11.1% of the responses.

5.1% - Attraction (with admission fees) - responses close to the overall average except for Missouri River Country at 0%.

1.8% - Ski Resort - Range between regions is 0% from Gold West Country and 3.8% from Missouri River Country.

Business Operator Survey Analysis

Question 6. &7. - How many full-time (or full-time equivalent) do you employ during your peak/low season?

#of F/T Employees	Peak Season			Low Season		
	Overall Average	Region Average	Industry Average	Overall Average	Region Average	Industry Average
a) 0-5	43.9%	45.4%	34.9%	54.3%	56.3%	50.0%
b) 6-15	16.7%	19.0%	19.4%	13.7%	16.4%	19.8%
c) over 15	39.4%	35.7%	45.7%	32.0%	27.3%	30.2%

The following analysis is based on **full-time** employment

Overall Analysis/Peak Season vs. Low Season

- During the peak season, **43.9%** of **total respondents** said they employed between 0-5 employees whereas 54.3% stated this amount during the low season.
- **6.7%** of respondents employed between 6-15 employees during the peak season while 13.7% stated this amount during the low season.
- **39.4%** of total respondents employed over 15 during the peak season while 32% stated this amount during the low season.

By Average Percentage for All Business Types/Peak Season vs. Low Season

- During the peak season, **34.9%** of respondents **by business type** said they employed **between** 0-5 employees **whereas** 50% stated this amount during the low season.
- 19.4% of respondents employed between 6-15 employees during the peak season while an equal **amount**, 19.8%, stated this during the low season.
- **45.7%** of total respondents employed over 15 during the peak season while 30.2% stated this amount during the low season.

Business Operator Survey Analysis

Most affected by seasonal changes:

The following table shows the seasonal employment variations by **industry** type:

<u>Restaurants:</u>	<u># of employees</u>	<u>% in peak season</u>	<u>% in low season</u>
	0 - 5	21%	30%
	6-15	11%	15%
	over 15	68%	55%
<u>Attractions:</u>	0 - 5	21%	57%
	6-15	43%	21%
	over 15	35%	21%
<u>Ski Resorts:</u>	0 - 5	20%	40%
	6 -15	20%	40%
	over 15	60%	20%
<u>Lodg./Camp:</u>	0 - 5	50%	57%
	6-15	10%	19%
	over 15	40%	24%
<u>Other T-Rel.:</u>	o - 5	63%	79%
	6-15	20%	8%
	over 15	17%	13%
<u>Other NT-Rel.:</u>	o - 5	34%	36%
	6-15	13%	16%
	over 15	53%	48%

In conclusion, with respect to seasonal **changes** in **employment**, industries with the most variation **were** ski resorts and **attractions**, while lodging/campgrounds, restaurants, other tourism related and non-tourism related had smaller variations.

Question 8. - Additional Comments?

A number of key "**themes**" were reflected in the **open-ended** comments made in the survey. These can be summarized as follows:

Relating to Funding of the Industry

- implement a sales tax to provide new revenues for development and marketing of the tourism industry.

Variations on this theme

sales tax on **specific** tourist-dated items should be considered (e.g. resort tax, prepared food tax, etc.)
sales tax would place more of the burden on consumers, so some of the burden could be taken off of state business

- overall tax structure of the State should be reformed to reduce burden on individual business.

Variations on this theme

privatize certain elements of **govt** (e.g. Workers Compensation Fund): save \$
higher real estate tax needed on **absentee** landlords
less government regulation (related to tax reform efforts) also needed
- **allow** legalized gambling

- charge **more** aggressively for state attractions (many **are** now free) - use monies to help offset costs, rather than relying totally on taxes.
- the allocation of funds within the state needs to be restructured.

Variations on this theme

promotional funds should not be spent by regions within state; should be allocated to developing external **markets**
more funding needs to be allocated to the development of key attractions within the state (e.g. Indian areas)
more emphasis should be placed on eastern Montana
review basis for "country" funding

- **realistically understand**, and take into account in planning, the economic characteristics of the tourism industry, e.g.:

- minimum wage
no health benefits

. . . don't put all the eggs in the tourism basket.

