

Capitalizing On Outdoor Recreation

By *Rebecca Engum*

GREAT FALLS, MONTANA'S TOURISM ECONOMY

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capitalizing on OUTDOOR RECREATION

By Rebecca Engum

Outdoor recreation in Montana is multi-faceted, encompassing activities that include:

- Fishing
- Hiking
- Hunting
- Biking
- Rafting
- Floating
- Kayaking
- Canoeing
- Skiing
- Snowshoeing
- Ice Fishing
- Boating
- Birding
- Rock Climbing
- Backpacking
- Snowmobiling

Outdoor recreation also includes events such as:

- Music Festivals
- Obstacle Courses
- Stunt Shows
- Triathlons
- Races

It includes businesses that support the activities and events such as: outfitters, guides, sporting good retailers, equipment rental retailers, grocery stores, and accommodation facilities.

The activities and events take place on both public and private lands and waterways, which makes the landowner a cornerstone component. The landowner can be federal or state government,

county or city government, or individuals. The final component of outdoor recreation is Mother Nature, which can ensure an unprofitable ski season by not having enough snow, devastate a local economy by

shutting down fishing due to parasites in the water, and reduce the number of travelers arriving to hike because the forest is on fire.

Great Falls, Montana, has worked to generate economic impact from outdoor recreation by considering and managing the different facets of this industry. This article focuses on Great Falls' strategy to make the community an outdoor activity destination.



Maggie Carr and Yve Bardwell are the owners of Dropstone Outfitting, a company that uses public lands to provide guided trips into the backcountry of Montana.

GREAT FALLS' TOURISM ECONOMY

Great Falls is the third largest city in the nation's fourth largest state, by land mass, with 147,000 square miles. With 1 million residents in the state and just under 60,000 residents in the city, the open space appeals to residents and non-residents alike. Last year alone, 12 million people visited Montana.

The community is designed for independent outdoor adventurers and sits on the banks of the Missouri River in the center of the state. Great Falls is a basecamp, a place to anchor your adventures, to the Rocky, Big Belt, Highwood, and Little Belt mountain ranges; each providing public access for a variety of outdoor recreation. It is also a basecamp to the Sun and Smith Rivers, Belt Creek, and Holter Lake. It is 2.5 hours south of the east entrance to Glacier National Park and 3.5 hours north of the north entrance to Yellowstone National Park. Great

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GREAT FALLS, MONTANA'S TOURISM ECONOMY

Outdoor recreation is multi-faceted and encompasses activities, events, and the businesses that support people being active outside. Economies can be strengthened by capitalizing on outdoor recreation for non-resident travel, entrepreneurship opportunities, and quality of life focused workforce and business recruitment. Great Falls, Montana, is rich with outdoor recreation opportunities and has leveraged those opportunities for an economic impact by focusing on its unique advantages, consumer behavior with a targeted marketing strategy, keeping stakeholders engaged, supporting local entrepreneurs, and advocating for maintenance and growth of outdoor recreation infrastructure.

GREAT FALLS, MONTANA

Great Falls is located in the center of the state of Montana at the intersection of State Hwy 200 and I-90. It is five hours south of Calgary, Alberta and ten hours north of Denver. It is the trade area for over 190,000 people, and home for 60,000 residents and 3,400 service personnel stationed at Malmstrom Air Force Base. Population growth remains flat. The average wage in Great Falls is \$40,558, a 66 percent increase over 16 years. The GDP for Great Falls is \$3.5 billion, seeing the same growth as average wage in the same time frame.

Falls' access to a variety of outdoor adventures is complemented by its arts, culture, and history in a vibrant, modern community where over 892,000 non-resident overnight visitors spent \$205 million in the economy last year.

Tourism is a critical driver of the city's economy, accounting for 8 percent of the GDP. Eighty-seven percent of non-resident spending is done on dining, retail, fuel, lodging and grocery stores in a community driven by small business. Businesses that make up the tourism industry account for 3,080 jobs, over \$72 million in payroll locally, and over \$33 million in property taxes. Great Falls' tourism industry accounts for 9 percent of Montana's total overall tourism impact, and the state, the city and the region's tourism economy is driven by outdoor recreation.

