

Perception is Reality

Factors to a Successful Trail Economy

By Sara Petyk and Amy Camp

Bike tourists have been called "wallets on wheels, and recognition has grown that tourism involving bicycling can bring real dollars to communities on premier trail systems. In addition to generating millions of dollars in revenue, trail systems that attract the bike tourist provide a vital new source of vibrancy for trail communities, fostering interactions with people from around the world, inspiring a renewed pride in a community, and encouraging new healthy opportunities for residents.

In some ways, bike tourism can seem almost too good to be true. Surely just putting in a bike trail isn't enough to save a community. And indeed, there is much more to it than that. But considering the impacts of bike tourism on the Great Allegheny Passage over the past 15 years and how it really can inspire small communities and encourage economic growth, we suggest that the next step is to look a bit closer at these success stories and explore what has worked and what can be passed on.

To informally start an exploration of factors contributing to trail business success, the authors conducted a survey at the end of 2018. While many topics could be considered, we chose to focus on what leads to/creates/sustains a successful, trail-related business. The businesses we surveyed are immediate examples of the positive economic impact of bike tourism and a gauge of those "wallets on wheels."

This survey was sent to small businesses catering to trail users along systems in the U.S. and Canada. By "small businesses," we mean locally owned, non-chain, non-franchise businesses. The full survey can be found at the end of this article, but our questions related to three topic areas:

1. Context - Overview of respondents
2. Access to Resources
3. Perceptions - How do the businesses view the trail and community

We wanted to identify trends: if certain types of trail systems (primarily long-distance vs. short distance) are more likely to attract trail user dollars; structural choices successful businesses made that unsuccessful businesses did not; whether perceptions about public acceptance of the trail were a factor.

The survey and this summary are not presented as a scientific study, but rather as an exercise in recognizing potential trends among trail businesses, as well as points of discussion when passing along best practices.

As an initial exercise, the results have been intriguing and useful in directing advice to business owners

and stakeholders who want to encourage trail economies. A more robust survey would flesh out our results and reach businesses located along a broader representation of trails.

ANALYSIS

I. CONTEXT

A total 53 responses to the survey were received. The analysis provided is based on 46 of the respondents; seven respondents were not included because the services they provided did not fit any of the included industry types. (The omitted respondents listed their services as: travel agent, recreation, battlefield guide, or "all of the above.")

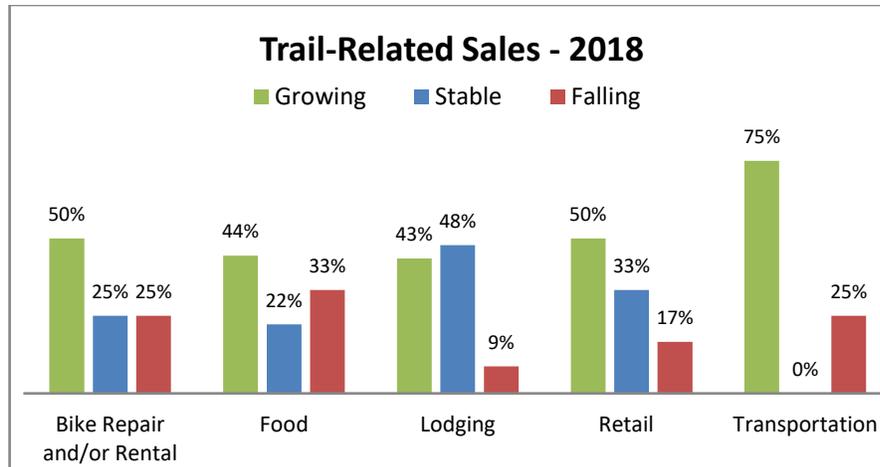
Respondents included in our analysis broke down by industry in this way: Lodging (50%), Food (20%), Retail (13%), Bike Repair (9%), and Transportation (9%). They were located along eight trail systems of varying length, age, location, and brand awareness.

SUCCESS AND INDUSTRY TYPE

To get right to the point, the survey specifically asked respondents whether they consider their business successful. The question included the phrase "as it relates to trail users" to distinguish their perception of overall success from what we were truly interested in—the trail customer.

Most respondents (65%) across all industries considered their businesses successful as it relates to trail users. In fact, in most industries, more than 70% of the business owners surveyed self-identified as successful; only in the Food industry did we see a more modest perception (44% successful, 56% moderate). Of all surveyed, only two respondents self-identified as "unsuccessful" and both were in Retail.

