Western Upper Peninsula

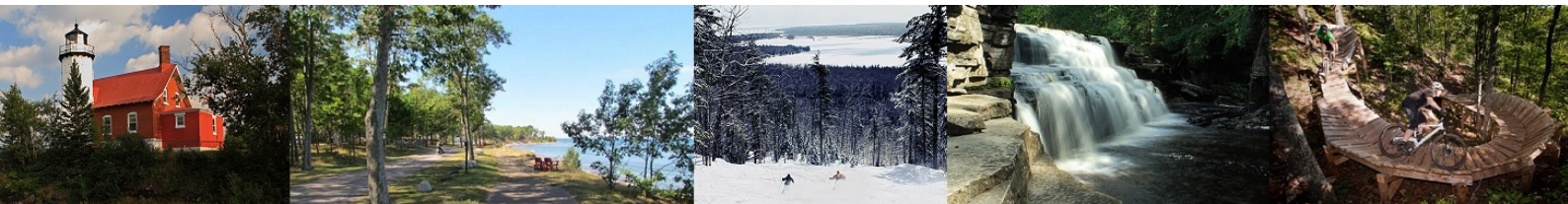# High Level Ecotourism Recommendations

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Business Development Experience I

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Introduction

In the spring of 2017, the Business Development Experience II class identified and assessed information discussing ecotourism in the Upper Peninsula. Ecotourism, as defined by International Ecotourism Society, "includes activities that promote responsible travel to natural areas that conserves the environment, sustains the well-being of local people, and involves interpretation and education." There were five main categories identified for ecotourism that include water and waterfalls, trails, parks, lighthouses, and ski hills. Of these areas, background information was collected on each category. The objective of this Business Development Experience I team was to develop high level recommendations that will help to improve these ecotourism categories. The goal was to develop recommendations meant to impact more than one area of ecotourism and develop sustainable revenues, and opportunities with new or expanded features and services.

With almost one hundred waterfalls, ten ski hills, almost two thousand miles of shoreline, and approximately forty lighthouses spread across the entire Upper Peninsula, our focus was on the Western Upper Peninsula's ecotourism. After reviewing the ecotourism categories that are available in the Western UP, we have developed high level recommendations that will impact multiple areas of ecotourism for each recommendation. These recommendations include improved rentals/purchasing of equipment, fee based tours, improved advertisement of the UP Travel mobile app, and strategic collaboration.

Discussions and Strategies for High Level Recommendations

Rentals

There are many different opportunities where local businesses within the Western UP could take advantage of the local attractions that deal with ecotourism. For instance, many of these local businesses could look into making their businesses transportable and developing a business model that brings the business to the consumers instead. The main goal of this recommendation is to increase revenue for local businesses while incorporating tourist attractions into the mix. This could be very beneficial when it comes to businesses that have equipment rentals and sales and other services because now they could actually implement their products and take them directly to their target market. Examples of this could be taking equipment such as bikes, helmets, and glove rentals to state parks or trails where people could pick up what they want right on the spot. This idea can also be done by placing kayaks and canoes by waterways or even skis and boots at ski hills. These examples could be implemented by using transportable businesses and taking the products to the customers and attraction sites. No matter what it is, there is money waiting to be made as long as the products can become transported to the customer base.

Another thing that can be very beneficial for companies looking to develop a business model that transports products, is forming a webpage where rentals can be booked ahead of time. Not only will this increase sales because there is another opportunity for customers to reach the brand, but it is also a great marketing technique. By developing webpages, businesses can open up another door that allows for customers to communicate with their products. This could be done by either writing reviews based on how they liked the products or upload videos and pictures to demonstrate interactions between the brands and end consumers. This would allow for customers to connect

with the brand by posting usage of their personal product and then talking about it. The format could be similar to a social media page, in the sense that customer accounts allow them to post discussions about the products. Also, the chance of customers returning to either purchase equipment or rent again will increase because the webpage will show customers that their opinion matters.

