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## Motivations of Resource-Based Tourism Operators in North Dakota

### Abstract

Many rural areas are rich in natural resources that lend themselves to development of tourism enterprises that assist with economic diversification. The study discussed here explored the motivations of small resource-based tourism operators in North Dakota. Data were collected from 27 tourism operators and analyzed using qualitative methods. Operators' motivations were diversification, personal recreational interests, taking advantage of environmental opportunities, helping keep children in the area, civic mindedness, and personal relationships with customers. Significant financial success was not a major motivation of the operators, so Extension personnel should develop ways to work with the non-business motivations found in the study.

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## Introduction

The northern Great Plains region of the U.S. has experienced decline in population and economic activity for some time. More than 15 years ago, Deborah and Frank Popper wrote about this trend and suggested that the area be shifted from agricultural use to a more natural, pastoral use they described as the "Buffalo Commons" (Popper & Popper, 1987). Population growth in the 11-state Great Plains region has lagged behind other regions for more than five decades, particularly in the rural areas of the region. While urban counties in the Great Plains grew, 68% of the counties classified as rural lost more than one third of their population from 1950 to 1996 (Rathge & Highman, 1998, p. 19-20).

One of the major causes of depopulation has been dependence on agriculture as a source of economic activity and jobs. Technological advances have greatly reduced the manpower needs and employment opportunities in agriculture. Additionally, low grain prices and bad weather have had significant negative impacts on farmers. A poll of North Dakota farmers indicated that 31% were considering quitting farming. Nearly three-fifths of the farmers surveyed reported being "very concerned" about their own farm's financial condition (Bonham, 1999, p. 1). A strong link between agricultural employment and population loss has been observed by many researchers (Rowley, 1998, p. 3). As agriculture declined as a source of employment, people (especially young adults) left to find work in other areas.

One strategy for overcoming the declining farm economy and farm financial crisis has been economic diversification. Local communities have tried to develop new businesses to help offset the loss of farm jobs and associated economic activity. These new businesses have included value added agricultural processing, light manufacturing, e-business, and tourism.

A recent economic report completed for the State of North Dakota identified tourism as a robustly growing industry for the state, with employment growth averaging 5% per year from 1989 to 1998 (RFA, 2000, p. 61). Casinos developed on Indian reservations were cited as part of the tourism attraction, but hunting, fishing, birdwatching, and other nonconsumptive nature activities and historic and ethnic culture are also attractions for tourists. As some areas of North Dakota have become less populated and less used for agriculture, the opportunities for resource-based tourism

have grown.

Resource-based tourism has characteristics that make it attractive for rural development. Compared to traditional tourism, the level of facility and infrastructure development tends to be low, limited to providing basic to standard facilities. The local community is typically involved in planning and management, and many of the tourist operators are local. Economic impacts tend to be good, with lower levels of economic leakage. Negative social and environmental impacts are limited. (Ewert & Shultus, 1997, p. 99).

The benefits for resource-based tourism as part of a strategy for rural development in North Dakota include:

- Diversification of local economies (Weaver, 1991, p. 5; Blank, 1989, pp. 89-90)
- Supplementing traditional farm income through development of tourism attractions that utilize existing farm resources (Swinnerton & Hinch, 1994)
- Development of new recreational opportunities that serve residents at the same time they serve tourists (Lewis, 1998)
- Fostering pride in the rural community and encouraging resident identification with the community (Lewis, 1998; Huang & Stewart, 1996).

The development of a strong rural tourism economy relies heavily upon the fostering of tourism entrepreneurs. These individuals provide the link between the resources themselves (landscape, wildlife, history, and ethnic heritage) and the delivery of a meaningful tourism experience that will be consumed by visitors. These business entrepreneurs create the economic activity that results in local income, increased tax revenues, and stimulation of other sectors of the economy. The development of the tourism businesses also contributes to positive social change by improving the attractiveness of the local area as a place to live, work and play. (Koh & Hatten, 2002, p. 22).

## **Purpose and Methods**

The purpose of the study discussed here was to explore the motivations, issues, and backgrounds of small resource-based tourism operators in North Dakota. The intention was to learn more about the operators and their businesses as a starting point for assisting them and similar operators and as a basis of advising other prospective tourism operators.

The sample consisted of 27 North Dakota tourism operators identified from a variety of sources. The sample was selected according to the researcher's judgment, using the criteria of small in scope, related to the resource, and distributed throughout the state of North Dakota. Both consumptive (hunting) and non-consumptive (bird watching, nature study) operators were included, as well as a few lodging establishments closely allied with specific natural resources.

Data was gathered from brochures, Web pages, and promotional literature published by the operators and regional tourism promotion agencies. Interviews lasting 1-2 hours were scheduled with each operator and conducted at the business site or home community. The guiding questions for the interviews were the following.

