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A STUDY OF 1977 OCCUPANCY FOR MOTELS
AND HOTELS IN GREAT FALLS, MONTANA

By

Todd H. Curtis

B.S., University of Nebraska, 1974

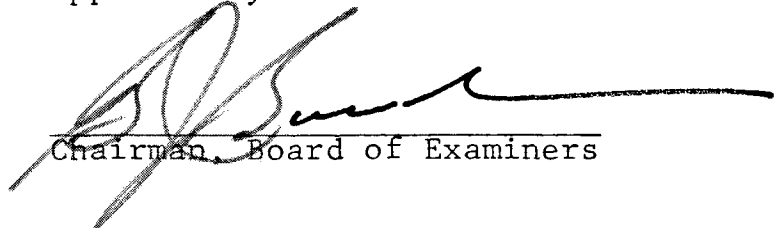
Presented in partial fulfillment of the requirements for
the degree of

Master of Business Administration

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1978

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CHAPTER I

INTRODUCTION

The motel-hotel industry in Great Falls is, at the present time, in the middle of a large building expansion, with several new motels presently in the construction stage and several more in the planning stage. This increased capacity will better serve the present market. The increased units will allow for an increase in the number and size of conventions that Great Falls can accommodate. At the same time Great Falls can better serve the business and tourist customer by providing more rooms during peak periods.

The past growth, the present construction, and all future planned construction being considered at this time will reflect the growth of the Great Falls motel-hotel industry. During the past few years, the industry has seen an increase in the number of units in already established motels, such as the Heritage Inn and the Wagon Wheel Motel. At the present time there are several new motel complexes under construction including the new Sheraton Inn-Convention Center. In addition to these units there are several complexes in the planning stage including the Travelodge and Ramada Inn.

At the present time in Great Falls there are twenty-six motels and six hotels. The motel complexes range in size from 249 units at the Heritage Inn to the East Shore Motel which only has three units. The East Shore Motel facilities are being converted to a campground for the summer tourist trade. The largest hotel in Great Falls is the Rainbow with 167 rooms.

The motel-hotel industry had its beginning in the ancient and medieval world. The first inns were taverns or beerhouses in which mats, stools, and armchairs were provided by innkeepers for their customers. As time went on and the business of innkeepers increased, taverns were also used as inns, with special chambers for sleeping. However, the traveler would not only have to share the chamber with a stranger but he would even have to share the bed!¹ The motel-hotel industry continued to grow and offer more services until during the mid-1950's when the chain motel came into existence. The first and now the largest chain motels are the Holiday Inns with some 1,713 inns worldwide.²

The uses of motel-hotel facilities vary greatly during the period of a year. These facilities support conventions with both rooms and display areas. During the week the motels and hotels also serve the businessman with rooms from which

¹J. H. Sherry, The Laws of Innkeepers: For Hotels, Motels, Restaurants, and Clubs, (Ithaca: Cornell University Press, 1972), p. 4.

²Holiday Inns, Inc., Annual Report, 1976, p. 25.

he can operate. Finally, the facilities offer a place for overnight guests on vacation. According to the American Hotel and Motel Association, 70 percent of all customers staying in a motel or hotel are on business or attending conventions, with the remaining 30 percent for pleasure.

Great Falls, being the commercial hub of central Montana, attracts many different kinds of customers. In addition to the commercial facilities in Great Falls, its location, mid-way between Yellowstone Park and Glacier Park, both of which are large tourist-drawing attractions, is convenient for travelers desiring a mid-way stopping point. Canadian shoppers are drawn to Great Falls by better values and selection, providing the motel industry with yet another potentially large source of customers.

The motels and hotels in Great Falls are occupied by businessmen, shoppers, tourists, and conventioners. Both businessmen and conventioners can be planned for, with the Chamber of Commerce promoting and planning conventions. Businessmen tend to stay in the area on a regular basis, even to the extent of buying a room for one night a week, each week of the year.

The shoppers and tourists are much harder to plan for since their visits are less systematic. It is hard to determine when the tourist season starts or which weekends are peak ones for shopping in the Great Falls stores. Canadian holidays have increased the number of shoppers in the Great Falls area as many visitors from there spend two or three days here.

In order to better plan and efficiently use the potential rooms in the Great Falls motels and hotels this study will examine the industry, and attempt to develop a data base for the number of rooms occupied in Great Falls on a given night during the year 1977. From these data bases trends will be drawn to show the peak and slack periods during the year. Since the occupancy differs from month to month and day to day each month will be analyzed along with a weekly analysis. With these data, promotions and conventions can be planned in order to increase occupancy and plan expansion. This analysis may help eliminate over-booking due to a city wide promotion at the same time as a large influx of visitors to the city. For example, the Harvest Fest held during the Fall of 1977 occurred on the same weekend as a Canadian holiday. Great Falls motels, as a result, had to turn away visitors for lack of rooms.

The primary data for this study was obtained from motels and hotels located in Great Falls. In order to obtain the most accurate data base possible each motel and hotel was contacted and room occupancy recorded for each day during the year 1977. The most recent data possible has been provided. Every year there are many variances that can change the room occupancy rates, such as seasons of the year, Canadian currency exchange rates, and number of conventions and other promotions. These variances will be discussed in depth in the final analysis. The individual analysis of the motels and hotels will not be addressed in this study and the tally sheets will be

kept confidential with the individual owners or managers. Again, the main purpose of this study was to develop a data base of the number of rooms occupied in Great Falls on a given night during the year 1977. This base was compiled to aid both the Great Falls Area Chamber of Commerce and Great Falls motels-hotels.

CHAPTER II

REVIEW OF THE LITERATURE

During the Middle Ages much of the traveling in England was by foot and lightly loaded horses. England's roads were not only bad but travelers were attacked by outlaws and robbers. There were great distances between villages and many of the stretches of road were lined with forests. These forests were used as a refuge for a great number of outlaws, who would attack travelers as they passed through. The greatest danger of attack from the outlaws was during the night.

These traveling conditions brought about two results. First, a traveler carried the least baggage possible and he attempted to secure protection at night from adversaries. The traveler could not carry food conveniently with him so he had to find a place to eat as well as rest at night.

The English Inn grew out of this need by travelers for a place to stop along the road, to rest, eat and spend the night. The English Inns were an outgrowth of private homes in which the owner provided a place for the transient guest. Gradually, the owner changed his private house into an Inn by providing the same accommodations to many travelers.

The first inns were designed much the same as the English homes of the time. With the indoor living centering around great halls, the English traveler not only ate at the great tables in the hall, but at night the tables were moved aside and beds were spread in the same hall. The building would have two small chambers for the mistress and master to sleep. The great halls were heated by a large fireplace at one end of the hall, with candles providing the only light.

As time went on business increased and buildings were built as inns, with many more chambers being added. By the sixteenth century, inns in London were constructed to accommodate one hundred guests. In these inns there was a common hall for receptions and eating, with several special chambers for sleeping. However, it was still likely that the guests not only would have to share bed chambers with strangers, but would even have to share the same bed. For this accommodation the guest would be charged for the room, candle for light, and the fire for heat.¹

Hotels were an outgrowth of inns and were introduced in England during the 1700's as large houses which had furnished apartments that could be let by the day, week, or month. Hotels weren't introduced into the United States until the late 1700's when they evolved from coffee-houses and taverns.

¹Sherry, The Laws of Innkeepers, p. 7.

The hotels continued to grow and develop as did the services that the hotels provided. The first inns provided security for the traveler from robbers during the nights, however, they provided little security from fellow guests. As the hotels developed the traveler was provided with a private room to which he had a key. Later the traveler was provided with individual bathrooms, maid service and room service. As travelers began staying in hotels for pleasure instead of nighttime security, hotels began providing more convenience services, such as barbershops, beauty salons, gift shops, newsstands, bars, lounges, and restaurants.

With the increased mobility of people in the United States a new type of lodging developed, the motel. The word motel is derived from an abbreviation of the words "motorist's hotel," which means a small hotel where lodgings are available for hire, with a minimum of personal service being furnished by the proprietor. In addition, the motel provided greater facilities for parking of automobiles immediately adjacent to the building itself. The mode of operation for the early motel was self-service, for which the guest was given a reduced price.

At the present time the motel-hotel industry is working to improve not only its profit picture, but provide better service to their customers. Many new ideas are being tried and used in the industry, from increased services provided to new facility designs.

As more women enter the business world, motels and

hotels are providing some special facilities for them. Many hotels are now providing such female amenities as skirt hangers, shower caps, special mirrors, wig and hat stands, needle and thread kits, and special lingerie soaps. Some Hilton hotels have incorporated special "Lady Hilton" rooms with more feminine decor and furnishings. Some hotels even provide overnight kits for women executives who get stranded overnight. The kit contains a nightgown, toothbrush and toothpaste, and a mirror and comb set.

The hotel industry is also moving toward the smaller 100 to 400 room hotel instead of the large 1800-2000 room hotels. This move is to provide better service to the customer and eliminate problems such as the ones encountered by a Chicago executive. The executive was trying to check in during a convention at an 1800 room hotel. It took him ninety minutes to check in, ten minutes to squeeze into the elevator to ride up to his room, only to find that the room hadn't been cleaned yet. The small hotel can provide more personal service for its customers, such as providing a typewriter in the room for an author at no charge, or providing a customer with his brand of Scotch upon his arrival in the room. Finally, in some cases the new smaller hotel can be converted from old existing hotels at half the cost of new construction. If the hotel is properly located it can make up for the lack of shops and other conveniences.²

²"New Small Hotels Thrive Among Giants in Cities," Wall Street Journal, May 11, 1977, p. 40.

Several new ideas have been developed in the motel industry. Two such ideas are the budget motel and the adult motel. The budget motel is growing across the United States providing rooms for travelers at a small cost. The costs can be reduced by many varying methods, from reducing services and comfort to changes in room designs. Many budget motels have eliminated such things as in-room free television, pools, restaurants and lounges. Budget motels have located near well established motels at Interstate intersections to draw on the latter's established business. Finally the budget motel uses many construction designs to reduce maintenance and cleaning costs. Two of these designs are the rounded shower walls, which reduce cleaning time, and the floor mounted beds, which eliminate cleaning under the beds.

The second relatively new idea is the adult motel designed for adult entertainment. The rooms are furnished with king-size water beds, large mirrors, dim lights, fluffy pink carpet, and large swiveling color television sets. With closed-circuit X-rated movies provided, it is probable that the motels' main purpose is not to provide a restful night's sleep for weary travelers. These motels, however, are experiencing occupancy rates exceeding 100 percent. A two story motel in Miami has 78 rooms and boasts of its greatest achievement, that of renting one room four times in twenty-four hours. Another example is a motel in Sacramento, California, which grossed about \$30,000 a year with its dilapidated 64 rooms. After conversion to an adult motel it is grossing about

\$150,000 with only 40 high occupancy rooms. The large chains aren't rushing to cash in on this type of business. As a spokesman for Holiday Inns stated, "Because of our family orientation, we don't even allow R-rated movies on closed circuit television."³

Finally, this study is concerned with what changes the hotel-motel industry may make in the future. One of the most important changes will be the redesigning of hotels for the unique and specific functions of a hotel, not as double-function compromises, where the hotel is designed to be converted to office space if the hotel goes out of business. The new hotels may attempt to capture some of the romance and mystique of the classic hotels of the past, thus, having old world graciousness and charm suggested by old world names such as Taj Mahal in Bombay and the old Imperial in Tokyo. The interiors will be designed for the needs of the individual traveler, ranging from the business person who requires a writing table with adequate light and a telephone extension to the budget traveler who wants a place to wash his shirt and hang it up.⁴

The motel and hotel industry has evolved from English Inns, with very little more than a roof under which a traveler could sleep to our modern establishments which provide almost

³"Playing to Fantasies," Wall Street Journal, March 2, 1977, p. 1.

⁴D. Keller, "Hotels of Tomorrow," Cornell Hotel and Restaurant Administration Quarterly, February 1977, p. 49.

every convenience a traveler would need. At the same time the lodging or hospitality industry continues to expand in every direction, with hotels like the new Hilton Inn in Oxnard, California, with a construction cost of \$5 million to Red Roof Inns with a "sleep cheap" slogan.⁵

⁵"Lodging Expansion in Every Direction," Hotel and Motel Management, January 1977, p. 24.

CHAPTER III

THE DATA AND TREATMENT

The primary data for this study was obtained from motels and hotels located in Great Falls. In order to obtain accurate and timely data, an individual occupancy rate chart was produced and provided for each establishment. The chart was produced with the name of the individual motel or hotel and a tally block for each day of the year 1977.

In order to get the most complete data each motel and hotel owner or manager was contacted for the occupancy data, and presented with an outline of the project. Once the manager or owner was briefed the data were collected.

At this point, the first problem was encountered. Some of the owners did not want to disclose their occupancy figures. Various reasons were given for this. Some believed the data would be used for establishing feasibility studies for new motels, and others claimed that they just didn't keep these data as part of their accounting records. Since every establishment would not disclose its data as many units as possible were contacted to get as large a representation as possible.

A total of 15 establishments provided the data needed for this study, (see Appendix 1). Of these fifteen hotels

and motels, nine of them were located on Tenth Avenue South and the remaining six were located in the downtown business area. Two of the establishments classify themselves as hotels with the rest being motels. These fifteen establishments account for eighty percent of the rooms in Great Falls.¹

The data base obtained changed during the year due to two things. First, some of the establishments did not have complete data. This was due to the fact that some businesses changed hands during the year and the new owner or manager did not retain the previous owner's data. An adjustment was needed when established motels increased their number of units during the year. These adjustments are noted in the individual monthly data sheets.

From the data obtained, daily and monthly totals were computed for each of the two business areas, Downtown and Tenth Avenue South. The nine businesses located in the Tenth Avenue South area were combined for one total, and the same process was accomplished for the six Downtown businesses. These two totals were further combined into a city-wide grand total for the industry. In addition, all significant dates and conventions or events that took place during each month have been noted on the individual data sheets. These events can cause great fluctuation in room occupancy.

An individual review of the total data yielded some

¹This figure is based on the total number of rooms in Great Falls equalling 1,317.

very interesting results. The month with the lowest total occupancy rate was December with a 53.3 percent rate, (see Table 12). This month also had the lowest daily total on December 24, with only 238 rooms occupied, which is only 22 percent. August had the greatest occupancy rate of 91.7 percent, (see Table 8). However, August did not have the highest daily total. The highest daily total was recorded on November 11, when 1,057 rooms were occupied. This 97.7 percent occupancy rate was due to a Canadian holiday, Remembrance Day, and the Rocky Mountain Association of Fairs Convention at which 400 persons were in attendance.

The total data was further broken down into two separate segments for the downtown area and the Tenth Avenue South area. Each segment was then broken down into a monthly total and weekly totals. The weekly totals reflect an average of the daily totals found on the graphs which will give the occupancy rates for the individual weekdays.

The monthly occupancy rates between the Tenth Avenue South area and the Downtown area vary, the greatest occurring during the two months of June and September. These months had a variance of 22.2 percent between these areas. December had the lowest variance with only a 10 percent difference. Again August was the highest occupancy month in both areas, with December having the lowest rate. One reason for this variance is the location of the two areas. The Tenth Avenue

South area is directly accessible from the Interstate and Highway 87, while the Downtown area requires travel away from these main highways.

The individual daily occupancy rates vary greatly between each day. The lowest occupancy rate occurs on Sunday which can vary as much as 40 percent (see Table 3), from the weekly high. Sunday has its lowest occupancy rate during December, when the rates were 35.7 and 40.7 for the Downtown area and the Tenth Avenue South area respectively.

The highest occupied days are in the middle of the week, mainly Tuesday and Wednesday. These days have rates as high as 100 percent for Tenth Avenue South and 88.5 percent for Downtown, as shown in Table 8. The weekly occupancy tends to build toward a high on Wednesday and then tapers off late into the week.

During some months Friday and Saturday have as large an occupancy rate as the middle of the week. This is especially true when there are many conventions and three day holidays during the month. An example of this is found during the month of April when the occupancy rate increased to 74.9 percent and the 94.9 percent for Downtown and Tenth Avenue South respectively. In addition to the two holidays of Palm Sunday and Easter, the events held were the College of Great Falls' "BASH," the Big Sky Figure Skating Championship, and the Regional Junior and Senior A.A.U. Boxing Tournament.

The summer months of June, July, and August were the best for the Tenth Avenue South area with monthly rates of

93.3, 94.9, and 97.7. During August, with the monthly total of 87.7, daily totals were nearing and reaching 100 percent. The lowest daily average was on Sunday, with a rate of 87.4. With Sunday excluded from the monthly data the total increased to 99.1 percent for the Tenth Avenue South area.

The Downtown area had a somewhat lower occupancy rate during the same summer months. The individual monthly occupancy rates for July and August were 80.9 and 82.1. This rate was about 15 percent lower than the monthly rates for the Tenth Avenue South businesses. Again Sunday was the lowest day during these months for the Downtown area. The occupancy rates increased to 83.7 and 86.9 when Sunday data were subtracted out.

Each year has many sources of variance that can change the rate of occupancy during a particular week or month. An example of this would be the seasons of the year and the weather of the season. For the year of 1977 there was little problem during the spring and summer that would discourage travel to Great Falls. However, the winter months were a different situation. That time of year is characteristically plagued with bad driving conditions, thus, making travel to Great Falls for shopping very difficult.

Economic conditions can also cause a decrease in the occupancy rates at the motels and hotels. Low farm prices for wheat during the past year reduced farmers ability to spend as much on retail purchases, and thus, they didn't come to Great Falls as often for over night shopping trips. Another

item related to the local economy is the Canadian currency exchange rate. During 1977, the rate increased from a two percent discount in January to a maximum of 14 percent in December. This one item can deter many Canadian shoppers from coming to Great Falls.

Canadian shoppers provide a good potential for filling vacant rooms in Great Falls on their statutory holidays. Many Canadians travel to Great Falls for the increased shopping selection found here. Many Canadian holidays fall on weekends that differ from U.S. holidays. For example, the Canadian Thanksgiving falls on October 10. These Canadian holidays are listed on each monthly data sheet under significant dates and events (see Tables 1 through 12).

Finally, the number and size of conventions and promotions that Great Falls has can affect the monthly motel-hotel occupancy rates. The important conventions and promotions that Great Falls has booked are listed on each month's data table (see Tables 1 through 12). These conventions are the ones that range in size from 100 to 600 persons.² Only the conventions that are in this range were listed since smaller ones would not greatly affect the occupancy rates. These conventions not only require sleeping rooms, but many times require additional rooms which are stripped to provide display rooms for the salesmen.

²For example, the Montana State Florists Convention with 100 persons in attendance on October 13-15, and the National Farm Organization which had 600 in attendance on October 27-29.

In addition to conventions the Chamber of Commerce has several promotions during the year which draw many shoppers to Great Falls. Examples of such promotions are the Washington's Birthday Sale in February, the Downtown Sidewalk Bazaar in July, and the Harvest Fest in October.

The Great Falls motel-hotel industry in 1977 experienced a 73.9 percent occupancy rate, this compared with an estimated rate of 65.5 percent nation-wide.³ The 73.9 percent was computed from monthly averages of 70.0 percent or better during the months from February through October. The industry experienced only one month (December) during which the rate fell below 60 percent.

The daily occupancy rates for the year 1977 varied from a high on the Wednesday with a rate of 79.3 to Sundays with a rate of 58.5. Fridays had almost as high an occupancy rate as Wednesday with 79.0 percent. With Sunday's rate as low as it was, it would lend itself very easily to promotions for weekends.

³According to American Hotel and Motel Association Innkeeping Statistics.