Fee-Based Tours

Our main goal is to create a new local revenue stream in providing guided tours for all planning to visit and explore the Western Upper Peninsula. Fee based tours can provide revenue through payment for tour and rental equipment. It can be beneficial for rental companies to offer tours or combine with currently operating tours to offer the best possible tour. Marketing to visitors from other states (Wisconsin, Illinois, and Minnesota) will be critical to the success of the tours.

Fee based-tours in the Western Upper Peninsula are a great opportunity considering the potential market size of consumers that want a comprehensive experience when discovering the outdoors. Location and popularity of landmarks are the drivers of success in creating tours. Strategic planning of which ecotourism attractions to develop is important in advertising the natural beauty the western UP offers. Tours can incorporate all five of the ecotourism categories (waterfalls/water, ski hills, trails, lighthouses, state/national parks). For example, a tour can combine lighthouses and waterways, ski hills and trails together to give an added experience. National and state parks can potentially encompass all five areas by giving detailed tours of each.

A marketing campaign needs to first be developed to make consumers aware of the packages we offer in our business model. Website development and social media are two powerful mediums that can be used to garner attention and create awareness. Customers will be offered half or full day tour packages of a selected group of ecotourism attractions. The tour is paid for upfront either online or at the tour office prior to tour. Equipment will be transported and provided to customers (dependent on type of tour). Tour guides' outdoor experience and knowledge will be required for leading tours.

Fee-based tour models are common in the western part of the United States (Oregon, California, Utah, Montana, Washington, and Idaho). All of these places contain similar beauty that the Western UP can offer. Wanderlust Tours[1] based in Sunrise Oregon would be a strong business model to mimic. They provide 34 seasonal tours ranging from river canoe, cave, mountain, snowshoe, volcano, and moonlight excursions. One way in which they try to differentiate is with custom tours, allowing the customer to create their own tour with criteria and information provided by the tour guide. Wanderlust tours has a comprehensive/detailed website that provides all the information needed to feel comfortable in shopping for and going on a tour. Types of tours, pricing, tour guide backgrounds, tour videos, equipment rentals and any other miscellaneous information makes the customer feel comfortable and enthusiastic about purchasing a tour

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[1] https://www.wanderlusttours.com/

National and state parks may be the best example for incorporating fee-based tours. They typically have a cluster of ecotourism attractions within a given area. In order for fee based tours to be a success, tours need to be strategically placed where customers can be satisfied with seeing numerous landmarks. An example of a strategic location would be Porcupine Mountain State Park. In this area, there is Lake of the Clouds, Carp River, 9 Waterfalls (Manabezho Falls), nineteen trails (Big Carp River Trail), Ontonagon Lighthouse, and a ski hill at Porcupine Mountain. This will offer a diverse tour that can provide a variety of attractions due to the proximity of so many attractions in a given area.

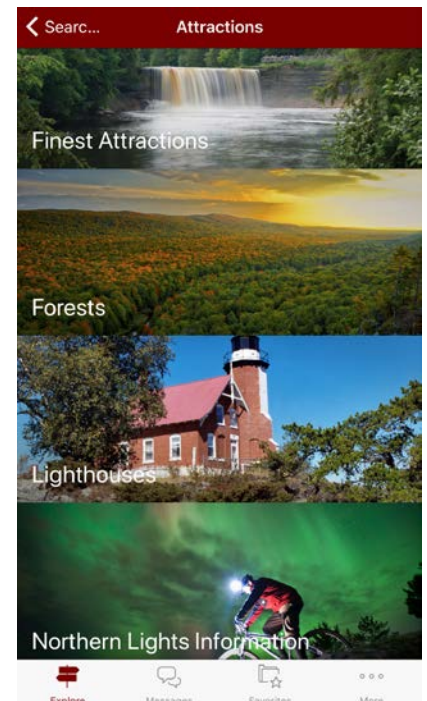## Improved Advertisement of UP Travel App

The current business model that the Upper Peninsula Travel and Recreation Association (UPTRA) has developed includes a website, uptravel.com[2], and a mobile app[3], UP Travel, that reflects all the recreational activities and attractions that the Upper Peninsula has to offer. Both the website and mobile app give information about each category of ecotourism that has been identified for the Western Upper Peninsula which includes lighthouses, waterfalls, ski hills, and parks. The website has an interactive map that displays where each attraction is and contains a link to more information about the attraction or recreational activity. The mobile app is very comprehensive because it allows an individual to search for ecotourism attractions that are located near a specific city or the option "Search Near Me." This app also includes detailed information for every type of attraction, such as ski hill and park phone numbers, addresses, and email addresses.