In addition to its tourism economy, the city has a growing manufacturing economy, nationally ranked healthcare facilities, and industry leading agricultural processing operations. Although 92 percent of its businesses have 20 employees or less. The city has growing



Paddle boarding on the Missouri River from Broadway Bay in Great Falls.

large employers that include: steel manufacturers, oil refiners, back office management operations, educational institutions, military installations, financial institutions, and construction companies.

From an economic development focus, these employers are key stakeholders for job growth, talent recruitment, and business retention and expansion. For Great Falls Montana Tourism's strategic efforts, the stakeholders differ and include convention facilities, attractions, event coordinators, lodging properties, experiences, retail and dining businesses. Ultimately, as a Destination Management Organization [DMO], Great Falls Montana Tourism generates revenue when anyone spends a night in our lodging facilities.

The city has local outfitters and guides who provide the experiences component of our stakeholders. However, our community is designed for independent adventures, and there are gaps in the types of experiences our outfitters and guides provide. That gap exists due to risk aversion, lower demand, and the ultimate financial feasibility of offering certain experiences, based on that lower demand. Of the total non-resident spending, only 2 percent was spent with outfitters and guides. At this time, the independent adventurer is an element of our brand that we use as a differentiator in our marketing. This is one of the pieces that, through research, has helped the community define its target market and develop messaging that speaks to it. The next piece is understanding how the market behaves, which is essential to capitalize on the local outdoor recreation.

CONSUMER BEHAVIOR

Misconceptions can exist for states and communities where outdoor recreation is the driver of the non-resident experience. For these visitors, the activities can seem exciting and somewhat daunting. In a survey conducted by the State of Montana Department of Commerce's Office of Tourism and Business Development, potential visitors made the following comments:

"I wouldn't spend that much money to fly to Montana for a weekend. If I'm going to go, I'd have to go for at least a week or two."

SIDEBAR 1

Montana is in the Northwest section of the United States; it is often difficult for potential travelers to determine exactly where it is. Great Falls is in the center of Montana and has direct flights into the state for outdoor recreation opportunities.



“Sounds like a great trip, but I probably won’t go. . . Because of how much time and money I would need to devote to this kind of trip.”

“It seems a little tricky to get there, you have to make connections, there’s not a lot of non-stop flights from anywhere, especially coming out of my home town.”

Great Falls stresses its central location in the state and its accessibility as a travel destination to address potential visitors’ concerns. (See Sidebar 1)

Some misconceptions are compounded by a trend in the United States for families to take less vacation time and fit trips into a Thursday – Monday timeframe. Knowledge about consumers’ behavior and concerns drives the development of proper resources to aid in the research stage of the trip planning process.

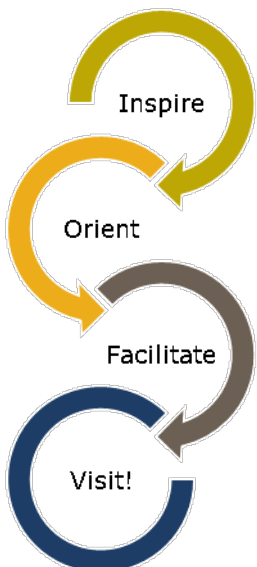
In Great Falls, we have identified the consumers’ path to purchase through a behavior process path identified in Chart 1.

CHART 1. CONSUMER PURCHASE PROCESS



Anytime a purchase occurs, it requires problem recognition, in its broadest form. For travel decisions, the problem is either too much work and the need for a break, an experience that hasn’t been had, or peers having an experience you want to participate in. Once potential visitors have determined they are going to travel, they begin researching where to go, what to do, and what experiences to have.

