Small tourist firms in rural areas: agility, vulnerability and survival in the face of crisis

Wilson Irvine and Alistair R. Anderson
Aberdeen Business School, Robert Gordon University, Aberdeen, UK

Keywords Rural areas, Small enterprises, Tourism management, Response flexibility

Abstract This paper reports on the quintessential rural small firm, the tourist service provider and explores the impact of the recent foot and mouth outbreak. A theoretical framework is employed which proposes that many rural small firms capture and commodify the values that are inherent in the countryside. Part of this process is the portrayal of image and is an essential element of the new economy of signs and symbols. This image was critically challenged during the outbreak and thus affords us a unique opportunity to examine what happens, the impacts and effects, on small rural business when the image is tarnished. The findings show that small firms in rural areas suffered badly, even in areas where there was no disease. This leads one to argue that the effects of the disease were generated, less by fact, and more by the production of image. However, it was also found that rural small firms were extremely flexible in their responses to the crisis. In turn this seems to suggest that many small rural businesses may have a particular resilience which augurs well for sustainability.

Introduction
The purpose of this paper is to consider how small rural tourist firms coped with the impact of foot and mouth disease. At the very practical level of rural small business, the occurrence of foot and mouth disease provides us with a situation where we can measure how badly rural small firms were affected by such a large scale disaster. This appears particularly important because we believe that tourist related industry is likely to play an increasing role in rural development and survival. Globally, tourism is reckoned to be the fastest growing industry, (WTO, 2003), but for peripheral geographically isolated rural places it is likely to be the only growth industry. Brown and Hall (1999) describe a peripheral area as one which suffers geographic isolation, being distant from core spheres of activity, with poor access to and from markets. Such areas, they claim, are characterised as economically marginalised with much of the business activity confined to micro-business. But as Wanhill (1997) notes the European Union’s Maastricht Treaty acknowledged that tourism could reduce regional disparities. Moreover, small firms are the quintessential form of businesses in rural areas. This too is unlikely to change.

Indeed many rural new small firms are created to respond to the attractions of rural places. So taking these points together suggests that the development of rural places is highly dependent on small tourist firms. Tourism is Scotland’s most important industry, injecting £2.5 billion into the economy annually (www.scotexchange.net). It is the fourth biggest employer, employing 193,000, some 8 per cent of the workforce. The Tourism Attitudes Survey (Scotexchange, 2001) indicated that 81 per cent of all

This article is part of a special issue entitled “Selected Papers from the 2nd Rural Entrepreneurship Conference, CCRE, Dumfries, October 2003”.

DOI 10.1108/13552550410544204
visitors came to Scotland for its beautiful scenery, much of which, by its very nature is peripheral. Destination attractions include Scotland’s most dramatic and atmospheric places, from Culloden Moor to Glencoe for the Brave Heart or the Loch Ness Monster experience (Visitscotland.com). Thus the “otherness” of Scotland is actively promoted. At a conceptual level, the epidemic provides us with some interesting material to explore the nature of tourist attraction to rural places. Our theoretical orientation is that tourists are attracted by a subjective interpretation of the “otherness” of rural places; that while such places stand as different, this conception of difference can rapidly shift from attraction to repulsion. Such seemed to be the case when the media presented the grotesquely hellish images of rural sky blackened out by the smoke from burning piled-high corpses, punctuated only by the charred and smouldering legs of cattle, sticking up as if in some mute appeal to reason. Hence peripheral tourism and small rural tourism firms in particular, appear to be extremely vulnerable to shifts in perceptions about the attractions of rural places. Exploring the nature of attraction to rural tourist places should help us to understand the role that small firms play.

The paper begins by developing our theoretical framework about the nature of rural attraction. This argument, drawn from the literature, claims that the nature of rural attraction is “difference”, the way that the otherness of rural places is presented. Socially constructed images present rural as attractive and worthy of tourist time. However a crucial element of rural attraction appears to be safety, so that the presence of the foot and mouth epidemic turned attraction into repulsion. We then consider rural small business, emphasising their fragility, manifest as a vulnerability to external environmental turbulence, such as the epidemic. Yet paradoxically, small firms are often seen as flexible and agile enough to make rapid responses to change. So this then presents our research question, how well were rural small businesses able to respond to the crisis? To address the issue we present data from three surveys; two in Grampian, one during the crisis to measure the anticipated effects and one after to establish the reality of the impact; the third survey was conducted with a sample from Cumbria and measures the real impact. The benefits of the different survey areas lie in the fact that Grampian had no cases of foot and mouth; in contrast, Cumbria was badly affected. We then discuss these finding in the light of our research question.

