

***RURAL TOURISM
DEVELOPMENT IN THE
EASTERN HOKIANGA AREA***

by

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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 nor material which to a substantial extent has been accepted for the qualification of any other degree or diploma of a university or any other institution of higher learning, except where due acknowledgement is made in the acknowledgements”.

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ABSTRACT

Rural Tourism is increasingly being used as a development strategy to improve the social and economic well being of rural areas. Rural Tourism encompasses a huge range of activities, natural or manmade attractions, amenities and facilities, transportation, marketing and information systems (Sharpley & Sharpley, 1997). Rural tourism is very diverse and fragmented in terms of operational structures, activities, markets and operating environments (Roberts & Hall, 2001, citing Pearce, 1989). Benefits of rural tourism have been expressed as employment growth and broadening a region's economic base, repopulation, social improvement, and revitalization of local craft (Sharpley, 2000). Governments can play active roles in tourism. In short the literature suggests rural tourism development policy approaches require: regeneration/revitalization, horizontal and vertical integration, interdependence, stewardship/sustainability, mediation, cataclysm, service and welfare provisions, spatiality – awareness, intra and inter regional complementarities, opportunism, realism and quality (Roberts & Hall, 2001). Murphy (1985) proposed a community approach to tourism development which included formation of businesses networks, and the sharing of resources and information. For rural tourism to be successful, collaboration needs to exist amongst entrepreneurs (Wilson et al., 2001). Useful integrated approaches to rural studies include acknowledging the importance of locally controlled agendas to reach centralization, awareness of the benefits for shared ideas and funding developments, and creating appropriate tourism plans for rural areas (MacDonald & Jolliffe, 2003). There are numerous challenges when attempting rural tourism development: the total product package must be sufficient; significant investment may be required; there is the adaption to a service role; the quality of products and services and the availability of skills and resources for effective marketing (Sharpley, 2000). Tourism development requires attractions, promotion, infrastructure and services and hospitality (Wilson et al., 2001, citing Gunn, 1988).

The remote Eastern Hokianga area is situated in the Far North (Northland) region of New Zealand. The area has a low population and is sparsely populated presenting an ideal place to relax with an unhurried atmosphere, flourishing fauna and flora, rich in New

Zealand history and culture. This is an economically depressed area that is situated in the centre of Northland's three key tourism icons - The Bay of Islands, the Waipoua Forest, and the top of the North Island. The location of the Eastern Hokianga presents an opportunity to create a tourism destination that will attract travelers frequenting the key tourism icons. To date there has been no research on rural tourism development conducted in the Eastern Hokianga. Although comprehensive research was conducted previously in the Hokianga by the James Henare Maori Research Centre (1999) it was concentrated specifically to the "Maori culture". This research aims to examine and identify the key challenges of rural tourism development for the Eastern Hokianga through an analysis of rural tourism development approaches, and identifying the social and economic impacts of tourism.

Key findings show that the Eastern Hokianga is an undeveloped area and does not fit with the majority of the rural tourism definitions as described in the literature. The area is displaying positive impacts of rural tourism development. The negative impacts are minimal as the Eastern Hokianga is still in the initial development stage of rural tourism. There are many integrated approaches to rural tourism development currently. A strategic approach is occurring with a tourism policy and community involvement in decision making. There is an integration approach with one RTO actively involved in the communities' tourism association with the local businesses. Two key clustering approaches are being utilized – the Twin Coast Discovery Route and total product packaging. Regeneration is not occurring but was not an issue raised by the community, whereas a financing approach was an identified challenge by Eastern Hokianga businesses. The need to improve accessibility through infrastructure was the second key challenge to rural tourism development. The area was not restricted by the other challenges of government's role, education / experience and marketing.

CHAPTER 1: INTRODUCTION TO THE THESIS

1.1 INTRODUCTION

For many nations, the dominant influence of mass charter tourism has led to a concentration of activity in a handful of core regions, with much of the country remaining relatively untouched by tourism's positive and negative impacts. Outside of the destination core, many overlooked regions possess considerable tourism potential, often allied to a depressed economic situation with its roots in peripherality – a geographic, social, and political isolation from the heart of national decision making.

(Simpson, 2001, citing Keogh, 1990, p. 20-21)

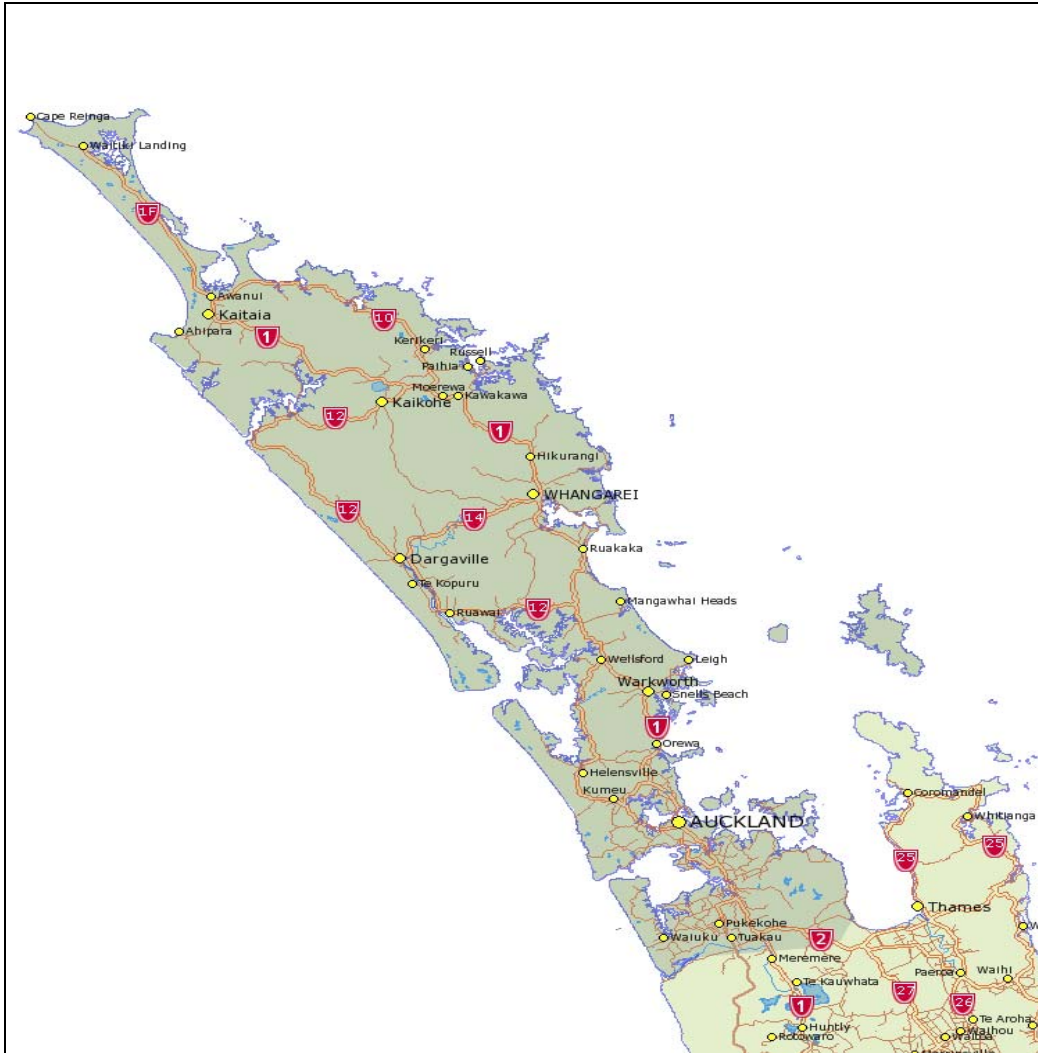
Tourism is Northland's second-biggest income earner. The industry employs one in nine Northlanders and brings more than \$540 million into the region each year. Northland enjoys 1.6 million visitor nights annually, a measure that is consistently higher than most other regions of New Zealand (www.enterprisenorthland.co.nz). The remote Hokianga area (Refer to Figure 1.1) is in the Far North region of New Zealand. The Hokianga is sparsely populated and has many little clusters of houses in a very rural setting. The density of population is lower than one person per square kilometre. (<http://wikitravel.org/en/Hokianga>). The Hokianga is often divided into two regions: The North Hokianga with a population of 2,013 and the South Hokianga with a population of 2,874. This is compared to 54,576 for the Northland region as a whole (Census, 2001). For the purpose of this research, the three inner most towns of the Hokianga Harbour have been selected for study - Rawene, Kohukohu and Horeke. These towns are located on the eastern side of the Hokianga Harbour. In this research, they are considered to form an area – within an area - the Eastern Hokianga. (Refer to Figure 1.2).

With low population comes uncluttered beaches, an unhurried atmosphere, flourishing fauna and flora, and Maori culture and values. The Hokianga is an ideal place to relax in an ambience rich in New Zealand history. “Modern cities are much the same all the world over; the distinctive national cultures have their roots in the countryside” (Irvine, 1965, p. 5). The Eastern Hokianga is an area that is still slower paced and

underdeveloped in comparison to its urban counterparts. This is a quiet and peaceful rural area with a stillness that can't be found in urban environments such as Auckland. There are many historic buildings. The Hokianga is historically, one of New Zealand's first trading areas. The harbour is a prominent feature and an underutilized natural asset. Few boats can be seen using the harbour on any day, presenting a calm sparkling water and stillness to be appreciated. Heightened levels of traveler sophistication have created a world-wide trend towards holidays which incorporate culture, nature and traditional rural life. "New Tourists" are said to have minimal expectations of sophisticated tourism infrastructure coupled with an increased need for genuine friendliness from hosts (Simpson, 2001). Thus, the potential is great for the Eastern Hokianga area to become an attractive destination to the "New Tourists" if tourism development can be implemented effectively. With an underutilized harbour and stillness that is becoming rare in modern societies, the Hokianga is a great place to relax. The coastal areas of Northland have developed over the past few years. With this increased development, there may be possibilities for the Eastern Hokianga to develop tourism. This may be possible because the Eastern Hokianga is central to both the east and west coasts. Tourists will benefit from a visit to the Eastern Hokianga, but in turn, the Eastern Hokianga is an area that can benefit from the social and economic advantages of rural tourism development.

This chapter introduces the history of the Eastern Hokianga. After this, the research problem and the objectives of this research are presented. Next, the methodology that has been selected and its relevance to undertaking a vigorous study are explained. Lastly, the structure of the thesis outlines how the thesis will present the case of rural tourism development in the Eastern Hokianga.

Figure 1.1. Map of Northland



(Source: <http://www.backpack-NewZealand.com>)

Figure 1.2 Map of the Hokianga



(Source: <http://www.hokianga.co.nz>)

1.2 THE GEOGRAPHY OF THE HOKIANGA

The Far North fostered for a time the busiest ports in the land, the Hokianga Harbour and the Bay of Islands. The Hokianga Harbour is the fourth largest in New Zealand (Harrison, 2000). It is a rural area that is rich in New Zealand's Maori and Pakeha (white settler) history. Northland has three main tourist icons: (1) Cape Reinga, located at the tip of the North Island; (2) the Bay of Islands, which is mainly a marine attraction on the East Coast; (3) the Waipoua Forest on the West Coast, which is home to New Zealand's oldest kauri tree. In the South Hokianga, the west coast destination of Opononi/Omapere is approximately a twenty minutes drive from the iconic Waipoua Forest. The Bay of Islands is approximately a one hour drive to the east and Cape Reinga is approximately a two hour drive north from the Hokianga. The Hokianga area is approximately a three-to-four hour drive from the city of Auckland, and New Zealand's main international airport. Nearby domestic airports are situated in Whangarei, Kerikeri, and Kaitaia, all of which are approximately a fifty minute drive away. The main highways (State Highway 1 and 12) in the Northland region are connected by the 'Twin Coast Discovery Highway'. This is a traveler's route which links up the three main icons with Auckland. A unique feature of this route is the vehicle ferry which connects Rawene and Kohukohu along State Highway 12, in the Eastern Hokianga. Several years ago a submission was made to the council to build a bridge to replace the ferry but this was not approved. This would have increased accessibility within the area but at a huge expense. There is currently no public bus service available to the region.

1.3 HISTORY OF THE HOKIANGA

For most of Northland's history the ports and stretches of coast between them formed the main highways. Until the 1930s the area was known as the "Road-less North" (Irvine, 1976). Harbours were numerous and roads came in much later than elsewhere in New Zealand. In former days this region was known as the "poor North", the "road less North", "the neglected North", and the "Cinderella of New Zealand" (Reed, 1968, p. 7).

Before the 1800s, virtually all the Hokianga country for forty or fifty miles was a glorious kauri forest, and this was in fact the principal milling area for the country. Cutting began in the very early nineteenth century and continued for about 120 years (Irvine, 1965). The busiest period was between 1883 and 1928, when up to twenty ships at a time were in the harbour). “By 1914 most of the kauri was finished” (Harrison, 2000, p. 31). All along the harbour are traces of old mills and wharfs and past settlements. The Hokianga has seventy-five percent of the remaining 20,000 hectares of Kauri forest, and nine of the twelve biggest trees in New Zealand (Irvine, 1976).

The rapid growth of the 1830s gave way to a depression with reduced trade and unemployment and after that, Maori warrior Heke’s war of 1845-1846 forced dozens of settlers south to Auckland. In the 1880s there was a second boom in the harbor with land converted into farmland and Hokianga became a successful dairy region. When the Hokianga Co-operative Dairy Company Factory closed in 1958 the population once again drifted south (Harrison, 2000). Since then the area has remained isolated, retaining its peaceful unhurried atmosphere, and with it much of the older pioneering and Maori traditions of friendliness and hospitality (Irvine, 1965).

The changes in society to date have not helped the Hokianga, leaving the area economically depressed, with many people migrating to the cities for employment. History demonstrates that the area has shown promise in the past in relation to rural economic development. However due to external environmental factors the growth of the area was not sustainable. The area’s ability to recover from a depression reflects the capability of the area to prosper economically. This can be attempted through rural tourism development. “Though Hokianga is considered one of the poorest areas in New Zealand, its popularity as a rewarding place to live is growing” (Harrison, 2000, p. 10).

1.4 LITERATURE OVERVIEW

Rural tourism is increasingly viewed as a tool for improving economic and social conditions in rural areas. Rural tourism is a growth industry and can be accredited to changes in lifestyle, higher levels of disposable income, car ownership, and second holiday/weekend break markets (Alexander & McKenna, 1998). Increasingly in the 1990s there has been a growth of new types of tourists in rural spaces, with behavior patterns clearly different from the homecoming motivation of traditional rural tourism (Perales, 2002).

Rural economies are limited by two factors; they are based on agricultural production and in many developed countries they are reliant on government policies (Gilbert, 1989). Fleischer and Felsenstein, (2000) have noted that, generally, rural tourism-based businesses are smaller and newer than other forms of economic activity in rural areas. Rural tourism is often heavily characterized by small, remote, family-orientated businesses, that have low-level skills, and little tourism experience. Finance is often difficult to obtain for rural entrepreneurs because of the absence of wealthy residents and lending institutions, inadequate infrastructure, lack of collateral and resource-poor public authorities (Page & Getz, 1997). In New Zealand, rural tourism businesses are usually small, new to the industry and owner operated (Warren & Taylor, 1999).

Economic benefits of rural tourism have been expressed as growth in new jobs, and diversification of products through creation of new markets for agricultural products and broadening of the regional economic base. Most rural tourism businesses are small, owner-operated, and act as a second income, so they generally are not earning a lot of money. This income is still important however, as it increases the economic viability of businesses on-and-off the farm (Oppermann, 1996, Warren & Taylor, 1999). New business may be attracted to the area, and economic stabilization may occur with increased demand for rural services and products. Growth with new and second incomes created through tourism including the selling of trades and crafts and pluriactivity may

emerge (Sharpley, 2000). Studies demonstrating modest economic gains include Ribeiro and Marques, (2002, citing CCRC, 1992; Robalo, 1999; Umbelino, 1997).

Page and Getz (1997) suggest that the challenges for rural tourism are accessibility, financing, labour, and management expertise. Alexander and McKenna (1998) go beyond that to suggest the key issues are: the rate, type and amount of product development; improving standards; marketing activities and analysis; leadership; infrastructure; government's role; education/training. For rural tourism to be successful there needs to be professional development coordinators, working capital funds, a distinct image created, marketing supports including coordination with wider product and marketing strategies and support available to the community based on individual initiatives (Page & Getz, 1997). Long and Nuckolls (1994) suggest four key factors in organizing resources for rural tourism planning; leadership, education, planning strategies that fit the local situation; access to technical information and expertise (Page & Getz, 1997).

There is a growing amount of literature that specifies the importance of taking a community focus and the importance of community involvement in tourism development (Roberts & Hall, 2001, citing Richards & Hall, 2000; Murphy, 1993; 1985; 1998; Taylor, 1995; Bramwell et al., 1996). Sensitive social integration is vital for rural tourism initiatives (Hall, 2000). A community approach to decision-making helps to ensure that traditional lifestyles and community values are respected (Campbell, 1999, citing Carter, 1994; Wild, 1994).

Useful themes to rural tourism development studies include the importance of locally controlled agendas to reach centralization, which is the benefits of the community's shared ideas resulting in funding developments and appropriate tourism plans for the rural areas (MacDonald & Jolliffe, 2003). Rural tourism enterprises need to be developed within an appropriate economic context whereby tourism development can create back linkages with the local and regional economy to complement and enhance existing activities (Hall, 2000).

Often government intervention and public – private partnership coordination are needed to assist the sustainability of rural tourism (Hall, 1998). Major themes from the Rural Tourism Management: Sustainable Tourism Conference (1998) is the need to improve partnerships, networks and integration, also, for political linkages with the local and global economy (Hall, 2000). Murphy (1985) proposed a community approach to tourism development which focused on the businesses forming networks, sharing resources and information (Wiley et al., 2001, citing Murphy, 1985). For rural tourism to be successful, collaboration needs to exist amongst entrepreneurs (Wilson et al., 2001). As rural tourism is comprised of predominately small businesses, the role of the tourism entrepreneur is very important and needs to be supported. Networks provide linkages and networks assist small business development (Roberts & Hall, 2001, citing Richards & Hall, 2000). Small remote operators lack marketing and political clout and must make up for this problem with greater participation in organizations. However, fewer numbers greater distance, fewer resources and cultural factors act against collaboration (Page & Getz, 1997).

The OECD (1994) stated that, generally, plans have been created as a reaction to tourism having failed to address economic and social implications of rural development (Sharpley & Sharpley, 1997, citing OECD, 1994). There are numerous challenges when attempting rural tourism development: the total product package must be sufficient; significant investment may be required; there is the adaption to a service role; the provision of quality products and services; the availability of skills and resources for effective marketing (Sharpley, 2000). Tourism development requires attractions, promotion, infrastructure, services and hospitality (Wilson et al., 2001, citing Gunn, 1998).

1.5 OBJECTIVES

The aim of this thesis is to conduct a study of how best to improve the local economy in the Eastern Hokianga, particularly because it is an isolated, rural area that needs economic and social development. As rural tourism is increasingly viewed as a tool for improving economic and social conditions in rural areas, this thesis will focus on rural

tourism development. This thesis will address important questions including: 1. What is the current rural tourism situation in the Eastern Hokianga? 2. What rural tourism development methods are being undertaken? 3. Are the rural tourism development methods working? 4. What are the challenges that the Eastern Hokianga faces? To do so, the thesis will address the following four key objectives:

- Establish the scope of rural tourism. This is done through a literature review and then applied to the Eastern Hokianga area.
- Examine the economic and social impacts of rural tourism that have occurred in the Eastern Hokianga area.
- Analyze rural tourism development approaches, through an application to the Eastern Hokianga area.
- Identify and examine the challenges to rural tourism development for the Eastern Hokianga area.

This thesis argues that the Eastern Hokianga is a rural area that is currently pursuing rural tourism development. The area has effectively implemented various rural tourism approaches but is limited by the economic climate, isolation and remoteness from other tourism destinations.

1.6 METHODOLOGY

It is important to adopt a research methodology that is going to be appropriate to the research question. For this research, the researcher has adopted an interpretivist approach to explore the internal ideas of research participants. The interpretivist researcher is committed to understanding social phenomena from the actors' own perspective and perceptions. Howe (2004) suggests that interpretivist methodology draws attention to understanding people on their own terms and in their own social settings. Engaging in dialogue with research subjects is the most effective means of achieving deeper and genuine expressions of beliefs and values for analysis. Also, qualitative research methods such as in-depth interviews are well suited for promoting dialogue.

An important interpretive method that has often been employed in social research is “grounded theory”. This method enables researchers to find answers to questions that start with how, why, and under what conditions, and with what consequences as the phenomenon unfolds (Wilson, 1995). The emphasis of grounded theory is on developing and building theory grounded in the data. Thus, the information presented is based on the research participants’ views rather than testing a theory. In line with Glaser (1992), the researcher had no research problem predetermined but an abstract wonderment of what is going on in the Eastern Hokianga in terms of rural tourism development and how it is handled. Through the constant comparative method, the researcher was able to identify general patterns and themes which emerged from the initial interviews. Following Glaser (1992), once the theory seemed sufficiently grounded in an emerging integration of categories and properties the literature was reviewed and related to the empirical research. It is also a method that leads to a meaningful interpretation to the people the researcher studies because the results use the participants’ perceptions and realities (Thomas, 2003). Strauss and Corbin (1994) suggest that the researcher should adopt a “theoretical sampling” approach to select participants, based on their knowledge of the phenomenon. The Eastern Hokianga does not have a large business community, therefore, the researcher set out to interview businesses operating within the area. As there is no fixed sample size in theoretical sampling, the research varied according to the findings and concluded once saturation was reached. As a consequence, no new information of relevance was found in the data. This resulted in a total of twenty-nine one-hour interviews being conducted.

1.7 STRUCTURE OF THIS THESIS

This thesis is comprised of seven chapters. In this chapter the research topic and main objectives have been introduced. In Chapter Two, the methodology and methods of the research are explained. The researcher explains in greater depth why the interpretivist methodology was appropriate and how the grounded theory approach was utilized to answer the research problem. This includes a detailed explanation of the research sample, the qualitative interviews, data collection and analysis techniques.

Chapter Three reviews the literature on rural tourism and rural tourism development. The purpose of describing this theory is to create the platform for the empirical data and identify definitions, concepts and methods that have been applied. The literature review chapter conceptualizes rural tourism and explains how the concept has developed. As rural tourism development is seen as a method of social-economic development, the advantages and disadvantages of these are discussed. The literature also suggested three key rural tourism development approaches: governmental, integrated, and community. These three approaches are fully explained and illustrated with case studies. Lastly, the chapter will discuss the challenges to rural tourism development.

Chapter Four introduces the reader to the Eastern Hokianga area. This includes a geographical identification of the area, history, demographics, and an understanding of the governance of the area in terms of tourism development.

Chapter Five contains the presentation of the empirical data on rural tourism development. Here the researcher has identified general themes that emerged from the fieldwork interviews, grounding them into rural tourism development categories. This chapter describes the concept of rural tourism and the social and economic impacts of rural tourism development for Eastern Hokianga. Detailed descriptions of the approaches that are currently undertaken in the area are presented, with the current challenges apparent to the area.

Chapter Six is an analysis of the findings in Chapters Four and Five, compared and contrasted with the literature. The chapter examines how rural tourism development in the Eastern Hokianga relates to the literature. This starts with the applicability of the concepts of “rural” and “rural tourism”. Next is an analysis of the social and economic impacts of rural tourism development in the area. The rural tourism development approaches are then analyzed, to highlight any strengths and weakness in both the literature and in the area. The chapter concludes with the challenges which are analyzed to identify what they are for the Eastern Hokianga, and how they can be overcome.

Finally, Chapter Seven synthesizes the key findings of the thesis, appraises the research aims and objectives and reflects on the chosen research methods. The relevance of the rural tourism development literature is reviewed along with further recommendations for rural tourism development research. The research identified that the Eastern Hokianga did not fit well with the majority of the rural definitions as described in the literature. According to the literature, the Eastern Hokianga is an undeveloped area and requires more activity/attraction based products. With only thirty-three businesses, the economic and social benefits are minimal but still important. The area is experiencing economic growth, creating demand for local products and providing employment opportunities. Tourism is too undeveloped for negative economic and social impacts. There are various ‘integrated’ rural tourism approaches being applied in the Eastern Hokianga through strategic, integration and clustering methods. The two main challenges for the area are identified as accessibility and financing.

CHAPTER 2: METHODOLOGY

2.1 INTRODUCTION

It is important to adopt a research methodology that is going to be appropriate to the context of the research question. Taylor and Bogdan (1998) suggest there are two dominant perspectives of research in social sciences: positivist and interpretivist. The positivist researcher seeks facts or phenomena that exercise an external influence on people. The interpretivist is committed to understanding social phenomena from the actors' own perspective and perceptions. The researcher has adopted an interpretivist approach to explore the internal ideas of research participants. Understanding is sought through qualitative methods and the inductive approach of grounded theory to provide interpretive data on the Eastern Hokianga region in the research participants' own words.

This chapter explains the reasoning behind the methodology and the methods that have been employed for this research. Firstly, the interpretive perspective is discussed and the reasons this methodology is appropriate for this thesis are presented. Subsequently the interpretive method of grounded theory is explained, the reasons the method was chosen are given and the appropriateness of this approach in relation to the study of rural tourism development are discussed. Background to the empirical research is given to describe how the researcher entered into the field of study. The reasoning behind the research sample is detailed, with an explanation of the methods as to how the data was acquired. Following the grounded theory of Glaser and Strauss (1967), data collection and analysis occur simultaneously. Lastly, the limitations and strengths of this methodology are discussed along with ethical issues related to the collection and interpretation of the data.

2.2 AN INTERPRETIVE PERSPECTIVE

Tourism research has been influenced by positivism because it essentially viewed reality as organized or structured, based on rules that guided the actions in the social world (Jennings, 2001). Techniques following the path of logical positivism still continue to influence research (Walle, 1997). Many articles published in leading journals during the previous decade continued to report the results of quantitative studies. However, researchers have often argued about the need for using qualitative approaches as a supplement (Lacity & Janson, 1994; Walle, 1997). This is because qualitative interviewing is an extremely versatile approach that allows people to share and understand each others' perspectives (Rubin & Rubin, 1995). The positivist perspective seek the 'truth' by attempting to eliminate the effect of personal views and value judgments on the research procedure (Greenbank, 2003). Boyd (2000) argues however, that no matter how well designed the research is, it cannot be value free. The researcher's interest in the topic and all the related methodological logistics, including the designing of the questionnaires, selecting the relevant sample and the data analysis, are likely to reflect their values (Boyd, 2000).

