

# Managing Marijuana Tourism

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# OUTLINE

- ▶ **Introduction**
  - ▶ History of legal marijuana In Colorado
  - ▶ Background of motivation for the study
- ▶ **Methods**
  - ▶ Qualitative interviews
  - ▶ Research challenges
- ▶ **Results**
  - ▶ Themes
- ▶ **Discussion**
  - ▶ Application of results
  - ▶ Future research

# HISORICAL TIMELINE

1975  
CO reduces  
penalties for  
possession

November 2000  
Amendment 20  
passes in CO

November 2012  
Amendment 64  
passes in CO

January 2014  
Retail shops open  
in Denver and  
Telluride

October 2014  
Retail shops open  
in Durango and  
Pagosa Springs

# COLORADO

## POPULATED PLACES

- 500,000 – 999,999 ● Denver
- 100,000 – 499,999 ● Lakewood
- 25,000 – 99,999 ● Boulder
- 24,999 and less ● Meeker
- State capital ★ Denver

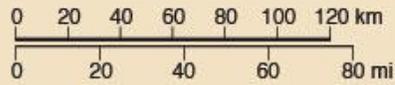
## TRANSPORTATION

- Interstate; limited access highway 
- Other principal highway 
- Railroad 

## PHYSICAL FEATURES

- Streams: perennial; intermittent 
- Lakes 
- Highest elevation in state (feet) +14433
- Other elevations (feet) +14110

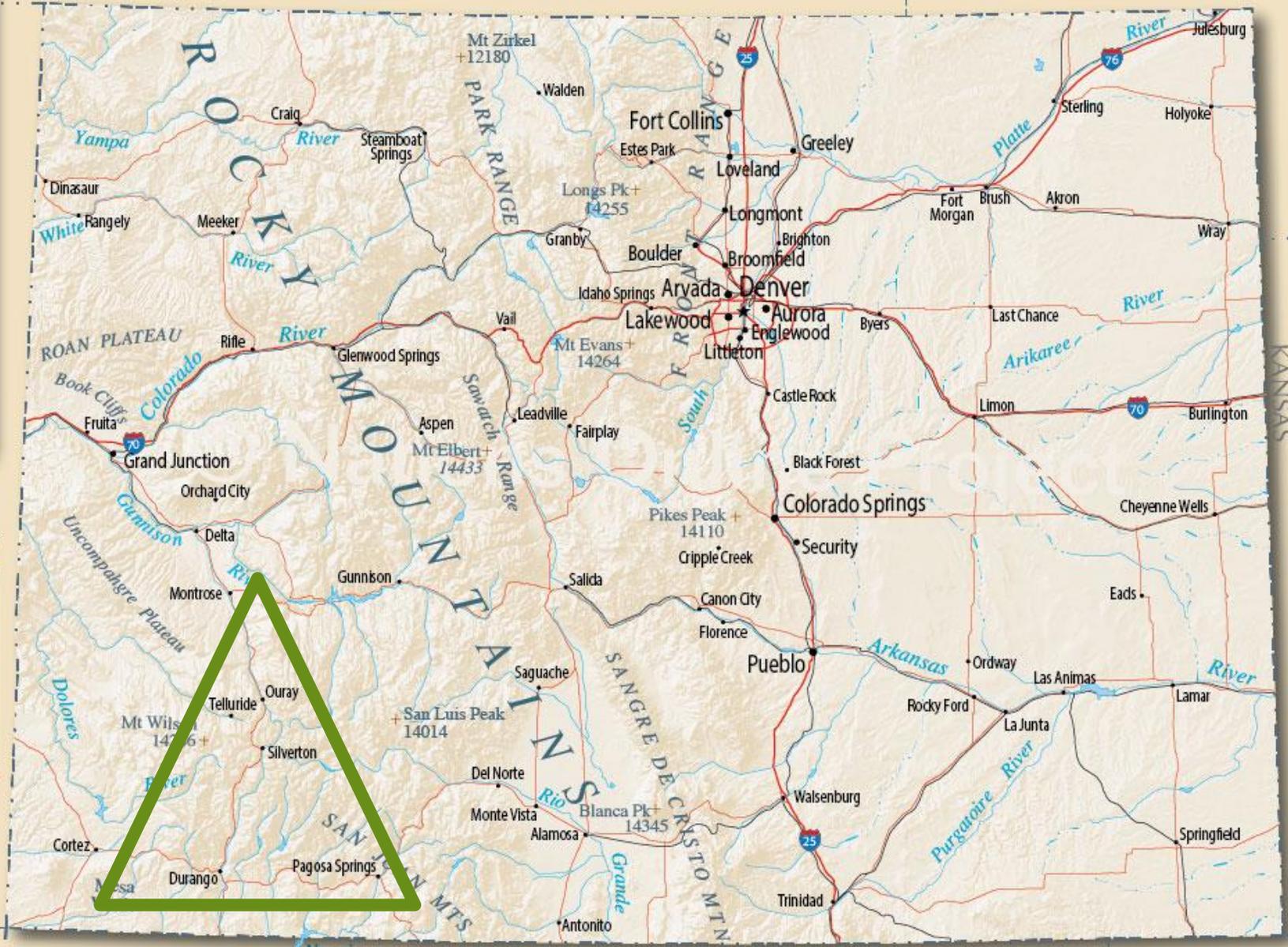
The lowest elevation in Colorado is 3350 feet above sea level (Arkansas River).



