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A Geographic Analysis of the Characteristics and Development Trends of the Non-Metropolitan Tourist-Recreation Industry of Southern Appalachia

Jeffrey Wayne Neff
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To the Graduate Council:

I am submitting herewith a dissertation written by Jeffrey Wayne Neff entitled "A Geographic Analysis of the Characteristics and Development Trends of the Non-Metropolitan Tourist-Recreation Industry of Southern Appalachia." I have examined the final electronic copy of this dissertation for form and content and recommend that it be accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy, with a major in Geography.

Leonard W. Brinkman, Major Professor

We have read this dissertation and recommend its acceptance:

John B. Rheder, Sidney B. Jensen, Edwin S. Hammond, James A. Spencer

Accepted for the Council:

Carolyn R. Hodges

Vice Provost and Dean of the Graduate School

(Original signatures are on file with official student records.)

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Leonard W. Brinkman
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We have read this dissertation
and recommend its acceptance:

John B. Rehder
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Accepted for the Council:

Hilton A. Smith
Vice Chancellor
Graduate Studies and Research

A GEOGRAPHIC ANALYSIS OF THE CHARACTERISTICS AND DEVELOPMENT
TRENDS OF THE NON-METROPOLITAN TOURIST-RECREATION
INDUSTRY OF SOUTHERN APPALACHIA

A Dissertation
Presented for the
Doctor of Philosophy
Degree
The University of Tennessee

Jeffrey Wayne Neff

August 1975

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The author is indebted to his wife Bobbie for her pertinent geographic views and criticisms during the formative stages of the research, and for her invaluable aid in some of the field work required in this project.

ABSTRACT

The purpose of this investigation was to determine the significance of actual place-to place structural and organizational differences within the non-metropolitan tourist-recreation industry of southern Appalachia and to discover how these differences affected the industry's development and growth in selected locations.

Eight counties with statistically important tourist industries were used as case study areas, so that spatial variation or uniformity in the industry's characteristics could be identified and examined. Those counties were: Rabun, Georgia; Graham, North Carolina; Jackson, North Carolina; Swain, North Carolina; Watauga, North Carolina; Clay, Tennessee; Sevier, Tennessee; and Bath, Virginia. Field investigation and subsequent distribution of questionnaires to all known tourist-recreation businesses in each area yielded detailed information about location, location factors, and structure of the industry. Library research and statistical analysis of census data were also necessary to discover economic and demographic trends in these places during the past three decades.

The research revealed that the most important location factors for the industry in southern Appalachia were historical inertia from previous recreational development, and the past inability of these tourist-oriented areas to attract alternative economic activities. In addition, in only two of the case study areas has the growth of corporate franchises or chains been a significant development trend.

For most of southern Appalachia, the tourist-recreation industry is composed of small, family-operated businesses. Labor turnover rates are high because of seasonality and inadequate wages, and operators are generally untrained and inexperienced in the tourist-oriented business sector. These characteristics varied in importance among the case study areas, but for all counties except Watauga, Sevier, and Bath, the tourist-recreation industry has been unable to stimulate economic growth significantly. The industry's relative importance in most of these counties has recently declined because of improving accessibility through highway construction and the resulting attraction of manufacturing and other economic activities.

Several recommendations are offered which could help maximize the economic impact of the tourist-recreation industry in the case study counties as well as southern Appalachia in general. The industry's future contribution to the region is also predicted.

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CHAPTER I

INTRODUCTION

Since World War II, recreation and tourism have become increasingly important activities in American life. The impact of tourism on the national economy is substantial; one government source estimates that 5.6 percent of all private employment in the nation in 1970 was attributable to tourism (Table I-1).¹

Like many economic activities, the relative importance of the tourist-recreation industry is greater in some places than others (Figure I-1).² Such locational disparity is more important in rural areas, where economic alternatives are limited, than in urban areas, which normally have a wider diversity of activities. In southern Appalachia, which has a long history of retarded economic development, the tourist-recreation industry has been viewed by some authorities

¹Destination USA: Report of the National Tourism Resources Review Commission (Washington, D.C.: Fact Research, Inc., June 1973), p. 2. The tourist-recreation industry is defined as that complex of businesses which caters primarily to the needs of visitors from outside the local area who are pursuing leisure-time recreational activities. The businesses included are: 1) lodging establishments, which include hotels, motels, tourist courts, campgrounds, and similar facilities; 2) eating and drinking establishments; 3) amusement and recreation services, such as boat docks, ski facilities, riding stables, amusement parks, museums, chairlifts, arcades, outdoor dramas, and natural scenic attractions (commercial); and 4) retail stores, including gift, craft, and souvenir shops.

²The visual exaggeration difficulties caused by the areally large counties of the western United States prompted their exclusion from the map.

Table I-1. Employment, Payrolls, and National Income Directly Attributable to Domestic Tourism Spending: 1970

Industry	Employment (thousand)	Payrolls (\$ millions)	National Income (\$ millions)
Food Service	620	\$1,160	\$1,512
Lodging	771	3,467	4,391
Public Transportation	313	4,404	4,283
Recreation	76	436	548
Other Incidentals	160	837	1,167
Owned Vacation Homes	6	44	561
Automobile Operations	395	2,731	3,518
TOTAL	2,341	\$13,079	\$15,980

Source: Destination USA: Report of the National Tourism Resources Review Commission
(Washington, C.C.: Fact Research, Inc., June 1973), P. 2.

