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### Tourism and Recreation Trends and Outlook: Montana's Varied Traveler - A look into Quarterly Differences

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# Tourism & Recreation Trends & Outlook:

## Montana's Varied Traveler: A Look into Quarterly Differences

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Institute for Tourism and Recreation Research

Travel and tourism grew 5 percent worldwide in 2014 (through August) and continues to show strength. In the United States, international arrivals are up 8 percent (through August) while domestic travel within the U.S. is predicted to show 2 percent growth over 2013. Preliminary estimates for Montana, suggest the number of individuals to the state stayed about the same as in 2013 (Figure 1), but the number of groups coming to Montana increased 1 percent in 2014. Sixty-

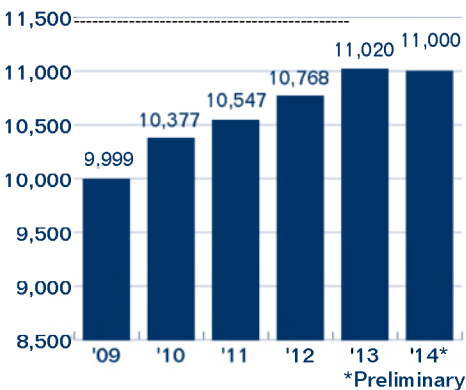
eight percent of tourism business owners in Montana indicated an increase in guests over 2013, and only 10 percent saw a decline (Figure 2).

Within the travel sector, the airline industry continues to reinvent itself. The four major U.S. carriers that have 87 percent of domestic capacity are planning to reduce the number of smaller, regional jets and replace them with larger jets flying less frequently to destinations. This trend encourages low-cost regional carriers to enter these markets, and it remains to be seen how this will impact Montana. For Montana, airline travel in 2014 showed an increase in every city, with only Helena remaining flat (Figure 3). The continual trend of the Bozeman Yellowstone International Airport outpacing Billings remains in 2014. Bozeman, with its population growth and nearby attractions (Yellowstone and ski resorts), should remain Montana's busiest airport for

visitation in the state.

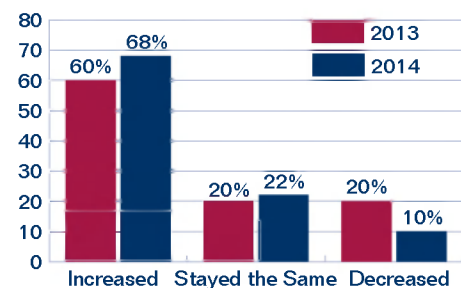
Consumers of the lodging industry are showing some interesting changes as well. More and more, travelers are opting to spend nights in homes and reserving their accommodations through Vacation Rental by Owner (VRBO) or Airbnb. Travelers can rent a room in a person's house (usually through Airbnb) or an entire house or vacation rental (usually through VRBO). There are hundreds of known vacation rental properties in Montana, with the majority located near the two national parks and the ski resorts. What is a concern for the travel industry is the number of rentals not licensed to do so, which, in turn, reduces tax collections within the industry. Some counties, such as Park County, are already trying to implement policies to discourage illicit rentals. However, while home rental is increasing it does not appear to be affecting Montana's hotel/motel

**Figure 1**  
Nonresident Visitation to Montana, 2009-2014



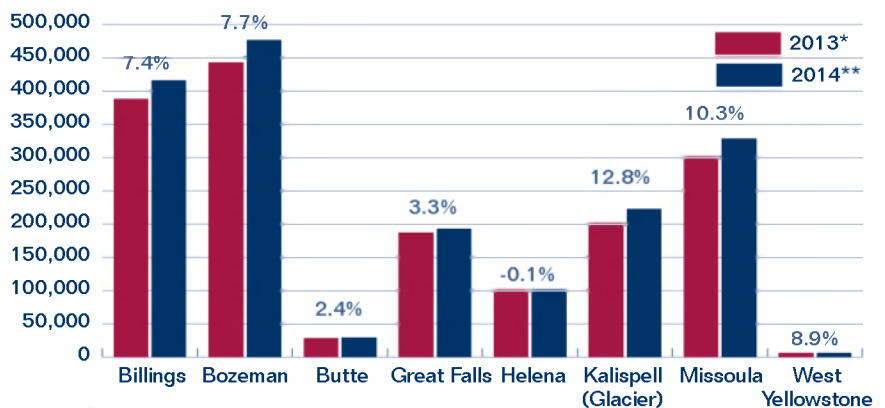
Source: Institute for Tourism and Recreation Research, University of Montana.

**Figure 2**  
Tourism Business Owners Customer Percent Change, 2013-2014



Source: Institute for Tourism and Recreation Research, University of Montana.

**Figure 3**  
Airport Deboardings, by City, Change 2013-14\*



\*2013 - Butte changed to Essential Air Service Community.

