Intermountain Region Cooperating Association Study by CU Denver Department of Marketing

Research Goals

- Create a baseline of information about factors influencing sales in Cooperating Association stores including:
  - Product mix
  - Merchandising
  - Management
- Identify best practices
- Recommend actions to improve performance
- Analyze why stores with similar visitation have dramatically different sales (e.g. FLFO vs GOSP)

Methodology

Analysis of Data Collected from:

- Annual Reports of Cooperating Associations
- Cooperating Association IRS-990 reports
- Scopes of sales

Surveys:

- Responses to survey of Cooperating Association store managers
- Snapshot survey monkey poll posted to LinkedIn and Facebook
- Intensive quantitative survey with students from University of Colorado, Denver

Limitations

Most Cooperating Association stores lack:

- Modern Point of Sales system –inventory is tracked by hand
- Basic comparative information such as:
  - square footage of retail space
  - consistent categories of sales items
  - up-to-date scope of sales

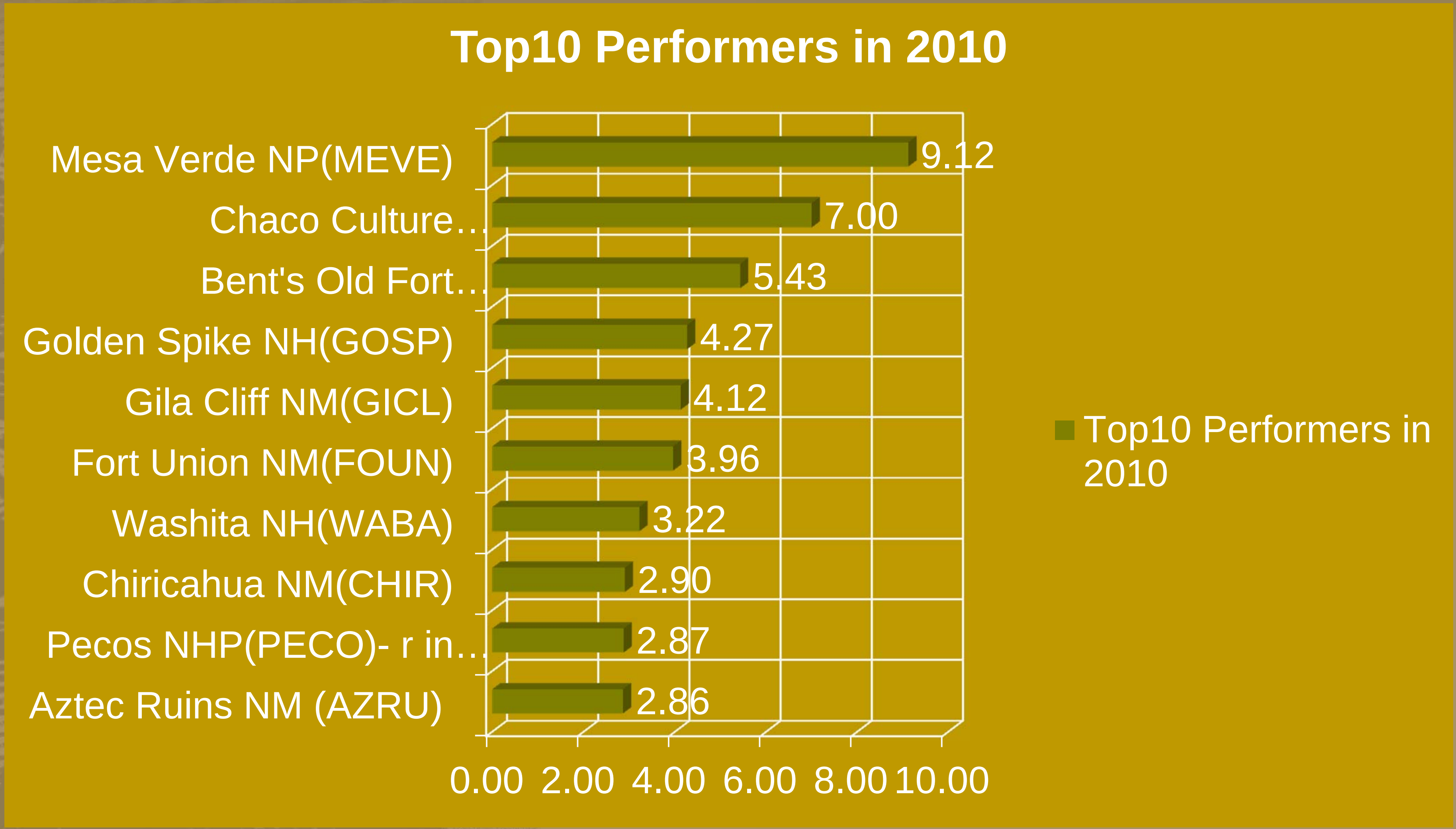
Insight on Current Retail Operations

- *MP – do you have some interesting stats we could include here that includes:*
  - *Technologies used today like POS systems*
  - *Consumer spending trends – what items sell best at tourist attractions*
    - *Ex: consumers are numb over the plethora of low-quality, cheap merchandise that is available at most gift shops*
  - *Typical management techniques used to be most successful*