The term "successful" carries plenty of subtext and we have a human tendency to see our endeavors in a positive light. So, while we wanted to look for trends that help us identify "success" factors, we recognized that this is a loaded term. Therefore, a related question was also included: participants were asked to characterize "sales as they relate to trail users" in the last year as "growing," "stable," or "falling." We felt this question related more to concrete analysis (revenues generated) and would provide a complementary picture of success. No specific sales numbers were requested or given. Here we see more variation in response and perhaps more insight into the true picture of success.



Interestingly, all industries had at least one respondent with falling sales over the previous year. In the Transportation category, 3 of 4 respondents identified growing sales year-over-year. Lodging businesses were the standout as 90% reported growing or stable sales, more than the overall average of 83% (growing and stable combined).

TRAIL RELATED REVENUE VS. OVERALL REVENUE

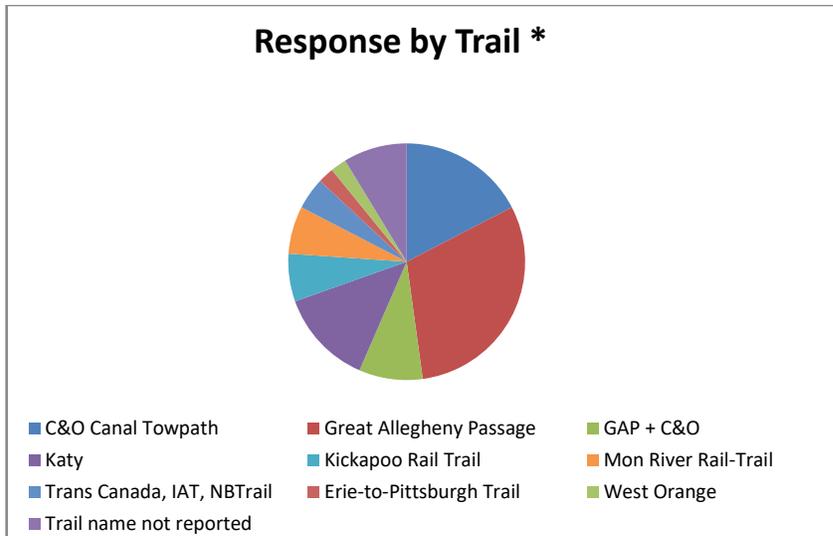
Very few businesses can survive on trail-based customers alone, so it was important to acknowledge that a factor in trail business success are the customers not associated with the trail. We wanted to learn more about that balance of trail vs. non-trail revenue.

Nearly 70% of respondents who reported their trail-related sales to be growing attribute “more than 80%” of their sales to trail users. Conversely, businesses attributing “40-80%” or “Less than 40%” of sales to the trail more consistently reported trail sales as stable (40%) and even falling (20%). Trail businesses which saw sales growth—at least in this survey—saw that growth primarily from the trail user.

The benefits of focusing on the trail consumer were exemplified within the Retail sector, which is commonly least able to benefit from trail users. In our sample, one respondent is a retail/art studio, which, on the surface, appears entirely unrelated to trail services. But a prime location along the trail and the ability to appeal to the trail audience with trail-themed merchandise and offerings rooted in local heritage has resulted in significant sales attributed to the trail.

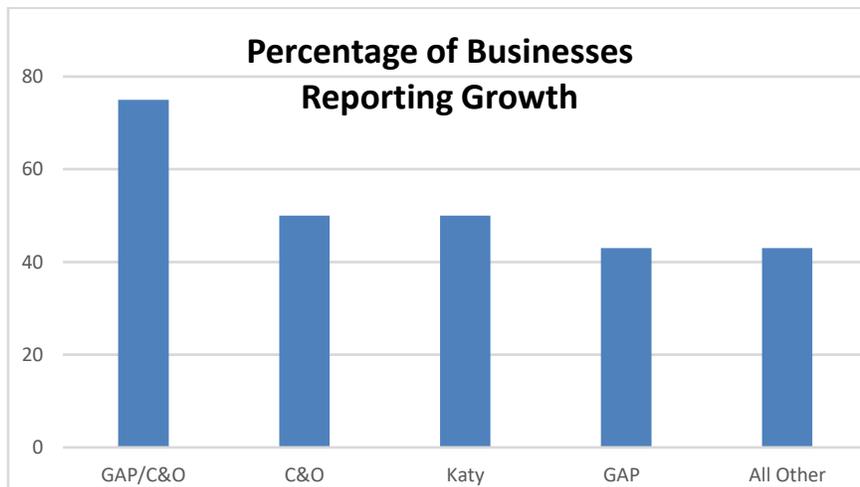
TRAIL SYSTEMS

Most respondents (56%) operate along the Great Allegheny Passage (GAP) and/or C&O Canal Towpath (C&O). Businesses along the Katy Trail comprised another 13% of respondents, followed by an assortment of short- to medium-distance trails.