In contrast to the positivist approach, the interpretivists accept the influence of their values on their research (Greenbank, 2003). The interpretivist approach recognizes all the available evidence on the premise that it cannot be researched according to scientific guidelines (Walle, 1997). The interpretive social research recognizes that the world is constituted of multiple realities and hence empirical data is collected from an insider's perspective rather than from an outsider's perspective (Jennings, 2001). Howe (2004) suggests that interpretivist methodology draws attention to understanding people in their own terms and social settings. Dialogue is the most effective means of achieving deeper and genuine expressions of beliefs and values from research subject for analysis; and qualitative research methods such as in-depth interviews are well suited for promoting dialogue. Therefore, it is essential for the researcher to apply the interpretive paradigm for this thesis.

2.3 GROUNDED THEORY

An important interpretive method that has often been employed in social research is “grounded theory”. This methodology was developed in the 1960s by Barney Glaser and Anselm Strauss (Glaser & Strauss, 1967). They believed that theories should emerge from data, rather than testing or verifying existing theories. This method presents a single, unified, systematic method of analysis and also provides a framework for the interpretation of results (Glaser & Strauss, 1967). The researcher strives towards verifying the data through “saturation”. This involves studying the field and applying the constant comparative method to the data until no new or relevant data emerges. The researcher simultaneously codes and analyses the data in order to develop the theoretical concepts (Taylor & Bogdan, 1998). Constantly comparing is an inductive method as concepts, categories and themes are identified and developed while the research is being conducted (Strauss, 1987). Theory develops and evolves during the research process due to the interplay between data collection and analysis phases. “The grounded theorist simply codes for categories and properties and lets whatever theoretical codes emerge where they may” (Glaser, 1992, p. 63).

Grounded theory was chosen as a research design because it enables researchers to find the answers to questions that start with how, why, under what conditions, and with what consequences the phenomenon unfolds (Wilson, 1995). It is also a theory that leads to a meaningful interpretation to the people the researcher studies because the results are the participant’s perceptions and realities (Thomas, 2003). Therefore, as the researcher was interested in understanding how rural tourism is developing in the Eastern Hokianga and if there were approaches that could assist the area; the grounded theory approach was an appropriate method. Furthermore, the results would benefit both academia and the Eastern Hokianga.

2.4 BEFORE THE EMPIRICAL RESEARCH

The general topic of rural tourism development was determined before entering into the empirical research. For the requirements of the academic institute a literature review was developed. This was not treated as theory that needed verification but a guide to establish the scope of the research. Next came the selection of a field site to be studied. As noted by Neuman (2006), this is an important decision as the researcher needs to consider the suitability of the field site. The Eastern Hokianga was selected because it is a remote rural area that is situated between two coastal tourism destinations but is not an established tourism destination itself. It also fits the criteria for a study on rural tourism development. The area is considered one of the poorest in New Zealand and has a small business population. Nevertheless it is an ideal place to relax and is abundant in natural tourist features. Therefore, the area displayed suitable characteristics for the context of rural tourism, containing an ample supply of data. This enabled the researcher to explore and construct a strong description of the phenomenon that is rural tourism development in the Eastern Hokianga area. In line with Glaser (1992), the researcher had not determined a research problem, but an abstract wonderment of what is going on in the Eastern Hokianga in terms of rural tourism development and how it is handled. “Areas of interest are not hard to come by. They abound and with grounded theory, the research problem emerges easily” (Glaser, 1992, p. 23).

Once the Eastern Hokianga was determined as the case study area, information from secondary sources was collected, enabling the researcher to get background data and an understanding of the study area before entering into the field research. To gain an understanding of the research area, books were read on the Hokianga area and its history. Previous tourism reports that had been published on the area were also examined. The majority of the reports explored tourism development for the area from a Maori cultural perspective and highlighted many development issues associated with tourism relating to the communities and their environments. Although the reports were interesting, the majority could not be used in the discussion of rural tourism development in the Eastern Hokianga area because they were culturally orientated towards Maori. Thus, a gap in the

literature was identified before even entering the field, reconfirming the appropriateness of the selection of the Eastern Hokianga as a case study. An internet search was undertaken to determine whether government plays a role in the development of tourism in the Eastern Hokianga area. Further, an investigation was made into publicized government policies, identifying the appropriate people to contact for interviewing. The internet was also used to identify research participants and contact details of businesses operating in the Eastern Hokianga. In addition, this allowed the researcher to virtually visit the area from a tourist perspective by investigating what tourism products and services are available for tourist consumption.

2.5 SAMPLING

Strauss and Corbin (1998) suggest that the researcher adopts a “theoretical sampling” approach to select participants, based on their knowledge of the phenomenon. The purpose of this technique is to collect data that will enable the researcher to discover a variety of variables among concepts, clarifying categories in terms of their properties and dimensions, until saturation is reached.

The research for this thesis targeted businesses that cater to travelers, and were located in the Eastern Hokianga towns of Horeke, Kohukohu, and Rawene. As these towns are small with approximately thirty-three business, it was realistic for the researcher to attempt a census by collecting data from every member of the tourism orientated business population. However, Charmaz (2006, p. 101) has noted ‘Theoretical sampling pertains only to conceptual and theoretical development; it is not about representing a population or increasing the statistical generalizability of your results.’ Further, there is no fixed sample size in theoretical sampling, the research continues until saturation is reached.

The empirical research was entered into with general themes of rural tourism development, this was to stimulate the initial collection of data and enable direction in the interviews. The process for data collection and analysis used for this research was consistent with grounded theory and theoretical sampling. “This type of research relies

upon the process of collecting and analyzing data in stages, and gradually developing a theory inductively, which is based on or ‘grounded’ in the data” (Oliver, 2004, p. 131). Therefore, the interviews were staggered over a period of two months, with four to six interviews conducted every weekend or second weekend depending on the research participants’ availability. This allowed the researcher time to transcribe and analyze the data before the next weekend of interviews.

In total, twenty-nine interviews were conducted. Participants were initially identified through a website search of the three areas. These were participants from both the public and private sectors. Once the interviews began, further businesses were identified in the area through referral of participants and by walking around the towns. The health sector (the area hospital and pharmacists) was not included in the research because their primary role is health services for the communities, not assisting the development of rural tourism. The goal was not to reach saturation. However, the researcher concluded this had occurred after completing twenty-nine interviews; this left only four businesses that were not interviewed.

Before collecting any data, the researcher first needs to approach potential participants inviting them to partake in the research. A participant information sheet was designed that outlined the aim of the research, stated for whom the research was being conducted, gave a little background about the researcher, and dealt with ethical issues including confidentiality. This information sheet was sent via email to the participants who had email contact addresses. This was done to create awareness about the research. A phone call was then made to invite them to partake in the research and to schedule an appointment. The participants who did not have email addresses were either contacted via telephone and handed the participant information sheets at the interview, or a face-to-face visit by the researcher providing the participant information sheet when arranging an interview time.

2.6 INTERVIEWS

Neuman (2006) proposes a flexible method which involves in-depth interviewing. This method was chosen because it is a nondirective and unstructured technique of interpretive inquiry allowing participants to direct the interview discussions. Following the grounded theory approach, this method allowed the respondents to convey their own personal perspectives of the phenomenon or rural tourism development in a face-to-face informal setting. “In field interviews, members express themselves in the forms in which they normally speak, think and organize reality” (Neuman, 2006, p. 407). Interviews were prearranged, approximately one-hour long, face-to-face, within the participant’s environment and in a relaxed atmosphere — often over a cup of tea. “The ideal research setting is one which the observer obtains easy access, establishes immediate rapport with informants, and gathers data directly related to the research interests” (Taylor & Bogdan, 1998, p. 27). The interviews were informal and conducted in a conversational style with both the interviewer and participant engaging in the discussion. This may have attributed to the interviews often running over the predetermined one hour time frame. The first interviews, before direction of the themes had emerged, often lasted two hours.

There were no predetermined or specific questions for the interviews because according to Glaser (1992), the data needs to emerge and not be forced by the researcher. However, an interview guide with a list of general themes to be covered with each research participant was developed beforehand, as suggested by Taylor & Bogdan (1998). This was taken into the interviews as a prompt to remind the interviewer to direct conversation into themes that did not arise naturally during the conversation. The phrasings of questions were different for different research participants; however, all of the themes were discussed before the interview was completed. This allowed the participant to have greater control over the direction of the conversation and to express views they deemed important. “Interview questions have to relate directly to what the interview is about empirically, so the researcher maximizes the acquisition of non-forced data” (Glaser, 1992, p. 25).

Taylor and Bogdan (1998) suggest that an important aspect of successful interviewing is the researcher's ability to probe. Thus, open ended and descriptive questions were asked about general topics. This allowed the participants to talk about experiences in their lives or what was important from their points of view, and then the researcher probed for details and specifics. "Although the tone of qualitative interviewing is conversational, probing distinguishes this kind of interviewing from everyday conversations" (Taylor & Bogdan, 1998, p. 106). Through probing and open ended questions, the researcher was able to explore a statement or topic that arose in the conversation, request more detail or explanations, and encourage unanticipated statements and stories to emerge. This also assisted clarifying that the researcher understood what exactly the participant meant (Charmaz, 2006).

The in-depth interviews were recorded by tape recorder with the permission of the interview participants. The tape recorder was used because it could capture more than the researcher could by relying on memory alone. Also, by freeing the researcher's time from note-taking, recording allowed for a greater conversational flow during the interviews. Ironically, participants didn't feel as uncomfortable with the presence of the tape recorder as the interviewer and often spoke freely, providing an abundance of personal perspectives to offer to the discussion. As suggested by Glaser (1992) and Oliver (2004), the researcher found that the interview transcripts from the tape recordings presented an extensive amount of data and decisions had to be made on what data to use and what data to omit. The transcribing of the tape recordings was a very time consuming process; however, it produced very good data for analysis.

2.7 DATA COLLECTION AND ANALYSIS

Using the constant comparative method, the interview data was coded after being transcribed. Codes were given to data according to what they indicated and notes – 'memos' were taken to assist in developing ideas for further analysis. "For grounded theory first we collect the data in the field and then start coding, constantly comparing incident to incident, and incident to codes, while analyzing and generating theory"

(Glaser, 1992, p. 32). Through the constant comparative method, the researcher was able to identify general patterns and themes which emerged from the initial interviews. These patterns and themes provided a guide for the following interviews to obtain specific data in order to reconfirm previous findings as well as elaborate on data already collected. In line with Taylor and Bodgan (1998) the researcher found conducting the data analysis to be the most difficult aspect of the research process. Numerous hours were spent coding the data identifying different themes, constructing typologies until gradually the researcher came up with concepts and generalizations. Once twenty-nine interviews were conducted the researcher concluded the interviews as the data had reached saturation with the research participants offering no new insights to the research. Following Glaser (1992), once the theory seemed sufficiently grounded in an emerging integration of categories and properties the literature was reviewed and related to the empirical research. This once again presented difficulties for the researcher as the literature review had already been conducted for the requirements of the thesis. Subsequently, the researcher rewrote the literature review to better relate it to the empirical situation of the Eastern Hokianga area.

2.8 STRENGTHS AND LIMITATIONS

The researcher was able to focus on the specific area of the Eastern Hokianga. As a result the empirical data collected was ample and data saturation was reached after interviewing nearly the entire business population of the area. Although two participants declined to participate in the research, the data collected by other participants was so forthcoming, that through saturation of the themes, their exclusion in the research seemed acceptable and did not affect the credibility or reliability of the findings. As suggested by Glaser (1992), following the grounded theory approach enabled the researcher to maximize the acquisition of non-forced data.

2.9 ETHICAL ISSUES

Conducting field research into the social lives of research participants can raise ethical problems (Neuman, 2006). To address these issues, Auckland University of Technology Ethics Committee (AUTEK) stipulates approval must be authorized before any research may be conducted. Therefore the researcher applied to AUT Ethics Committee for ethics approval to conduct the field research in the Eastern Hokianga, and was granted approval before field research began in September 2006.

An information sheet using AUT letterhead paper was given to all participants to clearly inform them of the research aim and outcomes. This was signed by both the researcher and the participant before the interview. Participants were also informed of their anonymity in the presentation of the results and about their rights and benefits from participating in the research. For the purpose of confirmation and authorization, the Auckland University of Technology Ethics Committee also provided the contact details of the researcher and the research supervisor. After reading the information sheet a consent form using AUT letterhead paper for participants was also distributed. If participants agreed to participate in the research both the participant and the researcher signed the consent form. These consent forms will be filed in the research supervisor's office for duration of six years. During the data analysis process the researcher has a moral obligation to uphold the confidentiality of data received by the research participants (Neuman, 2006). Therefore, all research participants are anonymous, and are assigned numbers. For example; "P20" is an assigned number representing participant 20's perspectives.

CHAPTER 3: THE LITERATURE - RURAL TOURISM DEVELOPMENT

3.1 INTRODUCTION

This chapter reviews a range of literature on rural tourism and rural tourism development. The chapter will first define the concept of rural tourism and discuss how the phenomenon has evolved. It is important to establish the nature of the phenomenon of rural tourism and its evolution to understand the need for rural tourism development methods, which will include a description of the social and economic advantages and disadvantages of rural tourism development.

Next, the three main approaches to rural tourism development are discussed. The methods are; “governmental” approach, “community” approach and an “integrated” approach. The discussion will consist of describing the differing elements and techniques of each. Case studies of the different approaches are presented to distinguish which methods have tested as popular, successful, and not successful. This will allow a greater understanding of the phenomenon by establishing a clearer picture of the issues involved in implementing rural tourism development techniques. The chapter will finish by identifying the challenges to rural tourism development.

3.2 THE SCOPE OF RURAL TOURISM

3.2.1 The “Rural” Concept

Rural areas comprise the people, land and other resources, in the open country and small settlements outside the immediate economic influence of major urban centres. Rural is a territorial or spatial concept. It is not restricted to any particular use of land, degree of economic health, or economic sector.

(OECD, 1993, as cited in Sharpley & Sharpley, 1997, p. 12)

To understand what rural tourism is we first need to understand the concept of “rural”. In the literature there are many concepts of rural. Rural areas have been identified by traditional social structures, land use and economy, population density and the settlement size (Lane, 1994). Rural areas have been conceptualized as sets of overlapping social spaces, each with its own logic, institutions and networks of actors (Page & Getz, 1997, citing Mormont, 1990).

Rural is commodified not only as a physical place, but as a place with spiritual resonances, with connotations of romantic simplicity and golden traditionality. In many cases, the countryside is portrayed as a container of traditional cultures, national identities, and “authentic” lifestyles. (Kneafsey, 2001, p. 73)

Rural areas are also characterized by population densities (Sharpley & Sharpley, 1997). This concept presents difficulties as population densities differ between countries. For example the population for rural areas in New Zealand is 1000 (Warren & Taylor, 1999) compared to 10,000 in Portugal or 2000 in France (Sharpley & Sharpley, 1997). To add to confusion to the matter, rural areas can also be defined by the perception of the consumer.

Rural life appears to be perceived by large sections of the population as broadly synonymous with a recognizable, if undefinable notion of the ‘good life’ based on clean air, natural rhythms, and organic communities living in pleasing surroundings. (Middleton, 1982, p. 52)

With increasing technological advances, countries are changing constantly and developing. Sharpley and Sharpley (1997) suggest rural areas typically are still less materialistic, slower paced and stronger in community values than their urban neighbors. Cloke (1992) associates rural areas with agriculture, geographic isolation and sparse population, conceptualized in terms of peripheral remoteness and dependent on rural economic activities (Page & Getz, 1997, citing Cloke, 1992).

3.2.2 Defining Rural Tourism

Table 3.1 summarizes the defining aspects of rural tourism as suggested by four different authors. These have been placed in four core columns: “associated with”, “leisure tourism”, “accommodation”, and “attractions”. Listed below the category are the defining characteristics of each category, which are expanded and discussed further in the following text. Note that each column is a separate category and the categories do not link up across the rows.

Table 3.1 Defining Rural Tourism

<i>Associated with</i>	<i>Leisure tourism</i>	<i>Accommodation</i>	<i>Attractions</i>
Farm Tourism ¹	Touring ²	B&B ³	Retail Outlets ⁴
Agritourism ¹	Water related activities ²	Apartments ³	Vineyard / Wineries ⁴
Nature Tourism ²	Aerial activities on dry land ²	Rural hotels ³	Gardens ⁴
Ecotourism ²	Discovery – type activities ²	Guest houses ³	Heritage products ⁴
Leisure tourism ²	Cultural activities ²	Camping grounds ³	Cultural products ⁴
	Health related activities ²	Second homes ³	
		Farm stays ³	
		Home stays ⁴	

¹ Page and Getz (1997)

² Sharpley and Sharpley (1997)

³ Oppermann (1996)

⁴ Warren and Taylor (1999)

Rural Tourism encompasses a huge range of activities, natural or manmade attractions, amenities and facilities, transportation, marketing and information systems. Rural tourism demand is often difficult to influence and manage (Sharpley & Sharpley, 1997). Intrinsic qualities of rural tourism include a sense of space, peace and tranquility, and an escape from the stress of modern pressures (Sharpley & Sharpley, 1997). Rural tourism is very diverse and fragmented in terms of operational structures, activities, markets and

operating environments (Roberts & Hall, 2001, citing Pearce, 1989). These combined factors make it difficult to analyse the rural tourism concept: “there is a need to move towards an international understanding of the terminology, nature, linkages, outcomes and temporal and spatial significance of rural tourism” (Hall, 2000, p. 297).

There are many different interpretations and explanations as to what tourism consists of in rural areas. Often rural tourism is associated with farm tourism, however this is only one component of the whole spectrum. Rural tourism is also associated with ecotourism, green tourism and nature tourism (Sharpley & Sharpley, 1997). Then there is leisure tourism which itself can include touring, water related activities, aerial activities on dry land, sporting activities, discovery-type activities, cultural activities, and health-related activities (Sharpley & Sharpley, 1997, citing Thibal; 1998: Alexander & McKenna, 1998, citing Bramwell & Lane, 1994). Not yet mentioned is the wide range of accommodation available, from bed and breakfasts (B&Bs), apartments, rural hotels, guest-houses, camping grounds, second homes and accommodation provided on farms (Oppermann, 1996). Other variables include recreational tourism in national parks and wilderness areas. In New Zealand, rural tourism businesses include: farmstays, homestays and other accommodation providers, activity-based businesses, retail outlets, vineyard/wineries, gardens, marae visits, museums, and other cultural and heritage products (Warren & Taylor, 1999).

Generally, rural tourism-based businesses are smaller and newer than other forms of economic activity in rural areas. They are located in remote areas, with low capital base, and function with low-level skills and little tourism experience (Fleischer & Felsenstein, 2000). In New Zealand, rural tourism businesses are usually small, new to the industry and owner-operated (Warren & Taylor, 1999). In an Israeli survey conducted in 1993, almost all rural tourism businesses were small and family based (Fleischer & Felsenstein, 2000). Finance is often difficult to obtain for rural entrepreneurs because of the absence of wealthy residents and lending institutions, inadequate infrastructure, lack of collateral, and resource-poor public authorities (Page & Getz, 1997; Fleischer & Felsenstein, 2000, citing Lerner & Saati, 1997; Vance et al., 1991). Ribeiro & Marques (2002) found in their

Portugal TER study that rural tourism expenditure was lower than average and although their tourists were affluent their spending was lower than average tourist expenditure.

3.3 HISTORY OF RURAL TOURISM

Tourism activity in rural areas has existed since the Industrial Revolution, when there was strong emigration to cities in Europe. Tourists were city dwellers who were originally from rural towns returning “home” for their vacations. This type of tourism was not viable for tourist businesses. On its own, this type of tourism failed to create employment to reduce the emigration to urban areas (Perales, 2002, citing Cavaco, 1995). Recreation outside urban confines has been referred to as being inspired by the Romantic Movement in the Arts in the 18th and 19th centuries (Middleton, 1982). Rural tourism for the middle classes in Germany can be traced back to the introduction of paid holidays in 1873 and 1914. These were holidays on farms in inexpensive accommodation, close to the city, often in hillier areas (Opperman, 1996, citing Knebel, 1960). Rising living standards and motor vehicle ownership aided the rapid development of the rural tourism phenomenon in the 1960s and 1970s, with the bulk of the visitors from middle class and higher classes of UK. One of the first articles written on rural tourism was by Ager in 1958 which dealt with tourism in mountainous areas and its importance for mountain farmers (see Opperman, 1996). In England the bulk of new attractions for visitors in the 1970s were located in rural areas (Middleton, 1982). Similar trends began to emerge in the middle 19th century in the European Alps, with the establishment of alpine clubs (Page & Getz, 1997). It is important to note that increasing interest in rural areas by medium to higher classes has existed since the 19th century (Perales, 2002).

Rural tourism is a growth industry and can be accredited to changes in lifestyle, higher levels of disposable income, car ownership and second holiday/weekend break markets (Alexander & McKenna, 1998). Increasingly in the 1990s there has been a growth of new modalities of tourists in rural spaces, with behavior patterns clearly different from the homecoming motivation of traditional rural tourism (Perales, 2002). Diversification into rural tourism is becoming increasingly popular as an economic development strategy

for rural areas. Thirty-three percent of UK farms and forty-four percent of farms in England have diversified into tourism (Alexander & McKenna, 1998, citing the Farm Holiday Bureau's Survey, 1992).

3.4 *IMPACTS OF RURAL TOURISM DEVELOPMENT*

As rural tourism is increasingly viewed as a tool for improving economic and social conditions in rural areas (Liu, 2006), there have been studies into the economic and social impacts of rural tourism development. Table 3.2 lists the advantages and disadvantages of these impacts. These impacts are further discussed and explained in the following subsections.

Table 3.2 Impacts of Rural Tourism Development

Advantages	Disadvantages
Employment with new jobs ¹	Leakages ⁵
Diversification of employment ¹	Low pay ⁵
Diversification of products ¹	Declining multiplier ⁵
New markets created by new products ¹	Imported labour ⁵
New businesses may be attracted to the area ¹	Unbalanced income ⁵
Economic stabilization ¹	Unbalanced employment distribution ⁵
Higher economic multipliers ²	Dependency on tourism ⁶
Out migration reduces ³	Increased crime ⁶
Repopulation ⁴	Disrupt social structure and traditions ⁷
Social improvement ⁴	Changes in community culture ⁷
Revitalization of crafts and customs ⁴	Congestion and crowding ⁸
Enables the provision of infrastructure ³	Loss of family time ⁹

1 Sharpley (2000)

2 Campbell (1999)

3 Oppermann (1996)

4 Hall (1998)

5 Page and Getz (1997)

6 Sharpley and Sharpley (1997)

7 Lewis (1998)

8 Smith and Krannich (1998)

9 Warren and Taylor (1999)

3.4.1 Advantages

Tourism is viewed as a means to address rural economic decline. In the early literature on rural tourism, the economic benefits of rural tourism to farmers became a predominant theme (Oppermann, 1996, citing Ager, 1964; FASTERLING, 1973; Geissler, 1972; Hold, 1970; Otremba, 1969; Pevetz, 1979). Economic benefits of rural tourism have been expressed as employment growth and broadening a region's economic base. New businesses may be attracted to the area, offering employment which may not have been possible otherwise. In addition, diversification of employment and products can occur through the creation of new markets for agricultural products. Increased demand for rural services and products may enable economic stabilization. This will result in economic growth with new incomes and second incomes created through tourism (including the selling of trades and crafts) and protecting income levels and employment (Sharpley, 2000). Revenue is generated when visitors spend money and through tourism-dedicated taxes. Rural tourism offers a market to small businesses that otherwise would not exist, giving economic benefits to businesses both directly and indirectly. Rural tourism also encourages small business development, thus promoting higher economic multipliers (Campbell, 1999, citing Carter, 1994; Wild, 1994).

Employment in tourism can generate from accommodation, food and beverage, arts and crafts, manufacturing, construction, and other services, all encouraging population retention or repopulation (Hall, 1998). For example, it is well known that in French Polynesia the materials and furnishings of accommodation providers are predominately locally made. In New Zealand the welfare of rural economies deteriorated in the 1990s decade because of urban migration and agricultural decline with jobs lost by all age brackets (Warren & Taylor, 1999). Marcouiller, (1997) states that it is necessary not only to create jobs but also to offer career opportunities, increase skill levels, job permanence and wage rates (Ribeiro & Marques, 2002, citing Marcouiller, 1997). As most rural tourism businesses are small, owner-operated and act as a second income, they generally are not earning a lot of money. This income is still important however, as it increases the economic viability of businesses on and off the farm (Warren & Taylor, 1999;

Oppermann, 1996). In the early 1980s the New Zealand government removed agricultural subsidies, putting many farmers under duress. They needed a second income to maintain economic well-being (Butler et al., 1999). Studies demonstrating modest economic gains include Ribeiro and Marques (2002, citing CCRC, 1992; Robalo, 1999; Umbelino, 1997).

Key benefits linked to rural tourism development are reduced out-migration and the diversification of the rural economy, especially if well-linked to other sectors (Oppermann, 1996; Smith & Krannich, 1998, citing Long, Perude & Allan, 1990). There is repopulation, maintenance and social improvement, revitalization of local crafts, revitalization of customs and cultural identities, and increased social contact and exchange (Sharpley, 2000). Rural tourism provides urban people with rural living experiences, increases the awareness of rural problems, aids the transfer of ideas from rural to urban, and enables the provision of infrastructure (Oppermann, 1996).

3.4.2 Disadvantages

Page and Getz (1997, citing Butler & Clark, 1992) describe numerous disadvantages that can occur as rural tourism develops. Leakages can occur with generated profits going out of the rural area. A declining multiplier may be evident as low pay may not promote spending in the area. Labour may be imported from other areas, as rural people may not have the required training. Investors may show conservatism with little investment in local businesses. Lastly, unbalanced income and employment distribution may occur with limited employees on a higher income. In the tourism sector wages are often low and employment is seasonal. For example, in America service sector positions are one of the lowest paid on the wage ladder (Wilson et al., 2001, citing Smith, 1989). The community may become dependent on tourism as the predominant industry, and prices of land, goods and services may increase in the area. Also, there are development costs of new attractions, services and infrastructure that may be required (Sharpley & Sharpley, 1997).

Tourism development, like any economic development, creates social change, which can have a positive and negative impact on host communities. Tourism can highlight

differences in cultural backgrounds and social values between residents and guests (Huang & Stewart, 1996). During the 1960s and 1970s there was a reliance on case studies to illustrate the effects of tourism in specific localities, influenced by the approach of rural sociologists (Page & Getz, 1997). Tourism can contribute to changes in community value systems, individuals' behavior, family relationships, collective lifestyles, disruption of the social structure and traditions (Smith & Krannich, 1998, citing Milman & Pizam, 1988). Lewis (1998) suggests that socially, through rural development, the small rural community atmosphere dissipates quickly and the community culture can also change rapidly. With the increased tourism can come increased crime and other antisocial behavior, congestion and crowding if numbers are high. Local services may diminish making way for new tourism related facilities, new behaviors may be learnt from tourist influences, and pressure may arise on housing and availability with conflicting interest between tourists and residents (Sharpley & Sharpley, 1997). If a community has low economic activity and low tourism development there will be high expectations of tourism (Page & Getz, 1997, citing Johnson et al., 1994). Smith and Krannich (1998) suggest that congestion, loss of open space, price increases, and negative attitudes to tourism all increase with tourism growth. Another downside of rural tourism development noted in a New Zealand study was a loss of personal family time (Warren & Taylor, 1999). Fleisher and Felsenstein (2000) state that corrupt local cultures and exploited local labor are all equally plausible scenarios resulting from ill-advised tourism promotion.