Relating to Communications

- **existing marketing** is **very effective** and should be **continued**; in particular
 - continue the Governor's Conference
 - "Invite a Friend" works well-continue and expand
 - ads are very **effective**
 - Superhost program
 - more promotion needed (**TV** advertising mentioned)
 - promotion and advertising should focus more on key items:
 - "wild **west**" image
 - "Big Open" image
 - fishing
 - movie production
 - **Gardiner** (entrance to **Yellowstone**)
 - promote and advertise at most stops
 - eastern Montana
 - special events
 - don't build expensive Visitor **Centers**:
 - let **communities/local** associations **operate** them
 - information centers: particularly at major entrances to state
 - expand hours of operation to meet tourist needs
 - **need** to provide tourists with **reliable** weather information; dispel "weather myths"
 - educate local citizens in the development of their own "authentic" tourist products, and of the importance of tourism
- " some complaints (3):
- 1) never had any assistance from Travel **Montana**: where is bed tax money going?
 - 2) need "real pros" to run well-planned programs
 - 3) too much inefficiency

Relating to the Importance of Sustainable Development

- need to **diversify** other sectors of the economy besides tourism: balance is **critical**
- shouldn't "give away the State" – must plan carefully in order not to jeopardize the resource, and the quality of life – slow growth desirable
- must plan to mitigate the undesirable impacts of tourism

Business Operator Survey Analysis

- importance of “presentation”:
 - of history
 - of natural environment
 - of scenery
 - of **forests**
 - of streams (water flow)
- market to the “right” people avoid the **Banff phenomenon**
- the focus on **tourism/recreation** development should be upon improving **services** to residents **first**, tourists second.

Relating to the Need for Cooperation

- government agencies need to **communicate/cooperate** better amongst themselves
- public/private sector cooperation is essential to development of the product
- cooperation **important**, but state needs to take leadership role in industry development

Relating to Product Development

“ key Opportunities seen

native
historic
cultural
gambling
convention-related
hunting license availability
more special events
flyfishing opportunities
cross-country skiing
downhill skiing
Fort Peck area

- need to consider “product development” in the context of needs of specific groups:
 - small business
 - reservations

Relating to Product Development

- highway improvements **are critical**:
 - rest** stops need to be better maintained and opened longer
 - **Hwy. 7 needs** to be **finished**
- **air connections from Missoula** to Seattle/Portland should be a priority
- **ensure that** entrances (“gateways”) into towns **are** attractive and inviting
- signs are key, but perhaps could be smaller (4’ x 8’)

APPENDIX 5
GUIDELINES FOR BRIEF SUBMISSION

TOURISM STRATEGIC PLAN “BRIEF” GUIDELINES

March 1992

TOPICS

We would **specifically** like you to comment on what Montana’s five year travel and tourism development “vision” or strategic goal should be, issues which **need** to be addressed, appropriate objectives and development priorities, as well possible action for reaching these objectives. We **ask that your written responses follow the format outlined below**. We would also appreciate that your submissions be limited to four pages to facilitate our analysis and development of this plan.

I. SUMMARY OF KEY ISSUES

Identify the key travel and tourism issues that concern or have an impact on the activities of your members.

II. VISION STATEMENT FOR THE MONTANA TRAVEL AND TOURISM INDUSTRY

What is your organization’s vision for the travel and tourism industry in Montana? (Please keep in mind that our objective is to **develop** a strategic vision for **all** of Montana Travel and Tourism. The vision is something we would hope to achieve in approximately five years time.)

III. IDENTIFY THE TRAVEL AND TOURISM PRIORITIES FOR MONTANA

What should be the objectives for Montana with regard to travel and tourism? Please include the following issues during your assessment

Competitive Advantage

What distinguishes Montana from neighboring states and provinces or competing states and provinces? In other words, what are Montana’s **distinctive** sources of competitive advantage?

Target Marketing

1. To help determine relative priorities, should more effort be made to market Montana to previous visitors to the State or to identify and pursue new markets?
2. Should marketing efforts be **more** focussed on those visitors to Montana that tend to spend for money than other visitors?

3. Should additional events (conventions, sporting and cultural events etc) be developed? Please identify specific events and their relative advantages.
4. Should packaging of **activities/experiences** be increased? What action needs to be taken **to** facilitate this initiative, should it be warranted?

