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The Sacajawea Hotel: A Case Study on the Impact of Small Hotels on Communities

Christine Oschell

The University of Montana-Missoula

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College of Forestry
and Conservation
32 Campus Dr. #1234
The University of Montana
Missoula, MT 59812

Phone (406) 243-5686
Fax (406) 243-4845
www.itrr.umt.edu

The Sacajawea Hotel: A Case Study on the Impact of Small Hotels on Communities

Prepared by

Christine Oschell Ph.D.

Institute for Tourism & Recreation Research
College of Forestry and Conservation
The University of Montana
Missoula, MT 59812
www.itrr.umt.edu

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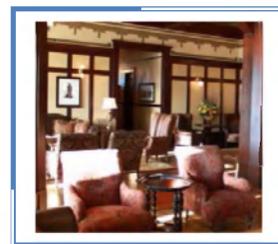
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Introduction

The Sacajawea Hotel is located in the one of the most important places in the history of Lewis and Clark. The hotel was completed in 1910 and served as a welcome to passengers on the Milwaukee Railroad. The hotel was “brought back to life” in 2010 with a renovation that focused on preserving the history and character of the building while also elevating the property to a luxury accommodation. This renovation celebrated the hotel’s 100th birthday. The Sacajawea Hotel is rapidly gaining a reputation as “one of the finest historic hotels in the west”. Nominated as the only Montana property to join as a member of the Historical Hotels of America, as well as receiving the 2011 Historic Preservation Award of Excellence. The hotel has 29 luxury guest rooms with spa like amenities, two full service bars, meeting space, wedding venues and a gourmet restaurant (Folkvord, 2013).



The Sacajawea Hotel is in the town of Three Forks, Montana, which is located at the Headwaters to the Missouri River. It is the place where Sacajawea was reunited with her brother and afforded the Lewis and Clark Party the opportunity to continue their journey by providing goods and safe passage through hostile territory. Long after Lewis and Clark were gone and the west was being settled, the town of Three Forks emerged as an important stop on the Milwaukee Railroad (Folkvord, 2013).

As of the 2010 census, Three Forks had 1,869 people residing within its boundaries. In 2011, over 2.3 million non-resident visitors drove the interstate which passes by Three Forks with over 82,000 of them spending at least one night in Three Forks (ITRR, 2011).

The purpose of this study was to understand more about the impact of small town hotels on a community through a case study approach. The Sacajawea Hotel was chosen as one of the hotels to use because of its historic attributes and the small number of overnight accommodations available in this community. Specifically, the objectives were:

1. To learn more about the characteristics of overnight guests to the Sacajawea Hotel.
2. To determine reasons why people chose to stay at the Sacajawea Hotel.
3. To determine the spending patterns of overnight guests to the Sacajawea in the community of Three Forks.

Methods

The data for this project was collected in the third quarter of 2012 (July, August, and September). Guests of the Sacajawea Hotel were asked at check-out by the hotel clerk if they would be willing to fill out a survey regarding their stay in Three Forks. The survey was provided to them along with a letter explaining the study, a postage-paid envelope in which to return the survey, and a slip of paper explaining that if they returned the survey, their name would be entered in a drawing to win one of two \$100 VISA pre-paid gift cards. Of the 1,500 surveys handed out, 64 were returned.

Limitations

The ability to extrapolate these results to the full sample of overnight guests of the Sacajawea Hotel is limited by the small sample size that was obtained.

This study was limited to the ability and willingness of the hotel clerks to accurately describe the survey and convince guests to complete the survey.

Results

Table 1 shows that of those who responded (64 people), 34 percent, or 22 people, were from Montana while 66 percent were from outside Montana. Fourteen percent were from Washington, and five percent were from Oregon. There were three individuals from other countries, specifically Indonesia, Switzerland, and Canada. Of the out-of-state respondents, 88 percent had been to Montana before with 12 percent being first time visitors.

Table 1: Residences of Respondents

Place of Residence (n=64)	% of Responses	Place of Residence	% of Responses
Montana	34% (22)	Illinois	2% (1)
Washington	14% (9)	Indonesia	2% (1)
Oregon	5% (3)	Kansas	2% (1)
California	3% (2)	Nevada	2% (1)
Colorado	3% (2)	New Jersey	2% (1)
Indiana	3% (2)	New York	2% (1)
Minnesota	3% (2)	North Dakota	2% (1)
Wisconsin	3% (2)	Ontario, Canada	2% (1)
Wyoming	3% (2)	Switzerland	2% (1)
Alaska	2% (1)	Texas	2% (1)
Arizona	2% (1)	West Virginia	2% (1)

Thirty-four percent of respondents were from Montana. Of those, most were from Yellowstone and Gallatin counties (9% and 8% respectively). Table 2 presents all of the other Montana counties represented.