CHART 2. TRIP PLANNING CYCLE



During the evaluation stage, consumers are trying to choose one option over another. This is when we begin to orient them on how to get to Great Falls, where they can stay, and facilitate the experience they want to have. Done correctly, the purchase phase occurs and the visit to the city occurs. Post-purchase evaluations show that the city consistently delivers on the expectations it sets, with 78 percent of travelers being repeat visitors. (The Institute for Tourism and Recreation Research at The University of Montana, 2017).

Chart 2 shows the trip planning cycle, identifying the processes for influencing the consumer to consider

Great Falls as a destination. This is where our efforts to inspire and orient begin and where peer influencers can be helpful by sharing inspiration. Studies show consumers are 84 percent more likely to act based on a recommendation of a peer, or a friend of a peer than any paid media (McCaskill, 2015).

Knowing what activities visitors like to experience, how they make decisions, and how to help influence the decisions at each stage all form the cornerstone to Great Falls Montana Tourism’s marketing strategies for outdoor recreation.

The state of Montana invests in collecting data regarding non-resident visitation through the University of Montana’s Institute of Tourism and Recreation Research [ITRR]. The data that ITRR collects allows local communities to access it and identify who is arriving, how they are arriving, where they are staying, and what they are choosing to do.

The appeal of Montana’s spectacular, unspoiled nature inspires people to travel as it is the fourth largest state in the US with over 100 vibrant and charming small towns that provide impressive outdoor experiences. As a result, Great Falls competes within the state, as well as the Northwest region and the nation to orient and facilitate the visitor to experience Montana’s Basecamp for Art & Adventure (Great Falls’ brand promise).

Developing and growing the tourism effort is driven by market and consumer behavior research. This is conducted by destination branding consultants, market research firms, and ITRR to ensure the delivery of a specifically crafted trip planning message during a critical stage of the consumer purchase process in targeted markets on specific platforms. It is essential to ensure an authentic, deliverable promise that Great Falls is Montana’s Basecamp for Art & Adventure.

MARKETING STRATEGY

Great Falls Montana Tourism invests in paid media placement, developing compelling content and stories, and social media engagement. The amount of the investment continues to grow, doubling in the past year to an all-time high. However, the amount is still 60 percent less than our peer cities in the state. Due to our level of investment, Great Falls strategically spends approximately 80 percent of the investment on digital media placements and 20 percent on print placements. The investment is developed annually and reviewed during each placement. The state of Montana makes additional investments through the Office of Tourism and Business Development to support the inspiration stage of the trip planning cycle. These strategies are focused on the research when it comes to delivery timing and demographic targets.

As part of the orientation step of the trip planning process, Great Falls Montana Tourism provides infographics on direct flights, drive time, and distance from our target markets to support the message that making a trip to the city can be done in a day or less. That “getting here” message is supported by various trip ideas for weekend

trips and weeklong vacations. An example of our one-day trips shows how to spend a day in Great Falls before an evening concert – highlighting day hikes, kayaking, fishing, and shopping along with dining options to make a memorable time connected to an event.

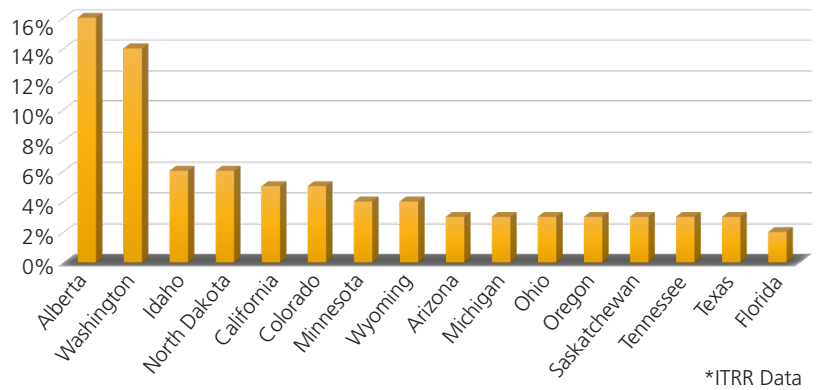
Chart 3 shows where the non-resident traveler comes from based on surveys conducted by ITRR. The locations have not changed significantly over the past 10 years. We have always seen travelers in our community from Alberta, Washington, Idaho, North Dakota, California, Colorado, Minnesota, Wyoming, Arizona, Michigan, Ohio, Oregon, Saskatchewan, Tennessee, Texas, and Florida. The chart shows the percentage of Great Falls' 820,000 visitors from each location and thus guides where Great Falls Montana Tourism directs its marketing investments.