Funding

Given the tourism budget of the past three years, have the expenditure patterns been **effective**? How might they be **changed**, if at all?

Cooperation

Where is the greatest need for cooperation: within the private sector, between the private and public sector, or between public sector entities? Please elaborate.

Promotion/Communications

1. Should Associations and travel **related businesses** distribute their marketing material to other Associations and travel related businesses for inclusion in the latter's mailings? What **initiatives**, if any, might be undertaken in this context?
2. To what extent is a coordinated image **of** Montana required in promotional material (oriented to specific target markets), particularly the material that is **not** provided by Travel Montana? How can this be achieved?
3. Is your Association supportive of the development of Visitor Information **Centres** at key entrance points to Montana? What reservations do you have, if any, and what solutions would you recommend?
4. If Visitor Information Centers were to be established in **Montana**, **funding** will need to be arranged to cover construction costs. What would be your preference for the Source(s) of **construction funds** for these Centers? (**Preliminary** construction costs have been estimated at approximately \$1 million per center).
 - a) Existing bed tax funds - reducing money spent in promotion
 - b) A special fund created by tourism-related businesses
 - c) Other (please specify)

5. If Visitor Information Centers were to be established in **Montana**, funding will need to **be arranged** to cover operating costs. What would be your preference for the source(s) of **operating funds** for these Centers.
- Existing bed tax funds - reducing money spent in promotion
 - A special fund **created** by tourism-related businesses
 - Self-funding through activities such as sales of quality merchandise, commission on accommodations booked, attraction ticket sales, etc.
 - Other (please specify)

Environment/Public Issues

- Much of Montana's attraction is based on a clean environment. What is the current state of the **environment**, and what **specific** action is **required** to address any concerns which your Association may have?
- With respect to the attitudes of Montana **residents** towards out-of-state visitors, some potentially sensitive areas have been **identified**. Please outline any suggestions you may have as to how the following attitudes maybe dealt with:
 - "damage to the environment"
 - "reduce quality/way of life"
 - "uncontrolled development"
 - "overcrowding"

Other

Do you have any additional **comments/concerns regarding** tourism issues or opportunities which yOU would **like** to raise?

- IV. **Finally, please identify and rank the top five priorities which you have discussed in Section III.**

APPENDIX 6
SUMMARY OF RESULTS FROM “BRIEFS”

SUMMARY OF RESULTS FROM "BRIEFS"

SUBMITTED BY

TOURISM-RELATED ORGANIZATIONS IN MONTANA

SECTION A: High Priority Issues

- 1 . **Environmental** balance needs to be achieved through communication, education awareness and planned growth. Visitors can be attracted to less sensitive **areas** and Montanans need to be swam that the environment is of concern to the tourism industry, that visitors help to pay the State's bills, and that it is not necessarily incompatible with their way of life (e.g. working ranches accommodating visitors). The tourism industry needs to become active in resource **conservation** and heritage preservation issues. Land use planning will be key.

Suggestions for achieving this balance:

- involve businesses who benefit from tourism through volunteer efforts
- educational programs about the value of tourism within the school curriculum
- promote visitor attractions among Montanan families as a means of increasing public awareness
- develop media education program **regarding** the importance of tourism
- tourism industry to encourage **compromise** among extremists (e.g., resource vs. environment)
- preserve Montana's tourism strengths - beauty, quality of life, natural **setting**, etc.
- manage growth to avoid **overcrowding** and to create the **necessary** infrastructure
- wildlife and **fisheries protection/management**, multiple use, resource extraction
- increase designation of public lands **as** wilderness
- market the state to target markets who will respect and **preserve** Montana's unspoiled nature and heritage.

2. **Infrastructure development** should focus on:

- *the* construction and operation of visitor information centers
 - need more
 - funding needs to be developed for this
 - can help to **preserve resources** through education as well as disseminating information
- improvements in **transportation**, highways and bridges
 - access difficulties (time and cost)

price of gas detracting from the potential of the traditional sightseeing visitor signage—scenic byways promotion with Dept. of Transportation road conditions state needs to adopt a philosophy of investing in protection and management of tourism resources and opportunities.