TABLE 1
 TOTAL MONTHLY OCCUPANCY RATE FOR JANUARY
 (63.3%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	473
Monthly Occupancy Rates (%)	58.3	68.7
Weekly Occupancy Rates (%)		
Sunday	44.0	46.1
Monday	59.4	64.9
Tuesday	67.3	80.0
Wednesday	66.6	80.3
Thursday	66.2	78.9
Friday	58.9	72.7
Saturday	50.8	65.2

NOTE: Significant Dates and Events for January.
 1st New Year's Day
 21st-22nd Montana Cowgirls and Cowboys Association
 24th-26th Montana Agricultural Business Association
 27th-28th Montana Elevators Association

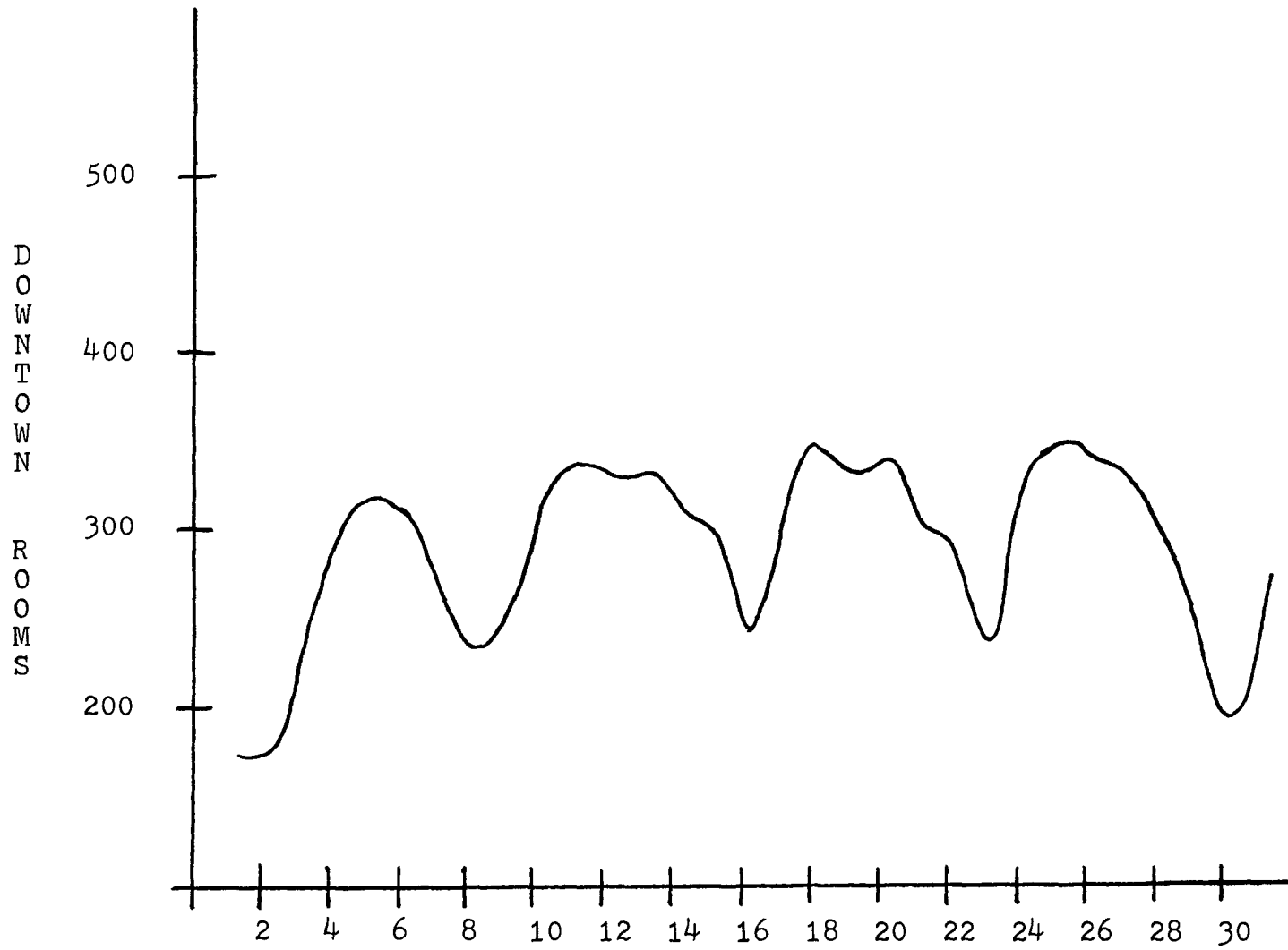


Fig. 1. Monthly occupancy rates for January

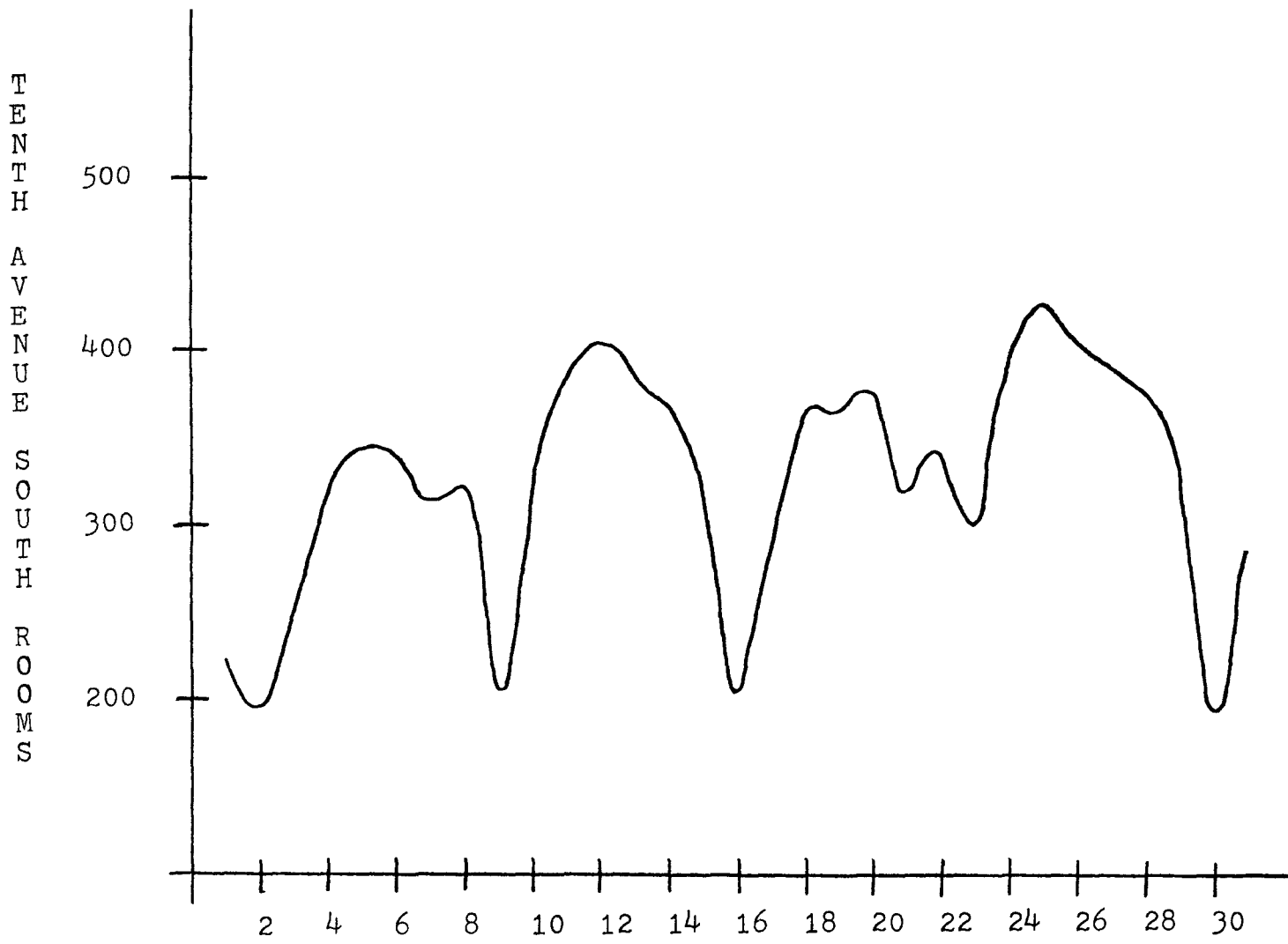


Fig. 2. Monthly occupancy rates for January

TABLE 2
 TOTAL MONTHLY OCCUPANCY RATE FOR FEBRUARY
 (70.4%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	473
Monthly Occupancy Rates (%)	64.1	77.0
Weekly Occupancy Rates (%)		
Sunday	45.2	50.6
Monday	57.6	65.9
Tuesday	69.9	79.8
Wednesday	69.7	84.0
Thursday	66.8	85.9
Friday	72.3	87.6
Saturday	67.4	85.2

NOTE: Significant Dates and Events for February.
 7th-13th Montana Boy Scout Council (Scout Week)
 18th-19th Washington's Birthday Sale
 23rd Ash Wednesday
 23rd-25th State Plumber's Convention

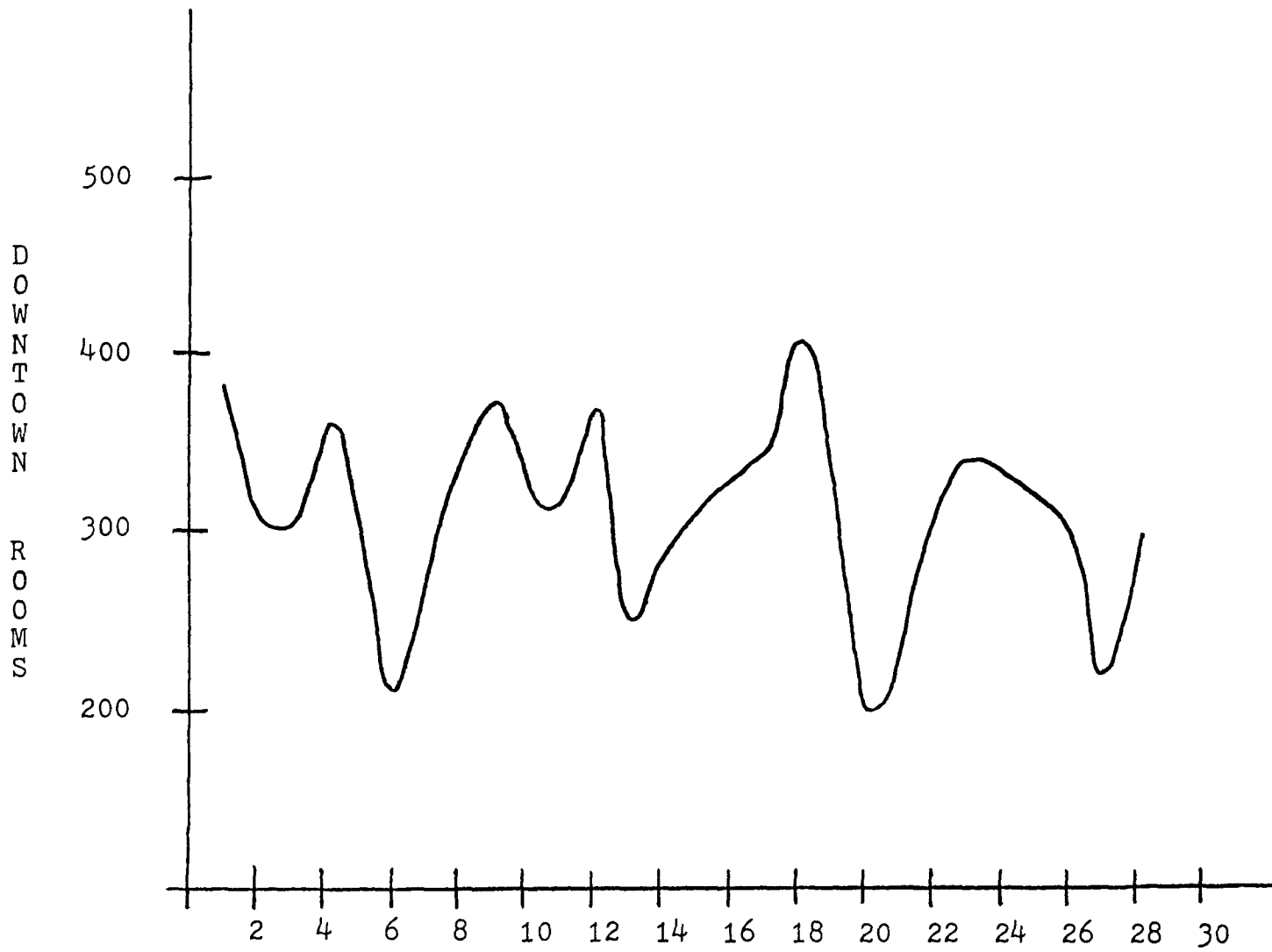


Fig. 3. Monthly occupancy rates for February

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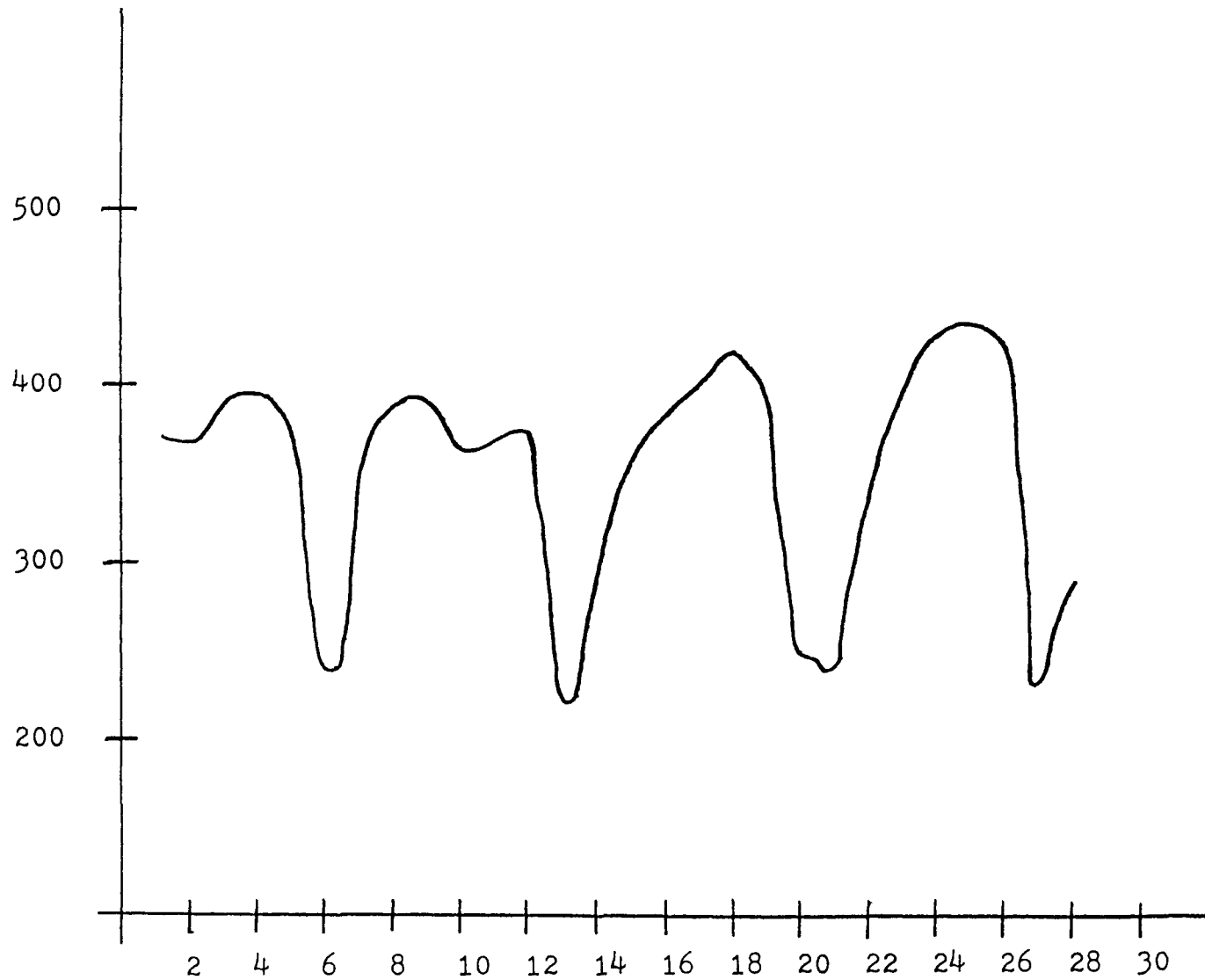


Fig. 4. Monthly occupancy rates for February

TABLE 3
 TOTAL MONTHLY OCCUPANCY RATE FOR MARCH
 (75.6%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	473
Monthly Occupancy Rates (%)	67.8	85.2
Weekly Occupancy Rates (%)		
Sunday	43.2	54.1
Monday	64.2	80.9
Tuesday	73.4	90.1
Wednesday	70.5	90.6
Thursday	70.1	90.3
Friday	67.7	95.1
Saturday	68.2	91.3

NOTE: Significant Dates and Events for March.
 10th-12th DAR State Convention
 17th St. Patrick's Day
 17th-19th C.M.R. Annual Western Art Auction
 24th-26th State District Key Club Convention
 26th Big Sky Tire Dealers Association
 31st Montana Nurses Association

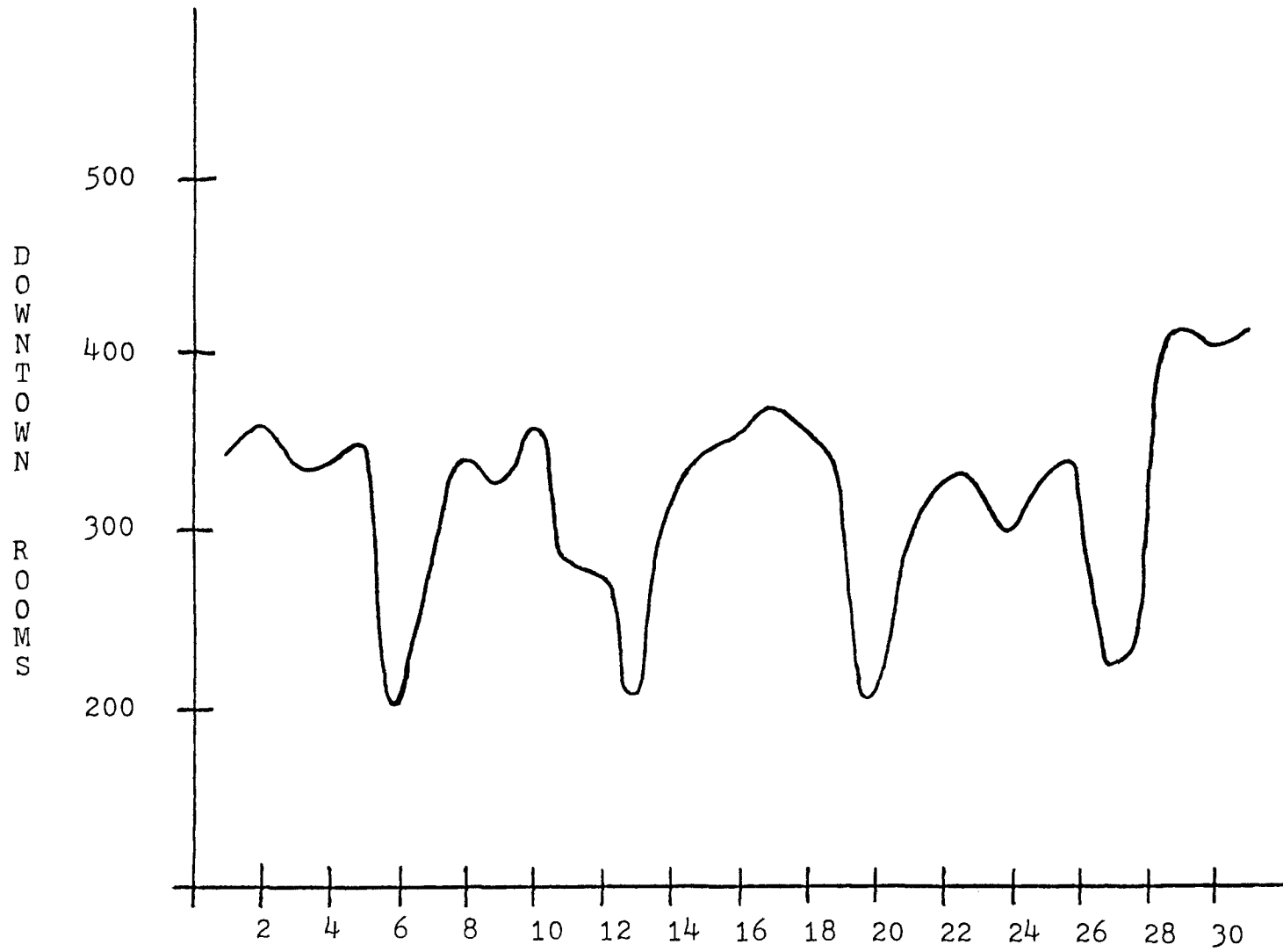


Fig. 5. Monthly occupancy rates for March

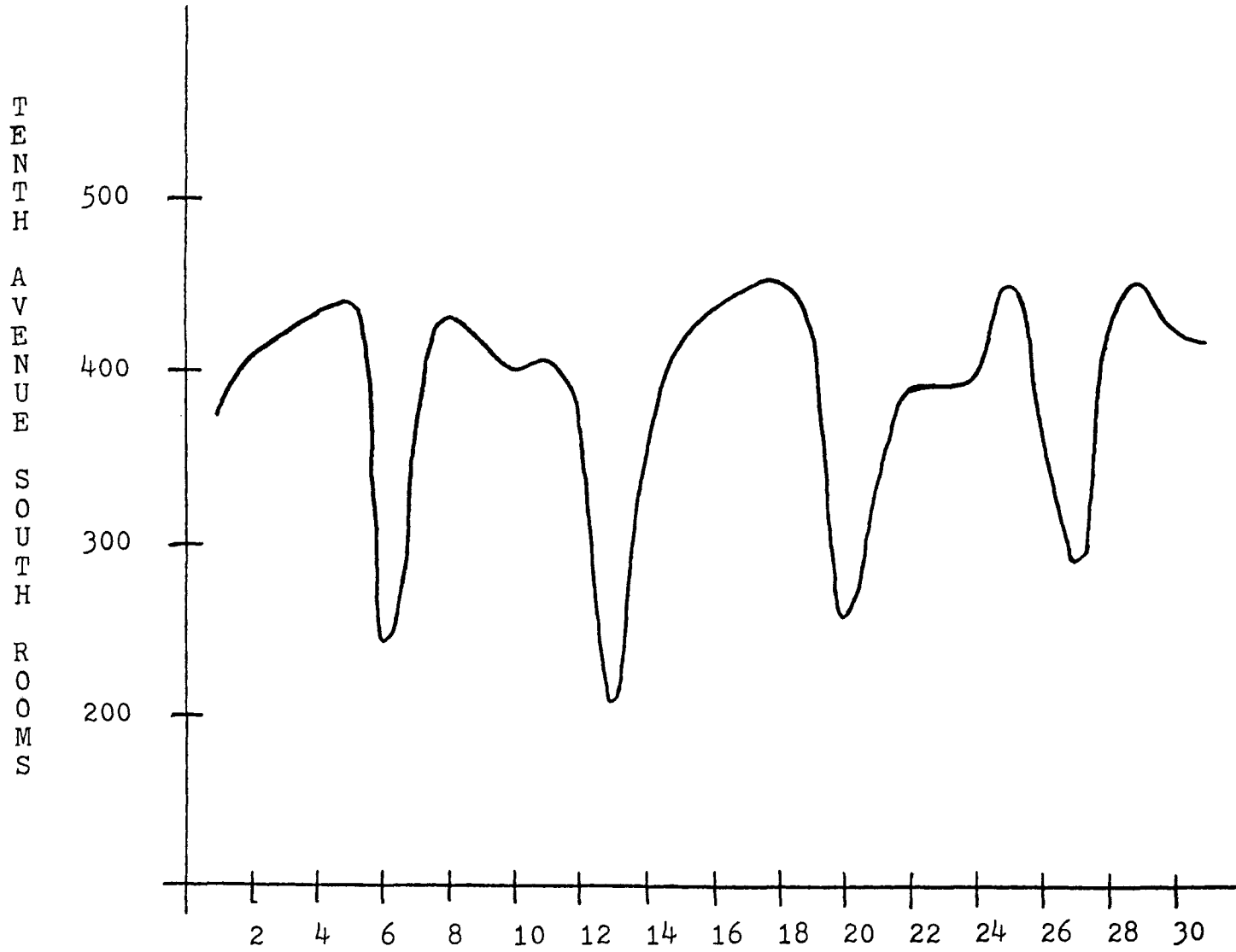


Fig. 6. Monthly occupancy rates for March

TABLE 4
 TOTAL MONTHLY OCCUPANCY RATE FOR APRIL
 (75.5%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	446*
Monthly Occupancy Rates (%)	67.0	85.6
Weekly Occupancy Rates (%)		
Sunday	44.6	57.1
Monday	63.6	76.0
Tuesday	70.6	91.6
Wednesday	71.9	91.9
Thursday	74.9	86.6
Friday	74.9	94.9
Saturday	66.6	76.4

NOTE: Significant Dates and Events for April.
 1st-2nd Montana Nurses Association
 3rd Palm Sunday
 7th-9th Big Sky Figure Skating Championship
 8th Easter Sunday
 14th-17th Conference Christian Experience
 15th-16th College of Great Falls "BASH"
 22nd Cascade County Extension Homemakers
 22nd-23th Regional Jr.-Sr. AAU Boxing Tournament
 29th-30th Montana National Guard Association

* Decrease on April 1st to 446 due to incomplete data.