The attraction of the rural location
Scotland and Cumbria present classic examples of the otherness of rural locations. Scotland boasts distilleries, ancient castles, battlefields and monuments often in remote but picturesque locations. Cumbria too has remote but beautiful landscapes, lakes and hills which typify the prose and poetry which recount its otherness. But rurality is a matter of perception; Brown and Hall (1999, p. 9) argue that a place that is remote and difficult to reach may be perceived by tourists to have certain qualities symptomatic of its situation, such as natural beauty, quaintness and otherness. Such places are seen as authentics, (Urry, 1990) rich in symbolic representations of the unspoilt, the pristine and the traditional. Urry (1995) also makes a powerful case to show that it is this otherness which creates attraction. As Blomgren and Sorensen (1998) propose, the attractiveness of the periphery relies on the subjective interpretation of such symbols. Anderson (2000) argues that rural spaces have moved from outlying production zones to become areas which are consumed in their own right (Kneafsey, 2001). He argues that it is their very “otherness”, non-industrial, distance and an absence of core activities, which creates value in the consumer’s eye. Moreover, it is those very
qualities of otherness which are consumed. Kneafsey (2001, p. 102) states, “the periphery is the ideal zone for the production of aestheticised cultural goods”. More pragmatically, Brown and Hall (1999) describe a peripheral area as one which suffers geographic isolation, being distant from core spheres of activity, with poor access to and from markets. Such areas, they claim, are characterised as economically marginalised with much of the business activity confined to micro-business. But as Wanhill (1997) notes, the European Union’s Maastricht Treaty acknowledged that tourism could reduce regional disparities. Taken together, we see the importance of tourism for the peripheral place, highly dependent on the “difference” of image from the core, but equally we see how it appears to depend on a positive image.

Despite this case for rural attractiveness, as Mathieson and Wall (1982) note, there is little agreement about the importance of any specific factor to motivate people to visit particular places (Tiefenbacher et al., 2000). For example, Galloway (2002) proposes two types of motivation, described as push and pull factors (Goossens, 2000; Crompton, 1979). Push factors are broadly associated with demographic attributes and psychological variables such as need and personal values. Pull factors are seen as those external to the individual and are aroused by the destination. Dann (1981) points out that many researchers focus on the pull factors since they represent the specific attractions of a place. Goossens (2000) suggests that both sets of factors should be considered, since each is one side of the motivational coin. Emotion is seen to be the connecting link, because tourists are pushed by their emotional needs and pulled by the emotional benefits. Leisure is thus seen as a positive and subjective experience; in particular that emotion plays a major role in hedonistic consumption.

In terms of the destination pull factors; there is broad agreement about the influence of tourism image on the behaviour of individuals (Ashworth and Goodall, 1988; Mansfeld, 1982). Tourism image is defined by many authors as an individual’s overall perception or total set of impressions about a place (Fakeye and Crompton, 1997; Hunt, 1998; Phelps, 1999), or as the mental portrayal of a destination (Alhemoud and Armstrong, 1996; Crompton, 1979). Such images are the manifestations of a social construction of a place (see, for example, Tinsley and Lynch, 2001). In other words, as Carter (1998) puts it, the symbolic contribution to the sense of place. The image of a destination consists, therefore, of the subjective interpretation of reality made by the tourist. There is now considerable evidence (Crompton and Ankomah, 1993; Gartner, 1990; Kent, 1990) of the influence of tourism image on the choice of holiday destination. Places with stronger positive images will have a higher probability of being included and chosen in the process of decision making (Alhemoud and Armstrong, 1996; Bigne et al., 2001). Pike (2002) reviewed 142 academic papers about image, finding that images were either positive or negative.

Gunn (1972), discussing the image formation, makes a distinction between “induced” and “organic” components. Induced images are created by the strategic promotion of a place. Organic in contrast is not directly created, but formed by channels of mass media. Gunn (1972) argues such organic images are argued to be more influential, again this supports the idea of the power of social construction of a place. Schultz (1970) talks about the stocks of knowledge of a phenomenon acquired inter-subjectively by individuals; formed through organic representations produced by media, education, government and other institutions. Tiefenbacher et al. (2000) argue that such perceptions are generated by advertisement, movies and word of mouth. Among the range of proposed factors they suggest that “keeping up with the Jones’s” is
important. Thus group perceptions of a place are also an influence. Reid and Reid (1993) make a similar point, that positive images are shared and also lead others to visit the location.

Image will therefore influence a tourist in the process of choosing a place to stay (Bigne et al., 2001) and image, and its influence is likely to be constructed prior to the actual experience of the place. So influence begins at the stage of choosing the holiday destination, and consequently destination choice cannot be explained exclusively in terms of the objective environment (Johnson and Thomas, 1995). Tourists embark on their journeys with already formed images which are largely the product of popular cultural representations (Gallanti-Moutafi, 1999). Rural places are thus transformed into a tourist site through the system of symbolic and structural processes. Tourists “read” these signs and judge their aesthetic appropriateness. Owen et al. (1999), suggest that because of a lack of detailed information, prospective tourists will place greater reliance on long established impressions and possibly stereotypical impressions. Mathieson and Wall (1972) suggest, in terms of push factors, that the motivation to visit a place may hinge on the perception of the value in visiting that destination. Thus, images of a place are broad conceptions, loosely formed and probably based on the assimilation of diverse and incomplete information. For example, Dann (1996, p. 79) shows how representations of destinations rely on cultural stereotypes and received images, “which remain to be confirmed or invalidated by experience”. Images of a place and the consequent choice of destination are therefore an individual subjective interpretation, but formed from social and shared representations selected from our economy of space and sign (Lash and Urry, 1994).