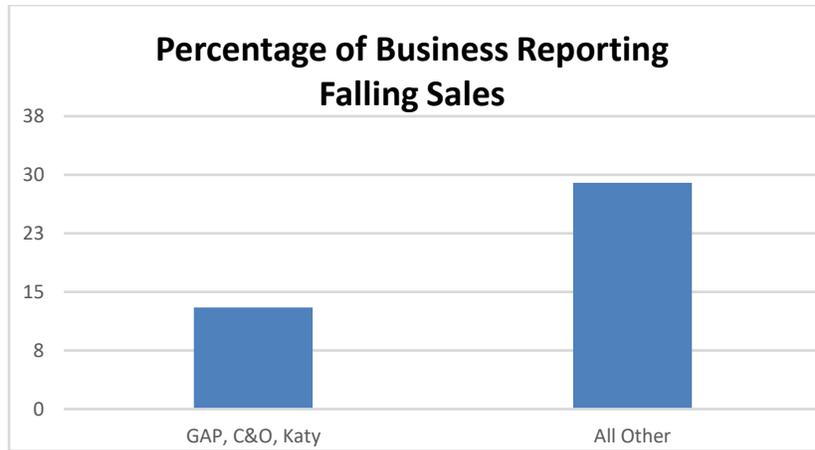


**Note: The Trans Canada, International Appalachian Trail, and Erie-to-Pittsburgh trails are long-distance routes but have been treated as short distance trails given the gaps in their alignments.*

Businesses along most trail systems, regardless of trail length, reported sales attributed to trail users as stable or growing. The most successful businesses in terms of “growth attributed to trail users over the past year” are those whose businesses span *both* the GAP & C&O (75%). Along all other trail systems, 43-50% of businesses reported growing sales attributed to trail users.