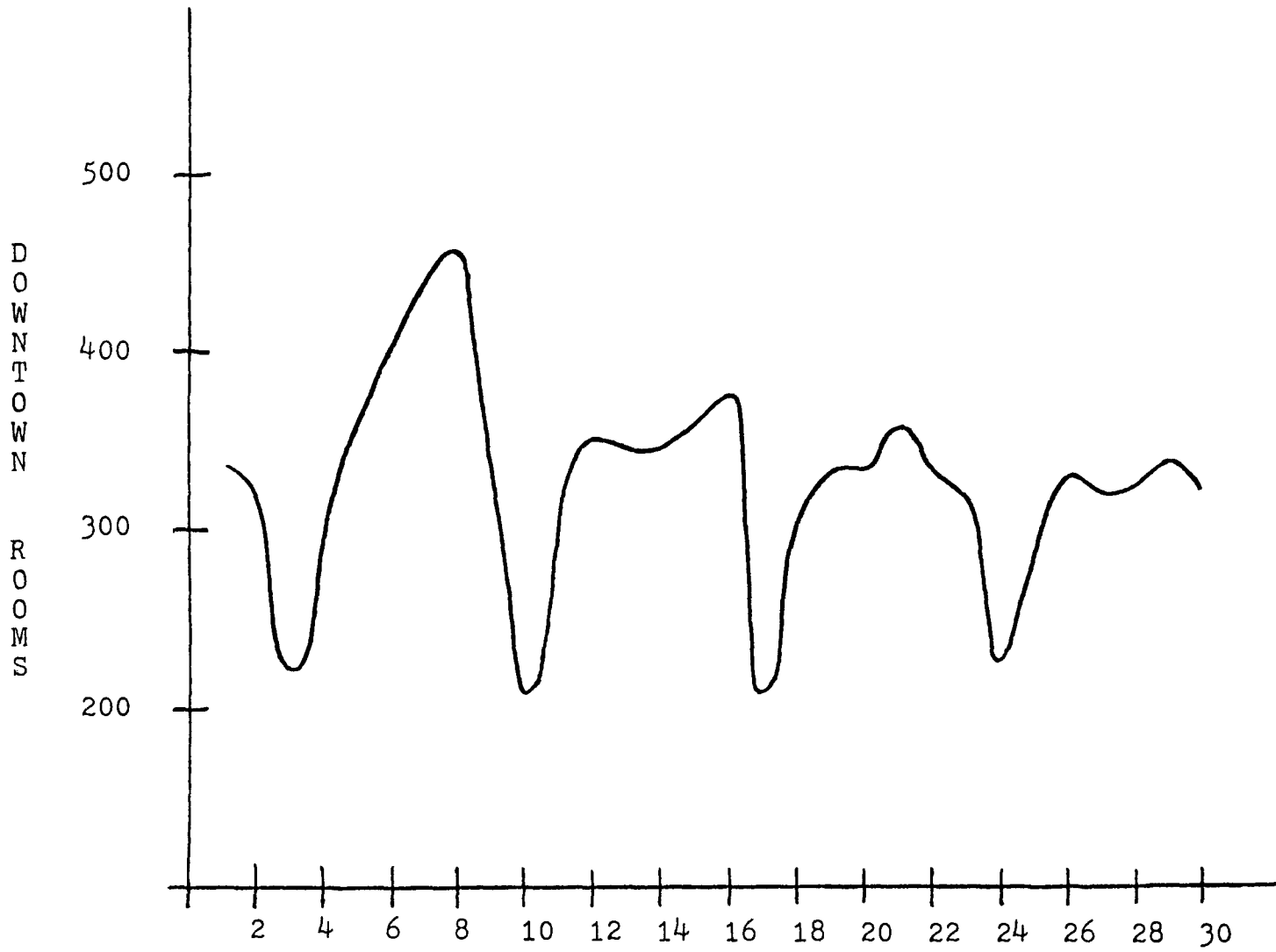


Fig. 7. Monthly occupancy rates for April

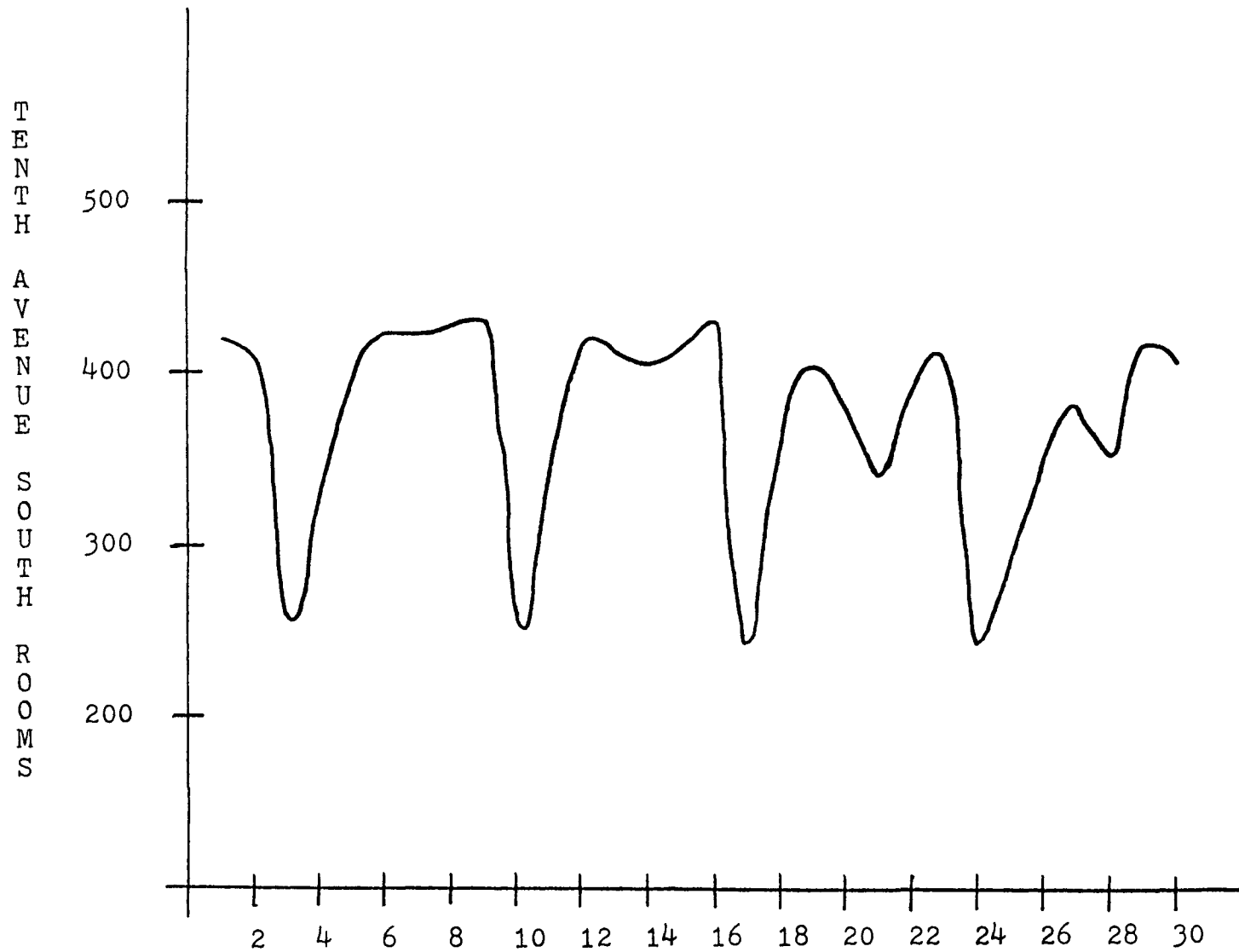


Fig. 8. Monthly occupancy rates for April

TABLE 5
 TOTAL MONTHLY OCCUPANCY RATE FOR MAY
 (71.9%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	446
Monthly Occupancy Rates (%)	64.2	80.5
Weekly Occupancy Rates (%)		
Sunday	50.0	60.3
Monday	55.5	73.7
Tuesday	61.1	92.3
Wednesday	70.7	93.3
Thursday	67.4	92.9
Friday	65.7	87.1
Saturday	64.2	73.6

NOTE: Significant Dates and Events for May.
 5th-6th Montana Life Underwriters Association
 8th-11th Montana Professional Photographers
 8th Mother's Day
 13th-15th Conference for Christian Women
 17th-18th Travel Round-up Governors Conference
 18th-21st Montana Stockgrowers Association
 19th-21st Montana Cowbelles
 23rd Victoria Day (Canadian)
 25th "Spring Moonlight Madness Sale" (Downtown)

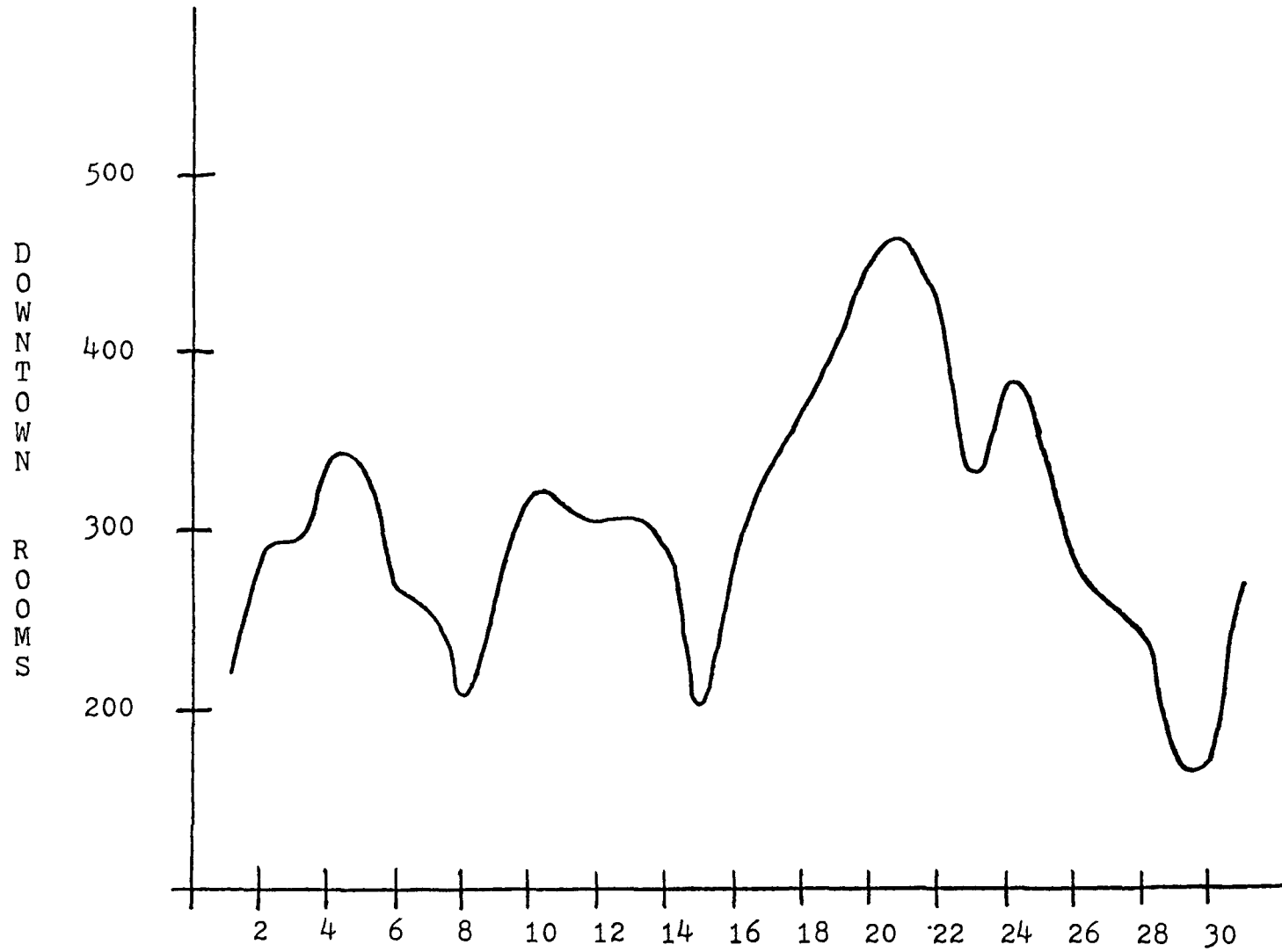


Fig. 9. Monthly occupancy rates for May

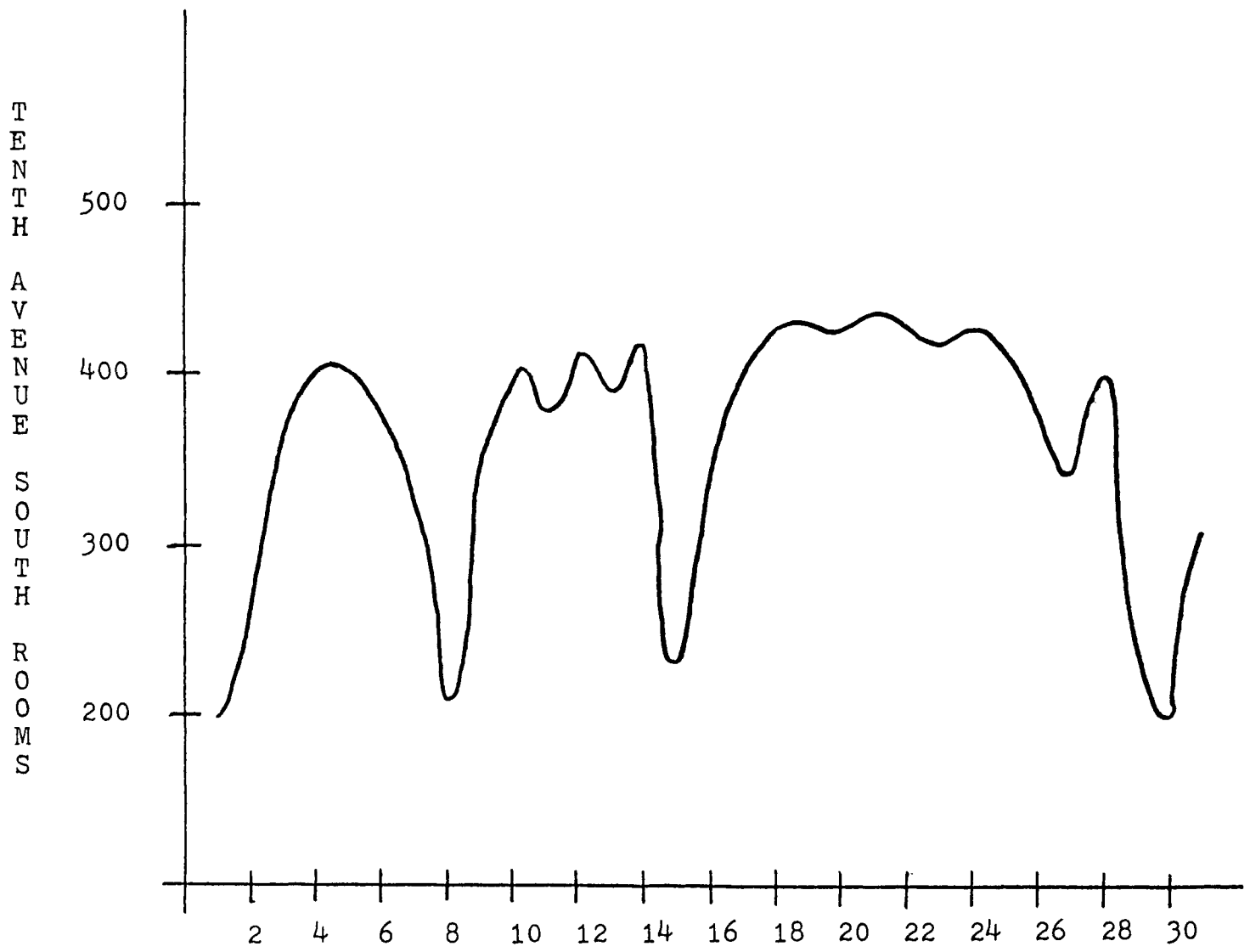


Fig. 10. Monthly occupancy rates for May

TABLE 6
 TOTAL MONTHLY OCCUPANCY RATE FOR JUNE
 (81.9%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	446*
Monthly Occupancy Rates (%)	71.1	93.3
Weekly Occupancy Rates (%)		
Sunday	51.9	74.3
Monday	71.1	97.2
Tuesday	75.2	98.0
Wednesday	72.1	96.6
Thursday	69.1	93.2
Friday	79.8	94.1
Saturday	73.9	99.1

NOTE: Significant Dates and Events for June.
 6th-10th Montana Postmaster Convention
 17th-19th Gideon Montana Convention
 18th Class of '32 Reunion
 19th Father's Day
 23th-24th Full Gospel Businessmen
 24th St. Jean Baptiste (Canadian)
 24th-26th Class of '37 Reunion
 25th-26th Horse Racing

* Increased units on June 15th to 483 due to new units being opened.

