RURAL TOURISM DEVELOPMENT IN SOUTHERN ONTARIO

Using stakeholders in selected southern Ontario communities, this paper assesses the current state of rural tourism planning, the extent to which integrated decision-making is taking place, and the role of information technology in supporting rural tourism development in southern Ontario.

Introduction

Tourism is the world’s largest industry, producing almost six percent of the world’s total GNP, and providing one of every fifteen jobs worldwide. It represents the single largest source of employment opportunities compared to all other industries (Gartner, 2000). In recent years, many national and local governments have turned to tourism as a popular option for rural locales to develop healthy communities and renew their economic vitality. Rural communities that have successfully taken advantage of tourism have seen economic growth, improved job opportunities, and, just as importantly, a renewed sense of belonging and pride (Reid, Taylor, and Mair 2000a, Hall, 2004).

While rural tourism can offer many opportunities such as increased revenue, jobs, and a sense of belonging for the residents, there are many challenges as well. The challenges are largely associated with identifying what will make a rural community a tourism destination, effectively involving stakeholders in planning and execution, and recognizing what it will take to sustain tourism in the face of evolving markets (Butler, 1999).

There are positive indicators to suggest that travellers are looking for new rural tourism destinations. The Ontario Agriculture Training Institute (OATI) predicted that rural tourism in Ontario, Canada, for example, will continue to increase at an average of over 10% each year between 2001 and 2010 (OATI 1999). Wilson, Fesenmaier, Fesenmaier, and van Es (2001), noted the trend away from traditional resort destinations, as well as the expansion of rural tourism with new opportunities such as eco-tourism and agri-tourism. Positive development of rural tourism is tightly associated with sustainable tourism. Minimizing the environmental, social, and cultural impacts of tourism, coupled with recognition of the importance of the relationship between the environment and residents, are the main challenges that emerging rural tourism destinations face (Gartner, 2000).

Sustainability of rural tourism is an increasingly important strategic goal for world-class destinations as tourism industry participants are becoming sensitive to, and dependent upon, high quality sustainable environments (Hassan 2000). Rural tourism destinations need to preserve their own resources and look at the benefits of tourism without jeopardizing their long-term viability. These resources tend to be unique and are usually sensitive to damage created by misuse or unplanned tourism. It is important to have a pro-active attitude, which means looking at the big picture and anticipating problems before they occur. There is a need
to examine the relationships amongst all stakeholders, and create a relationship-based approach between residents, the private sector, the public sector, and non-governmental organizations (Hall, 2002).

The long-term vision requires attracting entrepreneurs and/or investors with a sincere commitment to environmental quality and sustainable long-term development. According to the World Tourism Organization (WTO 1998), the three norms needed to sustain the resources are: a program that reinforces the preservation of the culture and heritage of local communities; a legislative framework (prohibitions/decrees); and the assurance of an environmentally sensitive, high-quality infrastructure that can sustain local communities while providing high levels of satisfaction to tourists and residents of the communities.

Prior to 1970, many rural communities throughout Canada relied heavily on farming and the associated opportunities for the bulk of their income. Following economic restructuring that included the US-Canada Free Trade Agreement, these regions where left to look for alternative sources of income. The Ontario Rural Tourism Council (2002) adopted a focus on promoting rural tourism development. The Council defined rural tourism as the activities that take place in rural and small-town Ontario.

Impact of Tourism in Rural Communities

One of the main concerns of residents in rural communities is that of not knowing how tourist attractions might impact their peaceful neighbourhoods. Residents are concerned about high demand and traffic flows, about whether or not the infrastructure is sufficient for the increased demand, and about how the quality of their water and natural resources might be negatively affected by tourism (Rodriguez-Garcia, 2001). Research by Reid et al revealed concerns among rural residents of southern Ontario about population growth and the lack of accommodations for families with low to medium incomes. On the flip side, rural tourism destinations are also challenged with keeping visitors for more than an afternoon or a day, as revenue opportunity per customer generally increases proportionally with the length of their stay (Reid, Taylor and Mair, 2000a).