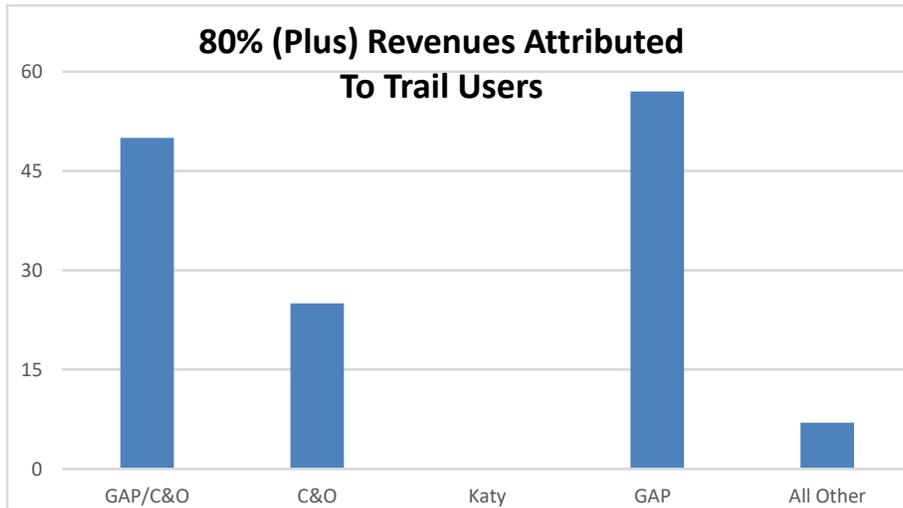


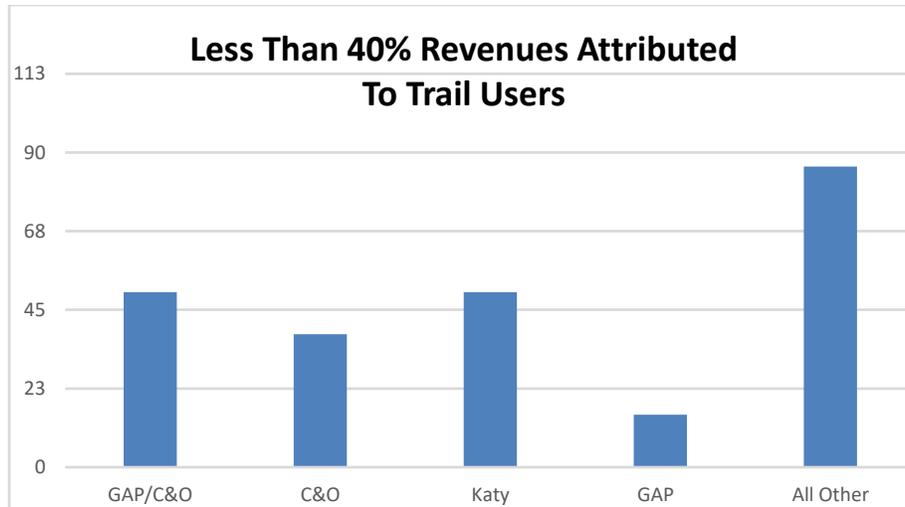
We also looked at those respondents with falling sales over the past year. It is here that a starker contrast between businesses along the long-distance trails (GAP, C&O, Katy) and all others was observed. On average 13% of businesses along the GAP, C&O, and Katy trails reported falling sales, while 29% of businesses along other systems reporting falling sales.



A separate question, "What portion of your gross sales do you estimate (roughly) come from trail users?" reveals further contrast between the long distance and shorter distance corridors. Along the GAP, 57% of responding business owners attribute "more than 80%" of gross sales to trail users; fifty percent of businesses spanning the GAP *and* C&O attribute "more than 80%" of gross sales to trail users. On the C&O, a quarter of businesses report the same.

Only one other business owner from *any other* trail attributed "more than 80%" sales to trail users. In fact, most businesses reporting from other trail systems tended to attribute "less than 40%" of their revenues to trail users.





Takeaways

Lodging appears to be a good industry to suggest trailing entrepreneurs. While some industries—such as retail—appear on the surface to benefit less from the trail economy, ultimately our survey begins to suggest that businesses created to serve a *true* trail-related need or interest, regardless of industry, can benefit from the trail user market. Certainly, businesses heavily invested in servicing the trail (“More than 80%” of sales attributed to the trail) disproportionately self-report as both successful and growing.

Businesses along the three longest trail systems—the Katy Trail (240 miles), C&O Canal Towpath (184.5 miles), and Great Allegheny Passage (150 miles)—were disproportionately more likely to report both business growth *and* a higher percentage of gross sales as related to trail users than were businesses along shorter trails. Distance may not be the only factor in play, however. Along every single trail, there were respondents that characterized their trail-related sales as growing. Trail characteristics such as trail surface and quality, the quality and frequency of business services, and brand awareness/word-of-mouth reputation may outweigh trail length. Future surveys should consider including trails that are short-distance but mature and/or with destination appeal (unlike the newer short-distance trails in this survey) to clarify whether distance, age, or brand awareness accounts for this reported difference.

Factors such as location, competition, and consumer need certainly impact business success as well, and a more robust consideration of such factors would be worthwhile in future surveys. For example, is there an ideal combination of businesses in a trail town which tip toward success? Is there a certain distance or spacing along the trail which leads to higher revenues?

II. ACCESS TO RESOURCES

Business training and assistance with obtaining capital can make a difference in the success of any small business. We wanted to learn if there were any specific trends for trail-related businesses, which are often located in small and rural communities along trails, related to access to resources. We asked about

peer-to-peer learning opportunities, access to capital, small business training opportunities, and challenges faced in hiring qualified staff.

TRAILWIDE WORKSHOPS

Creating a cohesive and successful trail experience for bike tourists means solid communication with other trail businesses—particularly those on your trail system but outside your community. We wanted to learn whether businesses were aware of and attending trail-wide workshops. Awareness of such workshops was evenly split (52% aware, 48% not aware) overall, but considering time in operation, we found that both newer (1-4 years) and more established (16+ years) businesses were less likely to be aware. We attribute this to a silo effect, in that the newer businesses are heavily focused on getting up and running, and established businesses have already found success and are not necessarily looking for new trainings or opportunities.

Trail advocates and entities that are producing these types of workshops may want to make special effort to communicate with younger and older businesses.

CAPITAL AND TRAINING

Access to capital among our respondents didn't appear to be strongly linked to success (at least in this survey). That said, access to business capital is important for small businesses and something that should be considered when talking with trail business owners.

The respondents were also asked about access to small business education and training. Like capital, access to training did not appear to influence differences in reports of sales growth. However, 81% of those who did *not* have access to training responded that they would *like* to have access. So, while it may not be a determiner of success or sales growth, clearly there is a demand for business training.

