Networks, Technology and Regional Development: Small Tourism Enterprises in Western Southland, New Zealand

By

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A thesis submitted to the
Auckland University of Technology
in fulfilment of the degree of
MASTER of PHILOSOPHY

2007

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Attestation of Authorship

"I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning."

Vanessa Clark

Abstract

Tourism is increasingly being used as a tool to stimulate regional development in rural areas. Small tourism enterprises (STE) lie at the heart of the industry and form a major part of the tourism sector. Characterised by flexible organisational structures and small size, STE are well positioned to respond to a growing demand for unique personalised visitor experiences. Information and communications technologies (ICT) enhance access to information, improve the efficiency of business activities and promote networking between businesses, community and travellers at the local, regional and international level.

Western Southland is a predominantly rural region in the far south of New Zealand. Promoting the development of a cohesive tourism industry in the Western Southland region will benefit individual operators, their communities and the region as a whole. Using the case of Western Southland, this study explores the profile and characteristics of STE; their perceptions of the value of networking and collaboration, and their attitudes towards and use of ICT. Also considered are the implications of STE attitudes and behaviour in relation to the New Zealand Tourism Strategy and the New Zealand Digital Strategy goals in shaping regional development. A variety of business and community stakeholders are part of the broader case study contributing a rich understanding of the dynamics of the region. A mixed method approach is used to collect data through a series of semi-structured interviews and a survey.

Key findings show that limited planned networking is occurring and there is a need to increase STE awareness of the benefits of collaborative activities in order to promote active engagement with other STE. Existing networks are found to be largely informal and embedded in the social and cultural context of communities. The level of ICT use by STE varies, and considerable support is required to encourage operators to upskill. National development goals promote ideals of sustainable communities and businesses, and are aligned with what operators envisage for their region.

Acknowledgements

"I have never found … an enjoyment equal to sitting at
my writing-desk with a clean page, a new theme, and a
mind awake. *Washington Irving*

I wish to thank my supervisors Professor Simon Milne and Dr Hamish Bremner for their guidance and counsel in the content and structure of this work. I also acknowledge the New Zealand Tourism Research Institute at AUT University for funding and supporting this work as part of their ongoing focus on tourism, ICT and regional development.

Thank you to Lex and Helen Wylie of Riverton for facilitating the setup of interviews, supplying a database of operators in the region, and providing me with transport, food and somewhere to stay while in Western Southland. Your sharing knowledge of the region and regarding the people, and re-introducing me to all the places I remember from summer holidays has been wonderful. My gratitude also goes to those who took the time to be interviewed; I very much enjoyed our interaction. Thanks also go to those who completed the survey for their invaluable responses.

I owe a heartfelt thanks to my friend, colleague and mentor Carolyn Nodder for her never-ending advice and support throughout this journey. Likewise Tina Buch has been a great help in bouncing ideas around, and providing practical and statistical advice based on her recent experiences. Thank you also to my parents, Jeanette and Malcolm Clark for their encouragement and unfailing belief in my abilities, and Matthew Weber for his patience and support.

I acknowledge the support of the AUT Ethics Committee in approving application number 06/104 on 19/05/2006.

Abbreviations

FIT	Free and independent travellers
ICT	Information and communication technology(ies)
IT	Information technology(ies)
NZDS	New Zealand Digital Strategy
NZTRI	New Zealand Tourism Research Institute
NZTS	New Zealand Tourism Strategy (2010)
RTO	Regional tourism organisation
SME	Small and medium enterprise(s)
STE	Small tourism enterprise (s)
VFR	Visiting friends and relatives – a type of traveller
VS	Venture Southland
WS	Western Southland
WSPAI	Western Southland Promotions Association Inc.

1. Introduction

Tourism is the world's largest industry (Mann, 2006). The importance of tourism at the national and global scales means that much attention has been given to the role of tourism in economic development. According to Hall (2003, p. 1), "Tourism is also seen as one of the key mechanisms for economic development and for the generation of employment". International tourism is prized as a generator of foreign exchange for countries (Nowak, Sahli, & Sgro, 2005; Shaw & Williams, 2000), while other economic benefits include increased incomes and government revenue (Markandya, Taylor, & Pedroso, 2005). New Zealand is no exception to this, with its unique natural and cultural resources attracting significant foreign exchange from international visitors making the industry a key economic driver for the country.

Worldwide international tourism receipts were estimated at US$680 billion for 2005 (UNWTO, 2006), while global international tourist arrivals grew at 4.5% in 2006 to 842 million, and growth is expected to continue at 4.0% for 2007 (World Tourism Organisation, 2006). New Zealand (NZ) international visitor nights grew to 2.37 million in 2005, and a 4.0% growth per annum is forecast to 2012 (Ministry of Tourism, 2006c). Total visitor expenditure in New Zealand is expected to grow to $18.32 billion in 2012 (Ministry of Tourism, 2006c). International tourism earnings contributed 18.7% of New Zealand's export earnings in the year ended March 2005 (Ministry of Tourism, 2006b), illustrating the major role which tourism plays in the national economy.

Just as New Zealand is a minor player in the global tourism industry, in the national context, the Southland region's tourism industry is small with a 1.8% share of the total overnight visits in 2005. The majority of visitors to Southland are domestic (85%) with only a small proportion of international visitors venturing to the region (Venture Southland, 2006a). There were 1.8 million visitor nights spent in Southland during 2005, of which 37.9% were accounted for by international visitors. Visitors spent $177.6 million in Southland in 2005, a significant contribution to the region's economy, and expenditure is forecast to grow to $277 million by 2012 (Ministry of Tourism, 2006a).

In recent decades, the study of tourism has identified potential negative economic, environmental and social implications from tourism development. Attention from researchers and policy-makers has broadened to include the individual, firm, community, and regional levels which are all affected by tourism growth (Shaw & Williams, 2000). Issues of sustainability will shape the future direction of tourism industry development (Dymond, 1997), while participation of all stakeholders affected by tourism is recognized as important to the planning and direction of growth at the local level. In this context, 'new' socially, culturally and environmentally aware travellers are evolving towards seeking flexible, individualised and unique travel experiences in contrast to 'old' forms of standardised mass tourism (Poon, 1993).

In the current environment of globalization, growing importance is being attributed to local factors such as culture and environment and how they influence tourism development in a particular region (Milne & Ateljevic, 2001; Shaw & Williams, 2000). Global and local influences need to be considered in light of each other when examining the goals of, and demand for, local tourism development (Chang, Milne, Fallon, & Pohlmann, 1996; Oliver & Jenkins, 2003). Focus on the role of the 'local' in order to develop the tourism industry in a region involves "capitalizing on the cultural, economic, social and physical resources of a particular place, coupled with local organization and networking" (Cawley, Gaffey, & Gillmor, 2002, p. 63). Each local area has unique features which can be identified and used to create a distinct regional identity in line with local community goals.

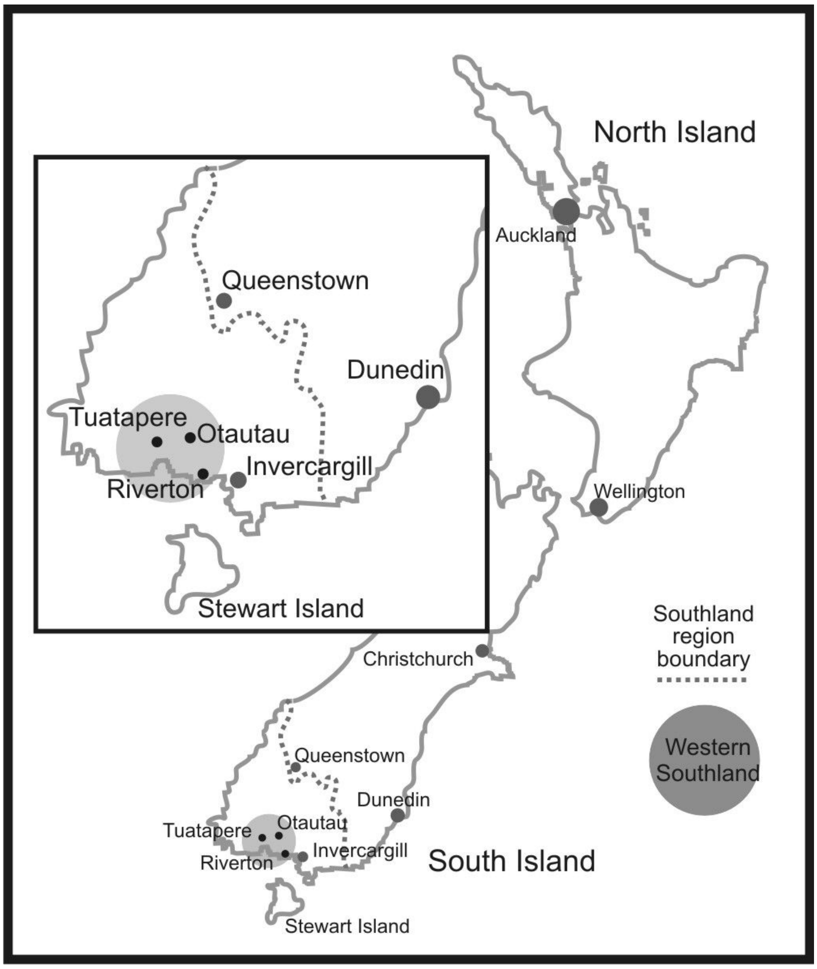
The notion of the 'region' as a distinct geographic, cultural, social and economic unit is important in tourism. For regions, tourism provides the opportunity for economic development, especially in rural areas where traditional industries such as agriculture have been declining (Hall, 2003). Communities are an essential component of the tourism experience, and cannot be excluded from any discussion involving economic development and concomitantly, social development. Tourism not only involves the businesses which provide services to visitors, it encompasses the multiple dimensions of a place, including the welcome of local residents. Businesses and residents must be linked in tourism planning and management in order to effectively meet visitor expectations and satisfy community goals. Porter (2000) explains how the different sectors of the tourism industry and community have to network together in harmony to provide a quality visitor experience. Individuals make up communities and the ties which tourism operators have to their community play an important part in drawing wider stakeholders into planning and development discussions. Research into the interactions between small tourism enterprises (STE) in a region and their networking with each other will contribute to an understanding of their role in regional economic development (Milne & Ateljevic, 2001).

Small, owner-operated tourism businesses dominate in many countries, and play an increasingly important role in economies (I. Ateljevic & Doorne, 2000; Fillis, Johansson, & Wagner, 2004; B. Thomas, Packham, Miller, & Brooksbank, 2004). Small enterprises make up 86% of NZ businesses (Ministry of Economic Development, 2004). These small businesses are key components of New Zealand communities and comprise a large proportion of the tourism industry (H. Wilson, 2002), "though little attention has been paid to small tourism businesses" (Shaw & Williams, 2000, p. 159). Research into the nature of New Zealand small and medium enterprises (SME) is sporadic and little is available at a regional level (Page, Forer, & Lawton, 1999). In particular, Oliver and Jenkins (2003) found that rural tourism entrepreneurs have been a group largely overlooked in rural tourism research. Yet, as Page et al. (1999, p. 436) explain:

> Without an accurate knowledge base… both the development of tourism businesses and the contribution that research can make to policymaking, planning and the future prosperity of tourism will be impeded through inadequate information and analysis of the needs of the small business sector.

This research focuses on 'small' tourism enterprises, classified as having five or less full-time equivalent employees (Ministry of Economic Development, 2004) in the case study region of rural Western Southland, New Zealand (Figure 1). The 'small' classification has been adopted as it provides an appropriate match to the profile of tourism enterprises in the case study region (Statistics New Zealand, 2005), rather than a broader 'small and medium' firm classification (19 or fewer employees). Little information has been gathered about small tourism business in New Zealand, although a study by Locke (2000) found only basic use of computers and the internet, and little use of business to business interactions. Page et al. (1999, p. 435) comment on the "relative neglect of research into small tourism businesses and their role in the tourism economy of the destination areas" across the globe, noting that most research being conducted is still at the information-gathering stage related to characteristics of STE.

Figure 1: Location of Western Southland, South Island, New Zealand



(Source: V Clark, 2007)

The NZ tourism industry is guided by the New Zealand Tourism Strategy 2010 (NZTS) which targets a market segment classified as the 'Interactive Traveller'. According to Tourism New Zealand, this type of visitor seeks unique experiences and interaction with 'genuine' New Zealanders. They place importance on learning unique content and stories about New Zealand, and like to visit 'off the beaten track' destinations (Tourism New Zealand, 2001). The 'Interactive Traveller' uses the internet for much of their travel research and planning. This highlights the increasing importance of the effective use of information and communication technologies (ICT) by the New Zealand tourism industry as a means to build relationships and networks, enable interaction between businesses, visitors and destinations, and offer a channel of distribution to reach target markets around the globe. ICT, and especially web-based marketing, are becoming an important tool for reaching potential tourists for New Zealand and elsewhere (Milne, Speidel, Goodman, & Clark, 2005; Taylor & Murphy, 2004). Small tourism operators need to understand and embrace ICT in order to succeed in this changing tourism marketplace.

In New Zealand, another document strongly influencing the development of tourism is the New Zealand Digital Strategy (NZDS). Technology is seen as giving people more opportunity to participate in national life and connect to the things which are most important to them. The strategy suggests that "using digital technologies to create and access our distinctive cultural content enhances our identity as New Zealanders" (Ministry of Economic Development, 2005). The strategy targets the three components of society - communities, business, and governments. The latter are particularly focussed on ICT: "Seemingly transfixed by technology, governments appear almost desperate for SMEs to engage with the digital economy" (Taylor & Murphy, 2004, p. 288).

The NZDS identifies the critical role that small enterprises and ICT will play in the future of the NZ economy. The strategy declares that "ICT can … help small firms overcome limitations of size, and enable even tiny enterprises to establish a global presence (Ministry of Economic Development et al, 2005, p. 5). In particular, small businesses “need to know what ICT can do for them, and they need mentors to help them do it” (p. 39). It is not just in reaching potential visitors that ICT can assist small tourism businesses, but in improving aspects of everyday business functioning.

The three enablers of the Digital Strategy are confidence, connection and content. Confidence relates to the skills required to make use of ICT, as well as having a secure online environment. Connection provides the way to access the online environment, but is not sufficient in itself. Content in the digital environment addresses how ICT can benefit society, and how to encourage people to interact with technology. The strategy emphasizes the interrelationships between all three enablers, and the importance of partnership and collaboration to make the strategy goals a reality (Ministry of Economic Development et al, 2005).

ICT is seen as the link between individuals, communities, businesses and the rest of the world. The Digital Strategy sets the framework for which New Zealand businesses and communities can engage with, and benefit from, the ‘Interactive Traveller’, although the implications for society are much wider than the tourism context.

The potential power of small firms has increased in light of the benefits offered by ICT, however formation of networks is required to capitalize on these (Taylor & Murphy, 2004; B. Thomas et al., 2004). Small firms need support and assistance in order for regions to realise their social and economic development goals, and ICT has an important role to play in facilitating networking between small businesses (Milne, Speidel et al., 2005). According to Simpson, Lamm, Lindsay and Wilson (2002), more needs to be done to support the development of networking skills and knowledge in the SME sector. Networking between firms within a geographically defined cluster fosters knowledge-sharing, capability-building and innovation, which in turn can lead to business improvements and economic development (Porter, 2000). Working together can help businesses and communities generate a unique identity for their region by collecting and disseminating the unique stories and relationships between people and places. It presents a cohesive identity which can brand a region in a tourism sense, and also reinforces the interdependencies between stakeholders in promoting the quality of services a visitor encounters (Cawley et al., 2002; Oliver & Jenkins, 2003; Pavlovich, 2001; S. Wilson, Fesenmaier, Fesenmaier, & Van Es, 2001).

Small tourism firms are the mainstay of New Zealand's tourism industry, and bring a host of opportunities and challenges to the growth of the sector. The tourism firms operate in the context of the national strategies which guide economic and social development initiatives. "Policy assumptions, however, do not always match with the realities of creating and running small businesses" (Taylor & Murphy, 2004, p. 280). Networking between individuals, and the use of ICT, are common threads which can potentially link all stakeholders in the tourism realm in order to develop sustainable communities and businesses (Milne, Mason, Guenther, & West-Newman, 2005), which can progress the outcomes for New Zealand society outlined at the national level.

The research presented here is part of a broader project to develop a community and tourism portal website for Western Southland during 2006. The website www.westernsouthland.co.nz has been developed by the communities, driven by the Western Southland Promotions Association Inc (WSPAI). The website portal development is a New Zealand Tourism Research Institute (NZTRI) project funded by the Southland Community Trust, Southland District Council, Tuatapere Pub Charities and AUT University. This thesis research focuses on the small tourism operators of the region, looking at their current networking activities and approaches to ICT.

The thesis aims to:

- determine the profile, level of ICT use, and networking activities of STE in Western Southland;
- assess the implications of ICT use and networking activities on tourism business development in the region;
- consider the implications of STE attitudes and behaviour towards contributing to regional development
- suggest actions which could be considered at a regional level to facilitate achievement of common NZ Tourism and Digital strategy goals for regional development.

The key research questions linked to these aims are:

- what are the networking attitudes and behaviours of STE?
- what are the attitudes and practices of STE related to ICT?
- what are the views of STE on NZ Tourism and Digital strategy goals?
- what are the implications of STE attitudes and behaviours for regional development in national NZ Tourism and Digital strategy directions?

1.1. Situating the Research - The Western Southland Region

The Western Southland (WS) region covers a diverse landscape of farmland, bush, coastline and hills, through which the 'Southern Scenic Route', a well-established touring route between Dunedin and Queenstown, runs. The tourism operators in the Western Southland region are small, relatively isolated, and affected by seasonality. The main towns are Riverton, Tuatapere and Otautau, and the region has declining population of 3800 (Statistics NZ, 2002), an eleven percent decrease from 1996. The Southland region is governed by three local bodies; the Southland District Council, Invercargill City Council and the Gore District Council, while enterprise, tourism, promotion, events and community development services are provided by Venture Southland (VS), a joint initiative by the three local bodies (Venture Southland, 2003).

Western Southland has three tourism Promotions Groups made up of local tourism operators. The Western Southland Promotions Association Inc. was formed in 2005 to promote the Western Southland region as a whole, rather than at an individual community level. WSPAI membership is made up of the three Promotions Groups (Riverton Area Promotions Inc., Tuatapere District Promotions Inc., Otautau Concept and Promotions) and two Community Development Area committees (Nightcaps, Ohai) each of whom seek to advance the interests of the local communities.

The aim of WSPAI is to promote Western Southland as a unique and interesting place to visit and live by showcasing the communities, activities, businesses and attractions in the region. There is a desire to attract people to the region and encourage visitors to stay longer by offering information to the traveller via the internet at the planning stage of their travels. Using ICT to encourage networking and through the creation of a regional portal website was seen as an optimal means to bring together stakeholders in the region to further regional development.

1.2. Chapter Outline

Chapter two reviews research and theories which contribute to understanding of the current context of tourism development as it pertains to rural regions and STE. It presents a review of literature in the following areas: tourism development and frameworks; the role of tourism in regional development; STE networking; the use of ICT by small enterprises; and the profile and role of small firms in tourism.

Chapter three presents further context for the case study region and the wider Southland region. This chapter outlines the policy environment in New Zealand under which small tourism enterprises operate - the NZ Digital Strategy, NZ Tourism Strategy 2010, and the Southland Tourism Strategy - and gives an overview of aspects of relevance to STE and which overlap in all strategies.

The research methodology is presented in Chapter four. The research explores the attitudes and behaviour of the small tourism enterprise owners in the region, and assesses the implications for regional development in the context of national social and economic goals. The method is based around interviews with operators and local tourism and economic development agency representatives, followed by a survey of operators. Where 'interviewees' are denoted, findings come from the interviews; the label 'respondents' is used in the reporting of survey results. A profile of those interviewed and those who completed the survey is given as background to the findings and discussion.

Chapter five presents the findings from both the interviews and survey, organised thematically with interpretation and discussion included throughout. The chapter looks as the motivations and business profile of Western Southland tourism enterprises and the issues they face. Networking activities engaged in, use and attitudes towards ICT, and attitudes towards tourism and digital strategy goals are discussed.

The concluding chapter presents an overview of the findings that can be drawn from this research. The chapter links findings back to the concepts outlined in the literature review, providing suggestions as to where actions can be taken to support the contribution of small tourism enterprises to their communities, rural regions and the nation.

2. Literature Review

That the definitions of 'tourism' are wide ranging and often debated signals the complexity of the industry and the difficulty in measuring impacts associated with it (Hall, 2003; Poon, 1993; Shaw & Williams, 2000). As Shaw (2000, p. 17) explains: "most local leisure and tourism services are interdependent; their facilities are rarely exclusive to either tourism or non-tourism market segments". This complexity and the many stakeholders related to tourism can lead to poor understanding of the benefits and impacts of tourism, and may compound the challenges of developing the industry.

The concept of local economic development brings together ideas from multiple disciplines such as economic geography, planning, sociology and regional economics (Meyer-Stamer, 2004). One definition proposed by Blakely and Bradshaw (2002, p. xvi) refers to "the process in which local governments or community-based (neighborhood) organizations engage to stimulate or maintain business activity and/or empowerment". This definition implies a partnership between local government and community-based organizations in order to undertake economic development initiatives, which is increasingly proposed as essential to successful regional development (Blakely & Bradshaw, 2002; Shaw & Williams, 2000). The wider benefits and impacts of tourism on a broad spectrum of stakeholders need to be considered and balanced. Concepts for facilitating such a process have been, and continue to be, the subject of much policy and research around the globe.

2.1. New Tourism Frameworks

The nature of tourism is argued to have evolved from 'old' mass tourism characterized by large numbers of travellers concentrated in resorts on standardized holiday packages (Poon, 1993), to a 'new' tourism aligned to the flexible and individualized needs of the changing consumer. The mass tourism environment created opportunities for inexperienced travellers to take up standardized holidays which were based on high volume, low cost and economies of scale (Shaw & Williams, 2000). 'New tourists' are agreed to have different values and motivations to mass tourists - they are more experienced travellers, more environmentally aware, more flexible, more independent, more quality conscious and 'harder to please' (Poon, 1993). It is these travellers that are of interest to economies that value their natural environment and cultural resources, yet seek to use tourism as a tool for economic development (Shaw & Williams, 2000). To meet the expectations of these 'new' tourists, firms must use the concepts of flexible production to create competitive advantage (Milne & Ateljevic, 2001; Poon, 1993). In the context of the 'new' economy, designed and customized holidays are becoming increasingly important for competing and deriving profit in tourism (Milne & Ateljevic, 2001). Marketing is based on mass customisation to experienced independent flexible travellers, who take a responsible approach to travel, making values-based decisions. This shift in the behaviour and expectations of travellers is paralleled by a shift in destination planning and expectations towards positive outcomes for host communities (Oliver & Jenkins, 2003).

Recognition that the 'old' form of mass tourism can destroy the nature of host communities through pollution, overcrowding, environmental degradation, crime and deviance, has led to internal and external forces which continue to change the nature of the tourism industry (Poon, 1993). Internal forces for change include 'new' aware consumers themselves, as well as availability of new technologies, while external forces include recognition of environmental limits, and the "emergence of a new global 'best practice' of flexible production" (Poon, 1993, p. 9). This marks a shift in patterns of tourism to 'post-Fordist' consumption, away from mass tourism towards more individualised and aware travel (Shaw & Williams, 2000), and the consequent evolution of approaches to planning tourism development.

2.1.1. Sustainable Development and Integrated Tourism

Sustainable tourism development incorporates the concepts of providing livelihoods for local people without jeopardizing the environmental and cultural resources of the region, and includes the human element to development (Dymond, 1997; Markandya et al., 2005; Shaw & Williams, 2000).

Such development is usually conceived at a regional scale, and involves a partnership between the host social and natural environments, the local tourism industry, and visitors (Dymond, 1997). This sense of partnership facilitates development of a unique regional destination identity, building on the strengths of a locality and allowing regions to differentiate themselves.

Oliver and Jenkins (2003) propose that the ideals of sustainable tourism can be developed further into the concept of 'integrated tourism' which seeks to actively promote local development through partnerships and networks. They view sustainable tourism as intending to passively minimize the impacts associated with tourism. In contrast, integrated tourism:

> can be defined as that which is explicitly linked to the localities in which it takes place, and … has clear connection with local resources, activities, products, production and service industries, and a participatory local community (Oliver & Jenkins, 2003, p. 293).

This view of tourism development places it firmly in the local context with the wider community as stakeholders.

2.1.2. Participation in Tourism Planning and Development

Meyer-Stamer (2004, p. 16) reiterates that economic development at a regional or community level "cannot be separated from the community". He argues that through local community involvement in planning and development processes, communities can become better organized and it may be possible to create synergies between business and social development goals. Host communities are of importance to the goals of sustainable tourism development (Dymond, 1997) as there is growing awareness of the role of local cultural systems in affecting economic processes within regions (Shaw & Williams, 2000). STE operators are an integral part of the communities they live in, occupying multiple roles. Failure of a tourism destination created by dissonance in the community is more likely to occur where not all the key stakeholders have been included in tourism development (Hawkins, 2004). This is because local communities have an important role to play in welcoming visitors to their region through providing hospitality and access to local resources, making them a key component of a successful tourism industry (Hall, 2003; Oliver & Jenkins, 2003).

