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2019 Outlook & 2018 Trends: Montana Annual Tourism Business Survey

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2019 Outlook & 2018 Trends: Montana Annual Tourism Business Survey

By Norma P. Nickerson, Kara Grau, & Jeremy Sage
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The Annual Outlook Survey was conducted through an email survey invitation in mid-October 2018 with 333 businesses responding. To represent the regions by balanced response numbers, Central MT, Missouri River, and Southeast MT travel regions needed to be combined for an N of 63. Other sample sizes are: Glacier region= 90; Southwest MT= 63; Yellowstone region =117.

This data represents the following businesses (primary business): 22% hotel/motel; 20% outfitter/guide; 13% tourism promotion; 9% rental home/cabin/condo; 8% other/misc.; 4% museum/interpretive center; 3% campgrounds; 3% specialty retail; 3% land manager; 3% rental management; 2% bed & breakfast; 2% restaurant/bar; 2% retail; 2% event coordinator; 1% convenience store/gas station; 1% car rental; 1% ski resort; <1% casino; <1% airports.

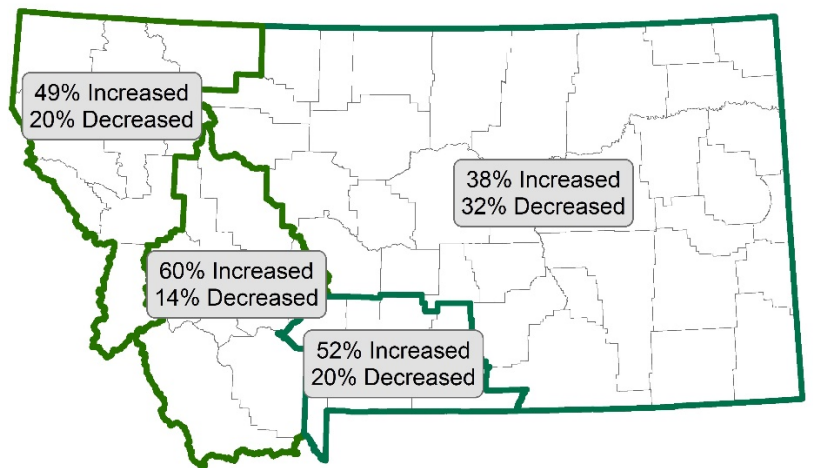
2018 visitation volume compared to 2017

- Overall, 50% of businesses indicated an increase over 2017, 29% stayed the same, and 21% experienced a decrease in 2017.

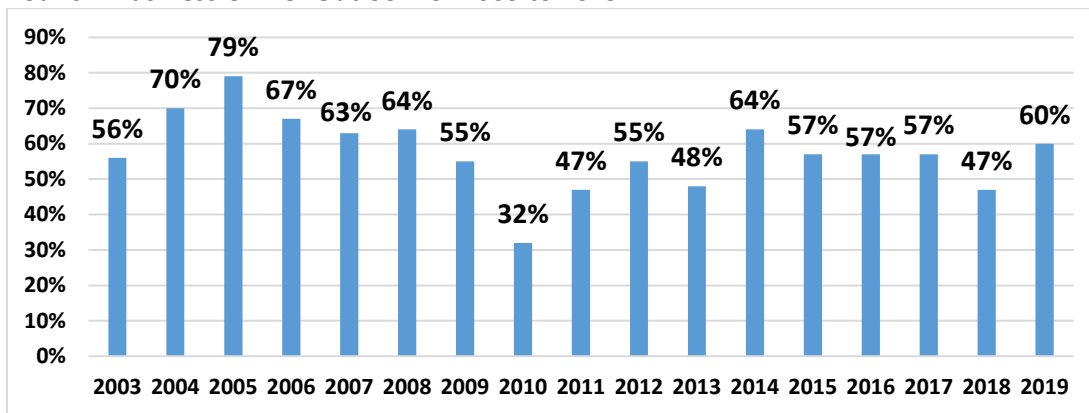
Business revenue compared to 2017

- Overall, 33% of businesses experienced an increase in revenue of greater than 5%, while 27% had an increase of less than 5%.
- Twenty-three percent of businesses remained the same in revenue from 2017 to 2018.
- Nine percent indicated a decrease of less than 5% while 13% said they experienced a revenue decrease greater than 5% in 2018 over 2017.

Visitor Volume Change 2017 to 2018



Tourism Business Owner Outlook for 2003 to 2019*



Sixty percent of business owners expect an increase in customer volume in 2019, the highest in five years.