So tourism consists of a demarcation of both space and time. For time, as Baudrillard (1998) points out, it is a leisure time, differentiated from work time and caught up in the consumption of signs and experiences. For space, tourism is about created leisure space, places which are first signed as appropriate (Urry, 1995) and then consumed. “A new or renewed importance attaches to place ... even when these are imagined or invented”, (Kumar, 1995, p. 123). Tourism thus creates specific social space, (Meethan, 2001). As Harvey (1989, p. 293) puts it so well, “Mass television ownership coupled with satellite communication make it possible to experience a rush of images almost simultaneously, collapsing the world’s spaces into a series of images on a television screen ... mass tourism, films made spectacular locations, make a wide range of simulated or vicarious experiences of what the world contains available to many people”. What is paradoxical in this fission and fusion of the local and the global; the global spread of tourism depends on the specificity of place, but that the process of globalisation brings about a greater range of wider couplings. Thus demonstrating that globalism pulls two ways. One specific arena of this global local acting out is the rural environment, where the otherness of image play a vital role in attracting tourists.

Local tourism is characterised by many small firms and tourism is the UK’s most important industry. In 1995 the UK ranked fourth in the top ten tourist destinations in Europe, with 23.7 million arrivals (De Vaal, 1997). However, inbound tourist statistics show that only 1.9 million of these UK visitors came to Scotland (Star UK, 2003), with that figure dropping to 1.5 million in 2001. This decrease is blamed on the effects of the September 11 terrorist attack and foot and mouth disease – 2002 did however, experience increased visits to Scotland by UK residents, with visits being up by 10 per cent on 2001 (McKay, 2003).
Vulnerability and subjective interpretation
A problem with images and motivation to visit is the potential fragility of symbolic otherness. Pearce (1982) considers such images as transitory, but ones that are insulated from danger. Similarly, Meethan (2001) talks of trust in a destination; trust in it measuring up to its image. He makes the salient point that the elimination of risk and issues of safety appear as prime factors in choice of destination. Cavlek (2002) points out that peace, safety and security are the primary conditions for the development of a tourist destination. Indeed, Sonmez and Graef (1998, p. 120) argue that if the destination choice is narrowed down to two alternatives which promise similar benefits, the one that is safe from threat is likely to be chosen. Pearce (1988) suggests that concern with personal security is a major factor in the decision-making process through which individuals make their travel choices (Sonmez, 1998). In any case we know that images are incomplete. For example, Cavlek (2002) reports that during the Indonesian crisis, tourism to Bali was not affected. This was because of the general lack of awareness that Bali was part of Indonesia. Similarly the Greek island of Kos was badly affected by the misinformed associating it with Kosovo! Drabek (2000) notes how the effect of crisis ripples out to areas where no such problem exists (Cavlek, 2002). Yet as Smallbone et al. (1999) noted, crises have become integral to business activity, but that tourism, in particular, suffers more than any other does. Faulkner and Vikuluv (2001) propose that all destinations face the prospect of either a natural or a human-induced disaster. In particular, Cavlek (2002) suggests that government warnings to potential tourists always have strong psychological effects, thus creating a major impediment to selling holidays, even to parts of the country still entirely safe.

Thus far, we have explored the importance of image in motivating tourism. We have demonstrated that the “otherness” of peripherality is a mechanism for attracting tourists. This otherness, we have argued, is an incomplete social construction, driven by globalisation but dependent on a positive impression of the local place. We have also noted how perceptions of risk, real or imagined, like the images themselves, can act to reverse the attraction and turn it into a repelling force. We now continue to explore the vulnerability of a peripheral tourist place and small businesses in particular.

Small businesses, the rural environment, planning and crisis
In rurality, small business is the norm. Indeed, the important business sectors consist of small businesses, including tourism where more than three-quarters of Britain’s tourism organisations have a turnover of less than £250,000 a year, (Frisby, 2002). Of these businesses, approximately half are situated in remote locations. North and Smallbone (1996) note how the relentless decline of rural traditional industries has created a need for new jobs arising from new and existing small firms in the service sectors, such as tourism, as well as in manufacturing. Morrison (1998) points out that in the tourist accommodation sector, owner operators account for some 85 per cent of establishments, but she also notes the typical weakness of such small firms. When combined with the characteristics of peripheral destinations, such as seasonality, low occupancy rates, “the challenges to successful business development are accentuated”, Morrison (1998, p. 192). Nonetheless, tourism, especially small firm tourism, remains central to rural development (Briedenhann and Wickens, 2003). Small businesses in rural places are part of the community (Spillan and Hough, 2003) and “often strive to put something back into this community”, (Barringer and Greening, 1999, p. 12). So
although crucial to rural community, small businesses are much more fragile than large ones.

Many small firms lack expertise and management skills. Many small businesses do not have the time or resources to implement plans and follow them and live very much hand to mouth (Brown and Hall, 2000). Rural small businesses, in particular, require flexibility, self-sufficiency and less reliance on outside contractors, often not present in their immediate peripheral environment (North and Smallbone, 1996). The viability of small businesses may depend on their ability to identify and respond to trends and opportunities (North and Smallbone, 1996; Smallbone et al., 1999) presented and threatened by their external environment, yet smaller firms have little ability to shape their macro-environment (Smallbone et al., 1999). Moreover in times of crisis there may be a lack of some sort of planning to cope with a turbulent environment where crisis and disaster lurk around every corner. “Successful firms may be those that recognise potential threats and through adjustment convert them into opportunities” (North and Smallbone, 1996, p. 157). But planning and strategy are often more implicit than explicit, so that leadership and management skills become extra important. Although the benefits of planning in small firms is contentious (Anderson and Atkins, 2002), Barringer and Greening (1999) identified that successful firms engaged in formal planning and those that failed, did not. Schwenk and Shrader (1993), Boag and Rinholm (1989) and Roure and Maidique (1988) found that planning is an important factor in small business performance. Duchesneau and Gartner (1990) identified effective small business firms as those that planned, were flexible, participative and adaptive.

