

RURAL TOURISM DEVELOPMENT IN THE EASTERN HOKIANGA AREA



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

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INTRODUCTION

Rural Tourism is increasingly being used as a development strategy to improve the social and economic well being of rural areas. Rural Tourism encompasses a huge range of activities, natural or manmade attractions, amenities and facilities, transportation, marketing and information systems (Sharpley and Sharpley, 1997). Benefits of rural tourism have been expressed as employment growth and broadening a regions' economic base, there is repopulation, social improvement, and revitalization of local crafts (Sharpley, 2000). Governments can play active roles in tourism. In short the literature suggests rural tourism development policy approaches require: regeneration/revitalization, horizontal and vertical integration, interdependence, stewardship/sustainability, mediation, catalysm, service and welfare provisions, spatiality – awareness, intra and inter regional complementaries, opportunism, realism and quality (Roberts and Hall, 2001). Murphy (1995) proposed a community approach to tourism development which included formation of businesses networks, and the sharing of resources and information. For rural tourism to be successful, collaboration needs to exist amongst entrepreneurs (Wilson et al. 2001). Useful integrated approaches to rural studies include acknowledging the importance of locally controlled agendas to reach centralization, awareness of the benefits for shared ideas and funding developments, and creating appropriate tourism plans for rural areas (MacDonald and Jolliffe, 2003). There are numerous challenges when attempting rural tourism development: the total product package must be sufficient; significant investment may be required; there is the adaption to a service role; the quality of products and services and the availability of skills and resources for effective marketing (Sharpley, 2000). Tourism development requires attractions, promotion, infrastructure and services and hospitality (Wilson et al. 2001, citing Gunn, 1988).

1.1 BACKGROUND

Tourism is Northland's second-biggest income earner. The industry employs one in nine Northlanders and brings more than \$540 million into the region each year. Northland enjoys 1.6 million visitor nights annually, a measure that is consistently higher than most other regions of New Zealand (www.enterprisenorthland.co.nz). The remote Hokianga area is in

the Far North region of New Zealand. The Hokianga is sparsely populated and has many little clusters of houses in a very rural setting. The density of population is lower than one person per square kilometre. (<http://wikitravel.org/en/Hokianga>). The Hokianga is often divided into two regions: The North Hokianga with a population of 2,013 and the South Hokianga with a population of 2,874. This is compared to 54,576 for the Northland region as a whole (Census, 2001). For the purpose of this research, the three inner most towns of the Hokianga Harbour have been selected for study - Rawene, Kohukohu and Horeke. These towns are located on the eastern side of the Hokianga Harbour. In this research, they are considered to form an area – within an area - the Eastern Hokianga. The location of the Eastern Hokianga presents an opportunity to create a tourism destination that will attract travelers frequenting the key tourism icons. To date there has been no research on rural tourism development conducted in the Eastern Hokianga. Although comprehensive research was conducted previously in the Hokianga by the James Henare Maori Research Centre (1999) it was concentrated specifically to the “Maori culture”.

1.2 OBJECTIVES

The aim of this research is to provide a study of how best to improve the local economy in the Eastern Hokianga, particularly because it is an isolated, rural area that needs economic and social development. As rural tourism is increasingly viewed as a tool for improving economic and social conditions in rural areas, this research will focus on rural tourism development. This research will address important questions including: 1. What is the current rural tourism situation in the Eastern Hokianga? 2. What rural tourism development methods are being undertaken? 3. Are the rural tourism development methods working? 4. What are the challenges that the Eastern Hokianga faces? To do so, the research will address the following objectives:

1. Apply the concept of rural tourism to the Eastern Hokianga area.
2. Examine the economic and social impacts of rural tourism that have occurred in the Eastern Hokianga area.
3. Examine the rural tourism development approaches in the Eastern Hokianga area.
4. Identify and examine the challenges to rural tourism development for the Eastern Hokianga area.

1.3 METHODOLOGY

The qualitative approach of grounded theory was chosen as a research method because it enables researchers to find the answers to questions that start with how, why, under what conditions, and with what consequences the phenomenon unfolds. It is also a theory that leads to a meaningful interpretation to the people the researcher studies because the results are the participant's perceptions and realities. The emphasis of grounded theory is on developing and building theory grounded in the data. Thus, the information presented is based on the research participants' views rather than testing a theory.

The Eastern Hokianga does not have a large business community, therefore, the researcher set out to interview businesses operating within the area.. Following grounded theory there is no fixed sample size in theoretical sampling, the research varied according to the findings and concluded once saturation was reached. As a consequence, no new information of relevance was found in the data. This resulted in a total of twenty-nine one-hour interviews being conducted.