- What motivated you to get into the tourism business?
- Describe the service(s) that you provide. What is the nature of your product?
- To what extent have you achieved financial success?
- Besides income, what other factors are satisfying?
- What are the most difficult parts of being in the tourism business?
- What was your background prior to getting into tourism? What in your background helped you?
- What government programs and policies have been helpful to you?
- What programs and policies have been a hindrance or have not helped as intended?
- What type of education, training, development have you sought or do you need?
- What are your research needs?
- How do you market your services? Where?
- What businesses/services do you partner with in the local area?
- Who owns/manages the resources that you utilize? Do you do anything to enhance, preserve or protect those resources?

The operators in the sample were identified from a variety of sources, including North Dakota

Tourism Department materials, regional promotional materials, referrals by local and regional tourism leaders, and searches of the Worldwide Web. In a couple of cases, subjects suggested other subjects for the study. Almost everyone who was contacted agreed to be interviewed. There were two potential subjects who declined to participate and one scheduled interview that was cancelled due to an emergency.

The data were analyzed using qualitative methods. The interviews were transcribed and the contents then reviewed using a constant comparison method. The contents were organized according to broad categories, such as "operator motivations," and then into more discrete categories, such as more specific motivations, like "creating income opportunities."

## Results

The study found that small tourism operators were motivated to start and stay in business for a variety of reasons. The motivations expressed by the operators were organized into categories.

### Diversify Productivity

One commonly cited motivation for starting the tourism business was a desire to diversify the productivity of the land resource available. Sometimes diversification was discussed from the perspective of economic necessity, due to problems with traditional agriculture. As one respondent expressed the motivation:

The farming economy made us start thinking about how we could make more income. Subsidize the farming, if we can get something to get the living expense up. Most of the farmers around here, especially all the young ones, their wives have the living expense covered in town. There are very, very few where the wife doesn't work.

In other cases diversification was more of a philosophical direction or a challenge to get as much productivity out of the land as possible.

The value of the land is as much what it looks like and what it smells like and sounds like as what it produces for grass or wood or any other kind of thing. . . .I wanted to define a more balanced land use. I mean I really want to diversify. I could see that part of the problem my dad had over the years was that he was too narrowly focused in his resources. All grazing or all farming. I needed more income and I needed to diversify the land use.

I guess two reasons. Having the land available to do it and wanting to make the best use of that land possible. . . . You want to maximize your return per acre. If you have some pretty stuff, with trees and whatnot, its hard to farm it, so what can you do to maximize the return on that per acre. We were driven to do that because of low commodity prices. You have to tweak everything to make it most efficient you can. Just maximizing the return per acre. That's the economic standpoint.

### Personal Recreation

Personal recreational interests were a motivation for many of the operators.

I love to do it. I love being out there exploring new areas. Some of my hikes are in areas proposed for wilderness areas. A lot of my hikes go through those areas. You don't see a road, you don't see a high line pole, you don't see an oil well pumping. You feel like you're 100 years back in time. There's no concept of what's going on back in the city. You just lose yourself out there and you find a lot of neat stuff.

As typified by the operator quoted above, many operators started their businesses as an extension of an avocational or recreational activity of their own. These operators wanted to be involved in an industry that related to their own recreational interests and experiences, and to share the enjoyment of those experiences with others.

One year we decided to start a guide service for birding . . . . We enjoyed doing it and just thought it might be kind of fun doing something we liked to do and maybe make some money at it too. We just thought lets try this.

### Environment-Created Opportunity

Sometimes the physical, economic, or social environment created an opportunity that the respondent identified and acted upon. This opportunity may have related to the availability of a building that could be converted into lodging, some type of locational advantage in relation to the resource, or becoming aware of significant demand for a type of recreation that could be readily supplied by the entrepreneur. Several entrepreneurs were able to acquire and/or renovate existing buildings into lodging operations. These included old family homes and apartment complexes in dwindling communities. In most of these cases, the start-up costs were rather modest, and they identified a substantial seasonal market for lodging for hunters.

[This building] was constructed in 1979. It was a government rural low-income housing project. In 1999 it was sold on bids. We bid because we just didn't want it leaving the community, they were going to move it out. We didn't know what we were going to do with it. . . . Then someone put a bug in our ear about a lodge and the marvelous hunting in the area.

In other cases, it was a matter of seeing existing or growing demand, such as visitors to the region for the Lewis and Clark Bicentennial or to view wildlife.

We started hearing about the Lewis and Clark bicentennial coming up. . . . It was interest, and timing. Having property right along the river didn't hurt a bit.

Some respondents made the transition of charging a fee for what they were providing for free.

They always say if you are thinking of starting a business, what is it you enjoy doing and you are doing for people for free? It could be an enterprise that you could try for. I did it for years and years for free.

## **Income Opportunities to Keep Children in the Area**

Population loss, particularly out-migration of young people is a serious regional problem.

I don't want to see our communities die. That's one of the reasons I'm trying to help my kids live here. If we don't try, it will become a Buffalo Commons.

Several of the entrepreneurs talked about a desire to create income opportunities that would help keep their children in the area. In the words of one respondent,

The other thing is that we have a son that we are interested in keeping around the area. We want to create something that would create work, create enough income to keep him employed and support a second family on the farm.

