

SMALL-BUSINESS OWNERS' ATTITUDES TOWARDS TOURISM AND
CAPACITY FOR INNOVATION: A CASE STUDY IN RURAL NORTHWESTERN
ONTARIO

by

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Abstract

Rural communities in much of the developed world have turned to tourism as a possible means to assist with the decline of traditional extractive industries (such as forestry and mining) and the resulting negative impacts on the economy and population (Petrzalka et al, 2005; Beshiri, 2005a, 2005b; Fuller-Love, 2008; Byrd et al, 2009; Harril, 2004; Long et al, 1990). In northern Ontario many communities remain reliant on the traditional primary sectors (Ministry of Northern Development, Mines and Forestry, 2009). There is an increasing reliance on the private sector, specifically the small-business sector to provide product and service development for tourism in rural communities including accommodation options, restaurants, attractions, entertainment and retail opportunities (Frederick, 1993; Siemens, 2007; Ioannides, 1995). These rural small-business owners face the dual pressures of providing everyday products not only to their community but also to tourists that come throughout the year.

A qualitative case study analysis was conducted in northwestern Ontario, Canada in the Top of the Superior region on small-business owners (n=17) involved in tourism (directly and indirectly) specifically examining their attitudes towards tourism and the opportunities for innovation at the firm and network levels. The study took place in the communities of Dorion, Red Rock, and Nipigon, as this is a region identified as in need of tourism product development. In the last decade this region has experienced change in its economic and social structure due to the decline of the forest industry which served as the primary economic foundation.

This research was designed to determine how small-business owners in rural, resource-based communities perceived tourism and what opportunities and obstacles they encountered with innovation at the firm and network levels. Several research objectives were explored, which included the identification of the level of involvement of small-business owners in tourism development within their community and the supports available including funding and training programs. Findings indicated many challenges (personal, external, tourism, and local) and obstacles. Business owners indicated that the numerous obstacles outweighed the opportunities available for them to be innovative at both the firm and network levels. Analysis demonstrated that small-business owners generally had positive attitudes towards tourism as a means of

economic development within their community, yet many questioned a complete economic reliance on tourism. Recommendations include further programming and educational opportunities on networking and innovation through the local chamber of commerce, tourism associations, and provincial and federal government programs.

Key words: *small-business owners, tourism attitudes, networking, innovation, rural tourism*

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List of Abbreviations

B&B – Bed and Breakfast
ICTs – Information and Communication Technologies
FAM – familiarization tour
FEDNOR - Federal Economic Development Initiative for Northern Ontario
LSNMCA- Lake Superior National Marine Conservation Area
NOHFC – Northern Ontario Heritage Funding Corporation
NOSTA – North of Superior Tourism Association
OTMPC – Ontario Tourism Marketing Partnership Corporation
RTO - Regional Tourism Organization
SSHRC – Social Sciences and Humanities Research Council
SMEs- Small and Medium Enterprises
SNCFDC – Superior North Community Futures Development Corporation
US – United States

CHAPTER 1: INTRODUCTION

1.1 Background Information

Rural communities in much of the developed world have turned to tourism for its potential in addressing the decline of traditional extractive industries such as mining and forestry and the consequent negative impacts on the economy and population (Petrzelka et al, 2005; Beshiri, 2005; Fuller-Love, 2008; Byrd et al, 2009; Harril, 2004; Long et al, 1990). Many northern Ontario communities remain reliant on primary industry sectors such as forestry and mining (Ministry of Northern Development, Mines and Forestry, 2009). These sectors accounted for 5.5 percent of northern Ontario's total employment in 2009, compared to only 0.5 percent for the whole province of Ontario (Ministry of Northern Development, Mines and Forestry, 2009). In Canada it is estimated that 200 communities depend on the forest industry for as much as 50 percent of their economic function (Natural Resources Canada, 2011). Canada's forestry sector directly or indirectly employs approximately 750,000 people in rural and remote areas (Natural Resources Canada, 2011). Between January 2003 and December 2009, 47,795 mill layoffs occurred in more than 200 communities across Canada (Natural Resources Canada, 2011).

In 2006, mining in Northern Ontario produced approximately \$7 billion worth of minerals with the majority of the value derived from metals (Ministry of Northern Development, Mines and Forestry, 2007). Mining in Northern Ontario employed approximately 14,000 people, with an additional 1,800 employed in exploration activities (Ministry of Northern Development, Mines and Forestry, 2007). Although the older mining reserves are slowly declining in Northern Ontario, new search discoveries such as diamonds, platinum-palladium deposits and gold create the promise of a strong future for mining in the region (Ministry of Northern Development, Mines and Forestry, 2007).

Because of the downturn in the forestry sector and despite recent surges in mining exploration and activity, economic diversification is still required for rural areas to ensure sustainability of regions. Employment figures for Canada in 2005 suggest that rural tourism can contribute to diversification opportunities as 3 percent of the total employment in rural Canada, or about 490,000 jobs were in the tourism sector (Beshiri,

2005). Rural tourism is seen as achievable for communities with limited public resource investment (Frederick, 1993; Briedenhann & Wickens, 2004; Ovido-Garcia et al, 2008; Siemens, 2007) with local, provincial and national governments providing funds for infrastructure improvements such as new roads, historic markers, town cleanup, storefront rehabilitation, and marketing. The private sector is expected to provide accommodation options, restaurants, entertainment, attractions and related retail opportunities (Frederick, 1993; Siemens, 2007; Ioannides, 1995).

The latest figures from Statistics Canada's *Labour Force Survey*, suggest that there is an available workforce in Canada to meet the rural tourism expectation (2004). The number of self-employed workers in Canada reached 2.7 million in 2009, an annualized increase of 2.2 percent since 2001 (Industry Canada, 2010). Small and medium-sized enterprises employed approximately 2 million people in Ontario (Workforce Focus, 2009). In 2004, rural-based small and medium businesses represented 28 percent of the estimated 1.4 million small and medium businesses in Canada, or 392 000 firms, somewhat higher than rural Canada's proportion (20 percent) of the overall population, showing that Canadians residing in rural areas were more likely to be engaged in such business activities than those living in urban centres (Carrington & Zantoko, 2008). Rural-based entrepreneurs are primarily men (60 percent owned by men, 13 percent owned by women, and 27 percent are equal partnerships), are over the age of 40 (14 percent are under 40 years of age), and started their business from scratch (64 percent started from scratch, 22 percent acquired from family member and 13 percent acquired from a non-family member) (Carrington & Zantoko, 2008).

There is a growing reliance on small-business owners for the creation of tourism product development in rural communities, who may or may not be prepared to innovate their businesses to meet this expectation (Fuller-Love et al, 2006). These small-business owners face the dual pressures of providing everyday products not only to their community but also to tourists that come throughout the year. This presents two challenging questions: Are small-business owners prepared to serve both the day-to-day demand of local residents and the needs of tourists, who may have different expectations? Do they feel that tourism is a viable economic opportunity and worthy of their investments (time, finances, education, etc.) or that it is a short-term solution for

their community until the possible return of the community's traditional industries? The answers to these questions provide local Chambers of Commerce, which support local businesses within a region, knowledge about business owner attitudes and needs and provides information to provincial and federal agencies responsible for funding small-business and entrepreneurial programming. In addition, such information can assist in the strategic development of tourism in rural areas, where planning is often undertaken by local government committees and does not reflect the needs of local small-businesses, upon whom the economic developments depend (Fuller-Love et al, 2006). Without the small-business owners' and potential future entrepreneurs' "buy-in" to tourism development in rural resource-based communities, there will be little or no tourism products to offer, thus halting development of the industry, and contributing to economic diversification.

The purpose of this research therefore is to examine small-business owners' interest in, understanding of, and willingness to engage in tourism-related developments and determine their capacity to be innovative at both firm and network levels. For clarification, when the terms 'attitudes', 'views', or 'perspectives' are used in this research, they are being used as synonyms to describe the 'perspectives' of the small-business owners. The use of synonyms was utilized to avoid repetitiveness or overuse of the word 'perspective'. The study was conducted through a case-study analysis of the Top of Superior region (comprised of Dorion, Red Rock, and Nipigon), as this is a region identified as in need of product development to provide the basic needs for tourists (Rosehart, 2008; Wozniczka et al, 2010). This case study had originally proposed to research all four communities in the Top of Superior region but was unable to gain access to Lake Helen First Nations due to inability to receive permission from the community, thus limiting the parameters of this case study to the three stated communities. This study is part of a larger three year SSHRC-funded research project examining regional tourism and networks in rural, resource-based Northwestern Ontario.

1.2 Thesis Organization

This thesis is divided into 5 more chapters. The literature review, presented in Chapter 2 examines the literature surrounding rural tourism in peripheral and resource-

based regions, perceptions of tourism, entrepreneurship and innovation. The chapter concludes by an introduction to the study's research question and objectives. Chapter 3 provides the research methodology and methods utilized for this study including an explanation of qualitative case study methodology, the researcher's background and worldviews, a description of the study participants, and data collection and analysis methods. Chapter 4 presents the findings from the data analysis and continues into an in-depth discussion in Chapter 5 relating back to relevant literature and answering the study's research question and objectives. The final chapter provides the implications of the findings, limitations of the research, recommendations and future research suggestions.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The proposed case study is situated in three rural communities in northwestern Ontario. A rural community is an area with less than 150 persons per square kilometre, and includes residents living in the countryside, towns and small cities (inside and outside the commuting zone of larger urban centres) (OECD, 1994; Beshiri, 2005). The research locations of Nipigon, Red Rock, and Dorion have also been identified as resource-based communities (Rosehart, 2008), defined as “areas dependent on natural resource extraction and on labour-intensive production (initially), and [are] controlled externally” (Flint & Luloff, 2005, p.400). Resource-based communities usually tend to be controlled externally as they rely on large resource corporations to extract and export the resources. Natural resource-based communities are seen as economically unstable, fighting the decline of human capital, and lacking economic diversity (Flint & Luloff, 2005). While the traditional economy of Canada (and northwestern Ontario) has been dominated by the natural resources sector, public policy has indicated the need for diversification (Rosehart, 2008), and despite its criticisms, rural tourism is considered a viable option to diversify the economy for communities with limited public resource investment (Frederick, 1993; Briedenhann & Wickens, 2004; Ovido-Garcia et al, 2008; Siemens, 2007).

Rural tourism has been defined simply as tourism that takes place in rural settings (Siemens, 2007). Commonly these activities are classified as ecotourism, agri-tourism, tourism and outdoor recreation in National Parks and wilderness areas (Siemens, 2007; Oppermann, 1996). It involves access to the wilderness and rural areas, defined as nature and open space (Page & Getz, 1997; Schroeder, 2003; Siemens, 2007). Within this broad definition, there is great diversity in the types of businesses including nature-based activities, health (spa), hunting and fishing, arts and heritage products and services (Siemens, 2007; Alexander & McKenna, 1998). The following literature review explores tourism that takes place within such peripheral and rural resource-based contexts, perceptions of rural tourism, rural tourism business-owners, and tourism innovation research. This review illustrates the need for further investigation to examine small-business owners in rural, resource-based communities in terms of their attitudes

towards tourism and determine their capacity to be innovative at both firm and network levels.

2.2 Rural Tourism in Peripheral & Resource-based Regions

Rural areas are diverse in terms of their geographical distribution and characteristics (Koster et al, 2010). There are those located within the urban fringe at a commuting distance from major metropolitan centres. These communities tend to be characterized by larger population densities and a greater number of services. In contrast, there are those located much further away from metropolitan areas that tend to have smaller populations, more limited services and are far less accessible to traveling populations. It is these peripheral communities that are of concern within this research project. Within the tourism literature, peripheral areas have been characterized as areas lacking in effective political and economic control over major decisions affecting their well-being and are geographically remote from mass markets (Hall & Boyd, 2005). “In the tourism context the [peripheral] concept has been applied (in a sweeping generalization) to the relationship between the rich, industrialized tourist-generating countries and the less developed, often predominantly rural or coastal (especially small island) tourism-receiving regions” (Brown & Hall, 2000, p. 5). There are many challenges for tourism in peripheral areas, including limited market opportunities, lack of tourism infrastructure or product, environmental threats, social impact on small communities, lack of education, planning, training, direction, and capital, limited organizational structures, difficulties of product development by small and medium enterprises (SMEs), and lack of entrepreneurship (Hall & Boyd, 2005; Wanhill, 1997). Although issues of product development through SMEs and lack of entrepreneurship have been identified and associated with tourism in peripheral area research it does not explore these issues in a resource-based context, where communities now find themselves in transition as result of global economic restructuring of their primary industries (George et al, 2009; Lundmark, 2005; Muller & Jansson, 2007; Koster & Lemelin, 2009).

Tourism has been identified as an opportunity for economic redevelopment of rural, resource-based regions in Canada facing economic and social crises due to the

downturn of the resource-extractive industries (Southcott, 2002; Southcott, 2000; Teitelbaum et al, 2003, Siemens, 2007; Getz & Carlsen, 2000; Koster & Lemelin, 2009; Johnston & Payne, 2005; Siemens, 2007). Much like peripheral tourism, research on rural resource-based tourism has been limited (Koster & Lemelin, 2009; Siemens, 2007). Recent studies on rural, resource-based tourism in northwestern Ontario have included stakeholders' views and involvement with the development of a national marine conservation area (Lemelin et al, 2010; Wozniczka et al, 2010; Payne et al, 2001; Socha & Potter, 2000) and regional issues (primarily frustration due to the lack of change) in the tourism industry (Forrest Marketing and Communications 2008a, 2008b; Rosehart, 2008; Lemelin et al, 2010). Although rural, resource-based tourism has been examined through the literature within the region and provides a solid foundation of tourism perceptions, these studies have failed to focus directly on small-business owners and their views towards tourism. Thus a review of research in rural, resource-based tourism has to be expanded to help explain how small-business owners view tourism in rural, resource-based communities.

Outside of the regional context of northwestern Ontario, a major focus of the research on rural, resource-based tourism is the concept of identity (Haukeland, 1984; Johnson et al, 1994; Petrzalka et al, 2006). Researchers have identified the concept of occupational identity as a reason why rural resource-based community residents involved in natural resource-based occupations have had no interest in tourism activities as a form of economic development (Haukeland, 1984; Johnson et al, 1994; Petrzalka et al, 2006). "Occupational identity is one in which its "members' sense of identity is closely tied to its occupation" (Carroll & Lee, 1990, p. 142). Two main features of resource-based occupational identity were individuals' involvement with aspects of the occupation during their 'off' time from work and an attachment to the natural resource around and in which they worked (Petrzalka et al, 2006). In those areas where an identity centred on resource-based occupations was prevalent, studies suggested there would be resistance to tourism, as tourism-based economic development was inconsistent with rural residents' identity (Johnson et al, 1994; Petrzalka et al, 2006). Haukeland (1984) found in rural Scandinavian communities that residents most opposed to tourism were those engaged in agriculture and other traditional occupations. The

Johnson et al, (1994) study of tourism development in rural Idaho (in an area that historically relied on resource-based occupations and where workers identified themselves as ‘independent workers of the land’) suggested that negative perceptions of tourism in that area may have been due to the fact that “the local population still see themselves as primarily mine and timber workers” (Johnson et al, 1994, p. 638). Petrzelka et al. (2006) went further to test the occupational identity and attitudes link and found that resource-based occupational identity was associated with attitudes toward tourism, yet the perception of the local economic condition was a stronger predictor of such attitudes. Tourism was likely to be seen by many residents as having the potential to provide an alternative source of economic opportunity.

Researchers have explored the concept of coping strategies of the unemployed in rural locations in transition (Stenbacka, 2008; Lindsay et al, 2003). Job seekers were found to have gaps in generic and job-specific skills, while some (particularly males) were reluctant to pursue opportunities in non-traditional sectors of the economy (Lindsay et al, 2003). Stenbacka (2008) expanded on the Lindsay et al. (2003) study and revealed that unemployed males in rural communities in transition from a resource dependent economy to a service economy had three different strategies (*adapt*, *challenge* or *retreat*) to cope in relation to their employment status. Males who used *adapting* as a strategy adjusted to the structural changes through education and learning but still stayed in traditional jobs, while males who used *challenge* as a coping strategy switched from the traditional labour market to a public sector job in the caring profession, while the last strategy, *retreat*, involved the removal of oneself from the labour market completely by either moving out of the community in search of work or staying and focusing on hobbies (Stenbacka, 2008).

There has been a recent exception to the lack of literature surrounding rural, resource dependent tourism development; staples theory has recently been applied within the rural, resource-based tourism context by exploring how the historic economic structures that dominate resource extractive industries challenge the development of tourism (Schmallegger & Carson; 2010; Carson & Carson; 2011; Schmallegger, 2011), specifically in rural resource-dependent South Australia. To avoid over examination of

this literature, further exploration of the staples literature is found in chapter 5 (5.2.1. Staples Theory).

The exploration of resource-based communities and identity literature provides greater understanding of how these communities in transition face tourism as a possible job opportunity, but fails to explore how small-business owners in rural, resource-based communities view tourism. Thus a further look into tourism perception literature aids in identifying the interest in, understanding of and willingness of small-business owners to engage in tourism related developments.

2.3 Community Perceptions of Tourism in Rural Areas

Although aspects of tourism research have been explored in the rural, peripheral and resource-based contexts, an examination of perceptions of tourism highlights the lack of research of tourism attitudes from the small-business owners' perspective. This is important to investigate, as one of the major challenges the Top of Superior region faces (the study area for the proposed research) has been negative residents' attitudes toward tourism development (Hinch & Butler, 1993; Payne et al, 2001) that has consequently "led to the industry's being underdeveloped, underfunded...and undervalued as an economic contributor" (Forrest Marketing and Communications, 2008, p.8).

Investigations of community members' perceptions of tourism has varied, with findings indicating that perceived impacts of tourism can be both positive and negative, yet none of the literature focuses specifically on small-business owners' perceptions of tourism. Long et al. (1990) highlighted that both positive and negative perceptions increased with the increased levels of tourism and that resident attitudes initially grew favourably with increasing tourism development, but attitudes would decrease once tourism developments achieved a certain threshold. Petrzalka et al. (2005) linked rural tourism attitudes with community involvement and changes along with intra-gender and inter-gender differences, and found a widespread agreement on the importance of preserving local culture and the opposition to the sale of agricultural land for development in small communities in the Rocky Mountain Region of the United States. Byrd et al. (2009) identified differences in perceptions of rural tourism impacts between entrepreneurs and government officials, residents and government officials, residents

and entrepreneurs, and residents and tourists in rural North Carolina. The study highlighted the need for community planners and destination management organizations to be concerned with all stakeholders in a community (Byrd et al, 2009).

Several studies have also revealed considerable local resistance to tourism as a form of economic development (Lankford 1994; Smith & Krannich, 2000). Lankford (1994) found that residents did not feel that local governments could mitigate the negative impacts of tourism through planning, yet agreed that tourism played a major economic role in the community by providing jobs, but those jobs were not highly desirable and that their personal standard of living had not increased. Smith & Krannich (2000) identified a 'culture clash' that was associated with the amenity migration occurring in rural communities in the Rocky Mountain West region. Amenity migration takes place when there is a movement of people to places permanently or part-time, principally due to the actual or perceived higher environmental quality and cultural differentiation of the destination (Moss, 2006). Newcomers had very different values than longer-term residents regarding environment, growth and development issues and these differences resulted in widespread social conflict.

Several studies have examined resident attitudes to tourism development along the north shore of Lake Superior, where the case study is located. In 1997 a *Resident's View of Tourism in the Shore Zone and Islands* study was conducted on the North Shore of Superior (Twynam et al, 1997). Through public meetings it was found that residents preferred small-scale tourism development and stressed the need for improvements to infrastructure and linking and packaging of tourism opportunities. Residents were also concerned about the volume of tourism, fearing harm to the natural environment, conflict with other industrial uses and disruption of their existing way of life (Twynam et al, 1997). Studies such as Payne et al. (2001) and Socha & Potter (2000) focused on the views of local residents towards tourism in the Top of Superior region. These studies revealed that residents were concerned with potential conflict during host and tourist interactions, environmental degradation due to an increase of tourists to the region, and the decision-making process associated with managing the development of protected areas (Wozniczka et al, 2010). Yet by 2010, Wozniczka et al. (2010) found a positive shift in attitudes toward the potential of tourism development on the Top of Superior

region with the announcement of the National Marine Conservation Area. The perceptions of residents shifted due to the changing economic circumstances with the decline of the resource-based economy and the desire to diversify the local economy through protected-area tourism development (Wozniczka et al, 2010).

Although small-business-owners' attitudes towards tourism have been included in a rural 'community' perspective context, it is evident that research has not specifically targeted small-business-owners' views specifically on tourism in a rural, resource-based context. It is essential to explore this business sector to evaluate the amount of 'buy-in' these business owners have for tourism as an economic diversification plan for their resource-based region, given that they are central to the product development that is required.

2.4 Tourism Businesses, Entrepreneurship and Innovation

The review of literature to this point has examined the various aspects of tourism (rural and resource-based) and research on community rural tourism perceptions, and now turns to a focus on the research concerning small-business owners and rural tourism.

Before proceeding there are several definitional issues that need to be addressed. There has been much confusion between the terms 'entrepreneur' (Hernández-Maestro et al, 2009; Low & MacMillan, 1988), 'small-business owner' (Hernández-Maestro et al, 2009), and 'small and medium enterprises (SMEs)' (Nilsson et al, 2005) in the literature. Low & MacMillan (1988) reviewed previous entrepreneurship empirical research and found that when it came to defining entrepreneurship there were various means of doing so as highlighted below:

Schumpeter (1934) defined entrepreneurship as 'carrying out new combinations. Knight's (1921) definition focussed on the ability to predict the future successfully. Leibenstein (1978) argued that firms do not necessarily operate at the outer limit of their production function; therefore, entrepreneurship is the ability to work smarter and harder than your competitor. Kirzner's (1973) concept is closely linked to arbitrage and the ability to correctly anticipate where the next market imperfections and imbalance will be. Cole (1968) defined entrepreneurship as purposeful activity to initiate, maintain, and develop a profit-oriented business. Stevenson, Roberts and Grousbeck (1985) suggested that entrepreneurship is being driven by perception of opportunity, rather than

resources currently controlled. And Gartner (1985) defined entrepreneurship as the creation of new organizations. (p.140)

Balderson (1994) defined an entrepreneur by “specific traits such as: creativity, flexibility, innovativeness, risk taking, and independence and [are] generally idea oriented” (p.41). Balderson’s (1994) definition of an entrepreneur will be the definition used for this research due its comprehensive nature, and its explicit link to innovation.

A ‘small-business owner’ has been defined as “a person who starts a new business or acquires an ongoing business and organizes, manages, and assumes the risk of the business” (Hernández-Maestro et al, 2009, p. 60). Nilsson et al. (2005) stated that small and medium enterprises were “defined in terms as a company with a workforce of less than 250 employees” (p.581). As often documented in the literature, rural tourism related businesses are often small scale, “mom and pop” type organizations (Romeiroa & Costa, 2010; Page & Getz, 1997). As such, the criteria used by Australian Bureau of Statistics (2001) is particularly useful in defining what a small-business is for this rural research, due to the practicality of defining a small-business on a size that is more reflective of small-businesses in rural communities in Canada. The Australian small-business criteria are defined by size, having less than 20 employees (Australian Bureau of Statistics, 2002). They also cite small-business characteristics of the management and organization such as independent ownership and operations; close control by owners who also contribute most, if not all the operating capital; and principal decision-making by the owners. (Australian Bureau of Statistics, 2002).

The Government of Canada has had difficulties sticking to a consistent definition of small and medium enterprises (SME’s), as evident in the 2008 *Small-business Financing Profile* where rural-based SME’s are defined as commercial businesses with fewer than 500 employees and less than \$50 million in revenues (Carrington & Zantoko, 2008), while a 2010 *Small-business Quarterly* report defines SME’s as a small-businesses with having fewer than 100 employees, whereas medium-sized businesses employ 100 to 499 employees and large businesses up to 500 or more employees (Industry Canada, 2010). These employee numbers for both SME definitions would classify all of the businesses in the Top of Superior region as a SME or small-business due to the fact that all of these employers have less than 100 employees.

To avoid confusion and the intrusive clarification of net sales while conducting this research, the Australian Bureau of Statistics (2002) definition of small-business owner will be utilized.

For the purpose of this review of the literature, a separation between entrepreneurship and small-business ownership in rural communities' literature has been done to keep consistent with the directions of previous research and to highlight the body of research in both areas that are important in understanding entrepreneurs and small-business owners in a rural resource-based community setting.

2.4.1 Entrepreneurship

There has been substantial research conducted on entrepreneurship in a general sense (Busenitz et al, 2003), with many academic entrepreneurial specific publications, such as *Foundations and Trends in Entrepreneurship*, *Entrepreneurship theory and practice*, *Entrepreneurship and Regional Development*, and *Journal of Small-business and Entrepreneurship*. In contrast, tourism entrepreneurship research is an emerging field; Li (2008) conducted a review of the tourism literature and found that the top three journals that publish entrepreneurship research (*Tourism Management*, *International Journal of Hospitality Management*, and *International Journal of Contemporary Hospitality Management*) had less than expected publications and that theoretical work remains at a low level. Other authors have echoed this sentiment, and have contributed to the research through a review of entrepreneurship literature as it relates to tourism, highlighting the need for a greater tourism focus than currently exists (Page et al, 1999), and an examination of the range of influences in the external institutional environment that affect the development of small firms (Ateljevic & Doorne, 2004). Rural tourism entrepreneurship research is even more limited (Siemens, 2007; Getz & Carlsen, 2000), with investigations limited to the challenges faced by rural/remote tourism businesses on Vancouver Island (Siemens, 2007), motivations and issues of small resource-based tourism operators in the northern Great Plains, United States (Schroeder, 2003), characteristics and goals of family and owner-operated businesses in rural tourism (Getz & Carlsen, 2000), and entrepreneurial activity among small and medium tourism enterprises in a peripheral region (Ioannides & Peterson, 2003).

Despite the limited research, the hospitality and tourism industry provides numerous opportunities for entrepreneurial businesses (Li, 2008). Entrepreneurs are predominant in nature-based tourism operations, and are mostly run by owner-operators and families (Getz & Carlsen, 2000). These entrepreneurs face many of the same problems that small-businesses in other sectors and locations experience, including limited management skills and inadequate access to funding (Siemens, 2007). New business development is seen as a critical element of diversifying rural, resource-based economies and therefore an understanding of the characteristics and goals of entrepreneurs along with the challenges they face to minimize business failure and increase the chances of success is required (Siemens, 2007; Fuller-Love et al, 2006). Further, research into these issues will help to inform government policy and programming to assist rural tourism entrepreneurship and by extension economic development (Fuller-Love et al, 2006). Overall, the literature surrounding rural tourism entrepreneurship is primarily limited to documenting the barriers to entrepreneurship.

2.4.2 Small-Business Owners

In a similar vein, small-business research has been extensive with many academic publications specifically on small-business ownership, such as *International Small-business Journal*, *Journal of Small-business and Enterprise Development*, *Journal of Small-business Management*, and *Wall Street Journal of Small-businesses*. In contrast to entrepreneurial research, small-business literature related to rural tourism has had more attention (Lerner & Haber, 2000; Nilsson et al, 2005; Domenico 2005; Getz & Petersen 2004; Shaw & Williams 2004; Wanhill 2000). Research has focused on government support policies (Urbano et al, 2010), the need for innovation (Ioannides & Peterson, 2003) and the importance of financial and human capital support (Nilsson et al, 2005; Skuras et al, 2005; Hernández –Maestro et al, 2009). Urbano et al, (2010) highlighted the need for government to adjust to the informal socio-cultural factors prevalent in rural tourism locations for policy making in order to stimulate the tourism sector by providing financial support and advice. Small-business owners must be innovative in the product and processes offered, but the seasonality of the tourism industry and the lack of competition can be major barriers to innovation (Ioannides & Peterson, 2003). Human capital support has also been identified as it provides

knowledge that gives small-business owners a more proactive and market-oriented stance towards their customers, their products and their companies (Nilsson et al, 2005). Skuras et al. (2005) expanded on human capital programme analysis and found that there was a need for decentralized, flexible and selective human capital accumulation support programmes that take into account local idiosyncrasies and needs of small-business owners. Hernández –Maestro et al. (2009) found that there was a strong positive relationship between small-business owners’ knowledge and education level and service quality performance. This study highlighted the need for government to subsidize initiatives to implement quality programs for rural small-business owners (Hernández –Maestro et al, 2009). Carrington & Zantoko (2008) also highlighted the challenges perceived by rural-based small and medium businesses, compared with their urban-based counterparts, as including the difficulty in finding qualified labour, insurance rates, low profitability, levels of taxation and government regulations (Carrington & Zantoko, 2008).

Despite a growing substantial body of research on rural tourism small-business owners and entrepreneurs, there remains a gap in the identification of how small-business owners in rural, resource-based communities view and participate in tourism developments. Research pertaining to innovation offers some assistance, for as Hall and Williams (2008) point out, “tourism has always been subject to changes, reflecting shifts in tastes and preferences, technologies and politico-economic conditions” (p.1), requiring businesses to operate creatively within a dynamic system. Tourism firms’ competitiveness depends on their ability to achieve lower costs and higher quality outputs that meet the demand requirements of potential customers, and ways in which to introduce new products, i.e. innovativeness (Carson & Jacobson, 2005).

2.4.3 Innovation

Innovation research began in the early 20th century, with Schumpeter (1934) considered the classical theorist of innovation research (Ronningen, 2010). “The essence of innovation for Schumpeter was newness, but he considered this could be either incremental or radical, depending on whether it occurred within, or departed from, existing technologies and practices” (Hall & Williams, 2008, p. 5). Schumpeter went on to distinguish between five forms of innovation that he classified as: creating new

products, development of new methods of production, opening of new markets, capturing of new sources of supply and new organizational forms (Hall & Williams, 2008). Later, inspired by Schumpeter's definitions, other scholars have introduced a number of typologies (Garcia & Calantone, 2002; Ronningen, 2010), such as product innovativeness (Cooper, 1979; Lawtown & Parasuraman, 1980; Kleinschmidt & Cooper, 1991), marketing task similarity (More, 1982), and synergy (Cooper & de Brentani, 1991) to name a few highlighted in Garcia & Calantone's (2002) review of innovation typology and terminology literature.

Ronningen (2010) recognized that the community innovation survey (CIS) used by European Union national statistical offices uses a definition similar to Schumpeter's. "CIS differentiates between product innovation, process innovation, organisational innovation, and market innovation" (Ronningen, 2010, p. 192). The Organization for Economic Co-operation and Development (OECD) (2005) offers the following definitions:

- Product innovation is the market introduction of a new or significantly improved good or service with respect to its capabilities.
- Process innovation is the implementation of either a new or significantly improved production technology or production process or a method of distribution.
- An organisational innovation is the implementation of new or significant changes in the structure of the enterprise or managerial methods that are intended to improve the enterprise's use of knowledge, to improve the quality of the goods and services, or to improve the efficiency of work flows.
- Organisational innovation also includes changes in the firm's relations with other enterprises or public institutions.
- Marketing innovation is the implementation of new or significantly improved marketing or sales methods to increase the appeal of the enterprise's goods and services or to enter new markets (p.9)

Over the past decade there has been an increasing amount of research on innovation in tourism (Hjalager, 2010; Hall & Williams, 2008). Innovation and tourism research is important because tourism firms operate in an extremely competitive sector that is continuously changing (Wahab & Cooper, 2001).

Romeiroa and Costa (2010) suggest that, "rural tourism frequently emerges from the spontaneous and individual action of companies, with insufficient efforts in planning objectives and support instruments" (p. 76). Family businesses make up the majority of

rural tourism businesses which have management models that are resistant to change (Romeiroa & Costa, 2010; Page & Getz, 1997). This information is important due to the nature of this case study since many of the small-businesses are family businesses. Although small tourism firms may have relations to many actors, small-businesses keep their secrets to ensure they do not give competitors the opportunity to imitate their ideas (Sundbo et al, 2007). Other factors limiting innovation in rural tourism businesses are the low skill of the labour force and the high labour turnover, which consequently reduces the absorptive capacity of external information such as research results, and knowledge about new technology (Sundbo et al, 2007).