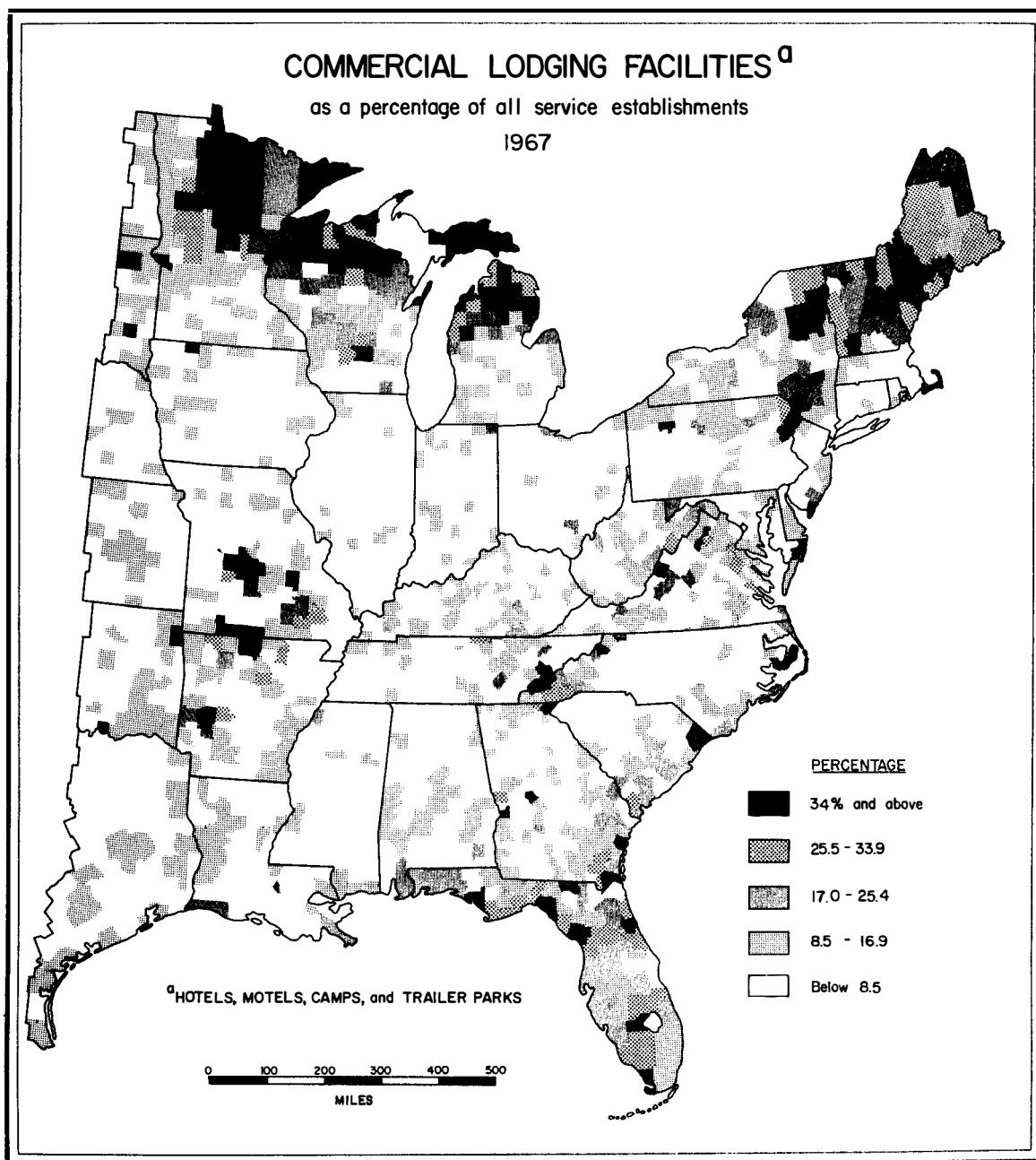


Figure I-1. Commercial lodging facilities as a percentage of all service establishments, Eastern United States, 1967.

Source: Census of Business, 1967.

as a possible antidote to persistent economic sluggishness in non-metropolitan areas.³

Despite increasing public interest and a growing body of literature which has focused upon tourism and outdoor recreation, spatial perspectives on the tourist-recreation industry at the regional and local levels have been scarce. This paucity of geographic research is especially unfortunate in the 1970's when public and private interests are exploiting the recreational resources of Appalachia intensively in some places, often in an uncoordinated and haphazard manner. Efforts to increase the economic benefits of the tourist-recreation industry should be based upon sound knowledge of the locational patterns, characteristics, and spatial relationships which are distinctive of the industry.

I. REVIEW OF PERTINENT LITERATURE

Specific geographic research concerned with the tourist-recreation industry in Appalachia includes only a few studies. Buxbaum's 1967 research in the Gatlinburg, Tennessee, area revealed the trade linkages between that highly developed resort town, and the surrounding hinterland.⁴ However, the study focused a single case, thus limiting its spatial perspective. The only other geographic

³Conference on Appalachian Development (Princeton, New Jersey: Princeton University, 1964), p. 35.