Members of rural communities also have conflicting ideas about what type of approach should be taken. “Some may want to see tourism expensive and exclusive while others are interested in seeing growth at the low mass end of the market” (OATI, 1999). Tourism should be carefully planned, and members of the community need to be involved and be able to participate in deciding what activities tourism may bring to their streets. Problems occur when a handful of business owners benefit from tourism and others only receive the impact of increased traffic congestion, pollution and reduced access to amenities. Rural tourism development begins with a shared vision and strategic plan, as “visioning becomes the target towards which the community’s efforts are directed” (Reid et al 2000a). Community members must work to establish a vision for tourism attractions and, at the same time, explore the impact that tourism may bring to their communities (Reid, Taylor, and Mair, 2000b).

According to the Ontario Rural Tourism Council (ORTC 2002), the successful expansion of rural tourism requires coordinated research, access to databases that include suppliers, consumers and target markets, training, workshops and conferences, information exchange (eg. success stories and “how to”), and, advice on legislation, land-use planning and financing.
Smith and Krannich (1998) categorize three levels of tourism development in a community, based upon residents’ attitudes. These are: “tourism saturated” (low support for tourism and population growth, and lower amounts of overall community, social and economic satisfaction); “tourism-realized” (tourism is important but not dominant in the community, and residents are ambivalent to future tourism development, population growth and potential negative impacts); and “tourism-hungry” (high perceived benefits of diversifying into tourism industry, negative impacts are either discounted or not considered). According to Dogan (1989, as cited by Reid et.al. 2000a), there are many ways residents of a community can cope with the impact of tourism in their communities. Among these are: “resistance” (residents may target their anger or frustration at tourism attractions, retail owners and even tourists); “retreatism” (residents may avoid contact with tourists and tourism activities or community businesses during the tourism season); and “boundary maintenance” (the development of different spaces for tourism activities and resident life in the community, in order to minimize contact with tourists). In order to optimize the sustainability of a community’s tourism, all stakeholders need to be involved in planning, developing and controlling tourism (Mill and Morrison -2002).

Today's rural tourism markets cannot be characterized as homogeneous. Trends in travellers’ demands have had dramatic impacts on the tourism industry, especially in an overly segmented global marketplace. The emergence of specialty tourism (eg. agri-tourism, eco-tourism) segments on a transitional basis has changed the way destinations develop their appeal and sustain their competitive positions. According to the Ontario Agriculture Training Institute (OATI 1999), these specialties continue to expand and are essential for rural tourism development.

Among the early initiatives in rural tourism in Ontario was the development of wine tourism in Niagara Region. For this region, tourism presented a viable option to extend their economic viability. In Niagara, and other regions, some farms opened their doors to visitors and, eventually, craft stores started to appear. Entrepreneurs in rural communities were successful in starting businesses such as bed and breakfasts and souvenir shops. They began by selling their products and services to the market and realizing economic rewards. Others in the communities benefited from job creation. This created momentum in the communities, and the well-documented multiplier effect of tourism helped the local region to grow and succeed (Reid et al. 2000a). Reid et al also noted that tourism typically brings towns beautification which results in increased pride in the community, increased demand for local resources, including labor, and enhanced community stability. This success also serves to convince communities that rural tourism can play an important social and economic function in their community’s development (Wilson, Fesenmaier, Fesenmaier, and Van Es, 2001).

Rural tourism in southern Ontario may be the result of market diversification of travellers’ needs and growing global environmental pressures. Visitors are becoming highly involved in making travel decisions based on the expectation of experiencing quality tourism that maintains the environmental integrity of the destination (Berry and Ladkin, 1997). Understanding and responding to trends related to the "greening" of visitors' values and motivations has been supported by leading segmentation research studies (Hassan 2000).

**Rural Tourism Development in Ontario**

According to the Ontario Rural Tourism Council, the vision for rural tourism in Ontario is “to provide high quality, self-sustaining rural tourism experiences for Ontario
residents and visitors.” The Council also noted that, although tourism is currently the fastest growing industry worldwide, at present, Ontario has a tourism deficit. “For Ontario, the shared vision for the future is that stakeholders need to work together, all pulling in the same direction” (ORTC, 2002). Typical vision statements by some rural communities include such statements as: “tourism will target development of high-quality restaurants and accommodations to enhance opportunities for other business development”, “tourism activities will act as a means of preserving and restoring historic downtowns and neighborhoods”, and “tourism will create quality jobs that will allow youth to find meaningful careers and stay in the community”.