\*\*2013 - Billings closed for 6 consecutive weekends in the summer.

\*\*Projected

Source: Montana Aeronautics Division.

industry. Rooms sold in hotel/motels in Montana for 2014 were up nearly 6 percent through October compared to 2013).

Another indication of a good tourism year is the banner visitation in 2014 in Montana's two large national parks. Glacier National Park experienced an all-time record number of visitors – more than 2.3 million – while Yellowstone National Park was close to its all-time high, with approximately 3.5 million visitors (Figure 4). Finally, skier visits for the 2013-2014 season saw a 6.5 percent increase over the previous season.

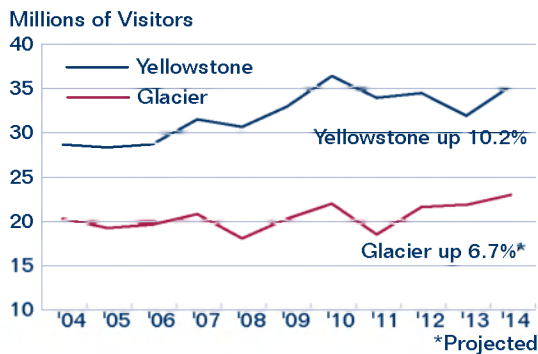
### A Look at Montana's Quarterly Travel Differences

The travel industry, in most destinations, is quite seasonal, and Montana is no different. An analysis of quarterly data of Montana's nonresident visitors provides an interesting view into the seasonal aspect of travel. First of all, notable differences in number of visitors by quarter show that 47 percent of all nonresidents spend time in Montana during the third quarter and represent 49 percent of all nonresident spending in the state (Figure 5). Interestingly, the highest daily spending occurs

during fourth quarter – probably holiday spending.

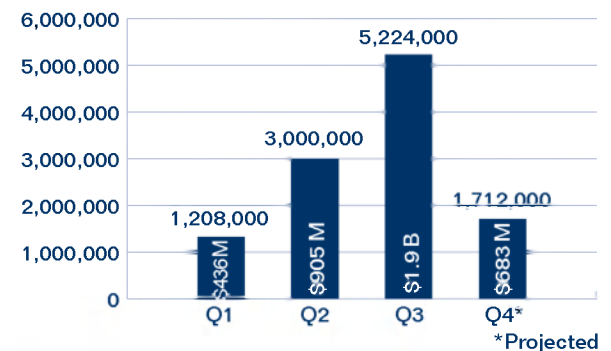
While vacation historically has the highest overall primary purpose of taking a trip to Montana (33 percent of all purposes in 2013), passing through as the main reason nonresidents are in the state is close behind (31 percent). In analyzing the quarterly reasons for visiting Montana, vacationers are highest in only Q2 (34 percent) and Q3 (50 percent), with passing through the state the main purpose in the other two quarters (Figure 6). While Montana is a desired vacation

**Figure 4**  
Yellowstone and Glacier National Park Visits, 2004-2014



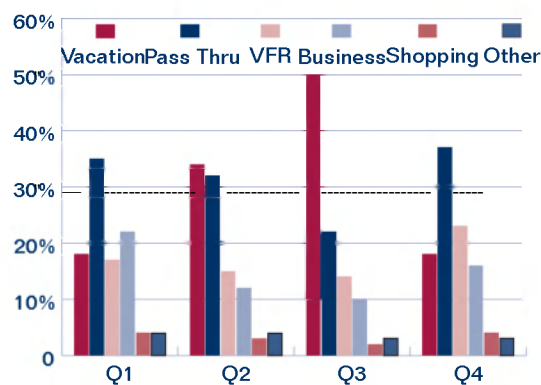
Source: National Park Service.

**Figure 5**  
Quarterly Nonresident Visitation and Spending



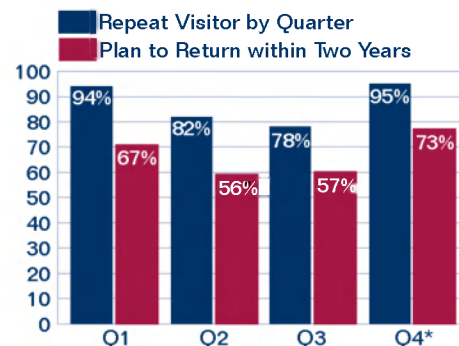
Source: Institute for Tourism and Recreation Research, University of Montana.

