THE ROLE OF SMALL TOURISM BUSINESSES IN URBAN TOURISM DEVELOPMENT: A CASE STUDY OF INDIANAPOLIS

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In honor of:
Esther Stoops

In memory of:
Phyllis and Paul Wood
Marshall Stoops

ABSTRACT

The problem of this study was to construct a testable model by investigating the
dimensions of small tourism businesses and to explore if these characteristics predict
support of tourism development in Indianapolis, Indiana. Based on the review of
literature, a number of variables were identified for use in the study. A proposed model
was developed and small tourism businesses were examined in terms of the type of
business activity, type of business ownership, motivation of business ownership, financial
success, projected growth, business geographical location, its customer base, and the
business' level of community involvement.

To answer the research questions, an instrument was developed and administered
to small tourism businesses located in one of the six Indianapolis cultural districts (Broad
Ripple Village, Wholesale, Fountain Square/Southeast Neighborhood, Downtown Canal,
Mass Avenue, and Indiana Avenue Cultural District). For this project, a small tourism
business was defined as a business with less than 40 full-time employees, very small
market share, annual revenue less than $250,000, or limited infrastructure and assets, and
was categorized as one of the following establishments: (a) art galleries or studios, (b)
restaurants, (c) historic attractions, (d) museums, (e) performing/visual arts, (f)
unique/gift shops, and (g) accommodations. A total of 152 surveys were used in the
analysis, which represented a 48.2% response rate; 315 small tourism businesses fit the
sample criteria.

The initial analysis of the data was conducted using SPSS and produced a number
of descriptive statistics describing small tourism businesses in Indianapolis. This
information was used to better understand the nature of owners and managers of small

tourism businesses. Factor analysis procedures were conducted using principal factors extraction with Promax rotation, resulting in a five-factor solution. A multiple regression analysis was then used to distinguish whether support of tourism development could be predicted by the small tourism businesses' financial success, business performance, owner motivations, perceived self-image, owner values, business activity type, business location, and business ownership type.

Based on the conclusions of the study, evidence was not found that this set of independent variables predict the support of tourism development. Results indicate that only 5.8% of support for tourism development by small tourism business owners could be explained by this set of independent variables. The ANOVA table and the standardized coefficients, or the converted beta weights, were examined to review which, if any, of the independent variables contributed to the explanation of the dependent variable. Both data reports support the conclusion that this set of independent variables did not predict the level of support of tourism development by small tourism businesses.

From this study a better understanding of the dimensions of small tourism businesses and support for tourism development was reported. This research should be used as a foundation to expand and continue work on future theory development and modification in the areas of small business and tourism.

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Chapter 1

INTRODUCTION

Attaining small tourism businesses' support is perhaps the most ignored facet in urban tourism development. Urban tourism development improves the quality of life for its residents, boosts the city's vitality, and improves its economic position. Urban tourism remains an under-researched topic of study, as is the element of small tourism business in developed urban areas (Hall & Page, 1999; Rogerson, 2004; Shaw & Williams, 2004; Thomas, 2004, 2000).

Many urban governments and policy makers are now relying on tourism for economic regeneration and for strategic local development (Ioannides & Peterson, 2003; Law, 2002; Rogerson, 2004). According to Jurowski and Brown (2001), "When attempting to maximize the benefits for a specific community, planners should gather information about individuals who stand to gain economically from the development, those who are currently using the resource to be developed, those who are attached to their community and those with a strong environmental attitude" (p. 9). A better understanding of the level of support for tourism development by small businesses is essential to tourism developers, planners, and officials. This information can assist in capitalizing on those small tourism businesses that support tourism development through influence of public policy and provide a better understanding of non-supporters (Jurowski & Brown, 2001). Without adequate information on the small tourism business sector, policymaking and planning may be impeded (Page, Forer, & Lawton, 1999).

As in many cities, Indianapolis has a large number and variety of small tourism businesses that significantly contribute to the economic well-being, as well as, to the

authenticity and ambiance of the city. This research uncovered the variables that influence small tourism businesses' support for or opposition to tourism development in Indianapolis and detailed the descriptive, behavioral, and operational differences among these stakeholder groups. From this information, a testable model was developed that identified the strength of the relationship between each of the variables and the support for tourism development.

<div align="center">Background of the Problem</div>

Little is known about the roles of tourism, small business, and their relationship to economic development (Page et al., 1999). According to Shaw and Williams (1994), there is an absence of studies on small tourism business, even though "the tourism and leisure industry tend to be dominated by a few large businesses operating alongside a large number of small, independent ones" (p. 100). Until the 1990's, small businesses were simply considered a miniature version of large firms, and differences in business objectives, management style, funding, and marketing were unnoticed (Friel, 1999). Furthermore, Curran and Storey (1993) stated that, "many of the major conceptual developments in the area of research have been derived from the small business researchers with no connection to tourism" (as cited in Page et al., 1999, p. 436).

Research on small tourism businesses is needed to assist urban communities in capitalizing on new markets. Today's educated leisure and business travelers are demanding a unique cultural experience that requires more than chain restaurant food and retail mall shopping. As the impact of globalization takes center stage, tourists are now more experienced and knowledgeable regarding language, use of transportation, and travel resources and have increasingly more discretionary dollars to spend on travel

(Smeral, 1998). To experience the true flavor of a destination and the culture of the local residents, tourists seek out small tourism businesses. According to Bastakis, Buhalis, and Butler (2004), small and medium tourist enterprises "provide a very diverse range of tourism products and services, facilitate rapid infusion of tourism spending into local economies, while in leisure tourism they usually shoulder the distinctive function of offering a local character to the increasingly homogenized tourism packages" (p. 151). These establishments are typically "off the beaten path" from tourist accommodations and large attractions but are recognized as essential ingredients in the economic well-being of a community and image of a destination (Page et. al, 1999; Simmons, 1994).

Small tourism businesses, such as galleries, independent restaurants, theatres, art studios, bed and breakfasts, and local stores, find it difficult to compete and survive in a chain-dominated economy. However, it is this group of businesses that shapes the destination's image, exposing tourists to the destination's distinctiveness. Small tourism businesses are being ignored or overlooked in tourism planning and development.

It is imperative that tourist programming, marketing, and government efforts be coordinated among all urban tourist businesses, particularly small tourism businesses, and large events or conventions attracting travelers to the city. Smeral (1998) noted "the quality of interactions between all these small and medium enterprises – given strategies, factor and demand conditions and environmental influences- would play an important role in the competitiveness of a tourism destination" (p. 374). Strategic tourism planning should reflect the viewpoints and input of small tourism business owners, and policy should reflect their needs and issues. There continues to be a significant gap in the

tourism literature regarding public policy, community involvement, and the social

impacts of tourism (Thyne & Lawson, 2001).

Statement of the Problem

The problem was to construct a testable model by investigating the dimensions of

small tourism businesses and explore if these characteristics impact support of tourism

development in Indianapolis. Each small tourism business was examined in terms of the

type of the business activity, type of business ownership, motivation of business

ownership, financial success, projected growth, business geographical location, its

customer base, and business' level of community involvement. The importance of the

study was that support for tourism development leads to increased tourism activities and

inevitably increased economic benefit to the community. Successful planning and

management of tourism development benefits a community's residents, businesses, and

visitors. Building community loyalty to attract more tourists into the community is

imperative to the success of any initiative or grass-roots project (Chen, 2000).

Purpose of the Study

The purpose of this study was to identify the small tourism business factors that

explain and predict support for tourism development in a community. The objectives of

this research are stated in the following two research questions:

1. To what extent can the variation of support for tourism development (dependent

variable) be explained by the set of independent variables: type of the business activity,

type of business ownership, motivation of business ownership, financial success,

projected growth, business geographical location, its customer base, and business' level

of community involvement?

2. What is the best linear combination of independent variables to predict support of tourism development in this sample?

<div align="center">Hypotheses</div>

The following eight null hypotheses were tested in this project:

H_1: There are no significant relationships between small tourism business' involvement (membership in professional, civic, religious, charitable or volunteer organizations) and support of tourism development.

H_2: There are no significant relationships between small tourism business' motivation (such as lifestyle, enjoyment, retirement, and business investment) and support of tourism development.

H_3: There are no significant relationships between small tourism business' projected growth and support of tourism development.

H_4: There are no significant relationships between small tourism business' financial success and support of tourism development.

H_5: There are no significant relationships between small tourism business' clientele base and support of tourism development.

H_6: There are no significant relationships between small tourism business' activity type and support of tourism development.

H_7: There are no significant relationships between small tourism business' type of ownership and support of tourism development.

H_8: There are no significant relationships between small tourism business' location and support of tourism development.

Justification for the Study

Tourism has become an important and essential element of urban area economics and can significantly contribute to a city's revitalization or recovery (Haywood & Muller, 1988). According to the World Travel and Tourism Council (WTTC, 2004), in 2004 alone travel and tourism contributed 11.3% of the world's gross domestic products (GDP), or US$6201.5 billion, and accounted for 221 million jobs, or 8.3% of the world's total employment. Sirgy and Su (2000) noted tourism had grown into the "largest industry surpassing automobiles, steel, electronics and agriculture" (p. 342).

The World Travel and Tourism Council's *Tourism Highlights Edition 2004*, reported that international tourism arrivals have grown from 451 million in 1990 to 691 million in 2003. Receipts from international tourism exchanges reached US$523 billion in 2003, making it one of the largest categories of international trade. The WTTC forecasted there will be 1.6 billion international tourists worldwide by 2020, spending over US$2 trillion dollars (WTO, 2005, Facts & Figures section). Specifically, it is estimated that between 35 and 70% of international tourists are now cultural tourists (Antolovic, 1999; McKercher & DuCros, 2003; Richards, 1996).

Tourism has become an important part of global economics and tourism research is being centered on direct, indirect, and total effects of visitor spending, which affects jobs, regional output, and taxes (McHone & Rungeling, 2000). The economic impact of tourism is driving researchers to explore several aspects of this industry, including consumer satisfaction, travel behavior, hospitality opportunities, leisure measurement, and recreation interests (Kozak & Rimmington, 2000).

Balancing tourism development and maintaining a quality urban environment that meets the needs of local businesses and residents has become a major challenge. Achieving community support for tourism requires an understanding of how attitudes are formed and what factors influence their perspective on tourism advancement (Jurowski & Brown, 2001; Jurowski, Uysal & Williams, 1997). Additionally, sound planning should produce a plan designed to identify and control the tourism carrying capacity of the city. Frangialli (2002), Milman, King, and Pizam (1993), Smith and Krannich (1998), and Zwick (1991) noted with increased tourism, communities struggle with congestion, loss of open space, price increases, disruption of social structure, changes in local values, loss or endangerment of local traditions and ceremonies, problems with community organization, threats to biodiversity, demand on water and energy resources, overcrowding at cultural sites and monuments, exploitation of workers, and organized sex tourism. Yamashita (1997) stated, "It is simply impossible to stop the spread of tourism activity in the modern age of mass tourism, so the question is not how to stop or avoid it but is one of how one may minimize the harm to, and destruction of, native society; and how one may derive a beneficial effect from tourism, not only in economic but also in cultural terms as well" (pg. 219).

<u>Indianapolis, Indiana</u>

Tourism development is playing a critical role in service sector economies (Copp & Ivy, 2001). The economy of Indianapolis, the state capital of Indiana, is heavily based on service-oriented businesses catering to the hospitality market. The city has focused its tourism marketing and promotion efforts on the MICE market (meeting, incentives, conferences and expositions) and sports tourism. Indianapolis is widely recognized

throughout the United States as one of the premier destinations for amateur sport competition, and has hosted such events as the 1987 Pan America Games, 2000 NCAA Men's Final Four, and 2003 World Basketball Championships.

Indianapolis is the 12th largest city and the 29th largest metropolitan area in the United States. According to the U.S. Bureau of the Census (2000), the greater Indianapolis metropolitan area has a population of approximately 1,607,486 people and spans 3522.9 square miles. The median household income is $45,500; 81.3% of residents are high school graduates, and 70.4% are white (U.S. Bureau of the Census, 2000, Quick Facts section). Additionally, the U.S. Census Bureau (2002) conducted a survey of business owners in Indianapolis. Over 70% of the business owners in Indianapolis are male, and 88.3% are white. Indianapolis is the most centrally located city of the top 100 markets in the U.S. and is served by seven segments of interstate highway (Indianapolis Chamber of Commerce, 2004, Economic Development Section). In June 2004, the National Association of Homebuilders named Indianapolis the most affordable city with over one million people, and the city was named one of the five "up and coming cities" by *Money Magazine* (Indianapolis Chamber of Commerce, 2004, Accolades Section).

In 2002, the Indianapolis Cultural Development Commission, an organization that supports arts and culture while promoting Indianapolis as a unique cultural destination, implemented a Cultural Tourism Initiative. This program was designed to improve the quality of life for Indianapolis residents and enhance travelers' experiences while visiting the city. A $10 million initiative focusing on the marketing of grass-root projects and "big picture" strategic planning is being allocated and distributed to support the initiative's goals. The Commission is allocating significant funding to several key areas:

(a) media relations, (b) grant programs, (c) training programs, (d) marketing and outreach, and (e) community projects (Indianapolis Cultural Tourism Initiative, 2005, About Us Section). The project's goals are to strengthen Indianapolis' image as a cultural destination and build sustainable infrastructure to support cultural development.

In addition, the Cultural Districts Program was started in 2003 to showcase the distinct pockets of cultural opportunity in six prominent areas throughout Indianapolis. These six areas include Broad Ripple Village, Fountain Square, The Canal and White River State Park, Mass Avenue Arts and Theater District, Downtown Wholesale District, and Indiana Avenue District.

<div align="center">Delimitations</div>

The study was delimited in scope by the following:

1. Only those small tourist businesses within the six cultural districts of Indianapolis, Indiana were administered the survey. Small businesses outside the cultural districts were not mailed a survey.

2. A small tourism business was defined by number of employees and annual revenue. Surveys collected for businesses not meeting the criteria were discarded.

3. The study was administered in July and August of 2005.

4. The study was conducted by paper pencil survey. A trained research team visited the businesses meeting the criteria and requested the small business owners' participation.

5. The study was conducted during a tourism transition time in Indianapolis. The survey was administered following significant recent events in the city, including the

approval of a new dome for the Indianapolis Colts football franchise and an expansion for the Indiana Convention Center.

Limitations

The study was limited in scope by the following:

1. The instrument was administered only to Indianapolis small tourism businesses as identified by the Indianapolis Cultural Development Commission, which did not include all businesses in the downtown or greater Indianapolis area.

2. The truthfulness and accuracy of the selected participant responses to the survey items were considered.

3. The ability of the selected participants at each business to understand and accurately interpret the survey items was considered.

4. The degree to which the identification of the various small tourism businesses was accurate in capturing the full range and scope of the population under investigation.

Assumptions

The study was based on the following assumptions:

1. The selected subjects were truthful and accurate in their responses.

2. Participants understood and accurately interpreted the survey.

3. The group of selected small tourism businesses was comprised of a diverse range of tourism enterprises in Indianapolis.

4. The survey instrument was appropriate for use within the framework of this particular study.

5. The items comprising the survey instrument captured a diverse array of small tourism business factors across the array of tourism businesses in Indianapolis.

<u>Definition of Terms</u>

The basic terminology used in the study was defined as follows:

<u>City Infrastructure:</u> Facilities, equipment, and installations needed for basic functioning in the daily lives of the residents, including utilities, transportation, health services, etc. (Richie & Goeldner, 1994).

<u>City Superstructure:</u> Facilities, equipment, and installations needed to meet the needs of visitors, including hotels, catering facilities, markets, etc. (Richie & Goeldner, 1994).

<u>Cultural Tourism</u>: The movement of persons for essentially cultural motivations including tours, performing arts, travel to festivals, visits to sites and monuments satisfying the human need for diversity, new knowledge, and exciting experiences (World Tourism Organization, 1985 as cited in McKercher & du Cros, 2003).

<u>Small Tourism Business:</u> Business with less than 40 full-time employees, very small market share, annual revenue less than $250,000, or limited infrastructure and assets. A small tourism business consisted of establishments in the following categories: (a) art galleries or studios, (b) restaurants, (c) historic attractions, (d) museums, (e) perform/visual art center, (f) unique gift/souvenir shop, and (g) accommodations.

<u>Stakeholder</u>: Any person or organization who is vested in or has a passion for an interest; includes external and internal participants such as media, artists, government officials, local business owners, etc. (Goldblatt & Nelson, 2001).

<u>Strategic Tourism Planning:</u> The creation of a plan of action for a tourism area's foreseeable future and the implementation of those actions (Gunn, 2002).

Tourism: Tourism is "a hybrid of meaning, interpretations, sites, and experiences…..everything from leisure, learning activity that generates interest and purpose to a social process with economic, social, cultural, and environmental impacts" (Ryan, 2000, p. 119).

Tourism Development: Tourism development is essentially tourism marketing. The elements of the marketing activities include recruiting, as well as the creation of products that entice visitors to linger and seek leisure activities that will part them from their money (Glover, 1998).

Tourist or traveler: A person who is a non-resident traveling over 50 miles for any purpose; meetings, shopping, events, visiting relatives, etc. (Masberg, 1998).

Urban Tourism: Travel to areas of high population density where cultural, artistic and recreational activities are offered. Travelers residing in the city's hotels and motels distinguish themselves from residents (Richie & Goeldner, 1994).

Urban Tourism Product: Tourist elements which include historic buildings, attractions, art galleries, museums, sporting events, theaters, and urban landscapes (Jansen-Verbeke, 1986).