Statistics Canada (2001) noted the continuing trend for people to choose to live in urban communities, but look to rural communities as an exit from the traffic, pollution and stress. This same report stated that although south-western Ontario was one of the most popular regions for visits by U.S. travellers, attracting 4 out of every 10 U.S. travellers within the province in 2000, and each staying an average of just under three 3 nights, the region has considerable growth potential for developing rural tourism in small communities (Statistics Canada 2001). The Canadian Tourism Commission’s Travel Attitudes and Motivation Survey (TAMS) noted the extent to which “Baby Boomers”, the single largest demographic group in Canada, value health and wellness, and their penchant for golf as their preferred sport (CTC 2003).

Importance of Information Technology to Rural Tourism

The Internet is rapidly becoming an essential tool in the travel and tourism industry. Everything from research on destinations, resorts and amenities to booking every part of one’s trip can be done on-line. The information on the Internet empowers the consumer to be self-sufficient. Hudson (2004) noted that over 60% of Canadian businesses now have a Web presence, and that almost half of them use outbound email as a marketing tactic. Hotel bookings in Canada via the Internet are expected to increase from 9% of total bookings in 2003 to 20% by 2005 (Hudson 2004). A 2002 study reported that 80% of Canadians who are connected to the Internet use it as a source of travel information, and that 40% stated that it had a “significant influence on how they make travel decisions” (Buhasz, 2002, as cited in Hudson, 2004)

Since more and more consumers are doing their own research and making their own arrangements on the Internet, it is also becoming a very competitive medium for promoting offerings. While a simple Web page with rudimentary links can provide the basic information on a destination’s offerings, an increasing number of enterprising service providers and destinations are using the Web as a competitive differentiator (Hudson 2004). Web sites can make it easy to see exactly what the entire experience will look like, and to then purchase it. This takes many of the traditional hurdles of “the unexpected” out of the equation. This can reduce the anxiety and make it easier to sell a destination’s offerings while not requiring direct contact with the consumer (Proll and Retschitzegger, 2000a). The Internet empowers smaller service providers to be able to launch complex sales programs much like their larger competitors (Proll and Retschitzegger, 2000b). One significant challenge for the service provider however, is in attracting their target audience to their Web portal. Although one can attempt to get to one’s audience via the Web, there is so much information for them to search through that the search engines may not work in one’s favour. Competition via the Internet is intense for the tourism entrepreneur.
Using stakeholders in selected southern Ontario communities, this paper assesses the current state of rural tourism planning, the extent to which integrated decision-making is taking place, and the role of information technology in supporting rural tourism development in southern Ontario. Specific questions addressed include:

- Are the stakeholders, including residents, planning for rural tourism development, and if so, is there a regional- or community-based tourism strategic planning process?
- Are the stakeholders effectively communicating with one another, and are they using an integrated decision-making process?
- Are small businesses or entrepreneurs leveraging information technology as an enabler for reaching their target markets and creating efficiencies in their operations?

**Research Methodology**

The qualitative research methods used in this paper represent a phenomenological process in gathering research data (Patton, 1990). This methodology was selected because community and stakeholder responses are neither systematic nor standardized. Rural tourism stakeholders in southern Ontario were the primary participants of this survey.

Questionnaires, interviews, visits to rural communities, and participation at the Ontario Rural Tourism Council were used to collect primary data. Direct personal contact was used in order to understand the reality and minutiae of the circumstances (Patton, 1990). Interviews were conducted with those participants who agreed to be interviewed, and questionnaires were given to those participants who indicated that they would complete one, but were either unwilling or unable to participate in an interview. The questionnaires were personally given to the respondents or sent to them via email, fax, or Canada Post, depending on their preference and time constraints. The questionnaire and the interview were both divided into three sections. The questionnaire used a combination of open- and closed-ended questions, and the interview was semi-structured, also using open-ended questions. In both cases, the first section explored the current situation of rural tourism development in the respondent’s community. The second section examined the extent to which integrated decision-making was taking place, and the third section examined the use of information technology in rural tourism marketing development.

