With a goal of ensuring its license options help optimize R3 efforts and remove purchasing barriers, the Oklahoma Department of Wildlife Conservation (ODWC) developed a two-phase project to determine whether its current licenses are priced and structured to serve customer and agency R3 needs optimally, or if new/different options would be ideal.

The ODWC was awarded a $16,000 grant from RBFF to conduct the first phase of the project, which employed Southwick Associates to create models for understanding the effect of price changes on sales and revenue for a number of current ODWC licenses.

Southwick Associates successfully created pricing models that estimate the demand for seven important ODWC recreational licenses, among them several important fishing licenses such as the Resident Annual Fishing, Resident 2-Day Fishing, Nonresident 5/6-Day Fishing, and Resident Combination licenses. The results of the demand analysis are used to estimate potential changes in license revenues and units sold for a range of prices.

Models indicate some licenses offer potential for increased revenue at higher prices, whereas others are already at, near or above optimal pricing. Some licenses were analyzed but could not be accurately modeled for varying reasons (see “Lessons Learned & Future Plans”).

Overall, the multi-phase study is providing quantitative information on if and how licenses can be simplified and at what prices they should be set. The results will provide data-backed information and insights for considering legislative changes, with consideration of direct input from constituents.

Combined with other planning, the project is helping ODWC more fully realize its long-term R3-related goals (see “Lessons Learned & Future Plans”).

“The RBFF State R3 Program Grants are playing a valuable role in helping ODWC better understand the effects of license pricing and structures on sportsmen participation, including our anglers. I’m confident these efforts will help ensure that our license options support our R3 efforts and remove barriers to greater outdoor participation. We’re proud to partner with RBFF on this effort.”
- J.D. Strong, Director, ODWC
Lessons Learned & Future Plans

Despite efforts, a variety of factors limited the ability to model price effect on some licenses. Such factors included lack of price changes in the license history and sales fluctuations with no visible pattern through time (potentially due to non-price factors like wildlife population swings or weather/habitat events, etc.). In some cases, lack of sensitivity among buyers can stifle efforts to model price effect, or at other times suggest that buyers have not been adversely impacted by price changes and that price increases could be sustained with insignificant impact on sales.

Phase 2 has provided insight into customer attitudes toward new license consolidation efforts. The ODWC launched a comprehensive license data restructuring and Customer Resource Management system in January 2019 and is currently implementing a long-term, agency-wide strategic plan to inform and guide future efforts, including R3 prioritization. These tools will pair with knowledge and insight gained from this project to inform and prioritize future R3 efforts.

ODWC legislative liaisons and leaders are actively engaged with the Oklahoma State Legislature on wildlife topics and specifically on issues related to fishing and hunting license structure and pricing. Information from this Multi-Phase License Evaluation Project will inform discussion, proposals and considerations for optimum license structures and pricing.

Overall the project will enhance ODWC’s capabilities to develop and implement effective angler R3 efforts.

For any license changes informed by this project, ODWC will utilize surveys to assess constituent satisfaction both prior to and after implementation.

Methodology

ODWC employed Southwick Associates to conduct a two-phase study. The RBFF-funded Phase 1 included the development of multivariate statistical regression-based models that use existing data to show how much revenue and customer numbers will change at different price points for certain licenses. License sales were examined for both resident and non-resident fishing and hunting licenses using estimated equations where the annual number of each license type sold is a function of the license price and other relevant variables. These equations were then used to predict license sales in 2018 at various price levels. License sales are predicted under the assumption that the non-price factors included in the models (e.g., population, per capita income, etc.) continue to change at long-term historical rates. The predicted unit sales were then multiplied by the portion of the license prices that is retained by the ODWC to project annual direct license revenue to the ODWC. The results also project the total revenue to the ODWC that includes federal aid under the U.S. Fish and Wildlife Service (USFWS) Sport Fish Restoration and Wildlife Restoration programs.

This grant program was conducted in 2018 and was partially funded by the Recreational Boating & Fishing Foundation (RBFF) through a USFWS financial assistance award (#F18AAC00145). For more information on RBFF’s State R3 Program Grants, please visit www.TakeMeFishing.org/R3.