

MONTANA

DESTINATION BRAND RESEARCH STUDY

Report of Findings
October 2016

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MONTANA BRAND STUDY

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PROJECT OVERVIEW

About the Montana Brand Study

This report presents the insights yielded from a comprehensive, in-depth study of the Montana destination brand conducted by Destination Analysts, Inc. on behalf of the State of Montana Office of Tourism and Business Development (referred to within this document as “the State”). The findings presented are based on the combined results of four distinct but interconnected research projects, which are described in detail following. The results of this research are designed to guide the Montana Office of Tourism and Business Development in the execution of its branding efforts for Montana—from positioning to creative communication to audience targeting—and to assist the organization’s strategy on all levels of its marketing and advertising.

Objectives

The overarching goal of this research undertaking was to deeply explore—and from multiple angles and audience perspectives—the Montana destination brand. On a high-level, the research sought to identify:

- The notions, ideals and dreams the destination brand Montana represents to its current and potential consumers
- The values—both positive and negative—the Montana destination brand is perceived to deliver to its current and potential consumers
- The Montana’s destination brand potential

The research was thus specifically designed to provide the State with an evaluation of:

- Montana’s overall familiarity, awareness and appeal as a travel destination

- The strengths, weaknesses, opportunities and threats Montana’s destination brand and tourism industry overall have and face
- The features and values that set Montana apart from its competitors as a travel destination, and how existing brand positioning can be re-envisioned to further highlight these differences to potential visitors
- The defining characteristics and demographic and psychographic profiles of Montana’s likeliest high-value customers, and the specific motivators they have for consuming Montana’s travel product
- The best strategies and types of marketing content suited to target high-value customers

The findings from this evaluation were set-up to then be refined and summarized into a recommended brand platform for Montana.

Research Methodology

Given the necessary complexity of the project’s objectives, four primary research studies were conducted to address these: In-Depth Interviews with Montana Tourism Stakeholders, Brand Exploration Survey of Travelers in Key Markets, In-Depth Interviews of Potential Montana Visitors, and Focus Groups of Travelers in Target Markets. Each study is described in detail below.

- **Stakeholder In-Depth Interviews** – Destination brand development requires input and buy-in from key tourism stakeholders. Destination Analysts conducted 30-minute phone interviews with 31 key stakeholders throughout the State, including DMO leaders, hoteliers, attractions management, cultural organizations, governmental officials and other key voices in the tourism community throughout the state. These interviews developed a knowledge base to inform and evolve the other parts of the project.
- **Montana Brand Exploration Survey of Travelers in Key Markets**– The goal of this research component was to quantify the opinions of leisure travelers in order to

develop indexing on potential visitor groups and their value, measure the depth of perceptions about the Montana brand and benchmark key destination brand metrics. The survey was administered online to the panel managed by Toluna/Greenfield—one of the top global survey sample providers. Survey respondents were screened for leisure travel behavior, defined as adults who have taken at least one trip (to a destination 50 miles or more from their primary residence) that included an overnight stay for purely leisure reasons in the past 12 months. A nationally representative sample of 1,000 American leisure travelers was collected, as well as an oversample of 300 leisure travelers in these 17 key domestic and Canadian tourism markets: Atlanta, GA; Boise, ID - Salt Lake City, UT; Chicago, IL; Dallas - Fort Worth, TX; Denver, CO; Edmonton - Calgary, AB; Las Vegas, NV; Los Angeles, CA; Minneapolis - Saint Paul, MN; New York, NY; Phoenix, AZ; Portland, OR; San Francisco, CA; Saskatoon - Regina, SK/Winnipeg, MB; Seattle, WA; Vancouver - Victoria, BC; Washington, DC. In total, 6,245 completed surveys were collected. A sample of this size allowed for multiple segmentations of the data, providing a powerful information set as background for subsequent qualitative research.

- **In-Depth Interviews of Potential Montana Visitors** – The goal of this research component was to build on the learning from the survey and develop a deeper understanding of traveler perceptions and ways of thinking about Montana. A discussion guide was designed towards this objective and interview participants were recruited from Destination Analysts’ consumer panel as well as targeted online ads. Participants were screened for openness to leisure travel that centered on outdoor experiences. A variety of demographics and psychographics were represented. In total, 30 potential Montana visitors were interviewed for 45-minutes via online video conference.
- **Focus Groups of Potential Montana Visitors in Key Markets** – Focus groups of potential visitors in New York, Denver, San Francisco and Vancouver, BC served as the final step in the primary research conducted in order to test brand platform concepts emerging from

the learnings of the other research components, as well explore and identify successful messaging strategies. Two evening focus groups of 10 participants were held in each of the four markets, for a total of eight focus groups.

In addition to the studies previously detailed, the following secondary research sources were used in this analysis:

- Destination Analysts' *The State of the International Traveler Study*—An annual survey of 11,200 likely international travelers which—in addition to travel preferences and behaviors—tracks the brand performance of 60+ U.S. destinations—including Montana—in 14 top global feeder markets to the United States.
- Destination Analysts' *The State of the American Traveler Study*—A quarterly survey of 2,000 American leisure travelers which tracks American travel sentiment, opinions and behaviors, as well as key brand metrics on 60+ U.S. destinations.
- US Travel's Project Time-Off Report—A study of working Americans which examined paid vacation time usage and deterrents to PTO fulfillment.



EXECUTIVE SUMMARY

Key Findings

Competitive Analysis

- **Montana’s tourism industry operates in an intensely competitive market.** Travelers are fully aware that they have many destination choices. The typical American Millennial traveler, as example, actively considered at least five destinations when deciding where to go for their last trip. In focus groups conducted for this study, it was not unusual for participants to report recent travel to or consideration of destinations on multiple continents.
- **Outdoor travel is big business.** Half of travelers surveyed in this study reported that 50 percent or more of their leisure trips in the past two years were nature-focused outdoor trips. However, although American travelers are devoting a strong proportion of their leisure travel to nature-based experiences, they are consistently lured by the excitement and approachability of urban destinations and the easy relaxation offered by beach/resorts.
- **Still, Montana’s competition is not limited to a set of comparable destinations. Urban destinations compete with nature-based ones.** Further illustrative of the intense competitive environment, even travelers surveyed in this research who find Montana “extremely exciting,” fully 30.8 percent of them say they strongly prefer urban experiences over nature-based ones. In contrast, just 13.0 percent of this group says they strongly prefer nature-based experiences.

- **Montana is currently a second-tier brand in terms of top-of-mind awareness for scenic, outdoor experiences in the West.** When the over 6,200 travelers surveyed were asked to think about the destinations in the western United States that they would like to visit to enjoy outdoor activities and scenic beauty and list the top three, 3.4 percent specifically wrote in “Montana.”
- **With familiarity a clear driver of destination demand, fewer potential visitors have experience with Montana relative to its top competitors, and familiarity with Montana’s tourism product is not strong.** When asked about their familiarity with the attractions and things to do in each of the destinations tested, 27.1 percent of travelers surveyed reported being “mostly familiar” or “extremely familiar” with those of Montana.
- **Although excitement about Montana as a travel destination is significant, it is at a level that makes the state less relatively competitive.** In total, 40.6 percent of surveyed travelers rated Montana’s attractions and things to do as either “exciting” or “extremely exciting.” While this is a strong level, it does not put the state in a strong position against its competition. Nearly the same total proportion characterized California as “extremely exciting.”
- **Montana is an aspirational destination, and effectively converting this aspiration to visitation should well benefit the state’s tourism industry.** When asked which of seventeen tested destinations they were likely to visit in the next five years, over one-in-five surveyed travelers selected Montana (21.0%). This level of interest in visiting Montana is notably greater than the rate of past visitation (21.0% vs. 13.8%), suggesting that there exists considerable untapped demand.
- **Travelers’ perceptions of Colorado make it clearly Montana’s top regional competitor.** In addition to awareness, demand, excitement for and visitation at significantly higher

rates than Montana, the qualitative components of this research illuminated the very directly competitive relationship Colorado represents. Montana's firm second place position to Colorado can be seen in a number of key destination brand attributes. Travelers surveyed were asked to evaluate Alberta, Colorado, Idaho, Montana, Wyoming and Utah on scenic beauty, potential for a vacation road trip, family friendly environment, national parks, winter recreational activities, and place I most want to visit, then select the one best destination for each. For every attribute tested, Colorado was selected as the best destination, with Montana typically coming in as a distant second.

- **Nevertheless, based on the findings from the qualitative components of this research, Montana is well positioned to capitalize on Colorado's ever increasing weaknesses—crowdedness, losing authenticity, high costs and over development.** In addition, it is important to note that, despite its firm second place position, Montana is, again out performing Utah, Wyoming and Idaho.
- **Of all American destination types, international travelers have the most enthusiasm for U.S. National Parks, presenting Montana's great potential for attracting international visitors.**
- **Although Montana may not yet be a first-tier destination in the minds of international travelers, the state is positioned to capture visitation from international travelers, particularly those who have already experienced the major cities and/or are looking for new, authentic American experiences that Montana is exceptional at offering.** And although Colorado is currently tracking ahead on key brand metrics globally, Montana appears in a far more competitive position.

Audience Analysis

- **Montana’s destination appeal is extremely strong.** Nearly two thirds of survey respondents (59.5%) report that they find Montana to be an either “Appealing” or “Extremely appealing” place to visit. Three-fourths of respondents (77.3%) say the state is in some way appealing, and only 9.2 percent rate the state as unappealing in any way.
- **Targeting recommendations.** Montana’s strong brand equity position suggests a strategy to target both an appropriate overall or mass audience, as well as niche markets that support the organization’s objectives of promoting the state’s various regions and off-season and shoulder season travel.
- **Targeting the high potential visitor.** The recommended approach to developing a brand platform and targeting strategy revolves around the concept of a “high potential visitor.” The following segment definitions are used:
 - **High Potential Visitors (Warm Season):** Travelers who have a high potential to visit the Northern Rocky Mountain region in the next two years, and who believe Montana to be an exciting summer travel destination. This traveler segments includes all survey respondents with a Montana Visitation Index score from 76 to 100. This group represents 18.7 percent of the travelers represented in the survey.
 - **High Potential Visitors (Cold Season):** Travelers who have a high potential to visit the region in the next two years, and believe Montana to be an exciting destination for winter travel. This traveler segments includes all survey respondents with a Montana Visitation Index score from 76 to 100. This group represents 13.5 percent of the travelers represented in the survey.

- Market Potential: Proportion of High Potential Visitors.** An important goal of this research is to identify the market areas of highest potential for Montana. Using the simple approach of evaluating the proportion of residents of a metropolitan area classified as high potential, we see the strongest markets.

Strongest Markets – Warm Season (% High Potential)

Denver, CO	25.2%
Boise-Salt Lake City, ID/UT	25.2%
Los Angeles, CA	25.0%
New York City, NY	23.3%
Edmonton-Calgary, AB	20.8%

Strongest Markets – Cold Season (% High Potential)

Los Angeles, CA	23.0%
New York City, NY	22.9%
Chicago, IL	14.8%
Washington, DC	14.1%
Denver, CO	12.5%

- Market Size: Population of High Potential Visitors.** Another valuable perspective is to estimate the absolute volume of high potential visitors in each market. Using this study’s approach to measuring high potential visitors allows us to estimate the incidence of hotel potential visitors (warm and cold season) in each metropolitan area studied. The top markets are shown below.

WARM SEASON	High Potential Visitors (%)	Households	Market Size (Households)
New York City, NY	23.3%	7,368,320	1,713,563
Los Angeles, CA	25.0%	5,489,810	1,372,453
Chicago, IL	19.3%	3,475,220	672,256
Washington, DC	17.4%	2,443,640	424,633
Denver, CO	25.2%	1,576,090	396,632

COLD SEASON	High Potential Visitors (%)	Households	Market Size (Households)
New York City, NY	22.9%	7,368,320	1,689,083
Los Angeles, CA	23.0%	5,489,810	1,262,656
Chicago, IL	14.8%	3,475,220	512,737
Washington, DC	14.1%	2,443,640	344,513
Dallas-Fort Worth, TX	11.5%	2,646,370	303,682

- Canadian cities tend to score lower than American cities in terms of the proportion of residents classified as high potential visitors.** Canadian provinces were uneven in the proportion of residents classified as high potential. Edmonton-Calgary, AB and Winnipeg, MB far surpass Vancouver-Victoria, BC and Regina-Saskatoon, SK in the proportion of high potential visitors.
- In California, Los Angeles appears to be a hotbed of interest in Montana, far surpassing the San Francisco Bay Area.** The high levels of interest in Montana seen here were reflected in the qualitative findings of the focus groups, with New Yorkers showing high enthusiasm for Montana. Similarly, the relatively modest results for San Francisco seem to be consistent with the comparatively lukewarm reception for the state’s travel offering seen in the focus groups.
- New York and Los Angeles are strong for cold season potential.** In terms of cold season as measured by the proportion of residents categorized as high potential visitors, New York and Los Angeles again perform very well, far outpacing the other metropolitan areas.

Two high-value niche segments are a natural fit for Montana:

- Family travelers are a natural fit with Montana’s travel product, including that available in the Eastern portion of the state.** They are a large and lucrative segment. In the Montana Brand Exploration Survey, approximately one-third, 32.0 percent, of

travelers reported having children under the age of 18 in their homes. Like high potential visitors, family travelers index high on outdoor psychographics, have high incomes and would expect to spend more and stay longer in the state than other travelers.

- **History buffs are also clearly a high-value audience that fits Montana perfectly.** They represent over one-third, 34.7 percent, of the overall population of the state's key target markets. History buffs score higher on the outdoor psychographic index, have higher incomes and would spend more and stay longer in Montana compared to travelers who are not history buffs. Again, this is a large and lucrative niche segment.
- **Although retirees are an important current audience for Montana, they are a smaller, lower-value segment.** This group represents approximately 15 percent of the overall population of the state's key target markets (14.7%). In an environment where limited funds are available to address marketing segments, retirees do not appear to represent a high-value segment. Using all of the data points used to evaluate the other niche segments, retirees are problematic. In short, they are less interested in outdoor experiences while traveling, less excited about Montana, have lower incomes and when reporting about their idea trip to the state, appear to be less likely to be big spenders.

Brand Perception Analysis

- **The promise of the Montana travel experience, when distilled to its essence, is described by the following brand positioning:** Montana's unique scenic beauty and unspoiled natural assets make it an unequaled place to independently engage with the natural world while still enjoying the comforts of the modern one. Montana is a place set apart, both physically and culturally, that attracts those with freedom and adventure in their hearts. It is where the traveler enjoys experiences that are entirely new, as well as novel ways of enjoying the familiar.

- **The three core elements of this positioning emerged from an analysis of the data collected in this research are (1) unique natural encounters without giving up the comforts of modern comfort, (2) comfortable isolation that attracts free-spirited adventurers, (3) a place for entirely new experiences and a place for new ways of experiencing the familiar.**
- **Travelers clearly see Montana as an allegory for open-mindedness, freedom, adventure, self-confidence, a reverence for the natural world and a rejection of fear and superfluous rules.**
- **In the eyes of the traveling public, Montana is closely associated with outdoor travel and its National Parks.** In the Montana Brand Exploration Survey, Glacier National Park (25.9%), Mountains and Valleys (22.2), Enjoying nature (19.9%) and Yellowstone National Park (16.5%) were the strongest top-of-mind associations with the state.
- **Montana should assume little working knowledge of its destination attributes among the traveling public.** Beyond a general understanding of Montana’s mountainous areas and National Parks, a detailed knowledge about the state’s destination attributes is lacking.
- **Montana evokes vivid, emotional imagery of the outdoors in the mind of the traveler. Travelers appear to see the state’s natural wonders frequently in superlatives.** This was seen in open-ended survey responses as well as very dramatic portrayals of the state’s imagery in in-depth interviews and focus groups.
- **Montana’s beauty is seen as different from that of its competitors.** Its landscapes were described as feeling bigger and more open. As product differentiation is central to developing an effective brand platform, this should be considered a central element of how travelers perceive the state

- **Montana promises traveler an important degree of experiential novelty.** Throughout the qualitative side of the research, participants continuously pointed out that what Montana offered was either new to them or offered a new way of experiencing the what they already had done. In fact, the very act of taking a trip to Montana was thought to be extremely “experiential” in its essence.
- **Although leisure travelers generally understand that Montana is a year-round destination, there is a noticeable preference for travel to Montana during the warm season.** Respondents to the Montana Brand Exploration Survey reported substantial levels of excitement for traveling to Montana during the warm season. Similar sentiments were expressed in the qualitative research.
- **To know Montana appears to be to love it.** Travelers familiar with the state give it significantly better attribute ratings than those unfamiliar with the state.
- **Montana is perceived as challenging to access.** In addition to the state’s destination attribute weaknesses, the Montana brand brings with it this perceived challenge.
- **Perceived costs and time requirements inhibit visitation to Montana.** Focus group and in-depth participants expressed serious concerns about the cost of a trip to Montana. Beyond the cost of traveling to Montana, many generally felt that a trip to Montana would require a significant investment of time.

SWOT Analysis

The analysis conducted for this research yielded the following SWOT summaries:

- **Strengths:** Montana is a place with a unique and diverse beauty unlike its competition. The state is custom made for the great American road trip and is known for its remote, unpopulated, wide-open skies and unspoiled ambiance. While Glacier and Yellowstone National Parks add force to the state’s tourism prowess, Montana’s little known state

park system is a true gem, with tremendous potential for adding to exciting overall trip itineraries. The state's wildlife is another compelling attraction, giving travelers the chance to see exciting and exotic animals that are extrinsic to their normal life experiences. Montana's charming small towns, mountain resorts and dude ranches are also important brand pillars, allowing travelers engaging access to the comforts of modern life that they strongly desire. Montana's safe, welcoming vibe and deep roots in American ranch/cowboy culture also set it apart from its competitive set.

- **Weaknesses:** Montana has several weaknesses that will challenge the industry's ability to drive incremental visitation to the state. Chief among these is low levels of consumer understanding of the state's tourism offerings. This includes lack of knowledge regarding the state's attractions, history, culture and misperceptions about the cost of visiting the state. Montana is also more geographically isolated than its direct competition. While this has important positive implications for the brand, the state can seem intimidating if the visitor experience is presented as isolated or lonely. Montana's harsh winter weather and Spring/Fall capacity challenges the state's ability to fill the shoulder seasons. Infrastructure challenges including air access and regional connectivity issues are problematic.
- **Opportunities:** Montana has significant opportunity for tourism growth. Compared to competitive destinations that provide similar travel product to travelers, Montana is considered to be less crowded. Montana's shoulder season has strong potential for tourism growth. The opportunity for this tourism growth is in both domestic and international markets, as seen in reported interest in travel for outdoor experiences as well as significant reported excitement and interest in visiting Montana.
- **Threats:** Montana's tourism growth faces some significant threats. There is strong domestic and international competition for the attention of leisure travelers made more significant by potential funding issues at the state level combined with growing tourism budgets in competing destinations. Leisure travelers expressed significant hesitation to

visiting Montana based on the perception that such a trip requires a significant time commitment, especially considering shrinking amounts of usable vacation time. Developing more international visitation to the state may be a challenge with current limitations on airlift, currency fluctuations and domestic political uncertainty. There are also risks to the environment and Montana's core selling points from industrial overdevelopment.

Brand Strategy Platform

It is recommended that the following key brand platform elements be adopted as the foundation of Montana's brand communications.