A sample of 40 potential participants was identified. This included business owners, Chamber of Commerce staff, Convention and Visitors Bureau staff, and staff of various relevant associations and government agencies. Additional information was gathered by attending a Rural Tourism Visioning Session with participants and stakeholders from different sectors. Listening to their objectives, as well as frustrations, provided a realistic view of the current situation of rural tourism development in southern Ontario. Two extensive meetings were conducted with the Ontario Ministry of Citizenship and Tourism. Representatives from the Ontario Agriculture Training Institute (OATI) and small business owners attended these meetings in order to learn more about rural tourism and share their opinions on the current status. Of the 40 stakeholders identified for this study, 20 agreed to participate. Fourteen respondents completed a questionnaire, and six completed a telephone interview.
Results

The Current State of Rural Tourism Development in Southern Ontario

Eight-five percent of respondents stated that rural tourism development is either important or very important for their communities. They recognized rural tourism development as a way to celebrate the community, as a revenue provider, a means of creating jobs and investment in the community, an enabler of destination development and recognition, and as a means for creating new partnerships and marketing opportunities. Three respondents (15%) indicated that rural tourism development creates awareness and it is a way to plan the infrastructure, but they were concerned about too many visitors arriving at the same time and the community being unable to handle the demand. There were also concerns about the appearance of the community, and the notion that tourism is often perceived more as a nuisance than an opportunity.

Most of the respondents agreed that planning is important, but indicated that there was, in fact, very little strategic planning for rural tourism development occurring. Lack of clear objectives and planning for the community was expressed as being a concern. Some of the respondents indicated that official plans existed, but that they were not being implemented. They also indicated that government support is either very modest or non-existent. Three participants indicated that planning was taking place between community leaders, businesses and government agencies.

When asked how they measured success of rural tourism development in their communities, 80% of the participants indicated that measuring success is important or very important, but agreed that there is no strategic measurement in place, especially in the private sector. Several respondents indicated that success was being measured by the number of residents and businesses involved in rural tourism development planning and activities. Additionally, some respondents indicated that success was being measured by the number of visitors coming to the community, the number of new businesses being established and the number of new products and services being offered, the increase in media attention, the decrease in unemployment, and reduced dependency on subsides and programs, especially in the non-profit sector.

Integrated Decision-Making in Rural Tourism Planning

When asked about the existence of a plan for tourism in their community, 85% of the respondents indicated that their community currently has no official plan for tourism, or, if they do, it is more of a regulatory document than an action plan. The 15% who indicated that their community has a tourism plan mentioned developing a network of partners and improving the services already offered, as priorities.

Eighty percent of respondents agreed that strategic planning is very important, and that it concentrates efforts for growing the market for rural tourism in their communities. They stated that it is very important to determining customer needs for the products that are market-ready. Ironically, even though they emphasized the importance of strategic planning, these respondents admitted that not much time or effort has been allocated to this task. Twenty percent responded that strategic planning is unimportant, unnecessary and to some degree, a boring activity.
There was unanimous agreement that, in order for rural tourism development to succeed, all stakeholders need to get involved and participate in the decision-making process. There was however, consensus that participation in planning was poor and generally not coordinated, and that representation was weak. Most felt that the provincial government and a few selected individuals were planning rural tourism development. Very weak planning support from the industry, including local businesses that rely on tourism, was cited. Some of the respondents indicated that they were tired of meeting with other tourism participants due to the fact that no concrete results were being generated. They commented that, typically, the meetings were a waste of time. There was agreement that communication between the provincial government and associations, chambers of commerce, and larger attractions, is greater than that between government and residents or between government and small entrepreneurs.

Information Technology (IT) for Rural Tourism Development

Nineteen respondents indicated that information technology (IT) is an important tool for competitive differentiation as well as for building a client base. Almost one third of respondents stated that market development through the use of IT is effective when strategically planned and coordinated, although over half, despite agreeing with the importance of market development, felt that, in practice, it was not consistently effective.

