Sheraton Inn | A marketing study

Bonnie L. Shepherd

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THE SHERATON INN: A MARKETING STUDY

By

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Presented in partial fulfillment of the requirements
for the degree of

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# TABLE OF CONTENTS

LIST OF ILLUSTRATIONS ............................................................. v
LIST OF TABLES ............................................................................. v
ACKNOWLEDGMENTS ................................................................. vii

Chapter

I. INTRODUCTION ................................................................. 1

   Purpose
   Goals/Objectives

II. OVERVIEW OF THE SHERATON ....................................... 3

III. THE LODGING INDUSTRY .................................................. 4

   Past
   Present
   Economic Model for the Great Falls' Lodging Industry

IV. SITUATION ANALYSIS ..................................................... 12

   Management's Philosophy and Strategies
   Market Segments
   Competition Analysis
   Montana's Economic Condition and Forecast
   Financial Analysis

V. FINDINGS AND RECOMMENDATIONS ................................. 88

VI. CONCLUSIONS ............................................................... 101

APPENDICES:

1. Brochure: Sports Rate Card .............................................. 104
2. Brochure: "Sheraton Cares" ............................................. 106
4. Good Neighbor Program .................................................. 110
5. Brochure: "Two Dozen Free Things to See and Do in the Great Falls Area" ................................. 112
| 6. | Brochure: Christmas Parties | 114 |
| 7. | Discount Coupons | 116 |
| 8. | Sheraton, Heritage and Rainbow: Strengths and Weaknesses | 117 |
| 9. | Comparison of Hotels and Motels in Great Falls: January 1983 | 123 |
| 10. | Comparison of Restaurants in Great Falls: January 1983 | 126 |
| 11. | Comparison of Bars and Lounges in Great Falls: January 1983 | 129 |
| 12. | Questionnaire | 131 |
| 13. | Cross-Tabulation of Questionnaire Items Five and Six | 138 |
| 14. | Brochure: "Take the C. M. Russell Trail Between Glacier and Yellowstone--the Inter-Park Connection" | 140 |
| 15. | Cross-Tabulation of Questionnaire Items Twenty-One and Twenty-Three | 142 |
| 16. | Cross-Tabulation of Questionnaire Items Five and Twenty-One | 144 |
| 17. | Cross-Tabulation of Questionnaire Items Five and Twenty-Three | 146 |
| 18. | Cross-Tabulation of Questionnaire Items One and Twenty-Nine | 148 |
| 19. | Cross-Tabulation of Questionnaire Items Two and Five | 150 |
| 20. | Cross-Tabulation of Questionnaire Items Two and Seven | 152 |
| 21. | Cross-Tabulation of Questionnaire Items Five and Seven | 154 |
| 22. | Cross-Tabulation of Questionnaire Items Seven and Sixteen | 156 |
| 23. | Cross-Tabulation of Questionnaire Items Fourteen and Twenty-Two | 158 |
| 24. | Cross-Tabulation of Questionnaire Items Fifteen and Twenty-Two | 160 |
| 25. | Cross-Tabulation of Questionnaire Items Twenty-Four and Twenty-Five | 162 |
26. Cross-Tabulation of Questionnaire Items Twenty-Five and Twenty-Seven ................ 164
27. Cross-Tabulation of Questionnaire Items Twenty-Five and Twenty-Eight .......... 166
28. Cross-Tabulation of Questionnaire Items Ten and Twenty-Two .................... 168
29. Cross-Tabulation of Questionnaire Items Twelve and Twenty-Two ................ 170
30. Cross-Tabulation of Questionnaire Items Ten and Eighteen ....................... 172
31. Cross-Tabulation of Questionnaire Items Seven and Twenty-One ................ 174
32. Cross-Tabulation of Questionnaire Items Seven and Twenty-Two ................ 176
33. Cross-Tabulation of Questionnaire Items Five, Twenty-One and Twenty-Three ... 178

BIBLIOGRAPHY ................................................................. 183
LIST OF ILLUSTRATIONS

Figure
1. Apparent Distribution of Great Falls' Lodging Market . 11
2. Occupancies Month-by-Month for 1981 and 1982 ......... 41
3. Market Share of Great Falls' Hotels and Motels ....... 59

LIST OF TABLES
2. Comparison of Rooms at the Sheraton, Heritage and Rainbow-January 1983 ................... 31
3. Comparison of Restaurants at the Sheraton, Heritage and Rainbow-January 1983 .................. 33
4. Comparison of Lounges at the Sheraton, Heritage and Rainbow-January 1983 .................. 34
8. Comparison of the Sheraton's 1981 Occupancy Rates With Montana and Nationwide Averages ............ 43
9. Comparison of the Sheraton's 1981 Occupancy Rates With Other Great Falls Properties ............... 44
10. Comparison of the Sheraton's 1982 Occupancy Rates With Other Great Falls Properties ............... 45
14. Comparison of Sheraton's Occupancies with Four-State Region and Great Falls' Average .................. 49
15. Makeup of "Group" and "Transient" Business ................. 50
17. First-Night Geographical Registration-1982 .................. 52
18. Survey Questions Two, Three and Four ......................... 55
19. Survey Questions Seven and Eight ............................... 56
20. Survey Question Sixteen ............................................. 57
21. Survey Question Five ............................................... 58
22. Survey Question Six ................................................ 60
23. Favorite Restaurants in Great Falls: Survey Question Nine ......................................................... 70
24. Favorite Bars in Great Falls: Survey Question Thirteen ................................................................. 72
26. Comparison of the Sheraton's Performance Ratios With Similar Lodging Properties .......................... 79
29. The Sheraton's Managing Ratios ................................. 83
30. Northwest Motor Inns Break-Even Analysis .................. 84
31. Northwest Motor Inns and Bootlegger Trail, Inc., Break-Even Analysis ................................. 86
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I also wish to thank Mrs. Bobbie Smith, Mrs. Mildred Hensley and Mrs. Sharon Pickering for their assistance during this project.
CHAPTER I

INTRODUCTION

Purpose

The purpose of this study is to analyze the problems and opportunities associated with marketing the Great Falls Sheraton Inn. The findings and results of this project are expected to be of value to the Sheraton Inn.

Goals/Objectives

Two major goals for long-term benefits to the Sheraton are:

1. Increase market share, i.e., increase occupancy rates of the hotel, thus increasing gross revenues
2. increase net profit

Success of these objectives cannot be measured in the time frame of this project; however, the endeavor should:

1. discover areas of strength which can be enhanced
2. uncover areas of weakness to be improved
3. draw conclusions and make recommendations which will enable the Sheraton to increase revenues and profits

The major direction for this study comes from four steps of marketing planning recommended by Guilthain and Paul in Marketing Management: Strategies and Programs.

Step 1. Conduct a situation analysis in which one attempts to understand the current situation and trends affecting the future of the organization. Problems and opportunities presented by various sources
must be assessed, and the strengths and weaknesses possessed by the firm must be identified.

Step 2. Establish performance level objectives which the firm can reasonably expect to reach by a specific future date. Existing environmental problems and opportunities and the firm's own strengths and weaknesses are considered in setting these objectives.

Step 3. In order to achieve the objectives stated in step two, strategies (long-term actions to achieve the objectives) and programs (specific short-term actions to carry out the strategies) must be developed.

Step 4. Provide coordination and control. Part of this step includes modifying the previous steps as needed.¹

Steps one and three will have the heaviest impact upon this study. Steps two and four are not as relevant because only Sheraton management can decide what specific levels of performance are desired, and only management can provide coordination and control. For purposes of this study, the desired levels of performance will be those general goals mentioned in paragraph two. They are to increase market share and increase net profit.

CHAPTER II

GENERAL OVERVIEW OF THE SHERATON

The Sheraton Inn of Great Falls is the newest hotel and convention center in the city. Its completion in September 1978 brought the total number of hotels and motels in Great Falls to thirty-two.

Mountain States Hospitality, a Salt Lake City corporation, is the franchise owner of the $3.1 million facility. The hotel contains 176 guest rooms, the "Bootlegger Trail Restaurant and Lounge," a swimming pool, jacuzzi and sauna, and meeting rooms and convention facilities capable of accommodating up to six hundred people. The restaurant and lounge gets its name from one of Great Falls' area roads and its decor exudes a local flavor reminiscent of the 1920s. The lobby, in contrast, is modern and luxurious.

Its location on Tenth Avenue South, the primary artery through Great Falls, allows the Sheraton to attract travelers going east from Interstate Highway 15, or west to the interstate from U.S. Highway 87. The city's largest shopping center is just a few blocks away.

Mr. Doug Smith, manager of the Sheraton, began his duties in October 1980, bringing with him hotel management experience from Florida, Wyoming and Colorado. The man he replaced had managed the hotel since its inception.
CHAPTER III

THE LODGING INDUSTRY: PAST AND PRESENT

Past

The lodging industry is one of the oldest organized management activities in existence; however, its purpose has evolved over the years to correspond with demands from guests and technological innovations. Economic, social and technological environments all play a role.

The lodging industry dates back to the ancient and medieval worlds. In those days, before tourism existed, travel was done mostly on foot, and occasionally on horseback over roads that were rough, tiring and infested with outlaws and robbers of all sorts. Travelers were vulnerable and sought overnight safety at private residences along their routes. Homeowners saw possibilities of making a profit, and the industry was born. In the beginning, shelter and refuge from the road were the only services offered; indeed the weary and vulnerable traveler was happy with such. Guests often had to sleep sitting up in a chair, or tables would be removed from a big hall in the homes and mats or cushions rolled out for all the guests.

One who could afford more might have the luxury of a small chamber, but she or he could expect to have a bed partner. The king himself was expected to have a bedfellow while on his travels.

Innkeepers soon learned that additional services, such as food, drink and a refreshing environment would increase revenues. Thus, two
objectives were established which continue today to be the guiding principles of the modern industry:

1. provide comfort and convenience to guests
2. receive a reasonable return on expended funds

As trading and commercial travel increased, the demand for services did likewise. Business people became willing to pay more and competition grew keener. Innkeepers' products expanded to include hospitality, convenience, safety and service. The wise manager learned that besides providing a quality product, the property must be located at a natural terminal or resting point for a sufficiently large volume of traffic. The best lodging accommodation will not produce a high profit if it's not located where travelers are inclined to stop. Therefore, locations of hotels and motels correspond to existing traffic patterns. As technology advances new modes of travel, locations deemed desirable also change.

Railroad service was the first significant development to influence travel in the United States. Great numbers of hotels sprang up in city centers to accommodate the many passengers unloading from trains at regular, predictable intervals. During this great railroad era, which began in the late 1800s and lasted through the 1920s, downtown hotels experienced a "hey-day." They also became community centers for dining, drinking, meeting and socializing, and a new objective was born—to meet the guest's every need on the premises.

After World War II, the proliferation of automobiles provided a second major impact on the lodging industry. With the luxury of in-

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creased individual travel among Americans, a need for roadside rooms developed and was supplied by the motor-hotel, which later became the motel.

During this time hotels and motels enjoyed complementary existence, but eventually business and industrial activities moved to suburbs and caused many downtown hotels to lose part of their markets. At the same time motels began expanding their services to fill the needs previously offered by hotels. Thus, the distinction between hotels and motels became less clear and head-to-head competition was necessary for available markets. In order to compete with motels, older hotels had to renovate.

Increased airplane travel, particularly among business people, brought about the need for a third adjustment in the provision of lodging services. A demand now existed for hotels and motels near airports. Those responding to the demand offered a wide variety of amenities, including huge convention centers, restaurants, cocktail lounges, shops and complete lines of personal services.

Present

Today's lodging industry is highly fragmented with over 50,000 establishments in the United States, ranging from small roadside motels to resort hotels of over 3,100 rooms.\(^2\)

Compared to the rest of the economy, the lodging industry remained relatively unscathed until November 1979, when occupancy rates (room nights sold as a percentage of room nights available) began a steady decline. Occupancy rates are the gauge used to determine the health of the industry or a particular property. According to the August 14, 1980

and September 16, 1982 issues of Standard and Poor's Industry Surveys, the national average occupancy rate was 72 percent in 1979; it is expected to drop to a low of 65-66 percent by the time figures for 1982 are reported. The occupancy rate in 1983 is expected to be about 63 percent. Table 1 illustrates the downward trend reported by Standard and Poor.

**TABLE 1**

NATIONAL OCCUPANCY RATES 1979-1983

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>72%</td>
</tr>
<tr>
<td>1980</td>
<td>69.7%</td>
</tr>
<tr>
<td>1981</td>
<td>67.1%</td>
</tr>
<tr>
<td>1982</td>
<td>66-65% (est.)</td>
</tr>
<tr>
<td>1983</td>
<td>63% (est.)</td>
</tr>
</tbody>
</table>


The slump in occupancy levels began in the Northeast and North-central areas of the nation and then spread to the South and the West. The decline has had varying effects on properties depending on geographic location, type of property, and rate categories. Areas depending on heavy industry have been hit the hardest, while areas depending on service industries have been more fortunate.

In their 1982 USA edition of *Trends in the Hotel Industry*, the CPA firm of Pannell Kerr Forster lists six major trends which are expected to impact on future results of the lodging industry.

1. The energy crisis begun in the '70s carries a continuing trend towards locations that are reachable with a minimum of energy usage.
2. Affiliations with chain hotels or motels are becoming more common than independently owned properties. Independents can contract with chains and gain primary marketing and management support systems.

3. Hoteliers are seeking secondary markets as the primary markets become saturated.

4. Developers are concentrating on luxury markets, where prices correlate best to cost.

5. High finance charges have inhibited or postponed many plans to build, purchase or refurbish.

6. The development of large convention centers has encouraged clusters of hotels around them to provide rooms and services for those attending functions.

Based on these trends, Pannell Kerr Forster attempts to forecast occupancy levels for 1983. The forecasts are predicated essentially on four assumptions about the general economy.

1. Prime interest will remain at 14 to 15 percent throughout the foreseeable future. (At this writing prime interest had just been reduced to 10.5 percent by several leading banks.)

2. The Federal Reserve will maintain tight control over monetary policy and the growth of the money supply.

3. Reagonomics, in some form, will persist.

4. The general economic performance will be sluggish with perhaps 1.5 to 2 percent increase in real GNP during 1983.

According to Pannell Kerr Forster, these assumptions translate into a dormant economy through 1983, although at this writing, national news forecasts were more optimistic. The firm's forecast indicates that areas relying on service industries, such as the Mountain and Pacific areas will be more fortunate than areas relying on heavy industry, such as the Northeast and Northcentral regions of the nation. Their prediction is for lodging properties in the Mountain and Pacific areas to perform about the same as they did in 1981, i.e., have occupancy levels of

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3A restrained economy with relatively high unemployment, cautious banking and slowly growing business investment.
67.1 percent. As mentioned previously, the national level is expected to be lower than 65 percent in 1983.

The softening in demand has led to a change in the way hotels are marketed. The approach used to be to sell the hotel on its name, but now the emphasis is on selling specific services, and price is used as a competitive weapon. More aggressive marketing has produced a variety of special weekend deals, enticements and other packages. Price competition is even becoming important in the corporate sector. Business people used to be less sensitive to price, but now, as most companies are trying to reduce expenses, high cost travel is being discouraged.

The modern lodging industry is composed of two basic components. According to Standard and Poor, national statistics indicate that the business sector accounts for 60 percent of room nights occupied. It is shown below that this figure does not necessarily apply to the Great Falls Sheraton Inn. The other sector, pleasure travel, is divided about equally between vacation and convention travel.\(^5\)

Business travel normally follows turns in the economy by three to six months. Pleasure travel too, is affected by economic conditions. Prior to 1979 the growth in this sector was attributable to:

1. increased leisure time
2. generally rising disposable income
3. onset of prime travel years by the postwar baby boom
4. increasing number of single-member households\(^6\)

Recently, however, this portion of pleasure travel hotel business has

\(^5\)Ibid., p. L18
\(^6\)Ibid., p. L18
dropped due to rising prices, higher unemployment, and declining real income. Consumers are cautious about making travel plans in such an environment, preferring to stay closer to home and opting to make travel plans if and when economic conditions permit.

The hotel/motel business has certain trends with regard to occupancy rates during specific parts of the week or of the year. Midweeks are usually more heavily occupied than weekends because of business travel during the week. June, July and August are usually the heaviest months of the year because of tourist travel. December is usually the lightest.

**Economic Model for the Great Falls' Lodging Industry**

The lodging industry fits into the economic model of the market place called monopolistic competition. This is because the market for hotel lodging consists of many buyers and sellers but each seller has a slightly different product and tries to convince buyers that its product is better than the others, thereby creating its own little monopoly.

Hotels and motels compete on the basis of price and non-price attributes such as location, service and other amenities ranging from luxurious entertainment centers to the mere delivery of a morning newspaper.

In Great Falls there are thirty-two lodging properties ranging from a convention center of over 250 guest rooms to a small motel of only five guest rooms. Prices range from $43 to $14 for a single room and quality (as measured by service and amenities) in each are generally proportionate to the properties' prices. Figure 1 illustrates the distribution of the market in Great Falls as indicated by a survey in Chap-
ter Four and shows heaviest demand for hotels in the price range of $20 to $40.

The positioning strategy of hotels affiliated with national chains is somewhat constrained by the decisions made at the national level. The Sheraton, for better or worse, is a high quality-high price hotel.

Fig. 1 Apparent Distribution of Great Falls' Lodging Market
CHAPTER IV

SITUATION ANALYSIS

Management's Marketing Philosophy and Strategy

Gross sales of guest rooms in a hotel should provide about a 75 percent profit margin.¹ Thus, the Sheraton's major marketing efforts are directed towards filling rooms. Compared to most industries, the hotel's major product, the guest room, is a disappearing inventory. An unsold room cannot be put on sale the next day; it brings in no revenue.

The Sheraton classifies room sales in a manner different from Standard and Poor's national statistics. At the Sheraton they are either "transient" or "group." Transient rooms are those sold to the individual traveler; included are tourists, corporate business representatives, individual government employees, and people from individual specialty markets such as entertainment groups. Business derived from travel agents is also placed in this category. According to Mr. Smith, transient rooms usually represent about 75 percent of a hotel's total business.

Group rooms are those sold to individual members of associations and other groups, usually at discounted rates. Often they are sold in conjunction with a convention or a planned group meeting held at the Sheraton. The hotel's discounted rate structure has recently been ex-

¹ Interview with Doug Smith, January 15, 1983
panded to include a sports package available to various teams.

Mr. Smith says that groups normally account for 25 percent of a hotel's business; however, economic changes have caused transient room occupancies at the Sheraton to decline so severely that marketing efforts were necessary to increase group room sales in order to compensate. The new weekend sports discount rate is one means used to accomplish the goal. Occupancy rates for 1981 and 1982 are discussed below.

Traditional Marketing Elements
Employed by the Sheraton

A detailed description of Mr. Smith's marketing philosophy is presented later in this section. First it should be noted that he does recognize five basic elements of traditional marketing and briefly described how the Sheraton employs each.

Position

Management's goal is for the Sheraton to be positioned as the first-class hotel in the community; to be known as the price leader. The hotel strives to carry out "first-class" in every detail, from employees' uniforms to extra thick towels in guest rooms. Personal grooming is not overlooked by management.

Management uses pricing to enforce the first-class image. When special buffets are presented on holidays, Mr. Smith wants to have the highest price in town.

The Sheraton's pricing strategy is flexible, however, to allow the hotel to be dominant in specific markets. He wants to be positioned

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2It will be shown later that in 1982 "groups" comprised 60 percent of the Sheraton's room sales, and "transient" comprised 40 percent.
as dominant for particular groups, such as sports. Special affordable
rates are offered to those groups. Because regular room demand is normal­ly
down on weekends when most sporting events take place, the Sheraton can
lower its rate to $29 and be competitive with other hotels. A brochure
listing these rates is mailed to every coach in Montana (see Appendix 1).

The Sheraton Inn has been quite successful in filling rooms with
sports groups on the weekends. In some cases, weekend occupancy rates
have been higher than normal mid-week rates.

The Sheraton has also been successful in getting association
meetings the last two years. More detail is presented in the section on
occupancies.

Research

Research to tap new sources of room revenue is constant. The
simplest research is done through the hotel staff which has direct con­ tact
with guests; front desk people and bellmen get continuous feed­
back from guests. The sales staff, too, is constantly researching new
events, associations, groups and activities that could possibly produce
room revenues. Every lead is pursued.

A recent in-house research project involved the collection of
business cards from transient room guests. As a result, an entirely new
market was developed.

The project revealed three major industries represented among
guests; food and beverage, insurance and medical/health care. Following
this discovery, Mr. Smith conducted more thorough research with key
personnel at the city's hospitals. The new program, "Sheraton Cares."
targets segments of the medical market. It evolves around a brochure
placed in doctors' offices. The brochure has a city map showing hospital and medical clinic locations and a convenient detachable mail-in reservation card for the Sheraton (see Appendix 2).

When patients discover they need to be hospitalized, it will be to the Sheraton's advantage to have brochures in the doctors' offices. Receptionists will inform patients and their relatives of the "Sheraton Cares" Program. Sales calls will also be made to pharmacies, other hospital personnel, clinics and other related businesses. The Sheraton's objective for 1983 is to dominate this market.

**Strategy**

The basic thrust of strategy at the Sheraton is face-to-face personal selling. In soliciting groups, this involves targeting the specific market and then talking with the people who have authority to make a decision or be influential in the decision.

**Media**

Currently the Sheraton uses no electronic media. Print is used only for special occasions for the domestic market; however, regular newspaper is used in Lethbridge to target the Canadian tourist. Promotional items such as brochures are used extensively and are discussed in more detail later. Advertising is purchased in school yearbooks and sports programs, which Mr. Smith believes gives him entree' to sports markets. Outdoor advertising is also used.

**Budget**

The Sheraton's total marketing budget at this point is unknown; however, $43,348.33 was spent in 1982 for advertising services from the
Sheraton's local advertising agency.

Mr. Smith's Philosophy

By his own description, Mr. Smith's approach to marketing is rather simplistic. Heavy media advertising is not employed; radio and television are not utilized and local newspaper is used only for special occasions. Canadian newspaper is used more regularly. Six permanent outdoor billboards are located at the city's entrances and on Interstate 15. Promotional items are used heavily; brochures, direct mail and collateral items attempt to "trigger a response," i.e., lead the potential customers to action and get them "in the door."

Four essentials comprise current marketing strategy at the Sheraton under Mr. Smith's management.

1. Get the potential customer to buy the hotel's services.
2. Get the customer to buy more services (while one is buying the first time).
3. Get the customer to buy again.
4. Get the customer to recommend the hotel's services to others.

Buy the Hotel's Services

How does the Sheraton get people to buy rooms? Through direct sales, direct mail, advertising, billboards and secondary sellers.

The most important and productive is direct selling. The Sheraton sales staff does not wait for people to come rent the rooms; they ask people to rent them--person to person, face to face. Two full-time sales people are employed for this purpose. Joan is responsible for acquiring state and government associations, convention business and large businesses. Becky pursues bus tours, sports groups, some business
specialty markets, new markets and the national guard. Aggressive sales efforts are employed and scrupulous records are kept for ultimate efficiency in cultivating each market.

