

**TOURISM AND THE LOCAL BUSINESS COMMUNITY  
IN SMALL CITIES AND TOWNS:  
A QUALITATIVE STUDY OF  
THE BLACKSTONE VALLEY, RHODE ISLAND**

A Thesis

by

MASAKI MIYAKE

Submitted to the Metropolitan College

Boston University

in partial fulfillment of the requirements for the degree of  
MASTER OF SCIENCES IN ADMINISTRATIVE SCIENCES

April 2008

Major Subject: Economic Development and Tourism Management

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## **ABSTRACT**

Tourism and the Local Business community  
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A Qualitative Study of the Blackstone Valley, Rhode Island

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The Blackstone Valley region in Rhode Island is among the many communities practicing sustainable tourism today. Like many industrial communities in New England, it faced a severe economic depression during the mid-twentieth century. To alleviate the situation, the state-designated nonprofit organization, Blackstone Valley Tourism Council (BVTC) was established to lead economic development efforts in hopes to revitalize both the livability of such place and the local economy. After nearly two decades, the region has successfully restored its physical appearance, regenerated the Blackstone Valley River, and raised its profile. However, it struggles to generate a critical tourism mass in order to institute a self-sustaining tourism economy. Geotourism is known as sustainable tourism model which focuses on developing “geographic character” (NGS, 2008) by preserving sociocultural traits of a community. The objective of this thesis is to examine the effectiveness of the BVTC multifaceted business strategy based on this tourism model.

This is one of the few tourism studies carried out on the region, as well as a study which presents a transitional case. It intends to provide insight on the issues

facing a community seeking to reach the next plateau of their economic development. In order to understand the underlying scenario, a qualitative research approach was adopted focusing on the perceptions of the local business owners and operators. Perceptions of local governments were also gathered to attain a symmetric understanding of such scenario.

Findings showed that in order for local businesses, particularly SMEs, to be more actively and readily involved in tourism, entrepreneurial guidance to reach the next plateau of their economic development was as important as simply providing the tools. Empowerment, competitiveness and collective growth of this group can lead to creating strong market cities and towns. The concept of civic tourism, which embraces much of the characteristics defined in geotourism, adds further sense of ownership to the tourism product—the local community. Thus, this model can be thought to be the next step after habitable and visitable destinations are created through the geotourism model.

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## I. INTRODUCTION

Based on Naisbitt's economic trend predictions (Naisbitt, 1994), Crouch & Ritchie (1999) observe that tourism will positively impact "the lifestyles, societal structures, and inevitably the quality of life (QOL) of many citizens of the world during the first segment of the third millennium." However, it is said that presently no agreeable 'best-practice' tourism model exists which can encompass all components required for community development (Michael, 2007; Crouch & Ritchie, 1999). Yet today, tourism has become a common denominator for economic development and regeneration to communities large and small at local, regional, national and international capacity. Tourism not only has the capability to be an alternative industry for declining secondary industries, but also to absorb unskilled labor and used resources (Fainstein & Gladstone, 1999; Tooman, 1997; Law, 1992). Thus, with the emergence of the sustainable development paradigm, the sustainable tourism model has been promulgated as an attractive economic tool to pursue (Hardy & Beeton, 2001; Butcher, 1997; Wall, 1997; Wheeller, 1997; Driml, 1996; Cater & Lowman, 1994; Bulter, 1991).

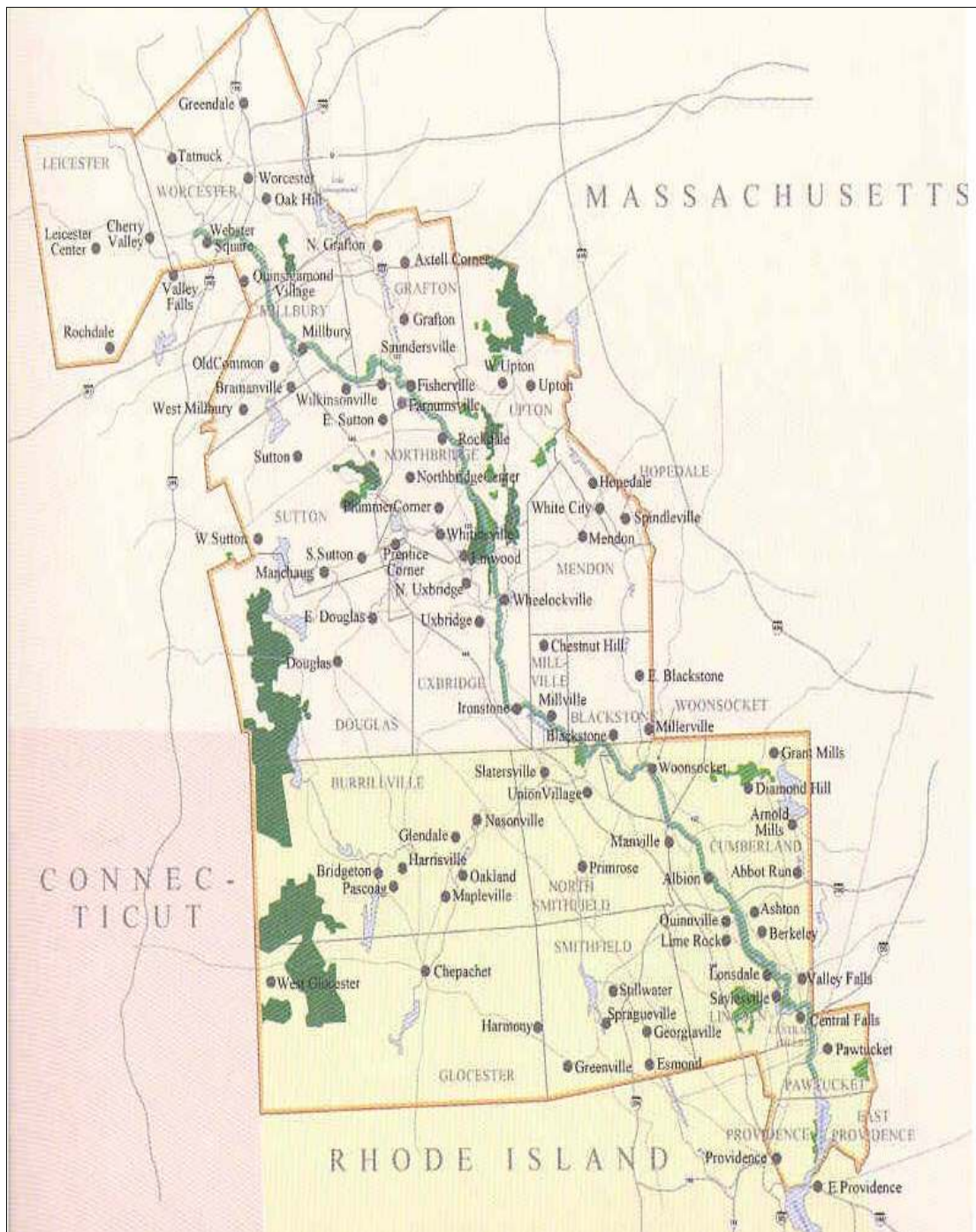
The sustainable tourism model originally catered to the environmental protection movement of the late 1980s and early 1990s (Hunter, 1997; Lane 1994). During its development, alternative tourism models such as ecotourism and cultural tourism were created to counter the predominant and nonsustainable mass tourism model (Weaver, 2001). Distinguished by just the lesser-impact notion, these were sometimes criticized as being only replacements for mass tourism as opposed to a

true alternative (Nelson & Butler, 1993; Coccosis, 1996; Hunter, 1997; Wall, 1997; Hardy & Beeton, 2001). However, the difference between sustainable and mass tourism did not simply settle on the level of environmental impact and socio-cultural issues were also highlighted and incorporated into the sustainable tourism definitions (Neto, 2003; Hardy & Beeton, 2001). Sustainable tourism thus evolved from a holistic to a much broader socioeconomic approach entailing economic progress and growth (Cole, 2006; Hardy & Beeton, 2001). Yet, Weaver argues that these two models should not be conceptualized separately, but “rather on the effectiveness of the management practices that are applied to the circumstances of each individual destination” (Weaver, 2001:108).

In order to derive optimal economic benefits from tourism, communities must perceive it as an integral part of their development (Cole, 2006; Crouch & Ritchie, 1999). In recent years, a new tourism model, known as ‘civic tourism’, has been proposed. Schilling (n.d.), who first coined the term, states that this model encompasses all recognized best-practice sustainable tourism models (i.e. ecotourism, cultural tourism, heritage tourism and geo-tourism) under one umbrella. However, in contrast to the former sustainable tourism model, this model places greater emphasis on the role of local communities in place-making development and planning, or as he phrases it, “product development.” Furthermore, communities are entitled to participate in the decision-making processes, and to “reframe tourism’s role” with emphasis on the livability appeal of the place (Civictourism.org, 2007). Cole (2006), quoting Sofield (2003) and Warburton (1998), notes that in order for the

sustainability of tourism development to succeed, an active community “participation or empowerment” has to be achieved. However, this position needs additional study (Tosun, 2006; Hardy, Beeton & Pearson, 2002; Reed, 1997).

Small to medium sized businesses play a crucial role in economic development (U.S. Census Bureau, 2006), particularly those located in small cities and towns. Kilkenny, Nalbarte, and Besser, (1999) and Flora, Sharp, Flora, and Newton (1997) point out that if local businesses are active, then the community itself is likely to be active. However, too often economic development models exclude or minimize small or micro businesses, such as the local “mom and pop” businesses, due to the complexity of this group (Morrison & Teixeira, 2004; Thomas, 2000; Page, Forer, & Lawton, 1999). Yet, Pistrui, Welsh, Pohl, Wintermantel, & Liao (2003) point out that in most economies, SMEs are at the forefront of socioeconomic development. These are not simply stakeholders with self-interests at stake, but if Freeman and McVea’s (2002) definition is to be applied here, they also have the capacity to affect the development processes. Thus, it is important for stakeholders’ to not merely be included in the decision-making processes, but that their perceptions and objectives be genuinely incorporated into the development framework (Tosun & Timothy, 2003; Freeman & McVea, 2002).



(Source: The Blackstone River Valley National Heritage Corridor, 2007)  
**Figure 1: Blackstone River Valley**

The Blackstone River Valley, as shown on Figure 1, is a 400,000 acres region located encompassing central Massachusetts (Worcester) and northern Rhode Island (Pawtucket). The 46-mile long Blackstone River runs through the region hosting 24 communities, 15 of which are located in Massachusetts and nine in Rhode Island (National Park Service [NPS], 2007). The nine Rhode Islander communities, which are the focus of this thesis, are situated in the county of Providence<sup>1</sup>, in Northern Rhode Island. These are Burrillville, Central Falls, Cumberland, Glocester, Lincoln, North Smithfield, Pawtucket, Smithfield, and Woonsocket. Cumberland, Pawtucket and Woonsocket are categorized as ‘cities,’ while the others are ‘townships.’

With the introduction of hydraulic power by the young British immigrant Samuel Slater in 1793, the Blackstone River Valley catapulted the United States into an era of both economic and social advancement, the American Industrial Revolution. As pioneers of a new economy, the Blackstone River Valley region has prided itself in attracting an ingenuic and skilled workforce (NPS, 2007a). For nearly a century and half, the Blackstone Valley was a vigorous hub for the American as well as the global textile industry. However, like many parts of New England, the collapse of this much prized industry in the mid-twentieth century resulted in a severe local economic recession and high unemployment (9.1%<sup>2</sup>).

Since its inception in 1985, the Blackstone Valley Tourism Council (BVTC), a state-designated nonprofit organization, has developed and realized tourism programs and activities aimed at economic development and job creation. This has

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<sup>1</sup> Providence County is made up of 31 townships and 8 cities.

<sup>2</sup> New England Economic Almanac, 1966.

often been intertwined with other sectors such as education, domestic and international collaborations, Main Street development, and land-use development (Blackstone Valley Tourism Council [BVTC], 2007b). Since the early 1990s the BVTC has implemented a comprehensive regional sustainable tourism development plan to promote economic, heritage, environmental, and socio-cultural preservation and tourism growth within Rhode Island's Blackstone River Valley region (Billington, 2004). However, the BVTC is not structured to perform as a destination marketing organization (DMO) or a convention and visitors bureau (CVB) where marketing is the core of these entities' operations.

In addition, the BVTC bases its activities on the geotourism model approach developed by the National Geographic Society which extends not only to enhance the geographic asset, but also on various social and economic layers of the local community (BVTC, 2007c). Thus, their primary objective is to raise the QOL of the local community.

This thesis examines the BVTC's multifaceted economic development model from the viewpoint of the local business community, both direct and indirectly involved in tourism, and evaluates its degree of effectiveness. It will approach this goal three ways. First, we will explore the geotourism and the civic tourism models, and how the BVTC's work fits into these models. Second, we will take a look at the participation and empowerment level of local businesses in the region. Third, we will examine and analyze the perceptions that local business owners and operators have towards the present tourism model led by the BVTC.



## II. LITERATURE SURVEY

### 2.1 Sustainable tourism – A brief summary

Since the 1987 Brundtland Commission's report, *Our Common Future*, sustainable tourism has been a controversial model for the tourism industry (Hunter, 1997). Saarinen (2006), quoting Spangenberg (2005), Duffy (2002), and Wall (1993), points out that no one single definition can be identified for this model due to the ambiguity of the base ideology and to the lack of commonality between denominators. Too often emphasis had been placed on the model's philosophy rather than its functionality (Saarinen, 2006; Hardy & Beeton, 2001; Clarke, 1997).

A comprehensive analysis by Clarke (1997) was made on the conceptual transition of sustainable tourism, which he categorized into four positions: *Polar Opposite*, *Continuum*, *Movement*, and *Convergence*. Basing on Hardy and Beeton's (2001) summary of these positions, the *Polar Opposite* position defines the period of dichotomy between sustainable tourism and mass tourism. The former was acclaimed to reduce negative environmental impact through small-scaled market operations, whereas the latter was criticized as having the opposite effect. The *Continuum* position refers to the period of adjustment or reconciliation between the two models, viewing that the small-scaled sustainable model could develop into a sustainable mass market model. The *Movement* position takes the *Continuum* position into considering the direct application of sustainability practices on mass tourism. The fourth position, *Convergence*, provides the foundation of how sustainable tourism is perceived

today—“applicable to all forms of tourism regardless of scale” (Hardy & Beeton, 2001:172).

In order for sustainability to be a ‘viable’ concept, the ecological, economic and sociocultural factors of a community need to be addressed (Saarinen, 2006). Sustainable tourism initially primarily focused on the issues that surrounded the first two factors as the shift from the mass tourism model to a small-scaled tourism model highlighted questions on how to compensate for the economic disparity it caused (Hardy, Beeton & Pearson, 2002; Clarke, 1997). Hence, it promoted further fragmentation of the sector (Jamal & Getz, 1995). However, the last factor has been much more difficult to handle and comprehend, not only because the broad dimensions it carries (Etchner & Jamal, 1997), but also due to the complexities of human behavior (Hardy et al., 2002).

## **2.2 Geotourism, civic tourism, the newcomers?**

The aforementioned BVTC’s model, geotourism, became a recognized tourism development model after the collaborative report by the Travel Industry Association of America (TIA) and the National Geographic Society (NGS) was presented in 2002 (Stueve, Cook, & Drew, 2002). The term, however, was coined five years earlier by NGS’s Jonathan B. Tourtellot (Walljasper, 2007). Today, it is defined as “tourism that sustains or enhances the geographical character of a place—its environment, culture, aesthetics, heritage, and the well being of its residents” (NGS, 2008; BVTC, 2007c). Buckley (2003) explains that this model has made an unprecedented swift evolution from what was once considered a geological leisure

travel to a geography-specific one. He further notes that this model has enhanced the definition of nature-based tourism, namely ecotourism, which was originally focused on an input of visitor motivation and an output of social and economic benefits, with the addition of sociocultural components (Walljasper, 2007). The National Geographic Society Geotourism Charter (2008) presents a set of 13 sustainable principles which encompass the traditional place-making development, natural and social heritage preservation, community and visitor relation, and economic and market development. It sets forth a strong emphasis on the well-being of the local community (Holecek & Fridgen, 2002) and small- and medium-enterprises (SME).