UP Travel mobile app images
Above: Attractions Near Me
Below: Ski Hill Information

While the UPTRA website, uptravel.com, can easily be found while browsing the Internet, the mobile app, UP Travel, is significantly less known. The recommendation for UPTRA is to enhance its advertisement of the UP Travel mobile app.
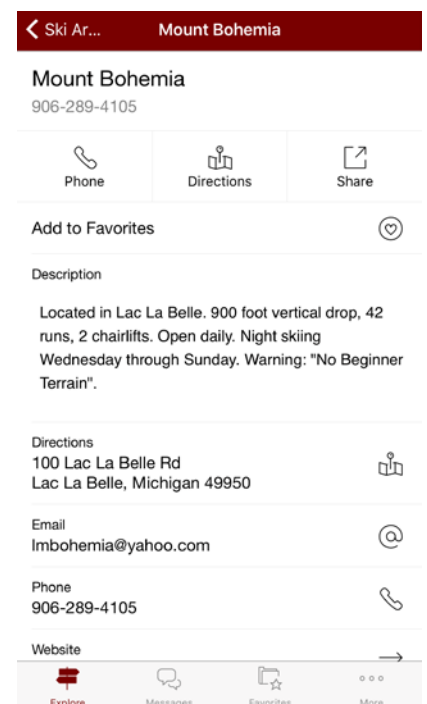
The main goal and purpose of improving the advertisement of the mobile app is that it enables tourists in the UP to have an enhanced visit. More specifically, it will assist tourists to better plan and prepare for their trip to the Upper Peninsula and enable people that are already here to find more attractions and activities to do that are near them. This in turn will attract more people to get out and explore everything that the Upper Peninsula has to offer. Increasing the presence of the app will enable tourists to utilize the app to further enhance their experience in the Upper Peninsula. In this day and age, mobile apps are an easy way for people to get information. However, if consumers are not aware of the app, it will have minimal benefits to them. Another benefit to the app is that it will allow tourists more opportunities to

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[2] UP Travel Website: http://www.uptravel.com/

[3] In mobile app store search for "UP Travel" (icon has red background with white Upper Peninsula)

explore the Upper Peninsula which will in turn encourage them to extend their stay, leading to more nights stayed in hotels.

Strategic Collaboration

In order for each category of ecotourism to benefit from one another, there must be strategic collaboration so ecotourism attractions and activities can support each other. To make this collaboration successful, there needs to be cooperation among ecotourism organizations across the Western Upper Peninsula. This includes Michigan welcome centers, MDOT facilities, and other tourist agencies such as the Keweenaw Convention and Visitor's Bureau and UPTRA. Once all the value chains are connected with each other, tourists can have an easier and more encompassing trip to the Western Upper Peninsula by having more information and services available to them.

The optimal way to boost collaboration between the ecotourism attractions, activities, and tourism organizations is to develop a system that enables these aspects to be highlighted. This system should be easily accessible to tourists when they visit tourism organizations and welcome centers. We recommend developing digitized Michigan Department of Transportation (MDOT) Welcome Centers. By developing this system, tourist organizations and agencies can easily crowdsource content and promotions to the public. For instance, if there are tours that are happening nearby, tourists that are looking at a kiosk will see this promotion and it could trigger their interest in joining the tour. This system could be an interactive kiosk that could be put in MDOT welcome centers. These interactive kiosks will support tourism organizations to work with one another to crowdsource a variety of information regarding ecotourism attractions and activities.

SWOT & Critical Success Factors

Rentals

Strengths & Opportunities

There are numerous opportunities for businesses to get involved in the equipment rental and selling business around tourist attractions. Some opportunities include finding ways to tie community involvement into these tourist attractions (e.g. host mountain bike races that are open to the public). These attractions within the Western UP now have an opportunity to attract a larger population of people due to the potential events that could be hosted. Other opportunities exist with the implementation of new products (e.g. ice sailing) because they will involve customers and promotion opportunities. These opportunities are correlated with the strengths that come from implementing a rental and selling plan. For example, the strengths that would be proposed to local businesses would be the involvement with a larger customer base and an increase in brand loyalty, target market size, and promotional factors.