**Figure 6**  
Primary Purpose of Trip by Quarter



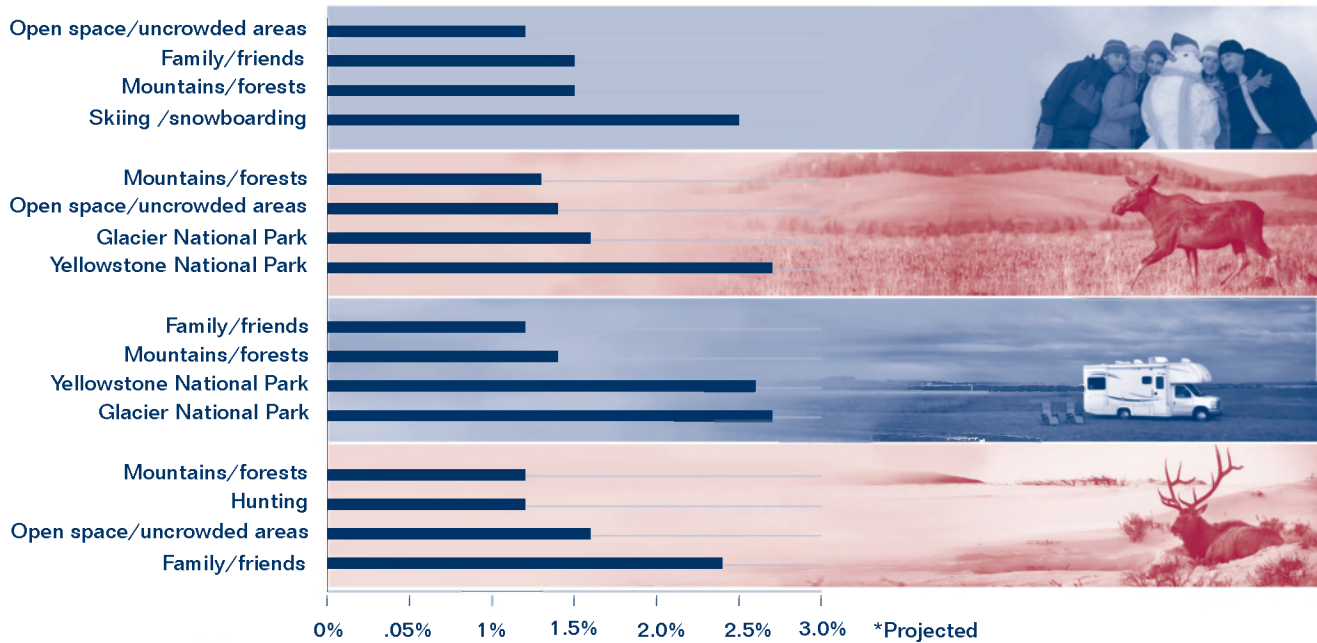
Source: Institute for Tourism and Recreation Research, University of Montana.

**Figure 7**  
Repeat Visitors to Montana



Source: Institute for Tourism and Recreation Research, University of Montana.

**Figure 8**  
**Top Four Primary Attractions by Quarter, 2014**



Source: National Park Service.

destination, it is also directly in the path of those going elsewhere.

The number of repeat visitors and the intent to return to Montana by quarter (Figure 7) varies between quarters. The highest percent of repeat visitors occurs in Q1 and Q2, with 67 to 73 percent of all visitors returning to Montana. Similarly, 94 percent to 95 percent of all visitors in Q1 and Q2 intend to return to Montana within two years, while 78 percent of Q3 visitors will return in two years. Quarters 1 and 2 are winter months so the high percent of repeat visitors and intent to repeat is not a surprise. In fact, residency of visitors during Q1 and Q2 primarily come from other snowbound areas: Idaho, Washington, Alberta, Wyoming, and North Dakota.

Primary attractions to Montana for vacationers also show differences by quarter (Figure 8). Mountains and

forests as the primary attractor was the only attraction that appeared in the top four attractions by nonresidents in each quarter (12 percent to 14 percent). Skiing/snowboarding was the highest attraction in Q1, Yellowstone and Glacier were the highest attractions in Q2 & Q3, while hunting and mountains and forests were highest in Q4.

Other quarterly visitation differences show that other than Yellowstone and Glacier being the top sites visited, soaking in hot springs in quarters 1 and 4 are popular activities, and more visitors travel alone in quarters 1 and 4 than in the other two quarters.

**2015 Expectations**

Indicators of a promising 2015 in the U.S. include: 1) household spending gaining momentum due to lower unemployment; 2) U.S. households shedding their debt

(more discretionary income); 3) U.S. dollar getting stronger; 4) U.S. travel sector out-performing all projections; 5) hotel occupancy surpassing 2007 numbers; 6) intention to travel increasing; and, 7) a return of face-to-face business meetings, boding well for the convention and business sector.

The U.S. Travel Association predicts a 2 percent growth in domestic travel for 2015, while international travel to the U.S. is expected to have steady growth. Montana should experience a 2 percent visitation growth as well. In 2015, nonresident visitor spending should increase anywhere from 2 percent to 5 percent, amounting to more than \$3.6 billion and producing an economic impact to Montana of more than \$4.4 billion. <sup>15</sup>