- **Brand positioning:** Montana's unique scenic beauty and unspoiled natural assets make it an unequalled place to engage with the natural world while still enjoying the comforts of the modern one. Montana is a place set apart, both physically and culturally, that attracts free-spirited adventurers. It is where the traveler enjoys experiences that are entirely new, as well as novel ways of enjoying the familiar.
- **Brand personality:** Exciting and adventurous; Free and independent; Honest; Captivating.
- **Brand values:** Uniquely powerful encounters with the natural world; A place for new and unexpected experiences; Authentic and not touristy; Access to unspoiled nature with the comforts of modern life
- **Brand insight:** Free-spirited Adventure

Messaging Guidelines

The report presents the following recommendations for marketing messaging:

- **Remain focused on the essential elements of the brand platform.** Specifically, the State should position Montana in accordance with the brand insight: *free-spirited adventure*. Montana also brings great value as a place that is authentic for new and unexpected experiences, where visitors can have uniquely powerful encounters with the natural world, as well as access to unspoiled nature and the comforts of modern life. Montana represents what its audience is or aspires to be: exciting and adventurous, free and independent, honest, and captivating

- **The general messaging guidelines for the high potential Montana visitor suggest that the State's marketing should:**
 - Project an honest and genuine voice
 - Provide specifics on and descriptions of Montana attractions and activities
 - Avoid marketing jargon, hyperbole and exaggerated phrases

- **Primary messages to the high potential audience should position Montana as:**
 - A place for free-spirited adventure
 - A place for new experiences and where one can find new ways to experience the familiar.
 - A place where one has access to uniquely powerful encounters with the natural world, as well as the comforts of modern life.
 - Unique scenic beauty (sweeping mountain ranges, big sky ambiance and diverse geography)
 - Remote, unpopulated and unspoiled ambiance
 - Outstanding National Parks offerings
 - A surprisingly compelling state parks system
 - Abundant scenic byways and opportunities for road trip adventures

- **Family Travelers represents approximately one-third, 32.0 percent, of the overall population of travelers the state’s key target markets and will be moved by messaging related to:**

 - Dinosaur trails and fossils, especially Makoshika State Park
 - Appeal as a place where kids can run around and be free
 - Appeal as a place where kids can have hands-on experiences with nature
 - Fun and interactive educational opportunities
 - Abundant outdoor recreational opportunities
 - Affordability
 - Safety

- **History Buffs account for over one-third, 34.7 percent, of the overall population of the state’s key target markets. Communication with these travelers should focus on:**

 - Native American heritage, culture and events
 - Lewis and Clark Expedition sites and trails
 - Wild West ghost towns
 - Dinosaur trails and fossils, especially Makoshika State Park
 - U.S. historical sites, such as Custer Gallatin National Forest, Rosebud Battlefield State Park and Little Bighorn Battlefield National Monument

- **Winter Enthusiasts represent one-fifth of the overall population of the state’s key target markets (19.0%) and differentiation appears to be critical in attracting their interest.** The potential for this audience will be best exploited by focusing on ski-related trips, differentiating Montana from Colorado and Utah markets by highlighting Montana’s:

 - Lack of tourists and crowds – shorter lines for ski lift, more relaxing ambiance at ski resorts compared to other ski destinations
 - Affordability compared to competitive ski destinations
 - Opportunities to view the Northern Lights



COMPETITIVE ANALYSIS

Examining the Montana Brand Within the Crowded & Competitive Marketplace

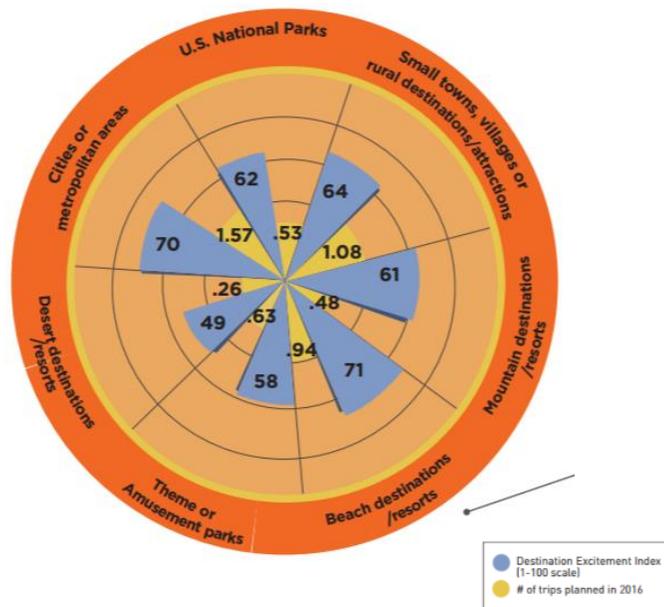
Perhaps no other type of brand faces the volume of competition destination brands do. The openness of much of the planet to human access puts the number of options available for a travel experience in the tens of thousands. And travelers continue to demonstrate an awareness of their many choices when it comes to their travel perceptions and behaviors. The typical American Millennial traveler, as example, actively considered at least five destinations when deciding where to go for their last trip. In focus groups conducted for this study, it was not unusual for participants to report recent travel to or consideration of destinations on multiple continents.

It is therefore important then that the Montana brand is examined in this reality, from the perspective of where it sits—and what values it brings—relative to other brands, particularly those most wedded to the same values in the minds of travelers.

Demand for Outdoor Experiences

Half of travelers surveyed in this study reported that 50 percent or more of their leisure trips in the past two years were nature-focused outdoor trips. **However, although American travelers are devoting a strong proportion of their leisure travel to nature-based experiences, they are consistently lured by the excitement and approachability of urban destinations and the easy relaxation offered by beach/resorts.** The

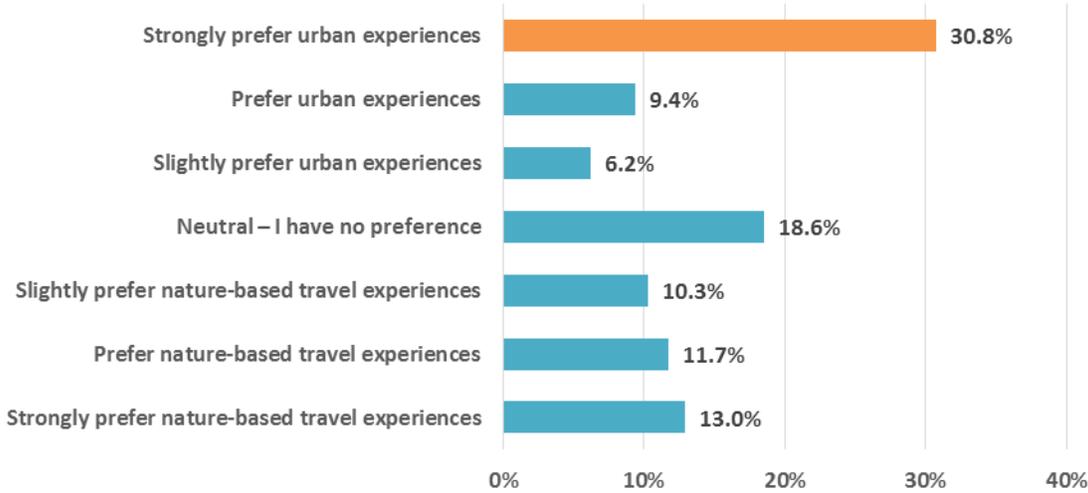
Destination Excitement Index—US Travelers



infographic at right summarizes the Destination Excitement Index for 2016, in which American travelers’ enthusiasm for seven destination types was measured and scored on a 100-point scale and plotted against the reported estimate of the number of trips they would take to each type of destination. Beach destinations/resorts inspire the strongest enthusiasm, very closely followed by cities. Rural destinations and small towns, mountain destinations and U.S. National Parks, while generating sizable excitement, score well below these two destination types on the index.

Further illustrative of the competition posed by urban destination experiences, even travelers surveyed in this research who find Montana “extremely exciting,” fully 30.8 percent of them say they strongly prefer urban experiences over nature-based ones. In contrast, just 13.0 percent of this group says they strongly prefer nature-based experiences.

Nature-Based vs Urban Travel Experience Preference Amongst Travelers Most Excited about Montana



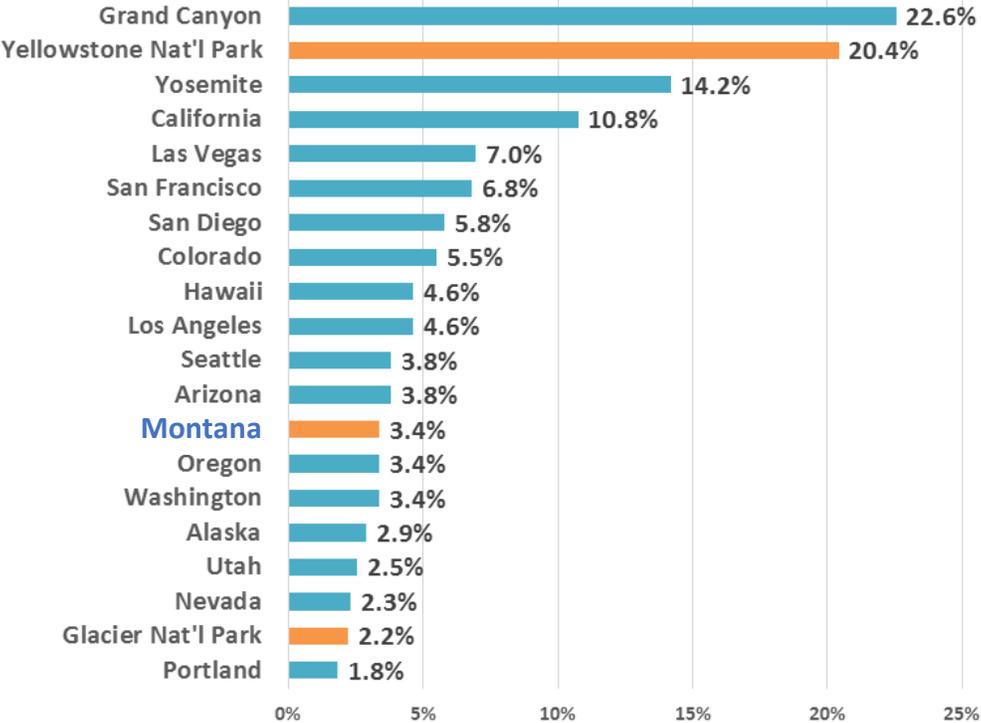
Question: Please think about the types of vacations you most like to take. Which best describes your preference for urban travel experiences compared to nature-based travel experiences? Source: Montana Brand Exploration Survey, 2016.

Montana’s Presence in the Travel Conscious

Montana is currently a second-tier brand in terms of top-of-mind awareness for scenic,

outdoor experiences in the West. When the over 6,200 travelers surveyed were asked to think about the destinations in the western United States that they would like to visit to enjoy outdoor activities and scenic beauty and list the top three, 3.4 percent specifically wrote in “Montana” (see chart following). As seen in both the survey and the qualitative research conducted for this study, National Parks particularly dominate initial thinking about where to go and what to see in the West. Over one in five survey respondents wrote in Grand Canyon National Park and/or Yellowstone National Park as one of the three places they most wanted to visit for an outdoor-focused trip. Just over 2 percent selected Glacier National Park. While Montana does indeed geographically have three of the five entrances to Yellowstone, it is important to note that based on the in-depth interviews and focus groups, Yellowstone is primarily perceived as a stand-alone brand—not necessarily wedded to Montana. In addition to National Parks, Montana is overshadowed by the California brand. This includes several of that state’s most popular, tourism product-rich destinations that offer easy access to both urban and nature-based experiences, such as San Francisco, San Diego, and Los Angeles.

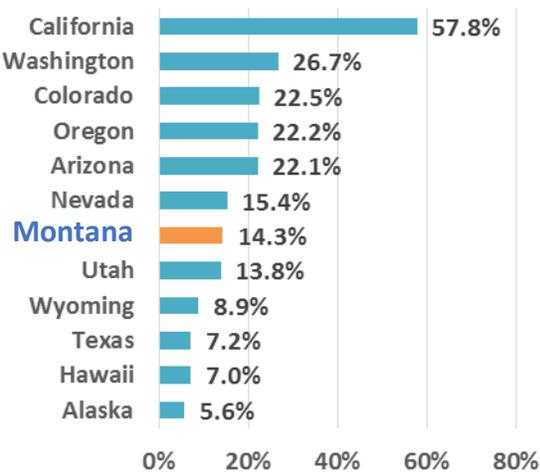
Top Destinations in Western U.S. of Interest for Enjoying Outdoor Activities and Scenic Beauty



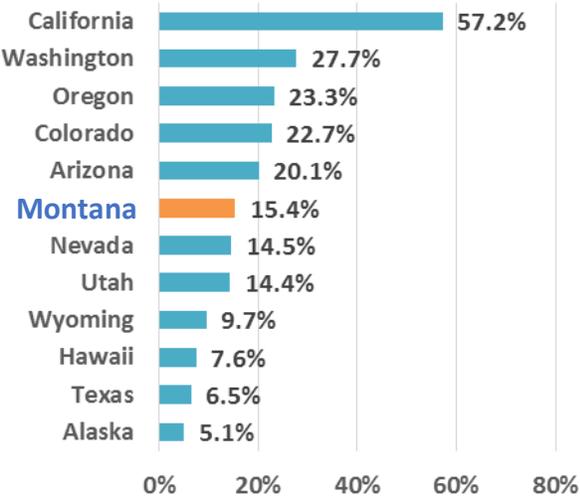
Question: Please think about travel destinations in the western United States (states, cities, parks, attractions, etc.) that you would like to visit specifically to enjoy outdoor activities and scenic beauty. Source: Montana Brand Exploration Survey, 2016.

When travelers think on a state-level about which destinations they most desire for outdoor trips in the West, it is evident that California, Colorado, Arizona and the Pacific Northwest states have clear market share. In looking at the top states named when surveyed travelers were asked to list which states in the Western U.S. they would most like to visit for outdoor trips, Montana’s second tier position is reiterated. Nearly 60 percent of travelers surveyed named California in response. Meanwhile, just 3.4 percent specifically named Washington and/or Oregon in the more open/general question about where they would like to go in the West (identical to Montana), these states leap up to take the respective second and statistically tied third positions behind California. Colorado and Arizona also have a strong top-of-mind position, with over one-in-five travelers listing them as one of the top three states they most want to go for outdoor experiences. Montana is firmly behind these five states, with 14.3 percent listing it—sitting in the same position as Utah and Nevada. Even when looking specifically at those that fit the profile of a high potential visitor to Montana, Montana’s position stays the same, with California, Washington, Oregon, Colorado and Arizona in front. Montana is, however, well out performing Wyoming, Alaska, Idaho and the Dakotas for this sentiment.

All Travelers Surveyed: Specific Western States for Enjoying Outdoor Activities and Scenic Beauty



High Potential Visitor: Specific Western States for Enjoying Outdoor Activities and Scenic Beauty



Question: Please think only about STATES in the western USA that you would like to visit to enjoy outdoor activities and scenic beauty. Source: Montana Brand Exploration Survey, 2016.

With familiarity a clear driver of destination demand, fewer potential visitors have experience with Montana relative to its top competitors, and familiarity with Montana’s

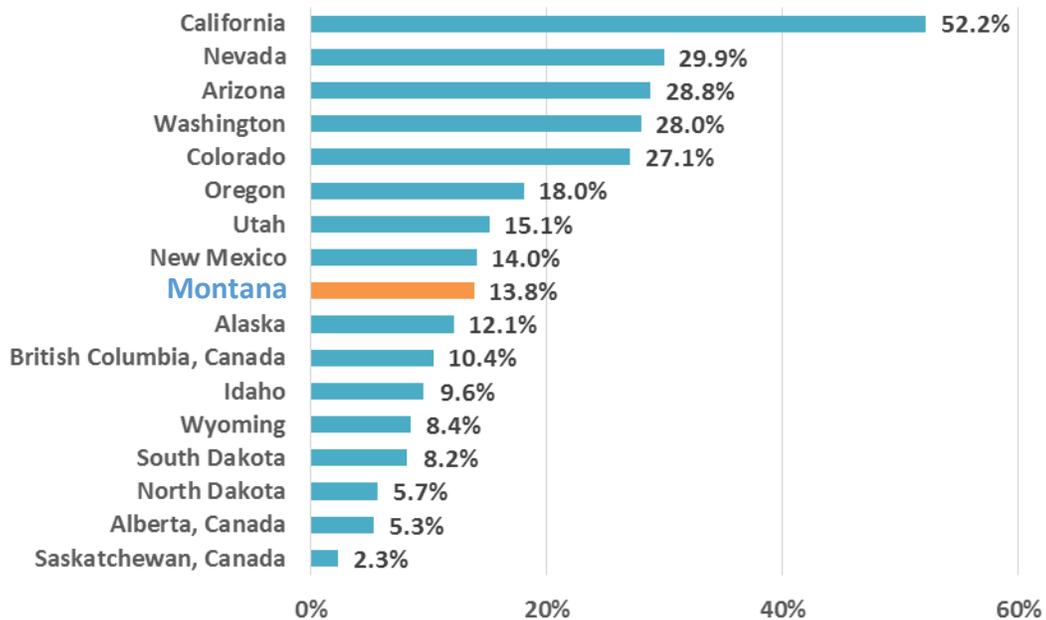
“Going on a quintessential outdoors trip, Montana doesn’t immediately come to mind... They’d go to Colorado, places that have a more recognizable name.”

--Focus group participant

tourism product is not strong. As illustrated in the chart following, 13.8 percent of travelers surveyed had visited Montana within the last five years. Meanwhile, over half took a trip to California and nearly three in ten had visited Nevada, Arizona, Colorado and/or Washington during this same time period. Almost one

in five took an Oregon trip. Montana is again similar to Utah, in which 15.1 percent report visiting, and ahead of Alaska, Idaho, Wyoming and the Dakotas.

Recent Visitation: Destinations Visited in the Past 5 years (Aided)



Question: Which of the following states (or Canadian provinces) have you visited as part of a LEISURE TRIP in the PAST FIVE (5) YEARS? (Select all that apply) Source: Montana Brand Exploration Survey, 2016.

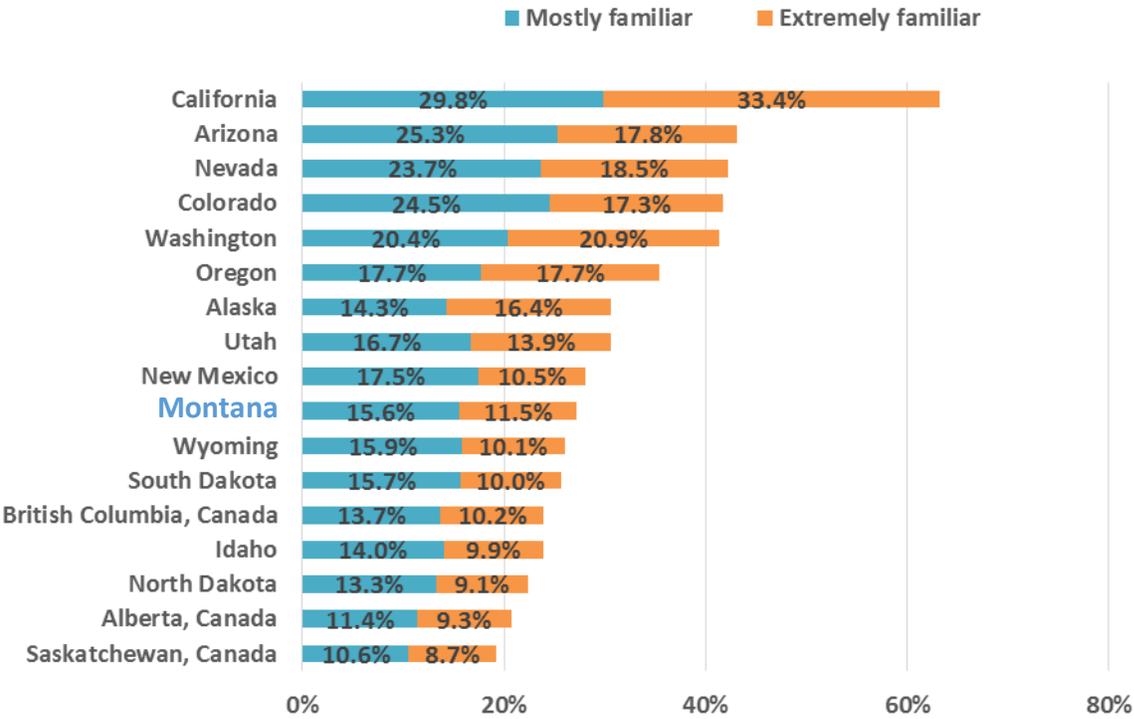
When asked about their familiarity with the attractions and things to do in each of the destinations tested, 27.1 percent of travelers surveyed reported being “mostly

“All I know about Montana is it has mountains, plains and hiking.”