⁴R. Buxbaum, The Spatial Structure of the Tourist Economy: Gatlinburg, Tennessee (unpublished Doctoral dissertation, University of Tennessee, 1972).

study related specifically to tourist businesses in Appalachia is Nicholls' analysis of the region's ski resort industry. The major limitation of this research effort was the fact that skiing and its allied businesses constitute only a small proportion of the total complex of activities called the tourist-recreation industry.⁵

A more theoretical study by Harper, Schmudde, and Thomas, advanced the concept that regional growth in the Eastern Roughlands, including Appalachia, could be spurred by planned recreational development. For maximum benefit, such development should occur around "growth-points," preferably existing urban places. In this way benefits would multiply because of the increase in variety and quality of tourist services. However, the example presented in the article, Kentucky Lake, is not in Appalachia, nor are there references to specific problems or places within Appalachia, because consideration of such factors was not the stated purpose or concern of the article.⁶

Contributions from related fields are more numerous. One of the most useful analyses of the tourist-recreation industry in Appalachia is a report by Robert Nathan Associates on the characteristics and viability of the industry as an alternative for locally

⁵L. L. Nicholls, A Geographical Analysis of Selected Ski Resorts in the South (unpublished Doctoral dissertation, University of Tennessee, 1972).

⁶R. A. Harper, T. H. Schmudde, and F. H. Thomas, "Recreation-Based Economic Development and the Growth-Point Concept," Land Economics, Vol. 2 (1966), pp. 95-101.

depressed economies. In this study the economic impact of the industry was examined by determining the extent of monetary leakages from selected case study communities following initial tourist expenditures. The report concluded that the industry did not appear to provide sufficient economic benefit to warrant substantial public or private investment.⁷

The major shortcoming of the Nathan report is its lack of spatial perspective. Purportedly "regional" in scope, the conclusions were based upon detailed study of three arbitrarily selected tourist towns within southern Appalachia--Gatlinburg, Tennessee; Cherokee, North Carolina; and Charles Town, West Virginia--as well as several other tourist communities outside of the region, such as Park City, Utah, and Stratford, Ontario. No systematic analysis of the spatial distribution and variation of the industry within Appalachia was attempted, nor were location factors, industry characteristics, or impact analyzed for systematically selected counties. However, the research provided usable foundation material for this dissertation, particularly that related to the general characteristics and seasonal behavior of the tourist-recreation industry.

An attempt to describe the characteristics of the industry in southern Appalachia was also made by John Morris in The Southern Appalachian Region: A Survey. Again, no formal analysis of the

⁷ Robert Nathan Associates, Recreation as an Industry in Appalachia (Washington, D.C.: Appalachian Regional Commission, December 1966); see also: An Interim Study on the Supply of Outdoor Recreation Resources of Appalachia (Washington, D.C.; Bureau of Outdoor Recreation, December 1966).

spatial characteristics of the industry was pursued. Rather, Morris speculated on the potentials of the industry using limited statistical and documentary evidence. The report is now seriously outdated.⁸

A useful source of information for this dissertation, was a report prepared for the Appalachian Regional Commission (ARC) by the URS Research Company.⁹ According to the researchers, the general objectives of their study were:

1. To estimate recreational demands in the main market area for each of fourteen designated terminal recreation complexes and to project demand through 1985.¹⁰

2. To assess the additional private and public recreation attractions, services, and facilities in each complex that will be warranted in light of present and projected demands.

3. To establish development objectives for each complex.

4. To review the potential for public or private development of facilities and services within each complex.

⁸ J. Morris, "The Potential of Tourism," in T. R. Ford (Ed.), The Southern Appalachian Region: A Survey (Lexington: University of Kentucky Press, 1962), pp. 14-36.

⁹ Recreational Potential in the Appalachian Highlands: A Market Analysis (Washington, D.C.: Appalachian Regional Commission, Research Report #14, 1971).

¹⁰ Ibid., p. 1. Although twenty-three recreational "terminal complexes" were originally delineated, nine were deleted from the ARC report because: ". . . 1) they are already either established terminal complexes, 2) planned or under construction and meet the requirements of a terminal complex already, 3) planned but not within the time framework of the study, or 4) too heavily oriented to day-use to qualify."

The selection of these "terminal recreation complexes" was based upon consideration of such factors as aesthetics, topography, amount of existing public land, location of potential markets, and other factors. The systematic examination of the spatial distribution, location factors, and locational significance of the tourist-recreation industry itself was not a prescribed element of the report. Although the report was designed as a document preliminary to more detailed planning studies, it did provide recommendations for future recreational development in the Appalachian Highlands. These recommendations, however, are prefaced by the Appalachian Regional Commission's own warning: "The forecasts are predicated on the implementation of indicated additions to supply (of recreational resources): If such additions are not made, the forecasted market support will probably not be forthcoming."¹¹

II. STATEMENT OF RESEARCH PROBLEM AND AREA

Within southern Appalachia, several non-metropolitan counties rely heavily upon the tourist trade for their economic livelihood. In a specific geographical context, this study is intended to determine where, outside of major urban centers, the industry is located and what factors have been most important in influencing its locational patterns.

An additional goal of this research is to demonstrate that

¹¹Ibid.

while the tourist-recreation industry has certain regional spatial and structural characteristics, important variations in ownership, physical facilities, nature of employment, customer types and sources, expenditures, and problems perceived by the entrepreneurs occur among tourist-recreation counties. Once identified, the impact of these differences on the industry's development in specific locations and its contributions to the local economy can be assessed. Finally, a related purpose is to examine the industry's relationships with other human activities and other regions.