STAFFING

Another challenge for businesses located in small and rural communities, and which depend to some extent on trail-related, seasonal customers, is the ability to hire and retain staff. Most respondents (65%) did respond that staffing was a challenge for them. These were businesses which also reported mainly growing or stable sales, so while staffing may not be a barrier to success, it is still a hurdle to overcome. For respondents who felt staffing was not an issue, most (57%) were businesses which attributed less than 40% of their sales to the trail.

The reasons given for the difficulty of hiring staff were mainly seasonality of the business and lack of qualified applicants, although businesses which reported falling sales were more likely to note unqualified applicants, rather than seasonality, as the issue.

Takeaways

We have observed that the successful small businesses that responded to this survey have found ways to make their businesses work despite the lack of outside resources or, in some cases, taking advantage of available resources. Rail trails, however, are part of the tourism industry, and industry best practices call for training and education opportunities, peer-to-peer relationship-building, and capital

investments. Even if some businesses succeed or maintain without these offerings, a broader representation of entrepreneurs may thrive when they have access to and are made aware of such opportunities.

Staffing seasonal and part-time jobs from a sometimes-limited pool of applicants was a concern of many businesses, and best practices relating to that subject may be worth future investigation.

III. PERCEPTIONS

Beyond sales numbers, the authors felt another key indicator of economic health was the perceptions by business owners of the trail and community, and how they might factor into success.

TRAIL FAMILIARITY

When advising trail communities, we always encourage business owners to be knowledgeable about the entire trail system: where it goes, what the trail is like, other services along the trail, and so forth. We believed that this familiarity with the trail would be an indicator of a successful trail-based business. Several questions were asked which related to this idea of trail knowledge.

Surprisingly, we found that business owners' personal use of the trail doesn't seem to intersect in a significant way with perceptions of success. In terms of sales growth, while there was a slight tendency for respondents who rode the trail "always" or "usually" to report growing sales, a good number of "always" responders also reported falling sales; and conversely, those who "rarely" or "never" rode the trail had fairly even distribution of growing, stable, and falling sales.

So while trail familiarity in terms of actually riding the trail may help business owners to better serve the trail user market and strengthen their sense of connection to the trail, not to mention the health benefits of getting busy business owners outside and active, it does not seem to be a clear indicator of success among those surveyed.

In the future, it may be worthwhile to reword the question to focus more on whether business owners are knowledgeable of the trail system as a whole—which does not require riding the trail—and learning how that knowledge relates to success or sales growth.

COMMUNITY

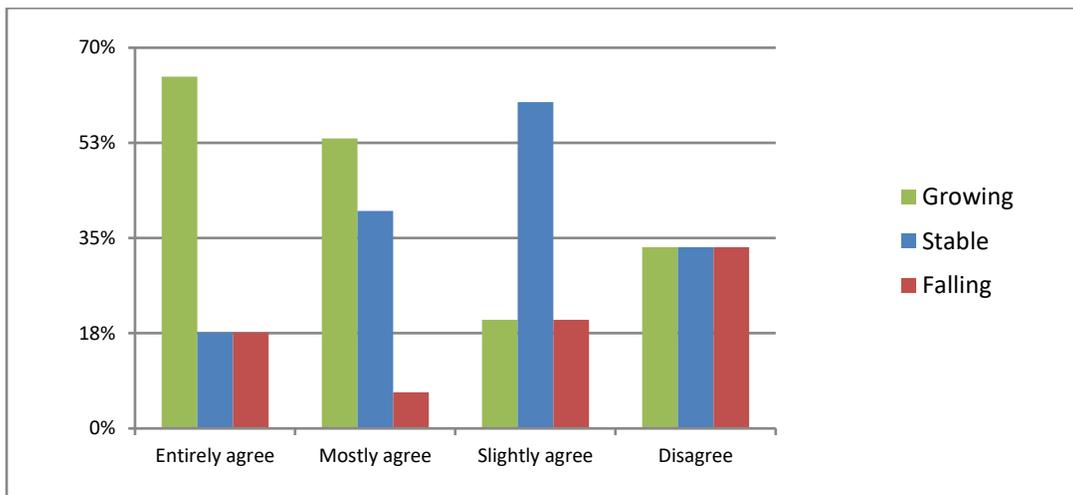
On the other hand, perhaps the clearest trend from our survey was that businesses that see their communities in a positive light as it relates to the trail were also the most likely to self-identify as successful and growing. *Conversely*, those with negative perceptions equally tended to identify as unsuccessful with falling growth. This was the one factor which seemed to be most clearly an indicator of "success."