--Focus group participant

familiar” or “extremely familiar” with those of Montana (see chart following)—again well below the familiarity levels of the top five competing states. Feedback from travelers in the interviews and focus groups for this research also echo this finding, in which there was expressed a lack of specific knowledge about the state. Familiarity is a key factor in driving motivation to visit the state and growing familiarity of Montana’s travel product will be key to increasing its competitiveness. Illustrative of the strong correlation between familiarity and demand, the top five states that travelers said they most wanted to visit in the West—California, Washington, Colorado, Oregon and Arizona—are also amongst the states travelers are most familiar with the attractions and things to do.

Familiarity: Top-Two Box Score – Mostly Familiar and Extremely Familiar with Attractions and Things to do in Respective States.

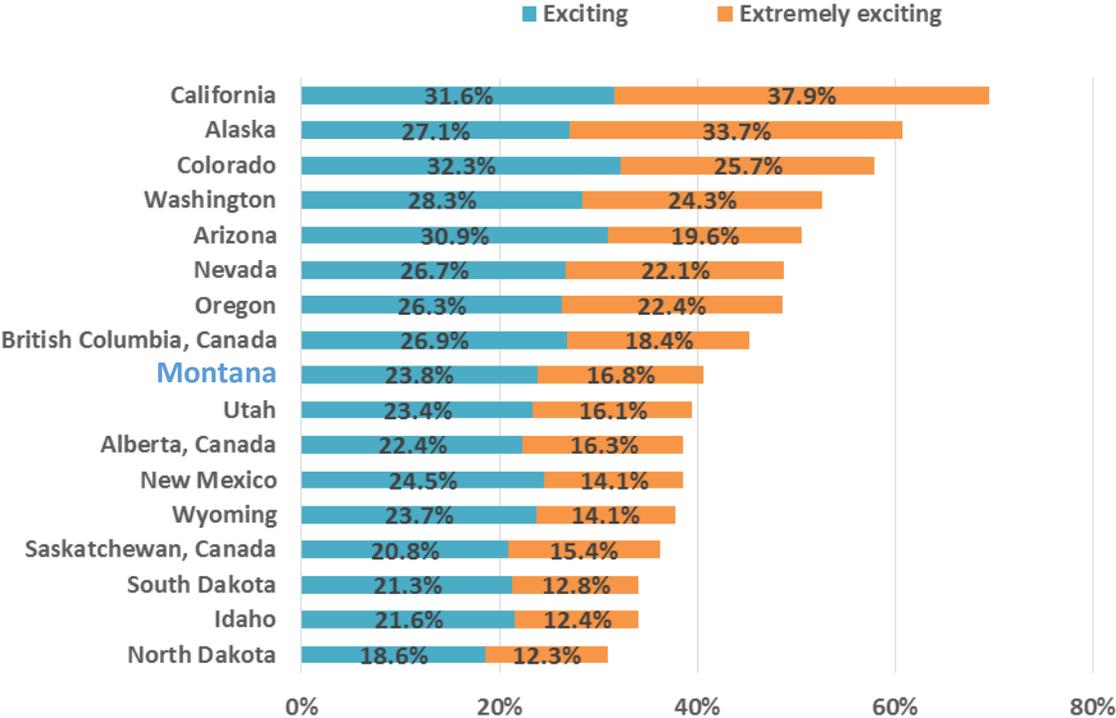


Question: How familiar are you with the attractions and things to see and do in each of these states (and Canadian provinces)? (Select one) Source: Montana Brand Exploration Survey, 2016.

Although excitement about Montana as a travel destination is significant, it is at a level that makes the state less relatively competitive. In total, 40.6 percent of surveyed travelers rated

Montana’s attractions and things to do as either “exciting” or “extremely exciting.” While this is a strong level, it does not put the state in a strong position against its competition. Nearly the same total proportion characterized California as “extremely exciting.” Alaska is particularly competitive in the enthusiasm amongst travelers for its product—over 60 percent are excited about what there is to do in that state. Again, Montana remains behind Colorado, Washington, Arizona, Oregon, Nevada and even British Columbia. It is also again in the same position as Utah, and ahead of Idaho, Wyoming and the Dakotas.

Destination Excitement Rating: Top-Two Box Score – Finds the Respective Destination’s Attractions and Things to do Exciting or Extremely Exciting



Question: As a leisure traveler, how exciting do you generally find the attractions and things to see and do in each of these states? (Select one) Source: Montana Brand Exploration Survey, 2016.

The Aspiration Gap

Montana is an aspirational destination, and effectively converting this aspiration to visitation should well benefit the state’s tourism industry. When asked which of seventeen tested destinations they were likely to visit in the next five years, over one-in-five surveyed travelers

selected Montana (21.0%). This level of interest in visiting Montana is notably greater than the rate of past visitation (21.0% vs. 13.8%), suggesting that there exists considerable untapped demand. This further finding stresses the importance of increasing familiarity with and enthusiasm for visiting the state in order to capitalize on this untapped demand.

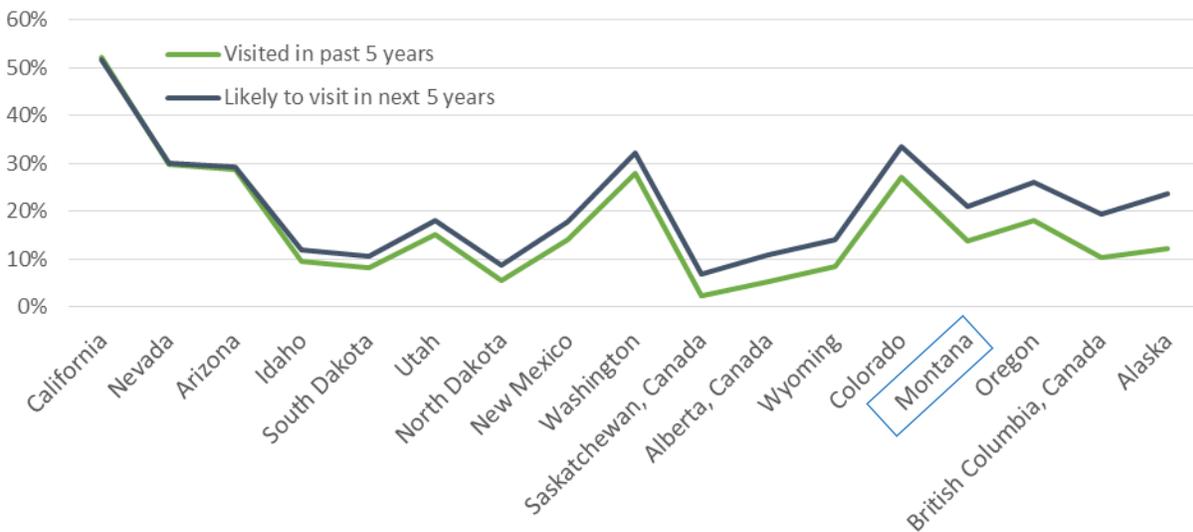
The chart following compares the percent of travelers who visited each destination tested in the past five years to the proportion that is likely to visit each respective destination in the next five years. In comparing actual visitation to likely future visitation, there are four tiers of aspiration in which destinations can be defined:

- **Highly aspirational destinations (far right side of chart):** Those with a high ratio of interest in visitation to actual visitation (British Columbia, Alaska, Montana, Oregon and Colorado)
- **Moderately aspirational destinations (middle right side of chart):** Those with a positive ratio of interest in visitation to actual visitation (Wyoming, New Mexico, Utah and Washington)
- **Sweet Spot (far left side of chart):** Those in which both interest and visitation levels are high and on par with each other (California, Nevada Arizona)
- **Less aspirational destinations (middle left side of chart):** Those in which there are low levels of both interest or a negative ratio of interest in visitation to actual visitation (Saskatchewan, North Dakota, South Dakota, Idaho)

Montana is a highly aspirational destination, sitting amongst destinations such as Colorado, Oregon, British Columbia and Alaska, where leisure tourism volume falls short of the relatively strong desire to visit.

Aspiration Index: Likelihood to Visit vs. Actual Visitation

(% of Regional Travelers Likely to Visit Montana in the Next 5 Years Versus % who Visited Each Destination in the Past 5 Years)



The Colorado Conundrum

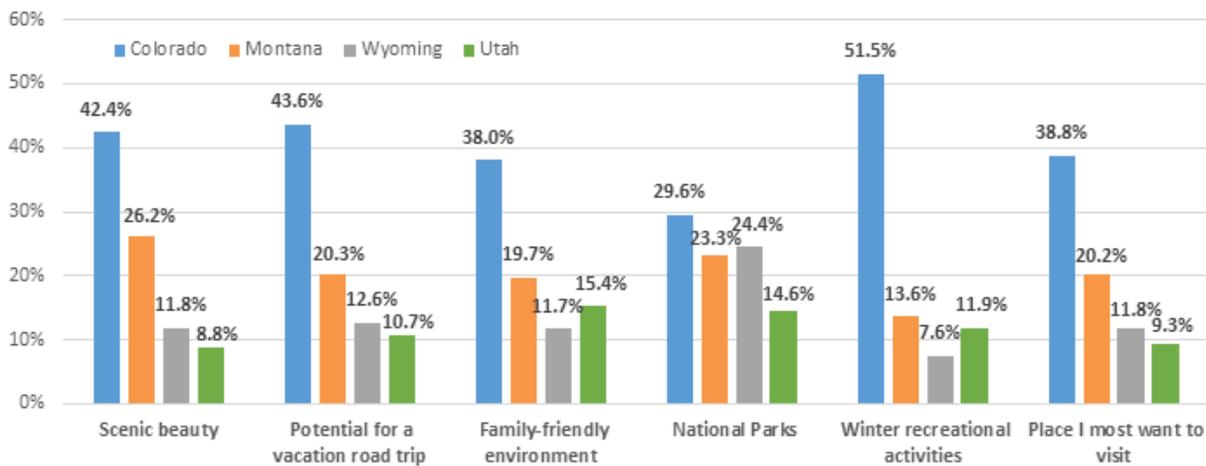
Travelers’ perceptions make Colorado Montana’s top competitor. In addition to awareness, demand, excitement for and visitation at significantly higher rates than Montana, the qualitative components of this research really illuminated the very directly competitive relationship Colorado represents. In discussing where to go in the West and Montana specifically, it was clear that most research participants viewed Colorado as the destination they would be heavily weighing Montana against, and a more persuasive one at that. These travelers felt Colorado had similar offerings on a basic level—spectacular natural beauty, abundance of outdoor recreation, an outdoors culture, winter sports. Very importantly, Colorado’s cities, infrastructure and mature tourism product were seen as providing more of a “safety net,” something that was keenly on the minds of those

“I’d consider going to Colorado. It’s similar a landscape in the same Rockies region, rich in natural beauty and parks, and it has similar activities.”

who were less on the outdoor spectrum and/or less familiar with or traveled in this region of the U.S.

Montana’s firm second place position to Colorado can be seen in a number of key destination brand attributes. Travelers surveyed were asked to evaluate Alberta, Colorado, Idaho, Montana, Wyoming and Utah on scenic beauty, potential for a vacation road trip, family friendly environment, national parks, winter recreational activities, and place I most want to visit, then select the one best destination for each. As illustrated in the chart below, for every attribute tested, Colorado was selected as the best destination, with Montana typically coming in as a distant second.

Best Destination for Specific Destination Attributes
(% of Regional Travelers Selecting Each Destination as the Best for Each Destination Attribute)



Question: Consider only the area including Colorado, Wyoming, Utah, Montana, Idaho and Alberta, Canada. For each attribute below, which one state/province is the best? (Select one for each) Source: Montana Brand Exploration Survey, 2016.

The area in which Montana is most competitive with Colorado is national parks—in which Utah is also a strong competitor. **Nevertheless, based on the findings from the qualitative components of this research, Montana is well positioned to capitalize on Colorado’s ever increasing weaknesses—crowdedness, losing authenticity, high costs and over development.**

In addition, it is important to note that, despite its firm second place position, Montana is, again out performing Utah, Wyoming and Idaho.

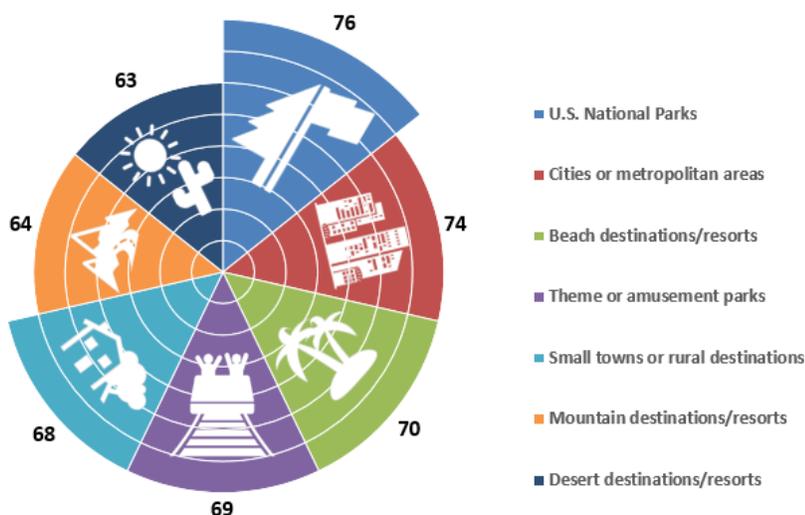
Montana—the Global Destination Brand

The following analysis of Montana’s global brand position is based on Destination Analysts’ January 2016 survey of 11,200 likely international travelers in Canada, Mexico, United Kingdom, Germany, France, Italy, the Netherlands, China, Japan, South Korea, India, Australia, Brazil, and Argentina.

International Traveler Interest in Outdoor Destinations & Experiences

Of all American destinations, international travelers have the most enthusiasm for U.S. National Parks, presenting Montana great potential for attracting international visitors. As shown on the Destination Excitement Index, U.S. National Parks—one of Montana’s key tourism products—have the most profound excitement about them. Lower yet still significant enthusiasm is demonstrated for mountain destinations in the U.S. Additionally, when looking at the experiences international travelers are most interested in having on a trip to the United States, relaxation, visiting famous American landmarks/attractions, visiting National Parks, visiting historic sites, and taking scenic drives or road trips are all paramount to more than half of international travelers.

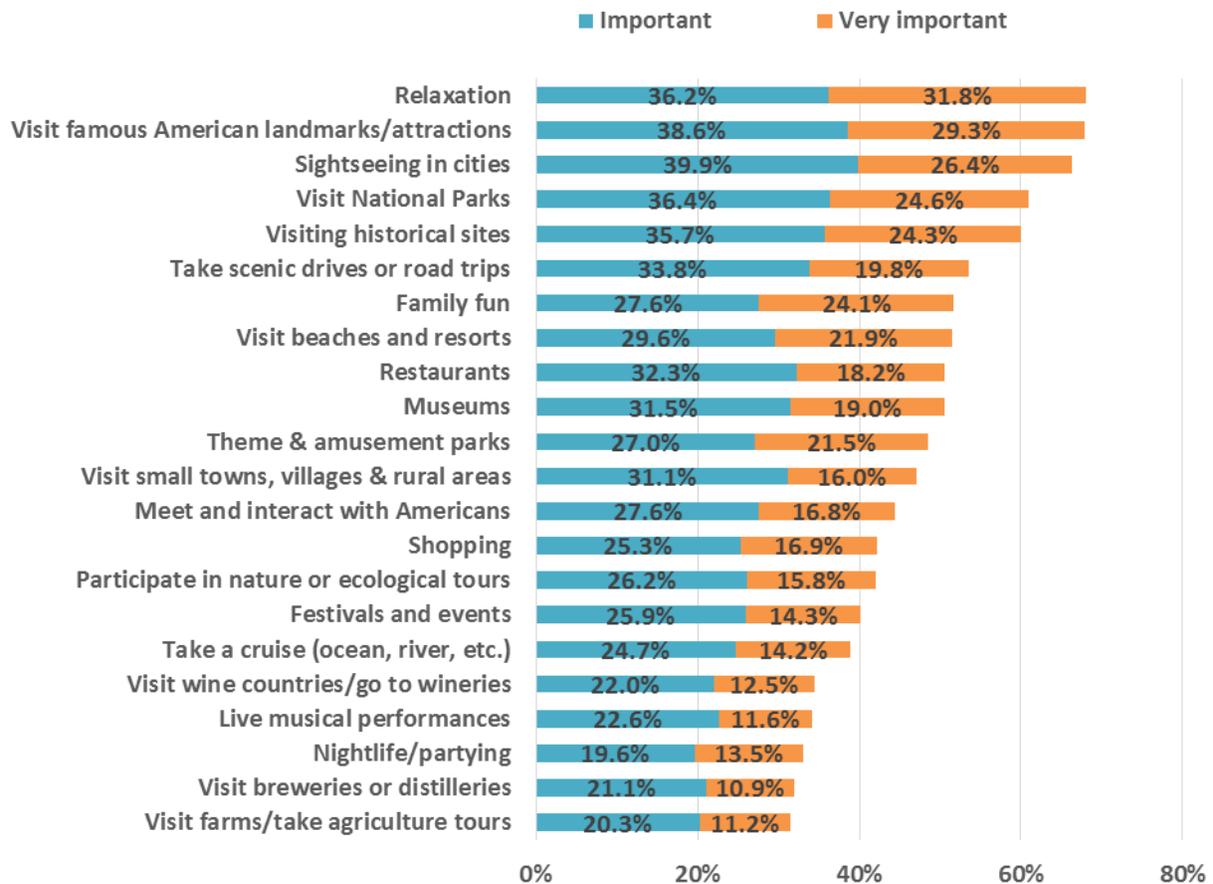
Destination Excitement Index—International Travelers



Of course, as in the domestic market, Montana faces competition from urban destinations for international visitors, which also index high for excitement. When international travelers are asked which specific U.S. destinations they most want to visit, we see cities and large metropolitan areas

—New York (61.9%), Washington D.C. (26.3%), Las Vegas (24.2%) and Los Angeles (21.5%)—dominate the list. In addition, two-thirds say sightseeing in U.S. cities is a top desired experience.