For communities to become an integral part of the tourism development process, it is important to have enthusiastic local people (often in STE) advocating tourism and motivating other stakeholders. Business associations and non-profit groups play key roles in facilitating community participation in decision-making processes (Oliver & Jenkins, 2003). Leaders may be from local government, community groups, or local business people (S. Wilson et al., 2001). Communities can build social and organisational networks which create an inviting atmosphere for both visitors and new businesses (Blakely & Bradshaw, 2002). It is essential to understand the (potential) role and power of stakeholders in a community, and the relationships between them (Oliver & Jenkins, 2003) in order to effectively engage in community planning.

Community participation in planning requires a partnership between the local government, private enterprise and community members (Rogerson, 2002). Competition between small communities over the focus of local development initiatives can result in negative attitudes to local government or the RTO by operators and community members (J. Ateljevic & Doorne, 2004). It is recognized that "localized cooperation, trust and networking are essential ingredients in providing the right mix for successful tourism development outcomes" (Milne & Ateljevic, 2001). S. Wilson et al. (2001) go further to emphasize the need for local leadership and networks including tourism operators to build and promote a community tourism product. The community approach encourages public participation in the planning process, while recognizing that partnerships to this effect between community and local government are difficult to achieve (Hall, 2003). Persuading local government to share planning and decision making, and asking competing businesses to collaborate, are difficult tasks (S. Wilson et al., 2001), and the varying approaches and degrees of success in community participation for tourism development, are evidence of this. What planners need to keep in mind is the integral role which tourism operators play in their communities, and that STE development and community development are closely interrelated (Blakely & Bradshaw, 2002; Cawley et al., 2002).

2.1.3. Global-Local Relationship

Blakely and Bradshaw (2002) outline the four main tenets of the 'new' economy which are creating fresh challenges for industry and workers as being: globalization; the accelerated pace of products and production; the knowledge base and role of information; and networks allowing competitive advantage between flexible firms (pp. 4-7). The global-local paradigm asserts that in an era of increasing globalization, both global and local foci can complement and strengthen each other from a business and community perspective (Steinfeld & Klein, 1999). It is by understanding the local resources, community aspirations and business environment in the context of a global tourism market, that strategies can be developed to accrue benefits to the local providers of tourism experiences and the community as a whole through attracting international visitors.

The notion of 'locality' is central to tourism promotion and marketing, as well as the consumption of tourism services based on the characteristics of a particular place (Cawley et al., 2002). The concept of integrated tourism suggests 'embeddedness' of the tourism product in the local region. This means connecting local resources, the community, tourism businesses and the visitor to create experiences in the tourism setting. Rural tourism operators in particular draw on local natural resources as a base or setting for their activities, illustrating an embeddedness in the local region. Further evidence of the role of embeddedness is shown in the close involvement of owners in rural tourism businesses, and in the delivery of tourism services (Cawley et al., 2002). It is the hands-on, personalized service of small tourism operators which leads to unique experiences for the visitors, and enhanced benefit for the region.

Embeddedness of tourism operations in the local region encourages visitors to experience more local products, spend more time in the region, and ensures the local area derives maximum value from each visitor. This 'soft' form of tourism occurs where a community has a strong sense of place, linkages exist between the local actors, and there is a concerted focus on local control of tourism (Oliver & Jenkins, 2003). Oliver and Jenkins (2003) suggest that value is given to local resources in a small scale flexible manner, focusing on niche demand, and using the skills and values of local people to provide tourism activities and services. The notions of embeddedness and integrated tourism reflect the concepts and requirements of the 'new'/'flexible' tourism systems emerging in many countries (Braun, 2002).

2.2. The Importance of Rural Regions in Tourism Development

The 'new' paradigm of tourism development offers less developed regions and small firms the opportunity for a greater level of self-determination than previously (Milne & Ateljevic, 2001; Poon, 1993). Companies located in a particular region and often owned by local people, are the cornerstone of economic development and have a key role in determining the direction of growth in an area (Meyer-Stamer, 2004), along with other stakeholders in the region. "The desired outcome of any rural community development initiative must be strengthened, self-reliant communities where quality of life is improved" (Fesenmaier & van Es, 1999, p. 81). Successful rural communities are reflected in the match between the cultural norms of the community, capabilities of the local people, and the organizational infrastructure of the region (Fesenmaier & van Es, 1999). Economic prosperity for rural communities will be achieved by bridging the distance between themselves and the rest of the world, and in applying knowledge and technology for exchanging information about local, regional, national and global markets (Fesenmaier & van Es, 1999).

The role of the region in economic development, and the factors influencing development are outlined by Steinfeld and Klein (1999, p. 46):

> just as small and medium-sized businesses have been recognized as important drivers for the development of national economies, so have regions been identified as important economic, political,

> cultural and social dwelling grounds for individual companies and in particular interorganizational networks.

Rural tourism enterprises compete through identifying niche markets, but their small size may mean that effective marketing and training is not affordable on an individual basis (Lane, 2005). As farmers diversify their sources of income, they face different kinds of markets and competition, meaning information and communication are essential in composing and promoting their activities (Warren, 2004). As jobs related to agriculture and other traditional rural industries disappear, the role of STE is seen as critical to the development of rural economies (North & Smallbone, 2000). Tourism requires new skills and knowledge which rural entrepreneurs must acquire through knowledge transfer and upskilling of individuals (Blakely & Bradshaw, 2002). Retraining and upskilling of individuals will be one of the important factors in the transition to tourism employment.

In the post-Fordist world climate, the growing interest in rural tourism reflects the move to customized production and consumption for tourism experiences (Cawley et al., 2002) in a specific regional setting. As travellers seek new and unique experiences, the possibilities for networking between small-scale tourism operators themselves, and with outside markets to provide these experiences, takes on additional importance (Cawley et al., 2002). Knowing what makes a region unique and capitalizing on this to offer visitor experiences aligned with community goals is a complex process, yet one which can be very rewarding for all stakeholders (Enright, 1998; Milne, Mason, & Hasse, 2004). Location factors such as the natural or cultural resources, attractiveness of operating a business, and intangible factors such as quality of life, will influence the type of tourism and economic development which occurs in a region (Meyer-Stamer, 2004). This in turn presents opportunities for communities and entrepreneurs to capitalize on the uniqueness of a particular region for attracting visitors.

Ten factors for successful rural tourism development were identified by S. Wilson et al. (2001, p. 133) in their study of six rural Illinois communities:

1) offering a complete tourism package;
2) good community leadership;
3) support and participation of local government;
4) sufficient funds for tourism development;
5) strategic planning;
6) coordination and cooperation between business people and local leadership;
7) coordination and cooperation between rural tourism entrepreneurs;
8) information and technical assistance for tourism development and promotion;
9) good convention and visitors bureau (equivalent to role of Venture Southland); and
10) widespread community support for tourism.

These ten factors go a long way to defining the 'big picture' which needs to be considered in any planning and development initiatives. In the 'new' economy tourism development seeks to broaden the concept to incorporate a wide range of local issues and stakeholders in regional settings. There are numerous stakeholders involved in tourism development, and a variety of tools which are purported to assist in bringing beneficial outcomes to all these stakeholders.
Oliver and Jenkins (2003, p. 293) bring together the concepts of sustainability, economic development and rural settings concisely by defining their relationship: "Enhancing the sustainable economic potential of rural landscapes requires partnerships among rural people and the sustainable yet productive use of rural resources". Rural regions provide a unique combination of factors on which to create a specialised and multi-faceted tourism industry. Due to the complex nature of the factors facing rural communities and the knowledge required to navigate rural development, networks will increasingly support information sharing, communication and upskilling (Warren, 2004). Personal networks which may be strong in rural areas can serve to assist individuals and

communities share the skills required for the transition from traditional industries to service industries such as tourism.

2.3. Networking as an Enabler

A cluster approach to regional development advocates the involvement of all stakeholders in a region working to enhance the destination's competitiveness based around its competitive advantage (Hawkins, 2004), and clusters have been a focus of regional economic development policies around the world (Enright, 1998). Forsman and Solitander (2003) define clusters as geographically located groups of firms with a collective vision, open membership and informal interaction, while they view networks as explicit, formal inter-firm relationships. This definition does not take into account the dynamic and flexible nature of networks growing from informal personal social ties, and is a relatively narrow view of networks, at least in the tourism industry.

A network consists of a group of individuals and the flexible and dynamic relations or ties they have to others. In successful regional economies, networking activity by a cluster of related businesses is more likely to be present, however, Milne and Ateljevic (2001, p. 382) identify that there is a need for research on the extent to which networks influence the "structure, economic success and sustainability of the tourism industry". The lack of networking and awareness of other tourism businesses in a region is seen to be one of the factors hindering small business development (Page et al., 1999). Network theory looks at the collective nature of a network and the benefits which accrue to those within the network (Granovetter, 1985). The strength of the ties and the behavioural norms that exist within a network regulate the exchange of information and 'favours' between actors, with trust and power affecting these flows (Davern, 1997; Pavlovich & Kearins, 2004). The benefits of a dense network of tourism operators in a region are apparent in resource and information sharing, and collaboration to develop a cohesive destination experience.

Networks are based on trust and reciprocity (Milne & Ateljevic, 2001) and act as informal coordination mechanisms for the exchange of information within members (Pavlovich, 2001) who may be customers, suppliers, friends and family (MacGregor & Vrazalic, 2005) or other business operators in the same or a related industry. Networks can be formal arrangements or informal information exchange relationships which may be based on social contexts (Braun, 2002). Trust helps foster exchanges which are difficult to enforce contractually and facilitates exchange of information and resources (Uzzi, 1996); small businesses need to continually build trust as they move in and out of different networks (Tse & Soufani, 2003). As trust is personal, embedded ties between firms are often based on individuals' social circles which act as referral networks (Braun, 2002; Uzzi, 1996). Given networks are based on the connections between individuals, an understanding of the personalities and perceptions of key players is important when considering the creation and workings of networks.

In the 'new' economy, firms compete through specialization and are therefore interdependent on other firms (Blakely & Bradshaw, 2002). Rogerson (2002, p. 163) emphasises that "Local networks and networking should be fostered as far as possible to ensure that local leakages are minimized and the benefits of tourism development are maximized for the local economy". Networking between tourism enterprises and other local sectors (e.g. agriculture), allow the benefits of tourism to spread through the local economy (Shaw & Williams, 2000). In the current business environment, STE need to be adaptive and belong to multiple business networks (Tse & Soufani, 2003). Businesses need to cooperate through initiatives that strengthen the tourism industry of the region with, for example, standardized trading hours (S. Wilson et al., 2001). Regional organization and networking are required for tourism marketing and regaining local control of the tourism development process (Cawley et al., 2002). By firms consciously aligning with other local firms, the entire local economy can be strengthened, with flow-on benefits to the local community.

McNaughton & Bell (2001) observe that factors which inhibit effective network formation include the tendency for natural networks formed by entrepreneurs to be more informal and to lack a strategic focus and intent. However this presumes that formal networks are superior to informal ones. Pavlovich (2001) reports that informal social structures actually support formal network coordination and the exchange of knowledge in small tourism communities. Rural communities in particular have strong personal networks (S. Wilson et al., 2001) and as entrepreneurs are embedded in the local social system, they can play an important role as brokers for ties between host community and visitors (Shaw & Williams, 2000). Information shared through social exchanges between network members helps with problem solving and identification of options with levels of trust regulating access to information by members (Pavlovich, 2001). Putnam (2000, p. 95), commenting on the nature of society explains " informal connections are very important for sustaining social networks", which are the basis for more specific formal interactions between individuals, groups and organisations.

In a study of regional UK tourism businesses, R. Thomas and Thomas (2006) found that very few belonged to formal networks or business associations, although they did engage in some informal networking. Similarly from his study of small regional Swedish and Australian businesses, MacGregor (2004, p. 66) suggests that informal or social ties "may provide a higher and more stable flow of information in the small business environment". Informal social networks may provide a sound basis from which to encourage more strategic network development in order to strengthen regional benefits from tourism.

Northland NZ businesses indicate that the prime concern in growing their business for those surveyed was competition from local firms (Page et al., 1999). H. Wilson (2002, p. 98) reflects on this research and points out, "the strong concern with local competition would inhibit network development, and tourism would seem to be an ideal sector in which to encourage such activity". A regional culture where there is increased interdependence and interaction between individuals, leads to improved innovation in firms and therefore superior performance of the region (Uzzi, 1996). Understanding how tourism businesses perceive other firms in the region and looking at how to enable interaction between individuals may provide some insights into fostering networking behaviour.

Braun (2002) suggests that networking should be encouraged first through informal processes such as attendance at seminars and local association meetings, and progressing incrementally to more formal collaborative activities. Tangible outcomes based on common goals should be the aim of collaborative initiatives (Braun, 2002; Milne, Mason et al., 2005). In this way, trust and network relationships can be built gradually from the embedded social ties of participants, and a variety of business and community interests can become linked for potential participation in regional planning and development projects.

Success factors for cluster development as determined by Elvey, Beukman and Reutter (2001) include a motivating factor for the creation of the cluster (at a grassroots level) with an economic benefit to members, a match of capabilities and competencies between members, and either strong leadership within the cluster or a neutral broker to guide the cluster development. A specific action is often required around which attention can focus, bringing together people and networks for a specific aim. Individuals driving a specific project can be a significant catalyst for network action (White, 2002). This suggests that some unifying factor or goal can act as a catalyst for network formation and draw together a variety of stakeholders in a region, useful in promoting a tourism destination.

Local economic development initiatives can create an environment where networks and trust relationships can be formed (Meyer-Stamer, 2004). This presents another potential starting point for network creation. Any successful local economic development initiative should start with the involvement of one or more 'champions' from the public and private sector. This person/people will be highly motivated from a economic and emotional perspective about a particular project, and be able to identify and involve other stakeholders in a project (Blakely & Bradshaw, 2002; Meyer-Stamer, 2004; R. Thomas & Thomas, 2006). Successful rural tourism development requires a core group of operators that invest time, money and energy to make tourism work (S. Wilson et al., 2001). The development process should start by looking at the community and determining where the necessary resources and capabilities lie (Blakely & Bradshaw, 2002). Networks need to be formed between businesses, local government and the public in destination communities and regions (Milne & Ateljevic, 2001), with local government taking a coordinating role in this partnership (Blakely & Bradshaw, 2002).

2.4. Role of National/Local Government

Macro level government policy can support concepts such as horizontal integration which involves promoting links between tourism-related businesses, activities and consumers, as well as with other economic, social and cultural activities in a region (Oliver & Jenkins, 2003; Poon, 1993). As Oliver and Jenkins (2003, p. 303) explain, "Tourism needs to be both embedded and disembedded in order to remain socio-economically sustainable and viable in the long term". In order to achieve this, an understanding of the personal interrelationships of tourism stakeholders is needed to determine how tourism fits within the context of a particular region. Despite the purported benefits of tourism for local economic development, the significance of tourism needs to be viewed in the context of other economic activities in a region (Rogerson, 2002). Blakely and Bradshaw (2002) warn that tourism should not be seen as the singular solution for regions in the midst of economic downturn.

The government has an important role to play in planning and regulating the long term management of a sustainable tourism industry (Shaw & Williams, 2000). Hall (2003, p. 128) explains: "governments shape the economic climate for industry, help provide the infrastructure and educational requirements for tourism, establish the regulatory environment in which business operates, and take an active role in promotion and marketing". National governments play a significant part in the development of major tourism products and the promotion of the country as a destination, and can thereby influence the type of tourism demand and behaviour of tourists (Hall, 1994, , 2003; Milne & Ateljevic, 2001; Shaw & Williams, 2000). Governments can provide infrastructure and legislate to control the broad effects of tourism (Hall, 2003; Hawkins, 2004; Shaw & Williams, 2000), while encouraging individual regions and communities to develop a tourism industry which protects local rights, social and environmental resources (Hawkins, 2004).

Regions have received attention from national governments as important drivers for fostering tourism-based economic development over the last two to three decades (Enright, 1998; Shaw & Williams, 2000). As Poon (1993, p. 290) explains, "Economically, tourism is seen to bring the benefits of foreign exchange, employment and income to communities that have few other prospects of modernization and economic development". The macro-economic policies of national governments affect tourism development at a regional level, however social and cultural considerations also play a role in the outcomes of development (Milne & Ateljevic, 2001), reinforcing the need for an integrated perspective to development issues.

Local government provides the connection between national government policy directives and the day to day operations of the tourism industry, and is a lead player in long term strategic planning for sustainable tourism development (Dymond, 1997). In tourism development, local government is the link between the impacts associated with tourism and the communities which are involved in tourism planning (Hall, 2003). Government at a central and local level is also responsible for developing policy and social standards which support the growth of small tourism firms (J. Ateljevic & Doorne, 2004). An increasing number of local government authorities in New Zealand are viewing tourism as a major part of their economic development (Dymond, 1997). Finding a balance between social and business goals is the challenge for any local government seeking to improve the welfare of its communities.

In New Zealand, local tourism and economic development organisations, usually part of the local council, are responsible for supporting businesses with the aim of generating regional development. Their role includes marketing local tourism, recruiting business start-ups, providing technical assistance, aiding local tourism development, coordinating and sponsoring local events, and providing leadership for local tourism development (S. Wilson et al., 2001). These regional tourism organisations (RTO) are an especially important source of support and information for individual operators who cannot always afford external expertise (S. Wilson et al., 2001). It has been suggested that regional development agencies or local government should support clusters of businesses through provision of development tools and technical assistance in a facilitating rather than a direct delivery role (Enright, 1998; Hawkins, 2004). Small firms around the world have been found to have low uptake of even free local and national government-provided business support measures (Enright, 1998; M. Simpson & Docherty, 2004; B. Thomas et al., 2004). B. Thomas et al. (2004) suggest that targeted promotion and delivery of information within networks is seen as one way to overcome this reluctance of small firms to use support programmes. They found that encouragement and support for small businesses related to the uptake of technology needs to be "easily accessible, appropriate and delivery based" and built around network relationships between businesses (p. 405). Local government can be the driving force behind training initiatives, but these need to be delivered through established local networks in order to circumvent issues of mistrust and disinterest from small operators.

Local government has a role to play in stimulating community participation in tourism planning through raising awareness of the opportunities which may be afforded to local communities through tourism development (Rogerson, 2002). The fact that the New Zealand government recognizes this role is evident in the existence of the New Zealand Tourism Strategy 2010, and the Postcards From Home strategy for local government, both of which acknowledge a participatory approach to tourism planning and development. Tourism planners need to stimulate an industry which is acceptable to the host community and suitable for the local social, economic and physical setting (Hall, 2003). Strategy needs to be developed by local planners in conjunction with the local community in order to manage visitors appropriately and market the destination, ensuring the conservation of the features of the region, positive visitor experiences and maximum returns to the local community (Hall, 2003; McArthur & Hall, 1993).

Regional policy makers are increasingly aware of the importance of information technologies in enabling economic development and collaborative efforts (Steinfeld & Klein, 1999). Governments around the world are focusing on fostering technology adoption by the tourism industry, while consumers are taking up the opportunities to become more involved in their travel planning (Milne & Ateljevic, 2001). Facilitating technology skills in operators offers a means by which local governments can support both development and promotion goals for tourism in a region (Nodder, Mason, Ateljevic, & Milne, 2003).

2.5. ICT as a Facilitator of Regional Development

Tourism is an information-intensive industry (Buhalis, 1998; Milne, Mason et al., 2005), and facilitating the evolution of the tourism industry is the development of information and communications technologies which allows individuals to access global networks of information (Poon, 1993). ICT are changing the structure and function of the tourism industry through: access to and management of knowledge; changing consumer behaviour; new product development; changing labour markets; SME capability-building, and disintermediation (Frew, 2000; Milne & Ateljevic, 2001). This has had far-reaching effects on the way travel services are planned, provided and undertaken.

Technology has made communication possible on a "whenever, wherever and with whomever basis" (Poon, 1993, p. 72). The various components of the tourism product can communicate through technology allowing the consumer flexibility in creating their individualised travel experience (Buhalis & Costa, 2006; Poon, 1993). Tse and Soufani (2003, p. 306) explain how the "new economy celebrates technology, customer-focused services, and an unprecedented level of connections among different entities…. the new economy is earmarked by relationships, networks, and information" making small firms capable of capitalising on technology an increasingly important driver in this 'new' economy. ICT allow small businesses access to information, partners and new markets creating opportunities not previously available to them (Hughes, Golden, & Powell, 2003; B. Thomas et al., 2004). ICT bring isolated places closer to each other, and to the consumer, than ever before (Hall, 2003). The internet provides information on potential customers, allowing customer relationships to be built, and therefore niche markets to be explored (Tse & Soufani, 2003). It also allows operators to maximise their marketing reach through a combination of print and web material accessing potential customers around the world (Levinson & Milne, 2004). Small flexible firms are better able to cater to the diverse needs of the 'new' tourists by reaching them through the use of ICT, at the same time as using ICT to support their business development.

Information transformed into knowledge and innovation will be the main component of competitive advantage in the future, and small firms need to orient themselves towards capitalizing on their knowledge rather than producing tangible products (Koh & Maguire, 2004). Technology provides access to information for this process, and the building of human networks is key to the development of community knowledge to capitalise on information (Fesenmaier & van Es, 1999). Particularly in the context of tourism, information and communication technologies are seen as having an empowering role for all stakeholders (Milne & Ateljevic, 2001). Enhancing local human capital will provide competitive advantage in the new economy according to Fesenmaier and van Es (1999), who explain:

> Technology can strengthen networks and communications, increase the use of skill, knowledge and abilities to make people better decision-makers; strengthen community initiative; integrate the local business community in the local development social network; and promote growth toward increasingly diverse and healthy economies (pp. 81-82).

Technology supports human networks and strengthens social infrastructure in rural areas through its ability to connect anyone worldwide (Fesenmaier & van Es, 1999). Developing networks assists small firms to take advantage of the benefits ICT can offer to their business through the formation of strategic alliances (Hughes et al., 2003).

Networking between tourism operators is important for sharing knowledge and building confidence in the use of technologies, as well as for jointly promoting a region to the worldwide market (Cawley et al., 2002). Small firms may rely more on formal and informal networks for support in using ICT in their business, rather than using publicly funded initiatives which do not meet their needs (Koh & Maguire, 2004). Offering forms of support which are relevant and useful to small business operators is essential in encouraging the uptake of technology.

Access to communications infrastructure is an increasingly important component underlying economic development (Fesenmaier & van Es, 1999; Meyer-Stamer, 2004; Steinfeld & Klein, 1999). Technology is also changing the skills required to operate in the tourism industry and can allow productivity gains for operators (Shaw & Williams, 2000). Central functions such as the use of email and the internet require little technical expertise, but professional advice and joint marketing are essential for achieving economies of scale (Cawley et al., 2002). Most small firms use just the basic functions of ICT such as email rather than more advanced web transactions (Fillis et al., 2004). New Zealand small tourism operators were found to need assistance with information technology and website development but were perhaps reluctant to admit this (J. Ateljevic & Doorne, 2004). Considering STE reluctance to seek assistance in learning how to use ICT is important in developing measures to foster uptake of it, thereby realising the potential benefits to business.

Barriers to ICT adoption in small firms include access; high cost; lack of useful quality information; inflexibility to business needs; lack of technology skills; time required to learn new applications; lack of previous experience with technology; lack of strategic sense of how to proceed; and fear (Braun, 2002; Fesenmaier & van Es, 1999; Hughes et al., 2003; Koh & Maguire, 2004). Lack of awareness about ICT functions is a major factor in slow adoption by rural people and SME in general, as is lack of confidence in ones abilities (Braun, 2002; Hughes et al., 2003; Warren, 2004). The first step in building ICT skills is to raise awareness of the benefits while emphasizing the ease with which people can become proficient in the use of technology (Taylor & Murphy, 2004).

Through access to information and support, STE become more confident in developing and promoting their business (S. Wilson et al., 2001). Small firms need accurate information on which they can make operational and strategic decisions (Hughes et al., 2003). Training is critical for encouraging the adoption of new technologies, and it needs to be locally based, of good quality, proactive, and available on demand (Fesenmaier & van Es, 1999; Koh & Maguire, 2004; Warren, 2004). Considerable research has uncovered the characteristics which support technology adoption and use, but understanding the regional context and culture is a defining factor in the success of training initiatives.

ICT brings changes in the structure of communication from hierarchical top-down exchanges to organic and linked network structures tying together multiple players. These networks create new forms of knowledge that are "intensive, agile and constantly adapting as new knowledge links are added and dysfunctional ones dropped" (Fesenmaier & van Es, 1999, p. 84). Small firms will be able to form strategic alliances and networks in order to improve their access to technology (Milne & Ateljevic, 2001). As the tourism industry becomes increasingly dependent on technology, small flexible firms will have the opportunity to overcome disadvantages of size and distance to customize products and access new markets (Fesenmaier & van Es, 1999; Milne & Ateljevic, 2001). By supporting each other, small firms can become a force in using and capitalizing on the opportunities technology offers to them in the global marketplace.

2.6. Small Tourism Enterprises

STE are the cornerstone of tourism development in local economies (Page et al., 1999); their role in tourism is pervasive - most travellers would come into contact with STE operating in a destination (R. Thomas & Thomas, 2006). In New Zealand, an estimated 13,500-18,000 small and medium firms can be found in the tourism industry, 80% of which employ less than five people (Tourism New Zealand, 2001, p. 44) and are thereby classified as 'small' (Ministry of Economic Development, 2004). STE are important for retaining the economic benefits of tourism within a region and can act as the entry point for spending in the local area (Hawkins, 2004); they are a key component in regional economic development. According to Page et al. (1999), there is a dearth of literature focussing solely on the small businesses and their role in economic development, as well as significant difficulties in defining STE. They reviewed a number of studies and suggest small firms have a number of key features including: an owner who has invested heavily in the business; reliance on key individuals, often the owner, leading to an incomplete set of management skills; constraints on finances; diverse motivations (often non-economic) and levels of experience.