Historically, the top activities are relatively unchanged as well for those visiting Great Falls, only the percentage of people who participated in that activity has changed over time. Chart 4 shows over time what activities the non-resident traveler engages in and what percentage of the total visitors engages in that activity. This data guides the messages that Great Falls Montana Tourism uses in its marketing investment.

Each of our target markets are a little different, so it is important to know how each target market will utilize the outdoor recreation in an area. Assess your community to determine what infrastructure is present to support a specific message of a deliverable brand promise. That assessment can include collaborating with local partners, consultants, or industry experts. For Great Falls, it was working with stakeholders that included local outfitters, state park managers, Forest Service personnel, city staff, non-profit outdoor recreation groups, state department of transportation, and resident experts.

Great Falls Montana Tourism collects data from in-market visitors and reader-service inquiries to identify the source of visitors and potential visitors. We use their city and zip code data to map the concentration within a state to identify where to invest our marketing budget. Additionally, our team analyzes traffic behavior on our website, email newsletters, and social media to gauge

CHART 3. SOURCE OF NON-RESIDENT VISITORS



*ITRR Data

interest in specific activities. Through this analysis, we determine what IP addresses are engaging with specific content and where the IP addresses are located.

Through these efforts we have mapped California, for example, based on the addresses provided through inquiries. The addresses are spread throughout the state without a significant concentration in any one geographic location. The data, as seen in Chart 3, indicate that 5 percent of Great Falls' non-resident visitation arrives from California. However, only 1,500 inquiries came from the Los Angeles metro area, which is a population of around 4 million people. This makes strategic investments difficult for paid media in California. This is why we choose to make investments in psychographically targeted marketing where media can be placed in front of hikers or fishers in locations they are already using to consume content, like Expedia or National Geographic, through paid content or banner ads. (Sidebar 2)

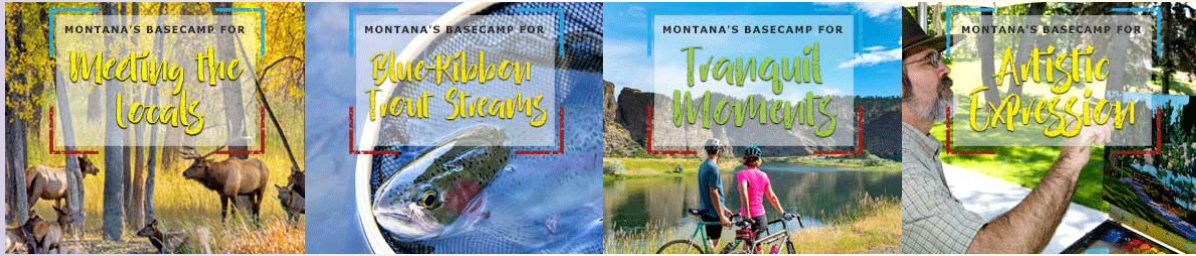
To showcase the critical need for a targeted message, the comparison of two target markets provides an example. In Great Falls, we know that our core market arriving from Denver is already outdoor adventurers through our research. This market enjoys day hikes and fishing, and appreciates the Great Falls experience because the diverse landscapes are familiar to it and the uncrowded space ensures a more enjoyable outdoor recreation experience.