Critical Success Factors

In order to develop this recommendation successfully there are several steps that need to be taken. One of the top priorities would be developing communication between the local businesses and the tourist attractions so collaborative business plans can be developed. This needs to be the first step because both parties need to see how they can benefit from this model and how

revenue would be generated. Developing a business plan would allow for the local businesses to find an area near these sites to rent and sell equipment to bring in revenue, while the ecotourism sites attract more tourists and longer visits. Mainly, customers spending more time at the sites and using the equipment, will be spending more money. The next step in the process of implementation that will allow for this to be a successful recommendation is the marketing aspect. It is important that local businesses find ways to inform their target markets of their opportunities as well as their web pages with information about the attractions where equipment is available, along with user experiences. This could be very supportive because it would allow for businesses to show the customers that they are now mobile and how they can accommodate tourists. Ways of doing this could be via email address which was retrieved based on purchases made at local stores, or even brochures posted around town. The last critical success factor deals with the company's ability to transport equipment to these attraction points in the Western UP. Companies could collaborate to transport equipment to and from attraction sites where customers utilize it.

Fee-Based Tours

Strengths & Opportunities

Some of the strengths and opportunities available when it comes to developing fee-based tours could be very beneficial for ecotourism in the Western UP. For example, when it comes combining attraction spots within a tour, attraction sites are visited more often. Also, revenue would increase, as would the number of visitors. As for opportunities, there could be an increase in jobs that come with fee based tours. This is because there will need to be people who run the tours as well as coordinate them, so there will be more jobs within tourism agencies in the Western UP.

Critical Success Factors

The success of fee-based tours will be determined by a variety of logistical, technological and organizational factors. For instance, if there are fee based tours to access many different spots in the Western UP, then the areas need to be accessible to everyone. This means that if the tourism agency is going to provide tours to the public, then they also have to make sure these areas can be seen for someone who is handicapped. If there is no way for someone who is handicapped to see the attraction sites, then they must be able to provide them with another option. Another critical success factor is to ensure that the coordinators of these tours contact the managers of the attraction sites to ensure that collaboration between sites can be followed through. If there is a lack of communication among people, there is a chance the fee-based tours will not be very successful. Most importantly, development of a new or current website will clearly illustrate pricing, location, and all information regarding tours.

Improved Advertisement of UP Travel App

Strengths & Opportunities

There are several strengths and opportunities for improving the advertisement of the UP Travel mobile app. As for the mobile app itself, it is user friendly and easy to use for UP tourists. The mobile app also helps to clearly identify highlights of each attraction and their location. As for opportunities, by improving the awareness and access to the mobile app, it will enable tourists that

are visiting the Upper Peninsula to easily plan their trips. It will also help to draw people to attractions that are not as popular. Many businesses have developed online games as promotional activities that increase public awareness, increase return visits, and also provide a small incentive for product and service purchases. The UPTRA mobile app could include a similar gaming experience to enhance UP tourism.

Critical Success Factors

Some considerations to improve the awareness of the mobile app are the critical success factors. First, there needs to be clear communication that there is a mobile app available. To do this, the advertisement and acknowledgement of the mobile app must be improved. This can be improved through word of mouth and displaying posters informing tourists about the available app. One simple way to enhance the presence of the app is to include a banner on the uptravel.com website that informs tourists that a mobile app exists and about some of its benefits. Another way to increase the advertisement would be to put up a poster in places such as MDOT travel centers, ski hills, state parks, restaurants, hotels, and gas stations about the existence of the mobile app and some highlights of it. UPTRA can also work with other tourism agencies such as the Keweenaw Convention and Visitors Bureau to include an advertisement banner on its website or in its building.