It appears from the literature that some sort of planning is essential for rural small firms for survival, especially in extreme environmental turbulence. Spillan and Hough (2003) argue that the experience of a crisis event highlights this need. But crisis management receives little attention in the small business and a crisis event may have to occur before crisis planning becomes a real concern. The liability of newness (Spillan and Hough, 2003) and the fragility of smallness are at their greatest in times of crisis and disaster. Yet, crisis, broadly defined, is highly probable, so that all small businesses will eventually be confronted with some type of crisis or disaster. The relevant question seems to be not whether a crisis/disaster will occur, but what kind and when (Copanigro, 2000; Kruse, 1993). The ability of the business to manage the crisis successfully can mean the difference between survival and disaster and even life and death (Fink, 1986; Offer, 1998). The case for having a disaster plan is strong: 50 per cent of all businesses who do not have one, either explicit or implicit, do not survive and 90 per cent will fail within two years of the disaster (Spillan and Hough, 2003).

Faulkner (2001) comments that the casual observer exposed to the plethora of media that informs us, may believe that we live in an increasingly disaster prone world. Yet disaster may not lead to crisis. Selbst’s (1978, cited in Faulkner (2001)) definition of crisis is “Any action or failure to act that interferes with [an organisation’s] on-going functions, the acceptable attainment of its objectives, its viability or survival, or that has a detrimental personal effect as perceived by the majority”. Yet this interface of man and nature helped to provide some understanding of the distinctions between disaster and crisis. Faulkner (2001) explains how Selbst’s definition attributes crisis to the organisation, while disaster is used to refer to situations where the enterprise, or collection of enterprises in the case of tourist destinations, is confronted with sudden and unpredictable catastrophic changes over which it has no control. Stafford et al.
(2002) focus on the nature of business crisis. Such crises are defined by Lerbinger (1997) as an event that is severely detrimental to profitability or even survival. Stafford et al. (2002) note that all such crisis share three common characteristics:

1. Suddenness.
2. Uncertainty.
3. Time compression.

So a disaster becomes a crisis when the organisation(s) believe they cannot cope. This distinction, or continuum between crisis and disaster, as Faulkner (2001) suggests, is useful because it highlights the human role, the agency, in mitigating, or not, the impact of disaster. Thus, as Fink (1986) argues, if crisis planning and activities are effective, the impact of the crisis can be limited.

The very notion of crisis, however, is not quite as cut and dried as the above suggests. Fink (1986), for example, notes how, in business, managers are either in crisis, or in a state of pre-crisis. Others, including Okumus et al. (2003) and Mitroff and Anagnos (2002) emphasise the stages of crisis. These are broadly speaking, prodromal; acute chronic and crisis resolution. Our primary interest lies at the first stage, the prodromal, which Fink (1986) describes as the stage when it becomes evident that the crisis is inevitable. It is at this stage that agency is most likely to be most influential in shaping the outcomes of the crisis. Thus this interplay between disaster, action and crisis forms the basis of our research question. Drawing on the literature described above we propose that disaster and crisis and its impact can be modelled as a linear progression with two possible outcomes of catastrophe or control of the effects. Seen this way the role of agency in crisis, in terms of preparedness and appropriate responses to disaster, determines the impact of the disaster.

The foot and mouth epidemic in Grampian and Cumbria
Foot and mouth disease is one of the most contagious animal diseases. Although most affected adult animals will recover within two weeks, the drop in yields could have enormous economic impact. It has few effects on humans. Nonetheless, the UK government policy of slaughtering affected, or “at risk” herds had an enormous impact on Britain's countryside. Anderson (2002) noted that a total of 2,030 cases of the disease were identified and a total of over 4 million animals were culled during the crisis. Media attention during the crisis focussed dramatically on the agricultural community, showing the destruction of livestock and the closure of farms across the county, the vast majority of which was brought about without confirmation of the disease in that area. Ireland and Vetier (2002) detail the steps taken when farms were not directly affected, but were unfortunate to be in the cull area, or have links with foot and mouth cases. “A quarantine ban was established on farms with trace former connections to the confirmed case, and animals killed under the classification of ‘slaughter on suspicion’.” However, there were also direct effects felt in some way or other by most other industries, in particular, tourism, dependent on access to accommodation and associated tourist facilities in core and peripheral areas.

Our two study areas, affected by the disease, were Cumbria and Grampian region, both rural in the sense that they are not associated with any major population areas and both have tourist activity and tourism attractions that are principally in the countryside; The Lakes, landscapes and associated activities in Cumbria and the Castle and Whisky Trail and golf in Grampian. Cumbria, the worst affected area (Phillipson
et al., 2003), had a large number of affected cases, but Grampian only indirectly, as it did not have one case during the outbreak and was nearly 150 miles from the nearest case in the south west of Scotland.