The innovativeness of STE is a key factor affecting the success of local economies in the post-Fordist era of competitive advantage of products and processes (North & Smallbone, 2000). An example of the benefits of networking for STE can be demonstrated by the ability to package together products from different networks to satisfy a niche market (Tse & Soufani, 2003). Rural regions in particular may offer opportunities for innovation not available elsewhere, and rural STE are best placed to capitalize on inherent competitive advantages of a region (North & Smallbone, 2000). Close ties within community members, a strong sense of community identity, and resources of interest to visitors combine with innovative entrepreneurs to provide a rural region with many potential points of attraction. Characteristics of STE operators, the nature of small enterprises themselves and the issues which are faced in the tourism industry, shape the development of the tourism industry across the globe.

2.6.1. Attitudes and Motivations

Values guiding the business practices of STE are closely linked to social, cultural and environmental relationships with the local area, reinforcing the authenticity of the products offered. Tourism entrepreneurs may limit business growth to maintain lifestyle, and family owned businesses in particular often have multiple goals affecting their business (Andersson, Carlsen, & Getz, 2002). The lifestyle imperative of a business may foster the authentic and personalized nature of the product, and high demand for such experiences by travellers is likely to ensure economic viability of these small businesses (I. Ateljevic & Doorne, 2000). Motivation for owning a Northland, NZ tourism business revolves around enjoyment of the work for over half (54%) of operators, while 20% like being their own boss (Page et al., 1999). Another NZ study of four tourism sub-sectors found that tourism operators trade-off profit for lifestyle, and prefer a hands-on approach to running their business which may constrain growth (AC Nielsen, 2006).

Innovation by rural tourism operators allows them to create experiences which are increasingly being sought by 'new' travellers. A study of family-based tourism businesses in rural UK found that lifestyle and family-related goals are strong motivators for being in business (Getz & Carlsen, 2000). These non-profit focused operators are more likely to identify and cater to niche markets, developing services based on personal and community values closely linked with the region they are located in.

A recent study in NZ (Tourism Recreation Research and Education Centre, 2006) found that the top three small tourism business owners' reasons for starting or purchasing a business are: 'to develop a profitable business' (87.5% agree/strongly agree); 'to provide me with a challenge' (83.2% agree/strongly agree); and 'to be my own boss' (81.4% agree/strongly agree). Profit is a key driver for owners along with control over the daily management and finances of the business. Yet despite this focus on profit, lifestyle goals are also considered in decision making. The desire to be ones own boss is a common theme in family tourism businesses according to Andersson et al. (2002) who studied rural tourism and hospitality businesses in Canada, Australia and Sweden. They found independence, control and a challenge were motivating factors for many operators.

Small business owners often approach their business from an instinctive and intuitive mentality, and have little time for formal business planning (M. Simpson & Docherty, 2004). A study of NZ STE (Page et al., 1999) found that only 11% have a formal marketing plan, while 64% have an informal one and 25% have no plan at all. Of those with a business plan most have a one year time frame or less. Of Northland STE 58% have a formal or informal marketing plan, consistent with rates for UK STE (Page et al., 1999).

Studies have shown that small business owners often have little relevant experience or qualifications, and the firms exhibit low turnover (Shaw & Williams, 1998). A NZ study of STE found that 70% of operators had no previous experience in tourism (Page et al., 1999), concurring with a study of small urban Scottish tourism firms (Morrison & Teixeira, 2004). In the remote region of Golden Bay, New Zealand, a significant proportion of the small tourism operators had moved into the community following previous visits as 'independent travellers'. These entrepreneurs value the social relationships and lifestyle benefits associated with operating a business in a regional community (I. Ateljevic & Doorne, 2000). Similarly, in a case study of tourism related-businesses in the central region of NZ, tourism operators are predominantly recent arrivals to the local region (J. Ateljevic & Doorne, 2004), as with British accommodation operators who had previously visited a region on holiday before going into the tourism industry there (Shaw & Williams, 2000). These findings suggest that operators may often be new to the tourism industry, and that newcomers to a region are perhaps more likely to be tourism entrepreneurs than born-and-bred locals, a concept which deserves more scrutiny. Newcomers may bring new skills and perspectives to a region, while long-term locals will be more embedded in a region's resources and culture.

2.6.2. Critical Issues Facing STE

A NZ study of STE found it difficult to identify the tourism component of some businesses, due to varying definitions and understanding of tourism (Tourism Recreation Research and Education Centre, 2006). Tourism is often a supplementary activity contributing under 50% of household income, and there is a strong reliance on family for financial and operating support in NZ (J. Ateljevic & Doorne, 2004). Likewise, in other developed countries a family based tourism activity may supplement the main farm activity, and provide self-employment opportunities reinforcing lifestyle choices (Andersson et al., 2002). In Scottish STE, 58% of owner-managers are involved with other business activities (Morrison & Teixeira, 2004).

In many tourism firms, family businesses are common especially in rural areas (Andersson et al., 2002). SME in general have a small management team, are strongly influenced by the owners views, have little control over their environment, and a "strong desire to be independent" (MacGregor & Vrazalic, 2005, p. 61). Small tourism enterprises generally show flat management structures, hands-on owner engagement with staff and customers, and an inclusive bottom-up management approach (I. Ateljevic & Doorne, 2000). Small firms rely heavily on the knowledge of the owner/manager, but are likely to face difficulties in transferring this individual's knowledge within the business, leading to a decreased ability to innovate (Koh & Maguire, 2004). The owner's personal and lifestyle values are likely to influence their informal management style (J. Ateljevic & Doorne, 2004). Understanding owner attitudes and behaviour is critical in examining the contribution of small enterprises to tourism development.

A fifth of NZ STE have working proprietors, while of those who employ staff there is a high proportion of casual and temporary labour (22% each) (Tourism Recreation Research and Education Centre, 2006). Key factors that characterise the tourism labour market are its seasonality, high level of causal, part-time and voluntary labour, and high labour turnover (Hall, 2003). There is a significant informal economy in the tourism industry, and part time employment of family members is common, as is seasonal in-migration of workers (Shaw & Williams, 2000). This correlates to other NZ and Scottish research (Morrison & Teixeira, 2004), while family members also play an advisory role in the business as part of the management team, directors or shareholders (AC Nielsen, 2006). Factors inhibiting growth of NZ small tourism firms include: high labour costs; lack of demand; regulatory and financial compliance costs; high interest rates; lack of skilled workers; and competition from larger businesses (J. Ateljevic & Doorne, 2004).

Tourism destinations in many places around the world have a single high tourist season with shoulder seasons either side, and the off-season may show reduced business activity or even closure (Shaw & Williams, 2000). The seasonality of tourism demand is an issue for most STE (Tourism Recreation Research and Education Centre, 2006), and is especially difficult on small tourism businesses in remote locations, affecting their ability to meet fixed costs (J. Ateljevic & Doorne, 2004).

2.6.3. Networking and Trust

The level of networking which SME engage in, and the learning inherent in network connections both within and external to the regional setting, affect the level of innovation seen in SME (North & Smallbone, 2000), and their ability to learn about niche markets (Tse & Soufani, 2003) and respond to these (Fillis et al., 2004). SME research often cites a fear of competitors taking advantage of exchanges as hindering network functionality, emphasizing the importance of trust and interpersonal relationships to overcome this (Braun, McRae-Williams, & Lowe, 2005). A sense of 'locality', personal values applied to a business, and the atmosphere of cooperation in a region are reasons why operators may link into networks (R. Thomas & Thomas, 2006). I. Ateljevic & Doorne (2000) found tendencies of collaboration and trust-based networks within a NZ community where the operators followed individualized niche market targeting. In terms of competition in the NZ tourism industry, boutique accommodation operators are most likely to feel there is too much competition for accommodation, while a quarter of all operators surveyed think there is too much direct competition at regional and national levels, despite there being some desire for a wider range of activities being available in the operators' region (AC Nielsen, 2006).

Small business owners turn to their bank, solicitor and accountant for financial and also management advice (J. Ateljevic & Doorne, 2004), as well as ideas for business innovation (Tourism Recreation Research and Education Centre, 2006). In a UK study of SME reported by M. Simpson and Docherty (2004), a level of distrust of government agencies was identified. This relates to the perceived lack of government understanding of SME businesses, therefore their inability to provide useful assistance, as well as perhaps the "psychological need for autonomy" of the owner-manager (p. 322).

Regional tourism organisations, industry organisations and other professional support agencies are rated poorly by NZ STE (Tourism Recreation Research and Education Centre, 2006, p. 19). Two thirds of small tourism firms in central New Zealand are unaware of the free business development services available to them, and the remainder found the content of the training of limited relevance to the small business context (J. Ateljevic & Doorne, 2004). In terms of interaction with tourism industry associations, under a quarter of operators attend regional tourism organisation events, and fewer attend other local or national workshops or conferences (AC Nielsen, 2006). Regional Australian STE are similarly reluctant to take up industry initiatives such as training, marketing and accreditation (Braun, 2002). A NZ study found 30% of

Northland STE did not belong to a RTO, and only a third had alliances with other operators (Page et al., 1999). Membership rates are higher than for regional Swedish SME, only 44% of which belong to a small business network or organization (MacGregor, 2004).

There is however, some recognized value of the RTO services. Research by J. Ateljevic and Doorne (2004) into small tourism operators in central New Zealand found that regional tourism organizations are an important link for businesses. Operators in remote regions perceive they do not receive as much assistance as other businesses. Membership of tourism and other business associations is proposed to assist STE overcome barriers to development such as lack of collaboration, hence the central role regional tourism organisations play in promoting business development. They also found that strategies for tourism development are complicated by the extent to which small tourism businesses are embedded in the economic and social patterns of a region, posing challenges for local government. Their study of NZ STE found that local government was perceived to be hindering growth and investment in small business through the costs and processes required to comply with regulations.

R. Thomas and Thomas (2006) found that tourism operators may not know how to become involved in tourism planning and policy development. They posit that small enterprises may not be effective in influencing local policy due to lack of resources or knowledge of the processes of regional tourism development. This suggests a role for local government in facilitating the organisation of operator groups to spread knowledge and participation in regional planning (Pavlovich & Kearins, 2004).

2.6.4. Attitudes to and Use of ICT

In the UK, the government has recognized there is slow uptake of ICT among micro businesses, and this is attributed largely to ignorance of the benefits and a lack of technical skills (M. Simpson & Docherty, 2004). The owner's attitudes towards ICT affect how a small business develops and adopts technology (Fillis et al., 2004); low-end ICT users have the perception that ICT does not fit well with the owner/manager's idea of the business (Taylor & Murphy, 2004). Small firms are likely to have a short rather than long term focus especially when it comes to adoption of ICT, and lifestyle-motivated owners may be slower to turn to ICT than more entrepreneurial individuals (Fillis et al., 2004). Barriers to investing time and money in ICT include: fear of isolation; competitor use of the internet; uncontrolled growth; lack of technology skills; lack of strategic sense for development (Braun, 2002). Small firms are reluctant to take external advice to assist with ICT adoption (M. Simpson & Docherty, 2004), and are less likely to take advantage of government initiatives for ICT than larger firms (Fillis et al., 2004). In the AC Nielsen (2006) study of NZ tourism firms, it was found that most businesses have their own website and use other websites for promotion. There are differences between tourism subsectors in the use of internet, with boutique accommodation firms having the highest internet usage (AC Nielsen, 2006). Understanding the motivation of owners will therefore inform strategies for adoption of, and upskilling in, ICT.

3. The Case Study Context

This research examines how small tourism operators in the Western Southland region approach their business, and contributes to the understanding of the tourism industry in the region. The Western Southland region was chosen as the case study for this research based on a combination of pragmatic and suitability criteria. According to Denscombe (2005) a case is suitable for a specific case study if it demonstrates characteristics of a 'typical' instance. Findings from case study research can be generalised where the case is deemed representative of other areas. The Western Southland region was chosen because it offered a defined case study area to which the researcher had access. The region can be seen as representative of similar regions in New Zealand which have: small towns; a declining population base; an economy based on the traditional agricultural sector; a nascent, seasonal tourism industry; an abundance of natural landscape and scenery resources; and significant but underdeveloped heritage and cultural resources. These factors contributed to the potential applicability of the research to other regions and therefore the suitability of the case selection.

The specific region was chosen as the focus of this research as both physical and social access was facilitated by a number of factors. Physical access refers to gaining permission from a 'gatekeeper' to approach members of a group for the purposes on conducting research, while social access refers to the ability to gain acceptance and trust of those you are seeking to study (Henn, Weinstein, & Foard, 2006). The researcher gained physical access to the tourism businesses in WS through personal and professional dealings with the Chairman of the Western Southland Promotions Association Inc, while social access was gained through family ties to the region where many childhood holidays were spent with grandparents and relatives in Western Southland.

The benefits of using a case study approach to research means that the very nature of a mixed method means of data-gathering allows for the intricacies of the different aspects influencing the local situation to be teased out

(Denscombe, 2005). From a practical viewpoint, a case study approach means that the factors influencing the parameters of the research are relatively homogenous in a particular regional setting. Time and cost factors are also less of an issue when research is contained within one area such as the Western Southland region.

3.1. The Western Southland Region

The area's tourism appeal includes early settler heritage, Maori culture, and gold rush history set in coastal, farming and bush settings. The region's tourism features align with those of interest to the 'Interactive Traveller' seeking authentic, personalised experiences in more remote regions. Southland prides itself on its 'Southern hospitality' and the friendliness of its people, matching the region's resources and host attitudes with 'Interactive Traveller' desires.

According to the 2006 census (Statistics NZ, 2007a), Southland has a higher representation of people of European ethnicity than nationally (84.1%, compared to 68.1% for NZ) and a slightly lower proportion of Maori (12.6% compared to 14.8% nationally). Sixty seven percent of the Southland population aged over 18 are employed, compared to 62% nationally. Only 18.6% of Southland residents hold a tertiary qualification or higher compared to 19.6% nationally. Southland households have similar access to a mobile phone (73.4%) as the national average (74.3%), but below the national average internet access (53.1% in Southland, 60.5% for NZ). Across the country, a third of households have broadband internet access; in Southland a quarter have such access (Statistics NZ, 2007b).

Farming, forestry and mining are traditional industries in Southland, and there has been a surge in land conversions to dairy farming occurring in the last decade. Tourism, however, is an increasing driver of social and economic development with approximately 10-12% of Southland's workforce employed in tourism (Venture Southland, 2005). Local government and industry recognise that tourism represents a complementary activity to other sectors in terms of diversifying the region's economy (Venture Southland, n.d.-a).

Venture Southland, the regional tourism and economic development agency, is funded through three local councils and Southland Community Trust contributions. In terms of promoting development, the focus of VS is at a Southland region level. As explained by the Venture Southland tourism representative when interviewed:

> Venture don't get involved at a sub-regional level. We get to some Promotions Group meetings. We are more easily able to attend greater sub-regional meetings, like Western Southland, where it is easier to be involved than with very specific regions - like Riverton.

An estimated 500 tourism providers operate within the Southland region (Venture Southland, n.d.-b). Growth potential within existing accommodation stock is significant as the region has moderately low occupancy rates (Venture Southland, 2006a). In terms of international visitors, Southland tends to attract predominantly 'free independent travellers' (FIT) seeking a more personalised experience. FIT stay longer than package tour groups and travel off the main touring routes. Southland has potential to attract this niche market with the iconic Southern Scenic Route touring trail, Stewart Island and community heritage trails (Venture Southland, 2006b).

3.2. *The Policy Context*

National and local governments have a significant role to play in the direction and development of the tourism industry at the national and regional levels. The New Zealand Tourism Strategy 2010 (Tourism New Zealand, 2001) and the New Zealand Digital Strategy (Ministry of Economic Development et al, 2005), along with the Southland Tourism Strategy (Venture Southland, 2005) have overlapping goals and objectives of relevance to STE which are outlined below.

3.2.1. New Zealand Tourism Strategy

The current New Zealand Tourism Strategy was developed in 2001 to guide the industry through to 2010, is now being revised to 2015. The framework for the strategy is one of long term sustainable tourism, with objectives of: financial and economical prosperity; securing and conserving a long term future; marketing and managing a world class visitor experience; and working smarter. The economic prosperity of both the regions and the country as a whole requires attention and planning in an increasingly competitive global industry. All stakeholders have a role in protecting the natural environment and maintaining the quality of visitor experience. These challenges are to be addressed through actions to continue sustainable growth; integrate destination management and marketing; manage and increase yield; and increase participation and partnerships between industry stakeholders.

Communities are recognized as an important element of the tourism experience. Increasing awareness of the benefits of tourism is one goal to ensure that community support for tourism leads to provision of infrastructure, and that management and marketing of destinations are linked to ensure that tourism benefits the local community. The strategy proposes that differentiated regional brands should be developed which emphasize the culture, people, lifestyle and environment of New Zealand. Smoothing seasonality and promoting regional spread of visitation are key to optimizing yield. Niche products for smaller market segments should be developed with a view to addressing issues of yield, regional spread or seasonality.

The strategy acknowledges the importance of SME to the industry and recognizes that these operators need support to fulfil their potential. Small businesses "do not access or leverage technology, investment funds, learning and development tools and leading practices to the same extent as large players in the sector" (Tourism New Zealand, 2001, p. 45). Improving the capability of people working in tourism is a goal for 'working smarter' and improving efficiency. The strategy recognizes that learning opportunities must be delivered in ways which suit the characteristics of SME:

> Current delivery of training does not suit SMEs and employees of SMEs. The training content does not sufficiently focus on planning, establishing and managing businesses effectively and is not provided in a way that makes it accessible to SMEs (Tourism New Zealand, 2001, p. 56).

The strategy alludes to the creation of networks between tourism operators by promoting collaboration, tourism clusters and strategic alliances to realise economies of scale (Tourism New Zealand, 2001, p. 20). The main benefits of networking are seen to reduce costs of doing business by developing technology applications, achieving buying power, promoting industry association membership, and reducing communication and research costs.

Local government has a significant role to play for regions in "setting policy, tourism planning and development, environmental management and destination management" (Tourism New Zealand, 2001, p. 23). RTO are involved with tourism planning, development, marketing and management, as well as coordinating training, local operator services and technology support. Partnerships between national government, local government, Maori organisations, regional tourism organisations, industry associations, cultural groups and tourism operators are encouraged in attempts to produce a unified industry able to achieve the strategy goals. Cooperation between public and private entities is emphasized with the government playing facilitating role rather than a developmental one. The Postcards from Home – Local Government Tourism Strategy was devised to support local government in undertaking NZTS recommendations, promoting increased awareness of the role of local government and collaboration between agencies at the regional level (Local Government New Zealand, 2003).

The NZTS sees technology as one of the enablers to support achievement of the vision for tourism. Technology offers the potential to increase business performance through: improving research; developing customer databases and relationship marketing; developing partnerships for portal website solutions featuring regional and national information, tourism and wider community interests. There is also a need for understanding on how technology can save time and money for small businesses, and building operator understanding and capability on how technology can be used to improve profitability.

3.2.2. Southland Tourism Strategy

The Southland Tourism strategy was developed to tie-in closely with the New Zealand Tourism Strategy 2010 and Postcards from Home strategy. It is intended to guide local government, iwi, community organisations, industry and central government agencies with strategic direction for the sustainable management and growth of the tourism sector with goals of: enhancing the range of tourism products; strengthening the region's image; and providing sustainable management of tourism destinations through strong stakeholder relationships. The strategy recognises that a lack of community support for tourism poses a threat to the successful growth of tourism in Southland. The guiding principles of the strategy focus heavily on protecting Southland's strengths, and developing tourism that benefits communities. Recognising the challenges of developing a tourism industry in Southland, the strategy acknowledges: "Seasonality and distance from main New Zealand centres and overseas markets are two key constraints that will always need to be factored into the design and operation of tourism ventures in Southland" (Venture Southland, 2005, p. 15). Community-based imperatives by far dominate the strategy, reinforced in the long term vision to 2015 of Southlanders, whereby "Southland will develop a greater appreciation of the role tourism can play in the creation of jobs and in attracting families to stay or come and live in the region" (Venture Southland, 2005, p. 47). The Southland people and their hospitality will be a main theme of pride in the region.

The vision for tourism is to "create jobs and spread benefits around the region" while ensuring "community and environmental aspirations and concerns come first" (Venture Southland, 2005, p. 14). Business yield and developing new or expanded business opportunities are guiding principles, while product development focused on international markets and inbound tour operators are seen as key to developing the industry. To this end, the strategy recognizes that information, advice and support are required by operators. Joint venture partnerships between operators to form clusters and package products, and industry promotion associations are proposed to improve marketing of the region. Industry leaders need to start this process, and must lead by example.

To support the tourism industry and build capability, initiatives are required including informal networking among operators, training seminars, business planning assistance and practical advice, and familiarization visits of local operators. The industry needs to foster a supportive and cooperative approach in which tourism operators can develop, therefore, "a sustainable industry can only be established if the community participates, directly or indirectly, in the management and delivery of tourism products, services and infrastructure" (Venture Southland, 2005, p. 35).

Venture Southland provides business development resources with a focus on upskilling through delivering the government Enterprise Training scheme. VS have over 3000 businesses registered with the scheme across the whole Southland region, with emphasis placed on the sectors of tourism, food processing and engineering. Specialist workshops have been developed for the tourism industry by VS, with the most popular topics being website marketing, marketing and business planning. Venture Southland provides workshops, one-on-one consultations for business advice, as well as mentor support.

Marketing of the region is undertaken by Venture Southland to international and domestic visitors; packaging of tourism products is used as ways of minimizing the challenges inherent in the region. Information and communication technologies are not featured prominently as a facet of tourism development in the Southland Tourism Strategy, however, Venture Southland is active in implementing broadband initiatives in the region as it attempts to encourage connection of remote communities.

3.2.3. New Zealand Digital Strategy

The New Zealand Digital Strategy shares a vision whereby "New Zealand will be a world leader in using information and technology to realise its economic, social, environmental, and cultural goals, to the benefit of all its people"

(Ministry of Economic Development et al, 2005, p. 4). Technology can serve to connect people which others, and with information of importance to them. There are three dimensions to realising the NZDS, identified as enablers. *Connection* is the means by which people can access information and the potential of technology. People must have *confidence* in their skills to be able to access or create digital content in a secure online environment, while the *content* is what provides a compelling reason to use technology. Partnerships and collaboration are emphasized as a means to utilising these three enablers.

Under the dimension of confidence, a goal is "to provide all New Zealanders with the digital skills and confidence to find and use the information they need" (Ministry of Economic Development et al, 2005, p. 18). There is recognition of the need to improve the skills of people in the workforce, including investing in management and business capability as a priority. In creating a society enriched through the use of technology, one key outcome relates to unlocking the potential of communities "to enable communities to use technology to realise their social, cultural and economic aspirations" (Ministry of Economic Development et al, 2005, p. 33). To do this, communities need the tools and capabilities to use technology to innovate, and to enhance their sense of identity. The introduction of broadband internet coverage to most parts of Western Southland in 2006 will have a growing influence on use of the internet. As the Venture Southland enterprise representative explains in the interview: "It's been difficult, but as the service improves it will get easier, and also as the skill level improves people will be more confident using technology". Much of the frustration of early internet adopters in the region has been due to the slow dial-up service, and the financial and time costs associated with internet use. Partnerships with local government and other organizations are needed but initiatives have to be driven by the communities themselves.

Innovation in business should be encouraged but small businesses need to understand the potential of ICT, and receive assistance and mentoring to be able to use ICT. Barriers to businesses making more use of ICT are identified in the strategy and align with that revealed in literature from NZ and overseas. ICT can also assist in achieving sustainable development through environmental improvements. ICT allows businesses and communities to use their resources more efficiently and by reducing the amount of energy used.

3.2.4. Common Themes and Goals in the Tourism and Digital Strategies

A review of the two key national strategies was conducted using content analysis to draw out the common themes which form a backdrop to small tourism business development in New Zealand today. On reviewing these strategies, the key areas of each strategy have considerable overlaps, and it is these common goals which this research seeks to explore in the STE context. The common themes between the strategies can be grouped into four categories:

- Capability and Confidence – building skills and information access for business and individuals through ICT;
- Sustainability - of business, environment, and community life;
- Connecting people and marketing to stakeholders such as community, visitors, and businesses;
- Community - promoting understanding and engagement in regional development and national life.

The first three areas are explored in this research, while the fourth, 'community', is integral to all discussion relating to tourism development and is addressed in the broader context of the findings. Building capability is identified as critical to enabling businesses and individuals to take advantage of the benefits offered by both technology and tourism. Capability needs to be enhanced in the areas of skills, access to information, and use of business tools. Upskilling is important in terms of management, business planning, operational practices; ICT skills are needed to extend the capabilities of small operators. Information is important for making business decisions, and ICT skills allow tourism operators to access tourism industry information. Business tools and techniques to run effective and efficient businesses need to be disseminated, and again ICT is an enabler for accessing and using such tools. Sustainability is a crucial element in all development advocated at the national level in New Zealand and it applies to environmental as well as business sustainability. By protecting the natural environment through access to information and sustainable business practices, successful communities can benefit from tourism. Finally, the tourism and digital strategies stress the importance of connecting people and sharing communication regarding a place. For socially healthy communities in New Zealand who embrace tourism, it is important to connect the community to its local businesses and visitors, businesses to each other and the visitors, and visitors to the local place.