The general study area, southern Appalachia, is defined as that portion of the Appalachian region (delineated by the Appalachian Regional Commission) which is located south of the Mason-Dixon Line and the Ohio River (Figure I-2). This region was chosen for study for the following reasons:

1. It represents a large portion of a region which has received substantial public expenditures to alleviate undesirable social and economic conditions.
2. Tourism has been an important activity within the region during the last two decades.
3. The area is large enough so that conclusions might be applicable to other regions where tourist-recreational activity and economic underdevelopment are associated, such as the Ozarks, the North Woods area, and the Interior West.
4. The area is small enough to permit data collection and field study. It is for this reason that the entire Appalachian region was not used.

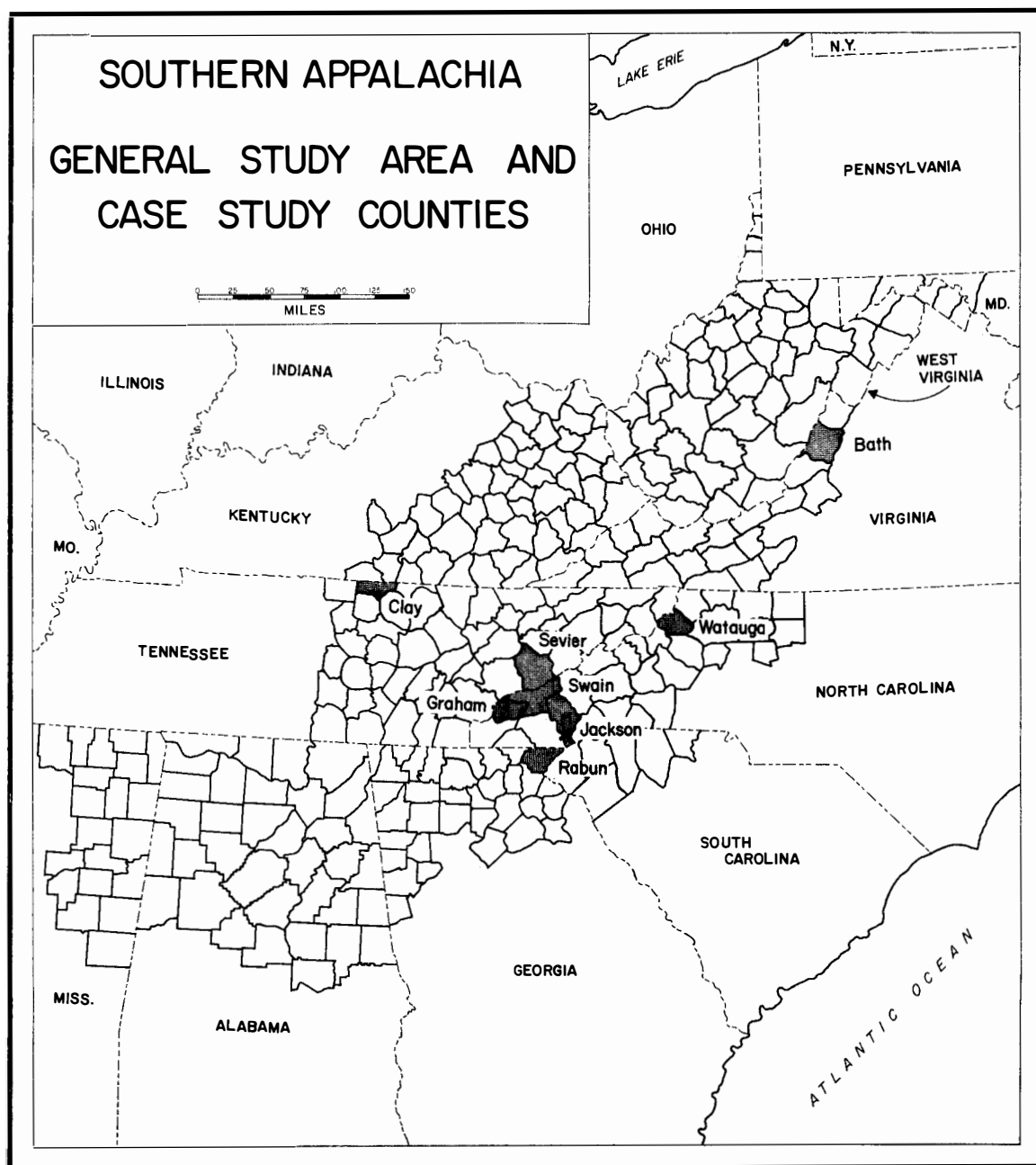


Figure I-2. Southern Appalachia: general study areas and case study counties.

To provide a focus for the research and facilitate the collection of data, the following hypotheses were developed for testing:

1. The existing concentration of the tourist-recreation industry in specific southern Appalachian counties has been caused primarily by (a) historical inertia from previous recreational development and (b) comparative disadvantage of these counties in attracting alternative economic activities. As a result, greater relative importance accrued to the tourist recreation industry.

2. Within these counties, the tourist-recreation industry is composed principally of small-scale, individual or family-owned businesses which remain highly seasonal in operation and provide few steady employment opportunities for the local population.

3. An increase in the importance of franchises, or chain operations, is a significant development trend in the tourist-recreation counties.