ARIZONA

WYOMING

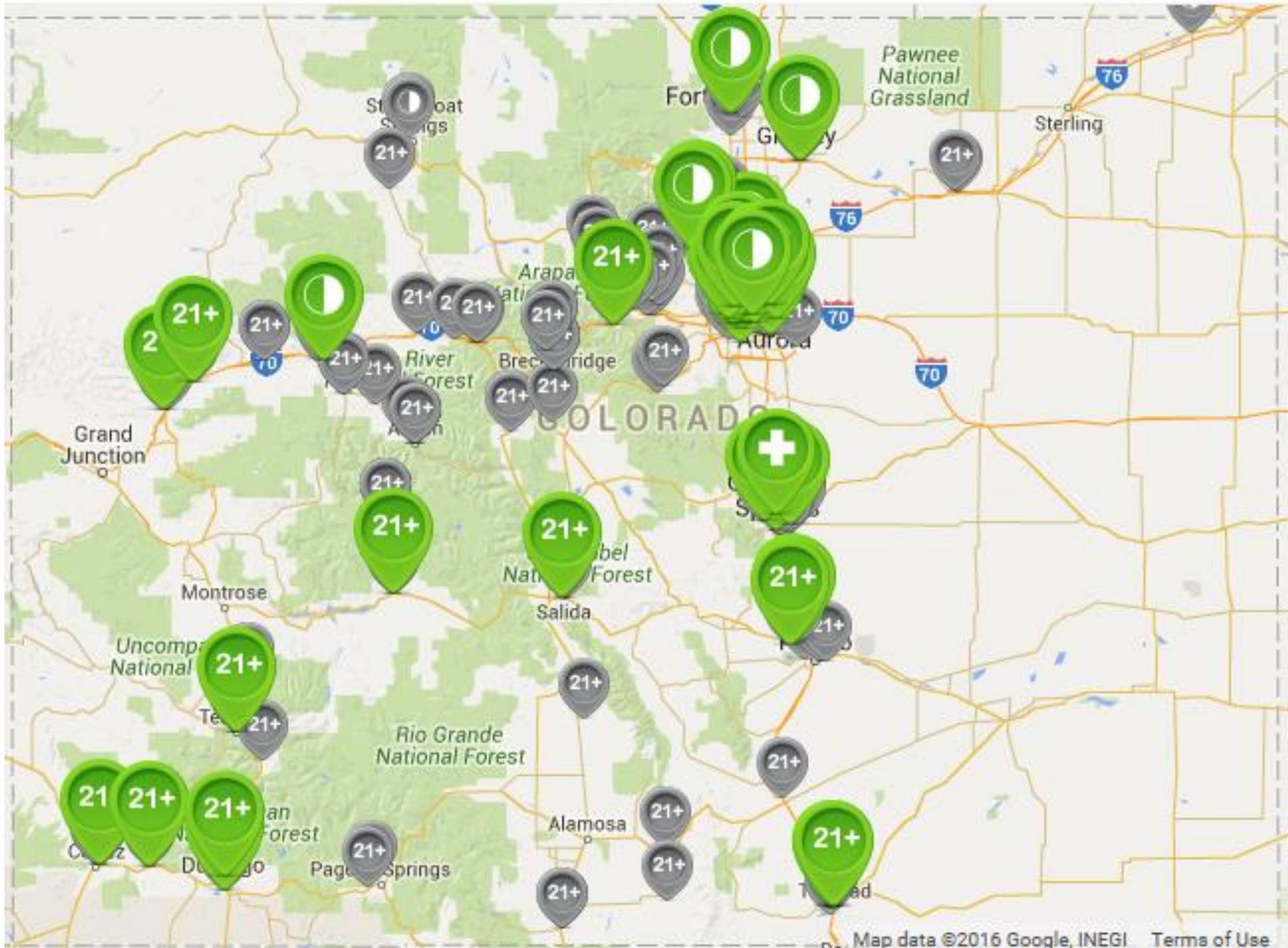
NEBRASKA



NEW MEXICO

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OKLAHOMA



# RESEARCH IMPETUS

- ▶ Unanswered questions at the CO Governor's Tourism Conference in Telluride, October 2013
  - ▶ How will legalized marijuana impact visitation?
  - ▶ How will legalized marijuana impact the economy?
  - ▶ Are marijuana tourists a new target market for tourism?
  - ▶ How will legalized marijuana be promoted to tourists?