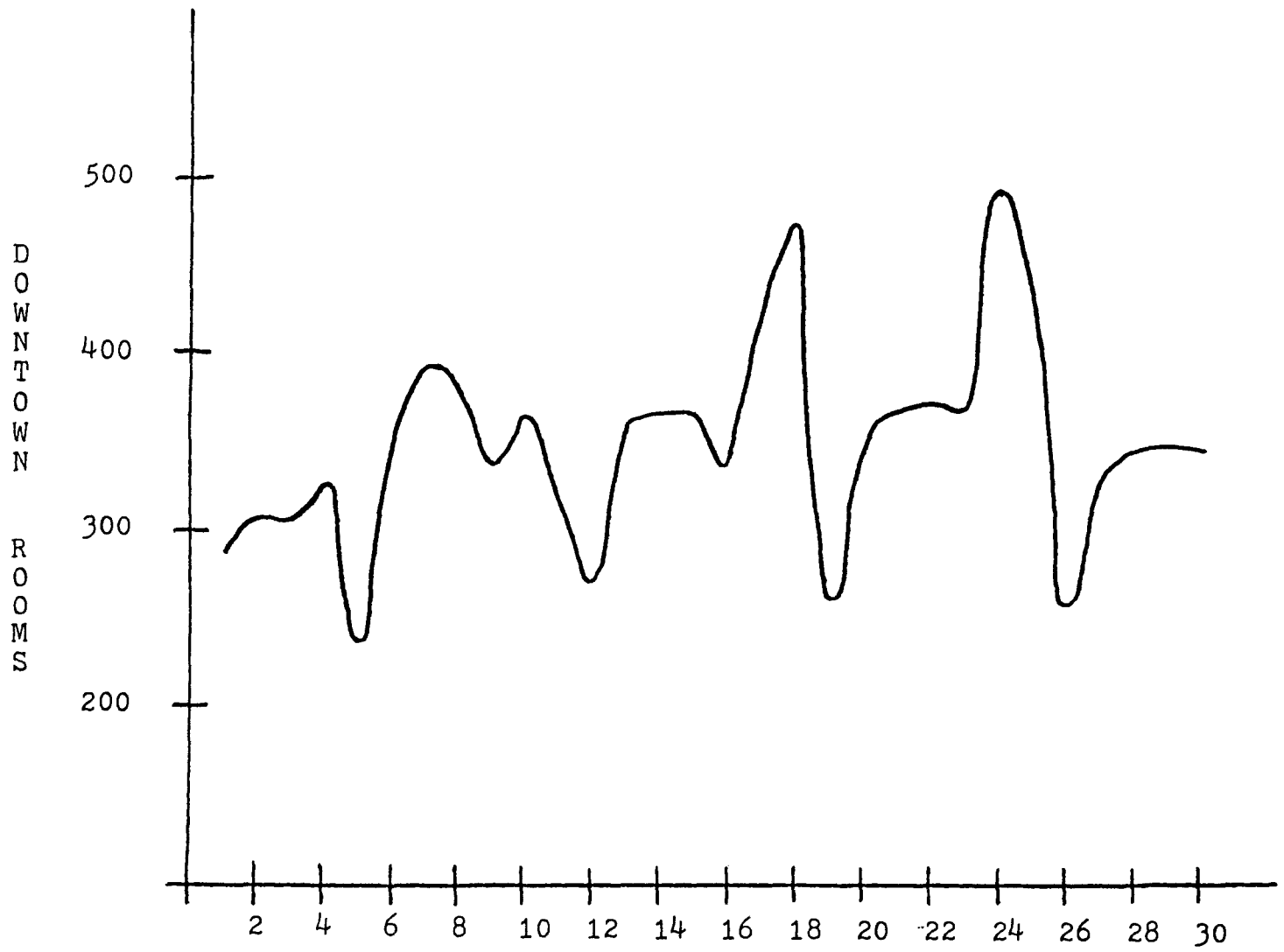


Fig. 11. Monthly occupancy rates for June

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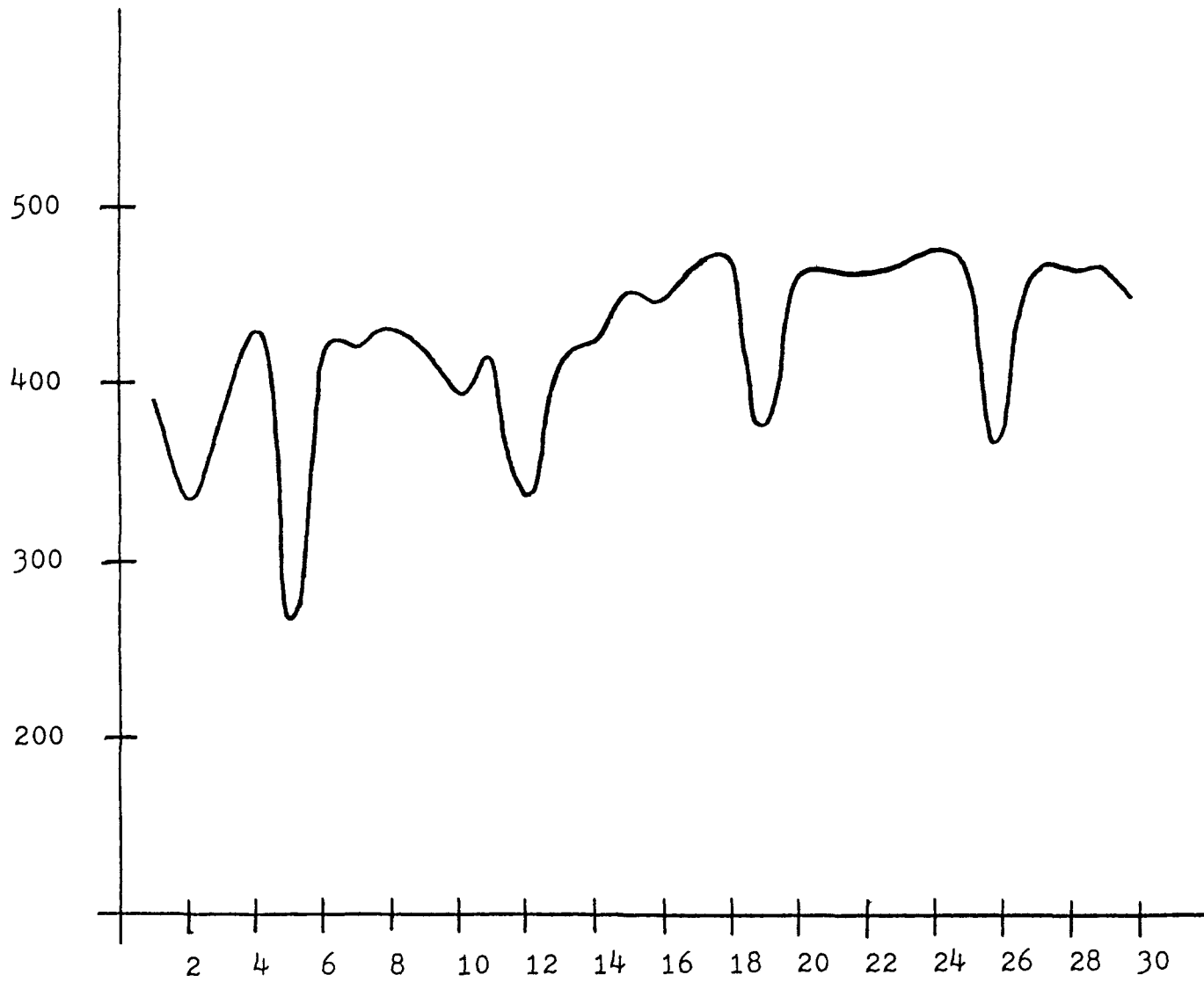


Fig. 12. Monthly occupancy rates for June

TABLE 7
 TOTAL MONTHLY OCCUPANCY RATE FOR JULY
 (91.3%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	510*
Monthly Occupancy Rates (%)	80.9	94.9
Weekly Occupancy Rates (%)		
Sunday	65.1	87.4
Monday	71.2	91.2
Tuesday	83.3	96.3
Wednesday	89.1	98.3
Thursday	83.3	98.3
Friday	90.7	96.7
Saturday	84.3	97.2

NOTE: Significant Dates and Events for July.
 1st Dominion Day (Canadian)
 4th Independence Day
 5th-6th Shrine Circus
 20th-23th Montana State Elks Convention
 30th State Fair
 30th Downtown Sidewalk Bazar

* Increase on July 1st to 510 for additional data.
 Increase on July 8th to 544 for new units.
 Increase on July 18th to 552 for additional data.

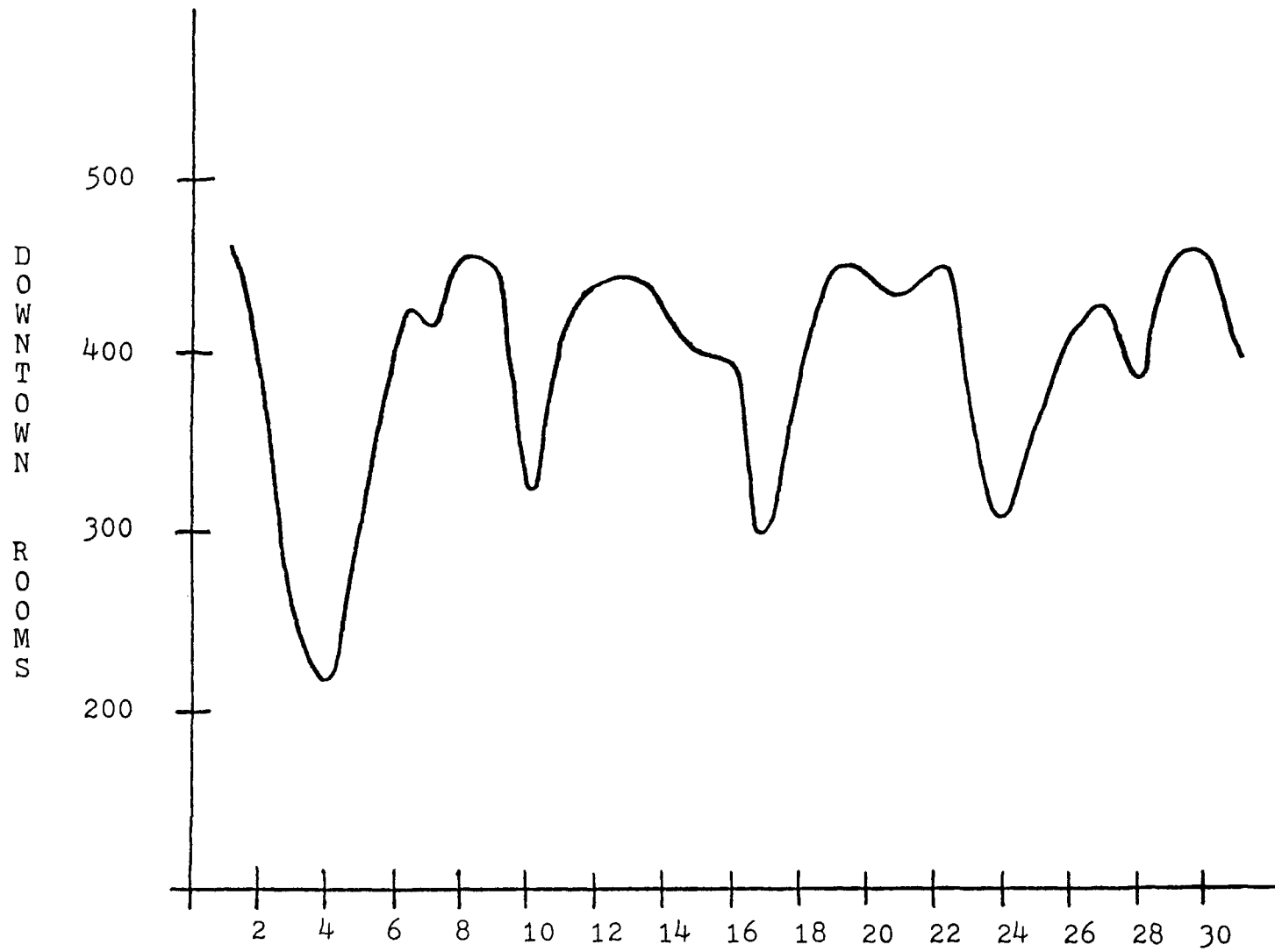


Fig. 13. Monthly occupancy rates for July

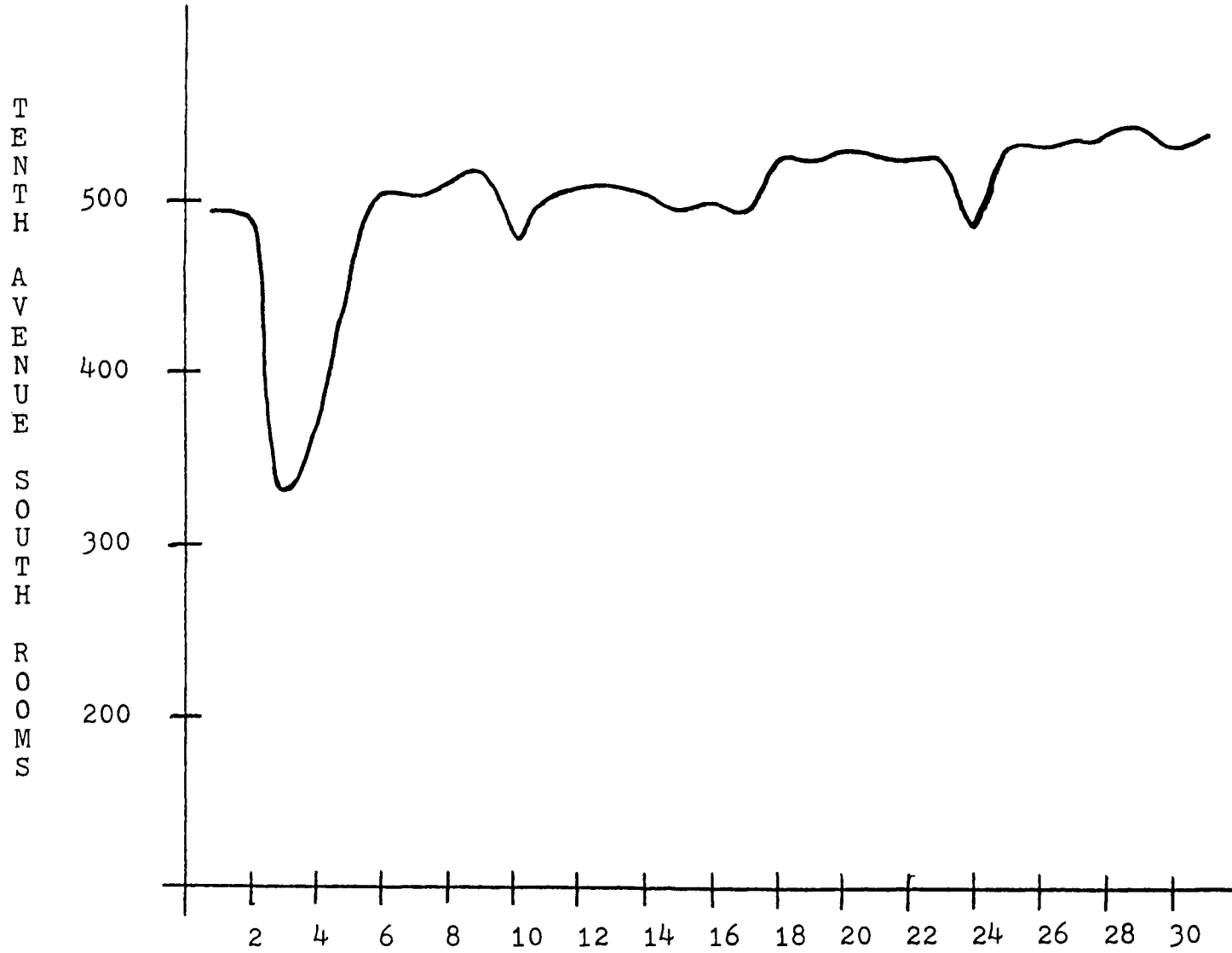


Fig. 14. Monthly occupancy rates for July

TABLE 8
 TOTAL MONTHLY OCCUPANCY RATE FOR AUGUST
 (91.7%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	552
Monthly Occupancy Rates (%)	82.1	97.7
Weekly Occupancy Rates (%)		
Sunday	73.8	87.4
Monday	84.3	97.7
Tuesday	88.5	100.0
Wednesday	85.1	98.9
Thursday	86.8	99.6
Friday	89.2	99.1
Saturday	87.7	99.1

NOTE: Significant Dates and Events for August.
 1st Civic Holiday (Canadian)
 1st-6th State Fair
 12th-13th East-West Shrine Game
 13th-17th State American Legion Baseball Tournament
 15th Assumption Day (Canadian)
 18th-20th Montana District Kiwanis Convention

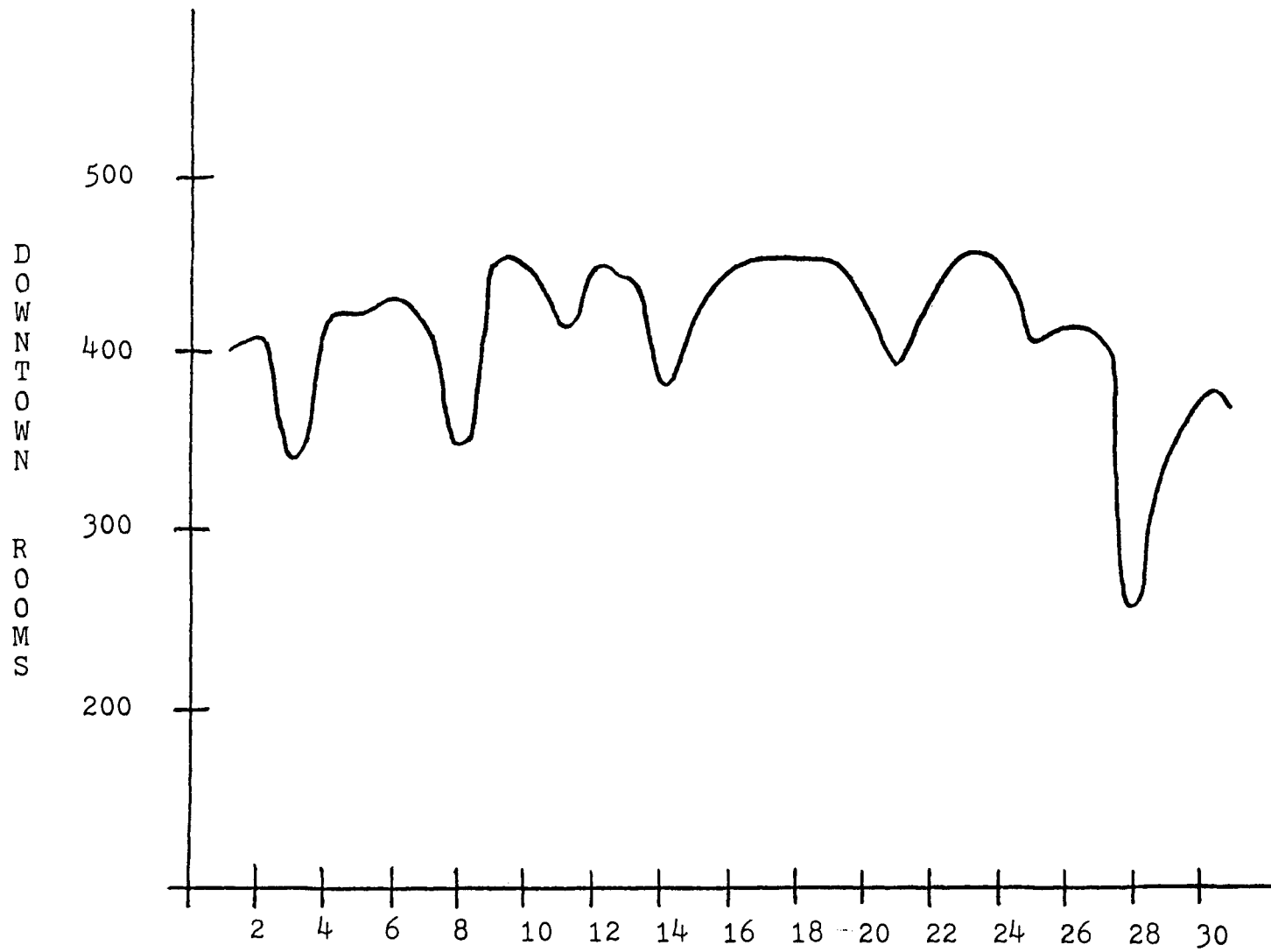


Fig. 15. Monthly occupancy rates for August

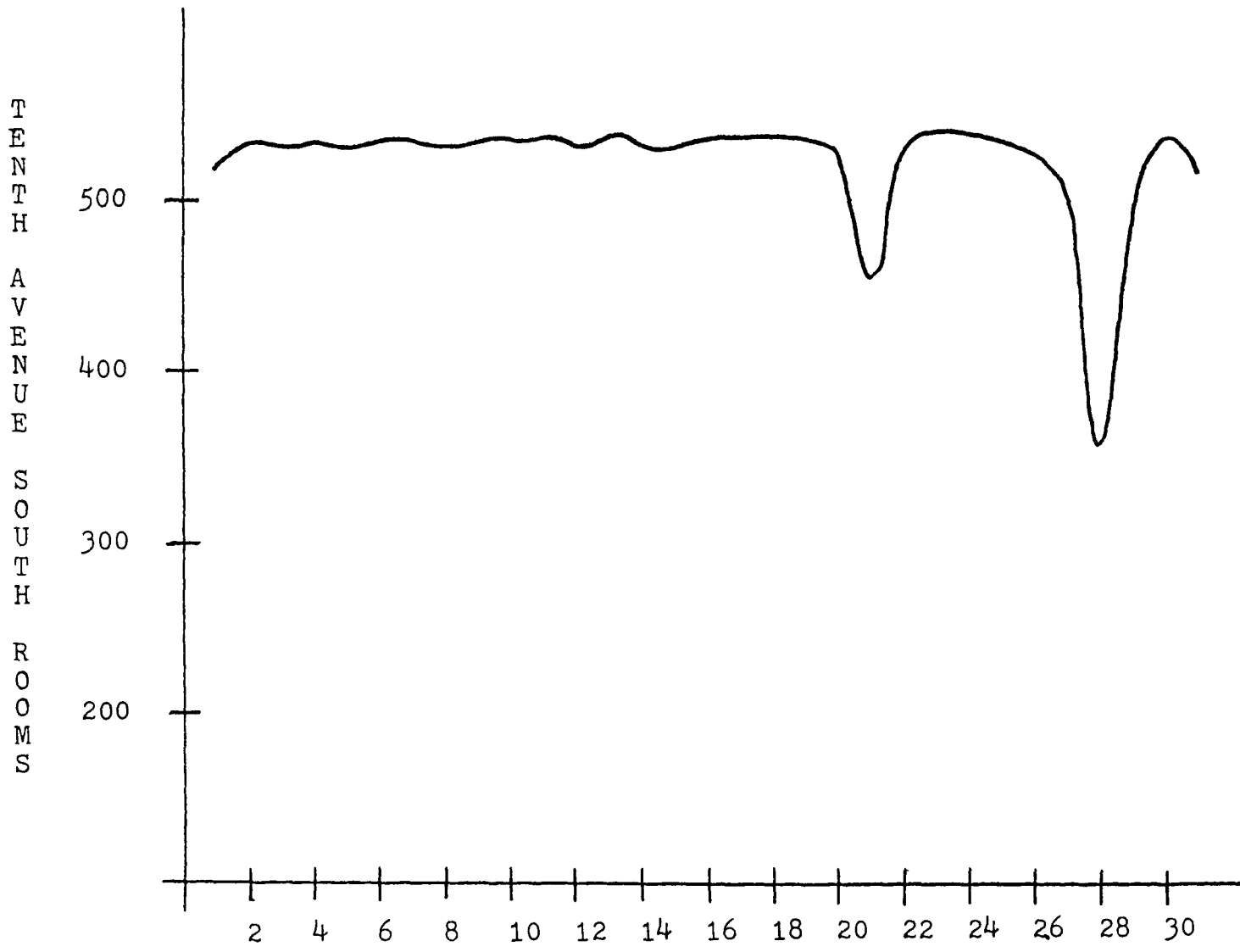


Fig. 16. Monthly occupancy rates for August

TABLE 9
 TOTAL MONTHLY OCCUPANCY RATE FOR SEPTEMBER
 (79.1%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	579*
Monthly Occupancy Rates (%)	67.3	89.5
Weekly Occupancy Rates (%)		
Sunday	51.5	79.2
Monday	60.8	83.9
Tuesday	66.1	94.1
Wednesday	74.6	97.9
Thursday	71.0	94.6
Friday	76.5	89.7
Saturday	67.1	87.9

NOTE: Significant Dates and Events for September.
 5th Labor Day
 13th Jewish New Year
 18th Great Falls Elks 10th Annual Golf Tourney
 22nd Jewish Yom Kippur
 22nd Montana Wheat Forum
 22nd-23rd State Nurses Conference
 22nd-23rd Governors Conference on Aging

* Increase on September 1st to 579 due to additional data.