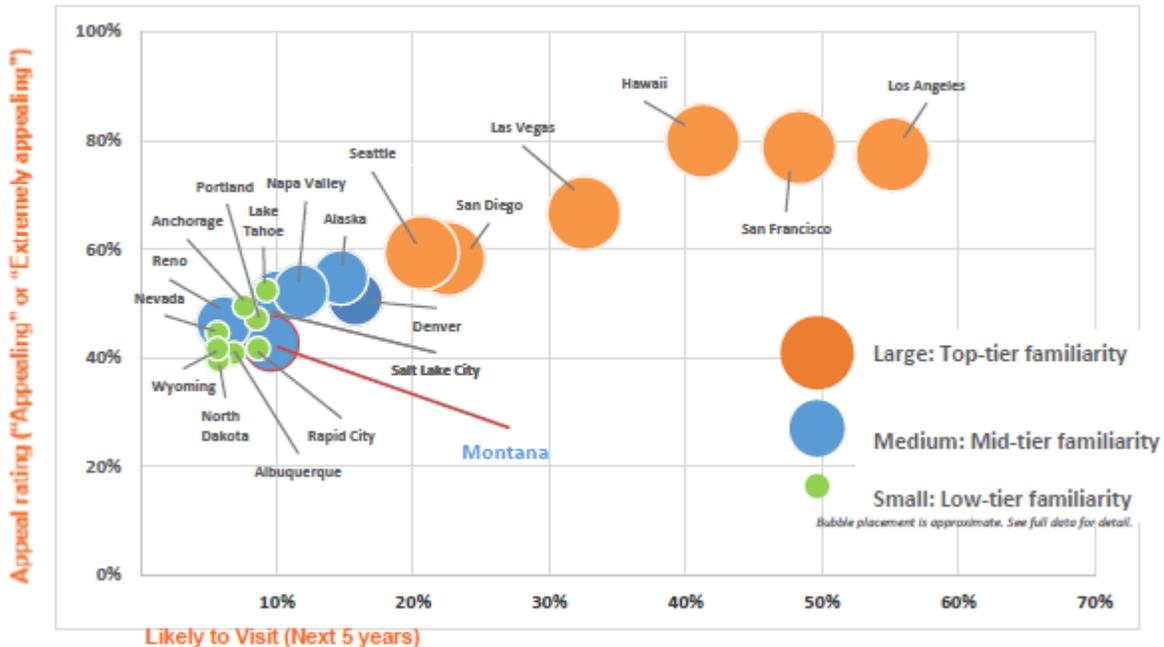
Desired Experiences in the United States (*% of International Travelers who Rated Each Experience as Important or Very Important*)



Question: How important would having each of the following experiences be to you if you were taking a leisure trip to the United States of America? Source: The State of the International Traveler, 2016. Destination Analysts, Inc.

Montana's Global Brand Position

Appeal vs. Likelihood of Visiting



The State of the International Traveler, 2016. Destination Analysts, Inc.

The chart above summarizes Montana's global brand position, which illustrates the weight of its lack of brand awareness and familiarity, but highlights its potential driven by its appeal. Major urban U.S. destinations enjoy highest levels of familiarity, appeal and demand.

In total, 0.7 percent of all international travelers surveyed cited Montana as a place they most want to visit on their next trip to the United States in an open-ended question related to such. Like its domestic competitive situation, this is behind the state brands of California (12.7%), Colorado (1.7%), Nevada (1.5%), and Arizona (1.1%), but ahead of Utah (0.5%) and Wyoming (0.4%). In terms of familiarity, 16.9 percent of international travelers surveyed report being "familiar" or "very familiar" with Montana, similar to Wyoming (15.7%) and rural Nevada (16.4%). Although the entire state of Colorado is not tracked in the survey, international familiarity with the city of Denver is notably higher at 23.3 percent. It is important to note that those who represent Montana tourism abroad advise that international travelers more often

think in regional terms about this area of the United States (i.e. the mountain region or “the West”), and are therefore less likely to specifically have awareness of the brand Montana.

In total, 23.7 percent of international travelers find Montana an “appealing” or “extremely appealing” destination, which matches Wyoming (23.2%) and rural Nevada (25.7%), and is somewhat exceeded by Denver (30.0%). As such, over 10 percent of international travelers surveyed say they have likelihood to visit Montana in the next five years. This puts Montana on par with brands such as Austin (12.4%), Atlanta (12.0%), Napa Valley (11.7%) Santa Barbara (10.5%) Salt Lake City (10.0%) and Nashville (9.7%). Denver again, has a slightly larger likelihood of visitation from international travelers surveyed at 15.8 percent.

Although Montana may not yet be a first-tier destination in the minds of international travelers, the state is certainly positioned to capture visitation from international travelers, particularly those who have already experienced the major cities and/or are looking for new, authentic American experiences that Montana is exceptional at offering. And although Colorado is currently tracking ahead on key brand metrics globally, Montana appears in a far more competitive position.



AUDIENCE ANALYSIS

Recommended Target Markets for Montana

Targeting the appropriate traveler base is critical to maximizing the return on investment of an integrated destination marketing plan. This section identifies the primary markets suggested by this research as ideal for Montana.

These high-value markets should be:

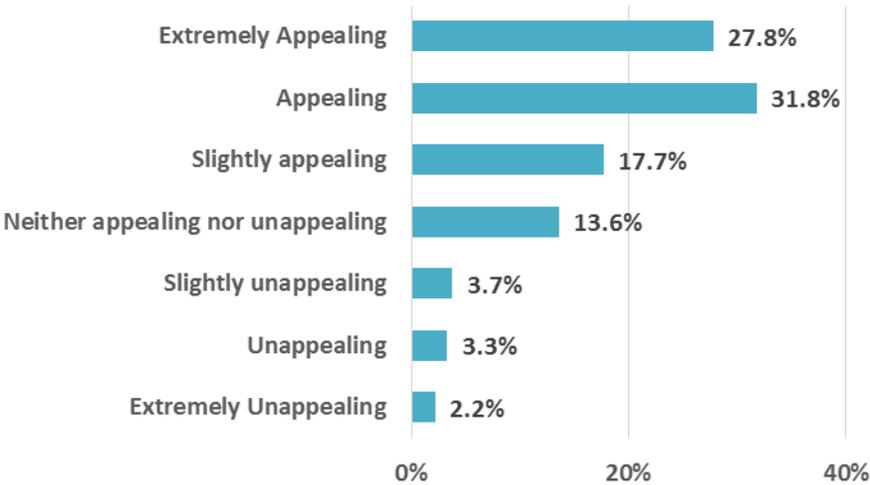
- Good fits with the recommended brand strategy platform.
- High-value traveler types most beneficial to the destination in terms of their expected spending while in Montana.

Montana's Appeal

Montana's strong brand equity suggests targeting both an appropriate national audience, as well as niche markets that support the organization's objectives of promoting the state's various regions and promoting off-season and shoulder season travel. One thing is clear. When data collected in the Montana Brand Exploration Survey and feedback collected in focus groups, stakeholder interviews and in-depth interviews was evaluated, it became clear that Montana's appeal is strong and broad. Montana's brand equity suggests an approach to target audience selection that includes both a mass audience approach and selective niche audience marketing.

The table following shows Montana's broad appeal as a leisure destination. Nearly two thirds of survey respondents (59.5%) report that they find Montana to be an either "Appealing" or "Extremely appealing" place to visit. Three-fourths of respondents (77.3%) say the state is in some way appealing, and only 9.2 percent rate the state as unappealing in any way.

Montana’s Appeal as a Leisure Destination (% of all respondents)



Question: Given what you currently know, how appealing do you find the State of Montana as a destination for leisure travel?
Source: Montana Brand Exploration Survey, 2016.

In addition to this quantitative result, the broad appeal of Montana as a leisure travel destination was echoed strongly in the traveler focus groups and in-depth interviews conducted for this project. It was clear in these conversations that Montana is seen as a place that many different traveler types would enjoy. Montana is not a place of limited appeal; its appeal is expansive and transcends specific niche markets. In the qualitative elements of this study, the one major similarity between these potential Montana traveler types was described as more psychographic in nature. That is, in-depth interview and focus group participants felt that Montana’s appeal was broad, but would be especially strong amongst persons with an easy-going, adventurous spirit.

Our recommended approach to developing a brand platform and marketing strategy revolves around the concept of a “*high potential visitor.*” The following segment definition and analytical approach are used in the remainder of this report, when referring to this audience.

Defining High Potential Visitors

This group is made up of respondents who are both (1) likely to visit the Northern Rocky Mountain region in the next 2 years and (2) find visiting the state of Montana for leisure to be an exciting proposition.

We identify these high potential visitors through the development of the following quantitative index:

The Montana Visitation Index measures, in a sense, the potential of a respondent actually traveling to Montana for leisure in the near future. To calculate an index value for each survey respondent, we have taken into account a survey respondent's likelihood of visiting the region and excitement level for a Montana trip, both measured on a zero to 10 scale. The Index multiplies the respondent's likelihood of visiting and excitement level for visiting to come up with a number from Zero to 100. For this analysis, respondents who score between 75 to 100 on this index scale are considered to be ***High Potential Visitors***. Those who score below 75 on the scale are deemed Lower Potential Visitors.

The survey questionnaire was designed with this concept in mind. The survey questions utilized for this Montana Visitation Index were asked regarding both travel during the warm season and cold season and thus potential for travel to Montana was broken down into **High Potential Visitors (Warm Season)** and **High Potential Visitors (Cold Season)** as well as Lower Potential Visitors Warm Season and Lower Potential Visitors Cold Season.

Calculating the Montana Visitation Index

The visitation index for individual travelers is simply the product of the scores given for two questions; likelihood of visiting the region and excitement level Montana generates in the respondent. A higher score indicates a higher likelihood to visit in the near term future.

A. Likelihood of visiting the Northern Rocky Mountain Region. If not likely, openness to visiting?

Absolutely
no chance

Extremely
High chance

0 1 2 3 4 5 6 7 8 9 10

B. How much does the idea of a Montana trip excite them? (How exciting do you find the idea of taking a vacation that includes travel to Montana during the WARM WEATHER MONTHS (April to October)?)

Zero
Excitement

Extreme
Excitement

0 1 2 3 4 5 6 7 8 9 10

Index Value for individual respondents = A * B

Using the above equation, the following definitions are used in this report:

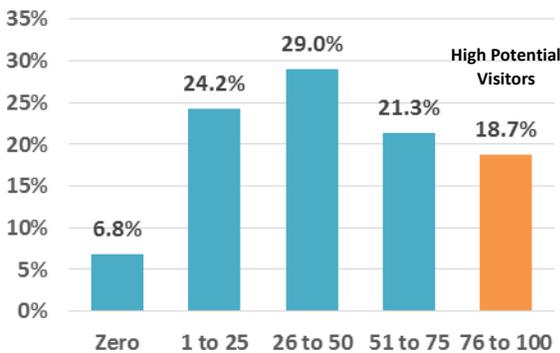
High Potential Visitors (Warm Season): Travelers who have a high potential to visit the region in the next two years, and believe Montana to be an exciting summer travel destination¹. This traveler segments includes all survey respondents with a Montana Visitation Index score from 76 to 100. This group represents 18.7 percent of the travelers represented in the survey.

¹ For the summer index, the question used in calculation is: How exciting do you find the idea of taking a vacation that includes travel to Montana during the WARM WEATHER MONTHS (April to October)?

High Potential Visitors (Cold Season): Travelers who have a high potential to visit the region in the next two years, and believe Montana to be an exciting destination *for winter travel*². This traveler segments includes all survey respondents with a Montana Visitation Index score from 76 to 100. This group represents 13.5 percent of the travelers represented in the survey.

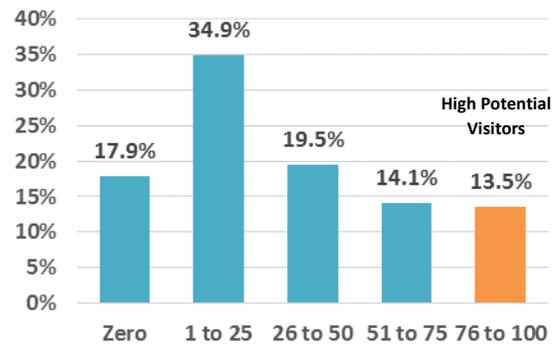
The tables below show the incidence of high potential visitors (for each season) by visitation index score. It is clear that from a sheer volume perspective, Montana’s tourism potential is much greater in the warm season, than the cold season. Greater proportions of the population have higher warm season visitation index values than high cold season visitation index values. Still, a significant share of survey respondents believe that the state is an exciting winter travel destination.

**Warm Season Visitation Index
(Incidence in population)**



Montana Visitation Index Score

**Cold Season Visitation Index
(Incidence in population)**



Montana Visitation Index Score

Source: Montana Brand Exploration Survey, 2016. Montana Visitation Index calculations.

Market Potential

An important goal of this research is to identify the market areas of highest potential for Montana. Using the simple approach of looking at the proportion of residents of a metropolitan

² For the winter index, the question used in calculation is: How exciting do you find the idea of taking a vacation that includes travel to Montana during the COLD WEATHER MONTHS (November to March)?

area classified as high potential, we see the strongest markets and weakest markets are as follows.

Strongest Markets – Warm Season		Weakest Markets – Warm Season	
(% High Potential)		(% High Potential)	
Denver, CO	25.2%	Vancouver-Victoria, BC	7.0%
Boise-Salt Lake City, ID/UT	25.2%	Regina-Saskatoon, SK	7.4%
Los Angeles, CA	25.0%	Portland, OR	11.3%
New York City, NY	23.3%	Seattle, WA	12.5%
Edmonton-Calgary, AB	20.8%	Minneapolis-St. Paul, MN	12.7%

Another valuable perspective is to estimate the absolute volume of high potential visitors in each market. Using this study’s approach to measuring high potential visitors allows us to estimate the incidence of hotel potential visitors (warm and cold season) in each metropolitan area studied. The Montana Brand Exploration Survey collected a large sample of responses from key Designated Market Areas (DMAs). Using these DMA-specific incidence figures and occupied household estimates for each, we can see the gross potential for each market.

Warm Season

The tables below illustrate estimated market size for each of the areas covered by this study, ranked from top to bottom. In terms of the proportion of survey respondents identified as “high potential visitors,” two major cities (New York and Los Angeles), and two regional cities (Denver and the combined Boise-Salt Lake City area) emerged at the top. When the size of the DMAs was taken into account, New York, Los Angeles, Chicago and Washington, DC are shown to have the largest audiences.

WARM SEASON	High Potential Visitors (%)	Households	Market Size (Households)
New York City, NY	23.3%	7,368,320	1,713,563
Los Angeles, CA	25.0%	5,489,810	1,372,453
Chicago, IL	19.3%	3,475,220	672,256
Washington, DC	17.4%	2,443,640	424,633
Denver, CO	25.2%	1,576,090	396,632
Dallas-Fort Worth, TX	14.8%	2,646,370	390,448
San Francisco, CA	14.8%	2,484,690	366,594
Atlanta, GA	14.8%	2,385,730	351,993
Edmonton-Calgary, AB	20.8%	1,450,379	302,359
Boise-Salt Lake City, ID/UT	25.2%	1,150,480	289,476
Phoenix, AZ	14.5%	1,848,850	267,597
Seattle, WA	12.5%	1,766,070	220,035
Minneapolis-St. Paul, MN	12.7%	1,723,210	219,625
Las Vegas, NV	17.9%	736,700	131,728
Portland, OR	11.3%	1,136,320	128,709
Vancouver-Victoria, BC	7.0%	1,459,485	101,825
Winnipeg, MB	14.3%	419,716	59,959
Regina-Saskatoon, SK	7.4%	289,331	21,432

Several observations about this table are of interest.

- The population of the DMAs clearly drive the ordinal rank. The Boise-Salt Lake City DMA has a large proportion of high potential visitors, yet the population is relatively small compared to New York and Los Angeles.
- Canadian cities tend to score lower than American cities in terms of the proportion of residents classified as high potential visitors.
- Canadian provinces were uneven in the proportion of residents classified as high potential. Edmonton-Calgary, AB and Winnipeg, MB far surpass Vancouver-Victoria, BC and Regina-Saskatoon, SK in the proportion of high potential visitors.
- The highest scoring Canadian geography is the nearby Edmonton-Calgary, AB combined metropolitan area.
- In California, Los Angeles appears to be a hotbed of interest in Montana, far surpassing the San Francisco Bay Area.

- The high levels of interest in Montana seen here were reflected in the qualitative findings of the focus groups, with New Yorkers showing high enthusiasm for Montana. Similarly, the relatively modest results for San Francisco seem to be consistent with the comparatively lukewarm reception for the state’s travel offering seen in the focus groups.

Cold Season

The tables on the following page shows the estimated cold season market size for each of the areas covered by this study, ranked from top to bottom. When we look at the ordinal ranking of the top markets, there is little difference between the warm and cold season tables. However, the drop off between the top two cold season markets and the other markets is noticeably larger. The number of high potential visitors in the New York and Los Angeles metropolitan areas far exceeds that of the third ranked market, Chicago.

COLD SEASON	High Potential Visitors (%)	Households	Market Size (Households)
New York City, NY	22.9%	7,368,320	1,689,083
Los Angeles, CA	23.0%	5,489,810	1,262,656
Chicago, IL	14.8%	3,475,220	512,737
Washington, DC	14.1%	2,443,640	344,513
Dallas-Fort Worth, TX	11.5%	2,646,370	303,682
Atlanta, GA	11.9%	2,385,730	284,392
San Francisco, CA	9.8%	2,484,690	244,396
Minneapolis-St. Paul, MN	11.9%	1,723,210	205,416
Denver, CO	12.5%	1,576,090	196,365
Phoenix, AZ	9.0%	1,848,850	166,993
Seattle, WA	7.9%	1,766,070	139,427
Edmonton-Calgary, AB	7.2%	1,450,379	103,936
Boise-Salt Lake City, ID/UT	7.2%	1,150,480	82,985
Vancouver-Victoria, BC	4.0%	1,459,485	58,185
Portland, OR	4.9%	1,136,320	55,161
Las Vegas, NV	4.6%	736,700	33,705
Winnipeg, MB	3.1%	419,716	12,848
Regina-Saskatoon, SK	0.9%	289,331	2,679

- As measured by the proportion of residents categorized as high potential visitors, New York and Los Angeles again perform very well, far outpacing the other metropolitan areas.
- In terms of the proportion of residents categorized as high potential, Edmonton-Calgary, AB is the top performing Canadian market. The other three Canadian markets show little interest in Montana as a winter trip. This is consistent with the focus group observations in Vancouver, where participants seemed to write off the idea of a Montana winter trip.

About the High Potential Visitor

High potential visitors are not only likely to visit the region and find Montana appealing, their expressed characteristics make them the ideal traveler type to pursue. As the table below illustrates, they index far higher on the project’s outdoor psychographic index. They are also significantly more likely to rate the state as extremely exciting. When asked about their ideal Montana trip, they report that they would spend more, be more likely to stay in up-scale lodging and stay longer in the state.

The table below shows the key differences between high potential visitors and others:

	High Potential Visitors	Lower Potential Visitors	% Diff.
Outdoor psychographic index (mean)	86.2	71.4	20.7%
Think Montana is extremely exciting	40.6%	9.5%	324.7%
Affluent (Annual HHI > \$80K)	59%	40%	48.2%
<i>Ideal Montana Trip</i>			
Expected total spend in Montana	\$1,887	\$1,487	26.9%
Expected stay in 4-star hotel property	48.6%	30.0%	61.9%
Days spent in Montana	8.1	6.0	36.6%
Base	1,167	5,078	

Source: Montana Brand Exploration Survey, 2016.