# EXPLORATORY CASE STUDY APPROACH

(Yin, 2003)

- ▶ Qualitative phase
  - ▶ Understand the shared experience of retail owners/managers
- ▶ Quantitative phase
  - ▶ Build a profile of the marijuana tourists
  - ▶ Understand their behavior and motivations

# QUALITATIVE PHASE

- ▶ 6 owners/managers agreed to participate
- ▶ Interviews took place from October 2014 - February 2015
- ▶ Duration ranged from 33 minutes - 44 minutes
- ▶ Participants had in common:
  - ▶ All shops had previously been open as medical dispensaries
- ▶ Participants differed:
  - ▶ Participating shops came from three different counties

# MODIFIED 3 INTERVIEW STRUCTURE

(Seidman, 2006)

- ▶ Focused Life History
  - ▶ First getting involved in the industry
  - ▶ Motivation to Apply for recreational license
- ▶ Details of the Experience
  - ▶ Challenges encountered
  - ▶ Targeting and selling to non-residents
- ▶ Reflection on the Meaning
  - ▶ Greatest lessons learned
  - ▶ Future of the industry
  - ▶ Advice to new businesses opening

# RESEARCH CHALLENGES

- ▶ IRB concerns about confidentiality
- ▶ Industry too competitive for focus groups
- ▶ Significant participant interest but not a priority
- ▶ 2 participants refused to be recorded
- ▶ 2 out of 6 participants responded to member checking effort

# QUALITATIVE FINDINGS

- ▶ The shared experience of the owners/managers included navigating challenges:
  - ▶ Industry regulations
  - ▶ Maintaining competitive advantage
  - ▶ Staffing and training
  - ▶ Safety and security
  - ▶ Marketing
  - ▶ Community support
  - ▶ Tourism segment

# Industry Regulations

*“While I can’t fault the government for continually adjusting the rules (they’re figuring it out too), the consequences for not keeping up with them are so great that if you miss something small, it can mean big things in a bad way.” (#6)*

# Maintaining Competitive Advantage

## ▶ Product Quality

*“We pride ourselves on having the best flower in town. We carry more strains than anybody on our shelves and that is part of what makes us successful.” (#5)*

## ▶ Customer Service

*“One of the biggest things here at our store that people comment on is our customer service and the knowledgeable staff.” (#5)*

# Staffing and Training

*“I try to pick people out that are going to give customer service because not everyone is a customer service person. I hire people that I’d probably want to sit in a car with for hours, that are nice, and that are friendly and good to the people who come in the store. We really want people to be treated well.” (#5)*

# Safety and Security

*“We have begun extensive training on safety and security and we need to educate the staff on how to use the panic button.” (#3)*

# Marketing

## ▶ General

*“We advertise now with newspapers and we are getting ready to do TV and radio. I’ve gotten letters from them say that not more than 30 percent of their market is under 21.” (#5)*

## ▶ Tourists

*“[I tried to get my business on] one of those nice blue signs on the road but the state didn’t want anything to do with it.” (#1)*

*“The tourism office is not really interested in promoting it so people don’t know where to go to ask.” (#2)*

# Community Support

*“We are seeing a different population of people sitting on the city council, but I think that we will see even more of a shift as we see some of those older people move out, and some of those business interests move out, and see some new, younger faces.” (#4)*

# Tourism Segment

*“We definitely get people who stop, who wouldn’t have stopped, for marijuana on their way to other places. It’s rare that people come here solely for marijuana. They’re here to go mountain biking and want marijuana; they’re here to go skiing and want marijuana. So maybe they chose us over Utah. Maybe they chose us over northern California. Maybe they chose us over another location, but they’re coming here to do something else and marijuana is probably the icing on the cake that brought them here.” (#4)*

# CONCLUSIONS

- ▶ Owners and managers are navigating novel obstacles in a constantly changing industry
- ▶ Shops will only be sustainable in the future under the direction of savvy businesspeople
- ▶ Marijuana is not the primary motivator for tourists but can be one of many factors that help them choose their destination
- ▶ Someday Marijuana Tourism may simply just be Tourism
- ▶ Until then, research is needed to better understand this niche market
- ▶ Second phase of quantitative data collection to develop the Marijuana Tourist Motivation Scale is coming in Spring 2016

# QUESTIONS & COMMENTS