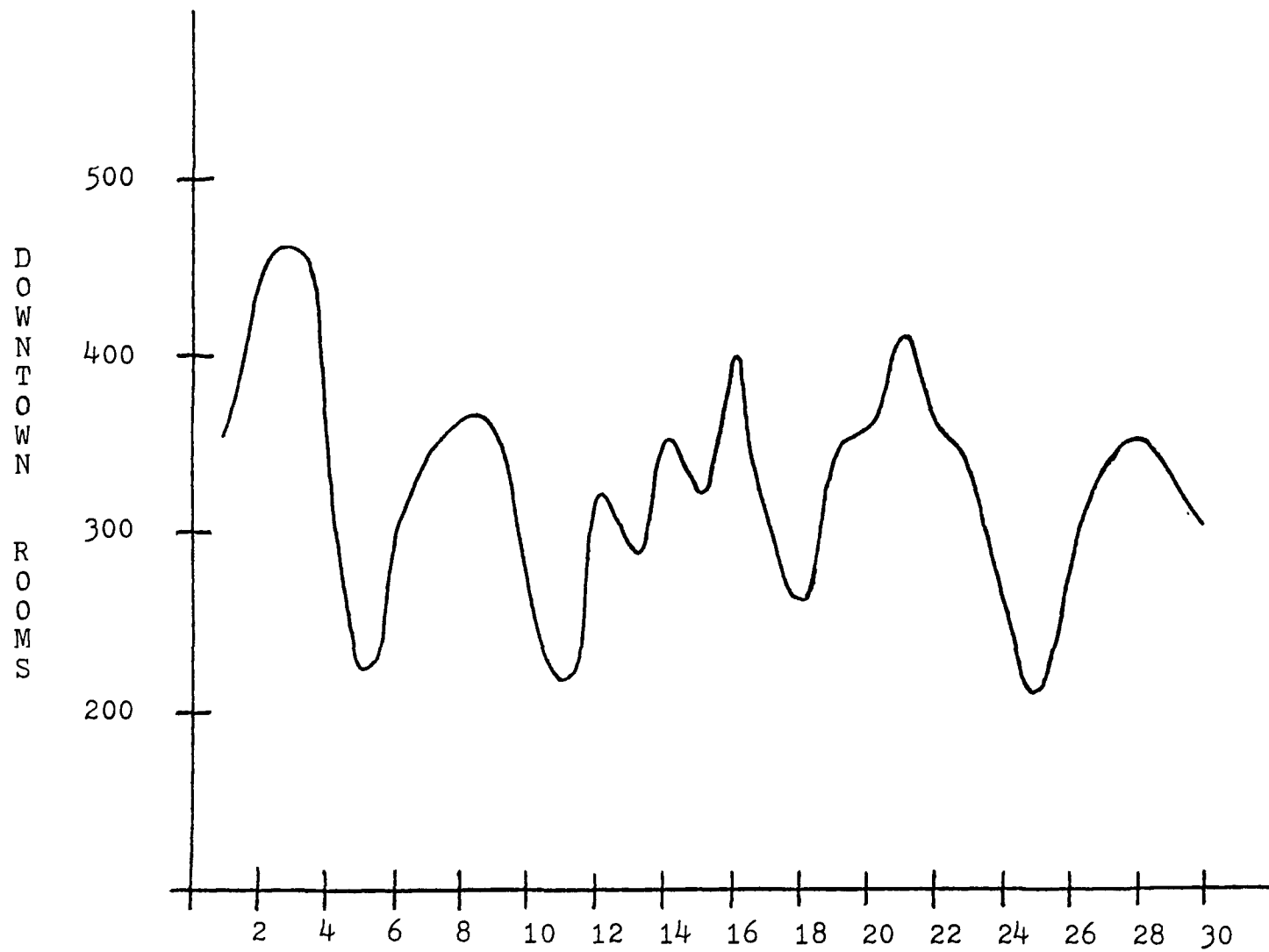


Fig. 17. Monthly occupancy rates for September

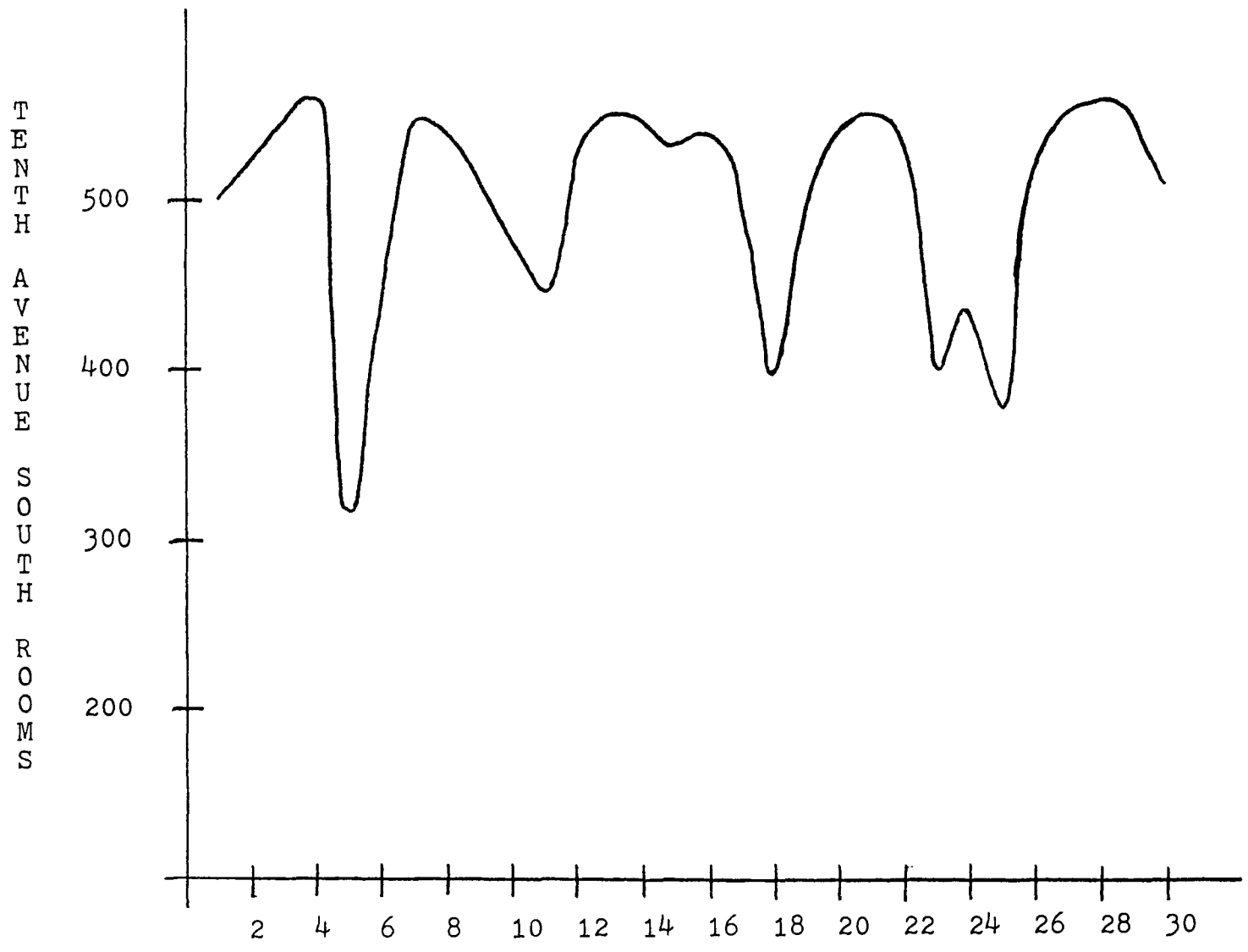


Fig. 18. Monthly occupancy rates for September

TABLE 10
 TOTAL MONTHLY OCCUPANCY RATE FOR OCTOBER
 (71.8%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	579
Monthly Occupancy Rates (%)	62.7	79.9
Weekly Occupancy Rates (%)		
Sunday	48.9	63.0
Monday	58.9	73.8
Tuesday	69.5	85.2
Wednesday	67.7	84.2
Thursday	63.3	84.7
Friday	60.4	90.5
Saturday	63.9	82.0

NOTE: Significant Dates and Events for October.
 1st Montana Association of Planners
 1st Association of Cereal Chemists
 2nd-5th Montana Hospital Association
 4th-7th Montana Nursing Home Association
 7th-8th Harvest Fest '77
 10th Columbus Day (observed)
 10th Thanksgiving Day (Canadian)
 13th-15th Montana State Florists
 24th Veteran's Day (observed)
 27th-29th National Farm Organization Convention

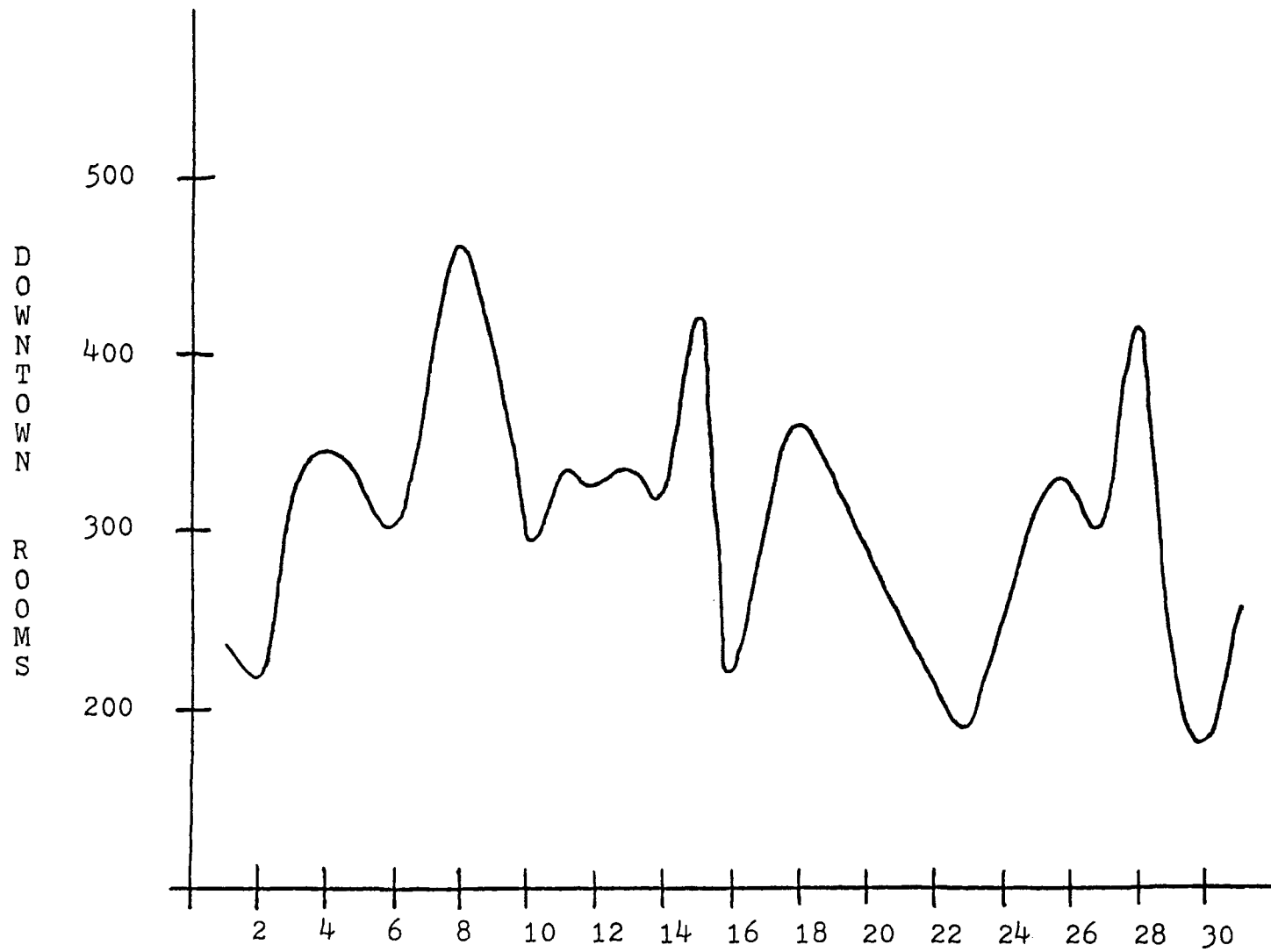


Fig. 19. Monthly occupancy rates for October

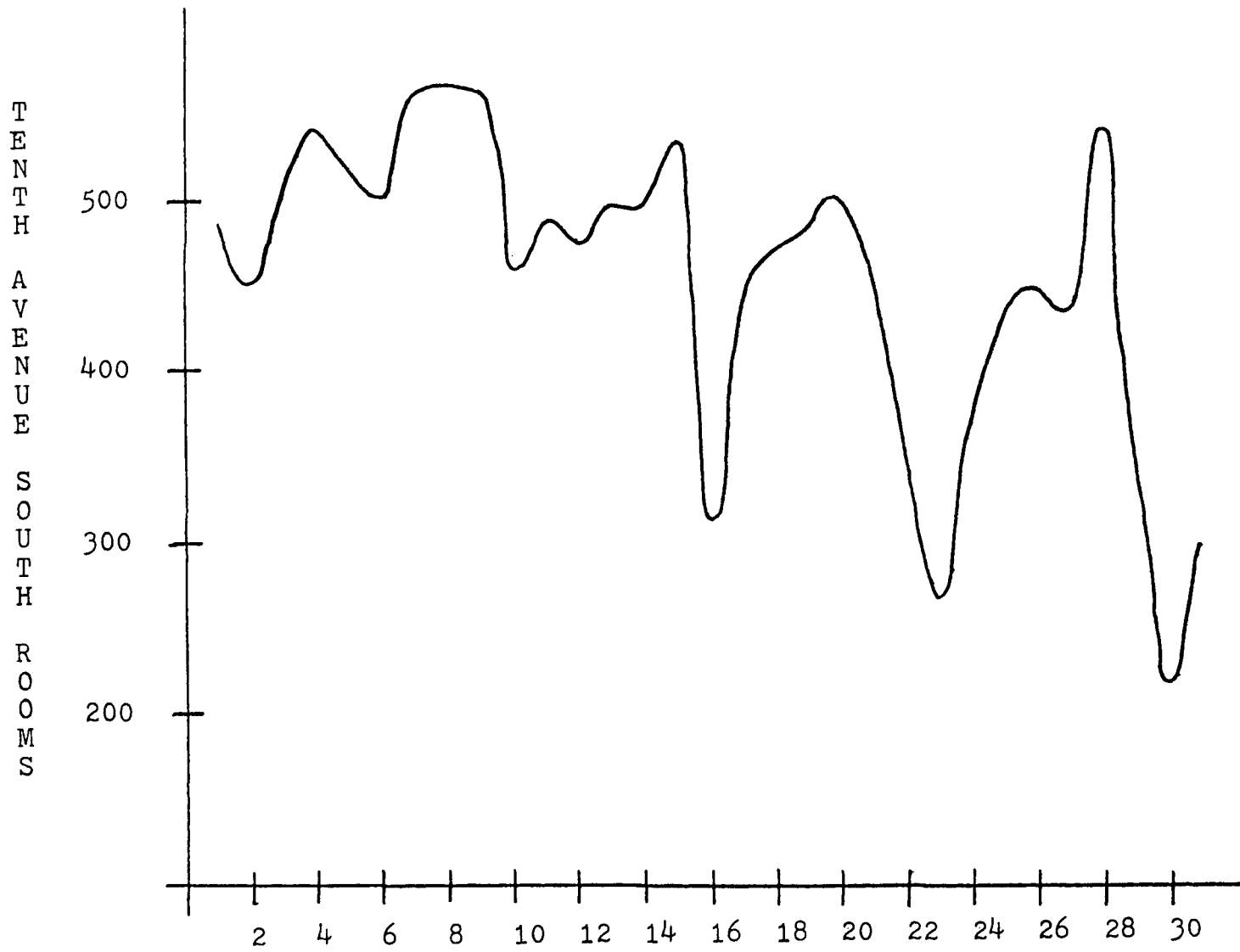


Fig. 20. Monthly occupancy rates for October

TABLE 11
 TOTAL MONTHLY OCCUPANCY RATE FOR NOVEMBER
 (60.7%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	579
Monthly Occupancy Rates (%)	53.9	66.9
Weekly Occupancy Rates (%)		
Sunday	40.5	43.7
Monday	59.0	61.3
Tuesday	62.1	67.9
Wednesday	58.8	69.4
Thursday	56.0	67.8
Friday	61.6	81.2
Saturday	59.4	76.3

NOTE: Significant Dates and Events for November.
 1st All Saints Day (Canadian)
 9th-12th Rocky Mountain Association of Fairs
 11th Remembrance Day (Canadian)
 24th Thanksgiving Day