The High Potential Visitor: Full Profile

This group is not only clearly a high-value audience; it is different from other travelers in important ways. Behaviorally and demographically, the survey shows that high potential Montana visitors have a remarkable and distinctive profile. This group of heavy travelers is not only attracted to Montana, it sees the destination as more attractive and competitive when compared to its the regional competition. In brief, high potential Montana visitors are:

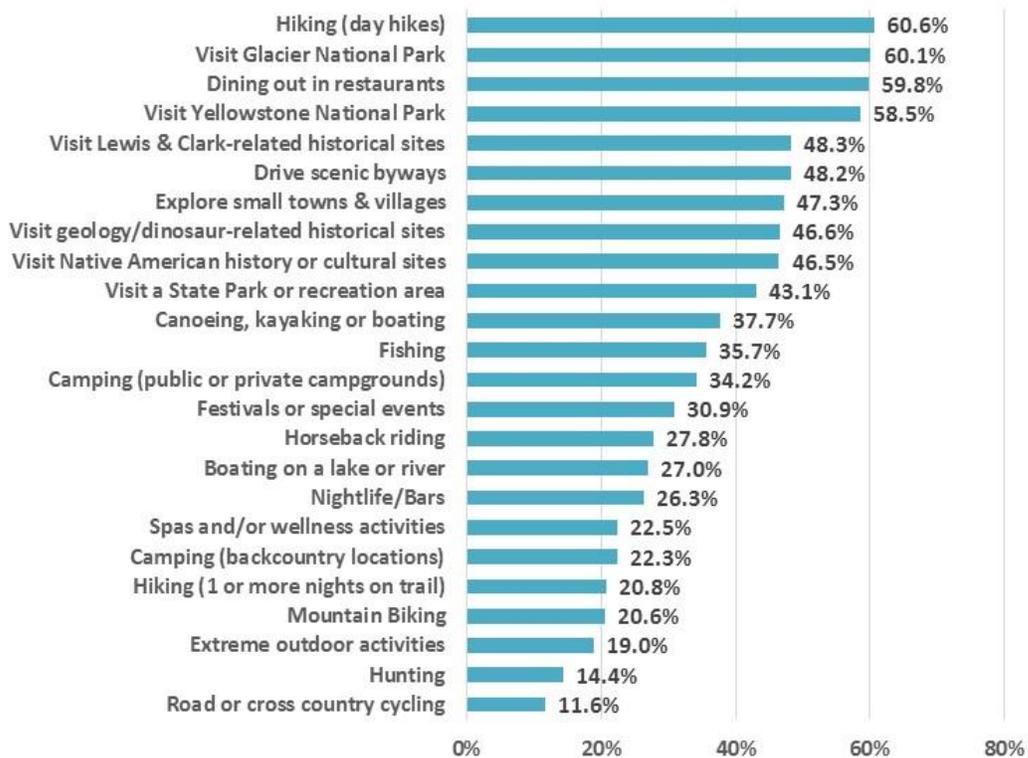
- City dwellers (i.e., not rural and not suburban)
- Married with children
- Well-educated
- Affluent
- Younger
- Frequent travelers
- Male-oriented (54.3% male and 45.7% female)
- Strongly attracted to Montana's tourism offering
- Familiar with Montana's tourism offering
- Likely repeat visitors
- Outdoor-oriented travelers

This profile discussed above is shown from a comparative perspective in the table below, which highlights the striking differences between high potential Montana visitors and other travelers (lower potential Montana visitors). The high potential traveler type was commonly found in participants of the qualitative research conducted for this project. These qualitative participants fit this profile closely and were a driving force behind the brand platform developed for this project, highlighting the importance of marketing that is consistent with the platform's concepts.

	High Potential Visitors	Lower Potential Visitors
Live in urban areas	65.1%	45.6%
Married with children	49.1%	25.2%
College degree or above	68.0%	52.5%
Annual household income >\$80K	59.2%	39.9%
Male	54.3%	36.7%
Average age	36.4	41.4
Say Montana is “Appealing” or “Extremely appealing”	93.1%	51.8%
Say Montana is “Extremely appealing”	72.1%	17.6%
Familiar or Very familiar with Montana’s tourism offering	74.3%	27.9%
Visited Montana at least once in the past	71.8%	36.7%
Average trips to Montana in the past 10 years	2.9	0.9
Likely or Very likely to visit the Northern Rockies (next 2 years)	93.6%	8.8%
Outdoor-oriented travelers (average psychographic index score)	86.2	71.4
Extremely interested in long-haul outdoor-oriented trips	74.0%	30.4%
Average number of leisure trips taken in the past 12 months	8.7	5.0

High potential Montana visitors are also heavy consumers of recreational activities. The chart below shows the proportion of high potential visitors who say they would want to include each activity on a Montana trip. This group is interested in a diverse array of Montana activities, centered around day hiking and visits to the National Parks.

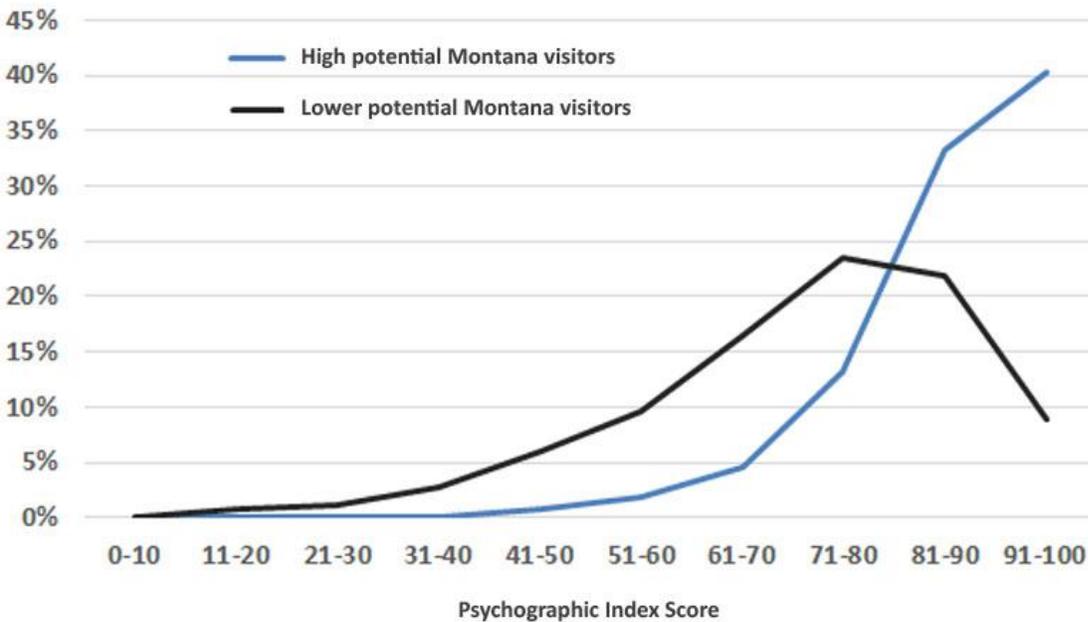
Desired Activities on a Montana Trip



(% of high potential Montana visitors. Source: Montana Brand Exploration Survey)

High potential visitors are outdoor-oriented travelers. For this study, a psychographic index was developed to measure each survey respondent's propensity to take and enjoy leisure travel in the outdoors. This index combines an individual traveler's answers from several carefully designed survey questions to give them a score from 1 to 100, with higher scores indicating a higher level of importance of the outdoors to their leisure travels. The chart below shows the proportion of survey respondents in each group (high and lower potential Montana visitors) falling into different ranges of the psychographic spectrum. Outdoor experiences are clearly important to both traveler types, but the majority of high potential visitors fall into the upper most segments of the chart, indicating that they tend to strongly desire and enjoy trips immersed in natural experiences. The mean score for high potential visitors was 86.2, while lower potential visitors averaged 71.4 on the outdoor orientation spectrum.

Outdoor-orientation Spectrum (Psychographic index scores by traveler type)



Niche Markets

As discussed above, Montana’s brand equity position suggests targeting with both a mass audience approach (high potential visitors) and niche marketing to drive traffic to Eastern regions of the state and fill cold season gaps. The following two niche groups are recommended, as they are significant in size and have travel interests that fit perfectly with the tourism product available.

Family Travelers

Family travelers are a natural fit with Montana’s travel product, including that available in the Eastern portion of the state. They are a large and lucrative segment. In the Montana Brand Exploration Survey, approximately one-third, 32.0 percent, of travelers reported having children under the age of 18 in their homes. Like high potential visitors, family travelers index high on outdoor psychographics, have high incomes and would expect to spend more and stay longer in the state than other travelers. They are clearly a high value traveler base. Furthermore, in the project’s qualitative components (stakeholder interviews, in-depth

interviews and focus groups), Montana was widely perceived to be an extremely family-friendly destination. A brief summary of key statistics related to family travelers follows.

	Family Travelers	Not Family Travelers	% Diff.
Outdoor psychographic index (mean)	80.3	71.3	12.7%
Think Montana is extremely exciting	22.8%	11.8%	93.4%
Affluent (Annual HHI > \$80K)	60%	36%	65.5%
<i>Ideal Montana Trip</i>			
Expected total spend in Montana	\$1,897	\$1,407	34.8%
Expected stay in 4-star hotel property	46.7%	27.3%	71.4%
Days spent in Montana	7.1	6.0	18.6%
Base	2,000	4,245	

Source: Montana Brand Exploration Survey, 2016.

High Interest Warm Season Activities

Family travelers are interested in a variety of Montana experiences, but their ideal trips would appear to center around the National Parks, day hiking, enjoying Montana’s small towns and driving scenic byways. This niche market also expresses significant interest in child-friendly activities related to history, culture and geology.

	% Family Travelers
Dining out in restaurants	58.9%
Visit Yellowstone National Park	57.8%
Visit Glacier National Park	55.8%
Hiking (day hikes)	55.3%
Visit geology/dinosaur-related historical sites	45.1%
Visit Lewis & Clark-related historical sites	44.3%
Visit Native American history or cultural sites	44.2%
Drive scenic byways	41.2%
Explore small towns & villages	41.1%
Visit a State Park or recreation area	38.6%

Question: Which activities and attractions would you do during your (Montana) trip? (Select all that apply)

Source: Montana Brand Exploration Survey, 2016.

History Buffs

Montana’s historical attributes appear to be little known outside the state, but are of interest to many travelers. This was clear in both the focus groups and in-depth interviews. If we define history buffs as respondents to the Montana Brand Exploration Survey who rated “Historic attractions” as an “Extremely important” attribute in selecting travel destinations, they represent over one-third, 34.7 percent, of the overall population of the state’s key target markets. History buffs score higher on the outdoor psychographic index, have higher incomes and would spend more and stay longer in Montana compared to travelers who are not history buffs. Again, this is a large and lucrative niche segment. A brief summary of key statistics related to history buffs follows.

	History Buffs	Not History Buffs	% Diff.
Outdoor psychographic index (mean)	80.2	70.5	13.9%
Thinks Montana is extremely exciting	24.8%	9.5%	160.5%
Affluent (Annual HHI > \$80K)	47%	41%	12.9%
<i>Ideal Montana Trip</i>			
Expected total spend in Montana	\$1,750	\$1,446	21.0%
Expected stay in 4-star hotel property	38.8%	30.2%	28.2%
Days spent in Montana	7.1	5.9	21.4%
Base	2,372	3,873	

Source: Montana Brand Exploration Survey, 2016.

High Interest Warm Season Activities

Most history buffs put visiting Montana’s National Parks at the top of their activity lists, while interest in Lewis and Clark historical sites and Native American history and cultural sites also score extremely well. While the top activities chosen by this group are similar to those selected by family travelers, History Buffs appear to favor more active trips, with significantly higher proportions selecting each activity type (e.g., 59.4% of history buffs selected visiting Yellowstone National Park, compared to 57.8% of family travelers.) The average history buff selected 9.1 activities, compared to 8.0 for family travelers.

	% History Buffs
Visit Yellowstone National Park	69.5%
Visit Glacier National Park	68.6%
Dining out in restaurants	68.5%
Visit Lewis & Clark-related historical sites	59.4%
Visit Native American history or cultural sites	58.1%
Hiking (day hikes)	57.7%
Drive scenic byways	56.2%
Explore small towns & villages	54.1%
Visit geology/dinosaur-related historical sites	52.6%
Visit a State Park or recreation area	46.8%

Question: Which activities and attractions would you do during your (Montana) trip? (Select all that apply)
Source: Montana Brand Exploration Survey, 2016.

Winter Enthusiasts

In this analysis, winter enthusiasts are defined as respondents to the Montana Brand Exploration Survey who rated “Winter recreation” as an “Extremely important” attribute in selecting travel destinations. This audience represents approximately one-fifth of the overall population of the state’s key target markets (19.0%). While this audience is not necessarily a strong fit for Eastern Montana, due to the lack of winter travel product and ski resorts, it is a niche market for visitor traffic to the state during the shoulder season. Like family travelers and history buffs, winter enthusiasts also index high on outdoor psychographics, have higher incomes, and expect to spend more and stay longer during a trip to Montana. A brief summary of key statistics related to winter enthusiasts follows.

	Winter Enthusiasts	Not Winter Enthusiasts	% Diff.
Outdoor psychographic index (mean)	86.2	71.4	20.7%
Thinks Montana is extremely exciting	36.0%	10.5%	242.9%
Affluent (Annual HHI > \$80K)	58.2%	40.1%	45.1%
Ideal Montana Trip			
Expected total spend in Montana	\$1,826	\$1,501	21.7%
Expected stay in 4-star hotel property	48.9%	29.9%	63.5%
Days spent in Montana	7.8	6.0	30.7%
Base	1,188	5,057	

Source: Montana Brand Exploration Survey, 2016.

High Interest Cold Season Activities

Winter enthusiasts (high potential cold season Montana visitors) appear to be interested in an array of winter activities. The table below shows their most desired winter trip activities--the percentage of these travelers who would include each on a winter Montana trip. Their interest goes beyond simply ski-related activities and shows high levels of interest in other activities such as snowmobiling, festivals and special events and fishing.

	% Winter Enthusiasts
Skiing (at a ski hill/resort)	57.0%
Watch Northern Lights	51.2%
Dining out in restaurants	50.8%
Fishing	49.0%
Snowboarding	48.3%
Festivals or special events	48.1%
Mountain Biking	46.1%
Snowmobiling	45.7%
Hot springs	45.6%
Snowboarding	47.2%

Question: Which activities and attractions would you do during your (Montana) trip? (Select all that apply)

Source: Montana Brand Exploration Survey, 2016.

Why Not Retirees?

Although retirees are an important niche audience for Montana, they are a smaller, lower value segment. This group represents approximately 15 percent of the overall population of the state's key target markets (14.7%). In an environment where limited funds are available to address marketing segments, retirees do not appear to represent a high-value segment. Using all of the data points used to evaluate the niche segments described above, retirees are problematic. In short, they are less interested in outdoor experiences while traveling, less excited about Montana, have lower incomes and when reporting about their ideal trip to the state, appear to be less likely to be big spenders.

A brief summary of key statistics related to retirees follows.

	Retirees	Not Retirees	% Diff.
Outdoor psychographic index (mean)	64.4	75.9	-15.1%
Thinks Montana is extremely exciting	6.8%	16.8%	-59.4%
Affluent (Annual HHI > \$80K)	30%	46%	-34.4%
<i>Ideal Montana Trip</i>			
Expected total spend in Montana	\$1,301	\$1,605	-18.9%
Expected stay in 4-star hotel property	17.9%	36.2%	-50.5%
Days spent in Montana	6.0	6.4	-6.2%
Base	917	5,328	

Source: Montana Brand Exploration Survey, 2016.

Activity-Based Segmentation

One approach to developing a marketing segmentation strategy is an activity-driven one, i.e., marketing the state to travelers interested in specific activities. The Montana Brand Exploration Survey asked respondents to select the specific activities they would want to include as part of a warm season visit to the state. Prioritizing activity-based segments by expected spending in Montana yields the chart below, which shows travelers interested in bicycle-related activities to be potentially the biggest in-state spenders.



Expected Spending in Montana
(by Travelers Expecting to Pursue Each Activity on a Warm Season Montana Trip)



(Average total expected trip spending in Montana)

It should be noted that using the Montana Brand Exploration Survey for this purpose is somewhat limiting in that important learning from the qualitative side of this research is excluded. Compared to focus group participants and in-depth interviewees, respondents taking the survey had relatively low levels of understanding of the state's tourism offerings. Additionally, several ideas emerged in the qualitative research that were not included in the survey instrument. It was clear from the qualitative research that several activities in Montana (not included in the chart above) have very significant potential to attract visitors.

These were:

- Sky-gazing and star-gazing
- Non-traditional lodging options (Yurts and Teepees)
- Montana State Parks
- Hot Springs

The tables that follow show a profile for each of several segments defined as travelers who would want to include each activity on their ideal Montana trip.

Activity-based Segment Profiles

	Any Biking (Mountain, Road biking, etc.)	Horseback Riding	Nightlife / Bars	Any Boating- related
Average age (Years)	34.4	39.4	37.2	39.2
Canadian residence (%)	13.7%	18.3%	16.1%	16.7%
United States residence (%)	86.3%	81.7%	83.9%	83.3%
Spouse or significant other (in travel party, %)	78.1%	71.8%	72.1%	73.8%
Children 12 and under (in travel party, %)	46.0%	30.6%	32.2%	28.9%
Children 13-17 (in travel party, %)	26.2%	18.0%	17.5%	17.5%
Lives in an urban area	65.2%	45.5%	60.8%	45.5%
Employed full-time (%)	64.9%	48.3%	58.0%	49.9%
Retired (%)	3.1%	10.3%	8.6%	11.4%
Single	22.1%	27.1%	27.3%	26.6%
Married/Partnered	28.2%	30.3%	28.9%	32.4%
Married/Partnered with children under age 18	43.7%	27.4%	29.0%	27.1%
Affluent (% , Income > \$80K)	54.0%	39.1%	43.2%	41.6%
Overnight leisure trips taken (avg. in past year)	7.8	5.2	6.5	5.6
Outdoor leisure trips taken (non-beach focus, past 2 yrs.)	6.4	4.5	5.4	4.6
Has taken long-haul trip for outdoor experiences (% in past yr.)	86.2%	73.1%	79.1%	75.9%
Outdoor psychographic index (Avg. score)	82.5	76.3	77.6	77.9
Thinks Montana is "Exciting" or "Extremely exciting" (%)	54.2%	38.7%	41.1%	40.7%
Has visited Montana in the past (%)	56.8%	35.2%	42.5%	39.3%
Visits to Montana in past 10 years (Avg.)	2.1	0.9	1.4	1.0
Is "Familiar" or "Very familiar" with Montana (%)	55.9%	29.8%	38.7%	34.2%
Thinks Montana is "Appealing or "Extremely appealing" (%)	76.5%	62.2%	62.4%	64.3%
Excitement rating (1-10), Montana as a warm season destination (avg.)	8.6	8.1	8.1	8.1
Excitement rating (1-10), Montana as a cold season destination (avg.)	7.5	5.7	6.5	5.8
Montana Visitation Index (Warm season, avg.)	59.3	49.3	52.4	50.3
Montana Visitation Index (Cold season, avg.)	47.7	28.2	37.0	29.5
Length of ideal Montana trip (days)	7.2	6.9	6.5	6.7
Expected total spending in Montana (Avg., ideal trip)	\$2,006	\$1,727	\$1,701	\$1,698
Would stay in 4-star hotels or resorts (% , ideal trip)	45.4%	30.8%	42.3%	32.3%
Base (Completed surveys)	888	1,373	1,097	2,227

Activity-based Segment Profiles (Continued)