Sundbo et al, (2007) found that innovation at the firm level was related to the size of the business (i.e. number of employees), where the larger the business the more innovative it was. In their comparative case study of rural Spain and Denmark, Sundbo et al, (2007), found that tourism corporations were the most innovative followed by tourism enterprises and lastly tourism shops. Tourism shops were classified as “small, owned and run by an individual person or a family, where business life is for the owner mixed with family life” (Sundbo et al, 2007, p. 97). Sundbo et al, (2007) further divided tourism shops into two smaller categories: entrepreneurial businesses and artisanal (family business), with business development the main focus for entrepreneurial shops while conservation of family patterns essential for artisanal shops. Entrepreneurial shops were seen as more innovative over artisanal shops (Sundbo et al, 2007). Aside from the size and organizational form of the businesses, the level of professionalism explained the large variation of innovativeness between the firms (Sundbo et al, 2007) “The more professional the tourism firms are in terms of applying business and training plans, quality control systems, academic employees, IT, etc., the more innovative it is” (Sundbo et al, 2007, p.103). Sundbo et al.’s (2007) study recommended that tourism firms introduce more technology, such as IT, and conduct further research on customer behaviour to increase their innovativeness. Factors of innovation that have been identified by Sundbo et al (2007) are indicators that have been adopted in this study as a means of how I will look at how the small-business owners engage in training, business planning, ICTs, and marketing.

Small-business owners do not usually innovate in isolation, but are part of a larger system, consisting of multiple networks and interactions between multiple stakeholders. There are positive effects of a network that expands beyond the tourism industry (Romeiroa & Costa, 2010). Romeiroa and Costa (2010) looked at networks of tourism firms and suggested that they consist of formal and informal relationships through the exchange of resources (material or immaterial). Networks have been proven to assist with regional development through more effective natural resource management and social cohesion at local and network levels (Romeiroa & Costa, 2010). Romeiroa and Costa (2010) identified the following as key factors in successful rural tourism organizational structures:

- (i) the existence of a shared vision of a common objective, achieved through the permanent definition of precise targets capable of maintaining constant dynamism in the organisational structure;
- (ii) the recognition of benefits (individual and collective) that emerged from the management of this activity, at the level of motivation and a sense of responsibility by companies that constitute the network as well as the efficiency of the functioning of the network and
- (iii) the respect among companies, independent of the uneven powers among them, so as to attain a level of agreement, which is equal (p.88)

Innovation can occur at both the firm and network levels in rural tourism but is most effective when it occurs at a systems level (Carson & Jacobson, 2005). The systems is the combination of multiple networks, in various and larger geographical contexts. Tourism firms regularly interact with a variety of other types of firms and agencies (such as trade unions, governments, associations) which help influence the innovation process, and has been defined as a systems level of innovation (Carson & Jacobson, 2005; Edquist, 1997; Sundbo et al, 2007). Sundbo et al. (2007) highlighted two types of innovation system approaches: geographical and sectoral. Within the geographical approach to innovations systems, the national innovation system and regional innovation systems have been present in innovation literature (Sundbo et al, 2007; Nelson, 1992). The national innovation system looks at innovation from a nation-state relationship level (Sundbo et al, 2007; Nelson, 1992), while regional innovation system focuses on innovation in geographically-bounded regional levels (Sundbo et al, 2007; Oinas & Malecki, 1999). The sectoral innovation system approach is centered on a specific sector innovation regardless of geographical location (Sundbo et al, 2007;

Edquist, 1997). As highlighted by Carson and Jacobson (2005) systems of innovation are important for the success of rural tourism and usually consist of the following elements:

Entrepreneurs, economic competence, clustering of resources, the existence of networks, the presence of productive development blocks, entrepreneurial activity, an effective critical mass of resources, institutional infrastructure, a leading role of local government, the production and distribution of knowledge and the quality of social capital.

(Carson & Jacobson, 2005, p.2)

Overall, innovation is limited in tourism at the firm level, but improves at network and systems levels (Carson & Jacobson, 2005; Sundbo et al, 2007; Ronningen, 2010; Romeiroa & Costa, 2010). Thus, there is a need for further research on rural, resource-based tourism innovation at all three levels to identify potential future policy implications to assist in rural tourism development. For this research I will be looking at innovation at the firm and network levels. The network level for this research includes the three communities within case study including the small-business owners, government and organizations operating within this region “hub” whereas the systems level would include all of the communities (business owners, government and organizations) along the North Shore of Lake Superior.

For this research, innovation in tourism is defined using the OECD (2005) explanation of innovation as a means to bring new ideas, services and products to the marketplace, encompassing the whole tourism value chain, not only by adapting to the tourism industry and the changing tourism patterns with new marketing strategies, but also through the development of new and innovative services, products and processes. Thus rural tourism innovation was examined by a small-businesses’ use of new marketing strategies, offering and adopting new and innovative services and products and processes internally and externally (i.e. networking and information and communications technology) (OECD, 2005). The innovation framework that was adopted for this study was Sundbo et al.’s (2007) innovation model of the three levels in the tourism industry. The three levels include innovation of the firm, network, and system. Sundbo et al.’s (2007) innovation model recognizes the different levels of innovation within the tourism industry and felt that the best way to examine innovation at the firm level was to create three levels to reflect that tourism firms’ innovation

activities are tied to the external world. The firm level is attributed to the individual firm, whereas the network reflects the external relations that may be important to the individual firm. The systems level examines the wider system affecting firms' innovativeness (Sundbo et al., 2007). The different levels of the model are interdependent and an understanding of each level helps explain the other levels.

This review of literature represents a foundation of literature surrounding rural tourism and small-business owners. In chapter 5 further literature such as the staples thesis, nature-based tourism, tourism readiness, amenity migration, and regional tourism will be presented and discussed as it pertained directly to the emergent themes through the analysis.

2. 5 Research Question & Objectives

This literature review has identified the need to examine small-business owners' in terms of their ability to be innovative and their perspectives on tourism in the rural, resource-based community context. Rural resource-based business operators face many challenges due to their remote geographic locations and the lack of managerial training, experience and network support. It is unknown how these businesses view tourism in their communities since the perception of tourism literature has not as yet focused specifically on small-business owners. With these small-business owners located in the resource-dependent communities that are looking to tourism as a way to diversify the local economy, it is unknown if they can be innovative with their businesses to adapt to the changes associated with attracting tourism to the region. Research has shown that tourism innovation in rural areas at both firm and network levels have been very limited. It is essential to determine the level of innovation at the firm and network levels to better inform government policy to support these small-business owners in rural Canada and thus assist in diversifying the rural, resource-based economies.

The purpose and focus of this research is therefore to answer the following research question:

- How do small-business owners' view tourism in rural, resource-based communities and what opportunities and obstacles do they face with being innovative at the firm and network levels?

Several research objectives were designed to assist with answering this central question. These research objectives emerged from the literature surrounding tourism and small-business owners in rural communities. These include an examination of:

- the level of involvement of small-business owners in tourism development within their community
- the supports available to small-business owners including funding and training programs

These questions and objectives were answered by conducting a case study analysis in the northwestern Ontario communities of Dorion, Red Rock, and Nipigon. This region was chosen because it has experienced change in its economic and social structure in the last decade due to the decline of the forest industry which served as the primary economic foundation for the area. Community leaders have looked at ways to diversify the economic base with tourism being one of the possibilities.

CHAPTER 3: RESEARCH METHODOLOGY & METHODS

3.1 Introduction

The review of literature identified the need to explore small-business owners' perspectives regarding tourism within a rural, resource-based community context. As highlighted in the last chapter, researchers have rarely explored how these business owners' view tourism development or their role within their communities, and it is not known if they could be innovative with their businesses to adapt to the changes associated with attracting tourism to the region. Research has shown that tourism innovation in rural areas at both firm and network levels has tended to be very limited. By determining the level of innovation at the firm and network levels, government policy can be better informed to support these small-business owners in rural Canada and thus assist in diversifying rural, resource-based economies.

The purpose and focus of this research was to therefore answer the following research question:

- How do existing small-business owners' view tourism in rural, resource-based communities and what opportunities and obstacles do they face with being innovative at the firm and network levels?

This question was answered by conducting a case study analysis in the northwestern Ontario communities of Dorion, Red Rock, and Nipigon. This chapter starts with a comprehensive descriptive discussion surrounding the case study communities and reviews the chosen methodology and methods for this study. The decision to use a qualitative case study approach, with semi-structured interviews is explained in detail along with the reasoning and discussion regarding participant selection, data collection and analysis.

3.2 Region Profile

Lake Superior is the largest of all five of the Great Lakes with the largest surface area of any freshwater lake in the world (82,000 km²) (Lemelin et al, 2010) and containing 10 percent of the world's fresh water supply (The Outspan Group, 1999). At 563 km in length and 257 km in width, Lake Superior's vast coastline is lined with cliffs mixed with low rocky shores and deep bays, evidence of its location in the Canadian Shield.

“The coastal boreal forest of the north shore of Lake Superior is home to large numbers of aquatic and terrestrial flora and fauna, including: walleye, brook trout, woodland caribous, wolves, and moose” (Lemelin et al, 2010, p. 105). Birds such as bald eagles, peregrine falcons and the largest ring-billed gull colony frequent the area as well (Lemelin et al, 2010). The Anishinabe have lived along the north shore of Superior from time immemorial and refer to the lake as *Kitchi Gami* meaning the big waters, the great waters, and the Anishinabe’s Ocean (Lemelin et al, 2010). French fur traders commonly referred to Lake Superior as the Voyageur’s highway (Lemelin et al, 2010).

The Ontario communities of Dorion, Red Rock, and Nipigon are located along the northern shoreline of Lake Superior and will be the focus area of the study (see Figure 1.1). These communities along the corridor are connected, or relatively close to the Trans-Canada Highway, the two lane thoroughfare following the shoreline. The township of Dorion consists of a land mass of 212 km² and is situated on the western shore of Black Bay on Lake Superior. Dorion is 80 km northeast of the City of Thunder Bay, located on the Trans-Canada Highway. “The population is dispersed and more rural in nature as no town site exists” (The Outspan Group, 1999, p. 10). The township of Red Rock is situated 8 km off the Trans-Canada Highway at the end of Highway 628, 100 km east of Thunder Bay and has a land mass of 62 km². Red Rock is nestled between the high rugged cliffs of the Red Rock Hills to the north and west, and the blue waters of Nipigon Bay to the south and east (Township of Red Rock, n.d.). The township of Nipigon is situated near the merger of Trans-Canada Highways 17 and 11, 110 km east of Thunder Bay on the west side of the Nipigon River. Lake Nipigon is 20 km north of the town site and the township of Red Rock is 10 km south. The townsite is approximately 109 km² in size. Both the Canadian National (CN) and the Canadian Pacific (CP) railways run through Nipigon and cross lines at the Nipigon River Bridge. The CP runs directly through the business core, and the CN parallels the river (Township of Nipigon, n.d.). The Canadian Pacific Railway traverses through the area for freight trains exclusively, since the cancellation of the VIA Rail passenger service in 1990 (The Outspan Group, 1999).

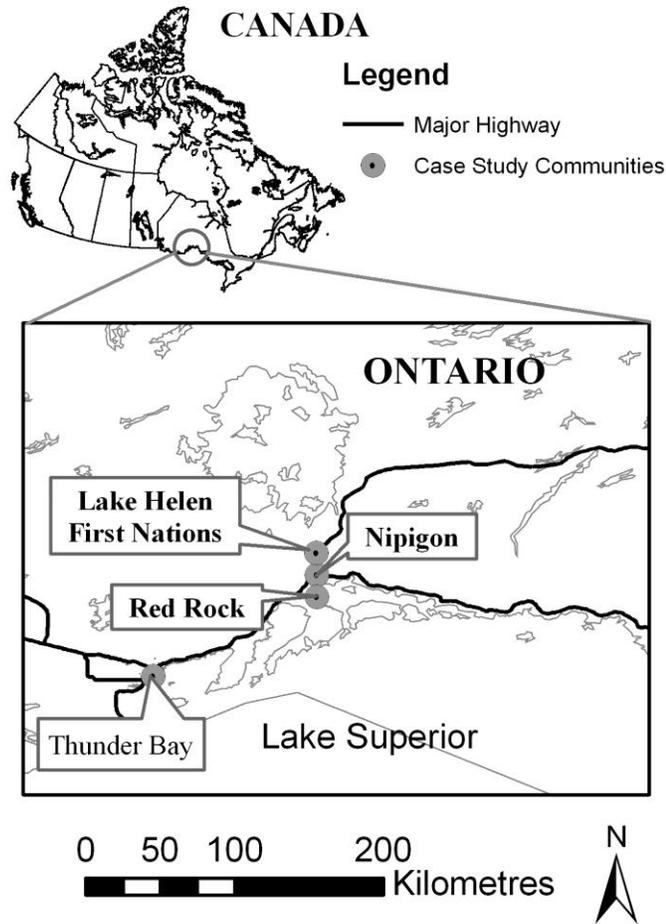


Figure 1.1: Map of Research Area
 Source: Adapted from Wozniczka et al, (2010)

In 2006, there were 925,000 visitors (overnight and day visitors) to the Thunder Bay District, with 30 percent of these being international travellers (Ontario Ministry of Tourism, 2008). Visitors to the region spent approximately \$69.3 million, and contributed \$33.7 million of labour income (i.e., 952 part time, full time and season jobs)(Ontario Ministry of Tourism, 2008). Tourism has been a part of the region since the 1800's, but always seen as a small contributor to the overall economy of the region. Current tourism opportunities range from various outdoor and sporting activities, sightseeing, hunting, historic and cultural sites visitation and national and provincial park visitation (Lemelin et al, 2010).

3.2.1 Dorion

Dorion was named after Antoine Aime Dorion, the joint premier of United Canada in 1858 and 1863-1864 (The Outspan Group, 1999). The township was settled by pioneers interested in farming, fishing, lumbering and trapping in 1870 (Mika and Mika, 1977). The township was open for land grants in 1893, with settlers arriving by the Canadian Pacific Railway in neighbouring Wolf River Siding (The Outspan Group, 1999). Mining became a large part of the economy with Omega Lead and Zinc Mine situated close by on Ouimet Canyon road, Bishop Mine, which extracted lead, zinc and silver and Dorion Mine located in the Cavern Lake area. The Ontario Government constructed the Dorion Fish Hatchery in 1931, where several thousand brook trout are hatched and transferred as yearlings to southern Ontario and the Great Lakes (The Outspan Group, 1999). By 1961 Dorion's population had reached 557, the highest it had ever been and in 1969 Dorion officially became an organized Township (The Outspan Group, 1999). Since 2001, Dorion has experienced difficult times economically with the downturn of the Northern Ontario forest industry. Many small logging and milling operations closed leading to out migration patterns and decreasing student enrolment rates (Township of Dorion, 2007).

As of 2006 the population of Dorion was 380, a 14 percent decline from 2001 to 2006 (Statistics Canada, 2007). A good portion of Dorion's population (58 percent) is between the ages of 25 and 64 (Statistics Canada, 2007). The unemployment rate was 28 percent and the average family income was \$60,059 (Statistics Canada, 2007). The province of Ontario's was 6.4 percent (considerably less than Dorion) and an annual family income of \$69,156 (Statistics Canada, 2007). Dorion has a town Reeve and three elected councillors.

There was one hotel, the Dorion Inn & Store that had burned down in 2009, two campgrounds, Dorion Bible Camp & Conference Centre and Wolf River Campground. Local attractions include Ouimet Canyon Provincial Park, Hurkett Cove Conservation Area, Cavern Lake Nature Reserve, a Fish Hatchery, Eagle Canyon Adventures equipped with two suspended foot bridges and one of the world's longest zip lines, and the Lake Superior National Marine Conservation Area. Canyon County Services, located on the Trans-Canada Highway, has the largest wildlife mural in Canada, painted on the

exterior walls. There is one indoor hockey rink in the community. Birding is very popular in the area with Hurkett Cove being one of the best birding sites in Canada, and playing host to an annual birding festival in the Spring. Recreational activities such as rock and ice climbing, hunting, sport fishing, snowmobiling and water-based sports are also popular.

3.2.2 Red Rock

The township of Red Rock was named after the geological formation of large red Cuesta (long sloping hills that end abruptly by steep cliffs) located on Highway 17 between Red Rock and Nipigon (The Outspan Group, 1999). The Red Rock Cuesta was an integral part of culture and served as a meeting place for the natives of the area. The area was considered to be sacred ground and rock from the mountain was used for making calumets (peace-pipes) (Township of Red Rock, n.d.). Settlement in the Red Rock region began in the early 1900s with a scattering of a few farms (The Outspan Group, 1999). It wasn't until 1920 with the construction of the Trans-Canada Highway from Port Arthur to Nipigon that Red Rock residents were connected by road. Red Rock up until then was only accessible by the Canadian Pacific Railway. The Lake Sulphite Pulp Company opened a mill and shut down within two years of construction due to bankruptcy. By 1940, the abandoned mill was converted to a prisoner of war camp, *Camp R*, which held 1,100 German prisoners that contained both Nazis and Anti-Nazis prisoners. By 1941 the camp transferred the prisoners and closed permanently (Township of Red Rock, n.d.). By 1942, Brampton Pulp and Paper Company set up operations at the previous Lake Sulphite Pulp Company location. In 1945 the Improvement District of Red Rock was incorporated (The Outspan Group, 1999). The Brampton Pulp Mill was taken over by Dominion Tar and Chemical (later known as Domtar) in 1961 and remained the main employer for the area (The Outspan Group, 1999). In 1980's with the assistance of Domtar and the residents, a multi-million dollar economic development initiative began and the Pull-a-Log Park was created. Pull-a-Log Park was designated ten acres along with planted flowers and trees and an open-air shelter. Plans quickly developed for the creation of a marina, launching and storage facilities. By the 1990's Domtar converted operations from paper to liner board. The mill was then bought by Norampac in the early 2000's and shut down by 2006. Upon the

closure of the mill, a mass out-migration took place leaving many homes empty. This had out-migration had a devastating blow to the town's economic base (Township of Red Rock, n.d.).

As of 2006, the population of Red Rock was 1083, a 13 percent decline from 2001 to 2006 (Statistics Canada, 2007). The majority of the population is between the ages of 40 and 59 (Statistics Canada, 2007). The unemployment rate was 12 percent (6.4 percent in the province) and the average family combined income was \$78,940 (\$69,156 provincial average) (Statistics Canada, 2007). Although the average salary was higher in Red Rock versus the province, the unemployment rate was almost double of Ontario's.

Red Rock has an elected town council consisting of a mayor and four councillors. There is also a community development officer position that assists with future economic projects including tourism development. Red Rock has three schools located in the town site: the Red Rock Public School, St. Hilary Catholic School, and Nipigon-Red Rock District High School. There is a library and recreation centre with a four lane bowling alley, weight room, gym, curling club and arena. In the summer an outdoor pool is open for swimming (Township of Red Rock, 2007).

Red Rock also has an 82 slip marina on the western shore of Nipigon Bay with full services and launch facilities (Township of Red Rock, 2007). Currently there are two historic hotels in operation: the Red Rock Inn and the Quebec Lodge. The Red Rock Inn was built by the Lake Sulphite Pulp and Paper Company between 1937 and 1939 as a residence for mill workers and a community gathering place (Red Rock Inn, n.d.). The Quebec Lodge was also built in 1937 by the Lake Sulphite Pulp and Paper Company to house company officials (Nipigon River Adventures, 2009). The lodge is located high on Lodge Mountain overlooking Nipigon Bay. There are two public campgrounds, Camp Birchwood and the Red Rock township campground. Attractions of the area include the nine-hole North Shore Golf Club, a marina and waterfront development, Bowman Island Charter Services, Pull-a-Log Park and public beach. The area is surrounded by walking and hiking trails, including one that connects Red Rock to Nipigon. Red Rock hosts the annual *Live from the Rock Folk Festival* in August which

attracts dozens of folk bands for the three-day concert held in August at the Pull-a-Log Park. Red Rock is also located in the heart of the Lake Superior National Marine Conservation Area. Popular recreational activities in the area include rock and ice climbing, snowmobiling, hiking, snowshoeing, cross country skiing, water sports, fishing and hunting. There is currently a recreation outfitter that offers hiking, biking, and snowshoeing adventures in the area.

3.2.3 Nipigon

The Nipigon area has been inhabited by First Nations people since 8,000 B.C. when the glaciers receded (Township of Nipigon, n.d.). Early inhabitancy is evident with the pictographs on the cliffs along Nipigon Bay. The community of Nipigon is one of the oldest on the north shore of Lake Superior, with a strong history in the early days of the fur trade in the mid 1600's. In 1678 a trading post was created by Daniel Greysolon, which eventually became a Hudson's Bay Post (History of Nipigon, 1985). In 1906 there were two fur trading companies operating in Nipigon, the Hudson Bay's Company and Revillion Freres, located next door to each other. The fur trade diminished by 1880s and the Hudson's Bay Post was converted into an outfitting station for anglers, to accommodate the large amount of sport fisherman. By 1885 marble, granite, sandstone, and gravel quarries were established in the region (History of Nipigon, 1985). In 1885, the Canadian Pacific Railway completed a bridge over the Nipigon River (Township of Nipigon, n.d.). The railway allowed for the emigration of permanent residents, visitors and goods to the Nipigon area. The Township of Nipigon became incorporated in 1909.

In 1916, a world record brook trout was caught in the Nipigon River (Township of Nipigon, n.d.). Sports fisherman would travel by steamboat up the Nipigon River. Commercial fishing for lake trout, whitefish and walleye became a large source of employment (History of Nipigon, 1985). In 1924, a large game preserve was established for fishing and hunting caribou.

The power of the Nipigon River was harnessed to generate electricity through the construction of three hydroelectric generating stations located along the river. The Cameron Falls Generating Station was the first to produce power in 1920, followed by Alexander Dam in 1930, and Pine Portage in 1950 (Township of Nipigon, n.d.). With the turn of the century the logging industry began to boom, and the Nipigon River

waterway from Lake Nipigon to Lake Superior was used to transport logs from 1923 to the last log drive of 1972 (Township of Nipigon, n.d). A saw mill was established that produced railway ties.

There are two bridges at the east end of town spanning the Nipigon River, one a single-line railway bridge built in 1885, and the other a two-lane road bridge built in 1937. Collectively, they comprise the narrowest east-west land link in Canada's transportation system. Both Highways 11 and 17, and both railways route all their traffic across the bridges. The only other east-west link in this part of Canada is the path across the dam north of the town site (not an actual road) or a few logging roads far north of the town. The Trans-Canada highway between Nipigon and Sault Ste. Marie was completed in 1961 and the Lake Superior Circle route was established.

On February 6, 2007, a fire tore through the Multiply Forests Products sawmill. Less than a month earlier workers at the mill had purchased it from Columbia Forest Products of Portland, Oregon. At the time of the sale, a \$4-million modernization plan for the mill was also announced. More than 100 people were employed at the plant, which produced hardwood underlayment for vinyl, plywood and laminate flooring (Township of Nipigon, n.d.). The mill never reopened after the fire leaving all of the former workers unemployed.

As of 2006 the population of Nipigon was 1,752, and has decreased by 10 percent from 2001 to 2006 (Statistics Canada, 2007). Sixty percent of the population is of the ages 25-59 years (Statistics Canada, 2007). The average family income in 2006 was \$68,123 (compared to \$69,156 provincial average) and the unemployment rate of 8.5 percent (6.4 percent in the province) (Statistics Canada, 2007). Nipigon has an elected mayor and town council consisting of four council members. In 2008, Nipigon hired an economic development officer to assist with future economic projects including tourism development. As of 2012 the Economic Development position remains vacant after the departure of the Economic Development Officer.

Nipigon has a public library, museum, hospital, recreation complex, arena, curling rink, an adult learning centre and a daily newspaper (Township of Nipigon, n.d.). The Nipigon Marina boasts 32 slips and is fully serviced. There are nine hotels and motels, two bed and breakfasts, two campgrounds and over twelve restaurants ranging

from fast food to sit-down family style. Area attractions include the Nipigon Hiking Trail, hydroelectric dams, and three famous murals, labeled *Racing the Train*, *Fifty Years of Service* and *The Last River Drive* painted by Dan Sawatsky. Sawatsky has been a professional artist for over 20 years, and completed his first mural in 1983 in Chemainus, British Columbia. Since then Sawatsky has had over 40 major commissions for murals in Canada, the United States and Tokyo, Japan. Other attractions include the Nipigon Museum and the Paddle-to-the-Sea Park. Activities that take place in Nipigon are heavily centered on hunting and fishing, rock and ice climbing, water sports, hiking, snowshoeing, cross-country skiing and biking. Nipigon is also located within the Lake Superior National Marine Conservation Area. There is an Ontario Tourism Visitor Information Centre located on Highway 11 which is open during late spring and summer exclusively.

3.3 Qualitative Case Studies, Worldviews, Researcher Background

This research was based on a qualitative case study methodology utilizing in-depth semi-structured interviews (Creswell, 2003; Beeton, 2005). The reason for choosing a qualitative methodology was because I felt that a qualitative approach would be the most appropriate way to explore and understand the current perspectives of a group of individuals, particularly small-business owners through semi-structured interviews.

Case studies are an increasingly popular chosen methodology in tourism research (Beeton, 2005; Buckley, 2003). A case study approach is advantageous when “a ‘how’ or ‘why’ question is being asked about a current set of events” (Yin, 2003, p.9). Hoalglin et al, (1982) (in Beeton (2005) has highlighted ‘ten features of the case study’, several of which speak directly to why such a methodology works well for my study. The features that attracted me to a case study approach are:

- It explains why an innovation worked or failed to work.
- It illustrates the complexities of a situation by recognizing more than one contributing factor.
- It shows the influence of personalities and politics on an issue.
- It has the advantage of hindsight, yet can be relevant in the present and to the future.

The case study inquiry strategy allowed me to address the research question, to discover the phenomenon that was occurring in the Top of Superior Region amongst the small-business owners regarding their attitudes towards tourism and determine their ability to be innovative based on current events. Using case study as an inquiry strategy provided me with the ability to develop a story from the themes in the data (Mitra & Lankford, 1999). Case studies have been utilized extensively in tourism research as presented by Beeton (2005) who highlighted several accepted and celebrated tourism case studies such as: Rapoport and Rapoport (1975), Craik (1991), Murphy (1991), Harris and Leiper (1995) and Singh and Singh (1999).

Interviews are one of the research methods of choice within social sciences and consequently tourism, and helps researchers to understand and make sense of the lives of people (Jennings, 2005; Jordan & Gibson, 2004; Yin, 2003). Semi-structured interviews occur in a conversation-like style with a flexible agenda to focus the interview as needed. (Jennings, 2005; Patton, 2002; Yin, 1994) The order of discussion can vary with each participant interview (Jennings, 2005). This format appealed to me as this would allow for emergent stories and themes to arise from each interview that could not have been earlier predicted.

Because my worldview is pragmatic, I chose the most appropriate methods, techniques, and procedures that best address the research needs and purpose (Creswell, 2003). Pragmatism “as a worldview arises out of actions, situations and consequences...with a concern with applications – what works and solutions to problems” (Creswell, 2007, p. 10). As such, I felt that a qualitative, case study approach utilizing semi-structured interviews was the best strategy for both answering my research question and gaining access to the participants, the small-business owners in a rural region. Because I have lived in small rural communities in Canada, I knew the importance of trust built through knowing your neighbor and the consequences of being a new person in the community. In order to gain access into the insights of the community’s small-business owners I had to present myself within the community and express my interest in having their participation in this research while also providing them with a platform that they felt that they could comfortably and safely express their concerns and share their stories. In-person, semi-structured interviews were deemed

most appropriate for this study, and consistent with the larger project, of which this study is but one component of.

My interest in small-business owners in tourism spawned from my familial background and the communities I have lived in. Both sets of my grandparents immigrated to Canada in the 1950's from Greece and Holland. Immediately upon arrival in Canada both proceeded to open up small-businesses in both rural and urban areas, and members of my extended family have continued to own restaurants, motels, and tourism retail shops. Those from Holland settled in a small town in northwestern Ontario and were involved in the clothing retail business for over 30 years. Their business was heavily reliant on the success of tourism in their community. I was born and raised in a small-business owner household. I grew up pouring coffee and baking donuts at my parents coffee shop located along a major highway in rural southern Ontario.

For my whole life I have been aware of the connections between tourism and economic success in rural Canada. I have lived in the Canadian ski resort towns of Canmore, Banff and Whistler for over 5 years. I have experienced firsthand the varying effects of living in a tourism-reliant community, such as the lack of tourism when there is a winter with no snow in a ski town, the housing shortage and sky high accommodation rates because of the influx of second home owners, and the lack of work available in the off seasons. The combination of growing up in a family of small-business owners and living in an environment dependent on tourism has fostered my interest in the relationship between tourism and small-business development. This research provides the opportunity to examine this relationship within a rural, resource-dependent context, as part of my education career in the tourism field.

3.4 Participants

The research took place in the northwestern Ontario communities of Nipigon, Dorion and Red Rock, collectively referred to as the Top of Superior Region. Those targeted for this study were individuals, over the age of 18, who were either direct or indirect tourism small-business owners. Direct tourism businesses included accommodations such as motels, bed and breakfasts, and campgrounds, restaurants, recreation/hunting/fishing outfitters and attractions. Indirect tourism small-businesses

included gas stations/automotive shops, grocery stores, and retail stores. An inventory was initially created of all of the direct and indirect tourism businesses in the region (Appendix A), based on their listing on the individual communities' business directories as part of the townships' websites. Websites were not always up-to-date and as a result there were additional businesses (both direct and indirect) that were identified during visits to the community. There were also permanent business closures throughout the data collection period and this altered the amount of potential participants.

The proposed data collection plan involved contacting potential participants by phone (Appendix B), informing them of the research and confirming that they were a small-business owner by asking them a series of questions. The small-business characteristics were adapted from the Australian Bureau of Statistics' (2002) definition of small-business owners, the Committee for Economic Development (CED) in the United States (1994), Balderson's (1994) textbook *Entrepreneurship and Small-business Management* and Industry Canada (2010) to measure small-businesses. The criteria included:

- independent management;
- owner-supplied capital;
- local area of operations; and
- number of employees (under 20).

If participants met all of the characteristics they were then asked to participate in the study and sent by mail/email/fax or given in-person, both a cover and consent letter (Appendix C) and an interview time and place was scheduled at their convenience. This contact strategy was used initially to contact several participants, but due to timing and logistical constraints it was altered to an in-person confirmation of small-business status.

3.4.1 Number of Participants

Because of the small number of businesses present in Dorion and Red Rock, the intent was to interview 100 percent of the small-business owners willing to be interviewed that met the small-business screening criterion. As Nipigon (a much larger community) had 26 direct and 26 indirect businesses, the aim was to interview at least 50 percent of each category (13/13) comprised of equal amounts of both types of businesses:

- Direct tourism businesses - 4 motels, 1 bed & breakfast, 3 outfitters, 1 campground, 4 restaurants.
- Indirect tourism businesses, - 2 gas stations, 3 auto repair shops, 4 retail, 1 grocery store, 1 convenience store, 1 laundry mat, 1 greenhouse.

The number of participants chosen was due to the purposeful sampling strategy ensuring that each participant met the criterion as previously highlighted. Table 3.1 provides a summary of the number and type of businesses in the study, both in terms of the potential businesses, as well as indicating the total number that participated.

Table 3.1: Summary of Potential and Participating Direct and Indirect Businesses in Top of Superior Region

Community	Current Businesses in Operation	
	Direct Tourism Business	Indirect Tourism Businesses
Dorion (11) /2 interviewed in total	Total = 5 1 – outfitter 2 – campground 1 – attraction 1 – restaurant /2 interviewed in total	Total = 6 1 – bible camp/conference centre 1 – convenience store 1 – retail 1 – grocery 1 – farm 1 – fishing shop /0 interviewed in total
Red Rock (15) /4 interviewed in total	Total = 7 2 – inns 1 – campground/restaurant 1 – bed & breakfasts 1 – restaurant 1 – recreation outfitter 1 – gallery/cafe /3 interviewed in total	Total = 8 1 – grocery store 3 – retail 1 – convenience store 1 – marketing company 2 – hair salons /1 interviewed in total
Nipigon (54) / 11 interviewed in total	Total = 26 9 – motels 2 – bed & breakfasts 1 – campground/gift shop 5 – fishing/hunting outfitter 1 – recreation outfitter 8 – restaurants / 9 interviewed in total	Total = 26 3 – gas stations 7 – automotive repair/towing shops 7 – retail 1 – grocery store 1 – hardware store 2 – convenience stores 1 – golf club 2 – hair salons 1 – greenhouse 1 – laundry mat /2 interviewed in total

If participants were unavailable or declined in Nipigon, I attempted to contact the other businesses listed in the inventory. If participants declined in either Dorion or Red Rock, I then targeted more business owners in one of the other communities. The proposed goal for the overall number of interviews for the study region was N=55, with the actual number being 17. There were several factors that affected the amount of actual interviews conducted during the study period from June 1 to September 6, 2011:

- The removal of Lake Helen First Nation from the study region automatically reduced the potential participants total by three.
- There were eight businesses closures in the region over the study period.
- Sixteen potential participants who were contacted refused or were unable to participate in the study. These businesses included both those directly and indirectly involved in tourism.
- The data collection occurred during the summer months which left a large amount of the potential participants either busy with their summer tourism business or away on vacation.
- Several of the small-business owners who refused to participate expressed negative opinions of tourism as an economic activity in their community, while others mentioned a lack of time to participate in an hour long interview.