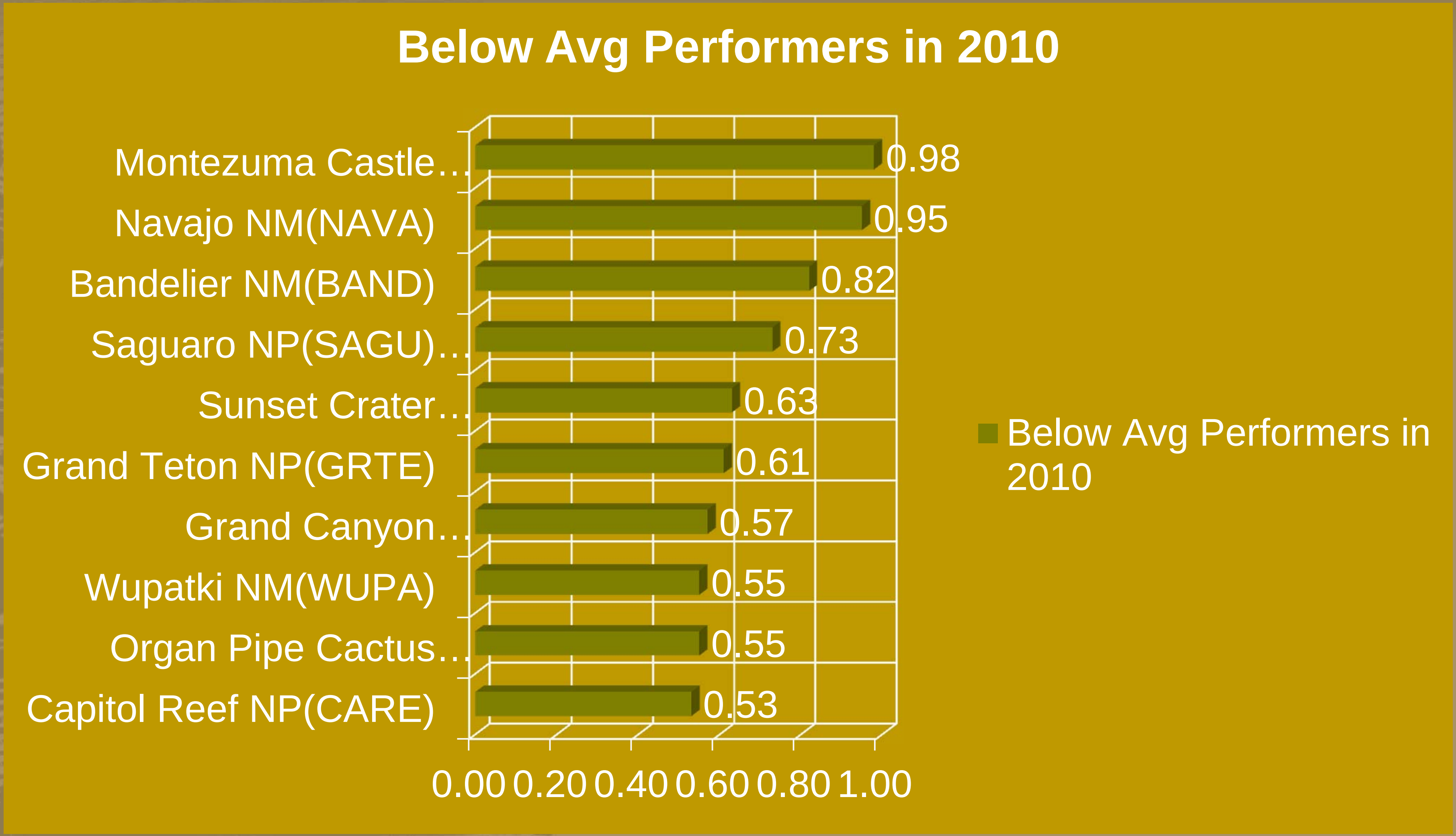
Top Ten Highest Volume of Sales

Park	Gross Sales at Association Store in 2010
Mesa Verde	$5,104,913
Grand Canyon	$2,514,398
Arches	$1,727,220
Grand Teton	$1,647,222
Yellowstone	$1,337,230
Zion	$1,128,179
Little Bighorn	$701,419
Canyonlands	$629,609
Rocky Mountain	$625,987
Montezuma Castle	$565,974