Studies on community reactions argue that negative effects of tourism are associated with the increase of tourism activities. The first framework developed to explain these reactions was a four level "irridex" covering the level of irritation and reactions of a host population in which community acceptance moves from welcoming to openly expressed irritation as tourism development increases (Harszel, 1986, citing Doxey, 1975).

3.5 RURAL TOURISM DEVELOPMENT APPROACHES

To this point, the literature chapter has defined rural and rural tourism and the impacts, both negative and positive, that rural tourism can produce. This section will now describe the different rural tourism development approaches that have been implemented and discussed in the literature. The focus will be on three general rural tourism approaches - the governmental approach, the integrated approach and the community approach. Table 3.3 summarizes the three approaches into three columns with defining aspects in the descending cells. This table will be described and discussed further in the following subsections. As opposed to the previous table, these columns are not independent of each other and display the linkages through the five rows. The table indicates that there are common themes and also gaps across the different approaches. The table also shows that the governmental approach has general defining aspects, whereas both the integrated and community approaches aspects are more descriptive and definite. These are elaborated on in the following section.

Table 3.3 Approaches to Rural Tourism Development

	Governmental	Integrated	Community
Strategic	<p>Policy approaches and focuses¹</p> <p>Stewardship/ sustainability¹</p> <p>Realism and quality¹</p>	<p>Privatizing resources and direct development and land use controls²</p> <p>Good fit between demand and supply²</p> <p>Good fit between industry and residents²</p> <p>Good management systems²</p> <p>Monitoring through impact research²</p> <p>Accessible information offices⁸</p>	<p>Strategic planning¹</p> <p>Support and participation of local government including funding, infrastructure, maintenance and education service⁴</p> <p>Information and technical assistance at regional and state levels⁴</p> <p>Good convention and visitor bureaus facilitating between local government and entrepreneurs⁴</p>
Integration	<p>Horizontal and vertical integration¹</p> <p>Mediation¹</p>	<p>Integrating tourism with other industries³</p> <p>Network and integration and the need to improve partnerships⁴</p> <p>The need for political linkages local and global⁴</p> <p>Public and private sector interactions through collaboration</p> <p>Private owner cooperation through association²</p> <p>Locally controlled agendas to reach centralization⁵</p>	<p>Greater participation in organizations²</p> <p>Collaboration coordination and cooperation amongst entrepreneurs⁶</p> <p>Businesses forming networks Sharing resources and information⁷</p> <p>Involvement in the development process</p> <p>Good leadership⁴</p> <p>Coordination and cooperation between business persons and local leadership and widespread community support⁴</p>
Clustering	<p>Intra- and inter-regional complementarities¹</p>	<p>A range of activities⁸</p> <p>Clustering of activities and attractions⁸</p> <p>Development of tourism routes⁸</p> <p>User friendly signage⁸</p>	<p>Complete tourism package involving community area and businesses¹</p>
Regeneration	<p>Regeneration / revitalization activities¹</p>	<p>Creating public parks and reserves²</p> <p>Ongoing community development²</p> <p>Development of ancillary services⁸</p>	
Financing			<p>Sufficient funds⁶</p>

¹ Roberts and Hall (2001)

² Page and Getz (1997)

³ Sharpley and Sharpley (1997)

⁴ Hall (2001)

⁵ MacDonald and Jolliffe (2003)

⁶ Wilson et al. (2001)

⁷ Murphy (1985)

⁸ Briedenmann and Wickens (2004)

3.5.1 The Governmental Approach

Governments can play active roles in tourism (MacDonlad & Jolliffe, 2003, citing Lewis, 1998; Prohaska, 1995; Lulloff et al., 1994). During 1989, the US Congress realized the future importance of tourism and that rural America needed economic development (Edgell & Cartwright, 1990). “Rural community leaders are racing to establish tourism in the communities” (Ribeiro & Marques, 2002, citing Lewis, 1999, p. 168). The increase in state-sponsored rural programs in the US was promoted by a lengthy farm crisis, with subsequent emigration to urban areas leaving declines in human capital, and the move from traditional rural industries (forestry, agriculture, mining and fishing) to the service sector (Luloff et al., 1993). Rural tourism development in European countries included approaches based on authority involvement with intervention and leadership, and tourist development through private and public combinations with initiatives from both sectors (Davies & Gilbert, 1992).

Rural Tourism is seen as an increasingly important industry by governments because rural economies continue to suffer from out-migration. Government intervention is increasing in many countries, including: New Zealand, Australia, Germany, UK, USA and Canada (Butler et al., 1999). With this increasing interest in rural tourism as a development strategy, the literature increasingly describes policy approaches (Roberts & Hall, 2001, citing Deroni, 1991; Fagence, 1991; Hall & Jenkins, 1998; OECD, 1994; Page & Getz, 1997; Pigram, 1993; Sharpley & Sharpley, 1997). Fleischer and Felsenstein (2000) suggest that the challenge for public policy is the development of evaluation instruments that are sensitive enough to take into account economic and social factors (also environmental and cultural), especially when faced with possibly significant income and employment gains. In short the literature suggests rural tourism development policy approaches require: regeneration/revitalization, horizontal and vertical integration, interdependence, stewardship/sustainability, mediation, cataclysm, service and welfare provisions, spatiality – awareness, intra and inter regional complementarities, opportunism, realism and quality (Roberts & Hall, 2001).

Ribeiro and Marques (2002) discuss the TER, which was the name given to private home accommodation in Portugal. This case study highlights how government policy has hindered the TER from producing rural tourism development in Portugal. Legislation covering building requirements was designed in 1970 and redesigned in 1986 with greater restrictions. This left a large number of farming families restricted from offering accommodation facilities through these legal restrictions, available predominantly to the more affluent families. Also the study found the employment to be low paid with no professionalism and very few career opportunities.

In 1989, the United State Travel and Tourism Administration (USTTA), after a five month study with agricultural agents, small businesses and residents of rural America, found that there was a need for federal policy on rural tourism and that strategic responses by the government were needed for effective implementation (Edgell & Cartwright, 1990). One development technique suggested was to assist the development of small businesses and create an open market (Wilson et al., 2001, citing Eadington & Redman, 1991). However, this development has been criticized as it does not include community participation, multi-sectoral participation or marketing (Wilson et al., 2001, citing Gunn, 1998; Murphy, 1985; Palmer & Bejou, 1995).

In 1990, a “Departments Rural Tourism Competitiveness Initiative” was created to establish a national policy on rural development, to improve coordination between federal agencies and to improve the quality and competitiveness of tourism services provided by rural America (Edgell & Cartwright, 1990). In a survey conducted in 1991, the US economy displayed political attention to the rural sector, with thirty of fifty states having specific rural tourism programs. However, the majority of their programs were marketing initiatives and did not focus on economic and social development (Luloff et al., 1993).

Rural Tourism development has attracted significant levels of European funding. In 1990, the EU established the LEADER programme (Liaisons Entre Action pour la Development des Economies Rurales), now continuing as LEADER II as a rural development scheme. Emphasizing local support and involvement, local action groups

receive and disperse funds for rural tourism development initiatives to assist in the economic and social development of rural areas. Recipients of these funds included thirty-five tourism villages in rural South Pembrokeshire. In 1992, the South Pembrokeshire Partnership for Action with Rural Communities (SPARC) was established as a result of LEADER funding. Thirty-five villages created community associations and, through these, the communities were involved in the development of initiatives that produced over one hundred projects (Shaprley & Sharpley, 1997).

In 1994, the Romanian Government, established the national development or rural tourism. However, barriers that restricted development included lack of training, lack of market research, the exploitation of tourists, lethargy among the workplace, and an unwillingness of locals to venture into business (Sharpley 1997, citing Roberts, 1996).

Fleischer and Felsenstein (2000) conducted a study of a target loan and guarantee program by the Jewish Agency, Israel's largest non-government organization during 1993-1995. The study attempted to use finance as leverage for entrepreneurship and job generation. One hundred and forty five participants were small tourism businesses. Through a cost-benefit analysis, the study found small rural tourism businesses to be cost effective. Rural tourism businesses displayed a more pronounced effect than in other sectors. "This analysis shows that even minimal support can yield substantial economic and social returns" (Fleischer and Felsenstein, 2000, p. 1021).

Recognizing the potential of rural tourism for Roznava Okres, in Slovak, in a three year British Know How Fund initiative was developed in 1996. The project aimed to increase visitor numbers, increase investment in tourist facilities and provide technical support through the creation of a three-year marketing plan, a tourist information centre, training, and a local tourism association. The project unfortunately was not successful as anticipated. From 1996, visitor numbers increased in 1997 but fell again in 1998, perhaps from the country's unstable political environment (Clarke et al., 2001). Overall, the project concentrated on marketing, including the creation of a successful tourist information centre. There was no mention of the creation of new attractions, only

accommodation and the upgrading of the town buildings, perhaps highlighting the lack of integration with broader economic and social development objectives.

According to Urwin (1996), rural tourism development in Estonia is limited by the small size of the country, and types of attractions. These attractions offer a minimal income and the facilities are below the quality expected by most international tourists. Estonia has two organizations - the Estonian Guesthouse Association and the Estonian Farmers Central Union's Department of Tourism - to assist rural tourism development through farm accommodation. Five problems were suggested: the short season, the cost of renovations, small bed numbers, marketing difficulties and infrastructure requirements. There is no integration of tourism development with other activities or sectors and the primary focus is on farm accommodation.

Liu (1996) explored three different techniques in Malaysia to develop rural tourism. Two government directed initiatives involved developing a remote resort in the Pedu Lake area, developing a rural tourism core in Kedah, and thirdly rural homestays in Relau, which was a private initiative. The mega project in the Pedu Lake area displayed little linkage to the local community and entrepreneurs. The Kedah core development did not involve the community in the planning process and the designed up scale destination did not match the local situation thus not possibly sustainable. Thirdly, the private homestay initiative consisted of nearly all the affluent houses in the village being adequate for homestays, thus, not assisting in spreading the tourist revenue to the community whom needed to gain from the tourism development the most.

3.5.2 A Community Approach

As defined by the Concise Oxford Dictionary (1964) the term "community" refers to a "body of people living in same locality"; this term will be used throughout this thesis. There is a growing amount of literature that advocates the importance of community involvement in tourism development and having a community focus (e.g. Roberts & Hall, 2001, citing Richards & Hall, 2000; Murphy, 1985; 1993; 1998; Taylor, 1995; Bramwell

et al., 1996). As tourism is predominately a service industry, it requires support and assistance of the host communities (Hall, 2000, citing Simmons, 1994). Community involvement in development processes is likely to result in decisions that are more appropriate and have greater local motivation. When locals support and take pride in tourism then visitor satisfaction is likely to be greater (Hall, 2000, citing Cole, 1996). Sensitive social integration is vital for rural tourism initiatives (Hall, 2000). A community approach to decision-making also helps to ensure traditional lifestyles and community values are respected (Campbell, 1999, citing Carter, 1994; Wild, 1994). Murphy (1985) proposed a community approach to tourism development which included formation of businesses networks, and the sharing of resources and information. “The network is a group of two or more firms that have banded together to carry out some new business activity that the members of the network could not pursue independently” (Copp & Ivy, 2001, citing Sommers, 1998, p. 54). For rural tourism to be successful, collaboration needs to exist amongst entrepreneurs (Wilson et al., 2001). As rural tourism is comprised of predominately small businesses the role of the tourism entrepreneur is very important and needs to be supported. Networks provide linkages and networks assist small business development (Roberts & Hall, 2001, citing, Richards & Hall, 2000). Small remote operators lack marketing and political clout and must make up for this problem with greater participation in organizations. However, smaller numbers, greater distance, fewer resources and some cultural factors can act against collaboration (Page & Getz, 1997).

MacDonald and Jolliffe (2003) have developed a sequential framework for rural tourism development. It is akin to a “rural tourism lifecycle” and contains the following stages:

1. A few residents recognize opportunities and integrate tourism resources into socioeconomic planning.
2. Community groups plan and implement tourism strategies as part of economic development.
3. Developing community partnerships and a formal tourism body help to turn plans into enduring attractions.

4. Fully centralized, cooperative, and long-term planning and marketing of tourism occurs.

Wilson et al.'s (2001) study of six communities in Illinois reflected the importance of the community approach to tourism. Participants suggested that for tourism to work the following factors were necessary:

1. A complete tourism package, involving the community, the surrounding area and businesses involved in tourism. Promoting the community as a whole and understanding the target market.
2. Good Leadership, with people who are enthusiastic, understand the importance of tourism development, are able to generate funding and resource.
3. Support and Participation of Local Government, with funding, infrastructure, maintenance and educational services.
4. Sufficient funds for tourism development, with inadequate funding the biggest obstacles of tourism development and promotion.
5. Strategic Planning, fundamental for the efficient use of resources and funds, the integration of tourism with the community's overall economic strategy, and community involvement.
6. Coordination and cooperation between businesspersons and local leadership, crucial to successful development.
7. Coordination and cooperation between rural tourism entrepreneurs, perceived as an important key for successful development.
8. Information and technical assistance for tourism development and promotion, with respondents stressing the need for organized central agencies to help provide tourism information and technical assistance at regional and state levels.
9. Good convention and visitor bureaus, to facilitate cooperation and coordination between local government and entrepreneurs. Roles to include: coordination marketing efforts, recruiting new initiatives and providing leadership for tourism development.
10. Widespread community support for tourism, facilitating good communication between tourist industries and public including education.

Chon and Evans (1989) research into rural tourism development in the coal mining country of Virginia confirmed the need for community participation to assist in tourism development. Through a situation analysis, the Wise County launched a community-wide tourism awareness programme to increase local awareness of the potential of tourism and tourism developments. Tourism training classes and education sessions were also held.

Hay on Wye, a small town in the Wye Valley boasts being the worlds' most famous book town without public policy assistance. Seaton (1996) suggests that Hay on Wye's success as a book town is a result of having a key theme or a unique selling point, which is the critical feature of its tourism identity, demonstrating the importance of generation motivation as well as providing accommodation. Seaton further suggests that rural tourism developers have their planning ideas back-to-front. This research determined that the emphasis needs to be on the motivational factors of the rural area not into accommodation development which has been a predominant theme.

MacDonald and Jolliffe (2003) conducted a study of the Evangeline Region in Canada over a six to eight month period in 2000-2001 to investigate community-based partnerships. In Evangeline, support and ownership exists with tourism offerings developed and controlled mostly by locals, and cooperative volunteer groups manage many local products. This supports Murphy's (1985) theory of the need for a community approach. Evangeline cooperative groups meet with locals to determine how the community can provide linkages for local partnerships and the sharing of ideas. Not only do they have a strong cooperative movement but also central government policies and funding. However, as with other regions, there is a lack of funds and limited resources. As rural tourism development has progressed, so has Evangeline, through the creation of the Evangeline Tourism Association. The association has been created to manage a more effective coordination plan. The Evangeline region now has centralization, sophistication and long term planning. The study suggests that the Cultural Rural Tourism Development framework proposed by MacDonald and Jolliffe (2003) is useful for rural tourism development and that community based coordination can be effective.

3.5.3 An Integrated Approach

Although research has been done and policies have been created, according to Sharpley and Sharpley (1997) citing Pigram, (1993), there is a policy implementation gap which is the lack of an integrated approach to rural tourism development. The interdependence of multiple stakeholders makes strategic planning for tourism destinations a complex task (Jamal & Getz, 1995). However, there is no one ideal development method or policy because rural tourism development aims will differ with different rural conditions (Sharpley, 1997). Often government intervention and public-private partnership coordination are needed to assist the sustainability of rural tourism (Hall, 1998). Two major themes from the Rural Tourism Management Sustainable Tourism Conference (1998) were, firstly, the need to improve partnerships, networks and integration, and secondly, the need for political linkages within both the local and global economy (Hall, 2000). In addition, there is a lack of development models that integrate tourism with other industries (Sharpley, 1997, citing Pigram, 1993). Jamal and Getz (1995) suggest that public and private sector interactions through collaboration as a process-orientated strategy may be suitable for planning at the local level and for coordinating regional-level planning of tourism resources and destinations.

A common characteristic and role of rural development to focus on is the integration into broader development strategies. This is based on the understanding that the tourists are of a demanding nature, not all businesses will benefit the local community, and tourism can justify infrastructure improvement (Sharpley & Sharpley, 1997, citing Fagence, 1991). Methods for sustainable rural development include privatizing resources, creating public parks and reserves, direct development and land-use controls, and private owner co-operation through association (Page & Getz, 1997, citing Hayley, 1994). In order to sustain development in rural areas there needs to be a good fit between demand and supply, industry and residents, and implementing good management systems. This incorporates monitoring through impact research and ongoing community development (Page & Getz, 1997).

Useful integrated approaches to rural studies include acknowledging the importance of locally controlled agendas to reach centralization, awareness of the benefits for shared ideas and funding developments, and creating appropriate tourism plans for rural areas (MacDonald & Jolliffe, 2003). Several authors (Gunn, 1988; Inskip, 1991; Jamal & Getz; 1995; Hall, 2000) suggest that rural tourism enterprises need to be continuously developed within an appropriate integrated economic context whereby tourism development can create back linkages with the local and regional economy to complement and enhance existing activities. Rural tourism comprises both the private sector with its different product offerings, and the public sector with its agencies and authorities. These sectors need to work together to allocate resources to all industries, not only tourism. To ensure the economic social well-being of all people in the communities, it is necessary to establish good communication between the sectors (Sharpley & Sharpley, 1997), as rural tourism is essentially an economic tool but one component of an overall strategy (Roberts & Hall, 2001). However, there is often a lack of sophisticated management systems, resources and expertise in both private and public sectors (Page & Getz, 1997). It is often assumed that good planning in rural tourism will assist in community development but levels of success are likely to differ with the levels of community participation in the planning process (Campbell, 1999, citing Carter, 1994). Studies indicate that for rural tourism development to be successful there needs to be integration within the community to develop elements of control and ownership (MacDonald & Jolliffe, 2003, citing Lewis, 1998; Lulloff et al., 1994; Prohaska, 1995).

Briedenhann and Wickens (2004) argue that the development of tourism routes and clustering of activities and attractions stimulates integration between local areas. Methods to achieve these clustering of activities include user-friendly signage, accessible information offices, development of ancillary services and a range of activities to secure business in less developed areas (Briedenhann & Wickens, 2004, citing Greffe, 1994; Chassagne, 1991; Gunn, 1979; Fagance, 1991; Long et al., 1990; Miossec, 1997; Page & Getz, 1997). The development of tourism routes and clustering can be traced back to 1980 with the establishment of Santiago de Compostela Pilgrim Ways (Briedenhann & Wickens, 2004, citing Councils of Europe, 2002). In this case, over two hundred partners

were involved in a chain of projects that were coordinated and monitored by the European Institute of Cultural Routes. Tourism routes are now appearing in the United States with the Western Heritage Trails, in Australia with The Queensland Heritage Trails network, and in Africa with the African Dream Project. These routes have been created to disperse tourists and spread economic benefits with a range of facilities and attractions along their routes (Briedenhann & Wickens, 2004).

Anadaluca, in Southern Spain, has created rural tourism cooperatives to develop tourism. These are set up like miniature businesses with specific legal requirements. In Spain, cooperatives existed since the mid 1980s and are supported by government at both regional and national levels. The FAECTA (Federacion Anadaluza de Empresas Cooperativas de Trabajo Sociado) represents Anadaluca's cooperatives and assists by devoting resources to training in vocational skills and cooperative marketing. Yet, of cooperatives surveyed in 1995 there was little relevant experience for many members and previous management experience was virtually nonexistent. The motivations to form cooperatives were driven through the pooling of resources, tax advantages, funded schemes and employment creation. Although cooperatives claimed to have created positive relations with their local areas there was little evidence of links between them and the sector remains dependant on support from the state or from traditional sources (Barke & Eden, 2001). This case study does not present a strong case for cooperatives to act as appropriate rural tourism development.

A tourism development strategy launched in Cyprus in 1990 by the Cyprus Tourism Organization (CTO) was created to spread the socio-economic benefits of tourism into the hinterlands. This included financing of design and completion of a variety of civic projects, financial incentives subsidizing loans of traditional properties for developing tourism establishments, and education and awareness programmes for local communities. Also, the Cyprus Agrotourism Company was established to market the agrotourism sector for a cohesive and mutually supportive marketing effort across the sector. However, Sharpley's (2000) research found the entrepreneurs felt a lack of support from the government/CTO. They found it difficult to secure bank and loans and his interviewees

weren't satisfied with tourism generated revenue. Interviewees also reported a lack of training, and a lack of local facilities and attractions in villages. Low occupancy levels were reported. The perceived benefits of agrotourism included the restoration of old buildings, the revitalization of local crafts and extra income and the generated interest of young out-migrants. Sharpley also found important differences between the project aims and its achievements. Despite the marketing efforts, a pricing policy was not created, widespread marketing failed and entrepreneurs were marketing themselves independently. Financial returns failed to cover initial investment costs and, with low levels of income being generated, continuous financial assistance was required. Accommodation was insufficient to attract visitors and the majority of Agrotourism business people lacked tourism skills and expertise. Sharpley commented that for rural tourism development to be successful it must be considered within the broader context of a destination tourism system. There needs to be an awareness of the difference in the rural tourism market and for creating policies to facilitate the development of the markets characteristics. Sharpley (2000) concluded that government support is necessary for tourism development, especially long term support and subsidies. He argued that perhaps Cyprus should concentrate on sustaining its costal resort tourism.

For the period 1989-1993 the Wales Tourism Board sponsored a five-year integrated development program known as LEAD (Local Enterprise And Development), with approximately twenty-two million pounds allocated to the initiative (Wanhill, 1996). Local areas competitively bid for funds by submitting proposals which incorporated both public and private sector projects. Proposals took the form of infrastructural and amenity improvements. These proposals were not strongly employment-creation-focused, however, they were necessary for tourist access. The bidding process created a high quality level of proposals and also proposals of an integrated nature incorporating industry sectors and the community, which would not have occurred otherwise.

Davies and Gilbert's (1992) research on rural tourism development discussed initiatives in Wales for assisting farm tourism. These included: The Agricultural Improvement Scheme – with a section of assistance for farm tourism and craft; the Holiday Bureau-

comprising of a national network of farming families offering country holidays; the Wales Tourist Board (WTB) - who have played a major role in developing the farm tourism sector with a strategy for the industry and marketing planning. Training was included in the strategy objectives as the majority of people working in tourism in Wales had no formal qualifications, discretionary financial assistance towards capital costs and free advertising initially to create the 1998 farm holiday brochure. Through the WTB, sponsorship was received for the Welsh Lamb Enterprise to integrate rural tourism with the agriculture sector and an opportunity for a joint marketing campaign.

3.6 CHALLENGES TO RURAL TOURISM DEVELOPMENT

There are many challenges that rural tourism businesses face in becoming sustainable (Garrod et al., 2005). Table 3.4 is a summary of the challenges that have been described in the literature. The challenges can be grouped into five main categories, as displayed. Column One incorporates the Government's role with the descending cells listing related aspects. Column Two incorporates education and training incorporating skills, labor and expertise. Column Three shows the need for financing and investment, column Four categories the field of marketing, column Five concentrating on the tourism product. Note: These five columns are independent of each other.

Table 3.4. Rural Tourism Development Challenges

Governments Role	Education and Training	Financing	Marketing	Total Product Package
Governments role ¹	Education and training ¹	Adequate financing ⁴	Marketing activities and analysis ¹	The total product package must be sufficient ²
Industry leadership ¹	Labor and management expertise ⁴	Significant investment may be required ²	The availability of resources for effective marketing ²	The rate type and amount of product development ¹
Tourism development requires infrastructure ¹	The availability of skills for effective marketing ²		Tourism development requires promotion ³	The quality of products (standards) and services ²
Adequate accessibility ⁴	The adaption to a service role ²			Tourism development requires services and hospitality ³

¹ Alexander and Mckenna (1998)

² Sharpley (2000)

³ Wilson et al. (2001)

⁴ Page and Getz (1997)

Rural tourism operators face many challenges in building a sustainable tourism business. It is a highly fragmented industry with large numbers of small and lifestyle choice businesses that limit the industry's ability to work together to create and sustain a rural tourism destination (Garrod et al., 2005).

As a concept, rural tourism development encompasses the connotation of achieving an improvement in both the welfare of the community and the environment of the rural area. As a phenomenon, rural development is the outcome of an interaction between the resources of people, technology and available budgets. As a strategy, it is best to plan which can be designed in order to improve logically the social benefits derived by the host, the visitor and the environment. As a discipline, it is multidisciplinary in nature drawing heavily on the management sciences of tourism and marketing management as well as the disciplines of geography, economics and agriculture. (Gilbert, 1989, p. 40)

The OECD (1994) stated that, generally, plans have been created as a reaction to tourism failing to address economic and social implications of rural tourism development (Sharpley, 1997, citing OECD, 1994). There are numerous challenges when attempting rural tourism development: the total product package must be sufficient; significant investment may be required; there is the adaption to a service role; the quality of products and services and the availability of skills and resources for effective marketing (Sharpley, 2000). Tourism development requires attractions, promotion, infrastructure and services and hospitality (Wilson et al., 2001, citing Gunn, 1988). Page and Getz (1997) suggest that the key transcending issues for rural tourism are accessibility, financing, labor and management expertise. Alexander and McKenna (1998) go beyond that to suggest the key issues are: the rate, type and amount of product development, improving standards, marketing activities and analysis, industry leadership, infrastructure, governments' role and education/training. For rural tourism to be successful there needs to be professional development coordinators, working capital funds, a distinct image created, marketing supports including coordination with wider product and marketing strategies and support available to community based individual initiatives (Page & Getz, 1997). Long and Nukolls (1994) suggest four key factors in organizing resources for rural tourism planning: leadership, education, planning strategies that fit the local situation and access to technical information and expertise (Page & Getz, 1997, citing Long and Nuckolls, 1994).

3.7 SUMMATION

There are many concepts of “rural” in the literature which have been identified by economy, population density and social structures. There are also many different interpretations and explanations as to what “rural tourism” encompasses. Table 3.1 has condensed these defining tourism aspects into four main categories. These are: (1); what rural tourism is associated with, (2); leisure tourism, (3); accommodation and (4); attractions. Category (1) is a broad classification of rural tourism, whereas the remaining three categories cover more specific aspects. For example: category (2) is listed in the general classifications of category one.

These broad classifications are reflected by the history of rural tourism and how it has evolved from recreation being sought from urban dwellers in rural areas which were predominately farms.