4. The most serious general problems in the industry are associated with labor characteristics, particularly increasing costs and high employee turnover rates.

5. The relative importance of the tourist-recreation industry in these counties is declining, because of improving accessibility to outside markets and the resultant growth of a wider variety of economic activities.

6. Optimum development of the tourist-recreation industry has been hindered because many proprietors are untrained and inexperienced in the tourist-oriented business sector.

7. The tourist-recreation industry is highly dependent upon income from other states, making the industry particularly sensitive to external economic conditions.

8. Tourist-recreation activity has had only limited impact upon economic development in the affected counties. The major suppliers of goods and services to the tourist-recreation businesses remain in relatively distant urban-industrial nodes.

Testing these hypotheses in systematically selected case study counties has led to conclusions concerning the significance of the spatial distribution of the southern Appalachian tourist-recreation industry. By showing that spatial variation as well as uniformity exists within the industry with respect to characteristics, impact, and growth potential, the study makes practical contribution to understanding this human activity. It also provides a place--specific analysis with which to assess tourist-recreational potentials of actual locations. Finally, it establishes a base for productive inquiry and analysis of human and environmental conditions in southern Appalachia.

III. ANALYTICAL PROCEDURES

The initial research objective was to determine the general spatial distribution of the non-metropolitan tourist-recreation industry in southern Appalachia. To satisfy this need statistical information from the Census of Business (1967) was gathered, organized into frequency categories, and cartographically portrayed

by county (Figure I-3). "Commercial lodging facilities as a percentage of all service establishments" was used as a surrogate measure of the relative importance of the tourist-recreation industry at the county level. Sales receipts and employment data would give a more accurate portrayal, but these data are unavailable for most counties.¹²

Selection of counties for detailed analysis was made by subjecting all southern Appalachian counties to two screening processes. First, all counties which had less than 25.5 percent of these services establishments classified as lodging places in the Census of Business (1967) were eliminated from further consideration. The national and southern Appalachian regional averages for this variable were 7.3 and 8.4 percent, respectively. A figure approximately three times

¹² By experimenting with several statistical variables, it was found that the tourist-recreation industry is accurately represented by deleting eating and drinking establishments and amusement and recreation services from the map. Such establishments derive much economic support from local residents, whereas lodging facilities normally serve only the traveling public. Therefore, the proportion of lodging establishments in a county reflects visitation by non-local people. Absolute values were not used because they tended to accentuate the highly-developed service function of urban areas and reflected population size of a county rather than relative importance of the commercial lodging industry.

The 1972 Census of Transportation National Travel Survey provided no additional information for this study. Although specifically concerned with summer travel, the survey contains no information relating directly to tourist-serving businesses. The data also suffer from too much generality with respect to place. Statistics are presented by census region rather than by state or county, and the characteristics of tourist movements and tourism impact within these regions remain statistically "hidden."