CHART 4. NON-RESIDENT TOP ACTIVITIES

| Year | Activity | % | Activity | % | Activity | % | Activity | % | Activity | % |
|------|----------------|----|--------------------|----|--------------------|----|---------------------|----|---------------------|----|
| 2017 | Scenic Driving | 51 | Day Hiking | 29 | Nature Photography | 28 | Camping | 25 | Lewis & Clark Sites | 25 |
| 2016 | Scenic Driving | 59 | Day Hiking | 33 | Nature Photography | 33 | Camping | 29 | Shopping | 28 |
| 2015 | Scenic Driving | 60 | Nature Photography | 32 | Shopping | 31 | Lewis & Clark Sites | 31 | Day Hiking | 30 |
| 2014 | Scenic Driving | 61 | Shopping | 38 | Nature Photography | 29 | Day Hiking | 27 | Camping | 27 |
| 2013 | Scenic Driving | 69 | Shopping | 42 | Historical Sites | 32 | Day Hiking | 30 | Wildlife Watching | 29 |
| 2012 | Scenic Driving | 66 | Nature Photography | 35 | Shopping | 33 | Lewis & Clark Sites | 28 | Historical Sites | 27 |

SIDEBAR 2

Banner ads used for paid media placement across digital platforms.



This market, in general, recreates unguided with its own equipment. Whereas, portions of our California market are not familiar with the high elevation landscapes and are not as confident in self-guided hiking, yet want to have a genuine Montana experience. This market will purchase equipment in-market or rent, relying on local expertise when it comes to gearing up. This market will also be more apt to utilize a local outfitter to guide it through the mountains on a hike or assist it in a Montana fly fishing experience.

When non-resident visitors engage a guide for outdoor recreation, there is less need for the visitor to know exactly where to go, as the guide is there to deliver the visitor to the experience, assist them through the experience, and bring them back from the experience. For the independent adventurers, such as our Denver market, it is important to have accurate and available maps, signage and other wayfinding tools.

WAYFINDING

Getting people to where they need to be is a key component to ensuring access for any outdoor recreation experience. Take stock of the current signage, maps, online information, and applications to direct visitors to the trailhead or other outdoor experience. This can be done several ways.

Our community began by gathering all printed materials and reviewing them for usability. We also put our-



Signage in Smith River State Park on the banks of the river indicating the name of the camp spot.

Photo Credit @Montana State Parks.

selves in the visitor's shoes through a little secret shopping. We used current available resources to arrive at a hiking trailhead and analyzed what signage was available along the route. We are currently in the process of securing outside consultants to study our community and develop a plan, with a fresh set of eyes, regarding what is needed for wayfinding and how to approach meeting those needs.

Getting lost is frustrating, takes time away from the adventure, and clouds the experience. Make the investment to ensure that visitors can easily find where they need to be to enjoy their adventure, have a great experience, and ultimately return. When visitors recount the experience, you want them to begin their story with "the drive to the trailhead was simple and we were quickly on the trail, experiencing diverse landscapes." This becomes part of the peer influence network, that gets more people inspired to recreate outdoors.

SUPPORT AND ADVOCACY

As a DMO or economic developer for our communities, we promote the assets that are present, identify the gaps, and then work to find ways to fill those gaps. Great Falls is driven by small business, our tourism economy is growing and developing, and outdoor recreation is a multi-faceted concept. We have a strong entrepreneurial support system within our Economic Development Organization, which houses a Small Business Development Center. Here, entrepreneurs can find a coach who can assist them in navigating crucial market research, planning cash flow for seasonal operations, determining the mix of products and services and licensing or permitting requirements. This coaching is invaluable to ensure a successful business operation, and good business operations help to create a positive experience for visitors.

Beyond the business component, many natural assets help to create our outdoor recreation economy. Local residents, or as we call them, Champions, in our community capitalize on those assets by creating biking, racing, and obstacle course events. Additional Montana communities have invested in massive-scale signature events that enhance the outdoor experience and bring people into the community for the event. This style of event can be a



Starting line for Burn the Bird, an annual 5k, 10k or 1.33 mile race held on Thanksgiving Day.

great strategy to attract first time visitors or to drive visitation to a community during a slower time of the year. It is essential to be strategic with events. Some events can require a significant investment of money, human capital, and environmental resources, and not produce a positive return for the investment. Without the proper entrepreneurial support, these events can struggle and attract only residents due to a weak investment in planning and marketing as illustrated in the following example.