When referring to the use of IT as a tool to reach the customer or visitor, 95% considered it to be essential to tourism-related organizations. They stated that IT is an important way to connect and get in touch with their market, and get information out. IT was thought to be a significant, effective, cost-saving tool for all tourism-related organizations. Most thought e-mail access is essential and that reliance on mass e-mail campaigns is appropriate. Websites, they suggested, are becoming the single best source of new bookings for the tourism industry. Some respondents considered IT to be particularly critical in rural communities, and stated that it could play a huge role if the community recognizes its inventory, has a product ready, and takes ownership. One respondent noted that IT use is improving and becoming more accessible, more user friendly, and more cost-effective every year. When strategically coordinated, IT can generate massive interest in a region. One respondent, a small entrepreneur, indicated a desire to have a more interactive web site where the consumer could purchase the products directly from the web site, but found the project to be out of their budget range.

Discussion

The three major findings from this study are:

- there seems to be a communication gap between interest groups, government and small business owners and/or residents. All expressed a willingness to communicate and welcome each other’s ideas and support, but for some reason they do not sit together at the discussion table;
- there seems to be a strong recognition of the importance of strategic planning, but it rarely takes place;
- IT (information technology) is acknowledged as a key communication, marketing, and advertising tool.
As noted above, 85% of the respondents agreed on the importance of rural tourism development as a generator of income (e.g. bed and breakfasts). These findings are consistent with the findings of Wilson et al (2001), who indicated that tourism is a job generator and brings to these communities a non-traditional way of revenue generation. There is, however, perceived to be a gap between government, residents, and small business entrepreneurs in how to develop rural tourism. The respondents indicated that there is little or no participation on any official plan, they built their own businesses alone with their own resources, and that they did not find any real support from government or associations. According to one respondent, the only time he hears from the government is “at the end of the year when taxes are due”.

Residents want increased support from rural tourism associations and government agencies. Ironically, these associations indicated that they want to support them. At the “Beyond the City Lights” 2002 workshop series, organized by the Ontario Rural Tourism Council, the participants were eager to develop rural tourism, but the lack of focus and participation from all stakeholders was found to be an issue. They wanted to develop rural tourism but the strategic planning was missing. Participation was not coordinated. Some of the business owners indicated that they have attended meetings but nothing was ever followed up on, or, if it was, they were not informed. It was perceived that weak representation to motivate residents with future projects in an integrated community approach is lacking at this time. Rural tourism development seems to be driven by small businesses or entrepreneurs, however, there is a lack of planned development that outlines short- and long-term goals. Based on evidence from the field survey and interviews of community stakeholders, official plans, typically, are absent.

Findings suggested that festivals are the exception to poor community planning. The proud residents, business owners, and associations, most of them being volunteers, discuss, plan and execute the events together. The festivals seemed very well supported by websites, and by government financial support.

The majority of respondents indicated that IT is an asset and of great value to their business. For the most part, respondents indicated that they use IT as a communication tool and for advertising support. They found that most of the customers who arrived at their doors found their ads on the Internet. This supports the findings of Proll, Retschitzegger (2000a) that indicated the importance of the Internet as a way to reach customers and bring them to one’s business. Financial constraints were noted by some respondents who felt that they could not invest in a significant web-site. Residents who own a farm, for example, and want to open the doors to visitors, do not count on a large income, and therefore felt that they were not in a position to create a significant and interactive web site to reach the customer.

Overall, respondents’ responses toward the value of rural tourism development were positive, although, at present, the decision-making process is, inadequate. The use of IT was found to be a must-have asset for the success of their private business or community.

Implications for Future Research

Given the reported communication gap between interest groups, government and small business owners and residents, future research is required in the area of a community-based approach. It is important to assess short- and long-term motivational plans and how these could be implemented to connect community stakeholders. Similarly, since the importance of strategic planning was emphasized, more research is needed in the area of rural tourism.
development strategic planning. This study suggested that strategic planning is in the best interest of all tourism development interest groups. Research could be designed to investigate the most appropriate rural development planning model and how it could be implemented and evaluated. It will be valuable to rural communities to follow a plan instead of leaving so much to chance and unnecessarily increasing the risk of failure.