4. Methodology

4.1. *A Mixed Method Research Approach*

The research adopts a mixed-method approach to gain an in-depth understanding of the environment in which Western Southland STE operate. This approach uses a range of research methods in order to strengthen the rigor of findings (Denscombe 2005). Tashakkori and Teddlie (1998, p. 19) define mixed method research as "studies that are products of the pragmatist paradigm and that combine qualitative and quantitative approaches within different phases of the research process". A sequential study, such as that used in this research, involves conducting the qualitative research followed by the quantitative research in separate phases. This sequence allows the researcher to first uncover the broad themes related to the research, and further define the specific research questions before administering a quantitative survey. Pragmatic researchers seek to determine 'what works' rather than search for 'metaphysical truths' (Tashakkori & Teddlie, 1998, p. 12) and this premise pervades the research, fitting both with the researcher's approach and with the practicalities of engaging with small tourism operators who seek tangible outcomes from time spent on a cause, rather than simply theoretical contribution.

The framework of a regionally defined case study was deemed appropriate for this research and fits with the context of research into STE internationally. Noting the lack of theoretical and empirical data on STE, Page et al. (1999) explain this by the limited availability of secondary data in many countries, and the cost of conducting primary research with this group. For this reason, most research on STE is through sample surveys or regionally-based studies.

Ethical approval for both the interviews and the survey was gained through the AUT University Ethics Committee. This required confidentiality for both individuals and businesses throughout the research process. In a relatively small case study population, care had to be taken with selection of interview participants so as not to potentially reveal the identity of an interviewee by default, due to the nature of the businesses.

4.1.1. Semi-structured Interviews

Semi-structured interviews were conducted with seven owners of tourism and tourism-related businesses throughout the Western Southland region, and two representatives of Venture Southland. The interviews were used to explore the research concepts and questions (Henn et al., 2006). Based on the research metaphor of the 'interviewer as a traveller', the research was approached as a journey of discovery, listening and interpreting the stories of those encountered, and unfolding the meanings of these. The researcher engages in a process of reflection, uncovering new meanings in the context of the host culture, that may apply to other communities (Kvale, 1996). This reflects the researchers´ epistemological assumptions to research which are largely interpretive. This approach assumes that the researcher interacts with the research subjects, and applies her own subjective interpretation to the meanings identified in the course of the research (Robey, D. 1994, p.166). The perspective taken in this research reflects the social and historical connections of the researcher with the case study region, and builds on her inherent affinity for the people and the concepts of community in the area.

The interviews were conducted prior to finalising the survey instrument in order to identify key issues facing the region's STE and clarify areas in which to seek information from the businesses via the survey instrument. The interviews provide an in-depth understanding of the attitudes of businesses and enabled descriptive generalisations to be made about STE in Western Southland (Henn et al., 2006). Interview participants were selected based on stratified non-random sampling to (Tashakkori & Teddlie, 1998) give a broad coverage of typical tourism business sectors (accommodation, food and beverage services, and activities,) located both in towns and in rural areas. The WSPAI provided contact details of potential interviewees from their database of the entire population of tourism and tourism-related businesses in the region. WSPAI acted as gatekeepers to introduce the researcher to operators. While some operators had heard of the WSPAI, they had no direct involvement with this group, ensuring that the information gained was not biased. The researcher had not met any of the interviewees previously. The number of interviews was limited to nine by the time available, cost of the researcher being in the region (Tashakkori & Teddlie, 1998) and the availability of interviewees.

Potential interviewees were telephoned to solicit participation and make an appointment. Convenience sampling was used in securing interviews with operators. From the initial potential interviewee list, one operator declined to be interviewed, and one was out of the region and could not be contacted. The interviews were conducted over the period 22 to 26 June 2006. Interviewees were emailed a participant information sheet (Appendix A) and were required to sign a 'consent to participate' form prior to the interview commencing in line with AUT Ethics Committee practices (Appendix B). The interviews were conducted during the day at the respondent's office, which in most cases was also their home, at a time which suited them. Most interviews ran for approximately an hour, but varied from 45 minutes to 2 hours.

Semi-structured interviews allow flexible exploration of the issues under study. The informal nature of the interview enabled the researcher to interact with the interviewee in their own environment, and the researcher's epistemological assumptions allowed the interview to flow naturally, rather than in a structured manner (Lincoln & Guba, 1985). A basic question guide was used for all interviews (Appendix C), and the researcher used prompts and probes to elicit further information as new issues were uncovered. This approach allows the participants to discuss the issues and environment facing their business in their own language and frame of reference (Henn et al., 2006). The interview approach contributed significantly to understanding the level of engagement of businesses with the concepts under study.

Reflecting on the process and interviews evoked childhood memories of the researcher holidaying in the region, mingled with experiences of Western

Southland in the present day. Familial ties reinforced the connection with the people of the region, both from the researcher's perspective, and that of the interviewees. This connection with the area meant the researcher did not come into the region as an 'outsider', devoid of understanding or experience of the way of life there. A good rapport was usually developed with participants with the researcher often offered tea and scones, invited to participate in their activities, or shown around their facilities at the end of the interview. Interviewees commented on various occasions that such personal ties to the region are an advantage for understanding and building trust between the researcher and participants, and one could surmise that the interviewees were perhaps more inclined to confide than they would to an absolute 'outsider'. While this is impossible to measure, the warm welcome and candid responses given by interviewees give an indication of acceptance and may have increased validity of the research findings.

Eight interviews were recorded on a digital recorder with the permission of the interviewee; the other interview was not recorded due to equipment malfunction. The researcher typed up written notes taken during interviews, and listened to the audio recordings of the interviews to insert additional comments. The one interview not recorded was supplemented by more comprehensive written notes during and straight after the interview. Although it is conceivable that some level of detail may have been lost, the researcher is confident all salient information was gathered. For each interview, transcribed answers were then organised in the question guide sequence for consistency, as the interview conversations did not always proceed as per the exact order of the questions.

Two interviews were conducted with representatives of Venture Southland: the tourism manager and the enterprise services manager. Neither representative is a native Southlander, and they each bring a somewhat neutral perspective to local issues. These interviews identified the contextual situation in which tourism and business development takes place from an expert viewpoint, including identifying initiatives undertaken by Venture Southland. For the VS interview question guidelines, see Appendix D.

The tourism operators interviewed cover a mixture of accommodation, food, and activity businesses spread around the Western Southland region. A range of long established and newly businesses, and those run in husband/wife teams versus owner/manager and staff are represented, profiled in Table 1.

Table 1: Interviewee profile

Business Activity	**Length of Operation/ownership**	**Ownership/Management**	**Contribution to Household Income**
Accommodation	8 years	Self	Supplementary
Activity	12 years	Husband + wife	Main
Accommodation & Activity	10 years	Wife + husband	Supplementary
Accommodation, Food, Activity	18 months to 20 years	Self/staff	Main
Food	7 months	Self/staff	Main
Activity	4 years	Wife + husband	Supplementary
Food	2.5 years	Self + business partner, staff	Main

Analysis of the interview answers was done in stages. Initially a latent content analysis (Tashakkori & Teddlie, 1998) was used to summarise overall impressions of how the tourism operators responded to the question themes. The second stage of analysis involved coding responses based on the three broad themes: networking, ICT, and tourism. Comments were grouped based on one of the three themes, or something else. In this way, all comments relating to each theme could be reviewed, compared and contrasted, and sub-themes started to emerge based on the similarity principle (Tashakkori & Teddlie, 1998). This was then repeated using NVivo software whereby interview transcripts are loaded into the software, and coded using the broad themes identified in the manual coding. A further two stages of coding were conducted using the software, in order to explore ideas and concepts throughout the interviews, identifying subcodes (nodes) within the themes of the research (Bryman & Bell, 2003). Links between the nodes and themes were investigated, and the data was organised into meaningful portions for interpretation.

4.1.2. Survey

Following the interviews, a survey instrument (Appendix E) was designed to allow collection of standardised responses and subsequent comparing and contrasting of responses to determine patterns and relationships within the data (Henn et al., 2006). Attitudes based on the three components of knowledge - attitudes, feelings and action, were explored using five point likert scale response categories designed to provide measurable and standardised responses to attitudinal and behavioural questions (Alreck & Settle, 2004; Tashakkori & Teddlie, 1998). The survey comprised a mixture of quantitative and qualitative questions, worded for clarity and conciseness. The order of questions was arranged so as to gently introduce the respondent to the content, starting with simple fact-related questions, moving on to more difficult attitude and behavioural questions, and finishing with basic demographic questions, in order to retain the attention of the respondent. Questions included a mixture of nominal, ordinal, interval and ratio answer categories, as well as open-ended questions, and were grouped by theme. Single and multiple-response questions were clearly identified with instructions given such as 'tick as many as apply'; similarly scale response questions included instructions for completion (Alreck & Settle, 2004).

The survey instrument was piloted on small business owners unrelated to the case study region (Alreck & Settle, 2004). The survey was then sent to the entire population of tourism and related businesses in the Western Southland region for which a physical or email address was available, a total of 118 entities. The overlapping nature of clients which tourism-related businesses service is a continual challenge to tourism researchers; a broad approach was taken in this research. The sample included businesses upon which tourism is wholly or partially reliant, including accommodation, food and beverage services, passenger transport, retail sales and other tourism products, as defined in the

NZ Tourism Satellite Accounts (Statistics New Zealand, 2005). The sampling frame was identified as the owner or manager of the tourism-related businesses. Within the tourism sector in New Zealand, it is notoriously difficult to compile a comprehensive, accurate database of operators as no official register of tourism businesses is available (AC Nielsen, 2006; Page et al., 1999). A database of operators was collated from publicly available information from internet searches, marketing directories and brochures, membership of the local Promotions Groups, and through personal contacts of WSPAI. Where possible email addresses were sourced in addition to postal addresses.

The survey was administered via two methods. The sample of operators was either sent an email containing a link to a web-based survey, or posted a paper copy of the survey depending on availability of an email address. The fact that 61% of the operators did not have a readily accessible email address is an interesting finding in itself, given the focus of the research on the use of ICT by tourism businesses. In the introduction to the research for both survey formats, respondents were given the option of requesting the alternate format of the survey. One operator requested that a paper copy of the survey be mailed to him as his internet connection was slow. This use of mixed-mode surveying using web and paper based surveys allows the investigator to reach all members of the population, and reduce cost and non-response compared to the use of just one survey mode (Dillman, 2000).

The two methods of administering the survey could potentially have lead to differences in response rates. As ICT is a focus of the research, using email as the primary method of distribution was important in gauging how widespread engagement with this technology is, and the responsiveness of operators to research via email compared to mail. Another potential drawback of mixed mode surveying is that respondents in each mode may answer questions with different ratings. However this is more likely when interviewing and paper surveying are used for example, rather than two self-administered forms of a survey (Dillman, 2000). The wording of questions in both surveys was identical thereby reducing the likelihood of different response ratings between survey modes. However, the very nature of the internet means some questions were visually different in presentation, and may have affected the way respondents answered (Dillman, 2000).

The initial survey period ran from 8th to 20th August 2006. An encouragement to respond of a chance to enter a prize draw for $100 worth of petrol vouchers was offered to improve the response rate (Alreck & Settle, 2004). A reminder was sent to the email database one week after the initial invitation to complete the survey in order to increase responses (Tashakkori & Teddlie, 1998). As the response rate was 19% at this stage, further efforts were made to encourage participation. At a series of public workshops in Riverton, Tuatapere and Otautau facilitated by the researcher and related to the website portal project being undertaken in the region, a personal request was made to the tourism operators present to participate in the survey. Paper copies of the survey were available for people to pick up, and return in a pre-paid and addressed envelope which was also supplied. A further eleven responses were gained through this, and the survey closed off on 9th September 2006.

Web-based surveys are increasingly an alternative to paper surveys as: they reduce data collection costs saving on printing, distribution and data entry costs; they are quick to setup and administer; internet access and use is growing; and mail surveys have high non-response rates (Alreck & Settle, 2004; Dillman, 2000). The web-based survey contained the introduction letter in the body of an email with a link to the online survey. Once participants clicked on the link, they came to the participant information sheet, and could then click through to the survey. The prize draw entry form appeared after the completed survey 'submit' button was pressed, and details entered here were stored in a separate database to protect anonymity.

The paper survey included an introduction letter explaining the research and what is requested of the participant, a participant information sheet (Appendix

F) explaining the ethical precautions being undertaken for this research, the survey itself, a pre-paid and addressed return envelope, and a separate pre-paid and addressed return envelope for the prize draw entry which was a tear off portion at the end of the questionnaire.

With mail surveys, response rates average around five to ten percent, and response rates over 30% are rare (Alreck & Settle, 2004). This research obtained a response rate of 28% (33 responses) through self-selection completion of the questionnaire - a good result. When a relatively small population is surveyed in its entirety, an absolute number of over 30 responses is acceptable (Alreck & Settle, 2004). As with any research, non-response bias needs to be considered. Those operators who did not respond may present different profiles, attitudes and behaviours to those who did; self-selection of survey respondents has the potential to skew the results (Tashakkori & Teddlie, 1998). One could hypothesize that non-respondents may be less proactive in conducting their business which may be a sideline activity; they may be less comfortable sharing their business practices through lack of confidence in their abilities; and they may be less confident in using the internet and email, especially for completing surveys which is a relatively recent innovation.

An alignment is shown between the format of survey administration (internet or post), and the response rate per method. Of the 118 operators in the population, 39% had obtainable email addresses, and were emailed the survey, while the remaining 61% were posted the survey. In breaking down the 33 responses received, 39% completed the online version of the survey, while 61% replied via post; exactly the same proportions replied via post/internet as were distributed. This result suggests that the sample is representative in terms of tourism operators who are readily reached via both email and post. Investigation into non-response to the survey was beyond the scope of the research.

Responses were recorded in a Microsoft Access database, which was then exported into Microsoft Excel format, sight-checked for completeness and accuracy, and analysed. Standard analysis of frequencies and percentages were carried out in the initial analysis round. Adjusted percentages for item non-response were used, based on the number of responses for each individual question, and these percentages are presented throughout the reporting (Kent, 2001). Where appropriate, mean and median values were calculated to give the 'typical' response (Alreck & Settle, 2004). Open ended questions were post-coded thematically (Alreck & Settle, 2004), similar responses were grouped, and a keyword or statement reflecting the main idea of that group was formulated. The process was repeated for all keywords in an iterative process, and further refined to break down significant groupings and sub themes contained in the responses, to reach a set of mutually-exclusive answer categories (Kent, 2001).

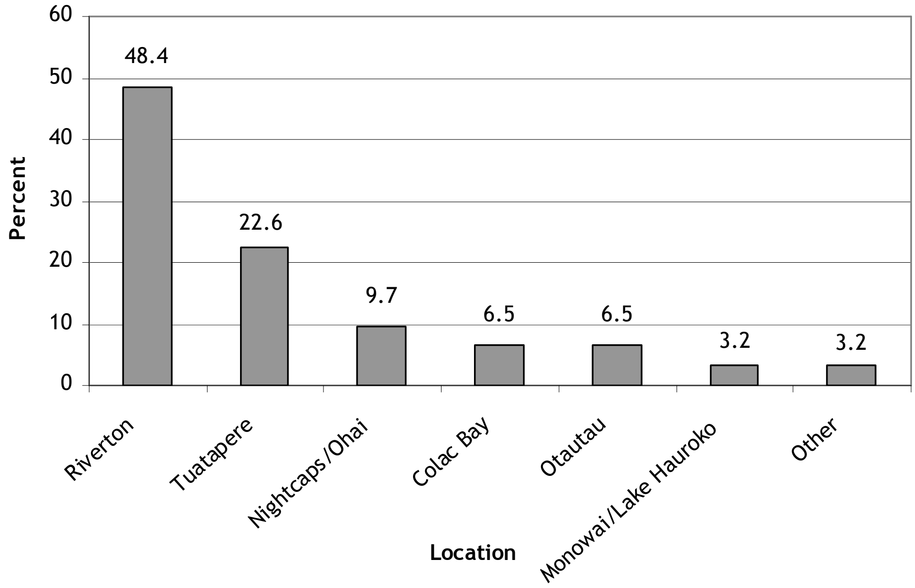
Threats to the validity of the survey findings include a low actual response number despite the good response rate received from the entire population. Considerations for further research focus on encouraging a higher response rate from the survey. A personal approach and invitation to fill in a paper survey may serve to capture non-respondents, as may a phone call follow up although time and cost considerations are always a factor.

The age distribution of survey respondents shows skewing towards the over 40 age groups. This may introduce bias against younger tourism operators who, it could be argued, are more likely to use ICT. However, the age bias may also reflect the demographic profile of actual tourism operators in the area, as older people could be perceived to have money to start their own business or diversify established farming operations.

4.2. Survey Respondent Profile

Nearly half (48.4%) of the respondents operate out of Riverton, while 22.6% are based in Tuatapere (Figure 2). This is not surprising given the greater population and number of businesses located in these two main centres of Western Southland.

Figure 2: Location of business (n=31)

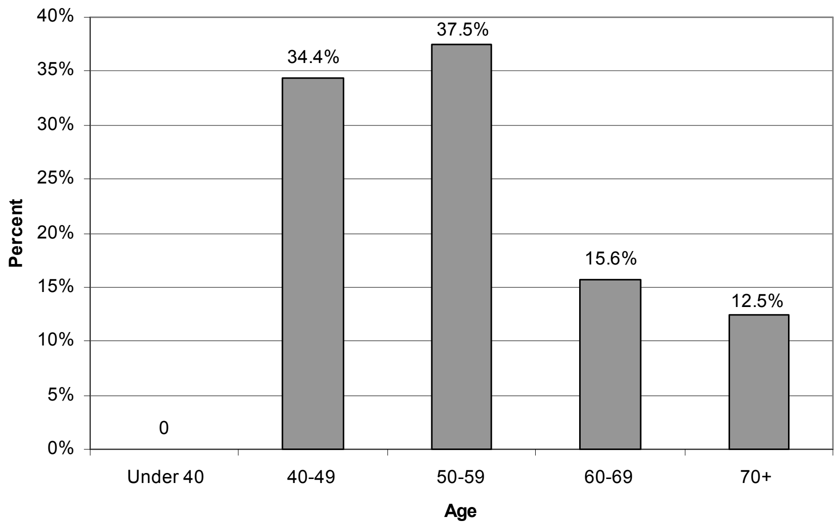


More females (56%) than males (44%) participated in the research although the imbalance is not reflected in the general population gender split for the Southland District (52% male) (Statistics NZ, 2002). The difference is likely to be due to the small sample size.

The survey respondents show a strong association with the Western Southland region: the average time respondents have lived in the region is 25 years. The range is 1 - 70 years, and the median is 17 years. This suggests the tourism operators have an in-depth knowledge of the features and heritage of the region, which will contribute to making an encounter between a visitor and an operator a unique experience.

All survey respondents are aged 40 and over, with 28.1% aged over 60 (Figure 3). This suggests a mature collection of operators, which may have implications as to the nature of tourism businesses in Western Southland.

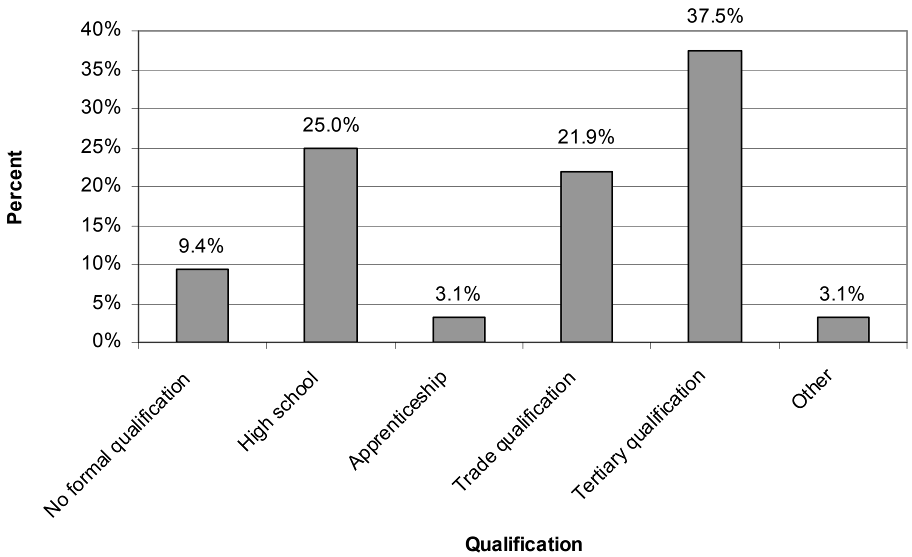
Figure 3: Age of Respondents (n=32)



The respondents have a long-standing involvement in tourism, with an average period in the industry of 10.9 years, and a median period of 5.75 years (n=31). Some experience in the tourism industry prior to establishing their current tourism business is evident, as the average time respondents have been in their current business is 7.6 years with a median of 5 years (n=31). This aligns to the average length of ownership of Northland STE which is 5.5 years (Page et al., 1999), and given the relative geographical similarities in stage of tourism development between the regions, signals a valid comparison.

Over a third (37.5%) of survey respondents have tertiary qualifications, and a further 21.9% have trade qualifications (Figure 4).

Figure 4: Highest Qualification (n=32)



Further STE characteristics and operator profiles pertinent to the research questions are discussed in the following chapter.

5. Findings and Discussion

5.1. STE Characteristics

Motivation and passion are key elements of the desire to be in business for tourism operators (Andersson et al., 2002; I. Ateljevic & Doorne, 2000). The research reveals that small tourism operators are influenced by a myriad of factors in developing the experience they offer and the way in which they run their business. Five of the operators interviewed convey a passion for the activity which they have built their business around, and an eagerness to share this passion with their customers. In these cases, the business idea stemmed from the operators' individual interests or location, and led to enhanced knowledge and an interest in sharing their lifestyle with visitors. As one operator enthused: "I'm passionate about my lifestyle, opening up my life that people can be part of for a day". As Anderssen et al (2002, p. 12) found "Many founders of family businesses are pursuing a dream", and this is reinforced in the research presented here.

For two operators, starting their business was a significant personal risk. As one illustrated: "I'd always wanted to do something for myself… but it was a huge step for me". Another was visiting the region when the decision to start the business was made: "I'd never done anything in the [industry], but came here, saw the [business] and bought it". However, two operators 'fell' into their business whereby they had the facilities and were prompted by others to give it a try, "and it has really just grown from there". Yet another three operators can be recognised as seeking out opportunities and taking advantage of those they identify. This approach permeates their business development and is applied to planning and diversification.

Survey respondents were asked to indicate the extent to which they agree or disagree with a series of statements regarding their motivation for running a tourism business, and the contribution the business makes to their livelihood (Table 2). The statement 'Lifestyle is an important motivation for running my tourism business' is agreed to 'somewhat' or 'strongly' by 77.4% of respondents. Respondents are less inclined to agree that their 'tourism business is an interest or hobby' for which the overall average score is 3.47, just above a 'neutral' response, however, almost a quarter of respondents (24.1%) 'strongly' agree to this statement.

Table 2: Motivations and reasons for being in business

Reason for business %	Strongly Disagree (1)	Disagree Somewhat (2)	Neither Agree nor Disagree (3)	Agree Somewhat (4)	Strongly Agree (5)	N=	Average
Lifestyle is an important motivation for running my tourism business	6.5%	0.0%	16.1%	41.9%	35.5%	31	4.03
My tourism business is an interest or hobby	17.2%	6.9%	13.8%	37.9%	24.1%	29	3.47
My tourism business provides extra income	14.3%	3.6%	17.9%	42.9%	21.4%	28	3.45
Profit is an important motivation for running my tourism business	16.1%	9.7%	29.0%	25.8%	19.4%	31	3.25
My tourism business provides my main income	48.4%	12.9%	6.5%	22.6%	9.7%	31	2.28

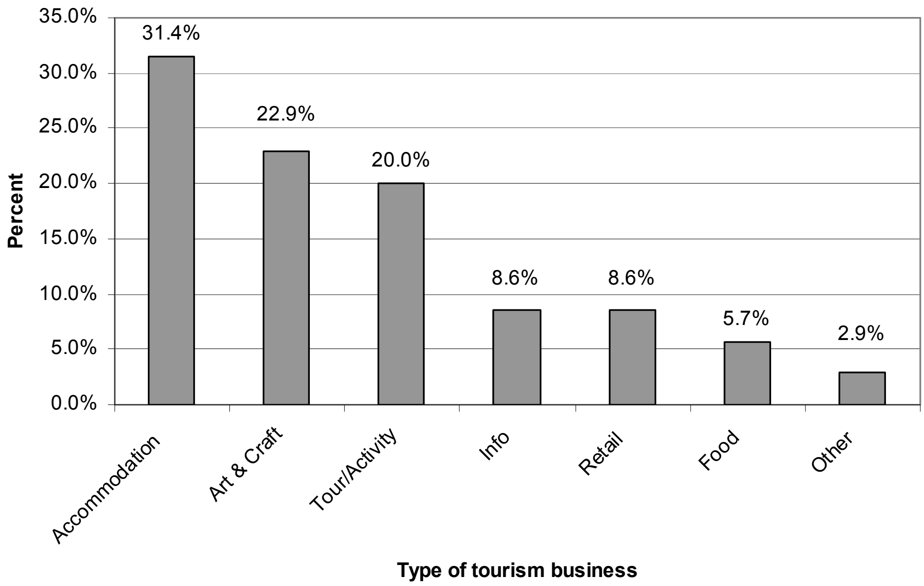
Profit is an important motivation for running the business for 19.4% who 'strongly agree with this statement, and a further quarter of respondents who 'agree somewhat' (Table 2), however, 16.1% of respondents 'strongly disagree' with the statement. The average rating of 3.25 indicates the range of responses as to the importance of profit to operators. These results are given more meaning when we see that respondents' overall disagreement (average rating 2.28) with the statement 'my tourism business provides my main income', indicating that in general it does not. An average rating of 3.45 was given to 'my tourism business provides extra income', with almost two thirds of respondents agreeing 'somewhat' or 'strongly' with that statement. This suggests that the profit expectations for business owners are complex, and illustrates the somewhat limited role a tourism business may play in household income.