“Civic engagement” has been in the tourism industry since the sustainable development element was integrated. This idea can be traced back as early as the 1830s by Alexis Tocqueville (Erdmann, n.d.). Although there is no single definition, civic engagement generally implies the direct and active participation of individuals or groups in the planning, decision-making and implementation of activities for community building and enhancement (Community Challenge, 2007; State of Montana, 2007; Ehrlich, 2000). Within its principles is an emphasis of empowerment of the local community. Since the 1990s, the community participation component has grown in presence within the economic development arena, as well as, in the sustainable tourism discussions due to the acknowledgement that its inclusion can lead to an easier transition and favorable results to new ideas and opportunities (Haywood, 1998 cited in Cole, 2006; Tosun & Timothy, 2003; Tosun & Timothy, 2003).

From this context, civic tourism is a relatively ‘new’ concept in the industry. According to Schilling (2006b), there are 13 types<sup>3</sup> of ‘general’ alternative tourism models that can be presently identified (Table 1), of which one has already been described above. Although sustainability has been promoted within these, no ‘standard’ or ‘fixed’ definition exists to clearly explain each of their functionalities and goals. Ecotourism and geotourism, for instance, share similar objectives by incorporating the notions of environmental and cultural sustainability, yet differ at the level of place specificity and local community integration (Buckley, 2003). Schilling points out that sustainable tourism has become too fragmented, and that even though they are “all in the place-enhancing business...rarely (are they found) at the same table” (Schilling, n.d.:6).

However, civic tourism redefines this functionality of tourism to being “an enabler of healthy place-making” (Civictourism.org, 2007). It proposes that tourism be used to build resident-friendly cities and towns, and act as a catalyst to preserve and maintain a place, rather than creating tourist-oriented destinations that solely serve the sector (Schilling, 2006a). Schilling (2006a) further notes that civic tourism helps create and promote a vigorous place which not only can satisfy residents’ needs, but also “attract high-value visitors who want to experience livable communities.”

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<sup>3</sup> Originally Schilling lists 14 tourism models, however, Rilla (n.d.) notes that “‘farm tourism’ and ‘agritourism’ are used interchangeably.” Therefore, these two models have been condensed into one.

<b>Table 1: Types of alternative tourism models</b>	
<b>Type</b>	<b>Brief description</b>
Adventure tourism	Commercial tours that engage in risk-taking nature-based outdoor recreational activities; e.g. kayaking, rafting, sky diving, mountaineering (Buckley, 2007; Bentley & Page, 2001)
Agritourism or Farm tourism	Leisure or educational visitations to working farms or other agricultural business operations, e.g. camping, fishing, hunting, farm stays, produce picking (Lobo, 2008, McGehee, Kim, & Jennings, 2007; Comen & Foster, 2006; Weaver & Fennell, 1997; Clarke, 1996)
Cultural tourism	Tourism that engages the visitor to local culture in an “aesthetic, intellectual, emotional, or psychological nature” (Reisinger, 1994:24); e.g. visual/performing arts, archeological/heritage sites (Stebbins, 1996)
Dark tourism	Visitations to places where tragic events took place; e.g. graveyards, memorials, catacombs. Also known as ‘thanatourism,’ grief tourism, death or black spot tourism (Yuill, 2003; Ashworth, 2002; Seaton, 1996)
Ecotourism	Activities conducted in the natural environment with the objective to educate the visitor; e.g. rainforest/wildlife excursions (Weaver, 2001)
Ethnic tourism	Activities with emphasis on cultural authenticity of a destination, offering first-hand experience to the visitor; e.g. native minority heritage parks (Li, 2000; Klieger, 1990; Wood, 1984; Greenwood, 1982)
Geotourism	Visitations to destinations based on their geographical character, as well as its social and cultural character; e.g. Yosemite Park, Las Vegas, St. Andrews (Buckley, 2003; Stueve et al., 2002)
Green tourism	Tourism centered upon rural landscape with “wildlife and historical heritage, also referred as ‘rural tourism’ (Highlands and Islands Enterprise, 2008; Torridge District Council, 2008)

<b>Table 1: Types of alternative tourism models</b>	
Heritage tourism	Leisure and educational visitations to places, from cultural to environmental, that are based upon its past history; e.g. history museums, heritage parks, festivals (Dunlap, Schleicher, Keptner, & Denk, 2001)
Life-seeing tourism	Tourism where visitors directly stay at local residences engaging and learning about traditional customs and way-of-life (Sarazin, 2003; White, 1993)
Literature tourism	Visitations to locations that are related to a writer's or artist's life history, as well as the setting for a novel or work; e.g. author's homes (Herbert, 2001)
Volunteer tourism	Visitors engage in volunteer work at a destination with the aim to fulfill social and personal needs; e.g. building bridges for villages, teaching English (Bartham, 2006; Singh & Singh, 2004)
Urban tourism	Tourism based within a city or town setting where visitors engage primarily in cultural activities; e.g. seeing exhibitions, visiting city monuments, parks, and architecture (Law, 1992)

Note: This table only provides a general description of each model. It is not the intent of this thesis to delve into each of their definitions.

This model presents four core strategies: 1) redefine the present composition of the economy; 2) assimilate the community's physical and sociocultural assets; 3) invest in these assets envisioning long-term results; and 4) encourage direct community participation in the creation of these developments (Civictourism.org, 2007). Bahaire and White (1999) argue that rejuvenation and QOL should not be the final objective of tourism planning, but rather the “integrative and about process” (Bahaire & White, 1999:245). Schilling (2006a) explains that instead of working through individual segments within a destination, the destination should be one entire segment. In other words, the local community needs to be further empowered.

### **2.3 Empowerment and competitiveness**

Although the civic tourism model projects the core philosophy of sustainable tourism in developing community and environmentally friendly destinations, the aspect that sets this model apart from other tourism models is the level of involvement by the local population in creating these assets and activities. Hardy and Beeton (2001) argue that tourism development greatly depends on the management regimes involved, who they consider as stakeholders, and how they approach this group's issues.

Identifying stakeholders is particularly challenging during the development stages of the sector (Reed, 1997) as there is a preexisting power distribution within the community which includes “tourism industry, property developers, land and property owners...” (Bahaire and White, 1999:246). Bahaire and White (1999) further note two important points which add to this challenge. First, the tourism industry may

disregard community participation from the beginning. Second, a large number of local residents may not find this process appealing and would not engage in it. If there is no mutual understanding, the community can face collaboration constraints and a power-struggle amongst themselves (Reed, 1997). Jamal and Getz (1995) add that the continuously evolving interdependency among the stakeholders in a community prevents any one group or individual dominating the course of the development. Crouch and Ritchie (1999) point out that a community can be more successful than the one “that has never asked what role tourism is to play in its economic and social development” (Crouch & Ritchie, 1999:143) if it is capable of communicating the tourism vision, recognizing its strengths and weaknesses, and developing and implementing achievable plans with all stakeholders. Needless to say, the more involved the local community is, the better are the results in implementing a sustainable tourism plan, and meeting the interests of all parties (Cole, 2006; Tosun & Timothy, 2003).

It is said that five external factors affect business formation. They are: 1) social; 2) economic; 3) political; 4) infrastructure development; and 5) market emergence (Mazzarol, Volery, Doss, & Thein, 1999; Spetch, 1993). However, Andriotis (2002) in reference to the European Commission’s *Job creation in small and medium-sized enterprises: Summary Report*<sup>4</sup>, notes that small business formation is usually found to be motivated by lifestyle rather than economic and achievement

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<sup>4</sup> These points are in reference to chapter, *Small and medium-sized enterprises and employment creation: Greece*. In: European community (Ed.), *Job creation in small and medium-sized enterprises: Summary report Vol. 1* (pp. 601–611). Luxembourg: European Commission.



issues. The majority of businesses in tourism are relatively small-scaled, primarily due to low market entry and initial capital investment barriers (Gavron, Cowling, Holtham, & Westall, 1998; Shaw & Williams, 1994; Quinn, Larmour, & McQuillan, 1992; Riley, 1986; Diamond, 1977). Tourism has also been regarded as a low-end sector, where wages and skills are minimal (Szivas, 2001). Yet, tourism has benefited not only undeveloped economies, but also inner-cities where a concentration of unskilled labor resides (Law, 1992).

Tourism has the potential to attract an inflow of direct and indirect new businesses and opportunities. Edgell (1993) observes that tourism-dependent rural communities experience more stability and resilience during economic recessions in comparison to the traditional primary industries-dependent communities (also European Commission [EC], 1987). Schaffhauser (2005) supports this viewpoint and says that in comparison to large businesses, small businesses in the long-run are much more likely to create new job opportunities as well as develop and implement new ideas (also Hjalager, 1999; EC, 1987). Andriotis (2002) notes that the EC report lists four additional points to the above small businesses strengths these are: 1) dissemination of “traditional powers and economic development within the society” (Andriotis, 2002:335); 2) “higher market efficiencies of profits and production” (Andriotis, 2002:335) due to local ownership; 3) economically deliver products and services that large businesses are reluctant to offer; and 4) provide a better “quality of working life” (Andriotis, 2002:335). Thus, as Porter (1998) states, the competitive edge rests upon the productivity of a local industry.

Empowerment and competitiveness are two characteristics that need to co-exist (Johnson, Jr., 2002). Cities and towns with strong markets have unique characteristics based on “density, waterfront and amenities, educational and medical facilities, creativity, multicultural diversity and built infrastructure” (Vey, 2006:24) which can attract “a critical share from the metro(politan) economy” (Vey 2006:45). Contrarily, economically weak places struggle to exuviate from an “older industrial economy to an innovative, entrepreneurial one” (Vey, 2006:45). Porter (2000) points out that local competitiveness comes in form of “clusters”. This is a situation where interrelated businesses create a competitive, yet cooperative market in a given area. Rephrasing this for tourism, the wide range of resources it comprises can generate such condition and competitive edge (Lerner & Haber, 2000; Porter, 1998; McIntosh, Goeldner, & Brent Ritchie, 1995). In reference to Porter’s theory, Michael (2006) emphasizes that businesses are likely to succeed should they engage in “interactive synthesis” (Michael, 2006:22) manner. Bergstrom (2006) supports this by noting that in the economic development practice businesses must “learn how to compete in the morning and cooperate in the afternoon” (Bergstrom, 2006:1). Without developing a synergy between new and old businesses, clustering can lead to marginal outcomes or hinder a small local community’s healthy and potential economic growth in the long-run (Michael, 2006). Clustering tends to perform better in “non-metropolitan environments” (Michael, 2006:23).

Competition among companies is enhanced by “continual innovation” (Porter, 2001:1) in order to please today’s demanding consumer markets with their

goods and services (Bush, 2004). This is no different for communities engaging in geo- or civic tourism as they are the product (Schilling, 2006a). The correlation between empowerment and competitiveness of local businesses is generally included as an element of downtown rejuvenation. Upon the development of the British town centre management (TCM)<sup>5</sup> concept in 2004, a notion derived from the American business improvement district (BID) concept (also Otsuka & Reed, 2007), Hogg, Medway, and Warnaby (2003) argue that smaller retail districts can become vital places if “individual independent businesses” are “promote, protect and empower” (Hogg, Medway, & Warnaby, 2003:466). Medway, Warnaby, Bennison, and Alexander (2000) add that businesses then reciprocate through the financing and supporting of BID/TCM activities. Once such a process is underway in one location, this is promulgated to other places, which ultimately raises the competitive level of that given region thus leading to a concentration of BID/TCM activities (Medway et al., 2000), or in other words, a state of clusterization. A supportive public policy is the key in developing such situations (Egerstrom, 2007). Without continued government funding, only immediately profitable businesses will survive (Britton, 1991 cited in Che, 2006). Schaffhauser (2005) suggests that business retention and expansion strategies could lead to rewarding results for the community.

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<sup>5</sup> BID and TCM are town management concepts aimed at strategically developing, maintaining, and promoting public and private areas or district through partnerships, and meet the interests of all stakeholders in public, private and voluntary sectors (Otsuka & Reed, 2007; Hogg, Medway, & Warnaby, 2004; Warnaby, Alexander, & Medway, 1998).

## 2.4 A glimpse on the economic situation of Blackstone Valley

Beginning in the 20<sup>th</sup> century, Blackstone Valley's textile industry found itself migrating to the South, especially North Carolina, where cheaper labor, lower taxes, anti-union laws and abundant cotton supplies was readily acquirable. The Great Depression of the 1930s accelerated this movement by closing many mills thus severely hurting the Valley's economy. For example, unemployment rose to 50 percent in many parts of the Blackstone Valley (Hill, 1999). From the mid-20<sup>th</sup> century, the Blackstone Valley turned into an economically and sociocultural wasteland reflecting the gradual impoverishment, social instability and extensive environmental degradation of this era.

In an effort to revitalize the depressed economic situation, the Blackstone Valley communities, influenced by the national environmental movement of the 1960s and 70s, initialized their attendant economic recovery through *Project ZAP!*, a volunteered reclamation effort that began in 1972 with the objective to clean up the heavily polluted Blackstone River and restore water quality by 2015 (Billington, 2007; Albanese, 2006; NPS, 2003). Beginning in the 1980s, old surviving vacant mills were restored and utilized as homes and businesses. The New England's Historic National Park Area (NEHNPA, 2006) notes that the successful restoration of the Whithin Machine Works<sup>6</sup> building was the beginning of the successful cooperation between the local community, businesses and government to collaborate,

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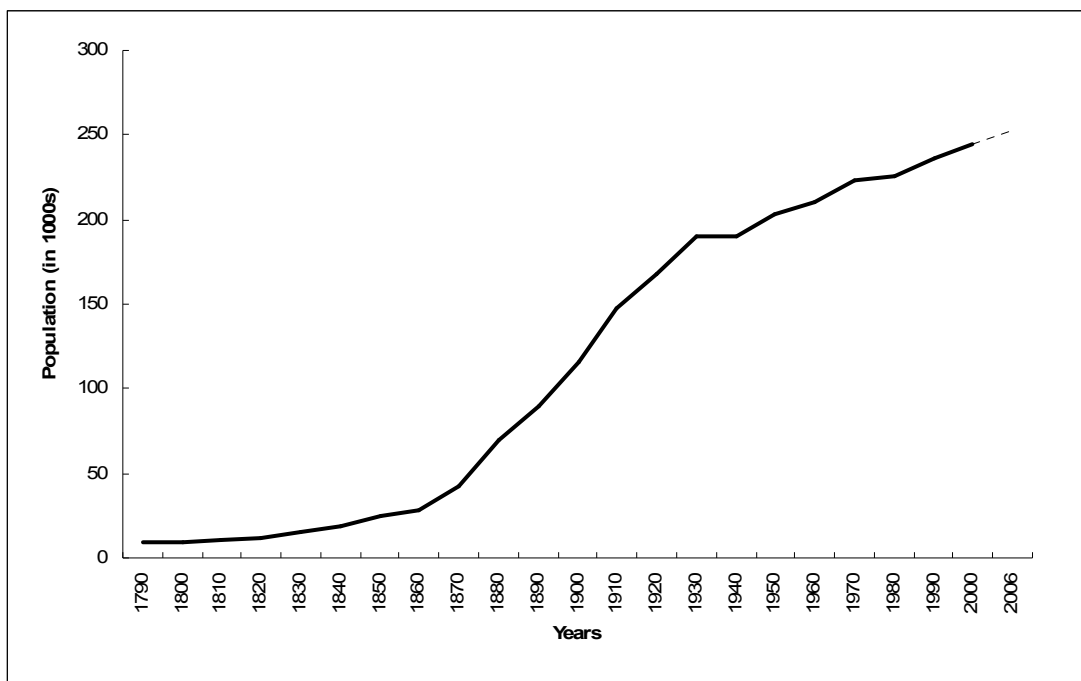
<sup>6</sup> Whithin Machine Works (1831–1966), a Worcester-based manufacturer famed for its cotton preparatory machinery, owned five mills and employed over 5 000 workers in its peak time. (Source: <http://home.iprimus.com.au/metzke/References2.html>)

not only to achieve revitalization of their immediate environment, but also to open doors for economic opportunities to sustain this cooperation.