*Percent who expect increase by region: SW MT 71%; Glacier 61%; Yellowstone; 59%; East-Central regions 49%

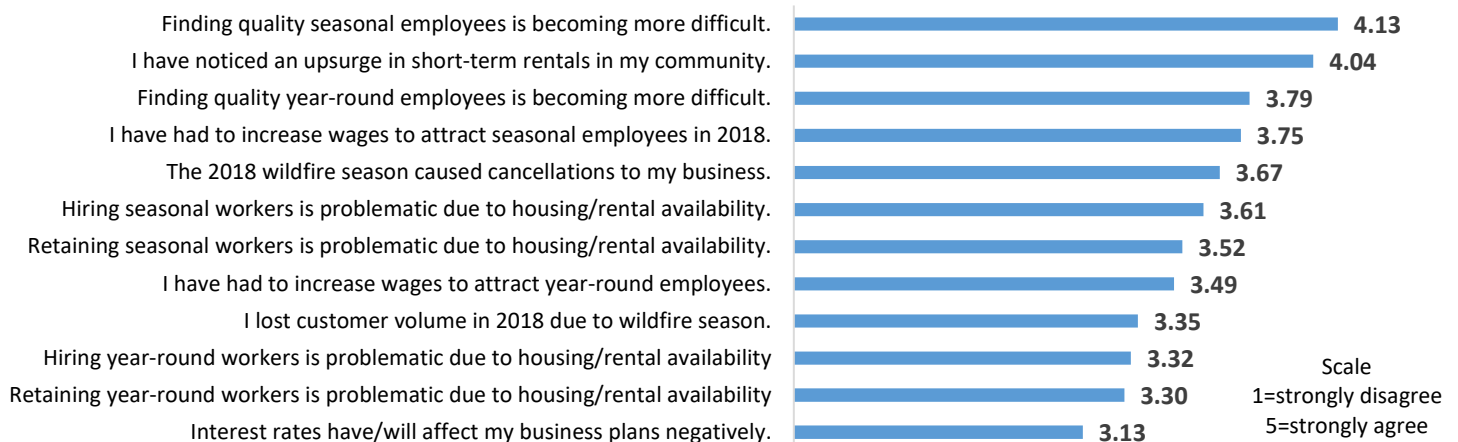
Central, Missouri River, & Southeast MT Travel Regions



Tourism business owners in Central, Missouri River, and Southeast Montana travel regions agree that finding quality year-round and seasonal workers is increasingly difficult for them. In addition, many owners had to increase wages for their employees in 2018. Noticeably, the 2018 wildfire season did not appear to affect their business.

Unlike the other travel regions in Montana, eastern and central Montana have not noticed a surge in short-term rentals such as Airbnb and Vacation Rental by Owner in their communities.

Glacier Country Travel Region



Glacier Country tourism business owners agree that finding quality seasonal employees is more difficult than in the past. Finding quality year-round employees is the third highest challenge within this region. However, second in agreement by business owners is the upsurge in short-term rentals in their communities. This has begun to create challenges for smaller communities with a loss of available housing for purchase or rent by employees in the area (please refer to <http://www.montanabusinessquarterly.com/the-rise-of-short-term-rentals/>.) In Glacier Country, business owners were more likely to increase wages for seasonal employees than year-round employees..

Tourism business owners in Glacier Country were in agreement that the 2018 wildfire season caused cancellations to their business, and slightly over half said they lost customer volume as well.