Rural tourism has become a vehicle for addressing the social and economic welfare of rural areas. The economic and social impacts of rural tourism development are summarized in Table 3.2. The economic benefits have been expressed as employment growth and generating new products, businesses and incomes. The social benefits have been expressed as reduced migration, repopulation and social improvement. However, like any social change there are also disadvantages of social and economic change with tourism bringing imported labor and unbalanced incomes and employment distribution, changes in community culture, social structures and traditions.

The literature describes three main approaches which have been employed for rural tourism development in rural areas. These are: (1); a governmental approach, which is directed and funded by the government, (2); a community approach, which is directed by the community, and (3); the integrated approach, which is a combination of both community and governmental direction. Table 3.3 summarizes these three approaches into three columns. Within each column there are five overlapping defining aspects across the rows. These rows have been categorized and labeled as: strategic, integration, clustering, regeneration and financing. As these five categories incorporate the defining aspects of all three approaches identified in the literature, these will direct the empirical research to be conducted in the Eastern Hokianga area. This will enable the researcher to undertake a thorough investigation into the specific aspects of rural tourism development as identified in the literature. Lastly, the challenges as described in the literature are presented. These have been categorized as: 1. Government's role. 2. Accessibility. 3. Education and Training. 4. Adequate financing. 5. Marketing. 6. Total product package.

CHAPTER 4: BACKGROUND – THE EASTERN HOKIANGA REGION

4.1 INTRODUCTION

The Hokianga is made up of many towns scattered around the Hokianga Harbour. The three towns surrounding the inner channels of the Harbour are Rawene, Kohukohu and Horeke, and have been named the “Eastern Hokianga” for this research. This chapter introduces the Eastern Hokianga area. This will include a brief outline of the area demographics, and findings of past research conducted in the Hokianga area. Secondly, this chapter will introduce the structure of the tourism governance in New Zealand, and introduce the two Regional Tourism Organizations for the Eastern Hokianga area. These are Destination Northland, which is incorporated by Enterprise Northland, and the Tai Tokerau Maori and Cultural Tourism Association. Lastly, this chapter will discuss the area, the governing agencies and past research and the relevance to the phenomenon of rural tourism development. As the literature suggests a governmental approach to tourism, the researcher has included an overview of the governmental structure for New Zealand and the governing agencies for the Eastern Hokianga region. The section on Enterprise Northland is detailed here as this is the primary tourism governing agency for this region. This will assist in the analysis of the governmental approach to rural tourism development in Chapter 6.

4.2 THE EASTERN HOKIANGA

Table 4.1 Eastern Hokianga 2001 Census Statistics

<i>Demographic</i>	<i>Kohukohu</i>	<i>Rawene</i>	<i>Horeke inc. in North Hokianga</i>
<i>Resident population</i>	165	462	2013
<i>Median Income</i>	\$10,900	\$12,700	\$11,800
<i>Most popular occupation</i>	Service and Sales 21.4%	Professionals 20.5%	Agriculture and Fisheries 39.1%
<i>Business population (2002)</i>	13	33	105
<i>Education/Qualifications</i>	30% none 45.5% school 27.3% post school	40.7% none 33% school 25% post school	37.4% none 32% school 20.5% post school
<i>Unemployment rate</i>	25%	14%	21%

Note: Horeke population was too low to be classified as an area alone therefore is included in the North Hokianga regional statistics.

Rawene itself is one of New Zealand's most beautiful villages. In the township of Rawene there are buildings from every decade of European settlement between the 1860s and the present (Irvine, 1976). Built on a long narrow peninsula that extends far into a large inner bay of the harbour, it is a wonderful place to view sunrises and sunsets over the water. In fact, Rawene means "the place of the rising and setting sun" (Harrison, 2000). Rawene has been in ownership by Europeans since 1827 and prospered from a large timber mill which operated from 1906 to 1928. The town remains the administrative centre of the Hokianga ward (Harrison, 2000). Rawene, is a picturesque village on a peninsula jutting into the harbor. According to the Census (2001), Rawene has the highest resident population of the Eastern Hokianga and approximately thirty-three businesses. The most common occupation is professionals and this may be a representation of the large number of employees in the Rawene hospital. The large number of hospital employees may also explain the higher median income. On the local Rawene website

there are eight local businesses advertised (<http://www.rawene.co.nz>). However, a visit to Rawene established that there are currently seventeen businesses in the township. This includes businesses that service both local residents and tourists.

Kohukohu was once the main street of Hokianga, but after numerous fires from 1900 to 1967, the town was devastated and in 1970 was given little monetary value (Harrison, 2000). Kohukohu's Maori chief was Wharepapa Tohu, a tough invisible old warrior, and the first white settler was Captain Clark who arrived in 1830. Kohukohu is an historic town with many interesting buildings which have been restored and renovated. It also has more than its share of residents who are talented, creative and eccentric. According to the Census (2001), Kohukohu has only thirteen businesses and a resident population of only one hundred and sixty five, which is significantly less than Rawene. The most common occupation is service and sales, which may signify employment outside of the area. On the local Kohukohu website there are fourteen businesses advertised (<http://www.kohukohu.com>). And a visit to the area established that there are thirteen businesses which is in line with the other information sources.

Horeke is the oldest Hokianga town and second oldest European settlement in New Zealand and is the site of New Zealand's first ship-building enterprise, established in 1826 by a group of three Englishmen. At its peak, it employed fifty shipwrights and mill hands and three ships were built in the period to 1830. The owners went bankrupt shortly after and the business was sold; the milling continued but no more ships were built there. A small bronze plaque near the waterfront at Horeke commemorates the years of that first industry. The changes in society to date have not helped the Hokianga, leaving the area economically depressed, with many migrating to the cities for employment. Horeke has the lowest population of the three areas (refer Table 4.1) and is the least developed. As shown in Figure 1.2, Horeke is not on a State Highway. However, it is connected to both State Highway 1, with an approximately 20km drive, and State Highway 12, with an approximately 20km drive. According to Statistics New Zealand, which publishes the Census results, Horeke's resident population is too low to be represented individually. Therefore, Horeke has been grouped in with the North Hokianga which incorporates half

of the Hokianga region. A visit to the area established that there are four businesses currently operating in the township. This is significantly less than Rawene and Kohukohu and could be a reflection on the low population and the inaccessibility to the area.

4.3 NORTHLAND REPORTS

A relatively small portion of tourism benefits go to Northland. However, by 1977, the Bay of Islands was acknowledged as one of the four main tourist destinations in New Zealand (Caswell, 1993). Much of this tourism activity centers on the use of the marine environment. The surrounding terrestrial environment seems to be mostly ignored for tourism activity, including the Hokianga region (Mitchell, 1999). Caswell's (1993) research in the Bay of Islands found that in most cases visitors did the important parts of their sightseeing and attraction-visiting within the first few days of their holiday, allowing time to do another trip. Those who tried to use local transport networks found them to be lacking in most areas. According to Caswell (1993), areas for improvement included more accessible and reasonably priced public transport systems, and more information to enable self-exploration of the area.

During 1997, 1998, and 1999, the James Henare Maori Research Centre, University of Auckland, undertook research in the North Hokianga, South Hokianga and Bay of Islands areas. The project was called "A Sustainable Maori Tourism in Tai Tokerau", funded by New Zealand's Foundation for Research, Science and Technology. Research conducted by the James Henare Maori Research Centre in North Hokianga, prior to these studies, indicated that one of the best options for commercial advancement for these communities was sustainable alternative small scale tourism, not requiring overly large outlays of capital and infrastructure development, but capable of increasing employment (Cloher, 1998). One of the major research questions being asked was "how best to put in place Maori tourism that is culturally authentic and sustainable relative to local Maori culture, communities, environment and their economic well-being". However the programme was not just about "Maori Tourism" in New Zealand but an alternative form of tourism (i.e. not mass tourism) which is routed in Maori values" (Singh, 1999, p. 5).

The reports consistently stressed the need to develop infrastructure, given a lack of transportation and accommodation facilities in smaller towns as well as infrastructure to support development. However, the most critical constraint in these areas is the lack of capital available to entrepreneurs. There is not likely to be a large amount of private capital for financing tourism initiatives to get new tourism products on to the market (Singh, 1999).

All the Northland research reports highlighted the need for education. Census data suggests the need to address educational spheres if tourism development options are to succeed. According to Singh (1999), there are definitely skills and experience that can be drawn upon; However, training and business development needs must first be met in order to set up tourism businesses. Of a survey conducted in the Bay of Islands, half the sample had management experience. The scattering of small businesses in the rural areas are essentially amateur and frequently lacking in business skills (Forer, 1999).

Research results show a strong geographic bias as the preferred tourist destination to the Bay of Islands on the East Coast, generally Paihia and Waitangi (Forer, 1999). The Bay of Islands is positioned as a marine park where activities and attractions revolve around the marine environment, namely sightseeing, island hopping fishing diving and marine mammal interaction (Walters, 1999). Each area in the Bay of Islands study had some high quality resources but few mentioned could be expected to pull or attract tourists all that strongly (Johnston, 1999). Omapere and Opononi areas on the West Coast have also long been developed for tourism, with the existing tourism industry primarily orientated around sports and beaches (Singh, 1999). An overall assessment of the Hokianga communities suggests that none of them are particularly well linked into a broader industry cluster. There is a strong need for coordinated involvement with government and iwi organizations, regional Maori marketing strategy and oversight (Nero, 1999). Henry and Pryor (1999) recommend supporting the Tai Tokerau Maori Tourism Association and local district/regional tourism organizations, to provide the main local networks, thus, will assist in putting Northland on the tourism map together by grouping these areas and

individual businesses. Destination Northland, and the New Zealand Tourism Board are actively developing a new branding and image for the region to enhance its attraction to overseas visitors, a pressing long term issue which needs substantial investment (Forer, 1999).

The James Henare Maori Research Centre reports found there was very little involvement with established tourism industry members or operators in Paihia (Bay of Islands) and it was important to link for the networks and associations' information about markets and consumers (Lindsay, 1999). Also, organizational structures have yet to be put in place to integrate the evolving tourism ventures in the Kaikohe/South Hokianga region. Integration with developing ventures in North Hokianga region may also be pertinent. However, community networking has begun with the establishment of The South Hokianga Tourist Association (Singh, 1999).

4.4 GOVERNMENT AGENCIES

4.4.1 Background of Tourism Government Structure

The New Zealand economy is market driven implying Government tends to facilitate rather than direct key economic activities with national level tourism in NZ developing in conjunction with the Tourism Strategy 2010. The Tourism Minister intends to work in partnership with industry to allocate funding, and to control it (Simpson, 2001).

A conscious policy of authority devolution has established a network of institutional participation in tourism policy making which can conveniently be visualized as a three level hierarchy: the Minister of Tourism, The Office of Tourism and Sport, NZTB and DOC to comprise a centralized strategic level; the 12 Regional Councils are intended to involve themselves at a monitoring or tactical level; and operational policy issues entrusted to a network of 74 Territorial Local Authorities.

(Simpson, 2001, p. 81-82)

The New Zealand Tourism Board (NZTB) draws statutory authority from the New Zealand Tourism Board Act 1991 and specification of what the Board is required to do

and how it is expected to approach its task is extremely limited. Simpson (2001) highlights the two main objectives. The first is to market New Zealand as destination in such a way as to maximize long term benefits. This is because interest in tourism has intended to evaporate after the arrival of visitors and the estimation of their spending. The second is to advise the Government on development, implementation and promotion of strategies. The Act expressly forbids the Board to exercise its authority outside of its objectives. The NZTB is required to prepare national strategies to attract visitors. Dedication to the international marketing of New Zealand is more than ever before the dominant focus of activities. The Department Of Conservation is required to produce regional strategies for their activities after arrival, and requirements at regional and local level are quite vague.

At the regional scale, regional councils are heavily influenced by the Resource Management Act 1991. Their role is to design and implement strategies for integrated sustainable management of the region. No Regional Policy Statements contain a section relating to regional tourism development. Simpson's research (2001), found that only one council was able to claim a leading role in production of their local tourism strategy, while two supported it, and four of twelve contributed financially although they decline active participation in the specifics of tourism strategy development. However, there is considerably more enthusiasm for the incorporation of tourism issues in the district planning process than in previous years. Only three of twelve councils were involved in the regional tourism planning in any capacity. The absence of tourism issues from any Regional Policy Statement reflects regional council's attitudes to tourism.

Operational aspects of local government are conducted by Territorial Local Authorities (TLA); they have both regulatory and service delivery functions. There is no statutory requirement at local level for the inclusion of tourism, even though the 1992 amendment to Local Government Act permits regional council to promote tourism (Simpson, 2001). In Simpson's research, 69 of 70 TLA respondents indicated that their council contributed financially to the promotion of local tourism activities. This shows TLA's accept a substantial role for themselves in tourism planning issues, and though councils seem to

have recognized the economic benefits of tourism, those who have chosen to support a local industry are beginning to realize that these benefits do not come easily. This also showed that by the time their level is reached, the approach to policy determination is more and more fragmented and inconsistencies in implementation become more apparent. Many TLAs are unsure whose responsibility tourism development should be, and how to structure their involvement to realize the best return on their investment. Overall, national and sub-national level agencies have a somewhat un-co-ordinated fragmented approach to tourism planning.

As such, though there is some evidence of agreement in terms of appropriate tourism planning activities – in simple terms, territorial government will provide guidance and finance for local tourism strategies determined by RTOs and the tourism industry, and regional government will monitor the resulting effects of tourism on the physical environment, it is important to emphasize that the current structure seems to operate independently, without any strong degree of consensus, and according to a widely fluctuating set of rules. (Simpson, 2001, p. 131)

4.4.2 Enterprise Northland

Enterprise Northland is the economic development agency for Northland. Its mission is to encourage economic sustainability. Enterprise Northland has produced the Northland Tourism Strategy 2003-2008; this has objectives that have guided the agency's activities and approaches. Destination Northland is the Regional Tourism Organization and the marketing branch of Enterprise Northland. Destination Northland is responsible for marketing and promotion of the region, nationally and internationally. As Enterprise Northland is the organization that is implementing the tourism strategy this thesis will refer to Enterprise Northland as the leading Regional Tourism Organization. Enterprise Northland is currently in the process of updating the strategy as they have achieved the goals they set. Enterprise Northland's primary aim is tourism business development and building capability across the industry within Northland. They have a large geographical scope (Refer to Table 1.1 Map of Northland) spanning from Te Hana, near Wellsford, through to Cape Reinga. Over 1500 registered tourism operators are listed. There is a

range of different strategies/initiatives that Enterprise Northland and Destination Northland facilitate or coordinate to aid business opportunities, capture regional spread, and to increase length of stay. “There is definitely no one strategy that is going to lift the whole game of the Northland tourism, we have taken a very rounded approach to it, from looking at building business capability to looking at sustainable tourism businesses as well, so that’s a really critical factor to the future of the industry” (P20).

Enterprise Northland works in partnership with business and industry sectors, the economic development agencies and councils of Northland’s three districts, iwi (tribes), the Northland Regional Council, central government agencies and departments and other key stakeholders in the Northland economy. Enterprise Northland works in with the Tai Tokerau Maori and Cultural Tourism Association (TTMCA), and the Department of Conservation (DOC).

In 2004, Enterprise Northland commenced “Activate Northland”, a one off project aimed to build the capability and lift the performance of Northland's tourism industry, which has been funded by New Zealand Trade and Enterprise, Enterprise Northland, other central / local government partners, and the Northland tourism industry. Some areas of the project began wrapping up in 2006 and final activities are due to be completed in December 2007 (www.enterprisenorthland.co.nz). The project had four key result areas, professional development, product development, e-technology and inward investment.

4.4.3 Tai Tokerau Maori and Cultural Tourism Association (TTMCA)

The TTMCA are governed by a Board of Trustees and is recognized by the government as a Maori Regional Tourism Organization (MRTO). Their key objectives are to promote Maori in tourism, to engage with other national and international tourism industry organizations, to provide a mutually supportive network for the development of best practice by members, which will lead to business growth and prosperity for Maori in tourism (<http://www.taitokerau.co.nz>). TTMCA’s geographical scope runs from Auckland north to Cape Reinga with approximately one hundred members currently and

they try to find ways to support the businesses that are not really viable by finding a project to do some research that might help them that are not targeted specifically to them but to the region as a whole.

The TTMCA is a member of New Zealand Maori Tourism Council and the Tourism Industry Association of New Zealand. They have key tourism development relationships with Te Puni Kokiri, Community Employment Group, Poutama Trust, Enterprise Northland and BIZ Northland. TTMCA does not have a strong working relationship as yet with Enterprise Northland although they are both catering to tourism businesses in the Northland region that want to become viable. (Personal communication, P14) They are represented on the following associations: NZ Maori & Regional Tourism Organizations Leadership Forum, Enterprise Northland Tourism Development Group, Northland Cultural Tourism Regional Partnership Group, Steering Committee of Northland Museum Strategy Project and the Northland Icon Product & Cultural Development SubGroup

In line with the research of the James Henare Research Centre, the TTMCA highlights that the lack of investment in both capital and skills for tourism is hindering the community. And although there has been some investment with the creation of new Maori tourism ventures in the South Hokianga, TTMCA has had no involvement with that. The TTMCA does acknowledge and recognize the benefits of the Twin Coast Discovery Highway an Enterprise Northland initiative and the success of it.

4.5 RURAL TOURISM IN EASTERN HOKIANGA

There has been no research conducted as yet on rural tourism development in the Eastern Hokianga area. Although the research by the James Henare Research Centre included the Eastern Hokianga in their research study area, the research wasn't specific to rural tourism. This allows the opportunity to explore the definition of rural tourism and its relation to the Eastern Hokianga.

4.6 IMPACTS OF RURAL TOURISM DEVELOPMENT

To this date there has been no research conducted into impacts of rural tourism development in the Eastern Hokianga area. The Eastern Hokianga area has a high unemployment rate at 25% for Kohukohu and 14% for Rawene and 21% for Hokianga North which incorporates Horeke (Census, 2001). According to Sharpley (2000), employment is one of the advantages of rural tourism development, which could reduce the unemployment rates in this area. Government hasn't played a role in creating jobs for the area; However, Enterprise Northland has focused on building business capability to create sustainable businesses. Census figures (1992) show the business population to be thirty three in Rawene, thirteen in Kohukohu and one hundred and five in the North Hokianga. A visit to the Eastern Hokianga in 2007 shows the business population to be seventeen in Rawene, thirteen in Kohukohu and four in Horeke. This represents a decline in Rawene's business population, no change in Kohukohu, and an inconclusive understanding of Horeke. However, it is evident that the economic advantages as suggested by Sharpley (2000) have not occurred or have made a minimal impact. These include; employment with new jobs; diversification of employment and products; new markets created by new products; new businesses attracted to the area. Without these economic advantages the social advantages will not occur. As suggested by Hall (1998), these are; repopulation; social improvement; revitalization of crafts and customs. With minimal economic and social advantages of rural tourism development, there will also be minimal economic and social disadvantages. Page and Getz (1997) refer to the economic disadvantages as; leakages with profits leaving the area; low pay to tourism employees; unbalanced income and employment distribution. Sharpley and Sharpley (1997) and Lewis (1998) state social disadvantages are; dependency on tourism; increased crime in the area; changes in the community's culture; the disruption to the social structure and community traditions. These are only assumptions based on the information available, which is showing that rural tourism is underdeveloped in the Eastern Hokianga,

4.7 APPROACHES TO RURAL TOURISM DEVELOPMENT

4.7.1 Strategic

The operational aspects of local government are conducted by Territorial Local Authorities (TLAs). In the case of the Eastern Hokianga this would be conducted by Enterprise Northland and the The Tai Tokerau Maori and Cultural Tourism Association (TTMCA). Although Enterprise Northland is a separate economic development agency, they are partly funded by and are liable to the Northland Regional Council. In line with Roberts and Hall (2001), Enterprise Northland has a tourism policy, the 2003-2008 Northland Tourism Strategy, which outlines objectives that has guided the agency's approaches (www.enterprisenorthland.co.nz). The TTMCA aims to increase socio-economic benefits to Tai Tokerau. The association has four key objectives; 1. Developing business capabilities of Maori and cultural tourism operators. 2. Developing customer focused products and services. 3. Promoting Maori and cultural products and services. 4. Developing strategic partnerships.

The TTMCA has conducted a significant body of research work into Maori tourism initiatives in Tai Tokerau. This research has provided valuable information for developing strategies for the development of support services to tourism businesses (www.taitokerau.co.nz). Enterprise Northland has a research strategy that aims to determine travelers' needs and make these accessible through their website. Through the research, the TLAs are attempting to create a good fit between demand and supply.

There is currently no visitor information centre in the Eastern Hokianga. The closest visitor information centre is the "Hokianga i-SITE Visitor Centre" State Highway 12, Omapere (refer Figure 1.2). There is also a centre in the Bay of Islands and Kaitia (refer Figure 1.1).

4.7.2 Integration

Enterprise Northland has horizontal and vertical integration, working with businesses through initiatives and within the industry. Enterprise Northland works with the three councils of Northland as well as Maori Iwi (tribal) groups, TTMCA, Ministry of Tourism and the Department of Conservation (DOC). The TTMCA also have horizontal and vertical integration and work with New Zealand Maori Tourism Council, Te Puni Kokiri, Community Employment Group, Poutama Trust, Enterprise Northland, and BIZ Northland.

Enterprise Northland addresses the need to improve partnerships/networks and integration by indirectly running workshops, and the creation of tourism associations within the region. Public and private sector interactions occur through associations and possibly workshops, however, the focus is geared towards private owner cooperation. This assists with locally controlled agendas as the associations for the area discuss relevant issues to their businesses.

The Hokianga website (www.hokianga.co.nz), suggests that the Hokianga community has formed a productive tourism association. Through the Hokianga Tourism Association the businesses form networks, are getting involved in the development process, and are sharing resources and information and enabling collaboration. To understand the full dynamics of the community it is difficult to comment without first conducting empirical research. However, it is assumed that through this association coordination and cooperation between entrepreneurs and business persons and local leaders occurs.

4.7.3 Clustering

Enterprise Northland has a range of clustering initiatives focusing on developing tourism in the Northland region. Although, they are not specifically directed at the Eastern Hokianga, the area is incorporated in the regional objectives. An important Enterprise

Northland strategy for developing tourism was the creation of the Twin Coast Discovery Route. The 800 kilometer-long Twin Coast Discovery Route is Northland's most significant tourism initiative. The goal of creating the Twin Coast Discovery Route was to provide a structure and a delivery mechanism to spread the benefits of tourism throughout the Northland region. Two of the communities in Eastern Hokianga (Rawene and Kohukohu) are on the route. The Route is aimed at achieving long term sustainable growth for small and medium enterprises (SMEs) within the connecting communities (Northland Tourism Strategy). This was achieved by creating a name and adding distinctive signage. Promoting the route to encourage travelers to utilize it came next. Northland has three icons that most visitors want to visit, and the Twin Coast Discovery Route joins them together, and travelers are exposed to other tourism products and services.

Enterprise Northland is committed to encouraging businesses to work together on a marketing program which would demonstrate within their areas that there are a range of different things to see and do. "So unless people work together to create what we call critical mass or a cluster of products, it is going to be difficult to try and attract visitors out of the key destinations" (P20). For a destination to sustain tourism there needs to be a collection of attractions, accommodation and amenities to meet the needs of travelers. Thus, offering tourists a package of products. Enterprise Northland's cost free website to the regional businesses assists in total product packaging and promoting a range of products and services. Enterprise Northland also has a range of additional strategies in place for clustering within the region. Enterprise Northland has been working with the art sector to determine how the arts sector can contribute and enhance the Northland economy and tourism development. The key initiative has been the establishment of an art trail that links businesses in the region around that theme. Enterprise Northland has assisted the museums in the Northland region to deliver a better experience. For example, for cultural tourism, Enterprise Northland has worked on the kauri theme with the kauri brochure and the kauri festival. This has promoted Northland in terms of creating awareness of the kauri product, and generating a greater interest in understanding what

kauri means to Northland. This occurs over a period in the winter season with events happening across the region.

4.8 RURAL TOURISM DEVELOPMENT CHALLENGES

4.8.1 Government's Role

The New Zealand Tourism Board's (NZTB) main objective is to market New Zealand as a tourism destination. Enterprise Northland is the agency that is recognized by the Government as developing tourism for the Northland region which incorporates the Eastern Hokianga. Enterprise Northland's 2003-2008 Northland Tourism Strategy is their guiding policy which focuses on tourism business development and sustainability. They have a range of initiatives that direct their focus working with businesses in the Northland region. Destination Northland is the marketing branch of Enterprise Northland and their main initiative is the regional website. The Tai Tokerau Maori and Cultural Tourism Association (TTMCA) also have the same geographical scope but have a predominately Maori focus. They predominately operate as a facilitation service and have very few initiatives to assist rural tourism development in the Eastern Hokianga area.

4.8.2 Accessibility

In the James Henare Research Centre's reports, lack of infrastructure consistently appeared as a disadvantage to some communities. Enterprise Northland is currently focusing on a roading development that reduces congestion outside of Auckland creating better access for Northland bound travelers. Enterprise Northland acknowledges that accessibility, especially roading, is a major issue for the Eastern Hokianga area, however, their primary focus for roading is the development outside of Auckland which will create benefits for the entire Northland region. They do support and have been lobbying for the bus service to be reinstated and support the ferry and its iconic value to tourism in the Eastern Hokianga area.

The viability of bus service that was run from the East Coast across to the Hokianga and then over to the West Coast has become difficult and the commercial operator has pulled out. The tourism industry has been very aware of the loss of that service and they have been lobbying very strongly to the regional council to get the bus service reinstated. There is potentially a subsidy to assist that commercial operator to continue to run a business. “We don’t want to see the Hokianga in particular, and the Kauri Coast, become even more isolated, so if we can get some support that will be really great” (P20).

Enterprise Northland definitely supports the ferry crossing between State Highway 12 and believe it is a good tourism product. “So when you look at Kohukohu and Rawene which are lovely little villages, which are part of the visitor experience along the twin coast, from a tourism industry perspective, we would hate to see the vehicle ferry lost. (P20)” Enterprise Northland supported the proposal against the bridge submission to build two bridges across the harbor in replace of the ferry. The TTMCA have not been involved with any accessibility issues for the area. Therefore, there has been no focus on the development of infrastructure or accessibility for the Eastern Hokianga area.

4.8.3 Education and Training

The JHMRC’s reports highlighted the need for education with Maori residents, and that businesses in the rural areas are essentially amateur and frequently lacking in business skills. There is a polytechnic in Rawene, which offers training courses. Enterprise Northland delivers workshops when there is a common need amongst businesses in an area for the training of a specific skill. Although the TTMCA highlights the need for the improvement of skills in the area, they have no initiatives directed to education or training.