## **Civic Mindedness**

Civic mindedness motivated some of the operators. Their businesses were partly aimed at helping the local community, particularly in economic ways.

If I make something financially out of it, great. That would be nice. The other thing, I kind of wanted to help the community out. I intend to live here, this is where we'll stay. The better off we are economically, it helps us.

By turning this into a lodge was a way to get revenue coming back into a small community. . . . Eventually what I'd like to do is start taking some of this revenue and open the café again. Since the café closed we don't get together like we used to. I guess that's one of the goals I have.

## **Personal Relationships**

A strong thread for most subjects was the positive personal relationships they have developed with their clients. Interactions with visitors were seen as life enriching experiences for those operators who have limited social and cultural opportunities available in their rural settings.

It's more than just the hunt, in the evenings we sit around. The people from New York were talking about the Trade Center bombings. We get to be more than just a client relationship. We care about their family, they care about our family. While we still live 2 different lifestyles, we still have common interests and they're concerned about us just as much as we're concerned about them having a good time.

One of the greatest parts is people coming from all over and just meeting them and talking about what they do in their area. And they come here and say "wow, just look at this, there's not trees anywhere. You can see for miles." Yeah, meeting the different people from around the country and having a chance to visit with them and learn something is part of the enjoyment too. You establish friends, you know.

The operators' motivations were varied, and most talked about multiple motivations. The drive to make a lot of money or have great financial success was hardly evident in their responses. A few acknowledged the potential for their business to someday lead to significant financial success, but financial success did not appear to be a major motivator.

## **Discussion and Implications**

Markley and Macke (2002) discussed three types of rural entrepreneurs: Growth Entrepreneurs, Lifestyle Entrepreneurs, and Survival Entrepreneurs. The operators in this study appeared to fit the two categories of rural entrepreneurs that Markley and Macke called Lifestyle Entrepreneurs and Survival Entrepreneurs.

Lifestyle Entrepreneurs have chosen to live in a rural place and go into business to generate enough income to maintain a desired standard of living. Maintaining the quality of life they seek tends to limit the growth orientation of their business activities. Survival Entrepreneurs are those that are tied to a location or profession and develop multiple business activities to survive economically in that location. Fewer rural entrepreneurs, and only two or three in this sample, fit the definition of Growth Entrepreneurs who want to grow their business enterprises to a level of significant financial success with profound local or regional impact.

The motivations of the operators in the sample are consistent with those found by Nickerson, Black, and McCool (2001). Montana farmers and ranchers reported diversifying income to provide employment for family members, generate additional income, meet the needs of the market, have companionship with guests, extend an interest or hobby, and better use farm or ranch resources. Getz and Carlsen (2000) also found that almost three-fourths of the rural tourism operators in an Australian sample got started in business for motivations other than business investment, such as appealing lifestyle, work in related business, to preserve the home, as a retirement project, to meet people and other reasons. The results of Getz and Page (1997) are also parallel with these findings, identifying supplementation of farm income and lifestyle considerations as motivations for farm tourism operators.

The results have several implications for how Extension personnel assist prospective tourism operators. Financial success appeared to be a secondary motivation of operators interviewed. Many of the models for encouraging entrepreneurship place an emphasis on business practices and the maximization of financial return. While the resource-based operators interviewed were certainly interested in having enough financial success to maintain the viability of the business, they had other priorities that were as important or more important. Supporting budding tourism operators in such a way as to maintain or maximize other benefits might be just as important as support for business practices. Extension personnel might help tourism operators achieve their motivational goals, such as:

1. Operators need to manage the social relationships that many of them think are important. The operators often discussed the importance of the social relationship with their customers and frequently talked about the customers as "friends." These social relationships sometimes, however, conflicted with the business side of the operation, such as reluctance to increase prices.
2. Optimizing benefit to the community appeared to be another goal for the operators, so it would seem that the local community would have an important stake in their success or failure. Assistance in developing and enhancing community involvement in the business might be another important element of encouraging resource-based tourism.
3. Declining rural areas often abound with opportunities to convert unutilized or under-utilized buildings into lodging for recreational visitors. Technical assistance may be needed to help local entrepreneurs successfully convert these buildings. Meeting the various codes and regulations for lodging enterprises and accessibility are many times new areas to the entrepreneurs.
4. Several of the operators in the sample talked about creating employment or a livelihood for their children, to help keep them in the area. Besides creating jobs for young people, it should also be recognized that hosting visitors helps create a sense that the area is a good one to live in, so good that other people want to visit it. Also services and events for tourists add to the social and cultural stimulation in these rural areas, something that young people often cite as lacking in rural areas.

Extension personnel should seek out or develop materials that recognize a broader range of motivations of small rural tourism operators and provide support and assistance for attaining that broad range of goals. Not only would such an approach increase the satisfaction and success of individual operators, but those motivations relate to positive impacts on the wider community, such as retaining the youth population, enriching the social environment, continuing productive use of buildings, and directly benefiting other community businesses and institutions.

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