Direct mail is the Sheraton's second most important method of getting people to buy rooms. An example is the "Grubstake" campaign targeted to farmers of surrounding communities in the spring when it's time to buy seed, machinery parts and so forth. The mail piece (Appendix 3) contains a $20 discount coupon for a guest room with copy reading, "Here's your $20 grubstake." Counter displays advertising the discount were placed in farm-related stores and additional support was provided by ads in the Great Falls Tribune, the Valier Prairie Star and two farm publications. The "Grubstake" campaign is an example of Mr. Smith's "trigger response."

The Sheraton does advertise, but not heavily. No radio or television was utilized during 1982. Print media is used selectively.

Local newspaper is used for special occasions: Easter, Mother's Day, Thanksgiving, Christmas and New Year's dinners and events. It is also used for other specialties such as the Easter Seal Renaissance Faire held in May 1982. In addition, a small business listing is run periodically. The Canadian market is targeted regularly in the Lethbridge newspaper and in the Canadian TV Guide.

Rural area newspapers such as the Valier Prairie Star, and periodicals, such as the Montana Ag Almanac and the Montana Farmers Stockman are used. In early summer, a small newspaper campaign was directed towards tourists in the northwestern states. Ads were also placed in several tourbooks.

In 1982 the Sheraton utilized six permanent outdoor billboards
located at the city's main entrances and Interstate 91 between Great Falls and Canada.

The Sheraton is heavily involved in promotional efforts. Area sports programs receive support from the hotel through sponsorship of various softball teams, hockey teams, advertisements in sports programs, yearbooks and various collateral items, such as clipboards for hockey coaches.

Mr. Smith believes strongly in utilizing public relations to enhance the Sheraton's image. In 1982 and early 1983 he supported the Junior League's "Good Neighbor Program" by providing gratis the rooms used for the series of speeches and programs. (A sample program is seen in Appendix 4). His belief was that as a result of the fine service provided by the Sheraton staff, a good number of conventions from other groups would be booked.

Buy More of the Services

How does the Sheraton get guests to stay longer? The staff works towards this goal constantly through personal direct sales. Bellmen, front desk people and all other employees try to emanate enthusiasm for Great Falls and its tourist attractions, thus encouraging guests to stay longer.

Mr. Smith's guiding principle of marketing is the "theory of avocado marketing." The avocado industry used this concept with a simple brochure which listed twenty-eight ways to use an avocado and dispensed it in the avocado section of supermarkets. It sent sales skyrocketing and the concept of "teaching" people to use your product took root.

The Sheraton attempts to get guests to stay longer with a bro-
chure entitled "Two Dozen Free Things To See and Do in the Great Falls Area" (Appendix 5). The principle is to set up a secondary use of your product.

The concept is used with other brochures and direct mail pieces. A breakfast menu meeting guide was designed to sell breakfasts, but the ostensible purpose of the brochure was to teach people how to conduct meetings. A similar menu guide was designed for luncheon programs. Both guides include checklists and directions. A third piece was designed to entice local businesses into using the Sheraton for Christmas parties (Appendix 6).

Another packet was designed to prompt guests into buying more of the hotel's amenities. It contained an assortment of colorful and cleverly designed coupons for one complimentary glass of wine with dinner in the Bootlegger Trail Dining Room, one complimentary juice with breakfast in the Bootlegger Trail Restaurant, $1 off a room service pizza and one complimentary cocktail from the Bootlegger Trail Lounge. A $5 room discount for the next visit was also included (Appendix 7).

**Prompt Return Visit**

Whenever possible, the Sheraton tries to give its guests a unique experience so it will be remembered favorably. Mr. Smith calls it the "aha" experience. An assortment of tricks and gimmicks contributes to this "unique" feature. An example occurred in January 1983, when the hotel hosted Montana Pro Rodeo guests. A cocktail party was held for them one evening and a live horse appeared as a guest in the lobby.

All efforts are made to present a "first-class" experience.
Guests are given rides anywhere in the city. The bellmen have business cards which are presented to guests with the invitation to call whenever they can be of help. Guests are encouraged by staff to "come stay with us again," and discount coupons given for return visits are also helpful.

**Get Your Friends To Come**

The Sheraton's goal is to give a quality product and first class treatment for every guest so they will return and recommend the Sheraton to their friends.

Many bus tours are hosted by the Sheraton. A number of them are enroute between Yellowstone and Glacier Parks. During the lobby reception, an acrylic grizzly bear appears to socialize with the guests. Usually the tourists have not seen a "real" bear in their travels and management believes they are quite delighted with the "aha" experience at the Sheraton. The staff believes this will register as a fond memory with the guests and prompt them to recommend the Sheraton to their friends.

Corporate business guests are also excellent possibilities for recommendations. The bellmen give two business cards to them with the intention that he or she will keep one and give the other to a friend, describing the "first class" appeal of the Sheraton.

**Market Segments**

Marketing a service, such as a hotel room, is different from marketing a tangible product like toothpaste or frozen dinners. One difference lies in the structure of market segments. With some products, such as toothpaste, the market segments can be very broad. The Sheraton's market, says Mr. Smith, has clearly defined segments, each with
its own set of demands. Each segment is an individual layer of potential customers and Mr. Smith calls the process of selling to all the layers "Peanut Butter Marketing."

Two major classifications of room sales at the Sheraton have already been mentioned in a previous section. "Groups" are one of them. The myriad of layers in this category includes sports teams, bus tours, local, state and regional associations, corporate groups, educational groups, health care groups and specialty markets such as bridge tournaments.

The other classification is "transient" business. Besides domestic and Canadian recreational tourists, travelers sent by travel agencies fall into this layer. Corporate business people are also classified as transient business in most cases. The major business industries previously identified are food, insurance and medical/health care. It has already been mentioned that the Sheraton plans to aggressively pursue the medical/health care market in 1983.

The Sheraton has contracts with three airlines for a total of sixteen rooms per night, seven nights a week. Contracts are also held for two separate two-week summer camps and the weekend duty camps of the Air National Guard.

Individual government employees comprise another layer of transient business. The rate structure has been adjusted to $24 per day for a single state employee's room and $30 per day for a double room. These rates meet the state's per diem room allowance.

A layer called individual specialty markets also falls into transient business at the Sheraton. Included are performers who appear at the State Fair and other special concerts such as Rita Coolidge and the
An effective method of marketing to the group business is already in effect at the Sheraton. Mr. Smith believes his sales team is stronger than the competition's in seeking "group" business. However, Mr. Smith believes "transient" business deserves more attention. Business people and tourists need to be pursued in an effective manner.

**Competition Analysis: Strengths and Weaknesses**

All the hotels and motels in Great Falls provide competition for the Sheraton's transient room occupancies; however, only two of the five convention centers are perceived by Mr. Smith as viable competitors for group markets. The Heritage Inn on Fox Farm Road and the newly renovated Rainbow Hotel downtown are considered far more formidable than the Holiday Inn or the Ponderosa Inn.

Conventions help a hotel fill many rooms at once and assure additional income through catering and the sale of food and beverages to individual participants. This source of revenue is aggressively sought by the Sheraton's marketing team.

Crucial to a situation analysis of any product is the recognition of its strengths and weaknesses along with those of its competitors. The Sheraton's major strengths and weaknesses are discussed first. An overview of the Heritage Inn's and the Rainbow Hotel's strengths and weaknesses follows. Appendix 8 contains a list of the major strengths and weaknesses of the three properties.

**The Sheraton**

The Sheraton Inn of Great Falls is the newest convention center
in the city, and therefore, enjoys a modern and luxurious appearance inside and out. Its architecture is rather unique to Great Falls. Seven stories of rooms border an atrium lobby highlighted by a seven-story waterfall fountain. Two very large hanging planters are suspended from the ceiling.

Guest rooms at the Sheraton are spacious, modern and tastefully decorated. The Great Falls Sheraton enforces national advertising which sings, "We've got taste ... we've got style!"

According to Mr. Smith, the hotel's personnel is one of its most valuable assets. Management believes its marketing team is far more aggressive and superior to the competition's, based on the increased number of conventions and other meetings held at his hotel in the last two years. He describes his entire staff as top-notch; they're friendly, caring and give attentive service. Morale is high and turnover is low.

The convention center can accommodate six hundred people and is supported by an exceptional catering staff. The Sheraton likes to utilize the "Disney effect" whenever possible; costumes are worn by waitresses and special centerpieces are used to carry out themes for banquets. Planning is done in fine detail and directions are carried out explicitly.

Full rack rates for rooms at the Sheraton are just slightly higher than those at the Heritage and about $12 higher than the Rainbow's. However, the Sheraton is more aggressive and creative with group rates.

Regular restaurant menu prices at the Sheraton are somewhat lower than both competitors (even though its holiday buffet prices are usually the highest in town). Drinks in the lounge are about the same as
those at the Heritage but more expensive than the Rainbow's. Beer is twenty-five cents more at the Sheraton than either the Heritage or the Rainbow.

The Tenth Avenue South location is an advantage, but the used car lot in front of the hotel detracts from the "first-class" image the Sheraton tries to project. So does the boarded-up, out-of-business gasoline station next to the car lot. The dirt field between the hotel and car lot serves as a third detractor.

Two missing amenities at the Sheraton which are provided by its competitors are a guest laundry area and the television movie channel.

The Sheraton's Bootlegger Trail Lounge presents a marketing problem for Mr. Smith because it seldom draws a good crowd. Experiments have been made with and without advertising, and with and without a band. He has decided it's necessary to keep a band in the lounge, and the current situation is that most bands are booked for long terms, and no advertising is utilized. Essentially he has given up trying to influence demand for the bar.

The absence of an outside entrance to the lounge is a distinct disadvantage because it's less convenient for customers to enter. The tiny dance floor and small size of the lounge are further disadvantages. A "happy hour" is non-existent at the Sheraton and so are hors d'oeuvres.

The Bootlegger Restaurant was not attracting a great deal of business either, but a dinner club was created which supports a regular demand. Six hundred people get monthly discounts on a second meal when they pay full price for the first meal.

One major problem plagues the Sheraton. When compared with the exquisite French Quarter Garden and entertainment area of the Heritage
Inn, the Sheraton's pool area is deficient in many respects.

The biggest deficiency is the lack of atmosphere. It is noisy, and except for a few umbrella tables and chairs, there is no decoration to enhance the area. No natural light enters the room and it looks sterile. Quite often the edge of the room is used as a storage area for chairs, making the room look messy. A few vending machines and video games edge the room. Except for the jacuzzi and sauna, there is no other form of entertainment in the pool area.

Apparently owners of the Sheraton didn't intend to compete with the Heritage's pool area because the Sheraton was built after the Heritage had renovated its pool area to the current condition.

Mr. Smith states that many of the rooms are in need of new bedspreads and draperies; new linens and additional tables and chairs are needed for the catering department. The hanging gardens and other designated planters in the lobby are in need of new plants.

The Heritage Inn

The Heritage Inn was built in four separate stages between 1972 and 1977. It claims to be the most exciting and affordable family resort and convention center in Montana.

It has close proximity to the Great Falls airport and is about a mile from Interstate Highway 15. It is also near the 87 Bypass on Tenth Avenue South.

The showcase and major advantage of the Heritage is its exquisite French Quarter Indoor Garden and entertainment area. Originally the pools were outside, but the area was covered in 1973 and later a portion was tastefully decorated in a New Orleans French Quarter theme. This
area houses not only two pools, but saunas, whirlpools, pool tables, ping pong, and fifteen electronic games. The area is enhanced with a variety of lush plants and the skylight allows natural light to filter down. Many guest rooms with full-length windows border the pool area, allowing guests to enjoy the "garden" from their rooms.

Adjacent to the French Quarter is a larger room with another pool which can be covered to create a huge convention center. This is the area that allows the Heritage to have the annual C. M. Russell Art Auction. The revenues that this event must bring in could most certainly compensate for many lost room nights the remainder of the year.

Another major event which has been held for several years at the Heritage and which also receives much attention is the statewide Coaches' Clinic held each August. The publicity provided by these two events probably gives the Heritage a good deal of top-mind awareness.

The Blue Max Lounge at the Heritage has a larger dance floor and more seating capacity than does the Sheraton's Bootlegger Trail Lounge. The bands change rather frequently, and a variety of music is represented. Advertising is utilized regularly in the newspaper and on radio in contrast to the Sheraton. The Blue Max has its own entrance, so it's more convenient for people to enter.

The Escadrille Coffee Shop and Dining Room at the Heritage enjoy a good reputation for food and service. Last year a seasonal French Cafe, "LeJardine," in the midst of the French Quarter was opened, and recently a "Windows on the World" menu program was introduced for the dining room.

The name "Heritage" may evoke a sense of patriotism among people of the marketplace. The theme is carried out rather well throughout the
motel; the Escadrille Dining Room and Blue Max Lounge carry out the French World War I idea and the French Quarter enhances it further. The Heritage lobby, though small, is quite elegant in a luxuriously appointed French style.

The motel has some drawbacks. It is spread out; therefore, it is very far from some of the rooms to the core of services. The wall coverings and floor coverings are worn in areas and those in the new additions don't match or compliment those in the first.

A reputation for having an unsafe parking lot has been attached to the Heritage recently. This worry was expressed by several people during an image survey.

The Heritage Inn presents formidable competition for the Sheraton at the moment, due to its superior pool area and tremendous size for large functions. Its name and Best Western affiliation give further strength to the motel.

The Rainbow Hotel

The Rainbow Hotel was built in 1911 and at the time was heralded by the Great Falls Tribune as the best built, best furnished, most luxurious hotel in the Northwest. It has experienced its share of hard times, culminating in the ceasing of operations as a full service hotel in June 1973 as the result of bankruptcy proceedings. The present owners purchased the Rainbow in 1979 and full services resumed in January 1980. The guest rooms were closed, however, in 1981 for a period of about fifteen months while two million dollars were poured into a renovation

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project.

The owners' objective is to restore the Rainbow to its original state of grandeur. The renovation has been accomplished successfully, and efforts to retain the building's original special features have been served fairly well. The beautiful stained glass skylight in the ballroom is one example.

The "Broker Restaurant" is one of the hotel's most positive attributes and has a reputation for good meals and fine service. Its companion lounge, also named "The Broker," seems to do well. A new bar in the basement, "The Charlie Russell Mint Saloon," with its own separate entrance has recently been added. Bands appear regularly and are advertised in the newspaper.

Many business meetings are held at the Rainbow, as the ballroom seems to be popular for large groups. The downtown location is convenient for business meetings.

In spite of recent refurbishing at the Rainbow, ninety-one of its rooms are very small and dark. However, an additional forty-nine rooms will soon be added to the inventory and they are expected to be larger.

In 1980 the number of average available rooms was 164.5 per night. The average occupancy rate that year was 17.34 percent.\(^4\) Considering the industry average occupancy rate required to break even is 59 percent,\(^5\) the Rainbow had a long way to go.

The Rainbow's major disadvantage is that it has no pool. The entertainment area consists of a few video games in a small cove near the

\(^4\)Ibid. p. 15.

restaurant. These facts, along with small rooms, and the downtown location are disadvantages and probably preclude many families from staying there. In contrast, it is probably a good place for business people whose major work will be downtown.

In a study conducted by Richard E. Prins, it was indicated that operational planning and controls for departmental profitability received limited managerial attention in 1980. Calculations for break-even points for various departments had not been computed, nor had target performance standards in terms of expenses and revenues been identified for each department. Given all these drawbacks, the Rainbow is not viewed as a serious threat at this moment; however, it would be unwise to assume these conditions cannot or will not change. Although the Rainbow will probably never have a pool, marketing efforts and improved operational controls could make the Rainbow a viable competitor, particularly for convention markets.

Competition Analysis: Comparison Study of Rates for Rooms/Restaurant/Lounge

I. Rooms

According to a survey of one hundred "representative" U.S. cities ranging in population from one million to slightly under one hundred thousand, first class accommodations and average meal costs in Great Falls, Montana are the third least expensive in the nation. New York City has the highest rates, and the nation's average in 1982 was $58.60.\(^6\)

The average daily room rate for the first eleven months of 1982

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for the four-state region of Wyoming, Utah, Montana and Nebraska was $35.69. The average room rate for the Sheraton was $34.04.

The Great Falls Sheraton Inn's full rack room rates are second highest in the state. In January 1983 its full rack rate ranged from $44 to $54 for a single occupancy and $52 to $62 for a double occupancy. The Heritage Inn's room rates are very close at $43 for a single standard room and $51 for a single poolside room. A double standard room at the Heritage is $51 and a poolside double is $59. The difference between the Sheraton's and the Heritage's room rates is marginal.

The Rainbow Hotel's lowest tourist rate is $32 single and $37 double. A special package rate of $30 is available for business people. The "inflation fighter" plan allows the guest to spend one's twelfth night free of charge. In addition, one receives a free drink each evening and a free "Chef's breakfast" each morning on Mondays through Fridays.

Appendix 9 provides a thorough comparison of rates among twenty-four hotels and motels in Great Falls. It can be noted that although the Sheraton's room rates are the highest in the city, the hotel is quite flexible in providing much lower rates for special markets. This explains the low average room rate of $34.04. Table 2 compares the Sheraton's rates with those of the Heritage and the Rainbow.

II. Restaurant

With a dinner menu range of $15 to $7 and a lunch menu of $7 to $3, the Sheraton's Bootlegger Trail Restaurant is far from the highest

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### TABLE 2

**COMPARISON OF ROOMS AT THE SHERATON, HERITAGE AND RAINBOW-JANUARY 1983**

<table>
<thead>
<tr>
<th>Name</th>
<th># Rooms</th>
<th># Function Rooms</th>
<th>Rack Rate $ Range</th>
<th>Group Rate</th>
<th>Tour Rate</th>
<th>Student Rate</th>
<th>Other Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheraton Inn</td>
<td>176</td>
<td>8</td>
<td>44-54</td>
<td>32-38</td>
<td>32-38</td>
<td>29-36</td>
<td>Secretary-33 Gov't.-24</td>
</tr>
<tr>
<td>Heritage Inn</td>
<td>253</td>
<td>6</td>
<td>43-51</td>
<td>Negotiate</td>
<td>30-36</td>
<td>None</td>
<td>Hockey Teams</td>
</tr>
<tr>
<td>Rainbow Hotel</td>
<td>150</td>
<td>11</td>
<td>32-37</td>
<td>30-33</td>
<td>Negotiate</td>
<td>None</td>
<td>Commercial-30</td>
</tr>
</tbody>
</table>

**SOURCE:** Sheraton survey conducted in January 1983.
in Great Falls. In a survey of prices at seventeen of the city's most popular restaurants, the Sheraton ranked number thirteen when listed from highest to lowest prices (see Appendix 10).

Five of the restaurants surveyed have prices higher than the Sheraton, Heritage or Rainbow; however, the Rainbow's Broker restaurant is the highest of these three. Its dinner menu ranges from $20 to $6 and from $8 to $2 for lunch.

The Heritage Inn's dinner menu has a smaller range of $19 to $8 and the lunch menu goes from $11 to $2. Table 3 shows a comparison of the three restaurants.

III. Lounge

When comparing prices at eleven of the lounges in Great Falls, the Sheraton ranks at the top of those with high prices. Appendix 11 reveals that the Sheraton charges $1.65 for well drinks, as does the Heritage, but the Rainbow charges only $1.50 in both of its bars.

Premium drinks average about $2.25 at both the Sheraton and Heritage but are only $1.75 at the Rainbow's Broker Lounge and Charlie Russell Mint Saloon.

Beer is higher at the Sheraton than any of the eleven lounges surveyed, except the Beacon which also charges $1.50. The Heritage and Rainbow both charge $1.25. Table 4 summarizes prices for the three lounges.

Competition Analysis: Advertising

Much has been said in previous sections about management's approach to advertising. Recaps of advertising expenditures for 1981 and 1982 are found in Tables 5 and 6 respectively. Forty-eight thousand dol-
<table>
<thead>
<tr>
<th>Name</th>
<th># Seats</th>
<th>Dinner $ Range</th>
<th>Dinner Hours</th>
<th>Lunch $ Range</th>
<th>Lunch Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheraton Inn</td>
<td>68 c.s.*</td>
<td>15-7</td>
<td>5:00 p.m.</td>
<td>7-3</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td></td>
<td>85 d.r.**</td>
<td></td>
<td>10:00 p.m.</td>
<td></td>
<td>5:00 p.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(11:00 p.m. Fri.-Sat.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heritage Inn</td>
<td>75 c.s.*</td>
<td>19-8</td>
<td>6:00 a.m.</td>
<td>11-2</td>
<td>6:00 a.m.</td>
</tr>
<tr>
<td></td>
<td>100 d.r.**</td>
<td></td>
<td>11:00 p.m.</td>
<td></td>
<td>11:00 p.m.</td>
</tr>
<tr>
<td>Rainbow Hotel</td>
<td>80</td>
<td>20-6</td>
<td>5:00 p.m.</td>
<td>8-2</td>
<td>11:00 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10:00 p.m.</td>
<td></td>
<td>2:00 p.m.</td>
</tr>
</tbody>
</table>

SOURCE: Sheraton survey conducted in January 1983.

*c.s. = coffee shop
**d.r. = dining room
## TABLE 4

### COMPARISON OF LOUNGES AT THE SHERATON, HERITAGE AND RAINBOW-JANUARY 1983

<table>
<thead>
<tr>
<th>Name</th>
<th># Seats</th>
<th>Hours</th>
<th>Well Drink ($)</th>
<th>Premium Drink ($)</th>
<th>Beer ($)</th>
<th>Happy Hour</th>
<th>Band</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheraton Inn</td>
<td>85</td>
<td>11:00 a.m.</td>
<td>1.75</td>
<td>2.25</td>
<td>1.50</td>
<td>NA</td>
<td>Variety</td>
</tr>
<tr>
<td>Bootlegger Trail</td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heritage Inn</td>
<td>115</td>
<td>11:00 a.m.</td>
<td>1.75</td>
<td>2.25</td>
<td>1.25</td>
<td>M-F 5-7</td>
<td>Variety</td>
</tr>
<tr>
<td>Blue Max Lounge</td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rainbow Broker</td>
<td>40</td>
<td>11:00 a.m.</td>
<td>1.50</td>
<td>1.75</td>
<td>1.25</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Rainbow Mint Saloon</td>
<td>90</td>
<td>8:00 p.m.</td>
<td>1.50</td>
<td>1.75</td>
<td>1.25</td>
<td>NA</td>
<td>Country</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SOURCE:** Sheraton survey conducted January 1983.
lars were spent in 1981. This was about 1.92 percent of gross sales for that year. The following year the advertising budget was reduced to $43,348, or about 1.69 percent of gross sales.