2. RESEARCH FINDINGS

2.1 Rural Tourism Climate in the Eastern Hokianga

Table 2.1 Current Rural Tourism Businesses in the Eastern Hokianga

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

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

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

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

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

Rawene also has the highest representation of businesses employing staff, at nineteen percent, with Kohukohu and Horeke both at seven percent. Horekes' low

representation here is a result of the lower number of businesses operating in the township. The community is not dependent on tourism for incomes, as only a small percentage of the twenty-five businesses' primary income is tourism. However, there is eagerness and an expectation of economic benefits through tourism. This is evident by the sixteen percent of businesses that are staffed by volunteers who believe tourism will develop.

2.2 Approaches to Rural Tourism Development

Table 2.1 Approaches to Rural Tourism Development

	Governmental	Integrated	Community
Strategic	<p>Policy approaches and focuses ¹</p> <p>Stewardship / sustainability ¹</p> <p>Realism and quality ¹</p>	<p>Privatizing resources and direct development and land use controls ²</p> <p>Good fit between demand and supply ²</p> <p>Good fit between industry and residents²</p> <p>Good management systems²</p> <p>Monitoring through impact research²</p> <p>Accessible information offices⁸</p>	<p>Strategic planning⁴</p> <p>Support and participation of local government including funding, infrastructure, maintenance and education service⁴</p> <p>Information and technical assistance at regional and state levels ⁴</p> <p>Good convention and visitor bureaus facilitating between local government and entrepreneurs⁴</p>
Integration	<p>Horizontal and vertical integration ¹</p> <p>Mediation ¹</p>	<p>Integrating tourism with other industries ³</p> <p>Network and integration and the need to improve partnerships ⁴</p> <p>The need for political linkages local and global⁴</p> <p>Public and private sector interactions through collaboration</p> <p>Private owner cooperation through association²</p> <p>Locally controlled agendas to reach centralization⁵</p>	<p>Greater participation in organizations ²</p> <p>Collaboration coordination and cooperation amongst entrepreneurs⁶</p> <p>Businesses forming networks Sharing resources and information ⁷</p> <p>Involvement in the development process</p> <p>Good leadership ⁴</p> <p>Coordination and cooperation between business persons and local leadership and widespread community support⁴</p>
Clustering	<p>Intra-and inter-regional complementaries ¹</p>	<p>A range of activities ⁸</p> <p>Clustering of activities and attractions ⁸</p> <p>Development of tourism routes ⁸ User friendly signage⁸</p>	<p>Complete tourism package involving community area and businesses⁴</p>
Regeneration	<p>Regeneration / revitalization activities ¹</p>	<p>Creating public parks and reserves²</p> <p>Ongoing community development²</p> <p>Development of ancillary services⁸</p>	
Financing			<p>Sufficient funds⁶</p>

¹ Roberts and Hall (2001)

² Page and Getz (1997)

³ Sharpley (1997)

⁴ Hall (2001)

⁵ MacDonald and Jolliffe (2003)

⁶ Wilson et al. (2001)

⁷ Murphy (1995)

⁸ Briedenhann and Wickens (2004)

2.2.1 Strategic

Enterprise Northland is the Regional Tourism Organization for Northland, which includes the Eastern Hokianga. Enterprise Northland has written a Tourism Strategy 2003-2008, and is very aware of the numerous issues that surround tourism development. The policy aims to guide the development of tourism in the region and has key outcomes to allow for evaluating economic and social factors. A key strategy/initiative is their “Northland Naturally” website. Incorporated in the policy is the Activate Northland project, a one-off project to develop the capability and business performance of tourism operators in the region. The project focused on sustainability, and delivering sustainable tourism products/services. This was done through analyzing the businesses’ current situation, their ideal situation, and then identifying how to realize their ideal situation. Two research participants in the Eastern Hokianga were involved in the project. One participant acknowledged the benefits of being involved - increased understanding of how to improve areas of the business and construction of a strategic plan. The other business did not find there were any benefits; involvement did not produce any new discoveries for the owners. Although the project may have been successful for Enterprise Northland, for the Eastern Hokianga region it has had little overall effect, and, as the project has come to an end now, there are no clear avenues for businesses to develop capability and development in the future.

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

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

Two main challenges that were expressed by Eastern Hokianga businesses were accessibility and financing. There has been no specific infrastructural development for the Eastern Hokianga area and although the bridge initiative opposed submissions were supported by Enterprise Northland, these were community initiatives, not government directed. Neither Enterprise Northland nor TTMCA allocate funding or financing to businesses in the region. This presents a gap in the strategic focus on the governments' assistance to rural tourism development in the Eastern Hokianga.