In the end, I interviewed as many willing participants that were available during the study period. Saturation was achieved during the data collection process with the repetition of strong themes throughout the interviews, thus confirming that there was a large enough data set to conduct an analysis, and that additional interviews would not likely generate much new data.

As stated previously, there were 17 completed interviews in total (see Table 3.1). Two of the participants were from the township of Dorion, four from the township of Red Rock, and eleven from the township of Nipigon. I tried to acquire opinions from the three different locations to get an understanding of what was occurring in the region. The three communities were very similar in their attitudes and responses, thus my aim was not to look at the inter-community differences. Tables 3.2 and 3.3 summarize the characteristics of those participating in the study. Gender and estimated age ranges are outlined to give a general demographic profile of the small-business owners. In total there were nine males and eight female participants. Five of the participants were of ages ranging from 30-49 and twelve participants were between the ages 50-69.

Table 3.2: Participant Summary

Descriptors	Participant Profile
Gender	9 males, 8 females
Age	5 participants 30-49 12 participants 50-69
Types of operation	14 tourism direct 3 tourism indirect (6 motels, 2 campground, 2 B&B, 2 retail, 1 restaurant, 1 marketing, 1 contractor, 2 outfitter)
Years in Business	1-23 years range 6 years mean 1 year mode 5 median

Table 3.3: Participant Profile

Gender	Age	Business Type	Years in Business	# of Employees ft = full time pt = part time	Permanent, Seasonal or Part-Time Operations
M	50-69	Campground	10	0	Seasonal
F	50-69	Campground	10	0	Seasonal
M	50-69	B&B/Outfitter	6	1 (pt)	Permanent
M	30-49	Marketing	1	0	Permanent
F	30-49	Restaurant/Gallery	Less than 1	6 (1ft/5pt)	Permanent
M	30-49	Outfitter/Guiding/Retail	4	0	Seasonal
F	50-69	B&B	3	0	Part-time
M	50-69	Motel	2	2 (ft)	Permanent
F	50-69	Motel	8	4 (2ft/2pt)	Permanent
F	50-69	Motel	12	2 (pt)	Permanent
M	30-49	Motel	7	1 (ft)	Permanent
F	50-69	Motel	1	2 (1ft/1pt)	Permanent
M	30-49	Outfitter	4	0	Seasonal
F	50-69	Retail	6	6 (2ft/4pt)	Permanent
M	50-69	Contractor	3	2 (ft)	Seasonal
F	50-69	Retail	5	8 (6ft/2pt)	Permanent
M	50-69	Motel/Outfitter	23	3 (1ft/2pt)	Permanent

3.5 Data Collection

3.5.1 Interview Procedures

During the interview, a signed consent form was requested from the participant. I explained the format for the semi-structured interview and the expected length of the interview (60-90 minutes). I followed the interview guide (Appendix E) with the participant in-person.

To determine business owners' attitudes / views towards tourism I asked them about:

1. their commitment to tourism / willingness to invest in tourism
2. the perceived value of tourism for the community
3. the perceived level of community / industry support for tourism
4. the perceived capacity of the community to develop tourism as a viable industry

To identify the challenges and opportunities to be innovative I asked questions about their:

1. level of education and training
2. marketing and research strategies
3. product development strategies
4. ICT strategies
5. networking and collaboration strategies,
6. interaction with govt agencies and RTOs
- 7.

Interviews were digitally audio-recorded (with consent); during the interviews the recorder was placed between the participant and I so that it would not distract either party. The same questions were utilized for each participant allowing for a systematic analysis of the discussions and to determine common patterns and themes in the analysis stage. Due to the semi-structured nature of the interviews, participants were allowed and encouraged to expand on ideas and stories that came up throughout the interview that may not have been originally asked in the interview guide. This allowed for important ideas to unfold that could not have predicted from the original interview questions. Upon completion of the interview I confirmed the participant's contact information for the return of the transcript for approval and to see if the participant wanted a copy of the research findings.

In addition to the interviews I maintained field notes throughout the interview process to record the observed behavior and activities of the participants and the research area (Creswell, 2003). Once the interviews were completed I transcribed the

interviews via the digital data recorder audio file and field notes into a Microsoft Word document. The transcribed interviews were then sent back to the participants for review to ensure that the interview accurately portrayed what the participant intended. Once confirmed each transcript was then uploaded into Nvivo9, a computer data analysis software.

3.5.2 Participant Coding

Due to the ethical considerations of anonymity and confidentiality, and to stay consistent with the larger regional SSHRC project, a coding structure was developed and followed to keep participants identity anonymous and confidential. Since the case study region is comprised of low populations and limited businesses, it is essential that these small-business owners opinions expressed throughout the research remain confidential. The coding structure is explained in Figure 3.1.

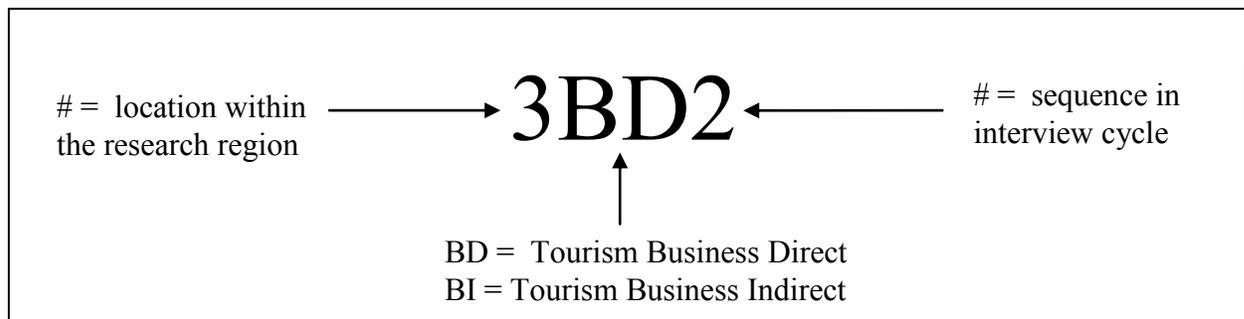


Figure 3.1: Coding Structure

3.6 Ethical Considerations

This research was granted ethical approval by Lakehead University's internal Research and Ethics Board and measures were taken to safeguard the participant's rights (Creswell, 2003). Participants were provided in writing (Appendix D) with information about the study's objectives, time requirements and were informed that they could withdraw from the study at any point. Participants were also notified that they would remain anonymous and their opinion's confidential. Transcriptions were made available to participants for review and to verify that their opinions were captured in the manner they wanted to express. Following the university's policy, the data from this study will be securely stored for 5 years (in Lakehead University's Department of Outdoor

Recreation, Parks and Tourism) and destroyed after 5 years. The results from this study will be presented to the case study communities in the form of a town hall meeting in conjunction with the larger SSHRC regional tourism research study in the fall of 2012.

3.7 Data Analysis

The data analysis process began and continued throughout the data collection process (Luborsky, 1994). Data was collected (transcribed interviews and field notes) and analyzed using the spiral method as recommended by Creswell (2003). This method is applied to managing, reading, reflecting, coding, classifying, interpreting and representing the data (see Figure 3.2).

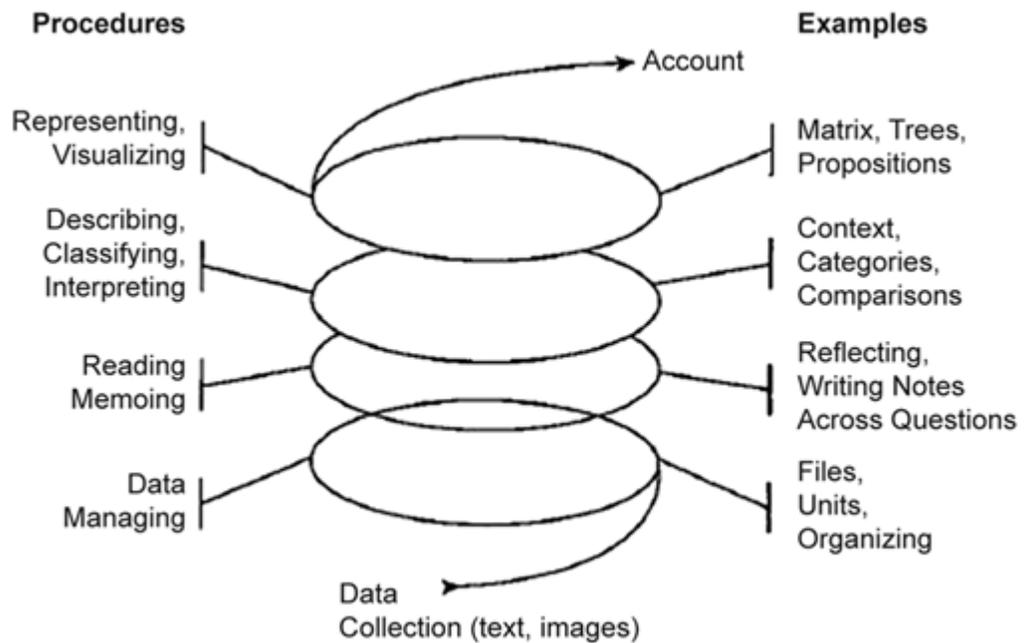


Figure 3.2: Data Analysis Spiral
Source: Creswell (2003)

Data from the transcribed interviews and fields notes were organized and managed using NVivo. The transcripts were then read through several times to immerse myself in the information and to gain a general sense of the whole transcript before the in-depth, line-by-line analysis (Agar, 1980). Memos were created to capture the overall sense of the interview. Following the several readings and memoing, a deeper analysis began through an initial open coding, line-by-line analysis of the 17 transcribed

interviews. The initial coding phase (open-coding) (Strauss & Corbin, 1990) produced 141 codes, developed through identification of broad themes that appeared to be significant within the data. Definitions were given for all 141 codes, which explained the meanings for each code in relation to the context given. Following the open-coding, axial coding was conducted to further reduce the codes into relationship categories (Strauss & Corbin, 1990). The axial coding procedure produced 19 coding categories. These categories were further condensed through selective coding into four categories that I was then able to relate to one another (Table 3.4). The results of this coding process are discussed in chapter 4, while the analysis and discussion follow in chapter 5. As this chapter has illustrates, the method allowed for emergent themes which logically leads to the potential of new literature that will be explained in the discussion (chapter 5).

Table 3.4: Coding Process Breakdown

Selective Coding by name (4 in total)	Axial Coding by name (19 in total)	Open Coding by # of codes (141 in total)
Context	Nature	6
	Geography	6
	Community descriptors	12
	Recreation areas	3
	Tourism attractions	8
Small-Business Owners	Challenges	30
	Feelings	10
	Experience, education and training	7
	Motivations	5
	Tourism benefits	3
Innovation	Customers	3
	Competition	3
	Information & Communication Technology	3
	Marketing	10
	Networking & partnerships	9
	Business, employee training plans and	10

	customer service	
External Variables	Small-business owner support	3
	Government	6
	Tourism organizations and positions	4

The concept of innovation was examined in this research by using the OECD (2005) explanation of innovation highlighted in chapter 2 and examined by through the small-businesses' use of new marketing strategies, offering and adopting new and innovative services and products and processes internally and externally (i.e. networking and information and communications technology) (OECD, 2005). These results are found in section 4.2.3 Innovation.

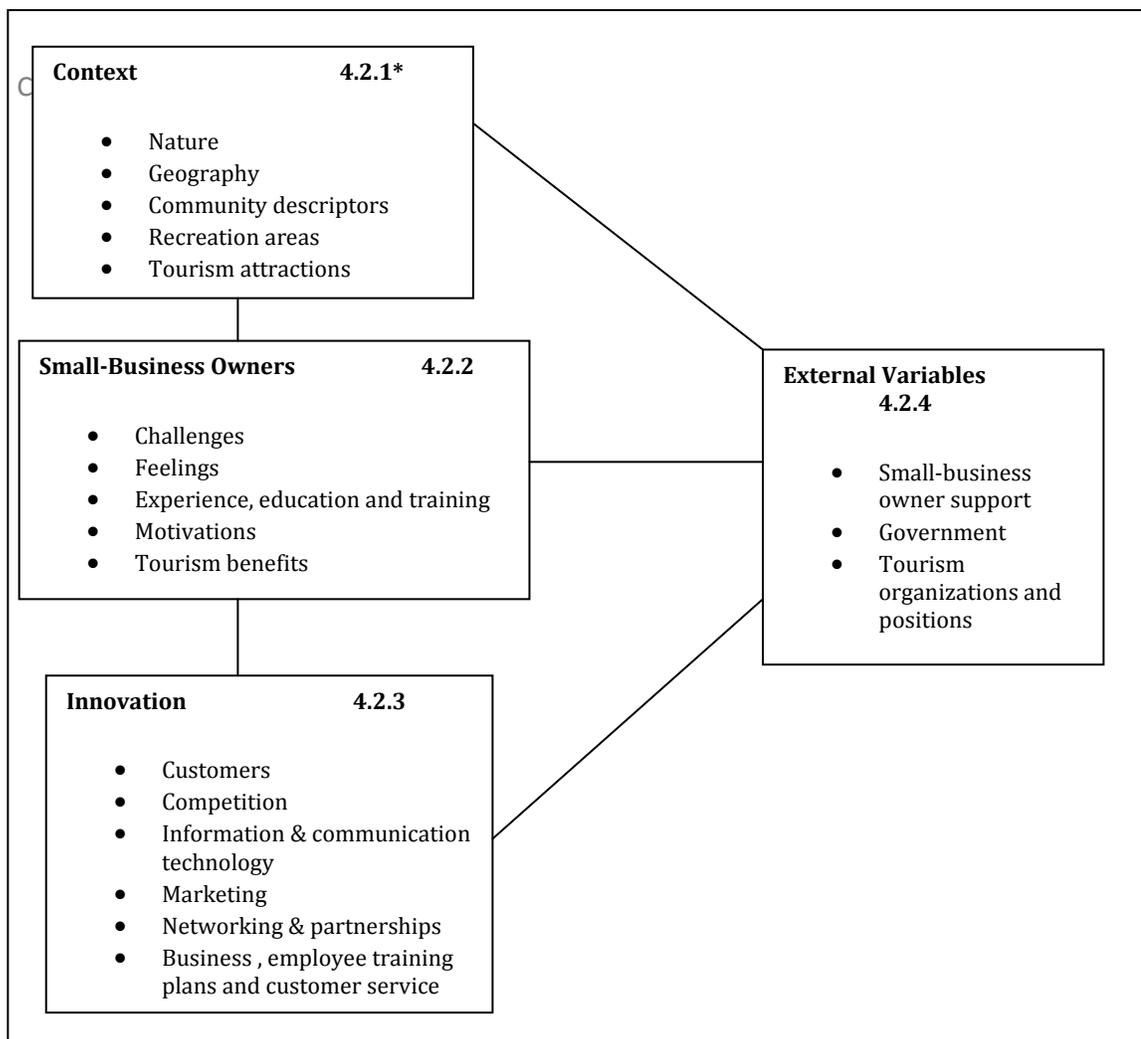
3. 8 Conclusions

This chapter provided a description of the case study region and the communities and explained the reasoning behind the qualitative case study approach for this study. My worldview and background illustrates why the methodology was necessary and how the research subject was important to me. A review of the participants, such as the number of participants and their profiles provided some scope for the study as well as a detailed description of how the participants were approached and interviewed. The data analysis process was broken down step-by-step to provide transparency of how the results were revealed which will be discussed at length in chapter 4 Results. A conceptual framework will also be explored in chapter 4, that will guide how the analysis was conducted and provide structure for the discussion.

CHAPTER 4: RESULTS

4.1 Introduction

As highlighted in chapter 3, the initial coding phase produced 141 codes. Following the open-coding, axial coding was conducted to further reduce the codes into relationship categories (Strauss & Corbin, 1990). The axial coding procedure produced 19 coding categories. These categories were further condensed (selective coding) into four categories that I was then able to relate to one another (graphically represented in Figure 4.1). The following chapter provides an explanation of the axial (sub) and selective (major) coding themes with evidence from the transcribed interviews. Each of the major themes is discussed through an exploration of the sub-theme; they are provided in no particular order.



* Each of these numbers reflects the section in this chapter in which the theme is discussed.

Figure 4.1: Selective Coding Major Categories

4.2 Exploration of Major Themes

4.2.1 Context

One of the major themes to emerge from the data analysis was the ‘context’ of the case study region. This theme seemed appropriate since this was a ‘case study’ research approach and with that type of research, the setting becomes particularly important (Strauss & Corbin, 1990). Within this theme there were subcategories including: nature, geography, community descriptors, recreation areas and tourism attractions. Each of these sub-themes helped in creating a more comprehensive understanding of the case study context.

4.2.1.1 Nature

The theme of ‘nature’ consisted of sub themes such as: access to wilderness, remoteness, natural beauty of the landscape, nature based recreation, being close to nature and responsibility for the natural environment. Small-business owners placed high value and importance on the nature surrounding their business. One participant commented on how a local small-business owner centred his business operations on the benefits of the natural beauty of the area.

...<local business owner> is an example, you know he doesn't do fishing or hunting, but he is taking advantage of the overall geographical beauty of the Nipigon area, the canyons, the waterways, the hiking trails, the views, the plateaus vistas, the wildlife, the exercise, the fresh air, everything. (3BD9)

This participant not only described the geographic and recreational features of the area but also connected these natural aspects to business opportunities. The natural beauty of the area was something that participants felt very strongly about and felt that it would attract tourism, specifically ecotourism.

[The benefit of being here] is the beauty, what people want to come and see, especially ecotourism. And who would have thought we had canyons in northern Ontario? I didn't realize that till I came here. There is lots to see. (2BD2)

Once again the physical aspects were mentioned but also the business owner's surprise with the physical landscape of the region prior to moving to the area. This lack of

knowledge regarding the physical landscape of the region is an important aspect that needs to be highlighted in tourism marketing materials since it was seen as a valuable and important asset by the small-business owners in the region. Small-business owners discussed the nature-based recreational opportunities and listed these as a benefit (existing or otherwise) to the region. Participants felt they not only benefitted personally (for their own recreational pursuits) but that these opportunities also provided new business possibilities either directly through owning a tourism business or indirectly by providing services to visitors who accessed the natural recreation resources in the area.

Overall participants discussed the various aspects of nature in a positive way and also made connections to how the natural aspects of the area may positively affect tourism and local businesses.

4.2.1.2 Geography

Geography was also another descriptor of the context of the case study region, with subcategories including: regional geography, region, passing through, stop along the way, proximity to a major city and the TransCanada Highway. These sub themes illustrate that the study region is viewed as a series of rural communities along a major transportation corridor in Canada. The rural context of the study region was appreciated by participants, yet value was also placed on being within an hour's drive of an urban centre. The close proximity to Thunder Bay (the closest city to the study region) was an aspect that came up several times in the interviews. For example participant 3BD1 states:

We're small enough that we're alone but we are close enough to Thunder Bay that we get the benefits of a semi-big city right? So when you can step two minutes outside your door and it feels like you are a million miles away... that is one of the greatest [benefits].

Another participant expanded on this concept of being close to a major city and compared their proximity in contrast to other places along the North Shore of Lake Superior, and the need to use the amenities in Thunder Bay.

Well it's a hell of a lot closer to Thunder Bay compared to somebody in Schreiber or Terrace Bay and that helps us because we find there is no facilities here whatsoever, there is no vets, half the stuff, there is a lot of stuff we need which we cannot get here, so we have to go to Thunder Bay for it. Thank god we are only an hour away, I feel sorry for the people who are two hours away sort of thing. That is one advantage I suppose you could say. (3BD8)

The TransCanada highway (11/17) was another major characteristic that made up the geography of the region. Participants mentioned the importance of having their business located within close proximity to the highway.

The biggest benefit is the TransCanada highway, and our signs are quite big from a distance so people who travel on the highway and they don't know where to go, they see our sign and just come in. Even if they ask you for directions, where do we look for you in town, we tell them you don't have to go into town, we are right on the highway. (3BD3)

The TransCanada Highway was not only important for business located there, but also for the town sites. Two of the three townships were located directly on the TransCanada highway. Although the TransCanada Highway, and highways in general are physical infrastructures, participants viewed the highways as a mechanism to bring tourists to the region. The location of these communities along the specific section of the TransCanada highway is unique since it is where two major highways combine into one and has to be travelled through by anyone on a cross-country (east to west, west to east) traverse.

It's the crossroads, there are seven motels here and they are filled all summer. It's half way, like if you come from Ottawa or something, they'll stop here because it's a crossroad and they'll say we'll head to Winnipeg tomorrow. It just seems like this is where they want to stop. Whether they are coming from the west they want to stop before they start up highway 11 the next day. And it's just a convenient location and because of fishing and hunting, it's central. (3BD4)

In summary, the geography of the region was seen as a positive aspect for tourism and small-business owners.

4.2.1.3 Community Descriptors

The communities in the study region were described by small-business owners using various characteristics throughout the interviews, including: size of town, seniors, local support, town grudges, shop local, volunteering, pulp and paper mill legacy, economic development, secret spots and sense of ownership. These descriptors paint a picture of a small Canadian rural resource-based region located in the boreal forest, once dependent on the forestry industry for the major part of their economic activity, and now looking at other means for economic survival. The participants loved the 'small town' aspects of living in these rural communities but were not happy about the current economic situation their communities were facing.

The most prevalent of the community descriptors from the small-business owners was the pulp and paper mill legacy. In response to what was part of the economic activity of their community, a participant stated:

Well, the biggest thing since the beginning of the town was the mill that was it. (2B11)

Reflecting on the current economic situation in the communities one participant expanded:

It used to be forestry. Now that plywood mill burned down, the mill where I worked in Red Rock shut down, and it will never get started because they gutted it, now we have to look at tourism as the number one thing. (3BD7)

The majority of the participants had either worked in one of the mills or had a spouse that worked in the mills that has shut down in 2007, yet those small-business owners new to the region still noticed the legacy of the mills.

No, the only thing I know is there used to be a mill, and there used to be a hockey stick factory that burnt down last year or the year before and the economy is in bad shape at this time. A lot of people were working in the mill and nobody has a job now. (3BD8)

Shifting from the pulp and paper mill legacy and current economic activities of the communities, the aspect of being a ‘small town’ was a major benefit for small-business owners at personal, lifestyle and business levels. One participant reflected on the aspects of small town life as a benefit to her lifestyle choice and the operation of a business in a small town.

There is no commute, I am three minutes, clock it to the beach. You can get off work and be at the beach in three minutes. You can come and go and if you have to go the bank you can stick a sign on the door and run there. It’s not like when you are in the mall that you have to be open a certain amount of hours and be open their hours and just all the people, everybody knows everybody. Everybody knows you by name which is, I would never live anywhere except Nipigon, never again. (3B11)

The small town aspect of these communities was seen as a benefit in how the local community members supported each other. This was highlighted by an outfitter:

... because you are a small-business in a small town, everybody supports you for the most part. If you have a group of clients and we are going to a restaurant to eat, those restaurants are totally supportive of us, bringing people there, they are always there to help. They are always wishing you success because the more

people we bring, the more people they get. That's, you get back, like the support comes from there, businesses and then personable people, the whole community. (3BD1)

Taken as a whole the community descriptors were both negative (in relation to the lack of economic development, closure of the mills and lack of jobs) and positive (such as local support, friendly community and lifestyle attributes) to the small-business owners.

4.2.1.4 Recreation Areas

Given the location of the communities in the boreal forest, along Lake Superior, the aspect of recreation areas was important for describing the context of the region by small-business owners. This was echoed in mention of Crown Lands, the Lake Superior National Marine Conservation Area (LSNMCA) and the trail network throughout the region. The recreational areas were important not only for the participants' businesses success but also to their own recreational enjoyment. Trails were mentioned as being both a positive and negative characteristic for small-business owners. For example, one small-business owner felt that the area lacked a significant trail. They felt that the existence of this trail would contribute to the creation of more small-businesses.

...there is about 200 km of trail in the area, so you can't really promote the other ones because they are not kept completely [like] the other trails. So that's one of the big things that we need. Is more, like with more trails, if you look at any tourism town the one thing they have is trail. We don't have trails that you can go on and anybody can access. I think that would be key if we had more of those. That would help us a great deal. And by more trails there are going to be more people who do these kind of things which means more restaurants, more stores, more, it's just that chain effect eh? And then you can start worrying about packaging. Then you have the stuff. (2BD2)

Another small-business owner felt the need for a more extensive trail system that could be used year round. They believed their business would directly benefit from a more extensive trail, specifically for the winter season.

If you want to build a trail, pave it, you know what I mean. Don't cut a trail through the bush and expect people to walk through. I'm just saying if that is what you are going to do, do that. You go down to America, everything is paved so now you can walk, you can bike, in the wintertime you can sled through there. Right here, like our businesses would pick up hugely in the winter time if the skidoo trail from the border to here was done. Because here's what people do, in the wintertime, the trails in the last ten years at least, there's been nothing from the border to here, so they'll phone book a room for one night, park their truck in my spot, and take off for 11 days that way and then they'll come back and get

in their trucks and go, and I only get one night out of 4 or 5 guys. Whereas if the trail came here they wouldn't be trucking here, they would be skidooing here and stopping every night. There would be skidoos here checking in. I have a friend who owns a motel down in Elliot Lake, not Elliot Lake, Blind River and he says, his winters are almost busier than his summer with snowmobilers. Because the trail system is all done properly down there, we don't have that here. (3BD7)

Feelings towards protected areas, specifically the proposed LSNMCA were similar to trails in that small-business owners cited both negative and positive aspects to them. One small-business owner felt that not only would the park restrict obtaining land use permits but was also concerned that the park did not have the capacity to maintain the environmental protection laws.

... if there are so many parks and protected areas within the region, getting land use permits and stuff is pretty hard, you have to jump through hoops to get things done. And then there are powers that be, it's not as easy as it used to be. There's costs to it environmentally you have to, well take the National Marine Park, you cannot create an area that is a park and you are going to increase tourism, you are going to have a presence out there who is going to enforce all these new laws and regulations and if you don't even have a presence out there to enforce what exists already, what are you going to do when you increase the use in the area. It doesn't make sense unless you can protect it. (3BD9)

Some small-business owners were very specific on what type of benefits they would receive with the LSNMCA.

Maybe if people are going to come and want to see this park and they have to get a motel room, well yeah, that's the only way I gain. They need a motel room in town. They don't want anything else then I'm not in the game. Now restaurants is a different story. They can gain from people just coming and going, so they've got to eat. But I need them to stay here. So does the restaurant really. (3BD6)

In summary, small-business owners saw some benefit to the creation of the LSNMCA depending on the type of accommodations and services needed while visiting. Others worried about the LSNMCA's ability to enforce regulations. The LSNMCA established a main office in the town of Nipigon in 2011 and has created full-time and part-time employment for half a dozen staff. Overall small-business owners felt there was a lot of opportunity for a four season trail and by building a major trail it would directly affect their business in a positive way.

4.2.1.5 Tourism Attractions

Respondents spoke of various types of tourism attractions in the region as including various festivals, Tim Horton's (a franchise coffee shop in Canada), hunting and fishing activities, cruise ships, amenities and the downtown landscaping. It was clear from the interviews that although there have been numerous tourism related developments to attract visitors to the region, it is the natural environment and its resources that remain the most important element. Fishing played a major role as part of attracting tourists to the area. One participant stated that by living in the region:

...the biggest benefits are the resources that I have access to, a resource that I can earn a living off, and it's unique because we hold the world record for brook trout. (3BD9)

They then went on to expand on the tourism opportunities through fishing and the benefits to the other small-businesses (restaurants) and attractions (museum):

...the brook trout record in itself is one of the longest standing fish records. We don't even recognize it, we don't have a sign on the highway, we hold a world record. When you hold a word record, you promote them. Unless it's for the longest fart then maybe your community might not want that as a billboard. But, you know Stinky Pete lives in your town, you know?... there could be partnerships and when you put a sign up and say to see more about the world record brook trout, visit Nipigon museum. Because you've put that billboard on that highway, I'm sure you are going, some people are going to go to the museum and maybe they go for lunch. They spend more time in the area. Some people might even decide to stay overnight. You know what, the museum closes in an hour, I'd like to come back tomorrow, or they have supper and they don't feel like driving. (3BD9)

With fishing being such a major tourism draw for the region, small-business owners felt that there was opportunity to expand on this fishing legacy to help keep people in the region longer and thus benefiting more of the local businesses. Another major tourism attraction to the region mentioned by the participants were festivals such as the Live from the Rock Folk Festival, the Blueberry Blast Festival and the Ice Climbing Festival. Festivals were mentioned as being important to the region to draw people to the area.

It's basically the same or some of the festivals that are held throughout the summer, those are the key drive points for people outside of the local areas to attend. So those are always a big draw and I think the communities rely on those a lot. (2BD2)

Small-business owners also felt that there was opportunity to expand the amount of festivals since they were already successful attractions to the region.

...people come for the events, the Blueberry Blast, Red Rock has its famous folk festival. Yeah we could probably stand to have more events here especially here in the summer. (3BI1)

On the whole the small-business owners felt that the largest draw for tourism to the region was fishing and festivals. Hunting, cruise ships, the downtown landscaping and people coming to the area to use the amenities such as the grocery store were also noted through the interviews as important to tourism. The recent (2011) addition of the Tim Horton's in Nipigon along the TransCanada highway was mentioned by participants as an attraction for tourists and those travelling through the region as a place to eat. It was seen as a high quality establishment and some participants felt that it was the only restaurant in the region of a high enough level of quality to recommend to visitors.

Through their discussion, the small-business owners provided various illustrations of their businesses both within the region and with regards to tourism. The natural environment, associated geography, recreational areas, various community descriptors and identified tourism attractions of the area all provided an appropriate backdrop through which to view the context of the region. Although the majority of the identified aspects were positive to the business owners, much of the context presented challenges for operating a small-business. These challenges are explored in the next section.

4.2.2 Small-business Owners

Examining rural small-business owners' perspectives of tourism (such as their fondness towards tourism, supports and challenges toward tourism) were part of the main focus of this research project. The following discussion provides an in-depth look at the small-business owners in the case study region through examining themes of: challenges they faced operating their business, expressed various feelings, experience, education and training, motivations and their reflections on the benefits of tourism.

4.2.2.1 Challenges

Challenges for the small-business owners were the most prevalent theme discussed by the interviewees. They identified 29 challenges including:

- Small profits
- Lack of diversity
- Live at business
- Long hours
- Business closures
- Lack of guides
- Decline in tourism
- Lack of businesses
- Downturn in local economy
- Negative partnerships
- New to town
- American economy
- Winter
- Amount of work
- Lack of education
- Lack of attractions
- Expensive
- Costs of electricity
- Time shortage
- Unknown destination
- Municipal taxes
- Price of gas
- Behind the times
- Self reliance
- Volunteer burnout
- Bad businesses
- Lack of infrastructure
- Lack of entrepreneurs
- Illegal business operations

For ease of discussion, I classified them into four types of challenges: local, external, personal and tourism (Table 4.1). Local challenges were directly related to the municipal location in the case study region. External challenges were those that the small-business owners had no control over such as weather, the American economy, and price of gas. Personal challenges were directly related to small-business owners operations while tourism challenges were directly related to the tourism industry in the region.