TABLE 5
ADVERTISING EXPENDITURES
SHERATON INN-1981

<table>
<thead>
<tr>
<th>Month</th>
<th>Fee</th>
<th>Media</th>
<th>Production</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td>$350</td>
<td>$3,067.03</td>
<td>$1,278.00</td>
<td>$4,695.03</td>
</tr>
<tr>
<td>Feb.</td>
<td>350</td>
<td>3,046.98</td>
<td>1,162.95</td>
<td>4,559.93</td>
</tr>
<tr>
<td>Mar.</td>
<td>350</td>
<td>2,987.60</td>
<td>2,097.91</td>
<td>5,435.51</td>
</tr>
<tr>
<td>Apr.</td>
<td>350</td>
<td>4,096.33</td>
<td>2,285.38</td>
<td>6,731.71</td>
</tr>
<tr>
<td>May</td>
<td>350</td>
<td>2,389.16</td>
<td>1,564.90</td>
<td>4,304.06</td>
</tr>
<tr>
<td>June</td>
<td>350</td>
<td>1,446.83</td>
<td>2,620.20</td>
<td>4,417.13</td>
</tr>
<tr>
<td>July</td>
<td>350</td>
<td>562.54</td>
<td>298.77</td>
<td>1,211.31</td>
</tr>
<tr>
<td>Aug.</td>
<td>350</td>
<td>1,279.37</td>
<td>831.77</td>
<td>2,461.14</td>
</tr>
<tr>
<td>Sept.</td>
<td>350</td>
<td>572.99</td>
<td>380.00</td>
<td>1,302.99</td>
</tr>
<tr>
<td>Oct.</td>
<td>350</td>
<td>1,126.13</td>
<td>593.64</td>
<td>2,069.77</td>
</tr>
<tr>
<td>Nov.</td>
<td>350</td>
<td>3,344.60</td>
<td>1,442.41</td>
<td>5,137.01</td>
</tr>
<tr>
<td>Dec.</td>
<td>350</td>
<td>2,646.46</td>
<td>1,220.70</td>
<td>4,217.16</td>
</tr>
<tr>
<td>Totals</td>
<td>$4,200</td>
<td>$27,481.39</td>
<td>$16,113.48</td>
<td>$48,144.60</td>
</tr>
</tbody>
</table>

The largest portion of the budget was allocated to print media; newspaper, magazines, travel magazines and outdoor. Absolutely no money was utilized for electronic broadcasting, i.e., radio or television in 1981 or 1982. Nineteen eighty-one's chart does not detail this fact,
# TABLE 6

**ADVERTISING EXPENDITURES: SHERATON INN-1982**

<table>
<thead>
<tr>
<th>Month</th>
<th>Fee</th>
<th>Newspaper</th>
<th>Magazines</th>
<th>Travel Magazines</th>
<th>Outdoor</th>
<th>Printing</th>
<th>Production</th>
<th>Quarter Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td>$375</td>
<td>$1,046.96</td>
<td>$92.00</td>
<td>$0.00</td>
<td>$362</td>
<td>$0.00</td>
<td>$573.45</td>
<td></td>
</tr>
<tr>
<td>Feb.</td>
<td>0</td>
<td>320.39</td>
<td>0.00</td>
<td>0.00</td>
<td>362</td>
<td>0.00</td>
<td>94.50</td>
<td></td>
</tr>
<tr>
<td>Mar.</td>
<td>375</td>
<td>10.00</td>
<td>151.16</td>
<td>2,398.00</td>
<td>362</td>
<td>0.00</td>
<td>1,848.41</td>
<td>$8,370.87</td>
</tr>
<tr>
<td>Apr.</td>
<td>375</td>
<td>2,488.30</td>
<td>1,282.80</td>
<td>0.00</td>
<td>362</td>
<td>990.40</td>
<td>650.95</td>
<td></td>
</tr>
<tr>
<td>May</td>
<td>375</td>
<td>2,775.62</td>
<td>1,427.56</td>
<td>0.00</td>
<td>362</td>
<td>235.20</td>
<td>1,077.42</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>375</td>
<td>1,204.12</td>
<td>322.50</td>
<td>714.00</td>
<td>362</td>
<td>0.00</td>
<td>1,305.20</td>
<td>16,685.07</td>
</tr>
<tr>
<td>July</td>
<td>375</td>
<td>33.32</td>
<td>151.16</td>
<td>0.00</td>
<td>362</td>
<td>1,059.85</td>
<td>158.96</td>
<td></td>
</tr>
<tr>
<td>Aug.</td>
<td>375</td>
<td>1,111.14</td>
<td>0.00</td>
<td>0.00</td>
<td>362</td>
<td>613.20</td>
<td>556.40</td>
<td></td>
</tr>
<tr>
<td>Sept.</td>
<td>375</td>
<td>1,796.03</td>
<td>711.16</td>
<td>714.00</td>
<td>362</td>
<td>0.00</td>
<td>361.90</td>
<td>9,478.12</td>
</tr>
<tr>
<td>Oct.</td>
<td>375</td>
<td>767.76</td>
<td>0.00</td>
<td>0.00</td>
<td>362</td>
<td>172.20</td>
<td>193.13</td>
<td></td>
</tr>
<tr>
<td>Nov.</td>
<td>375</td>
<td>636.97</td>
<td>151.16</td>
<td>0.00</td>
<td>362</td>
<td>0.00</td>
<td>261.31</td>
<td></td>
</tr>
<tr>
<td>Dec.</td>
<td>375</td>
<td>1,937.11</td>
<td>0.00</td>
<td>714.00</td>
<td>362</td>
<td>175.00</td>
<td>1,594.63</td>
<td>8,814.27</td>
</tr>
</tbody>
</table>

**Totals**

$4,125 | $14,127.72 | $4,289.50 | $4,540.00 | $4,344 | $3,245.85 | $8,676.26 | $43,348.33
but Mr. Smith indicated he ceased all electronic advertising when he began working for the Sheraton in October 1980.

A review of 1982's expenditures indicates that more than half the money spent on media ($14,127.72) went for newspaper, which was utilized monthly. A great portion was used for the "Chef's Classic" at holidays, such as Valentine's Day, Easter, Mother's Day and Thanksgiving.

The spring farm "Grubstake" promotion utilized a good bit of newspaper in the Great Falls Tribune, Valier Prairie Star and farmers publications such as the Montana Ag Almanac and the Montana Farmer Stockman.

Approximately $3,700, or 26.1 percent of the Sheraton's newspaper advertising was used for public relations material, such as "The Good Neighbor Series," and another group of programs on "Stopping Smoking," "Trimming the Fat," and so forth. Additional public relations ads were placed for the Easter Seal Renaissance Faire held at the Sheraton in May and an Octoberfest Run in October.

How does the Sheraton utilize the print media to attempt an increase in market share among the tourist, i.e., the full rack rate transient? The major attempt seems to be through travel magazines, such as the AAA Tourbooks, the Hotel and Travel Index and the Skywriter, a travel publication distributed by Big Sky Airlines.

The Canadian TV Guide has been used a considerable amount to attract the Canadian tourist and this has been supported by advertisements in the Lethbridge Herald and the Calgary Herald. Since a large portion of the Canadian visitors comes specifically to shop in Great Falls, most of the Sheraton's advertising to that market is utilized near Canadian holidays and before school begins in the fall, when large num-
bers of Canadians will be in town.

A small newspaper campaign was targeted towards tourists from Idaho, Washington and Oregon in April and May, entitled "Attention Artesians."

Mr. Smith doesn't utilize yellow page advertising. He says he has "no faith in it."

How does the Sheraton's advertising approach compare to its chief competitor, the Heritage Inn? Without access to a specific budget, it is difficult to say; one can only judge from what one has seen and heard.

The most striking difference between the two is that the Heritage utilizes broadcast media a great deal. Because one of the motel owners also owns radio stations K'MON and KNUW, those stations frequently run commercials. Heritage ads are also aired on KQDI and television. The broadcast medium normally isn't used for rooms; rather it is used for the Blue Max Lounge, and the "LeJardine" French Restaurant.

Newspaper is also used frequently for the Blue Max Lounge. The Tribune was surveyed daily from January 1, 1983 through February 12, 1983 to obtain a general idea of the kind and amounts of advertising done by the Sheraton's competitors, specifically the Heritage and the Rainbow.

The last four Saturdays in January one column by twelve inch ads were run for Heritage rooms; four four column by six inch ads were run the first two weeks in February for the restaurant.

Three Friday ads were run in January for the Blue Max Lounge and one on Saturday for the lounge advertising the Big Screen Super Bowl Party.

Five ads for specialty occasions, such as the Wine and Food Festival co-sponsored by K'MON and KNUW, were run in January, and five were
run during the first two weeks of February.

During January, the Rainbow's Mint Saloon advertised four times, on Monday and Friday of the second and fourth weeks.

During this six-week period, the Sheraton had no advertisements in the Tribune, although the hotel did receive some free publicity when Mike Jennings of C. M. Russell High School flew to Washington D.C. to present President Reagan with a watercolor by local artist Bob Kircher. Mr. Smith made arrangements for Mike and his mother to stay gratis at the Washington D.C. Sheraton. These details were published in the Tribune.

This is the type of advertising Sheraton management likes to capitalize on. Mr. Smith believes he has good rapport with the Tribune reporting staff, and thus, is afforded opportunities to publish his public relations news. On occasions, when something controversial arises, such as the matter of non-union labor being utilized to help construct some of the required safety partitions for President Reagan's visit to the Sheraton in October 1982, Mr. Smith's rapport with the Tribune helped assure him being given a fair chance to respond with his side of the story.

**Competition Analysis: Occupancies**

Nationwide occupancy rates in the lodging industry have declined steadily from 72 percent in 1979 to an expected low of 65 percent by the time figures for 1982 are reported.

Figures cannot be obtained for the Sheraton before 1981; however, complete information is available for 1981 and 1982. The figures and a corresponding graph appear in Table 7 and Figure 2 respectively. A comparison of the hotel's 1981 performance with national and Montana trends is shown in Table 8. Tables 9 and 10 compare the Sheraton's 1981 and 1982 occupancy rates with three Great Falls lodging properties.
### TABLE 7

**OCCUPANCY SUMMARY MONTH-BY-MONTH**

1981-1982

<table>
<thead>
<tr>
<th>Month</th>
<th>1981</th>
<th>1982</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>Jan.</td>
<td>3105</td>
<td>56.9</td>
<td>3405</td>
</tr>
<tr>
<td>Feb.</td>
<td>3403</td>
<td>69.1</td>
<td>2776</td>
</tr>
<tr>
<td>Mar.</td>
<td>3820</td>
<td>70.0</td>
<td>4052</td>
</tr>
<tr>
<td>Apr.</td>
<td>3576</td>
<td>67.7</td>
<td>3480</td>
</tr>
<tr>
<td>May</td>
<td>3087</td>
<td>56.6</td>
<td>3208</td>
</tr>
<tr>
<td>June</td>
<td>3935</td>
<td>74.5</td>
<td>3732</td>
</tr>
<tr>
<td>July</td>
<td>4046</td>
<td>74.2</td>
<td>3761</td>
</tr>
<tr>
<td>Aug.</td>
<td>3672</td>
<td>67.3</td>
<td>3942</td>
</tr>
<tr>
<td>Sept.</td>
<td>3440</td>
<td>65.2</td>
<td>3895</td>
</tr>
<tr>
<td>Oct.</td>
<td>3947</td>
<td>72.3</td>
<td>3945</td>
</tr>
<tr>
<td>Nov.</td>
<td>3336</td>
<td>63.2</td>
<td>3375</td>
</tr>
<tr>
<td>Dec.</td>
<td>2648</td>
<td>48.5</td>
<td>2533</td>
</tr>
</tbody>
</table>

Average 65.4 65.5

Table 7 shows the Sheraton had an annual occupancy rate of 65.4 percent in 1981 compared to 67.1 percent nationwide. Its 1982 occupancy rate showed only a miniscule increase to 65.5 percent. During the same year, the nationwide average fell to 65 percent (estimate). In 1982, six months showed increased occupancy rates over 1981 (January, March, May, August, September and November), five months showed a decrease (February, April, June, July and December) and one month (October) stayed
Fig. 2. Occupancies Month-by-Month for 1981 and 1982
ed the same.

The Sheraton obtained monthly occupancies of over 70 percent several times; in March 1981 and 1982, perhaps because of the C. M. Russell Auction. October 1981 and August, September and October 1982 also had occupancy levels of over 70 percent. June 1981 and 1982 had rates of at least 70 percent, although 1982's was lower than 1981's.

Summer months normally produce the highest rates in the lodging industry and that was true for the Sheraton in 1981. However, June 1982 was down 3.8 percent from June 1981 and July 1982 was down 5.3 percent. This can be attributed to the fact that 1982 travel in Montana was down 3 to 4 percent from 1981.8

Winter months at the Sheraton in 1981 and 1982 followed the general seasonal trend of the hotel industry by producing the lowest occupancy rates. In May of both years, the rates were also very low.

An attempt to obtain occupancy rates of some of the Sheraton's competitors was made. Short questionnaires were sent to the Heritage, Rainbow, Holiday Inn, Ponderosa Inn, Triple Crown Motor Inn and the Super 8 Motel. Responses were received from only three.9 Tables 9 and 10 show a comparison of their rates with those of the Sheraton for 1981 and 1982 respectively.

The Sheraton's annual occupancy rates were nearly seven percentage points higher than either the Holiday Inn or the Triple Crown Motor

---


9 The major goal of this particular questionnaire was to obtain occupancy rates for the Heritage, as it is believed to be the Sheraton's major competition. General Manager Mike Minich stated he returned the questionnaire by mail; however, it was never received. It is assumed lost in the mail.
TABLE 8
COMPARISON OF THE SHERATON'S 1981
OCCUPANCY RATES WITH MONTANA
AND NATIONWIDE AVERAGES

<table>
<thead>
<tr>
<th>Month</th>
<th>Sheraton</th>
<th>Montana</th>
<th>Nation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td>56.9%</td>
<td>53%</td>
<td>62%</td>
</tr>
<tr>
<td>Feb.</td>
<td>69.1</td>
<td>62</td>
<td>69</td>
</tr>
<tr>
<td>Mar.</td>
<td>70.0</td>
<td>64</td>
<td>70</td>
</tr>
<tr>
<td>Apr.</td>
<td>67.7</td>
<td>62</td>
<td>70</td>
</tr>
<tr>
<td>May</td>
<td>56.6</td>
<td>62</td>
<td>71</td>
</tr>
<tr>
<td>June</td>
<td>74.5</td>
<td>77</td>
<td>73</td>
</tr>
<tr>
<td>July</td>
<td>74.2</td>
<td>77</td>
<td>70</td>
</tr>
<tr>
<td>Aug.</td>
<td>67.3</td>
<td>83</td>
<td>72</td>
</tr>
<tr>
<td>Sept.</td>
<td>65.2</td>
<td>76</td>
<td>69</td>
</tr>
<tr>
<td>Oct.</td>
<td>72.3</td>
<td>68</td>
<td>73</td>
</tr>
<tr>
<td>Nov.</td>
<td>63.2</td>
<td>57</td>
<td>64</td>
</tr>
<tr>
<td>Dec.</td>
<td>48.5</td>
<td>48</td>
<td>53</td>
</tr>
<tr>
<td>Average</td>
<td>65.4%</td>
<td>66%</td>
<td>68%</td>
</tr>
</tbody>
</table>


Inn. According to Barbara Cook, Marketing Manager of the Rainbow Hotel, the figures reported are only estimates, as the hotel in 1982 kept records of rooms sold only in terms of revenues and not in number of rooms sold. The table indicates that although the estimated average occupancy rate for the last seven months of 1982 was only 40.43 percent, each
TABLE 9
COMPARISON OF THE SHERATON'S 1981 OCCUPANCY RATES WITH OTHER GREAT FALLS PROPERTIES

<table>
<thead>
<tr>
<th>Month</th>
<th>Sheraton</th>
<th>Holiday Inn</th>
<th>Triple Crown</th>
<th>Rainbow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td>56.9%</td>
<td>43.2%</td>
<td>49.0%</td>
<td>Rooms Closed</td>
</tr>
<tr>
<td>Feb.</td>
<td>69.1</td>
<td>44.9</td>
<td>48.0</td>
<td>&quot;</td>
</tr>
<tr>
<td>Mar.</td>
<td>70.0</td>
<td>62.4</td>
<td>50.6</td>
<td>&quot;</td>
</tr>
<tr>
<td>Apr.</td>
<td>67.7</td>
<td>59.7</td>
<td>56.0</td>
<td>&quot;</td>
</tr>
<tr>
<td>May</td>
<td>56.6</td>
<td>58.8</td>
<td>60.0</td>
<td>&quot;</td>
</tr>
<tr>
<td>June</td>
<td>74.5</td>
<td>60.7</td>
<td>61.0</td>
<td>&quot;</td>
</tr>
<tr>
<td>July</td>
<td>74.2</td>
<td>84.0</td>
<td>68.0</td>
<td>&quot;</td>
</tr>
<tr>
<td>Aug.</td>
<td>67.3</td>
<td>87.7</td>
<td>74.4</td>
<td>&quot;</td>
</tr>
<tr>
<td>Sept.</td>
<td>65.2</td>
<td>60.5</td>
<td>68.1</td>
<td>&quot;</td>
</tr>
<tr>
<td>Oct.</td>
<td>72.3</td>
<td>62.4</td>
<td>56.2</td>
<td>&quot;</td>
</tr>
<tr>
<td>Nov.</td>
<td>63.2</td>
<td>45.8</td>
<td>52.7</td>
<td>&quot;</td>
</tr>
<tr>
<td>Dec.</td>
<td>48.5</td>
<td>29.7</td>
<td>48.0</td>
<td>&quot;</td>
</tr>
<tr>
<td>Average</td>
<td>65.4%</td>
<td>58.3%</td>
<td>57.6%</td>
<td>0</td>
</tr>
</tbody>
</table>

month experienced an increase. Assuming the trend continues, the Rainbow should attain a 50 to 60 percent occupancy rate in 1983.

Business traffic during the last two years has declined considerably at the Sheraton. Prior to the decrease in this market, occupancies were higher Mondays through Thursdays than during the weekend. The Sheraton marketing department has overcome this by increasing its share of group markets, such as association meetings and sports teams. This
TABLE 10
COMPARISON OF THE SHERATON'S 1982
OCCUPANCY RATES WITH OTHER
GREAT FALLS PROPERTIES

<table>
<thead>
<tr>
<th>Month</th>
<th>Sheraton</th>
<th>Holiday Inn</th>
<th>Triple Crown</th>
<th>Rainbow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td>62.4%</td>
<td>39.8%</td>
<td>46.0%</td>
<td>Rooms Closed</td>
</tr>
<tr>
<td>Feb.</td>
<td>56.3</td>
<td>41.3</td>
<td>62.8</td>
<td>&quot;</td>
</tr>
<tr>
<td>Mar.</td>
<td>74.3</td>
<td>62.2</td>
<td>72.0</td>
<td>&quot;</td>
</tr>
<tr>
<td>Apr.</td>
<td>65.9</td>
<td>70.2</td>
<td>64.1</td>
<td>&quot;</td>
</tr>
<tr>
<td>May</td>
<td>58.8</td>
<td>57.0</td>
<td>57.8</td>
<td>2 Floors Open</td>
</tr>
<tr>
<td>June</td>
<td>70.7</td>
<td>70.7</td>
<td>70.4</td>
<td>35</td>
</tr>
<tr>
<td>July</td>
<td>68.9</td>
<td>78.9</td>
<td>59.6</td>
<td>37</td>
</tr>
<tr>
<td>Aug.</td>
<td>72.3</td>
<td>85.3</td>
<td>76.9</td>
<td>39</td>
</tr>
<tr>
<td>Sept.</td>
<td>73.8</td>
<td>62.9</td>
<td>59.6</td>
<td>40</td>
</tr>
<tr>
<td>Oct.</td>
<td>72.3</td>
<td>59.2</td>
<td>52.0</td>
<td>42</td>
</tr>
<tr>
<td>Nov.</td>
<td>73.9</td>
<td>42.7</td>
<td>45.0</td>
<td>44</td>
</tr>
<tr>
<td>Dec.</td>
<td>46.4</td>
<td>31.9</td>
<td>38.2</td>
<td>46</td>
</tr>
<tr>
<td>Average</td>
<td>65.5%</td>
<td>58.5%</td>
<td>58.7%</td>
<td>40.4%</td>
</tr>
</tbody>
</table>

market normally utilizes hotel rooms on weekends. Tables 11 and 12 show a weekend increase of 4.7 percent from 59 percent in 1981 to 63.7 percent in 1982 and a weekday decrease of 2.2 percent from 69.1 percent in 1981 to 66.9 percent in 1982, indicating the Sheraton's marketing efforts towards sports and other weekend groups have paid off. Table 13 gives more detail for weekends versus weekdays.

How does the Sheraton fare when viewed against trends in the
### TABLE 11

**SUMMARY OF OCCUPANCIES BY DAY OF WEEK**

SHERATON INN-1981-1982

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>71.3%</td>
<td>69.1%</td>
<td>36.4%</td>
<td>59.0%</td>
<td>57.6%</td>
<td>71.1%</td>
<td>75.4%</td>
<td>72.5%</td>
<td>69.1%</td>
</tr>
<tr>
<td>1982</td>
<td>75.3%</td>
<td>73.1%</td>
<td>42.4%</td>
<td>63.7%</td>
<td>55.1%</td>
<td>68.4%</td>
<td>72.4%</td>
<td>71.7%</td>
<td>66.9%</td>
</tr>
</tbody>
</table>

**Change**

|       | + 4.0% | + 4.0% | + 6.0% | + 4.7% | - 2.5% | - 2.7% | - 3.0% | - .8%  | - 2.2% |

**NOTE:** Slight differences in percentage totals in Tables 11, 12, and 13 are due to rounding differences.
### TABLE 12
COMPARISON OF WEEKEND AND WEEKDAY OCCUPANCIES  
SHERATON INN  
1982

<table>
<thead>
<tr>
<th>Month</th>
<th>Weekend</th>
<th>Weekday</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td>58.7%</td>
<td>65.7%</td>
<td>- 7.0</td>
</tr>
<tr>
<td>Feb.</td>
<td>66.4</td>
<td>48.7</td>
<td>+17.7</td>
</tr>
<tr>
<td>Mar.</td>
<td>76.1</td>
<td>73.1</td>
<td>+ 3.0</td>
</tr>
<tr>
<td>Apr.</td>
<td>65.8</td>
<td>66.0</td>
<td>- .2</td>
</tr>
<tr>
<td>May</td>
<td>50.6</td>
<td>65.5</td>
<td>-14.9</td>
</tr>
<tr>
<td>June</td>
<td>65.9</td>
<td>73.9</td>
<td>- 8.0</td>
</tr>
<tr>
<td>July</td>
<td>65.4</td>
<td>75.1</td>
<td>- 9.7</td>
</tr>
<tr>
<td>Aug.</td>
<td>68.9</td>
<td>74.7</td>
<td>- 5.8</td>
</tr>
<tr>
<td>Sept.</td>
<td>66.2</td>
<td>78.8</td>
<td>-12.6</td>
</tr>
<tr>
<td>Oct.</td>
<td>70.0</td>
<td>74.5</td>
<td>- 4.5</td>
</tr>
<tr>
<td>Nov.</td>
<td>68.6</td>
<td>60.8</td>
<td>+ 7.8</td>
</tr>
<tr>
<td>Dec.</td>
<td>48.8</td>
<td>46.7</td>
<td>+ 2.1</td>
</tr>
<tr>
<td>Average</td>
<td>64.28%</td>
<td>66.96%</td>
<td>- 2.6</td>
</tr>
</tbody>
</table>

**NOTE:** Slight differences in percentage totals in Tables 11, 12 and 13 are due to rounding differences.

In November 1982 the four-state region's rates dropped to 51.4
### TABLE 13

**COMPARISON OF OCCUPANCIES BY DAYS OF THE WEEK**  
**SHERATON INN**  
**1981-1982**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan.</td>
<td>43.9%</td>
<td>58.7%</td>
<td>+14.8%</td>
</tr>
<tr>
<td>Feb.</td>
<td>65.4</td>
<td>66.4</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Mar.</td>
<td>68.8</td>
<td>76.1</td>
<td>+7.3%</td>
</tr>
<tr>
<td>Apr.</td>
<td>70.7</td>
<td>65.8</td>
<td>-4.9%</td>
</tr>
<tr>
<td>May</td>
<td>48.8</td>
<td>50.6</td>
<td>-0.7%</td>
</tr>
<tr>
<td>June</td>
<td>57.6</td>
<td>65.9</td>
<td>+8.3%</td>
</tr>
<tr>
<td>July</td>
<td>78.7</td>
<td>65.4</td>
<td>-13.3%</td>
</tr>
<tr>
<td>Aug.</td>
<td>60.6</td>
<td>68.9</td>
<td>+8.3%</td>
</tr>
<tr>
<td>Sept.</td>
<td>56.2</td>
<td>66.2</td>
<td>+10.0%</td>
</tr>
<tr>
<td>Oct.</td>
<td>59.0</td>
<td>70.0</td>
<td>+11.0%</td>
</tr>
<tr>
<td>Nov.</td>
<td>62.4</td>
<td>68.6</td>
<td>+6.2%</td>
</tr>
<tr>
<td>Dec.</td>
<td>44.5</td>
<td>48.8</td>
<td>+4.3%</td>
</tr>
</tbody>
</table>

Average 59.72% 64.28% +4.56% 69.53% 66.96% -2.58%

**NOTE:** Slight differences in percentage totals in Tables 11, 12 and 13 are due to rounding differences.

percent from 54.6 percent in the same month the previous year. The Sheraton again remained higher than those averages with at least 63.2 percent both years.