These findings confirm literature which suggests that small tourism operators do not simply have a 'lifestyle' *or* 'profit' focus for their business, but that a combination of lifestyle, profit, interests, personal goals and motivations all shape the direction and scope of a business, particularly for rural operators (Andersson et al., 2002). This has implications for policy and planning for regional development, as often small businesses are disregarded as being 'lifestyle oriented' so not a significant contributor to the local economy (Tse & Soufani, 2003); more needs to be done to understand the complex motivations and factors influencing this group and how this translates into economic performance.

The business provides their main livelihood for four operators interviewed, while the other three STE operate as an interest or sideline to other activities or income sources. The reason for a sideline STE is a combination of the small-scale lifestyle-oriented motivations for running being in business, and the seasonal nature of the industry. Over two thirds (67.7%) of survey respondents indicated that tourism was not their main business activity.

The tourism businesses surveyed are dominated by accommodation (31.4%), art and crafts (22.95), and tours or activities (20%) (Figure 5).

Figure 5: Nature of the tourism businesses (n=32)

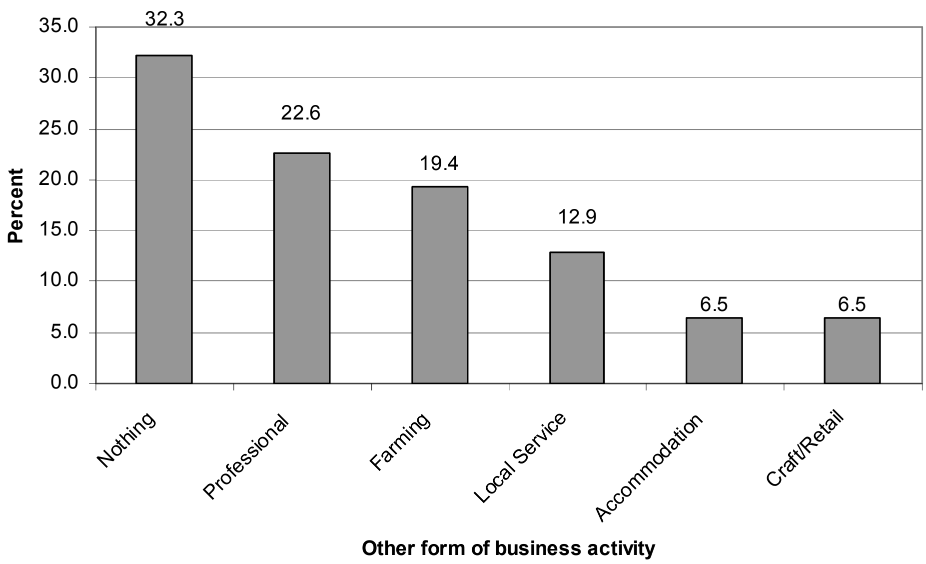


Note. Some businesses provide more than one type of business activity so percentages do not add up to 100.

Food outlets are also an important part of a region's tourism services, yet they are not well represented in the survey responses. This may be due to a variety of reasons: there is a relative lack of food outlets which visitors can patronise in Western Southland; food outlets may not see themselves as being 'in the tourism industry'. The VS tourism representative highlights this situation: "lots of businesses don't identify that they are in the tourism business – we have to identify then. We've taken a broader approach to identifying 'tourism businesses'." The difficulty in identifying tourism operators is a problem nationally, not least because "tourism organisations, and above all SME's, are not completely aware of their role in the creation and management of local supply" (Manente & Minghette, 2006). Operators in tourism-related industries are less likely to participate in regional initiatives unless creatively approached in a community planning context.

Just under a third of respondents have no business interests other than their tourism business. Of those that do, 22.6% have professional careers, and 19.4% are involved with farming (Figure 6).

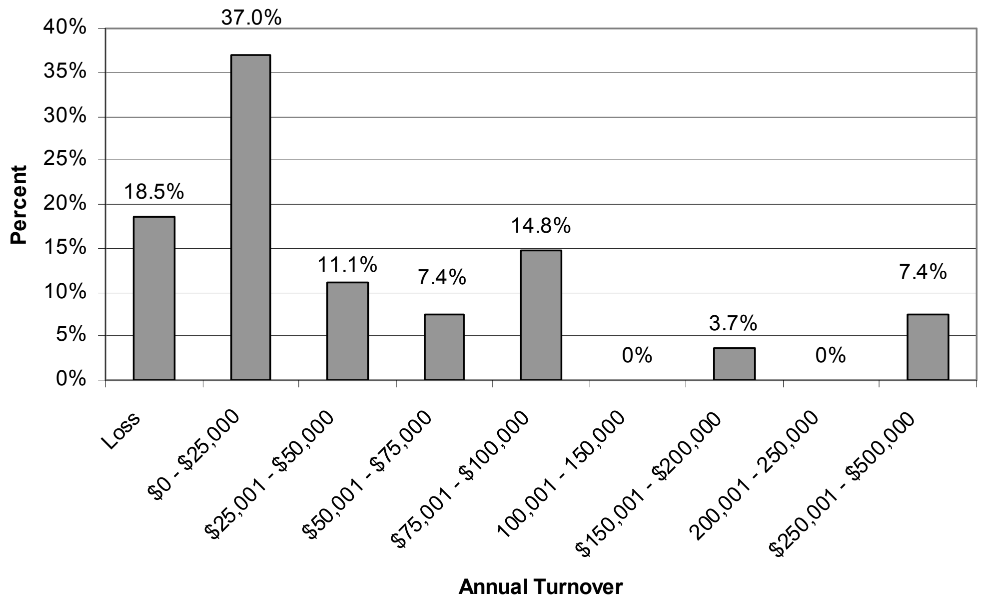
Figure 6: Other forms of business involved with (n=31)



Accommodation and craft/retail also feature under 'other' business interests, yet these activities could be of relevance to visitors. Interpretation of these findings suggest that those respondents listing potentially tourism-related businesses as 'other' (non-tourism) activities may not regard themselves as being 'in tourism' (e.g. renting out a holiday home may not be viewed as having an accommodation business). Visitors may not feature significantly in the clientele of these businesses. It is these operators who need to be engaged in planning and development initiatives as they play a valuable role in the supply of tourism activities or products, but may not be participating in this arena fully.

There is a predominance of people involved in tourism businesses who do not rely solely on these activities as their main source of income. This may reflect the relatively low level of tourism activity in Western Southland in terms of volume of visitors and incomes derived from tourism. Nearly one in five businesses made a loss in the previous financial year. Well over a third had a turnover of less than $25,000 while a quarter earned over $75,001 (Figure 7). No respondents turned over more than $500,000 from their tourism business. Reporting of turnover should be taken as an indication only, as often survey respondents have difficulty in providing financial information in the manner requested (Tourism Recreation Research and Education Centre, 2006), or are reticent in divulging financial information (Covin & Slevin, 1989).

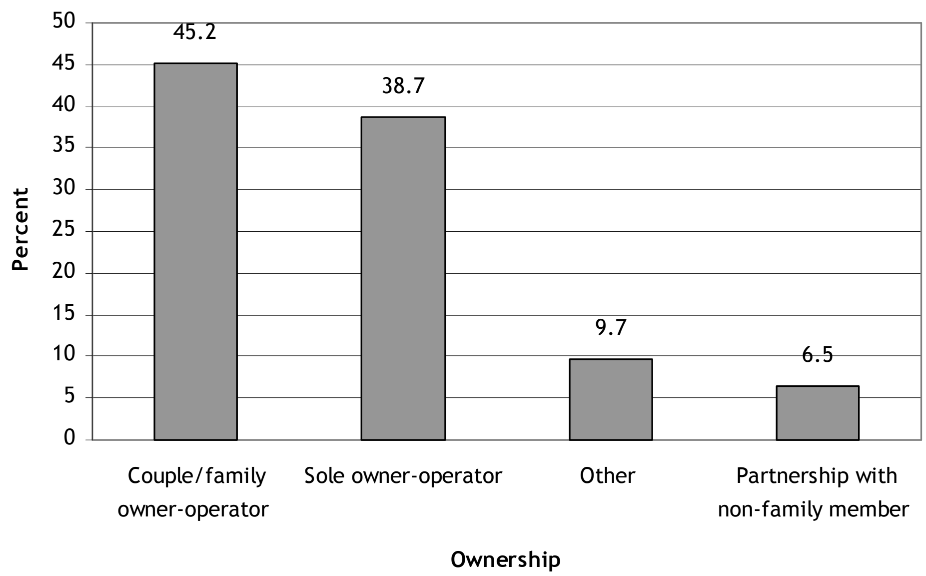
Figure 7: Annual turnover in last financial year for tourism business (n=27)



Profit is not the sole motivation for most businesses however, as one operator explained: "my measures for success are 1) the product and the 'wow' people get it, and 2) profit". This serves to reinforce the complex nature of motivation and measurement of success in the eyes of STE. The seasonality and low volumes of visitors to the region combine to constrain growth of the small businesses in a cyclic effect. Small incomes from tourism lead to a reliance on other income-generating activities which take time and attention away from growing the tourism business, decreasing the motivation to increase capability and upskill, further constraining growth.

All businesses represented in the interviews are independently owned and owner-operated while most businesses surveyed are family or sole owner-operated (83.9%) (Figure 8). This suggests that these small, owner-operated firms may have the characteristics of flexible and responsive businesses, able to take advantage of opportunities as they arise. It also confirms that the characteristics of the respondents fit the description of small enterprises (Shaw & Williams, 2000).

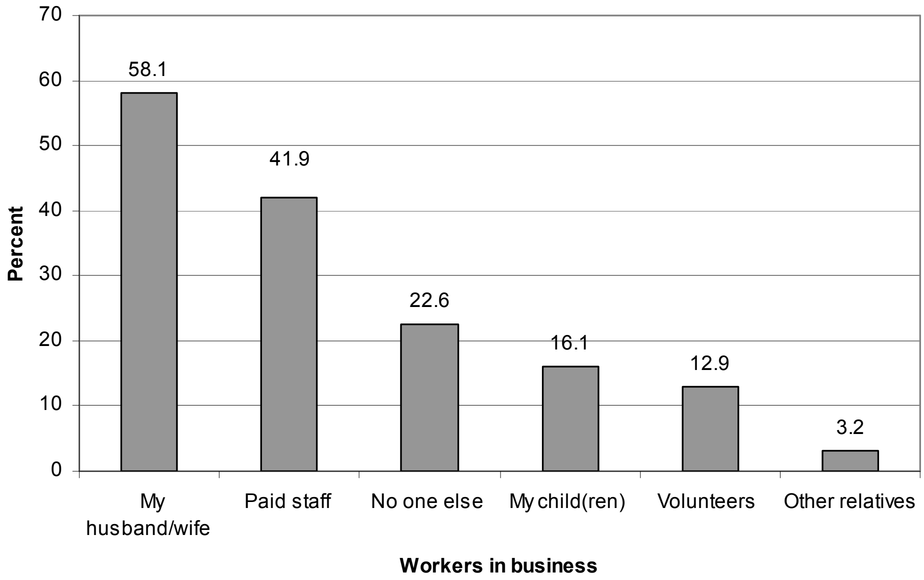
Figure 8: Ownership structure of the businesses surveyed (n=31)



Further aligning with general characteristics of STE around the developed world, almost a quarter of businesses are staffed by the sole owner-operator, while a further 58.1% have a spouse also working in the business, and 16.1%

have children working in it (Figure 9). Two fifths of businesses (41.9%) employ paid staff, and 12.9% involve volunteers. The heavily reliance on family members in the business ties in with profit/lifestyle motivations and issues of business growth, the interplay of which are not widely understood (Andersson et al., 2002). It may be that couples and families specifically enter into a tourism business so they can spend time together sharing the activities they enjoy while supporting their rural lifestyle.

Figure 9: 'Other' workers in the business (n=31)



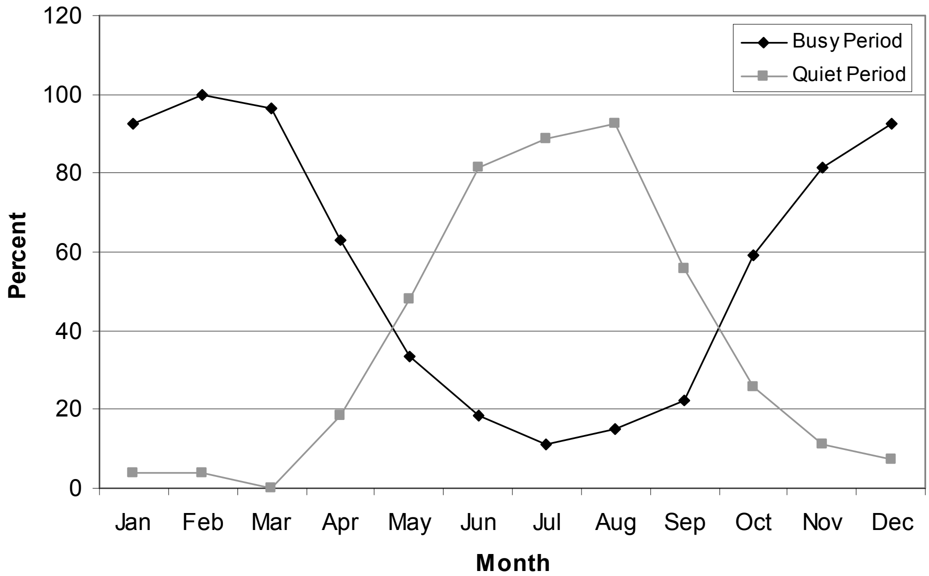
Note. Respondents could indicate more than one type of worker, therefore percentages do not add up to 100. (48 responses given).

The small labour force component of businesses and reliance on family can be both an advantage and a drawback for firms seeking to grow their activities. Staff numbers, including the owner/operator, average 1.38 year-round staff across all respondents. Similar numbers of full and part time staff are evident during the busy season (1.54 and 1.52 respectively), and this reduces during the quiet times of year to 1.38 full time staff and 1.08 part time staff per business. The range of staff is 0 - 12 (0 indicating a business not operating during the quiet period). The median number of staff (including the owner/operator) is one. These findings highlight the predominantly 'micro' size of the businesses in Western Southland. There may be additional issues faced by these businesses as a subset of 'small' enterprises linking with the family nature of most businesses, which need to be investigated further.

Seasonality is one of the major challenges to the tourism industry in regional areas (Tourism New Zealand, 2001) and Western Southland demonstrates this. All operators interviewed indicated that their business activities are very seasonal, with October/November to March/April being the busy period, coinciding with the traditional summer tourist season in New Zealand: "You rely on the summer trade; in winter business dies off to almost nothing". Some operators either formally or in practical terms close over the quiet season: "We don't have many guests in winter". Others struggle through the winter with much smaller scale activities and staffing levels: "You have to be pretty prudent if in business here to make as much as you can in summer to tide you over the winter." However, there are lifestyle implications with seasonality whereby a quieter period is a welcome break, especially for those for whom tourism is not their main business activity (I. Ateljevic & Doorne, 2000). This factor often attributed to lifestyle-oriented operators, is often criticised by economic development proponents (Fillis et al., 2004) but needs to be considered in light of labour and resource availability, and other economic activity in the region.

The 'busy' period for over 80% of tourism businesses is November to March, while the winter months are the quiet period (Figure 10). This correlates to the pattern of seasonality nationally (Tourism New Zealand, 2001).

Figure 10: Busy and quiet times of year (n=28 Busy, n=26 Quiet)



The effect of this seasonality explains why the majority (69.3%) of average annual income for the tourism businesses surveyed, is earned over the busy summer period. The median proportion of annual income earned during the summer period is 80%. The decrease or total drop-off in custom over the winter months may necessitate the reliance on other sources of income for many tourism operators which are likely to remain important for many in the foreseeable future. In order to invest and grow the tourism businesses, operators have to be able to see the industry in Southland as being large enough to be able to provide sufficient incomes for sustainable livelihoods.

A shortage of quality staff significantly impacts on the growth of businesses in small towns. The three operators interviewed who employ staff have "huge problems getting skilled staff". Keeping staff given the very seasonal nature of the industry causes further strain on businesses: "I want to retain staff so keep the business open 6 days over winter operating at a loss rather than lose staff". Another operator concurred: "Staff are difficult to find and it is worth investing in keeping them over winter". Low staff numbers and high seasonality reinforce the need for tourism operators to have other sources of household incomes. The survey findings indicate that the tourism-related businesses only contribute on average 17.1%, of the respondents' household income. For the majority of tourism operators, the level of economic activity is not enough to sustain their business without relying on other sources of income. This may also affect business planning activities and time available for upskilling for example, so should be taken into account when developing support services for STE.

5.2. *Business Planning and Growth*

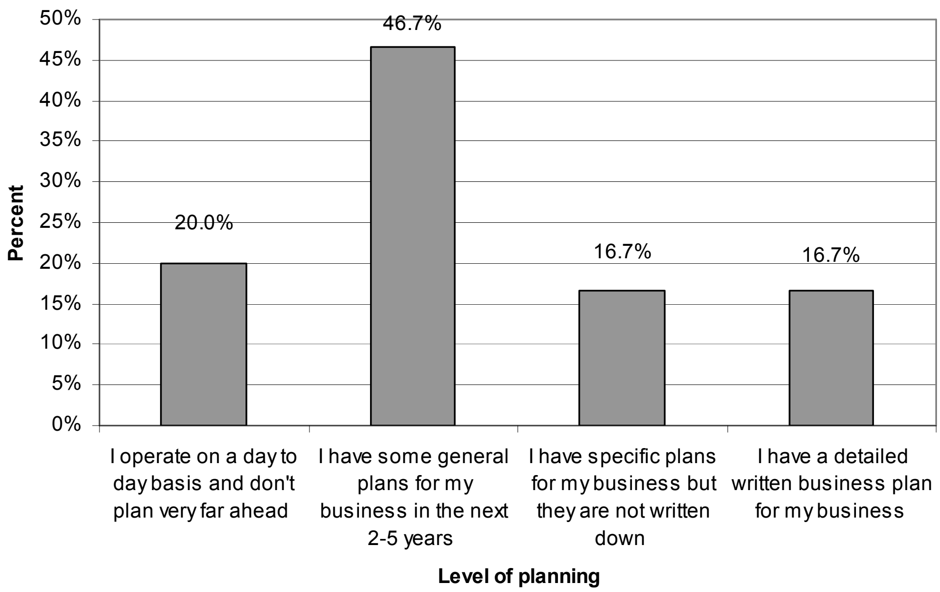
The level and formality of business planning varies greatly between the operators interviewed. Two operators have a defined time period which they gave themselves to achieve their business goals: "I gave myself five years to break even", and "I have a five year plan". These operators have a written business plan while other operators have a more 'organic' approach to growing their business such as "I'm always looking for ideas".

The level of planning often aligns with the reason for starting the business. Those two operators who "just fell" into the business are less likely to have plans for the future of the business, or want to grow it. One business owner explained their concern: "we're hesitant to promote the [business] too much as we have limited [capacity]". This conscious limiting of business scope and growth is recognised by the VS tourism representative who explained: "some businesses have made a choice not to grow – they're in it for the lifestyle and don't want to take that away." This has significant implications for the growth of the industry in the region and is likely to constrain expansion of existing businesses. It may however encourage entrepreneurs to start up new ventures if the tourism industry grows and existing operators do not expand to meet increasing demand.

All operators undertake some research with regard to their product or service although it is informal at best. Research usually involves taking note of what other businesses or regions are doing, and incorporating their own travel experiences into their business. More than one operator stated the general sentiment of: "we try to experience what else is on offer". Those operators who have a real passion for their service are less likely to look to what others are doing. One said: "I've never really looked at what other people are doing, I did what I wanted in terms of the product I offer". This indicates that rather than being predominantly demand-driven, operators are identifying niche markets based on what else is on offer or on their own interests and the local resources. These operators are therefore likely to be responsive to new opportunities (Morrison & Teixeira, 2004), and offer unique, authentic experiences embedded in the local area, a combination which is attractive to 'new' tourists seeking such a holiday.

Survey respondents were asked to choose from a series of four statements regarding the level of planning they undertake for their business (Figure 11). The majority of respondents (46.7%) have some general plans for their business, or specific but unwritten plans (16.7%). A fifth of respondents do not really have plans, operating instead on a day to day basis. This has implications for the future growth and productivity of the industry suggesting an adhoc approach to planning, but also implying a responsive business context where operators are flexible to changes and opportunities.

Figure 11: Level of business planning (n=30)



How operators perceive and reach their target markets provides insight into their approaches to business. Almost half (48.8%) of the survey respondent's tourism customers are international visitors, although 22.6% are not sure what proportion are from overseas. Operators do not record customer characteristics and largely base their impression of customer make-up on gut instinct. Most international visitors are 'free and independent travellers' although three operators work with inbound tour companies and host organised groups. The customer mix changes with the seasons; international visitors make up the majority of the customer base over summer, and there is more reliance on local and domestic customers over winter. One activity operator targeting international visitors is aware of the trade-offs of focussing on this group of customer, explaining "I've raised the prices making it a bit expensive for New Zealanders". Differences in visitor profiles highlight the need for to operators understand their potential target market, and make sure that the product offering and pricing matches with their target market.

Further insight into the challenges facing Western Southland tourism operators is provided in Appendix G and serves to provide additional background on the tourism industry and society in the region.

5.3. Networking and Competition

Interviewee perspectives differ on how much businesses within Western Southland compete with each other, as one operator explained: "some support each other while some compete". Some operators, when asked if businesses support each other, responded at a local level, such as: "Riverton businesses are good at supporting each other". Other operators are more inclined to see the scope for businesses supporting each other at a larger scale, as one explained, "Even in Te Anau the bed and breakfast and motel owners send people down to us". This divergence relates broadly to the different scales (local versus regional) at which STE compete. A comment such as "the bed and breakfasts do support each other quite well round Riverton" indicates support at the local level, and was made by the same operator who thought "overall I think [businesses in WS] are not particularly supporting", indicating competition at the regional level.

Perception of competition within sectors is common amongst STE (North & Smallbone, 2000). Accommodation providers, are much more likely to view the other accommodation operators as a threat - they "do their own thing, they don't chat to each other". The most basic level of support shown is by referring customers to competing businesses, such as: "If we're full I send people to the bed and breakfast". This level of support entails businesses supporting each other under certain circumstances, such as only when they themselves are at maximum capacity (Morrison & Teixeira, 2004). Alternately the support may be location based, where businesses will refer visitors to another business in a similar sector (e.g. another accommodation provider), but only those located in a different town who are not viewed as direct competition. All operators look at the notion of 'working together' from a perspective of what it can bring to their own business rather than for regional good.

Five interviewees are aware that other businesses will send customers their way if they are reassured that the experience will be a good one. One operator commented: "they were hesitant to recommend us as it would be a reflection on them, until they tried our product". Operators who have an understanding of the benefit of businesses supporting each other also acknowledge other operators must feel comfortable recommending another business to their customers. These operators host others to experience their product and meet each other, recognising "it will be good for business". In Western Southland activity and food operators demonstrate this behaviour.

Two operators report that efforts they had made to create links with other businesses had failed. At a basic level, one operator illustrated: "I've tried to get links to our website from others, but businesses are not keen to provide reciprocal links". Another operator actively attempting to package together four complimentary businesses is very frustrated at his lack of success explaining:

> I tried to work together with the businesses there, but they have a work alone mentality which I think is a learning period and will change later on. I've been trying hard to get them working together.

This self-sufficiency mentality came through strongly from the interviews and is recognised by the VS tourism representative who lamented "we need to change the mindset" in order to develop the tourism industry in Western Southland. There is an insular perspective within individual towns, and outsiders coming into the community find it difficult to integrate and develop relationships with other businesses. One operator was staggered by the atmosphere in one town:

> [Town] is a pretty close-knit outfit but they are not working together. When you're involved in something there you have to be bloody careful what you say. I tend to keep my business to myself where they're concerned. The small town politics is shocking. When I first started the business I'd never seen anything like it in my life … the in-house politics was shocking. You had to be there to believe it – shocking. The first few months I thought what the hell's going on here!