Table 4.1 Types of Challenges for Small-Business Owners

Local	External	Personal	Tourism
Municipal taxes	American economy	Small profits	Diversity
Business closures	Price of gas	New to town	Behind the times
Volunteer burnout	Winter	Live at business	Lack of guides
Bad businesses	Decline in tourism	Long hours	Lack of attractions
Expensive	Costs of electricity	Amount of work	Lack of infrastructure
Lack of businesses		Lack of education	Illegal business operations
Lack of entrepreneurs		Self reliance	Unknown destination
Downturn in local economy		Time shortage	
Negative partnerships			

The most prevalent challenges were the lack of attractions, businesses and entrepreneurs, bad businesses (seen to have been of low quality) in the region, and the long hours associated with owning a small-business. Participants wished for more tourism attractions in the area. By having more tourism attractions in the region, tourists would be more likely to stay for longer periods of time.

The challenge is the amount of infrastructure. At this point we need to have more activities very close that are going to keep the people. It's one thing to get them to stay here for a day or two but there needs to be more for them to do. (2BD1)

Another participant echoed this sentiment in their feelings about suggesting local tourism activities to their customers.

People want to go out and do something, often I get people asking me what can they do in Nipigon. And that is a really hard one to answer. (3BD8)

With many of the small-business owners concerned about the lack of attractions, some felt that if the tourism industry was busier in the region then more businesses would open up.

Just to have a little bit of diversity would be really good. Tourism would probably, you would need to have diversity of services right, so hopefully if there was more tourism there would be a demand for different things to happen and there would be people saying "so since we need this, and there is more people coming, maybe I will create it." But there is not a lot of tourism. (2BI1)

This small-business owner felt that due to the lack of tourism activity in the region, it would be difficult to attract new business owners to assist with the diversity of businesses. Some also felt that there were business opportunities available in the region, but finding the entrepreneur to take on the business idea was proving to be difficult.

...one of the challenges and I don't know how you address this one, I've been involved with economic development of one sort or another for a long time. I could fill up this room with ideas in an instance. What I don't have are people to take them on. And the tourism industry is no different. We could paper the wall and there wouldn't be a bad idea among them. (2BD1)

While some participants looked towards the need for future entrepreneurs, others cited difficulties with some of the current business owners in the region. Several small 'bad' businesses were mentioned as being a challenge for tourism in the region.

There was a guy who went in there and he has that little store, he went and he took a look at the prices, geez I don't want to spend that much ... (do that activity). So he was going to buy a bottle of pop and they didn't even let him buy a bottle of soft drink without taking the tour. (1BD2)

Some participants focused their complaints about one specific business in the region while others connected the level of economic activity to the negative businesses.

... you know when the economy is good, all businesses do well in a good economy, and there is not differentiating between who is a sloppy business

person and who is a credible, you know it's like Kentucky Fried Chicken. How many times do you need to get burned on your bucket before you decide I'm not going to get buckets of chicken there anymore. (3BD9)

This business owner did not specifically state which business person was 'sloppy' but recognized how it could turn tourists away. Another challenge for small-business owners in the region was the lack of time. Many of these small-business owners stated that they worked over 40 hours a week at their business and/or lived with their family at the business location. The aspects of lack of time and long work hours became prevalent amongst the small-business owners. One participant stated that a challenge for her was:

Time, getting people together, people are busy and everyone is busy because people who are doing things in the community are usually the same people that are on other boards, other committees, other volunteering assignments. (2BD2)

The participant not only mentioned that they were 'busy' but they also noted that the people who they worked with on other boards, committees and volunteer assignments were busy as well since it was usually the same group of people that volunteered for activities. These challenges limit networking and partnering opportunities for small-business owners in the region. Clearly, the participants in the study region face many challenges with operating their small-business.

4.2.2.2 Feelings

The participants expressed a variety of feelings associated with operating their business in the study region, including: pride, satisfaction, urgency, the need for change, apathy, and reciprocal uncertainty. The participants' expressed feelings were in relation to being a small-business operator in a rural, resourced-based community moving towards tourism as a means of economic diversification. Negative attitudes were prevalent towards partnerships, the community and the townsite where businesses were located. Participants also felt that there were many negative attitudes towards tourism jobs within the community. As one participant stated:

I think part of the problem in my view is that tourism is always looked at as the poor cousin. That if you couldn't get a job anyplace else you could go and be a water boy or work in the tourism industry and minimum wage. Also that there wasn't really the big bucks to be made. I think it's no different than any other industry. (2BD1)

Another participant made the effort to explain why there were negative community feelings towards tourism careers and a reliance on tourism for economic development.

A lot of people don't believe that tourism can work that it can sustain a population that they just waiting for somebody to come and give them good paying jobs and I don't see that happening. I think that a lot of people's reluctance to accept that that is the way we are going whether they like it or not that's...otherwise, I think fear, people fear of making the commitment too, it is a big jump it is. They have to gamble, but you know you wouldn't get anywhere if you didn't take a chance sometime. (3BI1)

This participant recognized that tourism was a direction that the region was taking for economic development and that the community members needed to accept the fact that it was risky. While small-business owners felt that there were negative feelings towards tourism jobs in the region, others felt that tourism jobs and tourism as a source for economic development was not reliable enough. When discussing the positive aspects that tourism brought to the community one participant stated that:

[T]he positive thing is money. Income, their money plus some employment. But without them especially, this place was all filled with loggers and mill workers and pipe liners and guys throwing money around like drunken sailors that's all gone now. People that live here run far away to get a decent job will come back, their family is still here. So tourism is kinda filling up but it can't cut it. (3BD6)

This participant recognized the shift towards tourism for economic diversity in the community but felt that it was not enough to retain the residents who lost their jobs in the closure of the logging and mill industries.

Several small-business owners felt the need for the community to move ahead with tourism development and indicated a sense of urgency. The urgency was associated to government projects, approvals and business development. For example one participant discussed the need for the municipal governments' involvement:

At least do something. They have to just try. They won't know until they try. If that doesn't work, try something else. I've seen people give up, it doesn't work and try it again. (3BI2)

This participant felt that although it was risky to develop the tourism industry, people needed to keep trying. They also felt that the municipal government was reluctant in supporting tourism related development, specifically for attracting second home owners to the region, due to the high tax rates and the unavailability of developable land.

Another small-business owner stated that they did not wait for approval and took matters in hand. They felt that a ‘daring’ behaviour was needed for potential small-business owners.

I'm not waiting for anybody's approval on anything, I just do it. And I think where people need to maybe be daring and just do it. You know. We need more crazy people. (3BI1)

Expanding on this sense of urgency for potential business owners and municipalities, one participant felt that the planning committees, such as the community tourism and special events committees needed to move forward on tourism related projects.

The ideas are out there just you need somebody to actually put it on paper and get it going. It's just not happening. I went to a hundred meetings over the years when I was on those committees and it's the same crap every freakin day. Oh when I need to do this, we need to do that. We said that two years ago, if you are going, let's do it then! You know, nobody wanted to do it. That was the problem. (3BD7)

This business owner felt that although there were discussions surrounding tourism development projects, nothing ended up happening about it because no one wanted to take the projects on. Overall these small-business owners wanted to see more development in regards to small-businesses openings, to municipal government and committee projects getting off the ground rather than lots of discussion and little action.

Another major feeling that the small-business owners shared were negative attitudes towards the concept of partnerships with other businesses in the region. As one participant stated about the status of informal partnerships (collaboration or cooperation such as referrals, working together on packages, brochures) in their community:

Nobody is really partner per say we have invested interest in another person's business, but we all have invested business in keeping business in Nipigon. (3BD5)

The participant realized the importance of keeping the businesses within their community busy but avoided the idea of ‘investing’ in other businesses. This apprehension for partnerships was further expressed when the participant expanded on the reasons why they disapproved of partnerships:

they say they charge one price and the person shows up and they charge another. And there is a whole bunch of little clique things that are happening again. A little more of what I find when tourism is like exceeding what we have, let's put it

that way, we're more bound to call each other. But when business get's tighter and there is not that much tourists out, there is less calling going on. Okay. It becomes more selfish. Just like pigs at a trough, if there is only a little bit left they won't let the other ones hog in. (3BD5)

Another participant echoed the negative sentiment towards partnerships due to their feelings that in order to partner with other businesses there needed to be a financial investment with his business.

I've worked with a lot of the other businesses, like motels and restaurants, and stuff. I never use the word partner. I don't like that word. Because the partner needs some money that has, let's say invested some money in my business. (3BD1)

The strong negative feelings towards partnerships amongst these small-business owners was due to the perception of what makes a 'partner' and also the feelings of competition in the slowing tourism market. Participants were not asked to define what a partner meant to them but were asked if they were partnering with other businesses in the region. Largely these small-business owners felt negatively about several aspects of operating a business in the region whether it was towards the community, the town, and partnerships. These were not only strong feelings but a large challenge to moving towards a tourism network and partnerships in the future.

4.2.2.3 Experience, Education & Training

When reflecting on what types of training and education a potential small-business owner would need to operate their business, the participants felt that there was not much required. This is exemplified by the following statement from a participant who was reflecting on what training would be needed to operate their business:

None what so ever. You could just jump in right now. Possibly a little bit of accounting wouldn't hurt if you are not that way inclined. Certainly customer service. If you don't know how to clean you better learn. But not much else really, basically common sense and high standards. (3BD8)

Although the participant said initially no experience was needed, they did speak of the importance of accounting, customer service, cleaning skills, common sense and high standards. The need for accounting and customer service skills was also reflected in another participant's comments on the type of training and education needed to operate their business.

Knowing how to do my own books, I do all my own paper work, just the stuff gets sent out at the end of the year. Like I did the securities and investment and life insurance for three years and I went to a lot of seminars that teach you how to sell, and so you learn, people skills let's put it that way. You learn people skills like some people like you to talk to them, some people don't. (3BD5)

This participant also connects a previous position that assisted them with accounting training and taught 'people skills'. The need for good customer service skills was also mentioned from several other small-business owners.

...you just need some good common sense and you gotta be able to be a little bit of a people person. You know you've gotta be able to socialize with your guests and talk to them the right way, just little things like that. (3BD7)

Overall participants felt that accounting and customer service skills were needed the most and were important in education and training needed for business operations. While some participants mentioned the possibility of furthering their education with courses on accounting, retail product placement and computer courses, the majority of the small-business owners felt that they had all of the skills needed to operate their business based on their previous experiences and/or common sense.

4.2.2.4 Motivations

When reflecting on the motivations behind starting their own small-business, participants spoke about fulfilling a dream, acting on an opportunity, the type of lifestyle, the attraction of being their own boss, and a means to support and employ their family. These motivational factors for starting a business were not out of desperation for work due to closure of the mills but a positive means to make a living. One participant reflected on the reason for opening a business.

... that was our dream. When we got married we were talking about getting into tourism, having a campground. That was, we were back in our 30's, in the 70's or early 80's. (1BD1)

Expanding on the dream concept as a motivation factor, the need for a specific lifestyle and the enjoyment in what they did for a living was mentioned by a participant:

I don't also want to turn it around so it sounds like we are out for the money, because that is not what we do, people who are in this business don't do this for the money. It's more just for the people and the experiences. Because you are a small-business owner you do have to make a little bit of money somehow or another, but that is not the primary goal which I always get slapped on the wrist for saying. (3BD1)

Other small-business owners felt that there were opportunities available in the region to open a specific type of business, while others were excited at the opportunity to be their own boss. Participants also saw the opportunity to employ their family.

I had three kids the oldest being 16 and I said you know it would give some work to the kids as we are living there and I said the cost of education is horrific so I said if we are self employed and we can work our asses off we could send the kids to school. (3BD5)

As might be expected, there were several aspects that motivated small-business owners to open their own business. These factors were primarily positive instead of a ‘last option’ for employment in the region.

4.2.2.5 Tourism Benefits

The participants were able to see the value of tourism to the region and specifically how the communities benefit from their specific business. These reasons varied from bringing new people to town, creating sources of pride, sources of economy and tax base, and donations to charitable events. One participant felt that by attracting tourists, there was the possibility of bringing in new business owners to the area.

Bringing in tourists, you are probably bringing in some entrepreneurs who are looking at starting a little business in a community and you just never know. But you have to bring the people here. (3BI2)

Along with the possibilities of bringing in potential small-business owners, tourism businesses also brought pride to communities that were experiencing severe economic conditions.

I think it's a source of pride and to be honest, and that's not trying to toot our own horn, it's a fact that people were really excited that there was a new business, there was a new focus, after the mill closed down there was such a depression felt here ... and it was a really sad time and there was a lot of families that moved away and they thought "oh my god this is going to be a ghost town". (2BI1)

This new business owner felt that their business was able to cheer up community members who experienced the downturn in the economy. Many of the small-business owners supported local teams and charities as well. As one participant stated:

I support all the local fishing events and organized an ice fishing derby in Red Rock last winter that we were able to raise just under \$3000 to give back to organizations within the Thunder Bay districts for youth and kids hunting and

fishing and recreation. So that was new avenue. And it was more for myself to use fishing to show that yes we can get a \$100 ticket from a fisherman for a one day derby if the prizes are there and they feel confident that it will be an honest day for good cash prizes. And the other one was to, would be able to give money back to our youth, because I don't see it from when I was younger. (3BD9)

This small-business owner was able to create fundraising events and give back to the youth of his community. Other small-business owners donated prizes for local events and supported festivals and sporting events. Several of the small-business owners saw tourism as an industry that had positive economic effects on their community.

If that is the only source of income these people have, because once the tourists come and the motels become busy, the restaurants, the shops, gift shops become busy, it has a positive impact on the community. (3BD3)

Small-business owners also saw that without tourism the majority of the businesses would struggle to stay open as highlighted by one motel owner:

But without the businesses, it's a huge tax base for this community, if we all shut down, right after us is the restaurants, because the only people eating in restaurants are people travelling you know. Coffee is not going to keep a restaurant going, so it's just a snowball effect. (3BD7)

In summary the small-business owners in the case study region faced many challenges in operating their business. They also expressed many negative feelings towards aspects of their community and partnerships. Participants placed little importance on education and training but saw the need for accounting and customer service training. The motivational factors for opening their business were based upon recognizing opportunities, supporting their family and for the simple love of what they do. These small-business owners also saw that the tourism industry and their business specifically provided many benefits for their communities.

4.2.3 Innovation

Various aspects of innovation and small-business ownership were apparent throughout the analysis. Since innovation was being examined as part of the overall research question, it was not that surprising that so many components of innovation emerged in the analysis. Various aspects of innovation highlighted by Sundbo et al, (2007) such as customers, competition, information and communication technologies, marketing, networking and partnerships, business plans, employee training and

measurements of customer satisfaction made up the theme of innovation. Innovative behaviours were observed through the answers generated from the qualitative interviews, with specific questions examining innovative behaviour (see Appendix E). These answers were compiled into Table 4.2 to display the utilization of innovative behaviour amongst the small-business owners. This research did not set out to measure the level of innovative behaviours, but more as a means to clarify whether or not these behaviours existed amongst the case study participants. This method of qualitative comparison was utilized by Koster and Randall (2005) to assess the success of community economic development strategies.

Table 4.2: Innovative Behaviour Observations

INNOVATIVE BEHAVIOUR	Utilized Behaviour? (Out of the total 17 participants - 13 were tourism direct, 4 were indirect)
Marketing Strategies (apart from traditional methods such as word of mouth and signage)	8 YES (7 tourism direct, 1 indirect) 9 NO (6 tourism direct, 3 indirect)
Services (new and innovative)	5 YES (5 tourism direct, 0 indirect) 12 NO (8 tourism direct, 4 indirect)
Products (new and innovative)	5 YES (3 tourism direct, 2 indirect) 12 NO (9 tourism direct, 2 indirect)
Networking (partnerships and association memberships)	8 YES (8 tourism direct, 0 indirect) 9 NO (5 tourism direct, 4 indirect)
Information Communications Technologies (Internet, Web Reservations, Email Lists, Blogs, Social Media)	8 YES (7 tourism direct, 1 indirect) 9 NO (10 tourism direct, 3 indirect)

The majority of the business owners did not incorporate innovations within their business operations. However, those businesses with direct connections to tourism (motels, outfitters, B&Bs) expressed more innovative behaviours than the indirect businesses. Table 4.2 illustrates a need for innovative behaviour improvement, through training and education amongst the small-business owners that were examined in the case study.

4.2.3.1 Customers

Small-business owners put great value on foreign and repeat customers.

Participants recalled stories of memorable customers. One owner stated that:

Actually we've had repeat customers from Europe, two of them from Germany and one from the Netherlands, Switzerland? Yeah. We've even had people from Germany who have said that this place has been recommended from a lady they knew in Germany. (1BD1)

Other business owners mentioned foreign customers (particularly from Europe and the United States) and made a point to highlight if they were return customers. Small-business owners were fond of their repeat customers and indicated that they had created friendships with many of them over the years, as highlighted:

I have repeat business that came here the first summer I started and they keep coming back. Some of them, there is one senior lady that come through two times a year, she said sorry dear, I have to give you a hug, this is the last year the old fellow is going to make the trip, he's 80. She said the next time we have to fly. So it's like you make good friends. (3BD5)

Overall small-business owners made a point of mentioning customers they had outside of Canada and especially if those customers were repeat customer year after year. There was no mention of customers' origins if they were from the region or province. Consequently the small-business owners may be undervaluing the regional customers in their marketing strategies.

4.2.3.2 Competition

Participants made little mention of competition within the region but several made the point of discussing another tourism destination on Lake Superior that they admired and strived to be like: Grand Marais, Minnesota¹. Participants discussed the success of Grand Marais and also the desire to copy aspects of the destination.

Nipigon in my eyes is the perfect location to Americanize, if I can use the term, and, this place, have you ever been to Grand Marais in the summer time? Nipigon could be ten times that. (3BD7)

¹ Grand Marais is located 64 km south of the Ontario-Minnesota boarder. It is a community of 1,308 residents, swelling to 8,000 during the summer months, located on the shores of Lake Superior (Klobouchar, 2012). Like many communities in northern Ontario, this Minnesota community was formerly reliant on the primary resource sector, but since the 1920's, tourism has been the main industry, providing 80% of the economic base (Klobouchar, 2012).

This particular participant felt that the action to ‘Americanize’ Nipigon would make it a more successful tourism destination than Grand Marais. Participants were not specific about what aspects they would copy of Grand Marais, but indicated that they viewed this community as an example of a successful tourism destination on Lake Superior. Small-business owners felt that the superior tourism destination of Grand Marais would be hard for their community to compete with.

Competition was also occurring within the communities, specifically in the accommodations industry amongst the motel owners. One motel owner discussed sending customers to a motel in another community outside of the region if they were full. The participant felt that the motels in their community were not up to the level of quality such as his own business and thus sent tourists to another region over 100 km away. In the community of Nipigon there were seven motels in a three kilometre span along the TransCanada highway. The high concentration of motels was there to attract those travelling along the highway to pull over before or after Thunder Bay for the night. In summary, competition was apparent amongst the motel owners and was not mentioned from the other types of business owners in the study.

4.2.3.3 Information and Communications Technologies

Small-business owners’ utilization of information and communications technologies (ICTs) such as email, the internet, social media, and wireless broadband internet for customers, varied amongst participants. These technologies were fairly new tools for the participants in the region and thus the amount of use varied amongst the small-business owners. Some small-business owners used ICTs for marketing purposes and found that it could replace some of the traditional methods previously used.

Well actually I do business year round with new customers with the internet, marketing, I’ve changed. I don’t go down to Michigan I don’t do any shows anymore, Internet and word of mouth are my two sources of new customers but interacting with them, people that follow my blog and stuff like that they expect postings, even locals do, they’ll give me heck, people let me know if I don’t post for too long of a period on my blog. (3BD9)

Although some small-business owners utilized web-based tools, others did not see the value in using ICTs for their business. As one owner stated:

I don’t know anything. Like I said I’m old school. It’s hard for me to learn that shit. I don’t like it. I’ve got a cabin in the bush. (3BD6)

This participant felt that their business was too rustic to utilize ICT products. There was a range of small-business owners using ICTs and some mentioned that they would not mind learning more on how to use them if they had spare time.

4.2.3.4 Marketing

Methods of marketing were a prevalent theme throughout the interviews. Aspects of marketing included signage, familiarization (FAM) tours, brochures, tradeshow, the Circle Tour guide, word of mouth and association memberships. These types of traditional marketing tools were familiar to the participants and valued as the best methods of promoting their businesses. The number one marketing tool cited was signage. When discussing how the area could attract more tourists one participant stated:

Signage is a huge one. If you don't promote it...like down in the States they promote everything. We are not doing that, we are not good at that yet, promoting through signage and just promoting stuff. We are not as good as the States and we need to get better at promoting our events and stuff like that. (3BD2)

Along with signage, word of mouth was an important aspect of marketing for small-business owners.

What I say about word of mouth, because word gets around and people are coming in here in the middle of the night they are commuting from Alberta to Newfoundland and they'll say give me five cards because I have buddies coming next week you know and they can find you. Word gets around. (3BD4)

On the whole, small-business owners felt that signage and word of mouth were the most important marketing tools to promote their business. These marketing tools are not innovative practices. Marketing tools such as FAM tours, tradeshow, the Lake Superior Circle Tour guide (a paper guide and map produced annually by North of Superior Tourism Association (NOSTA) connecting 2100 km of highway circumnavigating Lake Superior including the province of Ontario, and Minnesota, Wisconsin, and Michigan states), and association memberships were still being used by small-business owners, yet were seen as more costly. Small-business owners had a difficult time tracking the return on investment from utilizing these marketing strategies.

4.2.3.5 Networking & Partnerships

Aspects of obstacles to networking, assistance to networks, working together, regional partnership benefits, product packaging and accommodations networks were prevalent throughout the interviews. Although the participants spoke about the various benefits and challenges of working together, overall they did not network or partner with other businesses in the region for various reasons. The need for networking and partnerships was recognized in the region by local government who consequently organized a variety of workshops and events.

When reflecting on assisting other businesses, a small-business owner discussed another small-business that they worked with. Although this owner sent customers to a similar business outside of their community, they were unsure if the business did the same in return. The aspect of ‘uncertainty’ on returning the favour for business was mentioned by several other small-business owners in the region. Several small-business owners discussed previous tourism packaging and learning information workshops, hosted by the local Chamber of Commerce. Businesses didn’t try packaging and collaboration due to the lack of enthusiasm and efforts in the community.

In the past we hosted workshops, we’ve travelled, one of the initiatives was to travel to the US to identify what exactly the products and what kinds of things would various areas be interested in. Why would somebody from Boston or from Minneapolis what would it take to bring them to this area. What are they looking for? And what are the price points? To give us an idea a little bit about what infrastructure and what kind of packaging would make sense. The intention of that was we would come back home and see who we’ve got to play with and try to put packages together that would meet that demand. Unfortunately the feedback was rather thin and the response at this end was even less. (2BD1)

This small-business owner was involved in the marketing research behind tourism packaging and assisted with the information workshops but was unable to see the businesses following through with working together. The act of networking came up several times throughout the interviews. One small-business owner took advantage of networking sessions hosted by the local Chamber of Commerce to ensure that his business would not be negatively affected by others’ networking actions.

I do go out to every networking session that they have around here. I don’t know if I’m an official part of it because I see it differently from the other groups. But I always like to keep my ear to the ground. I always want to know what’s coming

up. Especially if it's a lot of ideas come up which might hurt me rather than help me, so I always stay involved with all that stuff. (3BD1)

Although this business owner did not see the benefit of networking, one business owner felt that it was important to assist other local businesses and stated that they networked. This was the one case in the region.

Yes definitely, we do a lot of networking, so in case I fill up I give business to the other people and vice versa. If they fill up they send us some business. So that is what we do networking. (3BD3)

The aspect of networking was important to accommodation owners specifically. One small-business owner reflected on this accommodation network and how it had its ups and downs.

It used to be better. And now we've got a couple of new owners so it's not as tight as it used to be. Okay. There's, when I first started 12 years ago nobody called anybody...If I could keep those travellers staying in Nipigon they are going to buy gas, eat food and maybe visit downtown. If I tell them I've got nothing they might get frustrated and head down the road and not even pull over anywhere else. (3BD5)

They realized the importance of keeping tourists in their community and how one customer could benefit several of the businesses in town. In contrast one business owner in the community made a conscious effort to send potential tourists to a business over 100 km away.

I definitely work with <accommodations owner> down in <location on Lake Superior> but when um, somebody comes in here and I'm full and they want a nice room I ask them, do you want to drive another hour if you are going East, this is where you stop. I'll phone <accommodations owner> and book them a room and off they go, stuff like that. (3BD7)

This small-business owner felt that the motels in their community were not of the level of quality such as their own so they then sent tourists to a friend in another community. Overall, the small-business owners mentioned the positive aspects of networking and partnering with local businesses although they did not always act upon it.

When looking at regional partnerships amongst the municipalities within the region, small-business owners recognized the importance of the communities working together.

I think the other advantage of having a strategic plan is that at this point, I'm not exactly sure where the town of Nipigon sees their opportunities or the town of Red Rock sees their opportunities. I'm guessing if you sat them down or sat with each one of them I'm sure they would have a list of their own priorities. It won't be the same. Until they are the same nothing of any subsequence or consequence is going to happen. (2BD1)

This business owner saw the significance of the townships working together and the aspect of having similar priorities were essential. Mention of the Top of Superior regional marketing group was brought up by several of the business owners.

I know they have a group called the Top of Lake Superior so that's just beginning I think they are finding out how to be a tourism group. It's just so new, it's in such an infancy stage, they are growing, getting a lot more knowledge, it's just at the beginning. (2BI1)

Along with the Top of Superior group, participants echoed the importance of everyone in the region working towards a tourism strategy.

...everybody needs to get on board with it, not just a couple of businesses along the lake. (3BD1)

Further to this need for businesses and municipalities to work together, several of the small-business owners felt the need for all of Northern Ontario to work as one region.

I think the organizations are in place, I think the next step, this is my little tooting thing I do, I was at Think North recently I still believe that I said tourism will succeed in Northern Ontario when Northern Ontario sticks together. I don't think it's going to be Nipigon and it's going to be Schreiber and then Thunder Bay. I think you have to sell it like a package deal. And then you can reach the globe. (4BI1)

Overall small-business owners reflected on the need for regional networking and partnerships but had difficulties working with businesses within their own communities.

4.2.3.6 Business Planning, Employee Training & Customer Service

Throughout the interviews the use and lack of a business plan was consistent by small-business owners. The same could be said about the lack of formal employee training plans and measurements of customer satisfaction. These fundamental business tools were not important for the participants in the region. Several owners stated an initial business plan was created for funding opportunities, but not used after funding was obtained.

We used it to get a grant. That was it. We don't use it for operations. It was just a means to an end. Again, really they required a business plan, so we were like okay, and the bank looks more favourably on you if you have a business plan, but we didn't need one since we had an okay income. But to be very honest, we haven't looked at it since it was made. I guess that's bad. Maybe if my heart was in it more and this was our sole income than I would analyze the heck out of that and you know, take stock of what we were doing and see how we were meeting our goals and if we needed to make changes to that, we would make changes to that, have it as a working document. But I don't have the time or the energy.
(2BI1)

This business owner stated that their business was not the primary source of income and if it was they might have placed more importance on using a business plan. Another business owner reflects on the use of a business plan to secure funding.

No we have one drawn up because I was trying to get government grants and things like that, but not really. We have our own plan in the back of our minds you know what I mean. As far as finances are concerned but nothing serious and nothing in writing, we are too small. (3BD8)

This business owner felt that the size of their business was too small to warrant a business plan and whatever business plan they had was in the back of their minds. Another business owner had difficulty distinguishing between a business plan that was a formal written document and one that was a series of goals in the owners' mind. In addition, they also identified that a business plan is required to secure funding.

Like on paper? No. I'm going to have to write one because I'm going to go after the government for some money because I'm going to expand this place next year I think. (3BD7)

Another element of innovation that was severely lacking in the region was the need for employee training. To the majority of businesses, employee training was an informal process of following around the owner for a period of time.

Basically they are going to follow me for a year and do exactly what I do. That's the training plan. (3BD1)

Another business owner felt that employees needed to be 'thrown in the driver seat' right away and supervised by the owner:

There is an orientation and there is all the stuff they have to learn but I just sort of take them and throw them into the fire right away and let them do it and that is the only way to learn for me is to do it. I find you can tell people over and over and they are not going to remember unless they do it so I just step aside and put

them in the driver seat right away and work with them. Work behind them, till I feel comfortable. And some people pick it up very quickly. (3BI1)

Measuring customer service and the importance of good customer service was another aspect of innovation that small-business owners discussed. Although some of the small-business owners used comment cards or emailed customers to comment on their experience, most of the small-business owners relied on word of mouth of customers as the primary method to determine customer satisfaction.

No, I don't give out cards or nothing. I just have a sign posted in the office that if, a great big one says if you like it pass it on if you don't like it please tell me. It's basically it. No I don't want to get psyched out by cards being left in the room. They will say we've seen dust bunnies, people are so frivolous, if it's something that is truly important tell me. (3BD5)

Taken as a whole, the small-business owners of the region were unaware of the lack of innovation occurring amongst the businesses in the region such as the use of information and communication technology, marketing, networking and partnerships, business plans, employee training and measurements of customer satisfaction.

4.2.4 External Variables

Major themes became evident throughout the interviews that were uncontrollable for the small-business owners, but had a major effect on them regardless. These themes were classified as external variables. These variables, such as the government, tourism organizations and positions, and the support provided to small-business owners, were viewed as having a direct effect on business owners' ability to be innovative.

4.2.4.1 Small-Business Owner Support

Participants cited programs such as the Land of the Nipigon Chamber of Commerce's regional marketing workshop and the Self Employment Benefits program hosted by the Superior North Community Futures Development Corporation for assisting them with the opening of their businesses and the on-going support and training. Some programs were well received while others were seen as a waste of time. When reflecting on the regional marketing workshops many participants attended but did not see any results.

Through the Chamber of Commerce we were doing this regional marketing thing, you are probably aware of it. It kind of died. (1BD1)

This participant attended the workshops but had not seen any progress towards regional marketing. Another participant attended the workshop to familiarize themselves with other business owners.

Through that regional marketing experiment and everything else, we've talked to quite a few people and there is a lot of the motels in Nipigon and everything else, a lot of them are under new ownership. Because people have come from other parts of the country and moved into Nipigon. The common attitude around here is, well everybody knows buddy over here. If you need a guide, except these people are all from out of town, they don't know buddy. (1BD2)

There was a need for networking amongst the business owners in the region, especially for those new to the area. There was also mention of a lack of 'follow through' from attending the workshop from participants and organizers. Participants did not see direct results from attending the workshop.

One program that two of the participants had mentioned as extremely helpful in their business start-up stages was the federally funded Self Employments Benefit (SEB) program. The SEB program states:

- Assists individuals in creating jobs for themselves through self-employment
- Provides a six-week entrepreneur training program with up to 42 weeks of ongoing support
- Provides clients with assistance that includes coaching, ongoing technical advice and financial support
- Offers business skill development programs

(SEB Information Flyer, 2011)

As one small-business owner stated:

What really helped was the Self Employment Benefit Program. That helped out a lot. Basically they always say that 70 percent of businesses go down in their first year, that program helped us through the first year. Because we were asking too far ahead for that program, but we managed to get in there and helped us through the first year. (3BD1)

The participant credited the program for keeping their business alive after the difficult first year of operations through assistance with planning. Expanding on this was another participant who stated that:

Everything I needed was done through the SEB program, anywhere where I felt I was weak and I needed help there were courses and opportunity, I mean I felt they did a good job making sure that don't be scared if you don't know about taxes. Yeah, they had a good program and all of those were offered. (3BD9)

The program assisted this small-business owner with everything they felt was needed for business operations including courses and training. This participant later stated that:

...the SEB program was a critical tool and encouraging me, if I had to do this on my own, I don't think I would have did it. (3BD9)

This program had a positive effect on these participants who had taken the program. They were also the same participants who utilized information and communications technologies along with various marketing tools to promote their business. Overall this program appeared to be very beneficial to those who were able to take part.

4.2.4.2 Government

Local municipal governments were brought up several times in the interviews with small-business owners. The municipal government's decisions and actions directly affected the business owners. Overall, the local governments were not viewed as supportive.

The municipalities are a challenge. I think we would be better outside of the municipality. Because the municipality has been a real burden. They have been working against a lot of the businesses here. The taxes are terrible, 50% of the taxes are from the businesses. (1BD1)

The issue with taxes came up in several of the interviews and small-business owners felt that these taxes were a real burden to business ownership in the region. One participant located on the TransCanada highway felt that:

There is zero benefits of being in Nipigon because I tell you, I've been, I don't know how to explain it. This town doesn't want to do anything for the business people, nothing. So for that \$ I get zero, I don't get garbage pickup, I don't get sewer, water, fire service. There is no fire hydrants out here, I get nothing. We've asked them to start picking up our garbage out here. (3BD7)

Although municipal governments were blamed for high tax rates for small-business owners, these governments were also accused of creating difficulties in starting up new businesses.