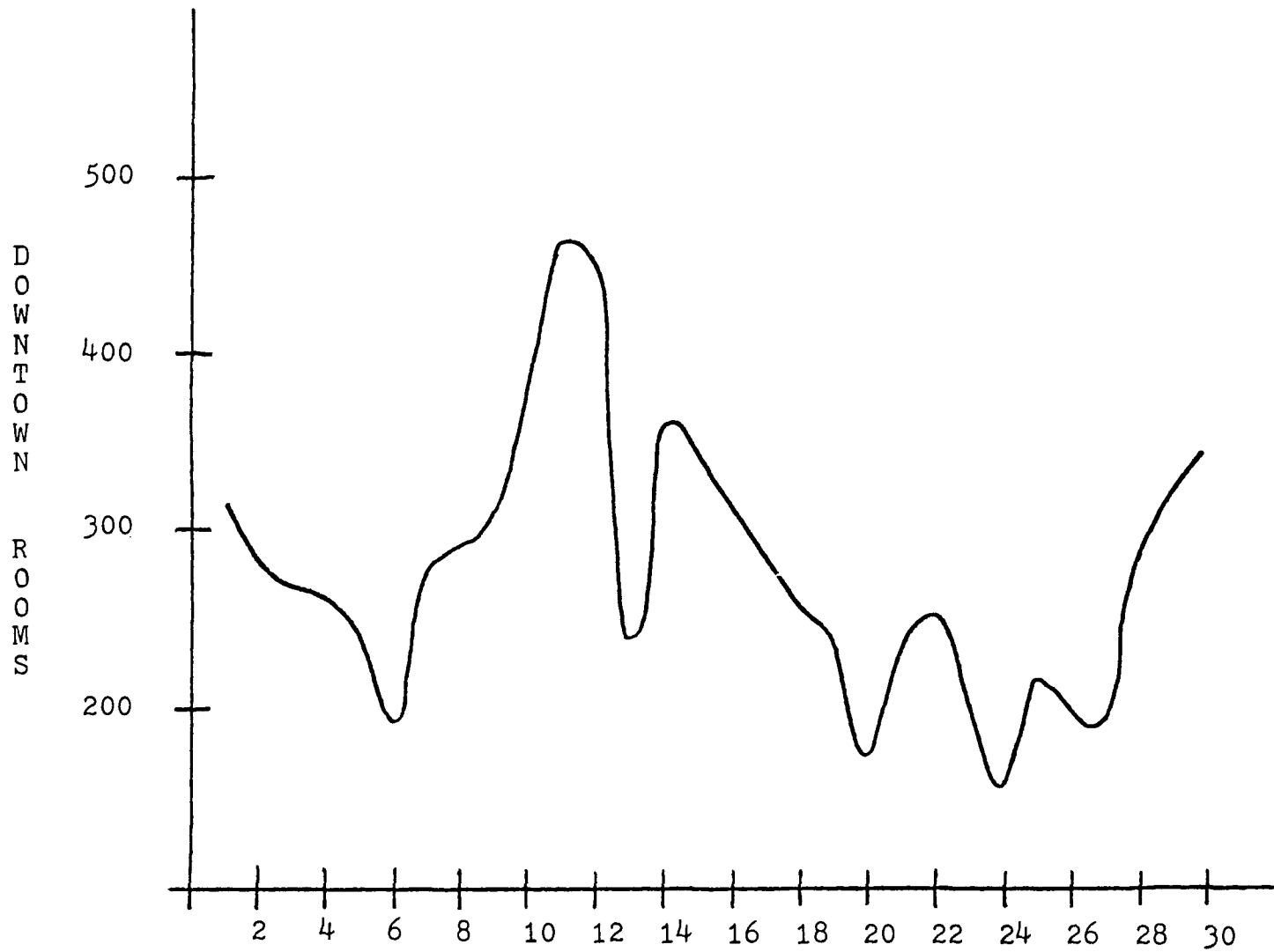


Fig. 21. Monthly occupancy rates for November

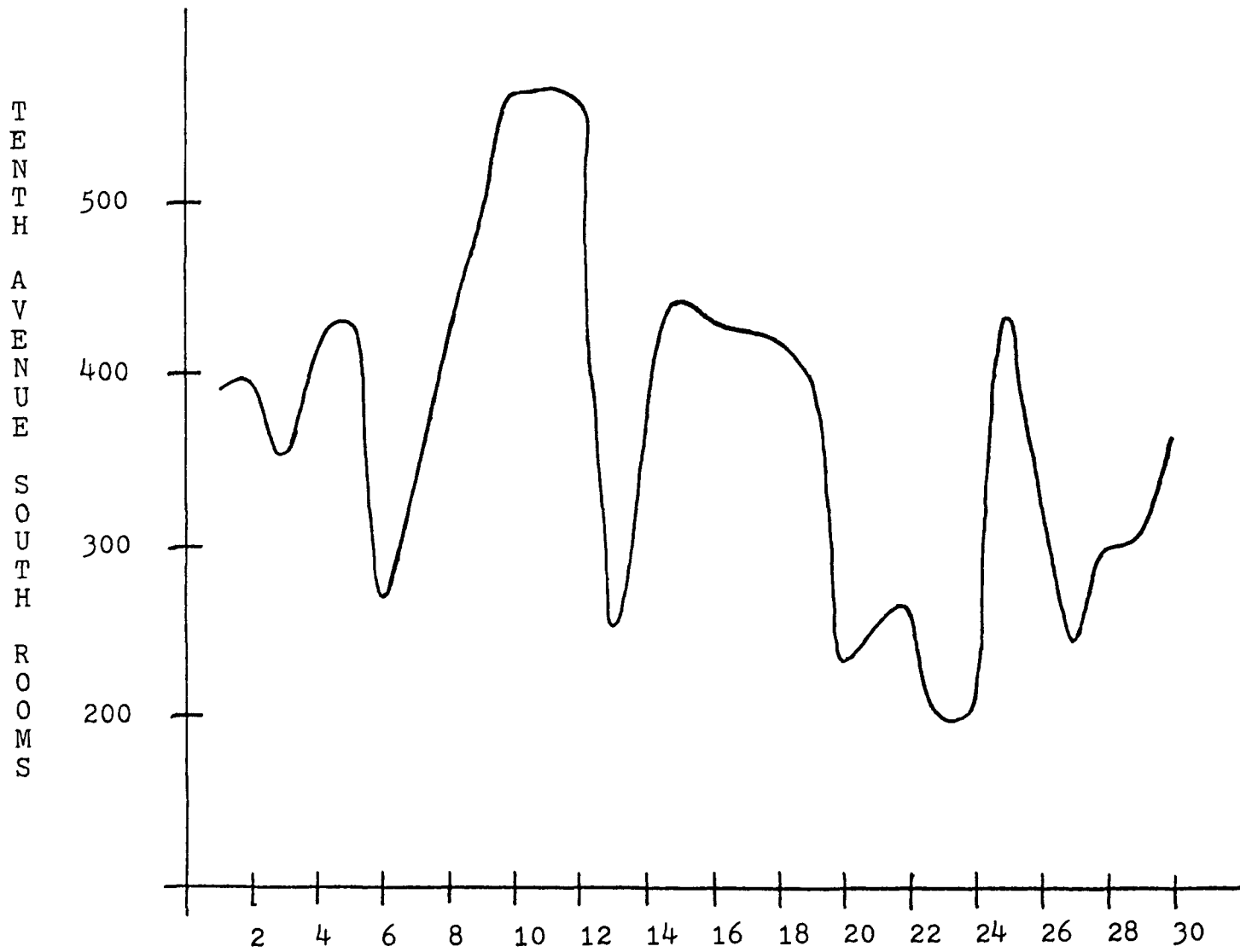


Fig. 22. Monthly occupancy rates for November

TABLE 12
 TOTAL MONTHLY OCCUPANCY RATE FOR DECEMBER
 (53.3%)

Occupancy	Downtown	Tenth Avenue South
Rooms	503	579
Monthly Occupancy Rates (%)	48.0	58.0
Weekly Occupancy Rates (%)		
Sunday	35.7	40.7
Monday	50.6	58.5
Tuesday	52.2	63.5
Wednesday	54.7	66.5
Thursday	53.5	63.9
Friday	49.0	59.9
Saturday	38.8	53.3

NOTE: Significant Dates and Events for December.
 1st-3rd Girls State Basketball
 5th Hanukkah
 5th Chanukah (Canadian)
 10th B.A.I. Bank Administration
 13th-14th Ag. Management Service Convention
 25th Christmas Day
 26th Boxing Day (Canadian)

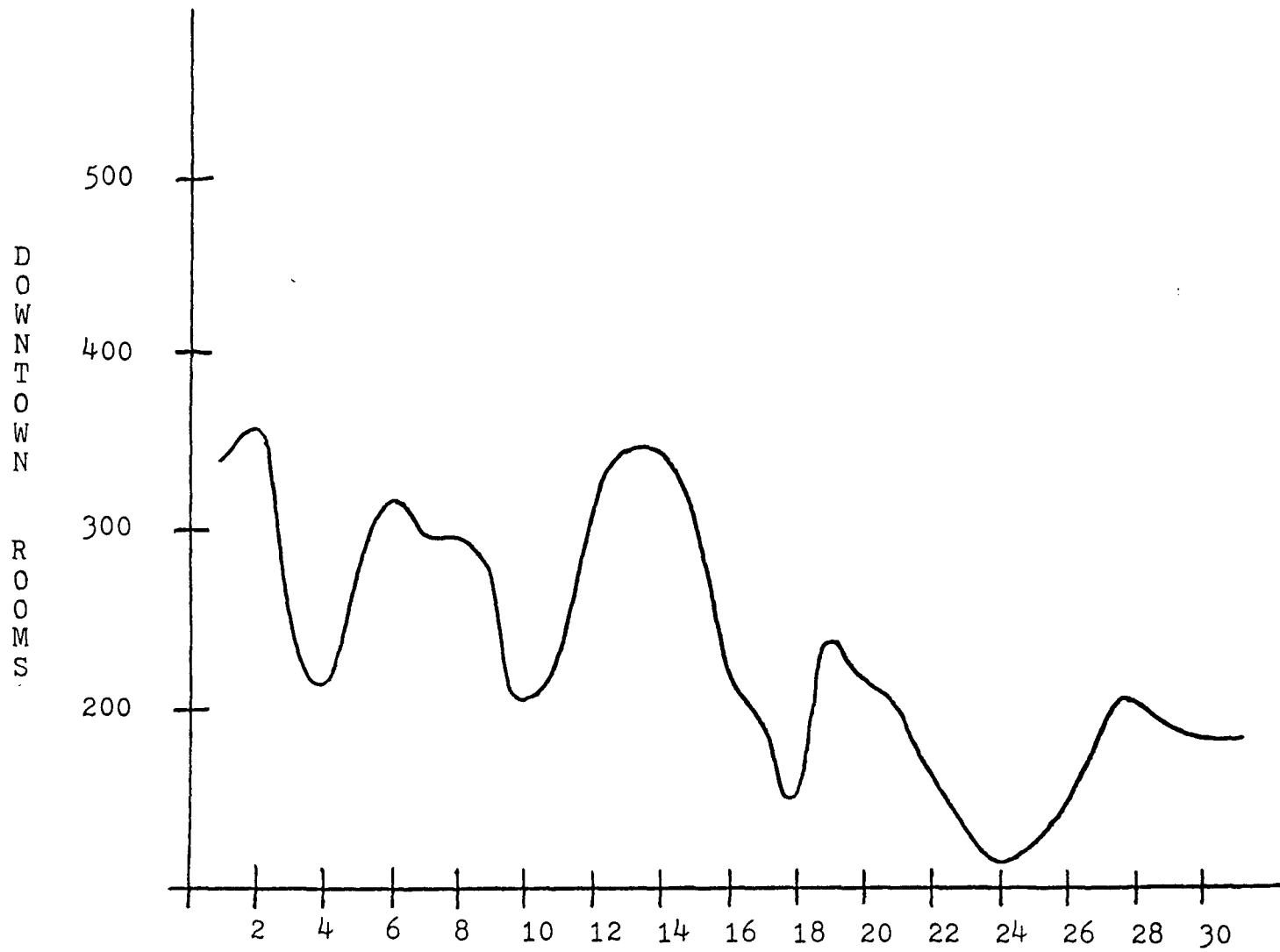


Fig. 23. Monthly occupancy rates for December

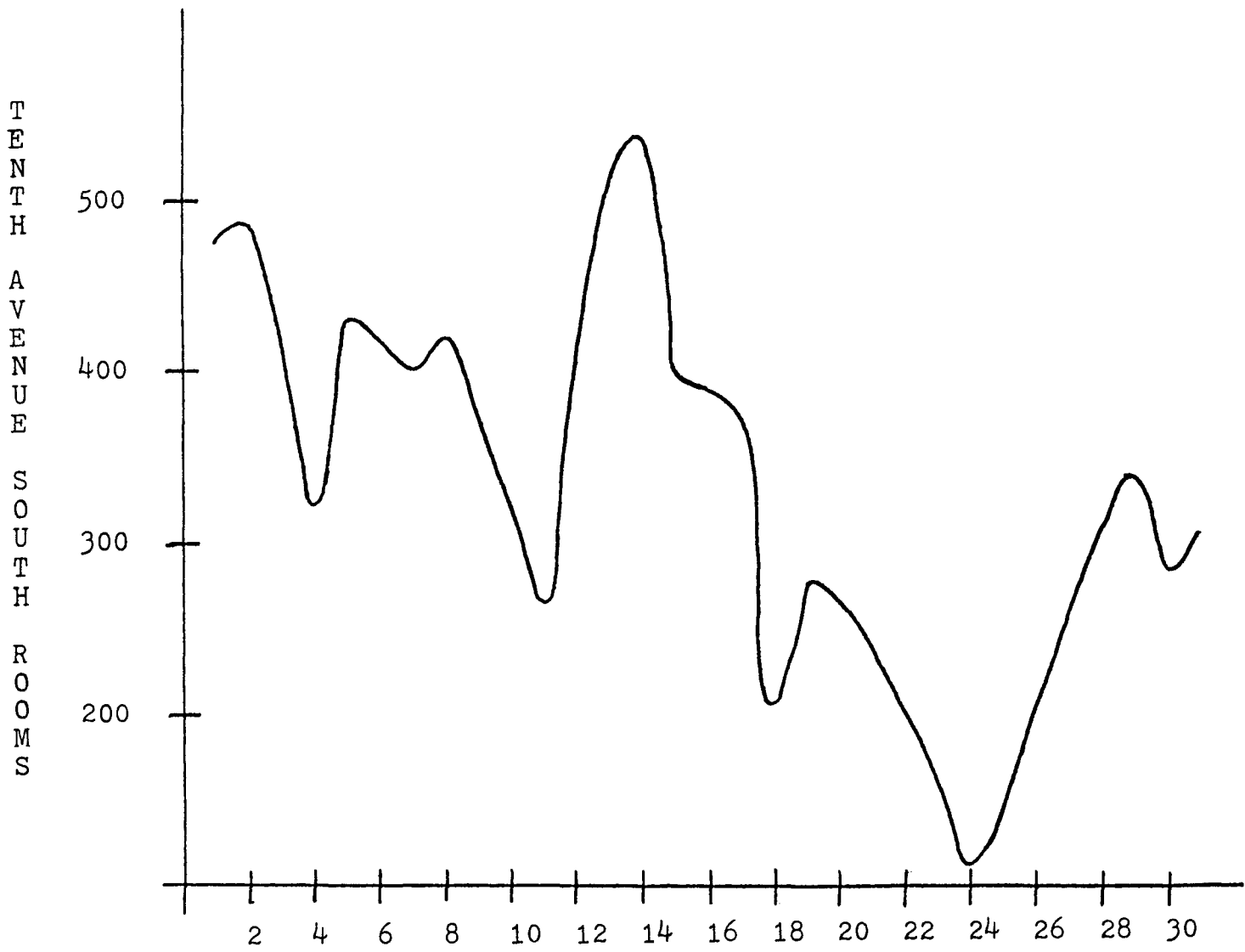


Fig. 24. Monthly occupancy rates for December

CHAPTER IV

RECOMMENDATIONS FOR FUTURE STUDIES

From the results compiled in this study many future studies may be initiated. Great Falls motels and hotels and the Chamber of Commerce will benefit from these data which have not been gathered previously. Developers of restaurants and entertainment establishments may also profit from this study.

Many useful additional studies should be made on this industry. Further analysis would allow for better predictions of the seasonal peak and slack periods. Additionally, many different sources may be researched to give a much more accurate prediction of the beginning and ending of the peak summer seasons. One of these sources would be the weather service to determine when the first and last major winter storms occur. The national park service would also be contacted to determine opening and closing days at both Glacier and Yellowstone National Parks. Another factor that would affect the tourist season would be the price and availability of gasoline. All these factors would aid in predicting the occupancy rates of the marginal months early and late in the season such as April, May, September and October.

From these continuous studies the Chamber of Commerce would be able to better plan promotions and conventions during future years. Using this study they know the peak and slack periods of the weeks, however, with future studies over several years, peak and slack months could be determined. This would encourage promoting more conventions on a yearly basis during the slack months.

Another study that could be initiated to supplement this study would be one of determining the number and kind of visitors staying in the motels and hotels. This could be accomplished in several ways, one of which would be to count the number of out of town, out of state, and Canadian car license plates located in the motel and hotel parking lots. This would have to be done during the very early morning hours, so as not to include the local people who may be at the facility for a meeting or at the restaurant or lounge for entertainment. At the same time this early morning hour would be prior to the time people staying at the motel would check out.

Many developers would also profit from this initial study, not only motel and hotel developers, but also restaurant and entertainment developers. The motel and hotel developer would benefit from knowing what the market potential is during the year and that information, when combined with additional data might aid in determining if the present capacity is large enough. At the present time the number of

motels and hotels per capita in Great Falls is the lowest of the four largest cities in Montana.¹ One possible reason for this lack of development may be the location of Great Falls, away from the main East-West Interstate that crosses Montana. Another reason may be a lack of knowledge as to the exact number of motels and hotels or size of the present industry. Additional studies with this viewpoint might reduce this lack of knowledge.

Finally, developers of eating and entertainment establishments may use this study, since part of their business is generated from transient people who would stay in motels and hotels. The developers may also determine if the present number of establishments is enough to serve this large transient group. This study and future studies would be good supplemental surveys for these developers. The owners of such establishments could determine when there is an increase in the number of transient people and use this information for their own planning, for example, by increasing the size of their staff during the peak times of the week. They could also determine what type of persons were staying: vacationer, businessman, or conventioner, and cater to his entertainment needs.

¹Per capita figures are Great Falls .0005, Billings .0007, Helena .0007, and Missoula .0013. Based on motels and hotels listed in their respective phone books.

CHAPTER V

CONCLUSIONS

The purpose for this study has been to develop a data base of the number of rooms occupied in Great Falls motels and hotels on a given night during the year 1977. These data were further reviewed to aid the Great Falls Area Chamber of Commerce in planning promotions and conventions. Additionally, this study provides data on the Great Falls motel and hotel industry never before compiled.

The data were obtained from fifteen motels and hotels in Great Falls. Of the fifteen motels and hotels which provided the data, nine were located on Tenth Avenue South and the remaining six were located in the Downtown Area. Two classify themselves as hotels and those remaining classifying themselves as motels. These fifteen motels and hotels account for eighty percent of the rooms in Great Falls, with a range of size from over 250 units to a low of eight.

During the year the total number of rooms available varied for several reasons. First, several businesses changed ownership during the year, with the only data retained were monthly totals. The second variance in the data was caused when established motels added rooms. There were two such instances.

Once the data were obtained, daily and monthly totals were computed and were further combined into a final grand total. Additionally, all significant events and conventions that took place during the month were listed on the individual data sheets.

Highlights of the data show that August had the greatest monthly occupancy rate of 91.7 percent, with December having the lowest rate of 53.3 percent. December had the lowest daily total of 238 rooms occupied. This 22 percent occupancy rate occurred on December 24.

The occupancy rates vary among the individual days of the week, with Sunday being the lowest and Wednesday being the highest. Sundays had an occupancy rate as low as 35.7 to 40.7 percent depending on the area of the city considered. Wednesday has the highest daily total, reaching 88.5 and 100 percent for Downtown and Tenth Avenue South respectively.

Friday and Saturday had as large an occupancy rate, during some months, as did Wednesdays. This higher total on these days was due to the number of conventions held at these particular times. Holidays will also cause an increased occupancy on the days they occur.

Precise knowledge of the lower occupancy rates on Saturday and Sunday, would allow motels and hotels to plan ways in which this excess capacity could be used. One possible way to do this is by promoting weekend stays. A special plan could be developed in which a room is provided for one night with a special dinner the first night. A continental

breakfast and a late check out time might also be provided. All this could be offered at a price lower than the normal rate. This type of promotion could be offered at various times during the year when the low weekend occupancy rates occur.

Additionally, larger promotions could be planned on a city-wide level. Such promotions could be directed toward certain groups, like Canadians. With a large promotion, sponsored by the Chamber of Commerce, the entire business community could become involved. The Harvest Fest, held in October, is a good example of this. Low occupancy during April and May suggest such promotions would lend itself advantageously to these months.

The Great Falls motel-hotel industry experienced a 73.9 percent occupancy rate, which was some eight percent above the national average for the year 1977. Combined in these occupancy rate totals were several months with rates above this level including the summer months of July and August when the monthly averages exceeded 90 percent. The Great Falls motels and hotels are operating with a strong market potential, and a higher than average occupancy rate. However, with the number of new establishments being planned and built, the existing businesses must continue to offer good services and competitive rates. Additionally, they must continue to modernize their present businesses in order to attract and retain their customers.

From the detailed data base established in this study, many other studies may be served. In addition to the use by the Chamber of Commerce, for planning purposes, the study can aid many other industries, such as the restaurant and entertainment industry in their market predictions. From these predictions the restaurant and entertainment industries can plan for increases in the number of potential customers and what kind of needs must be filled by them. These related industries rely on the motel-hotel industry for support. Prior to the completion of this study the motel-hotel industry and other related industries had to rely on statistics extracted from nation-wide studies. These statistics tend to be very general in nature and are compiled from large areas of the nation, for example the northwest in which Great Falls is located. The statistics compiled showed a general occupancy rate average from many motels and hotels in the various parts of a particular area. However, these studies were never broken down into more specific statistics for state-wide or city-wide data. With this study these industries now have a data base from which much more accurate predictions can be made.