In this initial stage of revitalization, the Blackstone Valley received support from the federal government. In 1986, the U.S. Congress designated the Valley as a National Heritage Corridor as recognition of its historical significance. The John H. Chafee Blackstone River Valley National Heritage Corridor Commission (BRVNHCC) was soon established to administer historical and environmental preservation operations within the region (BRVNHCC, 2007). In 1998, the Clinton Administration declared the Blackstone Valley River as one of the 14 American Heritage Rivers (The White House, 1998). Under this statute, the U.S. Environmental Protection Agency (EPA) introduced four principal elements in its Blackstone River action plan: 1) environmental restoration and land-use planning; 2) recreational development; 3) historic preservation and cultural conservation and economic development; and 4) interpretation and education (EPA, 2007). It was the beginning of a planned sustainable revitalization of the region.

As the textile industry grew in the towns of Cumberland, Glocester and Smithfield, population also expanded in the region. The largest population increase occurred between 1870 and 1880 with a surge of 62.85% to 60,427 habitants (Figure 2) as a result of five newly established towns: Burrillville, Lincoln, North Smithfield, Pawtucket and Woonsocket. By the turn of the century, the region had attracted a diverse influx of immigrants who worked in the over 1,000 mills operating during this period, totaling a population of 147,153 (Rhode Island Economic

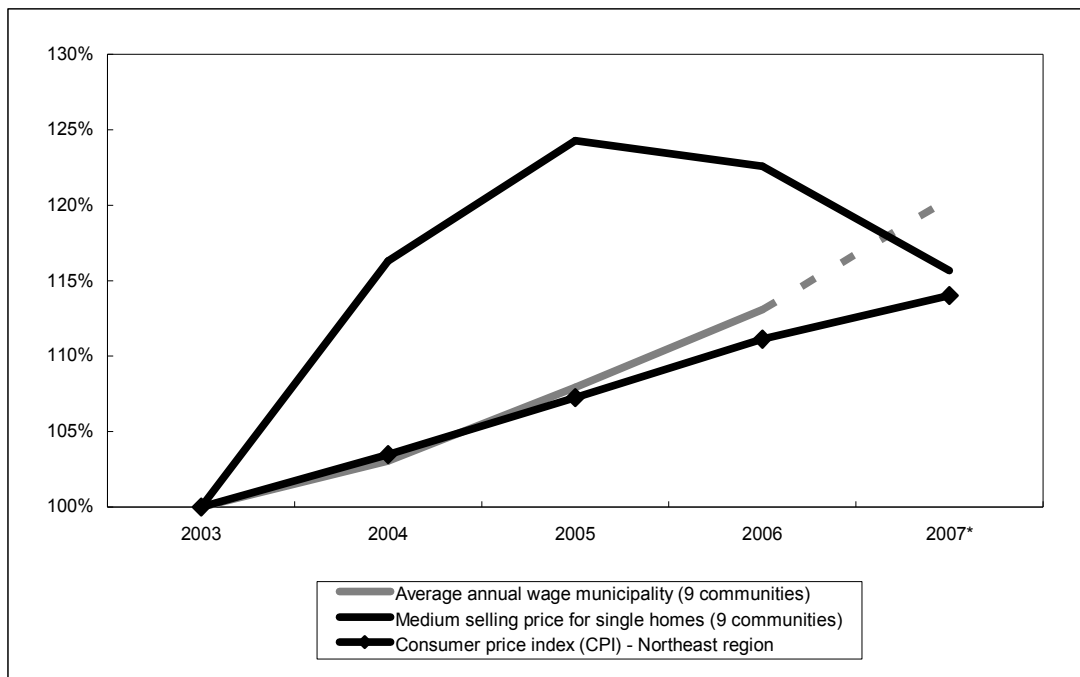
Development Council [RIEDC], 2007a&b; Billington, Cadoppi, & Carter, 2006). In 2006, it was estimated that over 252,000 people lived in the nine communities of the Blackstone Valley (U.S. Census, 2007). This has mostly been the result of recent increases in the influx of new immigrant groups from Latin American, Africa and Asia Pacific, as well as those escaping the high cost of living associated with larger cities outside the State (Ziner, 2007). The conversion of old mills and buildings into affordable housing and business spaces has particularly attracted the latter group (Ziner, 2007). There are currently around 150 buildings located in the nine communities of Blackstone Valley listed on the National Register of Historic Places. This is more than one-third of those listed for the entire Providence County (NPS, 2007b).



(Source: U.S. Census Bureau, 2007; RIEDC, 2007a)

**Figure 2: Population of the nine communities in Blackstone Valley, RI**

Although Rhode Island's economy until a decade ago lingered at the bottom of many countrywide ranking lists, today it is replacing its old mill-based manufacturing image with new industries such as arts, education, finance, health, technology and retail. Some of the more prominent firms including CVS/pharmacy, Fidelity Investments and Hasbro have not only made Rhode Island their home, but have settled within the Blackstone Valley region. Yet, despite these positive developments, the Blackstone community continues to face many obstacles. After the Massachusetts' Route 146 to Rhode Island's I-295 and I-95 was connected in the early part of this decade, Mullin (1999) warned that the Blackstone communities run a risk of becoming "residential suburbs." He explained that "commercial, service or industrial" development would grow at a much slower pace than residential development. Hangen and Wong (2003) further explain that the disparity between these two spectrums hinders a healthy economic development. They indicate that for businesses to succeed in any given area, it is essential to keep housing costs within an appropriate price in order to retain a critical labor pool. Figure 3 shows the percentage growth of median selling price for single-family homes in the nine Blackstone Valley communities, average annual wage and consumer price index (CPI) for a 5-year period, 2003-2007.



\* Data estimated, except for CPI. (Source: U.S. Department of Labor, 2008; Housing Works, 2007)

**Figure 3: Annual wage, housing price, and consumer price index percentage growth - nine Blackstone Valley communities, 2003-2007**

## 2.5 Tourism in the Blackstone Valley

In a 1997 study, the Rhode Island Economic Policy Council (RIEPC, 1997) stated that tourism would never play a major economic role for the State in comparison to other states due to its small-scaled geographic and historic characteristics. Mullen (2003) states that in order to enhance economic development in the region Rhode Island needs to place its focus on high-end, high-tech businesses and strengthen its infrastructure. However, the RIEPC study (1997) acknowledged that the tourism sector has the potential to become a cluster market for Rhode Island, but only if the State enhances accessibility and develops exciting attractions combined with the strong involvement of the private sector to create a competitive

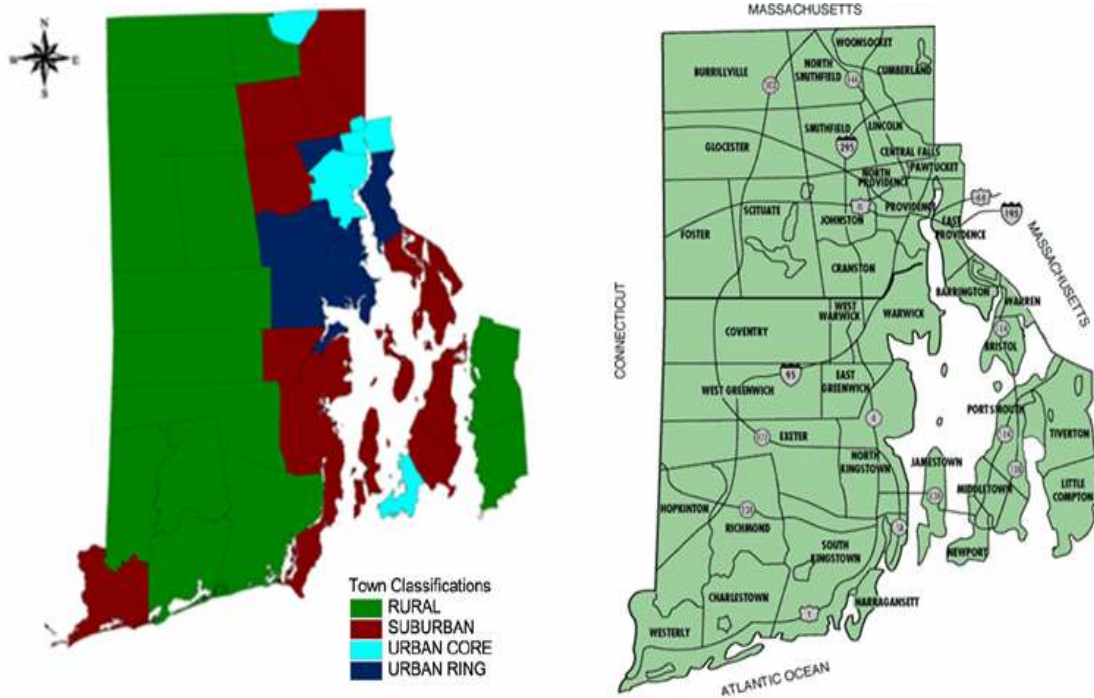


market cluster, leading to “positive spillover impacts on all members of the industry” (RIEPC, 1997:219). They note that a strong collaboration between both parties is essential. They also pointed out the importance of supporting small businesses as they are fundamental to the State’s economy (RIEPC, 1997). Toward this goal Rhode Island established eight tourism districts, administered by three groups: tourism councils (3), convention and visitor's bureaus (2), and economic development corporations (3). The tourism industry employs on average 12,600 workers or 2.6% of the Rhode Island workforce, and generates US\$ 1.4 billion in tourism expenditures<sup>7</sup>.

Edgell (1993) further notes that small communities neighboring large cities can benefit from the spillover from urban tourism. Figure 4 classifies the urban and rural areas of Rhode Island. Out of the nine communities represented by the BVTC, three are categorized as rural (Burrillville, Glocester and North Smithfield), three are suburban (Cumberland, Lincoln and Smithfield), and three are urban core (Central Falls, Pawtucket and Woonsocket). Thus, not only is Rhode Island contingent on spillovers from large cities such as Boston and New York, but the Blackstone communities also rely on the spillover from places within the State, namely Providence and Newport.

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<sup>7</sup> Average derived for years 1999-2003. Dataset from Travel Industry Association of America (2005) used.

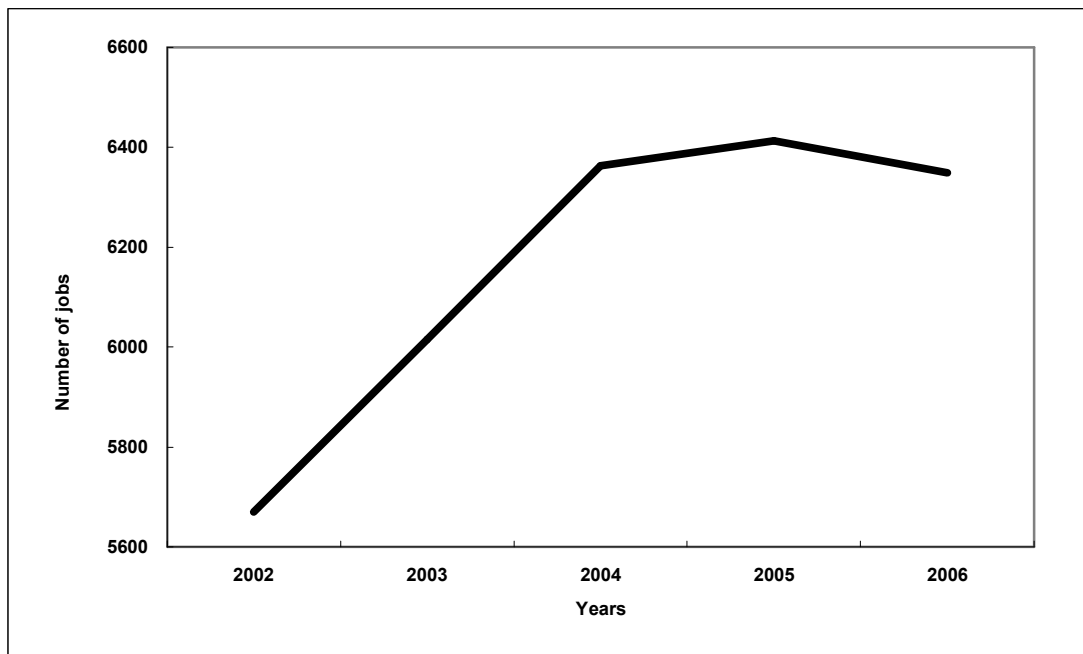


(Source: Thomas Bolioli using University of Rhode Island/Roger Williams University)  
**Figure 4: Urban and rural areas Rhode Island**

Through its two visitor centers (located in Lincoln and Pawtucket), it has been estimated that the Blackstone Valley annually hosts over a million visitors (BVTC, 2007a), which is one tenth of what Newport receives for the same time period (Travel World, 2008). The nine Blackstone Valley communities tourism accounted for between 4 to 15% of total employment per community in 2006 (RIEDC, 2007b). Tourism employment increased in the nine communities of the Blackstone Valley by 12% from 5,670 to 6,349 in between 2002 and 2006 (Figure 5)<sup>8</sup>.

<sup>8</sup> Dataset based on employment in arts, entertainment and recreation, and accommodation and food services.

Tourism expenditures in 2004 (most recent year of data) was reported as \$99.2 million (BVTC, 2006). These figures strongly indicate that tourism is positively impacting the economy of these communities.



(Source: RIEDC, 2007)

**Figure 5: Tourism generated employment in the Blackstone Valley, RI**

Developing tourism attractions and events are one of many areas in the Blackstone Valley Tourism Council's agenda. Table 2 shows a list of activities the organization engages in:

<b>Table 2: General overview of Blackstone Valley Tourism Council activities</b>	
<b>Category</b>	<b>Activities</b>
Tourism	<ul style="list-style-type: none"> <li>- Marketing and promotion of region</li> <li>- Consolidating and distributing local business information via organization's website, newsletters, pamphlets, guidebooks, and maps</li> <li>- Program development and implementation of tourism activities/events (e.g. Dragon Boat Races, Arts Festivals, Polar Express Train Tour, Blackstone Valley River Boat Tours)</li> <li>- Visitors information services</li> </ul>
Education	<ul style="list-style-type: none"> <li>- Research and development (e.g. Sustainable Tourism Planning and Development Laboratory)</li> <li>- Development and implementation of educational curriculums and programs for different stakeholders (e.g. Manufacturers' tour, green programs)</li> <li>- Development and implementation of historic and cultural tours and programs</li> </ul>
Land-use development	<ul style="list-style-type: none"> <li>- Consultation on restoration of old historical buildings (e.g. for elderly homes, affordable housing and artists lofts)</li> <li>- Consultation on downtown/main street rejuvenation initiatives and processes</li> <li>- Recreational park development (e.g. bike path and community parks)</li> <li>- Infrastructure development (e.g. railway development)</li> </ul>
Partnership	<ul style="list-style-type: none"> <li>- Collaboration with federal, state and local governments (e.g. John F. Chaffe Blackstone Valley National Heritage Corridor Commission, city offices)</li> <li>- Collaboration with nonprofits institutions and private sector (e.g. United Nations World Tourism Organization [UNWTO], TIA, universities)</li> <li>- International tourism development collaborations (e.g. England, Brazil, Taiwan, China and Canada)</li> </ul>

Source: Blackstone Valley Tourism Council, 2007b.

