

# MAIN STREET MONTANA PROJECT

A BUSINESS PLAN *For Montana by Montanans*

## TOURISM KEY INDUSTRY NETWORK

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### *Final Recommendations to Governor Bullock*

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#### **PROBLEM STATEMENT 1**

***Economic value of Montana's spectacular, unspoiled nature is unquestionable and fragile.***

Montana's tourism product encompasses many different elements, including its people, communities, businesses, and the unique experiences the state has to offer. These are reflected in the Montana Brand, but all three pillars of the Montana Brand hinge on Brand Pillar #1: Spectacular Unspoiled Nature.

This is the pillar the state always leads with in its promotions. It is, and will always be, the primary reason motivating non-residents to visit. Institute for Tourism and Recreation Research (ITRR) data show that the majority of vacationers are attracted to Montana for mountains and forests, open space, and rivers. Protecting the landscapes and allowing access to opportunities to participate in nature are paramount to our continued growth and success.

The importance to the tourism industry of protecting this spectacular, unspoiled nature cannot be overstated. Efforts within the industry to develop sustainable practices have been successful and are ongoing, but much of the greatest impact comes from policy, and effectively weighing and balancing the costs and benefits of developing other industries with the crucial need to protect the "spectacular nature" that upholds the tourism industry.

In addition to the tourism industry, a clean environment also drives other economic development to the state. The quality of the environment is driving a population shift into Montana. As this shift occurs, it enhances local infrastructure that in turn generates economic growth that becomes self-reliant and self-energizing. So, this is not just a tourism issue- it is a Main Street issue.

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## **KIN RECOMMENDATION 1**

- **Protect the big and uncluttered views.**
- **Keep it clean.**
- **Preserve our wild and native fish and mega fauna, and their habitat.**
- **Preserve and enhance access to public lands in Montana.**
- **Protect the essential Montana tourism resource and economic contribution by conserving those natural areas and historic and cultural features that are of significance to tourism.**

## **ECONOMIC DEVELOPMENT BENEFIT**

- Economic impact of tourism can be weighted equally with competing development, ensuring that the most impactful and sustainable economic contributors are realized in each community.
- Montana's economic competitive advantage grows as other areas around the world allow their natural resources to be degraded.
- A spectacular unspoiled natural environment also drives other economic development in addition to tourism, including new business growth and employment beyond the tourism sector.
- Montana will remain an amazing place to live, work and play if we preserve the ingredients that give citizens the quality of life that sets Montana apart.

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### PROBLEM STATEMENT 2

#### ***Lack of cohesive marketing strategy by all Montana Accommodations tax-funded partners***

The Department of Commerce has dedicated substantial resources to identifying and defining the Montana Brand. The Brand is the foundation of the state's tourism promotion efforts, and research has proven it to be extremely effective. Although the Brand is available for other entities to use, both for tourism promotion and in other contexts where messages are being delivered to audiences out-of-state, it is underused in large part due to limited collaboration and communication.

Tourism Regions and Convention & Visitor Bureaus (CVBs) are required to identify how their annual marketing plans support the Montana Brand. Even so, these entities generally have little interaction with the state or with one another during the development of their plans, and many try to maintain their own separate brands, that when coordinated can better align with the overall state Brand. Greater synergy throughout the industry and increased opportunities to align with the Montana Brand will empower these organizations to maximize their economic benefit from the greater tourism promotion picture.

This disconnect is even greater for partners who receive accommodations tax-funds but are not under the purview of the Tourism Advisory Council (TAC), as well as for other non-accommodations tax-funded agencies who market out-of-state.

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## KIN RECOMMENDATION 2

Provide support for further enhancing the effectiveness of the Montana Brand by:

- Support better collaboration, communication, and effective use of funding by the Montana Office of Tourism, Tourism Regions, and Convention & Visitor Bureaus (CVBs) through directives to the Commerce Director and TAC Appointments.
- Continue to look for solutions to increase tourism during shoulder seasons and to under-utilized attractions and to regional events.
- Leverage the use of the Montana Brand to attract business and enhance community economic development through Brand utilization by the Governor's Office of Economic Development (GOED) and other state funded economic development and marketing programs.
- Incentivize the use of the Montana Brand by private sector businesses.
- Provide a Clearinghouse to share marketing materials among the partners.
- Support legislation that allocates more lodging tax dollars for tourism marketing to increase the already substantial economic impact to the state from the Tourism Industry Sector.

## ECONOMIC DEVELOPMENT BENEFIT

The benefits of leveraging a coordinated Montana Brand across all channels include:

- Increased visitation resulting in new revenue for businesses, residents, and the state.
- Increased marketing capacity and synergy among tourism partners.
- Creation of additional value and demand for Montana Made/Montana Grown/Montana Native Made products.
- Creation of "Montana pride" in our natural and cultural heritage so that tourists gain richer experiences and residents develop increased pride in their locales.
- Greater awareness outside of Montana of what the state has to offer both visitors and businesses.