APPENDIX 1

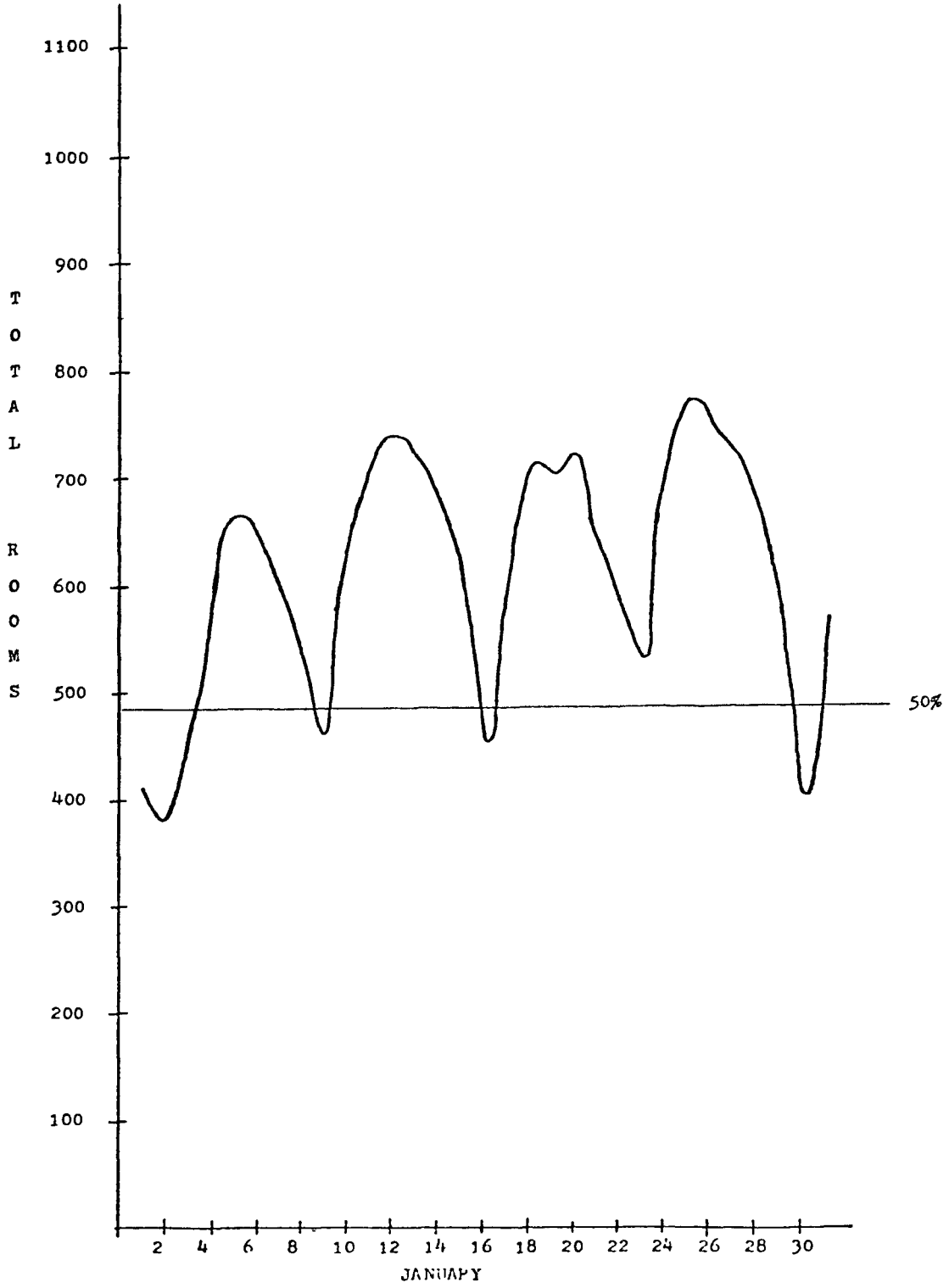
DOWNTOWN MOTELS-HOTELS

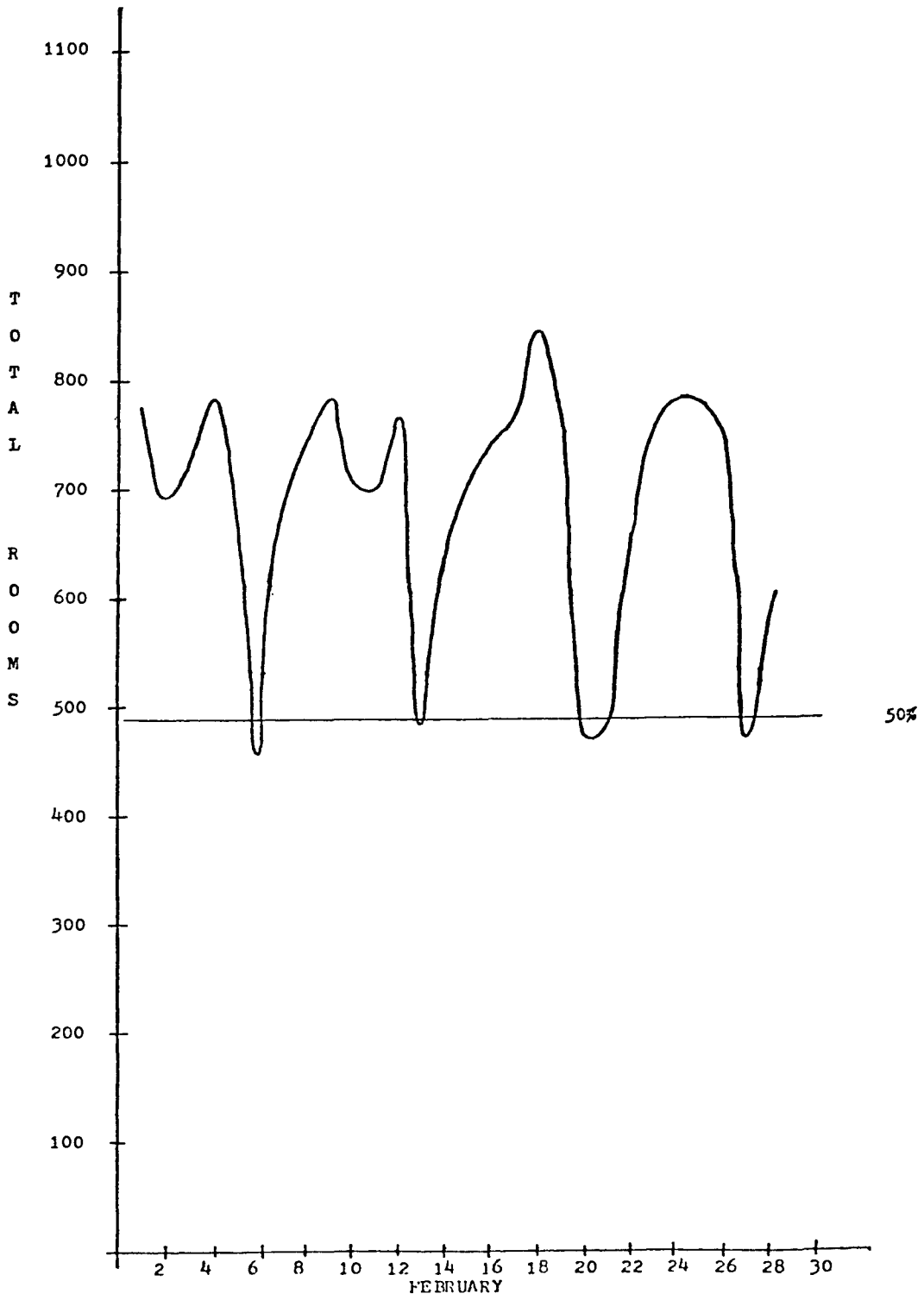
Elmore Hotel
Imperial 400 Motel
Mid-Town Motel
O'Haire Manor
Ponderosa Inn
Rainbow Hotel

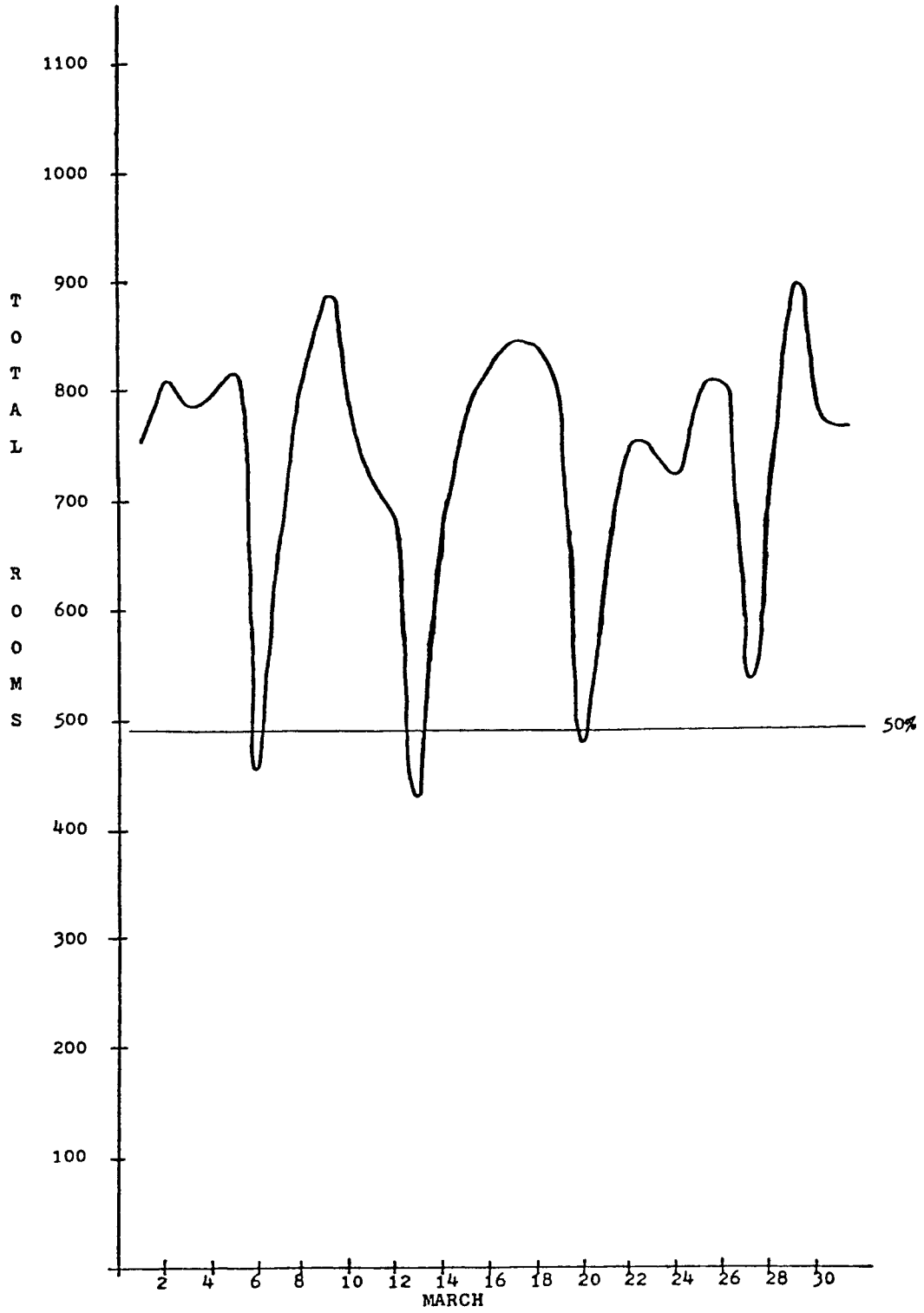
TENTH AVENUE SOUTH MOTELS-HOTELS

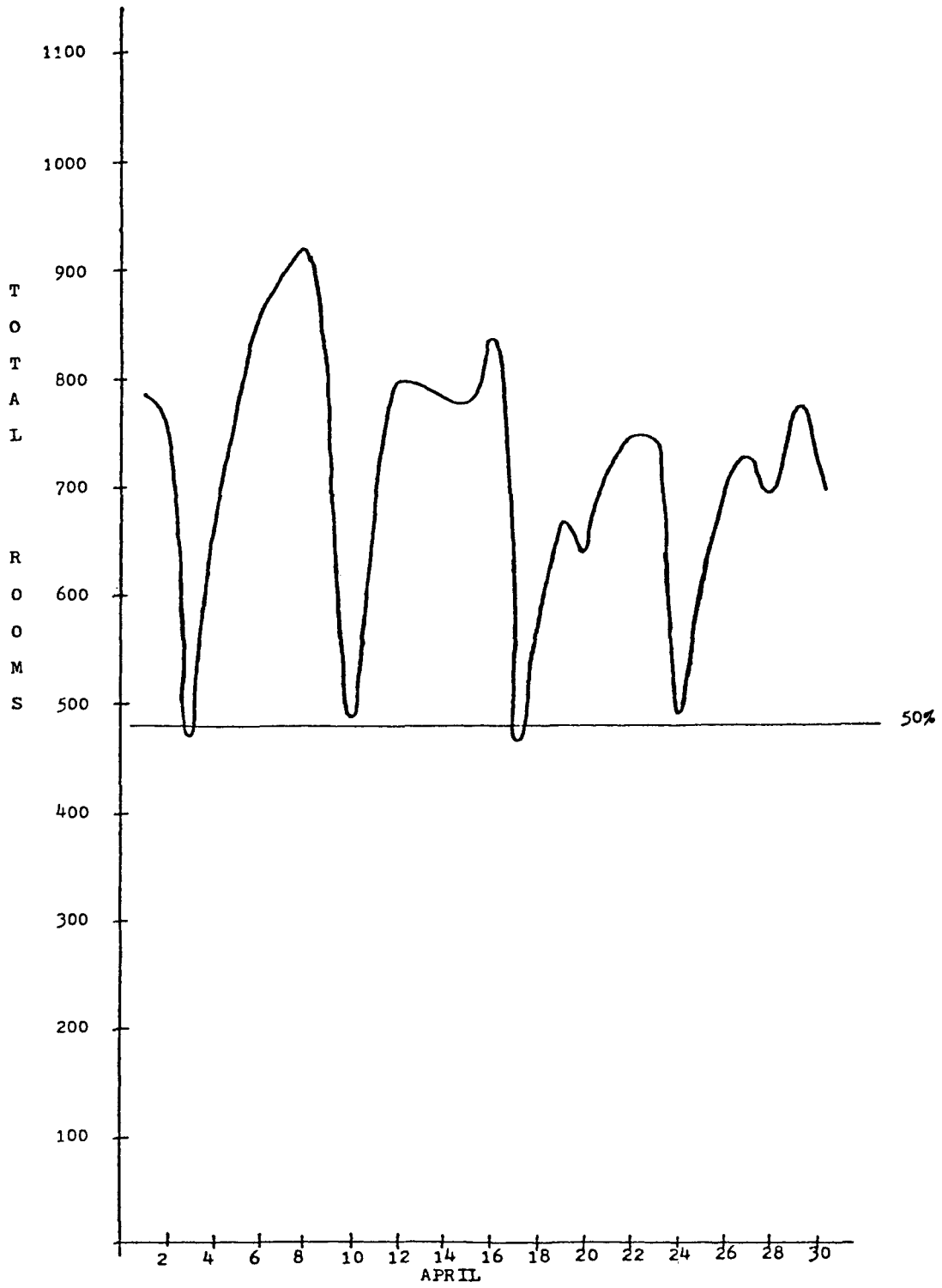
Don Plaza Motel
Fergus Motel
Heritage Inn
Holiday Inn
Rendezvous Motor Inn
Sahara Motel
Shasta Motel
Town & Country Motel
Wagon Wheel Motel

