



Case Study Voyageur Canoe Outfitters

Outside Grand Marais, Minnesota
Sue and Mike Prom, Owners

Voyageur Canoe Outfitters is a full-service outfitting business located at the end of the Gunflint Trail in northeastern Minnesota and adjacent to the Boundary Waters Canoe Area. This case study shows how e-commerce has been used to grow this recreational business and to provide customers with information and a connection to the region.

Profile

Voyageur provides complete outfitting packages for travel in the Boundary Waters Canoe Area or Quetico Provincial Park in Canada. They appeal to people who are seeking solitude and a simpler way of life – an opportunity to get away from it all. Voyageur is one of a number of recreational tourism enterprises in the northern Minnesota region but they have used e-commerce to develop a distinct niche within this regional industry.

History

In 1961, a Minnesota farmer started an outfitting business, primarily for fisherman, at the edge of the Boundary Waters Canoe Area (BWCA) as a way to make a living in the wilderness he loved. He and his spouse ran the business, with his wife doing the bookkeeping. When she died and he lost his partner, he was motivated to sell the business. About the same time in 1993, Mike and Sue Prom, Minnesota natives and recent college graduates, were looking for an opportunity to own an outdoor recreation business. Together they bought what is now Voyageur Canoe Outfitters and moved to the end of the Gunflint Trail outside of Grand Marais, Minnesota.

In the early years of Voyageur, the Proms marketed their business by attending sport and recreation marketing shows that were the traditional tools for businesses in their industry. In addition, they invested in magazine and newspaper advertising. At a Chicago show in 1995, someone was offering to design a Web site for free – something that the Proms had never even heard about. As they developed their Internet savvy through Sue's determined efforts, the marketing strategy has changed dramatically – they no longer attend shows (which were time consuming and expensive) or take

out print advertisements. They rely totally on their Web site to market the business.

Voyageur's business has increased 1000 percent since 1993 and, since 1998-1999, business has been increasing 10 to 20 percent annually. While some customers come to Voyageur through referrals or word of mouth from seasoned customers, most new business is coming to them through the Web site. Voyageur has two full-time employees. In addition, they hire seven to nine seasonal guides for the June through August period when most of the outfitting business occurs, and have four full-time employees during the summer months. Mike Prom handles the outfitting side of the business – greeting guests, getting them outfitted and overseeing employees. Sue's responsibility is Web site development, including her daily blog and live chat.

Over time, the development of the Web site and its e-commerce capacity has provided Voyageur with a unique competitive advantage in the market. The information provided on the site has helped them build relationships with their customers. Sue's philosophy is that the more people know about them and their business, the more they will be committed to Voyageur as they plan their wilderness adventures.

Business Location

Grand Marais's economy, like much of northern Minnesota, was historically tied to the timber and mining industries. The population, which peaked around 1899, declined to 200 in 1915 as the timber companies moved away. Slowly, with the development of better

Year Online: **1995**
Area Population: **1,353**
Web site:
www.canoeit.com



transportation infrastructure and the creation of a marina and a national recreation area, the region has become a second home and tourist destination. Grand Marais (2000 population 1,353) is the county seat of Cook County (2000 population 5,168) which is designated as a nonmetropolitan county. The county is the tip of the Arrowhead Region of northern Minnesota, located 110 miles from Duluth and 265 miles from Minneapolis.

Role of e-Commerce

Voyageur's Web site and its features have evolved over time. As Sue built Voyageur's Web site capacity, she turned to the cooperatively-owned local ISP in Grand Marais, Boreal Access. Sue provided text and photos and Boreal provided the technical expertise to establish the Web site. Boreal has continued to provide technical support to Voyageur – Boreal is the first stop when issues arise and if they cannot address the issue, they will find someone who can.

Initially, Voyageur relied on the only form of Internet access available, dial-up service through the phone company. However, the dial-up service was very slow and made it difficult to be creative on the site, such as by using pictures or live chats. In 2006, the Proms made the investment in satellite Internet, which almost doubled their monthly Internet access costs. Sue estimates that, over time, she has invested almost \$2,000 in course fees to build her skill set and incurred an average yearly cost of \$500 to 1,000 for technical support for the site and \$3,000 for Web development. Monthly costs to run the five computers on their network include \$180 for Internet access, both through Boreal and Wild Blue, the satellite provider, and \$700 to 800 for Word Buy – an option for optimizing the site and improving Voyageur's position on search engines. However, Voyageur's growth in sales demonstrates the return on this investment.