This question of community perception was asked in relation to several different levels of community, that is: locally elected leaders, local visitor bureaus, other businesses in the community, and area residents. Specifically, business owners were asked whether they believe that each group values and

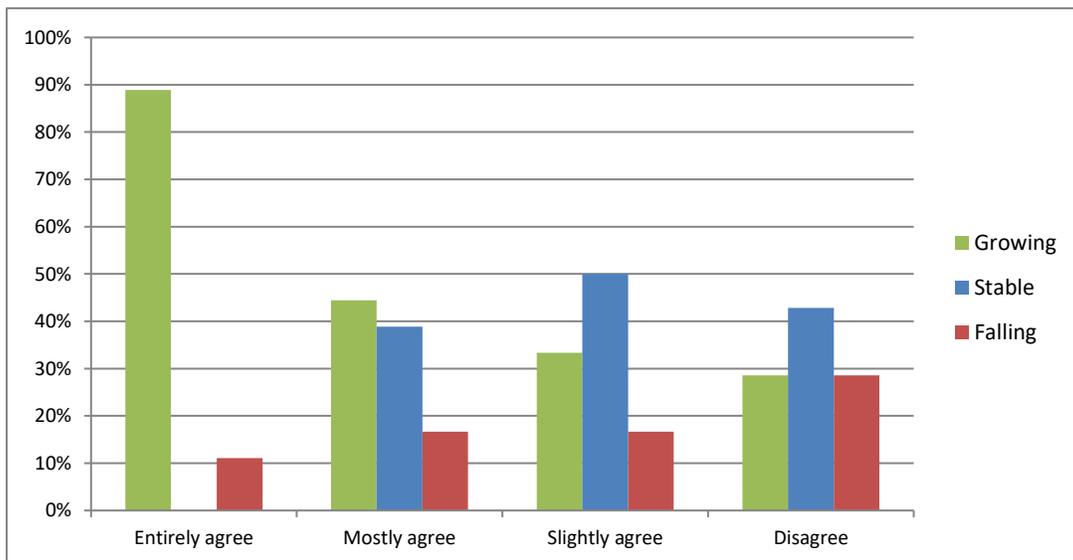
embraces the trail economy.

It was intriguing to compare responses to the community perception question and the sales growth question. In regard to trail-related sales, there is a clear trend that respondents who felt each community group valued the trail also reported sales *growth* (not just stability). And, in fact, respondents which *disagreed* with these statements consistently reported the highest percentage of *falling* sales.

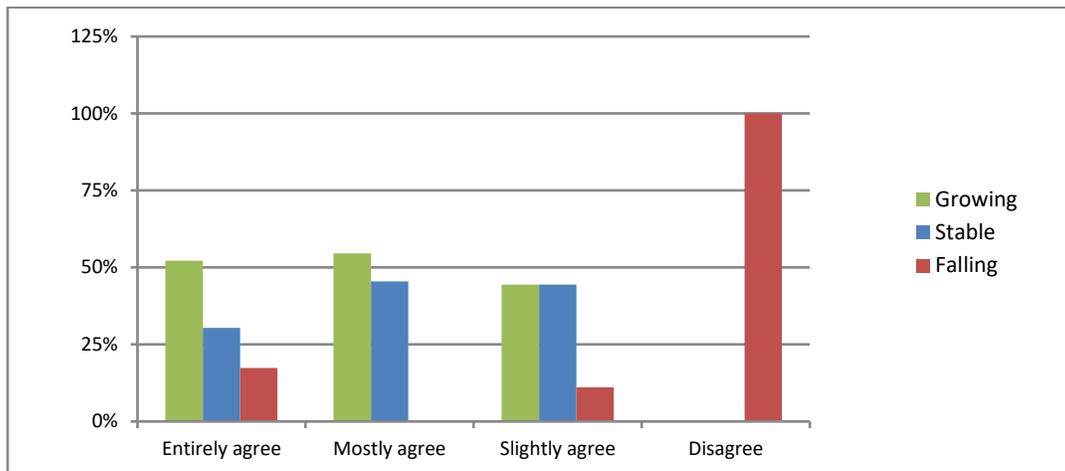
1. Perception of Locally Elected Leaders