When 1981's and 1982's first eleven-month averages are reviewed, the Sheraton doesn't fare quite as well as the four-state region in 1981,
but it had a 2.3 percent higher occupancy rate in 1982 than the four-state region.

**TABLE 14**

**COMPARISON OF SHERATON'S OCCUPANCIES WITH FOUR-STATE REGION AND GREAT FALLS' AVERAGE**

<table>
<thead>
<tr>
<th>Dates</th>
<th>Sheraton</th>
<th>Wyoming, Utah, Montana, Nebraska</th>
<th>Great Falls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 1981</td>
<td>72.3%</td>
<td>72.0%</td>
<td>70.78%</td>
</tr>
<tr>
<td>Oct. 1982</td>
<td>72.3</td>
<td>72.31</td>
<td></td>
</tr>
<tr>
<td>Nov. 1981</td>
<td>63.2</td>
<td>54.6</td>
<td>61.55</td>
</tr>
<tr>
<td>Nov. 1982</td>
<td>63.9</td>
<td>51.4</td>
<td>63.92</td>
</tr>
<tr>
<td>Jan.-Nov. 1981</td>
<td>66.8</td>
<td>67.9</td>
<td>65.90</td>
</tr>
<tr>
<td>Jan.-Nov. 1982</td>
<td>67.1</td>
<td>64.8</td>
<td>66.56</td>
</tr>
</tbody>
</table>


The Sheraton appears to lead the Great Falls average by several points in the first eleven-month period of 1981 with 66.8 percent compared to 65.9 percent for the other Great Falls hotels and motels. In 1982 the Sheraton led by a smaller edge with 67.1 percent compared to 66.56 percent for the other Great Falls lodging facilities.

Occupancy rates for the individual months of October and November 1982 were the same for the Sheraton as they were for the other hotels and motels in Great Falls.

It was stated in a previous section that the Sheraton's two major components of room business are classified as either "group" or "tran-
sient." The Sheraton obtains a larger percentage of its occupancies from group business than national statistics indicate, and a smaller percentage from transient business. Table 15 details occupancies for both classifications during March and July 1982. These figures were obtained from a 100 percent survey of guest cards from those months. The table shows that over half (58 percent in March and 52 percent in July) the guests were classified as group business. These groups include association

<table>
<thead>
<tr>
<th>TABLE 15</th>
<th>March 1982</th>
<th>July 1982</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>%</td>
</tr>
<tr>
<td><strong>GROUP</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Group</td>
<td>1897</td>
<td>46.8%</td>
</tr>
<tr>
<td>Sports</td>
<td>400</td>
<td>10.9%</td>
</tr>
<tr>
<td>Military</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>57.7%</td>
</tr>
<tr>
<td><strong>TRANSIENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full Tourist</td>
<td>726</td>
<td>17.9%</td>
</tr>
<tr>
<td>Full Corporate</td>
<td>479</td>
<td>11.8%</td>
</tr>
<tr>
<td>Secretary's Club</td>
<td>156</td>
<td>3.8%</td>
</tr>
<tr>
<td>Special</td>
<td>156</td>
<td>3.8%</td>
</tr>
<tr>
<td>Government</td>
<td>197</td>
<td>4.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>42.2%</td>
</tr>
</tbody>
</table>
meetings and conventions, sports groups and military groups, such as the Air National Guard. All these people benefited from special group rates.

Transient guests accounted for 42 percent of the total rooms sold in March and 47 percent of the total rooms sold in July. This category includes tourists and corporate business people paying full rack rates as well as business people benefiting from a "secretary's club" rate.

Table 16 shows eight components of group business for 1982. Note that associations and conventions and sports comprise 62 percent of the Sheraton's total group sales.

Table 16

<table>
<thead>
<tr>
<th>Group Component</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association &amp; Convention</td>
<td>41</td>
</tr>
<tr>
<td>Sports</td>
<td>21</td>
</tr>
<tr>
<td>Tour &amp; Travel</td>
<td>11</td>
</tr>
<tr>
<td>Corporate</td>
<td>8</td>
</tr>
<tr>
<td>Military</td>
<td>7</td>
</tr>
<tr>
<td>Government</td>
<td>6</td>
</tr>
<tr>
<td>Specialty</td>
<td>5</td>
</tr>
<tr>
<td>Non-Profit</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 17 shows a geographical list for first night registrations, which could be significant in targeting transient business.
### TABLE 17
FIRST NIGHT GEOGRAPHICAL REGISTRATION
1982

<table>
<thead>
<tr>
<th>No. of Guests</th>
<th>Location</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,198</td>
<td>Montana</td>
<td>50.00</td>
</tr>
<tr>
<td>2,581</td>
<td>Alberta</td>
<td>14.00</td>
</tr>
<tr>
<td>367</td>
<td>Saskatchewan</td>
<td>2.00</td>
</tr>
<tr>
<td>329</td>
<td>Idaho</td>
<td>1.79</td>
</tr>
<tr>
<td>1,062</td>
<td>California</td>
<td>5.77</td>
</tr>
<tr>
<td>1,285</td>
<td>Colorado</td>
<td>6.99</td>
</tr>
<tr>
<td>498</td>
<td>Minnesota</td>
<td>2.71</td>
</tr>
<tr>
<td>550</td>
<td>Oregon</td>
<td>2.99</td>
</tr>
<tr>
<td>501</td>
<td>Utah</td>
<td>2.72</td>
</tr>
<tr>
<td>1,769</td>
<td>Washington</td>
<td>9.62</td>
</tr>
<tr>
<td>254</td>
<td>North Dakota</td>
<td>1.38</td>
</tr>
</tbody>
</table>

NOTE: This table does not reflect a 100 percent registration of hotel guests.

**Competition Analysis: Image Survey**

A survey was conducted as the final step in the Sheraton Inn's situation analysis. Twenty-nine questions were administered to each of seventy-five respondents chosen by random telephone selection procedures. Approximately five minutes were required for each interview.

The sample size was derived from a universe of 16,191. A confidence level of 88.5 percent with an error margin of plus or minus 5 was determined to be significant for this project.
The questionnaire was designed to obtain answers for six broad questions.

1. How does the Sheraton compare to the Heritage and the Rainbow in awareness level among Great Falls residents?

2. Is the Sheraton perceived as a "first-class" hotel?

3. A-Which of the three hotels/motels would most likely be chosen as a place to stay by Great Falls residents if they were tourists in the city? Why?

   (The results of this question can be used as an indication of the market share held by each of the properties. They will also aid in further determining the Sheraton's strengths and weaknesses compared to its competitors.)

   B-What other hotels and motels are major competitors with which the Sheraton must reckon?

4. Does the "Sheraton" name create its own price resistance?

5. A-Are hotel restaurants perceived as having bad food and service, and thus, unlikely to attain a large share of the restaurant market?

   B-How is the Sheraton's restaurant perceived compared to those of the Heritage and the Rainbow?

6. A-Are hotel cocktail lounges and bars generally unpopular, and thus, unlikely to attain a large share of the cocktail lounge and bar market?

   B-How is the Sheraton's lounge perceived compared to those of the Heritage and the Rainbow?

A discussion of the outcome for each question follows. See Appendix 12 for a sample of the questionnaire with tallied responses.

I. Awareness Level

Questionnaire items two, three and four explored awareness level among Great Falls residents of the Sheraton compared to the Heritage and the Rainbow. "When you think about the hotels and motels in Great Falls, which one comes to mind first?" was asked in question two.

The Heritage fared slightly better than the Sheraton with thirty
responses, or 40 percent of all mentions. The Sheraton received twenty-eight responses, or 37.3 percent of all those named. Lagging behind was the Rainbow with only 6.7 percent, or twelve mentions of seventy-five. "Other" hotels and motels were named twelve times (16 percent). Leading the list was the Holiday Inn, followed by the Super 8 Motel, the Ponderosa Inn and the O'Haire Manor.

The name of a second hotel or motel which came to respondents' minds was asked for in question three. The Sheraton did considerably better than the Heritage on this round. It was mentioned by thirty-three people, or 44 percent of all respondents. The Heritage was named by nineteen people (25.3 percent). Trailing again, the Rainbow received only six mentions (8 percent). "Other" hotels or motels were mentioned seventeen times, or by 22.7 percent of the respondents.

When responses from questions two and three were combined, the Sheraton received a total of sixty-one mentions. It came to mind as a first or second choice by 81.3 percent of the respondents. The Heritage received a total of only forty-nine mentions, or 65.3 percent. The Rainbow's total combination came to eleven mentions or a 14.7 percentage total.

Question four gave respondents a third chance to name a hotel or motel and when its results were added to the previous totals, the Sheraton rated high in awareness level. Seventy-one people, or 94.7 percent of all the respondents, thought of the Sheraton as a first, second or third choice for a hotel. The Heritage came to mind by a total of fifty-nine people, or 78.7 percent, and the Rainbow was named by only twenty-six people, or 34.7 percent of those interviewed.

These percentages indicate the Sheraton name is well implanted in
the minds of Great Falls residents. Although the Heritage name is also quite well known, it trails the Sheraton by 16 percent. The Rainbow was mentioned fewer times than "other" hotels combined. Only 34.7 percent of the people recalled the Rainbow when given three chances. The Holiday Inn, on the other hand, was mentioned forty percent of the time, or a total of thirty times. Table 18 recaps the results from questions two, three and four.

TABLE 18
SURVEY QUESTIONS TWO, THREE AND FOUR

2. When you think about the hotels and motels in Great Falls, which one comes to mind first?

1. 28 Sheraton (37.3% T.)
2. 30 Heritage (40% T.)
3. 5 Rainbow (6.7% T.)
4. 12 Other (Name__________________ ) (16% T.)

3. What other hotel or motel comes to mind?

1. 33 Sheraton (44% T.)
2. 19 Heritage (25.3% T.)
3. 6 Rainbow (8% T.)
4. 17 Other (Name__________________ ) (22.7% T.)

4. What other hotel or motel comes to mind?

1. 10 Sheraton (13.3% T.)
2. 10 Heritage (13.3% T.)
3. 15 Rainbow (20% T.)
4. 36 Other (Name__________________ ) (48% T.)
5. 4 None (5.3% T.)

II. "First-Class" Image

A significant goal of Sheraton's management is to be perceived as a first-class hotel. National advertising enforces this position and
the Great Falls Sheraton enhances the image.

Is the goal being accomplished? Eighty-nine point three percent of the people interviewed indicated it is, when responses from questions seven and eight were combined. The question, "When you think of a first-class hotel or motel in Great Falls, which one comes to mind?" was asked in item seven. Respondents were given a second chance to name a first-class hotel or motel in item eight. The Heritage is also considered a first-class motel by 85.3 percent of the interviewees. Therefore, the Sheraton does not enjoy a large lead in this category. Although it is considered first class, at least 10.7 percent of the people did not mention the Sheraton when given two chances to do so. Eight percent of the respondents mentioned the Rainbow as a first-class hotel. Table 19 recaps responses from questions seven and eight.

**TABLE 19**

**SURVEY QUESTIONS SEVEN AND EIGHT**

7. When you think of a [first-class] hotel or motel in Great Falls, which one comes to mind?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>35 Sheraton (46.7% T.)</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>34 Heritage (45.3% T.)</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>3 Rainbow (4% T.)</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>3 Other (Name_________________) (4% T.)</td>
<td></td>
</tr>
</tbody>
</table>

8. What other hotel or motel comes to mind?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>32 Sheraton (42.7% T.)</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>30 Heritage (40% T.)</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>3 Rainbow (4% T.)</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>7 Other (Name_________________) (9.3% T.)</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>0 Don't Know (0% T.)</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>3 None (4% T.)</td>
<td></td>
</tr>
</tbody>
</table>
How does this reaction compare to respondents' answers when they were given the direct opportunity to agree or disagree whether the Sheraton is first class? There were five options in question sixteen; strongly agree, agree, have no opinion, disagree, or strongly disagree with the statement, "The Sheraton Inn is a first-class hotel."

Eleven people (14.7 percent) strongly agree; sixty people (80 percent) agree; two people (2.7 percent) had no opinion; one (1.3 percent) disagreed; and one (1.3 percent) strongly disagreed. A total of seventy-one people (94.7 percent) either agreed or strongly agreed. The Sheraton received 5.4 percent more support as a first-class hotel when the issue was presented in this manner than when respondents were given the option of mentioning the name of a first-class hotel or motel which came to mind. Table 20 illustrates the responses for question sixteen.

### TABLE 20

**SURVEY QUESTION SIXTEEN**

16. I'm going to read five statements to you. For each statement please tell me whether you strongly agree, agree, have no opinion, disagree, or strongly disagree.

The Sheraton Inn is a first-class hotel.

1. 11 Strongly Agree (14.7% T.)
2. 60 Agree (80% T.)
3. 2 No Opinion (2.7% T.)
4. 1 Disagree (1.3% T.)
5. 1 Strongly Disagree (1.3% T.)

### III. Market Share

The Sheraton's name is well known and it is perceived as a first-class hotel. However, a question that means more to revenues is, "What is the Sheraton's market share?" An indication can be found in the re-
responses to question five, "If you were a tourist and needed to spend an evening in a Great Falls hotel or motel, and based on the impressions you have of the hotels and motels in this city, which one would you choose?"

Of the seventy-five respondents, twenty-two (29.3 percent) said they would stay at the Sheraton, while a significantly larger number, thirty (40 percent) said they would stay at the Heritage. One person (1.3 percent) chose the Rainbow and twenty people (26.7 percent) chose "other" hotels and motels. "Others" included the Holiday Inn with seven mentions (9.3 percent) and the Super 8 with six mentions (8 percent). Two people (2.7 percent) had no opinion as to where they would stay. Table 21 illustrates responses to question five. Figure 3 shows more detail regarding "other" choices.

TABLE 21
SURVEY QUESTION FIVE

5. If you were a tourist and needed to spend an evening in a Great Falls hotel or motel, and based on the impressions you have of the hotels and motels in this city, which one would you choose?

1. 22 Sheraton (29.3% T.)
2. 30 Heritage (40% T.)
3. 1 Rainbow (1.3% T.)
4. 20 Other (Name____________________) (26.7% T.)
5. 2 Don't Know (2.7% T.)

The 10.7 percent advantage, or share lead, enjoyed by the Heritage over the Sheraton is something to be concerned about. The responses to item six of the questionnaire gave insight to why the Heritage is more popular than the Sheraton. The statement was open-ended; it read, "I would choose to stay at the (answer given in question five) because..."
The specific reason chosen most frequently was "pools and entertainment." This answer was given by nineteen (25.3 percent) of the seventy-five respondents. The second most significant reason was "reputation" with eleven responses (14.7 percent); price ranked third with nine responses (12 percent); service fourth with seven responses (9.3 percent); location fifth with three responses (4 percent), and good rooms ranked last with only two people (2.7 percent). Two people hadn't made a

![Market Share of Great Falls' Hotels and Motels](image)

Fig. 3 Market Share of Great Falls' Hotels and Motels

choice in question five, so responses from them were not applicable to the item. Miscellaneous "other" reasons such as cleanliness, atmosphere, advertising, underground parking and "prettiness" were given by twenty-two respondents (29.3 Percent). Table 22 shows responses to item six of the questionnaire.

Analysis of items five and six has revealed two facts:

1. More people would choose to stay at the Heritage than the Sheraton. For purposes of this study, this fact could be interpreted
as a 10.7 percent larger market share for the Heritage than for the Sheraton.

2. More people mentioned "pool and entertainment" as the criterion for the hotel or motel of their choice.

A third significant fact emerged from the strength and weakness study in the previous section: The French Quarter and pool area of the Heritage is considered its "showplace" and the pool area at the Sheraton is lackluster in contrast.

**TABLE 22**

**SURVEY QUESTION SIX**

6. I would choose to stay at the __________________________
   because __________________________.
   1. 9 Price (12% T.)
   2. 7 Service (9.3% T.)
   3. 2 Good Rooms (2.7% T.)
   4. 19 Pool & Entertainment (25.3% T.)
   5. 3 Location (4% T.)
   6. 11 Reputation (14.7% T.)
   7. 22 Other (29.3% T.)
   8. 2 Not Applicable (2.7% T.)

A cross-tabulation of questions five and six will be utilized to determine specific reasons why each of the hotels or motels was chosen. In particular, it will verify whether the pool and entertainment area of the Heritage is the reason for its larger share. See Appendix 13 for the cross-tabulation.

The Sheraton will be considered first. Of the twenty-two people who chose to stay there, one (4.5 percent) did so because of price; four (18.2 percent) because of service; one (4.5 percent) for the rooms; one
(4.5 percent) because of the pool and entertainment offered; none because of location; four (18.2 percent) because of reputation; and eleven people (50 percent) chose the Sheraton for "other" reasons including "newness," "friendly atmosphere," "understand it's beautiful inside," "environment," "advertisements," "general courtesy," "looks pleasant," and "it's nice." Most of these "other" responses could be included under reputation.

Of the thirty people who chose the Heritage, none of them did so for price; two (6.7 percent) chose it for service; one (3.3 percent) for rooms; eighteen (60 percent) because of the pool and entertainment area; one (3.3 percent) for location; three (10 percent) for reputation; and five (16.7 percent) for "other" reasons such as "atmosphere," "heard they have waterbeds," "radio advertising," "get more for your money," and "it's nice."

The one person who chose to stay at the Rainbow did so because of location.

Twenty people chose other hotels and motels; price was the reason for eight (40 percent) of them. The Super 8 Motel was chosen most often by these people. Location was mentioned once (10 percent); reputation four times (20 percent). The Holiday Inn was chosen often for national recognition and past experience in other cities. "Other" reasons were given by six people (30 percent).

The cross-tabulation verifies that the Heritage's French Quarter indoor garden and pool area is indeed significant in attracting tourist business. Sixty percent of the Heritage tourists chose it because of the pool area, while only 4.5 percent of the Sheraton's did so because of the pool. The pool and entertainment was the biggest single factor in peo-
people's choice for a hotel or motel. Nineteen people chose their place of lodging for that reason, and the Heritage received eighteen of them.

Reputation was the next most frequent reason with eleven mentions. The Sheraton received four; the Heritage three; and other hotels and motels received four.

Price ranked third most important among reasons, with nine people making a decision based on that factor. The Sheraton received one of those votes and other hotels and motels received the remaining eight positions in that category.

To summarize data from the cross-tabulation, one could conclude that the Sheraton receives most of its transient tourist business because of its reputation (when the "other" reputation-related answers are included). The Heritage receives sixty percent of its transient tourist business because of its pool and entertainment area. The Rainbow received its only tourist because of location.

IV. Rate Resistance

Sheraton management believes a portion of the market is persuaded from staying at the Sheraton because the price is perceived as being too high.

To support his belief, Mr. Smith cites an experience the Sheraton had in the summer of 1982. A brochure utilizing his theory of "avocado marketing" was designed to increase room occupancies among tourists en-route between Yellowstone and Glacier National Parks. It was entitled "Take the C. M. Russell Trail Between Glacier and Yellowstone--the Inter-Park Connection" (see Appendix 14). The brochure mapped points of interest between the Parks and was distributed primarily by mail to bus tour
companies. Two coupons were attached, including one for a $5 room discount. However, response was so poor (according to Mr. Smith, bus tours were down 54 percent in 1982), management reacted by cancelling some outdoor billboards which had been planned in conjunction with the brochure, believing the poor response was due to rate resistance. In other words, the "first-class" image discourages many people from visiting the Sheraton.

An attempt to verify whether management's belief is accurate was made in items twenty-one and twenty-three. Respondents were asked, "Of all the hotels and motels in Great Falls, which one do you think has the highest prices for its rooms?" They were then asked the dollar range they are willing to pay for overnight lodging.

Each item will be reviewed individually; a cross-tabulation of item five (which hotel or motel respondents would choose) with item twenty-one and then with twenty-three will be discussed.

**Item 21**

Twenty-three people (30.7 percent of all those interviewed) believed the Sheraton has the highest prices for its rooms. Thirty people (40 percent of all respondents) believed the Heritage has the highest prices for its rooms. None of the interviewees thought the Rainbow has the highest prices; one person believed another hotel did; and twenty-one people (28 percent) didn't know or have an idea which has the highest-priced rooms.

**Item 23**

According to the responses from item twenty-three, only five of the seventy-five respondents (6.7 percent) spend under $21 for a room.
The majority of people are best suited to rooms in the $21 to $40 range, with 31 (41.3 percent) falling into the $21 to $30 range, and 30 (40 percent) in the $31 to $40 bracket. Six of the respondents (8 percent) would pay $41 to $50; two (2.7 percent) would pay $50 to $80, and one (1.3 percent) was willing to pay over $80 for a night's lodging.

A full rack rate room with two double beds at the Sheraton is $44 to $54 and the same accommodation at the Heritage is $43 to $51. Therefore, only six (8 percent) of the respondents are normally suited to paying the full tourist rate charged by either the Sheraton or the Heritage.

Cross-tabulation of Questionnaire Items 21 x 23 (See Appendix 16)

Of the twenty-three people who believe the Sheraton has the highest prices for its rooms, one (4.3 percent) would pay $15 to $20 for a room; twelve (52.2 percent) would pay $21 to $30; seven (30.4 percent) would pay $30 to $40; two (8.7 percent) would pay $41 to $50; and one (4.3 percent) would pay $50 to $80. None would pay over $80. In other words, three are willing to pay the Sheraton's prices.