Strategic Collaboration

Strengths & Opportunities

The major strength for strategic collaboration is the amount of information that is currently available about the Upper Peninsula. Information regarding the ecotourism industry that is available includes the history of sites and attractions, addresses, directions, images, and maps. Many tourism organizations throughout the Upper Peninsula have a vast amount of this information available at their fingertips. There are also already many facilities and welcome centers that would be able to house a system such as the kiosks or touch screen wall mounts to display tourism information.

The opportunities available by developing strategic collaboration are to create a cohesive system where all the information about the ecotourism industry of the Upper Peninsula is managed. It will also allow for businesses to promote information about their products and services. This collaborative system can also promote the UP Travel mobile app to tourists. Having an interactive system that is maintained by tourism agencies will allow for tourists to learn about the attractions, history, and highlights of the Upper Peninsula. This in turn will enhance the experience tourists have while visiting the UP.

Critical Success Factors

The main critical success factor for strategic collaboration is the improvement of information sharing regarding different attractions and regions in the UP. This is the responsibility of all UP tourism agencies. For the information sharing to be improved, all tourism organizations must work together to contribute all of their information to make one cohesive system with all the information.

Business Opportunities for High Level Recommendations

Rentals

The business opportunities for rentals come from forming tourism alliances for businesses to collaborate, and to be involved in organizing activities or races in related attractions. Improving the experiences of tourists by offering local equipment rentals is the most significant business opportunity, which will increase their customer base and their revenues. It also gives the tourists another opportunity to allow for these local businesses to sponsor races, and then to also bring the equipment out to the race as needed. This will allow for these businesses to promote their products and expand their customer base.

Fee-Based Tours

The business opportunities for fee-based tours mostly focuses on improving and integrating tours and bringing the best experiences to the tourists. One of the most important opportunities is to develop combined activities and tours through a variety attractions in the UP. Organizing package deals with other tours can help tourists to have a more encompassing tourist experience. Moreover, to combine the tours with an educational component will support a purposeful and kid-friendly tour, which is also an effective business opportunity.

Improved Advertisement of UP Travel App

With the amount of information in the UP Travel app, there are several opportunities from a business perspective that are triggered and cause a snowball effect. For one, since the mobile app allows people to find attractions and activities that are nearby, it will encourage people to explore them. As tourists realize there are more areas to explore, they may be interested in extending their stay. This leads to additional nights at a hotel, which will generate extra revenue for local hotels. With additional nights in a hotel, it leads to more money spent on food at restaurants or stores, as well as discretionary purchases such as souvenirs.

Additionally, the information that the mobile app provides tourists enables them to plan and prepare for a more fulfilling trip to the Upper Peninsula based on their end destination. Prior to beginning their adventure in the UP, app users will be able to plan pit-stops at attractions, restaurants, and shops through the Upper Peninsula. These pit-stops will draw people into these businesses and generate revenue for them.

Strategic Collaboration

Strategic collaboration is all about the cooperation between ecotourism organizations across the Western Upper Peninsula to collectively share information regarding the ecotourism industry of the UP. Ensuring that these centers and agencies are working together to promote all aspects of ecotourism is essential in order for ecotourism to be a revenue generator for local businesses. With the addition of interactive kiosks in strategic locations, such as Michigan welcome centers, UPTRA could add information about their mobile app to the kiosk. UPTRA could also then use the kiosks to display the information that they have on their mobile app and website. This illustrates how UPTRA can work with tourism organizations and agencies to collaborate all their information.

Technological Innovations for High Level Recommendations

Rentals

A possible technological innovation for rentals would be developing a website to support customers reviewing equipment and comment on them, and to pre-order equipment online. Not only will it provide detailed information about equipment, but it will also connect the information about equipment with related attractions telling where to use it. Additionally, the website will allow for customers to post videos and pictures of the equipment while they use it. By doing this through the website it will increase conversation and interest about specific rentals and increase in turn, the amount of total rentals sold.

Fee-Based Tours

The major technological innovation for fee-based tours is perhaps implementing an interactive mapping system showing tour details on the map. This will provide better experiences to the tourists. Combined with app improvement work, technology we can make our tours easy to find and accessible to anyone travelling to the Western UP.