Cumbria’s main industries are agriculture and tourism and tourism was affected just as badly as agriculture. As Ireland and Vetier (2002, p. 3) put it, “it is ... evident that demand failure among tourists has a severe impact on the British tourism industry”. The BBC News Web site (April 2001) dramatically described the devastation and fear of the unknown future for the farmers of Cumbria saying: “Cumbria is holding its breath. Not just in dread of future outbreaks, but also because of the smell of the burial sites”. Television dramatised the extreme actions taken by the government and the effect on people’s lives, detailing every case and scare. The coverage scared many potential tourists away from the countryside; many areas that had no contact with the outbreak suffered because of the media messages given. Ireland and Vetier (2002, p. 1) identified that: “Exaggerated media reporting of a crisis can be as damaging as inept Government policy”. In Cumbria many tourism businesses closed because of the dramatic reduction of visitors within the area after the epidemic was over. Tourism organisations within Cumbria began to try and rebuild the businesses by extra advertising and property upgrading. In Grampian, effects were indirect, no cases were reported but the impact of the epidemic was very real. This leads us to argue that the effects of the disease were generated, less by fact, and more by image. Practically, as Phillipson et al. (2003) note, the experiences and behaviours of small firms at this time of crisis provide some insights.

All of the above sets our rural research agenda; we know that small firms are important, that tourist businesses are vital, but they appear fragile. We are very aware that the media portrayal helped to create the foot and mouth crisis which had such a devastating effect on tourist numbers. This leads to our research questions, did the small firms cope, and if so how?

Methodology

Our sample frames were drawn from tourist businesses in Grampian and Cumbria. The Grampian sample of 180 businesses was drawn from a sample frame provided by Dunn & Bradstreet. The Cumbrian sample, 170 businesses, was selected by choosing one in five from a list taken from the official Cumbria Tourist Board Guide (2002). The Grampian sample, the main locus of our study, was surveyed twice. The first survey (A), was carried out in April 2001 at the height of the outbreak and had 85 responses (47 per cent). The second survey (B) was carried out in March 2003 and had 60 responses, (33 per cent), 18 others were returned uncompleted. We suspect that either the business was no longer operating from the address or was under new ownership. The Grampian surveys were intended to provide data to allow us to gauge and compare the anticipated with the real effects. The Cumbrian survey (C) was carried out in February 2003 and contained a number of identical or similar questions to the Grampian survey. We had a response of 70, giving a 39 per cent response rate. In the surveys many of the questions were open ended to allow respondents to enlarge on the response.

Data and discussion

The data were analysed using descriptive statistics to analyse single variables and simple non-parametric tests were used to compare variables and the significance of
normally distributed results. The tests included frequency analysis and cross tabs analysis. The cross tabs analysis (Pearson chi-square test) was used to check significance within the normally distributed results. Significance was tested at a 90 per cent confidence level. (The majority of tests proved significant and are all represented.) All of the tests were carried out after the variables were coded onto statistical package for social sciences. A large number of the variables had open-ended responses, which were grouped using a pragmatic content analysis in order to collate the similar responses and include them as part of the descriptive analysis. A number of tables were constructed at appropriate stages to describe the results. Data have been presented on the effects on different sizes of businesses, defined by the number of full time employees.

The characteristics of the different surveys are shown in Table I. The surveys clearly identified that the majority of all the businesses were small by any definition. A greater percentage of larger businesses responded in the second survey in Grampian which may mean that more survived or had grown in the intervening period. A greater number of larger businesses had potential support from a professional body in Grampian while the opposite was the case in Cumbria where the businesses were defined differently, with less than five and more than four employees. There was a distinct difference between the customer type, with Grampian having a clear majority of business tourists with the opposite being the case in Cumbria.

The Grampian surveys, data and discussion: all SMEs
Survey A and B took place in Grampian at the height of the disease and could be expected to reflect the worst expectations of the impact. We also expected these prognoses to reflect the general gloom created by the vivid and dramatic media portrayal (Ireland, 2002), which may suggest that even the tourism suppliers were overly influenced by this negative perspective. The results shown in Table II confirm our expectations and show the extent of business reduction and other effects anticipated and experienced in Grampian and those experienced in Cumbria.

In survey A the view was very pessimistic: more than half our Grampian respondents anticipated cancellations and large decreases in the business and profits. Some 25 per cent expected to have to lose staff and a significant number anticipated closure of their business. Most appeared to expect the impact to last for some

<table>
<thead>
<tr>
<th>Survey</th>
<th>Business type by size</th>
<th>n</th>
<th>Per cent of total</th>
<th>Professional body membership (%)</th>
<th>Customer type: tourist (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A – Grampian, 1 April</td>
<td>Micro &lt; 6</td>
<td>66</td>
<td>78</td>
<td>57 (0.066)</td>
<td>36</td>
</tr>
<tr>
<td>(Total n = 180)</td>
<td>Larger &gt; 5</td>
<td>19</td>
<td>22</td>
<td>67 (0.066)</td>
<td>39 (0.065)</td>
</tr>
<tr>
<td>B – Grampian, 3 April</td>
<td>Micro &lt; 6</td>
<td>39</td>
<td>65</td>
<td>62 (0.3)</td>
<td>28</td>
</tr>
<tr>
<td>(Total n = 180)</td>
<td>Larger &gt; 5</td>
<td>21</td>
<td>35</td>
<td>86 (0.3)</td>
<td>50 (0.042)</td>
</tr>
<tr>
<td>C – Cumbria, 3 February</td>
<td>Micro &lt; 5</td>
<td>50</td>
<td>71</td>
<td>66</td>
<td>93</td>
</tr>
<tr>
<td>(Total n = 170)</td>
<td>Larger &gt; 4</td>
<td>20</td>
<td>29</td>
<td>58 (0.031)</td>
<td>75 (0.1)</td>
</tr>
</tbody>
</table>