The Blackstone Valley has a story to tell (i.e. the history of the American Industrial Revolution), and resources that visitors can enjoy (e.g. old factory buildings, bountiful nature and mixed cultural background). Yet, there is the impression that these are lesser assets compared to those located in Providence or Newport, and are often overlooked and undermarketed. Crouch & Ritchie (1999) point out that “a destination endowed with a wealth of resources may not be as competitive as a destination lacking in resources but which is utilizing the little it has much more effectively” (Crouch & Ritchie, 1999: 143). The Blackstone Valley Tourism Council follows the micro-clustering model of bundling the products unique to the region as well as implementing a community-friendly development plan undertaking issues such as affordable housing, educational programs, environmental protection, education and research – macro-level operations that most traditional tourism-promoting institutions generally do not develop.

### **III. RESEARCH METHODOLOGY**

#### **3.1 Purpose of research**

Tourism research has been shown to be a complicated process due to the breadth of items it embraces. Research has been done on tourism topics ranging from business management, economic impact to perceptions analysis. Most studies have either focused on small businesses [it is well recognized that businesses in tourism tend to be small-scale (Page et al., 1999)]. directly involved in tourism, largely those in hospitality and some retail groups, or lumped them into one general stakeholder category. However, relatively little research has been carried out on understanding the perceptions of the business sector in its entirety regardless of their degree of involvement in tourism. Hjalager (1999) notes that tourism is a highly interdependent industry “composed of a range of separate industry suppliers who offer one or more components of the final product” (Hjalager, 1999:4). However, this study has found that local businesses in the Blackstone Valley region find the tourism industry as a ‘sectorial’ activity rather than an overall economic ‘activity’. This study attempts to identify the issues which contribute to this assumption in two ways: 1) what obstacles do local businesses perceive in reference to the region’s tourism sector; and 2) how do local businesses perceive the work of the BVTC and other government or quasi-governmental organizations.

#### **3.2 Survey design**

This thesis employs the qualitative research methodology as the objective was to assess in-depth perceptions of local businesses on the tourism sector in the

Blackstone Valley region. As previously mentioned, the breadth of this multidisciplinary sector and the direction of this thesis make it appropriate to apply an intrinsic case study approach, “where the interest is only in understanding the particulars of the case” (Johnson, 2007 citing Stake, 1995). A questionnaire was generated composing of 14 key questions, and 10 follow-up questions, as shown in Appendix II. This questionnaire was developed under consultation with the BVTC and Boston University’s Professors Samuel Mendlinger and Sheryl Mendlinger. It was decided that five key areas were to be examined: 1) the local economic situation; 2) tourism; 3) the BVTC; 4) government program and initiatives; and 5) business support and opportunities. The interviews were executed in semi-structured manner allowing the interviewees to freely express their point of view as much as possible (Westwood, 2007).

A wide array of definitions exists to identify the term ‘small businesses’ or SMEs as a result of differences in research approaches (Avcikurt, 2003; Thomas, 2000). Holmes and Gibson (2001) add that differences also surge from various interpretation depending on country of origin, industry type and financial content. According to the Small Business Administration (SBA, 2008), in the United States size standards vary between industries. For instance, a non-manufacturing business (i.e. wholesale or retail) in order to qualify as a ‘small business’ must consist of less than 500 employees, whereas a general service business must generate an average annual receipt of \$6.5 million (SBA, 2008). Initially, it was intended to

survey only small local businesses; however, this approach was later reverted as two entities outside the above categories were incorporated into the study.

In order to obtain a broad sample consisting of 19 interviewees was selected to represent various sectors throughout the nine Blackstone Valley communities. They were: agriculture (1), government (4), lodging (3), manufacturing (1), real estate (1), recreation and leisure (3), restaurants (1), and retail (4)<sup>9</sup>. Government officials were included into the survey, not only to act as reference sources on various programs and initiatives geared towards local businesses, but also as measuring points to identify any inconsistency between the private and public sectors perceptions. In addition, 14 of 18 interviewees were members of the Northern Rhode Island Chamber of Commerce (NRICC). With the exception of two, all interviewees held positions which involved decision-making in their respective organizations.

### **3.3 Survey method**

The interviewee search and contact took place from November 1 to December 6, 2007. The author initially selected 20 potential candidates from various fields using the member list from the Northern Rhode Island Chamber of Commerce (NRICC, 2007). The candidate list was submitted to the Blackstone Valley Tourism Council for comments and recommendations but not for vetting. Once this roster was confirmed, the author proceeded to contacting the candidates via telephone to request their availability. Some candidates were not able to cooperate due to time constraints that incurred from their pre-holiday season business. As it was decided to collect a

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<sup>9</sup> Of which, two businesses involved some e-commerce.



minimum of 15-20 interviewees and to minimize any bias, which will be discussed in the section, *Research limitations*, the author searched and contacted other business owners outside of the initial NRICC listing.

It was originally opted to conduct face-to-face interviews. This first set of interviews began on November 14, 2007, with the kind assistance of a Blackstone Valley Tourism Council staff member who helped the author reach the various locations in Woonsocket, Pawtucket and Lincoln. However, due to time constraints and logistical difficulty, the remaining interviews, which began on November 19, 2007, were switched to telephone interviews. Seventeen of 18 interviews were digitally recorded and averaged approximately 30 minutes. All recorded interviews were later transcribed by the author.

### **3.4 Research limitations**

As Westwood (2007) notes, several weaknesses of qualitative research studies include time-consumption, researcher bias and censorship, and survey designing conformity. It is essential for the reader to be aware of several factors which may have influenced the outcome of the study.

First, the interviewee selection process had two limitations. One, not all nine communities and business types were covered. No interviews were conducted in Central Falls and Smithfield. Two, the involvement of the Blackstone Valley Tourism Council in this selection process may have influenced some preference as to what type of organization was to be approached.

Second, the interview process also had its limitations. First, we had time limitations. On five occasions, the interview time had to be minimized as telephone interviews were set up during interviewee's working hours. Much of the interruption surfaced from multitasking (Holbrook, Green & Krosnick, 2003), such as pressing time schedules, attending other telephone calls, and/or customers/colleagues/employees, etc. Holbrook et al. (2003) point out that both interviewer and interviewee are much more prone to speed up the interview process. Second, nonverbal expression was a limitation issue. Although the switch from face-to-face to telephone interviews alleviated the problems that emerged from time and logistical constraints, this approach limits the collection of information gained from observing nonverbal expressions associated with interviewee's responses (Poole, Shannon, & DeSanctis 1992; Siegel, Dubrovsky, Kiesler & McGuire, 1986; Turoff & Hiltz 1982; Williams 1977, cited in Holbrook, Green & Krosnick, 2003; Morley & Stephenson 1977). Thirdly, the author's preconception may be included in this process in tailoring the questions on-the-spot to accommodate for the abovementioned constraints.

Third, the data analysis process experienced limitations pertaining to the transcribing process of the interview recordings. The sound quality of the recorder did not allow for clear reception of the interviewee voices, thus, some content may have been lost or omitted at this stage.

#### IV. RESULTS

Several themes surfaced from the interviews which unsurprisingly spread across sectors. These can be grouped into five general categories: 1) perceptions on the Blackstone Valley; 2) perceptions on tourism; 3) perceptions on the Blackstone Valley Tourism Council; 4) perceptions on state and local government; and 5) perceptions on business development. Table 3 shows the background of those interviewed in this survey.

<b>Interviewee No.</b>	<b>Sector</b>	<b>Location</b>	<b>Gender</b>
AB #1	Agriculture	Cumberland	Female
AB #2	Agriculture	North Smithfield	Female
RL #1	Recreation and leisure	Lincoln	Male
RL #2	Recreation and leisure	Pawtucket	Female
RL #3	Recreation and leisure	Woonsocket	Male
GT #1	Government	Burrillville	Male
GT #2	Government	Pawtucket	Male
GT #3	Government	Woonsocket	Male
GT #4	Government	Woonsocket	Male
LB #1	Lodging	Glocester	Male
LB #2	Lodging	Pawtucket	Male
LB #3	Lodging	Woonsocket	Male
RE #1	Real estate	Lincoln	Female
RT #1	Restaurant	Woonsocket	Male
MG #1	Manufacturing #1	Cumberland	Male
RB #1	Retail business #1	Cumberland	Male
RB #2	Retail business #2	Glocester	Male
RB #3	Retail business #3	Woonsocket	Female

#### 4.1 Perceptions on the Blackstone Valley Region

This section examines how local businesses perceive the region's present socioeconomic situation. What issues do businesses owners consider important? Do they find on improving quality of life? How do they perceive the region's economic future?

After experiencing consecutive years of economic depression, most businesses are beginning to see positive changes in the region. The regeneration of the Blackstone Valley, the reclamation and reuse of old mill buildings and complexes for housing and nonindustries, and the redevelopment of several downtown areas are testimonies to the transformation process. The following two comments provide a general overview of this transition:

- *"I think we are seeing evolution. I think it will be more gradual, but I don't see this part of the (Blackstone Valley) community just remaining firm and shutting out other possibilities to grow and prosper."* (RL #1)
- *"...people think things aren't happening, they certainly are, and they are happening so quietly."* (RB #3)

**Regeneration.** For the most part, local businesses find the reuse of old buildings beneficial to the community, whether it is for historical preservation or residential and commercial purposes. However, despite this viewpoint, there is a sense of disconnection which is possibly associated with the lack of opportunity by some people to directly engage in the utilization or redevelopment of the buildings.

An interesting point was presented by one real estate employee when commenting on various economic development programs provided by the local government:

- *“...there are a lot of businesses out there that would be dying to get a spot like that (renovated old mills), and I don’t think they can get started because they are cut out.” (RE #1)*

Another example of such can be found in the following statement:

- *“Well, it’s nice to see them (old mills) used up that way (converted into condos and other uses). Although I remember when I was a kid, I’ve never been in one (mill), but I remember how oiled-soaked those floors were, and I would be very nervous living in one.” (LB #1)*

The lack of communication by developers and local government to local businesses, and the lack of direct involvement by local businesses and local business owners are reasons that possibly trigger such disconnection. These perceptions will be further presented in the sections below. In the meantime, it is essential to point to the following quote from one local government official:

- *“So you have to do all of this stakeholder issues. You have to have at all times, kind of along the way, public input. You have public input session that you try to explain the general course of action so the residents...support of it. So that’s how a comprehensive plan gets approved. You don’t write it in...without public input...” (GT #1)*

Although the above statement does seem to counter this lack of communication, it clearly implies that communication is viewed as a process within planning, but not as

an open dialogue where local businesses and/or residents actively participate. Adding to this, many developers are from outside the region; thus, as a consequence profits flow out of the region. The following statement subtly reflects on this point:

- *“I see its medical stuff. Medical and pharmaceutical circles, like CVS companies, and we deal a lot with them. And, because of that, we have a lot of businesses coming into the area, we are close to the highway, and CVS has a high stock...”* (RE #1)

***Economic sustainability.*** It is important to note that some skepticism exists within the positive perceptions mentioned above on socioeconomic changes. It questions whether the changes are sufficiently sustainable to elevate the local economy to the next level. Some interviewees expressed disappointment in the numerous business turnovers that reflect a transitional economic condition, as conveyed in the following comment:

- *“We are a developing area. Now the question is will we able to keep it together? Will it come and go? I am not quite sure.”*  
(LB #3)

This interviewee further described the Blackstone Valley’s economic model as a “pass-through” model referring to how the region now acts like a warehouse rather than a producer it once was. Although this obviously represents the industrial shift from manufacturing to services sectors, namely health, higher education and finance, it provides insights into the disappointment that some locals feel on their dependency on outside developers. The following point is further explored in the section on the *Perceptions on business development.*

- *“I don’t see anything in the Valley, of course, the Valley used to be a hub...the Industrial Revolution, all the factories where they are cotton, wool mills and so forth, and so on, they are all gone by.”*  
(RB #2)

***Social stability.*** In recent years, issues on security and safety have entered the realm of discussion in the tourism industry due to incidents such as 9/11, the Severe Acute Respiratory Syndrome (SARS) epidemic, and the tsunami disaster. Although the Blackstone Valley region may not be directly affected by these, it is a component that is imperative to raising QOL in any given community. While very few interviewees conveyed this point during the study, it is important to acknowledge the effect it can have within economic development. Two interviewees from Pawtucket and the Central Falls area voiced this issue in reference to their respective communities, as shown in the following comments:

- *“I don’t feel comfortable sending somebody (guest) down that way (downtown area), because there’s really nothing open at night, and I don’t think it’s safe.”* (LB #2)
- *“I think as they improve the city, they get more safe at night, and serve more what you can do in the city, I think people will gravitate towards this area. They might not want to live in the city, and prefer to live in the suburbs which is the Blackstone Valley...tourists might like the place to be.”* (RE# 1)

They note that a rapid rehabilitation is desired to rectify degraded downtown areas for two reasons: 1) to prevent the development of crime; and, 2) to create a recreational place for local residents and tourists.

## 4.2 Perceptions on tourism

This category relates to how local businesses perceive the evolution and progress of the tourism sector in the Blackstone Valley. The interviews covered several issues ranging from tourism's presence to comprehension, from tourism investment to infrastructure.

*Presence and comprehension.* Due to the aforementioned efforts by the Blackstone Valley Tourism Council, tourism and tourists are becoming visible in the Blackstone Valley, particularly during the warm months of the year and within specific parts of the region. Historical heritage tourism has indisputably played a valuable role in salvaging the region. Phrases such "a lot of history," "a bit of history," "besides historical" and "incredible amount of historical value" were commonly used to denote this point. A quarter of the respondents acknowledged the presence of at least one tourism activity or asset, e.g. the boat tours, the museums (Slater Mill and Museum of Work and Culture), arts festivals and walking tours. However, most agreed that tourism, while not the strongest economic sector in the Blackstone Valley, ranks among the top.

When interviewees were further queried if they anticipated tourism to play a major economic role in the future, opinions seemed mostly gravitate between 'having potential' and 'remaining at the present state,' while a few responded that it was "non-existent" or "not visible" in their respective communities. This last group used phrases such as, "I don't see it" and "I haven't seen anything." Though it is important to note that these reflect the anthropological (not enough assets) and/or geographic



characteristic (more rural) of a specific area within the Blackstone Valley. For instance, one lodging business located in the northern part of the region, where much is still rural, stated during a marketing effort:

- *“We...even advertised...on a map with all the businesses surrounding the local area. Trying to see if it would help our business a little bit, but I haven’t seen anything. I haven’t seen anything. I haven’t seen any payoff from that expense actually.”*  
(LB #1)<sup>10</sup>

In conjunction to this argument, another point that has been repeatedly mentioned by several interviewees was the competition the Blackstone Valley region faces from Providence, Newport and South County. One such example is the following comment:

- *“...let’s face it, I mean Newport so overshadows everything else in the State that I don’t think the time will ever come, the Blackstone Valley will be equivalent what Newport is to the State. No matter what efforts we make, because there isn’t any one thing in the Valley that, other than the River, that I think will pull tourists from other parts of the country or the world the way Newport does.”*(RB #2)

Interestingly, business owners located near ‘prime’ areas such as Pawtucket or Woonsocket, where tourism assets are more concentrated and more accessible, also expressed this concern. Thus, it can be interpreted that despite the effect that the

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<sup>10</sup> It needs to be clarified that although this advertisement effort is supported by the BVTC, the BVTC does not contribute to it. This effort is the outcome of an independent PR firm (R. Billington, personal communication, April 14, 2008).

tourism sector has had on the Blackstone Valley region economy, these businesses question the existence of a glass ceiling which limits its growth.