Improved Advertisement of UP Travel App

To further improve the mobile app's benefit, it can be integrated with existing technologies such as other travel mobile apps. For instance, a tourist with a travel itinerary planned for exploring the Upper Peninsula, could book hotels for the duration of their trip. If UPTRA could collaborate hotel apps, such as Expedia, the UP Travel mobile app will be able to enhance a tourist's trip even more. By having the UP Travel and Expedia mobile apps working together, it will allow tourists to find hotels that are closest to their destinations, enabling convenience, efficiency, and more time to explore.

Strategic Collaboration

The technological innovation for strategic collaboration focuses on developing an improved way to crowdsource information to tourists and ecotourism organizations. This collaboration of information must be done in an interactive way in order to spark people's interest in exploring the Upper Peninsula. By creating the digitized MDOT travel welcome centers, it will enable ecotourism organizations to crowdsource content and promote local vendors and businesses. This will allow for a wide variety of shared information to be displayed, including attractions, events, business products and services including rentals, tours, and transportation.

Financial Aspects

Rentals

Predicted income would come from the revenue of renting or selling the equipment. Sponsoring the races and events may also bring additional revenues in the future. There would be a minimal cost when it comes to implementing a website that will allow for these businesses to

expand more. However, one of the larger costs will be with transporting the equipment to the desired attraction sites that customer's desire.

Fee-Based Tours

Recreation grant funding could help for fee-based tours to get started. Costs to start and maintain fee-based tours are guides' wages, rental equipment maintenance, insurance, potential Internet software upgrades, and updating and/or expanding infrastructure. Meanwhile, the major revenue of fee-based tours would be the income of guided tours and rented equipment. In offering half or full day tours, indirect revenue could be generated in the form of accommodations/hospitality (hotels/lodging), and entertainment.

Improved Advertisement of UP Travel App

Improving the awareness and advertisement of the UP Travel mobile app will be fairly inexpensive. Adding a banner advertising the mobile app to the UPTRA website and other tourist websites such as the Keweenaw Convention and Visitor's Bureau has minimal cost. Posting flyers in restaurants, hotels, gas stations, and attractions such as ski hills will also be economical. If UPTRA does not want to pay for the flyers for increasing advertisement, they can look to getting local businesses and tourism organizations to sponsor the advertising. This will also benefit these businesses because it allows for them to advertise. Getting sponsors for advertising from local businesses and tourism organizations is a way to exhibit strategic collaboration as well because it is getting different resources and businesses working together to serve a common benefit.

As for revenue, although the mobile app will not generate revenue for itself, there is, however, conversation about the potential revenue that it can help generate for local businesses. Once people know that the mobile app exists and tourists start exploring the app, they will notice how many local businesses, restaurants, and other attractions are available on the app. This in turn will attract a larger customer base to these businesses.

Strategic Collaboration

The initial purchase of a kiosk or touch screen wall mounts will be the most expensive part of this recommendation. After searching the Internet, prices varied from $1,000 to $3,000, depending on the size of the screen. After the initial purchase and installment, it will come down to a matter of maintenance and update expenses. As for funding, these kiosks can potentially be funded by grants. Since these kiosks may be played in MDOT facilities, it's possible they would be willing to help fund the cost of them. If the information on these kiosks is put together in collaborative style, it is also possible for these systems to be sponsored by agencies such as UPTRA or the Keweenaw Convention and Visitor's Bureau.

Although the kiosks may only seem like a way to crowdsource information, it can also potentially generate revenue. Local businesses can develop advertisements to promote themselves and attract tourists to their businesses. By having local businesses pay a fee for having their advertisements shown on these kiosks, the profits can go into covering the maintenance costs and potentially pay itself back.

Conclusion

After reviewing each of the five main categories of ecotourism, the Business Development Experience I team came up with four high level recommendations. These recommendations consisted of improved rentals, fee-based tours, improved advertisement of the UP Travel mobile app, and strategic collaboration. Each of these different recommendations, was considered and further developed. This consisted of developing the main idea of what the recommendation was, the strengths and opportunities, technological innovations, implementation, and financial aspects. Each of these high level recommendations offers potential business opportunities that can provide sustainable revenue for ecotourism businesses in the Western UP.