The ability to be self-sufficient and individualise their business activities is integral to being in business for all operators. This was apparent from two main perspectives: one is the reason for being a business owner; the other relates to being able to offer customers what the operator wants to provide. Many operators are running their own business because they like to have control over their decisions (Tourism Recreation Research and Education Centre, 2006). As one operator revealed:

> Because it's my business I just do what I want. I make all decisions myself – I look learn and listen to what is going on around me and in the industry, and see how thing I've done myself have turned out…. that's why I'm in my own business – to run, manage and decide things for myself.

Another illustrated his approach to business: "I do my own thing. If I want to do something I go and do it". Such attitudes are very self-focussed and may explain the limited interaction with other businesses evident in the region. The survey included a direct statement relating to self-sufficiency: "I am self sufficient in running my business and don't often need to go to others for advice". Survey respondents were asked to rate this statement based on whether they agree with it or not (Table 3). The average response rated just above neutral, however, nearly a quarter of businesses 'strongly agreed' with this statement, illustrating the considerable contingent of self-sufficient operators in the region.

Table 3: Self-sufficiency approach to business

Networking %	**Strongly Disagree (1)**	**Disagree Somewhat (2)**	**Neither Agree Nor Disagree (3)**	**Agree Somewhat (4)**	**Strongly Agree (5)**	**N=**	**Average**
I am self sufficient in running my business and don't often need to go to others for advice	3.3%	23.3%	16.7%	33.3%	23.3%	30	3.45

Another reason for running their own business espoused by half of those interviewed relates to being able to create and offer a product or service which the operators themselves feel strongly about. These operators do not necessarily tailor their product to broad market demands, rather they design it around what they are passionate about, their interests and their unique location. Being in business is about sharing this very personalised experience with visitors. It is noted that the activity operators with this focus to their business are the most active in attempting to work with other businesses to put together packages to enhance the visitor experience.

The general lack of networking on the part of tourism operators was explained by the Venture Southland enterprise services representative: "There is scope for businesses working in together, but they prefer the lifestyle option so don't look at it". Operating a tourism business as a secondary household activity has wide ranging effects for growth of the industry. The VS tourism manager explained

> It's not a competition type market. Tourism business is a sideline to farming in most cases. A few are keen to grow their business – they enjoy the tourism side and enjoy hosting people. Businesses are not on a big enough scale to be very competitive.

This perception and motivation of operators needs to be taken into account when looking to develop initiatives for the region. It is unlikely that businesses can be encouraged to grow substantially to develop the tourism industry, however, through encouraging small business to collaborate the outputs of the industry can be increased.

Two operators interviewed are part of formal business networks and recognise the benefits such networks offer to individual members, as well as the wider tourism industry in the region. One network clearly benefits a group of small operators some of whom rely heavily on the group structure for marketing and bookings. However, a representative of this group admits it is not very proactive at increasing customers or expanding their activities due to concerns over capacity. Another more professional and trans-regional group, benefits from expert guidance, strategic planning and promotion. This is a group of very strategically-minded operators targeting high end international visitors. They are cooperating with joint marketing and engage in active networking with each other.

In order to gauge the networking attitudes and behaviours of business owners, survey respondents were asked to indicate the level to which they agree with a series of statements (Table 4). The statements the majority of respondents agree with relate to the sharing of tips and ideas with other tourism businesses, and recognising the benefits of working closely with other tourism businesses in the region (average rating 4.31 each – 'somewhat agree' to 'strongly agree'). This contrasts slightly with actually having a 'working relationship' with other tourism businesses which scores a lower average of 4.0 'agree somewhat'.

Table 4: Networking approaches to business

Networking %	Strongly Disagree (1)	Disagree Somewhat (2)	Neither Agree Nor Disagree (3)	Agree Somewhat (4)	Strongly Agree (5)	N=	Average
I share tips and ideas with other tourism businesses	0	0	7.1%	57.1%	35.7%	28	4.31
I see benefits to my business through working closely with other tourism businesses in the region	0	7.1%	7.1%	35.7%	50.0%	28	4.31
I have a working relationship with other tourism businesses Western Southland	3.6%	3.6%	17.9%	42.9%	32.1%	28	4.00
Business associations/groups are of benefit to my business	3.6%	10.7%	14.3%	42.9%	28.%6	28	3.86
I only conduct business with people I trust	3.7%	7.4%	22.2%	37.0%	29.6%	27	3.86
I value the assistance that Venture Southland provides to my business	14.8%	7.4%	22.2%	18.5%	37.0%	27	3.61

The survey results indicate that operators recognise the benefits of working together more than they actually engage in collaboration. This result mirrors the interview and observation findings whereby there is a gap in actual networking activity.

Recognition of the benefits provided by business associations and groups, and appreciation of the assistance provided by Venture Southland to businesses, both rate only slightly above 'neither agree nor disagree' rating indicating a tendency towards self-sufficiency of operators. This is not uncommon to small firms the world over (Andersson et al., 2002; North & Smallbone, 2000) and this lack of engagement with support services is a major barrier to developing the capabilities of small business owners (Fillis et al., 2004).

The operators who try to encourage networking recognise there needs to be some compelling reason to turn 'working together' from the abstract concept many hold, into concrete actions, as one explained, "There is potential in tying-in with other businesses but nothing is happening at the moment". There is a need for a common vision and understanding of positives outcomes, as illustrated:

> I feel the desire to work together hasn't been fulfilled a lot because of the lack of people driving it in the past. There seems to be a lack of vision. A push for working together has not really been at the grassroots level - there's been a lack of understanding of why businesses should support each other.

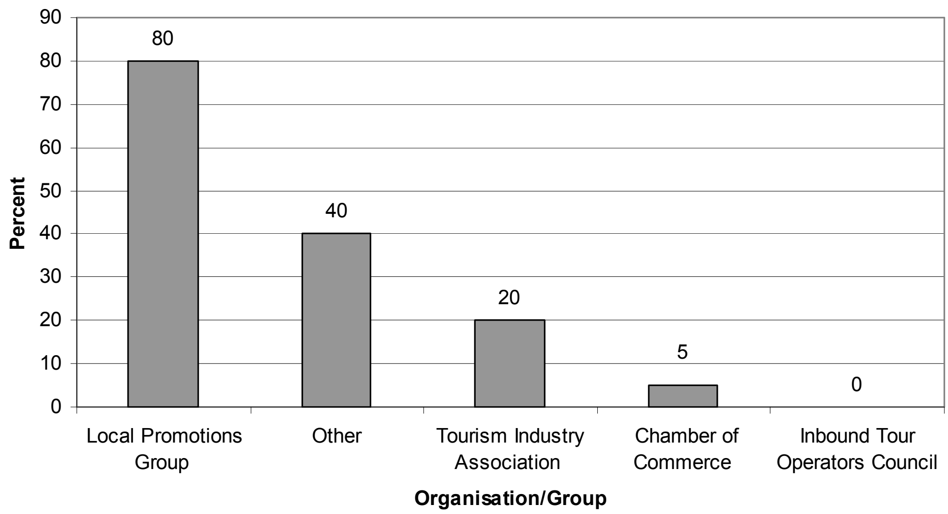
A vision for the region needs to be combined with a driver to motivate businesses and the communities into action: "If people could see positive changes through the website network project for example, if there was something they could hang on to, you'd get huge participation in the project"; "People need to understand that working together is a win-win concept for drawing people into the region". Those three operators who do see the 'big picture' and have attempted to engage operators through social ties embedded within the community, have become frustrated at the lack of receptiveness encountered, as captured by this comment:

> When I got into business in [town] it felt like I was knocking my head against a brick wall. I thought if I could get some community activity going, people would support each other.

Difficulties which some operators have had in getting the people together for community initiatives illustrate the factions which can exist between different sectors of the community, as well as within the tourism industry. Operators in both Riverton and Tuatapere express frustration at the difficulty of uniting the community, and the negative effects of "in-house politics" in getting community initiatives underway. One operator took on chairmanship of a group to save a local events icon but found it "a difficult job – couldn't get the community together, there were all sorts of factions in it". Likewise within the tourism industry there is a sentiment of wariness about sharing ideas and plans. This divisiveness within both the industry and the community presents significant barriers to overcome when considering developing a cohesive approach to regional development. The reason for factions within the industry at least can be partly attributed to a competition mentality.

Survey respondents were asked whether they belong to industry organisations/groups, and why they joined. The group most operators belong to is their local Tourism Promotions Group (80%); only a fifth belong to the national Tourism Industry Association (Figure 12). This indicates a high level of support of the Local Promotions Groups, yet an almost neutral response was given above (Table 3) regarding the benefits gained from business associations.

Figure 12: Industry organisation or group membership (n=20)



Note. Respondents could indicate more than one organisation/group they belong to. 20 people answered and they belong to 29 organisation/group. Those who did not respond either did not answer the question, or did not belong to any organisation/group.

Twelve respondents gave an explanation of why they joined their local Promotions Group. The reasons are based around promoting the region as a whole with a view to benefiting the respondents' business; to keep informed about what is happening in the area; meeting other business people; and networking. The local Promotions Groups therefore present the strongest opportunity to engage operators in networking activities aimed at strengthening the industry and destination image through packaging of products and collaboration.

The four respondents who explained why they joined the national Tourism Industry Association saw it as being relevant and of benefit to their business, including provision of training and advertising opportunities. These operators are most likely to have a broader perspective on their business and its place within the tourism industry, and are more likely to be proactive in upskilling and taking advantage of collaboration opportunities on offer through the Association.

The 'other' business or industry organisations survey respondents belong to include Venture Southland (2), other tourism groups (3), other local groups (2), and other industry bodies (1). One respondent explained his/her reason for belonging to a tourism group: "To work with other tourism businesses to network and provide quality packages for visitors." This suggests that there are collaboration-minded operators within the region, who could be used as champions to spread awareness of the advantages of networking and collaboration between businesses. One interviewee, however, expressed his frustration at trying to build relationships within a community and between businesses:

> [Town] could do a lot more to help themselves, a hell of a lot more. Top suggestions? All working in together. You know – the old business relationship thing from way back; what you can get out of it. I tried to pull together [4 businesses] but all of a sudden it went splat – bloody frustrating!

Respondents belong to a variety of other groups (not specifically business or industry mentioned above) which can be classified as relating to the community, family or business. Of the 20 respondents who indicated they belong to other groups, just over half (55%) mentioned business-related organisations or those benefiting their business; half mentioned community based or focussed groups; and a small number (10%) were related to family (eg children's school committees). Twenty percent of respondents specifically mentioned the opportunities and benefits of networking with people through the organisations they belong to. The level of informal networking inherent in group participation provides a strong basis for building trust to allow more formal networking associations and reciprocal benefits for individuals. As Putnam (2000, p. 172) in his study of contemporary society observes, "people who trust others are all-round good citizens, and those more engaged in community life are both more trusting and more trustworthy". Western Southland tourism operators appear to be strongly embedded in the society and culture of their communities, providing a good basis from which to develop business-oriented ties growing from strong social ties.

Operators are engaged in more networking activity than they realise, as the number of organisations they are part of contrasts the relatively neutral average ratings given to importance of networking (Table 4). It could be hypothesized that perhaps operators do not perceive belonging to the various groups they are involved with, as beneficial to their business. It may be that there is a lack of awareness of the informal way in which networking can occur at the personal level connecting people, and therefore businesses.

The level of formality required before operators perceive themselves as 'working together' compared to informal networking bears further investigation. The relative lack of importance attributed to business associations and Venture Southland activities may reflect low benefits associated with formal structured activities. Informal or socially based groups may be seen as more valid or attractive at the personal level, without operators recognising benefits to their business through their personal contacts (Uzzi, 1996). The level of formality could be a factor in the limited appeal of belonging to groups or associations. As trust is a significant factor in fostering networking between individuals, more personal, local and less formal organisations based on social ties may be seen as more relevant and/or a less threatening means of making connections between people, which could then lead on to business linkages (Davern, 1997). It would be worthwhile to investigate the extent to which cost and trust are a factor in discouraging business association membership or engagement with Venture Southland initiatives.

The Venture Southland workshops offer operators a chance to meet other tourism operators, as the VS enterprise representative explains:

> Around events we encourage operators to come in to attend events. It's important for rural operators to meet people from other areas,

> which then allows them to recommend other operators and network in the greater region.

It appears that Venture Southland workshops and events attract those operators who recognise the value of networking. Those who do not attend need educating in the value of networking before they will take advantage of such opportunities. These occasions are not used currently to solidify business networks or explore ways for operators to work together. As one operator interviewed mentions: "I have done Venture Southland workshops and will do more. You get to know people at the workshops so it is networking of a kind, but we don't really discuss business".

All but two operators interviewed do not have explicit formal networks which benefit their business. Most have informal, social networks of personal contacts which are part of family and community life. Connections are personal, although most operators realise that these links may benefit their business at a later date as the following quote demonstrates: "I have a lot of contacts and people just spread the word. I get a lot of group bookings from contacts for business events/ dinners".

The interviews probed where operators go for advice related to strategic issues, day to day operational issues, and personal issues such as managing staff. Professional advisors are used regularly by two operators while Venture Southland representatives are also useful to three of those interviewed. These operators recognise the value of professional advice in their business affairs, and are more likely to have a business plan in some form. Across all the operators, support networks are a mixture of informal friends/family, through to professional accountants/solicitors: "They are my left and right hand"; "our accountant probably – that's a funny person to say! He has had other businesses, has good ideas so I go to him for all areas of the business". Operators are not able to clearly articulate turning to different types of advisors for strategic, operational, or personal advice, although all operators have a variety of mentors they use in sequential order:

> For big decisions I talk to my wife/partner who has been in business before, then definitely have to run past the accountant, then would have to go Venture - I don't often go to Venture for advice. Then i'd have to go and see the bank manager.

The situations in which operators seek advice from others are often adhoc, and a partner, relatives or friends is often the first point of contact: "I do throw ideas around with my husband". Staff are an important sounding board for two operators, as one mentioned: "I really value the contribution my staff make". The other type of advisor is a friend in the same type of business which three interviewees consult: "I do have a competitor of sorts, but he's not really [a competitor], he's a good friend of mine". These personal exchanges are strongly based on trust, something which is difficult to build with external agencies which provide advice and support services.

Survey respondents were asked to rank the top three resources they turn to when they need advice related to their business. Themselves, followed by a professional service provider, and then a spouse or family member rated most highly, reinforcing the interview findings. Supporting this finding, a survey of the food and beverage sector in 2006 asked who managers turn for help most often in their business. Friends and personal networks ranked in top place (73%), followed by their accountant or lawyer (45%); and then government departments and industry organisations (New Zealand Tourism Research Institute, 2007). Venture Southland and websites represent untapped sources of advice and information for STE, which could provide valuable assistance, although significant effort may be required to convince STE of this.

There is a very distinctive split between operators who do use and value Venture Southland support, and those who are not interested. The ones who attend workshops and seek VS advice have found the assistance valuable and will continue to upskill. Any concerns operators have as to taking up assistance need to be allayed. One operator admitted, "I've been offered a mentor and think it will be helpful - not sure if I'm ready for the criticism yet though!" Introducing operators to tools which can support their business needs to be a gradual process, and involves building personal, trust-based relationships which acknowledge the skills of operators and their self-sufficient approach to business.

There are very mixed opinions held by interviewees on the value that Venture Southland brings to the tourism operators in Western Southland, which is split between very positive and quite negative. The three operators who have utilised the services offered by VS – workshops, one-on-one business planning, advice, and familiarisation visits – really value and appreciate the help and assistance this has provided in developing their business, as one operator enthused: "Venture is supportive of businesses - you can have a one to one follow up consultation with them after attending one of the free workshops, both of which I've taken advantage of". However, there is a contingent of operators who do not see value in the efforts of Venture Southland for them:

> Venture have had so much bad press. This is a small community and you hear lots of negative things about them [VS]; the people don't have any respect for them. Venture focus on Invercargill and make no contribution to Western Southland, except for invitations to workshops. There is no promotion of the area. To feel that the workshops would be a constructive use of my time we need promotion for the area.

The actual functions and activities of Venture Southland do not seem to be well understood. As one operator pointed out "They are good at what they do. They need to be able to get out and communicate that tourism contributes to the Southland economy". Understanding what VS focuses on in its role for economic and tourism development, and the actual activities in which it engages, would possibly improve perceptions of the value of the organisation. Currently, the VS tourism representative explains:

> In the International market we focus on inbound operators versus FIT as it's easier to deal with existing distribution channels. We focus on travel trade, numbers are good. We focus on inbound operators growing their business overseas. We keep a good relationship with them and get them down here. We do market visits to their clients in the US, UK, and the Kiwilink programme.

This focus on inbound travel specialists works well for the operators who target the inbound market, and who work with tour companies and travel agents offshore. Those operators who do not engage with the inbound market are much more likely to think that VS does nothing to promote their business.

Alternative means of connecting with local tourism operators, potentially through already established local networks, need to be considered by VS in order to reach those individuals who are unaware of services they can take advantage of, and to discern what and how training should be offered. There appears to be some evidence that regional STE are less satisfied with RTO or business network services compared to urban firms (J. Ateljevic & Doorne, 2004), indicating that attention needs to be given to overcoming the difficulties inherent in providing services in rural areas.

The local community plays a central role in the success of any tourism destination. The role of the community as ambassadors for the attractions of their region must start with an awareness of the range of attractions, and the value visitors place on the experiences provided. One tale illustrating the differences in the way visitors view experiences compared to locals, was given by an accommodation operator:

> I was mowing the lawns one afternoon when a campervan pulled in. We sorted out their details and so on, and I asked them to just wait 5 minutes while I finished mowing their site before parking there. A while later I noticed that they hadn't moved their campervan onto their site, instead they were standing in the middle of it. Concerned, I went over to ask what the problem was. They replied "we're just enjoying the smell of the freshly cut grass – we live in a New York apartment and never get this!"

Something that locals would take for granted – the smell of freshly cut grass – was a unique experience for the visitors. Local people need to look at their region and what it offers through the eyes of the visitor to appreciate it.

Local communities also need to understand how the tourism industry in the region can improve their quality of life. To achieve this, operators recognise the "need to be able to get out and communicate that tourism contributes to the Southland economy". Giving local people a reason to engage with tourism through a regional project such as the www.westernsouthland.co.nz community and tourism website portal will both allow an understanding of the implications of tourism for the region, as well as encourage participation. As one interviewee commented "If there was something they could hang on to, you'd get huge participation in the [website] project". It is the involvement of local people in tourism that contributes a unique flavour which is of particular value to the visitor experience.

The number of groups and organisation with which survey respondents are involved, suggests that tourism operators as individuals are closely interwoven into the social fabric of their communities. Informal discussions with tourism operators in the region confirm that they are usually involved with a range of community activities. In Western Southland, business people may be embedded more deeply in the community than other regions, as the small, rural communities are close-knit, and traditional values such as volunteer work for example, are stronger where locals know each other. One Promotions Group committee member commented that the people willing to give their time to community initiatives are usually involved with a number of different groups as "there are more things that need to be done than volunteers to organise them", while another rattled off half a dozen volunteer groups or associations she was involved with.

5.4. Attitudes Towards, and Use of, ICT

Attitudes towards the use of information and communications technologies (computers, email and internet) are diverse amongst the tourism operators interviewed. Attitudes mirror actual use of ICT whereby those three operators who have integrated ICT into their business operations, have a positive attitude towards the functions and benefits offered by technology. Of those four operators who do not use ICT beyond basic email and document functions, attitudes towards it are not so much negative as apprehensive. While these operators recognise abstractly the potential benefits that ICT could bring to their business and their relationship with customers, ICT is regarded as somewhat of an enigma: "we've been talking about getting a website but it seems too hard". These operators have some interest in upskilling, more for the perceived benefits to business and recognition that "it's the way to go" than any inherent personal interest.

The regional economic development representative sees people as being "slow on the uptake of technology" in some cases, rather than having resistance to the uptake of ICT. This attitude is evolving as broadband improves the basic internet service in the region. The VS enterprise representative recognises that: "there is still a gap for e-commerce skills, people need to upskill". In general, it is recognised that understanding of the broader benefits of ICT needs to be improved, as the VS tourism representative commented, "there is a need to create more awareness of cost-effectiveness – they can't always see the benefits of websites. A website alone is not enough – it has to go with other initiatives." Even those four operators who have little interest or real understanding of the potential of the internet, recognise that it will have an increasing importance in the future, as commented: "think it will gradually pick up – it's the way everyone's going". There is an overall awareness even at the most basic level that the internet can provide an information-sharing function, which can be useful to all types of businesses, as one operator agreed it is "good to see what's here".

The three more advanced users of ICT recognise how it can contribute their business in terms of improving communication with customers, customer service, adding value to their product, cost saving, and opening up new promotion opportunities. There is an appreciation that the benefits may not be directly measurable, as one operator explained: "I don't expect a lot of bookings from my website, just to make people aware of what I offer". Two of the operators are aware of the potential for current marketing activities to support their website as an informational tool, as one operator recognised

> If you do a flyer delivery and you can get the recipients to go to your website, you can show them what offers you have on. If you can get them to the website, even if they don't come themselves, they may have visitors who will come. Internet is immediate – you can get your ideas out there.

The cost of printing and distributing brochures was mentioned by two operators as being an increasing burden for diminishing returns, as one operator explained: "the internet … is interactive and has so much information compared to brochures which take time to use up and cost a lot". The internet offers a means to present detailed information to clients, while email communication provides a sense of immediate contact between potential customers and the operator (Levinson & Milne, 2004), offering significant benefits to operators who fully use the potential offered by ICT.

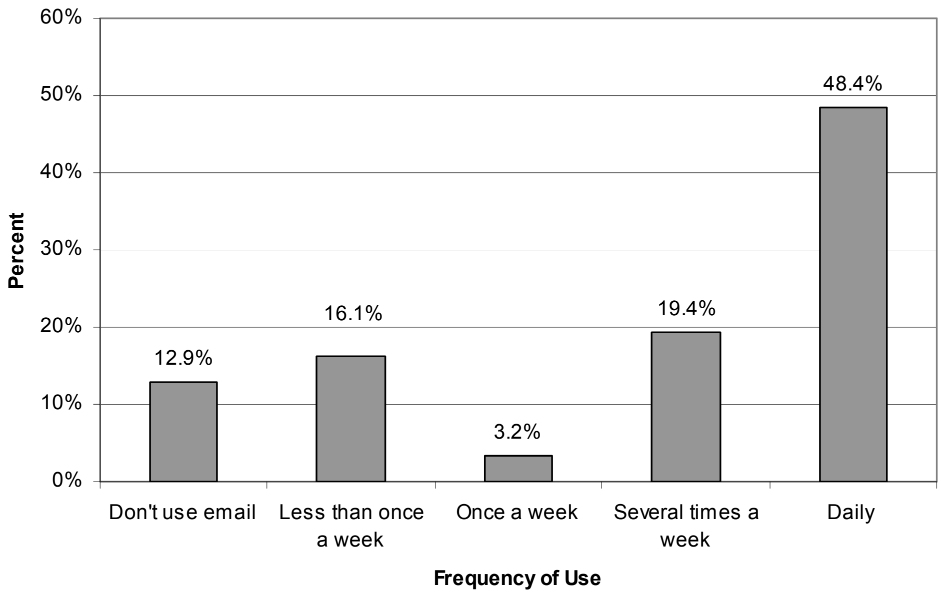
The VS enterprise services representative recognises the need for fostering understanding of the value of ICT by businesses in order for the region to reap the benefits of stronger performance:

> We have good educational programmes, and we're creating greater awareness of the benefits for business. We need to increase uptake and use it for regional development…. The challenge is to use it effectively - businesses need to be aware how it can have a direct impact on business growth. There is huge potential for Southland.

It is creating an understanding of the individual and wider benefits of ICT use which will encourage more operator uptake of ICT.

All operators interviewed have access to some form of email whether personal or for the business, and use is predominantly for correspondence. In terms of ICT skills and confidence, nearly half of respondents surveyed (48.4%) use email daily, although a third (32.2%) are not using email more than once a week (Figure 13). Survey findings show that tour/activity operators are most likely to use email daily or several times a week. Half of accommodation operators use email daily, while a fifth use it several times a week. Food and art/craft operators use email least, once a week or less. ICT use is for the most part in its infancy in Western Southland, explained by the remote location and only recent introduction of broadband internet services.

Figure 13: Frequency of email use (n=31)



Bookings through email are less common than enquiries, and operators recognise that visitors are mainly seeking information without committing themselves to booking in advance. Advanced features of internet booking and paying online are non-existent, because of lack of awareness, low perceived demand, and due to the cost involved.

Less than half the businesses interviewed have an individual website, although one business has a listing on a directory website. Those who do not have a website have low use of email and computerised systems in their business. Two fifths of businesses surveyed have their own website (41.9%) while just under two thirds (64%) of respondents have listings with tourism directory websites. A third (36.4%) of those who have directory listings are not sure how many they have. The average number of directory listings is three, and the range is 0 - 10. In explaining why they have listed with website directories, the majority of comments relate to gaining wider promotion and exposure for their business. Reasons for not listing with any website directories include a lack of knowledge on how to do this, the cost being too great, or a directory listing not being of importance in the context of the business: “Haven't the knowledge to set this up. Low budget, not high on list of urgencies even though aware it would be highly beneficial to my business".

ICT does not overwhelmingly assist operators surveyed in conducting their activities, however two thirds agree with the statement 'ICT helps me run my business more efficiently', while 43.4% agree that 'ICT helps reduce the cost of running my business' (Table 5). In terms of using technology to enhance the productivity and capacity of New Zealand small businesses, a third of operators do not see ICT leading to improved efficiency, and over half do not see it as reducing the cost of being in business. As central themes to the New Zealand Digital and Tourism strategies, further research is required into whether it is a lack of awareness of potential benefits which ICT could provide, or awareness but lack of applicability to the businesses which explains the low perceived benefit.