Chapter 2

LITERATURE REVIEW

The literature related to the factors influencing support of tourism by small tourism businesses is presented in this chapter. For organizational purposes, this review covered three sections: (a) overview of content related to the definition, characteristics, and components of a small tourism business, (b) a conceptual review of theories and theoretical framework, and (c) summary of the review.

Overview of Content

Although there is a significant amount of literature on small business, few studies address what constitutes a small tourism business, making the term difficult to define and conceptualize (Cressy, & Cowling, 1996; Curran, 1996; Morrison, 1996; Page et al., 1999; Shaw & Williams, 2004; Thomas, 1998, 2000, 2004). According to Storey (1994), there is not "a single, uniformly acceptable definition of a small firm" (p. 8). Most small businesses are defined solely in terms of one key element, number of employees, or in the case of lodging, number of hotel beds. Studies have described small business as employing less than 10 people to up to 500 people; the definition is selected and justified by the user on the basis of its value in the project (Storey, 1994; Thomas, 2000). For instance, Friel (1999) defined a micro-enterprise as one employing 10 individuals or less and a small enterprise as one that employs 10-49 individuals, whereas Getz and Carlsen (2005) defined a small tourism business as "less than 20 employees, very small market share, annual revenue less than $50,000, or limited infrastructure and assets" (p. 239).

The number of employees or number of beds should not be the only variables to determine the size of a tourism enterprise (Bulalis, 1993). Other key elements that should

be added to the descriptors include market share, revenue per employee, management and organizational structure, financial strength, operational procedures, decision-making process, entrepreneurial involvement, integration level, internationalization of operation, and managerial expertise (Buhalis, 1993; Quinn, Larmour, & McQuillian, 1992; Reichel & Haber, 2005).

Most studies exploring the role of small tourism business were conducted in European and African rural, developing areas, and there is relatively little research regarding small tourism business in rural areas or cities in the United States. However, Carter (1996) noted that:

> irrespective of the relative size of each country's small business sector, the main management characteristic of small firms remain similar regardless of nationality. Researchers have consistently noted that small firms play an important role in new product and process innovation and are characterized by their product specialization…[and]…that these firms are undercapitalized, product-led, family-owned concerns in which the management function is confined to one person or a few key individuals (p. 4503-4504).

In many industrialized countries, such as the United Kingdom, United States, Japan and Germany, the small business sector has continued to increase, employing a high percentage of the community's residents. In France, 80% of tourism business is dominated by firms employing less than 10 people (Buhalis, 1993). In Britain, the Bolton Committee was put into place in 1969 to examine the problems small business was facing and to advise the British government on policy reform regarding small business. The committee published its findings in 1971, and in fact 96% of all firms in the hotel and catering industry could be described as "small" and "employed 75% of the total number of employees in the sector" (Quinn et al., 1992, p. 12).

Small business owners are easily attracted to the hospitality industry for a number of reasons. Mainly, the barriers to entry are very low, the amount of capital investment to get started is minimal, and the skill level is typically not at a specialist level (Deloitte Touche Tomatsu, 1994; Quinn et al., 1992). Tourism offers sole proprietors or families an easy access to a number of small or micro-business types (Getz & Carlsen, 2005).

Small business and *family-owned* business are often used synonymously in the literature; however, there are a variety of differing components that differentiate the two business types (Getz & Carlsen, 2000; Getz & Carlsen, 2005). Not all small businesses are family owned and operated. It has been estimated that family firms generate up to 60% of the United States' gross national product (Ward & Aronoff, 1990; Westhead & Cowling, 1998). Ownership is another element that is commonly used to describe small business; however, motivation and the profile of a small business owner may or may not match those of family-owned and operated establishments. Family-owned small firms may be reluctant to "abandon the enterprise in difficult times" (Getz & Carlsen, 2005, p. 241), and the balance of family life and business becomes critical as a large percentage of tourism businesses are operated by couples (Litz & Stewart, 2000). Business interest may focus on lifestyle, location or leisure preferences instead of profitability in family-owned operations (Ateljevic & Doorne, 2000; Getz & Carlsen, 2000).

Furthermore, researchers simply cannot group all small hotels, tour guide companies, art galleries, or novelty stores into a homogenous category, regardless of their similarities in number of employees or amount of revenue generation. These small tourism firms differ amongst the various industry segments: accommodations, tourist

activities, and recreational ventures, each having different business objectives, direction, and performance measures (Reichel & Haber, 2005).

Small businesses share distinctive characteristics and functional weaknesses that affect the product, operation, and services that they offer (Bastakis et al., 2004). Carter (1996) identified six categories that distinguish small business firms from large business firms. These include planning, environmental reaction and strategy, business objectives, range of management skills, communication styles, and company performance measures.

Lack of strategic planning, vision, and long-term goals has been identified as a major problem of small business firms (Buhalis & Cooper, 1992; Bastakis et al., 2004; Olsen, 1991). Small tourism businesses are notable for being 'product oriented' or 'family oriented' versus 'market oriented' and find it unavoidable to depend heavily on intermediaries (Bastakis et al., 2004; Buhalis, 1993; Hankinson, 1989). Short-term problems and pressure seem to dominate small business planning and vision (Brownlie, 1994). Many struggle to survive during times when unexpected incidents, such as war, terrorism, and natural disasters occur (Buhalis, 1993).

Small and medium tourism enterprises tend to be weakly managed, lacking the business skill and savvy of larger firms (Bastakis et al., 2004; Brownlie, 1994; Buhalis, 1993; Friel, 1999; Getz & Carlsen, 2005; Page et al., 1999; Thomas, 2000). An incomplete management team is typically inevitable, as most small businesses lack the financial resources to attract specialized managers and personnel necessary to grow the business (Bastakis et al., 2004; Brownlie, 1994). Ioannides and Peterson's (2003) study revealed that the majority of employers did not require any tourism-related education, experience, or training upon hiring a new employee. On the other hand, small firms can

be more successful in "soliciting employee support and involvement because there are fewer management layers to permeate and fewer people to convince of the benefits" (Andreichuk, 1992 as cited in Kuratko, Goodale, and Hornsby, 2001, p. 294).

Due to the size of small business market share, funding for small tourism business is typically from the owner's personal funds rather than formal funding sources (Ioannides & Peterson, 2003). Hankinson (1989) found small business owners of hotels were reluctant to take outside loans, even when they could improve profitability. Important factors, such as risk, opportunity costs, cost of capital, and overall investment strategies were ignored. Because of the resource constraints, few small business owners provide critical services, such as adequate staff training or supervision to their employees (Hankinson, 1989).

Access to primary research and funding also affects the ability for small firms to differentiate and identify a profitable niche in the market (Buhalis, 1993). Many firms, large and small, find it financially prohibitive to obtain research that assists companies with monitoring significant trends, market shifts, and forecasting (Brownlie, 1994). However, it is critical that small business use market opportunity analysis (MOA), which large firms have found beneficial (Brownlie, 1994).

Buhalis (1993) describes the network of small and medium tourism enterprises as one that needs to be combined into an integrated product to maximize the tourist experience. Bastakis et al. (2004) concluded "it is almost impossible for SMTEs (small and medium tourism enterprises) to avoid partaking in concentration trends, either as small firms' consortia or as parts of a large travel organization of the future" (p. 166). Sharing problems, ideas and experiences can assist in creating cooperative marketing

ventures and idea pooling (Brownlie, 1994). More importantly, the quality of this
cooperation of small business can play a critical role in the competitiveness of a
destination or region (Simmons, 1994).

Small tourism business is known for low involvement in regional tourism
organizations and certification programs, but the need for formal and informal business
and social networking is important in small business survival (Copp & Ivy, 2001;
Ioannides & Peterson, 2003; Page et al., 1999). Quinn et al. (1992) noted many small
businesses avoid being part of the "system" and opt to operate independently of the larger
hospitality community.

The lack of technology skills exhibited by tourism employers and employees
matched with their lack of information systems inhibits the marketing and operational
activities of small tourism businesses (Buhalis, 1993; Ioannides & Peterson, 2003;
Mutch, 1995; Wood, 2001). In 2001, Wood found as Internet usage by small firms is
increasing, "the informality of the systems manifests itself in the reliance on personal
contacts and individual manager's experience and knowledge rather than hard facts and
quantitative data" (p. 293-294). Improved information technology control allows for
monitoring of trends and for increasing personal involvement, and decreases such tasks
as manual input and time-consuming projects. As noted above, the financial situation of
the firm may dictate whether or not specialty staff is employed to support the technology
system and train employees (Mutch, 1995). Ioannides and Peterson's (2003) study found
despite the heavy number of PC users, SMTEs did not utilize software "specially
designed for the needs of their operation or in a manner that allows them to practice
significant process innovation" (p. 427). To improve their competitive position, small

tourism firms must seek new strategic tools that help them overcome size, structural and functional problems (Buhalis, 1993).

Small business owners and firms make significant contributions to the economic welfare of a destination. As major corporations face downsizing, small business has the ability to create new jobs and opportunities for a city or region's residents. Additional contributions include, "improvements to industrial relations and working environment; diversified and flexible industrial base; stimulating competition, leading to an energetic enterprise culture, and the ability to stimulate innovation" (Armstrong & Taylor as cited in Wanhill, 2000, p. 134). As described by Ibielski (1997), these small businesses are:

> Mighty minnows, reflecting the competitive spirit that a market economy needs for efficiency; they provide an outlet for entrepreneurial talents, a wider range of consumer goods and services, a check to monopoly inefficiency, as source of innovation, and a seedbed for new industries; they allow an economy to be more adaptable to structural change though continuous initiatives embodying new technologies, skills, process, or products (p.1).

Small tourism firms have product and process flexibility, demonstrating the capability to handle non-standard requests and orders and change production based on customer needs and demands (Kuratko et al., 2001). These small firms can "fill the gap" of heavy demand for products and services during seasonal times in a destination (Ioannides & Peterson, 2003). Buhalis (1993) identified other strengths of small and medium tourism business to include cultural resources, the personal and family relationship to the business, and the entrepreneurial activity.

<u>Theory Review</u>

"Causes are connected with effects, but this is because our theories connect them, not because the world is held together by cosmic glue" (Hanson, 1958, p. 64, as cited in

Pedhazur, 1982). Many tourism studies have addressed a number of theories and factors that influence small business ownership, community participation in planning, support for tourism, and/or tourism development (Ateljevic & Doorne, 2000; Besser, 1999; Chen, 2001, 2000; Copp & Ivy, 2001; Friel, 1999, Getz & Carlsen, 2005, 2000; Hankinson, 1989; Ioannides & Peterson, 2003; Jamel & Getz, 1995; Jurowski & Brown, 2001; Jurowski et al., 1997; Kuratko et al., 2001; Litz & Stewart, 2000; Milman et al., 1993; Page et al., 1999; Reichel & Haber, 2005; Quinn et al., 1992; Reid, Mair, & George, 2004; Schroeder, 1996; Simmons, 1994; Thomas, 2000, 1998, Thyne & Lawson, 2001; Tosun & Jenkins, 1996, Wanhill, 2000; Williams & Lawson, 2001; Yoon, Chen, & Gursoy, 1999). The following section presents a theoretical background and framework for the variables examined in the proposed model. Factors are typically proposed in a model based on one or more of the following three rationale: (a) theory-based research, (b) empirical research, and (c) researcher intuition or experience. Each factor used in the proposed model is supported below by one or more of the three justifications.

This section describes elements of social theory (Davis, 2001), organizational typologies (Litz & Stewart, 2000), social exchange theory (Chen, 2000; Jurowski et al., 1997), the enlightened self-interest model of business social responsibility (Besser, 1999), and the systemic model (Besser, 1999) as it relates to the factors proposed. These theories were reviewed and used as the conceptual framework for the study.

Davis (2001) reported that *the social theory* can assist tourism researchers in two ways: (a) "in describing and understanding contemporary tourism landscapes" and (b) "in aiding those who study how tourism enterprises behave and why" (p. 126). The perceptions of all people, including small business owners and employees, define and add

to the place, and this approach assumes people deal in social constructs naturally. This interdisciplinary approach attempts to analyze social structures, instead of explaining patterns of social life.

Because so many small tourism businesses are owned and/or operated by families, it is important to review *organizational theory* related to family firm typology. Litz and Stewart (2000) conceptualized a four-cell typology of family firms that "recognized the possibility of familial influence along the two dimensions of structure and intent" (p. 136). Family firms are categorized as (a) potential family business, (b) family business, (c) potential non-family business, or (d) non-family business and compared based on level of community involvement. This unique approach explored the practical implications of the typology on community involvement levels of small, family establishments.

The *social exchange theory* is used in a number of tourism studies exploring or explaining resident or business support of tourism or development. In attempting to understand the perspectives of small tourism business owners, it is equally important to understand this approach. According to Chen (2000), "If a host community perceives that the total tourism effects are negative, the level of support from the community is likely to diminish" (p. 5). In turn, individuals will typically enter into exchanges if the rewards are perceived as higher than the costs (Chen, 2000; Jurowski et al., 1997).

Besser (1999) used the *enlightened self-interest model for business social responsibility* to describe the behavior and commitment of firms to their community. This approach postulates that responsible behavior exhibited by the business will result in positive public relations, increased profits, better relationships with suppliers, and

potential new partners. Additionally, the *systemic model* posits that urban business

communities, as well as rural communities, can equally become attached to the city or

region (Besser, 1999). Community and civic involvement have proven important

elements in determining cooperation and support levels of individuals in terms of tourism

development issues (Jurowski & Brown, 2001; Jamal & Getz, 1995).

Tourism can provide direct and indirect economic benefits and costs to a host

community (Mak, 2004). Due to tourism revenues driving Indianapolis' economy and

development strategies, economic theory provides the logical framework for this study.

Many factors in the proposed model are based in terms of macroeconomic theory**;** in

other words, the relationship of economic theory and planning principles to tourism

development. Understanding economic choices and the performance of business allows

better understanding of demand analysis, firm behavior, market structure, public goods,

externalities, and the role of information in markets.

The most notable benefit used to promote and support tourism is its positive

impact on economic benefit to the community (Gursoy, Jurowski, & Uysal, 2002). Using

economics as a theoretical base illustrates how economics can explain small business life

and the problems faced by these owners and managers. Due to difficult economic times

and the changing nature of society and work, many "push and pull" factors can force

people into small business management (Getz & Carlsen, 2000).

The concept of economic theory has it roots in business, tourism, and urban

planning literature. Several microeconomic approaches have been developed to

specifically address the needs of urban tourism development. According to the

evolutionary and institutional economic approach, tourism production and the role of

small business are integral parts of the destination's economy, and the business' ability to compete depends on product forms, market competition, and its ability to be flexible (Getz & Carlsen, 2000; Ioannides & Peterson, 2003).

Also, *economic base theory* is an approach to explaining regional growth. Hoover (1975) describes economic base theory as "basic activities which bring in money from the outside world, generally by producing goods and services for export" (p. 219). In addition, *urban economic theory* tends to be of interest to researchers in urban economics, location theory, urban geography, and urban planning (Fujita, 1991). The focus of this approach is on special aspects of economic decision making, location choice, land use, and local government policy. Urban areas have unique economic benefits and unique problems due to population density, crowding, and congestion (Fujita, 1991). The key rationale for using economic theory is that it attempts to understand the range of problems, challenges, and strengths of small tourism business and direct strategy for addressing policy decisions.

<u>Summary</u>

The literature focusing on small tourism business as it pertains to support of tourism is starting to receive attention by tourism researchers worldwide. Gaining the support of small tourism businesses is important to the development of any urban tourism region. Several common themes have emerged from the literature: (a) an absence of a common understanding or definition of small tourism business restricts the ability to compare and contrast study results and conclusions in this field of study, (b) there is a lack of small business studies based on gender, family studies, and family-related dimensions, even though a majority of small business is family-owned and managed, (c)

additional research based on theoretical understanding and improved data collection is imperative, and (d) significant research needs be used to advance public policy and the needs of small tourism business owners.

Chapter 3

METHODOLOGY

The purpose of the study was to examine if any small tourism business factors, or independent variables (IVs), explain and predict support for tourism development, the dependent variable (DV), using a variety of descriptive statistics and multivariate analysis techniques. The methods used to address the research problem are described in the following sections: (a) arrangements/site, (b) selection of subjects, (c) procedures for data collection, (d) design of the study and instrument, (e) method of analysis, (f) the proposed model, and (g) summary.

<u>Arrangements/ Site</u>

The study was conducted in the six cultural districts (Broad Ripple Village, Wholesale, Fountain Square/Southeast Neighborhood, Downtown Canal, Mass Avenue, and Indiana Avenue Cultural District) in the greater Indianapolis, Indiana area. These six districts offer a unique mix of arts, cultural, and hospitality activity that define the character of the Indianapolis area. In 2003, the Indianapolis Cultural Development Commission created these districts to leverage Indianapolis' existing offerings. Five of the six districts were started in 2003 as part of the cultural districts pilot program, with the Indiana Avenue Cultural District being added in 2004 (Cultural Tourism Commission, 2004). A map of the Indianapolis cultural districts is illustrated in Figure 1.

Figure 1. Map of Indianapolis Cultural Districts

Selection of Subjects

The sample for this study was small tourism business owners or managers located in one of the Indianapolis six cultural districts. A small tourism business was defined using two criteria: (a) number of employees and (b) annual revenue. For the purpose of this study, small tourism business was defined as having less than 40 full-time employees and less than $250,000 in annual revenue. A comprehensive list of businesses in these six districts was obtained from the Indianapolis Cultural Tourism Commission, and the list was reduced to only the businesses reflecting the above criteria. The list consisted of the following categories: (a) theaters, (b) art galleries, (c) restaurants, (d) night life, (e) retail, (f) services, (g) worship, and (h) key organizations. Currently, there were approximately 650-700 businesses in these areas, of which approximately 315 businesses meet the small tourism business criteria for the study. Businesses in the services, worship, and key

organizations were also eliminated as they tend not to serve tourists. The small tourism businesses for this study were defined using the following categories: (a) art galleries or studios, (b) restaurants, (c) historic attractions, (d) museums, (e) perform/visual art center, (f) unique gift/souvenir shop, and (g) accommodations. The researcher gathered 158 surveys for analysis.