As referred to in the *Social stability* section above, a recurring theme interviewees mentioned was the underdeveloped main streets or downtown areas, and the crucial role these play for a community. The following quotes represent this issue from various stakeholders' perspective:

- *“I guess they need to push it in this area. If you are just talking about the Pawtucket area, it needs to be more developed, especially the Downtown area. If you want to bring tourists in, you’ve got to have something for them to do, and I don’t think we have that.”* (LB #2)
- *“I think we are sort of on that precipice you know, where we’ve got a few wonderful new businesses in the last few years. A couple of old businesses that are great to have here. There is a couple of great restaurants, and yet there is still a lot of empty store fronts, and I think that now is the time where we are really, that something is really happening around here. So put the time and effort into to it to attract the businesses to make it, you know, a realistic and accessible Main Street.”* (RB #3)
- *“(Main Street redevelopment) kind of reverberated out to trying to, because the mill center was vacant, and it’s still vacant today. That’s the biggest focus of what we are redeveloping. Begin in the heart of the town. It’s the town’s face and identity, but it starts building there, and aim to recapture what was constructed to make things work.”* (GT #1)

These comments center on the insufficiency of activities and places not only for local residents to engage in, but also for tourists to visit the area for extended time periods. Despite the necessity to increase these, several interviewees emphasized that it was indispensable to maintain the integrity of place. They hoped that the Blackstone Valley would not be weighed down with amusement park type attractions. For instance, one arts administrator expressed disappointment in considering a gambling establishment as a tourism destination since it did not convey the authenticity of what the Blackstone Valley resembles.

In addition, the survey hinted that the level of comprehension on what tourism entails differed between businesses due to the degree of involvement of each to the tourism sector. The majority of interviewees linked tourism to business opportunities and economic enhancement. However, a few classified the sector as sightseeing activities for leisure visitors, separating business-related visitors from the tourist category. Below is a quote from a lodging business describing the type of guests it receives throughout the year:

- *“I have three kinds of business, tourism business, business and third is, what I would call, “business-that-I-would-have-gotten-no-matter-wherever-I-am.” (LB #3)*

It is important to take note that this interviewee estimated that depending on the season approximately 40 to 50% of non-leisure travelers stayed at this establishment. In other words, it can be presumed that there is a fairly large market segment that is yet to be

explored, or developed. This characteristic was mostly seen among retail businesses where their involvement in tourism was indirect.

Another point worth mentioning which surfaced from the above is that it seems that local residents are not fully aware of the correlation between economic and tourism development. The following are two examples derived from businesses located in Woonsocket:

- *“There are loads of people in the city (Woonsocket) that still come into my shop, and say, “But, why would you want to open here?” And, my response is, “Why not?” Look at what we have, you know, you can’t just close your eyes on it, because it was depressed for so long, or you can, you know, create the change you want to see.” (RB #3)*
- *“...the locals are oblivious to tourism. As a matter of fact, when they find out that I am a bed and breakfast operator, they say, “In Woonsocket, you have a bed and breakfast?” (LB #3)*

This lodging business further commented that unless they were directly involved in a tourism business, they would not have been aware that such a sector or opportunities existed.

***Investing in tourism.*** Nearly every local business interviewed commented that they would continue to invest in tourism. As aforementioned, a majority of them foresee business opportunities, and are aware that if properly developed and marketed it could have substantial economic impact on their communities. Several interviewees

reverberated that they would continue to do so as long as there was return on investment. The following are three examples on such investment:

- *“Oh sure, I think tourism is arguably the largest industry in the State, probably employs the most people, when it’s all lumped together.” (RL #1)*
- *“All we need to do is create vehicles (tourism assets such as textile mills and waterfalls)...for example to bring the people over here, and once the people come, I think business will also come, but business are not going to invest money if they see they are not getting positive results.” (MG #1)*
- *“I would continue as far as marketing dollars and what not. I would because, you know, especially with the farm, there’s an education aspect that we have to offer, but you can only invest in what you are going to see a return on, so as long as you can see a financial return then you continue to do that.” (AB #2)*

Government officials similarly backed this perception providing that there is sufficient funding. Each stated that they were doing as much as they could possibly do to support the region’s economic development as well as the efforts of the Blackstone Valley Tourism Council. An example is:

- *“I can’t say that it’s (tourism) bad. Because if anything, I mean hopefully we will see more of it in the future. It’d be nice to have another bed-and-breakfast here and there. That’s something I would like to try to see, and encourage the sector.” (GT #1)*

There were no strong opinions from the interviewees against the fundamentals of tourism investment. However, negative perceptions were directed towards taxation programs, government support programs, funding programs and other areas regarding the management of this investment, which will be under perceptions three and four, discussed below.

***Infrastructure issues.*** Responses to this point veered in various directions. The general consensus on the transportation infrastructure in the Blackstone Valley was “good” or “fairly good”. Most interviewees commented that the I-95 highway provided good accessibility to those visiting or commuting to the Blackstone Valley. Several pointed out that improvements need to be made. For instance, one lodging manager pointed out that it was not easy to navigate visitors through the Blackstone Valley’s transportation system, nor could they rely on taxis as their services were poor. The interviews highlighted that the majority of visitors visited the region using their own private or rented vehicle, while only a small percentage used some form of public transportation. One business owner recognized the importance of infrastructural development on their community:

- *“We are tiny for any type of public transportation, but if we did have the train, boy, would our community grow even more with people from Massachusetts living here, and then working in the bigger cities of Massachusetts.” (RB #3)*

According to one government official, discussions on improving the transportation system have recently started. They aim to develop a more visitor- and environment-friendly transportation system in the Blackstone Valley. Although public

awareness is still relatively low on this particular subject, the development and implementation efforts of bike paths and pedestrian-friendly streets are widely recognized by the interviewees.

***Making changes.*** The majority of businesses commented that the current tourism model should be continued. Although this appears to be a positive perception, in actuality a number of interviewees commented that further changes need to occur.

The following two comments present this:

- *“I would have to make any changes? That’s a hard one. No, it’s so hard to answer something like that. I wouldn’t make any changes. I would just keep going with what they (Blackstone Valley Tourism Council) are doing, and making it better...and what I mean by that is...you keep going with the same effort that they have, and I think they are going to achieve good positive results...” (MG #1)*
- *“Well, I wouldn’t change a thing, I don’t think. I think they (Blackstone Valley Tourism Council) have pretty good handle on things. It’s in the wait out there, just to get people to visit this Blackstone Valley. It’s not an easy sale...where you know Newport or Cape Cod, you’ve got the beaches to find it...that seasonal thing. I mean they have the River Boat rides...they have a pretty good venue as far as, I don’t think the numbers have shown as South County. But...you work what you have basically.” (RT #1)*

A few failed to articulate any opinion on what direction the current model should take. The following list reveals the areas interviewees perceived changes were needed:

1. More support and funding from State government
2. Enhance and/or change marketing and promotional strategies
3. Communication transparency
4. Enhance and/or develop transportation system in the region
5. Further develop present attractions, and increase number
6. Retain the John H. Chafee Blackstone Valley National Heritage Corridor Commission
7. Change American lawsuit culture which hinders rapid economic development

The first two items were what a large number of interviewees perceived as areas for change, which will be discussed in following sections. The third item is an important point to note as it is a key to maintaining the local community involved in the progress of the region's economic development, as the following quote shows:

- *“We are developing. We do communicate with each other along the Valley, but there needs to be a little more...I guess, “crystallization,” is a good word. We are still working, we are working together, we are more aware of each other now than we’ve ever were, and by the way, we never thought of ourselves living in the Blackstone Valley. We all lived in different communities, do you get my drift? Now we are beginning to think of ourselves as living in this Valley...and each one of us has a story to tell.” (RL #3)*



It is also important to point out the last two items on this list. The John H. Chafee Blackstone National Heritage Corridor Commission is in its last phase of a federal authorization agreement which expires in 2011. Renewal of this agreement is still in question due to budget cuts at the federal level. According to the interviewee who brought up the point, they feel that the presence of a federal-level institution within the Blackstone Valley region not only provides them expertise from nationally trained rangers, but also acts as an endorsement that translates into credibility to the outside. The last item was commented by a local government official who felt that economic development could move at a faster pace if less time is spent on merely meeting the vast number of regulations which in case they are not properly met can easily lead to lawsuits, thus establishing a vicious cycle where more restrictions are created. They note that this too affects the development of the tourism industry in the Valley via generating stagnancy for a constantly changing industry.

### **4.3 Perception on the Blackstone Valley Tourism Council**

This section relates to how local businesses and other stakeholders perceive the efforts and accomplishments of the BVTC. General opinion on the work and accomplishments of the BVTC is very positive. Most interviewees acknowledge and recognize what the organization has carried out since its inception in 1985 to rebuild the region's economy and image, particularly their strength in tourism advocacy and promotional activities. They express a good understanding on the role of the organization under the region's economic development scheme. Phrases such as

“great asset,” “active,” “innovative,” “very involved,” and “wonderful” were used to describe the organization. The following examples are from stakeholders:

- *“I do follow the activities of the Blackstone Valley Tourism Council and they are very active.” (LB #3)*
- *“We are proud to be part of the Blackstone Valley, and we think highly of the organization.” (RL #1)*
- *“...we have an organization like Blackstone Valley Tourism Council which has been very, very successful in raising the profile for the Valley.” (GT #4)*

These comments indicate that the BVTC is well established, transparent in their operations, and recognized as a significant institution in the region. Many businesses seem to have developed a high sense of trust and optimism towards the organization.

**Partnership.** The majority of the interviewees answered that their businesses had established some form of partnership, or are in the process of establishing one with the BVTC. Those directly involved in tourism obviously showed a stronger affinity not only to the organization, but also to the progress of tourism development.

The following are examples of this perception:

- *“...there is visibility such as vehicles, brochures, newsletter, Guide to the Blackstone Valley, e-mail newsletters which is very effective, a group sales person at their office...they have a lot of marketing vehicles, so they have the capability to utilize those things in a more kind of monumental way to the assets they have in this City and all of the Blackstone Valley. I love to see them utilize those assets more.” (RL #2)*

- *“They are a great help and assistance as we don’t have to do it. They do the marketing for us.” (AB #1)*

On the other hand, businesses indirectly involved in tourism or those geographically removed from the organization’s office showed less affinity. The lodging business (LB #1) described in the above *Presence and Comprehension* section mentioned that the organization’s promoting and marketing activities as not as beneficial as they had originally anticipated. They further noted that no follow-up communication was established between the two entities.

Thus, this partnership with the BVTC seems to have led businesses into establishing ‘sub-partnerships’ amongst themselves. Such situation seemed more prevalent amongst those businesses directly involved in tourism rather than those that were indirectly involved. For instance, a lodging business located in Woonsocket described having established partnerships with businesses like the Museum of Work and Culture<sup>11</sup> and local restaurants as a way to not only enhance their businesses, but also to present a hospitable ambient to visitors. Regardless of the outstanding marketing efforts that the BVTC provides, these businesses sense the limitations of the organization’s operational capabilities.

Interestingly, the point on communications mentioned in the above section was not an issue exclusive to the businesses indirectly involved in tourism. This was similarly observed in the directly involved group. Below is a comment reflecting this:

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<sup>11</sup> This establishment also acts as one of the three Visitor’s Centers established in the Blackstone Valley region. The other two are located in Pawtucket and on Interstate Route 295.

- *“...We’ve been trying to establish a relationship with them (BVTC), a marketing relationship with them...They’ve been unreliable... We’ve sent them our press releases, it doesn’t get into their publications...I think they are focused on their own events, and not on their partnerships with organizations like us. And, that we directly conflict, say we are doing an event in November, and they are doing an event in November...” (RL #2)*

A few interviewees closely following or involved in the activities of the BVTC felt that the organization should engage in ‘higher’ or ‘macro’ level activities, as noted in the following quotes:

- *“...stretched thin with his (president of the BVTC) job duties and his teachings, and everything that he has to do. He is not as accessible as he should be.” (GT #2)*
- *“I do establish a relationship with them and they established a relationship with me, but I am a dot on a large circle for them. They have a much broader focus, and they should.” (LB #3)*

A point that should be noted is that the majority of the interviewees strongly associated the work of the organization with its president. Although this acknowledges the leadership the BVTC, as well as the region’s tourism sector, has had, it can also be interpreted that such perceptions subtly projects an image of an under-resourced organization. The last comment above provides a sense that small businesses continue to depend on the BVTC for assistance in areas they lack or have limited expertise or resources, such as marketing and promotional efforts. Thus, depending on the degree of involvement and scale of business the perception on the

BVTC's role in the region differs. The following are three examples presenting this case. The first two quotes are of small local businesses with relatively little or no business expertise and resources. The last quote is from a more established business.

- *“There’s...an old farmhouse in town, probably the most rural part of town...(the BVTC) and I worked together to make a zoning change, to make it legal, to make it all happen. So that’s a very small scaled...small propriety owner example of how, but how we can think of one little piece of tourism...” (GT #1)*
- *“I am probably in the process of doing that (establishing a relationship with the BVTC). So you know, why to do it, I would like to see my community grow, and to see, with that I should, say my business grow.” (RB #3).*
- *“...they (BVTC) have an advertising opportunity coming up that we will probably be taking advantage of it as well, it will be in a magazine, and they are very active staying in contact with local businesses, so through emails and mailings that kind of things, so we are always paying attention and reading what they are send us, and if it’s something that works for us, we get involved.” (AB #2)*

#### **4.4 Perceptions on federal, state and local government**

***Political isolation.*** There was a strong agreement among interviewees in determining which governmental level helped the Blackstone Valley’s redevelopment and tourism efforts. Most of them perceived that much of the Federal and State support and funding has been funneled to major tourist destinations such as Providence and Newport. A few interviewees suggested that very little tourism dollars

or taxes ever return to the Blackstone Valley. Below are two perceptions describing this situation:

- *“They (BVTC) are doing so much, and they are doing everything I think that can be possibly be done. I give them an A+ for their efforts. I can get through the attempts they are making, I can’t, couldn’t think of another to do that haven’t already done. It would be nice if the State of Rhode Island could get as actively involved in promoting tourism in the State to the extent the Blackstone Valley does...” (RB #2)*
- *“...how can tourism grow in the area when there isn’t a funding mechanism that in fact is out there that can be tapped? I know that the Blackstone Valley Tourism Council tries to get money from the State, does get some money from the State, but not enough money to make that kind of ripple that they need make, or wave, I guess I could say, not a ripple.” (LB #3)*

The BVTC receives annually approximately \$90,000<sup>12</sup> from federal and state governments plus raises additional funds via tourism revenue, hotel room tax, and private and individual donation, to carry out the bulk of their operations. Total income and expenditure reported for fiscal year 2007 were \$1,056,350 and \$1,081,850 respectively<sup>13</sup> (BVTC, 2007d). Thus, every government officials interviewed in this survey did not object to the fact that funding was a problem, and likewise understood the growth limitations such situation inflicts:

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<sup>12</sup> Most of this budget comes from the BRVNHCC.

<sup>13</sup> The breakdown of total income is: tourism revenue (44%), hotel room tax (30%), donations (8%) and public funding (8%). The breakdown of total expenditure is: programs (48%), personnel (40%) and operations (7%), and transportation (5%).