I think it starts off with the top like the councillors and mayors and then councillors, mayors, politicians, have to be at the top. They have to cut through the red tape so that the people on the ground can just go in and do it. (3BD1)

Other small-business owners recognized the need for funding but did not feel the need to blame the local government.

The only hindrance I see it regionally is funding. I think that tourism is the economic driver in this region. It's one of the economic drivers but I don't have any negative to say that we don't get enough funding to do the jobs that need to be done. (3BD2)

Overall small-business owners felt that local municipal governments could do more to fund and support local businesses whether through tax breaks or reducing the 'red-tape' for business operations in the region. They also saw the need for everyone in the community to support tourism as a solution to economic development.

4.2.4.3 Tourism Organizations & Positions

When discussing tourism organizations and specific positions that support tourism, small-business owners centred their discussions on their local economic development officer, the Land of the Nipigon Chamber of Commerce and the North of Superior Tourism Association (NOSTA). These tourism positions and organizations varied in support. Both the Land of the Nipigon Chamber of Commerce and NOSTA had associated membership fees and the economic development officers were well-known and highly visible within the community. The economic development officers were seen as very hard working individuals who were in need of some extra support.

Yea I think they cannot do it all themselves. They need executive assistants, they need help. And I believe that they need a tourism coordinator and that was one of my recommendations and now we are looking at tourism coordinators for three or four municipalities. (3BD2)

The need for a central tourism coordinator was mentioned several times throughout the interviews. The view was that such a position would alleviate the workload for the economic development officers in the region and would provide a person designated specifically for tourism development in the communities.

I believe they should be hiring a tourism coordinator, and I believe that tourism is the number one solution for Nipigon and you know, it might go across the line, industry is important and all that, but right now, right now the only solution is to dwell on tourism (3BD2)

Along with hiring a tourism coordinator, small-business owners felt that the economic development officers needed to start working together on regional projects along the north shore of Superior.

I think there are huge linkages because our economic development officer works with all the EDOs on the north shore and so they'll provide the input into projects that you are doing. (3BD2)

The need to start working at a regional level would allow for larger sized research projects and more synergy between the municipalities. When reflecting on the local Chamber of Commerce, small-business owners were aware of the organization and some had felt that they were 'trying' very hard to do a good job in the community:

I have to give the Chamber of Commerce and the locals a lot of credit. They do try, they try very hard. I've been invited to numerable meetings, there is this young guy, forget what his name is and he's trying to get packages together and all the rest all the invitations are any time between 4 and 7pm at night and that is my busy time and I can't go. I've been to two meetings to be honest with you. They are trying very hard but I also do think, and I've heard this from somebody else as well, somebody who works on the Chamber of Commerce, and she said to me, and I do tend to agree with her, the people in Nipigon think that the tourists want an okay, but the tourists don't. They want "z" all right? The people in Nipigon are not prepared to change their minds and do what other people are asking. They don't think it's necessary. (3BD8)

This participant felt that the Chamber of Commerce was trying to engage local business owners yet stated that even those who work for the chamber felt that Nipigon business owners were not willing to adapt their operations to what customers want. This participant also mentioned how they were unable to attend any of the meetings since it happened to be at the operation's busiest times of the day.

While some business owners saw value in the chamber others did not see it was worth their time and money.

Umm, I was on the Nipigon Chamber of Commerce, I didn't pay my dues and I stopped going to meetings. I've got more important things to do. (3BD9)

This small-business owner felt that it was a waste of time being involved with the organization. This concept of 'wasting time' with the Chamber of Commerce was echoed by several other participants who did not renew their memberships and cited being too busy. Others mentioned the organization was too political.

Another organization that small-business owners in the study region mentioned was the North of Superior Tourism Association (NOSTA). Similar to the chamber, some felt that they saw value in belonging while others felt it was too political and did not see the return on investment. Some felt that NOSTA was providing them with customer

inquiries and that they then had the option to follow up with the potential customers.

Other business owners had different experiences with NOSTA:

But when we were involved with NOSTA we attended trade shows with them and utilized them to kind of get our message out. There's an evolution going now in my view with the RTOs the Regional Tourism Organizations and that will play itself out over the next couple of years. Once I think the dust is cleared and we see who the real players are with that I could see us getting involved with that. At this point it is a little fuzzy and I don't see where there is advantage for us. Not to be mean, but I think it is a little too political at this point, for us as a business to get much out of it. (2BD1)

Several participants had been involved with NOSTA in the past but over time noticed that the organization became too political and there was little benefit their business received from being a member. The reorganization of the regional tourism organizations (RTOs), designated by the Ontario provincial government, had also created some change in function and he felt that he would wait to see what happened once those changes became clear. Another participant also reflected on their experience with NOSTA:

I always look at advertising as a bang for my buck and if I am forking \$400-\$500 I have to make sure I get at least a couple of grand off of that. And I wasn't. Because I was purposely asking people how did you find out about me, dada, that kind of stuff. And not a lot, very few of them were talking about that. And then plus the magazine NOSTA's part of the Circle Tour book, it's got to be so scrawny like I says. A lot of people came off of it and then there was big fighting going on. I remember almost one of the executive people almost threatening making sure if you don't advertise. (3BD5)

Most participants did not see any return on investment with the NOSTA membership and also noticed the amount of in-fighting occurring within the association. They also felt threatened by the executives to advertise in the Circle Tour publication. Another participant reflected on the previous owners' membership to NOSTA and why they decided to decline their membership:

...there was an affiliation, the old owner had an affiliation with the North Superior, NOSTA, I haven't seen one thing come out of it, not one. I don't know whether they sent him anything or do anything. I haven't seen any benefit what so ever honestly. I know they have sent us an invoice saying please be a member but they are not doing anything for me quite honestly, so no, not interested. (3BD8)

Largely, these small-business owners did not see any return on investment with their memberships with NOSTA and also cited the political in-fighting. This

organization was designed to promote tourism in the larger region along the north-shore of Lake Superior and it relies on membership for its operations. In a similar light, although some business owners felt that membership to the local Chamber of Commerce was beneficial, others had a hard time justifying the fees and experienced difficulties in attending their meetings. The local economic development officers were seen as hard workers but also needed the support of assistants and a tourism coordinator whether it be for each community or regionally.

In summary, these external variables such as the programming, associations and organizations, and government had deeply affected the small-business owners in the region both positively and negatively. These small-business owners did not feel the need to rely on these supports and felt that they could do better on their own in some instances. For those who took part in the SEB program they saw immediate benefits and felt that they could not operate their business without taking the program. There is however great room for improvement in the external variables that play a role in how the small-business owners operate in these rural communities.

4.3 Conclusions

The main themes emerging from the interviews were the context, small-business owner descriptors, fundamentals of innovation and external variables. The context highlighted the natural beauty of these rural communities and the types of recreational pursuits and tourism attractions available in the region. The small-business owners faced several challenges, and had a variety of experiences and motivations for small-business ownership. The concept of innovation was comprised of the sub themes of marketing, networking and partnerships, training plans, customer service measurements and as such, illustrated the negative attitudes towards the rudimentary elements of innovation. The external variables included the local government, tourism organizations and positions, and small-business owner support programs. Overall these external variables were no great assistance to the participants, with exception of the Self-Employment Benefit program. All aspects of the small-business owners in this case study will be examined in further detail in relation to the research questions and the body of literature

for tourism, innovation and small-business owners in rural, resource-based communities, in the next chapter.

CHAPTER 5: DISCUSSION

5.1 Introduction

It is not enough to identify the context of the region, the external variables, the characteristics of small-businesses owners and the aspects of innovation that are contributing elements to the way tourism is understood and pursued by local small-businesses. Instead, these thematic areas must be examined both within the context of existing research, and in terms of how they interact with one another to answer the main research question, “How do small-business owners view tourism in rural, resource-based communities and what opportunities and obstacles do they face with being innovative at the firm and network levels?”

The chapter begins with a discussion focused on the thematic model from chapter 4, as represented in Figure 5.1. The relationships between the major themes are discussed in relation to the empirical body of knowledge surrounding the theme. This should not be interpreted as an attempt to build theory; instead I am trying to connect with the existing body of research through an extensive and in-depth reflection on the various theories and literature surrounding small-business owners, and tourism in rural regions. I will breakdown the thematic model into several sections discussing relationships between the themes. The model will be displayed at the beginning of each section of this chapter to provide a visual representation of the themes explored. On the basis of this analysis and discussion, the chapter concludes by answering the research question and associated objectives, and illustrating the relationship between these findings and the associated literature.

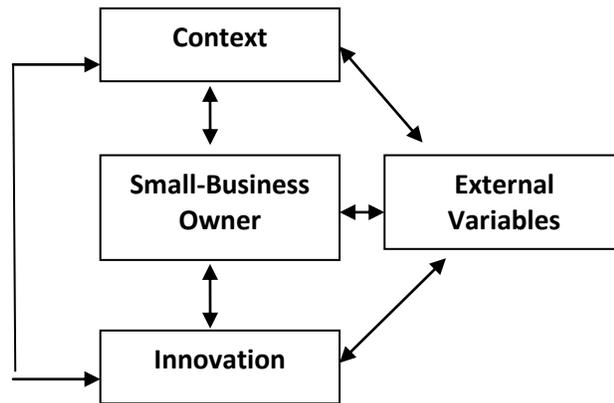
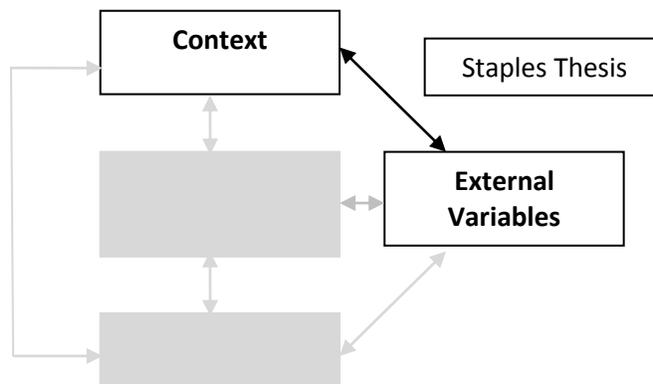


Figure 5.1: Key Research Themes

5.2 Context & External Variables



The ‘context’ of the case study region was described by the participants through their discussions on the nature, geography, recreational areas, community descriptors and tourism attractions of the area. As mentioned previously, the majority of the context aspects were positive for business owners, yet there were many facets of the context such as some of the community descriptors (the pulp and paper mill reliance and current economic challenges) and local tourism attractions (lack of quantity, quality and variety) that created challenges for the participants. In comparison, the ‘external variables’ theme including the programming, associations and organization and government in the area had little influence or neutral impact on the small-business owners. Participants did not rely on these support mechanisms as they did not benefit from participating in the

programming except for those business owners who took part in the Self-Employment Benefits program who cited immediate benefits.

5.2.1 Staples Thesis

As highlighted in the literature review, governments have turned to tourism in rural communities as a way to diversity and ease economic stress with the declining resource industries (Carson & Carson, 2011; Moscardo, 2008; Müller and Jansson, 2007; Page & Getz, 1997). Some of the difficulties with developing tourism in rural communities include limited community capacity, specifically with limited tourism knowledge and experience (Moscardo, 2008), accessibility and spatial factors, seasonality, infrastructure and technology, finance, labour, sustainability and design with blending the rural environment and preserving the rural ambience (Page & Getz, 1997). The linkages between this study's rural context (such as the pulp and paper mill legacy, economic decline, lack of quantity and quality of tourism attractions) and the external variables (such as the support from programming, associations and government to these communities) have a strong connection to the Staples Thesis as recently examined by Schmallegger and Carson (2010) and Carson and Carson (2011); they have examined how the historic economic structures that dominate resource extractive industries challenge the development of tourism specifically.

Staples are the “natural resources (such as minerals, oil, lumber, grain, livestock, fish, and wool) which are minimally processed and exported as bulk commodities” (Schmallegger, 2010, p.17). A staples economy, such as that experienced by the communities on the north shore of Lake Superior, was characterized by Carson and Schmallegger (2010) as being:

- natural resource-based
- minimal processing of export staples
- capable of depletion
- fixed in time and space
- export based
- susceptible to boom and bust cycles
- industry structured to continually seek cheaper and more accessible sources
- dependent on expensive infrastructure
- infrastructure made by government
- dependent on external capital and labour

- weak internal linkages

(p. 204-205)

Historically, many northern Ontario communities including those within the study region have been reliant on primary industry sectors such as forestry and mining (Ministry of Northern Development, Mines and Forestry, 2009). Since the mid 2000's the forestry industry has been drastically reduced in the province, affected by the high costs of energy, the higher value of the Canadian dollar and shifts in global markets (Ministry of Northern Developments and Mines, 2009; Wozniczka, 2010). Many of the small-business owners interviewed had either worked directly for or had family that worked at the mills and were consequently well aware of the industry's susceptibility to boom and bust cycles and their reliance on external capital. As one small-business owner cited:

Northern Ontario is not better off than it has ever been and we had a couple of little things like the Ring of Fire and for some people that is a big deal. At this point big is relative. But when I look from one part to another part and I look at the ten thousand jobs that are lost in the forestry industry. There are basically three things that affect your mills. One is the cost of labour, one is the cost of electricity and the third was the fact that we were selling all of our product in the US and the dollar exchange. The dollar exchanged really fast, too fast for the mills to adapt to and they closed down. But one of the other factors was the, is the power and almost all large industries rely on power. (2BD1)

This business owner outlined the major downfalls in the decline of the lumber and pulp and paper mill industries in the region and even mentioned the excitement about the recently discovered major mineral deposit located in the 'Ring of Fire', 500 km northeast of Thunder Bay (Talaga, 2010). This participant also mentioned the reliance on power, such as electricity that is in high demand and costs to operate large mills. With the phasing out of coal-fired stations in Northwestern Ontario by 2014, this will leave the region to depend on importing electricity from either Manitoba or Southern Ontario (Rosehart, 2008). In 2011, mayors of northern Ontario's five largest cities (Sault Ste. Marie, North Bay, Thunder Bay, Timmins and Sudbury) began discussions on forming a Northern Mayor's Council to collectively promote northern interests, with high industrial energy costs being the number one concern. As stated by the Mayor of Timmins, Tom Laughren "High energy costs are putting much of Northern Ontario's energy intensive, resource processing industries at a competitive disadvantage. This

reality is detrimental to attracting and sustaining economic viability for our communities,” (Northern Ontario Business, 2011, internet).

In Nipigon the plywood mill closed in 2007 due to a fire which at the time had 125 employees (Wozniczka, 2010). The largest employer in the region, Norampac, a kraft/linerboard mill in Red Rock closed in 2006, which had employed over 400 people (Wozniczka, 2010). When reflecting back on the mills one business owner stated:

They had Norampac and they had the plywood mill in Nipigon and everything else. And everything was going along great. They were overpaying, uneducated [people] and everything, life was good and now essentially those two businesses are gone – major employers. It’s just going downhill. (1BD2)

This business owner acknowledged that although the mills were overpaying those with little education, everything in the community seemed to be ‘going along great’. They then go on to comment how everything was ‘going downhill’ due the closures. This comment provides an excellent example of how the mills provided high paying employment with little education requirements for their employees, thereby limiting the social capacity (i.e., educated professionals) in these towns.

With this historical reliance on a staples economy, government funding and infrastructural investment reflect the dependence on these primary industries (Rosehart, 2008). A common focus for governments (including federal, provincial and municipal) in a staples economy is to protect these export economies, resulting in investment priorities in transportation and support infrastructures to keep these industries alive, while strategies for internal economic development and diversification were neglected until the resource industry dried up (Carson & Carson, 2011). With the closure of two mills in the region (2006 and 2007), with little to no economic transition strategy or incorporation into a larger regional economic development strategy, along with the overall global decline of the lumber and pulp and paper industries, governments looked towards tourism in the region as an economic alternative (Lemelin et al, 2010; Wozniczka et al, 2010; Forrest Marketing and Communications, 2008a, 2008b; Rosehart, 2008; Payne et al, 2008). The business-owners interviewed saw economic development including tourism as an option for their local government, exemplified in the following quote:

...it's getting higher on the list of things that [are] important in Nipigon, but it's not at the top yet. And there are always so many towns that are trying. The fall back industry for any town hurting is always tourism. But there is so many that not everybody can be a tourism town. So I'm just hoping we can be one of them.
(3BD1)

In this quote, the business owner recognizes that tourism can become a 'fall-back' industry for economic development when the staples industries dissolve in these rural communities, yet even with this recognition, tourism is still not perceived as top priority in the economic development of Nipigon. They then go on to comment how they hoped that their town could become more reliant on tourism.

As with Schmallegger and Carson's (2010) study, tourism on the north shore of Lake Superior has received recent government interest and investment (such as entrepreneurship funding and programming) yet the region has generally been unable to come up with internal development strategies to help diversify the tourism industry and become less reliant on external decision-makers.

Another major consequence of rural communities' reliance on staples economies was an external dependence on required capitals in the staples production (such as financial, knowledge and labour) (Carson & Carson, 2011). Capital was supplied by large corporations headquartered in larger urban centres nationally or internationally which then externally controlled all aspects of the staples commercialization, leaving little capacity development and an inability to deal with economic diversification and changes. The 'institutional environment' in such economies created a dependency on governments to provide support to the staples industry and thus limited entrepreneurial capacity (see Carson & Carson, 2011; Markey et al, 2006; Baum, 1999). By examining the case study communities through the staples lens it reveals that the communities' lack of tourism activities was affected by the limited capacity of the region. The lack of entrepreneurial capacity and the devastating economic impacts of the closures of the pulp and paper mills on the communities (causing a lack of jobs and poor economic conditions) were directly related to the communities' staples dependence. This staples reliance indicates how support for tourism, and specifically for the small-business owners in the region had been more of an afterthought by government once it became apparent that there would be no recovery of these primary industries, at least not to the

levels of employment enjoyed historically. Even with recent government supports, the communities have been unable to successfully expand their tourism industry. One business owner stated their frustration with the government's tourism planning, especially with the imposed emphasis on nature-based tourism:

They are not promoting what the main stays that have kept these places alive in the past, and I'm an old school guy so maybe I'm just full of shit, but I just know what works and what's not working and we don't have enough of the other things and ecotourism, people forget, all these people are sitting in Toronto making all these plans. They are not here in January are they? Ever see one of them come up here in January come up here trying to make a plan? Because it's cold here. Where's your tourists? There's none here, zero, zip. (3BD6)

This business owner felt that the government was emphasising the importance of nature-based, ecotourism activities while failing to recognize the traditional hunting and fishing tourism activities that have been a big part of tourism in the region. The government's planning that took place in "Toronto" was not reflective of what was actually taking place for tourism activities in the region nor was it cognizant of past tourism developments in the region. As Lemelin (2010) noted in his analysis of wildlife management in the province, the geographic disconnect between government planning and northwestern Ontario remains.

Government's lack of support was also mentioned in the need for overall tourism marketing of the region. As one owner stated:

I think Ontario in itself is too big of a province and they forget northwest Ontario a lot. The Tourism Ontario commercials two years ago during the Olympics in Vancouver, they stopped at North Bay and they didn't show anything from Ontario from North Bay to the Manitoba border and that is a 1500 km stretch that you've failed to mention. (3BD9)

Along with the marketing and planning of tourism by government, business-owners felt that the government (at all levels) could reduce the 'red-tape' in ways regions could work together, for more of a regional approach to tourism.

I think it starts off with the top like the councillors and mayors and then councillors, mayors, politicians, have to be at the top. They have to cut through the red tape so that the people on the ground can just go in and do it. (3BD1)

A form of 'red tape' is illustrated in the boundaries of the provincial Regional Tourism Organizations (RTO) in the region. The 13 provincial RTO's were formed in 2010

following the recommendations in the Ontario Tourism Competitiveness Study, *Discovering Ontario: A Report on the Future of Tourism* (Sobara, 2009), in-order to create a more regional approach to tourism. Northern Ontario was subdivided into three sub-regions “due to geographic size and the North’s unique marketing and travel corridors” (Northern Ontario RTO, 2012, p.7) (See Figure 5.2).

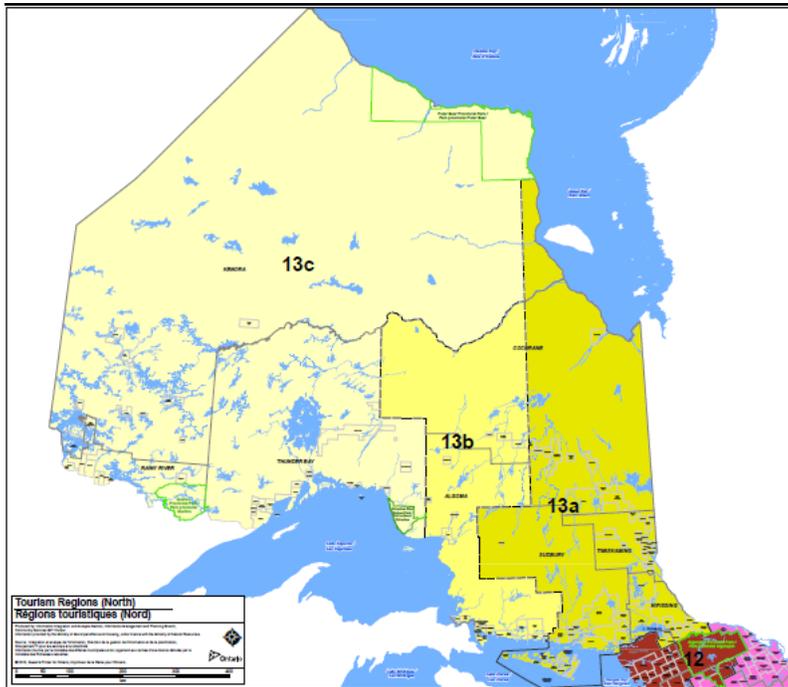


Figure 5.2. RTO 13 Map
 Source: Ontario Ministry of Tourism, Culture and Sport (2011), website

RTO 13’s role “is to coordinate and support tourism marketing efforts within the sub-regions, and align those marketing efforts with activities and initiatives of other stakeholders” (Northern Ontario RTO, 2012, p.7). One business owner shared their concerns regarding RTO 13 and the Top of Superior Region.

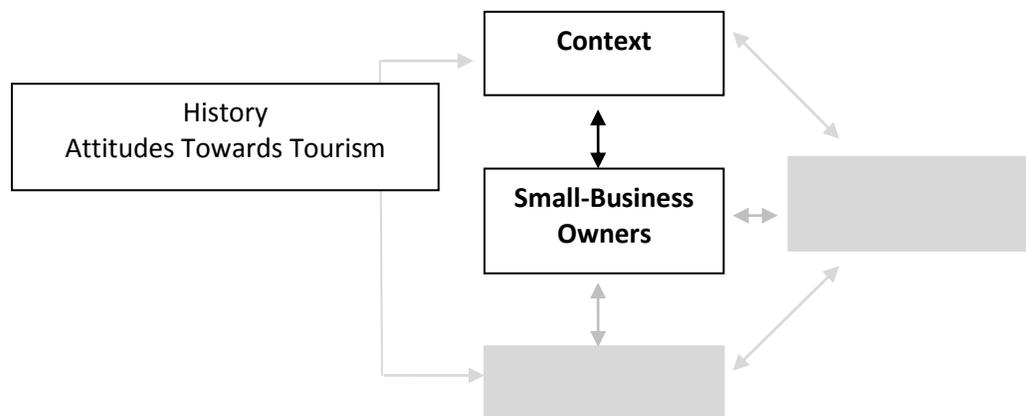
I believe that bigger is not better. Because all the little guys get lost in the meantime, so I say RTO’s are up here, still the region 13, 13 a, b, and c, they still need them there, you take out 13 c out of the mix, we’ll all be forgotten... I firmly believe in this organization needs to be here. And I think that all the little organizations just enhance the big organizations and they are not going to survive without us being on the ground. (2BD1)

This business owner wanted the region recognized for providing the tourism products and services and not to be forgotten in the larger-scaled decision making. Overall small-

business owners wanted more support from the government with marketing the region, tourism planning (that also included hunting and fishing activities), and regional strategies and policies that encouraged partnerships amongst the municipalities and a regional voice.

Although examining the context and external variables of the study does not directly answer the study's research question or objectives, it does assist in explaining the history behind the perceived lack of support from government with regional marketing representation and planning that presents a set of challenges for small-business owners' innovative capacity in staple dependent communities. This will be explored in more depth throughout the discussion, specifically regarding the context and small-business owners (section 5.3 Context & Small-Business Owners) and small-business owners and their innovative capacity (section 5.5 Small-Business Owners & Innovation).

5.3 Context & Small-Business Owners



In case study situations the setting of the study, or in this situation the 'context', is of particular importance (Strauss and Corbin, 1990). The historical context of the study region has significantly influenced the small-business owners and is further explored in this section. Similarly, attitudes towards tourism as an economic contributor to the community have been largely affected by the history of staples dependence in the region and are further examined.

5.3.1 History

The community of Nipigon is one of the oldest on the north shore of Lake Superior, with a fur trade history dating back to the mid 1600's (History of Nipigon, 1985). By 1906 there were two fur trading companies operating in Nipigon, the Hudson Bay's Company and Revillion Freres (History of Nipigon, 1985). The fur trade industry declined by 1880's and the Hudson's Bay Post converted into an outfitting station for anglers, to accommodate the large amount of sport fishermen (History of Nipigon, 1985).

Although tourism has been a part of the regional economy since the 1800's, it has consistently been viewed as a minor aspect (Lemelin et al, 2010; Wozniczka et al, 2010). Historically, the Nipigon River was known as one of the world's finest brook trout streams, making it a regular stop for steamships traversing the Great Lakes (Lemelin et al, 2010; Keslo & Demers, 1993).

Although visitors also came to the region to hunt for large game (e.g. woodland caribou and black bears), it was fishing that attracted the most people (Lemelin et al, 2010). The fishing and hunting (consumptive) tourism activities provided economic benefit to the region but started to decline in the mid-20th century due to the increase in popularity of southern Ontario and western Canadian wilderness destinations as a result of transportation improvements and the regional decline in game species (Lemelin et al, 2010; Jasen, 1995). With the invention of bush planes, consequent remote fly-in fishing camps were created in the region which still play an important role in attracting hunters and anglers to the area (Lemelin et al, 2010). The establishment of provincial parks and a national park connected by the TransCanada highway allowed for nature- based recreation activities to be available along the north shore of Lake Superior including the development of hiking, snowmobiling, cross-country skiing, canoeing/kayaking, and camping infrastructure (i.e. trails and sites).

The small-business owners in the region have continually supported consumptive tourism for the last 130 years. Recently, these business owners have witnessed the decline in these consumptive activities with a significant decrease in American tourists over the last decade (North Western Ontario Tourism Association, 2008). As cited by

one business owner when asked what would help tourism in the region, specifically the American hook and bullet tourism:

Stuff we don't have a lot of control of. For instance the gas prices would definitely help, you get the US dollar, of course we have no stay in that stuff, that's big economics, but that kinda stuff is keeping people away. (3BD6)

Currently the businesses in the region cater either to the hunters/angler visitors or to those driving through the region on route to another destination via the TransCanada highway (e.g. one night stay at the motels). There have been several nature-based recreational businesses created in the last five years (outfitters, B&Bs) catering to the nature-based recreation tourists and there are hopes that once the Lake Superior National Marine Conservation Area (LSNMCA) is fully operational, it will draw more of these types of tourists to the region (Wozniczka et al, 2010; Lemelin et al, 2010). This hope was echoed by one motel owner:

What we're having the most problems with is getting the business, but (name) from National Marine Conservation he said that within two years we will be busy so we have to look at that [as a benefit]. (3BD2)

With the strong historical reliance on hunters and anglers for tourism activity, the majority of the small-business owners felt that there was no need to adapt their business operations and utilize innovative activities to attract other types of tourists (those interested in culture, history, nature-based activities). This was reflected in the lack of marketing efforts and product development by the small-business owners. Even with the recent push by in the region by the RTO13 to promote more nature-based tourism (Northern Ontario RTO13, 2012), the small-business owners, especially those involved with the accommodation and guiding industries, are not buying in.

The ecotourist is not the guy who is coming up here throwing money around, the ecotourist is a bird watcher and he don't wanna spend the money so when he comes up to your community it's hard to see any difference. The hunter, moose hunter, bear hunter, fisherman, skier them kinda guys come up and throw their money on the table, get a motel room and do their thing. The bird watcher, I'm just saying bird watcher, I'm just saying this eco stuff, they're not into spending money. (3BD6)

In summary, the reliance on hunting and fishing tourism was still strong amongst the small-business owners in the region despite the decline due to the American downturn in the economy, price of gas, and the high value of the Canadian dollar

(Rosehart, 2008). The opportunity to reach new markets was not seen as a useful exercise for those businesses still working directly with the fishing and hunting tourists. Even with the establishment of the LSNMCA along with a regional tourism push towards more nature-based tourism by tourism marketing agencies such as the North of Superior Tourism Association, Ontario Tourism Marketing Partnerships Corporation and local governments, there has not been a perceived significant change for small-business owners. The effect of government and programming on the small-business owners will be examined in further detail in section 5.6 Small-Business Owners and External Variables.

5.3.2 Attitudes Towards Tourism

The case study communities have had a long history with tourism in the region. Although the small-business owners valued tourism whether their business was directly or indirectly involved with the industry, many suggested that tourism was only a means to diversify the local economy until some other industry could pick up the gap left behind from mill closures.

When asked what would replace this major gap, tourism was mentioned as an industry that could help the economy but that many people could not rely on tourism as a way to make a living. Many participants suggested that people view tourism in the community as a “poor cousin” and that it would just not cut it for community members who were used to being paid a high salary to work at the mill. Continuing with this negative sentiment was the fact that there are people in these communities that still do not want tourism in the region.

...people don't really want tourists, you know the people. They are not used to it. We've been with the paper mill and a plywood mill for many years and when I worked in [work place], do you know how many businesses started in 9 years, maybe three, one a year but now because there is no jobs people are starting up businesses and doing things to really enhance the community. And I think that we have to change the mindset of the people to get them to become tourism ready.
(3BD2)

The negative attitudes towards tourism as a career or an industry to support economic activity in the rural resource-based community can be linked to the ‘occupational identity’ literature such as the work conducted by Haukeland (1984),

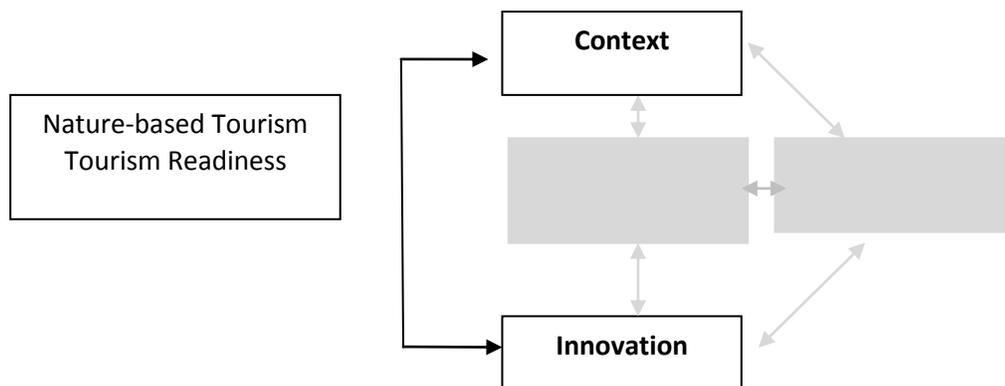
Johnson et al, (1994), and Petrzalka et al, (2006). Such research highlights that the lack of interest in tourism activities can be directly related to the community member's sense of identity in relation to their occupation (primarily in the resource extractive industries such as logging or at the pulp and paper mill) (Carroll & Lee, 1990). When areas had an identity centred on resource-based occupations, studies suggested there would be resistance to tourism, as tourism-based economic development was inconsistent with rural residents' identity (Johnson et al, 1994; Petrzalka et al, 2006). Individuals who had resource-based occupational identity were closely connected to aspects of the occupation during their 'off' time from work (such as wood working/removal on their personal property and social gatherings) and an attachment to the natural resources in which they worked (Petrzalka et al, 2006). This is strongly evident in this case study with many small-business owners citing that when the mills were up and running they were very busy socializing with fellow co-workers. One of the interviewees reflected on their social life before and after the mill closures and what would have happened if they still worked at the mill.