<div align="center">Procedures for Data Collection</div>

A human subject's compliance agreement was submitted to Indiana University's Institutional Review Board (IRB) by the researcher. The documentation of approval for dissertation research and exempt review of human subjects was filed on April 29, 2005. All federal regulations and university policies were reviewed and followed. The acceptance of the project was received on May 11, 2005 (Appendix A).

The primary researcher mailed a letter the 315 small business owners in the six districts two weeks prior to the collection of data (Appendix B). The letter detailed the study's purpose and asked for the small business owner's participation. Additionally, it stated when the owner should anticipate a researcher visiting his/her establishment.

A research team of 5 students was assembled and trained in June 2005. All research team members were required to pass the Indiana University Human Subjects test prior to participating in the collection of data. A research team training guide was distributed to and reviewed by each research team member (Appendix C). The team was divided and assigned a cultural district. The research team visited each small tourism business and asked the owner or manager to complete the questionnaire. Surveys were then collected, compiled, and returned to the primary researcher for analysis. This procedure was implemented to give the study an external validity factor that would allow

the results to be generalized to a population of small tourism business in the Indianapolis area.

<div align="center">Design of the Study and Instrument</div>

This research tested multiple predictors previously considered in other studies investigating the support for tourism development. Least squares multiple regression analysis was used to demonstrate the interrelationships and elements that affect support of tourism development. Each factor was theoretically linked to the model, and the model depicts the theoretical concept of the causal connections.

The study developed a comparative research methodology using similar survey question items and themes from earlier work by a number of notable researchers in the areas of small business, economic development, and tourism (Bastakis, et al., 2004, Besser, 1999; Friel, 1999; Getz & Carlsen, 2000; Jurowski & Brown, 2001; Litz & Stewart, 2000; Page et al., 1999; Reichel & Haber, 2005; Reid et al., 2004; Schroeder, 1996; Thomas, 1998, 2000; Williams & Lawson, 2001). Variables selected for this study were justified using previous theories and concepts presented in the small business and tourism literature. The intent of this process was to select the minimum number of variables that explained the most variance (Pedhazur, 1982).

The questionnaire contained 35 questions that included both closed and open-ended questions, and continuous and categorical measurement levels (Appendix D). The study consisted of eight independent variables and one dependent variable described in Table 1 and Table 2.

Table 1

Independent Variables Used in the Study

Independent Variable	Measure	Level of Measurement
Involvement	Questions 26, 27, 28, 29, 30, 31	Interval
Ownership Motivation	Question 8 and 9	Interval –Likert scale (1-5)
Projected Performance Growth	Question 12, 14, 15, 16, 17, 18	Interval
Financial Success	Questions 24, 25	Interval – Likert scale (1-5)
Clientele Base	Question 22	Interval
Business Type	Question 1 (8 categories)	Categorical
Business Ownership	Question 3 (6 categories)	Categorical
Business Location	Question 2 (7 categories)	Categorical

Table 2

Dependent Variable Used in the Study

Dependent Variable	Measure	Level of Measurement
Support for Tourism Development	Question 35 (8 items)	Interval – Likert scale (1-5)

The validity of a study is an indication that the instrument measures what it is intended to measure, while reliability refers to whether the instrument yields consistent results (Patten, 2002). Validity has been defined in terms of appropriateness, usefulness, meaningfulness, and truthfulness (Fraenkel & Wallen, 2003). Determining content validity, or the appropriateness of the content, and face validity, judgment as to whether an instrument appears legitimate, is important for any project.

Steps were implemented to improve both types of validity through multiple ways. First, multiple questions were created to evaluate each predictor and the outcome variable. Second, the format and content of the survey were reviewed by four tourism professionals for appropriateness and usefulness. Next, the questionnaire was pilot tested to a small sample of small tourism business owners who were asked to identify confusing or inappropriate items, themes, or questions. The intent of the review was to verify the directions and ensure statements compiled in the survey are understandable, clear, and concise.

Method of Analysis

The analysis of the data was conducted using Statistical Package for Social Sciences (SPSS). Mean scores and standard deviations were initially computed, and a variety of descriptive statistics were reviewed and reported. Assumptions including normality of the distribution, homoscedasticity, linearity, and multicollinearity were each evaluated. Additional multivariate statistical techniques, such as factor analysis and determination of correlation coefficients, were used to enhance the predictive accuracy. Using least squares regression analysis, the regression coefficients were estimated so as to minimize the total of the sum of the squared residuals. This process allowed for the selection of the best independent variables to be used in the model (Hair, Anderson, Tatham, & Black, 1998).

The Proposed Model

Social and behavioral researchers have shown growing interest in studying causation among variables (Pedhazur, 1982). Models are typically constructed as a process by which one can visualize interrelationships and directional relationships among

factors. Model building has been used extensively by those looking to explain the relationship among tourism impacts, perceived benefits and costs, resident quality of life, attitudes, support for tourism, and a number of other variables.

There are six types of relationships in simple causal modeling: (a) direct causal relationship, where one variable X directly causes another Y, (b) indirect causal relationship, where X exerts a causal relationship on Y but only through its impact on Z, (c) spurious relationship, where X and Y are related because of a common cause Z, (d) bi-directional causal relationship, where X has a causal relationship on Y and Y has a causal relationship on X, (e) unanalyzed relationship, where there is a relationship between X and Y, but the relationship is unspecified, and (f) moderated causal relationship, where the relationship between X and Y is moderated by Z, a third variable (Jaccard, Turrisi, & Wan, 1990). In this study, a spurious relationship was observed as the X variables in the proposed model are all related to a common theme, support of tourism development.

A research model project is used to develop a new model or to test an existing model and provides a systematic process for problem solving and decision making. As described by the U.S. Environmental Protection Agency (2005), a research model involves six important descriptive steps: (a) product description, including the scope, purpose, objectives and participant roles, (b) model description, including the theoretical approach and/or mathematical relationship between variables, (c) model development, including code development, technology requirement, and model documentation, (d) model calibration, or process of refining the model, (e) model assessment or validation, and (f) references.

This study proposes a model for investigating the support of tourism development given the unique characteristics, or factors, that describe and influence small tourism business using the six steps outlined above. The proposed model is shown in Figure 2. The product description of the model includes eight independent variables, five of which are continuous variables and three of which are categorical variables.

Based on a priori research findings and a number of theoretical approaches, support of tourism development may be coded as a number of predictors, including civic, community or professional involvement (X_1), motivation of the business ownership (X_2), the potential growth and performance of the establishment (X_3), financial success (X_4), and sources of income for the small business firm (X_5). Three categorical variables, business type (X_6), ownership (X_7), and location (X_8) have been added to the model to determine differences in the sample's perspectives based on these different segments. Model refinement, validation, and assessment will be addressed in subsequent studies.
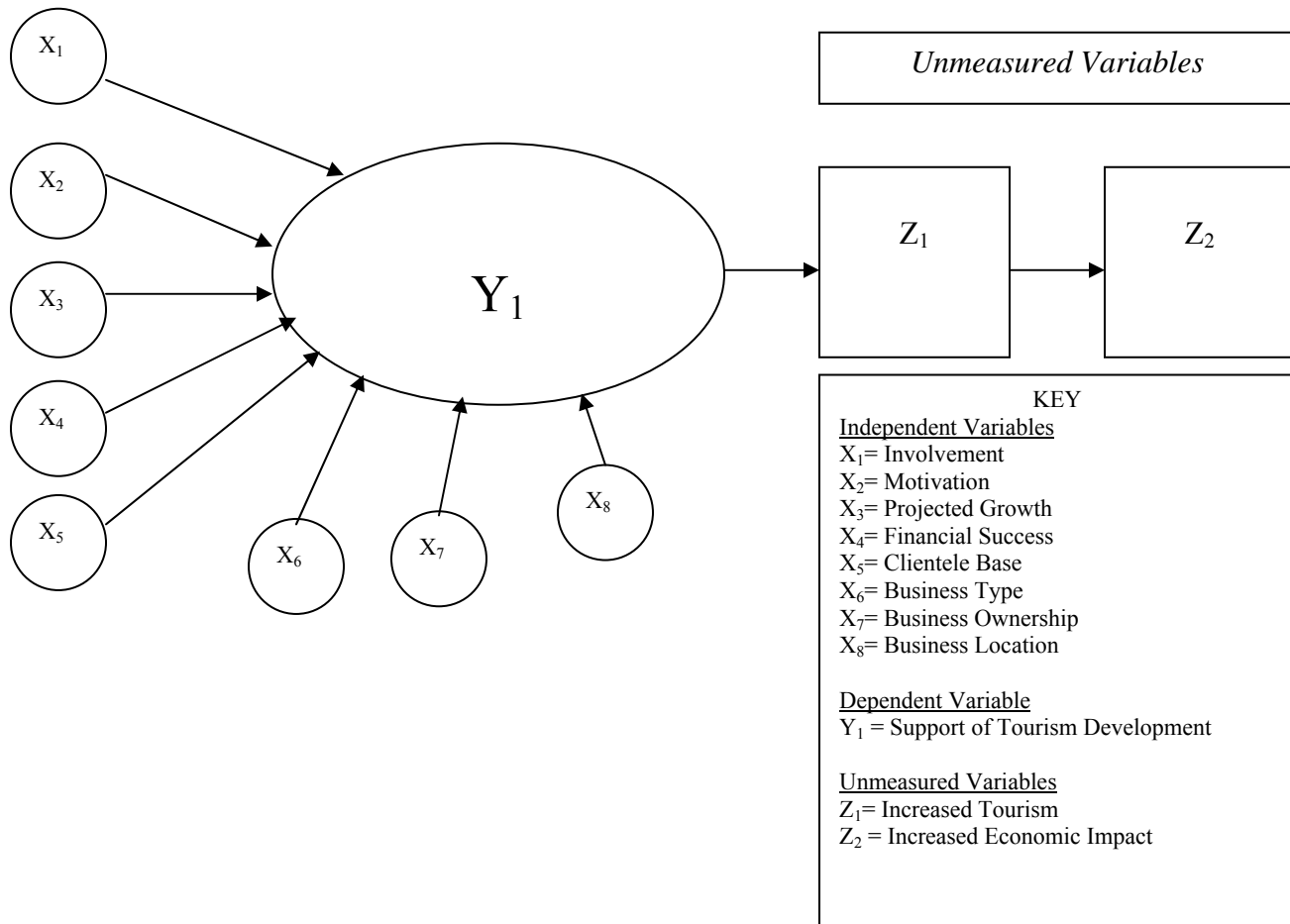
Figure 2: The Proposed Model

<u>Summary</u>

This chapter was primarily focused on the research design for this study. It contained a detailed explanation of the study's arrangements and site, including an overview of the six cultural districts. Selection of subjects and definition of small tourism business was presented in the second section. The procedures for data collection, including the human subject approval were reviewed, and the details of the survey instrument's distribution and collection were discussed. A thorough discussion of the design of the study and instrument was developed based on a priori studies and proposed theories. Procedures for data analyses involving a number of multivariate statistical techniques were provided. Lastly, the proposed model provided a macro framework focused at the local urban level.

The outcome of the project derived generalizations regarding small tourism business and support of tourism, while questioning a number of previous assumptions and conclusions on this topic. This research paper aimed to present a descriptive picture of small tourism business in Indianapolis and to present small tourism business owners' viewpoints on how to approach future tourism development.

Chapter 4

DATA ANALYSIS

The problem in this study was to construct a testable model by investigating the extent to which small tourism businesses support tourism development in Indianapolis. The importance of the study was that support for tourism development leads to increased tourism activities and inevitably increased economic benefit to the community. Eight null hypotheses were tested in this project and are reported in this chapter.

The purpose of this study was to identify the small tourism business factors that explain and predict support for tourism development in a community. The objectives of this research are stated in the following two research questions:

1. To what extent can the variation of support for tourism development (dependent variable) be explained by the set of independent variables: type of business activity, type of business ownership, motivation of business ownership, financial success, projected growth, business geographical location, its customer base, and business' level of community involvement?

2. What is the best linear combination of independent variables to predict support of tourism development in this sample?

The analysis of data was organized in this chapter according to the following topics: (a) response rate for this study, (b) demographic profile of small tourism businesses in Indianapolis, (c) screening of the data, (d) confirmatory factor analysis using principal components analysis, (e) labeling of the factors, (f) multiple regression analysis pertaining to the predictability of tourism support, and (g) summary.

<u>Response Rate</u>

The study's population consisted of approximately 315 small businesses located in one of the six cultural districts: Broad Ripple Village, Wholesale, Fountain Square/Southeast Neighborhood, Downtown Canal, Mass Avenue, and Indiana Avenue Cultural District. The sample consisted of small tourism businesses that represented an art gallery or studio, independent restaurant, historic attraction, museum, performing/visual art center, unique gift shop, or accommodation. The entire procedure yielded a total of 161 surveys (51.1 % of the population). Of those, 152 were valid and usable (48.2 % of the population). Nine surveys were discarded due to participants either not representing the sample criteria or returning the surveys with substantial incomplete data.

Each questionnaire was personally delivered by the research team to the small business in an attempt to meet the owner or key contact. The researcher inquired about who would be the most qualified to complete the information, ensuring that they met the sample criteria, and asked for a time and date to return to collect the instrument. A follow-up phone call was made prior to the second visit to ensure the survey was completed. If the completed instrument was still not available, a second visit was scheduled to encourage participation. A personalized thank-you note was delivered when the survey was collected.

<u>Screening the Data</u>

As suggested by Tabachnick and Fidell (2001), data from the study was screened for a number of potential problems in relation to accuracy of the data, missing data,

normality, absence of outliers, absence of multicollinearity and singularity, and factorability.

A thorough review of the descriptive statistics exposed values not representative of the minimum and maximum values of the 35 questions on the questionnaire. The review did indicate some inaccurate data points that were essentially mistakes in data entry and were appearing as outliers. When values outside the minimum or maximum values were found, the original surveys were checked and values were corrected in the data set eliminating the concern of outliers and inaccuracy of the data.

Data from the returned instruments were reviewed for patterns of missing data. The missing data, as discussed in the descriptive statistics section, were in categories or questions where only a small business owner completing the survey could answer. Sections on small business ownership motivations and projected business growth were left blank when the small business owner was not able to complete the survey. Therefore, the mean replacement procedure was used to handle missing data during the factor analysis procedure.

Multivariate normality is the assumption that all variables, and all combinations of the variables, are normally distributed. This is typically assessed through a review of skewness and kurtosis of the variables. However, principal component analysis has no distributional assumptions (Fabrigar, Wegener, MacCallum, & Strahan, 1999).

The Kaiser-Meyer-Oklin (KMO) of Sampling Adequacy value was also calculated to predict if the data would likely factor well and if the sample was adequate for factor analysis. A score of .701 was reported in the KMO statistic, exceeding the recommended value of .6 (Tabachnick & Fidell, 2001). The Barlett's Test of Sphericity

was also calculated and showed significance (p=.000), testing all factors together and each factor separately, against the hypothesis that the correlations in a correlation matrix are zero (Tabachnick & Fidell, 2001). Based on the results of these tests, absence of multicollinearity and singularity is met, and factor analysis is appropriate.

Reliability of the instrument was also examined by evaluating the Cronbach's alpha coefficient depicting whether or not the items all measured the same underlying construct. According to Pallant (2001), the Cronbach's alpha score should be greater than .7 for the sample to be considered reliable in the study. The alpha level for two sections of the instrument, business performance and small business owners' motivation, were evaluated, resulting in scores of .816 and .747 respectively.

<div align="center">Demographic Data</div>

Small Business Activity Type

There were seven activity types of small business involved in this study. Table 3 shows the frequencies and percentages of small tourism business owners by business type. Independent restaurants and unique gift/souvenir shops represented the largest portion of the sample (38.8 % and 27.0 % respectively), while accommodations (3.3 %) and historical attractions (1.3 %) formed the smallest portion. Indianapolis' accommodations are typically large, corporate chains employing over 100 individuals. Additionally, most historical attractions do not employ full-time or part-time employees. Those selecting "other" consisted of attractions not categorized as historical, hospitality tour companies, or meeting management firms.

Table 3

Respondents by Business Activity Type

Type of Small Business	Frequency	%
Art Gallery or Studio	15	9.9
Restaurants	59	38.8
Historic Attraction	2	1.3
Museum	7	4.6
Performing/Visual Arts	10	6.6
Unique Gift or Souvenir Shops	41	27.0
Accommodations	5	3.3
Other	13	8.5
TOTAL	152	100.0

Business Location by Cultural District

Respondents were asked to indicate the location of the business: (a) Broad Ripple Village, (b) Wholesale, (c) Fountain Square, (d) Canal/Downtown, (f) Massachusetts Avenue, or (g) Indiana Avenue. Small tourism business owners and managers located in the Broad Ripple Village district represented the largest percentage of respondents of the project (28.5 %), closely followed by Massachusetts Avenue business owners (23. 2 %). These two districts make up 190 of the 315 businesses in the sample, as they are by far the largest two cultural districts in the Indianapolis area. Table 4 shows the frequency and percentage of the response by each cultural district location returning the survey instrument.