- *“We could do more...one of the questions is whether we could do more financially? And, we would like to have more development funding that we can to startup projects like that, where we have in the past been successful in leveraging several federal funding so that the leverage ratio was 20 to 1. So we relatively modest funding we can through our partnerships really get a lot more money pumped into whether it is redeveloping mills or other economic activities.” (GT #4)*

However, this official further noted that they would like to see tourism evolve into a state where it can be self-sustained since “ultimately it is an economic activity,” (interview, November 14, 2008) and not dependent on “seed money from non-profits or heritage programs” (interview, November 14, 2008).

In spite of the lack of support from a higher level, local businesses acknowledged the efforts made by their respective local government offices, as shown in the below two examples:

- *“...I can't complain with the economic development office because they certainly have...I had to looking for it, but they certainly have been a huge help. And, it was through them that I learned about the, well I actually asked about it because I had heard about it, the arts and entertainment tax exempt thing, and the grant for the signage.” (RB #3)*
- *“Everything reasonably been kind of successful because we've had consistent leadership and support, politics never really made it into the frame, and mess things up. I don't know if you talk about politics at all, but it's important.” (GT #1)*

**Communications.** As noted in other sections, the issue of communication was also expressed by many of the interviewees. The majority of the local businesses were unable to clearly define one government initiative or programs which support the tourism industry in the region as presented in the quote below:

- *“Probably a better question for tourism folks...I guess, in a nice way of saying, we don’t receive the incentives that other companies would. But I do know, the State tried to sell on tourism, and everything from funding, to make sure that the Ocean State is branded, and attracting on the regional and national basis, I think we right down some of the incentives that might be offered to companies, hopefully hotels as well, to give them an economic incentive of this place. I know that has a lot to do with attracting companies like Fidelity to the State as well as MJ, etc. are sort of in the cringe of that so I don’t really have an answer to that...” (RL #1)*

Regardless of this situation, the two most referred programs were the hotel taxation program and the arts initiative program. Obviously, those directly involved in these respective sectors were able to formulate on the hotel taxation programs and the arts initiative programs. Below are two quotes that reflect this situation:

- *“...we pay a 6% room tax, and that’s supposed to help tourism...and maybe it does for cities like Newport and Providence, but I don’t see it out here. What we get for our 6% is some maps I think. Is the people that are paying it at our place, and I’m getting money slip as far as I’m concerned.” (LB #1)*



- *“Particularly the current Mayor...has put in place with his department of planning and redevelopment several initiatives, some of them even groundbreaking for the State, groundbreaking for the area, such as tax incentives for artists, live a very highly developed, live and work loft modules that’s been several different areas of the city, where there is a Downtown district, where artists can sell their work but are not required to pay sales tax, where they be, rather be the buyer the arts not required to pay sales tax.” (RL #2)*

Government officials participating in this survey realize that lack of communication exists when it comes to informing the local community about their programs and what they intend to achieve, as commented below by one official:

- *“But I don’t think that some of the older people understand the benefits of what is happening with the arts and all sort of rests on our shoulders. We have to communicate better about the positive impact that will ultimately impact them. The more places that we are bringing them a larger amount of money for taxes mean the less taxes they may have to pay or keeping the taxes at a certain level in with no tax increases.” (GT #2)*

However, the problem to this issue may be found within the following two statements, which should be further examined:

- *“...one question I have is that we are recently trying to keep the economic development agencies involved in the discussion, but is not clear to me that they, even though they talk about how important tourism is, that they actively and very directly participate in promoting tourism.” (GT #4)*

- *“I think there was a big push for a while. The current administration has taken a back seat towards tourism, and gravitated towards businesses.” (RE #1)*

#### **4.5 Perceptions on business development**

Perceptions on business development relates to how local businesses perceive not only the progress and growth of their operations, but also the opportunities to develop new businesses. Most of the local businesses in this survey are small scaled self-employed entities that have been established in the region for a number of years. While some strongly perceive that there are business opportunities lying within their region, others perceive the positive changes in the region yet are not as optimistic, while others equally feel that it is difficult to sustain or start a business in the region.

***Business opportunities.*** Regardless of the degree, for the most part local businesses in the Blackstone Valley perceived that business opportunities were present in the region. Several people commented that they had either recently started a new business or enhanced their businesses operations. These people noted that they utilized local government programs as well as the BVTC’s marketing resources. For instance, the arts initiative, as described in the previous section on government communication, has begun tapping into areas that the Blackstone Valley communities can capitalize on. Although this is mostly seen in the Pawtucket area, it is slowly spreading across the region. This is not only attracting tourists to the annual arts festivals, but is beginning to draw a creative, younger and skilled population into the area. Below are quotes on this topic:

- “...certainly Pawtucket is one, in especially in the arts. With all the studios that they have created in the old mills, and they are extremely impressive... you would never imagine the businesses that go on in there...so I would say that Pawtucket has certainly done their homework. And these are communities that have struggled like Woonsocket that are really...kind of coming out with a renewed face.” (RB #3)
- “...one of the things we sort of need, we need to start more restaurants into our Downtown and into our cities...” (GT #2)

Old mills converted into artist lofts and tax exceptions given to art-related businesses has allowed for newly generated income and services to remain within the community. Thus, development of restaurants and other establishments are spin-offs from this initiative. On the other hand, not all businesses have access or receive such support, as quoted below:

- “Because we don’t deal with arts, let’s say, so people come over here to see art, to deal with art, but they really are not going to come over here to help me at all.” (MG #1)

***Impediments on businesses development.*** Several interviewees pointed out that barriers exist in developing businesses within the Blackstone Valley region. As discussed in previous sections, some feel that there is insufficient funding to fully integrate an economic development plan, much more so develop a tourism industry.

The following quotes express this point:

- *“There’s not a lot of agencies out there willing to give a helping hand. To give them better tax or tax incentives and things like that. There not much for the little guy...”* (RE #1)
- *“I think financial backing to attract better businesses.”* (RB #3)

There is a sense among the interviewees that unless the business is involved in the arts, farming or other government-led initiative, not many options are available to encourage small-scale businesses to develop. Another factor that was mentioned by some was the many regulations businesses must abide by. These interviewees have either tried to maintain or start a new business, but could not further pursue them due to State regulations. The most common impediment which many bitterly viewed was the strict fire codes. These codes were reinforced after a fire incident that killed 100 and injured nearly 200 people in 2003 (Frumkin, 2003). The following quotes present this case:

- *“...you have to get your place inspected every year. Now they (fire department) are requiring sprinklers and smoke detectors. All things like that. Particularly in my case, I tried to open a bed-and-breakfast, and they have put so many requirements...I know one antique dealer in town had to put smoke detectors throughout his entire building, and that cost thousands of dollars. And, in order for me to have the bed-and-breakfast deal, I would have to do the same thing, and I chose to let my license expire, bed-and-breakfast, because I didn’t want to go through that expense.”* (RB #2)

- *“...it’s really sad, people have gone out of business, and big places that have been in business for years have gone out. I mean they want them to put in sprinkler systems that are \$100,000! I mean, there’s no end to what they want you to do, and that’s why I had to move out from the big house, and the big house is sitting there empty, and that’s a shame. People loved that old house because the house was 1732, and people loved to go into that house. There’s an old fireplace. Now nobody can go in there.”*  
(RB #1)

In addition, these businesses also mention the number of licenses they must obtain to run a business, which also adds further burden to their budgets. Below is an example of this:

- *“...I know that when I opened my business in 1978, the only thing I had to buy was a \$5 a year, Sunday business license. Now...you have to have a license to be...business, you have to license to operate on Sunday. Those are, I think they’ve gone up to like, or maybe \$40 a year either of them...and now with these licenses there are all kinds of restrictions that you have to meet. You have to have the fire guy come in to check it, you have to have the zoning person come in. They don’t make it easy to open a business anymore. And, first they are looking for a way to profit themselves by taxing.”* (RB #2)

Despite the existence of various business support programs, such as fire safety loan programs and small business loan programs, local governments acknowledge the difficulties for businesses to develop in the region:

- *“So you have a lot of hoops to jump through in cities and towns throughout Rhode Island including Pawtucket to get a building permit to even begin building.” (GT #2)*

These perceptions reaffirm that local businesses which sit outside any government programs experience a higher hurdle in developing a trade. It also signifies that there are possibly missed opportunities for a community to become more economically vibrant. The example above of the retail owner wishing to start a bed-and-breakfast not only presents this case, but also shows the obstacles that encompass tourism development in the region.

***Usage of local businesses.*** Most interviewees commented that they would prefer using local businesses for their suppliers as much as possible. Yet, a few found that they had to resort to external suppliers due to items not being readily available locally or prices being too expensive, as presented in the comments below:

- *“If I had the choice, I would...We tried to use local vendors, and in the past and we had to go away from that (due to company policy)...some owners get upset about it. They feel they can't compete for pricing.” (LB #2)*
- *“I'll answer that with a statement. Whenever possible we try to use Pawtucket vendors for everything.” (RL #2)*

Thus, the majority of the local businesses interviewed were aware that by using other local businesses helps others stay in business, as well as maintaining a healthy local economy. For example, one interviewee (RL #2) stated that event development and implementation is not an area of strength for tourism experts. This statement can be

interpreted in various ways, from how an 'event' is defined to how much the creation of one can be interpreted as development. Regardless of the approach, it is clear that the private sector seeks more ownership of their local economic and business activities.

## V. DISCUSSION

Despite positive economic statistics, findings in this study show that there is a lack of visibility of tourists in the area. This can be evaluated in two ways. One is the low level of comprehension by local businesses on what exactly tourism is, and what opportunities and impact it can have in their respective communities. Two, there appears to be a subtle discrepancy between the vision of the BVTC, which is based on a macro regional level, and the vision of the businesses, which is based on a more micro local level.

An underlying issue of this study is what direction is the Blackstone Valley's tourism sector heading towards under the leadership of the BVTC? In general, the perceptions expressed by local businesses do not project any strong negativity or hostility towards the direction and management that the BVTC has taken the community. The reputation of the BVTC's work is unquestionably one of respect. Business owners credit the organization for raising the profile of the Blackstone Valley, as well as to recognize tourism's potential to generate and enhance economic activity for the region. It would not be fitting then to discuss the outcomes of the Council's successful 20-year operation. Yet, it can not be negated that perceptions uncovered in this study also hint that the local community is looking for guidance to reach the next plateau in their economic development.

### 5.1 Not the Blackstone Valley Tourism Council, but the infrastructure

In the general economic scope, despite falling housing prices since 2005 and rising wages, local residents continue to express disapproval on high property taxes



and cost of living (Ziner, 2007). According to McMahon (2006), local businesses in Rhode Island “feel burdened by... (the) state’s tax structure, and thus impeded from contributing more to the overall community wealth.” He further notes that the State has not generated nor attracted enough businesses to alleviate the State’s heavy tax burden. Businesses are shifting their operations to neighboring states where friendlier tax policies exist (Ahern, 2006). McMahon (2008) states that this situation obliges a third of Rhode Island taxpayers<sup>14</sup> to over 90% of the State’s total income-tax revenue. This not only drives out top income holders, but also increases the tax burden on lower-tier income holders (McMahon, 2008).

With this in mind, much of what was perceived as problems by local businesses is beyond the BVTC’s sphere of responsibility, such as the lack of government support, funding programs and incentives for small businesses. Most interviewees not only work in the region, but also have been lifelong residents who have experienced the gradual rejuvenation of what was once a severely depressed region. The disconnection perceived on the old mills and other assets by some local businesses originates from weak communication by developers, government and other stakeholders, as described in previous sections. It can be furthered argued that it also stems from a deep-rooted emotional rejection conceived through the region’s bleak contemporary history. Copping (2006) writes by inviting local community to observe their heritage assets helps strengthen the emotional connection to these, and

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<sup>14</sup> Less than two percent were categorized as top income earners generating over a third of the State’s income revenue, while slightly over 28% classified as middle class income earners generated over 55% of the same (McMahon, 2008).

as a result empowers them to advocate and promote these. She also notes that this retains economic activity within the community as money is mainly spent there. The *Doors Open* initiative mentioned by Copping (2006), a program started in Europe in the early 1990s engaging local residents in the preservation and awareness efforts of local heritage sites, was first introduced in the Blackstone Valley region as the *Footsteps in History* event in 2005. This event involved 24 communities<sup>15</sup> was hosted by “the Blackstone Valley Tourism Council, the Blackstone Valley Chamber of Commerce, Massachusetts Historical Commission and the Blackstone Valley National Heritage Corridor Commission, the Rhode Island Historical Preservation and Heritage Commission, the National Trust for Historic Preservation, and several prominent corporations” (Billington et al., 2006). Despite this effort, it is important to note that this program was only mentioned by one interviewee who had been involved in the event, but no others referred to it when queried about current government initiatives and processes supporting the local tourism industry.

On the contrary, as mentioned in *Results* section the arts initiative and the hotel taxation programs were two programs that were commented on by interviewees. The arts initiative is an economic development program that came into existence in the city of Pawtucket in 1998, offering artists tax breaks and low rents within a designated “307-acre district, encompassing 23 mills and 60 streets” (Weiss, 2006). In addition to this group, businesses, namely restaurants, are encouraged to open in this area. Financial support systems have been setup through nonprofit agencies such

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<sup>15</sup> These are the 24 Blackstone Valley communities located in Massachusetts and Rhode Island.

as the Pawtucket Business Development Corporation, and liquor regulations have been modified to grant special zone licenses. The city of Woonsocket also implements this initiative. Weiss (2006) and some survey interviewees report that the program is slowly beginning to transform the local economy and image. Despite such progress, several questions emerge. How sustainable is this sector? How unique is the sector in comparison to other destinations? What sort of ‘safety-nets’ are in place to cope with possible future gentrification?

In late 2005, the Californian city of Carmel-By-The-Sea experienced a partial art moratorium which limited the issuing of new business permits (Burke, 2005). This was caused by two things: 1) a substantial increase in art galleries; and 2) tax exemptions on art goods taken out of the state<sup>16</sup> (Burke, 2005). This arts initiative inhibited other local businesses to develop in the area—it was estimated that one third of local businesses were involved in the arts (Burke, 2005). One survey interviewee noted the following:

- *“I think, people change, necessarily changes, I don’t know what it will change to. I mean like, there used to be a huge jewelry district in Providence. Where is it now? It’s not anything like it used to be.” (RB #3)*

It is apparent that some concern exists among local businesses as to how one single sector can leverage the local economy. Jacobs (2005) argues against Richard Florida’s theory of simply utilizing the creative class as a means for economic

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<sup>16</sup> Art dealers made up 3% of the town’s population - approximately 4,100 residents; 35 galleries only made \$5,000 in a 5-year period (Burke, 2005).

development, which has become an urban planning phenomenon in recent years. She points out the problem that communities are blindly implementing another ‘cookie-cutter’ model without realizing that in actuality uniqueness is being jeopardized as “distinctions between the hip places are beginning to blur” (Jacobs, 2005).

The hotel taxation program in Rhode Island collects 6% from all public lodging establishments (e.g. hotels, motels, bed and breakfasts) holding more than three rooms (R.I. Gen. Laws ch. 44-18, §44-18-36.1, 1970). The collected tax is then returned to the community or utilized, as shown on Table 4.

In 2002, Rhode Island Senator M. Teresa Paiva-Weed proposed a bill which increased the above percentage allocation from 25% to 35% in order to provide municipalities extra funding to cover expenses. This bill reduced the allocation percentage of general revenues from 21% to 11%. Senator Paiva-Weed notes that “*all communities in Rhode Island are affected by tourism; not just Newport, Providence and Warwick*” (DelSignore, 2002), yet this bill only specifies that the new funds be broadly used for municipality programs and activities and not towards tourism development per se.