Notes: Survey (A), (B) and (C) business types are by size, number of full-time staff; figures in parentheses are the significance confidence levels; customer types are leisure tourists (other type is business tourist)

Table I. Characteristic of the samples
Table II

The general effects of the disease in Grampian: 2001, 2003 and difference shown as a percentage

<table>
<thead>
<tr>
<th>Type (size)</th>
<th>Cancellations anticipated &gt; 10</th>
<th>Cancellations actual</th>
<th>Business decrease</th>
<th>Reduced profit</th>
<th>Staff cuts</th>
<th>Closure</th>
<th>Extent of impact &gt; year</th>
<th>Supply yes (Y)</th>
<th>Product (Y)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey A: Grampian 2001</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 6</td>
<td>60 (12)</td>
<td>69 (14)</td>
<td>70</td>
<td>42</td>
<td>21</td>
<td>5</td>
<td>52</td>
<td>36</td>
<td>23</td>
</tr>
<tr>
<td>&gt; 5</td>
<td>48 (0.13)</td>
<td>50 (0.003)</td>
<td>49 (0.1)</td>
<td>11 (0.01)</td>
<td>(0.002)</td>
<td>38 (0.14)</td>
<td>41 (0.1) (0.003)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Survey B: Grampian 2003</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 6</td>
<td>71 (10)</td>
<td>46 (10)</td>
<td>38</td>
<td>7</td>
<td>8</td>
<td>24</td>
<td>8</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>&gt; 5</td>
<td>60 (0.1)</td>
<td>43 (0.3)</td>
<td>42 (0.1)</td>
<td>19 (0.2)</td>
<td>0 (0.2)</td>
<td>24 (0.07)</td>
<td>9 (0.06)</td>
<td>9 (0.1)</td>
<td></td>
</tr>
<tr>
<td>Difference between the two surveys</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 6</td>
<td>+11</td>
<td>23</td>
<td>32</td>
<td>35</td>
<td>13</td>
<td>28</td>
<td>28</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>&gt; 5</td>
<td>+12</td>
<td>7</td>
<td>7</td>
<td>+8</td>
<td>5</td>
<td>14</td>
<td>32</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Notes: All shown as percentages; cancellations are those anticipated over the immediate tourism season, survey (A) and actually experienced survey (B); supply (Y) indicates that the business supply was affected; product (Y) indicates that the product to customers was affected; figures in parentheses are the significance confidence levels; figures in parentheses for cancellations and business decrease are for the smaller businesses with more than 70 per cent decrease in these criteria.
considerable time. Taken by size, the smaller micro businesses suffered much more dramatically from the effects of the disease in all areas apart from supply, and they represented 78 per cent of the population.

In survey B it was possible to measure the real impact in Grampian and it is shown that, while the impact was greater on the micro businesses, the picture was not as clear as in survey A. It is worth noting that 10 per cent of our original sample had gone away. This could be partially attributed to the impact or simply business churn, with overall cancellations of 64 per cent of bookings reflecting a major loss of business. Nonetheless, we note that actual business volume decrease was “only” 44 per cent, suggesting that some replacement visitors were found. This view corresponds to the study by Phillipson et al. (2003). Taken by size the results demonstrate that the major impacts of decrease in cancellations, business volume and effect on product offered were clearly worse for the smaller businesses with some 8 per cent experiencing closure while the other impacts and effects were only marginally different with 24 per cent of both types experiencing effects for more than one year.

Difference between the two surveys: impact and effects by size also reflect an overly pessimistic anticipation of effects as in 2001. The results in survey B are not as bad as were anticipated in survey A apart from “cancellations” anticipated by both types of business and “staff cuts” by the larger businesses. These were the only impacts that were greater than anticipated; this confirms the overly pessimistic viewpoint taken by the businesses when the outbreak was at its most severe stage in April 2001.

The Cumbrian survey
The Cumbrian survey (Table III) is a snapshot of data collected two years after the epidemic. Since Cumbria was physically affected as an area where the disease was present, the data provides us with some comparison about perceptions and impacts. Table III shows a dramatic reduction in visitor numbers with a 96 per cent and 93 per cent in each size indicating some sort of decrease in visitor numbers and 98 per cent and 88 per cent respectively indicating a “loss of business” of more than 25 per cent. When asked about specific percentages of “loss of business” about 20 per cent in both sizes of business affected identified an actual loss of business of “more than 50 per cent”, with approximately 80 per cent of those affected in each category identifying a loss of between 1 per cent and 50 per cent. Staff cuts were highest in the larger types of business. A very large percentage in both types experienced the effects for more than a year with a large number still experiencing the effects at the present time especially in the larger businesses. Interestingly nearly all the businesses situated in Cumbria on reflection, considered that the foot and mouth epidemic had the worst effect on their organisation compared to bovine spongiform encephalopathy (BSE) and 9/11.