Nobody goes out anymore, nobody does the socializing anymore unless it's a big event, things like that. Oh my goodness, I wouldn't have had time to run this place. We bowled three days a week. (3BD4)

Similar to the Johnson et al.'s (1994) study in rural Idaho (in an area historically reliant on resource-based occupations) the people in Nipigon, Red Rock and Dorion have had a long dependence on resource-based occupations, with six of the participants citing working in the mills prior to business-ownership (the shift from working in the mills to being a small-business owner catering to the service industry will be discussed in section 5.5 Small-Business Owners and Innovation).

With over five years since the last mill closure in the case study region, the community members, including some of the small-business owners, still view tourism as a 'poor cousin' in comparison to the extractive resource-based industries. When evaluating what tourism markets the region should focus on, the angling and hunting legacy still prevails as opposed to the more nature-based 'eco-tourists'. Thus the context (history) of the area along with the small-business owners' attitudes is directly affecting the current tourism efforts.

5.4 Context and Innovation



The geographic situation of the case study, including the Canadian Shield, the rugged shores of Lake Superior, the remoteness from urban centres and landscape (particularly Lake Superior) plays a significant role in the type of tourism that is currently undertaken in the region and what opportunities are available for future tourism development (Payne et al, 2008; Lemelin et al, 2010; Forrest Marketing and Communications, 2008). The following section addresses the ‘context’ of the research area in relation to ‘innovation’ (tourism development), and will focus on nature-based tourism and tourism readiness in relation to the remote/peripheral location.

5.4.1 Nature-Based Tourism

The study region communities are situated 75-115 km away from Thunder Bay, the closest urban centre, and are connected to Thunder Bay via the Trans-Canada Highway (Highway 11 and 17) and the CP Rail line (though not for passenger purposes, only commodities). Although these communities are accessible by car and water (Red Rock and Nipigon via Lake Superior) they are also surrounded by Crown Land which is virtually undeveloped. This study’s research area lends itself to nature-based tourism activities due to the easy access to nature and rugged landscape, built infrastructure such as trails, waterways and campsites, and within an hour’s driving distance to an urban centre. It is important to distinguish the context in which this research takes place, since its geography (such as rural, urban, peripheral, remote, resource-based) presents a variety of benefits and issues.

When examining the nature-based tourism opportunities in a resource-based and rural community such as those in this research, there is not one specific model that can

be used to situate this unique context. This research area is unique since its geographic distance to an urban area is fairly close (less than 100 km) yet functions very much like a remote/peripheral community with limited amenities and services such as ambulance services, post offices, retail, and entertainment. To help better understand the unique context of the research we will examine the tourism literature situating peripheral (Hall, 2007), remote, resource dependent (staples dependent) (Schmallegger, 2010), and the rural-urban fringe (Koster et al, 2010) in relation to nature-based tourism possibilities.

The *Tourism in Peripheral Areas Model* (Figure 5.3) created by Hall (2007) helps situate peripheral regions in relation to ‘naturalness’. Peripheral areas tend to have “natural amenity values” beneficial for nature-based tourism due to a low population base and relative inaccessibility (Hall, 2007). Although this model helps explain the natural amenity values associated with an area’s ‘peripheral’ location, this study would situate this research in a ‘peri-urban’ context since it is located within an hour’s drive (100km) from an urban centre, whereas this research’s context reflects more of the ‘peripheral’ land use description due to the limited road access to the majority of the natural areas.

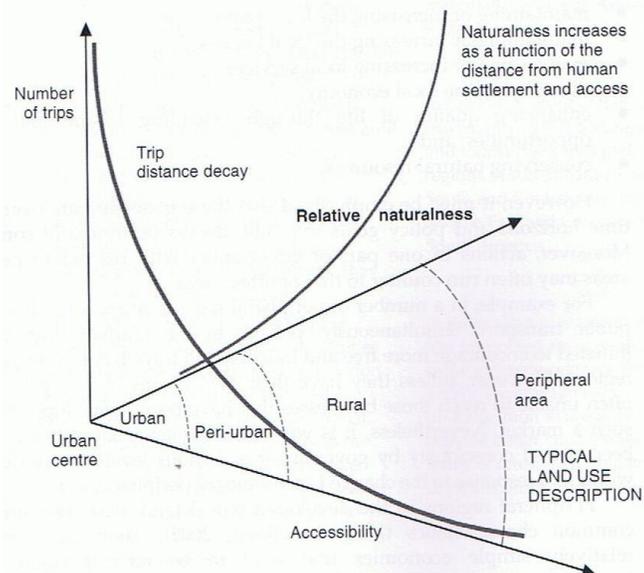


Figure 5.3: Tourism in peripheral areas; relationship to accessibility, naturalness and trip distance decay from a major urban centre
Source: Hall (2007)

In the remote context, resource-dependent, or as Schmallegger & Carson (2010) described as staples dependent communities, remote tourism is established around the exclusive dependence on natural resources such as lakes, mountains, canyons, waterfalls (Schmallegger & Carson, 2010; Johnston & Payne, 2005) (see section 5.2.1 Staples Thesis) . The remote regions can then treat tourism in the same manner as they do other primary resources (such as forestry and mining), dependent on government and external intervention for the development, marketing, distribution and investment and are also subject to external market fluctuations (Schmallegger & Carson, 2010). In this research, the communities are not geographically remote (due to the close proximity to an urban centre) but have been dependent historically on primary resources (staples) and are now looking at tourism (another staple) to keep the communities' economic activity going. The staples thesis helps us connect the nature-based tourism opportunities available in resource-dependent areas, and also warns of the new staple dependence that these communities can become afflicted with, with government planning exploring tourism as an industry to save the economic well-being.

Another method of examining the nature-based tourism opportunities in the region is by using the rural-urban fringe zone perspective as discussed by Koster et al, (2010). Rural tourism in the urban fringe is defined as “those products and activities occurring within a one hour or 100 km radius of the limits of an urban municipality” (Koster et al, 2010, p.145). Koster et al, (2010) highlight that half of all visits made to Canada were to rural regions with 30 percent of them occurring within the urban fringe. The urban-fringe tourism research has primarily been concerned with agri-tourism, parks, festivals and second homes (Koster et al, 2010) with Weaver (2005) highlighting the six tourism land use patterns in the rural-urban fringe including: theme parks and allied attractions, tourist shopping villages, modified nature-based tourism, factory outlet malls, touring, and golf courses.

The present study would be classified as occurring within the rural-urban fringe, yet at this point only utilizes two of Weaver's (2005) land use patterns: modified nature-based tourism and golf courses. Although there are two festivals taking place within the region (Live from the Rock Folk Festival and the Blueberry Festival), many conservation areas, a provincial park (Ruby Lake Provincial Park and the LSNMCA)

and one golf course within the region, there is a serious lack of financial resources and investment to assist with the product development, infrastructure support and promotion that are necessary to support other rural-urban fringe land use patterns. The rural-urban fringe literature illustrates the range of land uses for the region and indicates the potential the study region has not yet capitalized on. Overall, the three case studies help to shed some light on the possibilities available with nature-based tourism in the study region due to its location (peripheral, remote resource dependent, and rural-urban fringe) yet none precisely defines the rural, resource-based contextual situation of Dorion, Red Rock and Nipigon. In all three cases, the possibility for nature-based tourism exists and will be discussed in further detail in relation to the findings.

The opportunities for nature-based attractions has been documented in several reports on the region, and most recently summarized within the Forrest Marketing and Communications Report (2008, p. 32) as including a number of unique attractions:

- Lake Superior as an Icon and a Wonder
- Touring (Parks, Circle Tour, Hiking)
- Crossroads of Canada
- Hunting
- Hiking
- Ecotourism and Wilderness Parks
- Critical Mass of Special/Unique Attractions (Sleeping Giant)
- Angling
- Golfing
- Range of winter activities

Many of these activities are centred on the natural and geographic aspects of the region. At the 4th International Lake Tourism Conference hosted in Nipigon and Red Rock in 2009, the focus was on *Making Conservation Work for Communities and Lakes*. The workshop provided a “forum for researchers, community members, local, provincial and national government representatives and agency personnel to discuss opportunities and constraints with tourism development in the lakes communities of Northwestern Ontario” (McIntyre et al, 2009, p. 1). Tourism product development opportunities in the area were identified as being focused on: nature-based tourism, sustainability and ecotourism, indigenous culture and packaging (McIntyre et al, 2009). Once again the opportunities for nature-based, ecotourism activities are identified as important for the region’s tourism development.

As previously highlighted, consumptive tourism activities have had a long history of bringing tourists to the region to hunt and fish. Current small-business owners

still market and cater their businesses directly to consumptive activities that are available in the region. Despite the continued focus on consumptive tourism, participants did recognize that these types of tourism activities were not sustainable and heavily dependent on regulations, policies and environmental conditions.

Our geographical features are not going to change for <local business owner>. For me I'm a resource and the fish are up and down, and if things are not managed properly looked after, yeah fisheries do collapse over pressure, environmental changes, whatever it may be, so is my resource always going to be sustainable? There is no guarantee on that. (3BD9)

Participants acknowledged that when it came to tourism products, the local nature-based tourism operator had more sustainability due to the dependence on the landscape and not on resources such as fish that are highly regulated and dependent on environmental conditions.

I think like I said the assets and the raw materials are there. <Local business owner> is an example, you know that doesn't do fishing or hunting, but <they are> taking advantage of the overall geographical beauty of the Nipigon area, the canyons, the waterways, the hiking trails, the views, the plateaus vistas, the wildlife, the exercise, the fresh air, everything. (3BD9)

Participants spoke very highly of the nature, geography and recreation areas. Business owners recognized the opportunity for ecotourism due to the abundant natural environmental features in the region.

<The benefits of being here is> the beauty, what people want to come and see. Especially ecotourism. And who would have thought we had canyons in northern Ontario? I didn't realize that till I came here. There is lots to see. The beauty of the area. (2BD2)

This small-business owner, not originally from the region, was unaware of the physical landscape until they moved to northwestern Ontario. This 'discovery' of the canyons and landscape highlights the need to promote the actual physical geography of the region and the possible recreational and ecotourism opportunities. Continuing on this recognition of the natural assets in the region, participants also felt that there was a need for the region to shift from consumptive tourism activities to a more non-consumptive tourism approach.

The fishing and hunting tourism has been here forever so now we are showcasing something new and totally different. We could be better than BC

here, we've got what they have plus more but it's in a different scale so. I mean, that's one of the best things we've got. (3BD1)

The quality of natural assets on the north shore of Lake Superior are compared to other areas such as British Columbia for the sheer size of the region, suggesting that there are more opportunities for nature-based tourism opportunities in northwestern Ontario. Although the participants stated the benefits of being located in the remote natural setting and the importance of capitalizing on its natural beauty, their direct ways of operating their business did not reflect this recognition. Most of the businesses still focused on attracting the fishing and hunting tourists with little effort being given to attract the nature-based/eco-tourist.

Recognition of the nature-based and ecotourism tourism opportunities in the region has been previously addressed in research of community members on the north shore of Lake Superior (Payne et al, 2001; Socha & Potter, 2000; Johnston and Payne, 2005; Payne et al, 2008; Lemelin et al, 2010; Wozniczka et al, 2011). Much of this work resulted because of the development and then establishment of Parks Canada's Lake Superior National Marine Conservation Area (LSNMCA) located within the study region. Wozniczka et al. (2011) study highlighted that community members in the region felt that the natural and protected areas such as the LSMNCA in the region could assist the local economy through tourism activities. This positive attitude shift grew from previous research (Socha & Potter, 2000; Payne et al, 2001) that highlighted resident's concern for potential host-tourist interactions, environmental degradation caused by tourism activities and management decision-making processes (Wozniczka et al, 2011). Residents still have concern with government's lack of consultation on the development and management of the protected areas in the region and in particular with provincial park creation (Wozniczka et al, 2011). This was reflected in this research with one small-business owner reflecting on accessibility to lands due to the creation of the LSMNCA:

We can't get lakes opened up here to build cottages, like why? Because they, we're there little park up here in the north. It's bullshit. The shoreline along Lake Superior, there is no more development because of this park and all this other crap. Lands for Life and the Marine Conservation Area, why aren't they building, like shit, sell me some land; I'll build a huge resort up on Ruby Mountain overlooking Lake Superior. I'll put a helicopter pad and like no! No,

no, no. It's just these people, every little thing like that hurts. It doesn't help it hurts. (3BD7)

Although the small-business owners in the region recognize the opportunities available for ecotourism and nature-based tourism opportunities, and the need to shift away from the consumptive tourism activity focus, only one business currently exists in the region directly catering to nature-based tourism (kayak/bike/hiking guide outfitter). This lack of change in marketing behaviours (marketing primarily to hunting and fishing tourists) will be examined in section 5.2.4 Small-business owners and Innovation. Overall, examining the physical context of the community, specifically the naturalness and natural amenities illustrates the many opportunities for nature-based/ecotourism activities for the region.

5.4.2 Tourism Readiness

The study region possesses natural amenities that make it attractive for nature-based/ecotourism activities yet it would be naive to not examine the amenities, infrastructure, and developed attractions available in the region to attract and retain tourists. The following section looks at the infrastructure needs, the quality of product and services and the effect of franchises in the region.

The natural products (landscapes, trails, vistas/views, waterways) are abundant but the infrastructure to house, feed and clothe the tourist is underdeveloped (Forrest Marketing and Communications Report, 2008). This was reflected in Wozniczka (2011) study that stated “...small communities are not prepared to deal with the influx of tourists, because of the lack of development in even the most basic amenities, such as public washrooms, restaurants and hotels. The challenge is to find ways to get people to come to the communities, stay in the communities and return to the communities” (p.96).

Dorion and Nipigon are located on the Trans-Canada highway, and since the 1960s when the highway was completed, overnight stays in the various motels in Nipigon and Dorion (prior to the last motel in Dorion burning down in 2010) were common. Although there are over a dozen motel accommodations, five bed and breakfasts and several restaurants distributed throughout the region there are very few retail locations and attractions, particularly in the downtown locations off the highway.

The current major tourist attractions in the region include a privately owned suspension bridge and zip line park, Ruby Lake Provincial Park (a non-operational park, with no infrastructure, signage or access roads), the Nipigon-Red Rock hiking trail, Paddle-to-the-Sea Park (a free water/interpretive park) in Nipigon, Nipigon History Museum and two summer festivals (Live from the Rock Folk Festival and the Nipigon Blueberry Festival).

The area is also included in the Lake Superior Circle Tour, a marketing initiative that highlights a 1300 km travelling route around Lake Superior. This marketing project was managed by North of Superior Tourism Association (NOSTA) that produced an annual publication (with paid advertising) and a website. The Circle Tour used to bring a lot of tourists through the region, particularly American tourists:

...after the Lake Superior circle tour wore off with the American people, tourism did take a downshift within the region and it reflects in the lack of businesses as compared to as the businesses and services that used to be there to accommodate tourists. So it's been declining for a long time. And Nipigon is no different, they have nowhere to go but up because they are underdeveloped and their ability to hold and maintain tourists within the region and their out of touch with, their getting better but they are still out of touch with what's out there and how to market it and how to promote it. But you do need structure and we lack structure and that all takes money. (3BD9)

Not only does this business owner recognize the importance of the Circle Tour and the decline of the American market, they also highlighted that the region was 'underdeveloped' and the businesses were 'out of touch' with the tourism market and marketing to attract tourists to the region. They suggested a funded 'structure' to assist with the marketing and business development. The current 'structure' operating in the region is NOSTA and the Land of the Nipigon Chamber of Commerce. The relationship between the business-owner and these organizations will be examined further in section 5.5.

Another interviewee indicated that the lack of amenities and activities in the region results in having to send potential tourists to other parts of the province for some of their requested amenities:

I have to send tourists away from Nipigon to do their kind of trip because what they are requesting to do ... renting a cabin somewhere, renting a boat, it's almost non-existent (3BD9)

Fishing and hunting are deemed best bet markets by the Ontario Tourism Marketing Partnership (an agency responsible for tourism marketing in the province), and remain heavily marketed tourism activities for the Top of Superior region. For those who do not want to stay in a motel or campground and rent a boat instead of board a charter or bring their boat from home, there are no opportunities for this experience. Small-business owners recognized the need for more businesses but also mentioned that the addition of some attractions would be welcomed.

There has to be reasons to come. Sometimes people come here to visit family or acquaintances and they say what can we do? People give these vacant stares; do you want to walk up the trail to Nipigon? Because there isn't that much here. It's a slower paced environment which is part of the draw for people who want to have a house like this, with a backyard and there is nothing in the back except for bush. But that is part of what drew us here to live here because there is not a lot going on here. However it would be nice to have some things to do once in a while. It's a tough balance. (2BI1)

The small-business owners were originally attracted to living in the region for various reasons, such as the slow-paced, quiet rural environment. Although this business-owner appreciates the peace and quiet that comes with rural living, they also would like to have more activities for themselves and when family come into town to visit. The 'balance' between rural, quiet lifestyle and attracting tourists and more people to the region with more built attractions is identified by residents as being a 'tough balance'.

Along with the lack of infrastructure in the Top of Superior region, the level of quality of product and customer service offered by current businesses has been a concern for attracting tourists to the area (Forrest Marketing and Communications Report, 2008; Rosehart,2008). Small-business owners commented on other businesses in the region that they believed were not up to a level of quality that they would recommend to their customers.

I get people asking me what can they do in Nipigon. And that is a really hard one to answer. Number one they also ask me restaurants, and some of these restaurants are not up to scratch, they really aren't. I have a hard time recommending anybody except Tim Horton's to be honest. I really do. (3BD8)

Tim Horton's, opened in the fall of 2010, was a recent business addition to the region, built on the TransCanada Highway in Nipigon. It is a famous coffee shop franchise

chain in Canada and thus is recognizable to Canadian travellers. The Tim Horton's in Nipigon was seen as a restaurant of quality, a place to be recommended, especially given the view that other establishments in town are not of consistent quality.

Other business owners felt they benefit from the Tim Horton's coffee shop due to proximity. Czakon (2012) has highlighted the benefit of franchises in regional tourism (a networked industry) as a means of providing credibility, scale effects and organization for small-business owners. One small-business owner noticed that they were getting Tim Horton's' traffic to their business by mistake so they decided to set-up a table in front of their motel with local souvenirs such as amethyst and wood carvings.

They are all seeing it and come walking up there. I don't think they'll walk up and they aren't going to say oh I need a room, but they come up and look at the stuff. What I did start doing was put a bunch of amethyst in there., (3BD6)

Being in close proximity to the busy coffee franchise provided a business opportunity for this small-business owner and they adapted their business to make an extra profit. Because Tim Horton's is a franchise, it involves significant investment to open a store (in comparison to a non-franchise coffee shop). "Franchising is a cooperative agreement by which one firm (the franchisor) sells the right to market goods or services under its brand name and using its business practices to a second firm (the franchisee)" (Gomez et al, 2011, p.713; Combs, Michael, & Castrogiovanni, 2004). Along with paying franchise fees, franchisees have to maintain a specific level of uniformity expected by the franchisor (head office), and this uniformity is a large attraction for consumers (Gomez et al, 2011). With this consistent level of quality customers across Canada, customers can go into any of these coffee shops and expect the same a level of quality and service. This franchise was also credited for providing management training to some of the small-business owners who had previous work experience.

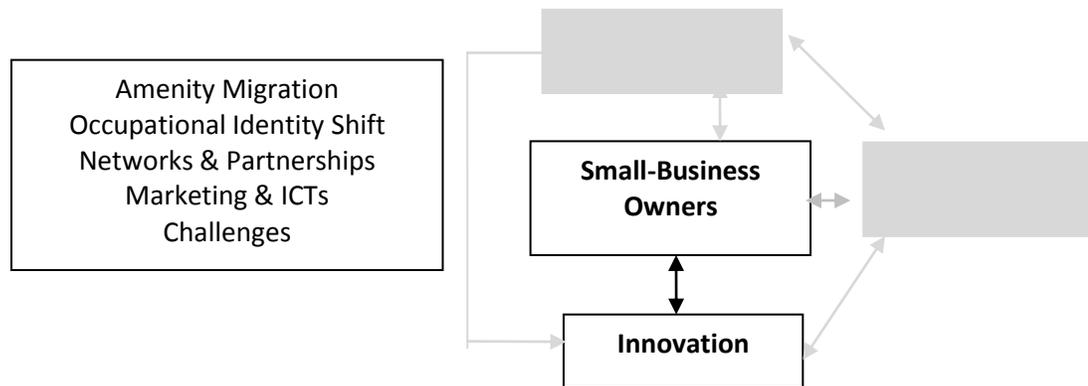
I worked at Robin's Donuts for six years and Tim Horton's. I learned, I guess any management skills I learned from Tim Horton's, they were a really good to grow up with and learn with. (3B11)

As with employee training associated with any franchise, Tim Horton's is very systematic in employee training and career development. For those in the region that have worked at a Tim Horton's, they have experienced the food, service and manager training (such as customer service, safe food practices, scheduling, conflict resolutions)

that can be useful with future employment in any service industry. This career development can be then used later on in life for previous employees who find themselves in business ownership. Having well-known franchises that act as ‘anchors’, close to other small-businesses, are something that could benefit the downtown areas and draw the traffic off the highway. The need for “lots” of Tim Horton’s in the region was also mentioned in the 2008 Premier Ranked Tourist Destination Final Report (Forrest Marketing and Communications, 2008b). The establishment of franchises in the region could provide a familiarity to the ‘unknown’ restaurants, motels, retail stores in the region but could consequently take away from the local culture and charm. Thus there is a strong need to develop and market products and services such as restaurants that serve local fare (fish, blueberries, bannock tacos) and local accommodations of a high quality.

In examining the ‘context’ of the study area, including the rural landscape, geographic location and aspects of ‘innovation’, specifically tourism development, it is evident that there is a vast amount of opportunities available in the region for nature-based/ecotourism activities. There is a need for product and customer service development with existing businesses as well as opportunity for new small-business owners in the region. Tourism attractions such as the newly established LSNMCA may become a great anchor to bring more of the nature-based tourists to the region. However, franchise restaurants, such as Tim Horton’s, draw the attention of consumers and is seen by local business owners as providing a high quality of restaurant service to the communities. Although the Tim Horton’s acted as if it was a local tourist attraction to the region, it is essential that local business owners, particularly the restaurants acknowledge that consumers want predictable and high level customer service and product and will have to adapt their businesses to compete. There are lots of opportunities for potential new businesses such as restaurants offering local fare as well as high-quality accommodations such as a four-star resort, cabin rentals, or hotel. With the abundance of nature-based tourism activities in the region this brings an opportunity for more guiding and outdoor retail products needed for the region. Thus, while looking at the context of the region and the innovative business opportunities, it is clear that the region is in need of entrepreneurs and knowledgeable small-business owners.

5.5 Small-Business Owners & Innovation



When examining the small-business owners in relation to the concept of innovation, we need to reflect back on two things: to the original research question and how innovation was being examined in this research. The main research question was: how do small-business owners' view tourism in rural, resource-based communities and what opportunities and obstacles do they face with being innovative at the firm and network levels? By adapting the OECD's (2005) explanation of innovation, innovation in this research was classified by small-businesses' use of new marketing strategies, offering and adopting new and innovative services and products and processes internally and externally (i.e. networking and information and communications technology) (OECD, 2005). The following section focuses on the opportunities and obstacles that the small-businesses face with innovative activities such as new marketing strategies, use of new services, products and processes both internally and externally through networking and information and communications technologies. Aspects that effect innovation such as amenity migration, occupational identity shift, marketing, networks, and challenges for rural small-business owners are explored.

5.5.1 Amenity Migration

There have been a growing number of new residents who moved to the region to open a small-business (i.e. lifestyle migrants) (McIntyre, 2009; Fountain & Hall, 2002). In this study six participants were new residents, moving to the region within the last five years. Amenity migration can be defined as “as the movements of people, capital, information and objects associated with the process of voluntary relocation to places that are perceived as providing an enhanced or, at least, different lifestyle”

(McIntyre, 2009, p. 230). As highlighted by Schmallegger (2011) previous studies in peripheral areas have shown that new migrants choose tourism as a self-employment means (Fountain & Hall, 2002; Müller, 2006; Siemens, 2007; Luke, 2003). Several of the small-business owners in this study were attracted to the landscape and rural environment the region had to offer.

<The> trees, water <attracted us to this area>. We wanted to come back.....I just wanted to come back to the trees and water. We were on holidays and we stopped.. I said I want to take a picture and <husband> said “hey there is a campground here, let’s have lunch.” And we came down here and there was a great big for sale sign on. We walked around and we fell in love. (1BD1)

Some saw the business for sale and committed to buying it before ever visiting the region.

I got laid off about two years ago ... So it was either go back to Toronto, which I couldn’t bare the thought of or come up here and buy a little business so we bought the business. Never heard of <Nipigon> in my life. I was very excited about the business, the motel, and obviously having my own business better than being employed by somebody else. (3BD7)

For many of the small-business owners having the opportunity to be their own boss was very attractive. Some of these business owners were dismissed from previous positions and decided to try business ownership as an income source. Some of the new business owners discovered that the business was for sale in real estate magazines, for sale signs while travelling through the region on vacation or approached the previous owner directly to enquire about the possible sale of their business. Several of these new owners took over an established business after the existing owner either fell ill or passed away.

...he got quite sick and he just let things go and so <the customers> did what they wanted and when we came in and said no you can’t do this. ...But I think it was because he was quite sick. Actually he passed away before he sold the place. He was such a sweetheart. (1BD1)

The consequences of being a ‘lifestyle migrant’ in this region for these new small-business owners was that they had a difficult time familiarizing themselves with the other business owners in the communities.

I think they just, they’ve lived here so long and an outsider is an outsider and it’s very difficult to get in. (1BD2)

The difficulty of familiarizing new residents to a rural community was recognized by local residents who consequently formed a ‘welcome committee’ who organized and hosted social events to ease the transition.

We had a hen and hem festival in Nipigon at the legion because there was so many people changing houses, moving into town and out, it was to inform the local new people what was going on in town, all you know, where can you go for this and that, and the place was full of tables, the locals came that we knew forever. There was a sign out by the door, like on the corner and that’s really, there wasn’t enough to bring them in the first place. Somebody should have brought somebody new into town, you’ve seen a few, but everybody I saw there that day was somebody I’ve known for ten years. So they already knew what was going on, it was for the new ones that it was for. It’s like they should have a welcome wagon here, telling them this is here, this is here, they need to do something like that to keep you in town. (3BD4)

Although this ‘welcome to town’ event was organized for the new residents, the marketing efforts to promote the event fell short and consequently only long-time residents attended the event.

The lack of social interaction between the ‘old’ and ‘new’ small-business owners were most evident between the accommodation owners in the region.

...there is a lot of the motels in Nipigon and everything else, a lot of them are under new ownership, because people have come from other parts of the country and moved into Nipigon. The common attitude around here is, well everybody knows buddy over here. If you need a guide, except these people are all from out of town, they don’t know buddy. (1BD1)

This interviewee indicated that the new accommodation owners did not know of other businesses operating in the region, such as outfitters, which would greatly benefit both owners to work together. New small-business owners had a hard time networking with other existing business owners in the region citing lack of time being the major reason. Since these owners either lived or spent more than 40 hours a week at their business, they were left with little opportunity to get to know the other businesses in the neighborhood.

We usually open at 8 am and continue on till 11, 11:30 pm. Basically 15-16 hours, seven days a week. I live here. (3BD3)

Some of the business owners who did not live at their business had to take their work home with them as well.

Between the business here and there and home office. When I get home I have all that stuff to do. Tax calculations and all that stuff, paper work, payroll. There is a lot of paper stuff. Probably at least 75 hours a week .(3BI1)

Overall, the majority of the small-business owners (including the amenity migrants) worked far more than the regular full-time 40 hour work week and thus found themselves in a difficult environment to socialize and network with the other businesses in the community.

The lack of quality of regional businesses was cited as another major reason why some of the new business-owners decided to not partner or network with the other businesses in the region.

I was a little disappointed in Nipigon as a whole. It's very derelict. It looked bad, it still does. But, what can you do. (3BD7)

Those who came from southern Ontario and western Canada, felt that the businesses in the region were not of a high enough quality to attract tourists. Such expectations were a result of these new business owners being exposed and comparing to a different level of quality in products and services similar to what they were used to before moving to the region. Similar to Carson and Carson's (2011) study on tourism operators in the Flinders Ranges in South Australia, many of the in-migrant business owners were experienced travelers and had an understanding of visitor needs. This was evident in this study region with many of the new to town business owners citing experiences in other parts of the country. Consequently the increased tourism and travel experience of the new small-business owners created a lack of trust in quality in the regional businesses and was a major deterrence in the small-businesses networking together.

Overall these new small-business owners have had a limited effect on the amount of networking and partnership activities occurring amongst the owners in the region due to the little opportunity to become familiar with one another and the lack of trust in the quality of products and services available in the region. Similar to Carson & Carson's (2011) study many of the amenity migrant business owners had a high level of education and tourism experience, yet the major difference between these two studies was that the new business owners in this study worked long hours, felt unwelcome to their community and did not trust the quality of other businesses and thus did not network with the other business owners. These new business owners also did not demonstrate

innovative behaviour such as use of new marketing approaches, market research, product development and use of information and communication technologies.

5.5.2 Occupational Identity Shift

The closure of the two regional mills and the repercussions of the declining forestry has left a large proportion of the population in this region unemployed. Similar to Stenbacka (2008) and Lindsay et al's (2003) studies, some of those unemployed 'challenged' these circumstances and 'shifted' their career focus to a more service-based industry and took up business ownership.

The unwillingness to engage in business training by these small-business owners may have been a result of the quick transition from working shift work in the mill to the more customer service oriented industry. Their reluctance further resulted in lack of employee training, utilization of business plans, and measurements of customer service in the region. As discussed previously, many of the business owners cited that they created a business plan solely for funding opportunities.

While business plans were seen as unimportant for operations but important for funding opportunities as outlined in chapter 4, the employee training plans were also non-existent. Although these small-business owners on average employed two people, many did not have any formal training plan for new employees, an essential part of business operations. As one small-business owner demonstrated:

There is an orientation and there is all the stuff they have to learn but I just sort of take them and throw them into the fire right away and let them do it and that is the only way to learn for me is to do it. (3BI1)

This business owner expected the new employees to be able to start their job and learn through trial and error of how to do the job. This method of employee training was common amongst the business owners in the region. Some business owners relied upon long-term employees to do the training. Participants who had long-term employees benefited from their knowledge since some of their employees had worked at the business longer than the current business owner had owned it.

... the employee that I have she has 21 years of experience and she has trained a lot of people here, so whenever I take on a new employee she trains them. (3BD3)

Along with the lack of a business plan and employee training program was the informal ways of measuring customer service. Only one business in the study mentioned using guest comment cards while others relied on word of mouth from the customers.

As one small-business owner stated:

No, no official system in place but I make sure I talk to my customers, that is the most important thing. You know what, customers leave feedback one way or another. They'll show it in their attitudes, they'll come out and tell you themselves or they'll even leave notes, quite a few do that actually. (3BD8)

This business owner expected their customers would let the owner know about their experience or that the customer would express their satisfaction by becoming a repeat customer. This interviewee found that notes were more of a method of complaining and did not see the use of having comment cards available for the customers. This reaction to notes and comment cards was expressed by another small-business owner in the community:

No, I don't give out cards or nothing. I just have a sign posted in the office that if, a great big one says if you like it pass it on if you don't like it please tell me. It's basically it. No I don't want to get psyched out by cards being left in the room. They will say we've seen dust bunnies, people are so frivolous, if it's something that is truly important tell me. (3BD5)

While the small-business owners made little effort to measure customer satisfaction, some did recognize the importance of customer service and satisfaction. As one business owner stated:

We could do better customer service in the restaurants and motels and service stations and stuff like that...the more people you get into your community, the more money they are going to spend. And if you are friendly to them they'll spend even more money. And if you take time to spend with them, they are, even your first line people have to be trained in a proper manner to be able to enhance tourism. I think we are not quite tourism ready yet but we are getting there and I think that because of those mills closing the attitudes are changing. (3BD8)

Here this business owner recognized the importance of customer service (as well as customer service training) for the whole region and the inherent economic benefits of being friendly. This business owner also highlighted that they believed that the area was not 'tourism ready' due to the current attitudes towards tourism but these attitudes were shifting due to the mill closures and people recognizing the importance of tourism for

the town's economic diversification and well-being. This recognition of the importance of good customer service as well as the need for business plans, employee training and measurement of customer satisfaction was something that all of the small-business owners mentioned yet their unwillingness to adapt their business habits was still strong.