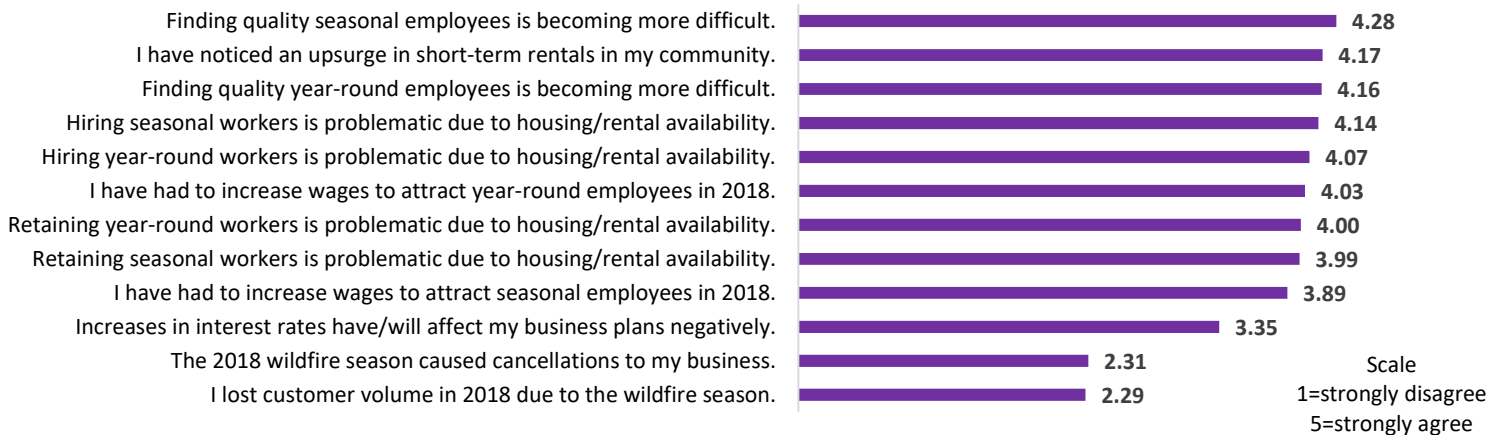
Southwest Montana Travel Region



Tourism business owners in Southwest Montana travel region agree that finding quality seasonal and year-round employees has become more difficult than in the past.

Owners have also noticed a surge in short-term rentals in their communities. As in Glacier and Yellowstone regions, the challenge with short-term rentals such as Airbnb and Vacation Rental by Owner create a change in the use of homes causing some communities to lose year-round rentals, reducing the availability of homes to rent or purchase. In communities where this is a big problem, seasonal employees find housing scarcity as a deterrent to working in the area.

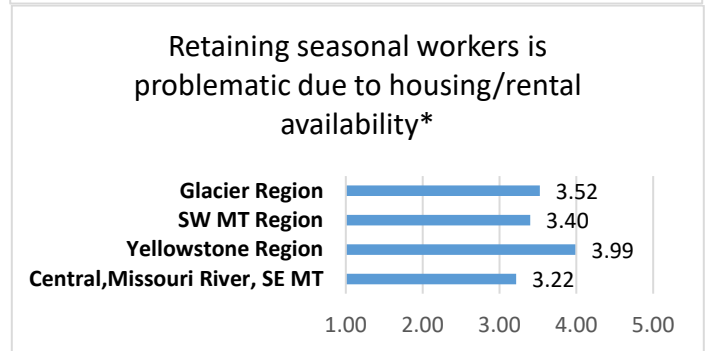
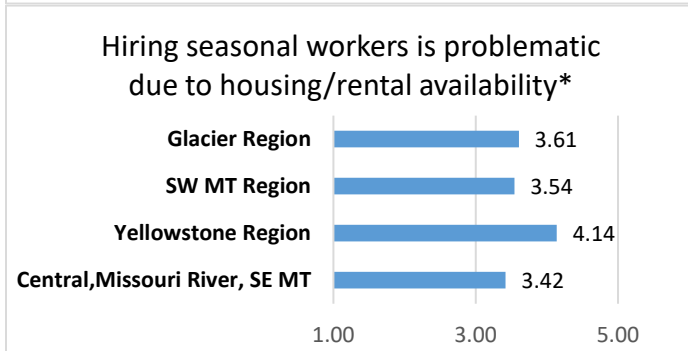
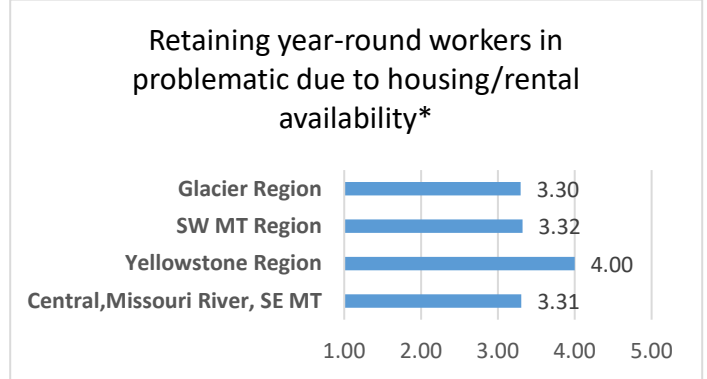
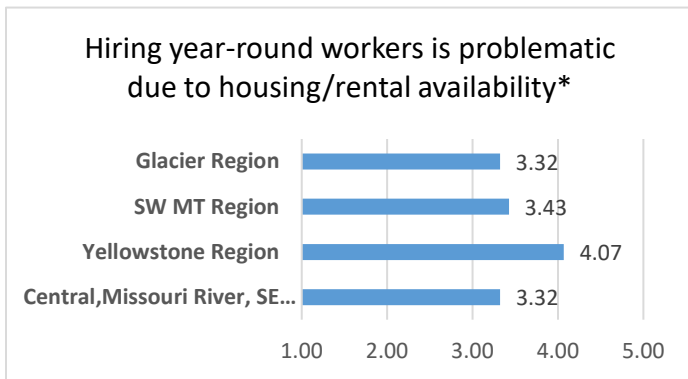
Yellowstone Country Travel Region