Table 5: Value of ICT

Value of ICT %	**Strongly Disagree (1)**	**Disagree Somewhat(2)**	**Neither Agree nor Disagree (3)**	**Agree Somewhat (4)**	**Strongly Agree (5)**	**N=**	**Average**
ICT helps me run my business more efficiently	16.7%	0.0	16.7%	33.3%	33.3%	24	3.72
ICT helps reduce the cost of running my business	17.4%	0.0	39.1%	30.4%	13.0%	23	3.29

The level of confidence using ICT varies considerably between operators. While one operator has sought assistance from experts or mentors in terms of internet strategies as a marketing tool, this is the exception. The three interviewees who market their business through their websites have learnt how to use ICT functions largely through exploratory self-teaching. They have learnt to use computers by trial and error, and through assistance primarily from family members, as has been seen in other research (M. Simpson & Docherty, 2004). Due to the informal learning of ICT processes, operators have limited confidence in their abilities, as one operator let on: "I learnt everything I know about computers myself. My wife is better than I am, but she'd say she's not good on it. [She] has done some courses – common sense goes a long way – we work it out". This comment was from someone who can be considered an advanced user in comparison to most operators interviewed. Similarly, another operator admitted:

> I don't use it well – made lots of phone calls to my daughter at uni; reading books; trial and error. I'm still learning though a lot more confident than I was. I got the computer in 2000 and it was very frustrating then. I'm not completely confident. I have no problems with emailing, I have a digital camera and can edit and put photos into email etc. I just got Publisher and will do cards on it. I always learn more – I use a spreadsheet a little bit.

Three operators have little interest in ICT and have low technology use, or rely on staff to perform ICT-related tasks. The aversion to ICT is a lack of confidence in how to go about learning or a negative attitude, as illustrated by the following comment: "can't use them [computers] and don't want to learn… I'm too old. I leave that all to my girls [staff]". The VS enterprise services representative agrees that confidence is a major barrier to uptake of technology, explaining: "Internet skills may be a bit beyond people – maybe they need to have more confidence with technology".

In somewhat of a contrast, operators surveyed generally agree with the statement relating to their confidence using a computer to help manage their business (79.3%), but are less confident using the internet to find information of use to their business (65.5% agree), or using the internet to market their business (55.2% agree) (Table 6). The difference in average confidence between the interrelated aspects of using a computer to manage (average 4.00), versus using the internet to market (average 3.23), businesses bears further investigation.

Table 6: Confidence using ICT

Confidence using ICT %	Strongly Disagree (1)	Disagree Somewhat (2)	Neither Agree Nor Disagree (3)	Agree Somewhat (4)	Strongly Agree (5)	N=	Average
I am confident using a computer to help manage my business	13.8%	0.0	6.9%	34.5%	44.8%	29	4.00
I am confident using the internet to find information of use in running my business	13.8%	3.4%	17.2%	27.6%	37.9%	29	3.77
I am confident using the internet to market my business	27.6%	3.4%	13.8%	34.5%	20.7%	29	3.23

As the internet is a significant means of tourism marketing it would be interesting to explore whether the difference in confidence relates more to the concept of 'marketing', 'the internet' or 'internet marketing'.

All operators, irrespective to attitudes towards or use of ICT, view ICT as playing an increasingly important role in both personal and business aspects of daily life in the future. As one operator explained:

> It's absolutely critical to get onto the internet. For the last few years I've had a negative attitude to the computer, but I see it as a way of the future. I see the need to upskill and do more training on it.

The increasing use of the internet by travellers is a key factor driving this awareness of the need to use ICT, because "The internet lets you get to the visitor before they make their travel plans". Operators realise that for the region to benefit from visitors, they need to make visitors aware of what is on offer, and enable the visitors to plan to spend time in Western Southland. Two of the operators interviewed market their business on the internet with relatively comprehensive websites. These operators recognise the importance for their business in the context of travellers planning their holidays. This is especially important on three levels: the remoteness of New Zealand to travellers; the remoteness of Western Southland in a New Zealand context; and the sparseness of tourism businesses and activities within the region. As illustrated by one operator:

> In this type of location you have to get your marketing right – you can't put a sign at the end of the road – we're too far out of the way.

The internet offers both cost and currency benefits over printed marketing material. Those operators who are active in their marketing and use of their websites, recognise that printed brochure will play a lesser role in marketing in the future, while the internet will play a greater role, as one explained: " The thing about the internet is you can change the content… It is interactive and has so much information compared to brochures. " Supporting this concept, some operators declared that the next time they have brochures printed it will be in lesser quantities than previously. There is recognition that the information function of the internet will add value to their business, either directly or indirectly. There is no concept of using the internet as a means of networking between businesses, or linking products to form packages or integrated marketing efforts.

In terms of 'using computers/ICT' in their business, over three quarters of respondents (78.6%) would like to be better at this. However, respondents agree slightly less that they 'take advantage of workshops and training to increase their skills' indicating that perhaps workshops and training tools are not the favoured way to upskill for operators (Table 7). The majority of respondents (70.3%) agree they would like to know more about using the internet to market to visitors.

Table 7: Attitudes to ICT upskilling

ICT Upskilling %	Strongly Disagree (1)	Disagree Somewhat (2)	Neither Agree Nor Disagree (3)	Agree Somewhat (4)	Strongly Agree (5)	N=	Average
I would like to be better at using computers/ICT in my business	10.7%	0.0	10.7%	28.6%	50.0%	28	4.07
I take advantage of workshops and training tools to increase my skills	6.7%	0.0	16.7%	50.0%	26.7%	30	3.94
I would like to know more about using the internet to market to visitors	3.7%	0.0	25.9%	40.7%	29.6%	27	3.93

Operators surveyed have more confidence using computers in their business, than confidence in using the internet for marketing. One would hypothesize that where confidence is high (as with using computers in the business), there would be less inclination to upskill, and where confidence is lower (using the internet for marketing), the desire to upskill would be stronger. The low rating given to the desire to increase skills and knowledge refutes this logic (Table 7). The issue may require a staircasing approach, whereby operator attitudes and confidence need to be developed starting with basic applications and building on those. The low uptake of workshops and training tools reflects literature on small businesses operators around the world, and will require substantial attention to shift this attitude. Aspects of owner-manager personality have been shown to be the most significant influence on use of ICT and engagement in networking in a small rural business (Fesenmaier & van Es, 1999; Warren, 2004). The findings suggest that operators with the mentality to take advantage of computers may also have an awareness of the broader concepts surrounding good business practices, such as the value of networking, and this can be capitalised on to spread a culture of networking for mutual capability-building.

5.5. Tourism Industry Goals

Most operators interviewed have no concept of how national and regional strategies shape the direction of tourism development, nor how the strategies relate to their business. Only two operators have limited awareness of the New Zealand Tourism Strategy, and one had heard of the 'Interactive Traveller', although once described it particularly struck a chord with all operators: "That's the type of people I've been talking to you about" one exclaimed. As one operator explained: "I can relate to the profile – customers are middle income, well travelled and not afraid to spend money". Operators recognise the traits of these visitors as "we're a bit of Interactive Travellers ourselves". This will help make personal connections between locals and visitors which travellers so value, and the 'Interactive Traveller' provides a good match with the experience visitors can have in Western Southland.

The relevance of the Interactive Traveller to the Southland region is explained by the Venture Southland tourism representative:

> The Interactive Traveller profile is happening anyway; NZ attracts that kind of people. Most [visitors] consider themselves interactive travellers. They want to control their own trip, seek out experiences, meet people, get their hands dirty. They don't want to be 'herded'.

The need for communities to understand how tourism benefits them, and for locals to become involved in interacting with the visitor when travelling through the region, is somewhat of a vague concept amongst operators.

Survey respondents were asked to rate the importance of five key goals of the NZ Tourism Strategy to their business, on a scale of 1 – very unimportant, to 5 – very important (Table 8). The goal of 'making communities understand the value of tourism to their region' rated most important with 67.9% of respondents rating this 'very important', and an average rating of 4.66, indicating the embeddedness of tourism in local communities, and importance of community in the tourism experience.

Table 8: Importance of NZ Tourism Strategy Goals

NZ Tourism Strategy Goals %	Very Unimportant (1)	Not Very Important (2)	Neither Important or Not (3)	Important (4)	Very important (5)	N=	Average
Making communities understand the value of tourism to their region	0.0	0.0	3.6%	28.6%	67.9%		4.66
A focus on international travellers who like authentic experiences and meeting real NZ'ers	6.7%	0.0	6.7%	30.0%	56.7%	30	4.26
Visitors have appropriate expectations of what they'll experience in NZ	6.9%	0.0	6.9%	41.4%	44.8%	29	4.20
A focus on maximising the amount visitors spend in NZ rather than attracting higher numbers of visitors	3.4%	3.4%	13.8%	55.2%	24.1%	29	3.97
Promoting a focus on high quality standards through Qualmark ratings	3.6%	7.1%	28.6%	35.7%	25.0%	28	3.66

A focus on international travellers who like authentic experiences and meeting real New Zealanders' is next most important goal with an average rating of 4.26 and 56.7% rating this 'very important'; similarly is the goal whereby 'visitors have appropriate expectations of what they'll experience in New Zealand' which rated an average of 4.20. That visitors have an enjoyable visit to the region is critical to the success of the operators and the industry. Of lesser importance for local operators was the 'focus on maximising the amount visitors spend in NZ rather than attracting higher numbers of visitors', and 'promoting a focus on high quality standards through Qualmark ratings', both of which scored an average 'less than important' rating of 3.97 and 3.66 respectively. The reason for these two goals having less importance to Western Southland businesses can be explained. The region receives a much smaller proportion of visitors than other NZ regions, thereby still has significant scope for growth in visitors numbers before negative effects are seen, thereby suggesting that maximising yield from visitors is viewed as less critical than increasing numbers. The Qualmark rating system is perceived as being both expensive and arduous for the small, seasonal operators in the region. This attitude reflects a combination of lack of operator knowledge and understanding of the Qualmark system and costs, as well as the overall accumulation of regulatory and compliance costs imposed on operators. A recent NZ study of STE revealed that national quality or environmental certifications are not widely held (AC Nielsen, 2006), indicating that there is considerable effort required to encourage individual operators to buy-in to national standards for the benefit of the tourism industry as a whole.

The concept of sustainability which underpins tourism development is viewed in the context of economic sustainability, with just one operator interviewed articulating the importance of environmental sustainability for the NZ tourism industry. Given the small scale and seasonal nature of the Southland tourism industry, simply surviving in the business context is a major focus for four businesses. Operators do however, recognise the importance of the natural environment as the main drawcard for visitors to Western Southland, and are well-placed to advocate environmental sustainability if any such measures do not impact negatively on the financial sustainability of the businesses. There is no awareness of using the internet to specifically market to environmentally aware tourists.

The question asking about the level of the input which operators had into the development of the Southland Tourism Strategy was only answered by half of the survey respondents, while a third had no input into it, and a 6% had never heard of it. This indicates that local awareness and input into the strategy was limited, despite extensive consultation undertaken during the preparation of the strategy (Venture Southland, 2005). This could be attributed to the self-sufficiency mentality of operators; STE may have no interest in following what is happening in the industry, or may not perceive it as relevant to them. Those who are dismissive of the role of Venture Southland may 'tune out' any activities involving the organisation, including strategy development.

Networking associations may not have been utilised in spreading information regarding the strategy development and opportunities to participate in this.

5.5.1. Role of ICT in Industry Development

The role of ICT skills in allowing operators to access business resources and information does not feature as an important function or need, most likely because all but two operators have just basic skills in ICT. Information and communications technology and its role in sharing information are seen as important in the context of travellers planning a holiday. Increasing the skills and capability of small businesses is recognised in national strategies as critical in being able to understand visitor's needs and communicate with potential visitors. ICT and tourism as means for connecting people is understood as a broad concept, with operators recognising they need to communicate with potential visitors.

The increase in FIT using the internet for flexible trip planning highlights the importance of getting information about the region to prospective visitors before they leave home. The role the internet is plays is pervading many sectors of the visitor market, directly connecting small operators with more visitors of different market segments, from a wider geographic range (Fesenmaier & van Es, 1999). The two operators who actively market through the internet have seen a shift in their customer profiles as marketing channels evolve.

Survey respondents view the goals of the NZDS as they relate to tourism businesses on the whole as important, with 'supporting people to become more skilled in using technology to improve their business' rating 'important' and 'very important' to equal numbers of operators (46.2% each), and the same average rating (4.30) given to 'having fast internet access for all businesses' (Table 9). Rated slightly lower is 'capturing unique NZ stories and sharing them on the internet' which received an average rating of 4.23 in importance. This content creation and dissemination function is less valuable to businesses perhaps because it offers less tangible benefits to the operators than the other goals. The bigger picture of the role of the internet in portraying a region to visitors is perhaps not understood currently, and promoting reasons which could assist in encouraging operators to get involved with the internet by creating content may spread awareness.

Table 9: Importance of NZ Digital Strategy Goals

NZ Digital Strategy Goals %	**Very Unimportant (1)**	**Not Very Important (2)**	**Neither Important or Not (3)**	**Important (4)**	**Very important (5)**	**N=**	**Average**
Supporting people to become more skilled in using technology to improve their business	0.0	0.0	7.7%	46.2%	46.2%	26	4.30
Having fast internet access (broadband) for all businesses	0.0	3.8%	15.4%	30.8%	50.0%	26	4.30
Capturing unique NZ stories and sharing them on the internet	3.6%	0.0	7.1%	46.4%	42.9%	28	4.23

Overall, operators recognise the current and future significance of ICT in business and general community life. How ICT can benefit individual businesses specifically is less clear to many. Also the role of ICT in capturing and disseminating content about communities may be an abstract concept presently, requiring concrete examples before people can really understand the potential of the internet in presenting a community identity to the world.

6. Conclusion

This research has shown that tourism enterprises in Western Southland are predominantly small, seasonal and generate a mixture of primary and secondary income streams. They are owner-operated, and many rely on family members for support and extra staffing. Those businesses that are employers value the contribution that staff make to the business, and retaining good staff through the low season is a challenge. The struggle to obtain and retain good staff will ease somewhat in the long term when the industry develops to a level which makes year-round employment feasible.

Many tourism operators in Western Southland have significant social ties to the region with the majority being long-term residents, indicating a strong embeddedness in the community. Given that small business owners “remain deeply integrated with their local and national communities” (Kelsey, 1999, p. 35), they will continue to represent an authentic taste of New Zealand culture in an increasingly globalised world. This will have positive implications for the provision of authentic tourism experiences embedded in the local natural environment, culture and society.

Motivations for being self-employed are not simply related to either profit or lifestyle, but represent positions on this multi-faceted spectrum. Lifestyle motivations do not necessarily preclude a profit focus as some of the literature suggests, which bodes well for the emergence of tourism as a means of development for the region based on local resources and knowledge (I. Ateljevic & Doorne, 2000). A predominantly lifestyle motivation also does not preclude the desire to upskill for some operators, who are willing to find out what ICT can do for their business. Those operators who base their business on lifestyle considerations should not be ignored in regional development and training initiatives, as they can contribute significantly in both social and economic goals of the community (Getz & Carlsen, 2000).

The small size of tourism businesses and hands-on involvement of the owner means operators can be flexible and tailor experiences to visitor needs. The experience reflects the local culture as operators share their own stories and the highlights of their region with visitors. These small, not entirely profit-driven operators can develop niche services based on personal and community values which are set in the local region (Meyer-Stamer, 2004). This caters to visitors seeking unique experiences, as well as providing competitive advantage over other regions through provision of these unique experiences (North & Smallbone, 2000).

There is a clear divergence between those operators who are in business so they can make their own decisions and be self-directing, compared to those who actively seek advice and assistance from outside parties, although these two traits are not necessarily mutually exclusive. Those business owners who have attended enterprise training workshops view the support received favourably, and are likely to have an ongoing relationship with Venture Southland for advice and developing relationships with inbound tour operators. These operators are more likely to be forward-thinking and have a vision for the future of their business, with some exceptions.

6.1. Participation and Integration

Celebrating the uniqueness of New Zealand's regions, natural resources and people, and promoting an authentic experience of these to visitors is a key platform for New Zealand tourism marketing. It is also the basis for many Western Southland tourism operations, putting them in a potentially strong position if a cohesive regional destination image and integrated packages can be pieced together. Fostering dynamic and flexible operators willing to customise the experience for the visitor and share some of the passion which they hold for their local area, and matching these operators with travellers who are seeking such experiences, is at the heart of the New Zealand Tourism Strategy, as well as the theories behind flexible specialisation and competitive advantage in the global economy (Cawley et al., 2002; Hall, 2003; Pavlovich, 2001). There is significant scope for tourism in Western Southland to grow, and provide a basis for wider benefits to accrue to strong and involved local communities. While there has been much debate over the combinations of factors which go into achieving the vision of integrated community planning (Warren, 2004), there is little doubt that motivated rural communities such as those in Western Southland, given the right knowledge and tools, can promote social, cultural, environmental and economic factors which are conducive to creating a sustainable regional community (Dymond, 1997; Meyer-Stamer, 2004; Oliver & Jenkins, 2003).

The broader community goal of showcasing what a unique place Western Southland is to live, aligns well with the goal of tourism operators in promoting the region as a great place to visit. As Meyer-Stamer (2004) argues, the synergy of the tourism and community goals, the embeddedness of tourism in the local region and tourism operators in the local community, and the existence of a local initiative which brings tourism and the wider community together in planning and promoting the region, bodes well for the effectiveness of tourism as a tool for social and economic development in Western Southland. Identified as critical to integrated sustainable regional development in the literature, is the involvement of local government (Hall, 2003; McArthur & Hall, 1993; Rogerson, 2002). Small business owners are notoriously difficult to encourage to participate in local government or enterprise development schemes (Braun, 2002). National and local government initiatives such as those provided by VS aimed at assisting operators to develop business awareness and capabilities receive a mixed reaction, with the majority of tourism operators wary of the initiatives or the delivery organisations (M. Simpson & Docherty, 2004). A marked divergence of attitudes towards Venture Southland emerged from the interviews. There are operators who are very self-directing and who do not seek any outside advice or assistance who think that Venture Southland does nothing for promoting tourism in Western Southland. These operators have little awareness of the activities of Venture Southland, and have no time or inclination to attend any enterprise training workshops. A focus on building trust and changing attitudes of tourism operators is required in order for STE to recognise and value the business and industry support services which Venture Southland provides. This is critical to integrating the community, businesses and local government to work together for regional benefit.

6.2. *Networking and Collaboration*

The tourism operators are resilient in the face of the challenges they encounter in the relatively immature tourism destination that is Western Southland. Identifying and understanding the opportunities and threats collectively challenging tourism in the region is the first step towards seeking ways in which to move ahead with development. The importance of partnerships and collaboration in progressing the goals for tourism and community development appear in literature as well as national and regional strategies. This research indicates that considerable effort needs to be spent on explaining the benefits of networking to form partnerships to achieve individual, business and community goals, as currently there is little awareness or motivation to do so. The recognition that the region has something special to offer visitors provides a basis from which collaborative initiatives can develop.

Operators generally do not feel that businesses in WS compete a great deal, yet they also do not support each other in an organised or comprehensive manner. There is some referring of visitors to other businesses within towns and around the region, but no specific arrangements or agreements (even informal ones) to work together are evident. Competition is perceived at different geographical scales depending on the individual and the nature of the business, being viewed as competition within a town, within a sector, or across the region. There appears to be a pervading sense that businesses compete for the limited numbers of visitors that come to the region, so collaboration between businesses is considered to be an unwise move, a sentiment also observed in other countries (Braun et al., 2005). Changing this attitude through promoting the benefits of a regional approach to tourism development is essential, and this needs to be driven by a contingent of operators who are well-respected in the region with existing informal networks between individuals (Koh & Maguire, 2004). However, benefits of collaboration between operators in a region are often intangible and difficult to measure (Braun et al., 2005), so specific outcomes should be presented with realistic timeframes to achieve these.

The local Promotions Groups are well supported by operators with a high proportion belonging to one of the three Promotions Groups in Western Southland, yet concrete benefits arising from the organisations are not always perceived. This presents the opportunity for these Promotions Groups to be drivers for integrated tourism and community planning initiatives by bringing together tourism operators with the other social networks which individuals belong to. The rural WS region has strong informal networks between individuals, based around a variety of functions of community life, and these should be considered when looking for ways in which to stimulate participation in, and support for, regional projects.

Operators may not realise they engage in networking, and do not necessarily perceive that networking they engage in is of value to their business. However, strong ties and participation in the community will promote a business through raising awareness of its activities (Shaw & Williams, 2000). More importantly, these social ties provide a substantial platform on which conscious formal networking for business, community and regional benefit can occur (Pavlovich, 2001). Incremental change from informal to more formal networking through tangible engagement opportunities will allow trust to build between all stakeholders in the community (Braun, 2002). It appears that networking between individuals is strong in the Western Southland region, but applying the same concepts at a business level needs further awareness-building. The extent to which tourism operators are embedded in the socio-cultural context of the community can strengthen their position within the local tourism network (Braun, 2002). The concepts and benefits of networking are more likely to be embraced if grounded in, and promoted from, a social benefit perspective for the communities of the region. Network-building should start in an informal manner rather than being advanced purely as a business development tool from inception.

Fostering understanding of the role of local government and Venture Southland in tourism and community development is needed to change the competition mentality between operators to one of cooperation. Spreading awareness of the 'big picture' that what benefits the region as a whole benefits individual communities and operators will be advantageous. This is a concept which VS would be well advised to address, both at a tourism industry level, as well as at a community level, in order to harmonise the efforts of businesses and communities for common benefit.

6.3. A Role for ICT and Policy Support

Broadband was only made available to many parts of Western Southland in 2006, and as is the case with many SME globally, it is not surprising that advanced ICT functions are not integrated into the overall business processes of tourism operators (Fillis et al., 2004). Operators do not perceive ICT functions as being able to assist them in improving their business efficiency or reducing costs, two of the key purported benefits of ICT to small businesses (Fesenmaier & van Es, 1999; Poon, 1993). Currently, confidence in operator ability to use ICT for basic business-related functions is reasonable, but the interviews reveal that even those with relatively developed computer skills do not feel overly confident in their own abilities, possibly because they are self-taught. When use of ICT is split into specific functions whereby technology can assist, confidence drops; confidence in using the internet to find information of use to the business, and in marketing the business, is neutral. This suggests that overall operators recognise that ICT has its uses, but upskilling is required in these specific areas which will most benefit small tourism businesses.

There is a gap between the current confidence and skills which operators possess, and those which they recognise will be important in the future. The majority of operators agree they would like to be better at using ICT, and they recognise that ICT functions will play an increasingly important role in the future of business and daily life. However, there is less agreement that training and workshops are the way in which they would like to upskill. There is a certain apprehension about 'getting into ICT', certainly because of the learning required, but also because of the cost and time commitment required (Fesenmaier & van Es, 1999).

Provision of information on what benefits ICT can bring to a small tourism business including the cost/benefit of ICT, and the requirements for learning how to use relevant ICT functions, is important for alieviating the concerns of small business owners (Hughes et al., 2003). Options for provision of independent mentoring and network support services should not be limited to 'experts', in order to get around operator distrust of government agencies, while improving skills and confidence of business people (M. Simpson & Docherty, 2004). Trusted independent parties, for example operators who do use the training available, can act as advocates for the value of training services, explaining what is involved and how it can assist the operators in practical terms. Attention needs to be given to the manner in which training is delivered. Operators are reluctant to travel to take part in workshops which they are unconvinced will be of value to them (Koh & Maguire, 2004). Some are 'too busy' running their business to take the time to attend workshops. Personal one-on-one training at their place of business or home is likely to be preferential although has substantial logistical and cost implications.

The reluctance to take advantage of tools and initiatives to support the development of small tourism operators needs to be addressed in order for tourism to realise its potential as a significant force for social and economic development in New Zealand regions. Innovative initiatives need to be developed based around trusted social networks which can foster attitudes amenable to learning and development of this country's important small and micro tourism enterprises. Training needs to be based in the local area, available on demand and tailored to specific needs of the region's small tourism businesses (Fesenmaier & van Es, 1999). Further examination of projects which successfully bring operators and community together to advance social, cultural and economic sustainability would be valuable (Milne, Mason et al., 2005).

Trusted family or staff play an important role in providing advice to business owners, while the role of professional advisors (accountants, lawyers) should not be underestimated (Page et al., 1999). This signals that it may be worthwhile promoting workshops and training opportunities to these advisors as a way to indirectly reach operators with knowledge and resources that will be beneficial to them (Warren, 2004). Skills required in a particular business can be passed on from the advisor in a place and at a time and pace convenient for the business owner. This may serve to overcome the reluctance of some operators to engage with Venture Southland, while indirectly providing resources which operators can use to upskill themselves. A secondary advantage of this approach is that the number of people receiving training is doubled, thereby benefiting the wider community by increasing the skills and knowledge of the community.