Table 4

<u>Respondents by Business Location</u>

Cultural District	Total Number	Received	%	Total Response %
Broad Ripple	109	43	28.5	39.4
Wholesale	33	18	11.9	54.5
Fountain Square	41	20	13.2	48.7
Canal/Downtown	32	21	13.9	65.6
Mass Avenue	81	35	23.2	43.2
Indiana Avenue	19	8	5.3	42.1
Don't know		6	4.0	
TOTAL	315	151	100.0	48.2

Types of Business Ownership

As indicated in Table 5 below, individually-owned, for-profit business owners make up the largest portion of the sample, 45.4 %. Family-owned, for-profit and non- or not-for profit equally represented 14.5 % of the respondents, and jointly-owned, for-profit business made up 11.8 % of the sample. Most of those selecting "other" noted they were functioning as a small business, but were owned and managed by a corporation.

Table 5

Respondents by Business Ownership Type

Type of Ownership	Frequency	%
Individually-owned, for profit	69	45.4
Family-owned, for profit	22	14.5
Non- or not-for profit	22	14.5
Jointly-owned, for profit	18	11.8
Part of a chain or franchise	11	7.2
Other (Corporate)	10	6.6
TOTAL	152	100.0

Title of the Respondent

Of those subjects completing the survey, 95 of the 152 indicated they were a sole

or joint owner of the small tourism business, representing 32.9 % and 29.6 %

respectively. Additionally, 26.3 % of the sample noted they were the manager or

supervisor of the business, yet did not have any ownership responsibilities or obligations

to the business. Those selecting "other" indicated group sales director, coordinator,

employee, event manager, or operations director as their primary role. Table 6 presents

this breakdown of respondents by title.

Table 6

<u>Respondents by Title Type</u>

Type of Title	Frequency	%
Sole Owner	50	32.9
Joint Owner	45	29.6
Manager	40	26.3
Other	17	11.2
TOTAL	152	100.0

Gender of the Business Owner or Manager

Table 7 presents the small business owners or managers by gender. Men and women were evenly distributed, with 74 women and 70 men represented. However, this data may be skewed as some who selected joint-owner or family-owned in the question above, were allowed to only select man or woman for this question. Because this question allowed for only one response, those small tourism businesses that were jointly-owned by a female-male couple or family-owned tended to represent only the individual completing the survey.

Table 7

<u>Respondents by Gender</u>

Gender	Frequency	%
Male	70	48.6
Female	74	51.4
TOTAL	144	100.0

Age of Business Owner or Manager

The age of the respondents reflected the maturity and stability needed to start a

small business and the energy level needed to work and sustain the establishment. The

majority of small business owners are between the ages of 36 and 50 (42.7 %), while

those 51 to 65 made up the second largest group (25.9 %). According to Table 8, very

few small business owners or managers are under the age of 25 or over the age of 66,

2.6% and 4.9 % respectively.

Table 8

<u>Respondents by Age</u>

Age	Frequency	%
18-25	4	2.6
26-35	34	23.8
36-50	61	42.8
51-65	37	25.9
66+	7	4.9
TOTAL	143	100.0

Years in Business/Working Experience

Table 9 describes the number of years that small tourism business owners have

operated his/her establishment. The largest percentage of respondents reported that they

individually owned or jointly owned a small business less than two years (32.8 %). Those

owning a business less than five years represented over 55.5 % of the sample. Notably, a

number of owners, 21.1 %, have been operating their own business for 11 to 20 years.

Only 119 of the 152 respondents in the survey completed this question. Many of those

indicating the business was owned by a franchise, chain or corporation chose not to respond.

Table 9

<u>Respondents by Years in the Business/Working Experience</u>

Years	Frequency	Valid percentage
0-2	39	32.8
3-5	27	22.7
6-10	22	18.4
11-20	25	21.1
20+	6	5.0
TOTAL	119	100.0

Motivation for Starting Small Tourism Business

The study's participants were motivated by several variables when starting their own small tourism business. Each respondents' motivations were measured on a 1-5 Likert scale, with 1 representing not important, 2 somewhat important, 3 moderately important, 4 very important, and 5 extremely important. The selection "to do what I enjoy while making a living" received the most favorable mean score, 4.48, with "recognized a market need for business" as a close second (4.06). Other positively viewed responses include "to be my own boss" (3.83), "to live in the right environment" (3.66), "to give back to the community" (3.58), and "to permit me to become financially independent" (3.56). Factors regarding semiretirement (1.73), unemployment (1.88), retirement income (2.84), and prestige (2.71) were viewed as less important to small business owners. These

findings are not surprising, as noted above, many of the tourism small business owners are younger than 50 years of age. Such things as "appealing lifestyle," "business investment," "meeting people," "thought it would be fun," "keeping my family together" and "to make lots of money" were only moderately important to this sample of small business owners.

Many respondents to the survey who were not the sole or joint owner opted not to answer this set of questions, selecting the "not applicable or does not apply" choice. This is the reason for the lower sample response on Table 10 on the concurrent page.

Table 10

Respondents by Motivation for starting a small tourism business

Motivation	Mean	Std. Deviation	N
Enjoyment	4.48	.80	125
Market need	4.06	1.13	116
Own boss	3.83	1.39	115
Environment	3.66	1.16	106
Giveback	3.58	1.24	116
Independent	3.56	1.32	117
Investment	3.53	1.30	113
Meeting people	3.38	1.25	119
Lifestyle	3.36	1.38	115
Fun	3.31	1.34	120
Interests	3.23	1.34	108
Family together	3.13	1.64	88
Money	2.89	1.31	115
Retirement income	2.84	1.37	106
Prestige	2.71	1.37	107
Unemployment	1.88	1.28	85
Semiretirement	1.73	1.37	67

1= not important, 2=somewhat important, 3= moderately important, 4=very important, 5=extremely important, and N/A = does not apply

Number of Employees

Table 11 shows the breakdown of full-time, part-time, and total number of employees represented by the sample. A large percentage of the sample had fewer than 5 full-time employees (68.9%), while 25 small business owners or managers indicated they had between 6-10 full-time employees (16.5%). Needless to say, a majority of the sample (85.4%) represented small tourism business with 10 or fewer full-time employees. Those businesses with more than 40 full-time employees were eliminated from the data set.

Many of the small tourism business owners employ a small number of part-time employees to assist in daily operations. Again, a large percentage, 76.2%, employed less than 5 part-time employees and 94.1% of the businesses employed 10 or fewer employees. Also, those businesses that employed 11 to 45 part-timers made up only 8.6% of the total sample.

Lastly, Table 11 represents the total number of small tourism business employees. Again, the highest percentage, almost half, rests in the business that employs a total of 5 people or fewer, 49.7%. Those employing 6-10 and 11-20 make up 19.2% and 18.5% respectively, while those businesses employing a total of 21-50 represent a small portion of the sample, 12.6%.

Table 11

<u>Number of Employees</u>

Employees	Full-time	%	Part-Time	%	Total	%
0-5	104	68.9	115	76.2	75	49.7
6-10	25	16.5	23	15.2	29	19.2
11-20	17	11.3	6	4.0	28	18.5
21-30	4	2.6	5	3.3	8	5.3
31-40	1	.7	2	1.3	11	7.3
Total	151	100.0	151	100.0	151	100.0

Employment Trends

A majority of the small business owners or managers indicated that employment over the last year remained the same, not showing an increase or decrease in the number of positions (65.1 %). An encouraging 23 % of the small business owners indicated an increase in the number of people employed, while 7.9 % indicated a decrease in the number of people employed.

Looking ahead, projections for future employment almost mirror the following year results reported in Table 13. Many business owners and managers believe that employment figures will remain the same (63.8%), while indications of increase (22.4%), or decrease (5.3%) represent a much smaller percentage of the response. Table 12 represents a strong, steady future for small tourism business growth.

Table 12

Employment last 12 months

Change	Frequency	%
Increased	35	23.0
Remained the Same	99	65.2
Decreased	12	7.9
Don't Know	6	3.9
TOTAL	152	100.0

Table 13

Employment over next 12 months

Change	Frequency	%
Increase	34	22.4
Remain the Same	97	63.8
Decrease	8	5.2
Don't Know	13	8.6
TOTAL	152	100.0

Customer/Revenue Trends

As shown in Table 14, a majority of small businesses reported an increase in the number of customers served (57%) and overall business revenue (53.3%). Also, 41.7 % of the subjects noted an increase in the average spending of customers over the last 12 months. A moderate percentage experienced flat line growth noting their number of customers, average customer spending, and overall business revenue remained the same (21.2%, 35.8%, and 19.3%). A small but significant number of small tourism business owners saw decreases in these categories (17.9% in number of customers, 15.2% in average customer spending and 19.3% in overall business revenue), and 4.0% did not know their trends in terms of number of customers and overall business spending.

A large percentage of small business owners and managers are predicting an increase in the number of customers (64.2%), average customer spending (41.3%) and overall business revenue (63.6%). Table 15 represents a positive trend in all three categories with over 80% of the sample forecasting increases or steady growth. A higher percentage indicated they "don't know" in terms of business trends. This may be reflective of the level of employee completing the instrument. Those who are managers or supervisors may not be privy to financial information or feel comfortable making future predictions.

Table 14

Customer/Revenue Trends- The Last 12 Months

	Increased		Same		Deceased		Don't Know	
Number of Customers	86	57.0	32	21.2	27	17.9	6	4.0
Average Spending	63	41.7	54	35.8	23	15.2	11	7.3
Overall Bus Revenue	80	53.3	35	23.3	29	19.3	6	4.0

Table 15

Customer/Revenue Trends- The Next 12 Months

	Increase		Same		Decease		Don't Know	
Number of Customers	97	64.2	35	23.2	9	6.0	10	6.6
Average Spending	62	41.3	68	45.8	8	5.31	2	8.0
Overall Bus Revenue	96	63.6	30	19.9	11	7.3	14	9.3

Obstacles for Improved Performance

Small tourism businesses face a number and variety of obstacles in attempting to improve their overall business performance, as shown in Table 16. Indianapolis is known for its large number of corporate and chain businesses, especially in the hospitality industry. Therefore, it is no surprise that competition from large business was the most frequently selected obstacle. Owners and managers also felt they did not receive enough support from the tourists. On the financial front, inflation, especially rising gas and transportation prices, and poor cash flow were seen as serious issues. On the other hand, interest rates and limited access to finances were not viewed as concerning.

Table 16

Obstacles for Improved Performance

Obstacles	Frequency
Competition from Large Business	54
Not Enough Tourism Support	52
Inflation	43
Poor Cash Flow	41
Labor Costs	39
No Support from Local Government	39
High Rent	35
Lack of Customer Demand	32
No Support from Local Residents	31
Labor productivity/Lack of Skilled Employees	27
Government Regulations	20
Limited Access to Finances	18
Interest Rates	13

Business Revenue from Local Residents

Most small business owners in the cultural districts believe tourist dollars represent a large percentage of their business revenue. Almost half, 49.3%, of the business owners and managers indicated that residents represented less than 25% of their customers, and another 15.8% noted they make up only 25% to 50% of their business. However, local support should not be underestimated or ignored, as 34.9% of the sample noted that business from residents represented between 50% and 100% of their revenue. Table 17 reflects the results of this question.

Table 17

<u>Business Revenue from Local Residents</u>

Years	Frequency	%
Less than 25%	75	49.3
25-50 %	24	15.8
50-75 %	31	20.4
75-100%	22	14.5
Total	152	100.0

Total Business Revenue

The results of total business revenue are reported in Table 18. Response for this question was equally distributed over the four categories. Businesses reporting $0 to $25,000 in business revenue characterized 15.2% of the sample, $25,000 to $75,000 characterized 29.0% of the sample, $75,000 to $150,000 characterized 22.1% of the sample, and $150,000 to $250,000 characterized 33.8% of the sample. Small tourism businesses reporting more than $250,000 in business revenue were removed from the sample based on the study's established criteria.

Table 18

<u>Total Business Revenue</u>

Revenue Dollars	Frequency	%
$0-25,000	22	15.2
$25,000-75,000	42	29.0
$75,000-150,000	32	22.1
$150,000-250,000	49	33.7
Total	145	100.0

Business Profitability relative to Significant Competitors

As reported in Table 19, competition from larger business is one of small tourism business' greatest obstacles. When asked how small tourism business would rate their business profitability relative to significant competitors, owners and managers indicated a mean score of 2.601 (between low and moderate profitability) in 2003, an increase to 2.887 in 2004 and a moderate rating of 3.035 in 2005. The scores indicate small tourism business owners and managers are concerned about their ability to compete with other businesses. There is a positive trend from the years 2003 to 2005 in that businesses view themselves as improving their profitability and ability to compete in this short time span. Only 118 of the 152 participants were able to answer this question regarding profitability in 2003, as many have been in business for only a year or two. This is also the reason the sample response is lower for the 2004 and 2005 question. Some subjects simply did not know how they measured against their competitors and chose to leave the question blank.

Table 19

Business Profitability relative to Significant Competitors

Year	M	SD	N
2003	2.601	1.038	118
2004	2.887	1.012	133
2005	3.035	1.108	140

1=extremely low profitability, 2=low profitability, 3=moderate profitability, 4=high profitability and 5=extremely high profitability.

Level of Business Performance

Respondents were then asked to rate their level of business performance success as measured by success in creating customer satisfaction, success in developing positive reputation, success in introduction of new products, success in generating year-round profits, success in creating awareness of a tourism product, and effective response to changes in the market. Table 20 charts the level of business performance using a scale of 1-5 with 1 being extremely low performance and 5 being extremely high performance. Many noted high performance in developing a positive reputation and in creating customer satisfaction, 4.326 and 4.298 respectively. Due to the lack of vision and limited understanding of financial management, many indicated that generating year-round profits (mean score of 2.704), ability to create awareness of tourism product (mean score of 3.262), and the development of new products (mean score of 3.340) were challenging for some tourism businesses and impeded performance levels.

Table 20

Level of Business Performance

Indicator	M	SD	N
Positive Reputation	4.326	.755	144
Customer Satisfaction	4.298	.720	144
Response Market Changes	3.388	.976	144
New Products	3.340	1.071	144
Year-Round Profit	3.262	1.112	141
Creating Awareness	2.704	1.153	142

1=extremely low performance, 2=low performance, 3=moderate performance, 4=high performance and 5=extremely high performance.

Number and Type of Professional, Civic, Religious, Charitable or Volunteer Organizations

Previous studies have shown that group membership may or may not be a predictor for support of tourism development (Besser, 1999; Getz & Carlsen, 2000; Jamal & Getz, 1995; Jurowski & Brown, 2001; Litz & Stewart, 2000; Williams & Lawson, 2001). With regard to group membership, Table 21 shows the total number of professional, civic, religious, charitable, and volunteer organizations any owner or manager of a small tourism business participates. Categories were defined as "no group membership," "member of one organization," "member of two or three organizations," or "member of four or more organizations." Over 60% of all small business owners and managers participated in two or more organizations; 40.8% participated in 2 or 3 memberships and 25% in 4 or more organizations. Conversely, 17.8% of the sample did not participate in any type of group or member organization, and 16.4% were involved in only one group membership.

Tables 22, 23, and 24 categorized the types of organizations and groups that attract small tourism businesses. Indianapolis Convention and Visitors Bureau,

Indianapolis Downtown, Inc., and Village, Neighborhood, District Stakeholders

Association were the three most popular choices for professional, formal memberships.

Surprisingly, the Chamber of Commerce was not frequently selected from the list of

professional opportunities, even though they characteristically attract small business

owners. The Downtown Restaurant and Hospitality Association and Indiana Originals

typically appeal only to restaurants, while the Downtown Artists and Dealers Association

attract only those interested in the arts community.

Few very small tourism business owners and managers indicated interest in civic

or service organizations, whereas several specified interest in church-related

participation, sports activity and programs, and education-based programs.

Table 21

Number of Professional, Civic, Religious, Charitable or Volunteer Organizations

Years	Frequency	%
No group membership	27	17.8
One membership	25	16.4
2-3 memberships	62	40.8
4 or more	38	25.0
Total	152	100.0

Table 22

Professional, Formal Membership Types

Membership Type	Frequency	
Convention and Visitors Bureau	49	
Indy Downtown, Inc	44	
Village, Neighborhood, District Stakeholders Association	39	
Merchant Association or Groups	36	
Downtown Restaurant and Hospitality Association	24	
Chamber of Commerce	21	
Indiana Originals	12	
Indiana Historical Society	10	
Downtown Artists and Dealers Association	8	

Table 23

Civic or Service Organizations

Membership Type	Frequency	
Junior League	4	
Kiwanis	3	
Rotary	2	
American Red Cross	2	
Lions	1	

Table 24

Community or Religious Affiliated Programs

Membership Type	Frequency
Church-related Participation	45
Sport Activity or Program	36
Education-based Programs	35
Hobby-oriented Clubs	24
Mentoring	22

Involvement in Mission and Part of Industry

　　Small business owners offer a unique perspective to tourism development in an area or city. However, only rarely are they asked to contribute their viewpoints as cities are developing their strategic mission or goals and objectives. As shown below in Table 25, only 26.2% of the sample has been contacted by a city official or local group to provide input into development of Indianapolis' tourism mission. Partly due to this disconnection between small business owners and local groups, 21.4% of the sample did not see themselves as part of the city's tourism industry (see Table 26).