5.5.3 Marketing and Information Communications Technologies

Generally speaking, small-business owners in the region lack training in business management and customer service, and consequently they were unable to utilize innovation tactics such as marketing and ICTs. These findings are aligned with Carson & Carson (2011) who found that local tourism operators in the Northern Flinders Ranges of Australia were unable to carry out strong marketing and promotional efforts and declined to conduct market research and monitor market trends. In this case, many of the small-business owners relied on word-of-mouth, highway signage, and exposure through association marketing efforts to promote their businesses. This reliance on signage and word-of-mouth was common place for most of the small-business owners in the region. Many of the business owners currently utilized signs along the Trans-Canada highway to promote their business. They also felt that it was important for the individual towns to promote the local amenities through signage.

Signage is a huge one. If you don't promote it. Like down in the states they promote everything. We are not doing that, we are not good at that yet, promoting through signage and just promoting stuff. We are not as good as the states and we need to get better. And promoting our events and stuff like that. We have a country market on the weekends in Nipigon and I said why don't you guys put a sign on the highway people will drop in. Because people like homemade baking and all these different things so they are thinking about it anyways.
(3BD2)

The significance of being located on or close to the Trans-Canada highway was a major factor influencing marketing efforts as highlighted by the importance of signage and lack of interest to invest in any further marketing tactics.

You see, we are at the crossroads of Trans-Canada, highway 11/17 and you gotta come through here. We are in location, location, location, and this highway is not going anywhere, and you've gotta drive by, so the bottom line is there is always going to be traffic out there. See when I bought this I never worried about the mill shutting down, that was the least of my worries, because the highway wasn't going anywhere. I didn't get a whole lot of business from the mill anyways, a little bit but not a lot, so this highway as long as it stays there, this, I

don't even think I even need to spend that much on advertising as I do, because of the highway.(3BD7)

Several business owners also relied upon association memberships to market their business.

Mostly word of mouth [for marketing]. I have a lot of return customers and just signage on the highways and through NOSTA and the Ontario Accommodation Association. (3BD4)

The reliance on associations had once been an important marketing avenue for the small-business owners, yet others were pulling their memberships since they felt that they were not seeing a return on investment with their fees.

I always look at advertising as bang for my buck and if I am forking \$400-\$500 I have to make sure I get at least a couple of grand off of that. And I wasn't. Because I was purposely asking people how did you find out about me, dada, that kind of stuff. And not a lot, very few of them were talking about that. (3BD5)

Some business owners stressed that they had no means of measuring their return on investment with the association memberships.

...the motel association of Ontario, I've been on that for 20 years. Last year I didn't, I didn't cancel it, I just forgot to pay it. Just because I was too busy, they sent me a notice and then they finally gave up, and then I thought I wonder if I've noticed any damn difference paying them \$500 a year or not. It's hard to say. It really is hard to say because you would have to be very, very analytical and watch, and sending out or almost on your guest registry asking how you got, you know what I mean, know exactly how they found you? I'm not saying it's not helped me, but I just don't know. (3BD6)

The challenges with marketing the region include the declining support for regional association, a dependence on associations, and marketing to a transient audience (Siemens, 2007). The reliance on these limited marketing strategies may be explained as Clarke (2005) states “through factors such as limited budgets, poor coordination of marketing expertise, the variety of stakeholder interests, and the misconception of marketing as a discipline” (pp.87). The small-business owners relied upon very few marketing techniques, especially on very old and outdated ones such as signage and billboards, and had little motivation or knowledge for other marketing tactics. This lack of capacity in regards to marketing will directly affect the region's small-business owners' future ability to be innovative with their product development

and to attract new markets and tourists to the region. The direct cause of this limited marketing-knowledge capacity in the region can be associated with the lack of training and knowledge, limited marketing ambitions and dysfunctional tourism associations and their limited amount of support for small-business owners (to be discussed further in section 5.6 External Variables & Small-Business Owners) and the limited networking and partnership undertaken in the region (see section 5.5.5 Networks & Partnerships).

The importance of ICTs was recognized by some of the business owners in the region as important aspects of their marketing efforts. As highlighted by Clarke (2005) “for a product spatially isolated from its markets, such as rural tourism, website and other ICT reduces remoteness through global electronic distribution and reduces reliance on intermediaries” (pp. 96). Small-business owners in rural regions have historically had difficulties utilizing ICTs (Ioannides & Peterson, 2003; Evans & Parravicini, 2005). Evans and Parravicini’s (2005) study of tourism small and medium enterprises uptake of ICTs in rural Spain, found that most of the small-business owners utilized some form of ICT (such as the internet) but were still reliant on the need for advice, good practice guides and support. In the current study, several of the small-business owners knew how to use the internet for email and some were starting to explore the use of monitoring and tracking their website traffic. This is exemplified in one business owner explanation of their experience:

It’s kind of interesting well this year I monkey’d around with the phones over there, changed some of the services that I’m getting and everything else, with the internet, because I get my internet through Bell so I added an extra five bucks to get the stats and everything and actually Canadian Tire has us on [their website]. It has all the stats and as far as NOSTA goes we don’t get as much coming from NOSTA as we do through Canadian Tire. (1BD1)

This business owner was able to identify that traffic to their website was coming from a commercial national store, and that more information was coming from this source than the tourism association that they paid to belonged to. On the other end of the spectrum there were many business owners who were apprehensive of utilizing any of the ICTs as previously highlighted in chapter 4. Some of the business owners refused to learn any of these technologies while others recognized that although they were behind in the use of ICTs, they were trying to catch up.

I don't even have a cell phone. I'm technology behind anyway, they don't even work here. I don't have an iPhone or an iPad I just finally got a laptop. I'm moving into the century. (3B1)

When it came to learning ICTs many small-business owners relied on friends and family to show them how to use the tools, recognizing that they need help.

Yeah it was a pain the arse. I needed help with [the website] that's for sure. So [my friend] in Nipigon tried to help me as much as possible and so that's just it. I think if you are going to do this kind of thing, you'll need a hell of a lot more help. (2B11)

Overall these small-business owners were utilizing ICTs for basic functions of emails and had shown that there were some willing to learn more about websites and social media. Similar to Ioannides and Peterson (2003), business owners were passive about their use of ICTs and appeared to not fully realize the potential they provided for process innovation (i.e. daily operations and management activities such as reservations and wholesale orders). The reason for reluctance in up-take was explained by Evans and Parravicini (2005) as resulting from barriers such as size (measured by number of employees), owner interest/skills/education, key staff, network membership, tourist markets and locations. The influence of the owner (interest, skills and experience), size of business, and location appeared to be the major factors influencing the uptake of new technologies. Evans and Parravinci (2005) suggest that, “a major risk is that many rural tourism SMEs remain marginalized in e-commerce, or receive inappropriate advice and ‘support’ for applications that they are not able to fully exploit and from which they are unable to derive sustained benefit” (p. 116). The need for on-going ICT training and support for the small-business owners in this region is crucial for the promotion and exposure of the region and to gain access to new customers.

5.5.4 Networks & Partnerships

The importance of networks for the successful development and sustainability of small-business owners in rural/peripheral areas and has been well-documented in the tourism literature (Clarke, 2005; Meyer-Cech, 2005; Hall, 2005; Hall, 2007; Scott et al, 2008; Ilbery & Saxena, 2007; Siemens, 2007, Ioannides & Peterson, 2003). Networks can assist peripheral regions with limited human and intellectual capital by helping with knowledge development and marketing (Hall, 2007; Hjalager, 2000; Hall, 2005). As

previously highlighted, negative attitudes prevail towards the concept of ‘partnerships’ for small-business owners with other businesses in the region due to the negative connotations associated with the definition of ‘partner’ and the on-going competition for declining tourism business in the region. The challenges associated with negative attitudes towards networking were echoed in rural tourism research such as Carson and Carson (2011) who found a lack of networking and collaboration amongst local businesses in the Flinders Ranges of Australia was rooted in lack of experience of communities working together due to their pastoral history. In the current study, accommodation owners knew the value of networking in the sense of sending customers to other businesses once they had no vacancy at their place.

...definitely we do a lot of networking, so in case I fill up I give business to the other people and vice versa. If they fill up they send us some business. So that is what we do networking. (3BD3)

This act of sending business to other businesses in the region was seen as ‘networking’ yet others were apprehensive of labelling it as a ‘partnership’.

Nobody is really partner per say we have invested interest in another person’s business, but we all have invested business in keeping business in Nipigon. If I’m busy and somebody comes through the door and they say I need a room with 2 beds and non- smoking I don’t have any available , often times I’ll pick up the telephones and call one of my co-horts to see if that’s what they want.(3BD5)

Although some of the accommodation owners sent customers to other businesses in the region or community, as previously highlighted some local business owners sent customers to businesses hundreds of kilometers away due to the lack of trust in quality of the businesses in the region. This lack of trust was highlighted by others in the region and shaped the way they viewed partnerships.

I believe you don’t want to make too big of partnerships with anybody at the end of the day you want to maintain your independence and if you decide somebody doesn’t do business the way that you do, and I’m extremely fussy, honesty, transparency, anybody who is deceiving their customers I don’t want to be associated with them as a business person because over time I see it as bad policy. (3BD9)

The feelings of apprehension towards partnerships were strong amongst the majority of the business owners in the region, possibly due to the way they defined ‘partnerships’.

The small-business owners explored the concept of networking at the regional level and expressed a need for coordination, trust, and clearly defined goals.

...when you sit at meetings and you bring in people from across the region, how is anybody going to actually be so transparent, and it's hard to do, where you are not going to keep your own hometown, your people in your best interests so partnerships, are you going to give up something, or do you even have anything, and yeah at the end of the day you have to work together. People from their diverse backgrounds can't sit at the table and get along together because you do have to have partnerships because if you have the sense that you want to do things on your own it's harder. It's easier when somebody is sending you customers and all you know is that you have to keep up your end and provide the product and the service and other people will work for you. (3BD9)

Small-business owners expressed the need for coordination and capacity building for networks at the regional level and the importance of good leadership.

I think the challenges are to get everyone on the same page, that's the number one challenge. I don't want to sound critical or that I was talking about them, but I know you need good sound leadership and with a positive attitude that everyone is working towards the same thing. (4BI1)

In summary, we know that networks such as informal local alliances, formal partnership agreements, not-for-profit local, regional or national tourism organization and government structures assist with the geographic and fragmented challenges associated with tourism (Scott, 2008). Informal networking and partnerships are seriously lacking amongst the small-business owners in the region while more formal networking and partnership agreements are in desperate need of trust, structure and leadership to help work together towards a defined goal (of bringing tourists to the region). The role of tourism and business associations and their influence on innovation (such as networking) will be explored in greater detail in section 5.6 External Variables & Small-Business Owners.

5.5.5 Challenges

Challenges facing small-business owners, specifically in rural and the peripheral context have been an area of research in need of further exploration (Nilsson et al, 2005; Ioannides & Peterson, 2003; Ateljevic & Doorne, 2004; Getz & Carlsen, 2000; Page et al, 1999) particularly in the Canadian context (Siemens, 2007). The challenges small-business owners in the region faced were examined in chapter 4. The main categories of

challenges included: local (e.g. municipal taxes, downturn in local economy, business closures), external (American economy, price of gas, costs of electricity), personal (e.g. long hours, lack of education, and new to town), and tourism (e.g. lack of guides, lack of infrastructure, unknown destination). These challenges are aligned with the literature surrounding rural tourism small-business challenges on Vancouver Island (Siemens, 2007).

Siemens (2007) noted that the major challenges facing tourism businesses were related to marketing, operations and infrastructure in the rural context. Marketing issues centred on the need for product diversification, marketing to transient customers and lack of support from tourism associations (Siemens, 2007). These marketing issues were similar to the marketing issues faced in this research in that the small-business owners cited the need for product diversification in the region, attracting customers who see the North Shore of Superior as a stop along the way (and not a destination), and that the support for marketing efforts from tourism associations were not effective and worthy of membership investment. The lack of local product development and a transient market was highlighted by several small-business owners when reflecting on the need for more businesses and infrastructure:

I was expecting to get current income for three or four years...because this part of the country, northwestern Ontario, it's pretty slow when it comes to [accommodations] or what not. I'm not exactly sure, well part of it is lack of attractions in the area. Most of them are, a lot of our clientele are, they are just passing through. The other challenge is the amount of infrastructure. At this point we need to have more activities very close that are going to keep the people. It's one thing to get them to stay here for a day or two but there needs to be more for them to do. (1BD1)

Similar to Siemens (2007), small-business owners cited that they felt the tourism associations were not efficient and saw no benefit in belonging.

there was an affiliation the old owner had an affiliation with the North Superior, NOSTA, I haven't seen one thing come out of it, not one. I don't know whether they sent him anything or do anything. I haven't seen any benefit whatsoever honestly. I know they have sent us an invoice saying please be a member but they are not doing anything for me quite honestly, so no, not interested. (3BD8)

Operational challenges such as the seasonality associated with a rural small tourism business were another challenge mentioned by Siemens (2007). The business owners in

this research felt that the winter season was their slow tourist season and found it hard to attract people to the region that time of year.

...winter is very, very slow. Something needs to be done for the winter months. Summer we have no problems. (3BD3)

Finally, infrastructure challenges such as limited access to banking, inadequate access to groceries, necessity for ferries to bring in supplies (due location on Vancouver Island) and the lack of running water and power sources were mentioned as issues for rural small-business owners in Siemens (2007) study. In this study regional small-business owners noted that groceries and gas costs were extremely high compared to the rest of Canada and the shortage of and need for trades-people. The shortage of trades-people such as plumbers, electricians, and general contractors was mentioned by many of the small-business owners. Several waited weeks to get toilets fixed due to the shortage of people in the region to assist with infrastructure issues.

Finding competent workers [is difficult]. I had a young contractor stop in and say, "yep I'll give you a quote", but it's been three weeks and where is my quote? Insurance company is giving me a hassle. You know, we only have two plumbers, and if they are busy and one likes to work out of town, so often we have to call Thunder Bay and then we get hell for taking business out of the community. I'm in the business that has to run. If something major breaks and the local guys can't come because they are too busy, too whatever, then I do have to contact Thunder Bay and pay \$400-500 of travel to fix it. I've always tried to deal locally but I have an issue. Right now I called the plumber, I called them up third week in June. He said I'll be there Monday. Which Monday? You know, I don't like [to]harass I've told them I have the job that needs to be done, he said he's going to come, he hasn't come yet. But if I lived in the city, because there is more competition, the guy that says come will come because he does not want to lose a customer. (3BD5)

This need for infrastructure support greatly challenged the business operations of these small-business owners reliant on contractors to fix issues in a timely manner. Overall the challenges highlighted by Siemens (2007) were aligned with the challenges the small-business owners in the Top of Superior faced.

The findings in Ioannides and Peterson's (2003) study of SMTes in rural Denmark, mirrored what is taking place in the Top of Superior region. Ioannides and Peterson (2003) found that the majority of the small-business owners displayed traits of constrained and non-entrepreneurs, including reliance on personal funds for their

business financial capital, lack of engagement in formal business planning and the use of cost-cutting strategies as a means of business survival. When discussing the personal characteristics of the small-business owners the researchers found that they were of advanced age and lacked appropriate education and background related to tourism. These were all factors that contributed to these small-business owners constrained and non-entrepreneur status and as a result they were not industry innovators. These factors such as age, lack of education/training, and use of personal funds were similar in the small-business owners in this study region. Ioannides & Peterson (2003) further connected the barriers to innovation amongst the small-business owners to the extreme seasonality of the island's tourism industry and the uncompetitive nature of the existing tourism industry. This study helps shed light on the situation facing the small-business owners in the Top of Superior by connecting the seasonality and characteristics of the non-entrepreneurs that are currently operating in the region.

Although not discussed in the rural/remote context, Hall and Williams (2008) examined innovation barriers for tourism SMEs and found that the main obstacles for tourism SMEs were related to capital, human resources, and complex lifestyle motivations and behaviour. The financial capital access was reliant upon individual or family sources and not on banks. The SMEs were able to obtain funding from family and other informal sources that did not require business plans to see how viable their businesses were before lending the money. In this research I did not explore the sources of financial capital for the individual SMEs as I felt that it was not essential to explore attitudes towards tourism and abilities to be innovative. As a result, I am not able to compare such findings.

Hall and Williams (2008) argued that when it came to human capital (training and working experience specific to tourism) many business owners lacked “the knowledge of networking, coordination and human resources to oversee successful innovation” (p. 215) which was further reflected in their approach to staff training. Their findings very much aligned to mine in that small-business owners lack training and experience, refuse to recognize the needs and importance of business training and a lack of staff training.

The final obstacle determined in their research, was the small-business owners' motivations related to in-migration and highly valued non-urban tourism attractions of the natural environment (beaches, mountains) (Hall and Williams, 2008). Although the amenity migrants have had an effect on the networking taking place between the new and established business owners, it was not discussed in my research as a motivational factor. Overall the Hall and Williams (2008) study confirmed that one of the detriments towards small-business owners' innovative capacity was related to their knowledge and background that was also highlighted in my research.

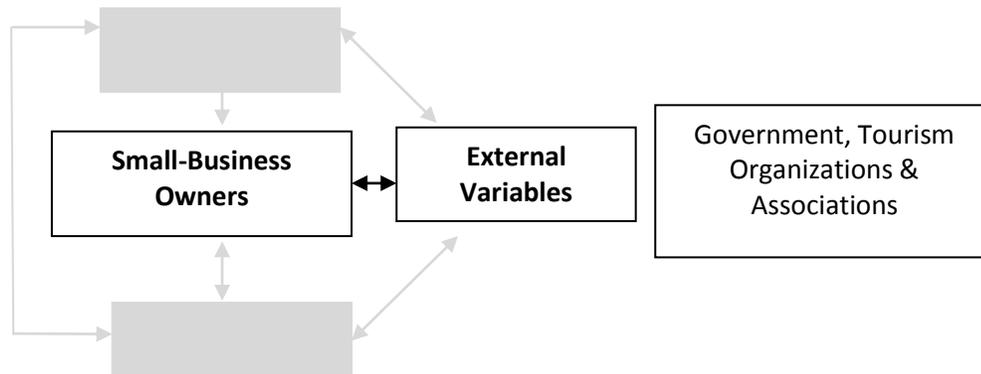
By examining the current state of the small-business owners through the lens of amenity migration, occupational identity shift, self-employment benefits program, marketing, networks, and challenges for rural small-business owners a better understanding of the factors affecting the small-business owners' ability to be innovative emerges. When reflecting back on the research question a clearer picture of the obstacles and issues facing the small-business owners' ability to be innovative within their own businesses and at the network levels is apparent, and include:

- the unwelcomed sense of new business-owners to the region
- long hours
- lack of experience in the service industry
- lack of business planning
- unwillingness to measure customer service
- need for ICT training
- lack of trust to form networks and partnerships
- seasonality of the busy season
- high costs for amenities
- lack of trust in existing businesses to provide quality product and services
- lack of quality of businesses
- unwillingness for business training and education
- lack of employee training
- reliance on a limited variety of marketing tactics
- weak representation by tourism associations
- need for leadership and goals for the region to support networking
- need for infrastructure support

The one major aspect to assist the small-business owners' ability to be innovative was the Self-Employments Benefit program. This program has its limits since it is only available for new business owners and not for already established business owners

operating in the region. This program greatly affected how those who took part in the programs ability to cope with the obstacles and issues.

5.6 External Variables & Small-Business Owners



5.6.1 Government, Tourism Organizations & Associations

Since the mill closures federal, provincial and municipal governments (in this research identified as external variables) have been trying to increase social and economic capacity and tourism activity to the area through programming and funding to small-business development in Northwestern Ontario. These program agencies and associations mentioned by participants include:

- FedNor (federal)
- Aboriginal Business Canada (ABC) (federal)
- Regional Tourism Organization 13 (RTO13) (provincial)
- Superior North Community Futures Development Corporation (SNCFDC) (federal)
- Northern Ontario Heritage Fund Corporation (NOHFC) (provincial)
- North of Superior Tourism Association (NOSTA) (large regional)

The majority of the small-business owners were aware of all of the agencies and several mentioned working with them for funding and capital funding. As one business owner acknowledge:

You've got both the federal and provincial. You have the heritage fund and you have FEDNOR. If there is a native component it's called ABC, those are all good ones for capital. I think at some point in the near future hopefully the tourism association will have something that would be a benefit to new businesses as far as giving them some ideas around the marketing. There is also provincially it's called OTMP, Ontario Tourism Marketing Program, they are very supportive of

marketing initiatives, whether it's FAM(familiarization) types of tours and having said that it's even better than just being there because what the FAM tours do really make you start working with other businesses, they are not interested in just promoting one...I think the university has been pretty proactive in trying to work with and addressing some of the interests and the concerns and we've gotta within an hour drive we've got a college and university that have tourism programs. I think that there is a lot of infrastructure and a lot of things there. (2BD1)

It is clear from this and other interviewees, that there is an awareness of the agencies working within the region and how they may assist with a regional approach to marketing initiatives. This business owner felt that these government agencies were a great support and even recognized the local university and college as a source of assistance to tourism. It is important to note that this business owner did not belong to NOSTA since they had seen no benefit in belonging to this association. According to the respondent's it would appear that there is a disconnect between the business owners in the way that these government agencies were creating policy. As one business owner stated:

the new policies in upper government are kinda, when you see them...they want us to get away from hunting and fishing and talk about this new tourism all the time which is fine, but me on this end, where the pay comes in, I'm not on a government salary saying this is nice and this is nice, I get paid by what really happens and I'm telling you right now, you need 50 bird watchers to make off, you'll get off of one moose hunter, maybe 100. (3BD6)

This business owner felt that although government policies and support were favouring 'new tourism' activities such as ecotourism, the reality is that more money is available for consumptive tourism. Other disconnects between the government agencies and the small-business owners regarded the provincial tourism boundaries and provincial tourism marketing exposure.

I think on a regional basis there are silly boundaries when they changed the zones, they don't take geographical areas into consideration and that was the provincial level out of the Sobara Report where you can't even identify Lake Superior, like say from the Minnesota border to the Michigan, Sault Ste. Marie. You know what, we are going to recognize this northern part of Lake Superior Shoreline and whatever is adjacent to it as a region. James Bay, Hudson Bay all you lowlands past a certain parallel, instead they carved it up and it made no geological sense. And I think Ontario in itself is too big of a province and they forget Northwest Ontario a lot. The Tourism Ontario commercials last, two years ago during the Olympics in Vancouver, there never was, they stopped at North

Bay and they didn't show anything from Ontario from North Bay to the Manitoba border and that is a 1500 km stretch that you've failed to mention. (3BD9)

This participant felt that the provincial tourism agency ignored the North Shore of Lake Superior and that the geographic boundaries did not make sense in terms of promoting the specific regions. This sense of alienation from decisions made in southern Ontario has a long rooted history. Johnston & Payne (2005) have examined this from a tourism perspective, finding that the local community members along the north shore felt that senior levels of government (in Ottawa and Toronto) could not be trusted. Residents also expected government support for decisions regarding tourism development along the north shore (Johnston & Payne, 2005). This lack of trust in government decision making but need for support was evident in this research. Small-business owners cited the need for regional funding to assist with tourism initiatives and looked towards government for funding.

The only hindrance I see it regionally is funding. I think that tourism is the economic driver in this region. It's one of the economic drivers. (3BD3)

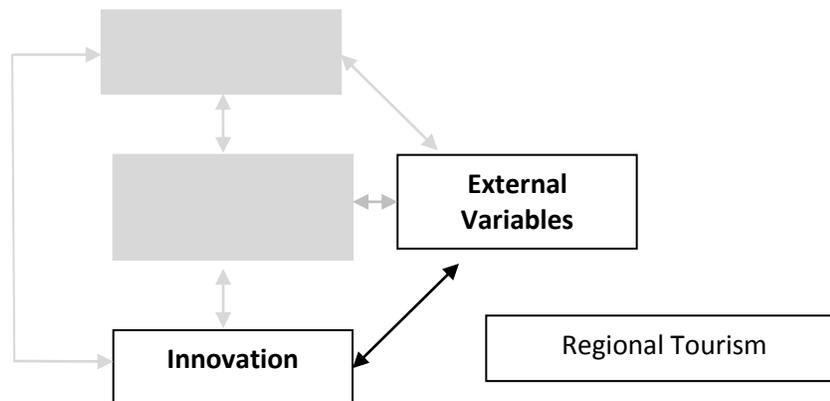
A reliance on government funding for support was also highlighted in Carson and Carson's (2011) study, where business operators depended on government funding which had created a dependency culture amongst these operators who were familiar with past agricultural financial support and protection and consequently expected the same for tourism support. Such reliance is a legacy of the pulp and paper industry staples dependence that this region experienced, and may have spilled over to the tourism small-business owners who feel that infrastructure such as visitor information centres, washrooms and signage were the responsibility of the government.

That's the biggest thing I have a grief for - the government signs are too small.. You come up here, little signs, by the time you see them their gone. That's what they need to spend, if they are going to spend, and I told that to Michael Gravelle [local Minister of Provincial Parliament] years ago, I said, signage, signage, and more pit stops for garbage so they quit throwing garbage in all our yards. (3BD5)

This reliance on government for infrastructure and funding is still evident amongst small-business owners in the region and was aligned with Carson and Carson's (2011) study. Overall the small-business owners felt that in order for tourism to grow in the

region, government must continue to invest in the regional infrastructure and marketing initiatives.

5.7 External Variables & Innovation



In this section the themes of ‘innovation’ and ‘external variables’ is discussed through the relationship between the communities in the region and tourism development.

5.7.1 Regional Tourism

When discussing tourism development on a larger scale, the small-business owners recognized the importance of a regional approach, with the individual towns working together. The regional approach to tourism would provide more product, infrastructure, marketing opportunities and branding the region as a destination to these communities facing these shortages in rural areas (Koster, 2009; Romero & Costa, 2009; Jackson & Murphy, 2006; Novelli et al, 2006; Mitchell & Hall, 2006; Meyer-Cech, 2005; Carson & Macbeth, 2005; Ilbery & Saxena, 2011). As highlighted by Koster (2009) “a regional approach for more remote, resource-based rural areas is extremely important, as it is generally understood that the economic benefits of tourism can only be fully realized through overnight stays and that rarely does one rural community have enough attractions to warrant more than day trip visitation” (pp. 48).

As one business owner stated:

There is not enough infrastructure and there is not enough diversity in businesses. So that becomes the problem. It's not how or it's an educational, it's

an understanding, people have to come to the realization that by growing together we draw in more people and we are not competition we are actually beneficiaries of one another's activities.(2BD1)

The history of competition between each of the towns in the region was cited by many of the participants:

I just heard that before, I can't work with that community, I've heard little bits of that, so I am too new and don't have any of that baggage yet. I don't have that answer yet. Someone whose been there might know. But maybe that is the secret. Let the baggage go. Let all of us say, hey we have to work on this, we need all of us together. But I think the best way to do it is by coming up with that clearly defined goal, then it is not hard. (4BI1)

This business owner recognized the importance of goal setting amongst the communities, and working towards those goals. The need for municipal government's commitment to strategic economic development was stated by many of the business owners to assist with tourism development in the region.

it's very difficult for me to say we need a marina building, we need this, we need that unless there is total commitment and then it's almost impossible for the little business person to have that kind of influence. I think the other advantage of having a strategic plan is that at this point, I'm not exactly sure where the town of Nipigon see's their opportunities or the town of Red Rock see's their opportunities. I'm guessing if you sat them down or sat with each one of them I'm sure they would have a list of their own priorities. It won't be the same. Until they are the same nothing of any subsequence or consequence is going to happen. (2BD1)

The business owners saw the need for collaboration amongst the municipalities for tourism development, particularly with packaging tourist products. One business owner had also mentioned the importance of involving First Nations in tourism development as this community would provide a unique and cultural aspect of tourism development in the region.

I think that all the different municipalities have to be on board with their economic development, not so much economic development but their tourist package of economic development. There has to be representation from all the different municipalities and main groups. Whether, especially First Nations, because First Nations is going to be a drawing card if anything. So not only are you having trying to get that type of cooperation but having a vast number of people think of it they come to Northern Ontario is Lake Superior, First Nations. Put that all together, put in there for instance like this weekend there is a powwow here. Up until two years ago I had never been to a powwow, never gone

before and I thought that was pretty cool but you know what I mean, that is something that could be put into this whole regional package. Here is the powwows, go experience that. Go on the different trails, not just in Thunder Bay, here you go, the cross country trails, the cross country hiking trails, all those things. (4B11)

Many participants saw the importance of packaging the region together to provide more of an experience for tourists. One participant connected regional tourism packaging as a means for the municipalities' economic development. The impact of a regional approach was seen to be able to draw a greater attention to all of Northern Ontario for tourism opportunities.

...tourism will succeed in Northern Ontario when Northern Ontario sticks together. I don't think it's going to be Nipigon and it's going to be Schreiber and then Thunder Bay. I think you have to sell it like a package deal. And then you can reach the globe. (4B11)

In summary, the small-business owners in the region believed in the benefits of a regional approach to rural tourism; this belief was aligned with research regarding the benefits of a regional approach (Koster, 2009; Romerio & Costa, 2009; Jackson & Murphy, 2006; Novelli et al, 2006; Mitchell & Hall, 2006; Meyer-Cech, 2005; Carson & Macbeth, 2005; Ilbery & Saxena, 2011). Although there was recognition for the importance of regional tourism development as Koster (2009) has indicated rural communities in Saskatchewan, Manitoba and northwestern Ontario often fail to work together as a region on tourism development, and that further, the provincial Destination Marketing Organizations (DMO) provide little support for product development, planning, education and training. With the newly formed RTO13 acting as the region's DMO, it will be up to this organization to assist with the regional marketing approaches that have failed in the past and have been recognized as an area needing assistance from government by local small-business owners.

In 2010, several regional community members, along with a local receptive tour operator formed the Top of Superior cruising committee to assist with a series of incoming expedition cruise ships to the region during the summer of 2010. The committee consisted of members from four communities (Dorion, Red Rock, Nipigon and Lake Helen First Nation) who provided welcoming events for cruise ship guests, regional day excursions, regional information booths and community fish fries.

Although all four communities participated and benefited from hosting the various cruise ship activities, only two benefited financially, the funding inadequacies create some tension amongst the committee and communities (Top of Superior Cruising Report, 2010). This cruise ship committee was an exercise in regional planning and exemplified how aspects such as municipal funding can impede the success of regional development. As of 2012, this committee was currently on hold until upcoming cruise ship activities resume for the 2013 cruising season.

A successful regional approach in this research was seen as reliant upon good leadership, clear goals and collaboration amongst all of the towns in the region by small-business owners. These findings were aligned with Koster, (2009) who stated:

Communities along the north shore of Lake Superior will benefit from a regional approach to creating a tourism destination region; an approach that uses CED (Community Economic Development) as a foundation by including institutional thickness, embeddedness, governance and leadership as part of their planning process and that acknowledges and addresses the challenges of rural tourism (p. 48)

As with the experience with the cruise ship committee, obstacles such as municipal funding can impede the region from working effectively together on future projects. The need for regional funding is something that needs to be recognized by tourism associations and organization such as the RTO13 for future regional collaboration. A regional tourism approach would assist with the success of innovation of the small-business owners by creating more product, infrastructure and access to capital that was listed as a large challenge to innovation.

5.8 Conclusion

This chapter explored the relationships between each theme and how these findings related to the current body of literature. This thematic exploration created the space to answer the research question and objectives of this study. The research question for this thesis is: How do small-business owners' view tourism in rural, resource-based communities and what opportunities and obstacles do they face with being innovative at the firm and network levels?

The Top of Superior small-business owners generally felt positive towards tourism as a form of economic development in their community. There was a spectrum

of positive and negative opinions regarding the amount communities should rely on tourism for economic development. Several of the business owners felt that tourism was the only economic activity to keep their community and region alive, while others stated that tourism was always the ‘poor cousin’ not able to provide high-paying jobs, in comparison to those previously held in the mills and due to the seasonality of the industry.