<b>Table 4: Rhode Island hotel tax allocation, 2007</b>		
<b>Receiving party</b>	<b>% Allocated</b>	<b>Conditions</b>
Regional tourism district (RTD)	47% <sup>17</sup>	- District must have lodging establishment - The cities of Providence and Warwick must allocate revenue between RTD (31% and 16% <sup>18</sup> respectively) and the Greater Providence-Warwick Convention and Visitors' Bureau (16% and 31% respectively)
Cities / Towns	25% <sup>19</sup>	- Must have lodging establishment - Used towards any area that required financing
State of Rhode Island	21%	- Used towards general revenues
Greater Providence-Warwick Convention and Visitors Bureau	7%	- N/A
Rhode Island Hospitality and Tourism Association Education Foundation (RIHTAEF)	1%	- Used towards the training of individuals involved in the hospitality and tourism industry

Source: Legislation bills H5487 and S0413, State of Rhode Island, 2007.

<sup>17</sup> This percentage will be ultimately decreased to 25% by 2011.

<sup>18</sup> Convention Authority of the City of Providence is the receiver in this case.

<sup>19</sup> This percentage will be ultimately increased to 47% by 2011. Also, it is proposed that extra funding will be directed towards "property tax relief for...fixed incomes" (Bills H5487 and S0413, State of Rhode Island, 2007).

Local businesses interviewed in this study, who do not directly benefit from the above two programs, mention no other government support or incentive which assists their operations. However, the RIEDC, a quasi-governmental institution which offers economic development services to businesses provides several types of tax incentives and business assistance programs designed for small businesses, as described in Table 5 below.

<b>Table 5: Small business tax incentives and assistance programs<sup>20</sup></b>	
<b>Type</b>	<b>Content</b>
Deduction or modifications (T)	- Equal deductions or modifications on business owner's or investor's investments on venture capital partnership or business.
Capital gains exclusion (T)	- Long-term sale or interest exchange capital gains may be excluded in business corporation tax, public service corporation tax, bank excise tax or personal income tax depending on business ownership and investment structure.
Wage credit (T)	- Business owner's personal income tax is credited for paid wages to employees in Rhode Island. The business' average annual gross revenue must not equal or exceed \$1,500,000.
Every company counts (A)	- Provides small businesses of any capacity with technical, referral, networking, coordination and follow-up services
Small business loan fund (A)	- Funds small independently-owned businesses in manufacturing, marine resources, processing and selected services, which were not eligible to obtain conventional loans.

Note: (T) – Tax incentives / (A) – Business assistance programs.

Source: Rhode Island Economic Development Corporation, 2007.

<sup>20</sup> This table is only intended provide a brief overview of the different programs available to small businesses. For more details, see Rhode Island Economic Development Corporation.

In addition to the above, other programs supporting small businesses are available through local governments (see Appendix II for full listing). One aspect that should be noted is that these programs are offered through different departments, namely the tax division, planning and economic development division, planning and community development division. This is possibly creating difficulty in the process of how local businesses obtain support. In reference to supporting artists and art businesses Weiss (2005) notes that the assisting side should remain consistent and make accessible its resources to those seeking them. It may be necessary to further research this aspect to identify the ways local businesses obtain support from these entities, and how programs are being communicated to them.

In a study carried out by Palmer and Bejou (1995) on American and British tourism destination marketing alliances (DMA), namely Visitor and Convention Bureaus (VCBs) and Tourism Development Action Program (TDAPs) organizations respectively<sup>21</sup>, notes that funding is affected by how organizations have been formed and structured. In the United States, the majority of collaborative stakeholders partnering with these organizations do not directly fund them, but instead taxation and business revenue are the main funding sources. On the other hand, stakeholders in the United Kingdom play a much more vital role in supporting and collaborating with these organizations. Although the Blackstone Valley Tourism Council is not a VCB by definition, it shares a similar organizational structure; thus, in 2006 over 70% of funding was obtained through program revenue (40%), hotel occupancy tax (30%),

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<sup>21</sup> See Appendix II.

and ticket sales and store revenue (1%) (BVTC, 2007d). In conjunction to this, reverting back to the issue of Rhode Island's income-tax revenue generation, McMahon (2008) argues that nonprofit organizations in this State receive a sustainable amount of funding from top income earners. As aforementioned in the previous section, donations to the BVTC approximately sums to 8%. Thus, it should be pointed out that the RIEDC annually oversees the eligibility of the hotel tax funds allocated to the BVTC.

Two interviewees<sup>22</sup> in this study revealed that economic development agencies are keen about tourism, yet their involvement and promotional efforts are weak. In 1997, the Rhode Island Policy Council (RIPC) presented a report which provided thorough analysis and recommendations on emerging economic sectors, including tourism, in the State of Rhode Island. The report identifies that the management segment of the tourism infrastructure is layered by a number of organizations devoted to their regional tourism promotion and development activities, but lack the flexibility to collaborate in a state-level policy development and implementation scheme (RIPC, 1997). It also criticizes the RIEDC for its weak leadership and coordination in bridging the differences between the groups, as well as the State's funding structure which distributes tax revenues to more active tourist regions (RIPC, 1997). However, what is most relevant point to this thesis is their finding on the private sector. The report notes that local business perceived that the "overall problem is that neither the State nor the regional tourism promotion agencies

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<sup>22</sup> See section *Perceptions on federal, state and local government*, page 55-56.



adequately listen or are responsive to their needs” (RIPC, 1997:224). Brunetto and Farr-Wharton (2007) further argue that SMEs place great importance on issue of trust when deciding on government programs. This strongly reiterates the issue of communication and accessibility. It can be confirmed that these problems continue to exist in the present structure of the Blackstone Valley’s DMA.

## **5.2 Expertise needed to fill in the gap**

RIPC’s report further recommends that state’s tourism development efforts should be actively led by the private sector in order to diffuse bureaucratic problems, as well as providing this sector ownership of the efforts (RIPC, 1997). From the perceptions obtained from this thesis’ interviewees, it is clear that not all local businesses have the same degree of understanding and involvement in the region’s tourism development scheme. In a 2003 policy report, the European Commission (EC) confirms that small businesses have a tendency to not readily communicate their views to the government due to the lack of time and resources deriving from their small operations; thus, leading to their low involvement in policy and law making (European Commission, 2003). This has led the European Union to create an adequate environment for these small entities to actively participate in community policy making, such as reducing bureaucratic layers, modifying laws and establishing “one-stop-shops” to reduce administrative costs (EC, 2003:6). Thomas and Thomas (2006), interpreting Ward (1996), state that local businesses will naturally become involved in influencing local policies if their operations are closely linked to the region’s future, and vice versa. Their case study on the community of Saltaire,

Bradford, England, claimed that “local micro-enterprises for all their success in liaising with extra-local agencies, do not possess the wealth of the resources that can assist effective policy mobilization” (Thomas & Thomas, 2006:111).

The definition employed to small business in the State of Rhode Island is “one that...had 30 or fewer full-time employees, or had \$1 million or less in gross receipts” (RIEDC, 2007c). Szivas (2001) notes that the entrance to the tourism business is argued to be relatively easy as no formal education or skill set are required and can be pursued with low capital. Most of the small local businesses participating in this study were self-employed consisting of less than 10 employees. Not all of them have the expertise and financial resources to undertake, for instance, marketing and promotional efforts. As a result they rely on the BVTC’s well-established promotional marketing and distribution services to cover for this gap—a fact I found mentioned by most business owners/operators regardless of their involvement in tourism. Much of BVTC’s operations are based on developing and implementing tourism programs and activities, yet the perceptions stated by both local businesses and local governments indicate that BVTC’s services are being sought in a more collaborative and facilitating role. The local government sees the need for BVTC’s presence and tourism expertise at the decision-making level, while local businesses, particularly those involved in tourism event implementation, seek this through collaborative methods. Although to date, BVTC has worked in various capacities, the survey suggests that this model is placing great strain on the organization’s resources. If continued, this could lead to stagnant results for the Blackstone Valley tourism

industry as frustration and disappointment by local businesses, though still relatively small, is beginning to surface.

### 5.3 Tourism equals economy

As described earlier in this thesis, the definition of tourism has greatly evolved over time, from 3S tourism to civic tourism. What used to be simply defined as a travel and leisure industry, today it can be said that for some communities, *tourism* is a pseudonym for *economy*. Bahaire and White (1999), in reference to Mowforth and Munt (1998) and Murphy (1985), note that when a local community perceives itself as being the tourism ‘product,’ their empowerment and participation is imperative particularly in realizing a self-sustaining industry. Yet, he argues that this scenario has usually led communities to play a vouching role for the sole purpose of commercial growth. This situation was also present in the thesis as one interviewee commented<sup>23</sup> on the required public input sessions aimed at gathering public support to further the process of new developments plans (GT #1).

Full synchronization and understanding between planners and beneficiaries towards achieving the overall economic development vision can be difficult to reach. It has been argued that the participation of all stakeholders is unrealistic due to the difference in objectives that each may have (Bahaire & White, 1999). However, Billington and Manheim (2002) note that such synchronization can occur when all sectors of the community adhere to social responsibility. In other words, economic development is generated from a collective effort of the community. With this being

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<sup>23</sup> See page 35.

pointed out, if tourism is to be equated to economic development, then tourism equates to being a collective effort. This was present during the initial physical revitalization of the Blackstone Valley region. However, the question now is how does this synchronization continue evolving with a growing economy?

Sachs (2004) notes that local markets tend to “remain small and inefficient” as they refrain from entering a larger global market. However, in today’s business environment, success is driven by a combination of various factors such as efficiency, flexibility, innovation, and globalization (Furlan, Grandinetti & Camuffo, 2007; Sachs, 2004). Partnerships, also referred as strategic alliances, have also contributed to pursuing business success. Brunetto and Farr-Wharton (2007), and Sherer (2003) argue that little research has been done on SME’s partnership practices. They emphasize that SMEs are prone to developing new opportunities when involved in networks, such as the exploitative (hard) network and the explorative (soft) network (Brunetto & Farr-Wharton 2007, and Sherer, 2003). The former embraces new innovations by bridging businesses with similar characteristics and skill sets to achieve favorable production and marketing efficiencies (Brunetto & Farr-Wharton, 2007; Nooteboom, 2004; Sherer, 2003; Kosa & Lewin, 1998, and Bosworth, 1995). The latter, also embracing new innovations, is much passive focusing on cost reduction while retaining each partner’s unique business methodology (Brunetto & Farr-Wharton, 2007; Nooteboom, 2004; Sherer, 2003; and Kosa & Lewin, 1998). Sherer (2003) notes that exploitation networks require a high degree of interdependency and commitment amongst the businesses as there is a concrete vision

or goal that must be achieved. The more SMEs engage in such networks, the further they benefit from a “collective learning process” (Brunetto & Farr-Wharton, 2007; Keeble & Wilkinson, 1999; Singh et al., 1999), which leads to raising the overall competitiveness of SMEs and ultimately the region (Brunetto & Farr-Wharton, 2007; Mitra, 2000).

This survey confirms that the local Blackstone Valley businesses have to some degree established partnerships not only with the BVTC, but also with other businesses. As explained by one leisure business, its developing of partnerships with few restaurants and retail stores in its vicinity has not only created business opportunities but believes these will further increase in the future. Through this practice, not only have they generated business, but have also expanded the conceptualization of tourism in the community. However, the survey hints that partnerships are limited to businesses in interrelated sectors, such as lodging, restaurants, leisure facilities and amenity suppliers. For instance, one real estate business distanced itself from ‘tourism’ businesses as it felt that no relevancy or benefits could be perceived or gained from them, as shown below:

- *“None. We are our own entity, we rent medical facilities...”*  
(RE #1, response to question on usage of local businesses)
- *“We don’t like using things like that. We just want our own builds.”* (RE #1, response to question on usage of government support programs)

Perhaps the match between this entity and tourism may seem unfitting at first; yet it can not be neglected that hidden opportunities exist, such as working with tourism to not only promote properties, but also the “livability” of the destination. Thus, this situation takes us back to the original argument on the comprehension level by local businesses in reference to the region’s economic development plan and vision via tourism. Such lack of comprehension could potentially hinder the exploration and exploitation of new business opportunities. It may be benefiting to establish a strong inclusive networking system which could allow BVTTC’s vision to widely permeate throughout the region causing collective learning.

## VI. RECOMMENDATIONS AND CONCLUSION

This thesis examined the perception of small local businesses on tourism development in their communities through the leadership of the Blackstone Valley Tourism Council. It is clear that these local businesses, both veterans and newcomers to the tourism sector, are at a stage where they seek entrepreneurial ‘mentorship’ in tourism. Despite the issues surrounding the macro tourism infrastructure of the Blackstone Valley region, in summary the Blackstone Valley Tourism Council is in a critical position to raise not only the image of the destination, but also to elevate the level of tourism entrepreneurship. This should ultimately lead to the overall objective of, as one government official (GT #4) proposed, developing a self-sustained tourism industry. However, the BVTC may need to consider reevaluating its mission in order for its operations to reflect the current socioeconomic needs of the Blackstone Valley region and its local businesses. This study recommends four areas to be considered.

### 6.1 Recommendations

*Recommendation 1: Shifting of roles.* The first recommendation is in the area of role-playing. The BVTC may wish to further shift from a role in tourism asset development, coordination and implementation to a more tourism asset facilitator role (i.e. from a tactical to a more strategic role). This will alleviate the BVTC staff from implementing and managing time consuming projects and activities to concentrate in strategic planning, while simultaneously strengthening collaborative partnerships with local businesses by transferring ‘ownership’ or management of assets. An example of this would to transfer the implementation aspect of events such as the Polar Express

Tours, Dragon Boat Races, River Tours, and so forth to the private sector and/or qualified NGOs involved in tourism. However, it is important to recognize BVTC's current attempts to allocate ownership of these to local businesses. According to BVTC (R. Billington, personal communication, April 4, 2008), the problem stems from two issues. The first issue lies within the financial structure in which the organization operates under. The BVTC programs are designed to serve two objectives<sup>24</sup>: 1) place-making, and 2) raising funds to sustain operations (R. Billington, personal communication, April 4, 2008). Although the BVTC shares some DMO/CVB traits, it does not solely rely on hotel tax revenue, membership dues, and in some cases government grants, as these other institutions do (Destination Marketing Association International, 2008). For instance, their popular program the Polar Express Tours, modeled after a children's 3D animation film<sup>25</sup>, generates annually nearly \$30,000 in revenues. This budget is then geared towards covering event expenditures as well as wages, utilities and other operational expenses (R. Billington, personal communication, April 4, 2008). The second issue lies in retaining the essence the mission of these activities and programs by adoptive local businesses (R. Billington, personal communication, April 4, 2008). Thus, BVTC believes that it is essential for the organization to retain these activities.

In order to further shift their role, it may be feasible for the BVTC to develop a system based on the concepts of licensing (Beshel, 2001), as shown in Figure 7.

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<sup>24</sup> In some cases, the objective has been to raise the profile of the BVTC.

<sup>25</sup> *The Polar Express* is a film released in 2004, directed by Robert Zemeckis and original story written by Chris Van Allsburg.



This model proposes licensing the servicemark and transferring the know-how of a program to an interested party, and in return, the designated party pays royalty fees to the BVTC. Not only does this reduce BVTC's human resource constraint, but also simultaneously protects the program's mission and secures funding as necessary. In addition, this may be coupled with the development of tourism entrepreneurship programs which will be discussed under the fourth recommendation below.