Table 25

Contacted for Assistance in Mission Development

	Frequency	%
Yes	37	26.2
No	104	73.8
TOTAL	140	100.0

Table 26

Part of the City's Tourism Industry

	Frequency	%
Yes	114	78.6
No	31	21.4
TOTAL	145	100.0

Level of Support

The mean score for each tourism area is reported in Table 27. Areas to explore include continued development of the Indiana Convention Center, new facilities for sports teams and events, improved transportation system and roads, cultural events, festivals and downtown events, increased tourism and marketing dollars, increased efforts to display public art, and increased taxes to develop infrastructure. Support for improved transportation (mean score of 1.827) and cultural events, festivals and downtown events (mean score of 1.894) received the highest level of support, with 1 translating to strongly support and 4 to strongly oppose. Increased taxes to support infrastructure and support for new facilities for sports events and teams did not fair as well, reporting a mean score of 2.887 and 2.476 respectively. Due to the business type distribution, this result should have been expected. Food and beverage sales throughout the greater Indianapolis area were assessed a tax increase to support construction on a new sports facility for the Indianapolis Colts. This decision greatly impacted small business owners in the restaurant business.

The remainder of the categories reflected the overall tourism support mean score of 2.173 translating to a "somewhat support" rating. Mean scores listed between 2.0 to 2.2 included development for expansion of the Indiana Convention Center, outdoor

recreation programs and activities, increased tourism and marketing dollars, and

increased efforts to display public art.

Table 27

Level of Support

Development Area	M	SD	N
Transportation	1.827	1.301	151
Cultural Events	1.894	1.391	151
Tourism Dollars	2.019	1.425	151
Convention Center	2.039	1.441	151
Outdoor Programs	2.099	1.340	151
Public Art	2.152	1.436	151
Total Tourism Support	2.173	1.062	151
Sports Facilities/Teams	2.476	1.586	151
Taxes	2.887	1.288	151

1=strongly support, 2=somewhat support 3= somewhat oppose, 4= strongly oppose and 5=don't know.

Factor Analysis

Factor analysis is used to uncover the dimensions of a set of variables, reducing a

large number of variables to a smaller number of factors for modeling purposes. There

are two types of factor analysis: exploratory factor analysis (EFA) and confirmatory

factor analysis (CFA). Where EFA attempts to describe the data set by grouping together

correlated variables, CFA is used to test theory about latent processes and determine if

the number of factors and the loadings of indicator variables on them conform to what is

expected on the basis of pre-established theory (Tabachnick & Fidell, 2001). According

to Kim and Mueller (1978), "a minimum requirement of confirmatory analysis is that one hypothesize beforehand the number of factors in the model, but usually also the research will posit expectations about which variables will load on which factors" (p. 55).

Because few researchers "collect and analyze data without an a priori idea of how the variables are related" (Floyd & Widaman, 1995 in Costello & Osborne, 2005, p. 2) and in this study particular patterns of relationships between the variables were established, confirmatory factor analysis was used as the data analysis approach (Fabrigar et al., 1999).

Principal component analysis is used to analyze the total variance, not excluding error and unique common variance, for each observed variable. The goal of this technique is to extract maximum variance from the data with a few components, not discriminating between shared and unique variance, and to ensure that each additional component accounts for less variance than the previous ones. Using PCA will determine how many dimensions account for the most variance, while reducing the number of predictors in multiple regression analysis. PCA is a unique mathematical solution, producing an empirical summary of the data set (Tabachnick & Fidell, 2001).

The correlation matrix was generated and reviewed to show the strength of inter-correlations among the variables. PCA should produce some correlation coefficients exceeding .30 to be deemed appropriate for this type of analysis (Tabachnick & Fidell, 2001). The correlation matrix revealed several coefficients and patterns of data greater than .30 and the researcher proceeded using PCA.

Table 28 shows the total variance explained by the PCA analysis before rotation. An initial analysis of the data revealed the presence of eight factors, which explained

68.6% of the total variance, using the Kaiser criterion of retaining all factors with an

eigenvalue of 1.0 or greater. Factors one, two, and three had eigenvalues above 2.0,

explaining 19.8%, 12.4%, and 9.6% respectively.

Table 28

Total Variance Explained by PCA Analysis – Extractions Sums of Squared Loading

Factor	Total	% of Variance	Cumulative %
1	4.370	19.864	19.864
2	2.736	12.437	32.301
3	2.132	9.692	41.993
4	1.355	6.161	48.154
5	1.259	5.721	53.874
6	1.153	5.239	59.113
7	1.055	4.79	63.907
8	1.035	4.70	68.613

To confirm the number of factors to be considered for analysis, the scree test

(Figure 3) of eigenvalues plotted against factors was conducted. The scree plot typically

decreases with the highest eigenvalue being the first factor and then moderating by

decreasing before tapering off with small factor values for the remaining factors. Figure 2

showed a clear break after the fourth factor, and only a small percentage of the variance

is explained with the existing factors. Therefore, further investigation is needed to

determine if factors five, six, seven, and eight should be retained. To determine the

number of factors retained, the number of factors with eigenvalues greater than 1 is

between the number of variables divided by 3 and by 5. In this case, the number of

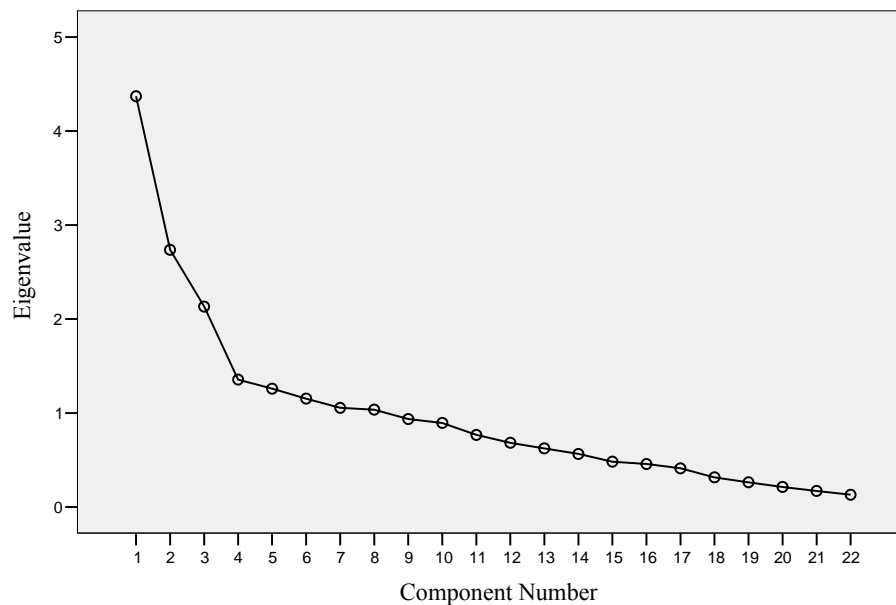factors should fall between 4 and 7.

Figure 3: Scree Plot of Eigenvalues for PCA Analysis

To strengthen the argument to retain between four and seven factors, a review of

the initial component matrix was conducted. This matrix in Table 29 shows the factor

loadings for the 22 items on the eight factors identified by the Kaiser criterion. All eight

factors loaded strong, with several above the .40 mark. Notably, factors one, two, and

three had five or more items load on the factor. On the other hand, factors five, six, and

seven had only two items loading on the factor warranting further investigation after

rotation.

Table 29

Principal Component Analysis: Component Matrix

			Components					
Items	1	2	3	4	5	6	7	8
BP change						.471		
Investment			.544	-.439				
Own boss			.619					
Lifestyle	.407		.517					
Enjoyment	.468		.495	.418				
Retirement			.487					
Profit	.616							
Awareness		.461						
Change	.447	.568						
Membership								-.478
Customer Sat		.650			.548			
Pos Reputation	.451	.609			.528			
New Projects	.563	.510				.532		
% Tourists								
Business Rev						-.499		
Antic. Customers	-.582	.402						
Antic. Revenue	-.659							
Trend Customers	-.584	.540						
Trend Revenue	-.603	.432						
Employ Now		-.510						.589
Employ Future	-.575							.439
Giveback				.622			-.434	

Because unrotated factors are difficult to interpret, a rotation serves to make the output more understandable. The rotation method simply alters eigenvalues of particular factors, more clearly differentiating the factor loadings of each variable. An oblique rotation on the data was performed to rotate the axes to produce factor loadings that minimize the covariance of the squared loading, allowing correlations among factors. The oblique rotation "relaxes orthogonality in order to gain simplicity in the interpretation" (Abdi, 2003, p. 5). Because there are theoretical grounds that the factors may be correlated, an oblique technique was applied. The intent of Promax rotation is made to fit

the target matrix, producing a pattern matrix containing coefficients that represent unique contributions.

Principal factors extraction using Promax rotation was performed on 22 items from the survey measuring a variety of indicators of tourism development support to provide a better interpretation of the factors' meanings. The factor must also have an interpretable dimension explaining the pattern of relationships among the items loading on it. Factors considered had loading scores of .40 or above.

The rotated solution revealed strong factor loadings and a number of items on the eight factors. Nine variables ("change in business performance," "to do what I enjoy while making a living," "to provide a retirement income," "trends in current number of customers," "trends in current customer revenue," "effective responsive to changes in the market," "success in ongoing developing of new projects," "amount of business revenue generated," "trends in future employment," and "percentage of business revenue generated by tourists") were identified as complex variables, those loading on multiple factors.

As noted above in the initial factor loading analysis, factors one, two, and three retained more than five items loading on the component, while factors five and eight were explained only by two items. According to Comrey and Lee (1992), factor loading of more than .71 is considered excellent, .63 very good, .55 good, .45 fair, and .32 poor. Each factor was individually reviewed in terms of the number of items loading on the factor, the strength of those loadings, and if the factor had an interpretable meaning. Table 30 shows the structure matrix, the interpretable data after Promax rotation.

Table 30

Principal Component Analysis: Structure Matrix

Items	Components							
	1	2	3	4	5	6	7	8
BP change	-.421						.573	
Investment			.674					
Own boss			.742					
Lifestyle			.700					
Enjoyment			.593		.585			
Retirement			.469				.409	
Profit		.587						
Awareness		.693						
Change		.713		.404				
Membership								-.610
Customer Sat				.916				
Pos Reputation								
New Projects		.789		.925				
% Tourists		.433					.469	
Business Rev						-.436		.517
Antic. Customers	.851							
Antic. Revenue	.860							
Trend Customers	.783						-.489	
Trend Revenue	.740						-.511	
Employ Now						.790		
Employ Future	.408					.695		
Giveback					.844			

Labeling Factors

After reviewing the above information, five factors were retained for further analysis. It was determined that factors six, seven, and eight did not reveal a meaningful label; hence, they were dropped from further analysis. Tables 31-35 describe the five factors that were used in the regression model attempting to predict support of tourism development by small tourism businesses.

Six variables loaded on factor 1 with scores ranging from .860 to -.421. Among

them were items describing avenues toward financial success, including the small

business' anticipated number of customers, anticipated revenues, current number of

customers, current customer revenue, future number of employees, and change in

business profitability. Because each area represented an element of financial success for

the business, it was labeled as such. Factor one was the strongest component based on the

percentage of variance explained, the strength of the factor loadings, and the number of

factor loadings.

Table 31

Factor 1: Financial Success

Variable Label	Factor Loading
Business Profitability Change	-.421
Anticipated Customers	.851
Anticipated Revenue	.860
Current Customer Numbers	.783
Current Customer Revenue	.740
Employment Future	.408

Note: Percentage of variance explained by Factor 1: 19.9%

Five variables in factor 2 had a factor loading of .4 or above, ranging from .799 to

.433. Factor 2 was easily labeled "Business Performance" as the variables used to explain

this component all related to areas of business performance measures. These items

included the success in generating profit year-round, success in creating awareness of the

tourism product, effective responsiveness to changes in the market, success in developing

new projects, and percentage of business revenue generated by locals versus tourists.

Combined with factor 1, these two components alone represent 32.3% of variance

explained in this study with Factor 2 explaining 12.4%.

Table 32

Factor 2: Business Performance

Variable Label	Factor Loading
New Project	.789
Change	.713
Awareness	.693
Profit Year Round	.587
Percentage of Locals versus Tourists	.433

Note: Percentage of variance explained by Factor 2: 12.4 %

Small business owners' motivation for starting and maintaining their

establishment was the theme of factor 3 (see Table 32). This factor describes the goals

and reasons small business owners chose to venture in small business ownership and

management. Variables such as "to be my own boss" (.742), "appealing lifestyle" (.700),

"business investment" (.674), "to do what I enjoy while making a living" (.593), and "to

provide a retirement income" (.469) had high factor loadings on this component. Factor 3

explained 9.6% of the variance, with five strong variables loading on it.

Table 33

Factor 3: Owner Motivation

Variable Label	Factor Loading
Own Boss	.742
Lifestyle	.700
Investment	.674
Enjoyment	.593
Retirement	.469

Note: Percentage of variance explained by Factor 3: 9.6%

Only three items loaded on Factor 4, labeled "Perceived Self-Image;" however, two of the variables had factor loading scores of over .9. The variables, "successful in creating customer satisfaction" and "successful in developing a positive reputation" reported factor scores of .925 and .916 respectively. Additionally, the item "effect responsiveness to changes in the market" (.404) played a role in describing the factor's label. These items as detailed in Table 34 describe how a small business owner or manager perceives their self-image, and these are illustrated by the three variables that loaded on the factor.

Table 34

Factor 4: Perceived Self-Image

Variable Label	Factor Loading
Positive Reputation	.925
Customer Satisfaction	.916
Change	.404

Note: Percentage of variance explained by Factor 4: 6.1 %

Factor 5 was reviewed and was retained even though only two variables loaded on the component. It was determined this was an important factor due to the strength of the

two items loading on it, "to give back to the community" (.844) and "to do what I enjoy while making a living" (.585). These two variables together, representing 5.7% of the variance explained, illustrated the values of a small business owner, and consequently the factor was labeled "Owner Values." Table 35 shows the factor loadings for this component.

Table 35

Factor 5: Owner Values

Variable Label	Factor Loading
Give back to the Community	.844
Enjoyment	.585

Note: Percentage of variance explained by Factor 5: 5.7 %

Summary of the Factors Retained for Multiple Regression Analysis

Five factors' meaning labels were described in the above description and tables. Table 36 provides a summary of factors that were used in the multiple regression analysis.

Table 36

Factor Summary

Factor	# of Variables	Eigen-values	% Variance Explained	Cumulative %
Financial Success	6	4.370	19.864	19.864
Business Performance	5	2.736	12.437	32.301
Owner Motivations	5	2.132	9.692	41.993
Perceived Self-Image	3	1.355	6.161	48.154
Owner Values	2	1.259	5.239	53.874

<u>Multiple Regression Analysis</u>

Standard multiple regression analysis was conducted using SPSS to determine whether the level of support for tourism development by small tourism business owners can be predicted by three categorical indicators -business activity type, business ownership type, and business location- and five factors- financial success, business performance, owner motivation, perceived self-image, and owner values. Standard multiple regression is a predictive technique that allows for the selection of a meaningful set of variables to account for maximum variance. The procedure assesses the relationship between one or more dependent variables and a number of independent variables, resulting in the best prediction of the dependent variable. All variables are entered and examined at once in the model, accounting for the unique contribution of each item (Tabachnick & Fidell, 2001).

The multiple regression model is explained by two statistical approaches: (a) ordinary least squares and (b) maximum likelihood estimates. The main effects, or least squares regression, equation is useful for predicting Y (dependent variable) from X_1 and X_2 (independent variables). The formula, $Y' = a + b_1X_1 + b_2X_2 + \ldots.e$, is the sample-based equation where *a* is the least squares intercept, *b1 and b2* are the estimates of the

population coefficients for X_1 and X_2, and e is a residual term (Jaccard et al., 1982). The principle of least squares attempts to weigh the independent variables differently so as to minimize the sum of the squared errors of prediction and optimize explanation, or R^2 (Pedhazur, 1982; Lewis-Beck, 1980). The goal of this method is "to arrive at the set of B values, called regression coefficients, for the independent variables that bring the Y values predicted from the equation as close as possible to the Y values obtained in the measurement" (Tabachnick & Fidell, 2001, p. 112).

Tabachnick and Fidell (2001) recommend evaluating sample size and the cases-to-independent variables prior to running the regression equation. They recommend using the rule of thumb if N>50 +8m (where 8 is the number of IVs) for multiple correlation and N>104 + m for testing individual predictors. Therefore, this study had eight predictors and a sample size of 152. This sample met the case to independent variables requirement, and performance of multiple regression was deemed appropriate; 50 + 8(8) = 114 cases needed for multiple correlation analysis, and 104 +8 = 112 cases for testing multiple predictors.

Table 37 represents the correlation matrix between the dependent variable (total tourism support) and the eight independent variables (business activity type, business ownership type, and business location, financial success, business performance, owner motivation, perceived self-image, and owner values). A correlation of .3 and above denotes a relationship existing between the independent variables and the dependent variables (Pallant, 2001). This data set showed low or no relationship between support of tourism development and the indicator variables. The highest correlation, .269, was recognized as a significant correlation (.001 level) between business performance (factor

2) and perceived self-image (factor 4). Other notable significant correlations were between financial success and owner motivation (.220) and business ownership type and business performance (.211).

Table 37

Correlation Matrix: Independent Variables versus Dependent Variables

Variables	1	2	3	4	5	6	7	8	9
1. Total Support Score	---	.039	-.164	.056	.095	-.126	-.067	.073	-.075
2. Activity Type			-.026	-.152	-.055	-.012	-.137	-.090	-.029
3. Location				-.005	-.149	.043	.023	-.003	.079
4. Ownership					.052	**.211**	-.076	.013	.187
5. Financial Success						-.178	**-.220**	-.090	-.098
6. Business Performance							.109	**.269**	.157
7. Motivation								-.076	**-.200**
8. Self-Image									-.124
9. Values									---

Several assumptions are necessary to meet when using multiple regression analysis, including linearity, normality, independence, and homoscedasticity of the residuals (Tabachnick & Fidell, 2001). The following figures and tables were used to test the assumptions prior to proceeding with regression analysis: (a) normality probability plot of regression standardized residuals, (b) scatterplot of residuals (regression standardized residual versus regression standardized predicated value), and (c) tolerance levels (1-squared multiple correlations) of the variables.