<table>
<thead>
<tr>
<th>Type (size)</th>
<th>Visitor number decrease</th>
<th>Loss of business (&gt;25%)</th>
<th>Staff cuts</th>
<th>Extent of impact &gt; year</th>
<th>Extent of impact (still feeling)</th>
<th>Worst effect: foot and mouth</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;5</td>
<td>96 (0.96)</td>
<td>98 (0.98)</td>
<td>20 (0.20)</td>
<td>46 (0.46)</td>
<td>28 (0.28)</td>
<td>94 (0.94)</td>
</tr>
<tr>
<td>&gt;4</td>
<td>93 (0.09)</td>
<td>88 (0.18)</td>
<td>40 (0.2)</td>
<td>53 (0.53)</td>
<td>40 (0.40)</td>
<td>100 (0.60)</td>
</tr>
</tbody>
</table>

Notes: All shown as percentages; worst effect: the foot and mouth epidemic was compared with the effects of BSE and 9/11

Table III. The general effects of the disease in Cumbria 2003 (survey C)
The effects of the foot and mouth disease on core and non-core areas within Grampian. Survey B longitudinal survey

Survey B gave us the opportunity to analyse the effects in core and non-core (peripheral) businesses (rural), and Table IV clearly articulates that micro organisations in this survey were generally smaller and depended more on seasonal business than larger organisations. The effects on smaller businesses were slightly greater or the same, apart from profits and staff cuts (see Table IV) that were less severe. These impacts occurred in a region where there were no recorded cases of the disease.

The agility, survival and responses of businesses

Table V shows how the businesses were prepared and acted to mitigate against the effects by size. In survey A, a greater number of larger businesses had a plan and had the potential for support through membership of a professional organisation. The smaller businesses had fewer plans and professional membership and, as the evidence presented already confirms, experienced the greater effects in each area. However a larger proportion of those smaller businesses that had a plan considered this plan to be more effective for dealing with crisis.

Table VI, Survey B, shows that a much smaller number of businesses overall had a plan for crisis but had more potential for professional support, although the smaller businesses seemed in this survey to have more planning in place, but less potential support. However a small number of the smaller businesses considered their plan to be effective and they did however make more alterations and changes to their processes than the larger businesses. This is reflected in the effects being similar and less severe in both types of business in Survey B. Also the results of Survey B were real and not anticipated.

<table>
<thead>
<tr>
<th>Type</th>
<th>Seasonal</th>
<th>Non-core</th>
<th>Cancellations</th>
<th>Business decrease</th>
<th>Reduced profit</th>
<th>Staff cuts</th>
<th>Closure</th>
<th>Extent of impact &gt; year</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 6</td>
<td>23</td>
<td>43</td>
<td>71</td>
<td>46</td>
<td>38</td>
<td>7</td>
<td>8</td>
<td>24</td>
</tr>
<tr>
<td>&gt; 5</td>
<td>16 (0.4)</td>
<td>23 (0.3)</td>
<td>60 (0.1)</td>
<td>43 (0.3)</td>
<td>42 (0.1)</td>
<td>19 (0.2)</td>
<td>0 (0.2)</td>
<td>24 (0.07)</td>
</tr>
</tbody>
</table>

Notes: All shown as percentages; cancellations indicate a reduction of more than 10 percent; peripheral area was: “villages” and “remote locations”, as against cities and towns

<table>
<thead>
<tr>
<th>Size employ</th>
<th>Contingency plan</th>
<th>Membership</th>
<th>Plan was effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 6</td>
<td>25</td>
<td>57</td>
<td>18</td>
</tr>
<tr>
<td>&gt; 5</td>
<td>52 (0.1)</td>
<td>66 (0.03)</td>
<td>7 (0.12)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size employ</th>
<th>Contingency plan</th>
<th>Membership</th>
<th>Effective</th>
<th>Alter/changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 6</td>
<td>17</td>
<td>58</td>
<td>9</td>
<td>26</td>
</tr>
<tr>
<td>&gt; 5</td>
<td>10 (0.1)</td>
<td>86 (0.12)</td>
<td>0 (0.23)</td>
<td>18 (0.07)</td>
</tr>
</tbody>
</table>
As Table VII indicates, in Cumbria the smaller businesses were generally much better prepared with a plan and potential support, and although the effects were similar in both sizes of business (see Table III), the staff cuts and length of the effects were less in the better prepared small businesses (see Table III), many more, 60 per cent, identified how the plan was effective and considered the help to be effective, (70 per cent), this may be because they reacted because of the direct effects and threat of the epidemic. The very nature of these businesses makes them more vulnerable yet they seemed to be better prepared and to be more agile in their response recognised by North and Smallbone (1996), as essential requirements for survival.