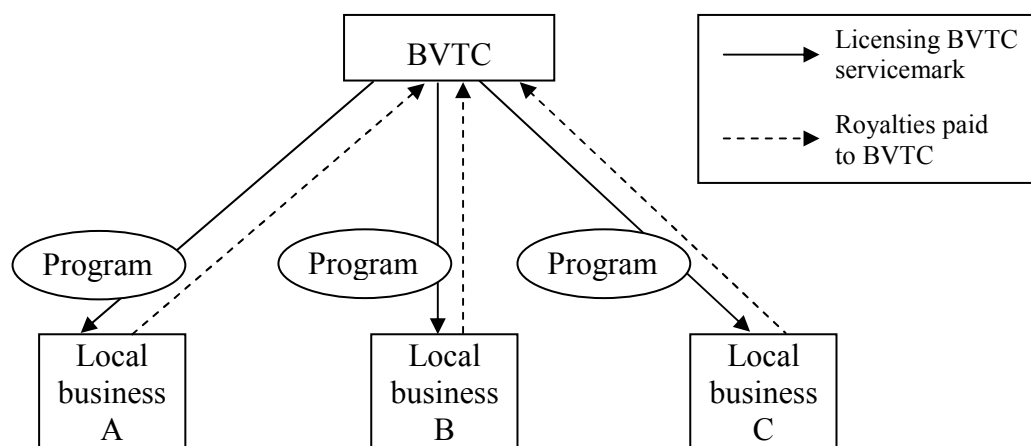


Figure 6: Program franchising model

**Recommendation 2: Strengthening advocacy.** The second recommendation is in the area of advocacy. The aim is to provide SMEs in tourism a strong advocate for a better and fair business environment. Legal regulations and partisan funding programs seem to have hindered development or existence of some local businesses. It needs to be acknowledged that the BVTC has advocated on behalf of local businesses on key issues such as zoning and fire regulations in the past (GT #1; R. Billington, personal communication, April 4, 2008). This evidently demonstrates the dependency local businesses have on BVTC's expertise, resources and position in

the local political system to present their case. The BVTC may wish to further explore this area to instill and establish a more SME-friendly foundation in the Blackstone Valley region.

***Recommendation 3: Improving communication.*** The third recommendation is in the area of communications. The aim is to develop a communication strategy and/or framework for bridging the gaps between the public and the private sector at various levels. This issue was frequently referred to in the survey by both local businesses and government officials. Streamlining communication between different entities can lead to improved efficiency, consistency and transparency. For instance, in order for current and new businesses to easily access business tools and resources within the Blackstone Valley, it is essential to streamline and communicate the location of business incentive programs within the city governments, as discussed under the *Discussion* section.

Another area that requires improvement is the information sharing between local businesses in regards to store hours and holiday schedules, particularly those remote from the downtown/main street zones. This issue was highlighted by the interviewee below:

- “...“*Where can we go next? What else is there to see?*” Yeah, we can give them that information, but sometimes we don’t know if they are opened or closed, you know. We are opened all the time...Some things might be more seasonal, and we are not sure if they are opened or not. We make calls. Sometimes they will say, “well, if they come before 3 o’clock today...” I don’t even know if Slater Mill is opened now or not.” (RL #3)

It is essential that local businesses communicate with one another and perform as a small visitors' center to longer retain the visitor within the area. The BVTC may consider exploring the idea of creating a web-based directory which allows local businesses to promptly update their information, as well as enabling both businesses and visitors to access this information.<sup>26</sup>

In addition, the survey suggested that many local businesses acknowledged the work and role of the BVTC, yet some have been skeptical in the outcome of their investments, namely marketing efforts. According to the BVTC, the problem exists in the usage of independent PR firms, which local businesses seem to perceive as part of the BVTC (R. Billington, personal communication, April 4, 2008). This is obviously a communication issue that the BVTC may wish to rectify through formulating specific guidelines for both parties.

***Recommendation 4: Educational programs.*** The final recommendation is in the area of education. The objective is to elevate entrepreneurial skills of local businesses which in turn should help raise the quality of tourism businesses and products throughout the Blackstone Valley region. The study suggested that local businesses search for guidance on issues surrounding day-to-day operations and further business development. The BVTC has provided consultation to startups on a one-to-one basis, ultimately considered for support if the business is foreseen as one with staying power (R. Billington, personal communication, April 4, 2008). However, identifying such candidate has been a problem for the organization, as well as finding

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<sup>26</sup> Information may also include sales and event information as well as printable coupons.

those that may possibly implement BVTC's programs as previously discussed. It may be much more feasible to initially reach a broader audience and educate the fundamentals of tourism entrepreneurship prior to directly engaging in consultation. The BVTC may wish to develop a tourism entrepreneurship education program or a set of workshops which can simultaneously function as a space for networking and heightening entrepreneurial morale.

## **6.2 Conclusion**

Much research has been carried out on sustainable tourism and its sub-types in the last two decades. The concept of sustainability has been relatively welcomed and implemented by many communities. The geotourism model has further pushed the boundaries to allow local residents to participate in developing a community and destination with which not only they can identify with, but also the visitors may wish to relate to (NGS, 2008). Yet, somehow community involvement still vestiges in 'participation' and not 'empowerment,' particularly in the area of tourism planning and implementation. Schilling (n.d.) argues that 'empowerment' is merely another component in most sustainable tourism models. Yet, his civic tourism model emphasizes the importance of collective effort and engagement by all stakeholders regardless their degree of involvement in tourism, but of what they can bring to create a

place and/or destination. Thus, the notion of partnerships corresponds to this scenario accentuating their effectiveness to attain success.

The BVTC has utilized the geotourism model to promote the Blackstone Valley region, which has led the local community to reach a new economic plateau. Although this thesis mainly focused on the perceptions of the local SME businesses, it confirms that the BVTC's strategy unquestionably has influenced this group to consider or integrate tourism into their business activities. Yet, it was found that not only their size and limited resources prevented them from further seizing new business opportunities, but also other substantial issues seemed to inhibit their growth. These inhibitions were mainly perceived outside of BVTC's work sphere concentrating around the regional infrastructure.

The issues that have been discussed throughout this thesis largely scrutinize the gap between the BVTC's macro regional level vision and the local businesses' micro local level vision. Regardless the fact that a number of local businesses perceived tourism as a business opportunity, the comprehension level on the correlation between tourism development and collective economic growth is relatively low as it was found that some local residents still do not perceive economic opportunities in the Blackstone Valley region. This situation perhaps may explain why partnerships are still not well founded between businesses, including with the BVTC; thus, delaying the collective leap to the next economic plateau.

Another factor that contributes to this gap is the lack of government support, namely at the state level. Revenue generating tourist destinations, such as Newport

and Providence, are heavily supported by the state as a result politically isolating lower revenue generating destinations like the Blackstone Valley region. Local governments have shown their support towards tourism development through funding and developing incentive programs. Yet, there seems to be a sense among local businesses that these only benefit certain sectors such as the arts. Though in actuality a range of incentives programs are readily available for other sectors, but are not easily identifiable due to their present allocation within the local system. It is perhaps necessary to further research the present support system offered to SME in the Blackstone Valley region.

The current development of the Blackstone Valley region is driving the BVTC to position itself in a more innovative and strategic role developing and managing tourism assets to further this success. Like SMEs, the BVTC operates under limited resources. The expansion of its activities is inevitable in order to generate sufficient funds for its operations; thus, there seems to be a dilemma on how to effectively allocate its resources without jeopardizing their brand name and product quality. Strengthening its partnerships and enhancing entrepreneurship skills among them may be one way to alleviate this concern. In addition, it may be beneficial to further explore the concept of civic tourism as it may not only provide solutions to fill in the gaps that have been seen in other sustainable tourism models, but also may be a solution to effectively tackle the issues that have risen from limited resources. Geotourism may be an adequate model to revitalize a region or community and develop the 'initial' infrastructure; however, once achieved a local economy can not

solely rely on one industry or sector in the long-run. Thus, civic tourism model may be the next stage to strengthen the local economy while further integrating tourism within the local community. Each of the above recommendations has been elaborated to target the strengthening of the present environment for local businesses, including BVTC's position, with the ultimate objective to create a self-sustaining tourism industry.

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## APPENDIX I

### ACRONYMS

BID	Business Improvement District
BRVNHCC	John H. Chafee Blackstone River Valley National Heritage Corridor Commission
BVTC	Blackstone Valley Tourism Council
DMA	Destination Marketing Alliances
CPI	Consumer Price Index
EC	European Commission
NEHNPA	New England's Historic National Park Area
NGS	National Geographic Society
NPS	National Park Service
NRICC	Northern Rhode Island Chamber of Commerce
QOL	Quality of Life
RIEDC	Rhode Island Economic Development Council
RIEPC	Rhode Island Economic Policy Council
RIHTAEF	Rhode Island Hospitality and Tourism Association Education Foundation
RTD	Regional Tourism District
SARS	Severe Acute Respiratory Syndrome
SBA	Small Business Administration
SME	Small- and Medium- Enterprises
TIA	Travel Association of America
TCM	Town Centre Management
TDAP	Tourism Development Action Program
VCB	Visitor and Convention Bureau
UNWTO	United Nations World Tourism Organization

**APPENDIX II**

**PROPERTY TAX AND OTHER LOCAL BUSINESS INCENTIVES**

<b>Summary of Municipal Business Incentives</b>			
<b>City/Town</b>	<b>Industrial/Commercial Property Tax</b>	<b>Other Programs/ Incentives</b>	<b>Designated city office</b>
Burrillville	Increased assessments may be phased in over 10 years on eligible manufacturing or commercial projects.	<ul style="list-style-type: none"> <li>- Retail and wholesale inventories are tax-exempt.</li> </ul>	Economic Development
Central Falls		<ul style="list-style-type: none"> <li>- Entire city is a state-designated Enterprise Zone</li> <li>- Job Creation Incentive program</li> <li>- Business loan programs available</li> </ul>	Tax Assessor
Cumberland	Property tax stabilization is available on a case-by-case basis. Firms locating in the Highland Corporate Park II may have property taxes fixed for 5 years after project completion. The levy on the building value increases by 5% per year till year 10.	<ul style="list-style-type: none"> <li>- Portion of town is a state-designated Enterprise Zone.</li> <li>- Wholesale inventories are tax-exempt.</li> <li>- Technology property (mainframe computers, networks, R&amp;D, etc.) may be exempt from taxation.</li> </ul>	Planning and Community Development
Glocester		<ul style="list-style-type: none"> <li>- Wholesale inventories are tax-exempt.</li> <li>- Retail businesses may apply for exemption on retail inventories.</li> </ul>	Tax Assessor

<b>Summary of Municipal Business Incentives</b>			
<b>City/Town</b>	<b>Industrial/Commercial Property Tax</b>	<b>Other Programs/ Incentives</b>	<b>Designated city office</b>
Lincoln	Property tax stabilization may be available on a case-by-case basis	<ul style="list-style-type: none"> <li>- Portion of town is a state-designated Enterprise Zone.</li> <li>- Taxes on wholesale inventories are being phased-out and will be eliminated by 2008/2009.</li> <li>- Accelerated depreciation of computer equipment.</li> </ul>	Tax Assessor
North Smithfield	Property tax stabilization or exemption may be available for new facilities & existing businesses that expand their facilities. The tax stabilization schedule (up to 10 years) must be negotiated and approved by the Town Council.	<ul style="list-style-type: none"> <li>- Wholesale inventories are tax-exempt.</li> <li>- Local business loan program available</li> </ul>	Town Planner
Pawtucket	The city offers a financial incentive for new and existing businesses to construct and/or substantially renovate industrial and commercial facilities. New or additional municipal property tax assessments are phased-in according to a schedule that is directly related to the creation of new or expanded employment opportunities for Pawtucket residents.	<ul style="list-style-type: none"> <li>- Portion of city is a state-designated Enterprise Zone.</li> <li>- Local business loan programs available</li> </ul>	Planning



Summary of Municipal Business Incentives			
City/Town	Industrial/Commercial Property Tax	Other Programs/ Incentives	Designated city office
Smithfield	Property tax stabilization may be available on a case-by-case basis.	<ul style="list-style-type: none"> <li>- Local small business loan program available.</li> <li>- Streamlined permitting and location assistance</li> </ul>	Planning and Economic Development
Woonsocket	The new added taxable assessment from expansion or renovation of an existing facility or construction of a new industrial, commercial or manufacturing facility is phased-in over 5-10 years, depending upon the type of use. Requires job creation.	<ul style="list-style-type: none"> <li>- Significant portion of city is a state designated Enterprise Zone.</li> <li>- Sites: Highland Corporate Park</li> <li>- “Technology property” (e.g. computers and research equipment) used by firms with at least 40 employees are tax-exempt</li> <li>- Wholesale inventories are tax-exempt.</li> <li>- Local business loan program available</li> </ul>	Economic Development

Source: Rhode Island Economic Development Corporation, 2007

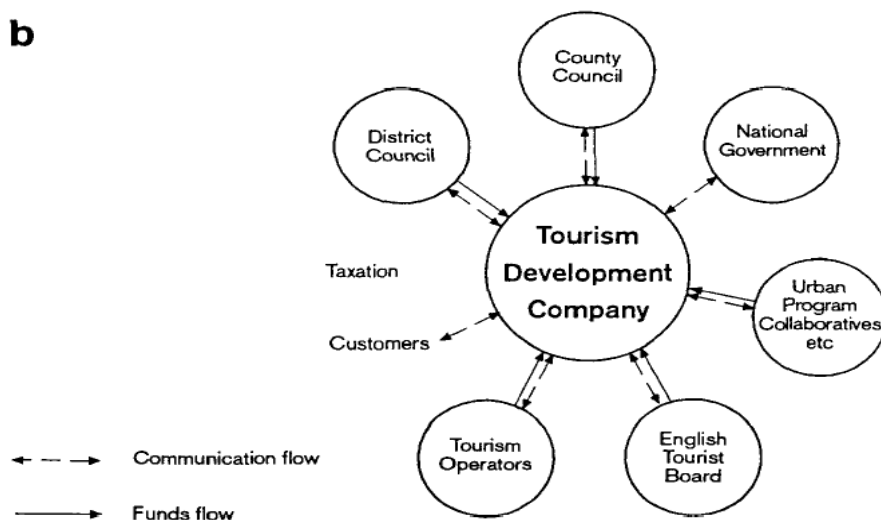
### APPENDIX III

#### DESTINATION MARKETING ALLIANCE MODELS

**a**



**b**



**Figure 1. Stakeholders, Fund Flows, and Communication Flows of Tourism Alliances in (a) the United States and (b) the United Kingdom**

Source: Palmer and Bejou (1995), Tourism Destination Marketing Alliances, Annals of Tourism Research, 2(3), p.624

## APPENDIX IV

### INTERVIEW QUESTIONS

1. We know that the Blackstone Valley region has experienced a severe economic decline after its prime textile industry shifted to the South. Can you describe what type of economic and business trends your community has encountered in the past for economic development?

How do you see tourism as a vehicle for such development?

2. Can you please tell me briefly what your organization does in tourism?

Why was it established?

What is your position in the business?

3. Please list the strongest economic sectors in the Blackstone Valley.

Where do you place tourism?

Do you see this list changing in the future?

4. What kind of government initiatives and processes are currently in place which support the local tourism industry?

5. What percentage of your tourism business relies on local vendors?

6. Is your business affected by seasonality in tourism visitation?

7. The Blackstone Valley Tourism Council is responsible for promoting tourism in the region in various ways, from direct activities, such as festivals and tours to indirect activities such as real estate development. Have you established a relationship with the Blackstone Valley Tourism Council, and why?

Have they had an impact on your business? If so, how?

8. Tell me a little about the impact of tourism, both good and bad, on your community.

9. What type of support is your tourism business receiving from the local/State/federal government?

10. Do you think the approach, such as taxation programs, development programs, job generation programs, etc., the local government is taking on old mills and buildings is effective?

Do you think the local community will benefit from this?

Do you think they can do more?

11. How does your town differentiate its tourist assets in comparison to neighboring towns and regions?

12. How do you find the tourism infrastructure system in your area?

Is it efficient?

Do you think out-of-town visitors find it useful?

13. If you were to make any changes to the current tourism model, what would it be and why?

14. Lastly, would you continue to invest in tourism, and why?

\* \* \*