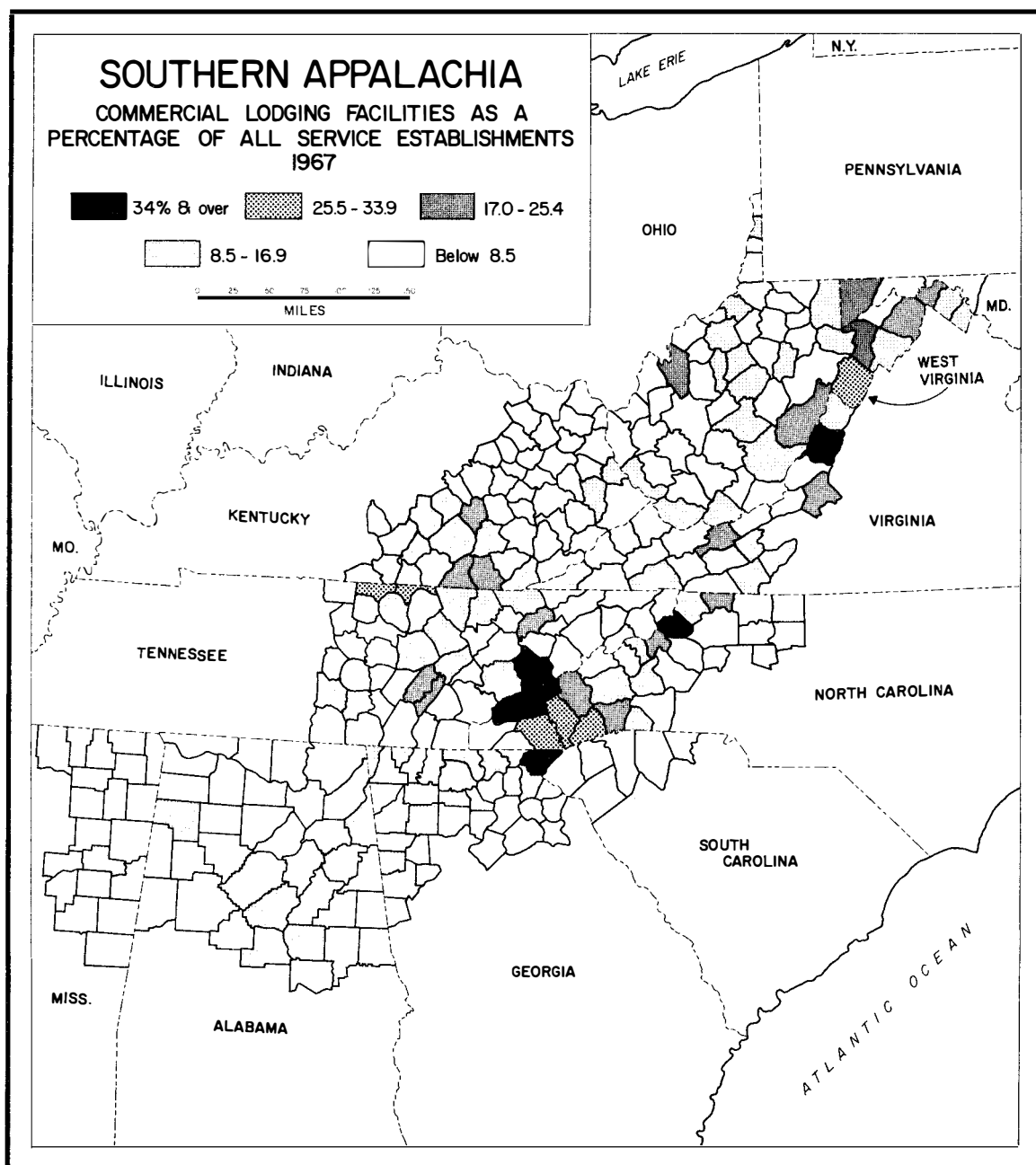


Figure I-3. Southern Appalachia: commercial lodging facilities as a percentage of all service establishments, 1967.

Source: Census of Business, 1967.

greater than these averages was judged, following some preliminary field work and library research, to be a valid indicator of a significant tourist-trade function in a county.¹³

Counties which met this criterion were then checked to ascertain if 1.25 or more persons per 100 inhabitants were employed in the industrial group "Other Personal Services," according to the 1970 Census of Population (Figure I-4). This industrial group includes employment in hotels, motels, campgrounds, and other lodging facilities. National and regional averages for this variable were 1.1 and 1.2 persons, respectively, and it was determined that a figure in excess of these averages represented a logical and convenient division point.

Application of these criteria resulted in the selection of eight southern Appalachian counties with statistically important tourist-recreation industries (Figure I-2, page 10).

1. Rabun, Georgia
2. Graham, North Carolina
3. Jackson, North Carolina
4. Swain, North Carolina
5. Watauga, North Carolina

¹³The commercial lodging facilities of several counties in the "17.0 - 25.4" category function primarily as overnight stopping points for pass-through travelers using major inter-urban and inter-state highways. These counties do not represent tourist "destinations," or vacation areas; therefore, the frequency category was excluded from further consideration.