Enterprise Northland and the TTMCA are playing an active role in marketing by creating and managing a database of the tourism businesses to give the organizations a good understanding of their regional supply of tourism products. However, there is currently not a good fit between demand and supply in the Eastern Hokianga due to the lack of activity based products.

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

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

2.2.2 Integration

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

For rural tourism to be successful, collaboration needs to exist amongst entrepreneurs. Generally the businesses within each town refer travelers to other businesses within their area. This networking primarily involves referring tourists to other businesses once they are in the area. Some businesses have undertaken collaborative marketing but this is not frequent. Each of the three communities displayed a different culture and a different sense of community. There is not a strong inter-town relationship.

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

There is a reliance on the Hokianga Tourism Association as businesses are not actively seeking cohesive working relationships with other businesses outside the association. Furthermore with only twenty-five businesses between the three townships, the product offering is limited in comparison to competing destinations. The communities need to improve relationships and work collaboratively to build the total product package. This is especially true for the township of Horeke, with the least number of businesses and greatest issues with accessibility. The Hokianga Tourism Association also encourages horizontal integration as the businesses discuss issues that affect the broader Hokianga area. With a good representation from

participant businesses, awareness is created of the tourism situation and challenges businesses face of rural tourism development in the broader Hokianga. This is very important for the Eastern Hokianga, as, at present, businesses are not networking with other businesses outside of their township. Thus, without the Hokianga Tourism Association, participants in the Eastern Hokianga are isolated from the broader Hokianga region about rural tourism development issues. There was very little discussion by participants regarding integration tourism with other industries. This is an area that requires further exploration.

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

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

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

community, whereas Enterprise Northland currently provides mediation and vertical integration through the Hokianga Tourism Association.

2.2.3 Clustering

Enterprise Northland has implemented clustering initiatives that create inter-and intra-regional complimentaries. The major ones are the Twin Coast Discovery Route, and activities that help create total product packages. The TTMCA have no clustering initiatives. This section will discuss Enterprise Northland's techniques.

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

Enterprise Northland's goal in clustering is to encourage businesses to work better together to package and sell their destinations better than they have been doing. This is done indirectly through supporting tourism associations. In the Eastern Hokianga this is the Hokianga Tourism Association. However, this approach appears inadequate because currently the total product package in the Eastern Hokianga area is insufficient. All three communities and Enterprise Northland expressed the need for activities within their areas, which at present are lacking. With low visitor numbers it is difficult for activity based businesses to sustain themselves on an annual basis, especially during the winter. Participant 19 acknowledges that currently his attractions' lack of opening hours to an extent is limiting the area. With attractions in two of the towns operating on limited opening hours, they are not offering a good service. Nevertheless, at present the visitor numbers do not justify increased opening

hours. This contributes to the low service standards of the total product package. With a limited product offering, businesses are dependent on each other to offer a total product package. An additional clustering initiative Enterprise Northland has implemented across the Northland region is the art trail that clusters businesses around an art theme targeting the art market.

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

2.2.4 Regeneration

In an area which is not developed in tourism but where natural resources are plentiful it is difficult to determine how regeneration/revitalization would occur. Perhaps this could be interpreted as the revitalization of Maori culture and traditional rural practices? However, no regeneration approaches were mentioned by the Eastern Hokianga participants. Perhaps regeneration/revitalization can be an area of future development to create activities within the area based on cultural practices. Each of the communities has been proactive in community development with the creation of events, local activities and groups, and the creation of community websites and

maintaining their environment. Lastly, the development of ancillary services has been addressed through community initiatives with the focus on providing for both residents and visitors. Therefore, these are not imperative issues as none of the interview participants mentioned ancillary services during the field research.

2.2.5 Financing

Enterprise Northland has seen a lot of investment in the Northland region coupled with the growth of visitor arrivals. This however, was not represented in the Eastern Hokianga. Finance is identified as a constraint by the TTMCA and from business participants within the area. Participants in all three areas expressed the lack of finance for business development. They would like to see increased levels of financing for marketing initiatives, employment, investing in product development, and raising service standards. For example: three of the new businesses to the area are staffed by volunteers and financial assistance may help to provide an income.