In Great Falls, our tourism effort invests in entrepreneurial projects that grow the economy through increased lodging room nights and visitor spending in the community. The strategic investment occurs in projects that generate new overnight stays, with a high preference for non-peak visitation times.

A committed group of Great Falls residents requested funding to start an outdoor heritage festival, focused on the art and games of the culture. The time of the year, location, and idea were an ideal fit for the Basecamp for Art & Adventure.

The first year, the festival attracted 795 attendees and broke even. The second year, our tourism effort invested in the idea again, with hesitation. The time of the year changed and the location changed. The attendance dropped 33 percent. Additional investment wasn't sought and the marketing included posters and free local sources; the lack of strategic planning played a major role in the drop in attendance.

Tourism made one final investment commitment. This depended on the group receiving coaching to formalize its efforts, generate the human capital necessary to secure sponsorship investment, commit to strategically placed paid marketing well in advance of the event, and secure entertainment in advance of marketing to provide the details of an event that people will choose to attend over all the other options. The festival was ultimately cancelled as the group was unsuccessful in its efforts to develop a sustainable business model.

INFRASTRUCTURE

The outdoor recreation infrastructure – whether it be obstacle courses in parking lots, bike riding trails, or

open spaces for music festivals – needs to be maintained. Funding that maintenance can be difficult but is essential. It is further complicated by the ownership of the land, be it public or private. The city has created a Park District to assist with a portion of the funding for maintenance on the public land designated as parks. However, that isn't the full solution. Additionally, the Park District is funded by local taxpayers, and in some instances, the larger users of some of our outdoor recreation infrastructure are non-residents. Great Falls has local non-profit user groups that invest in trail maintenance under agreements with the public land owners to ensure debris is removed, the trail signage is visible, and the trail itself is still identifiable.

Great Falls Montana Tourism and its stakeholders continue to advocate for our infrastructure with local, state and federal representatives to collaboratively find solutions to ensuring longevity of our infrastructure.

STAKEHOLDER ENGAGEMENT

For Great Falls, outdoor recreation is essential to the economy. Keeping stakeholders engaged keeps our marketing efforts informed, our entrepreneurs successful, our infrastructure developed, and our community growing. We engage our stakeholders first and foremost as representatives on our Board of Directors. They set strategic priorities and provide monthly insight from their respective fields.

Additionally, we engage stakeholders through quarterly Industry Roundtables, where we look for answers to such questions as: How is the industry performing? What changes are coming? What trends are occurring? This engagement ensures the message being delivered is relevant, we can capitalize on the interests of the market, we can support our entrepreneurs, and we can advocate for change, if needed.



The River's Edge Trail is 53 total miles throughout Great Falls, offering a variety of recreational opportunities.

CONCLUSION

In a competitive landscape where the choices for leisure travel can include amusement parks, extreme sporting events, beach resorts, and national treasures, nature-based outdoor recreation doesn't always rise to the top of every traveler's list. The offering provided for outdoor recreation must be compelling enough to win out over other events and experiences.

Only 28 percent of the weekends in a year are during the summer season, and summer weekends can get filled with family obligations such as sports tournaments, weddings, and reunions. Outdoor recreation occurs all year round, however, it is more prevalent in the summer. Our community continues to leverage the spring, fall, and winter offerings among various markets for a greater economic impact. These markets include the Baby Boomers and other double income no kids market segments, which have more flexibility for traveling and tend to have a higher average spend when they travel.

Crafting the right message, for the right market, delivered at the right time, and supported by the right infrastructure, will enable communities to capitalize on outdoor recreation. Niches will choose to spend their limited discretionary income for leisure travel, where an outdoor experience, family time, and economic impact are one in the same. 🌐



A contestant competes in the Knuckle Buster Obstacle Challenge. An extreme course of physical challenges where teams compete is held annually in the Little Belt Mountains.

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