The amount of obstacles appeared to outweigh the opportunities available for small-business owners’ to be innovative at the firm and network levels. These obstacles included:

- lack of experience, education and training in the service industry
- reliance on declining tourism industries such as hunting and fishing tourism
- negative attitudes associated with partnerships and networking
- declining tourism and business association memberships
- refusal to utilize marketing and information communications technologies
- day-to-day challenges of being a rural small-business owner such as long hours, lack of infrastructure, declining tourism

The opportunities that assisted with innovation at the firm and network levels amongst the small-business owners included the federally funded self-employment benefits program, the increasing utilization of the internet for education and marketing, as well as federal and provincial programs and funding for new business owners.

In addition to the research question, the two research objectives were to determine:

- the level of involvement of small-business owners in tourism development within their community
- the supports available to small-business owners including funding and training programs

The small-business owners’ involvement in tourism development within their communities varied from being very involved to very limited or no involvement. Several of the small-business owners took an active role in bringing tourism to the region by sitting on various volunteer boards and committees, actively participating in the tourism and business associations and regularly cross-promoting the other businesses in the region to their customers. Others worked independently of what tourism activity was occurring in the community due to lack of trust in other businesses and the

disappointment with the municipal, provincial and federal government involvement in supporting and promoting tourism in the region. The level of involvement appeared to be related to experience with and education in tourism from previous career positions, the amount of time available, and the positive attitudes towards regional tourism development. Although most of the business owners supported regional tourism development, many did not contribute to the regional strategies due to the lack of trust amongst other businesses quality and lack of time available. Many felt that it was up to the municipal government to take a more active role in the region working together for tourism development.

When discussing the tourism support within the region, many small-businesses had mentioned that the local tourism associations and the chamber of commerce were established to provide marketing and programming support. Many felt that these organizations neither did an adequate job of marketing the region or their business, nor in providing a return on investment for their membership. Government funding agencies such as FedNor, NOHFC, and SNCFDG were mentioned as providing financial support for starting new businesses as well as assisting with program funding. The local economic development officers (EDO) was also mentioned as providing on-going business support for those businesses in the region that had one (Dorion did not have an EDO at the time of data collection). The EDO in both communities, were seen as an approachable person associated with the town government who could assist with concerns and questions regarding business operations. Overall the amount of financial support for starting a new business outweighed the programming support available in the region.

Although derived from an analysis of the data through the thematic areas that were discussed in this chapter, this summation of the research questions and objectives is incomplete without illustrating the linkage between the themes and existing literature, as summarized in Table 5.1.

Table 5.1: Thematic Relationships, Major Findings and Insight into Research Question and Objectives

Thematic Relationships	Major Findings in Literature	Relationship to RQ and Objectives
<i>Context & External Variables</i>	<ul style="list-style-type: none"> • Staples Thesis (Carson & Carson, 2011; Schmallegger, 2010; Schmallegger & Carson, 2010) 	Explained the history behind the perceived lack of support from government with regional marketing representation and planning that presents a set of challenges for small-business owners' innovative capacity in staple dependent communities.
<i>Context & Small-Business Owners</i>	<ul style="list-style-type: none"> • History (Lemelin et al, 2010; Wozniczka et al, 2010) • Attitudes Towards Tourism (Haukeland, 1984; Johnson et al, 1994; Petrzelka et al, 2006) 	<p>Explored how the area's history with tourism, specifically the preference towards hook and bullet tourism amongst small-business owners has prevented new product development and approached to tourism development.</p> <p>Identified that the small-business owners valued tourism as a means of supporting their business but suggested that tourism was only a means to diversify the local economy until some other industry could pick up the gap left behind from mill closures. These attitudes can lead to apprehension towards tourism development amongst those who are waiting for another staples industry.</p>
<i>Context & Innovation</i>	<ul style="list-style-type: none"> • Nature-based tourism (Hall, 2007; Koster et al, 2010; Schmallegger, 2010) • Tourism Readiness (Wozniczka et al, 2011; Forrest Marketing and Communications Report, 2008; Rosehart, 2008; Gomez et al, 2011) 	<p>Examined the physical and geographical context of the community, specifically the naturalness and natural amenities which can provide many opportunities for nature-based/ecotourism activities for the region.</p> <p>Clarified a need for product and customer service development with existing businesses as well as opportunity for new small-business owners in the region. The region is in need of entrepreneurs and knowledgeable small-business owner Tourism attractions such as the newly established LSNMCA may become a great anchor to bring more of the nature-based tourists to the region.</p>
<i>Small-Business Owners & Innovation</i>	<ul style="list-style-type: none"> • Amenity Migration (McIntyre, 2009; Fountain & Hall, 2002; Carson & Carson, 2011) • Occupational 	<p>Identified that new small-business owners had a limited effect on the amount of networking and partnership activities occurring amongst the owners in the region due to the little opportunity to become familiar with one another and the lack of trust in the quality of products and services available in the region.</p> <p>Stated unwillingness towards business</p>

	<p>Identity Shift (Stenbacka, 2008; Lindsay et al, 2003)</p> <ul style="list-style-type: none"> • Marketing & ICTs (Carson & Carson, 2011; Siemens, 2007); Clarke, 2005; Ioannides & Peterson, 2003; Evans & Parravicini, 2005) • Networks & Partnerships (Clarke, 2005; Meyer-Cech, 2005; Hall, 2005; Hall, 2007; Scott et al, 2008; Saxena & Ilbery, 2007; Siemens, 2007, Ionnides & Peterson, 2004) • Challenges (Siemens, 2007; Ioannides & Peterson, 2004; Hall & Williams, 2008) 	<p>training by small-business owners that may have been a result of the transition from working in the mill to the more customer service oriented industry. The reluctance or ignorance towards business training resulted in lack of employee training, utilization of business plans, and measurements of customer service in the region.</p> <p>Identified that the small-business owners relied upon very few marketing techniques and had little motivation or knowledge for other marketing tactics. This lack of capacity for marketing will directly affect the region's small-business owners' future ability to be innovative with their product development and to attract new markets and tourists to the region. Although the small-business owners utilized ICT's, the need for on-going ICT training and support for the small will be crucial for the promotion and exposure of the region and to gain access to new customers.</p> <p>Informal networking and partnerships are seriously lacking amongst the small-business owners in the region while more formal networking and partnership agreements are in desperate need of trust, structure and leadership to help work together towards a defined goal (of bringing tourists to the region).</p> <p>Reviewed the numerous local, external, personal and tourism challenges small-business owners faced operating in a rural community which provided a better understanding of the factors affecting the small-business owners' ability to be innovative</p>
<p><i>Small-Business Owners & External Variables</i></p>	<ul style="list-style-type: none"> • Government & tourism organizations and associations (Johnston & Payne, 2005; Carson & Carson, 2011) 	<p>Identified that the small-business owners felt in order for tourism to grow in the region, government must continue to invest in the regional infrastructure and marketing initiatives.</p>

<i>External Variables & Innovation</i>	<ul style="list-style-type: none"> • Regional tourism (Koster, 2009) 	<p>The small-business owners felt a regional tourism approach would benefit tourism development by assisting with the success of innovation of small-business owners by creating more product, infrastructure and access to capital that was listed as a large challenge to innovation.</p>
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After completing this in-depth examination we are left with many questions about the implications of these findings for this case study region. These aspects will be explored in the final chapter of this thesis. The conclusion chapter will: review how the knowledge created from this research for rural, resource-based tourism development and small-business owners contributes to this literature, identify and demonstrate the implications of these findings, discuss the limitations of this research and recommendations for future research.

CHAPTER 6: CONCLUSIONS

6.1 Introduction

With many rural communities in much of the developed world looking towards tourism and small-business owners for product development to address the decline of traditional extractive industries and the consequent negative impacts on the economy and population, it is essential to explore who may or may not be prepared to innovate their businesses to meet this expectation. This research has explored this concept and has contributed to the body of knowledge regarding small-business owners and rural tourism development in resource-based communities. It has identified challenges that the Top of Superior small-business owners face, and provides recommendations for future research and local policy development. This chapter summarises how the knowledge created from this research on rural, resource-based tourism development and small-business owners contributes to the rural tourism literature. It identifies and demonstrates the implications of these findings, discusses the limitations of the research and provides recommendations for future research.

6.2 Implications of Findings

The findings from this research have several implications for the body of knowledge surrounding tourism development, small-business owners and innovation specifically in the rural, resource-based context. One of the research objectives was to identify the opportunities and obstacles for small-business owners' innovative behaviour (such as tourism product development, marketing and ICTs usage, and networking and partnerships). It was determined that the Self-Employment Benefits (SEB) program was one of the most influential stimulators amongst the small-business owners in the region. The value of investment in human capital in the form of training and knowledge can be, in some cases equal or more important than the physical capital investment (Wanhill, 2004; Nilsson, 2000; Nilsson et al, 2005). This was recognized by Swedish regional policy "in which a central element is the diffusion and spread of knowledge in order to stimulate innovative development at the local level" (Wanhill, 2004, p. 65). This recognition of the importance of training needs to be reflected in government policy and support surrounding innovation and tourism development in the Top of Superior region.

There were numerous obstacles to innovation for small-business owners in the rural, resource-based communities (for example lack of networking, education, experience, training, timing, functioning associations, and support to established businesses). These findings add to the work of Romeiroa and Costa (2010); Page and Getz (1997) and Sundbo et al., (2007) who identified the lack of innovation among rural small-business owners due to: insufficient planning efforts, family business models, resistant to change, lack of support instruments, lack of networking, low educational levels and thus a consequent reduction in absorptive capacity for innovation. By identifying these obstacles to innovative behaviour and tourism development, government (municipal, provincial and federal) and tourism associations and organizations can provide more opportunities for education, training and networking at convenient times (when they are not busy with customers, such as afternoons) and methods of delivery (such as online, class-room settings, or informal gatherings) for established small-business owners. It is also critical to recognize the impacts on the small-business community of a dysfunctional and non-representative tourism association; this was identified by those interviewed as a major gap in supporting tourism more broadly within the region.

This research also explored how the shift in occupational identity (Stenbacka, 2008; Lindsay et al, 2003) can affect the innovative behaviours of small-business owners for tourism development in rural, resource-based communities. Many business owners were unwilling and reluctant to do any business training, which may have been a result of their transition from working in the forestry industry to the more customer service-oriented tourism industry. The reluctance to undertake business training resulted in a lack of employee training, utilization of business plans, and measurements of customer service in the region. It is important to raise awareness and convince local non-innovative business owners to seek advice and training. This finding provides an insight for governments (municipal, provincial and federal levels) regarding the current human resource capacities of these rural resource-based communities and the challenges they will face with shifting to tourism as an economic driver. Once again these perspectives highlight the importance of business training and education prior to business ownership, especially for those shifting from primary or secondary industries to those in the tertiary,

as well as the importance of program development for those businesses already established.

Finally, this study was able to confirm the use of the ‘staples thesis’ in the contextual examination of tourism development in rural/remote, resource-dependent communities (Carson & Carson, 2011; Schmallegger, 2011; Schmallegger & Carson, 2010) such as the ones found in the Top of Superior region. The lack of entrepreneurial capacity and the devastating economic impacts of the closures of the pulp and paper mills on the communities (causing a lack of jobs and poor economic conditions) were directly related to the communities’ staples dependence. These communities have been reliant on a ‘staples economy’ and thus have had an external dependence on the required capital for staples development supplied by large corporations and government support, leaving little capacity for growth and an inability to deal with economic diversification and changes that these communities now find themselves facing (Carson & Carson, 2011; Markey et al, 2006; Baum, 1999). By examining the Top of Superior through the staples lens it helps provide insight into not only how attitudes towards tourism may have been shaped, but also how support for tourism, and specifically for the small-business owners in the region had been more of an afterthought by government once it became apparent that there would be no recovery of these industries. The recognition of the historical staples dependence in the region can provide government at all levels the insight into the ‘reliance’ behaviour and limitations of these communities directly caused by external industries and previous government support and that tourism, if developed to a high enough level, may become another ‘staple’. There is also the risk that these communities may never leave the staples dependent cycle thereby restricting these communities to a series of short-termed economic growth patterns dependent on external markets and conditions. The Top of Superior region communities must look at diversifying their local economies beyond the reliance on traditional lumber and pulp and paper forestry sectors (Rosehart, 2008).

6.3 Limitations of Research

Limitations can occur in qualitative research due to time periods, situations (such as critical events or cases) and the selection of people sampled for interviews (Patton,

2002). Although this research has presented with confidence the findings and significance of this work within the body of knowledge surrounding small-business owners in tourism development in rural, resource-based communities, some limitations were apparent. There were restrictions associated with the time of year of this study occurred. The data collection took place in the summer months of June to September, when most small-business owners were in the middle of their busy season with tourism and also during summer vacations. This directly affected the number and types of participants available to take part in the study. Restaurant, grocery store, and B&B owners cited that they were in the middle of their busy season and did not have time available to participate, thus not providing an equal representation of all types of businesses in the region. In addition, there were also potential participants who refused to participate, citing frustration with the current tourism developments within their community and negative attitudes towards tourism overall. These potential participants would have provided a wider range of perspectives. Thus, it is acknowledged that the sample used in this research was more reflective and representative of tourism related businesses versus those indirectly involved with tourism in the region. This sample may have influenced or caused bias to the results. Despite these limitations, it was apparent through analysis that a level of saturation had been achieved, as consistent themes did emerge from the interviews. Further, many of the findings, as indicated, were consistent with previous research findings elsewhere.

Another limitation of this research was in the interview question design. The aspect of ‘motivations for business ownership’ was not originally explored in the data collection design. This theme emerged during the analysis stage as there appears to be a strong relationship between motivations and the levels of innovative behaviour. Had I asked a question regarding motivation, it would have allowed another element of connection amongst the thematic findings; as it stands, it provides an area for future research as will be discussed.

6.4 Recommendations

The findings emerging from this research suggest a variety of recommendations for policy and program development within the case study region to assist with tourism

development and small-business owner innovation and success. First, there is a need to encourage and attract amenity migrants to the region, specifically passionate about relocating to a rural location with nature-based tourism opportunities. This can be done through regionally designed marketing campaigns throughout Canada to draw more amenity-migration type people who would be attracted to the lifestyle and the types of tourism possibilities within the region. Those in the study who were passionate about their business and willing to share their enthusiasm with others (such as hiking and fishing guiding) were also likely to being innovative and creative with their business. They were not motivated to operate their business primarily for income but more as a means to play (fishing, hiking, biking and kayaking) and share these activities with others for a living. These 'lifestyle entrepreneurs' have different motivations and business operation methods, compared with the other small-business owners in the region. This is similar to the findings of Ateljevic and Doone (2000), Shaw and Williams (2004) and Biggs (2011) who found that there was a difference in the motives and behaviour of small-business owners in relation to the trends in new forms of tourism consumptions such as ecotourism, adventure tourism, particularly with backpackers in New Zealand (Ateljevic & Doorne, 2000) surfers in the United Kingdom (Shaw & Williams, 2004), and owners in Australia's Great Barrier Reef tourism as a lifestyle choice, related to enterprise resilience (Biggs, 2011).

As addressed in the document, there is a major lack of businesses, tourism attractions and entrepreneurs within the region. The attraction of amenity migrants to the region would assist with this need but it is also important that the youth of the region are targeted for possible entrepreneurial opportunities. Despite the fact that there are numerous funding opportunities for starting a new business, high youth out-migration within the region continues, due to lack of employment. This need has been recently recognized by local economic development staff within the region and there are plans for a 2013 *Regional Youth Conference* hosted by the Township of Nipigon's Business Development Program to inspire, inform and educate young entrepreneurs (Township of Nipigon, 2012).

The need for training and education has been highlighted a number of times throughout this study which can be provided by the current program providers within the

region (SNCFDC, NOHFC, FedNOR, Chamber of Commerce, NOSTA, municipal town offices) as well as the recent addition to the region of Parks Canada (LSNMCA) and RTO13. The LSMCA has begun to play a stronger role in programming by providing courses on trail building, and interpretive training within the communities and can also assist small-business owners in customer service training, networking and workshops on attracting nature-based tourists to the region. RTO13 is still in its planning and organizing stages but will be shifting towards more regional marketing and product development in the near future. The amount of possibilities for this organization to support the current small-business owners is immense.

Training should be made available specifically on customer service, business training (business plan creation and implementation, employee training, budgeting and assessing visitor satisfaction), the benefits of networking, and utilization of ICTs and marketing for current businesses. This training should take place within the region and be delivered in a variety of formats such as online tutorials, workshops (at various times of day and year, to ensure that everyone can attend) delivered specifically in the regional communities by various experts.

Finally, as one small-business owner highlighted, there are plenty of opportunities within the Top of Superior region to actively partner with First Nations, particularly with Lake Helen First Nation on tourism development projects. This has been explored in great detail through Metansinine, Koster & Lemelin's (2009) work, *Developing Experiential Tourism in the Lake Helen Region: A Foundational Document*. Although the majority of the small-business owners never mentioned partnering with the First Nations, it does provide future opportunity for tourism development that would attract long haul cultural tourists, primarily those interested from United Kingdom, France and Germany (Metansinine, Koster & Lemelin, 2009).

6.5 Future Research

This study has recognized the need for future research surrounding rural, resource-based tourism development and small-business owners. Further research is needed to examine motivations for small-business ownership (e.g. lifestyle entrepreneur, business opportunity, diversification driver, inherited family business) to investigate its

relationship to innovative behaviours in rural communities. Further, it would be of relevance to examine if the younger family members (such as the sons and daughters) of former mill workers are interested in tourism jobs or careers. With suggestions on partnership opportunities with the First Nations in the region, future research could examine in small-business owners in resource-dependent communities have interest to partner with First Nations people and businesses (or vice versa). Along with the interest and willingness for collaboration it is important to examine the First Nations people ability to collaborate with non-First Nations business owners.

Also with the many recommendations suggested for programming, future research could examine the barriers to uptake of the current small-business owner programming that exists within the region and how to assist the small-business owners with the various challenges they faced (lack of time, various hours available). With such a strong emphasis on programming it is also essential that future research evaluates program delivery and content that exists for small-business owners in rural tourism contexts It would also be of benefit to understand how changing governance structures (such as the new RTO13 structure) impacts on things such as networking, regional marketing, and inter-regional competition. Finally, although this study did set out to measure the level of innovative behaviours amongst rural small-business owners in tourism, further research in a more quantitative measurement might provide greater insight to the usage and quality of innovative behaviours such as information communications technologies and marketing strategies.

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Appendix A: Inventory of Current Businesses in the Top of Superior Region

(as of May 2011)

Community	Current Businesses in Operation	
	Direct Tourism Business	Indirect Tourism Businesses
Dorion	Big Bear Adventures Brenda's Baking Eagle Canyon Adventures Inc. Ouimet Retreat & Campground Wolf River Campground	Dorion Bible Camp & Conference Centre Canyon Country Service & Post Office (Murals) Home Interior & Gifts Glavis Fresh Produce Sunset Valley Farm Tony's Baits & Licenses
Lake Helen First Nations		Gran and Nan's Pelletier's Gas Bar Potan's Gas Bar
Red Rock	Birchwood Café and Campground Hidden Gem Bed and Breakfast Lake View Café Nipigon River Adventures Gallery & Coffee House Quebec Lodge Red Rock Inn	A Castaway Bear Moose Marketing Departments Gifts and Everyday Essentials First Impressions Hair Salon Northern Sights Studio Red Rock Quikmart Saunders Foodland Shop 105 Unisex Hair Design
Nipigon	Beaver Motel Bowman Island Enterprises Birchville Motel Cara's Cabana China Gardens Epic Adventures Gravel River Motel Grey Rocks Inn & Bistro Gus' Restaurant Hardcore Fishing Hebert's Confectionery Logan's Vacationland and Motel Nighthawk Charters Nipigon Café	Allan's Auto Repair Best Towing Cahoots Copper Water Features and Garden Art Classicut Hair Design Esso Nipigon Bay Restaurant Esso Pizza Hut/KFC/Robin's Donuts Fields Department Store Foulds' Rexall Pharmacy Four Way Variety Gerlach's Service Centre Gordie's Auto Glass Great Northern Pines Alpaca Ranch Hole in the Rock Creations

	<p>Nipigon Drive-Inn Nipigon Husky Nipigon River Bear Hunts Nipigon River Motel and Cottages Northland Motel North Superior Charters River's Bend Bed & Breakfast Pine Crest Motel Skandia House Bed and Breakfast Stillwater Park and Amethyst Gift Shop Subway Town and Country Motel</p>	<p>J.D. Beauty Salon Kinson Car Care McGuire Farm and Greenhouse Mac's Mannila's Home Hardware Nichols Towing Nipigon Baits and Tackle Nipigon Coin Laundry Nipigon Fun Dollar Store Nipigon Husky Travel Centre Nipigon Bay Equip Repair Nipigon Petro-Canada Nipigon Taxi Service Northshore Golf Club Pelletier's Jewellers/Flowers Subway Sandwiches and Salads Superior Synthetics Zechner's Foodmarket</p>
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Appendix B: Statement of Introduction for the Telephone

Good morning/afternoon/evening,

My name is Nicki Youroukos, and I am a Master of Environmental Studies student in the department of Outdoor Recreation, Parks and Tourism at Lakehead University. I am calling you this morning/afternoon/evening because I would like to invite you to participate in a project I am conducting regarding small-business owners' attitudes towards tourism in a rural, resource-based community. This project examines the perspectives of small-business owners on tourism as a means of economic development for rural, resource-based communities as well as the financial and training support available to business-owners. The research project is entitled *Existing and Potential Small-Business Owners' Attitudes Towards Tourism: A case study in Northwestern Ontario*.

The purpose of this research is to examine existing and potential small-business owners' interest in, understanding of, and willingness to engage in tourism-related developments and determine their capacity to be innovative at both a business and network level. The aim of the study is to gain an in-depth understanding of the preparedness of small-business owners to serve both the day-to-day demand of local residents and the needs of tourist as well as to determine if small-business owners feel that tourism is a viable economic opportunity and worthy of their investments or a short-term solution for their community until the possible return of the community's traditional industries. This project is a component of a larger project that is being conducted by my supervisor, Dr. Rhonda Koster entitled *Rural Tourism in Resource-based Communities: An Examination of Regional Tourism Networks in Northern Ontario*.

With the focus of this research being on small-business owners, I need to ask four questions to determine if your business meets the screening criteria to be defined as a small-business for this research. These questions can be answered yes or no. They are:

1. Is your business independently managed?
2. Does this business have an owner-supplied capital?
3. Do you have a local area of operations?
4. Do you employ less than 100 employees?

If no to any of the questions:

Your business does not meet the small-business criteria that I am targeting for this research. I greatly appreciate your time. Thank you.

If yes to all four questions:

Your business meets the research's small-business criteria. I invite you to participate in this research. By participating in this research you will have the opportunity to discuss your views on tourism in your community and the experiences you have faced being

located in a rural, resource-based community. Your views will not only deepen our understanding of the attitudes towards tourism in rural, resource-based communities, but will also help demonstrate the opportunities and challenges that small-business owners face. I will use your views to help develop strategies that can be used by economic development officers and government in training and funding of small-business owners in rural, resource-based communities. An update of the work will be shared with your organization in late June 2012.

The interview might require approximately 60-90 minutes of your time. Your name will not be identified in the final analysis or in any report produced from this study. Participation in the interview is voluntary and you can withdrawal at any time. You may choose not to answer any question or you may choose to answer only some questions, and not others. The interview will be digitally audio-recorded if you consent to this. If you do not consent to the interview being audio-recorded, I will be taking notes throughout the interview to assist with the data collection process. The interview transcripts (the verbatim record of our conversation) will be provided to you for confirmation, once complete.

As per Lakehead University policy, the transcripts, digital files, and any research notes will be stored for a period of five years in a secure location at Lakehead University; in the fall of 2016, the transcripts, digital files, and notes will be destroyed. As this research study is a component of a larger research project, Dr. Rhonda Koster, Dr. Harvey Lemelin and myself will be the only individuals to have access to the typed transcripts.

Do you have any questions regarding this research project that I may be able to answer at this time for you? Would you like to participate in this research project?

Appendix C: Cover Letter and Consent Form

Note: To be printed on Lakehead University letterhead.

Dear Participant,

I am a Master of Environmental Studies student in the School of Outdoor Recreation, Parks and Tourism at Lakehead University. I would like to invite you to participate in a project I am conducting regarding small-business owners' attitudes towards tourism in rural areas. This project examines the perspectives of small-business owners on tourism as a means of economic development for rural, resource-based communities. The research project is entitled *Existing and Potential Small-Business Owners' Attitudes Towards Tourism: A case study in Northwestern Ontario*. The purpose of this research is to examine existing and potential small-business owners' interest in, understanding of, and willingness to engage in tourism-related developments and determine their capacity to be innovative. The aim of the study is to gain an in-depth understanding of the preparedness of small-business owners to serve both the day-to-day demand of local residents and the needs of tourist as well as to determine if small-business owners feel that tourism is a viable economic opportunity and worthy of their investments. This project is a component of a larger project that is being conducted by my supervisor, Dr. Rhonda Koster entitled *Rural Tourism in Resource-based Communities: An Examination of Regional Tourism Networks in Northern Ontario*.

By participating in this research you will have the opportunity to discuss your views on tourism in your community and the experiences you have faced being located in a rural, resource-based community. Your views will not only deepen our understanding of the attitudes towards tourism in rural, resource-based communities, but will also help demonstrate the opportunities and challenges that small-business owners face. The findings of this research will not only be shared with you, but also with economic development officers and government agencies, with hopes of influencing the way training programs and funding might be developed to aid small-business owners. It is anticipated that a summary of this research will be available in late June 2012.

The interview will require approximately 60 to 90 minutes of your time. Your name will not be identified in the final analysis or in any report produced from this study. Participation in the interview is voluntary and you can withdrawal at any time. You may choose not to answer any question that you are uncomfortable with. Please remember that there are no right or wrong answers, it is your opinion that I am interested in. The interview can be conducted in person, or over the phone, at a time a place that is convenient for you. It will be digitally audio-recorded, with permission, or I can take notes during the interview if that is more comfortable for you. The interview transcripts (the verbatim record of our conversation) will be provided to you for confirmation, once complete.

As per Lakehead University policy, the transcripts, digital files, and any research notes will be stored for a period of five years in a secure location at Lakehead University; in the fall of 2016, the transcripts, digital files, and notes will be destroyed. As this research study is a component of a larger research project, the research team

(comprised of Dr. Rhonda Koster, Dr. Harvey Lemelin and myself), will be the only individuals to have access to the typed transcripts.

If you have any questions or concerns, please do not hesitate to contact me at nyourouk@lakeheadu.ca or my supervisor, Dr. Rhonda Koster at rkoster@lakeheadu.ca. If you have any ethical concerns regarding this study, please contact the Research Ethics Board- Lakehead University at 1-807-343-8283.

Thank you for your time and cooperation; this letter is yours to keep. If you wish to participate in this project, please contact me at nyourouk@lakeheadu.ca or by phone at 807-472-0561. If you wish to receive a copy of the research findings (available late June 2012), please send me an email to indicate your interest (nyourouk@lakeheadu.ca)

Sincerely,

Nicki Youroukos
Candidate, Master of Environmental Studies- Nature Based Recreation and Tourism
School of Outdoor Recreation, Parks, and Tourism
Ph: 807-472-0561
Fax: 807-935-7836

Dr. Rhonda Koster
Director, Instructional Development Centre, BB1042
&
Associate Professor, School of Outdoor Recreation, Parks and Tourism
Lakehead University
Ph: 807-343-8044
Email: rkoster@lakeheadu.ca

Consent Form:

Dear Participant,

By signing this consent letter, you are indicating your willingness to participate in this study and that you understand and agree to the following conditions:

1. Your participation in this research is voluntary and that you are free to withdraw at anytime.
2. You agree to participate in this research project as described in the cover letter, and that you understand that there is no risk associated with this project.
3. You have the right to anonymity, and you acknowledge that no personal or identifying information is being gathered without consent. You will be assigned a random code that will be used in the transcripts.
4. You have the right to choose not to answer any question in the interview.
5. The data generated from this research will be kept at Lakehead University for 5 years, as per Lakehead University's research ethics policy.
6. You can receive copies of publications that result from this research, if requested.
7. You have read and understood the cover letter provided to you for this research study.

My initials below indicate that I agree to:

_____ The interview being digitally audio- recorded.

_____ Have my direct quotes used in the thesis and any publications about this research.

I have been fully informed of the objectives of the project being conducted. I understand these objectives and I consent to being interviewed for the project. I understand that steps will be undertaken to ensure that this interview will remain confidential and anonymous unless I consent to being identified. I also understand that, if I wish to withdraw from the study, I may do so without any repercussions.

Name (Printed)

Date of Consent

Signature

Signature of Witness

Appendix D: Interview Guide

General Small-business Profile Information Questions:

These questions are to record and create a profile of the businesses participating in the study. These questions were used in the screening process of small-businesses (but not recorded). By asking them again at the beginning of the interview, it will allow for the creation of a profile of rural small-businesses to be created. These questions also serve as a way to comfortably open the interview.

1. Please describe your business.
 - a. Products and services offered
 - b. How many products and services do you offer?
 - c. How were these products developed?
 - d. Where did the ideas come from?
2. How long have you operated this business?
3. How many employees do you have?
 - a. Full-time
 - b. Part-time
4. How many hours per week do you work at your business?
5. Are you a part of a franchise?
6. Is your business independently managed?
7. Does this business have an owner-supplied capital?
8. What is your local area of operations?

Innovation Questions:

There are several theoretical and analytical models regarding innovation in tourism research. The interview questions have been adapted from the innovation in rural tourism literature, especially Sundbo et al.'s (2007) innovation model of the three levels of tourism regarding innovative indicators such as training, experience, marketing, use of ICTs and networking, as explained in chapter 2.

8. What was your work background prior to getting into business ownership? What in your background helped you?
9. What type of education, training, development have you sought or do you need?
10. Do you utilize a business plan for operations?
11. Do you have a training plan for employees? What kind of training?
12. Do you have a system in place to measure customer satisfaction?
13. How do you market your services? Where?
14. What types of technology do you use for your business (such as IT or communications technologies)? Are there any technologies that you would like to use in the future?
15. What role does your business/place of work have within the community?
16. Do you partner with other businesses of a similar/or different nature in the community?

- a. If so, how?
- 17. What are the benefits of being located here?
 - a. Challenges?
 - b. What kinds of things could help?
- 18. Does your business/place of work have any connections to other communities?
 - a. What is the nature of these connections?
 - b. Are these connections formal or informal?
 - c. Who requires these connections?
 - d. What benefits do you see?
 - e. Challenges?
- 19. What kinds of tourism developments and products do you supply?
 - a. How were these products developed?
 - b. Where did the ideas come from?
- 9. How is tourism supported?
 - a. Who (businesses, community groups etc) is involved?
- 10. Do you have any affiliation with a broader tourism organization in the region?
 - If yes:
 - a. Is this a formal relationship or informal?
 - b. Why do you partner with this organization?
 - c. What are the benefits for your business?
 - d. What are challenges?
 - e. Is there anything you would like to see changed about this organization?
 - If no:
 - a. Why not?
 - b. What are the advantages of not belonging? Disadvantages?
- 11. Do you participate in any regional tourism strategies or activities?
 - If yes:
 - a. What are some examples?
 - b. How do you contribute?
 - c. How did these get started?
 - d. Why do you participate?
 - e. How are these partnerships structured? (formally, informally)
 - f. Who is involved?
 - g. What are the benefits of a regional approach?
 - h. What are the challenges?
 - If no:
 - a. Why not?
 - b. What are the advantages of not participating? Disadvantages?
- 12. In what ways could regional approaches to tourism be enhanced?
 - a. What kinds of support are required?
 - b. Suggestions on how this could be organized?
 - c. Who should be responsible?

Tourism Attitude Questions

There is no theoretical/analytical model available for specifically examining attitudes of small-business owners in rural, resource-based communities. The questions used for this

study have been adapted from Byrd et al, (2009), Huh & Vogt (2007), Lankford (1994), Gursoy & Rutherford (2004) and Oviedo-Garcia et al, (2008) attitudes/perceptions of tourism studies.

13. What are the positive and negative aspects that tourism brings to your community?
14. What makes up the economic diversity of your community, region?
15. Is tourism a solution for economic diversity this community?
16. Is tourism a short-term or long-term solution? Define short term and long term.
17. What are some of the issues with tourism as a solution to economic diversity?
18. Are there hindrances to tourism being an economic diversification strategy? At the business, community, and regional levels?