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- Expanded ability to attract, retain and grow Montana businesses outside the tourism industry.
- Job creation due to hiring because of more visitors and more business products and services sold.

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### PROBLEM STATEMENT 3

#### ***Adequate workforce to continue to build capacity for the Tourism Sector is not available***

Different industries face different workforce challenges. In the case of the tourism industry, seasonality is a unique concern. Montana receives its greatest number of visitors in the summer and also supports a substantial winter season. Other parts of the year, although steady, are considerably slower. The state has worked to tap into the economic potential of these “shoulder seasons”— but its success depends on having a sustainable workforce available to support an increase.

Much of the front-line workforce employed by tourism industry businesses consists of students who return to school in August. This limits the ability of students to continue working during the times of the greatest potential economic growth. Recruitment is a challenge too; potential hires may be dissuaded by low wages and the perception of hospitality-related jobs having little or no long-term career viability. Overcoming these perceptions is important to ensure the future sustainability of tourism workforce recruitment.

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## KIN RECOMMENDATION 3

Ensure development of tourism workforce by:

- Return the Montana university calendar to a schedule allowing for students to work longer into September and start work later in May or early June. Such a change would also benefit the Fire-fighting and Agriculture sectors.
- Introduce 4th or 5th graders to the Montana Brand as part of a “Discover Montana” program to create appreciation for, and interest in visiting other areas of Montana. This could be accomplished with existing public school programs and National Park service initiatives.
- Increasing 2 and 4 year certification and career opportunities for hospitality and recreation career fields in Montana colleges and universities.
- Include tourism careers and tourism industry marketing as part of dynamic job fairs.
- Examine wage issues to improve job attractiveness (i.e. Tipping).

## ECONOMIC DEVELOPMENT BENEFIT

- Changing the University schedule would allow Montana students to have an opportunity to earn more dollars to decrease student loan debt.
- Data shows that people with the “soft skills” learned early in career through tourism customer service training earn significantly higher throughout their lifetime even if they transition to a different sector.
- Young people would discover early what sets Montana apart and would actively recruit friends and family to visit, leading to positive economic impacts.
- Montana students would learn about the breadth of opportunities available for careers in tourism like culinary, hotel management, retail management, agri-tourism, etc.
- Travel within the state by Montana residents would improve shoulder seasons and augment travel to under-utilized attractions and regional events.

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### **PROBLEM STATEMENT 4**

#### ***Infrastructure development is not adequately funded to maintain or improve***

According to research from the University of Montana, 85% of the people who visited Montana last year plan to return within two years. That's a great success story, but maintaining such high levels of satisfaction requires that we continue delivering on the promises we are making. Inadequately funded infrastructure development is an obstacle.

Market studies have shown that Montana has a reputation for being difficult to reach and to get around. Limited air service is a reality that may dissuade potential travelers from making the trip. Flying in may be too time consuming, too expensive, or both as a result of requiring more flight segments to arrive. Ground transportation for travelers arriving by air is limited too, making it difficult to implement the state's strategy of moving visitors around the state to maximize and share the economic benefit.

At the community level, the needs are also great. Proper Wayfinding to direct travelers to the community's tourism assets has not been addressed. Many communities have workforce housing shortages. Liquor laws based on population constrain businesses located in communities with high visitor numbers. Expansion of community amenities that enhance local customs and culture, such as trail systems, is difficult without policy support.



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## **KIN RECOMMENDATION 4**

- **Develop infrastructure to support tourism through stronger partnerships both within and outside the industry.**
- **Increase interstate air service, develop intrastate air service (transportation, commerce).**
- **Develop statewide Wayfinding strategy (transportation, commerce).**
- **Develop public ground transportation options.**
- **Increase bicycle-friendly roads and pathways, and other community amenities.**
- **Address housing challenges faced by tourism industry employees/employers (including cost and availability).**
- **Support legislation to change MT alcohol beverage license law to better match market demand while maintaining the investment that current license owners have made.**

## **ECONOMIC DEVELOPMENT BENEFIT**

- More direct flight access attracts more visitation and spending in both business and leisure categories.
- Better flight access would allow Montana to be more competitive in the conference and meeting categories.
- It has been shown that when visitors can easily find their way to attractions, eateries and shopping, they stay longer and spend more. Wayfinding is critical for small communities that may not have been planned stops on the initial travel route.
- Enhanced public transportation would benefit both the industry workforce and the geo-traveler. Most visitors come from more urban areas. It is problematic that they are not able to fly in and access public transportation to get to the gateway community of the experience they are coming to see.
- Institute for Tourism & Recreational Research (ITRR) data show that the bicycle traveler has a significantly higher daily spending rate than the average visitor. The

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MT Office of Tourism and Business Development (MTOTBD) is focusing on this marketing segment. This investment in tourism product development would continue to grow visitation in this lucrative niche market.

- Community amenities not only provide activities and opportunities for locals and visitors, but also attract business investment and economic development.