To check the normality of residuals, or the differences between the observed and the predicted dependent variable scores, the normality probability plot was used.

According to Tabachnick and Fidell (2001), "The assumption of normality is that errors of prediction are normally distributed around each and every prediction dependent variable score" (p. 119). In other words, if the distribution is considered normal, the points on the plot will fall along the straight line running from the bottom left of the plot to the top right corner of the graph. If the residuals are skewed, the points will deviate above or below the curve. As seen in Figure 4, the data set reveals a reasonably straight diagonal line suggesting no major deviations from normality.
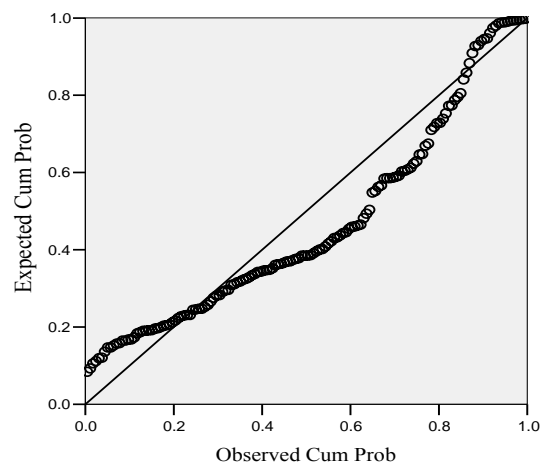
Figure 4: Normality Probability Plot of Regression Standardized Residuals

The residual scatterplot grid was also used to test the normality assumption. Figure 5 depicts the studentized deleted residuals on the Y axis versus predicted standardized residual value on the X axis. If the errors are normally distributed, then about 95% of the residuals should fall between -2 and +2. This figure shows only a few residuals outside the recommended range.

The overall shape of the scatterplot is reviewed to see if the residuals will be nearly rectangularly distributed. A grouping of residuals in the center of the plot at each value of predicated score and a normal distribution of the residuals trailing off symmetrically from the center shows normal distribution of the data. This data set revealed a pattern of normal distribution, as the residuals tended to display a rectangular distribution with a majority of the scores located in the center and a trailing off of other scores. Although it does not show perfect normality, it did not show obvious failures of normality, nor nonlinearity and heterscedasticity.
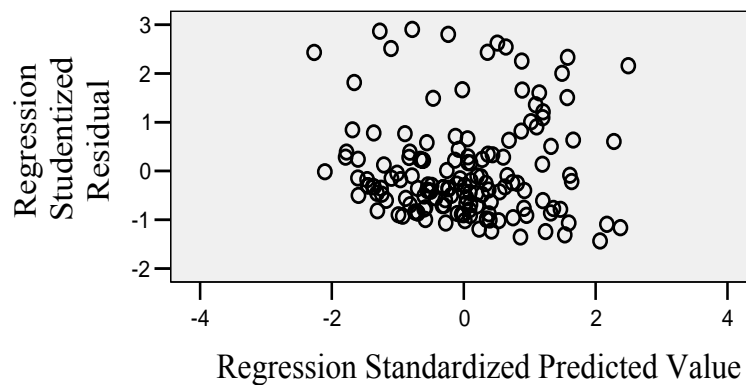
Figure 5: Scatterplot of Total Tourism Development Support (Dependent Variable)

Finally, the tolerance of each variable, or the portion of variance of a potential independent variable that is not explained by independent variables already in the equation, and the variance inflation factor (VIF), the reciprocal of tolerance, was reviewed to identify problems with multicollinearity and singularity of variables. If the tolerance score is low (near 0), meaning the variable is almost a linear combination of the

other independent variables, increased multicollinearity and problems in singularity are possible. This is not a concern if the independent variables are highly correlated (r=.9 and above). Table 38 shows tolerance values ranging from .973 to .813 indicating no violation of these assumptions.

Table 38

Multiple Regression Analysis of Coefficients: Collinearity Statistics

Variables	Tolerance	VIF
Location	.973	1.027
Activity Type	.933	1.072
Financial Success	.897	1.115
Values	.883	1.133
Motivation	.874	1.144
Self-Image	.853	1.173
Ownership	.853	1.173
Business Performance	.813	1.229

Once the assumptions were reviewed and met, the standard multiple regression model was used. In this model, all independent variables were entered into the equation at once and evaluated on what they added to the prediction of the dependent variable (Tabachnick & Fidell, 2001). The R-squared value (R^2) shows how well a set of independent variables predicts the dependent variable. As the R^2 increases in value, so does the percentage of explained variance in the dependent variable. In this data set, the set of eight independent variables was entered into the model to predict the support level of tourism development by small tourism business owners.

The model summary information revealed the R^2 for this data set was .058. This indicated that only 5.8% of the total support for tourism development by small tourism business owners could be predicted by the independent variables of business activity type, business ownership type, business location, financial success, business performance, owner motivation, perceived self-image, and owner values. The ANOVA table (see Table 39) was additionally reviewed for statistical significance of the predicted equation. The *f* value revealed a 1.082 level, while the significance value was .379. This data set was deemed not significant due to the alpha level not meeting the p=.05 significance level.

Table 39

Analysis of the Variance: Regression

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	9.727	8	1.216	1.082	.379
Residual	158.383	141			
Total	168.111	149			

a. Predictors: (Constant), business activity type, business ownership type, business location, financial success, business performance, owner motivation, perceived self-image, and owner values
b. Dependent Variable: total support of tourism development score

Lastly, the standardized coefficients, or the converted beta weights, were examined to review which, if any, of the independent variables contributed to the explanation of the dependent variable. Table 40 displays the standardized beta weights for each independent variable in the data set. This analysis further showed no significance at p=.05 between any of the independent variables and the dependent variable. The highest beta weight was -.148 (business location) and was significant at the p=.076 level.

This finding further confirmed that the set of independent variables did not contribute to the explanation of level of tourism development support.

Table 40

Multiple Regression Analysis: Significance of Beta Weights

Variables	Beta	Sig
Activity Type	.040	.640
Location	-.148	.076
Ownership	-.006	.947
Financial Success	.050	.563
Business Performance	-.129	.157
Motivation	-.031	.723
Self-Image	.112	.208
Values	-.017	.843

Summary

This chapter outlined the results by addressing a number of topics: (a) the response rate of the population, (b) demographic data describing a number of characteristics of small tourism business owners and managers, (c) screening of the data, (d) overview of factor analysis using principal component analysis and Promax rotation method, (e) labeling and description of the five meaningful factors, (f) summary of factor retained for multiple regression analysis, and (g) multiple regression analysis pertaining to the predictability of the level of support for tourism development by small tourism business owners.

Chapter 5

SUMMARY, DISCUSSION OF FINDINGS, CONCLUSIONS, IMPLICATIONS,

AND RECOMMENDATIONS

Summary

The problem of this study was to construct a testable model by investigating the dimensions of small tourism businesses and to explore if these characteristics predict support of tourism development in Indianapolis, Indiana. Based on the review of literature, a number of variables were identified for use in the study. Each small tourism business was examined in terms of their type of business activity, type of business ownership, motivation of business ownership, financial success, projected growth, business geographical location, customer base, and level of community involvement. The importance of the study was that support for tourism development leads to increased tourism activities and inevitably increased economic benefit to the community.

The sample for this study was drawn from small tourism business owners and managers located in one of the six Indianapolis cultural districts (Broad Ripple Village, Wholesale, Fountain Square/Southeast Neighborhood, Downtown Canal, Mass Avenue, and Indiana Avenue Cultural District). For this project, a small tourism business was defined as a business with less than 40 full-time employees, very small market share, annual revenue less than $250,000, or limited infrastructure and assets, and was categorized as one of the following types of establishments: (a) art galleries or studios, (b) restaurants, (c) historic attractions, (d) museums, (e) performing/visual art centers, (f) unique gift/souvenir shops, and (g) accommodations. A total of 152 surveys were used in the analysis, which represented a 48.2% response rate; a total of 315 small tourism businesses fit the sample criteria.

The survey was developed using question items and themes from earlier work by notable researchers in the areas of small business, economic development, and tourism (Bastakis et al., 2004; Besser, 1999; Friel, 1999; Getz & Carlsen, 2000; Jurowski & Brown, 2001; Litz & Stewart, 2000; Page et al., 1999; Reichel & Haber, 2005; Reid et al., 2004; Schrodeder, 1996; Thomas, 1997, 2000; Williams & Lawson, 2001). Variables selected for this study were justified using previous theory and concepts presented in the small business and tourism literature. The 35-question survey instrument was divided into seven sections: (a) general business information, (b) business employment, (c) business operations, (d) business marketing and advertising, (e) performance measures, (f) community involvement, and (g) support of tourism development. The instrument included both closed and open-ended questions, and continuous and categorical measurement levels.

The initial analysis of the data was conducted using SPSS and produced a number of descriptive statistics describing small tourism businesses in Indianapolis. This information was used to better understand the nature of owners and managers of small tourism businesses. Factor analysis procedures were conducted using principal factors extraction with Promax rotation. The results of the factor analysis revealed the presence of an eight factor structure with eigenvalues greater than one, of which five of the factors were retained and used in further analysis. A multiple regression analysis was then used to distinguish whether support of tourism development could be predicted by the small tourism businesses' financial success, business performance, owner motivations, perceived self-image, owner values, business activity type, business location, and business ownership type. The model summary information revealed the R^2 for this data

set was .058, meaning only 5.8% of the variance of support for tourism development could be explained by this set of independent variables.

<div align="center">Findings</div>

This study addressed two research questions and eight null hypotheses. To answer the research questions and to decide whether or not to retain or reject the hypotheses, principal component factor analysis and standard multiple regression modeling were used. Prior to conducting the analysis, a number of interesting demographic information was reported.

The demographic data provided insight into a number of areas used to describe small tourism businesses. For instance, 55.5% of the respondents indicated they owned and/or operated the small business fewer than five years, with 85.4% of small business owners employing ten or less full-time employees. This sample indicated that "doing what I enjoy while making a living" and "recognized a market need" were the two most favorable responses when asked about their motivations for starting a new small tourism business. Retirement, prestige, and unemployment were viewed as less important.

Small tourism business owners and managers were conservative, yet optimistic, regarding their projections for future employment trends and generation of customer revenue. In fact, 80% of the sample forecasted increases or steady growth in number of customers, average customer spending, and overall business revenue. On the other hand, competition from large business, lack of tourists' support, inflation, poor cash flow, labor costs, and no support from local government were acknowledged as obstacles to improved performance.

In terms of business performance measures, many small tourism businesses believed they were successful in developing a positive reputation and in achieving customer satisfaction, and noted generating year-round profit, ability to create awareness as a tourism product, and developing new products as challenges that impede performance levels.

Group membership of small tourism business was reviewed in terms of professional, civic, religious, charitable, and volunteer opportunities. Additionally, respondents were asked if he/she felt a part of the Indianapolis tourism industry and to identify groups or other individuals who have sought their opinion on future development. Surprisingly, over 60% of all small tourism business owners and/or managers participated in two or more organizations. However, only 26.2% of the sample had been asked to contribute their viewpoints on Indianapolis' strategic mission as it relates to tourism development, leaving 21.4% of the sample feeling disconnected from the city's tourism industry.

Finally, the mean score of eight items was reviewed to determine the level of support for tourism development by small tourism businesses. Support for improved transportation and increased support for cultural events, festivals, and downtown events received the highest mean scores; whereas, increased taxes to support infrastructure and support for new sports facilities reported the lowest mean scores of support. An overall mean score for support for tourism development by small tourism businesses was 2.173, translating to a somewhat support rating.

The results of the PCA factor analysis using Promax rotation revealed the presence of an eight factor structure with eigenvalues greater than one, of which five of

the factors were retained and used in further analysis. The five meaningful factors that emerged from the data were labeled as financial success, business performance, owner motivations, perceived self-image, and owner values. Together, they explained 53.8% of the variance in the original 22 items. Variables with factor loadings of .40 and above were used to interpret and label the factors.

Factor one, financial success, had six items loading on it, including anticipated customers, anticipated revenue, current customer numbers, current customer revenue, employment future, and business profitability change. This was the strongest of the five factors explaining 19.9% of the variance. Business performance, factor two, represented 12.4% of the explained variance and was defined using success in generating year-round profit, successful in creating awareness of the tourism product, effective responsiveness to changes in the market, success in developing new projects, and percentage of business revenue generated by locals versus tourists. These two components represented 32.3% of the 53.8% of the variance explained. Factors three, four, and five represented the remaining 21.5% of the variance. Owner motivation had five factor loadings, while perceived self-image had three and owner values had only two.

These five factors and three categorical variables, business activity type, business location, and business ownership type, were entered into the multiple regression model. The proposed model included small tourism business community involvement and client base, but these components did not emerge as factors and were replaced with perceived self-image and owner values. In fact, group membership and client base only loaded on one factor, which was deemed uninterpretable. Figure 6 represents the factors that were entered into the modified proposed model to determine whether or not this set of

independent variables would predict small tourism businesses' level of support for

tourism development.
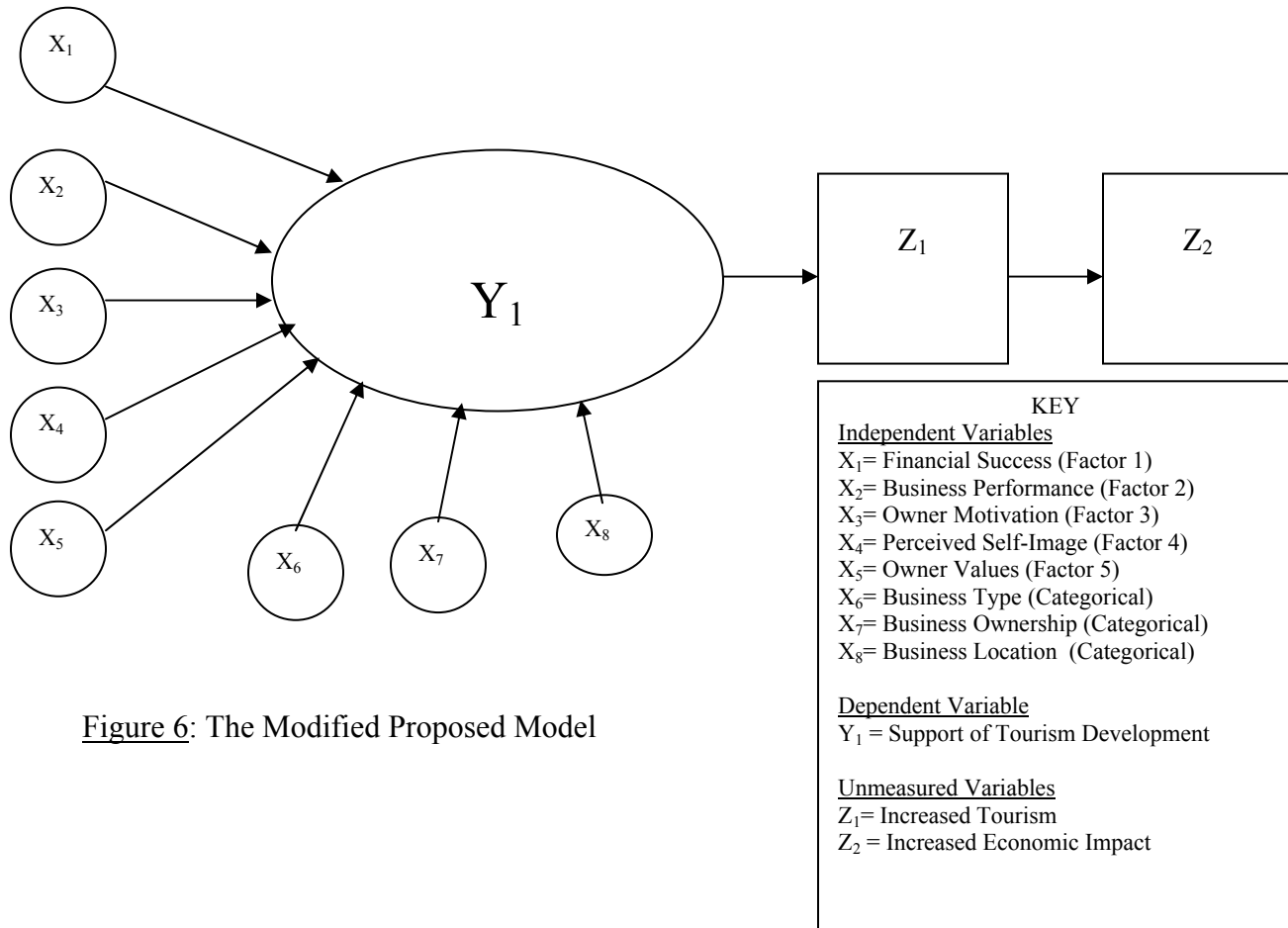
Figure 6: The Modified Proposed Model

KEY
Independent Variables
X_1= Financial Success (Factor 1)
X_2= Business Performance (Factor 2)
X_3= Owner Motivation (Factor 3)
X_4= Perceived Self-Image (Factor 4)
X_5= Owner Values (Factor 5)
X_6= Business Type (Categorical)
X_7= Business Ownership (Categorical)
X_8= Business Location (Categorical)

Dependent Variable
Y_1 = Support of Tourism Development

Unmeasured Variables
Z_1= Increased Tourism
Z_2 = Increased Economic Impact

In conclusion, the model summary information revealed the R^2 for this data set

was .058. This indicated that only 5.8% of the total support for tourism development by

small tourism business owners could be predicted by the independent variables of

business activity type, business ownership type, business location, financial success,

business performance, owner motivation, perceived self-image, and owner values. The

ANOVA table and the standardized coefficients, or the converted beta weights, were

examined to explore which, if any, of the independent variables contributed to the

explanation of the dependent variable. Both reviews supported the conclusion that this set

of independent variables did not predict the level of support of tourism development by small tourism businesses.