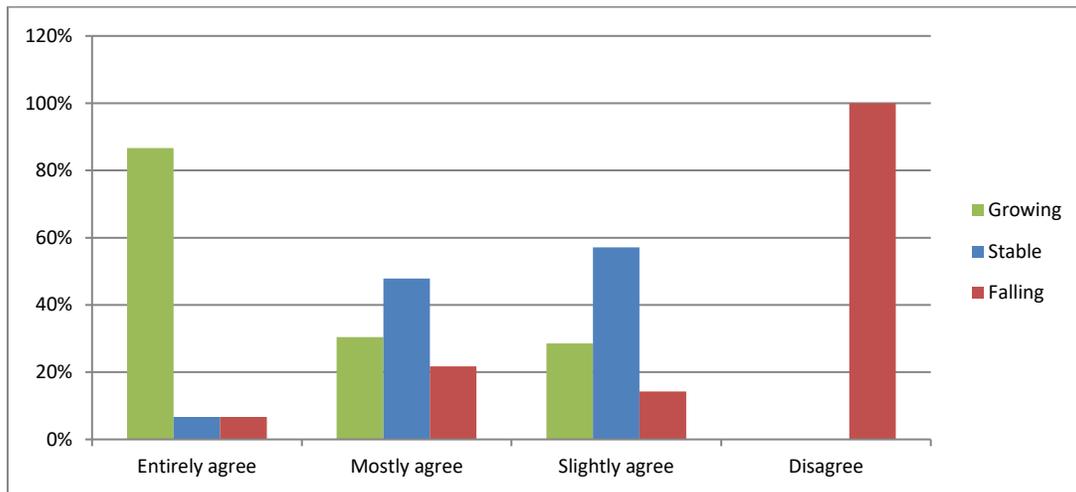
2. Perception of Local Residents



3. Perception of Local Visitor Bureau



4. Perception of Local Businesses



While our survey respondents were not identified, we do know that at least several were businesses from the same trails and same towns and yet had very different responses to these questions of community. This is not a case where one trail system or one town is not embracing the trail economy. The perception of the respondents who felt their local stakeholders do not value the trail economy is that individual's perception. Another respondent in that same town, on that same trail, responded with entirely positive perceptions.

So this is not to say that the individual is "wrong" in their perceptions or that their community does or does not value and embrace the trail economy. What we want to get to is the importance of dialogue with business owners in understanding where perceptions come from and—importantly—understanding that perceptions can, *and perhaps are*, affecting the success of their business as it relates to trail users.

One trend that did not match this pattern related to perceptions of residents along the GAP and C&O

trails. Respondents along the GAP (29%) or C&O (25%) disagreed with the statement, “Area residents in my trail community value and embrace our trail economy.” Only one business from any other trail disagreed with the same statement.

Takeaways

Financial success cannot be the sole measure of the health of a business or the trail system. When businesses do not feel supported by area residents, there may be long term implications that are damaging to both the business and the trail system. Trail maintenance, year-round business viability, local ambassadorship, business-friendly environments, and a “culture of trails” rely upon residents valuing their trail systems.

A community that values and embraces its trails fosters a “trail culture” that is likely to positively impact trail-serving businesses in terms of both revenues and feeling generally supported by the larger community.

While the fact that a disproportionately high percentage of businesses along the GAP and C&O do not perceive local resident support is not immediately understood, those responses certainly should be further reflected upon. One possible explanation is the stark contrast between the daily spending amounts of overnight visitors and residents along the GAP trail system (see Great Allegheny Passage 2011-12 Economic Impact Study).

If a visitor is spending a large amount, and a resident is spending just a few dollars—or nothing at all—associated with their ride, perhaps the perception of embracing the trail economy becomes skewed.

CONCLUSION

This survey was a first step toward looking at bike trail economies as systems—what works, what doesn’t, and what best practices can be passed on. Certainly, these responses suggest that entrepreneurs looking to join the system may want to focus on lodging businesses and prepare for success by looking into what the cyclist on their trail system and in their town truly needs. Sometimes thinking outside the box, but with the trail-user firmly in mind, can lead to surprising and expanded streams of revenue.

The question of perception by the business owner, the community, and the tourist about the value of trails is a complex one and we look forward to exploring it more. Follow up discussion with the responding businesses and conversations with other trail systems will lead to more ideas and a robust understanding of successful trail economies.

We look forward to future work and sharing.

ABOUT THE AUTHORS

Sara Petyk is the owner and operator of Noble Invention Bike Touring, providing self-guided bicycle tours on the best rail trails in the U.S. In 2009, Sara began offering guided walking and biking tours in

Pittsburgh. Some of these tours traveled outside of town on the Great Allegheny Passage, so it was a natural next step to focus exclusively on longer bike trips through a self-guided bike tour company, formerly named Bike the GAP. Today, Noble Invention Bike Touring offers self-guided bike tours on the Great Allegheny Passage, C&O Canal Towpath, Katy Trail, Erie Canal, and Virginia Capital Trail, with more to come.