Highest Average Sales per Visit

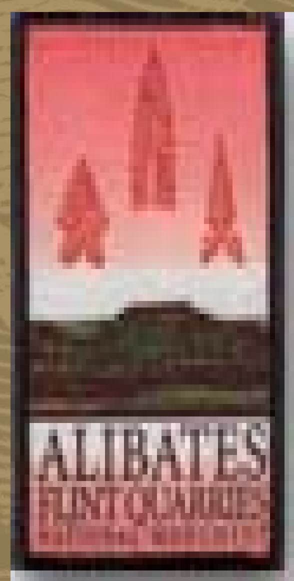


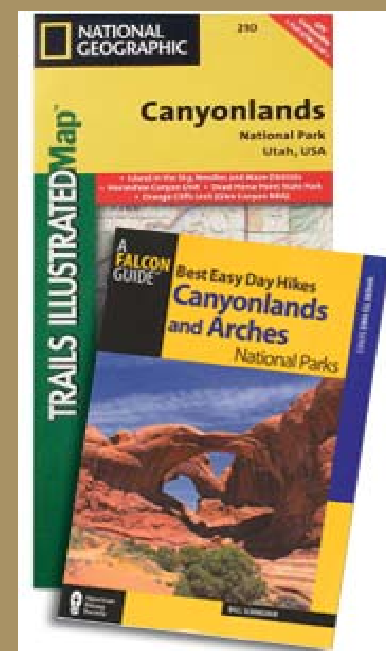
Lowest Average Sale per Visit



Top sellers

- Collectibles
- Trip-planning Publications
- Apparel





RB1

What respondents want to buy

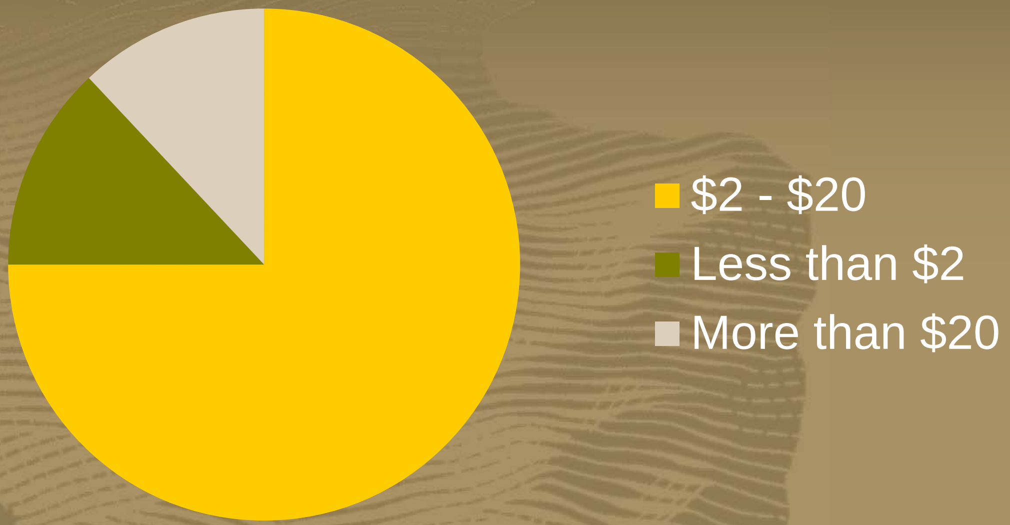
- Hiking medallions
- Sports gear
- Healthy snacks
- Camp items
- Nature photography
- Blankets
- Interactive Virtual Tours
- Souvenirs made in the USA
- Locally made arts/crafts
- Adopt A …
- Items with profits that contribute to tree planting




Slide 10

RB1 Romy Bhattacharjee, 4/20/2012

Percentage of Money Spent



- 75% of the respondents said they spent between $2 and $20 in a “park store”
- 13% said they spent less than $2
- 12% said they spent more than $20
- Retailers in parks are generally selling at the right price points and generally are well received by the public.

Key Findings of the Survey of Cooperating Association Managers:

- Significant tension exists between Cooperating Association managers and NPS liaisons over limitations in retail sales decisions.
- Cooperating Association managers will not remain lucrative without greater flexibility in product selection.

Best Practice Recommendations by Store Managers:

- Update and expand scope of sales to include top sellers.
- Bundle items.
- Invest in Point-of-Sales system.
- Introduce new innovative items. EX: pie sales at the Gifford House at CARE.
- Introduce high end merchandise tied to primary park interpretive themes (e.g. Navajo Rugs at HUTR).

Biggest Obstacles to Increased Sales and Aid Reported by Store Managers :

- Inconsistency by NPS in determining what constitutes an interpretive sales item.
- Inability to control their own inventory to maximize profits and remain solvent.
- Lack of flexibility in many of their own management decisions to increase in-kind support and financial aid to the park.

Key Findings from Comprehensive Analysis of Survey of Students:

- High quality was of the utmost importance to shoppers.
- Value for the money spent was not very importance to shoppers in the park setting.
- Shoppers are most interested in buying items on-site that they could not get elsewhere.

Key Findings from Comprehensive Analysis of Survey of Students:

- Attitudes about the stores' appeal do not affect purchases.
- Women care less about the appeal of the store merchandising than men.
- The quality of the items is the most important factor for buyers in determining whether it is an appropriate item for the outlet.

Conclusion

In order to remain viable CAs should:

- Dramatically increase high- quality product mix in order to survive in today's market.
- Adopt more state of the art technologies, such as a point of sales system.
- Seek greater flexibility from NPS liaisons in scope of sales approvals.
- Obtain training in retail management with their NPS partners.

Questions?