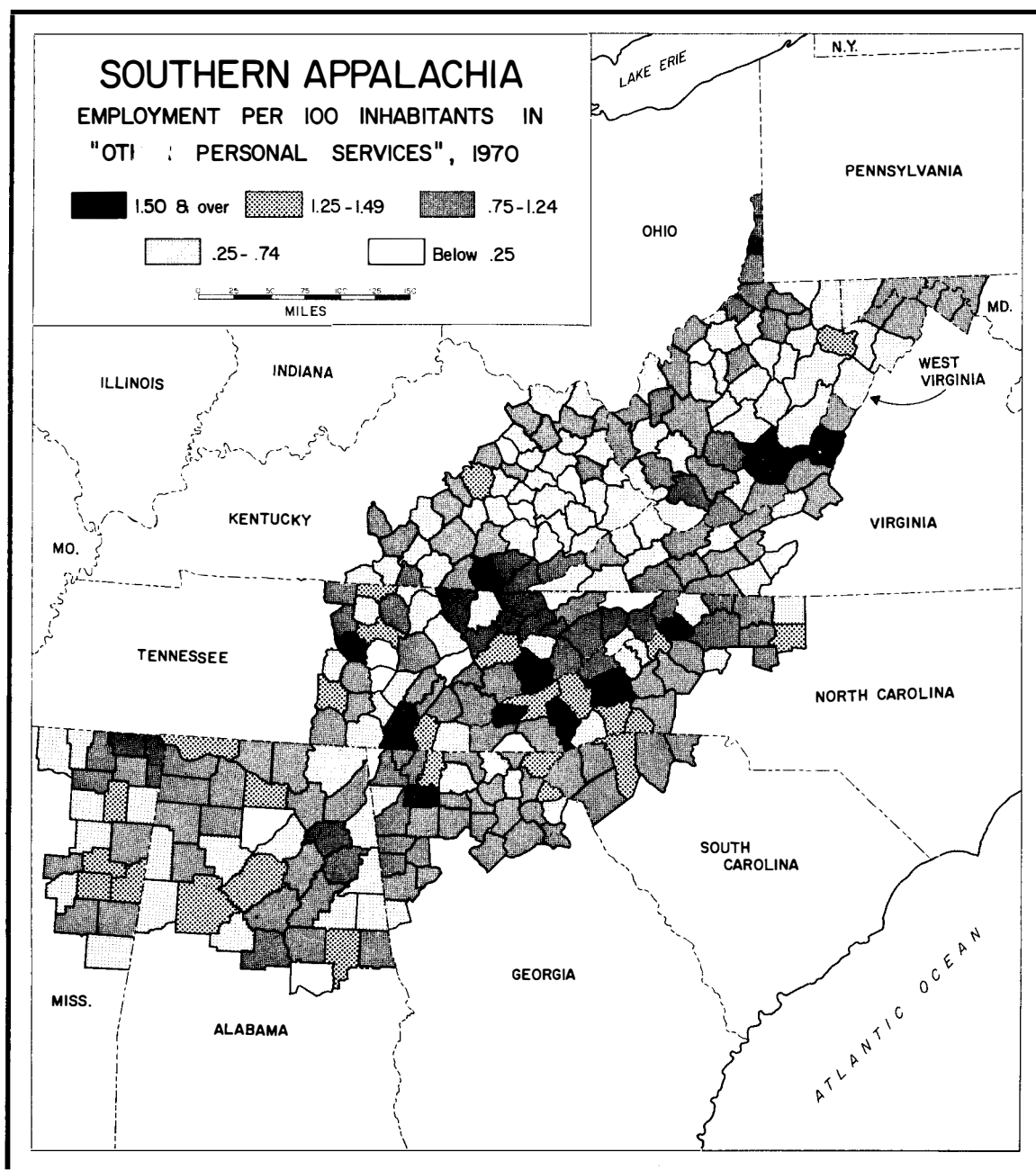


Figure I-4. Southern Appalachia: employment per 100 inhabitants in "other personal services," 1970.

Source: Nineteenth Census of the United States: 1970 Population.

6. Clay, Tennessee
7. Sevier, Tennessee
8. Bath, Virginia

Each of these counties was visited for the purpose of 1) recording the local distribution of tourist-recreation business establishments, 2) observing the primary recreational resources of the area, and 3) interviewing business operators and public officials to gain insight into the specific characteristics of the local tourist-recreation industry.

The field research was supplemented by mailed questionnaires (Appendix A) designed to provide information on physical facilities, ownership patterns, customer characteristics, labor characteristics, business problems, and related features of local tourist-recreation businesses. The forms were distributed to all known tourist-recreation business establishments in each case study county, the choice of establishments based upon field observation and telephone directory listings. Of the 721 establishments receiving questionnaires, 143 returned valid forms, constituting a 20 percent sample (Appendix B). Considering that second and third followup letters and questionnaires were sent to many businesses, the response was disappointing.¹⁴

¹⁴One explanation for the low return rate is that the questionnaire was too long: thirty-six multiple choice and fill-in questions. However, an examination of Appendix B shows that only two of the eight counties surveyed fell short of the desired 20 percent sample--Jackson and Swain, North Carolina.

Data collected from the field, as well as statistical analysis and information from other research efforts, was used to determine location factors for the industry. Census materials were examined for statistical information on economic conditions in the counties and the relative status of these counties in southern Appalachia's general economy. A continual effort was made to coordinate these procedures with the examination of library and map resources, public reports, newspaper accounts and private research endeavors (articles, books, and theses).

CHAPTER II

LOCATION FACTORS FOR THE SOUTHERN APPALACHIAN TOURIST-RECREATION INDUSTRY

The spatial distribution of the southern Appalachian tourist-recreation industry is characterized by four areas of concentration:

- 1) the Blue Ridge-Smoky Mountains highland region of eastern Tennessee, western North Carolina, and northeastern Georgia;
- 2) Watauga County, North Carolina; 3) Bath County, Virginia; and
- 4) Clay County, Tennessee (Figure I-3, page 14). Factors exerting a strong influence upon the location of the industry include resource availability, historical inertia, and relative accessibility.

I. RESOURCE LOCATION

The tourist-recreation industry in southern Appalachia exists in spatial association with those elements of land, water, climate, or history that provide a basis for the various forms of tourist attractions and outdoor recreation (Table II-1).¹⁵ At the macro-level, parts of the area show similarities to traditional vacation destinations such as Florida, Cape Cod, the Ozark Roughlands, and

¹⁵W. Christaller, "Some Considerations of Tourism in Europe," Papers and Proceedings, Regional Science Association, Vol. 12 (1964), p. 95; see also P. Thompson, The Use of Mountain Recreational Resources: A Comparison of Recreation and Tourism in the Colorado Rockies and the Swiss Alps (Boulder: University of Colorado, Business Research Division, 1971), pp. 64, 67.

Table II-1. Recreational Resources Available Within Tourist-Recreation Counties of Southern Appalachia (See Appendix C)

County	Recreational Resource Category*											
	1	2	3	4	5	6	7	8	9	10	11	12
Rabun	x	x	x			x	x		x		x	x
Graham	x		x			x	x		x	x		
Jackson	x		x		x	x	x	x	x	x		
Swain	x		x	x	x	x	x		x	x		x
Watauga			x		x	x	x	x	x		x	x
Clay	x					x						
Sevier	x			x	x	x	x	x	x	x	x	x
Bath		x	x			x	x		x	x	x	

* (1) Large Reservoirs; (2) State parks (3) National forest lands (4) National parks (5) Blue Ridge Parkway/Scenic Roadway (6) Natural Scenic Attractions (7) Cultural/Historical attractions (8) Theme parks (9) Resort towns (10) Wilderness Areas (11) Skiing facilities (12) Outdoor dramas

Source: An Interim Study on the Supply of Outdoor Recreation Resources of Appalachia (Washington, D.C.: Bureau of Outdoor Recreation, December 1966).

the North Woods (Figure I-1, page 3).