Table 2: Counties of Montana Respondents

Montana County (n=22)	% of Responses
Yellowstone	9% (6)
Gallatin	8% (5)
Lewis and Clark	6% (4)
Missoula	3% (2)
Beaverhead	2% (1)
Cascade	2% (1)
Flathead	2% (1)
Lake	2% (1)
Ravalli	2% (1)

The respondents who were not from Montana were asked for what purposes they were in Montana. They were also to choose a main purpose for their travels to Montana. Sixty-five percent indicated that one of the reasons they were here was for vacation, recreation, or pleasure. Thirty-six percent indicated this as their main purpose for being in Montana (Table 3). Forty percent were in Montana to visit friends and relatives with 24 percent indicating this as their main purpose. Business also drove people to Three Forks and the Sacajawea. Twenty-seven percent said they were there for business with 29 percent indicating this as their main purpose.

Table 3: Purposes of Montana Trip

Purpose of Trip to Montana (n=42)	All Purposes	Main Purpose
Vacation/recreation/pleasure	65% (34)	36% (15)
Visit friends/relatives/family event	40% (21)	24% (10)
Business/convention/meeting	29% (12)	29% (12)
Just passing through	10% (4)	10% (4)
Other (medical, visit schools, etc.)	2% (1)	2% (1)
Shopping	--	--

All respondents, Montana residents and non-residents, were asked why they were traveling to Three Forks. They were asked to indicate all of the purposes of their trip and then a main purpose. Staying at the Sacajawea Hotel was indicated by 77 percent of respondents as one of the reasons they traveled to Three Forks with 49 percent of respondents saying that it was their main purpose (Table 4). Twenty-eight percent of respondents indicated that dining at the Sacajawea Hotel was one of their reasons for coming to Three Forks and six percent said that was their main purpose.

Table 4: Purposes of Three Forks Trip

Purpose of Trip to Three Forks (n=64)	All Purposes	Main Purpose
Staying at the Sacajawea Hotel	77% (49)	49% (31)
Dining at the restaurant at the Sacajawea Hotel	28% (18)	6% (4)
Business in or near Three Forks	19% (12)	16% (10)
Recreating in or near Three Forks	17% (11)	3% (2)
Spending time in Three Forks	13% (8)	5% (3)
Visiting friends or relatives in or near Three Forks	13% (8)	6% (4)
Special event in or near Three Forks	13% (8)	8% (5)
Just passing through Three Forks	8% (5)	6% (4)

Respondents were asked to select a statement that would describe how their visit to Three Forks fit in with their travel plans in Montana. Most were attracted to Three Forks primarily because of the Sacajawea Hotel (Table 5).

Table 5: Attraction to Three Forks

Statements of Attraction to Three Forks	
I was attracted to the area primarily because of the hotel.	62% (39)
I was attracted to the area for other reasons and decided to stay at the hotel.	35% (22)
I was attracted to other areas of Montana but needed to stay in Three Forks on my way.	3% (2)

Respondents were also asked why they chose to stay at the Sacajawea Hotel (Table 6). Most said it was the historic nature of the hotel (70%) followed by the fact that its location fit their travel plans (47%). The reputation of the Sacajawea and its restaurant were also indicated at 39 and 33 percent respectively as reasons for staying. Twenty-three percent indicated there was an “other” option and their written-in responses can be found under Table 6.

Table 6: Reasons for staying at the Sacajawea Hotel

Reasons for Staying at Sacajawea	
Its historic nature	70% (45)
Its location in Montana fits my travel plans	47% (30)
Its reputation	39% (25)
Its restaurant	33% (21)
Other*	23% (15)
The small town atmosphere of Three Forks	16% (10)
Convenience	14% (9)
It had a room available	8% (8)

* Other responses: Close to friends and attractions; co-worker; gift certificate; good value, non-chain; heard about remodel and restaurant; just love this place; company once insured it; meeting was here; birthday celebration; previous visit (5); staycation; Trippon discount; wedding and hotel.

Most respondents made their plans to stay at the Sacajawea the week (34%) or the month (31%) before their stay (Table 7) and 54 percent of respondents heard about the hotel from friends or family (Table 8). Twenty-five percent heard about the hotel from a magazine or newspaper and some indicated that they heard about it from a source other than the ones listed (Table 8). The “other” responses are listed below Table 8.

