

Appendix B Midway Atoll National Wildlife Refuge Visitor Program Market Analysis and Feasibility Study, Conclusions and Recommendations

Excerpted from the title document, prepared by Pandion Systems, Inc., under contract to the U.S. Fish and Wildlife Service, in 2005. The complete report is available at <http://www.fws.gov/midway>.

Conclusions and Recommendations

This report will be used by the Service as the basis for a *Visitor Services Plan* for Midway for fiscal years 2006-2010. To develop a credible *Visitor Services Plan*, the Service determined that a market analysis and feasibility study for Midway was needed. This study completes these analyses. A wide range of information was gathered and evaluated to complete the analyses. The study looked at the past visitor program; specifically what it offered in terms of experiences, services, costs, and facilities as well as the overall visitation numbers. The same type of information was also gathered for other destinations and providers that offer similar experiences and benefits to Midway. Using this information combined with a SWOT analysis of a Midway visitor program, market segments were determined by reviewing the literature and using data from similar programs. The study used the market segmentation data to determine the type of programs that should be offered on Midway as well as possible options of how the Service could run a visitor program. Finally, the study conducted an economic analysis to determine the feasibility of running a visitor program on Midway. The following is a summary of the key conclusions and recommendations from the study.

1. The primary experience that Midway offers visitors is to view and interact with abundant and unique terrestrial (i.e., bird) and aquatic wildlife. Although Midway offers other experiences such as learning about World War II history, feedback from past visitors and interviews with Service staff indicate that the wildlife experience is what people most relish.
2. There is a market for the natural and cultural experiences that Midway has to offer. This market segment is defined as sustainable tourism. Ecotourism, a subset of sustainable tourism, encompasses opportunities for both nature tourists and culture tourists while at the same time aiming to preserve the natural resource. Midway has the capability to offer many ecotourism opportunities including wildlife watching, bird watching, snorkeling, scuba, kayaking/canoeing, and hiking. Demand for sustainable tourism is growing. In addition, the socio-demographics of this market segment indicate that people are willing and able to pay for the experiences that Midway has to offer.
3. Current facilities are adequate. Target visitors are not looking for expensive accommodations; in fact, some of them would tolerate significantly less than what Midway has to offer. Charlie Barracks and Clipper House food services meet the needs of potential visitors.
4. The study found that there are abundant and varied providers (potential concessionaires) that specialize in providing tour packages to Midway's target market. In addition, most of these providers currently offer tour opportunities in sensitive ecosystems and are

accustomed to working within restrictive guidelines (i.e., minimizing ecosystem and wildlife impacts) similar to those in place on Midway.

5. The daily rates the Service would likely need to charge for visitor related services and accommodations are comparable to other similar destinations and programs. Even if the concessionaires add their costs onto Midway rates, the overall costs are still comparable to other programs.
6. An economically sustainable visitor program is feasible for Midway. It is sustainable even if, in the short term, G-1 aircrafts are the only available air transportation for overnight visitors.
7. Over the next five years, the contractor that runs Midway's day-to-day operations should also be responsible for providing lodging and food services. This should not be outsourced to another concessionaire at this time. The contractor should not be responsible for bringing visitors, but should focus on servicing the visitor program, which will be overseen and managed by the Service.
8. There needs to be a long-term commitment by the Service to keep Midway open and running. This is extremely critical for the visitor program and significant for the on-atoll contractor to provide the level of staff necessary for the visitor program. It is also paramount for any visitor concessionaire to plan, market, and bring visitors to Midway. Because the visitor program was shut down abruptly in 2002, some potential visitor concessionaires will want a commitment from the Service before agreeing to bring visitors to Midway. In addition, it will give the air transportation provider incentive to purchase an additional plane to fly to Midway.
9. Diving is sustainable during the summer months, but would be the most capital intensive and risky venture for a concessionaire with the current constraints. It is recommended to explore the use of live-aboard diving options as well as an on-atoll dive center.
10. It is recommended that the Service implement the proposed Visitor Program Option 3 where the Service manages multiple concessionaires who in turn bring visitors to Midway. The Service should set strict parameters for the type of programs that could be run on Midway based on the results of this study. In addition, concessionaires should adhere to standards for business and guest conduct on Midway. The Service may also want to implement a certification or training for all concessionaire staff that come to Midway. This would provide quality control for information given to visitors and reinforcement of the visitor related objectives for a visitor program on Midway. The advantage of having multiple visitor providers is that collectively they will provide a constant flow of visitors to Midway. It also enables Midway to provide a variety of compatible experiences for targeted market segments. The disadvantage of the multiple concessionaire option is the need for increased coordination by the Service for accommodations, transportation, resources, and services. Another potential disadvantage is that certain providers may not choose to come to Midway because of their desire to be an exclusive provider.
11. The Service should plan for a 6 to 12 month period between the announcement that Midway is open for visitors and when visitors start arriving. During this time the Service

can plan and prepare Midway for visitation and concessionaires can market and fill programs.

12. If the demand for visitation is more than the current lodging accommodations can handle, the Service should renovate and offer some of the old officer homes as lodging. These locations could also be used for groups or as a bed and breakfast type of experience.
13. The Service might investigate the economic and practical feasibility of purchasing or leasing an airplane, possibly a G-1 or larger aircraft such as a 737, for Midway and Service needs. This may lower Midway operation and visitor travel costs.
14. Although it was not within the scope of work, this recommendation became apparent during the study. The Service could consider enhancing the historical experiences offered to visitors. The Service could explore the possibility of bringing a seaplane or World War II fighter plane and other historical pieces to Midway. Currently there are only the historical buildings, which have significant value but do not offer the experience that actual battle artifacts would. If possible, this type of exhibit could be housed in the historical seaplane hangar so it would not take away from nesting habitat of the wildlife, and birds could not fly into it.

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