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Authors	Cordero, Francisco;Cordero, Nancy;Huffman, Lynn;Malaga, Jaime;Dudensing, Rebekka
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## The Potential of Hospitality Industry Development in Frontier Communities

Francisco J. Cordero  
Hospitality Administration  
Texas Tech University

and

Nancy Cordero  
Hospitality Administration  
Texas Tech University

and

Lynn Huffman, Ph.D.  
Human Sciences  
Texas Tech University

and

Jaime Malaga, Ph.D.  
Agricultural Economics  
Texas Tech University

and

Rebekka Dudensing, Ph.D.  
Department of Agriculture Economics  
Texas A&M University

### **ABSTRACT**

*This poster displays the need for hospitality services in rural areas and the potential development of additional industries in remote Texas locations. The economic impact of travel spending in rural and urban areas in the State of Texas is being studied in order to identify the potential for hospitality development in rural Texas communities. Researchers are collaborating with Texas AgriLIFE Extension Service economists to determine the economic impact of hospitality industries in rural communities. University students at Texas Tech University will also be surveyed regarding their attitudes of their rural hometowns, and whether they are aware of hospitality establishments located within those communities.*

Keywords: *rural, tourism, sustainability, hospitality, economic impact*

### **INTRODUCTION**

This poster will display the need of hospitality training and tourism development in rural areas of Texas. The economic impact of travel spending in rural areas in the State of Texas is being studied in order to identify the potential for hospitality development in rural Texas

communities since the majority of Texas is considered rural. Texas AgriLIFE Extension Service economists will examine the economic impact of hospitality industries in a specific rural county. Students at Texas Tech University will also be surveyed regarding their attitudes of their rural hometowns, and whether they are aware of hospitality establishments located within those communities. At the time of this submission, preliminary results of the survey are pending.

### **Purpose of the Research**

Many agricultural operations located in rural areas diversify their operations to enhance income (George & Rilla, 2005). In this submission, a working cattle ranch that encompasses over 100,000 acres has diversified their agricultural operation to include hunting. The presenters propose to examine the need for hospitality services in rural areas and the potential development of additional industries in remote Texas locations. While the lack of inhabitants is beneficial when operating a hunting lodge, the population surrounding the lodge has declined for years.

### **Declining population**

Population decline in rural communities is occurring at an alarming rate. The 2000 Census reported that over 97% of the total land in the United States is considered rural and fewer than 21% of the U.S. population lives in rural communities (Smith, et al., 2004). As populations decline in rural communities, the tax base erodes, resulting in fewer services and jobs in these communities, leading to more citizens leaving the community. Seventy-two counties in Texas have experienced a population decline from 1990 to 2000 (Fisher and Knutson, 2003). The authors propose to offer an example of how rural communities can capitalize on their remote location through the development of hospitality industries.

### **Tourism as an Economic Development Tool**

Many rural areas are using their natural resources and alternative land management to include recreation and tourism as an economic driver (Reeder and Brown, 2005). Substantial contributions are made to government revenue through traveler spending, accounting for over eight percent of local and state tax revenues collected in Texas as reported to the Governor's Office of Economic Development and Tourism by Runyan and Associates (2010). The Dept. of Recreation Sciences at Texas A&M University (2009) reported to the State of Texas that for each dollar spent by the State of Texas for tourism marketing, the return on investment was approximate \$7.35. In 2008, total direct travel spending in Texas reached \$60.6B, and over one million direct and secondary jobs were attributed to travel spending in Texas, exceeding \$33B in earnings. Also in 2008, travel accounted for \$4.0B in local and state tax revenues.

### **Defining Frontier Community**

According to Coburn et al., (2007), there is no universally accepted definition of rural. In 1997, the Department of Health and Human Services in the Office of Rural Health Policy Health Resources and Services Administration commissioned a study with the Frontier Education Service to define areas as frontier rather than rural. According to the Frontier Education Center (1998), a market could be loosely defined. For the purposes of this paper, the area under review

qualifies as rural but will further be defined as “frontier” because of the population density of the county. Remote areas can benefit greatly by promoting their natural attributes through rural tourism development.

### **Hospitality Industry and Tourism Development**

The hospitality industry encompasses many aspects from lodging and foodservice to tourism. According to Goeldner (2006), “tourism may be defined as the processes, activities, and outcomes arising from the relationships and the interactions among tourists, tourism suppliers, host governments, host communities, and surrounding environments that are involved in the attracting and hosting of visitors” (p. 5). To develop a tourism destination, many factors need to be considered including an inventory of tourism assets and proximity to populated areas (George & Rilla, 2005).

The community nearest the hunting lodge has available lodging and restaurants, and could directly benefit from additional tourism drawn to the area. This poster focuses on the lodge’s interest in attracting hunters to their remote location. According to the U.S. Department of the Interior, Fish, and Wildlife Service (2001), over 82 million U.S. residents fished, hunted, and watched wildlife in 2001 and spent over \$108B (or \$1,317 per person) in the pursuit of these activities.

### **Issues of Rapid Development**

Texas leads the United States with the largest percentage of privately owned land with over 142 million acres, and many landowners have diversified existing agricultural operations to include nature tourism or wildlife recreation which accounts for \$10.9B in Texas (2009 Texas Land Trends Study, 2009). In many areas of Texas, land has become so valuable that it is being subdivided and sold for development. This rapid urbanization may threaten the wildlife recreation industry suggesting that nature tourism itself can lead to land development. Some of the less desirable problems that can accompany rapid development include increasing land prices road congestion, and existing infrastructure may be taxed by the development. Regardless of the potential hazards of a successful nature tourism endeavor, there are still many benefits to nature tourism in rural locations.

### **Literature Review**

Authors have contended that rural tourism and sustainable tourism are complementary, and that sustainable tourism has evolved to include environmental, social, cultural, political and economic issues (Lu & Nepal, 2009; Beer & Marais, 2005). Rural areas are diversifying their economic base through tourism and creating job opportunities and much literature exists on tourism’s contribution to local economies (Reeder & Brown, 2005; Willebrand, 2009; Gokovali, 2010). Entrepreneurship also plays a big part in the economic well-being of rural communities and may help insure the success of tourism development. It is easier and cheaper to implement rural tourism as an economic development tool than traditional approaches, i.e., manufacturing (Wilson et al., 2001; Roberts & Tribe, 2008).

## **Methodology**

Students within the Department of Agricultural and Applied Economics at Texas Tech University (TTU) will be anonymously surveyed. A portion of the survey will ask students to identify existing hospitality industries within their hometown and describe their hometown in one or two words. Statistical data will be analyzed by agricultural economists in the Department of Agricultural and Applied Economics at TTU.

## **Implications**

Expansion of hospitality industries in rural areas can benefit multiple stakeholders. The area serviced by the hospitality industry benefits through newly created local businesses, an increased tax base, and expansion of economic opportunities. The hospitality operation can profit from an isolated market requiring its services. In the case of the hunting lodge, the operation benefits directly from the abundance of wildlife in rural Texas. Educational institutions benefit by conducting outreach to rural communities, providing service learning opportunities for university students, promoting rural sustainability, and enhancing the quality of life in rural communities.

## **Conclusion**

This case study examines the impact of hospitality training and tourism development in a hunting lodge in rural Texas. The economic impact of travel spending in Texas was examined as well as university students' perception of their rural hometowns. Preliminary survey results regarding their attitudes will be provided at the conference. With over 133M acres of rural land, Texas has enormous potential for rural hospitality industry and nature tourism development.

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