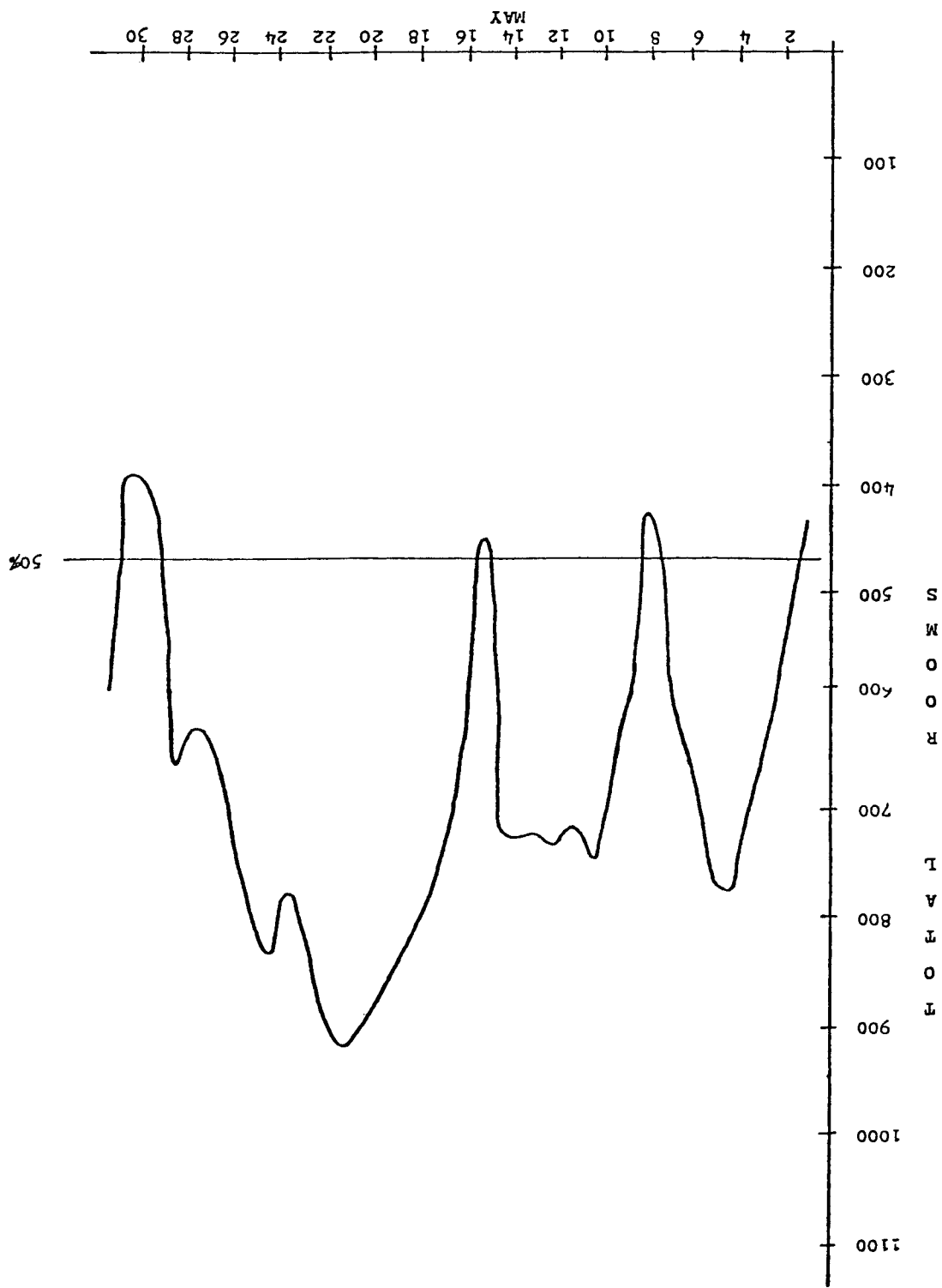
APPENDIX 2

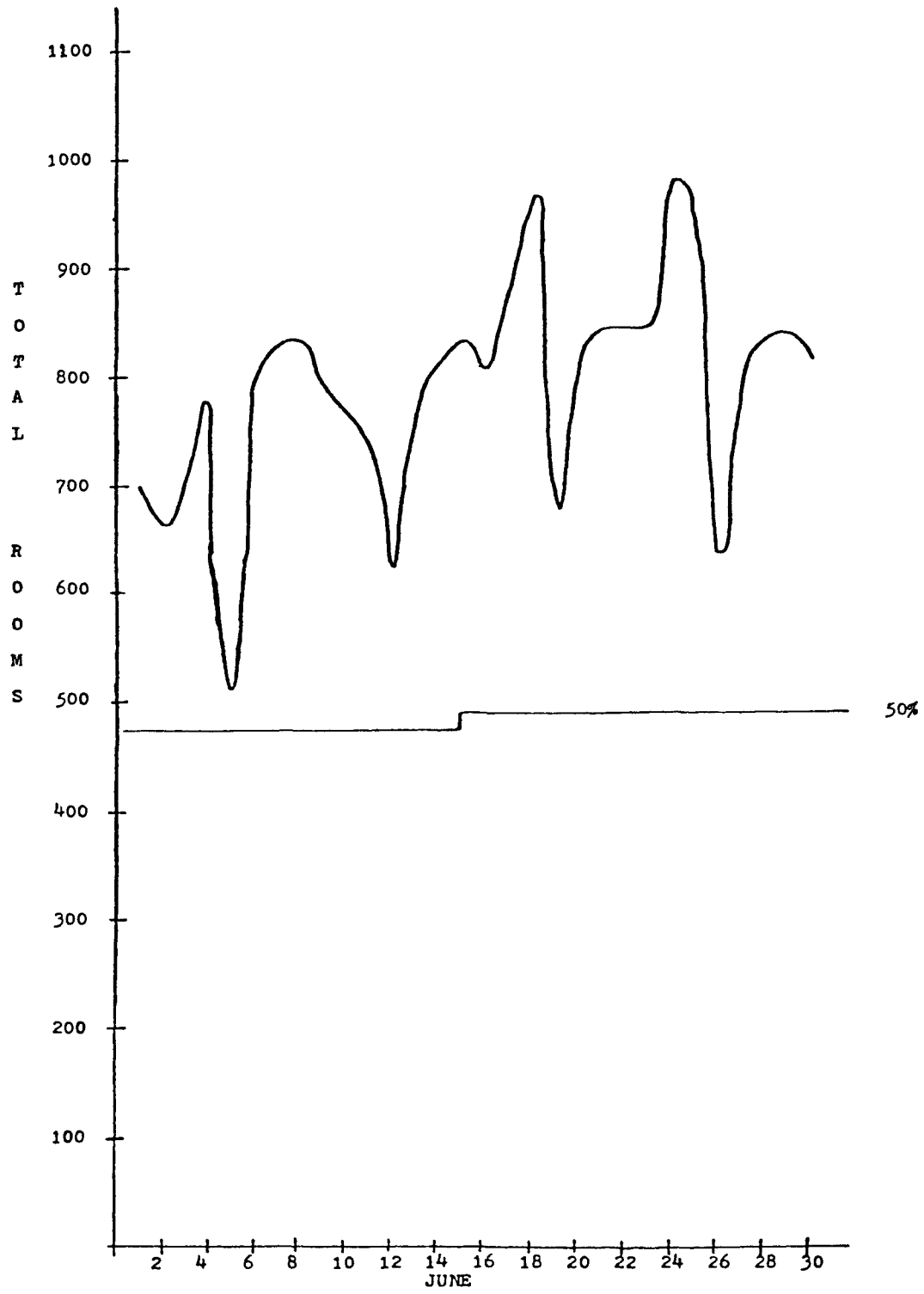


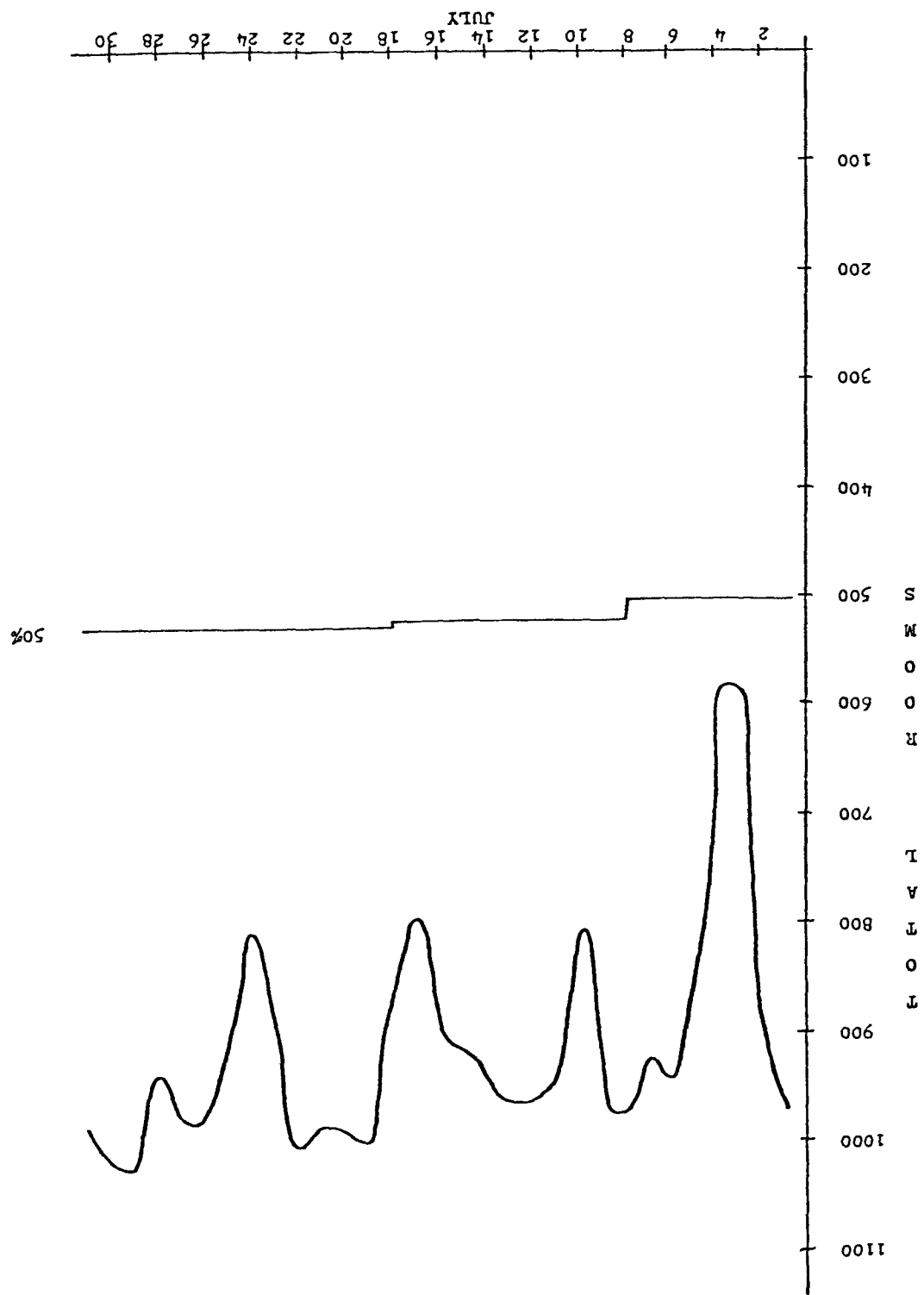


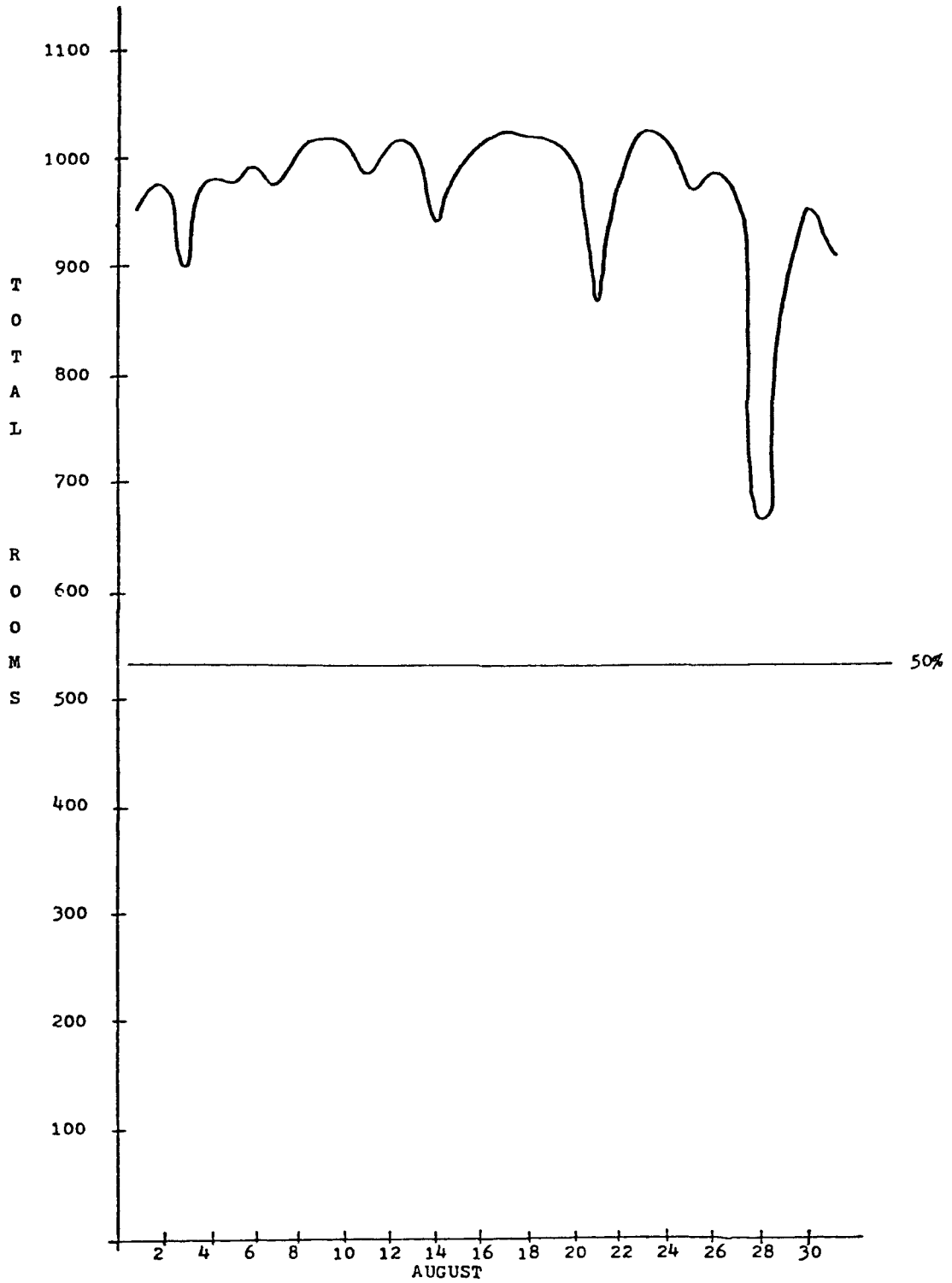


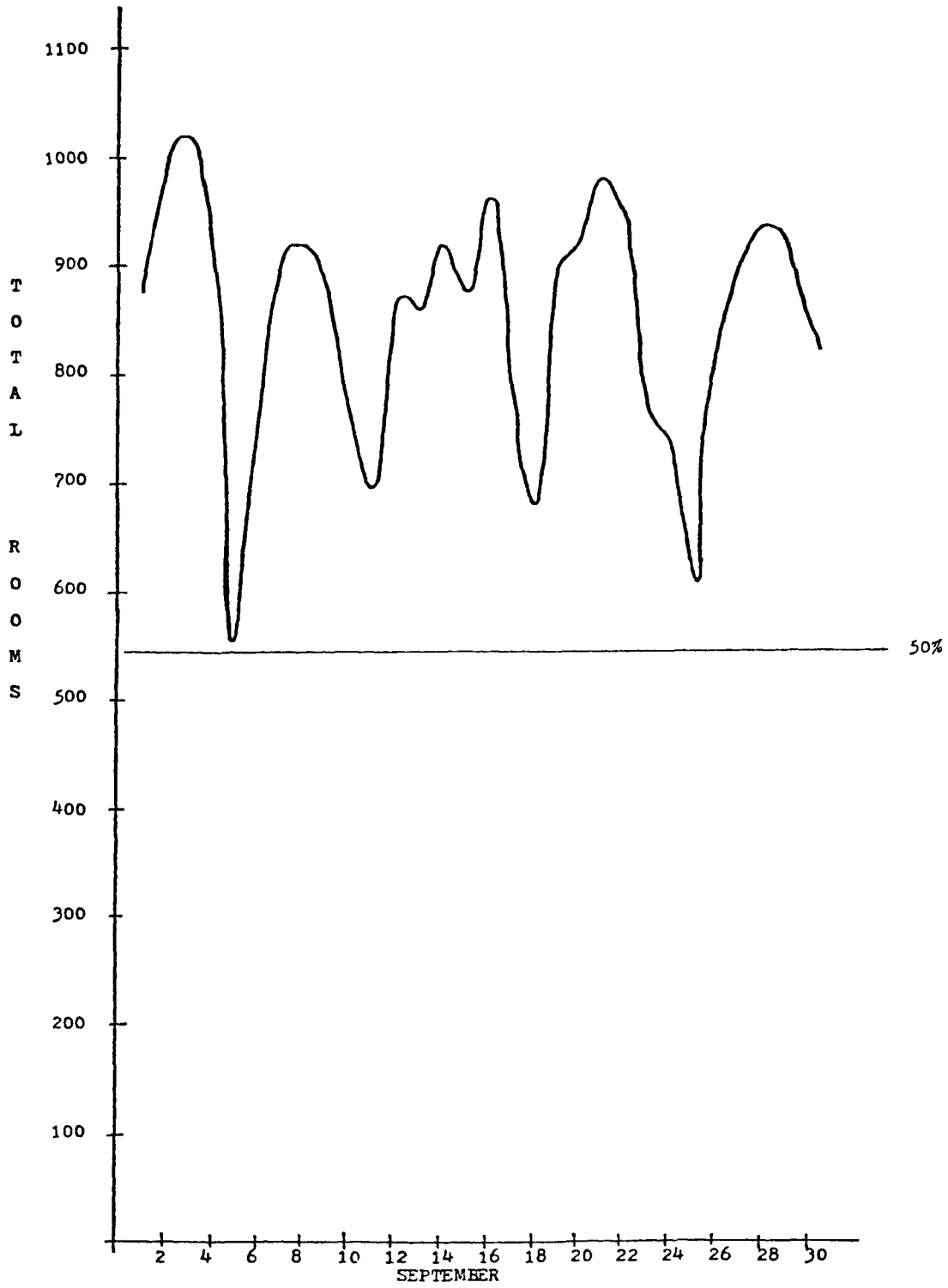


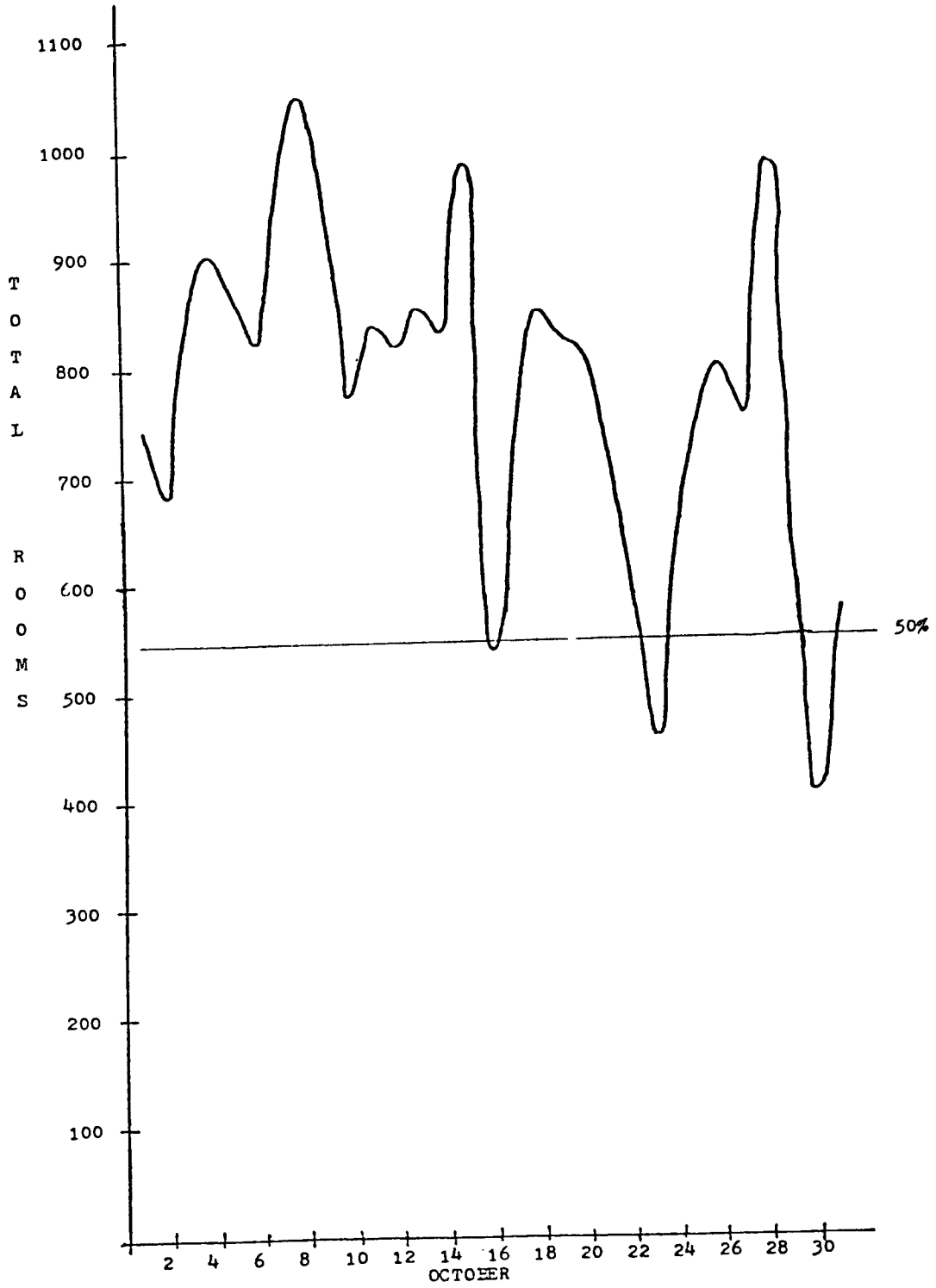


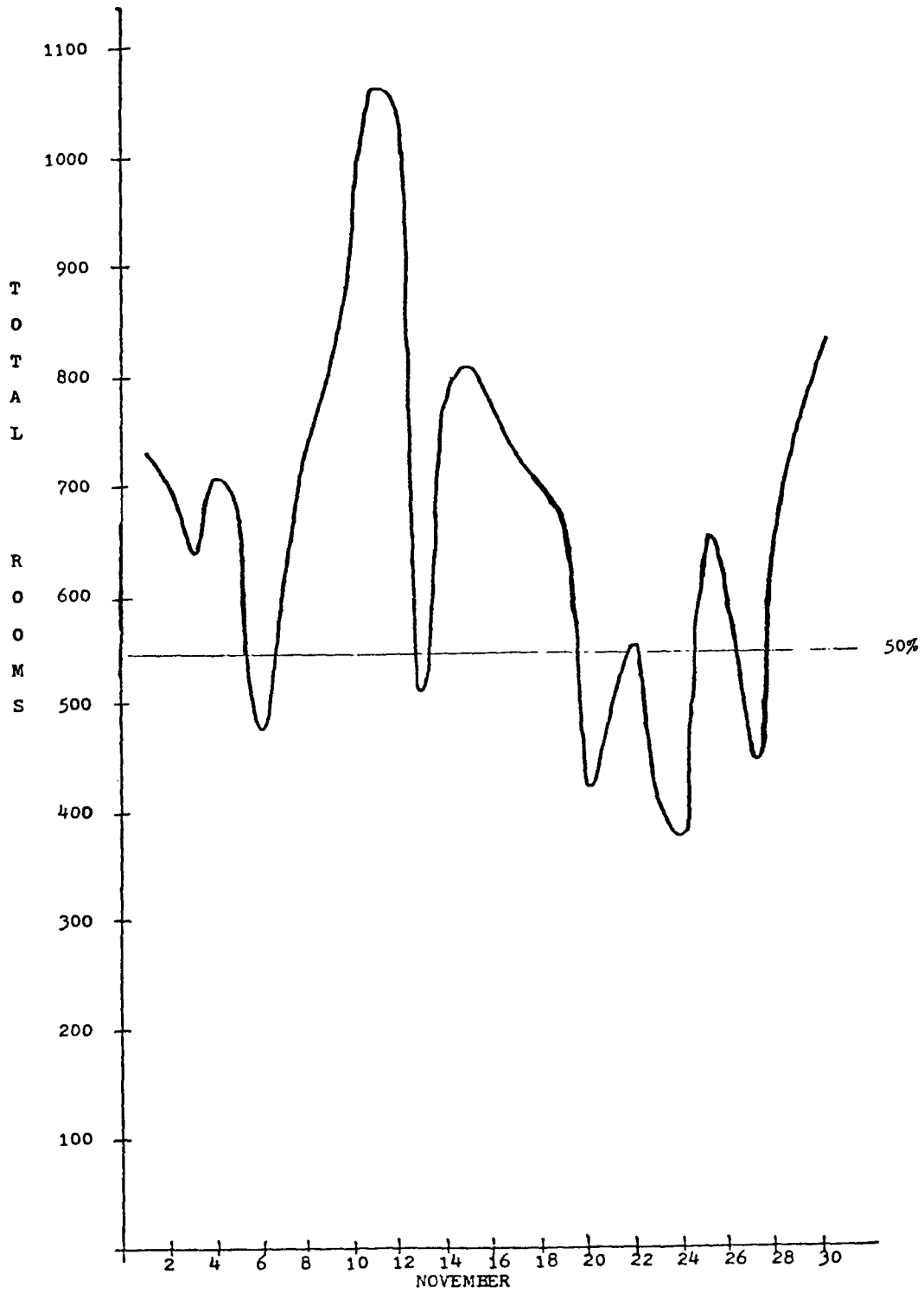


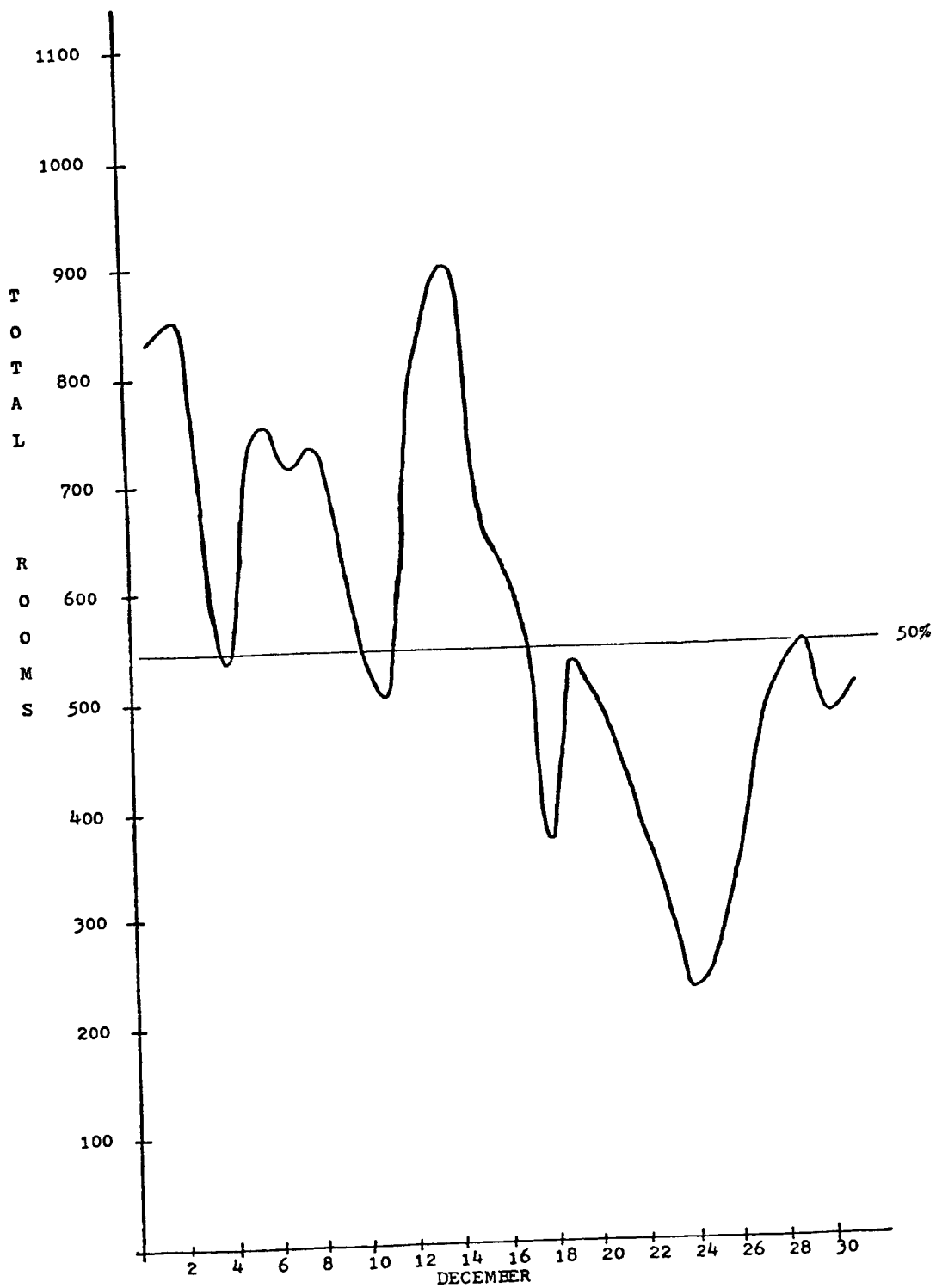












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