The content of the Voyageur Web site and Sue's expertise in managing the site have grown in tandem over time. The site provides basic information about canoe outfitting and the BWCA region, including a toll-free number that visitors can use for more information. The site has routing information so that visitors can explore the region before deciding on a particular route and trip. In the beginning, customers might find information on the Web site and then call Voyageur to book and plan a trip. Now, the site has developed so that it is possible to book and plan a trip, including menu selection, without talking live on the phone with anyone from Voyageur. The live chat feature added recently has replaced phone conversations for most people. Customers will see that the live chat feature is available on the site (the live chat button can be clicked only when someone is available on the

Voyageur end for a chat) and log in to discuss their trip in real time. The development of the Web site features has made it easier for Voyageur to be responsive to their customers' needs, even during the busy summer season when staff is often "out on the water" and away from the phones. Staff can respond more quickly to information requests and questions than they did in the past.

Another benefit of the site has been Voyageur's ability to develop a database to communicate with customers. Voyageur can send three, five, seven and ten-day updates to customers pre-trip as well as provide post-trip follow up. This service has given them a competitive edge compared to other outfitters in the region, and allows them to get feedback from their customers that can help them improve service in the future.

A particularly important feature of the Web site, in terms of building and maintaining relationships with customers, is Sue's daily blog. Sue is disciplined and committed to writing the blog daily, even if most entries are made late at night. The blog shares her thoughts on the beauty of the region, the value of getting away from it all on a wilderness adventure, news of the family and the local area. The value of her blog was demonstrated during recent serious fires on the Gunflint Trail and in the BWCA. Sue's daily accounts of the progress of both the fire and fire fighting efforts, and her ability to share information of value to homeowners and customers, made her blog the site of choice for those seeking information about the area. It was particularly useful in communicating with customers who had trips booked early in the season. The blog allowed Sue to share new contact information during their evacuation and to keep paddlers informed about restrictions on access to the BWCA that might affect their planned trips.

Voyageur's success is attributed in large part to the use of e-commerce. Sue's ability to expand the site's e-commerce capabilities and to continually innovate has helped Voyageur achieve rapid growth. Sue is looking at new ways to optimize the site through such means as pay-per-click and word buys, as well trying to stay ahead of other innovations in e-commerce. Beyond Voyageur, however, the Proms are working to give back to their community. Sue has organized www.pinkpaddles.com, a site where you can order a fully functional, pink paddle that is being sold to raise funds for breast cancer research. In 2007, Voyageur and Black Magic Kennels joined forces to organize the first Mush for a Cure, a fundraising sled dog race to raise money for breast cancer research. A second annual race is being planned by these two Minnesota rural entrepreneurs.

Challenges and Lessons for Rural Entrepreneurs

Voyageur's successful use of e-commerce to grow the business offers some lessons for other rural entrepreneurs:

- Voyageur's investment in Web site development and e-commerce tools has allowed them to gain a competitive edge over other recreational tourism businesses in the region. Voyageur's use of the Web site as a tool for information sharing, trip planning, trip follow up, and relationship building is unique among area outfitters. Through Sue's involvement in Web development, Voyageur pushes the envelope in terms of Web features and continually invests in keeping the site ahead of the competition. This investment in Web development, in turn, has improved Voyageur's ability to respond quickly to customer requests, building a reputation as a business that is both skilled and easy to work with.
- Sue Prom's experience building, updating and improving the Web site shows the value of working with local service providers, in this case, Boreal Access. However, her experience also shows the time and commitment required to keep abreast of the latest e-commerce developments and the need to continually build the skills to adopt these innovations. While Sue had the interest and capacity to do the research and learning on her own, other entrepreneurs might need to hire qualified staff or contract with other firms to provide these services.
- E-commerce is not just about selling products online. For businesses that thrive on customer loyalty, word of mouth promotion, and developing a relationship with customers, the Web site can be used as an efficient means of reaching out to customers. Sue's blog can touch customers as often as they want. The live chat feature provides customers with real time solutions to their problems, answers to their questions, or simply confirmation that the trip will go smoothly and the experience will be memorable. These features add to Voyageur's appeal to customers and appear to have helped the business grow steadily over time.
- For rural entrepreneurs considering e-commerce, Sue recommends taking advantage of opportunities to learn new skills, such as through courses offered by service providers in how to build and market a Web site. But, the commitment cannot stop at the classroom door. Sue recommends that entrepreneurs be committed to following through on the ideas they develop and the new skills they learn. Based on Sue's experience with developing the e-commerce capacity

of the Voyageur site, she believes that this investment can pay important dividends to the business in terms of increased sales.

From e-Commerce as a Strategy for Improving Business Vitality: Lessons Learned from Small Businesses by Deborah M. Markley, David L. Barkley, and R. David Lamie

See related case studies and learn more about e-commerce at <http://srdc.msstate.edu/ecommerce>.