Conclusions

With respect to the hypothesis used to guide the research project, the following conclusions were drawn:

Hypothesis 1: "There are no significant relationships between small tourism business' involvement (membership in professional, civic, religious, charitable or volunteer organizations) and support of tourism development" was retained. The regression analysis revealed that the item "group membership" only loaded on one factor, which was subsequently deemed uninterruptible. Additionally, a factor did not emerge from the data set describing group membership as anticipated. This means that group membership, as it relates to small tourism business owners, did not predict support of tourism development. Therefore, the social exchange theory and conclusions posed by Jurowski and Brown (2001) regarding group membership and support levels may not be relevant in relation to the sample in this study.

In further exploring group membership, it should also be noted that group membership did not correspond to the answers to "do you feel like part of the Indianapolis tourism industry." Therefore, some who selected they were a member of two or more professional, formal, religious, civic, or volunteer organizations still indicated they did not feel a part of the tourism industry, and others who felt a part of the tourism industry did not participate or become members in any groups or organizations.

Hypothesis 2: "There are no significant relationships between small tourism business' motivation (such as lifestyle, enjoyment, retirement, and business investment)

and support of tourism development" was retained. Factor 3 in the PCA analysis revealed a component that described the goals and reasons small business owners chose to venture into small business ownership and management. Variables such as "to be my own boss" (.742), "appealing lifestyle" (.700), "business investment" (.64), "to do what I enjoy while making a living" (.593), and "to provide a retirement income" (.469) had high factor loadings on this component. However, the regression analysis concluded that small tourism business owners' motivations had no predictive power with relation to support levels of tourism development.

Hypothesis 3: "There are no significant relationships between small tourism business' projected growth and support of tourism development" was retained. Factor 2 in the PCA analysis was clearly labeled "Business Performance" as the variables used to explain this component included the success in generating profit year-round, success in creating awareness of the tourism product, effective responsiveness to changes in the market, success in developing new projects, and percentage of business revenue generated by locals versus tourists. While the factor was defined, the regression analysis suggested projected business performance growth could not predict support of tourism development by small tourism businesses.

Hypothesis 4: "There are no significant relationships between small tourism business' financial success and support of tourism development" was retained. Factor analysis exposed that the strongest factor, Factor 1, explained 19.9% of the variance, and clearly described avenues toward attaining financial success. Such item descriptors included the small business' anticipated number of customers, anticipated revenues, current number of customers, current customer revenue, future number of employees, and

change in business profitability. The economy base theory was used as a framework for this study, and this set of ideas demonstrated that economics and tourism development have some connection. However, the regression analysis showed no significance in regard to small tourism business' financial state and the ability to predict support of tourism development.

Hypothesis 5: "There are no significant relationships between small tourism business' clientele base and support of tourism development" was retained. It was found that some small tourism business owners did not even know the percentage of revenues brought in by tourists versus local residents. Therefore, it was no surprise that "clientele base" did not appear as a factor and could not be used to predict support of tourism development by small tourism businesses.

Hypothesis 6: "There are no significant relationships between small tourism business' activity type and support of tourism development" was retained. Small tourism business activity was divided into eight categories: (a) art gallery or studio, (b) restaurants, (c) historic attractions, (d) museums, (e) performing/visual arts, (f) unique gift or souvenir shops, (g) accommodations, and (h) other (attractions not categorized as historical, hospitality tour companies, or meeting management firms). The regression procedure discovered business activity type does not predict support levels of tourism development by small tourism businesses.

Hypothesis 7: "There are no significant relationships between small tourism business' type of ownership and support of tourism development" was retained. Small business ownership was divided into six categories: (a) individually owned, for-profit, (b) jointly owned, for-profit, (c) family owned, for-profit, (d) part of a chain or franchise, (e)

non-profit or not-for profit organization, and (f) other. It was again revealed that this categorical factor had no predictive power in terms of predicting small tourism business support of tourism development.

Hypothesis 8: "There are no significant relationships between small tourism business' location and support of tourism development" was retained. Each of the six cultural districts (Broad Ripple Village, Fountain Square, The Canal and White River State Park, Mass Avenue Arts and Theater District, Downtown Wholesale District, and Indiana Avenue District) was entered into the regression model to see if this variable could predict support of tourism development. This variable also showed no significance in the ability to predict support levels of small tourism business owners.

Predicting small tourism business support of tourism development may continue to be difficult. Until the Indianapolis small tourism business owners and managers begin to understand the value and importance of tourism development to their future and its impact on the city's future, their support of future projects hard to foresee.

Small tourism businesses need a collaborative voice to express their distinct needs to the community, its residents, tourists, and stakeholders. Membership in professional associations or groups was varied amongst business owners, and due to segmented membership, their opinions are not likely to be considered. It was reported that very few owners and managers participate in elected offices or hold key leadership offices. This must change; small tourism business owners must get involved in the process.

Additionally, small tourism businesses do not collaborate with each other or work toward common goals. To overcome obstacles, they must seek out one another's

strengths and work together to lend support and direction to overcome weaknesses and secure their future success.

Implications

Even though the proposed model may not have resulted in significant findings, this study has both theoretical and practical implications. As previously indicated in Chapter Two, additional research based on theoretical understanding and improved data collection is important as researchers in this area look to further investigate support of tourism development and understand small tourism businesses. Previous researchers have used a number of dimensions to both describe and define small tourism business owners, and others to predict support of tourism development. This study attempted to combine these findings and propose a new set of theoretical ideas for future research.

This study used and implemented previous theory, including elements of the social theory (Davis, 2001), organizational typologies (Litz & Stewart, 2000), social exchange theory (Chen, 2000; Jurowski et al., 1997), the enlightened self-interest model of social responsibility (Besser, 1999), and the systemic model (Besser, 1999) as the conceptual framework for the study. Because the economy theory attempts to explain the range of problems, challenges, and strengths of small tourism business, it was used as the framework for the study's proposed model. While new theory cannot be derived from these findings, this research should be used as a foundation to expand and continue work on future theory development and theory testing in these areas.

Knowledge of what factors influence small tourism business support of tourism development may enable stakeholders to assess the likelihood of a project prior to committing significant amounts of time and financial resources. There are a number of

groups and individuals, including tourism planners, officials, and the business community at large, who can take advantage of this study and its results. The demographic portion of this study alone could assist those in positions to promote tourism development to better understand, communicate, and involve small tourism business owners in their future efforts. This stronger understanding of small tourism businesses in the Indianapolis area could lead to a more targeted effort by all stakeholders in the area.

Reaching consensus with small business owners could be described as difficult or impossible, as this population tends to have an individual agenda or not enough time and resources to participate in the city's initiatives. Tourism professionals must begin to reach out to these small businesses and incorporate their interests into the overall direction of tourism planning. Professional training in hospitality has typically encompassed customer service, marketing, and planning techniques. However, these efforts must be expanded for small tourism business to assist with financial management and cash flow, to identify avenues of marketing that is both creative and affordable, to present awareness of the tourism policies, and to introduce channels to become involved and voice opinions in the tourism developmental process. To survive in this current economy, small tourism businesses need the support of local, state, and national governments and other tourism stakeholders.

Indianapolis has a large number of small tourism businesses that have been operating for less than five years. These businesses need local and state government support and resources that will allow them to survive in a chain-dominated city. Exploring the needs and interests of small tourism businesses is imperative if the city wants to promote a unique destination that will attract all types of visitors. Assisting in

the development and survival of small tourism businesses will allow Indianapolis to be recognized as a cultural location that tourists want to explore.

<div align="center">Recommendations</div>

Based on the findings and conclusions of the study, the following are recommendations for future research in the area of small tourism business and support for tourism development:

1. The study should be replicated using different populations. The low variance in the study could be a reflection of the small tourism business owners in Indianapolis, Indiana. Different results may be reported if the small tourism business owners are located in another city, region, or country.

2. Not only should populations in different geographical areas be used, but different categories of small tourism businesses should be explored. Potentially adding categories that were excluded in this study, such as a number of service-related businesses (hair salons, dry cleaners, shoe repair, etc.) may provide other perspectives. Because other cities or regions may have different types of small tourism businesses, it may be useful to explore the categories used in the study and look to refine the participant criteria used in future projects.

3. Similar studies need to be conducted to further validate the instrument. Different samples and categories of other small tourism business could be used to enhance the reliability and validity of the instrument and strengthen the scales and variables used. Additional research should be conducted to determine if the instrument is valid with other types of populations.

4. Conducting a qualitative study is necessary to validate the instrument and further investigate the results. A multi-method approach increases the feasibility of verifying or validating theories. Through personal interviewing, Delphi procedures, and/or focus groups, additional themes or factors may emerge about tourism development support. These methods and use of triangulation procedures may also identify if the survey instrument accurately measures and describes small tourism business owners' perspectives. This will help in the attempt to maximize the strengths and minimize the weaknesses in each approach. Very few respondents took advantage of the opportunity to add personal comments in the open-ended question section; and therefore, additional in-depth information would aid in refining the instrument and advancing theoretical ideas on model design.

5. Other quantitative statistical methods can be used to examine the data. By adapting the research questions, MANOVA, discriminant factor analysis, and other methods of multiple regression (stepwise, backward, or forward) could be used. This may yield other significant findings that could contribute to the body of knowledge.

6. Confirmatory factor analysis is a powerful research tool, and its use can yield strong statistical evidence of the validity of a proposed model. Therefore, further exploring whether or not the model fits the data is necessary and useful. Techniques such as SEM, Amos, and EQS could be selected for future studies.

7. Each independent variable used in the study should continue to be investigated and reviewed. Further examination is needed of the factors and variables (independent variables) used in the multiple regression model in hopes of better explaining the percentage of variance between the independent variables and dependent variable.

Additionally, other demographic variables such as ethnicity, race, and political party affiliations could be examined in future projects.

8. Future investigation is needed to determine if the eight items in the support for tourism development section, the dependent variable, represent an accurate overall support score. By using different variables to define overall support of tourism development, a different set of factors may emerge leading to better predictive measures in the model.

9. It is important to note that not all small tourism businesses are alike, and the importance of the demographics in this study cannot be ignored. By conducting additional studies of individual segments of small tourism business, such as only independent restaurant owners or bed and breakfast owners, different variables may be recognized, and categorizing all small tourism business owners may not be possible.

10. Future studies should be conducted in the Indianapolis area after the major tourism projects are complete. Views may shift both positively and negatively after small tourism businesses see the impact of these new developments. To date, the expansion of the Indiana Convention Center is slated for opening in 2010, and the new sports facility for the Indianapolis Colts is planning to open in 2008. It would be interesting to follow small tourism businesses' perspective throughout this exciting time of tourism development and following the opening of these facilities.

11. The academic community must involve practitioners in understanding how they can use research results, theoretical ideas, and models in decision making and business operations. This gap between practitioners and the research community must be narrowed or eliminated to improve practicality of both basic and applied research efforts.

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APPENDIX A

Human Subject Documentation of Review and Approval

INDIANA UNIVERSITY – BLOOMINGTON
STUDY INFORMATION SHEET

The role of small business enterprise in urban tourism development:
A case study of Indianapolis

You are invited to participate in a research study. This study investigates the effects of tourism development on small business.

INFORMATION
Participation will consist of survey collection. Individuals will be visited at their place of business and asked to complete a questionnaire. Approximately 250 surveys will be collected for this study.

BENEFITS
The benefits of this study could help city administrators better understand the viewpoints of small tourism business owners and thus be better equipped to meet the needs of all constituents of the community when making decisions on tourism issues.

CONFIDENTIALITY
Participants will not be identified in the reports of the study. Information will be kept confidential and no reference will be make in the reporting that could link you to the study. At the conclusion of the study in November 2005, all surveys and materials will be destroyed.

CONTACT
If you have questions about this study or its procedures, please contact Amanda Cecil – IUPUI, 901 West New York Street, Office 258B, Indianapolis, IN 46202, 317.278.8569.

If you feel you have not been treated according to the descriptions in this form, or that your rights as a participant have not been honored during the course of this project, you may contact the Human Subjects Committee, Indiana University, Carmichael Center L03, 530 Kirkwook Avenue, Bloomington, IN, 47408, 812.855.3067 or email at iub_hsc@indiana.edu.

PARTICIPATION
Your participation is this study is voluntary; you may decline to participate without penalty. If you decide to participate, you may withdraw from the study at any time without penalty. If you withdraw for the study, your data will be destroyed, and your contribution will not be used for research purposes.

APPENDIX B

Student Research/Data Collection Guidelines and Instructions

<u>Student Research/Data Collection Guidelines and Instructions</u>

Tourism, Conventions, and Event Management students will serve as research assistants for this project starting July 11 through July 25. Below are the research guidelines for the study:

(1) All research assistants are required to pass the Human Subjects Protection Test before participating. An explanation of research ethics and review of the IRB tutorial will be presented to students prior to administering the test.

<u>Human Subjects Protection Test</u>: To be eligible to receive credit for this course, students must pass the IUPUI Human Subjects Protection Test by Friday, July 1.
http://www.iupui.edu/%7Eresgrad/Human%20Subjects/human-menu.htm
　　- Select "Protection of Human Subjects in Research Course"

　　　　The course consists of:
　　　　o A Web-based, self-paced tutorial designed to meet the NIH requirements that researchers using human subjects demonstrate the completion of education in the protection of human research participants.
　　　　o A self-administered test designed to complement the Protection of Human Subjects in Research tutorial.

(2) Research assistants will be given a complete overview of the purpose, justification, limitations, delimitations, and assumptions of the research.

(3) Research assistants will be divided into teams and assigned between 25 businesses to visit. The supervisor of that area will distribute a map of the cultural distinct and the address of each location.

(4) Research assistants and supervisor will select a meeting point for the cultural district team.

(5) Research assistants will be given a script to introduce his/herself at the business owner location.

Hello _____.
My name is _____(member of the survey team).
I am a student at IUPUI and we are conducting a study of tourism support and its benefits and drawback for the city of Indianapolis. We would like for you to participate so we can explore the viewpoints of small business owners or managers. It will require only about 10-15 minutes of your time. All information will be kept confidential and your participation is completely voluntary. Moreover, you can discontinue at any time during the process.

APPENDIX C
Letter to Indianapolis Cultural District Small Business Owners or Managers

June 30, 2005

Indianapolis Cultural District Small Business Owner or Manager:

Indianapolis is experiencing tremendous growth in tourism and is building a unique cultural reputation among residents and visitors. As city officials and leaders continue to look to the future of tourism development and expansion, it is critical to have feedback from all segments and facets of the greater Indianapolis stakeholders.

During the week of July 11-15, a member of the IUPUI research team will visit your business to receive your input on the future of Indianapolis tourism development. You are invited to participate in a research study that investigates the effects of tourism development on small business. The benefits of this study could help city administrators better understand the viewpoints of small tourism business owners and thus be better equipped to meet the needs of all constituents of the community when making decisions on tourism issues.

A small sample of business owners and managers are being surveyed, so your input is very important. Participants will not be identified in the reports of the study. Information will be kept confidential and no reference will be make in the reporting that could link you to the study.

If you have questions regarding the project, please feel free to contact Amanda Cecil at 317.278.8569.

Thank you,

Amanda Cecil
Indiana University
Doctoral Student
akcecil@iupui.edu

APPENDIX D
Research Questionnaire

General Business Information

---

1. What is the primary activity of this business? *(Select one)*
○ Art gallery or studio   ○ Unique Gift/ Souvenir Shop
○ Independent Restaurant   ○ Accommodations
○ Historic Attraction   ○ Other (please specify)
○ Museum   _____
○ Performing/Visual Art Center

2. Which Indianapolis historical district is your business located? *(Select one)*
○ Broad Ripple   ○ Downtown Canal District
○ Wholesale   ○ Mass Avenue Arts District
○ Fountain Square/Southeast Neighborhood   ○ Indiana Avenue Cultural District
                                                                    ○ I do not know

3. Is this business: *(Select one)*
○ individually owned, for-profit   ○ jointly owned, for-profit
○ family owned, for-profit   ○ part of a chain or franchise
○ non-profit or not-for profit organization
○ other (please specify) _____

4. Are you *(Select one):*
○ the sole owner   ○ other (please specify):
○ the joint owner   _____
○ the manager of the business

Please provide the following demographic information for the small business owner:

5. Gender: ○Male   ○Female
6. Age Range: ○ 18-25   ○26-35   ○36-50   ○51-65   ○66+

7. For how many years have you owned or jointly owned THIS business?
_____ year(s)

8. Please describe why you got started in this small tourism business. 1= not important,
2=somewhat important, 3= moderately important, 4=very important, 5=extremely
important, and N/A = does not apply.

To be my own boss	1	2	3	4	5	N/A
Appealing lifestyle	1	2	3	4	5	N/A
Business Investment	1	2	3	4	5	N/A
Meeting people	1	2	3	4	5	N/A
Thought it would be fun	1	2	3	4	5	N/A
Recognized a market need for the business	1	2	3	4	5	N/A
Started because of redundancy or unemployment	1	2	3	4	5	N/A
Semi-retirement	1	2	3	4	5	N/A

9. How important were the following goals to you when getting started in this business?
1= not important, 2=somewhat important, 3= moderately important, 4=very important,
5=extremely important, and N/A = does not apply.