Regional economic development initiatives can act as a tangible driver to encourage operators and community to participate in networking and regional development (Meyer-Stamer, 2004). Operators recognise that some specific project is needed which operators and community can buy-in to, and which will provide direction for promoting the regional aspirations of Western Southland as a good place to live, work and visit. The Promotions Groups, and the umbrella organisation WSPAI, are ideally placed to lead such initiatives (S. Wilson et al., 2001). The integration of tourism operators into the wider fabric of the community through social activities and committees means that these individuals can spread an awareness of the goals of any regional projects, and encourage participation of a broad mixture of local community members (Blakely & Bradshaw, 2002). Involvement of the community in tourism planning and development has been purported as the solution to sustainable regional development (Oliver & Jenkins, 2003). However, this is a slow and gradual process which is difficult to measure. Western Southland has started this process with the creation of a regional and community portal website which features over one hundred businesses, groups and attractions, and has local mentors in each town who are actively engaging with local community to get each organisation featured on the website. The website is seen as a community resource which showcases the rich assortment of activities and amenities, and the pride that locals have in their region.

6.4. Challenges and Limitations of this Research

This research uses a mixed method approach to reach a small and varied population. The case study approach works well in this situation giving an in-depth understanding of the multi-layered issues facing the operators and their local communities. The combination of interviews and a survey is a compromise between reaching the widest number of operators with quantifiable data, and obtaining a depth of information provided by interviews. The use of interviews provides a rich insight into the thoughts of a cross-section of the case study population, although more interviews would obviously have yielded a greater amount of information. The use of both email and postal surveys to reach the remainder of the tourism operators was successful in that relying solely on either method would have yielded less overall responses. It also gives an insight into the responsiveness of operators to each method, and enriches the study in this manner. By the same token, with sufficient resources a multi-stage effort with just postal surveys may generate more data. Given the culture of the region whereby personal relationships are highly valued, the personal approach to research is critical. With the researcher involved in an external project with the wider communities of the region, a valuable connection was made with the tourism operators greatly enhancing the quality of the research.

6.5. Future Research

The research uncovers a range of issues which bear further investigation to provide additional insight into the nature of STE, networking and the use of ICT in the case study region.

- Research to determine the characteristics of the spectrum of STE attitudes towards business assistance – comparing active advice/support users to self-sufficient operators. This would assist in tailoring initiatives to reach operators with different attitudes most effectively.

- Research on the process of building trust and changing the attitudes of tourism operators in order to be able to maximise the value businesses can receive from the industry support services, such as those provided by Venture Southland.
- Research into how to spread awareness of the role and vision of local government in terms of the local communities and businesses. Research needs to focus on the specific benefits which can accrue individually for businesses as well as collectively for the region, from local government initiatives.
- Research into mapping who STE perceive their competitors are, and the geographical spread of competition. This will provide insight into the dynamics of the cooperation versus competition mentality held by different operators.
- Research is needed to map the benefits of networking between operators, thereby providing a tangible illustration to raise operator awareness of the importance of networking.
- An exercise to list the benefits of local promotions groups for the region to raise operator awareness of the role of such organisations.
- Research mapping the informal networks for the region and outlining the benefits to business from these networks.
- A review of the different networking initiatives involving rural STE in similar cases, in order to identify successful networking scenarios which can be applied to groups of tourism operators around the country.
- Research into specific functions which ICT can provide benefit to rural STE, and dissemination of these benefits to STE.
- Specific research on methods of ICT upskilling which operators would be willing to participate in, identifying the criteria for STE engagement in a rural operator context.
- Identification of programs related to ICT mentoring and trialing of selected methods in the region.
- Setup a mentor system for ICT upskilling of rural STE.

6.6. A Vision for Tourism Development

What binds the threads of this research together - individuals, businesses, communities, visitors and the regions of our nation - is a never-ending quest for knowledge. Theories of regional development, sustainability, economic growth, community participation, enterprise development, networking and technology all revolve around the gathering and dissemination of knowledge to different players in society. For "Knowledge is not a mere commodity; it is the conduit of culture, a foundation of democracy, and a source of power with the potential to be abused" (Kelsey, 1999, p. 199). The Western Southland tourism industry has the foundations of an attractive tourism destination and a range of businesses which can provide a unique tourism experience while contributing to the advancement of successful economic and social development. The tourism operators are soundly embedded in the local communities, and seek to improve the harmony of the tourism and community dynamic. Support is required to build awareness and capability of tourism operators and of community members, in order to realise the region's vision of being recognised as a vibrant place to live, work and visit.

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Appendix A: Interview Participant Information Sheet

Interview Participant Information Sheet

Date Information Sheet Produced: 28/05/06

Project Title: Western Southland Small Tourism Business Study.

Invitation: As an operator of a small tourism business or a local government representative you are a very important part of the NZ economy. You are invited to participate in this research on small tourism businesses in Western Southland through an interview.

What is the purpose of this research? This research aims to explore the nature of tourism businesses in the Western Southland region, particularly in terms of relationships with other businesses and groups, and use of information and communication technologies, such as email and the internet, to conduct business. It then looks at the NZ Digital Strategy and the NZ Tourism Strategy, and how tourism businesses perceive the strategies in the context of their business.

This research is being conducted as part of my Masters of Philosophy at AUT University. Results will also be used in journal and conference publications.

How are people chosen to be asked to be part of this research? As someone involved in tourism in Western Southland you are invited to participate in this research. You have been recommendations to myself by contacts at the Western Southland Promotions Association Inc. Participation is entirely voluntary.

What happens in this research? This part of the research involves interviews with 6-8 people involved in tourism in Western Southland. A survey of all tourism businesses in Western Southland will also be conducted.

What are the discomforts and risks? You may feel you are not an expert on some of the areas discussed.

How will these discomforts and risks be alleviated? All questions are optional, and you may choose not to answer some questions. However, the interview is designed to gain an understanding of the reality of working in the tourism industry, so there are no right or wrong answers. Any information you provide will be interesting.

What are the benefits? This research will result in a better understanding of the issues and context which face small tourism businesses, particularly those in rural or regional areas. It will offer insights into how national strategies can address the needs of small tourism businesses.

How will my privacy be protected? All answers are confidential and your answers can in no way be linked to your personal or business details. The results will be presented in aggregate and no individual business will be identified in any of the publications relating to this research.

What are the costs of participating in this research? This interview will take approximately one hour. To thank you for your participation, you will go in the draw to Win $100 Cash. You can do this by ticking the box on the 'Consent to Participate in Research' Form which you will have to complete prior to the start of the interview.

What opportunity do I have to consider this invitation? I will contact you in the next week to see if you would like to be interviewed, and if so, to make an appointment to visit you at your home/work at a time which suits you. You will have time to consider the invitation before accepting.

How do I agree to participate in this research? To participate in this research, simply confirm an appointment time when I contact you, via email or telephone.

Will I receive feedback on the results of this research? The results of this research will be available on www.tri.org.nz in early 2007. I will inform you by email when results are published. Results may also be presented in your local media.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Simon Milne: email simon.milne@aut.ac.nz, phone 09 921 9245

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEC, Madeline Banda, madeline.banda@aut.ac.nz , 921 9999 ext 8044.

Who do I contact for further information about this research?

Researcher Contact Details: Vanessa Clark: email: Vanessa.clark@aut.ac.nz, phone 09 921 9999 ext8890

Project Supervisor Contact Details: Simon Milne: email simon.milne@aut.ac.nz, phone 09 921 9245

Approved by the Auckland University of Technology Ethics Committee on 19 May 2006, AUTEC Reference number 06/104.

Appendix B: STE Interview Question Guidelines

1. Tell me about your business and your customers (activity, length of operation, who works in business, seasonality, other business activities)

2. Do you think tourism businesses in Western Southland support each other or compete with each other - why?

3. Who do you go to for advice on strategic issues related to your business – say for when you are looking to introduce a new tourism product or service? (family/spouse, colleague same business, friends, ?) - How often would you go to such a person for that kind of advice?

4. Who do you go to for advice on day-to-day issues related to your business? - How often would you go to such a person for that kind of advice?

5. Who do you go to for advice on personal issues related to your business such as managing staff – things that require a level of trust? How often would you go to such a person for that kind of advice? People you run ideas past?

6. Are you involved with any community groups/activities? Do you talk business/tourism with people at these encounters?

7. How do you use email and the internet in your business? (customers, other bus, marketing, bookings). Do you use it personally if not for business?

8. What role do you think email and the internet will play in the future for your business?

9. What is your relationship with Venture Southland in terms of your tourism business? (Views on policies – hindering/promoting growth, active/passive involvement, providing infrastructure – broadband, tourism)

10. What do you know about the NZ Digital Strategy (emphasis on connecting people, unique content, confidence w technology) and what it may mean for your tourism business?

11. What do you know about the NZ Tourism Strategy (the 'Interactive Traveller' focus) and what it may mean for your business?

12. Do you see value in WS tourism businesses working with each other to promote what they have to offer?

Appendix C: Interview Consent to Participate Form

Title of Project: **Western Southland Small Tourism Business Study**

Project Supervisor: **Simon Milne**

Researcher: **Vanessa Clark**

- I have read and understood the information provided about this research project (Information Sheet dated 28/05/06.)
- I have had an opportunity to ask questions and to have them answered.
- I understand that the interview will be audio-taped and transcribed.
- I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection 26 June 2005, without being disadvantaged in any way.
- If I withdraw, I understand that all relevant tapes and transcripts, or parts thereof, will be destroyed.
- I agree to take part in this research.
- I wish to receive a copy of the report from the research: tick one:
  Yes O No O
- I wish to enter the prize draw to win $100: tick one: Yes O No O

Participant signature: ....……………………..

Participant name: ……………………………………………………………….

Participant Contact Details (if appropriate):

………………………………………………………………………………………..

………………………………………………………………………………………..

Date:

Approved by the Auckland University of Technology Ethics Committee on 19 May 2006 AUTEC Reference number 06/104
Note: The Participant should retain a copy of this form.

Appendix D: RTO Interview Question Guidelines

1. Do you think tourism businesses in Western Southland support each other or compete with each other - why?

2. What kind of relationship does Venture have with tourism businesses in Western Southland? (do they come for advice?, take advantage of Venture services?)

3. Does VS assist in network formation between businesses?

4. What sort of attitude is there to email and the internet in tourism businesses in WS?

5. What role do you think email and internet will play in the future for the region's tourism businesses?

6. Could information technology help businesses work together to support the development of the WS tourism industry?

7. How do you think the NZ Digital Strategy (emphasis on connecting people, unique content, confidence) will affect tourism businesses in WS?

8. How do you think the NZ Tourism Strategy (the 'Interactive Traveller' focus) will affect tourism businesses in WS? What about the Southland Tourism Strategy?

Appendix E: STE Survey Questionnaire

(Note: formatting has been altered to fit Thesis page specifications)

Western Southland Small Business Study

As an owner or manager of a business related to tourism or potentially servicing visitors to Western Southland, you are invited to complete this survey.

About your tourism business

1. **Is tourism your main business activity?** □ Yes □ No

2. **Please describe what your tourism-related business provides:**

   ____

3. **What other business activities are you involved with?**

   ____

4. **Where is your tourism-related business based?**
   - ☐ Riverton
   - ☐ Colac Bay
   - ☐ Otautau
   - ☐ Lorneville/Wallacetown
   - ☐ Nightcaps/Ohai
   - ☐ Orepuki
   - ☐ Tuatapere
   - ☐ Monowai/Lake Hauroko
   - ☐ Other ______________________

5. **What proportion of your tourism-related customers are from overseas?** ______% *or* Not Sure ☐

6. **How long have you been involved in the tourism industry?** ________ years

7. **How long have you been running your tourism business?** __________ years

8. **What is the ownership structure of your business?** *(tick one only)*
   - ☐ Sole owner-operator
   - ☐ Couple/family owner-operator
   - ☐ Partnership with non-family member
   - ☐ Franchise
   - ☐ Other *(Please specify)* _________________________

9. **Who works in the tourism business apart from yourself?** *(tick as many as apply)*
   - ☐ My husband/wife
   - ☐ My child(ren)
   - ☐ Other relatives
   - ☐ Paid staff
   - ☐ Volunteers
   - ☐ No one else
   - ☐ Other *(please specify)* _______________

10. **Please circle the number that best describes your feelings about the following statements as they apply to your tourism-related business**, where 1= Strongly disagree & 5 = Strongly agree.

	Strongly disagree (1)	Disagree somewhat (2)	Neither agree or disagree (3)	Agree somewhat (4)	Strongly agree (5)
a. My tourism business provides my main income	1	2	3	4	5
b. My tourism business provides extra income	1	2	3	4	5
c. My tourism business is an interest or hobby	1	2	3	4	5
d. Profit is an important motivation for running my tourism business	1	2	3	4	5
e. Lifestyle is an important motivation for running my tourism business	1	2	3	4	5

11. **Please indicate when your busy and low seasons are, and how many people work in your tourism business (including you):**

    the busy season *(what months?)*___________________________________

    Full time #_____ Part time # ______

    the low season *(what months?)*___________________________________

    Full time #_____ Part time # ______

12. **What percentage of your total annual household income did your tourism business provide, over the last financial year?** _______ %

13. **What percentage of your tourism-related business income is earned in the busy season?** ____ %

14. **What was the annual turnover you received in the last financial year from your tourism-related business?**
    - ☐ Loss
    - ☐ $0 – $25,000
    - ☐ $25,001 - $50,000
    - ☐ $50,001 - $75,000
    - ☐ $75,001 - $100,000
    - ☐ $100,001 - $150,000
    - ☐ $150,001 - $200,000
    - ☐ $200,001 - $250,000
    - ☐ $250,001 – $500,000
    - ☐ $500,000+

15. **Please tick which statement best describes the planning you do for your business?** *(tick one only)*
    - ☐ I operate on a day to day basis and don't plan very far ahead
    - ☐ I have some general plans for my business in the next 2-5 years
    - ☐ I have specific plans for my business but they are not written down
    - ☐ I have a detailed written business plan for my business
    - ☐ Other ____

Networking

16. **Please circle the number that corresponds to how you feel about the following statements** where 1 = strongly disagree and 5 = strongly agree

	Strongly disagree (1)	Disagree somewhat (2)	Neither agree or disagree (3)	Agree somewhat (4)	Strongly agree (5)
a. I only conduct business with people I trust	1	2	3	4	5
b. I share tips and ideas with other tourism businesses	1	2	3	4	5
c. Business associations/groups are of benefit to my business	1	2	3	4	5
d. I have a working relationship with other tourism businesses Western Southland	1	2	3	4	5
e. I see benefits to my business through working closely with other tourism businesses in the region	1	2	3	4	5
f. I value the assistance that Venture Southland provides to my business	1	2	3	4	5
g. I am self sufficient in running my business and don't often need to go to others for advice	1	2	3	4	5

17. **Please tick which business or industry groups you belong to currently (if any), and explain why you joined?**
    - □ Tourism Industry Association
      Joined because ____________________
    - □ Inbound Tour Operators Council
      Joined because ____________________
    - □ Local Promotions Group
      Joined because ____________________
    - □ Chamber of Commerce
      Joined because ____________________
    - □ Other *(please name)* ____________
      Joined because ____________________

18. **If you are currently involved with any groups (e.g. interest groups, committees, clubs, sports teams), please indicate which groups, and how your involvement benefits your business (if applicable)?**

____

19. **Please rank the top 3 resources you turn to when you have questions related to your business**, where 1= most often consulted, 2 = second and 3 = third most often consulted. ***Rank***

I work it out myself	
My staff	
A contact in the same type of business as me	
A contact in a different type of business	
A Venture Southland representative	
A community or business group member (e.g. Citizens Advice Bureau, Chamber of Commerce)	
A website	
A spouse/family member	
A professional service provider (e.g. accountant, lawyer)	
Other ____________________	

20. **Did you have any input into the development of the Southland Tourism Strategy, or do you have any comments on this strategy?** *(please explain)*

____

Use of information & communications technology

21. **How often do you use e-mail for business purposes?**
    ☐ Daily ☐ Several times a week ☐ Once a week ☐ Less than once a week ☐ Don't use email

22. **Does your tourism-related business have its own website?** ☐ Yes ☐ No

23. **How many website directories (e.g Southland tourism, AA travel, TodayTonight) is your tourism-related business listed on?** # __________ *or tick if* Not Sure ☐

24. **Why have you, or have you not, listed your tourism-related business on website directories?**

I have / have not *(please cross out what doesn't apply)* because:

____

Business confidence & capability

25. **Please circle the number that best describes how you feel about the following statements** where 1 = strongly disagree and 5 = strongly agree:

	Strongly disagree (1)	Disagree somewhat (2)	Neither agree or disagree (3)	Agree somewhat (4)	Strongly agree (5)
a. I am confident using a computer to help manage my business	1	2	3	4	5
b. I am confident using the internet to market my business	1	2	3	4	5
c. I am confident using the internet to find information of use in running my business	1	2	3	4	5

Business outcomes & actions

26. **Please circle the number that best describes your feelings about the following statements** where 1 = strongly disagree and 5 = strongly agree. *(Note: ICT = Information and Communication Technologies for example: computers, email, internet, mobile phones).*

	Strongly disagree (1)	Disagree somewhat (2)	Neither agree or disagree (3)	Agree somewhat (4)	Strongly agree (5)
a. I take advantage of workshops and training tools to increase my skills	1	2	3	4	5
b. I actively try to minimise the impact of my business on the environment	1	2	3	4	5
c. I work with other businesses in the region to improve the visitor experience	1	2	3	4	5
d. I would like to know more about using the internet to market to visitors	1	2	3	4	5
e. ICT helps reduce the cost of running my business	1	2	3	4	5
f. ICT helps me run my business more efficiently	1	2	3	4	5
g. I would like to be better at using computers/ICT in my business	1	2	3	4	5

National strategies

27. The following statements represent a mixture of goals from the NZ Tourism and Digital strategies. **Please circle the number that best describes how important you feel the following goals are** for your tourism-related business, where 1 = very unimportant, and 5 = very important:

	Very unimportant (1)	Not very important (2)	Neither important or not (3)	Important (4)	Very important (5)
a. A focus on maximising the amount visitors spend in NZ rather than attracting higher numbers of visitors	1	2	3	4	5
b. A focus on international travellers who like authentic experiences and meeting real NZ'ers	1	2	3	4	5
c. Visitors have appropriate expectations of what they'll experience in NZ	1	2	3	4	5
d. Promoting a focus on high quality standards through Qualmark ratings	1	2	3	4	5
e. Making communities understand the value of tourism to their region	1	2	3	4	5
f. Capturing unique NZ stories and sharing them on the internet	1	2	3	4	5
g. Having fast internet access (broadband) for all businesses	1	2	3	4	5
h. Supporting people to become more skilled in using technology to improve their business	1	2	3	4	5

About you

28. **What age group do you fall into?**
- □ 18 or under
- □ 19- 29
- □ 30-39
- □ 40-49
- □ 50-59
- □ 60-69
- □ 70+

29. **Are you:** □ Male □ Female

30. **What is your highest qualification?**

- □ No formal qualification
- □ High school
- □ Apprenticeship
- □ Trade qualification
- □ Tertiary qualification *(Please specify)* ________________
- □ Other *(Please specify)* ________________

31. **How long have you lived in Western Southland?** ________ years

THANK YOU for participating in this research!

Please use the post-paid envelope to return this survey to the researcher by

9th September 2006.

Or fax to - Attn: Vanessa Clark 09 921 9962

Post to: Vanessa Clark AUT, Mail No D-87, Private Bag 92006, Auckland

Appendix F: STE Survey Participant Information Sheet

Survey - Participant Information Sheet

Date Information Sheet Produced: 19/05/06

Project Title: Western Southland Small Business Study

Invitation: As an operator of a small tourism business, or one which serves tourists, you are a very important part of the NZ economy. You are invited to complete the enclosed survey to participate in research on small businesses in Western Southland.

What is the purpose of this research? This research aims to explore the nature of tourism businesses in the Western Southland region, particularly in terms of relationships with other businesses and groups, and use of information and communication technologies, such as email and the internet, to conduct business. It then looks at goals from the NZ Digital Strategy and the NZ Tourism Strategy, and how tourism businesses perceive the aims of the strategies in the context of their business.

This research is being conducted as part of a Masters of Philosophy at AUT University. Results will be used in journal and conference publications.

How are people chosen to be asked to be part of this research? All owners/managers of tourism businesses or businesses that may serve tourists in Western Southland are invited to participate in this research. Participation is completely voluntary. By completing the survey you are consenting to participate in this research.

What happens in this research? The survey asks a number of questions where you simply tick your answer from a selection given. Some questions ask you to write your comments in your own words. A separate part of this research involves interviewing people in the tourism industry in the region.

What are the discomforts and risks? Questions are not designed to evaluate the performance of your business so should not cause any discomfort.

How will these discomforts and risks be alleviated? All questions are optional, and you may choose not to answer any questions as you wish.

What are the benefits? This research will result in a better understanding of the issues and context which face small tourism businesses, particularly those in rural or regional areas. It will offer insights into how national strategies can address the needs of small tourism businesses.

How will my privacy be protected? All answers are confidential and your answers can in no way be linked to your personal or business details.

What are the costs of participating in this research? This survey will take approximately 20-25 minutes. To thank you for your participation, you can choose to go in the draw to WIN a $100 worth of petrol vouchers by completing the prize draw entry section at the end of the survey.

What opportunity do I have to consider this invitation? The survey will run until Sunday 20th August 2006. You may complete the survey at any point during this time, and return it by 20th August.

How do I agree to participate in this research? To participate in this research, simply complete the survey form and return it using the post-paid envelope enclosed.

Will I receive feedback on the results of this research? The results of this research will be available on www.tri.org.nz in early 2007. Results may also be presented in your local media.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Simon Milne: email simon.milne@aut.ac.nz, phone 09 921 9245. Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEC, Madeline Banda, madeline.banda@aut.ac.nz , 921 9999 ext 8044.

Who do I contact for further information about this research?

Researcher Contact Details: Vanessa Clark: email: Vanessa.clark@aut.ac.nz, phone 09 921 9999 ext8890

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Approved by the Auckland University of Technology Ethics Committee on 19/05/2006, AUTEC Reference number 06/104.

Appendix G: Issues Facing WS STE

The isolation of the Western Southland region has certain drawbacks for the local tourism industry: "the biggest challenge because we are so isolated is getting people down here". Southland is not a high profile New Zealand tourism destination and there is a perception by local tourism operators that promotion at an international and national level focuses on the more popular regions, as this quote illustrates: "Tourism New Zealand are good at promoting 'the Queenstowns', not these smaller places, especially down here". This means that Southland is less likely to be top-of-mind for international visitors considering travel in New Zealand. Operators commented that often visitors have participated in many of the activities on offer in Western Southland "before getting down here", and then wish they had known about the region before having done those activities elsewhere. As was noted by one interviewee, "Overseas customers generally work their way down the country, and have already done a lot in New Zealand by the time they reach us. People are only starting to realise that there is life below Queenstown." This has implications particularly for the activity operators, as international visitors may only plan on doing one jet boat ride or horse trek whilst in New Zealand, for example.

Interviewees report comments indicating that visitor would have preferred to have spent more time in Western Southland than in Invercargill, for example: "When Invercargill motels are full they push people out here [Riverton], and people are very surprised – they'd rather stay here". A lack of awareness about the region before arriving in Western Southland means visitors are less able to change their travel plans to spend more time there, "Customers … some have tight itineraries", therefore local operators miss out on extra tourism revenue by visitors spending longer in the region because "If they stay a night it benefits the businesses".

New and developing products and tours heighten the competition for visitors between regions. Real Journeys operate coach tours that bring visitors from

Queenstown and Te Anau through Western Southland to Stewart Island. They are a dominant operator in Southland yet are negatively impacting on some local tourism operators:

> We used to be a stopover for people coming from Fiordland/Te Anau then through to the Catlins. We're missing out now with Real Journeys bussing people in and out… It will be very bad for us if they get the air service and fly people in and out of Queenstown.

Operators realise the key to growing the tourism industry is "to make [visitors] stop", spending time and money in the Western Southland region. Once visitors are in the region, they are satisfied with what is on offer, and the quality and uniqueness of experiences available (SGL Consulting Group, 2005). The region exceeds expectations for some, leaving them pleasantly surprised as one interviewee laughed: "people are very surprised when they come to NZ farms – they expect it to be like 'Little House on the Prairie"; instead they receive a warm welcome in comfortable surroundings, with well-developed operations which they can be part of. Therefore, the first step in developing the tourism industry in the region is perhaps more of attracting visitors to the region than addressing any lack of satisfaction by visitors.

As well as competition between regions in attracting visitors, there is competition for funding and promotion from council and economic development agencies, as found in other NZ regions (J. Ateljevic & Doorne, 2004). There is negative sentiment from Western Southlanders interviewed who are of the view that their region is ignored in terms of District Council funding and improvement initiatives, while other Southland regions have a lot more assistance in promoting or beautifying their towns, as the following quote illustrates:

> It all boils down to the Southland District Council having ignored the area for so long. People look at the money that has been injected into Gore, Te Anau, Winton and not Western Southland, yet [our] region has gone ahead.

Western Southland is battling word of mouth from New Zealanders in other regions, who make negative comments to travellers about Western Southland. There is an ignorance about what Western Southland offers, with anecdotal reports of tourists enquiring about visiting Western Southland and being questioned "why would you want to go there?" by visitor information centre staff in other regions. This perception is "something we have to change but it's very hard to fight" given that word of mouth recommendations are a very influential source of information for travellers. As noted by one interviewee, "people think we don't have a lot to offer, but we do". Local Western Southlanders should be encouraged to become ambassadors promoting their local area by encouraging them to recognise and share the positive features of the region and communities.