	Any Camping (Campground or Backcountry)	Visit Native American History or Cultural Sites	Visit Lewis & Clark-related Historical Sites	Spas and/or Wellness Activities
Average age (Years)	37.2	46.6	47.7	38.2
Canadian residence (%)	20.7%	9.5%	10.7%	16.9%
United States residence (%)	79.3%	90.5%	89.3%	83.1%
Spouse or significant other (in travel party, %)	75.0%	69.8%	73.3%	68.0%
Children 12 and under (in travel party, %)	33.9%	23.7%	25.5%	32.8%
Children 13-17 (in travel party, %)	18.6%	16.0%	16.0%	18.4%
Lives in an urban area	49.9%	43.3%	40.8%	55.2%
Employed full-time (%)	51.3%	40.4%	44.2%	55.8%
Retired (%)	8.5%	24.4%	26.2%	8.0%
Single	27.4%	18.1%	14.6%	25.6%
Married/Partnered	28.6%	38.5%	42.8%	32.5%
Married/Partnered with children under age 18	32.0%	22.9%	26.1%	30.2%
Affluent (%, Income > \$80K)	38.5%	37.4%	45.9%	45.6%
Overnight leisure trips taken (avg. in past year)	6.2	4.5	5.4	6.7
Outdoor leisure trips taken (non-beach focus, past 2 yrs.)	5.7	3.6	4.2	4.3
Has taken long-haul trip for outdoor experiences (% in past yr.)	80.1%	60.9%	63.5%	64.4%
Outdoor psychographic index (Avg. score)	80.1	71.5	72.5	72.0
Thinks Montana is "Exciting" or "Extremely exciting" (%)	43.5%	36.6%	39.3%	37.4%
Has visited Montana in the past (%)	44.6%	40.1%	45.0%	44.5%
Visits to Montana in past 10 years (Avg.)	1.3	1.0	1.1	1.5
Is "Familiar" or "Very familiar" with Montana (%)	39.3%	31.5%	34.0%	36.5%
Thinks Montana is "Appealing" or "Extremely appealing" (%)	66.9%	61.7%	63.9%	54.1%
Excitement rating (1-10), Montana as a warm season destination (avg.)	8.4	7.9	8.2	7.7
Excitement rating (1-10), Montana as a cold season destination (avg.)	6.1	5.1	5.4	6.1
Montana Visitation Index (Warm season, avg.)	54.5	44.4	48.1	47.8
Montana Visitation Index (Cold season, avg.)	32.8	23.3	26.5	34.1
Length of ideal Montana trip (days)	7.1	6.4	6.5	6.2
Expected total spending in Montana (Avg., ideal trip)	\$1,675	\$1,660	\$1,636	\$1,633
Would stay in 4-star hotels or resorts (% , ideal trip)	29.1%	29.7%	33.5%	45.3%
Base (Completed surveys)	1,635	1,003	964	344

Activity-based Segment Profiles (Continued)

	Explore Small Towns & Villages	Visit Glacier National Park	Any Hiking (Day or Multiday Trips)	Any National Park (Yellowstone or Glacier NPs)
Average age (Years)	44.2	45.1	38.7	44.4
Canadian residence (%)	16.8%	16.9%	16.5%	16.2%
United States residence (%)	83.2%	83.1%	83.5%	83.8%
Spouse or significant other (in travel party, %)	72.3%	74.7%	73.0%	74.1%
Children 12 and under (in travel party, %)	23.3%	24.1%	30.0%	24.8%
Children 13-17 (in travel party, %)	13.3%	15.1%	16.8%	15.3%
Lives in an urban area	39.6%	42.2%	47.5%	41.5%
Employed full-time (%)	41.3%	43.7%	52.5%	44.4%
Retired (%)	20.2%	21.4%	10.1%	20.2%
Single	22.4%	20.2%	26.6%	20.6%
Married/Partnered	38.8%	41.6%	31.7%	40.4%
Married/Partnered with children under age 18	22.5%	23.9%	29.9%	24.3%
Affluent (% , Income > \$80K)	38.9%	42.3%	43.4%	41.1%
Overnight leisure trips taken (avg. in past year)	4.8	4.9	5.8	4.8
Outdoor leisure trips taken (non-beach focus, past 2 yrs.)	3.9	3.9	4.8	3.8
Has taken long-haul trip for outdoor experiences (% in past yr.)	66.3%	67.2%	76.0%	65.6%
Outdoor psychographic index (Avg. score)	74.0	74.0	78.0	73.3
Thinks Montana is "Exciting" or "Extremely exciting" (%)	35.8%	37.5%	42.0%	34.6%
Has visited Montana in the past (%)	37.5%	42.3%	44.0%	39.5%
Visits to Montana in past 10 years (Avg.)	0.8	0.9	1.2	0.9
Is "Familiar" or "Very familiar" with Montana (%)	27.5%	32.4%	38.2%	29.9%
Thinks Montana is "Appealing" or "Extremely appealing" (%)	61.6%	60.7%	63.7%	58.0%
Excitement rating (1-10), Montana as a warm season destination (avg.)	8.1	8.0	8.2	7.9
Excitement rating (1-10), Montana as a cold season destination (avg.)	5.2	5.2	6.0	5.2
Montana Visitation Index (Warm season, avg.)	47.2	47.4	51.5	46.1
Montana Visitation Index (Cold season, avg.)	23.6	24.4	31.8	24.0
Length of ideal Montana trip (days)	6.6	6.4	6.5	6.3
Expected total spending in Montana (Avg., ideal trip)	\$1,616	\$1,598	\$1,577	\$1,574
Would stay in 4-star hotels or resorts (% , ideal trip)	27.7%	28.1%	32.8%	28.4%
Base (Completed surveys)	2,513	2,049	2,950	3,153

Activity-based Segment Profiles (Continued)

	Visit Yellowstone National Park	Visit Geology/ Dinosaur- related Historical	Drive Scenic Byways	Dining Out in Restaurants
Average age (Years)	45.0	43.1	45.1	43.4
Canadian residence (%)	16.2%	17.2%	16.3%	16.9%
United States residence (%)	83.8%	82.8%	83.7%	83.1%
Spouse or significant other (in travel party, %)	74.1%	75.2%	73.3%	71.4%
Children 12 and under (in travel party, %)	23.1%	35.7%	21.4%	24.0%
Children 13-17 (in travel party, %)	14.8%	18.2%	13.2%	13.9%
Lives in an urban area	39.1%	45.6%	38.7%	42.2%
Employed full-time (%)	42.9%	45.2%	41.7%	43.6%
Retired (%)	21.3%	18.9%	22.4%	19.4%
Single	20.8%	17.5%	21.7%	23.4%
Married/Partnered	41.2%	34.6%	41.7%	37.7%
Married/Partnered with children under age 18	23.1%	34.5%	21.2%	23.3%
Affluent (% , Income > \$80K)	40.1%	43.3%	39.4%	39.7%
Overnight leisure trips taken (avg. in past year)	4.5	4.8	4.7	4.8
Outdoor leisure trips taken (non-beach focus, past 2 yrs.)	3.7	4.0	3.9	3.7
Has taken long-haul trip for outdoor experiences (% in past yr.)	63.4%	66.3%	65.3%	64.6%
Outdoor psychographic index (Avg. score)	72.4	73.2	73.8	72.2
Thinks Montana is "Exciting" or "Extremely exciting" (%)	32.5%	38.0%	35.6%	33.3%
Has visited Montana in the past (%)	36.0%	42.9%	39.4%	37.6%
Visits to Montana in past 10 years (Avg.)	0.8	1.1	0.8	0.9
Is "Familiar" or "Very familiar" with Montana (%)	25.7%	32.6%	29.1%	28.4%
Thinks Montana is "Appealing or "Extremely appealing" (%)	55.3%	58.0%	60.6%	55.4%
Excitement rating (1-10), Montana as a warm season destination (avg.)	7.8	8.0	8.0	7.8
Excitement rating (1-10), Montana as a cold season destination (avg.)	5.0	5.4	5.2	5.2
Montana Visitation Index (Warm season, avg.)	44.2	47.8	46.8	45.1
Montana Visitation Index (Cold season, avg.)	21.8	27.4	23.0	24.2
Length of ideal Montana trip (days)	6.2	6.5	6.5	6.1
Expected total spending in Montana (Avg., ideal trip)	\$1,569	\$1,567	\$1,565	\$1,526
Would stay in 4-star hotels or resorts (% , ideal trip)	27.3%	31.5%	26.9%	30.7%
Base (Completed surveys)	2,457	929	2,720	3,443

International Audiences

An analysis of how appealing international travelers find Montana (percent rating Montana as “appealing” or “very appealing”) and their anticipated likelihood to visit the state within the next five years reveals the top global markets the Montana brand may have the most success in. These markets also show an openness and interest in outdoor experiences, national parks and relaxation when traveling in the United States.

	Percent Rating Montana as Appealing	Percent Likely to Visit Montana in Next Five Years
<i>North America</i>		
Mexico	32.3%	14.5%
Canada	23.4%	10.0%
<i>Europe</i>		
France	29.5%	11.3%
Canada	23.4%	10.0%
Germany	22.0%	7.8%
UK	23.4%	4.4%
<i>Asia</i>		
India	40.9%	17.4%
China	18.7%	8.2%



BRAND ANALYSIS

Top Brand Perceptions, Associations & Attributes

The Essence of the Montana Brand

The promise of the Montana travel experience, when distilled to its essence, is described by this brand positioning:

Montana's unique scenic beauty and unspoiled natural assets make it an unequaled place to independently engage with the natural world while still enjoying the comforts of the modern one. Montana is a place set apart, both physically and culturally, that attracts those with freedom and adventure in their hearts. It is where the traveler enjoys experiences that are entirely new, as well as novel ways of enjoying the familiar.

The three core elements of this positioning are:

1. Unique natural encounters without giving up the comforts of modern life
2. A comfortable isolation that attracts journeyers
3. A place for entirely new experiences and a place for new ways of experiencing the familiar

Each of these elements emerged organically in the qualitative studies comprising this research, and each was found to be honest and important to what travelers envision they would desire from a Montana trip. Perhaps the core of this positioning deals with how travelers explained the state's allure through the lens of the type of travelers in which Montana would be ideal.

Travelers clearly see Montana as an allegory for open-mindedness, freedom, adventure, self-confidence, a reverence for the natural world and a rejection of fear and superfluous rules.

Several statements from focus group participants express this sentiment:

“Taking a trip to Montana says you’re adventurous, love the outdoors. It says that someone likes to explore, is open-minded, and wants something new and different.”

“Someone who takes a trip to Montana shows a willingness to experience a totally different world.”

“People who visit Montana enjoy nature and being active. They’re bold, daring and free.”

Quite possibly the most illuminating element of the research about the Montana brand was an exercise developed for the project’s focus groups. In this exercise, participants were given a sheet with eight different images of people who might take a trip to Montana. They were then asked to use their imagination about these people and select the one image representing who would most enjoy Montana, then invent a story of this person and their trip. (An example of this sheet completed by a participant is shown on the next page.)

Far and away, the most commonly selected image was the two hitchhiking young women, due to its representation of the unencumbered, who are ready for and will try anything, who are happy to buck convention, who valued the natural world and are on a trip seeking fun and light adventures. Whatever the image chosen, however, the story told by the participant was usually the same. The person who would most enjoy Montana marched—or at least was willing to on some level—to the beat of a different drummer. They valued being adventurous and free-spirited. They were cool, and willing to take chances on an off the beaten path trip. They would take pride in going to a place that is yet unexplored, and say they are the first of their friends to do so. They recognized the benefits of a deep connection to nature and seek such out. They allowed themselves to not be weighed down—at least temporarily—by societal stresses and expectations.



Name: Kathy White

1

Source: Example exercise taken from Montana Brand Focus Groups

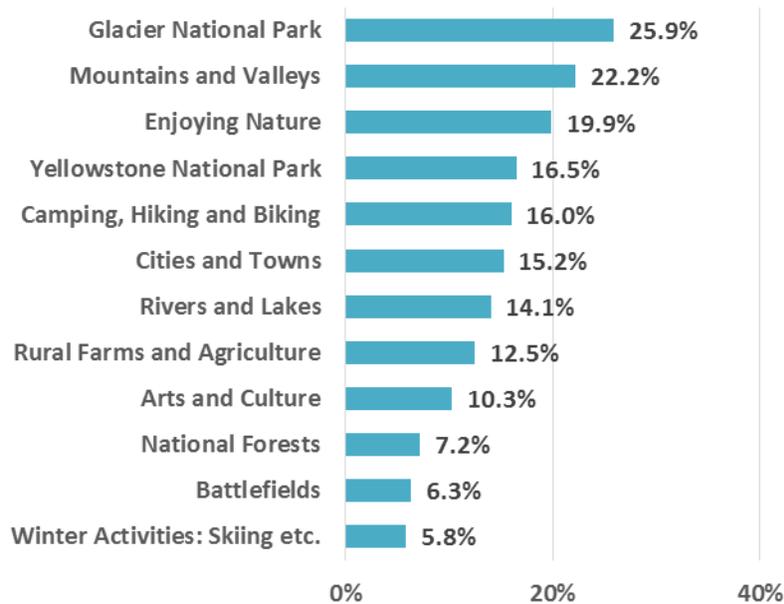
Montana's Brand Associations

In the eyes of the traveling public, Montana is most closely associated with outdoor recreational experiences and its mountainous landscapes and National Parks. When surveyed

travelers were asked—in an open-ended format—to identify the attractions, places to visit, things to do and experiences Montana offers visitors, Glacier National Park (25.9%) and Yellowstone National Park (16.5%) were amongst the top. This association with National Parks is even stronger amongst those who visited Montana for leisure in the past five years (Glacier National Park—31.8%, Yellowstone National Park—21.9%). Outdoor activities such as “Enjoying Nature” (19.9%) and “Camping, Hiking, and Biking” (16.0%), as well as the state’s landscapes, including “Mountains and Valleys” (22.2%) and “Rivers and Lakes” (14.1%), were also strong initial associations with Montana.

Top of Mind Attractions and Experiences in Montana (open-ended)

(% writing in each attraction or experience)



Question: Thinking of Montana as a place to visit, what are the top attractions, places to visit, things to do and experiences Montana offers you as a visitor? Source: Montana Brand Exploration Survey, 2016

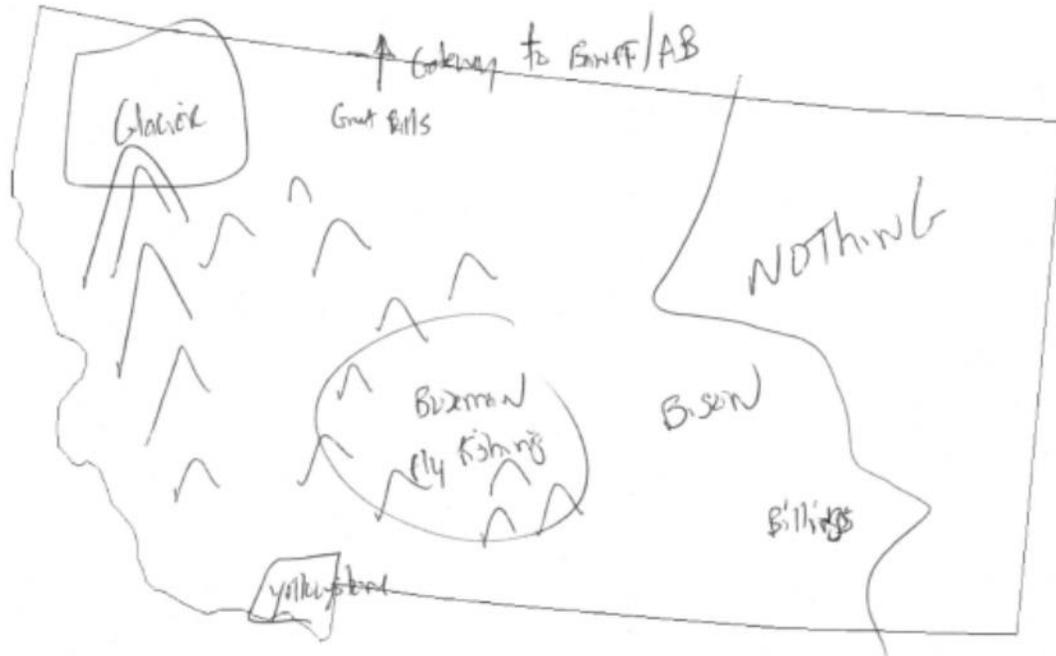
These survey findings are consistent with the opinions expressed throughout the qualitative side of this

“Big Sky Country, the Old West, wildlife, it’s unspoiled and less developed. It’s a huge state with mountains and wide open space.”

--In-depth interview participant

research. Most research participants who had not visited Montana associated the state with things such as, “Wilderness, outdoors, wide open space, mountains, cowboys and natural beauty,” and did not know much beyond this and the existence of National Parks in the state. These travelers were delighted to learn about options in the state beyond outdoor recreation and National Parks, but these other elements are not closely associated with the Montana brand.

Montana should assume little working knowledge of its destination attributes among the traveling public. In an exercise in which focus group participants were instructed to fill in a blank map of Montana and write in their associations of the state, Glacier and Yellowstone National Parks were often drawn on the map or listed as a top association. The example map from this exercise immediately following illustrates how many potential travelers think about the state’s tourism offerings. Most participants understood the state to be the home of the National Parks and the Rocky Mountains. Beyond that, impressions of Montana as “open,” “vast” and “unpopulated,” were common. This map exemplifies the general lack of awareness of specific cities, towns, state parks and other attractions. Beyond the general characteristics of the state, little was known.



TOP MONTANA ASSOCIATIONS

Places, events, qualities, things to do and experiences

- | | |
|---------------------------|---------------------------------|
| 1. <u>Boz Yellowstone</u> | 5. <u>Geological formations</u> |
| 2. <u>Bozeman</u> | 6. <u>unpopulated landscape</u> |
| 3. <u>Bison</u> | 7. <u>Glacier N.P.</u> |
| 4. <u>open/vast</u> | 8. <u>fly fishing</u> |

Source: Example exercise taken from Montana Brand Focus Groups

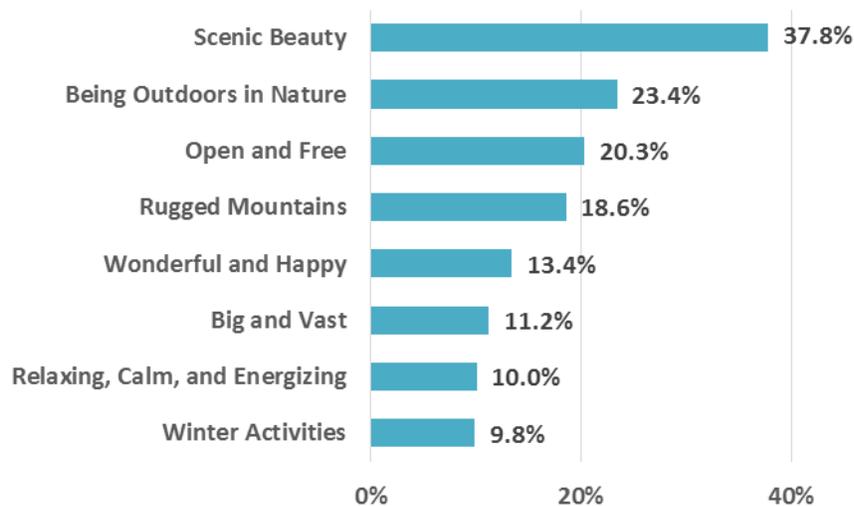
Montana evokes vivid, emotional imagery of the outdoors. When asked in an open-ended question to picture Montana in their mind, nearly 40 percent of travelers surveyed wrote-in Montana’s “Scenic Beauty” (37.8%). One-quarter described “Being Outdoors in Nature” (23.4%) and one-in-five described the sense of “Open and Free” (20.3%). These associations with Montana were also reiterated in the qualitative research, in which Montana was described in ways such as “Unspoiled, natural and scenic beauty...and diversity of land” and as “A combination of offering unspoiled natural beauty and an adventurous experience.” And when participants in the focus groups and in-depth interviews talked about the state’s beauty and outdoor attributes, they commonly did so using superlatives and strong emotional language. Montana is clearly a place that inspires strong emotions.

“A combination of offering unspoiled natural beauty and an adventurous experience.”