Table 7: Timing of Reservations at the Sacajawea Hotel

Timing of Plans to Stay at Sacajawea	
The day of our stay	11% (7)
The week before our stay	34% (22)
The month before our stay	31% (20)
More than a month before our stay	23% (15)

Table 8: Information Sources

Source of Information about Sacajawea Hotel	% of responses
Family member or friend	54% (33)
A magazine or newspaper	25% (15)
Other*	13% (21)
Billboard	10% (6)
Another website	7% (4)
Montana State Tourism website	5% (3)
A listing in the Montana planner	5% (3)
A listing in another travel guide	5% (3)
Yellowstone Country website	2% (1)
Social media	--
Chamber/visitor bureau	--
A listing in Yellowstone Country planner	--

* other responses: chosen as meeting spot; co-workers; corporate on-line booking tool; found hotel on way to tourist shop; gift certificate at auction; state legion tournament – heard about renovation-perfect; previous visit (3); saw it on prior travels (2); stopped in three forks; Trippon.

Respondents spent an average of 4.98 nights away from home. Of those nights, nonresidents spent 3.64 of them in Montana and for the full sample, 1.53 nights were spent in Three Forks

(Table 9). The average size of travel groups was 2.20. Over half of respondents indicated that they visited Headwaters State Park (59%) and participated in scenic driving (54%) (Table 10).

Table 9: Nights spent away from home, in Montana, and in Three Forks

# of Nights	Nights spent away from home	Nights spent in Montana*	Nights spent in Three Forks
1	25% (16)	28% (18)	72% (46)
2	13% (8)	19% (12)	14% (9)
3	9% (9)	10% (6)	5% (3)
4	9% (9)	18% (11)	8% (5)
5	5% (3)	8% (5)	2% (1)
6	3% (2)	2% (1)	--
7	5% (3)	5% (3)	--
8	--	2% (1)	--
9	5% (3)	2% (1)	--
10+	27% (17)	8% (5)	--
Mean	4.98	3.64	1.53

*This column only represents nonresidents

Table 10: Activities Participated in while Visiting Three Forks

Activities while Visiting			
Visited Headwaters State Park	59% (27)	Golfing	4% (2)
Scenic driving	54% (25)	Fishing/fly fishing	2% (1)
Visited Lewis and Clark sites	35% (16)	Gambling	2% (1)
Day hiking	28% (13)	River rafting/floating	2% (1)
Nature photography	13% (6)	Birding	2% (1)
Wildlife watching	13% (6)	Attended rodeo	2% (1)
Attended festivals or special events	13% (6)	Canoeing/kayaking	2% (1)
Road/tour biking	13% (6)	Sporting event	--
Visited Headwaters Heritage Museum	13% (6)	OHV/ATV riding	--
Recreational shopping	9% (4)	Car/RV camping	--
Mountain biking	4% (2)		

Another objective of this study was to understand the spending pattern of guests in Three Forks. Respondents were asked to report expenditures made by their travel group while in Three Forks. For this report, the expenditures were analyzed by residents of Montana and nonresidents. There are four tables below that describe the expenditures made in Three Forks. Table 11 shows the average expenditures made by those nonresident respondents who spent money in each category along with the percent of respondents the average represents. Table 12 shows the average expenditure across the full sample of nonresidents and not just those who spent money in the category. This table also shows the average total trip expenditure of nonresidents in Three Forks. The average total expenditure in Three Forks by these nonresident respondents was \$391.70 for the trip. Considering the average length of stay for nonresident guests, this equates to a \$222.55 daily expenditure in Three Forks.

Table 11: Average Expenditures of Non-Resident Respondents and the Percent of those who spent Money in each Category

Expenditure Category (n=42)	Nonresident Average expenditure of those who spent money in Three Forks by category	Percent of nonresident respondents who spent money in Three Forks by category
Hotel/Motel	\$262.46	100%
Restaurant and bar	\$93.59	90%
Gas and oil	\$51.17	56%
Groceries and snacks	\$14.71	34%
Retail purchases	\$35.00	15%
Gambling	\$37.33	7%
Licenses or entrance fees	\$15.63	20%
Services	\$3.00	5%
Vehicle rentals	--	--
Auto repairs	--	--
Outfitter/Guided activities	--	--