2.3 Rural Tourism Development Challenges

Table 2.3. Rural Tourism Development Challenges

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

2.3.1 Governments' Role

Enterprise Northland and the TTMCA aim to address economic and social implications of rural tourism development. Enterprise Northland, through its Northland Tourism Strategy 2003-2008, demonstrates industry leadership. This strategy has a range of different initiatives to implement the policy's objectives, addressing tourism development in both rural and urban areas. The Tai Tokerau Maori and Cultural Tourism Association (TTMCA) is recognized as the Maori Regional Tourism Organization. They do not have a guiding policy and have limited tourism development initiatives. Both RTOs appear to have initiatives that overlap and a challenge here is to create a greater working partnership to offer a range of initiatives that complement each other to offer greater assistance in tourism development for the region.

¹ Alexander and Mckenna (1998)

³ Wilson et al. (2001)

⁴ Page and Getz (1997)

² Sharpley (2000)

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

2.3.2 Accessibility

Infrastructure is an issue that has not been addressed by an initiative through Enterprise Northland or the TTMCA. Although Enterprise Northland established the Twin Coast Discovery Route, this created awareness in the market from better signage and marketing, but did not increase accessibility through physical infrastructural improvements. Eastern Hokianga participants have described accessibility as a disadvantage to their communities and expressed the need to develop infrastructure. This presents challenges that need to be addressed by the RTOs.

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

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

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

The ferry service between Rawene and Kohukohu is perceived as inadequate. Dissatisfaction was expressed about the ferry operating for only limited hours (every half hour twelve hours a day), the absence of an eftpos machine, and the high cost. A proposal to build a bridge to eliminate these dissatisfactions was strongly supported by Horeke residents as the bridge would link to their town. This would have reduced the isolation of the Horeke community, and possibly allowed for the road to be tar sealed. However, the submission was strongly opposed by residents in Kohukohu and Rawene, who would lose traffic from alternative non-paying route, and a lobby group was formed that came up with other options. An alternative that was supported by a few participants was an improved ferry service using cable ferries, which could service other towns and thus increase the accessibility. The provision of a cable ferry was a very good idea and could offer a range of positive impacts for tourism. There would still be the unique tourism feature of a ferry service facilitating the Eastern

Hokianga. The service would be improved by servicing a greater number of townships, which includes Horeke, reducing the level of isolation there. The expense would be less than the expense of building the bridge infrastructure. And a cable ferry would not have the visual pollution the bridge would create on the harbour and on the natural attractiveness. If the ferry service was intentionally funded as a tourism attraction, this could decrease the cost of the ferry and increase accessibility for the area for both residents and travelers.

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

2.3.3 Education and Experience

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

Enterprise Northland has had a few education and training initiatives for the Eastern Hokianga. The Activate Northland project consisted of businesses having a professional development coordinator who has expertise in tourism, working with the individual businesses to develop their business with a strategic direction. This project allowed the individual businesses to develop their own professional skills with the support of the professional development coordinator. This is similar to the mentoring

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

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

2.3.4 Adequate Financing

The participants in the Eastern Hokianga area stated that financing was predominately through personal finances and covered basic operational costs. It was difficult to afford to employ staff or pursue business development financially. Furthermore the Eastern Hokianga was highly affected by seasonality which meant the summer season needed to finance the winter season. This is a reason expressed by an activity in the area why there is a lack of other activity businesses in the area. Financially with the low numbers it is difficult to sustain a business. This may be a challenge that may require investment, to assist with financing activity/attraction based products which has been expressed as a weakness in area. This will assist the area to develop the total product package.

Enterprise Northland has noticed an increase in investment within the Northland region and in the Hokianga, however this is not realized in the current businesses in

the Eastern Hokianga. Neither, Enterprise Northland or TTMCA have funding available for rural tourism development, therefore, in line with the literature, financing will continue to be a challenge for rural tourism participants in the Eastern Hokianga.

2.3.5 Marketing

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

Aside from the websites and brochures, there are very few instances of joint promotion through other promotional methods undertaken by participants. With five websites that service the area there is not a great need for businesses to individually promote themselves. Although an individual website is also a favorable method of advertising, with many linking to the community websites. All together the internet was expressed as the most effective and favorable form of promotion. The traditional and powerful word of mouth is still a popular method of advertising for all communities and is effective with three businesses being recommended by the popular *Lonely Planet Guide*.

Enterprise Northland plays a very active role in promoting the Eastern Hokianga. They have a range of marketing activities, skills, and resources available for effective marketing. Enterprise Northland has incorporated the Eastern Hokianga with wider product and marketing strategies. Firstly, through the Twin Coast Discovery Route, and secondly through the "Northland Naturally" website managed by Destination Northland. The TTMCA also has an internet site that promotes members; it will link with Enterprise Northland. These websites incorporate the Northland region, enabling

the Eastern Hokianga to promote its products alongside the established destinations of the East and West Coasts.