Amy Camp, owner of Cycle Forward, is a trails and tourism consultant, a placemaker, and a professional coach. She helped to launch the nationally recognized Trail Town Program® in 2007, and now consults with communities on how they can rethink trails and tourism. She has consulted and led workshops throughout Appalachia, the Rust Belt, and other locations in the U.S. and Canada. Her clients have included the Rails-to-Trails Conservancy, Project for Public Spaces, UNESCO Fundy Biosphere Reserve, Pennsylvania Recreation & Park Society, Pennsylvania Environmental Council, and the Gros Morne Institute for Sustainable Tourism. Amy served on the Board of American Trails from 2012-17. She lives in Pittsburgh, Pennsylvania, where she first grew to love communities and began her work to help improve them.

Trail Business Keys to Success Survey

WHAT MAKES TRAIL BUSINESSES SUCCESSFUL?

We would LOVE to know, and I bet you would too! We're excited to offer this survey designed to learn more about what factors help to create successful trail businesses. We hope to learn from you - a trail business owner - what does and does not factor into success.

These questions are designed to be non-identifying, so we hope you will feel comfortable responding fully and confidentially. We thank you very much for your participation and for assisting other trail businesses to find success.

About the surveyors: Amy Camp of Cycle Forward helps trail communities to understand the benefits of trails and how to better connect to them. Sara Petyk of Noble Invention Bike Touring offers self-guided bike tours on trails across the U.S.

SECTION 1 OF 3

I-1. What industry is the business in?

Lodging

Food

Transportation

Bike Repair and/or Rental

Other...

I-2. Roughly how many years has the business served trail users? (And how long has it been under your ownership/management, if different?)

Is this business still in operation under your ownership/management?

If not in operation, is the business...

Sold

Closed

Other...

I-3. How would you characterize your sales attributed to trail users over the past year [if still under your ownership/management]?

Growing

Stable

Falling

SECTION 2 OF 3

Trail Business Success Survey - External Factors

II-1. What portion of your gross sales do you estimate (roughly) come from trail users?

Less than 40%

40-80%

More than 80%

II-2. Access to capital can be critical to small business growth. Are/were there enough opportunities for you to access capital (loans, grants, etc)?

Yes

No

II-3. The ability to hire enough, qualified staff can be a challenge for seasonal businesses. If you have employees, was it difficult finding staff to start or grow your trail-related business?

Yes

No

If YES, was that difficulty due to (check all that apply)

Seasonality

Unqualified pool of applicants

Finances

Other...

II-4. Did you have prior ownership or management experience (in any industry) before starting this business?

Yes

No

II-5. Is there opportunity for small business training accessible to you? [You may not have attended, but is it reasonably accessible?]

Yes

No

If YES, click any that apply

SMALL BUSINESS DEVELOPMENT CENTER

ENTREPRENEUR PROGRAM

WOMEN'S BUSINESS CENTER

PEER GROUP OF BUSINESS OWNERS (Merchant's associations, Industry-specific groups, etc.)
WORKSHOPS/CLASSES IN MARKETING OR WEB PRESENCE....
Other...

If NO, do you wish there were training opportunities easily accessible to you?

Yes

No

II-6. Please indicate to what degree you agree with the following statement. "[GROUP BELOW] in my trail community value and embrace our trail economy."

Entirely agree Mostly agree Slightly agree Disagree

The locally elected leaders...

The local visitors bureau...

Businesses in the community...

Area residents...

SECTION 3 OF 3

Trail Business Success Survey - Internal Factors

III-1. Do you have a website?

Yes

No

III-2. Have you claimed your listing on Google?

Yes

No

III-3. Do you accept credit cards?

Yes

No

III-4. If you are a lodging business, do you show availability online?

Yes

No

III-5. If you are a lodging business, do you allow booking online?

Yes

No

III-6. Are there regular events along your trail system where trail-facing business owners/managers meet during the year (ie. trail summit, etc.)?

Yes

No

If YES, do you attend?

Always

Usually

Sometimes

Rarely

Never

III-7. Do you bike on the trail system your business serves?

Always

Usually

Sometimes

Rarely

Never

III-8. Would you consider your business as it relates to trail users...

Successful

Moderate

Unsuccessful

III-9. What trail system(s) does your business serve?

III-10. What other factors that lead to success, specifically for trail businesses, have we not addressed?
(Please address them here.)

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