Festivals, organizations, and business owners are already using IT as a communication tool to reach their target audiences. Research should be conducted on the benefits and approach to the use of IT to serve communities to connect stakeholders around a shared vision and strategy. This could also serve to communicate and share ideas and insights between rural tourism development interest groups. It should be seen not only as a marketing and sales tool, but also as an enabling tool to enhance community-based approaches to rural tourism development.

**Recommendations**

Drawing from this study, as well as from the review of literature, the following recommendations are made to enable Ontario communities to strengthen and sustain rural tourism development.

- Governments at various levels should actively promote entrepreneurship in rural communities, recognizing that community support is a necessary pre-condition for successful rural tourism development.
- Community residents must set realistic expectations. Short- and long-term objectives should be established and reviewed regularly.
- Community leaders should consider involving appropriate students (e.g. college and university tourism majors) in tourism planning and initiatives as both the communities and the students can benefit from such a partnership.
- For many communities, although tourism should not be intended as a substitute for another industry, tourism can be an added bonus that could potentially grow into a larger industry.
- Business leaders must take an active interest in what their neighbours are operating as their businesses, and what type of business might be operating in a near-by community.
- Community residents need to take more ownership and assess the resources that they have to offer. They need to communicate better with people in the respective communities to get to know what opportunities are already at hand.
- Groups like OATI, OMAFRA Ontario Ministry of Agriculture, Food, and Rural Affairs), and SOTO (Southern Ontario Tourism Organization) have worked hard to bring participants to the table to increase rural tourism development. Getting community residents involved is a tedious and time-consuming task, but it is important to value these groups, appreciate their efforts, and keep moving forward.
- A tourism inventory assessment for each community, and as a region, is essential in order to see the current attractions and potential attractions. It should be done with the involvement and support of a group of community residents, business owners, associations and tourism researchers. Information and background on the community should be included. Communities need to invite tour operators and ask them what they think about the community, and get their feedback.
- Rural communities need a strategic planning process in order to succeed. The communities can assess their advantages and disadvantages and create a vision and
community pride. Local people must be at the discussion table. Early public involvement avoids public opposition later on. Additionally, in those communities where the population of retirees is large, the potential to supplement incomes and to help keep seniors busy and involved, was seen as a highly desirable potential benefit of tourism. Communities with younger populations benefit from this opportunity as well, especially in the summer when there is no school and the students can stay at home and find employment locally.

- It is important to encourage entrepreneurs, when developing a business, to also have a sustainable plan. Proper planning will help to ensure success and minimize potential negative impacts on the community and on the environment. The planning should contain thorough outlines for communications to ensure continued community support and buy-in.

- The positive and negative impacts of tourism should be expressed to the residents so that expectations are clear. There needs to be frequent and proactive communication so that negative impacts can be avoided or managed appropriately.

- Promoting agricultural attractions such as “pick your own” pumpkins or strawberries for example, seems to have incremental benefits such raising the awareness of the importance of agriculture as an industry. This educational component can play a bigger role in ensuring continued support for both agriculture and rural tourism.

- If the community would like to enter the eco-tourism market or agri-tourism market, they need to conduct feasibility studies first, and develop a strategic plan that addresses sustainability, evaluation criteria, and periodic re-assessment. This is very important to the long-term viability of a community’s tourism industry.

- Regions should consider working together as a consortium of communities rather than each community working individually. This can be accomplished by offering attractions by regions. This will increase the likelihood of more visitors and longer stays since, as a region with more attractions, a more significant “draw” will be created.

- Web sites should be created where regular updates are provided for the communities concerned. Content should be provided by industry participants in order to spread the burden. This will also serve as a potential communication mechanism for the entire extended community, resulting in a greater community awareness, participation, pride and spirit.

- Many businesses have found significant benefits from the use of the Internet. Since not all respondents had the financial means to leverage the Internet, there is a very good opportunity for pooling resources. By setting up regional-based Web sites as opposed to individual attraction Web sites, the region will be able to demonstrate more combined value and attractiveness to prospective visitors. This will also help reduce the costs significantly per participating organization as the primary costs are in the infrastructure and this cost can result in enormous economy of scale benefits as the participant levels increase.
References


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