Of the thirty respondents who believed the Heritage has the highest room cost, two (6.7 percent) would pay $15 to $20 for a night's lodging; twelve (40 percent) would pay $21 to $30; thirteen (43.3 percent) would pay $31 to $40; two (6.7 percent) would be willing to pay $41 to $50; none would pay $50 to $80; and one was willing to pay over $80 as a tourist. Three of these people are actually willing to pay the Heritage's prices.

None of the seventy-five respondents believed the Rainbow has the highest room prices.
Only one person believed a hotel or motel other than the Sheraton or Heritage has the highest prices for its rooms and that person fell in the category of people who were willing to pay $31 to $40.

Of the twenty-one people who didn't know or have an idea which hotel or motel charged the highest prices for its accommodations, two (9.5 percent) usually pay $15 to $20 for a night's lodging; seven (33.3 percent) normally pay $21 to $30 for a room; nine (42.9 percent) pay $31 to $40; two (9.5 percent) pay $41 to $50; one (4.8 percent) pays $50 to $80 and none pay over $80.

Of the people who believed the Sheraton has the highest prices for rooms, the median price they are willing to pay for a room is $21 to $30.

Of the people who believed the Heritage has the highest prices for rooms, the median price they're willing to pay for a room is $21 to $40.

A cross-tabulation of items five and six (discussed previously and shown in Appendix 13) indicates price is not a significant factor for those people who would choose the Sheraton or Heritage.

The actual difference in prices of rooms between the two is so negligible that actual price should not be a big factor in tourists' choice of lodging when choosing between the Sheraton and the Heritage. However, many people are very price conscious and will choose Super 8-type motels.

Cross-tabulation of Questionnaire Items 5 x 21 (See Appendix 16)

Of the twenty-two people who would choose to stay at the Sheraton, seven (31.8 percent) believed it has the highest prices and ten
(45.5 percent) believed the Heritage has the highest prices. Five of them (22.7 percent) stated they didn't know which place has higher room prices.

Of the thirty people who would stay at the Heritage, eight (26.7 percent) believed the Sheraton has the highest prices and fourteen (46.7 percent) believed the Heritage does. One (3.3 percent) of the people mentioned another hotel as having the highest prices and seven people (23.3 percent) said they didn't know which hotel or motel has the highest prices.

A significant comparison can be drawn from the above discussion of the cross-tabulation of items five and twenty-one. Seven of the twenty-two people who chose to stay at the Sheraton believed it has the highest room prices. Fourteen of the thirty people who chose to stay at the Heritage believed it has the highest prices. This indicates 14.9 percent more people were willing to pay what they believed were the highest prices in town for the Heritage than they were for the Sheraton.

Cross-tabulation of Questionnaire Items 5 x 23 (See Appendix 17)

How willing are people to actually pay the prices charged by the Sheraton and the Heritage? A cross-tabulation of items five and twenty-three will reveal the answer.

Of twenty-two people who would choose to stay at the Sheraton, only three (13.6 percent) of them normally pay the Sheraton's normal full rack rate of $42 and above. One (4.5 percent) respondent normally pays $15 to $20; nine (40.9 percent) normally pay $21 to $30 and nine (40.9 percent) normally pay $31 to $40.

Of the thirty people who chose to stay at the Heritage, four
(13.3 percent) of them, normally pay $41 and above. Two (6.7 percent) normally pay $15 to $20; ten (33.3 percent) pay $21 to $30; and fourteen (46.7 percent) usually pay $31 to $40.

V. Restaurant Perception

Are hotel restaurants perceived as having bad food and service, and thus, unlikely to attain a large share of the restaurant market? The survey revealed some evidence that people are resistant to eating in hotel restaurants. Ten point seven percent, or eight of the seventy-five people interviewed, said they wouldn't go to a hotel for dinner. A few of the comments which accompanied these negative responses were "None of them are very good," "I think the food is terrible," "I haven't heard anything good about the food at any of them."

How is the Sheraton's restaurant perceived compared to those of the Heritage and the Rainbow? Although hotel restaurants are perceived as having undesirable food by over ten percent of the respondents, the majority of those who would go to a hotel restaurant for dinner would choose the Sheraton. When asked, "When you think of the hotels and motels in Great Falls that have restaurants or dining rooms, which one would you be most likely to go to for dinner?" twenty-nine, or 38.7 percent of those interviewed chose the Sheraton. At least one of those responses, however, was unenthusiastic with the comment, "The Sheraton is the lesser of all evils."

Trailing quite a bit behind was the Heritage as the second choice for a hotel restaurant. It received seventeen mentions, or 22.7 percent of the total.

Even though the Rainbow's Broker Restaurant is considered one of
its strongest features, it received only twelve mentions, or 16 percent of the total on respondents' first mention.

Five respondents (6.7 percent) mentioned the names of "other" hotel restaurants. Four of them (5.3 percent) didn't have a choice.

This question was followed by one which gave the respondents a chance to name a second hotel or motel restaurant or dining room they would be likely to go to.

The Sheraton received fourteen mentions (18.7 percent), the Heritage was named seventeen times (22.7 percent), and the Rainbow came to mind fourteen times (18.7 percent). Seven (9.3 percent) "other" hotel and motel restaurants were mentioned. This time seven people (9.3 percent) didn't know where they would go for a second choice. Sixteen people (21.3 percent) said they wouldn't go to a hotel or motel restaurant other than the one they already mentioned in their previous answer.

When items ten and eleven were combined, the Sheraton received a total of forty-three (57.4 percent) mentions as a choice to eat. The Heritage was named thirty-four times (45.4 percent) and the Rainbow came to mind twenty-six (34.7 percent) times. Other restaurants were mentioned twelve times (16 percent).

The Sheraton restaurant's image was further tested with question twelve which read, "Of all the hotels and motels in Great Falls, which one do you think has the best restaurant or dining room?"

The Sheraton again received the biggest show of confidence with twenty-three people (30.7 percent) naming it. The Heritage and the Rainbow tied for second each with nineteen mentions (25.3 percent).

One "other" (1.3 percent) hotel or motel restaurant was mentioned and eleven people (14.7 percent) stated they didn't have an opinion for
this question. Two people (2.7 percent) responded by saying none of the hotels or motels had a best restaurant.

Respondents were asked in question nine, "What is the name of your favorite restaurant in Great Falls?" After naming their favorite, they were asked to name a second favorite restaurant in Great Falls. Table 23 lists the restaurants mentioned and the number of times each was named.

The table shows that the Sheraton and the Heritage were mentioned only once and the Rainbow received three mentions. Note these three were second choice mentions. The table also shows that the Sheraton restaurant receives the most competition from the Black Angus, which has a price range from $16 to $4, and from Borries, whose price range is from $15 to $5. Each received twenty-eight mentions. Jake's also offers considerable competition with fourteen mentions.

While the Sheraton is the most popular among hotel and motel restaurants, it is not considered a favorite when compared to all the restaurants in Great Falls.

VI. Cocktail Lounge Perception

Are hotel lounges generally unpopular, and thus, unlikely to attain a large share of the cocktail lounge and bar market? How is the Sheraton lounge perceived compared to those of the Heritage and the Rainbow?

Respondents were asked in item fourteen, "When you think of the hotels and motels in Great Falls that have bars or cocktail lounges, which one would you be most likely to go to for a cocktail?"

The Sheraton received a slight lead over the Heritage with


TABLE 23  
FAVORITE RESTAURANTS IN GREAT FALLS  
SURVEY QUESTION NINE

<table>
<thead>
<tr>
<th>Name</th>
<th>Choice #1</th>
<th>Choice #2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Angus</td>
<td>23</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Borries</td>
<td>17</td>
<td>11</td>
<td>28</td>
</tr>
<tr>
<td>Jake's</td>
<td>9</td>
<td>5</td>
<td>14</td>
</tr>
<tr>
<td>Milwaukee Station</td>
<td>5</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Top of the Falls</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Bar S</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>JB's Big Boy</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Mr. Steak</td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>3D</td>
<td>2</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Eddie's</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>El Comedor</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Jack Club</td>
<td>1</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>King's Table</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Prime Cut</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Sheraton</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Taco John's</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>No Choice</td>
<td>1</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Bernadette's</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Bert &amp; Ernie's</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Country Club</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>4B's</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Heritage</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Hungry Jose's</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Luz's Mexican Restaurant</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>McDonalds</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Rainbow &quot;Broker&quot;</td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Sizzler</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>The Sting</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Taco Treat</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>75</strong></td>
<td><strong>75</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

twenty-one mentions (28 percent) compared to eighteen mentions (24 percent). Far behind with four votes (5.3 percent) was the Rainbow. "Other" cocktail lounges were mentioned three times (4 percent) and six people (8 percent) stated they didn't have an opinion as to where they would
go. Four respondents (5.3 percent) said they wouldn't go to a hotel or motel cocktail lounge. The question was not applicable to nineteen (25.3 percent) of the people because they never have occasion to visit the bars or cocktail lounges in the city.

When asked in question seventeen, "Of all the hotels and motels in Great Falls, which one do you think has the best bar or cocktail lounge?" the Sheraton trailed the Heritage by five mentions with only fifteen (20 percent) compared to twenty (26.7 percent) respectively. The Rainbow received little recognition with only three (four percent) mentions. "Others" were named by two people (2.7 percent). Sixteen people (21.3 percent) had no opinion as to which hotel or motel had the best bar or cocktail lounge. This question was not applicable to nineteen (25.3 percent) of the respondents.

When asked in question thirteen, "What is the name of your favorite bar or cocktail lounge?" followed by the request to name another favorite, the Sheraton tied for first place with the Top of the Falls and Jake's, each with a total of six mentions. Table 24 illustrates the ranking. The Heritage Blue Max received no mentions and the Rainbow received only one.

Another attempt was made to see how people feel about eating and dining at the Sheraton. Item eighteen contained the statement, "The Sheraton Inn is a good place to go for dinner and cocktails," and received mixed response. Six people (8 percent) strongly agreed with the statement; thirty-nine (52 percent) agreed; twenty-six (34.7 percent) had no opinion; and four people (5.3 percent) disagreed.

Is the Sheraton restaurant and cocktail lounge perceived as being the price leader, as Mr. Smith wants to be? No. The Heritage is,
TABLE 24

FAVORITE BARS IN GREAT FALLS
SURVEY QUESTION THIRTEEN

<table>
<thead>
<tr>
<th>Name</th>
<th>Choice #1</th>
<th>Choice #2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top of the Falls</td>
<td>5</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Sheraton</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Jake’s</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Milwaukee Station</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Ponderosa Iron Pine</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Hide Out</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Red Barn</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Red Door</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Hi Ho Tavern</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>It'll Do</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>J Bar T</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Longhorn</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Rainbow Mint Saloon</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Moose Club</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>North Side Bar</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Other Place</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Side Pocket</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Spoons</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3D</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Heidelberg</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Joe's Place</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Office</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Rainbow</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Riverview Lounge</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Sports Room</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
<td><strong>19</strong></td>
<td><strong>53</strong></td>
</tr>
</tbody>
</table>

according to the results in question twenty-two, which read "Of all the hotels and motels in Great Falls, which one do you think has the highest prices in its restaurant and cocktail lounge?" Only eighteen (24 percent) of the respondents mentioned the Sheraton while thirty-three (44 percent) named the Heritage as having the highest prices. Three people (4 percent) indicated the Rainbow as their choice for high prices.
Twenty-one (28 percent) people had no opinion to this question.

Great Falls' and Montana's Economic Condition and Forecast

The University of Montana's Bureau of Business and Economic Research forecasts a wane in the current recession statewide for 1983 but warns that the recovery will be slow.

Maxine Johnson, Director of the Bureau, predicts that unemployment, currently at an 8.8 statewide average, will continue to be a problem for awhile. Four thousand jobs have been lost in Montana over the last several years as a result of dwindling copper mining operations in the state, cutbacks by Burlington Northern, consolidations by Mountain Bell, bankruptcy of the Milwaukee Railroad, and suspension of operations by the Van Evans wood products plant in Missoula. The western region of the state has suffered the most as a result of lost jobs. Missoula County's unemployment rate climbed to 10 percent in 1982. Unemployment in Cascade County climbed from 6.1 percent in 1981 to 8.7 percent in 1982.10

The sickly economical status of agriculture, Montana's number one industry, continues to be a significant factor in Montana's woes. An improved condition in that industry would help greatly in bringing about a turn around for much of the state.

Some possibilities exist for helping to replace a portion of the 4,000 lost jobs, although their combined contribution would be smaller and less significant toward bringing recovery than the ones they would replace.

Great Falls is being considered as the location for an aluminum plant, and Malmstrom Air Force Base may be selected as a site for a bomber training unit. Both of these additions to Great Falls could help brighten the economic outlook of the area considerably.

Highway construction in Montana is expected to pick up, and coal and oil development will continue. Gold and silver prospects are good at the ASARCO gold and silver mine at Troy and the Golden Sunlight gold mine at Whitehall, although they won't come close to replacing the Anaconda mining operations. The wood products area is showing a slight revival, but according to Maxine Johnson, will not recoup to its previous status because of the change in demand for quantity and kind of building materials.

In spite of this rather bleak outlook, the Bureau points to some statistics which should ultimately bring about improved conditions for business.

Montana's population will increase over the next ten years, according to Paul Polzin, of the University of Montana's Bureau of Business and Economic Research, who predicts that Cascade County's population should rise to 91,200 by 1990. However, others in research believe this figure is too optimistic and suggest it will level out at about 80,000 over the next decade (it decreased from 81,804 in 1970 to 79,800 in 1982). Mr. Polzin also predicts a rise in population of at least 13 percent over the next decade for Yellowstone, Lewis and Clark, and Missoula Counties.\footnote{Paul E. Polzin, "The Local Outlook: Billings, Great Falls, Helena, and Missoula," Montana Business Quarterly, Spring 1983, Volume 21, Number 1, p. 18.}
The significant feature of the population growth is the structure of age groups. Some groups will show larger growth, particularly the family formation group—the postwar baby crop will be in the middle of the family formation stage, i.e., marrying and having babies. These same postwar babies will be achieving their highest income years in the 1980s. Incomes will be showing an increase of 35 percent in Great Falls.\(^\text{12}\)

By 1990 total household income will reach $736.7 million in the county compared to $543.9 million in 1980. This is an increase of $193 million and accounts for a significant increase in purchasing power.\(^\text{13}\)

More significant is the statistic revealed by the Bureau's research indicating that husband and wife households, while comprising only 52 percent of all households, will have almost 80 to 85 percent of the purchasing power, as their income will be highest.\(^\text{14}\)

It was mentioned in a previous section that travel in Montana was down 3 to 4 percent in 1982 from 1981. Maxine Johnson, of the University of Montana Research Bureau, expects to see some increase in out-of-state travel and business in the future; as incomes rise per household, more vacations will be taken. Particularly in the next ten years, the travel industry should experience a slow and steady increase as the baby boom crop moves into higher salaries and spends a portion on vacations.

The Montana Poll, conducted by Montana's Bureau of Business and Economic Research, indicates that Montanans are generally more optimistic

\(^{12}\text{Ibid. p. 18.}\)
\(^{13}\text{Ibid. p. 18.}\)
\(^{14}\text{Ibid. p. 18.}\)
about economic conditions for 1983 than they were for 1982. This may mean some improvement in spending patterns for the year, and tourism could be a recipient of some of the increased money spent.

The Sheraton should be concerned about the segments which constitute the increased tourist market. A good portion of the increase will be from families seeking a variety of recreation. Summer tourists on longer trips are looking for extended entertainment. The more options a hotel or motel can provide for a family's entertainment, the more of an edge it will have. At the moment, the Heritage has more options, and as evidenced by the survey reviewed in the previous section, that is the major reason people choose to stay there. Thus, the Heritage presents a formidable challenge to the Sheraton.

**Financial Analysis**

The emphasis of this study was directed towards the marketing efforts involved in getting and keeping the Sheraton's rooms occupied. However, the highest occupancy rates, if not managed right, will not assure success. William Scholz, author of *Profitable Hotel/Motel Management*, states, "In the final analysis, the touchstone of success as an innkeeper, in a word, is 'profitability.' Despite the emphasis on hospitality and service--and rightly so--running a hotel is a business."  

He says that profitability does not just happen. It must be planned for, carefully nurtured and meticulously controlled.  

Profit margins require extensive attention for the following

---


16. Ibid. p. 133.
reasons:

1. Labor costs have increased and are continuing to increase at a faster rate than sales.

2. Facility maintenance costs are continuing to go up in relation to increased prices of materials and labor.

3. Rapid technological changes are forcing even new properties to renovate faster than at any time in lodging industry history and the huge capital requirements made necessary are forcing many businesses to leave the industry.

4. Most property construction and renovations are accomplished with borrowed money. High interest rates are inhibiting these activities for the independent operator, and driving up the cost for all industry participants.

These four circumstances add up to increased costs and eroding profits. To survive, a manager must be proficient at increasing room rentals and lowering operating costs. Managerial abilities can make or break the hotel operation.

Although the Sheraton appeared to be operating successfully, the 1982 income statement shown in Table 25 reveals a net loss of $434,380 for the hotel operation. The food and beverage department, on the other hand, produced a net profit of $185,054.

Businesses often measure their performance through return-on-investment (ROI) ratios. Table 26 shows the comparison of the hotel operation (Northwest Motor Inns) and the food and beverage operation with national averages of lodging properties which are similar in size and age to the Sheraton.

Managing ratios evaluate various items on the balance sheet and are used to manage major areas of the company such as cash, inventories, receivables and debt relationships. The Sheraton's balance sheets appear in Tables 27 and 28.

The current ratio is an indication of how the company is able to
TABLE 25
STATEMENT OF INCOME
YEAR ENDING 1982

<table>
<thead>
<tr>
<th></th>
<th>Northwest Motor Inns</th>
<th>Bootlegger Trail Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rooms</td>
<td>$1,427,137</td>
<td>$14,502</td>
</tr>
<tr>
<td>Banquet Room Rental</td>
<td>50,448</td>
<td>811,321</td>
</tr>
<tr>
<td>Food Service</td>
<td>15,618</td>
<td>295,444</td>
</tr>
<tr>
<td>Telephone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>50,448</td>
<td>215,196</td>
</tr>
<tr>
<td>Total Sales</td>
<td>$1,493,203</td>
<td>$1,121,267</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room Expenses</td>
<td>$440,000</td>
<td>$716,936</td>
</tr>
<tr>
<td>Food Operation</td>
<td></td>
<td>215,196</td>
</tr>
<tr>
<td>Beverage Operation</td>
<td>54,331</td>
<td></td>
</tr>
<tr>
<td>Telephone</td>
<td>3,022</td>
<td></td>
</tr>
<tr>
<td>Other Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$497,353</td>
<td>$932,132</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$995,850</td>
<td>$189,135</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling</td>
<td>$233,686</td>
<td>$4,081</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>261,545</td>
<td>260,303</td>
</tr>
<tr>
<td>Property Operations</td>
<td>329,303</td>
<td>320,303</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>326,841</td>
<td></td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$1,151,375</td>
<td>$4,081</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>($155,525)</td>
<td>$185,054</td>
</tr>
<tr>
<td>from Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Operating Income (Expense)</td>
<td>($278,855)</td>
<td></td>
</tr>
<tr>
<td>Interest Expense</td>
<td>($434,380)</td>
<td>$185,054</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### TABLE 26

**COMPARISON OF THE SHERATON'S PERFORMANCE RATIOS WITH SIMILAR LODGING PROPERTIES**

<table>
<thead>
<tr>
<th>ROI</th>
<th>Compared to Similar Property</th>
<th>Northwest Motor Inns</th>
<th>Bootlegger Trail, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return</td>
<td>Age: Post 1970</td>
<td>22%</td>
<td>($434,380)</td>
</tr>
<tr>
<td>On</td>
<td>Size: 150/299 rooms</td>
<td>NA</td>
<td>($697,968)</td>
</tr>
<tr>
<td>Equity</td>
<td>Occupancy: 60/69%</td>
<td>26.1%</td>
<td>(62%)</td>
</tr>
<tr>
<td>Return On</td>
<td>Age: Post 1970</td>
<td>18.1%</td>
<td>($434,380)</td>
</tr>
<tr>
<td>Invested</td>
<td>Size: 150/299 rooms</td>
<td>NA</td>
<td>$3,100,000</td>
</tr>
<tr>
<td>Capital</td>
<td>Occupancy: 60/69%</td>
<td>26.1%</td>
<td>(14%)</td>
</tr>
<tr>
<td>Return On</td>
<td>Age: Post 1970</td>
<td>10.6%</td>
<td>($434,380)</td>
</tr>
<tr>
<td>On</td>
<td>Size: 150/299 rooms</td>
<td>8.4%</td>
<td>$2,282,217</td>
</tr>
<tr>
<td>Assets</td>
<td>Total Sales: $2,500,000/$4,999,999</td>
<td>12.8%</td>
<td>(19%)</td>
</tr>
</tbody>
</table>

## TABLE 27
NORTHWEST MOTOR INN BALANCE SHEET
DECEMBER 31, 1982

<table>
<thead>
<tr>
<th>ASSETS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petty Cash</td>
<td>$ 4,550.00</td>
<td></td>
</tr>
<tr>
<td>Cash - Northwest Motor Inn</td>
<td>11,560.06</td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>1,713.48</td>
<td></td>
</tr>
<tr>
<td>Inventory - Office Supplies</td>
<td>2,620.00</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>63,821.31</td>
<td></td>
</tr>
<tr>
<td>Deposit - Flynn Insurance</td>
<td>1,495.00</td>
<td></td>
</tr>
<tr>
<td>Prepaid Rent</td>
<td>197.92</td>
<td></td>
</tr>
<tr>
<td>Prepaid Insurance</td>
<td>7,506.01</td>
<td></td>
</tr>
<tr>
<td>Payroll Adj. Clearing</td>
<td>1,987.63</td>
<td></td>
</tr>
<tr>
<td>Returned Checks on Hand</td>
<td>1,083.73</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$ 96,535.14</strong></td>
<td></td>
</tr>
</tbody>
</table>

| **FIXED ASSETS:**    |            |            |
| Vehicles             | $ 10,535.31|            |
| Accumulated Depreciation | (6,889.00)|            |
| Elevators            | 116,455.44|            |
| Accumulated Depreciation - Elevators | (44,516.00)|            |
| Furniture, Fixtures, Equipment | 1,167,687.63|            |
| Accumulated Depreciation - Furniture, Fixtures, Equipment | (765,623.00)|            |
| Swimming Pool & Accessories | 29,376.06 |            |
| Accumulated Depreciation - Swimming Pool | (10,833.00)|            |
| Linen                | 39,159.15  |            |
| Accumulated Depreciation - Linen | (39,974.00)|            |
| China, Glass, Silver | 12,985.96  |            |
| Accumulated Depreciation - China, Glass, Silver | (10,130.00)|            |
| Buildings            | 2,154,668.97|            |
| Accumulated Depreciation - Buildings | (517,295.00)|            |
| Planters & Fountain  | 9,870.63   |            |
| Accumulated Depreciation - Planters & Fountain | (6,589.00)|            |
| **Total Fixed Assets** | **$2,138,890.15** | |

| **OTHER ASSETS:**    |            |            |
| Construction Loan Service Charge | $ 40,125.00|            |
| Acc. Mrt. Cons. Sc.       | (40,125.00)|            |
| Deposits - WCIJ           | 1,669.00   |            |
| Organization Cost         | 4,787.50   |            |
| Accumulated Amortization  | (5,346.03) |            |
| Perm. Loan Fin.           | 33,512.50  |            |
### TABLE 27-Continued