4.8.4 Adequate financing

Investment definitely has an impact on an area. In line with the suggestions of the TTMCA, the JHMRC’s reports highlighted the lack of capital a critical constraint (Singh, 1999). However Enterprise Northland has noticed an increase in investment within the

Northland region and in the Hokianga. Investment has happened across the region with new products entering the market over the last few years. “Northland is seen as a desirable destination, fair to say that Northland has had a good tourism strategy since 1997 so the industry is fairly focused, well organized and you’ve got some really good leaders regionally, and those things all contribute to make Northland attractive as a place to invest” (P20).

4.8.5 Marketing

The JHMRC’s reports specified that Destination Northland (the marketing unit of Enterprise Northland) were creating a regional brand and image a long time pressing issue (Forer & Page, 1999). This has now been implemented and Destination Northland’s marketing activities range from producing marketing collateral, visitor guides, trade guides, a website, and a range of different activities and campaigns that Destination Northland facilitates. Enterprise Northland’s website is free for all businesses in the region to advertise on and the website also links into the Pure NZ website, so the businesses get greater coverage and are on well known, effective marketing sites. The TTMCA also has a regional internet site that promotes their members, and this site is going to link with Enterprise Northland.

The JHMRC’s reports highlighted how the Bay of Islands on the East Coast and Opononi and Omapere on the West Coast have long been developed for tourism, however, the regional branding and image creation by Destination Northland is for the whole of the Northland region. Little has been done for the branding and image creation for the Eastern Hokianga, which is not a developed tourism area and will require more assistance than its counterparts on the coastal regions that are already established tourism destinations.

Enterprise Northland has invested in its market research, this will assist in marketing activities and analysis of the market and the changing traveler needs. This is also research that businesses can access to assist in the decision making of product development and promotional activities.

4.8.6 Total Product Package

Enterprise Northland is aware that in the Hokianga, the total product package is often insufficient. Their focus is primarily marketing the Northland region including Eastern Hokianga. Enterprise Northland encourages groups to work together and to market themselves together. This is so the groups can demonstrate within their areas that there are a range of different things to see and do.

4.9 SUMMATION

With its low population, and small settlement size, the Eastern Hokianga region can be classified with Lanes (1994) definition of rural. There has been no research into defining rural tourism in the Eastern Hokianga region. Although previous research has been conducted by the James Henare Research Centre 1997-1999, the focus was geared toward developing tourism grounded in Maori values, not rural tourism development, and had a much larger geographical region. Thus, this project can not effectively contribute to the study of rural tourism development literature. As there has been no research conducted specifically into rural tourism development in the Eastern Hokianga region there is also no literature as to the advantages and disadvantages of the impacts on rural tourism development. Thus, this identifies a need for this research to identify the impacts of rural tourism development for the area.

The research in all the Northland reports highlighted challenges including the need for education, the need to develop infrastructure, a lack of transportation and accommodation facilities in smaller towns. The most critical constraint in these areas is the lack of capital available to entrepreneurs (Singh, 1999). An overall assessment of the Hokianga communities suggests that none of them are particularly well linked into a broader industry cluster. There was a strong need for coordinated involvement with government and iwi organizations, and new branding and image for the region marketing strategy and oversight (Forer & Page, 1999; Nero, 1999). Organizational structures have yet to be put in place to integrate the evolving tourism ventures in the Kaikohe/South Hokianga region. Integration with developing ventures in North Hokianga region may also be pertinent.

However, community networking has begun with establishment of The South Hokianga Tourist Association (Singh, 1999). This thesis will determine if the challenges as suggested in the past research are still evident today.

There is a strategic approach to rural tourism development with two RTOs - Enterprise Northland and the TTMCA. They both have a focus of improving the social and economic well being of the region. Enterprise Northland is the economic development agency for Northland. Its mission is to encourage economic sustainability. Enterprise Northland has produced the Northland Tourism Strategy 2003-2008. The TTMCA are governed by a Board of Trustees and is recognized by the government as a Maori Regional Tourism Organization (MRTO). Integration is occurring with both RTOs establishing a numerous working relationships the Hokianga Tourism Association. Enterprise Northland also has a range of clustering strategies in place for clustering within the region. These strategies are: the Twin Coast Discovery Route, the comprehensive website, the art trail and the kauri event. This background study has identified that there is a need for research in the Eastern Hokianga. This thesis will conduct empirical research to examine the approaches and the effectiveness of these for the Eastern Hokianga.

CHAPTER 5: EMPIRICAL FINDINGS – THE SMALL BUSINESS PERSPECTIVE

5.1 INTRODUCTION

This chapter presents the supply side of rural tourism development. This includes the perspectives of the RTO's and the individual businesses in the Eastern Hokianga towns of Rawene, Kohukohu and Horeke. This will provide an in-depth understanding of rural tourism development from the businesses perspectives. Firstly, the concept of rural tourism is applied to the participating communities. Secondly, it will identify whether or not the area is experiencing any economic and social impacts of rural tourism development. Thirdly, the rural tourism development methods currently being applied in the Eastern Hokianga are presented. Lastly, the rural tourism development challenges of the individual businesses are identified. Following the grounded theory approach, these findings are the 'own' perspectives of the research participants, which have been grounded by recurring themes. These themes are presented in categories relating to the tourism literature to allow for a thorough analysis and identify any literature gaps.

5.2 THE RURAL TOURISM CONCEPT AND RUAL TOURISM IMPACTS

Table 5.1 Current Rural Tourism Businesses in the Eastern Hokianga

Participant	Location	Major Business Activity	Second Business Activity	Tourism is Primary Income	Staff Employed	Years In Business
1	Kohukohu	Accommodation		Yes	No	16-20
2	Kohukohu	Retail Outlet		No	Yes	0-2
3	Kohukohu	Retail Outlet		No	No	11-15
4	Kohukohu	Retail Outlet		No	Voluntary	0-2
5	Kohukohu	Activity/Attraction		No	Voluntary	0-2
6	Kohukohu	Accommodation		No	No	0-2
7	Rawene	Accommodation		No	No	3-5
8	Rawene	Retail Outlet	Accommodation	Yes	Yes	0-2
9	Kohukohu	Retail Outlet		No	Yes	6-10
10	Kohukohu	Activity/Attraction		No	No	3-5
11	Rawene	Accommodation		No	No	11-15
12	Rawene	Retail Outlet		No	Voluntary	0-2
13	Rawene	Accommodation		No	No	3-5
15	Rawene	Retail Outlet		Yes	Yes	11-15
16	Rawene	Retail Outlet		Yes	Yes	16-20
17	Rawene	Retail Outlet		Yes	Yes	6-10
18	Horeke	Retail Outlet	Accommodation	No	Yes	6-10
19	Rawene/Horeke	Activity/Attraction		No	Yes	16-20
21	Horeke	Accommodation		No	No	3-5
22	Horeke	Activity/Attraction		No	No	3-5
23	Kohukohu	Accommodation		No	No	11-15
24	Rawene	Retail Outlet		No	No	0-2
25	Kohukohu	Retail Outlet	Accommodation	Yes	Yes	3-5
26	Kohukohu	Retail Outlet		No	No	0-2
27	Rawene	Retail Outlet		Yes	No	0-2

(NOTE: This doesn't include the two governing agencies and participant 19 has premises in both Rawene and Horeke)

The tourism orientated businesses in the Eastern Hokianga fall into three major categories; retail outlets, accommodation, and activities. At fifty-six percent, retail outlets represent the majority of businesses. These retail outlets include food and beverage providers, alcoholic beverage providers, convenience stores, clothing stores and arts and crafts stores. Accommodation providers represent twenty-eight percent of the businesses and include backpackers, rural hotels, B&Bs, and one guest house. The activity based/attraction businesses had the lowest representation, at sixteen percent. These included heritage homes, gardens, a walking trail, and a craft experience.

Sixty percent of the participating businesses in the Eastern Hokianga have been in operation for less than five years. Of these, thirteen percent employ staff. Twenty-five percent are established businesses that have been operating for over ten years. Of these established businesses, forty-two percent employ staff; this represents four businesses that have been in operation for eleven to fifteen years, with one employing staff, and three businesses that have been in operation for sixteen to twenty years, two employing staff. The twelve percent of businesses that have been in operation for six to ten years employ staff. Hence, thirty-two percent of the businesses in the Eastern Hokianga employ staff creating an income for residents. This is predominately attributed to the established businesses of over ten years, who represent seventy-five percent of the businesses employing staff.

Of the business participants interviewed, forty-four percent are located in Kohukohu, forty-four percent in Rawene, and twelve percent in Horeke. This signifies that there is more rural tourism occurring in Rawene and Kohukohu than there is in Horeke. Rawene benefits the most from rural tourism with eleven percent of businesses' primary incomes provided from tourism, as opposed to Kohukohu, at seven percent. Horeke is currently unable to sustain a primary income from tourism at zero percent. The low percentages of the areas businesses being primarily dependent on tourism income suggest that the tourism numbers are low. Thus, there is little impact on the host communities to create the negative social impacts of changes in community values, traditions and behaviors.

Rawene also has the highest representation of businesses employing staff, at nineteen percent, with Kohukohu and Horeke both at seven percent. Horeke's low representation here is a result of the lower number of businesses operating in the township. The community is not dependent on tourism for incomes, as only a small percentage of the twenty-five businesses' primary incomes are tourism related. However, there is eagerness and an expectation of economic benefits through tourism. This is evident by the sixteen percent of businesses that are staffed by volunteers who believe tourism will develop.

5.3 APPROACHES TO RURAL TOURISM DEVELOPMENT

5.3.1 Strategic

Destination Northland is the primary marketing organization for Enterprise Northland and aims to facilitate and provide opportunities for businesses to market themselves. Destination Northland's role is to create demand for Northland as a destination, so the organization works with Tourism New Zealand to promote Northland internationally (P20). Destination Northland offers a range of marketing activities that are free and also a range that have a cost. These marketing activities include producing regional visitor guides, a regional website, trade guides, and a range of different marketing activities and campaigns that Destination Northland facilitates.

As mentioned in Chapter Four, the TTMCA is the Maori Regional Tourism Association for Northland. They do not play as active a role as Enterprise Northland. The Association has no guiding policy with goals or objectives to measure their performance against. They currently have no planning initiatives for the region. The TTMCA has a facilitation role similar to Enterprise Northland and assist in directing businesses to the appropriate services. They have limited initiatives for the region, with the primary initiative being the Tai Tokerau website to promote businesses in the region. There is no need for TTMCA to offer services such as workshops or market information as they are already being delivered by Enterprise Northland. These reasons may be why there are only two participants in the Eastern Hokianga who belong to the organization.

5.3.1.1 Website

Enterprise Northland currently has two websites: firstly the “visitor site”, which has been running now for three years, and secondly the business and “investment site”, which has been active only since June/July 2006. The “visit site” is designed for visitors who are looking for what is on offer in the Northland region. The business promotion and “investment site” is for operators and investors looking for Northland products. “I think the key thing is that it is good for the tourism operators to know that there is a place where they can go to access information to assist them in their business and specific to their industry as well” (P20). The websites are free to all Northland operators to advertise on so that Enterprise Northland can showcase Northland products. The focus of the website has been to get as many products displayed as possible. Enterprise Northland was accredited in the Tourism Industry Association of New Zealand (TIANZ) awards again this year as finalists for having one of New Zealand’s best promotional marketing websites. “We have excellent feedback, we have excellent hits from the tourism visitor site, we have excellent feedback from the operators, we’ve had very good feedback from the users” (P20). The TTMCA also has a website for the Northland region to promote members of their association. This website is not as comprehensive as Enterprise Northland’s, as businesses need to pay a joining fee to become members. Only two research participants are TTMCA members and are listed on the website.

5.3.1.2 Research

Enterprise Northland has also invested in market research. They are seeking to learn more about why visitors are coming to Northland and what they are looking for. This information will be made accessible to businesses so they can make informed decisions. “One of the things that rural tourism operators don’t do, they have a good idea, they start a business but there is very little basis or research or planning or analysis that this is actually a business that has the potential to succeed” (P20). The TTMCA are also investing in research. They are working with Te Puni Kokiri (the Maori social and economic development agency) on an iwi (tribal) development project, doing research to identify gaps in the marketplace.

5.3.1.3 Activate Northland Project

The 'Activate Northland' project has been running since 2005. The project has been primarily aimed at building tourism business capability. The focus has been on businesses that want to improve their performance. These programs come under two categories: the capability program and the sustainability program.

The capability programme focuses on general business performance. "Under that capability programme we do a full assessment of the business, so we go and look at their current performance, how they would like to be performing, we call this a gap analysis. So we look at the gap in the middle and what things they need to do to improve their performance" (P20). According to the respondent this often requires putting better systems and policies in place to develop an individual's business skills, and bringing in a specialist to work with owners on a certain part of the business. "So we do an assessment which identifies where the gaps are within their businesses, the areas that they need to improve on, and then from that they set out an action plan, on the things they need to do and then we provide them with the ongoing support and training required to carry out their action plan" (P20).

The sustainability programme looks at business performance, its impact on the environment, and its contribution to the community. Enterprise Northland looks holistically at the business; they do an assessment of the individual business in four areas (economic, environmental, cultural, and social). The businesses then produces an action plan of areas that they would like to develop or improve on. "We believe it is quite critical to identify what the business needs to do to improve. Access to specialized advice in certain areas has been critical to the success then the ongoing coaching and mentoring, so that has been very important. And most of the work has been one on one support and that's where I think the real benefit has come" (P20).

5.3.1.4 Additional Strategies

Enterprise Northland also facilitates group workshops where there is an identified common need. The aim is to get businesses together who have expressed interest in a specific technique and deliver training. This enables Enterprise Northland to deliver specific training across the group and create an opportunity for businesses to network and establish relationships. However, if businesses require more than a one day workshop, Enterprise Northland has the contract for Business Mentors NZ. This programme provides periodic one-on-one mentoring for businesses.

The TTMCA goes to the tourism industry international showcase, Tourism Rendezvous New Zealand (TRENZ) every year and promotes members' products to the buyers; they also showcase selected business members. They have a project going to put a sculpture at each of the information centres in the Northland region. The TTMCA facilitate the connection with Te Puni Kokiri, the Maori social economic development agency for New Zealand. This organization provides a Maori Tourism Facilitation Service, which they recommend to people who are interested in starting up a business.

The information centres in the Northland region have a role to play in linking new businesses together. "It's an ongoing educational awareness process promoting the products and services that are available within the Northland region" (P20). Three of the research participants have found that the closest information centre in Omapere has been satisfactory and have had some bookings through this centre. However, with the recent price increase, the cost of advertising at the centre has become unfeasible for one participant (P21). Participants have also found the information centre in Paihia to be unsatisfactory. This is because of the negative and outdated perceptions some of their staff had of the Hokianga area. As Paihia has high visitor numbers and is one of the most frequented destinations in the Northland area (Caswell, 1993), it is critical that the Eastern Hokianga is promoted positively, as this is where visitors to the area make enquiries about products available. Therefore, this service at present is felt to be inadequate for the Eastern Hokianga area.

5.3.2 Integration

5.3.2.1 Community Dynamics

Of all three communities, Rawene presented itself as the most disjointed. Several participants made comments on the inability of businesses to work together to develop tourism. “Get a lot of bickering in the community; it would be good if businesses could work together” (P12). There are a few individuals who are strong advocates for resolving community issues. These people try to work together with other businesses and offer business support, but there are numerous personality clashes in the business community that inhibit their efforts. Businesses have adopted an aloof attitude, tending to do their own thing and not participate actively in the community. “I don’t care what other people do and if I do something somebody will else would come in and start it all over again, so I stay right where I am” (P7). Consequently, there is an element of mistrust amongst people who are already established in Rawene. There is a perception that a new business to the area is a threat to the viability of existing businesses. “Everyone is out just to protect their own little patch. Because it is a small community it’s more obvious” (P13). As the businesses are not highly profitable, owners’ primary focus is on their own business and they proceed with caution, so it is difficult to get businesses to agree on imperative issues.

Rawene has become an attractive area for people nearing retirement who are emigrating to the area. “We are getting a lot of overseas people and rich retired people” (P10). This has an effect on the community and the motivation to become involved and develop tourism in the area. “We are a ‘sleepy hollow’ in Rawene. People just aren’t interested; it is quite an elderly community and disjointed” (P15). Also there is skepticism of new people coming into the area to do business. “Businesses will last one year or two years” (P15). Participants who have been residing in the area for more than ten years have often seen businesses start and fail. “People come up and stay for two to five years and then they go” (P7).

In Kohukohu, there is definitely an awareness of the dependence that businesses have on each other and there is also the desire to be involved with the community. “We are very much part of the community and that’s what we really wanted” (P4). Members of the Kohukohu community have been proactively involved in promoting the town, with one community member graciously designing the Kohukohu community website for the benefit of everyone. However, different groups of community members have formed with different agendas and different opinions. “There are a lot of little groups here, and each little group does its little thing and I think that’s great. I think perhaps there are too many little groups, because one group won’t associate with the other, but having said that they have produced some pretty good groups” (P25). There is a decent level of skilled and proactive individuals within Kohukohu businesses who are reasonably well educated. “We support our local community to try and keep our community viable” (P1).

Horeke is the smallest township in the Eastern Hokianga, with only four businesses. For that reason the participants were very aware of the need to collaborate with each other. Of the three communities, Horeke has more evident socio-economic problems because the town has fewer businesses and fewer job opportunities. This is reflected with the lack of services and amenities available. “Everything is so rough and run down and visitors do come and they don’t mock the place they don’t go on about the houses and stuff. If they did clean the place up it would take away the uniqueness. I think that is part of the character of it” (P21). One pressing issue for the Horeke community is the behaviour of a few of the local adolescents. “There is nothing for the kids to do so that’s why they are getting up to mischief. They break into the toilets and smash the toilets. It doesn’t matter what you put up how nice it is, they will just wreck it. You get to the stage where I think people just can’t be bothered doing anything for a community with some that are not prepared to pull their weight and help” (P21).

5.3.2.2 Inter town relationships

Generally, a business will refer patrons to other establishments within the area if they are in search of a product/service which that business doesn’t deliver. “Our mission is not to

compete with other businesses but to enhance or assist them” (P4). Businesses try not to directly compete and sell what other shops are selling, however within a small community each business is competing for the tourists dollar.

Although the towns are close in proximity, especially Kohukohu and Rawene through the ferry link, there is not a strong inter-town relationship outside of the networking that occurs through the Hokianga Tourism Association. “Don’t really have much to do with Kohukohu, we know that they are there and they know that we are here” (P8). The manner of politics involved in small communities was mentioned a few times. One participant highlighted the difficulty of building inter-town relationships.

“The problem for Kohukohu is there are two factions over there, one group going in one direction and one group going in another; it’s very hard to talk to one group, and you’re not even talking to the group that is actually talking to Horeke. There are two groups in Kohukohu both involved in tourism, I’m sorry, I don’t know, but as soon as you talk to one the other one spits the dummy.” (P16)

There is not a lot of business cooperation between the communities. No respondents discussed any active working involvement with other businesses in the other research areas.

5.3.2.3 Networking

There are obvious areas of networking in the Kohukohu area and an awareness of the importance of networking in a rural environment. It was also recognized that, as a small community, the possibility of being in the position to be in contact was high. “You can’t help but network in Kohukohu, Kohukohu is a network. There is networking going on all the time, we all work in together, it’s a small community so we have to” (P4). There was one business that seemed to be a central nucleus of the community that the majority of the businesses were in direct contact with. “If you wanted to know anything about tourism around here definitely they are the people to go to” (P23). They were indicated as having taken a leadership role in the community by several of the businesses. The two main elements of networking that participants described were, firstly, being in contact

with the core business and secondly, referring customers to other businesses if their service was better suited to meet the customers' needs. It was evident that there was definitely support for other businesses but the concept of networking in a collaborative business development direction was not expressed. "We link up for one reason or another but I really don't think we link up business wise, we tend to stand back from each other so I don't think there is a real link there which is a bit of a shame" (P25). One business (P25) also highlighted the importance of networking with similar established businesses and media on the west coast, and was networking with them to build awareness in that market.

The business participants in Rawene support each other and refer guests to other businesses in the area. Promotional material for other businesses is displayed at one of the businesses and they also market with other businesses in the Hokianga. "We support each other, we deal with everybody here" (P8). Horeke takes the same approach, and as it is a small business community of only four, the businesses work in together through referrals and displaying each others brochures.

5.3.2.4 Hokianga Tourism Association

The Hokianga Tourism Association is a community initiative and tends to work closely with Enterprise Northland. There is a good representation from both sides of the Hokianga, North and South, and it addresses everyone's' issues. The Hokianga Tourism Association collapsed for a time. This was a result of differing opinions during the submission of the bridge proposal, but the Association is rebuilding now. There are two participants from Kohukohu who are currently on the executive council. The Eastern Hokianga area has good representation, with generally good support. "I think they do a pretty good job promoting, they have a good website, and they put out a brochure" (P2). However, not everybody is on board. "No, haven't ever been with the Hokianga Tourism Association, can't be bothered" (P23). One of the business participants in Rawene is also on the executive council and is actively involved with the Hokianga Tourism Association. "I was nominated to be on the executive committee and I think we need to

create a press book, so I'm now press officer and we are advertising in this year's *Northland Visitor Guide*. I came up with the slogan "Hook Up with Hokianga" and we have done this branding which is using this slogan incorporating in the Northland Visitor Guide page" (P24). A couple of the businesses identified this person as playing a leadership role for Rawene. The longer running businesses are offering their support but are not proactively engaging with the new businesses. Not all businesses in the Rawene area are members of the Hokianga Tourism Association (P7, P12, P13, P15). All four of the Horeke businesses belong to the Hokianga Tourism Association; one is linked to a business mentor through them. Only one business expressed dissatisfaction with the Association. "We belong to the Hokianga Tourism Association. It is very hard because the people of the Association, most of them are from Omapere, Opononi, Rawene, and Kohukohu and they have different problems to what we have" (P22).

The TTMCA were quite involved with Hokianga Tourism Association before the controversial bridge proposal, but found the Association was not making any progress in developing tourism for the area. "That was something that frustrated me working with the Hokianga Tourism Association as certain people wouldn't talk to others because of a past issue" (P14). There was some frustration displayed by TTMCA with the lack of willingness within the communities to strongly network with other operators and highlights the politics that are involved within the communities. "You have to network with everybody on different levels you can't operate in isolation and you can't just operate in your own community" (P14). The TTMCA has withdrawn their support of the Hokianga Tourism Association due to frustration with the community businesspersons.

5.3.2.5 Associations

There are numerous associations within Kohukohu. They have a very active Arts Council, the Kohukohu Conservation and Recreation Society, the Kohukohu Waterfront Association, and the library committee. "There are heaps of associations here, because everyone is so opinionated here" (P6). There were only a couple of individual businesses in Kohukohu that were members of other tourism associations; one being world wide.

“We belong to an association worldwide, (WWOOF) Willing Workers On Organic Farms subculture in NZ, with so many people coming to NZ to do it. We have been with the association for about ten years now. We are only listed with WWOOF and tourists email us way in advance through our internet site” (P5). Other associations in Rawene are the Rawene Areas Residents’ Association and the Harbour Association. There was one participant who belonged to another tourism association – (HANZ) Hotel Association of New Zealand. Two participants in Horeke belong to the local Horeke Community Association and another belongs to the Hokianga Country Club. No one really takes a leadership role in the area but if someone wants to start a business they often talk to the most experienced business operator who is proactively pursuing development issues.

5.3.3 Clustering

One of Enterprise Northland’s strategies that focuses on integration involves working with businesses with commonalities to form tourism clusters. The goal is to encourage them to work better together, to package and sell their destinations better than they have been doing. Enterprise Northland sees that the key role for these tourism clusters around the region is to first identify who is new in the area and who is starting a business and hopefully embrace them, and secondly, get them to meet and network and share their knowledge or whatever with other people as well. Within these tourism clusters leaders or key people are required, as without them it can be difficult to encourage participation and communication (P20).

The Twin Coast Discovery Route has made a vast difference for the Kohukohu area. Businesses have recognized an increase in visitors since its creation. “That’s one of the biggest, the most important products for the Hokianga, particularly our area” (P1).

Previously the majority of the people used to travel up to Paihia or to the Cape and not visit Kohukohu so what it has created is the loop for travelers. Also the majority of visitors used to visit the east coast first, which is balancing out now. They’re doing it both ways, instead of just spending all their money on the east coast and getting to here after they have spent it all.

(P1)

Many travelers come through the Twin Coast Discovery Route, it is well publicized enabling international visitors to find the Eastern Hokianga easier. Businesses have positive feelings about the route and acknowledge that visitors to the area have increased (P2, P3, P4, P6, P9, P10, P25). “It is our idea to pick up passing traffic and be part of that Twin Coast Discovery Route to pick that up and to tie into it” (P4). Participants in Rawene have also noticed an increase in visitors since the Twin Coast Discovery Route opened and think it is a concept that works well for them (P8, P11, P13, P15, P17). “I personally wrote a letter to Transit NZ thanking them very much for making the Twin Coast Discovery Route, my business jumped up dramatically immediately afterwards, and has continued to grow every year, whereas I was in decline at that stage” (P16). Unlike Kohukohu and Rawene, Horeke participants are not directly on the route and have not felt the positive affects of the Twin Coast Discovery Route. Participants expressed that the route has actually negatively affected their businesses. “This does not help us at all. The Twin Coast Discovery Route goes from Rawene up to the top and they push all of the traffic away from us” (P22).

Enterprise Northland is aware that one of the challenges in Hokianga is that the total product package is insufficient. Although there is accommodation there is not a range of commercial activities. This may deter visitor who will primarily seek activities before seeking accommodation. There needs to be a certain amount happening before tourism can be viable in the area and, as there are a small number of businesses involved, situations can change and businesses collapse. “When you’ve got really small communities, they don’t really support a café and a pub. You actually need other people to come in. In a way that’s what tourism does, it does bring people in, and it means that businesses become more viable” (P3).

There is awareness in Kohukohu that each business contributes to attracting and enhancing their visitors’ stay in the area. Participants expressed enthusiasm and awareness that tourism is going to increase in the area.

I think these little towns like Kohukohu are developing names for themselves, it's really just a matter of time because it's on the Twin Coast Discovery Route; you see a significant number of tourists go through who will often stop and have a look around and try and see what they can see. Not enough to keep them here, I would think, but certainly enough to make them stop at this stage (P25)

At present there is only one commercial recreational (physical) activity in Kohukohu that travelers can partake in, and it was indicated that Kohukohu could increase the activities on offer in the area. "There are probably not enough activities here as yet" (P1). A need for more up-market accommodation was also expressed with the change of visitors from backpackers to independent travelers, and a place where you can get an evening meal is also needed in the area. "It would be nice to have a café that offered dinner more often but I don't think that that would be a goer really. I don't think the population would support that really" (P23). At present Rawene is the nearest outlet offering dinner, however, the final ferry is at 7.30PM so it's not always convenient. "It's a numbers game here; if there were the numbers coming or living here, but what comes first the chicken or the egg" (P6)? However, despite participants commenting on the need for more tourist services they also indicated that the minimal amount of activities to do in the area was part of the attraction, especially if they are staying only one or two nights. There was no consensus on this issue. Rawene businesses highlighted the need for more activities (P8, 13, 16). "There are not enough activities in Rawene, there are the gaming machines, Clendon House which is closed part of the time, the library that is open two days a week" (P8). Yet there hasn't been a strong interest from visitors for attractions. "Yet people come and they are happy to wander around, and just relax" (P8). The need for another dinner service was mentioned, as well as a lack of up-market accommodation and the little use of the harbour. Of the three communities researched, Horeke has the least products and services on offer. There are two accommodation facilities and one attraction. There is no local shop or eatery, although meals are prepared on request by the accommodation providers. Therefore, the businesses are definitely aware that the product offerings are limited and insufficient for attracting visitor numbers. "Horeke doesn't have a lot here, doesn't have a lot of big draw cards" (P21).