**Discussion**

From these data, we conclude that the effects of foot and mouth disease on tourism business were considerable. The Grampian longitudinal studies indicate that although bad, these effects were not quite as bad as anticipated. In both areas the impact was both immediate, manifest in dramatic drops in volume of business, profitability and reductions of staff numbers. It was also long term; a large number of businesses taking up to a year to recover. In some cases, though we cannot be certain how many businesses actually closed. There were some unexpected results. We found that caravan sites in Grampian had an increase in business volume. Since the opposite is true of Cumbria, we deduce that visitors had deserted caravan parks in the affected areas and remained loyal to these new areas over the period. We also found some remarkable instances where substitute products were used. These included the use of geese instead of sheep at a sheep visitor attraction and the substitution of meat products with chicken. A large number of businesses identified that investment had stopped or was severely limited. Some accommodation providers lost contracts for such, and others were unable to guarantee field sports in the later parts of the year, thus losing contracts with domestic and foreign tourists. There was some evidence of specific spikes of business activity probably related to a “Dunkirk” spirit and a campaign to support domestic businesses and special marketing initiatives made at the time. Peripheral businesses were more seasonal and smaller and clearly suffered the most in the disease situation with more negative effects on profitability and volume than businesses situated in core areas. The overall effects confirm the perception of lack of security and safety in these areas (Cavlek, 2002) and these effects have rippled out into the non-affected area (Grampian) as identified by Drabek (2000).

The data and analysis appear to support our original conceptual argument, that the attractions of otherness are fickle. Rural tourist areas which depend on their portrayal as appropriate places for visitors are vulnerable to any change in perception. As the data demonstrates, the impact of any circumstance which detracts from that attraction has serious economic consequences. Lending strength to our case about perception rather than reality is the comparison between Grampian and Cumbria. Both are peripheral places and are highly dependent on tourism; both are rural scenic places, so that the portrayal of otherness is symbolically dependent on an arcadian image.

<table>
<thead>
<tr>
<th>Size employ</th>
<th>Personal plan</th>
<th>Membership</th>
<th>How plan effective</th>
<th>Accept help</th>
<th>Help effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 5</td>
<td>58 (0.2)</td>
<td>66</td>
<td>60</td>
<td>72</td>
<td>70</td>
</tr>
<tr>
<td>&gt; 4</td>
<td>34</td>
<td>44 (0.1)</td>
<td>24 (0.1)</td>
<td>75 (0.12)</td>
<td>45 (0.003)</td>
</tr>
</tbody>
</table>

Table VII. Responses, survey C
This rural otherness is a contrast to the urban, but is also bucolic, replete with the benignancy of rural life. The confrontation of this imagery with media pictures of smoking cattle funeral pyres resulted in repelling visitors to places where no such pyres existed! This seems to confirm that perceptions, rather than facts or real circumstances, create the disastrous effects of catastrophe.

There are some serious implications for the economics of rural places in these findings. We know that for such places a designation of difference, the otherness of such places, is a tourism attractor. We know that peripheral places will continue to suffer from the centripetal forces drawing income into urban cores. Consequently we realise that peripheral places are likely to become more, rather than less dependent, on remaining attractive. Globalisation seems to suggest that the importance of local place is likely to be, on one hand, reduced in international convergence. On the other hand the distinctiveness of some peripheral places may become greater, simply in contrast to the convergence of others. Moreover, the massification of communication in globalisation will exaggerate the qualities of peripherality. It may enhance, but, as in the case of catastrophe, it may repel. Thus peripheral places are becoming increasingly vulnerable to the fickleness of attraction. Mere facts, information alone, are unlikely to ameliorate the impact of catastrophe. Tourism decisions seem to be made in the heart, not in the head.

Turning to the practical aspects of the impact on small business, it is notable that the impact in Grampian was less severe than anticipated. Although actual visitor numbers fell, most firms survived. In Cumbria, despite the potential for devastation, we note (Phillipson et al., 2003) that only 20 firms actually closed permanently. This difference between potential havoc, anticipated effect and the real total effect can probably best be explained by the agility of small firms to cope with crisis. We do not know how many actually followed their crisis contingency planning and we do not know how many turned to experts for advice on survival. However we do see some correspondence between those who employed some sort of planning (Anderson and Atkins, 2002; Barringer and Greening, 1999) and could seek advice from a professional body, and reduced actual and long term effects and a quicker recovery period. Thus, we want to argue that rural small firms in the tourist industry are flexible and they seem able to cope with crisis.

Conclusions
The study has shown the significant role the media played in portraying a rural disaster. The foot and mouth epidemic was amplified by the stark and sensational images produced on television and in newspapers. It is interesting to note how the attraction of rural places, the “otherness” was first created in the image but the same media converted attraction to repulsion. We noted how the sensationalism was not specific; as areas such as Grampian, which were only indirectly affected by the actual disease, still suffered in a tidal wave of gloom. However, we also noted that this same media served to alert small business owners to the impending problem and prompted many of them to plan for the possible crisis. Such firms were able to take action in advance, they reduced expenditure, battened down the hatches and created alternatives. Thus in the prodromal stage of a crisis, the worst impact was mitigated. For those rural firms crisis did not become catastrophe. Small rural firms displayed flexibility, responded rapidly to the crisis by implementing survival plans, and were shown to be adept and agile in the face of crisis.
References


Gunn, C. (1972), *Vacationscape: Designing Tourist Regions*, Bureau of Business Research, University of Texas, Austin, TX.


Meethan, K. (2001), Tourism in Global Society: Place, Culture and Consumption, Palgrave, Basingstoke.


Further reading