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accum. Amt. Perm. Loan</td>
<td>$(6,367.50)</td>
</tr>
<tr>
<td>Franchise Fees</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Accum. Amt. - Franchise Fees</td>
<td>$(4,332.50)</td>
</tr>
<tr>
<td>Const. Int. &amp; Tax</td>
<td>$37,413.61</td>
</tr>
<tr>
<td>Accum. Amt. Con. Int.</td>
<td>$(33,250.96)</td>
</tr>
<tr>
<td>Deferred Int.</td>
<td>$6,990.05</td>
</tr>
<tr>
<td>Total Other Assets</td>
<td>$50,075.67</td>
</tr>
<tr>
<td>Accum. Amt. - Def. Int.</td>
<td>$(3,283.58)</td>
</tr>
</tbody>
</table>

**TOTAL ASSETS**

$2,282,217.38

### LIABILITIES AND EQUITY

**CURRENT LIABILITIES:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$98,518.40</td>
</tr>
<tr>
<td>Salaries &amp; Wages Payable</td>
<td>$11,608.18</td>
</tr>
<tr>
<td>Const. - Payable - Sletten</td>
<td>$31,826.70</td>
</tr>
<tr>
<td>Accr. FICA, Fed. Withholding</td>
<td>$15,678.30</td>
</tr>
<tr>
<td>Accr. State Withholding Tax</td>
<td>$2,343.46</td>
</tr>
<tr>
<td>Accr. Payroll Insurance</td>
<td>$5,829.00</td>
</tr>
<tr>
<td>Cont. Payable - Pagett</td>
<td>$2,321.88</td>
</tr>
<tr>
<td>Cont. Payable - Van - CSB</td>
<td>$5,197.68</td>
</tr>
<tr>
<td>Accr. Management Fees</td>
<td>$196,021.61</td>
</tr>
<tr>
<td>Note Payable - G. F. Ltd.</td>
<td>$15,178.40</td>
</tr>
<tr>
<td>Land Rent Payable</td>
<td>$13,686.00</td>
</tr>
<tr>
<td>Accr. Real Pro. Tax</td>
<td>$40,000.00</td>
</tr>
<tr>
<td>Note Payable - 1st WSTSD. Bank</td>
<td>$41,163.70</td>
</tr>
<tr>
<td>Note Payable - Bootlegger Trail</td>
<td>$247,152.27</td>
</tr>
<tr>
<td>Note Payable - 1st WSTSD Bank</td>
<td>$45,000.00</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>$792,426.56</td>
</tr>
</tbody>
</table>

**LONG TERM LIABILITIES**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note Payable - FNB</td>
<td>$34,443.75</td>
</tr>
<tr>
<td>Note Payable - FNB</td>
<td>$48,556.43</td>
</tr>
<tr>
<td>Mortgage Payable - A.S.</td>
<td>$2,539,138.97</td>
</tr>
<tr>
<td><strong>Total Long Term Liabilities</strong></td>
<td>$2,622,139.15</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES**

$3,414,565.71

**PARTNERS CAPITAL**

(697,967.90)

**NET LOSS**

(434,380.42)

**TOTAL CAPITAL**

(1,132,348.33)

**TOTAL LIABILITIES & CAPITAL**

$2,282,217.38
<table>
<thead>
<tr>
<th><strong>ASSETS</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS:</strong></td>
<td></td>
</tr>
<tr>
<td>Petty Cash</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Bootlegger Trail Bank</td>
<td>2,824.80</td>
</tr>
<tr>
<td>Inventory - Liquor</td>
<td>3,840.95</td>
</tr>
<tr>
<td>Inventory - Food</td>
<td>5,562.14</td>
</tr>
<tr>
<td>Loans to Officers</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Accounts Receivable - NMMI</td>
<td>247,152.27</td>
</tr>
<tr>
<td>Payroll Adj. Clearing</td>
<td>(684.34)</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>$260,695.82</strong></td>
</tr>
<tr>
<td><strong>OTHER ASSETS:</strong></td>
<td></td>
</tr>
<tr>
<td>Liquor License</td>
<td>$64,900.00</td>
</tr>
<tr>
<td>Deposits</td>
<td>4,306.00</td>
</tr>
<tr>
<td><strong>Total Other Assets</strong></td>
<td><strong>$69,206.00</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$329,901.82</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>LIABILITIES AND EQUITY</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES:</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$34,212.40</td>
</tr>
<tr>
<td>Accr. Payroll</td>
<td>11,422.00</td>
</tr>
<tr>
<td>Accr. FICA, Federal Withholding</td>
<td>18,065.74</td>
</tr>
<tr>
<td>Accr. State Withholding Tax</td>
<td>2,682.43</td>
</tr>
<tr>
<td>Accr. Payroll Insurance</td>
<td>8,887.98</td>
</tr>
<tr>
<td>Banquet Tips</td>
<td>565.70</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td><strong>$75,836.25</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$75,836.25</strong></td>
</tr>
<tr>
<td><strong>STOCKHOLDERS EQUITY:</strong></td>
<td></td>
</tr>
<tr>
<td>Issued Shares</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>68,012.38</td>
</tr>
<tr>
<td>Current Net Profit (Loss)</td>
<td>185,053.19</td>
</tr>
<tr>
<td><strong>TOTAL STOCKHOLDERS EQUITY</strong></td>
<td><strong>$254,065.57</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; STOCKHOLDERS EQUITY</strong></td>
<td><strong>$329,901.82</strong></td>
</tr>
</tbody>
</table>
meet its current obligations. The liquidity ratio indicates the ability of a company to convert assets into cash promptly to meet short-term obligations; both ratios are shown in Table 29.

**TABLE 29**

**THE SHERATON'S MANAGING RATIOS**

<table>
<thead>
<tr>
<th>Current Ratio</th>
<th>Northwest Motor Inns</th>
<th>Bootlegger Trail Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>96,535</td>
<td>260,696</td>
<td></td>
</tr>
<tr>
<td>792,427</td>
<td>75,836</td>
<td></td>
</tr>
<tr>
<td>.12</td>
<td>3.44</td>
<td></td>
</tr>
</tbody>
</table>

| Liquidity Ratio | | |
|-----------------|--|
| 16,110          | 3,825 |
| 792,427         | 75,836|
| 2%              | 5%    |

A figure of concern to any business is the break-even point. Hotels often calculate this figure in terms of occupancy rates, and according to Standard and Poor, the average level necessary for all U.S. hotels and motels is about 59 percent. However, it will vary for each individual property depending upon:

1. the initial cost of the property
2. the manner in which it was financed
3. the ability of management to control variable costs
4. the average price obtained for rooms

Table 30 illustrates a break-even analysis for the Sheraton Hotel (Northwest Motor Inns) rooms. It can be noted that, based on rev-
TABLE 30
NORTHWEST MOTOR INNS BREAK-EVEN ANALYSIS
(HOTEL ONLY)

Necessary information:

1. fixed expenses = $636,597
2. variable expenses = $497,352
3. semi-variable expenses = $793,633
4. occupancy rate = 65.5%
5. average room rate = $35.49 *

fixed expenses:
mortgage payments $278,854
depreciation 326,841
lease expense 30,902
$636,597

variable expenses:
laundry $ 3,021
telephone 54,331
miscellaneous room costs 440,000
$497,353

semi-variable expenses:
rent and taxes $105,318
salary/wages/other 688,315
$793,633

Breaking even is defined as the point where:

Total Revenue = Total Cost, or
Total Revenue = Fixed Cost + Variable Cost

The following steps comprise the break-even analysis for hotel rooms only.

Total Revenue = N x Average Price Per Room

Variable Cost = N x Variable Cost Per Room

= N x \( \frac{\text{Variable Cost Last Year}}{N \text{ Last Year}} \)
= N x \( \frac{497,353}{.655 \times 176 \times 365} \)
= $11.82

N x Average Price = Fixed Cost + N x $11.82
TABLE 30-Continued

\[ N \times (\text{Average Price} - X) = \text{Fixed Cost} \]

\[
N = \frac{\text{Fixed Cost}}{\text{Average Price} - X} = \frac{1,430,230}{\text{Average Price} - X} = \frac{1,430,230}{* (35.49 - 11.82)} = \frac{1,430,230}{23.67} = 60,423 \text{ rooms per year to break-even} 
\]

To determine the occupancy rate:

\[
\text{Occupancy Rate} = \frac{N}{176 \times 365} = \frac{60,423}{64,240} = 94.06% 
\]

* This figure of $35.49 has been adjusted to include revenues from telephone and other income and should not be confused with the previously mentioned average room price of $34.04.

** This denominator is interpreted as the gross margin on a unit sale.

Its revenues and expenses for the rooms only, the occupancy level needed to break even is 94 percent.

A second break-even analysis appears in Table 31 and it combines revenues and expenses for rooms and the food and beverage operation (Bootlegger Trail and Restaurant).\(^{17}\) It is important to consolidate the

\(^{17}\) It should be noted that revenues from the food and beverage operation include all banquet operations and an absolute dollar amount brought in by each rented hotel room cannot be identified.
TABLE 31
NORTHWEST MOTOR INNS AND BOOTLEGGER TRAIL
BREAK-EVEN ANALYSIS

Necessary information:

1. fixed expenses = $636,597
2. variable expenses = $1,429,484
3. semi-variable expenses = $797,714
4. occupancy rate = 65.5%
5. average income per room = $35.49

Fixed expenses:
- mortgage payments: $278,854
- depreciation: 326,841
- lease expense: 30,902
- $636,597

Variable expenses:
- laundry: $3,021
- telephone: 54,331
- miscellaneous room costs: 440,000
- beverage expense: 215,196
- food expense: 716,936
- $1,429,484

Semivariable expenses:
- rent and taxes: $105,318
- salary/wages/other: 692,396
- $797,714

The following steps comprise the break-even analysis for the hotel and bar/restaurant.

\[ N' = \frac{\text{Fixed Hotel Costs} + \text{Fixed Bar & Restaurant Costs}}{(\text{Average Price} - X)} = \text{Average Profit in Bar/Restaurant} \]

\[ \text{Average Profit in Bar & Restaurant} = \frac{\text{Total Revenue} - \text{Variable Cost in Bar and Restaurant}}{.655 \times 176 \times 365} \]

\[ = \frac{\$1,121,267 - \$932,132}{42,077} \]

\[ = \frac{\$189,135}{42,077} \]

\[ = \$4.49 \]
TABLE 31-Continued

\[ N' = \frac{\text{Fixed Hotel Costs} + \text{Fixed Bar & Restaurant Costs}}{(\text{Average Price} - X) + Y} \]

\[ = \frac{\$1,434,311}{\$28.16} \]

\[ = 50,934 \text{ rooms per year to break even} \]

To determine the occupancy rate:

\[ \text{Occupancy Rate} = \frac{N'}{176 \times 365} \]

\[ = \frac{50,934}{64,240} \]

\[ = 79.3\% \]

two because the majority of fixed costs are assigned to the hotel, as shown previously in the income statement in Table 25. Realistically, the food and beverage operation should be responsible for its fair share of these fixed costs, either via a rental charge or through a combined break-even analysis.

The combined analysis illustrates that the bar and restaurant help in reducing the occupancy level required to break even to 79.3 percent. This is considerably higher than the national standard of 59 percent.
CHAPTER V

FINDINGS AND RECOMMENDATIONS

The crux of this study has been a situation analysis in which many of the Sheraton's problems and opportunities have been discovered. The major ones have been summarized in this section; recommendations for rectifying the problems and capitalizing on the opportunities have been included. They fall into three classifications.

1. financial
2. perception: market share and competitors
3. marketing and advertising strategy

Financial

Financial management has been considered first because profitability is essential to survival. Judging from the serious net loss suffered by the business in 1982 and the ominous insights provided by the financial ratios in the previous section, there is an immediate need for corrective action to this area. Specific or detailed financial advice is beyond the realm of this paper; however, it is recommended that management establish comprehensive target performance goals in terms of revenues and expenses. A break-even point analysis has been established based on the 1982 income statement and on that year's average room rate of $34.04. (It is recommended that there be less price discrimination so the average room rate be more in line with the full rate.)
The Sheraton's financial situation requires further study as soon as possible, and a concerted effort to improve the bottom line must be undertaken immediately. An MBA Thesis prepared by Richard E. Prins entitled, "Quantitative Planning and Control Devices for the Rainbow Hotel, Great Falls, Montana," provides more detail on break-even analysis, computation of performance ratios, and planning and developing pro forma financial statements. Further suggestions can be obtained from sources listed in the bibliography of this study. Professional advice from the Sheraton's accounting firm or another financial agency might be necessary.

Perception: Market Share and Competitors

Transient

The Sheraton enjoys a "first-class" image and top-mind awareness among the population of Great Falls. It has been successful the last two years in obtaining a large share of convention business and attracting other groups such as sports teams. However, the survey indicated that of potential transient business, only 29.3 percent of this potential market would stay at the Sheraton. Forty percent, or share, would stay at the Heritage. The Rainbow has only a 1.3 percent share while the Holiday Inn as a 9.3 percent share. The Super 8 has an 8 percent share. These shares were illustrated previously in Figure 2.

Using the Great Falls population as an indicator of regular transient business, the Heritage is the Sheraton's most formidable competitor. The Holiday Inn and Super 8 each also take a significant portion of potential business from the Sheraton. The Rainbow, however, offers practically no competition at this time.
The Sheraton and the Heritage are most nearly alike of the properties mentioned. Their prices are similar and so are the services offered. The Sheraton must enlarge its share of this market, and in doing so, must endeavor to emulate many of the Heritage's facilities which enable it to claim resort and convention center qualities. Although the other hotels and motels are to be watched, immediate opportunity should be taken to attract the portion of transient business which demands amenities currently offered by the Heritage.

Group

The Sheraton has increased group business the last two years with an aggressive marketing approach. Existing methods should be continued. As of early 1983 the Sheraton's chief competitor in this market was also the Heritage, but at that time Mr. Smith believed he had a sufficiently competent marketing team to achieve important gains in group business.

The Rainbow probably provides more competition in the group market than it does in the transient market. It seems to be popular for local business seminars and meetings. According to Barbara Cook, Marketing Director of the Rainbow, until recently the hotel did not have enough available rooms to attract conventions. However, a recent inventory expansion is expected to enable the Rainbow to attract a share of that market.

Even though Sheraton management has not considered the Holiday Inn a threat in the past, a quotation from the Sunday, March 6, 1983 Great Falls Tribune by General Manager Thomas Bo demands attention. Bo

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1Telephone interview with Barbara Cook, May 17, 1983.
said his "new sales staff...is now aggressively going after the banquet and convention business, something it has not done previously."

**Marketing and Advertising Strategy**

Marketing management at the Sheraton utilizes many clever, innovative and creative ideas. In spite of this, the marketing programs are perhaps too simplistic for today's technological sophistication.

The two business classifications, group and transient, will be considered separately.

**Group**

Marketing efforts towards groups are based most importantly on face-to-face direct selling. These efforts have been successful and should be continued.

Additional efforts sometimes are made through extensive public relations and good will activities. While possessing good will can be a tremendous selling tool, its development may not provide a worthwhile return-on-the-investment, certainly in the early stages. It should be used cautiously and realistically. For example, management should evaluate whether the Good Neighbor Series, the Junior League's series of speakers, was worthwhile. It's possible few or no conventions, banquets or other meetings were actually booked as a result of the Series. It's also possible the "free" idea accompanying the good will is working against the "price-leader" image hotel management wishes to have. Also, considering the net loss of 1982, perhaps sponsoring hockey and Little League teams should be reserved for more profitable years.

Further evaluation should be made regarding the use of school yearbooks. They usually provide no advertising value and money spent
for them should be written off as a donation. This expenditure is probably not necessary to obtain business from visiting sports teams.

The Sheraton's pricing strategy should be evaluated. Although its rate structure flexibility is designed to attract the group market, management may consider raising the lower rates to achieve a higher average room rate for the year and thus eliminate much of the price discrimination.

Transient

The strategy normally expended by the Sheraton to capture transient business consists of six outdoor billboards at the city's entrances and on Interstate 15, regular newspaper targeted to the Canadian market and once a year at tourists in the Northwestern states, limited advertising in tourbooks, and several brochures either mailed to potential visitors or placed in appropriate dispensers. These brochures employ Mr. Smith's "trigger response." This simply is not enough. More comprehensive methods are necessary, including the use of electronic media.

National advertising by the Sheraton Chain works as both an asset and a liability for the local hotel by positioning all Sheraton properties as classy, business-oriented hotels with the theme "We've got taste...we've got style." This approach is probably appealing to the majority of corporate executives the local hotel wishes to serve. However, the theme may create some price resistance, as Mr. Smith suggests, among average tourists.

Even though the food and beverage, insurance, and medical industries are active in Great Falls, according to the in-house survey conducted by the Sheraton in 1982, the city generally is not a "business"
center. This market segment is limited. Therefore, the Sheraton must do all it can to capture as much tourist and recreation business as possible. This must be done by appealing to the "family" and "recreational" tourists.

An aggressive campaign must be undertaken to increase occupancies among both components of the transient sector: corporate business and tourists. Amenities desired by each of these components of transient business might appear to conflict with each other. Therefore, the Sheraton will have to strive to "be all things to all people."

Corporate Business

In order to appeal to the corporate business sector, the position supported by national advertising must be maintained and enhanced. If economic recovery occurs, this market should expand and the Sheraton should be able to increase its share by continuing to capitalize on its national reputation. Several suggestions may help.

1. Increase activity of secretary's clubs. Get names of companies already represented at the Sheraton. Contact them and encourage secretaries to send more business.

2. Contact local businesses and arrange for them to encourage their business affiliates to stay at the Sheraton.

3. Introduce a business program like the Rainbow's whereby the eleventh or twelfth night is free.

4. Have high-watt light bulbs and extension cords available for business people so they can work in their rooms. Make sure there is adequate desk space.

5. Buy at least a quarter page advertisement in the Telephone Directory yellow pages.

Family and Recreational Travelers

To attract family and recreational travelers, the national image must be expanded. This can be accomplished by developing a slogan or copy line which says in effect, "Yes, we have taste and style, but we have much more. We're also a resort center and there is plenty of family entertainment." The Sheraton can then compete with the Heritage resort and convention center.

This goal requires extensive planning and development. It means competing head-to-head with the Heritage by appealing to the people who value a pool and entertainment amenities. In other words, the Sheraton must position itself as a substitute for the Heritage as a resort center. Of course, before the hotel can make this claim, it will need justification. Recommendations for a pool and entertainment renovation project to accomplish this are discussed in the "long-term physical plant improvements" section of this chapter. Expanding the pool area would also enable the Sheraton to accommodate larger conventions and events, such as the annual C. M. Russell Auction.

Once this has been accomplished, regular advertising must be used to inform potential guests of the change. The message must be incorporated in all forms of advertising, including radio, television, newspaper, tourbooks, Telephone Directory yellow pages and outdoor billboards. Quarterly campaigns should be planned and evaluated thoroughly.

In particular, the six outdoor billboards should be changed from the existing copy to something which appeals more to families and tourists. Although they currently mention that "kids under 18 stay free," essentially the design enhances national positioning.
Frequent weekend "get away" packages should be promoted. Perhaps rates could be reduced somewhat for these packages. The Billings Sheraton frequently advertises in the Great Falls Tribune with a "Bed and Never Bored" Package for about $34.00. The Great Falls Sheraton could customize a program of this type.

Bootlegger Trail Lounge and Restaurant

According to the Sheraton's 1982 income statement, the Bootlegger Trail and Lounge fared much better financially than the hotel, and according to the survey it has a better reputation than the other hotel restaurants and bars. The Sheraton's meals are priced more competitively than other hotels and motels. These facts should be capitalized upon.

Recommendations include:

1. Continue the dinner club. As current memberships expire, solicit for renewals. Begin a new campaign to enlarge the membership, but be certain not to annoy those who are already members by calling them before their membership has expired.

2. More advertising must be utilized. The Bootlegger Trail and Lounge should be advertised weekly in newspapers and on the radio to continue to build and maintain an image and following among the local population.

3. Change bands frequently.

4. List the Bootlegger Trail and Lounge in the Restaurant Section of the Telephone Directory yellow pages. Include perhaps an eighth page advertisement in the same section.

5. Enhance the dinner menu with appetizers.


7. Organize a bar club similar to the existing dinner club.

Physical Plant Improvements

Many ideas for physical plant improvements were discovered during the course of this study. A list was developed through the process
of interviewing the Sheraton's past guests, reading guest evaluation cards, conversations with Mr. Smith and by personal observation. These have been classified into short-term and long-term. Most of the long-term suggestions require extensive evaluation, planning and substantial capital.

Short-term

Although the Sheraton's brochure refers to "lush hanging gardens" in the lobby, the two enormous planters are now practically bare. Only a few limp and dusty palms remain in each. Floor planters bordering the main seating area have likewise suffered heavy losses. An abundance of healthy greenery would do a great deal towards refreshing the lobby. Contracts are available with local greenhouses for weekly plant care. The hotel buys the plants and the greenhouse provides all the maintenance.

The color scheme of the main floor lobby is warm and inviting. Color comes predominantly from the bright red and gold patterned carpet. The first floor walls are gold and a seven-story, beige brick wall emphasizes the waterfall and seating area. However, the warmth of those colors is stymied by the cold, stark white walls forming the atrium from floors two through seven. A lighter tone of the first floor gold could be utilized to tie the entire scheme together. A professional decorator should be consulted for the proper color.

A seemingly minor item, but one which could annoy a number of guests is the hardware on the flagpoles. On a windy day (a common event for Great Falls) guests in rooms near the flagpoles hear the noisy clanking of the clasps beating against the poles. This could keep guests from
getting their sleep. Efforts should be made to obtain rubber hardware, if possible, or retire the flags on windy days.

A number of guests mentioned they would like to have slip strips in the bathtubs. This is a relatively inexpensive project and one that would provide a good deal of safety for the hotel's guests.

The addition of Showtime television channels should be considered.

With the increasing number of women in business, the hotel should tailor a few of the rooms to women by adding floor-length mirrors, skirts hangers and other items specifically for women.

Many of the guest room drapes and bedspreads are becoming worn out and need to be replaced. The catering department needs new linens and additional chairs to match the existing ones.

A gift shop or place to buy drug store items would be a helpful addition.

There are also a few improvements related to hotel service that are short-term and easy to implement. Most of these suggestions were derived from comments on guest cards.