Kohukohu participants boast visitor friendly service by businesses within their area. Twenty-five percent of the businesses were open seven days a week to accommodate travelers. The activity-based business is at present a weakness in the community as it is available only on a minimal two person pre-booking arrangement. However, a couple of participants expressed that improvements can be made and there are instances where businesses are not sticking to advertised hours (P1, P25). The service standard is different in Rawene than in Kohukohu. One participant has a reputation as being a 'Bazil Faulty'. One business is complacent as to whether or not travelers visit the business. Three businesses close over the winter period. And one is an attraction business which is only open three days per week in the summer months, (November to April). "We are not open enough, I think that we are a not good enough attraction, we need to lift our game, and that is about opening hours, it's also about the quality of the experience" (P19). Horeke participants did not express dissatisfaction with the services in their area. Although one attraction closes over the winter and is only open limited hours during summer, if the volunteer is phoned she will usually open the attraction for the traveler.

There have been a few events held in Kohukohu and Rawene. The Kauri Festival is a new Enterprise Northland initiative. The Country Music Festival is run by a voluntary service. Unfortunately for Horeke, who were keen to host an event in the country music festival, they did not have the population or accessibility to warrant their being chosen as a venue. A Kohukohu participant set up the Matariki Event which is a celebration of the Maori New Year. TTMCA facilitated and encouraged the Matariki Event with the support of Enterprise Northland. Unfortunately, family constraints prevented the event continuing the next year. "The first year that I set up Matariki for Kohukohu, was interesting, and it simply needed me to link up with other businesses for the following year to really push the event home. I think we could have made it very successful" (P25). Kohukohu has an active community and is often creating events for the residents to become involved with. There are many more activities in the Kohukohu community than there are in the Rawene and Horeke communities. "They are doing a lot more in Kohukohu to get their town on the map" (P15). Rawene recently had a Kapahaka festival but unfortunately there was no promotion of the event, or local business awareness.

Horeke has successfully hosted a Treaty Signing event for the past few years; the participants are involved and the event is well supported by the community.

5.4 CHALLENGES TO RURAL TOURISM DEVELOPMENT

In chapter Three challenges to rural tourism development were defined as; the government's role, accessibility, education and experience, adequate financing, and marketing. This section discusses these challenges from the perspectives of the Eastern Hokianga participants.

5.4.1 Government's Role

Although there was a general awareness of Enterprise Northland and the work that they do, the Rawene businesses interviewed did not have strong engagement with them. "Have never really spoken to anyone about them, but I would like to" (P8). One of the longer standing businesses interviewed was still unaware as to the Organization's function. The businesses interviewed in Horeke were aware of Enterprise Northland's services through the Hokianga Tourism Association. One business has also taken part in one of their projects, which had little effect on their business. One business did not feel that the assistance for Horeke was sufficient and more assistance was required in the Eastern Hokianga. "They might help the people that are along the Twin Coast Discovery route highway but again Horeke is left out" (P22).

There is definitely awareness in the Kohukohu community of the services available through Enterprise Northland. Feedback from participants was positive. "I have been on the website and I get emails from them, they've got some good business marketing things and mentoring and all sorts of things" (P2). One business participated in one of the Activate Northland programmes; the owner had a positive experience. However, there is still a perception that Enterprise Northland has a focus on large businesses and businesses in the Bay of Islands area. "I get newsletters and emails from them and have been to a seminar, but they are more for bigger businesses, like full-on tourism businesses, really people that have a hundred grand turnover a year, but for small accommodation business

it's not appropriate I think" (P6). "Their emphasis is mostly on the BOI, but they come over here and they give us support when we want it" (P3). About fifty percent of the businesses interviewed in Kohukohu that are not familiar with the services that are on offer. "I don't see the point of being involved with them. I know nothing about them" (P23).

As the TTMCA is a Maori organization, and the businesses within the Eastern Hokianga are predominantly run by Europeans, they have not sought membership. One of the two participants that are members of TTMCA (and also of their new subsidiary the Maori Business and Professional Association) were dissatisfied and the feedback was not favorable. "It's a little bit confusing as to what Tai Tokerau Tourism is going to do for Maori business if you like. I'm still confused as to what their real purpose is; I'm struggling with that" (P25).

5.4.2 Accessibility

The roads off the Twin Coast Discovery Route in the Eastern Hokianga are often narrow and are prone to developing pot holes. Yet none of the Kohukohu participants expressed dissatisfaction with the roads in the area. "The roading is not bad, we're used to it, this is fine, we don't expect it to be sealed and it's reasonably well maintained" (P5). Generally Rawene participants are satisfied with their roads and one participant expressed that if they made the Twin Coast Discovery a State Highway it would improve the connecting roads which would in turn improve roading around the area. By contrast Horeke is faced with serious roading issues. The entry road from the Twin Coast Discovery Route is not fully sealed. This restricts tourist from driving rental vehicles because there is limited insurance cover. This is of grave concern for all the participants in the area and has been supported by the wider Hokianga community.

The Hokianga Tourism Association has written to the Council, Hokianga Health has written to the council, Horeke Association has written to the council, we have written to the council, Historic Places Trust has written to the council, so we have done everything to prove to the council that this road should be opened up, tar sealed and put into a proper road. We have

covered all the aspects of the new land transport management act to tell them its no more numbers and we have it all, just do it. (P22)

“The council says there is nothing happening in Horeke to build a road, it is the other way around you first have to build a road so we can develop the area” (P22). At present there is not sufficient through traffic to sustain a business. As depicted in Figure 1.2, to travel to Rawene or Kohukohu it is a forty-five minute drive either way as opposed to a link or ferry across the harbour. The airport in Kerikeri is a fifty minute drive, and there is no bus service so businesses are very reliant on private vehicle travelers. Thus, Horeke is operating in a state of isolation from its Eastern Hokianga counterparts.

There is no public transport system that comes to the Hokianga at present. This does affect a few of the participants businesses and one of the participants has a high percentage of backpacking visitors that relied on that service. “I am very annoyed with the fact that the bus service to Rawene is not going now” (P5). However, other businesses are not affected by a bus service (P2, P23). There is no public bus service to Rawene and one participant expressed that a bus service would help tourism development but others were not concerned.

There is limited activity on the Hokianga Harbour and this is reflected in the condition of the Eastern Hokianga wharves. The wharves in both Rawene and Horeke are functional, yet the Kohukohu wharf has been deemed unsafe. The ferry to Kohukohu has a separate wharf five kilometers from the town centre which is for the ferry use only, leaving only the unsafe wharf in Kohukohu available for travelers. There is also a wharf at Mungungu, three kilometers from Horeke. It is located at the base of the historic Mangungu house. This wharf has previously been used as the access point for historic boat cruises through the harbour with the Mangungu house a key attraction. The “unsafe” designation reduces boat access to fifty percent of the wharves in the Eastern Hokianga. In addition, there are issues with boat access and parking for the areas. As there is limited activity or demand for activity on the Harbour, the condition of the wharves has not been an issue for interviewees.

Generally, Rawene participants were satisfied with the Hokianga ferry service (P2, P8, P11, P12, P13, P16, P17) and the feedback they have received from travelers has been positive. Also, as the ferry entrance is situated at the bottom of the town centre, travelers who have to wait will often visit stores while they are waiting. Only a few Rawene participants expressed the need for an extended ferry service with longer hours. There was only one comment on the price and the need for eftpos was expressed as the ferry only takes cash which isn't always convenient for travelers.

The ferry definitely helps, absolutely. If you consider where Rawene is in comparison to where Horeke is, we were two little towns that got hit with a recession at the same time, I was very much involved with that issue there, we had the ferry, that's the only thing that kept Rawene going. If Rawene hadn't had the ferry and we were just on the sideline we would have died like Horeke died. (P16)

Many Kohukohu participants believe the Hokianga ferry to be significant to the area and favor the method of transportation for crossing the harbour. As the ferry access for Kohukohu is five kilometers from the town, there is less time for visitors to browse amongst the Kohukohu businesses while waiting.

I am happy with the fact that the ferry is there and it provides us with an almost mystical removal from the rest of the north, so we are kind of, an isolated corner of the Hokianga. Because of that, because there is a physical barrier that you have to go over, and in that way I think people love it and it is part of the attraction. (P6)

However, the ferry hasn't increased its sailings in fifteen years and is still running on a fifteen year old timetable. The ferry runs daily every half an hour from 7.30AM to 8.00PM. Kohukohu participants are dissatisfied with the service of the ferry and have been lobbying for an improved ferry service, to increase the ferry hours in the mornings and evenings (P1, P2, P3, P5, P6). "Literally what that ferry does to this side is it says 'alright north you close down after 8PM because it's too difficult to get to and fro, north south, south north'" (P25). Travel on the ferry costs approximately \$16 one way to transport your vehicle or you can buy a reduced concession ticket. Hence, the issue of price has also been raised. Participants are fighting for a reduction of fares and there is an

ongoing debate for the ferry to be government-funded under the roading system. “Driving around is not an alternative because it is too far and that is the only route available so it is part of the public road system, so it should be a free ferry or part of a nominal fee and it should have a more regular service to actually open up the Hokianga” (P6).

Unlike Kohukohu and Rawene, Horeke participants were not happy with the ferry service, as it does not service their community. Participants were supporters of the building of the bridges to increase accessibility for their area. “No we don’t need a ferry to Kohukohu, we don’t want another ferry because the ferry stops other people. What we need is two bridges, a bridge across the narrows and a bridge to Rawene, but they don’t want this” (P22).

To travel from Kohukohu to Rawene on the other side of the harbour by road takes an hour and a half as opposed to an estimated five minutes over a bridge. There was a very controversial proposal to build a bridge for a cost of approximately \$50 -70 million to cross the Hokianga Harbour and improve the accessibility and communication of the communities around the Hokianga for both visitors and residents. This was fiercely supported and fiercely opposed and created division within the community. Many of the businesses in Kohukohu were against the idea. There were a few businesses in Kohukohu that did support the bridge proposal. “A bridge would be fantastic, basically, what that would do is give people a choice” (P25). The businesses in Horeke were strong advocates for the bridge as the bridge was to connect five kilometers from their township dramatically increasing the town’s accessibility. When the bridge was first proposed a lobby group was formed and came up with other feasible options. An alternative that was supported by a few participants was an improved ferry service using cable ferries, to possibly frequent other areas so increasing the accessibility or, increasing the current ferry route (P1, P3, P6, P15). Two of the Rawene participants were part of the group that fought against the building of the bridge, as they were aware that their visitor numbers would decrease. The entire community did not share this feeling, as several participants were not concerned whether the bridge went ahead.

5.4.3 Education and Experience

Table 5.2 Experience in the Eastern Hokianga

Area	Experience in Business	Other Professional Experience	No Experience
Rawene	5 participants	3 participants	3 participants
Kohukohu	1 participant	6 participants	4 participants
Horeke	2 participants	2 participants	0 participants

Of the three private businesses in Horeke, two of the owners have previous business experience. The third owner is an engineer. Forty-five percent of Rawene business owners have previous business experience. Three participants had experience in another profession. Kohukohu participants had the lowest rate of previous business experience, with only nine percent. However, fifty-four percent of the interviewees had experience in another profession, ranging from accounting, to self-employment, to artistry. Overall, there is a reasonable pool of experience and skills within the Eastern Hokianga for participants to draw upon to assist in business tourism development.

5.4.4 Adequate Financing

Participants in all three areas expressed the lack of finance available for business development. Many of the businesses are self-funded, using capital from previous business enterprise and they stated that beyond ordinary operational costs there was not much left over for associated costs like marketing. Businesses find it difficult to pay for wages, with three of the businesses existing by using volunteer staff. Two businesses are only in operation as they have a rent-free lease. One is operating without the basic amenities of power and water. Only one participant has sought and obtained funding to assist the business. By only having enough funds to manage the operational costs, there is no finance available to invest in research, product development, marketing and promotional ventures.

5.4.5 Marketing

Enterprise Northland and individual participants have assisted with redeveloping the image and they have began to create a positive awareness about the area. However, there are still many outdated perceptions within the tourism sector in the Bay of Islands. Participants perceive that more people are visiting the area, and recommending the Eastern Hokianga as a favorable destination. The participants are aware of the potential for tourism to grow in the area, and are keen to overcome the stigma which is held of the Hokianga.

The funny thing is that in Kohukohu there is actually nothing here to do and that's what we should actually promote, that there is nothing to do. This is a place to get away from everything. It probably hinders for mass tourism you need activities but the people we attract now just really come here because they want to get away from it all. (P6)

The participants are very aware of the outdated perception and stigmas that exist about the Eastern Hokianga. The area has been very remote for years and there is a perception that the people are hostile, that it is not a desirable area to visit, that there are no facilities, and there is nothing to do. Skepticism from the Bay of Islands, which has always been the most popular choice of destination for visitors to Northland, is especially heavy. There has always been rivalry between the east and the west coasts. "I can tell you now, ten or fifteen years ago there was very much an issue in Paihia, don't go to the Hokianga, there's nothing over there, there is only a whole pile of drug smoking hippies, nothing to see, nothing to do, nowhere to stay" (P16). This makes it difficult as small business operators are reliant to some degree on the recommendations coming from that area as they are their closest popular destination. "I went to a symposium on the east coast on the Bay Of Islands and there were very few people from the Hokianga and I really did notice that there are many outdated perceptions of what the Hokianga is over there as well" (P24).

The good thing is just getting accepted that this is a good place for tourists to go, because it used to be, for years in Paihia, if you went to the information centre over there, we used to hear stories all the time, people would say “shall we go over to the west coast” and they would say “no there’s nothing to see over there, don’t bother, there are no facilities, nothing to see. (P1)

5.4.5.1 Promotion

Beginning in the late 1990s Destination Northland has began to promote the whole region. This started with the development of the Twin Coast Discovery Highway, more recently they began to develop a comprehensive website with many listings from the Northland region. Their goal was to spread tourism benefits away from the East Coast. This has support from participants. “They are trying to promote the Hokianga as something slightly different, and I really support that. We don’t want to become like everywhere else, we want to retain a really unique and individual style” (P3). The Hokianga as a whole is steeped in history and there has been promotion over the last few years to create awareness in the market, for example, the Kauri Festival. On the Hokianga website (www.hokianga.co.nz) there is now a list of over one hundred and twenty interesting things to explore, from forests to churches, rock formations to pools, there is a diverse range of experiences that people can partake in.

Participants throughout the three communities generally did not actively promote their own businesses. Participants discussed their lack of investment in promotional activities and portray this as an additional cost which they could not afford. “Advertising is mostly too expensive” (P15). Participants whose primary market was the community didn’t feel that promotional activities were important. “Yes I think there is enough promotion about Rawene” (P16). The tourism centered participants were more aware of the need to carry out some type of promotion and discussed the following different promotional techniques they did employ.

Joint promotion has been explored as a promotional technique by a few participants in the Eastern Hokianga, but has not been accepted as an adequate method of promotion. Some of the accommodation providers in Kohukohu have had a joint promotion campaign, and have discussed advertising again. In Rawene, half-a-dozen businesses once placed an

advertisement together but that only happened once as they deemed it an unfeasible exercise. Participants in Horeke, who placed a joint advertisement to reduce costs and market together, did not see the benefits of a repeat joint promotion campaign.

There was one participant in Kohukohu who understood the need to link up with coastal businesses and has established a good rapport with a journalist for the northern paper. This was a cost effective method initiative to create awareness of their business in the local market. “I think it has taken this year to get our name out, people now come over quite regularly from Kerikeri. We are definitely on the art gallery trail now” (P4). One participant is a part of the Enterprise Northland Art Trail and another is also aiming to join that collaborative marketing venture as well as a new Hokianga collaborative art trail. One participant in Rawene has done a lot of work with the press through her personal contacts. This was beneficial to the whole of the Hokianga as the article was a positive review of the area, encouraging travelers to visit. “So it’s a matter of repositioning, it’s how you look at it, and it’s sort of like, well, we need to reposition because the Hokianga has actually got things that at this moment people are looking for because they are fast disappearing from other areas, but you need to communicate that. A lot of it I do through my contacts” (P24). Along with positive media reviews, word of mouth has been expressed by all three of the communities as an important form of promotion. “We rely heavily on word of mouth and that seems to work believe it or not” (P25).

5.4.5.2 Advertising

The Kohukohu participants stated they didn’t emphasize advertising and many didn’t do any (P2, P4, P5, P9, P23). Some merely have signs on the front of the property and get some travelers through that medium. Some are listed in the *Lonely Planet Guide* travel magazine. This is a free service to businesses as they are selected to be listed in the book by travelers. “I’m in the *Lonely Planet Guide*, they put me in there not me. So that’s really good advertising for free and I have had people from that” (P23). One participant is in *The New Zealand Bed & Breakfast Book* and has been advertising through that publication for approximately twelve years. One of the Kohukohu participants who was

involved in a church project has created a brochure of the churches in North Hokianga. This is free for travelers and is available in Kohukohu and accommodation outlets in Northland. Another resident has flyers that are placed in backpackers' lodges.

Rawene participants did not have a big emphasis on advertising, either. One participant has listed in *The New Zealand Bed & Breakfast Book* for thirteen years. A few of the businesses advertised through the local newsletter (P7, P8, P12, P15). One has placed a sign in the local bus shelter which is situated at the road entry to Rawene. There was infrequent advertising by one participant with the *Auckland Outlook* magazine and in the *Look North* tourism paper. One business advertises in the *AA Guide* and another who is with *Jasons*, and on Enterprise Northlands tourist trails. This business has also been selected to be in the *Lonely Planet Guide* and the *Rough Guide*, both internationally recognized travel books.

One participant in the Horeke area has started advertising in the *The New Zealand Bed & Breakfast Book* and is pleased with the results so far. "We have had three or four enquiries from this little book which has only been out a couple of months. So that is starting to work for us" (P21). Another participant distributes approximately six to seven hundred brochures to accommodation places in Northland and advertises on the *Jasons'* map. The *Look North* paper is selected as it is free to place an advertisement. However, all participants view the *AA Travel* or *Jasons'* fees as too expensive. Some of the participants have signs displayed along the highways. "We put our signs up about two years ago, it brings about five to ten percent of the people" (P22).

The Kohukohu community has created a pamphlet that details the history of the town. All the Kohukohu participants advertise in this. Five thousand copies a year are printed and it gets distributed widely. "The Kohukohu pamphlet, a community initiative, has been going for four years, maybe even five" (P5). Rawene has its own brochure that was created by a local member five years ago which details the history of Rawene and promotes businesses in the area. "The Rawene brochure is my little ball thing that gets out there quite a bit. It gives a nice view of Rawene, the ferry town, all the buildings

around town, a little history of the area, and on the back page it shows a map of where to go and how to get here” (P16). Many of the Rawene businesses advertise in the Rawene brochure, however the support was not as strongly demonstrated as in the Kohukohu community. One participant has been recommended to and is advertised in *Jasons*, *Lonely Planet* and the *Rough Guide*.

5.4.5.3 Website

Most Eastern Hokianga participants advertise on recognized tourism websites - PureNZ, Enterprise Northland, Hokianga Tourism Association - which are all free of charge. One participant advertises on holidayhouses and cottagesstays a low cost effective medium for them. “It’s been fantastic; it’s very low cost and very effective” (P6).

Kohukohu has created its own website which is available for participants to advertise through. They are able to create a link to their own business websites. Created by a Kohukohu resident it is free for all the community to contribute. “And actually a lot of people find the website so we advertise everything on that, all the local news, anything that is happening is advertised on that” (P3). Most participants do advertise on the community website, but two currently do not as they do not have internet awareness. One has displayed no interest, and another has never developed computer skills. Those of the Kohukohu participants whose primary market is travelers have their own website; two other participants stated they intended to develop a website. However, some businesses do not feel a website is required as they primarily cater to the local market. Rawene has also created its own website but it doesn’t have the same support from the community as the Kohukohu site does, although anyone can advertise on that. The majority of Rawene participants don’t have their own website. A few of the businesses in Rawene don’t have a website address. “We have email but we don’t have a website as yet. I’m not really computer inclined” (P8). Two of the three Horeke participants whose primary market are travelers have websites, and being very limited in businesses and resources, the Horeke community does not have a website of their own.

5.5 SUMMATION

The businesses in the Eastern Hokianga can be placed into three major business categories: retail outlets; accommodation; and activities. Rural tourism development has created positive economic impacts. There are essentially positive economic and social impacts occurring in the Eastern Hokianga as a result of rural tourism development. Economic growth is occurring new businesses to the industry and the creation of employment. Tourism accounts for the primary income of twenty-eight percent of businesses, thus, provide income that can contribute to the local economy. As both the established and new businesses are locally operated, the negative economic impacts - leakages, imported labor, unbalanced income and dependency – have not occurred. Positive social impacts are evident, with three new businesses selling local arts, crafts and produce. With the low percentages of primarily tourism income businesses, it can be assumed that the tourism numbers are low. Thus, there is little impact on the host communities to create the negative social impacts of changes in community values, traditions and behaviors. Respondents did not discuss any negative social impacts.

There is a strategic approach to rural tourism development in the Eastern Hokianga which includes two contributing regional tourism organizations: Enterprise Northland and the TTMCA. Enterprise Northland has a strong tourism policy and a range of initiatives that participants can become involved in free of charge. Initiatives include: market research for the region; two comprehensive promotional websites for travelers and investors; an ‘Activate Northland’ project focusing on building business capabilities; ‘clustering’ by bringing businesses together around a common theme or geographical area; specific business training through workshops and mentoring. Unlike Enterprise Northland, the TTMCA does not have a guiding policy or planning strategies in place for the Northland region. The TTMCA undertake limited initiatives: a regional website promoting business members; market research for the region; business facilitation directing operators to appropriate service providers; promotion of businesses at TRENZ each year; a project that places sculptures in the regional information centres. The participants expressed dissatisfaction with the service at the information centre in Paihia. Although they were

satisfied with the service at the Omapere information centre, there was dissatisfaction with the new increased cost.

The three communities displayed different levels of cooperation and collaboration amongst businesses within their townships. Each community had a participant who played a leadership role to encourage rural tourism development. Kohukohu participants were very active and passionate in working together to develop tourism for the township. Horeke participants, being from the most isolated community, were aware of the need to work together as their product offering was very limited. However, Rawene participants expressed an inability of businesses to work together to develop tourism for the township. Networking is occurring within all communities in terms of referring patrons to other establishments, and the occasional joint promotion venture. Inter-town collaboration currently is limited to participating through the Hokianga Tourism Association. The Hokianga Tourism Association was a community initiative and is supported by the majority of the participants. Eastern Hokianga is well represented with three of the participants undertaking roles on the executive committee. Hokianga Tourism association is also supported by Enterprise Northland, though, not by the TTMCA. The Hokianga Tourism Association is the primary association for rural tourism development for the area, however participants are also members of other associations, ranging from local to international.

The '800 kilometer-long Twin Coast Discovery Route' has been Enterprise Northland's most successful initiative in the Eastern Hokianga. This has clustered the Eastern Hokianga with other towns in the Northland region. Rawene and Kohukohu participants have definitely seen an increase in travelers. As Horeke is not connected to the route they participants have not seen benefits to their area. Another clustering technique Enterprise Northland is undertaking is grouping businesses together to promote and supply a sufficient 'total product package'. There is definitely awareness in the entire Eastern Hokianga that products and services are insufficient to attract travelers. Enterprise Northland has additional clustering initiatives, such as an art trail to which several

members in Kohukohu and Rawene belong and the “Kauri Festival”, an event that travels through towns in Northland, including Kohukohu.

There is general awareness in the Eastern Hokianga of Enterprise Northland and the services they provide. A participant of each township participated in the Activate Northland programme. Rawene participants appeared to have the lowest engagement with Enterprise Northland. There are perceptions that the assistance was insufficient in the Eastern Hokianga and that Enterprise Northlands’ focus is on the larger businesses in the Bay of Islands. There is limited engagement from the Eastern Hokianga in the TTMCA, this may be because this is a Maori organization and the majority of businesses are of European descent.

The two main challenges to rural tourism development as identified by the Eastern Hokianga participants are finance and accessibility. Participants in all three areas noted the lack of finance available for business development. The area has many concerns about accessibility; these include roading, public transport, and harbour access and crossing. Rawene and Kohukohu are generally satisfied with roading and harbour access. There is dissatisfaction however, from both communities, with the service standard of the ferry. Horeke was the most disadvantaged of the three communities. Poor roading affects rental vehicle access. There is no public transport service, no ferry crossing and no wharf access to the town’s biggest attraction. To create greater access for the area a proposal was submitted to build a bridge that would link Horeke with Kohukohu. This was fiercely opposed by Kohukohu and Rawene residents and divided the three communities. The bridge opposition was supported by Enterprise Northland and the communities as with the communities’ proposal for a reinstatement the public bus service. Enterprise Northland plays an active role in the development of tourism for the region, with many initiatives that Eastern Hokianga residents participate in. The TTMCA has a weak role in tourism development and little initiatives.

Generally the challenges of marketing, education and training in the Eastern Hokianga are being met. Overall, there is a reasonable pool of experience and skills within the

Eastern Hokianga for participants to draw upon to assist in business tourism development. In the late 1990s, Enterprise Northland began promoting the whole region. Enterprise Northland and individual participants have assisted with redeveloping the regional image and they have begun to create a positive awareness about the area. However, there is still much outdated perception within the tourism sector in the Bay of Islands. Participants throughout the three communities generally did not actively promote their own business. Joint promotion has been explored as a technique by a few participants in the Eastern Hokianga. One participant in Rawene has done a lot of work with the press through her personal contacts. Both Kohukohu and Rawene have their own websites and brochures; these were initiatives of community members. Also, several participants advertise individually through other tourism methods.