To do what I enjoy while making a living	1	2	3	4	5	N/A
To keep my family together	1	2	3	4	5	N/A
To live in the right environment	1	2	3	4	5	N/A
To support my leisure interests	1	2	3	4	5	N/A
To make lots of money	1	2	3	4	5	N/A
To gain prestige my operating a business	1	2	3	4	5	N/A
To provide a retirement income	1	2	3	4	5	N/A
To permit me to become financially independent	1	2	3	4	5	N/A
Give back to the community	1	2	3	4	5	N/

Business Employment

---

10. How many people does this business currently employ, including the management team and family members?

Full-time employees (more than 30 hours per week) _____

Part-time employees (less than 30 hours per week) _____

TOTAL number of employees _____

11. Circle your three busiest months   Jan   Feb   Mar   Apr   May   June   July   Aug   Sept   Oct   Nov   Dec
      Circle your three slowest months   Jan   Feb   Mar   Apr   May   June   July   Aug   Sept   Oct   Nov   Dec

12. How has the number of people employed in this business changed over the last 12 months and how is it likely to change over the next 12 months? (Please select one box per row)

Employment over the last 12 months has: ○Increase   ○Remained the Same   ○Decreased   ○Don't Know
Employment over the last 12 months is likely to: ○Increase   ○Remained the Same   ○Decreased   ○Don't Know

13. How do you normally recruit staff? *(Select all that apply)*

○ Word of mouth   ○ College and universities
○ Professional Associations   ○ Local advertisement
○ Job Centers   ○ Employment Services
○ Other (please specify) _____

Business Operations

14. What have been the major trends for your business over the last 12 months? *(Please select one for each row)*

	Increased	Remained the Same	Decreased	Don't Know
Number of customers	○	○	○	○
Average spending of customers	○	○	○	○
Overall business revenue	○	○	○	○

15. What performance do you anticipate from the business over the next 12 months? *(Please select one for each row)*

	Increase	Remain the Same	Decrease	Don't Know
Number of customers	○	○	○	○
Average spending of customers	○	○	○	○
Overall business revenue	○	○	○	○

16. Have you invested any new capital into the business during the last 12 months?
　　○ Yes　　　　　　　　　　　　○ No

17. If yes, from where did you seek the capital? *(Please select all boxes that apply)*
○ Outside companies　　　　○ Bank　　　　　　　　○ Finance company
○ Outside private investors　　○ Personal funds　　　　○ Grants
○ Other (please specify) _____

18. Which of the following (if any) do you see as obstacles to the improved performance of this business? *(Please select all that apply)*
○ Inflation　　　　　　　　　　　○ Lack of customer demand
○ Labor costs　　　　　　　　　　○ Government regulations
○ Interest rates　　　　　　　　　○ Limited access to finances
○ High rent　　　　　　　　　　　○ No support from local government
○ Poor cash flow　　　　　　　　　○ No support from local residents
○ Competition from large business　○ Not enough tourist support
○ Labor productivity/ Lack of skilled employees

Business Marketing and Advertising

19. Do you have a formal marketing plan for this business? *(Select one)*
○ Yes, a formal written plan　　　　　　○ No
○ Yes, a formal unwritten plan

20. How far ahead do you currently plan your marketing activities? *(Select one)*
○ No plan　　○ Up to 1 year　　○ 1-2 years　　○ 3-5 years　　○ 5 years+

21. Have you used any of the following methods of advertising or promotion within the last 12 months? *(Please select all that apply)*

○ Brochures   ○ National advertising
○ Discounted Pricing   ○ Sponsorship
○ Local advertising   ○ Personal Selling
○ Internet Selling   ○ Couponing
○ Other (please specify) _____

22. Please estimate what percentage of your business' revenue is generated from local residents versus tourists.

_____% from local residents + _____% from tourists =   100%

23. What would be your approximate business revenue in a year?

○ $0-25,000   ○ $150,000-250,000
○ $25,000-75,000   ○ $250,000 +
○ $ 75,000-150, 000

Performance Measures
---

24. Please indicate the business' profitability relative to significant competitors in each of the following years with 1=extremely low profitability, 2=low profitability, 3=moderate profitability, 4=high profitability and 5=extremely high profitability.

	Lowest		Highest
2003	1	2 3 4	5
2004	1	2 3 4	5
2005 (projected)	1	2 3 4	5

25. Please indicate the level of the business' performance for each of the following criteria with 1=extremely low performance, 2=low performance, 3=moderate performance, 4=high performance, and 5=extremely high performance.

	Lowest		Highest
Successful in creating customer satisfaction	1	2 3 4	5
Successful in developing a positive reputation	1	2 3 4	5
Successful in developing a core tourism product	1	2 3 4	5
Success in ongoing developing new projects	1	2 3 4	5
Success in generating profit year round	1	2 3 4	5
Successful in creating awareness of the tourism product	1	2 3 4	5
Effective responsiveness to changes in the market	1	2 3 4	5

Community Involvement

---

26. How many professional, civic, religious, charitable or volunteer organizations are you currently a member?
○ No group membership
○ Member of one organization
○ Member of two or three organizations
○ Member of four or more organizations

27. Are you a member of any of the following formal, professional tourism networks?
(Select as many as apply)
○ Indianapolis Convention and Visitors Bureau   ○ Merchant Association or Groups
○ Indianapolis Downtown Inc. (IDI)   ○ Indiana Historical Society
○ Downtown Restaurant and Hospitality   ○ Indiana Chamber of Commerce
Association   ○ Indiana Originals
○ Village, Neighborhood, District Stakeholders   ○ Indianapolis Downtown Artists and Dealers
Association   Association
○ OTHERS _____

28. Are you a member of any of the following civic or service organizations?
○ Kiwanis   ○ Lion's
○ Indianapolis Junior League   ○ American Red Cross
○ Rotary
○ Others _____

29. Have you participated in community or religious affiliated programs?
○ Church-related participation   ○ Hobby-oriented clubs
○ Sport or activity programs   ○ Education-based programs
○ Mentoring

30. Since you have become the manager or owner, have you:
Held an elected office in your community   ○ Yes   ○ No
Held a leadership position in a local civic organization or church   ○ Yes   ○ No

31. Have any local groups contacted you for assistance in developing the tourism mission of Indianapolis?   ○ Yes   ○ No

32. If yes, what groups? _____

33. Do you see your business as part of the city's tourism industry?   ○ Yes   ○ No

34. What areas of tourism development do you wish you were involved in?

---

35 .How much would you support or oppose each type of tourism development for Greater Indianapolis? 1=strongly support, 2=somewhat support 3= somewhat oppose, 4= strongly oppose and 5=don't know.

Continued development of Indiana Convention Center	1	2	3	4	5
New facilities for sports events and teams	1	2	3	4	5
Improved transportation system and roads	1	2	3	4	5
Cultural events, festivals, and downtown events	1	2	3	4	5
Outdoor recreation programs and activities	1	2	3	4	5
Increased tourism and marketing dollars	1	2	3	4	5
Increased efforts to display public art	1	2	3	4	5
Increased taxes to develop infrastructure	1	2	3	4	5

OTHER COMMENTS:

THANK YOU FOR PARTICIPATING IN THIS STUDY!

If you would like a copy of the results, please list your email address: _____

APPENDIX E
Amanda Cecil's Curriculum Vita

CURRICULUM VITA
Amanda Kay Cecil, MA, CMP

Home Address:
3626 Camberwood Court
Indianapolis, IN 46268
Home phone: 317.297.6997

Business Address:
Indiana University (IUPUI)
Department of Tourism, Convention,
and Event Management (TCEM)
901 West New York Street, Office 258B
Indianapolis, IN 46202
Office Phone: 317.278.8569
Email Address: akcecil@iupui.edu

FORMAL EDUCATION

Pursuit of Doctor of Philosophy, Department of Recreation and Parks Administration
Emphasis on Leisure Studies and Tourism
Anticipated date of graduation: Fall or Spring 2006
Indiana University, Bloomington, Indiana

Master of Arts, Department of Sport Management and Administration, May 1997
The Ohio State University, Columbus, Ohio

Bachelor of Science, Department of Kinesiology, May 1995
Indiana University, Bloomington, Indiana

ACADEMIC WORK EXPERIENCE

September 2002- Present   Lecturer, Department of Tourism, Conventions and Event
                              Management, Indiana University – Purdue University
                              Indianapolis (IUPUI)

Course Taught at IUPUI:
TCEM 100 - Introduction to Hospitality Management
TCEM 110 – College Life Orientation
**TCEM 171 – Introduction to Conventions, Meetings and Exposition
**TCEM 271 – Mechanics of Meeting Planning
TCEM 299 – Cruise Line Management
TCEM 305 - Newsletter
**TCEM 310 – Special Event Planning
**TCEM 319 – Sport Management and Tourism
**TCEM 377 – Exhibit Marketing
HPER R423 – Visitor Behavior

*** Course taught both in the class room (live) and on internet (web-based distance learning)*

Courses Developed:	Teaching and Research Interests:
TCEM 299 – Cruise Line Management	Sports Tourism
	Cultural Tourism
	Trends in Meeting and Conventions
	Customer Services Issues
	Tourism Marketing
	Sports Management

PROFESSIONAL ASSOCIATION & LEADERSHIP

Industry Certification
- Certified Meeting Professional Designation (CMP)
    - Received certification in 2001 from Convention Liaisons Council (CLC)

Professional Association Memberships and Committees
- Professional Conference Management Association (PCMA)   2001 – Present
    - Serve on the Faculty Committee – 2004-2005.

    - Serve on Greater Midwest Chapter Student/Faculty Committee. 2004-2005. Event hosted in Indianapolis, September 24, 2004.

    - Serve on the Local Organizing Committee (LOC) or 2004 PCMA Annual Conference in Indianapolis, IN

    - Serve as a member of the 2004 PCMA Volunteer Committee the annual conference recruiting over 75 students to assist at the event

    - Serve as faculty advisor for IUPUI's PCMA Student Chapter

    - Serve as the faculty advisor for PCMA student scholarships and awards
        - David Lueck selected as 2004 Midwest Student Scholarship Winner
        - Luciane Baier selected 2004-2005 Minority Scholarship winner
        - Megan Leek selected as 2004 "Student Planner of the Year"
        - Megan Leek selected as the 2003 Midwest Student Scholarship

- Meeting Professionals International (MPI)   1999-Present
    - 2004-2006 Board of Directors – Vice President of Education
    - Attend monthly board and lunch meetings
    - Serve on Education Committee
    - Served on Fundraising and Sponsorship (2003)

- International Association of Exhibit Managers (IAEM)   1998-2005

WORKSHOPS/ SPEAKING ENGAGEMENTS

Avgoustis, S., Cecil, A., Fu, Y., & Wang, S. (March 2004). *Quality of life study townhall meeting.* Indianapolis, Indiana.

Cecil, A. (March 2004). *Using technology to teach and train*. Association of Family and Consumer Science, Indianapolis, Indiana.

Avgoustis, S. & Cecil, A. (November 2004). *Staying informed of changes and trends: A MICE distance education program.* 1st International Meetings Industry Conference: Challenges in the New Global Environment, Athens, Greece.

Cecil, A. & Brunton-Guerard, N. (October 2004). *Impacts of Cruise Tourism*. National Recreation and Parks Administration Annual Meeting, Reno, Nevada.

Avgoustis, S. & Cecil, A. (July 2004). *Urban Cultural Tourism Initiative: An Investigation of an Acceptable Implementation Procedure.* International Council on Hotel, Restaurant and Institutional Education (CHRIE) Annual Conference, Philadelphia, Pennsylvania.

Cecil, A. & Fu, Y. (April 2004). *Demographics of web-based students and their attitudes toward online courses.* International Council on Hotel, Restaurant and Institutional Education, Eastern Michigan University, Ypsilanti, Michigan.

Avgoustis, S., Cecil, A., & Leek, M. (October 2003). *The Use of a Delphi Study to Identify Implementation Procedures for an Urban Cultural Tourism Initiative: Case of Indianapolis.* Annual South Dakota International Business Conference, Northern State University Center of Excellence, Rapid City, South Dakota.

Brothers, L. & Cecil, A. (January 2003). *Everything but the game*. Annual Meeting, USA Soccer Presentation, Indianapolis, Indiana.

Guest Speaker Invitation
P212: Exercise Science (Dr. Mikesky – 2002; 2004, Dr. Kaleth- 2003, Mr. Bradley - 2004)
T450: The Tourism System (Dr. Avgoustis – 2003)

PROFESSIONAL DEVELOPMENT

2005
January- Professional Conference Management Association Annual Conference, Honolulu, HA

March – Great Lakes Hospitality Educators Conference, Indianapolis, IN

May – Meeting Professionals International Leadership Conference, Dallas, TX

June – CMP Conclave, Toronto, Canada

2004
January - Professional Conference Management Association Annual Conference, Indianapolis, IN

March – Great Lakes Hospitality Educators Conference, Ypsilanti, Michigan

July – International Council on Hotel, Restaurant and Institutional Education (CHRIE) Annual Conference, Philadelphia, Pennsylvania.

October – National Recreation and Parks Administration Annual Meeting (NRPA). Reno, Nevada.

November - 1st International Meetings Industry Conference: Challenges in the New Global Environment, Athens, Greece.

2003
January - Professional Conference Management Association Annual Conference, Anaheim, California

February - American Bus Association, Indianapolis, Indiana

March - Meeting Professionals International Tri-State Conference, Indianapolis, Indiana.

September - International Association of Exhibit Management Leadership Conference, New York, New York.

September- Travel and Tourism Research Conference CenStates, Des Moines, Iowa.

October - Dakota Business Conference, Rapid City, South Dakota.

RESEARCH/ SCHOLARLY WORK

Published Papers

Avgoustis, S. H., Cecil, A.K., Fu, Y., & Wang, S. (2005). Exploring the relationship between cultural tourism and quality of life. *Annual Conference Proceedings of Research and Academic Papers, Volume XVII,* (pp. 232-241). Chicago, Illinois.

Avgoustis, S. H., Cecil, A.K., Fu, Y., & Wang, S. (2005). Exploring the demographics of web-based students and their attitudes towards on-line courses. *Proceedings of the 1st International Academic Conference on Hospitality and Tourism*, (pp. 52-60). Montego Bay, Jamaica.

Avgoustis, S. H., Cecil, A.K., Fu, Y., & Wang, S. (2005). Available city services as predicators of cultural tourism success. *Proceeding of the 11th Annual South Dakota International Business Conference*. Northern State University Center of Excellence.

Avgoustis, S. H. & Cecil, A. (2004). Urban cultural tourism initiative: An investigation of an acceptable implementation procedure. *Proceedings of the 2004 International CHRIE Conference*, (pp. 1-8).

Avgoustis, S. H., Cecil, A., & Leek, M. (2003). The use of a Delphi study to identify implementation procedures for an urban cultural tourism initiative: The case of Indianapolis. *Proceeding of the 10th Annual South Dakota International Business Conference*, (pp. 9-35). Northern State University Center of Excellence.

Research supervisor for the following projects:
- Midwest Music Festival (2005)
- Quality of Life Study (2004)
- American Bus Association (2003)
- Hoosier Horse Fair and Exposition (2003)
- Indianapolis "Secret Shopper" (2003)

Textbook Contributor

Pizam, A. (2005) <u>International Encyclopedia of Hospitality Management.</u>

AWARDS & NOMINATIONS

Awarded School of Physical Education and Tourism Management 2005 Teaching Award

Awarded the 2005 PCMA Gem Award

Awarded 2004 Lecturer Development Grant-In-Aid ($1000)

Awarded the Leisure Research Institute Grant for Research/Travel Funding ($2500)

Awarded PCMA Faculty Scholarship (Expenses Paid for Conference Travel)

Nominated PCMA "Educator of the Year" and for "Distinguished Service Award"

Nominated 2004 PETM "Teacher's Award"

INSTITUTION INVOLVEMENT

University Committees
Chili for Charity

School Committees
Technology, 2004 Chair
Academic and Student Affairs
Sport Management Curriculum

Departmental Committees
Advisory Board, Co-Chair
Golf Scholarship Event
Industry Breakfast and Receptions
Search and Screen Committee (Faculty)

Recruiting Events
Exhibitor at MPI Tri-State Conference
Exhibitor at Northwest High School
Career Day
21st Century Scholars Monthly Meeting

Student Organization
IUPUI – PCMA Student Chapter -
Advisor

Advising
Advise 30-50 students per semester on
registration and educational issues

PROFESSIONAL EXPERIENCE

2001-2002   *Director of Business Development*
                Event Management Solutions, Atlanta, Georgia
1998-2001   *Senior Event Manager/ Meeting Planner*
                Host Communications, Inc., Lexington, Kentucky
1996-1998   *Special Event/Sport Tourism Assistant and Graduate Intern*
                Columbus Convention and Visitors Bureau, Columbus, Ohio

Other relevant experiences:
   Special Event Manager – "Aspen Spirit of Skiing" (1997)
   Facility Management Coordinator - Ohio State University (1996-97)
   Marketing Intern - Dartmouth College, Hanover, New Hampshire (1995-96)
   Special Events Intern – RCA Tennis Championships, Indianapolis, IN (1995)

VOLUNTEER AND COMMUNITY INVOLVEMENT

- Big Brothers/Big Sisters – Involved as Big Sister since 1996 to present.
- Indianapolis Junior League – New member in 2004
- American Red Cross Instructor – Current certifications in CPR, AED, First Aid, Professional Rescuer, Life Guarding and Water Safety Instruction.