--Focus group participant

Top of Mind Words or Phrases that Describe Montana (open-ended)

(% writing in each descriptor)

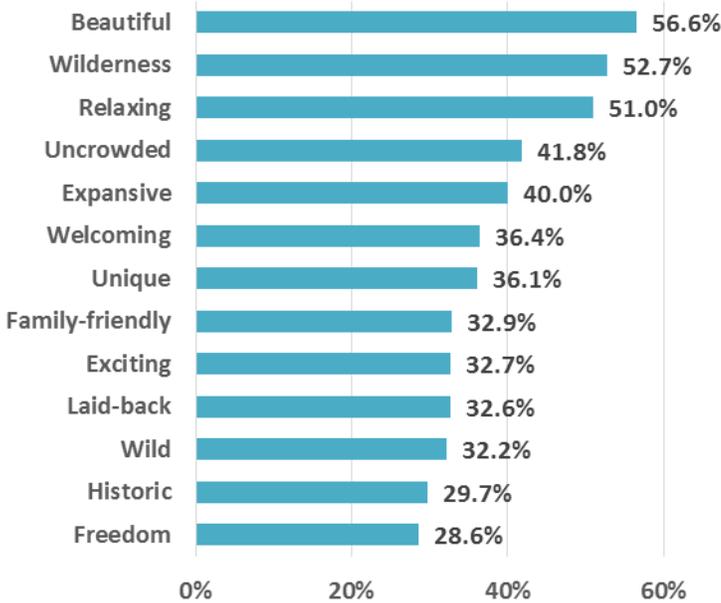


Question: Picture Montana in your mind—and think of the SPECIFIC WORDS that describe Montana Please write in the first adjectives or descriptive words or phrases that come to mind.
 Source: Montana Brand Exploration Survey, 2016

This story was reinforced in an aided question that provided a list of descriptors. From a set list of descriptive words and phrases, more than half of survey respondents selected “Beautiful” (56.6%) and “Wilderness” (52.7%) as words that describe Montana. Aligning with the “Open and Free” and “Big and Vast” phrases written in the open-ended questions, “Uncrowded” (41.8%) and “Expansive” (40.0%) were also commonly selected descriptors. While “Relaxing, Calm and Energizing” was written in by only 10 percent of respondents, 51.0 percent of selected it in the aided question. Interestingly, survey respondents who had previously visited the state were more likely to select the words “Unique” and “Exciting” compared to those who have not visited Montana.

Words or Phrases that Describe Montana (aided)

(% selecting each descriptor)



Question: Which of these words or phrases accurately describe Montana? (Select all that apply)
 Source: Montana Brand Exploration Survey, 2016

“It has two of the most beautiful National Parks. There’s so much to do. There’s enough room and space to be yourself.”

--In-depth interview participant

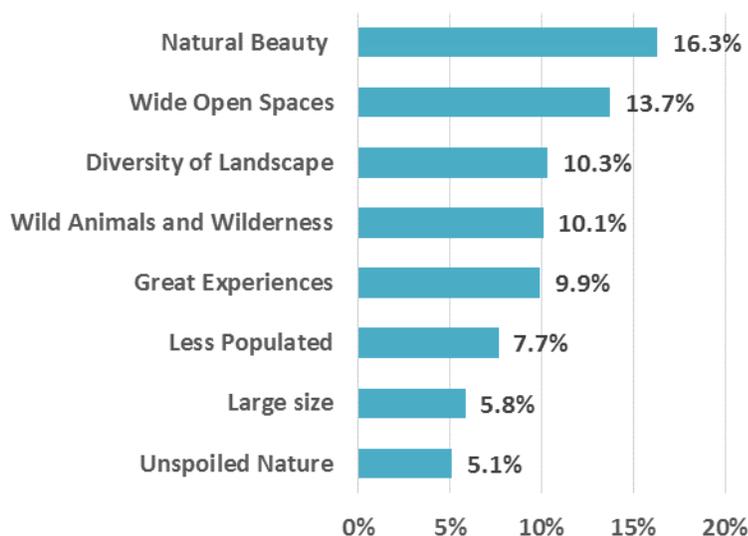
Montana’s beauty is unique. An important point that ran throughout the research concerned the uniqueness of Montana’s beauty. Montana’s beauty is seen as different from that of other competitors. Its

landscapes were described as feeling bigger and more open. This was depicted somewhat clinically in the stakeholder interviews, as being a result of the glaciation that shaped the state, rather than deeper river carved valleys of a competitor like Colorado. As product differentiation is central to developing an effective brand platform, this should be considered a central element of how travelers perceive the state.

The table below shows the responses given to a question asking what makes Montana different from other states. Montana’s “Natural Beauty” and “Wide Open Spaces” were also the top destination attributes that set the state apart from other destinations as reported in the Montana Brand Exploration Survey.

Top of Mind What Makes Montana Unique (open-ended)

(% writing in each descriptor)



Question: In a few words, WHAT MAKES MONTANA DIFFERENT FROM OTHER STATES in the western USA and Canada? Source: Montana Brand Exploration Survey, 2016

Montana promises travelers an important degree of experiential novelty. Throughout the qualitative side of the research, participants continuously pointed out that what Montana

“Montana brings with it, “the promise of going to a place you have to feel and breathe, not just look at. A place that sparks imagination and touches your soul.”

--In-depth interview participant

offered was either new to them or offered a new way of experiencing what they already had experienced. Focus group participants expressed a strong desire for having new experiences in Montana and the state was perceived to be uniquely positioned to provide those experiences. In fact, the very

act of taking a trip to Montana was thought to be extremely “experiential” in its essence.

Montana brings with it, “the promise of going to a place you have to feel and breathe, not just look at. A place that sparks imagination and touches your soul.” This experiential connection with Montana was further expressed by interview and focus group participants when they described their reasons for taking a trip. Such a trip would allow participants to “get out of my routine and experience peaceful open spaces,” “smell the fresh air,” and ultimately “renew my spirit just by being there.”

That Montana offers great, new experiences was also evident from survey respondents who had previously visited Montana, in which 17.9 percent reported that “Great experiences” make Montana different from other states in the Western USA and Canada (compared to 9.9 percent of all survey respondents and 3.3 percent of those who had not visited Montana).

Montana’s Brand and Seasonality

Although leisure travelers generally understand that Montana is a year-round destination, there is a noticeable preference for travel to Montana during the warm season. Respondents to the Montana Brand Exploration Survey reported substantial levels of

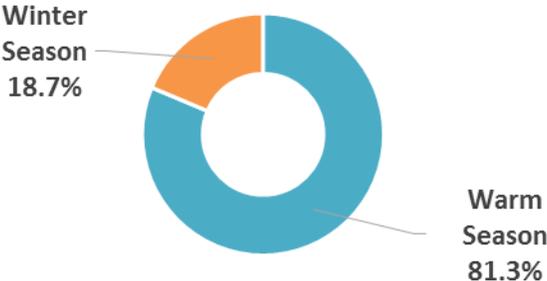
“The weather would be a consideration. I would want to go in the summertime when it is warm.”

--Focus group participant

excitement for traveling to Montana during the warm season averaging 6.7 out of 10 on the excitement index. Winter travel to Montana, by comparison, scored 5.1 out of 10 on the excitement index overall and 4.3 out of 10 for respondents who reside in Canada. This sentiment was also expressed in the in-depth interviews and focus groups, “Montana doesn’t seem like a place that I would necessarily want to go to during winter. When I think of the things I would want to see and do, like hiking, I don’t want to do that during winter. I don’t want to be cold while hiking. So it’s not an ideal situation for me.” When asked about planning a trip to Montana, focus group participants said, “The weather would be a consideration. I would want to go in the summertime when it is warm.” Further showing leisure travelers’ preference for warm season travel to Montana, over 80 percent of survey respondents reported that their dream trip to Montana would take place during the warm season (81.3%), compared to only 18.7 percent who would visit the state during the winter season.

Preferred Season for Montana Dream Trip

(% selecting each season)



Question: When would your dream trip take place? (Select one) Source: Montana Brand Exploration Survey, 2016

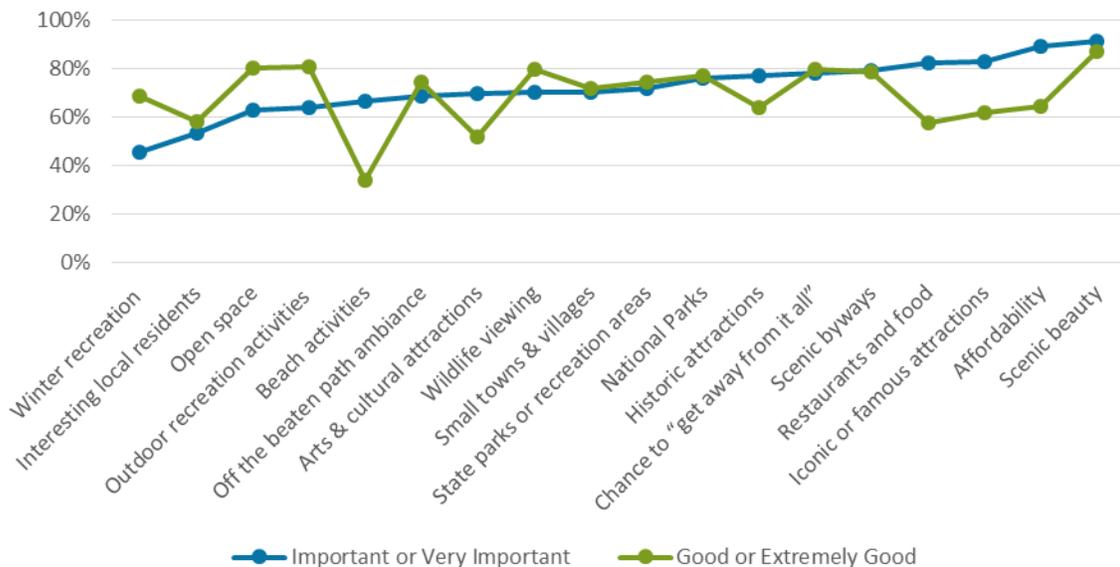
Even though travel to Montana during the warm season is considered to be more exciting to leisure travelers, winter activities are still a significant top of mind association with the state. Nearly one in ten respondents wrote in “Winter activities” in an open-ended question asking the specific words or phrases that come to mind when thinking about Montana (9.8%).

Montana's Destination Attributes

Montana's key brand associations and perceptions, scenic beauty and National Parks, fit well with the destination attributes that are important to leisure travelers. The chart below compares the proportion of survey respondents who rated Montana as "Good" or "Very good" for each attribute (green) to the proportion that say the attribute is either "Important" or "Very important" for selecting a destination (blue). By comparing how travelers perceive Montana's attributes to how important these attributes are to their destination selection process, we can get a sense of the state's strengths and weaknesses. As seen by the alignment of the blue and green pinpoints in the chart below, Montana performs in line with travelers' desire for destinations that offer scenic beauty and National Parks. Montana also aligns well with travelers' consideration of state parks or recreation areas, a chance to "get away from it all," scenic byways, an off-the-beaten path ambiance, and small towns and villages, when selecting leisure destinations.

Perceptions versus Importance

(% of Montana's destination Rating versus overall importance to destination selection)



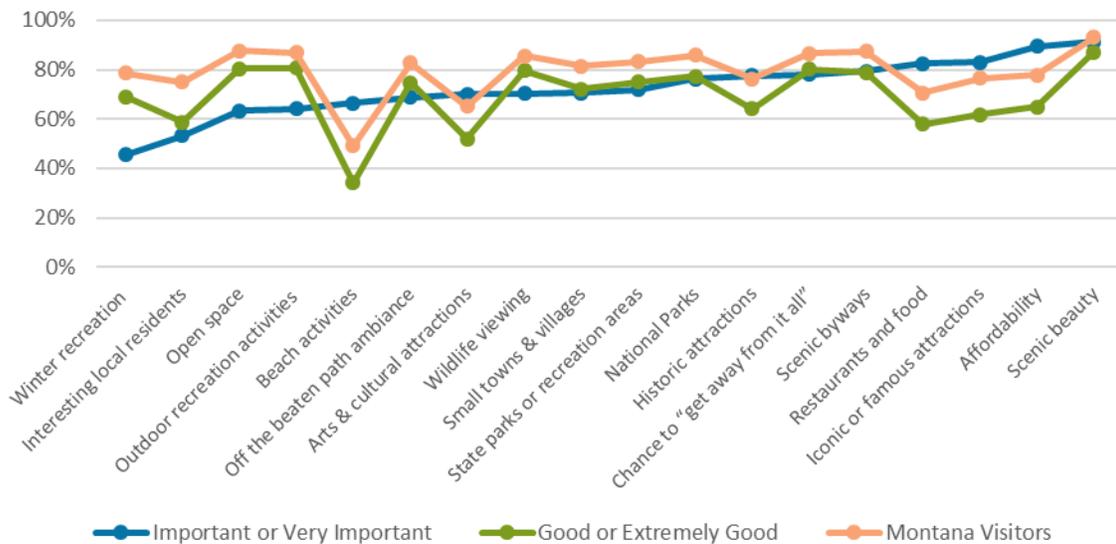
Question: Please use the scale below to evaluate each attribute of Montana as a place to visit for leisure travel.; How important would each generally be to how you would select the places you would visit? Source: Montana Brand Exploration Survey, 2016

While Montana is considered to be a good destination for open space and outdoor recreation activities, these attributes are not necessarily the most valued by leisure travelers. On the left hand side of the chart, more travelers rate Montana as “Good” or “Very good” for “Open space,” “Outdoor recreation activities” and “Winter recreation” than rate these attributes as important to their destination selection. By comparison, more travelers consider “Restaurants and food,” “Iconic or famous attractions” and “Affordability” important than consider Montana to be a “Good” or “Very good” provider of these attributes.

Travelers familiar with the state give it significantly higher attribute ratings. When we add in the additional layer to the chart above of respondents who have visited Montana in the past (orange), we see the ratings for the state’s attributes increase across the board. This is especially significant when we consider the positive change in the state’s perceived weaknesses. Respondents who have visited Montana rated the state’s “Iconic or famous attractions,” “Historic attractions” and “Arts and cultural attractions” in a more closely aligned way with how important those attributes are to the destination decision.

Perceptions versus Importance

(% of Montana’s destination Rating versus overall importance to destination selection)



Question: Please use the scale below to evaluate each attribute of Montana as a place to visit for leisure travel.; How important would each generally be to how you would select the places you would visit? Source: Montana Brand Exploration Survey, 2016

Montana is perceived as challenging to access. In addition to the destination attribute weaknesses discussed in the charts above, the Montana brand brings with it this perceived challenge. In the Montana Brand Exploration Survey, 16.3 percent reported that Montana was “Hard to get to” and 8.8

percent felt a trip to the state would be “Expensive.” The table immediately following shows the percent of

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

--In-depth interview participant

survey respondents from each DMA who selected Montana as “Hard to get to.” As expected, respondents who reside in DMA’s farthest from Montana – Washington, DC, Atlanta, San Francisco, New York, and Dallas/Fort Worth, were the most likely to say that Montana would be difficult to travel to. In-depth interview participants explained it this way, “It seems a little tricky to get there, you have to make connections, there’s not a lot of non-stop flights from anywhere, especially coming out of my home town.”

Perception that Montana is “Hard to Get to”
 (% of respondents in each DMA selecting “Hard to get to” to describe Montana)

“Hard to Get to”	
Washington, DC	27.9%
Atlanta, GA	25.6%
San Francisco, CA	21.0%
New York City, NY	20.9%
Dallas/Fort Worth, TX	20.7%
Chicago, IL	17.0%
Phoenix, AZ	15.5%
Las Vegas, NV	15.2%
Denver, CO	14.2%
Vancouver - Victoria, BC	13.6%
Portland, OR	12.6%
Los Angeles, CA	12.3%
Boise, ID and Salt Lake City, UT	11.9%
Seattle, WA	10.2%
Minneapolis/St. Paul, MN	7.8%
Saskatchewan and Manitoba	6.3%
Alberta	2.9%

Question: Which of these words or phrases accurately describe Montana? (Select all that apply) Source: Montana Brand Exploration Survey, 2016

Montana also evokes concern about the cost of a trip. This was based on perceived prices for airline tickets due to limited direct flights into the state. As discussed immediately below, some participants shared that investing in a trip to Montana would only be worth it if the trip was of substantial length.

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

--Focus group participant

It is felt that a trip to Montana requires a significant time commitment. This was particularly attributed to its access challenges (lack of direct flight service), as well as the state’s size and the desire to experience as much of the state as possible—a “bucket list” mentality. Focus

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

--Focus group participant

group participants anticipated that traveling between the state’s attractions required several hours of driving time. Reflecting the general sentiment, it was stated that Montana “Sounds like a great trip, but I probably

won’t go...because of how much time and money I would need to devote to this kind of trip.” Other similar notions included, “I can’t take that much time off from work,” and, “Taking a long haul trip to a destination like Montana requires a lot more planning and resources.”



SWOT ANALYSIS

Montana's Brand Strengths, Weaknesses,
Opportunities & Threats

SWOT analysis is a popular method of identifying and categorizing the strengths, weaknesses, opportunities and threats of a destination. SWOT is a basic, straightforward model that shows a simple, easy to understand picture of what a destination can and cannot do, as well as its potential opportunities and threats. This analysis takes data from the qualitative and quantitative components of this project, evaluates it and separates it into internal (strengths and weaknesses) and external (opportunities and threats) issues. Once completed, SWOT analysis determines what may assist the destination in clarifying its ideal brand position (a brand platform strategy), and understanding the obstacles that must be overcome in attracting high value target segments.

Note on internal versus external factors: The first two letters in the acronym, S (strengths) and W (weaknesses), refer to internal factors, which means destination attributes and assets readily available to or controlled by the destination. External forces influence and affect Montana. External factors are typically things the destination does not control.

Montana's SWOT Chart

	Strengths	Weaknesses
Internal Factors	<ul style="list-style-type: none"> • Unique scenic beauty • Abundant scenic byways and opportunities for road trip adventures • Remote, unpopulated and unspoiled ambiance • Outstanding National Parks offerings • Compelling state parks system • Compelling small towns and villages • Unique wildlife viewing options • Numerous, diverse outdoor recreation activities • Winter recreation opportunities • Perceived as a prime place for sky and star gazing • Perception of safety • Welcoming atmosphere • Cowboy culture 	<ul style="list-style-type: none"> • Perceived affordability issues • Perceived access issues • Lack of a singular iconic attraction that travelers connect with the destination • Low levels of awareness of Montana's destination attributes • Lack of well-known endemic cuisine/limited dining options • Traveler concerns/fears about isolation • Lack of well-known historic attractions • Lack of well-known arts & cultural attractions • Shortage of tourism product available during the shoulder seasons • Infrastructure challenges • Lack of internet/connectivity • Perceived lack of luxury travel product/options • Weather
	Opportunities	Threats
External Factors	<ul style="list-style-type: none"> • Less crowded than competitive destinations • Shoulder season has strong potential for growth • High level of domestic excitement about Montana's tourism offerings • Significant international interest in visitation • Using niche marketing to fill needs 	<ul style="list-style-type: none"> • Powerful regional competition offering similar travel experiences • Growing tourism budgets in competing states • Funding threats to State tourism efforts • Global competitive considerations • Perception of significant time commitment required for a Montana trip • Shrinking amounts of usable vacation time • Currency fluctuations • Political uncertainty • Challenges to developing international visitation • Potential for overdevelopment damaging the destination's core selling points • Environmental changes

Strengths

Montana is a place with a unique and diverse beauty unlike its competition. The state is custom made for the great American road trip and is known for its remote, unpopulated, wide-open skies and unspoiled ambiance. While Glacier and Yellowstone National Parks add force to the state's tourism prowess, Montana's little known state park system is a true gem, with tremendous potential for adding to exciting overall trip itineraries. The state's wildlife is another compelling attraction, giving travelers the chance to see exciting and exotic animals that are extrinsic to their normal life experiences. Montana's charming small towns, mountain resorts and dude ranches are also important brand pillars, allowing travelers engaging access to the comforts of modern life that they strongly desire. Montana's safe, welcoming vibe and deep roots in American ranch/cowboy culture also set it apart from its competitive set.