CHAPTER 6: DISCUSSION - RURAL TOURISM DEVELOPMENT IN THE EASTERN HOKIANGA AREA

6.1 INTRODUCTION

This chapter discusses the empirical findings in the Eastern Hokianga, in connection with the area's background and the rural tourism development literature. Firstly, the existing situation of rural tourism is discussed and compared with the ideas from the literature. Secondly, an examination into the Eastern Hokianga businesses and a discussion of economic and social impacts of rural tourism development is presented, and then related to the literature. Thirdly, the approaches of rural tourism development are examined by being analyzed in relation to approaches that are currently being undertaken in the Eastern Hokianga. This is an adapted integration of the three key approaches, governmental, integrated and community, as defined in the literature. Lastly, the challenges of rural tourism development for the Eastern Hokianga area are analysed. This will highlight the strengths and weakness of the approaches that are employed in the Eastern Hokianga and identify any gaps in the literature.

Following the grounded theory approach, this chapter reflects a discussion of the research participants' 'own' perspectives, which have been grounded by recurring themes. These themes were then categorized in relation to the literature. The literature was then rewritten to conform to the data, to allow for a thorough analysis.

6.2 THE RURAL TOURISM CONCEPT

The literature contains many concepts of “rural”. Rural areas have been identified by traditional social structures, land use and economy, population density and the settlement size (Lane, 1994). The Eastern Hokianga definitely fits with the rural concept as it is sparsely populated with a density of population lower than one per square kilometer. (<http://wikitravel.org/en/Hokianga>). Sharpley and Sharpley (1997) suggested rural areas typically are still less materialistic, slower paced and stronger in community than their urban neighbors. This is evident in the Eastern Hokianga as life in the area is slower paced with a lack of commercial activities, a lack of operating businesses, a low population and a high level of unemployment. All three townships had a sense of community with various support on offer through working relationships and community organizations by businesses and residents.

Rural tourism has been defined by attractions which include: retail outlets, vineyards/wineries, gardens, heritage products, and cultural products (Warren & Taylor, 1999). The major representation of rural tourism in the Eastern Hokianga was retail outlets, which Warren and Taylor (1999) classified as an ‘attraction’. However, the majority of these businesses also cater to the local market. One example is the local convenience store. Therefore, according to this research, retail outlets can assist to defining rural tourism for the Eastern Hokianga. Rural tourism has also been defined by the range of accommodation providers - B&Bs, apartments, rural hotels, guest houses, camping grounds, second homes, farmstays, and homestays (Oppermann, 1996). This definition matched well with the Eastern Hokianga because twenty-eight percent of businesses offered accommodation. This definition was the most appropriate as the accommodation providers catered specifically to the tourism market. However, Oppermann did not include backpacker accommodation in his definition, excluding one of the accommodation providers in the area. The businesses in the Eastern Hokianga did not relate well either to Page and Getz’s (1997) definitions of rural tourism or with Sharpley and Sharpley (1997) leisure tourism definition or Warren and Taylor’s (1999) definition. These definitions stress certain types of activities - farm tourism, agritourism,

nature tourism, ecotourism and leisure tourism. The Eastern Hokianga is an extremely rural area and requires more activity/attraction - based products to be able to further meet the definitions of a rural tourism destination.

6.3 IMPACTS OF RURAL TOURISM

In spite of the above, the Eastern Hokianga economy is displaying positive impacts from rural tourism development. The area is experiencing economic growth, with sixty percent of the participating businesses entering the area within the last five years. In line with Sharpley and Sharpley (1997), new businesses have been attracted to the area, creating a demand for local products and supplies, and these have provided employment opportunities. These local products and supplies include arts and crafts by residents, local produce and products available at current convenience stores. Rural tourism is offering an income to small businesses in the Eastern Hokianga that otherwise would not exist, giving economic benefits to local businesses, both directly and indirectly. These economic benefits can further be explained as direct benefits through providing income and indirectly through the income being spent within the area. Although the new businesses have only accounted for eight percent of the businesses employing staff, they demonstrate economic growth, a reduction of unemployment for the area, and potential for the future. Altogether, thirty-two percent of the businesses in the Eastern Hokianga employ staff, creating an income for residents. In an area that has high unemployment this thirty-two percent is significant as it is employing local residents. This creation of income is largely attributed to the established businesses of over ten years, which represent seventy-five percent of the businesses employing staff. As yet the employment levels are too low to build up the key social benefits linked to rural tourism development of reduced out migration as residents still need to seek employment out of the area. Although new businesses are entering the area, there is still a low number of businesses operating, thus, can not as yet encourage repopulation through employment. There is evidence of social improvement, through the revitalization of local crafts, with a few businesses selling local arts and crafts. Cultural identities are expressed through these crafts and businesses have a strong sense of their cultural difference and their pride in

being “uniquely Hokianga”. The businesses also provide an avenue for increased social contact and exchange with travelers through the area and also local residents.

Principal economic disadvantages in rural situations discussed in the literature consist of leakages, volatility, declining multipliers, low pay, imported labor, conservatism by investors, unbalanced income, and employment distribution (see Table 3.2). Generally, small businesses don't “leak” much. As the businesses are locally owned they are providing an income for local residents. Leakages will occur through the sourcing of products or furnishings that are within the businesses. For example, the local café is unable to source all their products from within the area and buy from elsewhere in Northland. As the area has been classified as economically depressed, volatility is not occurring as the area is still unstable in comparison to others. The isolation of the area allow for higher multipliers with residents buying from the local businesses. This is a result of the cost and time involved for residents to travel to other areas. For example; it takes thirty to forty minute drive to the nearest supermarket outside of the North Hokianga. As sixty percent of the businesses in the Eastern Hokianga are small and self-managed they do not have to pay wages. Also, employment distribution is not unbalanced as the employment levels are low and is predominantly service providers. There is no need to import labor, because at present the thirty-two percent of the businesses employ staff locally.

The social disadvantages of changes in community value systems, individuals' behaviour, family relationships, collective lifestyles, disruption of the social structure and traditions (Smith & Krannich, 1998, citing Milman & Pizam, 1988) are not apparent as tourism is still in the developing stage. Community value systems are still strong and this was evident with the bridge submission, with members of the towns strongly voicing their concerns on the impact the infrastructure would have on their communities. Different towns discussed different individual behaviors and collective lifestyles. Predominantly, the decision to operate in the Eastern Hokianga was a lifestyle choice by many business owners, who were attracted to the area for its natural appeal. There was no mention by participants of any changes to their lifestyles that have occurred through tourism within

the area. Individuals continue to be themselves, and this is evident in all of the towns. Social structures and traditions have not changed as tourism is not creating great wealth in the area, but is maintaining an income for most businesses.

As the Eastern Hokianga has low economic activity and low tourism development there are high expectations of tourism as noted by Page and Getz (1997, citing Johnson et al., 1994). The Eastern Hokianga at present does need to be aware of future social disadvantages that can occur with rural tourism growth. The community may become dependent on tourism for employment and sustaining local businesses within the area. Land prices may increase as travelers or foreigners invest in the properties, making prices too expensive for local residents. These properties may become second homes or holiday homes that may not be occupied throughout the year reducing the population and support of local services. Crime may increase as local residents may see travelers as easy targets for theft of personal belongings. Other antisocial behavior may occur such as racism, jealousy or unwelcoming and nasty mannerisms. Local residents may feel that there are too many visitors in favorable local environments, and congestion and crowding may occur if numbers increase.

Rawene and Kohukohu each account for forty-four percent of the tourism businesses in the Eastern Hokianga. Rawene has the highest percentage of businesses whose primary income is generated from tourism and has the highest representation of businesses that employ staff. Therefore, Rawene can be said to be receiving the greatest benefits of rural tourism development. This is because Rawene is only a twenty minute drive from the established tourism destination of Opononi/Omapere. Also the economic activity is higher because the local hospital is based there. Although Kohukohu has the same percentage of businesses as Rawene, they have a higher percentage of Rawene's businesses that are tourism related. Therefore, it has the highest level of economic activity for rural tourism. In contrast, no business in Horeke is currently able to sustain a primary income from tourism. This indicates the lack of impacts from rural tourism development, as there is minimal businesses in Horeke and the Eastern Hokianga.

With only a total of thirty-three tourism related businesses in the Eastern Hokianga, the economic impacts are present and limited to businesses providing income and employment. However, the low number of businesses and employment opportunities in Eastern Hokianga provide minimal negative impacts as the area is still in the initial development stage of rural tourism. This presents the challenge to the Eastern Hokianga of being actively involved in the strategic growth of the area. Community involvement will minimize the negative impacts that rural tourism growth can produce. There is also a governmental challenge to assist in the development of rural tourism in the township of Horeke, to create a greater demand to sustain the current thirty-three businesses in the Eastern Hokianga and to create business growth for the area.

6.4 APPROACHES TO RURAL TOURISM DEVELOPMENT

6.4.1 Strategic

Roberts and Hall (2001) describe how policy approaches can assist in developing rural tourism. These approaches need to address sustainability, relate practically to the rural area and focus on creating quality products and services. Enterprise Northland is the Regional Tourism Organization for Northland, which includes the Eastern Hokianga. In line with Roberts and Hall's (2001), Enterprise Northland has written a Tourism Strategy 2003-2008, and is aware of the numerous issues that surround tourism development. The policy aims to guide the development of tourism in the region and has key outcomes to allow for evaluating economic and social factors. A key strategy/initiative is their "Northland Naturally" website. Incorporated in the policy is the Activate Northland project, a one-off project to develop the capability and business performance of tourism operators in the region. The project focused on sustainability, and delivering sustainable tourism products/services. This was done through analyzing the businesses' current situation, their ideal situation, and then identifying how to realize their ideal situation. Two research participants in the Eastern Hokianga were involved in the project. One participant acknowledged the benefits of being involved - increased understanding of how to improve areas of the business and construction of a strategic plan. The other

business did not find there were any benefits; involvement did not produce any new discoveries for the owners. Although the project may have been successful for Enterprise Northland, for the Eastern Hokianga region it has had little overall effect, and, as the project has come to an end now, there are no clear avenues for businesses to develop capability and development in the future.

The TTMCA is the Maori Regional Tourism Organization and plays a similar role as Enterprise Northland, focusing on the same geographical region. The TTMCA has considerably fewer members and less funding. To date, the organization has not begun any initiatives or produced any policy guidelines. From the point of view of this research, the TTMCA does not play a policy role in rural tourism development for the Eastern Hokianga. Without clear policy guidelines the TTMCA does not have clear evaluation instruments to measure economic and social factors. Only two participants in the area are members, one of whom is unclear as to the organization's role.

Hall (2001) suggests that communities need support and participation from local government. This includes funding, infrastructure, maintenance, and education. At present, Enterprise Northland has a few education provisions; these include the capability and sustainability programs and the business mentoring program. These are on a one-to-one basis with participants. However, there has not been a strong engagement of these programs from Eastern Hokianga participants. Enterprise Northland has also run workshops on specific technical business aspects. The workshops, which are group-oriented, have had greater engagement from the participants, although some participants felt the workshops were for bigger and better established businesses. The TTMCA also runs group workshops for their members which one participant in the Eastern Hokianga has attended.

Two main challenges that were expressed by Eastern Hokianga businesses were accessibility and financing. There has been no specific infrastructural development for the Eastern Hokianga area and although the bridge initiative opposed submissions were

supported by Enterprise Northland, these were community initiatives, not government directed. Neither Enterprise Northland nor TTMCA allocate funding or financing to businesses in the region. This presents a gap in the strategic focus on the governments' assistance to rural tourism development in the Eastern Hokianga.

Page and Getz (1997) suggest there needs to be a good fit between demand and supply, industry involvement and good management systems. Enterprise Northland and the TTMCA are playing an active role in marketing by creating and managing a database of the tourism businesses to give the organizations a good understanding of their regional supply of tourism products. However, there is currently not a good fit between demand and supply in the Eastern Hokianga due to the lack of activity based products.

Enterprise Northland also has a research initiative to collect information on the market to make available to participants through their website. This is to enable businesses to better understand their markets' needs and develop their products and services accordingly. Thus, Enterprise Northland is providing good regional information and technical assistance through their websites. Neither of the organizations discussed any monitoring through impact research. This may be because there are minimal impacts of rural tourism development in the Eastern Hokianga at present.

Participants at present are dissatisfied with the tourism information centre in the Bay of Islands and Omapere. Accessible information centres are another tool for creating an integrated approach. The information centres are accessible but they are inadequate to the needs of the Eastern Hokianga businesses because of the increased cost of advertising and poor representation by staff. There needs to be a greater level of coordination and integration into the area, as the information centres are a marketing intermediary for both travelers and the rural tourism business operators in the Eastern Hokianga.

6.4.2 Integration

The rural tourism literature asserts a community focus is important and that communities should be involved in their own tourism development (Roberts & Hall, 2001, citing Bramwell et al., 1996; Richards & Hall, 2000; Murphy, 1985; 1993; 1998; Taylor, 1995). Previous research conducted by the James Henare Research Centre has assisted in educating the Eastern Hokianga for the development stage of rural tourism planning. This has resulted in business interest identified in Hokianga areas and the desire of the community to become involved in rural tourism development. This also presents an acknowledgement of the integrated approach with Enterprise Northland supporting communities to come together and get involved in the direction of sustainable tourism development.

The field research showed that the Eastern Hokianga area participants definitely have involvement in the rural tourism development process. Kohukohu participants displayed the strongest sense of community. Participants were very proactive and vocal in the development of tourism. They are very aware of the changes that tourism can bring and are keen to protect their environment. In line with the growing amount of literature that specifies a community focus and community involvement in tourism development, the strong sense of community will assist in the development processes and create greater buy-in from local residents. This should result in greater local motivation, community pride and ensure preservation of traditional lifestyles and community values. However, as the community is very opinionated, this prevents consensus that in turn impedes development. Horeke participants also showed a strong sense of community through proactive approaches to development for their area that addressed issues such as accessibility and infrastructure. Because there are only four businesses in the town with complimentary tourism products, their individual agendas are similar. This assists in cohesive decision making and tourism development. Overall, Rawene displayed the weakest sense of community. There was an inability for businesses to work together; this has hindered tourism development progress. Rawene has the highest number of tourism businesses, offers the most products, and is the most accessible. Rawene has the ability to

progress further; however, the towns development is hindered by the lack of business cohesion. There is definitely room for improvement in the area of networking, and in increasing the pooling of resources and collaborative marketing techniques to entice greater visitor numbers and possibly increase length of stay and visitor spending in the area.

Murphy (1985) proposed a community approach to tourism development that includes formation of business networks, and the sharing of resources and information. Networks provide linkages and assist small business development (Roberts & Hall, 2001). For rural tourism to be successful, collaboration needs to exist amongst entrepreneurs (Wilson et al., 2001). Generally the businesses within each town refer travelers to other businesses within their area. This networking primarily involves referring tourists to other businesses once they are in the area. Some businesses have undertaken collaborative marketing but this is not frequent. Each of the three communities displayed a different culture and a different sense of community. There is not a strong inter-town relationship.

The most effective networking is made through the Hokianga Tourism Association. This was a community initiative with high participant involvement within the areas. Here businesses discuss strategic issues and marketing decisions through meetings and forums for the entire Hokianga region. A representative from Enterprise Northland is present for an integrated approach for both private individual business and political linkages. Through the Hokianga Tourism Association there is definitely an integrated approach to rural tourism development with private and public representation. Enterprise Northland representatives attend the meetings and pursue community issues. Participants, through a united and collective voice, are able to put forward issues of the community to Enterprise Northland and the Regional Council. Enterprise Northland's involvement in the association allows for political linkages and stronger political clout. It also creates a forum for an awareness of everyone involved to discuss regional issues. The Hokianga Tourism Association the Eastern Hokianga has submitted a proposal to reinstate the bus service which has support from Enterprise Northland. This is an example of an initiative

to achieve collaboration and vertical integration at a community level for planning at the local and broader levels, as suggested by Roberts and Hall (2001).

There is a reliance on the Hokianga Tourism Association as businesses are not actively seeking cohesive working relationships with other businesses outside the association. Furthermore, with only twenty -five businesses between the three townships, the product offering is limited in comparison to competing destinations. The communities need to improve relationships and work collaboratively to build the total product package. This is especially true for the township of Horeke, with the least number of businesses and greatest issues with accessibility. The Hokianga Tourism Association also encourages horizontal integration as the businesses discuss issues that affect the broader Hokianga area. With a good representation from participant businesses, awareness is created of the tourism situation and challenges businesses face of rural tourism development in the broader Hokianga. This is very important for the Eastern Hokianga, as, at present, businesses are not networking with other businesses outside of their township. Thus, without the Hokianga Tourism Association, participants in the Eastern Hokianga are isolated from the broader Hokianga region about rural tourism development issues. There was very little discussion by participants regarding integration tourism with other industries. This is an area that requires further exploration.

The TTMCA has ceased involvement with the Hokianga Tourism Association which has reduced the level of involvement with the Eastern Hokianga communities. They are not well integrated with the community, with government bodies or with industry. The association's relationship with Enterprise Northland is weak, inhibiting rural tourism guidance from a coordinated effort. Of the two participants in the area who are registered with them, one expressed their dissatisfaction with the association. This is an area of concern for the organization if it wants to assist in the development of rural tourism in the Eastern Hokianga. There needs to be a more integrated approach with the community, Enterprise Northland and other supporting agencies.

There are other associations with whom members of the communities are involved. Although these associations assist the business participants with marketing their businesses to travelers, they do not play as significant a role in integrating rural tourism development as does the Hokianga Tourism Association.

In line with the literature there are definitely positive integration methods occurring in the Eastern Hokianga. There is good community involvement in rural tourism development. The Hokianga Tourism Association has the strongest role in integration by providing an opportunity for Eastern Hokianga participants to integrate with the wider Hokianga area and Enterprise Northland. The barriers to integration for the Eastern Hokianga are the lack of cohesiveness within Rawene and the inter-town relationships. In order to develop rural tourism the towns need to work together to offer a greater product package. As an RTO, the TTMCA needs to have greater participation and involvement with the community, whereas Enterprise Northland currently provides mediation and vertical integration through the Hokianga Tourism Association.

6.4.3 Clustering

Roberts and Hall (2001) suggest that rural tourism development policy approaches require intra-and inter-regional complimentaries. Page and Getz (1997) suggest that rural tourism development needs a complete tourism package involving businesses and the community. Briedenhann and Wickens (2004) suggest that clustering a range of activities and attractions stimulates integration between local areas. To achieve this requires user-friendly signage, accessible information offices and a range of activities to secure business in less developed areas. Enterprise Northland has implemented clustering initiatives that create inter-and intra-regional complimentaries. These major ones are the Twin Coast Discovery Route, and activities that help create total product packages. The TTMCA have no clustering initiatives. This section will discuss Enterprise Northland's techniques.

The development of the Twin Coast Discovery Route is a significant clustering achievement. In line with Briedenhann and Wickens (2004), this route was created to

disperse tourists and spread economic benefits. The route is aimed at achieving long term sustainable growth for small and medium enterprises (SMEs) within the connecting communities (Northland Tourism Strategy, 2003-2008). It has been a successful initiative for the region and has made a noticeable impact on Rawene and Kohukohu. The majority of the businesses in these areas have stated they have noticed an increase in travelers since the initiative began. Feedback is very positive from these towns. Unfortunately, Horeke is not on the highway and therefore has not seen the benefits. Feedback, as expected, was negative. This again highlights the isolation of this township and presents a challenge to establish greater accessibility so as to be equal with the other towns in the Eastern Hokianga.

In line with Briedenhann and Wickens (2004), Enterprise Northland's goal in clustering is to encourage businesses to work better together to package and sell their destinations better than they have been doing. This is done indirectly through supporting tourism associations. In the Eastern Hokianga this is the Hokianga Tourism Association. However, this approach appears inadequate because currently the total product package in the Eastern Hokianga area is insufficient. All three communities and Enterprise Northland expressed the need for activities within their areas, which at present are lacking. With low visitor numbers it is difficult for activity based businesses to sustain themselves on an annual basis, especially during the winter. Participant 19 acknowledges that currently his attractions' lack of opening hours to an extent is limiting the area. With attractions in two of the towns operating on limited opening hours, they are not offering a good service. Nevertheless, at present the visitor numbers do not justify increased opening hours. This contributes to the low service standards of the total product package. With a limited product offering, businesses are dependent on each other to offer a total product package. An additional clustering initiative Enterprise Northland has implemented across the Northland region is the art trail that clusters businesses around an art theme targeting the art market.

Hall (2001) suggests a complete tourism package involving community area and businesses. Enterprise Northland has attempted this approach by creating an annual

yearly event. Enterprise Northland has created the “Kauri Festival” that consists of a range of activities across the region. As Enterprise Northland is very aware of the seasonal effects on the Northland region, this is implemented during the winter season with an aim to increase visitor numbers. Kohukohu has participated in this event and participants were pleased with the outcome. There is also the Country Music Festival which is an annual event run by a volunteer service. This is not an initiative that has been created for tourism development rather by country music enthusiasts celebrating country music. The event has a large following. Each community has also individually attempted a clustering initiative by undertaking an event. Rawene has held a “Kawahaka Festival”, a Kohukohu participant implemented a “Matariki event”, and Horeke has implemented a “Treaty Signing” event. Events are an effective approach to creating a package that also involves businesses and the community area. Holding events, as a rural tourism development method, has not been discussed in the rural tourism literature and is an area that can further be researched as a rural tourism development method.

6.4.4 Regeneration

Roberts and Hall (2001) suggest rural tourism development policy approaches require regeneration/revitalization activities. In an area that is not developed in tourism but where natural resources are plentiful, it is difficult to determine how regeneration/revitalization would occur. Perhaps this could be interpreted as the revitalization of Maori culture and traditional rural practices? However, no regeneration approaches were mentioned by the Eastern Hokianga participants. Perhaps regeneration/revitalization can be an area of future development to create activities within the area based on cultural practices. Page and Getz (1997) suggest ongoing community development and creating public parks and reserves. Each of the communities has been proactive in community development with the creation of events, local activities and groups, and the creation of community websites and maintaining their environment. Lastly, Briedenhann and Wickens (2001) suggest the development of ancillary services. These have been addressed through community initiatives with the focus on providing for both residents and visitors.

Therefore, these are not imperative issues as none of the interview participants mentioned ancillary services during the field research.

6.4.5 Financing

There hasn't been a strong emphasis on financial assistance as a development approach in the literature. Wilson et al., (2001) suggest that for tourism to work there needs to be sufficient funds for tourism development. In line with Wilson et al., (2001), the previous reports on the Hokianga by the James Henare Research Centre (1997-1999) identified the lack of capital as a critical constraint for the area. This was not the view of Enterprise Northland, which has seen a lot of investment in the Northland region coupled with the growth of visitor arrivals. This however, was not represented in the Eastern Hokianga. Finance is identified as a constraint by the TTMCA and from business participants within the area. Participants in all three areas expressed the lack of finance for business development. They would like to see increased levels of financing for marketing initiatives, employment, investing in product development, and raising service standards. For example: three of the new businesses to the area are staffed by volunteers and financial assistance may help to provide an income.

6.5 CHALLENGES TO RURAL TOURISM DEVELOPMENT

6.5.1 Government's Role

The OECD (1994) stated that, in general, tourism plans fail to address economic and social implications of rural tourism development. Long and Nukolls (1994) suggest that planning strategies that fit the local situation and leadership are key factors. In line with the OECD (1994), both Enterprise Northland and the TTMCA aim to address these issues. Enterprise Northland, through its Northland Tourism Strategy 2003-2008, demonstrates industry leadership. This strategy has a range of different initiatives to implement the policy's objectives, addressing tourism development in both rural and urban areas. The TTMCA is recognized as the Maori Regional Tourism Organization.

They do not have a guiding policy and have limited tourism development initiatives. Both RTOs appear to have initiatives that overlap and a challenge here is to create a greater working partnership to offer a range of initiatives that complement each other to offer greater assistance in tourism development for the region.

Only fifty percent of participants in the Eastern Hokianga are aware of Enterprise Northland's role in rural tourism development for the region. This awareness needs to increase to utilize Enterprise Northland's services. There was a feeling amongst a few participants that their focus was predominantly based on the Bay of Islands area and that the Hokianga was not assisted enough. Rawene participants who were aware of the services did not have strong engagement. Therefore, a challenge for Enterprise Northland is to educate participants in the Eastern Hokianga on the tourism development initiatives they provide. As Enterprise Northland's scope is the Northland region, including areas that are already established tourism destinations, a separate strategy may be required for rural areas such as the Eastern Hokianga which has different needs and issues. However, The Twin Coast Discovery Route has been a successful initiative with positive feedback from Rawene and Kohukohu participants. Also, a participant from each of the communities partook in Enterprise Northland's capability programme, and gave some positive feedback about the experience.

6.5.2 Accessibility

In line with Page and Getz's (1997) definition of "rural", the Eastern Hokianga area is geographically dispersed with sparsely populated areas and conceptualized in terms of peripheral remoteness. Alexander and McKenna (1998), suggest infrastructure is a challenge for rural tourism development and Page and Getz (1997), state that there needs to be adequate accessibility.

Infrastructure is an issue that has not been addressed by an initiative through Enterprise Northland or the TTMCA. Although Enterprise Northland established the Twin Coast Discovery Route, this created awareness in the market from better signage and marketing, but did not increase accessibility through physical infrastructural improvements.

Consistent with Wilson et al., (2001), and previous reports (Singh, 1999), the Eastern Hokianga participants have described accessibility as a disadvantage to their communities and expressed the need to develop infrastructure. This presents challenges that need to be addressed by the RTOs.

Horeke is faced with serious roading issues and requires a tar sealed road that connects to State Highway 12. This is a grave concern for Horeke participants and community associations. As a united community, Horeke has presented submissions to the Far North District Council, but to date the submissions have produced no results. Secondly, there is no public transport system in the Eastern Hokianga. As a result, the Eastern Hokianga is only accessible to travelers who have a private vehicle. However, the metal road is a deterrent for travelers who are using a rental vehicle, as rental insurance does not provide cover on gravel roads.

A bus service may improve accessibility to the Eastern Hokianga and attract tourists from other destinations by offering an alternative transportation service to a private vehicle. However, as the area is geographically dispersed this service may assist travelers to reach the area, but will not assist travel between the three towns. However, the possibility of a bus service may allow for “Hokianga day trips” to be created, thus, increasing the accessibility from the Bay of Islands, which is an established tourism destination. This would create a total product package to entice travelers to visit the area.

There is limited infrastructure at present to access the Hokianga harbour. Fifty percent of the wharves in the Eastern Hokianga are deemed unsafe. These unsafe wharves are located in Kohukohu township and Horeke (nearby the historic attraction). The accessible wharves are located in the Rawene and Horeke townships. As there is limited harbour activity at present this is not a pressing challenge to the community. However, as the Eastern Hokianga is a one hour drive from the popular marine destination Bay of Islands, having adequate wharves may attract travelers with boats to the area. Furthermore, the harbour is a natural tourism feature that is underutilized and can be developed to increase the product offering in the Eastern Hokianga. As historically transportation within the

area occurred on the harbour, this could be regenerated to increase accessibility for both travelers and residents.