- reducing visitors' negative images of insufficient facilities in the state

3. **Funding**

Regional and local community funding methods need to be assessed in order to ensure that regions have sufficient funds for both the development of facilities/attractions and to respond adequately to requests generated by state promotion efforts. It has been suggested that sufficient funding can

- help attract tourists to less environmentally sensitive areas through promoting less popular/known ones
- lessen overcrowding
- spread the benefits of tourism across the state
- creating more public support for the industry, both by reducing the impact of tourism in specific regions and by making the benefits more attainable and "real."

The bed tax needs to be preserved for state visitor promotion through education, political action and tax reform. **Actions suggested** include

- use of alternative funding mechanisms for the necessary infrastructure and facility development
- educate legislators on tourism's and effects how investment in this industry can assist with social causes and issues
- additional so- of funds can likely be found for purposes which are both "politically practical" and beneficial to the tourism industry, such as funding state parks, visitor information centers, etc.

4. **Competitive advantage** needs to be strengthened by

- developing additional events, "attractions" (including those without admission charges such as scenic routes, etc.) and facilities which build on Montana's natural strengths (beauty, friendliness, wild west image, etc.)
- ensuring that a wide range of visitor experiences are available and promoted in order to increase length of stay and to encourage return visitation.
- culture, diverse scenery, low cost relative to Colorado
- emphasis on the creation of quality, sustainable tourism that maintains the state's uniqueness

- developing an inventory of existing and prospective tourism **resources** which can be used by both the tourism industry (i.e. promotion) and by visitors (trip **planning** /extending length of stay due to increased knowledge of what there is to see)
- **identifying** and coordinating a **representative** image
- taking into account changing visitor needs - moving away **from** traditional sightseeing **individual/group**
- **assessing** the appropriate mix of existing markets and in new markets

5 . **Public/private sector cooperation** needs to be **strengthened** through joint action and **increased** communication. Joint action should include

- the development of state-wide scenic trails
- other “packaging” efforts designed to distribute visitors across the state, extend their length of stay and increase their expenditures.

Increased communication could be achieved by

- better **utilization** of the local chamber of commerce network already in place
- development of a common vision and an understanding of each organization’s role within that vision
- coordination of a common identity which would allow the diversity of Montana’s **attractions to be communicated.**

6. **Become a year-round destination.**

- develop plan for shoulder season marketing

SECTION B: Key Vision Statement Points for Consideration

1. Tourism is the top industry in the State, developed through **balanced/managed** growth of the industry (including sustainable use of natural resources).
2. The quality of life for residents has been preserved and enhanced- visitation to previously crowded **areas** has been distributed across the state and the economic impact **from this visitation** has been ~~improved~~ through the development of a suitable infrastructure.
3. Tourism is a four-season business, selectively targeting interest groups who are able to respect and enjoy Montana's heritage, facilities and **environment**.
4. Superior quality facilities, including a broad range **and** scope of attractions and activities, **are** offered to visitors.
5. Environmental **conflicts** are **resolved**; quality of the environment is maintained.
6. Residents understand the benefits from tourism and **perceive** it to be a vital component of the Montana **economy**.
7. Visitor Information Centers **are** established as an integral part of the visitor experience.
8. Information on the State's attractions and activities is readily available throughout the State, especially in smaller communities.
9. The Bed Tax has been **preserved as** a stable funding base for visitor promotion.
10. A Department of Tourism is **established**, leading to close cooperation between the public and private sector industry and residents.
11. Accountability to the industry, the state and the public is demonstrated by showing that we have followed our plan and met our objectives.
12. Montana is the **recreational area** of choice for Americans **in the Northwest**, Canadians in the **West**, and West Europeans.
13. The natural settings of Montana **are** the prime **attraction** for visitors, with participatory experiences for these visitors provided through attractions and facilities such as small working ranches, farms, campgrounds, fishing camps, museums, etc.
14. Montana's cultural heritage has been preserved and respected without exploitation.
15. Access to the State has improved through transportation system improvements.

16. Cooperation between the owners of public and private lands has improved to facilitate access for **selected** activities (i.e. bird hunting)
17. The development of state-wide **trails**, such as the Lewis and Clark trail (and **related** attractions), has served to unite the tourism industry by providing a common goal with benefits to all concerned. **Benefits** include redistribution of tourists, preservation of heritage, and increased **communication/cooperation** between groups that will carry over into other **activities/efforts**.