Complimentary morning coffee and the newspaper are services Sheraton guests are entitled to; however, it is not standard procedure to inform guests of this fact. Therefore, it is recommended the desk clerk begin informing each guest of the service when he/she checks in. The clerk should also tell the guest of access to Universal Sports facility upon presentation of the Sheraton room key. Small cards could be printed at nominal expense with copy reading, "Thank you for staying with us," and informing guests of the coffee, newspaper and Universal facility. The cards could be placed in rooms by housekeepers, perhaps with
the housekeeper’s first name signed, or given to guests when they check in.

A few complaints were registered about the carpets being uncleaned, so fastidious attention should be given to housekeeping duties.

Several guests mentioned the unavailability of the bellmen when they were needed. If the revised and stringent budget would permit, another person should be added. The cost/benefits of this should be weighed carefully first.

Long-term

The section on strengths and weaknesses illustrated the inferiority of the Sheraton’s pool area compared to that of the Heritage. The Sheraton will have to upgrade its pool before it can compete on the same quality level. This should be done as soon as possible.

Rather than just meet its competition, the Sheraton should strive to surpass the Heritage by providing amenities in its pool and entertainment area that are not currently offered by the Heritage, such as a racquetball court, tennis court and play area with a separate pool for children.

The area could be enlarged by extending south into the parking lot. The roof for this area could incorporate skylights, allowing natural light to filter into the area. An outdoor patio and sunbathing area could border this portion, thus allowing some space in the existing area for a separate game room for video games, ping pong and so forth. Perhaps one or two of the existing guest rooms bordering the pool could be converted for this purpose. Windows could be installed in some or all of the rooms bordering the pool. To finish the new area, an abundance of
plants and appropriate furniture are necessary.

The entire renovation should be accomplished around a theme which will be incorporated into the rest of the hotel's marketing and decorating. Perhaps the "Bootlegger Trail" idea could be expanded; or it could be deleted and a new name used.

Another physical plant improvement might be undertaken to make an outside entrance to the bar and restaurant. It could be done quite easily on the west side of the building, making them both more accessible, thus probably increasing business. At the same time the dance floor and restaurant could be enlarged.

A guest laundry room would be a beneficial addition.

Solar panels could be installed in the roof, therefore, the energy saving should be investigated.

Computers could be installed in a few guest rooms. These could allow guests to change airline reservations, purchase gifts from around the nation and use it as their capability permitted. Information for this system can be obtained from Travelhost Communications, Inc.² The Heritage is considering installing such a system.³

The hotel's records should be computerized. This would aid in tracking occupancies, average room rates, financial records and analysis, convention records and so forth.

One caveat is in order. Those in the lodging industry, particularly convention center properties, should look ahead to the fourth big impact on hotels and motels--the computer. Perhaps the product life cy-

²Travelhost Communications, Inc., 6116 N. Central Expressway, Suite 1020, Dallas, Texas 75206, 800-527-1782
³Interview with Tom Cherry, April 14, 1983.
cle of convention centers will be such that the computer will take their place. At some time in the future, convention goers may not have to travel to attend conventions; they will do it via home computers.
CHAPTER VI

CONCLUSIONS

The Great Falls Sheraton Hotel possesses a great deal of potential; a new and modern facility, top-mind awareness, a good location, and the best reputation for food among hotel restaurants are some of its most significant attributes.

The hotel's "group" marketing team is also a very valuable asset, as proven by the hotel's increase in conventions and other meetings in the last two years. The team's laudable efforts should be continued; however, environmental surveillance must be constant. The Rainbow Hotel now presents more competition as a result of larger inventory, and the Holiday Inn is more of a threat as it enters the "group" market. Recommendations which would allow the Sheraton to compete with the Heritage for extremely large crowds have been put forth in the previous chapter.

As mentioned above, the Sheraton must make concerted efforts to improve its share of the "transient" market. Suggestions were made to accomplish this goal. An improved economy should help significantly, and as 1983 progresses, the outlook appears brighter.

Four steps of marketing planning were listed in Chapter I. Step one is to conduct a situation analysis. It has been accomplished via this paper.

Step two is to establish objectives of performance the firm desires to reach at a future date. Using results of the situation analysis, hotel management should now identify specific objectives with re-
gard to targeted net income for all departments. All expenses must be
analyzed in thorough detail.

Step three requires that strategies and programs be developed
in order to achieve the objectives in step two. Some strategies and pro­
grams were recommended in Chapter V, based on the general objectives of
increasing market share and net profit.

Step four is to provide coordination and control. Perhaps this
is the most difficult because it must be done on a daily basis. Inatten­
tion to detail could cause the best plans in steps one, two and three to
go awry.

Marketing the Sheraton Hotel in Great Falls, Montana, is a con­
siderable challenge. With exponential changes occurring in our society,
it will only become more complicated as new competition and technologies
emerge. However, constant environmental surveillance combined with cre­
ative and sensible advertising, continued aggressive "group" marketing
efforts, and prudent quantitative controls will enable the Sheraton
Hotel of Great Falls to be a viable contender for the number one position
in the lodging market for Northcentral Montana.
APPENDIX 1

BROCHURE: SPORTS RATE CARD
You're always a winner at Sheraton Great Falls
SHERATON HOTELS & INNS, WORLDWIDE
400 10th AVENUE SOUTH
GREAT FALLS, MONTANA
406/727-7200

Confidential
Athletic Team and Sports Rates and Programs
June 1, 1982 to June 1, 1983
APPENDIX 2

BROCHURE: "SHERATON CARES"
A special accommodations program for patients, their relatives and friends.
APPENDIX 3

BROCHURE: "GRUBSTAKE"
APPENDIX 4

GOOD NEIGHBOR PROGRAM
A SPECIAL SHERATON "GOOD NEIGHBOR PROGRAM"

FIRST ANNUAL WATER SAFETY SEMINAR

A FREE seminar to promote safety awareness for Montanans who enjoy boating, swimming, water skiing, skin diving, or any other aquatic sports.

Friday, April 23: 7-10 p.m.
Saturday, April 24: 8 a.m. - 5 p.m.
APPENDIX 5

BROCHURE: "TWO DOZEN FREE THINGS TO SEE AND DO IN THE GREAT FALLS AREA"
SHERATON GREAT FALLS PRESENTS

TWO DOZEN FREE THINGS TO SEE AND DO IN THE GREAT FALLS AREA
APPENDIX 6

BROCHURE: CHRISTMAS PARTIES
CHRISTMAS IS FUN AT THE SHERATON!
APPENDIX 7

DISCOUNT COUPONS
### Sheraton

<table>
<thead>
<tr>
<th>Rooms</th>
<th>+</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td>No NBO or Showtime</td>
<td>No NBO or Showtime</td>
</tr>
<tr>
<td>Spacious, tastefully decorated</td>
<td>Bedspreads, draperies are getting worn</td>
<td>Bedspreads, draperies are getting worn</td>
</tr>
<tr>
<td>Safety—many rooms are in view of the front desk</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lobby</th>
<th>+</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractive atrium</td>
<td>Planters need refurbishing</td>
<td>Planters need refurbishing</td>
</tr>
<tr>
<td>Unique waterfall</td>
<td>Stark white walls detract from otherwise warm atmosphere</td>
<td>Stark white walls detract from otherwise warm atmosphere</td>
</tr>
<tr>
<td>Fairly large</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Coffee Shop/Dining Room</th>
<th>+</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prices lower than Heritage of Rainbow</td>
<td>No outside entrance</td>
<td>No outside entrance</td>
</tr>
<tr>
<td>Good reputation</td>
<td>Not large enough for big parties or intimate dining</td>
<td>Not large enough for big parties or intimate dining</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lounge</th>
<th>+</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>No happy hour</td>
<td></td>
<td>No happy hour</td>
</tr>
<tr>
<td>No hors d'oeuvres</td>
<td></td>
<td>No hors d'oeuvres</td>
</tr>
<tr>
<td>Bands booked long-term</td>
<td></td>
<td>Bands booked long-term</td>
</tr>
<tr>
<td>No regular advertising</td>
<td></td>
<td>No regular advertising</td>
</tr>
<tr>
<td>Small</td>
<td></td>
<td>Small</td>
</tr>
<tr>
<td>Small dance floor</td>
<td></td>
<td>Small dance floor</td>
</tr>
<tr>
<td>No outside entrance</td>
<td></td>
<td>No outside entrance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meeting Rooms/Catering</th>
<th>+</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative in carrying out themes</td>
<td>Not enough equipment; must borrow chairs</td>
<td>Not enough equipment; must borrow chairs</td>
</tr>
<tr>
<td></td>
<td>Need more break-out rooms</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Pool/Entertainment</strong></td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Has a pool, jacuzzi and sauna</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some guest rooms adjoin the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>pool</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guests may use Universal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Athletics</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>facilities</td>
<td></td>
</tr>
<tr>
<td><strong>Building Facility</strong></td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>New, modern, attractive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No guest laundry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No gift shop</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Near 10th Avenue South</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good access to I-15, U.S.87,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Near shopping center</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car lot, gas station, dirt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>field detract from image</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Name</strong></td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>National recognition</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public Relations</strong></td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Frequently mentioned in the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great Falls Tribune</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supports many non-profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>organizations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Puts too much faith in pay-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>back from gratis work</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Advertising</strong></td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Uses only print media</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does not use yellow pages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outdoor billboards are</td>
<td></td>
<td></td>
</tr>
<tr>
<td>unmotivational</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>-------</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Moral is high; people are friendly, caring and give attentive service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strong marketing team</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Heritage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rooms</td>
</tr>
<tr>
<td>Cable TV and HBO</td>
</tr>
<tr>
<td>Many rooms border the pool</td>
</tr>
<tr>
<td>Lobby</td>
</tr>
<tr>
<td>Elegant decor enhances French theme</td>
</tr>
<tr>
<td>Coffee Shop/Dining Room</td>
</tr>
<tr>
<td>Innovative menus</td>
</tr>
<tr>
<td>Lounge</td>
</tr>
</tbody>
</table>

| Happy hour |
| Big screen |
| Bands change frequently |
| Regular advertising |
| Large |
| Large dance floor |
| Outside entrance |
| Uniforms carry out theme |

| Meeting Rooms/Catering | + | - |

Accommodates largest number of people
<table>
<thead>
<tr>
<th>Pool/Entertainment</th>
<th>+</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has a pool, jacuzzi and sauna</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pool area is exquisite and replete with a variety of games and entertainment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Facility</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Has a guest laundry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has a resort appearance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has a gift shop</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building is very spread out</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carpets and wall coverings of second and third additions do not match those in the first</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Near airport and junction of I-15 and U.S.87 bypass</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distance from downtown</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distance from traffic entering from east and north</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Name may evoke patriotism</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Themes of various rooms enhance name</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Best Western affiliation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Relations</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Gets good public relations from C. M. Russell Art Auction and Coaches Clinic held there annually</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Uses a broad media mix</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>+</td>
<td>-</td>
</tr>
</tbody>
</table>
### APPENDIX 8-Continued

<table>
<thead>
<tr>
<th>Rainbow</th>
<th>Rooms</th>
<th>+</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cable TV and HBO</td>
<td>Small and dark</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lobby</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Renovation is attractive</td>
<td>Impersonal and small</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Coffee Shop/Dining Room</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Outside entrance</td>
<td>Reputation for good food</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lounge</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Advertises</td>
<td>Outside entrance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Meeting Rooms/Catering</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Pool/Entertainment</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Has a few video games</td>
<td>Has no pool, jacuzzi or sauna</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Building Facility</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Has a guest laundry</td>
<td>Inadequate parking</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Has a gift shop</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Location</td>
<td>+</td>
<td>-</td>
</tr>
</tbody>
</table>
### APPENDIX 8-Continued

<table>
<thead>
<tr>
<th>Near downtown shopping</th>
<th>Near Civic Center</th>
<th>Difficult for tourists to find</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Public Relations</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Advertising</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Uses a broader media mix than the Sheraton</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td>+</td>
<td>-</td>
</tr>
</tbody>
</table>
### APPENDIX 9

**COMPARISON OF HOTELS AND MOTELS IN GREAT FALLS**  
**JANUARY 1983**

<table>
<thead>
<tr>
<th>Name</th>
<th># Rooms</th>
<th># Function Rooms</th>
<th>Rack Rate $</th>
<th>Group $ Rate</th>
<th>Tour $ Rate</th>
<th>Student $ Rate</th>
<th>Other Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sheraton Inn</td>
<td>176</td>
<td>8</td>
<td>44-54</td>
<td>32-38</td>
<td>32-38</td>
<td>29-36</td>
<td>Secretary-33</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>52-62</td>
<td></td>
<td></td>
<td></td>
<td>Gov't.-24</td>
</tr>
<tr>
<td>Heritage Inn</td>
<td>253</td>
<td>6</td>
<td>43-51</td>
<td>Negotiate</td>
<td>30-36</td>
<td>None</td>
<td>Hockey Teams</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>51-59</td>
<td></td>
<td>40-44</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>109</td>
<td>4</td>
<td>34-40</td>
<td>N/A</td>
<td>N/A</td>
<td>Athletic</td>
<td>None</td>
</tr>
<tr>
<td>Ponderosa Inn</td>
<td>107</td>
<td>2</td>
<td>33-50</td>
<td>33-38</td>
<td>33-38</td>
<td>Negotiate</td>
<td>None</td>
</tr>
<tr>
<td>Rainbow Hotel</td>
<td>150</td>
<td>11</td>
<td>32-37</td>
<td>Negotiate</td>
<td>30-33</td>
<td>29</td>
<td>Commercial-33</td>
</tr>
<tr>
<td>O'Haire Motel</td>
<td>72</td>
<td>3</td>
<td>27-33</td>
<td>Negotiate</td>
<td>24-37</td>
<td>None</td>
<td>Weekend-22</td>
</tr>
<tr>
<td>Triple Crown Motel</td>
<td>50</td>
<td>0</td>
<td>30-40</td>
<td>22-29</td>
<td>22-34</td>
<td>None</td>
<td>10th-free</td>
</tr>
<tr>
<td>Name</td>
<td># Rooms</td>
<td># Function Rooms</td>
<td>Rack Rate $ Range</td>
<td>Group $ Rate</td>
<td>Tour $ Rate</td>
<td>Student $ Rate</td>
<td>Other Discount</td>
</tr>
<tr>
<td>-----------------------</td>
<td>---------</td>
<td>------------------</td>
<td>-------------------</td>
<td>--------------</td>
<td>-------------</td>
<td>----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Edelweiss Motel</td>
<td>21</td>
<td>0</td>
<td>22-25</td>
<td>Varies with season</td>
<td>None</td>
<td>Varies # People</td>
<td>None</td>
</tr>
<tr>
<td>Don Plaza Motel</td>
<td>20</td>
<td>0</td>
<td>22-24</td>
<td>Negotiate</td>
<td>N/A</td>
<td>None</td>
<td>Children free</td>
</tr>
<tr>
<td>Rendezvous Motor Inn</td>
<td>29</td>
<td>0</td>
<td>21-38</td>
<td>Negotiate</td>
<td>None</td>
<td>21.50</td>
<td>Commercial-21</td>
</tr>
<tr>
<td>Village Motor Inn</td>
<td>31</td>
<td>1</td>
<td>21-28</td>
<td>$8/person average</td>
<td>$8/person average</td>
<td>$8/person average</td>
<td>None</td>
</tr>
<tr>
<td>Highwood Motel</td>
<td>65</td>
<td>0</td>
<td>18-21</td>
<td>Varies</td>
<td>None</td>
<td>None</td>
<td>Weekly/105-147</td>
</tr>
<tr>
<td>Town and Country Motel</td>
<td>12</td>
<td>0</td>
<td>18-26</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>None</td>
</tr>
<tr>
<td>Starlit Motel</td>
<td>21</td>
<td>0</td>
<td>18-22</td>
<td>17-22</td>
<td>17-22</td>
<td>None</td>
<td>Week or Month</td>
</tr>
<tr>
<td>Copper Court</td>
<td>5</td>
<td>0</td>
<td>16-24</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Ski's Western Motel</td>
<td>25</td>
<td>0</td>
<td>28-35</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>
## APPENDIX 9-Continued

<table>
<thead>
<tr>
<th>Name</th>
<th># Rooms</th>
<th># Function Rooms</th>
<th>Rack Rate $ Range</th>
<th>Group $ Rate</th>
<th>Tour $ Rate</th>
<th>Student $ Rate</th>
<th>Other Discount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sahara Motel</td>
<td>21</td>
<td>0</td>
<td>25-35</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>None</td>
</tr>
<tr>
<td>Crestview Motel</td>
<td>42</td>
<td>0</td>
<td>25-30</td>
<td>Varies # People</td>
<td>Varies</td>
<td>25</td>
<td>None</td>
</tr>
<tr>
<td>Mid-Town Motel</td>
<td>39</td>
<td>2</td>
<td>24-35</td>
<td>Negotiate</td>
<td>Negotiate</td>
<td>$6/person</td>
<td>None</td>
</tr>
<tr>
<td>Wagon Wheel Motel</td>
<td>70</td>
<td>0</td>
<td>23-38</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>None</td>
</tr>
<tr>
<td>Imperial 400 Motel</td>
<td>31</td>
<td>0</td>
<td>23-28</td>
<td>Negotiate</td>
<td>Negotiate</td>
<td>Negotiate</td>
<td>None</td>
</tr>
<tr>
<td>Super 8 Motel</td>
<td>60</td>
<td>0</td>
<td>23-27</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>Super 8 VIP Card</td>
</tr>
<tr>
<td>Evergreen Motel</td>
<td>22</td>
<td>0</td>
<td>16-19</td>
<td>N/A</td>
<td>N/A</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Airway Motel</td>
<td>16</td>
<td>0</td>
<td>14-16</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>Weekly/80-95</td>
</tr>
</tbody>
</table>

**SOURCE:** Sheraton survey conducted in January 1983.

**NOTE:** NA = information unavailable.
## APPENDIX 10

**COMPARISON OF RESTAURANTS IN GREAT FALLS**  
**JANUARY 1983**

<table>
<thead>
<tr>
<th>Name</th>
<th># Seats</th>
<th>Dinner $ Range</th>
<th>Dinner Hours</th>
<th>Lunch $ Range</th>
<th>Lunch Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country Club</td>
<td>200</td>
<td>25-4</td>
<td>5:30 p.m.</td>
<td>25-4</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1:00 a.m.</td>
<td></td>
<td>2:30 p.m.</td>
</tr>
<tr>
<td>Jack Club</td>
<td>90</td>
<td>25-4</td>
<td>5:00 p.m.</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12:00 a.m.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jake's</td>
<td>75</td>
<td>25-6</td>
<td>5:30 p.m.</td>
<td>9-3.75</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10:30 p.m.</td>
<td></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>3D</td>
<td>150</td>
<td>25-3</td>
<td>5:00 p.m.</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12:00 a.m.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rainbow (Broker)</td>
<td>80</td>
<td>20-6</td>
<td>5:00 p.m.</td>
<td>8-2</td>
<td>11:00 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10:00 p.m.</td>
<td></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>Top of the Falls</td>
<td>80</td>
<td>20-6</td>
<td>4:00 p.m.</td>
<td>5.25-3.75</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12:00 a.m.</td>
<td></td>
<td>2:30 p.m.</td>
</tr>
<tr>
<td>Eddie's</td>
<td>260</td>
<td>20-1.75</td>
<td>10:00 a.m.</td>
<td>20-1.75</td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1:00 a.m.</td>
<td></td>
<td>1:00 a.m.</td>
</tr>
<tr>
<td>Heritage Inn</td>
<td>75 c.s.*</td>
<td>19-8</td>
<td>6:00 a.m.</td>
<td>11-2</td>
<td>6:00 a.m.</td>
</tr>
<tr>
<td></td>
<td>100 d.r.**</td>
<td></td>
<td>11:00 p.m.</td>
<td></td>
<td>11:00 p.m.</td>
</tr>
<tr>
<td>Name</td>
<td># Seats</td>
<td>Dinner $ Range</td>
<td>Dinner Hours</td>
<td>Lunch $ Range</td>
<td>Lunch Hours</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------</td>
<td>----------------</td>
<td>----------------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Black Angus</td>
<td>120</td>
<td>16-4</td>
<td>11:00 a.m.</td>
<td>16-4</td>
<td>11:00 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>11:00 p.m.</td>
<td></td>
<td>11:00 p.m.</td>
</tr>
<tr>
<td>Borries</td>
<td>60</td>
<td>15-5</td>
<td>4:00 p.m.</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12:00 a.m.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gordon's</td>
<td>80</td>
<td>15-2</td>
<td>6:30 a.m.</td>
<td>15-2</td>
<td>6:30 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10:00 p.m.</td>
<td></td>
<td>10:00 p.m.</td>
</tr>
<tr>
<td>Milwaukee Station</td>
<td>85</td>
<td>15-8</td>
<td>5:00 p.m.</td>
<td>6-3</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>11:00 p.m.</td>
<td></td>
<td>3:00 p.m.</td>
</tr>
<tr>
<td>Sheraton Inn</td>
<td>68 c.s.*</td>
<td>15-7</td>
<td>5:00 p.m.</td>
<td>7-3</td>
<td>11:30 a.m.</td>
</tr>
<tr>
<td></td>
<td>85 d.r.**</td>
<td></td>
<td>10:00 p.m.</td>
<td></td>
<td>5:00 p.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(11:00 p.m. Fri.-Sat.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holiday Inn</td>
<td>112</td>
<td>12-4</td>
<td>6:00 a.m.</td>
<td>6-2</td>
<td>6:00 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10:00 p.m.</td>
<td></td>
<td>10:00 p.m.</td>
</tr>
<tr>
<td>Sizzler</td>
<td>100</td>
<td>12-2</td>
<td>10:00 a.m.</td>
<td>12-2</td>
<td>10:00 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9:00 p.m.</td>
<td></td>
<td>9:00 p.m.</td>
</tr>
<tr>
<td>Bert &amp; Ernie's</td>
<td>100</td>
<td>10-2</td>
<td>11:00 a.m.</td>
<td>10-2</td>
<td>11:00 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9:00 p.m.</td>
<td></td>
<td>9:00 p.m.</td>
</tr>
</tbody>
</table>
### APPENDIX 10-Continued

<table>
<thead>
<tr>
<th>Name</th>
<th># Seats</th>
<th>Dinner $ Range</th>
<th>Dinner Hours</th>
<th>Lunch $ Range</th>
<th>Lunch Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Cut</td>
<td>120</td>
<td>8-2</td>
<td>11:00 a.m.</td>
<td>8-2</td>
<td>11:00 a.m.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9:00 p.m.</td>
<td></td>
<td>9:00 p.m.</td>
</tr>
</tbody>
</table>

**SOURCE:** Sheraton survey conducted in January 1983.

**NOTE:** Restaurants are listed in order from highest to lowest prices.

* c.s. = coffee shop
* d.r. = dining room
### APPENDIX 11

**COMPARISON OF BARS AND LOUNGES IN GREAT FALLS**  
**JANUARY 1983**

<table>
<thead>
<tr>
<th>Name</th>
<th># Seats</th>
<th>Hours</th>
<th>Well Drink ($)</th>
<th>Premium Drink ($)</th>
<th>Beer ($)</th>
<th>Happy Hour</th>
<th>Band</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rainbow Broker</td>
<td>40</td>
<td>11:00 a.m.</td>
<td>1.50</td>
<td>1.75</td>
<td>1.25</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rainbow Mint Saloon</td>
<td>90</td>
<td>8:00 a.m.</td>
<td>1.50</td>
<td>1.75</td>
<td>1.25</td>
<td>NA</td>
<td>Country</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heritage Inn Blue Max Lounge</td>
<td>115</td>
<td>11:00 a.m.</td>
<td>1.75</td>
<td>2.25</td>
<td>1.25</td>
<td>M-F/5-7</td>
<td>Variety</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sheraton Inn Bootlegger Trail</td>
<td>85</td>
<td>11:00 a.m.</td>
<td>1.75</td>
<td>2.25</td>
<td>1.50</td>
<td>NA</td>
<td>Variety</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Holiday Inn Captain's Lounge</td>
<td>90</td>
<td>11:00 a.m.</td>
<td>1.50</td>
<td>1.75</td>
<td>1.25</td>
<td>NA</td>
<td>Variety</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crazy Clancy's</td>
<td>200</td>
<td>9:00 p.m.</td>
<td>1.75</td>
<td>2.00</td>
<td>1.25</td>
<td>Ladies' Night</td>
<td>Rock &amp; Roll</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joe's</td>
<td>160</td>
<td>8:00 a.m.</td>
<td>1.25</td>
<td>1.50</td>
<td>.90</td>
<td>Wed.5-7</td>
<td>Jukebox</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beacon</td>
<td>160</td>
<td>12:00 p.m.</td>
<td>1.75</td>
<td>1.85</td>
<td>1.50</td>
<td>NA</td>
<td>Country</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2:00 a.m.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX 11-Continued

<table>
<thead>
<tr>
<th>Name</th>
<th># Seats</th>
<th>Hours</th>
<th>Well Drink ($)</th>
<th>Premium Drink ($)</th>
<th>Beer ($)</th>
<th>Happy Hour</th>
<th>Band</th>
</tr>
</thead>
<tbody>
<tr>
<td>O'Haire Sip 'n Dip</td>
<td>75</td>
<td>10:00 a.m. 2:00 a.m.</td>
<td>1.50</td>
<td>1.75</td>
<td>1.00</td>
<td>NA</td>
<td>Piano Bar</td>
</tr>
<tr>
<td>Ponderosa Iron Pine</td>
<td>85</td>
<td>11:00 a.m. 2:00 a.m.</td>
<td>1.50</td>
<td>1.75</td>
<td>1.25</td>
<td>$1 wells 4:30-6 p.m.</td>
<td>Duo-4:30-6 p.m. T-Sat.</td>
</tr>
<tr>
<td>The Office</td>
<td>100</td>
<td>6:00 p.m. 2:00 a.m.</td>
<td>1.50</td>
<td>1.75</td>
<td>1.25</td>
<td>NA</td>
<td>Rock &amp; Roll</td>
</tr>
</tbody>
</table>

**SOURCE:** Sheraton survey conducted January 1983.

**NOTE:** NA = not applicable
APPENDIX 12

QUESTIONNAIRE

1. Age

- 11 19-25 (14.7% T.)
- 24 26-35 (32% T.)
- 25 36-50 (33.3% T.)
- 15 Over 50 (20% T.)