Table 12: Average Expenditures of Full Sample of Nonresident Respondents

Expenditure Category (n=42)	Average expenditure of full nonresident sample in Three Forks by category	% of total trip expenditures
Hotel/Motel	\$262.46	67%
Restaurant and bar	\$84.46	22%
Gas and oil	\$28.71	7%
Groceries and snacks	\$5.02	1%
Retail purchases	\$5.12	1%
Gambling	\$2.73	1%
Licenses or entrance fees	\$3.05	1%
Services	\$0.15	0%
Vehicle rentals	--	
Auto repairs		
Outfitter/Guided activities		
Average Total Trip Expenditures in Three Forks	\$391.70	

Residents of Montana spent less money and in fewer categories than their non-resident counterparts. Table 13 presents the average expenditures of those residents who spent money in the categories. Table 14 shows expenditures across the full sample of residents. The average total spending for the trip in three Forks for residents was \$280.79 (Table 14). Considering their length of stay at the Sacajawea, this equates to an average daily expenditure of \$248.49. Hotel/motel, restaurant and bar, and gas and oil are still the top three spending categories, but the

average amount is lower. Also, residents did not spend money on licenses or entrance fees or services.

Table 13: Average Expenditures of Resident Respondents and the Percent of those who spent Money in each Category

Expenditure Category (n=22)	Resident Average Expenditure of <u>those who spent</u> money in Three Forks by Category	Resident Percent of Respondents who spent money in Three Forks by Category
Hotel/Motel	\$186.18	100%
Restaurant and bar	\$88.80	87%
Gas and oil	\$45.71	30%
Groceries and snacks	\$11.67	13%
Retail purchases	\$22.50	9%
Gambling	--	4%
Licenses or entrance fees	--	--
Services	--	--
Vehicle rentals	--	--
Auto repairs	--	--
Outfitter/Guided activities	--	--

Table 14: Average Expenditures of Full Sample of Resident Respondents

Expenditure Category (n=42)	Average expenditure of full resident sample in Three Forks by category	% of total trip expenditures
Hotel/Motel	\$186.18	66%
Restaurant and bar	\$77.22	28%
Gas and oil	\$13.91	5%
Groceries and snacks	\$1.52	1%
Retail purchases	\$1.96	1%
Gambling	--	--
Licenses or entrance fees	--	--
Services	--	--
Vehicle rentals	--	--
Auto repairs	--	--
Outfitter/Guided activities	--	--
Average Total Trip Expenditures in Three Forks	\$280.79	

Looking at the percent of total expenditures spent in each category, it is interesting how similar they are between nonresidents and residents. Looking at spending patterns and occupancy can give a better idea on a large scale of how much spending occurred in Three Forks. Table 15 shows the occupancy rates of this 29 room hotel for the months where data was collected and

based on the average daily expenditure of the full sample (\$228.07 per day) the combined potential expenditures of guests of the Sacajawea in Three Forks in the third quarter of 2012 is \$402,794.42.

Table 15: Potential Total Expenditures made by guests of the Sacajawea in Three Forks in the 3rd Quarter of 2012

Month	Monthly Occupancy Rate	Potential Expenditures
July	69% (approximately 600 rooms sold)	\$136,910.42
August	77% (approximately 670 rooms sold)	\$152,784.09
September	57% (approximately 496 rooms sold)	\$113,099.91

Conclusions

Generalizations of quarter three overnight guests of the Sacajawea cannot be comfortably made from a sample of 64 people, but some conclusions can be drawn from the sample obtained. The Sacajawea Hotel is having a positive impact on the community of Three Forks and is drawing both resident and non-resident visitors. When asked why they traveled to Three Forks, most responded that it was because of the Sacajawea Hotel, and also because of the restaurant. This indicates that the hotel is actually an attraction for the community. It is not just about a place to spend a night. Other communities around the state with older downtown buildings that could be renovated may be able to use this study as a means to convince bankers of the potential business success and community development impact for a bank loan.

The top reasons for staying specifically at the Sacajawea were its history, its location, its reputation, and its restaurant. A renovated building turned into a hotel can provide guests with an opportunity to learn and feel what it was like years ago. This will, in turn, produce a good reputation as long as the service fits the needs of the guest. Finally, it appears that the fine-dining restaurant is one component that also drives visitors to the hotel. This amenity is important to the overall success of a small town hotel.

Three Forks and the Sacajawea Hotel are a great example of rural tourism at its finest. Historic hotels have been found to be important cultural resources that provide economic development opportunities for rural communities (Wilson et al., 2001). Non-residents guests of the hotel spent more money in more categories in Three Forks than residents of Montana. Other communities in Montana with historic hotels are likely experiencing the same effect. Marketing historic hotels to non-residents and keeping them open and functioning can be a smart economic tool for Montana communities.

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