The ferry service between Rawene and Kohukohu is perceived as inadequate. Dissatisfaction was expressed about the ferry operating for only limited hours (every half hour twelve hours a day), the absence of an Eftpos machine, and the high cost. A proposal to build a bridge to eliminate these dissatisfactions was strongly supported by Horeke residents as the bridge would link their town to the rest of the Hokianga. This would have reduced the isolation of the Horeke community, and possibly allowed for the road to be tar sealed. However, the submission was strongly opposed by residents in Kohukohu and Rawene, who would lose traffic from alternative non-paying route, and a lobby group was formed that came up with other options. An alternative that was supported by a few participants was an improved ferry service using cable ferries, which could service other towns and thus increase the accessibility. The provision of a cable ferry was a very good idea and could offer a range of positive impacts for tourism. There would still be the unique tourism feature of a ferry service facilitating the Eastern Hokianga. The service would be improved by servicing a greater number of townships, which includes Horeke, reducing the level of isolation there. The expense would be less than the expense of building the bridge infrastructure. And a cable ferry would not have the visual pollution the bridge would create on the harbor and on the natural attractiveness. If the ferry service was intentionally funded as a tourism attraction, this could decrease the cost of the ferry and increase accessibility for the area for both residents and travelers.

Infrastructure and accessibility are definitely challenges for the Eastern Hokianga. The RTOs are presented with multiple challenges as identified by the participants. The accessibility of Horeke needs to be addressed, in particular the tar sealing of the road. The ferry service needs to be addressed which at present is inadequate and possibly hindering the areas' growth. The wharves are inadequate and there is no public transport system.

6.5.3 Education and Experience

Shapley (2000) states that, for rural tourism to develop, there needs to be a level of skills and experience available. The primary industry has been agriculture, there needs to be an adaption to a service role (Sharpley & Sharpley, 2000). Alexander and McKenna (1998) and Page and Getz (1997) suggest that for rural tourism to be successful there needs to be education and training initiatives, expertise in labor and management, and professional development coordinators. Sharpley (2000) further suggests there needs to be skills available for effective marketing. In line with the literature, the James Henare Research Centre's reports in all areas highlighted the need for education, noting that businesses in the rural areas are essentially amateur, and are frequently lacking in business skills (Singh, 1999; Forer & Page, 1999).

In the Eastern Hokianga fifty percent of the participants reported having a range of business experience and other professional experience. With half of the businesses stating previous business experience, these participants have already developed skills for working in a service role and have acquired skills in labor and management. The participants have demonstrated that they have skills available for effective marketing with the creation of marketing techniques within their townships. These marketing techniques are development of individual town websites, the creation of events, the re-branding of the Hokianga and public relations through the media. Furthermore, these initiatives have been created with a community approach to create benefits for the towns and not just for individual businesses.

Enterprise Northland has had a few education and training initiatives for the Eastern Hokianga. The Activate Northland project consisted of businesses having a professional development coordinator who has expertise in tourism, working with the individual businesses to develop their business with a strategic direction. This project allowed the individual businesses to develop their own professional skills with the support of the professional development coordinator. This is similar to the mentoring programme where businesses focus on a key area that they would like to improve. The business owner is referred to a business mentor who assists the business person with clear guidelines and

support. Once again, this initiative enables the business person to develop specialized business skills with the support of their mentor. Enterprise Northland also facilitates workshops for training and educating businesses. Here the focus is not on the individual businesses, but delivering training on a specific business aspect where there has been an expressed common need. These are optional for the businesses and a few participants in the Eastern Hokianga have partaken in them, with mixed feedback. Enterprise Northland's education initiatives are optional and are the businesses' choice whether or not to utilize their services.

In contrast with Singh (1999) and Forer and Page (1999), the businesses in the Eastern Hokianga are not essentially amateur, and have developed business skills from previous experience. Yet there is room for improvement. Enterprise Northland is meeting this challenge through the Activate Northland project, business mentoring program, and delivering specific business training through workshops. As the majority of participants in the Eastern Hokianga have experience in business or other professional experience the initiatives supplied by Enterprise Northland are adequate.

6.5.4 Adequate Financing

The literature suggests that financing, working capital funds or significant investment may be required when attempting rural tourism development (Sharpley, 2000; Page & Getz, 1997). Although the literature suggests financing as a challenge, there is little emphasis on financing in the rural tourism development approaches. In line with the literature, the James Henare Research Centre reports highlighted the lack of capital as a critical constraint (Singh, 1999). Financing was also expressed by the TTMCA as a barrier to tourism development.

The participants in the Eastern Hokianga area stated that financing was predominately through personal finances and covered basic operational costs. It was difficult to afford to employ staff or pursue business development financially. Furthermore the Eastern Hokianga was highly affected by seasonality which meant the summer season needed to

finance the winter season. This is a reason expressed by an activity in the area why there is a lack of other activity businesses in the area. Financially with the low numbers it is difficult to sustain a business. This may be a challenge that may require investment, to assist with financing activity/attraction based products which has been expressed as a weakness in area. This will assist the area to develop the total product package.

Enterprise Northland has noticed an increase in investment within the Northland region and in the Hokianga. However this is not realized in the current businesses in the Eastern Hokianga. Neither, Enterprise Northland or TTMCA have funding available for rural tourism development, therefore, in line with the literature, financing will continue to be a challenge for rural tourism participants in the Eastern Hokianga.

6.5.5 Marketing

Wilson et al., (2000) suggest that rural tourism development requires promotion. Sharpley (2000) and Alexander and McKenna (1998) recommend that challenges for rural tourism development include having marketing activities, resources available for effective marketing, and methods of market analysis.

The communities of Kohukohu and Rawene have taken a proactive community approach by developing a brochure and a website for their townships. The coordination for the websites and brochures were less effective in Rawene, with less buy-in and less support by the Rawene businesses. Horeke does not have a community website. However, as there are only four tourism products in the area they haven't sufficient products to warrant a community website. The Hokianga Tourism Association also provides a website for their members that participants from the three communities use to promote. This website incorporates the Hokianga region, thus, integrating the Eastern Hokianga with wider product and marketing strategies.

Aside from the websites and brochures, there are very few instances of joint promotion through other promotional methods undertaken by participants. With five websites that service the area there is not a great need for businesses to individually promote

themselves. Although an individual website is also a favorable method of advertising, with many linking to the community websites. All together the internet was expressed as the most effective and favorable form of promotion. The traditional and powerful word of mouth is still a popular method of advertising for all communities and is effective with three businesses being recommended by the popular *Lonely Planet Guide*.

In line with Sharpley (2000) and McKenna (1998), Enterprise Northland plays a very active role in promoting the Eastern Hokianga. They have a range of marketing activities, skills, and resources available for effective marketing. As suggested by Page and Getz (1997), Enterprise Northland has incorporated the Eastern Hokianga with wider product and marketing strategies. Firstly, through the Twin Coast Discovery Route, and secondly through the “Northland Naturally” website managed by Destination Northland. The TTMCA also has an internet site that promotes members; it will link with Enterprise Northland. These websites incorporate the Northland region, enabling the Eastern Hokianga to promote its products alongside the established destinations of the East and West Coasts.

As an important marketing challenge, the participants expressed the need to create a positive distinct image that is unique to the Hokianga. There was definitely a desire from participants to overcome the negative image of the Hokianga. One participant has been successfully promoting the region through promotional media and has received reviews in well known magazines that recommend a visit to their business and the Eastern Hokianga. A challenge is to educate the Bay of Islands residents of their outdated perceptions. As a neighboring tourism destination, it is important they are promoting the Eastern Hokianga positively.

In line with the literature, there is definitely promotion occurring in the Eastern Hokianga with a range of marketing activities. Enterprise Northland has a range of marketing initiatives for Eastern Hokianga businesses to effectively promote themselves. This includes marketing with tourism businesses in the broader region. There are also a range of community marketing initiatives that are available within the area that the community

has implemented. The greatest marketing challenge the Eastern Hokianga face at present is the need to create a positive image of the Hokianga.

6.6 SUMMATION

The businesses in the Eastern Hokianga can be defined by three major business activities - retail outlets, accommodation, and activities/attractions. However, the majority of the retail outlet businesses cater to the local market, for example, the local tavern. Can retail outlets assist in developing rural tourism for the Eastern Hokianga? The Eastern Hokianga is more rural than the rural definitions as described in the literature. Accordingly, the Eastern Hokianga is an undeveloped area and requires more activity/attraction based products before it can be considered as rural as the writers of rural tourism literature assume a destination to be.

The Eastern Hokianga economy is displaying positive impacts of rural tourism development. The area is experiencing economic growth, thus, creating a demand for local products and supplies, and provided employment opportunities. The Eastern Hokianga is still in the initial development stage of rural tourism development. With a total of only twenty-five businesses in the Eastern Hokianga, the economic and social benefits are minimal but still important. Employment levels at present are too low to create the key social benefits of reduced out-migration, or of encouraging repopulation, and social improvement. There is evidence of social improvement, through the revitalization of local crafts and cultural identities and there is increased social exchange through the new businesses. Rawene has the highest level of economic activity, yet with a limited number of businesses and employment opportunities, there are minimal negative economic and social impacts. The Eastern Hokianga participants have the challenge of being actively involved in the strategic growth of the area. This will assist in minimizing the negative impacts that rural tourism growth can produce. This presents challenges to the governing agencies - to assist in the development of rural tourism in the township of Horeke, to create a greater demand to sustain the current twenty-five businesses in the Eastern Hokianga, to assist in business growth for the area.

There is definitely a strategic focus on tourism development in the Northland region through the efforts of two recognized Regional Tourism Organizations (RTOs): Enterprise Northland and Tai Tokerau Maori and Cultural Tourism Association (TTMCA). Both RTOs appear to have initiatives that overlap and a challenge here is to create a greater working partnership to offer a range of initiatives that complement each other to offer greater assistance in tourism development for the region. There is evidence that Enterprise Northland actively supports and participates in the development of tourism in the Eastern Hokianga. The TTMCA is not as active, but both Enterprise Northland and the TTMCA are playing an active role in marketing. Enterprise Northland is providing good regional information and technical assistance through their websites. Neither of the organizations discussed any monitoring through impact research. However, as tourism is still in the development stage, impacts are minimal. The literature suggests rural communities need accessible information centres. Eastern Hokianga Participants at present are dissatisfied with the information centres in the Bay of Islands and Omapere. No regeneration approaches were described by the interview participants. However, no Eastern Hokianga participants discussed ancillary services during the field research and it can be assumed that these facilities are adequate at present.

Integration is occurring within the communities and with other communities and Enterprise Northland. The Eastern Hokianga area participants definitely have involvement in the rural tourism development process. This should result in greater local motivation, community pride and ensure preservation of traditional lifestyles and community values. Kohukohu and Horeke displayed a strong sense of community, leaving Rawene the weakest. As Rawene has the highest number of tourism businesses, and is the most accessible, they should have progressed further. This research suggests development is hindered by the lack of business cohesion in their area. Networking primarily involves referring tourists to other businesses once they are in the area. There is not a strong inter-town relationship and most effective networking is made through the primary association; Hokianga Tourism Association. This results in a heavy reliance on the association as businesses are not actively seeking cohesive working relationships with

other businesses outside the association. This was a community initiative with high participant involvement within all three areas. Here businesses discuss strategic issues and marketing decisions through meetings and forums for the entire Hokianga region. The Hokianga Tourism Association is well supported by participants of each area and Enterprise Northland, but not TTMCA. Thus, without the Hokianga Tourism Association, participants in the Eastern Hokianga are isolated from the broader Hokianga region on rural tourism development issues. Other associations are within the community. National and international organizations, however, are not as significant to rural tourism development in New Zealand.

Enterprise Northland has implemented clustering initiatives that create intra and inter regional complimentaries. These are primarily the Twin Coast Discovery Route and total product packaging. The TTMCA have no initiatives that address regeneration. The development of the Twin Coast Discovery Route is the most significant clustering initiative of Enterprise Northland. It has been a successful initiative for the region and has made a noticeable impact on Rawene and Kohukohu. At present the total product package is insufficient in the Eastern Hokianga with all three communities and Enterprise Northland has expressed the need for more activities. However, with low visitor numbers it is difficult for activity based businesses to sustain themselves during the seasons; especially during the winter. The importance of total tourism packages for rural tourism development is another area that needs further research. Additional clustering initiatives Enterprise Northland has implemented across the Northland region are the art trail and Kauri event. Events as a rural tourism development method for rural tourism hasn't been discussed in the rural tourism literature and is an area that can further be researched as a rural tourism development method.

A few challenges were identified for Enterprise Northland: (1) to educate participants in the Eastern Hokianga of the tourism development initiatives they provide; (2) to create a rural tourism development policy for rural areas such as the Eastern Hokianga; (3) to improve accessibility for the Eastern Hokianga area. Accessibility has not been addressed

by an initiative through Enterprise Northland or the TTMCA. This produced many challenges from Eastern Hokianga participants. Firstly, Horeke is faced with serious roading issues. Secondly there is no public transport system in the Eastern Hokianga. Thirdly, fifty percent of the wharves in the Eastern Hokianga are deemed unsafe. A challenge for the RTOs is to reduce people's dissatisfaction with the ferry service and create greater access between the two communities who are incorporated in the Twin Coast Discovery Route. Enterprise Northland is meeting this challenge through the Activate Northland project, business mentoring programme, and by delivering specific business training through workshops. As the majority of participants in the Eastern Hokianga have experience in business or other professional experience, the initiatives supplied by Enterprise Northland are adequate.

Enterprise Northland, the TTMCA, the Hokianga Tourism Association, and communities are actively promoting the Eastern Hokianga. With five websites servicing the area there is not a great need for businesses to individually promote themselves. What has been expressed by participants as an important marketing challenge is the need to create a positive distinct image that is unique to the Hokianga. Furthermore, a challenge also arises to educating the Bay of Islands operators of their outdated perceptions. As a neighboring tourism destination, it is important they are promoting the Eastern Hokianga positively.

Lastly the challenge of financing was identified as a constraint by the previous research, TTMCA and from business participants within the area. Neither Enterprise Northland nor TTMCA have funding available for rural tourism development. Therefore, financing will continue to be a challenge for rural tourism participants in the Eastern Hokianga.

CHAPTER 7: CONCLUSIONS

7.1 INTRODUCTION

This chapter closes the study of rural tourism development in the Eastern Hokianga area of Northland, New Zealand. Firstly, this chapter reviews the content of the thesis. Secondly, an examination of the objectives of the research is provided. Thirdly, a summary of the key research findings is presented, followed by a reflection of the methodology undertaken in this research. Lastly the implications of this research are presented.

7.2 APPRAISING THE THESIS ARGUMENT

This thesis has endeavored to examine the main rural tourism development approaches and identify pertinent issues in the context of the Eastern Hokianga area in Northland, New Zealand. This analysis has been substantiated in the thesis in several places. Chapter Three has presented a comprehensive overview of the literature covering the phenomenon of rural tourism development. Firstly, the concept of ‘rural tourism’ is defined and the reasons why development of the phenomenon has occurred. Then the three main rural tourism development approaches were identified and discussed in relation to the social and economic impacts and tourism development challenges. Based on a comprehensive treatment of rural tourism development theory, the researcher has examined many developmental aspects of rural tourism development in the Eastern Hokianga. Background research into the Eastern Hokianga area, presented in Chapter Four, highlighted the need for this research. The empirical findings presented in Chapter Five and the discussion in Chapter Six provided a thorough examination into the rural tourism situation. By following the grounded theory approach, the researcher was able to provide a detailed examination of the rural tourism development challenges from the perspectives of the participants.

The outcome of this research has two benefits; one academic, one practical. By applying the critical concepts this study generates a deeper understanding of rural tourism development, and brings new information and knowledge into the academic literature. This research presents an analysis of the progression of rural tourism development in the Eastern Hokianga and recommended approaches for the future. This information and recommendations can be used by the Northland regional development agencies and businesses in the Eastern Hokianga.

Lastly, it is interesting to conclude this chapter with the knowledge that there was very little research to date on the Hokianga area. The Hokianga is a rural area considered to be one of the poorest areas in New Zealand (Harrison, 2000). As rural tourism is increasingly viewed as a tool for economic and social development in rural areas, the Hokianga is a primary contender. Therefore, this research identifies a weakness in rural tourism research conducted in New Zealand at both the academic and industry level.

7.3 SUMMARY OF KEY RESEARCH FINDINGS

The aim of this thesis is to examine rural tourism development, particularly by focusing on the Eastern Hokianga area. The findings presented here contribute to the understanding of rural tourism development by examining rural tourism development approaches, impacts and challenges. The empirical data from the Eastern Hokianga area enriches the contribution to the literature by providing original knowledge and application of rural tourism development methods.

There are several key findings in this thesis. Firstly, there has been no research on rural tourism development conducted in the Hokianga area incorporating the Eastern Hokianga, in the Far North region of New Zealand. Although comprehensive research was conducted previously by the James Henare Maori Research Centre (1999), it was concentrated specifically on the “Maori culture”. Most of this research could not be applied to the general population of the area.

The first research objective was to apply the concept of rural tourism to the Eastern Hokianga. The businesses in the Eastern Hokianga can be identified by three major business activities; retail outlets, accommodation, and activities/attractions. However, the majority of the retail outlet businesses cater to the local market, for example the local tavern. Therefore, can retail outlets assist in conceptualizing rural tourism for the Eastern Hokianga? This requires further research as retail tourism may be a feature in rural areas that, to date, is not strongly represented in the literature. The Eastern Hokianga did not fit well with the majority of the rural definitions as described in the literature. This also presents a gap in the literature which requires further investigation. According to the literature, the Eastern Hokianga is an undeveloped area and requires more activity/attraction based products.

The second research objective was to examine the social and economic impacts of rural tourism development in the Eastern Hokianga. The Eastern Hokianga economy is displaying positive impacts of rural tourism development. The area is experiencing economic growth, thus creating a demand for local products and supplies. The Hokianga is also providing employment opportunities. The Eastern Hokianga is still in the initial development stage of rural tourism development. With a total of only thirty-three businesses in the Eastern Hokianga, the economic and social benefits are minimal but still important. Employment levels at present are too low to distinguish key social benefits of reduced out migration, or encouraging repopulation, and social improvement. There is evidence of social improvement, through the revitalization of local crafts, cultural identities and increased social exchange through the new businesses. Rawene has the highest level of economic activity. With a limited number of businesses and employment opportunities, there are minimal negative economic and social impacts. This presents the Eastern Hokianga participants with the challenge of being actively involved in the strategic growth of the area. This will assist in minimizing the negative impacts that rural tourism growth can produce. This presents challenges to the governing agencies; to assist in the development of rural tourism in the township of Horeke; to create a greater demand to sustain the current thirty-three businesses in the Eastern Hokianga; to assist in business growth for the area.

The third research objective was to examine the rural tourism development approaches applied in the Eastern Hokianga. A detailed examination was presented following the “integrated” approach to rural tourism development. These are: 1. Strategic, 2. Integration 3. Clustering 4. Regeneration and 5. Financing. A strategic approach was present with two regional tourism organizations (RTOs) for the Northland regions; Enterprise Northland and The Tai Tokerau Maori and Cultural Tourism Association (TTMCA). Enterprise Northland has adopted a strategic approach with a strong policy statement and a range of policy initiatives to facilitate the Northland region. The Tai Tokerau Maori and Cultural Tourism Association (TTMCA) does not have a strategic focus. Although this association plays a similar role to Enterprise Northland, the work it does is not recognized within the Eastern Hokianga. Therefore, it has an ineffective strategic approach for rural tourism development. The two Regional Tourism Organizations appear to have an ineffective relationship with similar initiatives. The TTMCA can address an area that is not addressed by Enterprise Northland to increase the strategic assistance of rural tourism development in the Eastern Hokianga. This is a rural tourism development challenge identified by this research. No regeneration approaches were described by the Eastern Hokianga participants. It can be assumed that these are not pressing issues and have been addressed within each community.

Integration is occurring within the communities, with other Hokianga communities and Enterprise Northland. The Eastern Hokianga area participants definitely have involvement in the rural tourism development process. This should result in greater local motivation, community pride and ensure preservation of traditional lifestyles and community values. Kohukohu and Horeke displayed a strong sense of community, leaving Rawene the weakest. As Rawene has the highest number of tourism businesses, and is the most accessible, the area should have progressed further with tourism development. This research suggests development is hindered by the lack of business cohesion in for the area. Networking primarily involves referring tourists to other businesses once they are in the area. There is not a strong inter-town relationship and most effective networking is made through the primary association - the (HTA) Hokianga

Tourism Association. This results in a heavy reliance on the association as businesses are not actively seeking cohesive working relationships with other businesses. This was a community initiative with high participant involvement within all three areas. Here businesses discuss strategic issues and marketing decisions through meetings and forums for the entire Hokianga region. The HTA is well supported by participants of each area and Enterprise Northland, but not by the TTMCA. Thus, without the Hokianga Tourism Association, participants in the Eastern Hokianga are isolated from the broader Hokianga region on rural tourism development issues.

Within the Eastern Hokianga there have been a few successful clustering approaches. Clustering is Enterprise Northland's most successful initiative with the development of the Twin Coast Discovery Route that is also acknowledged and commended by participants in Rawene and Kohukohu. Horeke has not seen benefits from the route as they are not attached to it. This highlights how the Twin Coast Discovery Route assists Kohukohu and Rawene and the success of the initiative. The Eastern Hokianga has also created an art trail to cluster art products integrating businesses throughout the region. An area that needs addressing is the total product package which at present is insufficient in the Eastern Hokianga. This was expressed by Enterprise Northland and business participants. This may be linked to the financing approach and the lack of sufficient funds within the area. Three attractions in the area expressed that financially they could not offer their product to an acceptable standard of service that is required for the development of tourism.

The last research objective was to identify rural tourism development challenges for the Eastern Hokianga. These were defined as; government's role, accessibility, education and experience, adequate financing, and marketing. Generally the government was active with two RTOs facilitating the Eastern Hokianga. Both of these organizations aim to improve the social and economic well-being of their region. Further examination revealed that awareness of Enterprise Northland in the Eastern Hokianga is inadequate. Only fifty percent of participants are aware of their services, but have little engagement with the

organization. A challenge is to create greater awareness in the Eastern Hokianga of Enterprise Northland's initiatives. Secondly, a challenge for the government's role is to create a strategy specifically catering to rural areas as the Eastern Hokianga has different needs and issues to its already developed and established regional neighbors. Thirdly, the RTOs need to review their policies to differentiate their services to increase assistance in rural tourism development for the area.

The two greatest rural tourism development challenges facing the Eastern Hokianga are accessibility and financing. Accessibility has not been addressed by an initiative through Enterprise Northland or the TTMCA. This presents many challenges from Eastern Hokianga participants. Firstly, Horeke is faced with serious roading issues. Secondly, there is no public transport system in the Eastern Hokianga. Thirdly, fifty percent of the wharves in the Eastern Hokianga are deemed unsafe. A challenge for the RTOs is to reduce the dissatisfactions of the ferry service and create greater access between the two communities who are incorporated in the Twin Coast Discovery Route. Financing was identified as a constraint by previous research, the TTMCA and from business participants within the area. Neither Enterprise Northland nor TTMCA have funding available for rural tourism development. Therefore, financing will continue to be a challenge for rural tourism participants in the Eastern Hokianga.

Enterprise Northland is meeting the challenge of education and experience through the Activate Northland project, business mentoring program, and delivering specific business training through workshops. As the majority of participants in the Eastern Hokianga have experience in business or other professional experience the initiatives supplied by Enterprise Northland are adequate and does not present a rural tourism development challenge for the Eastern Hokianga.

Lastly, what has been expressed by participants as an important marketing challenge is the need to create a positive distinct image that is unique to the Hokianga. Furthermore, a challenge also arises to educating the Bay of Islands residents of their outdated perceptions. As a neighboring tourism destination, it is important they are promoting the

Eastern Hokianga positively. Enterprise Northland, the TTMCA, the Hokianga Tourism Association, and communities are actively promoting the Eastern Hokianga. With five websites servicing the area there is not a great need for businesses to promote individually.

7.4 METHODOLOGICAL REFLECTIONS

To understand rural tourism development in the Eastern Hokianga from the participants' perspectives this thesis has followed an inductive approach by using grounded theory. As a method, grounded theory was challenging as the participants' perspectives directed the empirical findings. The in-depth interviews were found to be challenging because of the need to reduce the vast amounts of transcribed interview information, constantly coding and ordering into general themes, to be sure of relevant and irrelevant data as it evolved.

Generally, grounded theory research creates a theory based on results of the empirical findings. However, to meet the academic objectives of a thesis, the presentation of a literature review is required. This resulted in the researcher adapting the grounded theory method to satisfy the requirements of the university. The researcher collected data through grounded theory methodology and findings were categorized into key themes. These themes were then compared and contrasted with the literature. This resulted in a presentation of the findings and their relation to the literature, respectively. The discussion chapter then determined if the literature "fit" with the findings of the empirical research, thus, maintaining the strength of the rich data that was collected, and adapting the literature to match the empirical research. Adding empirical strength to the research, the findings will be beneficial to both the tourism industry and academia.

7.5 IMPLICATIONS OF RESEARCH

Apart from the academic insights, the findings in this research can serve strategic purposes for regional planning decisions. New knowledge of the challenges rural tourism communities face, for example, can help the tourism industry's regional governing agencies better understand rural tourism development.

As there has not been any study in rural tourism development in the Eastern Hokianga to date, no discussion or comparison of other relevant data has been made. This thesis thus brings new knowledge into the tourism industry. This may also be used as a platform for rural tourism development in other New Zealand rural areas.

This thesis contributes to the tourism knowledge by helping us to better understand rural tourism development in New Zealand. It has reconceptualised the approaches to rural tourism development, created an “incorporating” approach. When initially comparing the empirical themes to the literature, they did not match and there was a regurgitation of information. This was a result of overlapping defining aspects of the three key approaches to rural tourism development: governmental, community and integrated. These defining aspects were categorized to create a new version, the “incorporating” approach. These are: 1. Strategic, 2. Regeneration, 3. Integration, 4. Clustering and 5. Financing. These incorporate all of the key defining aspects of the discussed three approaches generating a thorough theoretical approach, and a positive contribution to the academic literature. This adapted “incorporating” approach has also been applied to the Eastern Hokianga, producing a thorough analysis of the rural tourism development methods.

This research also contributes to business intelligence and the governing tourism industry. Firstly it provides an analysis into the rural tourism development methods that are currently undertaken in the Eastern Hokianga. Secondly, it explores further rural tourism development methods that can be utilized. Thirdly, it provides analysis of the challenges that are faced in the Eastern Hokianga. Fourthly, it highlights the challenges

that have been overcome. This research has successfully highlighted the strengths and weaknesses of rural tourism development in the Eastern Hokianga. This research can provide a benchmark for assessing rural tourism development in other rural New Zealand areas.

Future research directions that have been prompted by this research are; the definition of rural tourism, the role of the information centres; the importance of ancillary services; events as a rural tourism development method for rural tourism; the importance of tourism destinations to neighboring rural communities developing tourism; and the importance of total tourism packages on rural tourism development.

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