2. When you think about the hotels and motels in Great Falls, which one comes to mind first?

- 28 Sheraton (37.3% T.)
- 30 Heritage (40% T.)
- 5 Rainbow (6.7% T.)
- 12 Other (Name____________________) (16% T.)

3. What other hotel or motel comes to mind?

- 33 Sheraton (44% T.)
- 19 Heritage (25.3% T.)
- 6 Rainbow (8% T.)
- 17 Other (Name____________________) (22.7%)

4. What other hotel or motel comes to mind?

- 10 Sheraton (13.3% T.)
- 10 Heritage (13.3% T.)
- 15 Rainbow (20% T.)
- 36 Other (Name____________________) (48% T.)
- 4 None (5.3% T.)

5. If you were a tourist and needed to spend an evening in a Great Falls hotel or motel, and based on the impressions you have of the hotels and motels in this city, which one would you choose?

- 22 Sheraton (29.3% T.)
- 30 Heritage (40% T.)
- 1 Rainbow (1.3% T.)
- 20 Other (Name____________________) (26.7% T.)
- 2 Don't Know (2.7% T.)

6. I would choose to stay at the ____________________________ because ________________________________.

- 9 Price (12% T.)
- 7 Service (9.3% T.)
- 2 Good Rooms (2.7% T.)
APPENDIX 12—Continued

4.  19 Pool & Entertainment
    (25.3% T.)

5.  3 Location
    (4% T.)

6.  11 Reputation
    (14.7% T.)

7.  22 Other (Name______________)
    (29.3% T.)

8.  2 Not Applicable
    (2.7% T.)

7. When you think of a first-class hotel or motel in Great Falls, which one comes to mind?

1.  35 Sheraton
    (45.7% T.)

2.  34 Heritage
    (45.3% T.)

3.  3 Rainbow
    (4% T.)

4.  3 Other (Name______________)
    (4% T.)

8. What other hotel or motel comes to mind?

1.  32 Sheraton
    (42.7% T.)

2.  30 Heritage
    (40% T.)

3.  3 Rainbow
    (4% T.)

4.  7 Other (Name______________)
    (9.3% T.)

5.  0 Don't Know
    (0% T.)

6.  3 None
    (4% T.)

9. What is the name of your favorite restaurant in Great Falls?

________________________________________ Other? ______________________________

10. When you think of the hotels and motels in Great Falls that have restaurants or dining rooms, which one would you be most likely to go to for dinner?

1.  29 Sheraton
    (38.7% T.)

2.  17 Heritage
    (22.7% T.)

3.  12 Rainbow
    (16% T.)

4.  5 Other (Name______________)
    (6.7% T.)

5.  4 Don't Know
    (5.3% T.)

6.  8 Wouldn't go to a hotel for dinner
    (10.7% T.)

11. What other hotel or motel restaurants or dining rooms would you be likely to go to for dinner?
APPENDIX 12-Continued

1. 14 Sheraton (18.7% T.)
2. 17 Heritage (22.7% T.)
3. 14 Rainbow (18.7% T.)
4. 7 Other (Name_____________________________ (9.3% T.)
5. 7 Don't Know (9.3% T.)
6. 16 Wouldn't go to a hotel for dinner (21.3% T.)

12. Of all the hotels and motels in Great Falls, which one do you think has the best restaurant or dining room?

1. 23 Sheraton (30.7% T.)
2. 19 Heritage (25.3% T.)
3. 19 Rainbow (5.3% T.)
4. 1 Other (Name_____________________________ (1.3% T.)
5. 11 Don't Know (14.7% T.)
6. 2 None (2.7% T.)

The next few questions are concerning the bars and cocktail lounges in Great Falls. Have you had any occasion to visit any of the bars or cocktail lounges in the city? If yes, proceed to number 13. Otherwise continue to number 16.

13. What is the name of your favorite bar or cocktail lounge?

_____________________________ Other? __________________________

14. When you think of the hotels and motels in Great Falls that have bars or cocktail lounges, which one would you be most likely to go to for a cocktail?

1. 21 Sheraton (28% T.)
2. 18 Heritage (24% T.)
3. 4 Rainbow (5.3% T.)
4. 3 Other (Name_____________________________ (4% T.)
5. 6 Don't Know (8% T.)
6. 4 None (5.3% T.)
7. 19 Not Applicable (25.3% T.)

15. Of all the hotels and motels in Great Falls, which one do you think has the best bar or cocktail lounge?

1. 15 Sheraton (20% T.)
2. 20 Heritage (26.7% T.)
3. 3 Rainbow (4% T.)
4. 2 Other (Name______________________) 5. 16 Don’t Know (2.7% T.) (21.3% T.)

6. 0 None 7. 19 Not Applicable (0% T.) (25.3% T.)

16. I'm going to read five statements to you. For each statement, please tell me whether you strongly agree, agree, have no opinion, disagree or strongly disagree.

The Sheraton is a first-class hotel.

1. 11 Strongly Agree 2. 60 Agree 3. 2 No Opinion (14.7% T.) (80% T.) (2.7% T.)

4. 1 Disagree 5. 1 Strongly Disagree (1.3% T.) (1.3% T.)

17. The Holiday Inn is a first-class motel.

1. 2 Strongly Agree 2. 44 Agree 3. 11 No Opinion (2.7% T.) (58.7% T.) (14.7% T.)

4. 12 Disagree 5. 6 Strongly Disagree (16% T.) (8% T.)

18. The Sheraton is a good place to go for dinner and cocktails.

1. 6 Strongly Agree 2. 39 Agree 3. 26 No Opinion (8% T.) (52% T.) (34.7% T.)

4. 4 Disagree 5. 0 Strongly Disagree (5.3% T.) (0% T.)

19. I like to go to a bar where there is dancing and a fun atmosphere.

1. 11 Strongly Agree 2. 47 Agree 3. 13 No Opinion (14.7% T.) (62.7% T.) (17.3% T.)

4. 3 Disagree 5. 1 Strongly Disagree (4% T.) (1.3% T.)

20. I like to go to a bar where I can relax and visit with friends.

1. 14 Strongly Agree 2. 49 Agree 3. 9 No Opinion (18.7% T.) (65.3% T.) (12% T.)

4. 3 Disagree 5. 0 Strongly Disagree (4% T.) (0% T.)
21. The next question is, of all the hotels and motels in Great Falls, which one do you think has the highest prices for its rooms?

1. 23 Sheraton
   (30.7% T.)
2. 30 Heritage
   (40% T.)
3. 0 Rainbow
   (0% T.)
4. 1 Other (Name______________________)
   (1.3% T.)
5. 21 Don’t Know
   (28% T.)

22. Of all the hotels and motels in Great Falls, which one do you think has the highest prices in its restaurant and cocktail lounge?

1. 18 Sheraton
   (24% T.)
2. 33 Heritage
   (44% T.)
3. 3 Rainbow
   (4% T.)
4. 0 Other (Name______________________)
   (0% T.)
5. 21 Don’t Know
   (28% T.)

23. When it is necessary for you to stay in a hotel or motel, what general price describes the type of accommodation which best suits you?

1. 5 $15-$20
   (6.7% T.)
2. 31 $21-$30
   (41.3% T.)
3. 30 $31-$40
   (40% T.)
4. 6 $41-$50
   (8% T.)
5. 2 $50-$80
   (2.7% T.)
6. 1 Over $80
   (1.3% T.)

24. Do you subscribe to the Tribune?

1. 65 Yes
   (88.7% T.)
2. 10 No (If yes, go to number 25; if no, go to number 26.)
   (13.3% T.)

25. Do you read the entertainment page?

1. 55 Yes
   (73.3% T.)
2. 10 No
   (13.3% T.)
3. 10 Not Applicable
   (13.3% T.)

26. What Great Falls radio station do you listen to most often?

1. 11 KODI
   (14.7% T.)
2. 11 KQOZ
   (14.7% T.)
3. 13 K'MON
   (17.3% T.)
4. 10 KNUW
   (13.3% T.)
5. 16 KEIN
   (21.3% T.)
6. 4 KLFM-FM
   (5.3% T.)
7. 5 K-99
   (6.7% T.)
8. 2 KARR
   (2.7% T.)
9. 3 Don’t Listen/Don’t Know
   (4% T.)
27. Do you recall seeing or hearing an advertisement for a restaurant or cocktail lounge in January or February of this year?
   1.  41 Yes (54.7% T.)
   2.  34 No (45.3% T.) (If yes, go to number 28; if no, go to number 29.)

28. What was the name of the restaurant or cocktail lounge whose advertisement you saw or heard?
   1.  3 Sheraton (4% T.)
   2.  9 Heritage (12% T.)
   3.  2 Rainbow (2.7% T.)
   4.  18 Other (Name________________________) (24% T.)
   5.  9 Unknown (12% T.)
   6.  34 Not Applicable (45.3% T.)

29. And my last question for classification purposes, are you:
   1.  24 Male (32% T.)
   2.  51 Female (68% T.)
APPENDIX 13

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
FIVE AND SIX
CROSS-TABULATION OF TOURIST BY REASON

APPENDIX 13
APPENDIX 14

BROCHURE: "TAKE THE C. M. RUSSELL TRAIL BETWEEN GLACIER AND YELLOWSTONE--THE INTER-PARK CONNECTION"
APPENDIX 15

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
TWENTY-ONE AND TWENTY-THREE
CROSS-TABULATION OF ROOM PRICES BY PRICE

<table>
<thead>
<tr>
<th>Price</th>
<th>Category 1</th>
<th>Category 2</th>
<th>Category 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>10</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>Medium</td>
<td>25</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>High</td>
<td>50</td>
<td>55</td>
<td>60</td>
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APPENDIX 15
APPENDIX 16

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
FIVE AND TWENTY-ONE
CROSS-TABULATION OF TOURIST BY ROOM COST

<table>
<thead>
<tr>
<th>Room Cost</th>
<th>Category 1</th>
<th>Category 2</th>
<th>Category 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
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<td>Data</td>
<td>Data</td>
</tr>
<tr>
<td>Medium</td>
<td>Data</td>
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<td>Data</td>
</tr>
<tr>
<td>High</td>
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<td>Data</td>
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APPENDIX 16
APPENDIX 17

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
FIVE AND TWENTY-THREE
CROSS-TABULATION OF TOURIST BY PRICE

<table>
<thead>
<tr>
<th>Price Level</th>
<th>Category 1</th>
<th>Category 2</th>
<th>Category 3</th>
<th>Category 4</th>
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</thead>
<tbody>
<tr>
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<td>200</td>
<td>300</td>
<td>400</td>
</tr>
<tr>
<td>Medium</td>
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<tr>
<td>Low</td>
<td>200</td>
<td>300</td>
<td>400</td>
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APPENDIX 17
APPENDIX 18

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
ONE AND TWENTY-NINE
CROSS-TABULATION OF AGE BY SEX

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<th>AGE</th>
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<td>12</td>
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<td>15-44</td>
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<td></td>
</tr>
<tr>
<td>45-64</td>
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<td>65+</td>
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APPENDIX 18
APPENDIX 19

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
TWO AND FIVE
CROSS-TABULATION OF FIRST-CLASS IMAGE BY TOURIST

<table>
<thead>
<tr>
<th>TOURIST</th>
<th>PART ONE</th>
<th>PART TWO</th>
<th>OTHER</th>
<th>UNITED</th>
<th>ALL TOTAL</th>
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<tr>
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<tr>
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APPENDIX 20

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
TWO AND SEVEN
## CROSS-TABULATION OF FIRST-CLASS IMAGE BY FIRST-CLASS HOTEL

<table>
<thead>
<tr>
<th>Location</th>
<th>Hotel A</th>
<th>Hotel B</th>
<th>Hotel C</th>
<th>Total</th>
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<tbody>
<tr>
<td>West</td>
<td>12</td>
<td>20</td>
<td>15</td>
<td>47</td>
</tr>
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<td>East</td>
<td>18</td>
<td>13</td>
<td>24</td>
<td>55</td>
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<tr>
<td>North</td>
<td>10</td>
<td>15</td>
<td>12</td>
<td>37</td>
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<tr>
<td>South</td>
<td>15</td>
<td>20</td>
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</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>5</td>
<td>10</td>
<td>23</td>
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**Total:** 90

APPENDIX 20
APPENDIX 21

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
FIVE AND SEVEN
CROSS-TABULATION OF TOURIST BY FIRST-CLASS HOTEL

<table>
<thead>
<tr>
<th>Hotel 1</th>
<th>Hotel 2</th>
<th>Hotel 3</th>
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</thead>
<tbody>
<tr>
<td>Type 1</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Type 2</td>
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APPENDIX 21
APPENDIX 22

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
SEVEN AND SIXTEEN
CROSS-TABULATION OF FIRST-CLASS HOTEL BY SHERATON FIRST-CLASS

<table>
<thead>
<tr>
<th></th>
<th>STRONG</th>
<th>POSE</th>
<th>NO SPIN</th>
<th>DISEASE</th>
<th>ETHNS</th>
<th>RDN TOL.</th>
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<tr>
<td>Sheraton</td>
<td></td>
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<td></td>
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APPENDIX 22
APPENDIX 23

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
FOURTEEN AND TWENTY-TWO
CROSS-TABULATION OF CHOICE OF BAR BY PRICES IN BAR

<table>
<thead>
<tr>
<th>PRICES IN BAR</th>
<th>EXPENSIVE</th>
<th>HERITAGE</th>
<th>STANDARD</th>
<th>OTHER</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>$0 - $9.99</td>
<td>5</td>
<td></td>
<td>10</td>
<td>9</td>
<td>24</td>
</tr>
<tr>
<td>$10 - $19.99</td>
<td>13</td>
<td>17</td>
<td>6</td>
<td>0</td>
<td>36</td>
</tr>
<tr>
<td>$20 - $29.99</td>
<td>8</td>
<td>22</td>
<td>6</td>
<td>0</td>
<td>36</td>
</tr>
<tr>
<td>$30 - $39.99</td>
<td>5</td>
<td>17</td>
<td>5</td>
<td>0</td>
<td>37</td>
</tr>
<tr>
<td>$40 - $49.99</td>
<td>3</td>
<td>17</td>
<td>5</td>
<td>0</td>
<td>35</td>
</tr>
<tr>
<td>$50 - $59.99</td>
<td>3</td>
<td>17</td>
<td>5</td>
<td>0</td>
<td>35</td>
</tr>
<tr>
<td>$60 - $69.99</td>
<td>3</td>
<td>17</td>
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</tr>
<tr>
<td>$70 - $79.99</td>
<td>3</td>
<td>17</td>
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<td>0</td>
<td>35</td>
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<tr>
<td>$80 and up</td>
<td>3</td>
<td>17</td>
<td>5</td>
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APPENDIX 23
APPENDIX 24

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
FIFTEEN AND TWENTY-TWO
CROSS-TABULATION OF BEST BAR BY PRICES IN BARS

<table>
<thead>
<tr>
<th>Price Range</th>
<th>Bar 1</th>
<th>Bar 2</th>
<th>Bar 3</th>
<th>Bar 4</th>
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<tbody>
<tr>
<td>$5 - $10</td>
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<td>18</td>
<td>12</td>
</tr>
<tr>
<td>$11 - $15</td>
<td>18</td>
<td>22</td>
<td>19</td>
<td>13</td>
</tr>
<tr>
<td>$16 - $20</td>
<td>22</td>
<td>28</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>$21 - $25</td>
<td>25</td>
<td>30</td>
<td>24</td>
<td>17</td>
</tr>
<tr>
<td>$26 - $30</td>
<td>28</td>
<td>32</td>
<td>26</td>
<td>18</td>
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</table>

APPENDIX 24
APPENDIX 25

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
TWENTY-FOUR AND TWENTY-FIVE
CROSS-TABULATION OF TRIBUNE BY ENTERTAINMENT PAGE

<p>| | | |</p>
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APPENDIX 25
APPENDIX 26

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
TWENTY-FIVE AND TWENTY-SEVEN
CROSS-TABULATION OF ENTERTAINMENT PAGE BY RECALL AD

<table>
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<tr>
<th>Article</th>
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</tbody>
</table>

APPENDIX 26
APPENDIX 27

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
TWENTY-FIVE AND TWENTY-EIGHT
CROSS-TABULATION OF ENTERTAINMENT PAGE BY AD RECALL NAME

<table>
<thead>
<tr>
<th>Ad Recall Name</th>
<th>Entertainment Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Yes</td>
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<tr>
<td>B</td>
<td>No</td>
</tr>
<tr>
<td>C</td>
<td>Yes</td>
</tr>
<tr>
<td>D</td>
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APPENDIX 27
APPENDIX 28

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
TEN AND TWENTY-TWO

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
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</tbody>
</table>
### CROSS-TABULATION OF FIRST CHOICE DINNER BY PRICES IN RESTAURANT

<table>
<thead>
<tr>
<th>PRICE</th>
<th>HERITAGE</th>
<th>HERITAGE</th>
<th>RADIAN</th>
<th>OTHER</th>
<th>JUNIOR</th>
<th>OTHER</th>
<th>TOTAL</th>
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**APPENDIX 28**
APPENDIX 29

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
TWELVE AND TWENTY-TWO
### CROSS-TABULATION OF BEST RESTAURANT BY PRICES IN RESTAURANT

<table>
<thead>
<tr>
<th>BEST RESTAURANT</th>
<th>APPENDIX</th>
<th>HERITAGE</th>
<th>MONET</th>
<th>OTHER</th>
<th>UNKNOW</th>
<th>ROW TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHEERLO</td>
<td>10</td>
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<td>0.0</td>
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<td>11</td>
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APPENDIX 30

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
TEN AND EIGHTEEN
CROSS-TABULATION OF CHOICE OF RESTAURANT BY SHERATON FOR DINNER

<table>
<thead>
<tr>
<th></th>
<th>STRONG A</th>
<th>STRONG B</th>
<th>STRONG C</th>
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<th>STRONG E</th>
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APPENDIX 30
APPENDIX 31
CROSS-TABULATION OF QUESTIONNAIRE ITEMS
SEVEN AND TWENTY-ONE
CROSS-TABULATION OF FIRST CLASS BY PRICES OF ROOMS

| Price Range | Reference | Number of Rooms | Percentage | Total
<table>
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<td>12</td>
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<tr>
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<td>16</td>
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<td>$50-55</td>
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APPENDIX 31
APPENDIX 32

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
SEVEN AND TWENTY-TWO
### CROSS-TABULATION OF FIRST CLASS BY PRICES IN RESTAURANT

<table>
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<tr>
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<th>HERITAGE</th>
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<th>OTHER</th>
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</table>

**LEGEND**
- **PRICE**
- **CASH**
- **OTHERS**
- **IN TOTALS**

**APPENDIX 32**
APPENDIX 33

CROSS-TABULATION OF QUESTIONNAIRE ITEMS
FIVE, TWENTY-ONE AND TWENTY-THREE
CROSS-TABULATION OF TOURIST BY PRICES FOR ROOMS BY PRICES WILLING TO PAY

<table>
<thead>
<tr>
<th>PRICES WILLING TO PAY</th>
<th>( \leq 20 )</th>
<th>( 21-40 )</th>
<th>( 41-50 )</th>
<th>( 51-70 )</th>
<th>( 71-90 )</th>
<th>( \geq 91 )</th>
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<td>2</td>
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APPENDIX 33
<table>
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<th>PRICES FOR ROOMS</th>
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<th>25-30</th>
<th>31-40</th>
<th>41-50</th>
<th>51-60</th>
<th>61-69</th>
<th>OVER 70</th>
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APPENDIX 33-Continued
### Per Capita Income and Number of People Willing to Pay

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| **APPENDIX 33-Continued**

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### APPENDIX 33-Continued

| Country | 15-20 | 21-30 | 31-49 | 50-69 | 70+ | OVER 80 | Total
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**Note:** The table continues with more data for each country.
BIBLIOGRAPHY

BOOKS


PUBLISHED REPORTS


PERIODICALS


MISCELLANEOUS


Cherry, Tom. Travelhost Communications, Helena, Montana. Interview, April 14, 1983.


Gentry, Joan. Sheraton Inn, Great Falls, Montana. Interview, March 30, 1983.