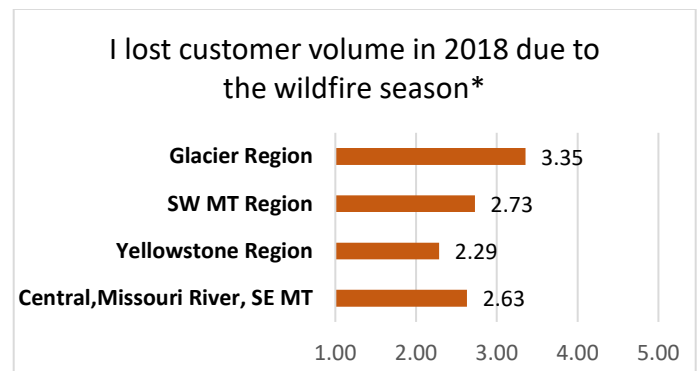
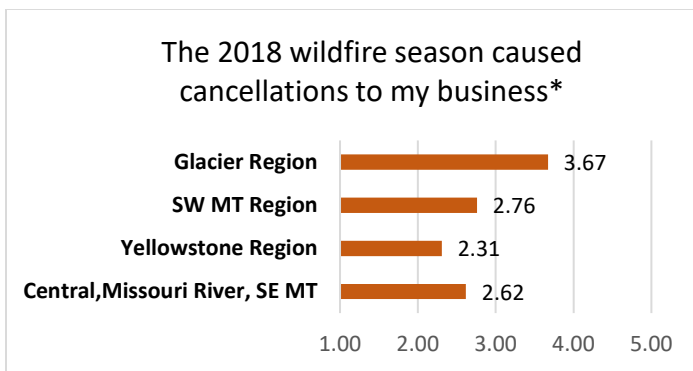
Yellowstone Country tourism business owners agreed or strongly agreed on more of the outlook survey questions (7 out of 12 questions) than any of the other tourism businesses around the state. In fact, Yellowstone Country business owners were significantly more concerned than all the other travel regions on the housing/rental availability issues. Additionally, Yellowstone and Glacier regions were significantly different and more likely to agree that their communities have seen a surge in short-term rentals.

Finally, Yellowstone Country tourism business owners were the least likely of all travel regions to indicate loss in customers and cancellations due to the 2018 wildfires.

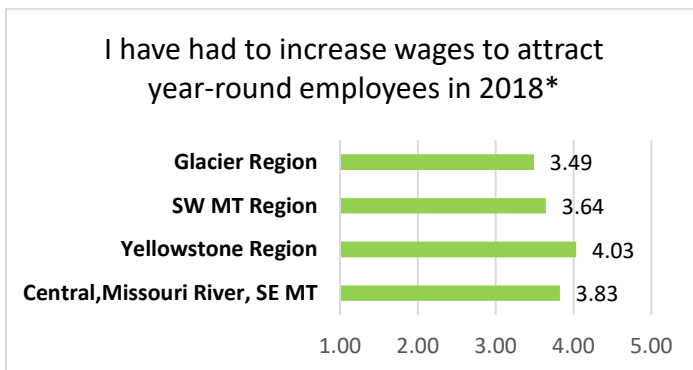
The Yellowstone Travel Region was affected significantly more than the other regions in hiring and retaining workers



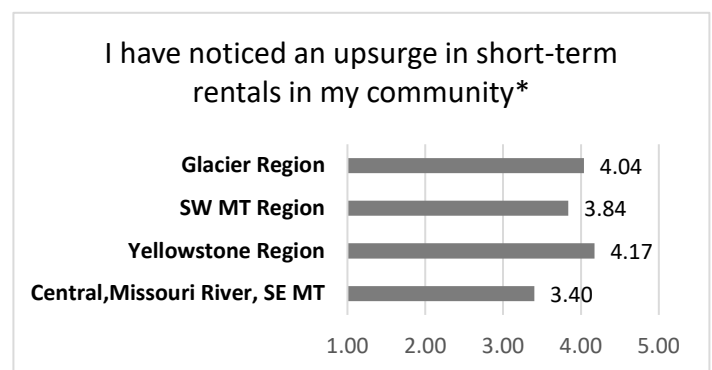
The 2018 wildfire season affected the Glacier Travel region significantly more than others



The Yellowstone Region was most likely to have to increase year-round wages



Only Central, Missouri River, and SE MT have not felt the increase in short-term rentals



*Scale: 1= strongly disagree to 5= strongly agree