- **Unique scenic beauty** – Montana is endowed with extraordinary scenic beauty, as is much of the Western United States. Montana's scenic offerings are, however, different from its competition and center around openness. Its mountain ranges are known for their sweeping glacially-formed majesty and the "big sky" ambiance rather than the high narrow valleys found in Colorado. Montana's scenic beauty is also arguably more diverse than its competition, featuring classic mountain scenes, as well as badlands, rivers, high plains and prairies.
- **Abundant scenic byways and opportunities for road trip adventures** – Montana seems custom made for the great American road trip. It is perceived as being large and time-consuming to cross, but road infrastructures provide travelers access to many diverse and well-appreciated travel opportunities.
- **Remote, unpopulated and unspoiled ambiance** – Montana is seen as an off-the-beaten-path experience. It is perceived as being a uniquely remote and unpopulated, unspoiled state. This is an important point of differentiation, especially against its strongest regional

competition, Colorado, which is associated with overcrowding and touristy overdevelopment.

- **Outstanding National Parks offerings** – Montana is home to two well-known and beloved National Parks, Glacier and Yellowstone. However, the latter is more closely associated in the traveler’s mind with Wyoming than Montana. Nevertheless, Yellowstone National Park’s location is a tremendous asset for the state.
- **Compelling state park system** – While the typical traveler appears to know very little about Montana’s state parks, when introduced to the system’s specific offerings, high levels of traveler excitement were observed. It is clear that the Montana state park system is something of a hidden gem with great potential to attract visitors.
- **Compelling small towns and villages** – As described in this report, having access to the comforts of modern life will be important to the vast majority of Montana visitors. The good news for Montana is that these comforts can be found in what travelers perceive as highly appealing small towns and charming villages. The charming small town as a provider of these services should be considered an important brand pillar.
- **Unique wildlife viewing options** – Wildlife viewing is a high-level interest activity for travelers and is closely associated in the traveler’s mind with Montana. Montana’s offerings in this area are both unique and compelling, with an array of rare, charismatic mega-fauna such as grizzly bears, wolves, bison, moose, pronghorn antelope, mountain goats and elk.
- **Numerous, diverse outdoor recreation activities** – Montana has diverse outdoor opportunities for travelers across its geography. These offerings are generally seen as high quality.
- **Winter recreation opportunities** – Montana is not associated in the traveler’s mind as a winter sports destination. However, it has these offerings.

- **Perceived as a prime place for sky and star gazing** – Leisure travelers expressed a strong motivation for human connection with the natural world which Montana can be uniquely positioned to provide.
- **Perception of safety** – The state is largely seen as safe from a lack of crime point of view.
- **Welcoming atmosphere** - Montanans were generally seen in this research to be friendly, welcoming people.
- **Cowboy culture** – While the ranching lifestyle and cowboy culture are in no way unique to Montana, the state is strongly associated with this in the minds of travelers, many of whom find it very appealing. Visiting ranches (agri-tourism) and staying at dude ranches was seen in this research to be a highly appealing activity that is “very Montana” and/or relatively unique to the state.

Weaknesses

Montana has several weaknesses that will challenge the industry’s ability to drive incremental visitation to the state. Chief among these is low levels of consumer understanding of the state’s tourism offerings. This includes lack of knowledge regarding the state’s attractions, history, culture and misperceptions about the cost of visiting the state. Montana is also more geographically isolated than its direct competition. While this has important positive implications for the brand, the state can seem intimidating if the visitor experience is presented as isolated or lonely. Montana’s harsh winter weather and Spring/Fall capacity challenges the state’s ability to fill the shoulder seasons. Infrastructure challenges including air access and regional connectivity issues are problematic.

- **Perceived affordability issues** – Visiting Montana is seen as a relatively expensive travel experience. This finding was extremely clear in the qualitative component of this research, as in-depth interviewees and focus group participants seem to nearly universally agree that the state is expensive to visit.

- **Perceived access issues** – Montana is also seen as being hard to reach, either by being geographically distant or because of a lack of direct air access.
- **Lack of a singular iconic attraction travelers connect with the destination** – As a tourism destination, Montana lacks a major recognizable icon associated with the place.
- **Low levels of awareness of Montana’s destination attributes** – The state’s extraordinary and diverse tourism offerings are not well-known to the traveling public.
- **Lack of a well-known endemic cuisine/limited dining options** – Dining options and experiences are an important consideration for many travelers. Montana is not considered as a place with interesting culinary experiences.
- **Traveler concerns/fears about isolation** – It was noted in the qualitative components of this project’s supporting research that travelers were uncomfortable with the notion that they would be isolated or completely alone in Montana. In carrying the brand forward, a balance will need to be found between showing the state as unspoiled/not touristy and showing Montana as an isolated, scary place.
- **Lack of well-known historic attractions** – Montana has a rich history and interesting related attractions. The story of Montana’s past is little known by travelers, weakening the power of these attributes to attract visitors to the state.
- **Lack of well-known arts & cultural attractions** – Similarly, the state’s arts and cultural offerings are virtually unknown to potential visitors.
- **Shortage of tourism product available during the shoulder seasons** – Montana stakeholders interviewed in this research felt strongly that the state has an excellent

opportunity to grow tourism in the shoulder seasons (early Spring and late Fall). However, this potential is greatly limited by the business practices of providers that must shutter for the cold season when visitor traffic begins to wane (in the Fall) or open later (in the Spring) when traffic has already picked up. In effect, due to closed businesses there is limited tourism capacity during several weeks in each shoulder period when visitors could be enjoying the state.

- **Infrastructure challenges** – Montana is not well-equipped for significant growth in visitor volume. It has accessibility issues (smaller airports and limited direct flights) and a lack of public transit systems.
- **Lack of internet/connectivity** – In areas of the state, visitors may find themselves without mobile phone service or Internet connectivity. This may present a challenge to some visitors, yet others will find it appealing.
- **Perceived lack of luxury travel product/options** – Qualitative participants often appeared surprised by the fact that the state had luxury travel options. They wanted these options, but didn't imagine them being available.
- **Weather** – Montana's extreme winter conditions will greatly limit the potential for winter travel.

Opportunities

Montana has significant opportunity for tourism growth. Compared to competitive destinations that provide similar travel product to travelers, Montana is considered to be less crowded. Montana's shoulder season has strong potential for tourism growth. The opportunity for this tourism growth is in both domestic and international markets, as seen in

reported interest for outdoor travel experiences as well as significant excitement and interest in visiting Montana.

- **Less crowded than competitive destinations** – The flip side of Montana being further away and more challenging to reach, the state is perceived to be significantly less crowded and touristy than other destinations with similar travel product, such as Colorado.
- **Shoulder season has strong potential for growth** – Montana stakeholders interviewed in this research felt strongly that the state has an excellent opportunity to grow tourism in the shoulder seasons (early Spring and late Fall). The chief challenge to this potential would require the providers of travel product to stay open longer into the cold season after visitor traffic has traditionally begun to wane (in the Fall) and open earlier (in the Spring) before traffic has already reached capacity.
- **High level of domestic excitement about Montana's tourism offerings** – The strong majority of respondents to the Montana Brand Exploration Survey reported being at least somewhat excited about traveling to Montana in the warm months (58.7%). Additionally, 39.2 percent reported that same level of excitement for the winter months.
- **Significant international interest in visitation** – Likely international travelers from the United States' top 14 feeder markets reported interest in visiting the state of Montana on par with larger more well-known destinations such as Napa, Santa Barbara and Nashville.
- **Using niche marketing to fill needs** – Montana desires to grow its shoulder season visitor traffic and promote travel to all areas of the state. The research conducted for this project shows significant opportunity to educate travelers about the potential for

traveling in all regions and in off-peak demand seasons. This can be achieved through effective mass and niche marketing strategies.

Threats

Montana's tourism growth faces some significant threats. There is strong domestic and international competition for the attention of leisure travelers made more significant by potential funding issues at the state level combined with growing tourism budgets in competing destinations. Leisure travelers expressed hesitation to visiting Montana based on the perception that such a trip requires a significant time commitment, especially considering shrinking amounts of usable vacation time. Developing more international visitation to the state may be a challenge with current limitations on airlift, currency fluctuations and domestic political uncertainty. There are also risks to the environment and Montana's core selling points from industrial overdevelopment.

- **Powerful regional competition offering similar travel experiences** – The Northern Rocky Mountain regions, and the majority of the Western U.S., offer similar landscapes and recreational activities to Montana.
- **Growing tourism budgets in competing states** – Montana's relative ability to compete with destinations that provide similar travel product will be limited by the growing tourism budgets of competing destinations.
- **Funding threats to state tourism efforts** – Montana stakeholders expressed significant concerns about tourism funding issues at the state level and how that affects the regional and local destinations' marketing efforts.
- **Global competitive considerations** – Montana needs to expand the scope of their competitive set and consider other states as well as other countries as their competition for traveler's attention.

- **Perception of significant time commitment required for a Montana trip** – Focus group participants interviewed in this research said they thought a trip to Montana required a significant time commitment, for some participants this was two to three weeks, for others, two to three months.
- **Shrinking amounts of usable vacation time** – A Montana vacation is perceived as being a trip that would require a healthy commitment of time. This runs counter to societal trends in vacation consumption. According to the U.S. Travel Association, vacation usage fell below the long-term average of 20.3 days of vacation per year in 2000. This set a steady decline in which Americans now take only an average of 16.2 vacation days per year.
- **Currency fluctuations** – Focus group participants in Canada expressed strong reservations about traveling into the United States with the current strength of the dollar. Many of the stakeholders expressed similar reserve, stating that Canada is basically a lost market until the US Dollar weakens. Other countries face similar situations, with long term declines in the value of their currencies versus the US Dollar.
- **Political uncertainty** – The outcome and following ramifications of the current political climate are a significant concern to international visitation.
- **Challenges to developing international visitation** – Beyond the rising strength of the dollar and the current political climate, international visitation is affected by limited airlift as well as challenges to relative destination awareness for international travelers.
- **Potential for overdevelopment damaging the destination's core selling points** – Montana stakeholders interviewed in this research felt strongly that overdevelopment of industry (mining, construction, general commercialism, etc.) was a serious threat to the state's core product offering.
- **Environmental changes** – Climate change is likely to have long term dramatic effects to the natural environment for which Montana is known. This could express itself as lost glaciers, forest degradation and other damage to the state's ecosystems.



BRAND STRATEGY PLATFORM

A Framework to Guide Communication

Branding is the framework for a destination’s communication process. It is a systematic approach to help drive transformation and action. A strong Montana brand platform should directly link to the destination’s promotional strategy, provide a competitive advantage, create preferences, build loyalty, transcend and protect during economic shifts and support premium pricing. The following brand strategy platform is Destination Analysts’ recommended foundation of this framework.

A destination brand strategy platform provides high-level guidance for marketers as they work to execute their branding and promotional strategies. It forms the pillars that support all elements of the organization’s external communications regarding the destination.

The four key elements of the destination brand strategy platform recommended for Montana can be best described by answering the following questions.

- **Brand Positioning:** What are Montana’s key points of differentiation?
- **Brand Personality:** How does Montana relate to its audience?
- **Brand Values:** What does Montana’s brand stand for?
- **Brand Insight:** What singular feeling best encapsulates the Montana visitor experience?

Using research conducted for this project, the following brand platform strategy was developed to assist Montana in executing its communications strategies. The brand platform approach here is recommended:

Brand Strategy Platform – Montana

Brand Positioning

Montana's unique scenic beauty and unspoiled natural assets make it an unequalled place to independently engage with the natural world while still enjoying the comforts of the modern one. Montana is a place set apart, both physically and culturally, that attracts those with freedom and adventure in their heart. It is where the traveler enjoys experiences that are entirely new, as well as novel ways of enjoying the familiar.

Brand Personality

Exciting and adventurous	Free and independent	Honest	Captivating
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Brand Values

Uniquely powerful encounters with the natural world	A place for new and unexpected experiences	Authentic and not touristy	Access to unspoiled nature with the comforts of modern life
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Brand Insight

Free-spirited
Adventure



MESSAGING GUIDELINES

Tips for Communicating the Montana Brand

To be most effective, a destination must put forward its brand messaging consistently across all media. This is, of course, a difficult challenge. Having a set of guidelines to reference and use in this regard is essential. The following are recommended as a basis for Montana to use as it communicates with its key audiences.

Always remember the brand platform. When writing or talking about the Montana visitor experience, the ideas contained in the aforementioned brand strategy platform should be considered as essential communication elements. Specifically, the organization should position Montana in accordance with the brand insight: free-spirited adventure. Montana brings value as a place that is ***authentic*** for ***new and unexpected experiences***, where visitors can have ***uniquely powerful encounters with the natural world***, as well as ***access to unspoiled nature and the comforts of modern life***. Montana represents what its audience is or aspires to be:

“Montana's unique scenic beauty and unspoiled natural assets make it an unequalled place to engage with the natural world while still enjoying the comforts of the modern one. Montana is a place set apart, both physically and culturally, that attracts those with freedom and adventure in their heart. It is where the traveler enjoys experiences that are entirely new, as well as novel ways of enjoying the familiar.”

exciting and adventurous, free and independent, honest, and captivating. These important elements of the brand strategy platform, including the brand positioning statement (below) should form the basis for marketing Montana.

General Messaging Guidelines for the High Potential Montana Visitor

Findings from the focus groups in key markets established that high potential Montana visitors prefer messaging that is genuine and specific. In response to the brand statements presented during the focus groups, respondents shared that the most effective messaging will consist of concrete examples of Montana experiences and activities while maintaining an honest voice. They also expect such messaging to be descriptive and exciting. However, it is important not to use marketing jargon, hyperbole, and exaggerated phrases, which were considered to be “over-the-top” and “inauthentic.” Aligning with Montana’s brand strategy platform, audience messaging should be honest, authentic and exciting, reflecting what the Montana visitor experience is and feels like. In summary, Montana’s messaging should:

- Project an honest and genuine voice
- Provide specifics on and descriptions of Montana attractions and activities
- Avoid marketing jargon, hyperbole and exaggerated phrases

In general, the organization should focus on promoting Montana’s strengths that are important to the high potential visitor. The following primary attributes should be communicated in the state’s messaging.

PRIMARY MESSAGES

- A place for free-spirited adventure
- A place for new experiences and where one can find new ways to experience the familiar.
- A place where one has access to uniquely powerful encounters with the natural world, as well as the comforts of modern life.
- Unique scenic beauty (sweeping mountain ranges, big sky ambiance and diverse geography)

- Remote, unpopulated and unspoiled ambiance
- Unique wildlife viewing options (grizzly bears, buffalo, pronghorn antelope and elk)
- Outstanding National Parks offerings
- A surprisingly compelling state parks system
- Abundant scenic byways and opportunities for road trip adventures

The following secondary attributes should be communicated in the state’s messaging. While these strengths are indeed important to the high potential Montana visitor, they should not overshadow the primary strengths listed above.

SECONDARY MESSAGES

- Numerous, diverse outdoor recreation activities
- A prime place for sky and star gazing
- Winter recreation opportunities
- Compelling small towns and villages
- Perception of safety
- Welcoming atmosphere
- Cowboy culture

Messaging Guidelines for Niche Audiences

The key audiences described above are high level guidance for messaging to the general audience of high potential Montana visitors. The following messaging guidelines should be considered in any niche campaigns developed to attract visitors beyond the well-known Western attractions. These recommendations emerged from the research, especially the qualitative sections and its detailed conversations about what would attract visitors to Montana.

Family Travelers – This audience represents approximately one-third, 32.0 percent, of the overall population of the state’s key target markets. Family travelers interviewed in the qualitative components of the research showed high levels of responsiveness to the following:

- Dinosaur trails and fossils, especially Makoshika State Park
- Appeal as a place where kids can run around and be free
- Appeal as a place where kids can have hands-on experiences with nature
- Fun and interactive educational opportunities
- Abundant outdoor recreational opportunities
- Affordability
- Safety

History Buffs – This audience represents over one-third, 34.7 percent, of the overall population of the state’s key target markets. The qualitative components of the research revealed that Montana’s historical assets are both little known and extremely attractive. History and cultural related themes that participants responded most positively to include:

- Native American heritage, culture and events
- Lewis and Clark Expedition sites and trails
- Wild West ghost towns
- Dinosaur trails and fossils, especially Makoshika State Park
- U.S. historical sites, such as Custer Gallatin National Forest, Rosebud Battlefield State Park and Little Bighorn Battlefield National Monument

Winter Enthusiasts – This audience represents approximately one-fifth of the overall population of the state’s key target markets (19.0%). While this audience is not necessarily a fit for Eastern Montana, due to the lack of winter travel product and ski resorts, it is a market for visitor traffic to the state during the winter season. This audience shows a high level of responsiveness and potential to be influenced or motivated by Montana’s:

- Winter recreational activities – skiing, snowboarding, snowshoeing, snowmobiling, ice fishing, etc.
- Affordability compared to competitive ski destinations
- Lack of tourists and crowds – shorter lines for ski lifts, more relaxing ambiance at ski resorts compared to other ski destinations
- Opportunities to view the Northern Lights

Challenges of Marketing Eastern Montana to the High Potential Montana Visitor

In conducting the focus groups in key markets for this brand research study, the challenges of marketing Eastern Montana became apparent. While marketing this region of the state is certainly not impossible, it will be more challenging than Western Montana. These challenges include:

- **Lack of familiarity and awareness** – This situation was clearly seen in the focus groups, where participants had little to no familiarity with Eastern Montana. The vast majority of these potential travelers, including some who had previously visited Montana, were unfamiliar with the state’s overall geography, and thus unable to distinguish Eastern Montana from Western Montana. When probed further, many participants were typically unaware of any attractions or attributes associated with Eastern Montana.
- **A sense that there is little or no travel product** – As a result of being unfamiliar with Eastern Montana and unaware of the region’s offerings, there was a common notion that this part of the state lacked compelling travel product. Despite the region’s abundance of state parks, dinosaur trails, museums and Native American culture, and the great interest in these attractions, they were not associated with Eastern Montana. As one focus group participant commented, “I don’t know what else you’d do there besides drive through to get somewhere.” Once the areas attractions were shown to participants, however, a high level of interest was seen.

- **Negative perceptions due to the oil industry** – The participants who had a working knowledge of Eastern Montana, namely Denver residents, cited oil refineries as being problematic.

Two Additional Audiences for Eastern Montana

Despite the challenges of marketing Eastern Montana, there is an opportunity to market this region to the key audiences described previously, as well as two other types of traveler segments. In addition to Family Travelers and History Buffs (described above) who are high potential visitors to Eastern Montana, the two following traveler segments were described by stakeholders as key markets for the area.

Regional Sportsmen – A key market for the area is regional sportsmen, including hunters and anglers, who live in nearby states, such as Wyoming, North Dakota and South Dakota. According to reports from stakeholder interviews, this traveler segment is a mainstay of the area’s industry. While these travelers are repeat visitors with knowledge of the destination, the segment could be expanded by showing them new and exciting ways to experience Eastern Montana:

- Tournaments, festivals and special events
- Deals and discounts
- New fishing hot spots or ideas
- New ideas for hunting opportunities
- Ideas for group travel fun (e.g., guy or bro trips)

Road-trippers – Road-trippers driving from the Midwest to Glacier National Park must pass through Eastern Montana. While many of these tourists reportedly do not stop to explore the region’s many attractions (likely due to a lack of understanding of the area’s potential), this segment was reported to be one of high potential by stakeholders. Several ideas for getting these travelers to stop and explore the region were offered:

- Targeted messaging to near Midwestern travelers with ideas for exploring the area
- Better promotion of state park and historical attractions
- Ideas for road trip adventures
- Positioning the area as having numerous outdoor recreation activities