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

There is definitely promotion occurring in the Eastern Hokianga with a range of marketing activities. Enterprise Northland has a range of marketing initiatives for Eastern Hokianga businesses to effectively promote themselves. This includes marketing with tourism businesses in the broader region. There are also a range of community marketing initiatives that are available within the area that the community has implemented. The greatest marketing challenge the Eastern Hokianga face at present is the need to create a positive image of the Hokianga.

3 KEY RESEARCH FINDINGS & IMPLICATIONS

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

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

The second research objective was to examine the social and economic impacts of rural tourism development in the Eastern Hokianga. The Eastern Hokianga economy is displaying positive impacts of rural tourism development. The area is experiencing economic growth, thus, creating a demand for local products and supplies, and provided employment opportunities. The Eastern Hokianga is still in the initial development stage of rural tourism development. With a total of only thirty-three businesses in the Eastern Hokianga, the economic and social benefits are minimal but still important. Employment levels at present are too low to distinguish key social benefits of reduced out migration, or encouraging repopulation, and social improvement. There is evidence of social improvement, through the revitalization of local crafts, cultural identities and increased social exchange through the new

businesses. Rawene, has the highest level of economic activity. With a limited number of businesses and employment opportunities, there are minimal negative economic and social impacts. This presents the Eastern Hokianga participants with the challenge of being actively involved in the strategic growth of the area. This will assist in minimizing the negative impacts that rural tourism growth can produce. This presents challenges to the governing agencies; to assist in the development of rural tourism in the township of Horeke; to create a greater demand to sustain the current thirty-three businesses in the Eastern Hokianga; to assist in business growth for the area.

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

Integration is occurring within the communities, with other Hokianga communities and Enterprise Northland. The Eastern Hokianga area participants definitely have involvement in the rural tourism development process. This should result in greater local motivation, community pride and ensure preservation of traditional lifestyles

and community values. Kohukohu and Horeke displayed a strong sense of community, leaving Rawene the weakest. As Rawene has the highest number of tourism businesses, and is the most accessible, they should have progressed further. This research suggests development is hindered by the lack of business cohesion in for the area. Networking primarily involves referring tourists to other businesses once they are in the area. There is not a strong inter-town relationship and most effective networking is made through the primary association - the Hokianga Tourism Association. This results in a heavy reliance on the association as businesses are not actively seeking cohesive working relationships with other businesses. This was a community initiative with high participant involvement within all three areas. Here businesses discuss strategic issues and marketing decisions through meetings and forums for the entire Hokianga region. The HTA is well supported by participants of each area and Enterprise Northland, but not TTMCA. Thus, without the Hokianga Tourism Association participants in the Eastern Hokianga are isolated from the broader Hokianga region on rural tourism development issues.

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

The last research objective was to identify rural tourism development challenges for the Eastern Hokianga. These were defined as; governments role, accessibility, education and experience, adequate financing, and marketing. Generally the

government was active with two RTOs facilitating the Eastern Hokianga. Both of these organizations aim to improve the social and economic well being of their region. Further examination revealed the awareness of Enterprise Northland in the Eastern Hokianga to be inadequate with only fifty percent of participants aware of their services with little engagement. A challenge is to create greater awareness in the Eastern Hokianga of Enterprise Northland's initiatives. Secondly, a challenge for the governments' role is to create a strategy specifically catering to rural areas as the Eastern Hokianga has different needs and issues to its already developed and established regional neighbors. Thirdly, the RTOs need to review their policies to differentiate their services to increase assistance in rural tourism development for the area.

The two greatest rural tourism development challenges facing the Eastern Hokianga are accessibility and financing. Accessibility has not been addressed by an initiative through Enterprise Northland or the TTMCA. This presents many challenges from Eastern Hokianga participants. Firstly, Horeke is faced with serious roading issues. Secondly, there is no public transport system in the Eastern Hokianga. Thirdly, fifty percent of the wharves in the Eastern Hokianga are deemed unsafe. A challenge for the RTOs is to reduce the dissatisfactions of the ferry service and create greater access between the two communities who are incorporated in the Twin Coast Discovery Route. Financing was identified as a constraint by previous research, the TTMCA and from business participants within the area. Neither, Enterprise Northland or TTMCA have funding available for rural tourism development, therefore, financing will continue to be a challenge for rural tourism participants in the Eastern Hokianga.

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

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

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