At a more detailed scale of observation, the tourist-recreation industry lies close to the primary recreational resources in the local area (refer to Appendix C for a detailed listing of recreational resources in each county). In Sevier County, for example, the densest concentration of tourist-recreation business establishments is immediately adjacent to the Great Smoky Mountains National Park entrance in Gatlinburg (Figures II-1 and II-2). The major attractions in Watauga County have been the "Blowing Rock," a spectacular mountain overlook on the Blue Ridge escarpment, the Blue Ridge Parkway, a scenic, controlled-access highway built and maintained by the National Park Service, and recent ski resort developments (Figure II-3). Jackson and Swain counties, North Carolina, share a node of tourist facilities in or adjacent to the town of Cherokee, a national park gateway and cultural center of the Cherokee Indian reservation (Figures II-4 and II-5). In Swain County, a less developed tourist business focus is Bryson City, while Cashiers, in Jackson County, is a service and retail center for the relatively exclusive recreational home communities in the area. The low intensity tourist-recreation development of Graham County is oriented to Lake Santeetlah, as well as to the local mountain environment (Figure II-6). The tourist industry of Clay County is associated almost exclusively with the fishing and boating activities of Dale Hollow Reservoir (Figure II-7). The industry in Bath County is represented almost wholly by the long-established resort spa, the "Homestead," in Hot Springs (Figure II-8).

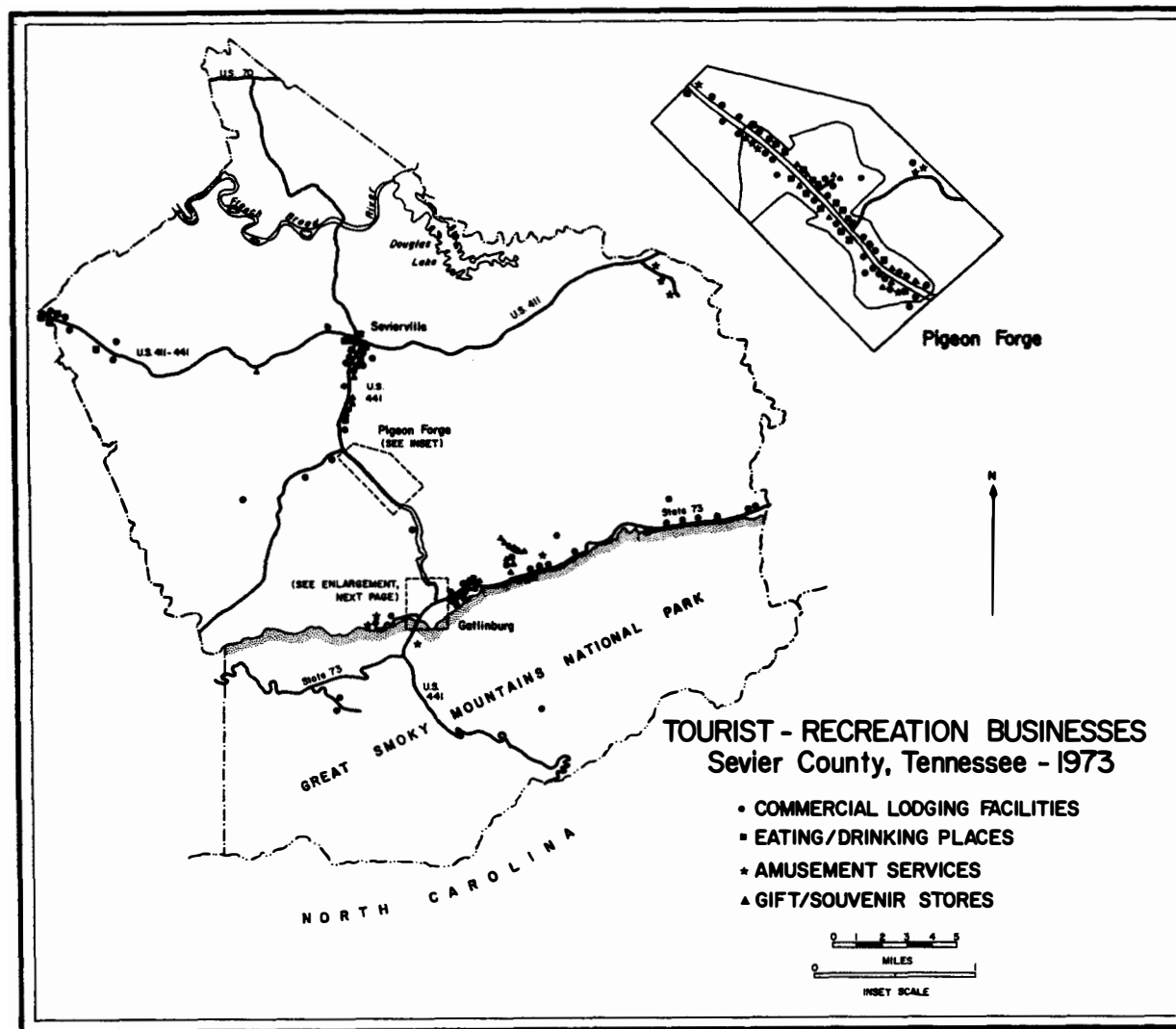


Figure II-1. Tourist-recreation businesses, Sevier County, Tennessee, 1973.

Source: Data compiled by author.

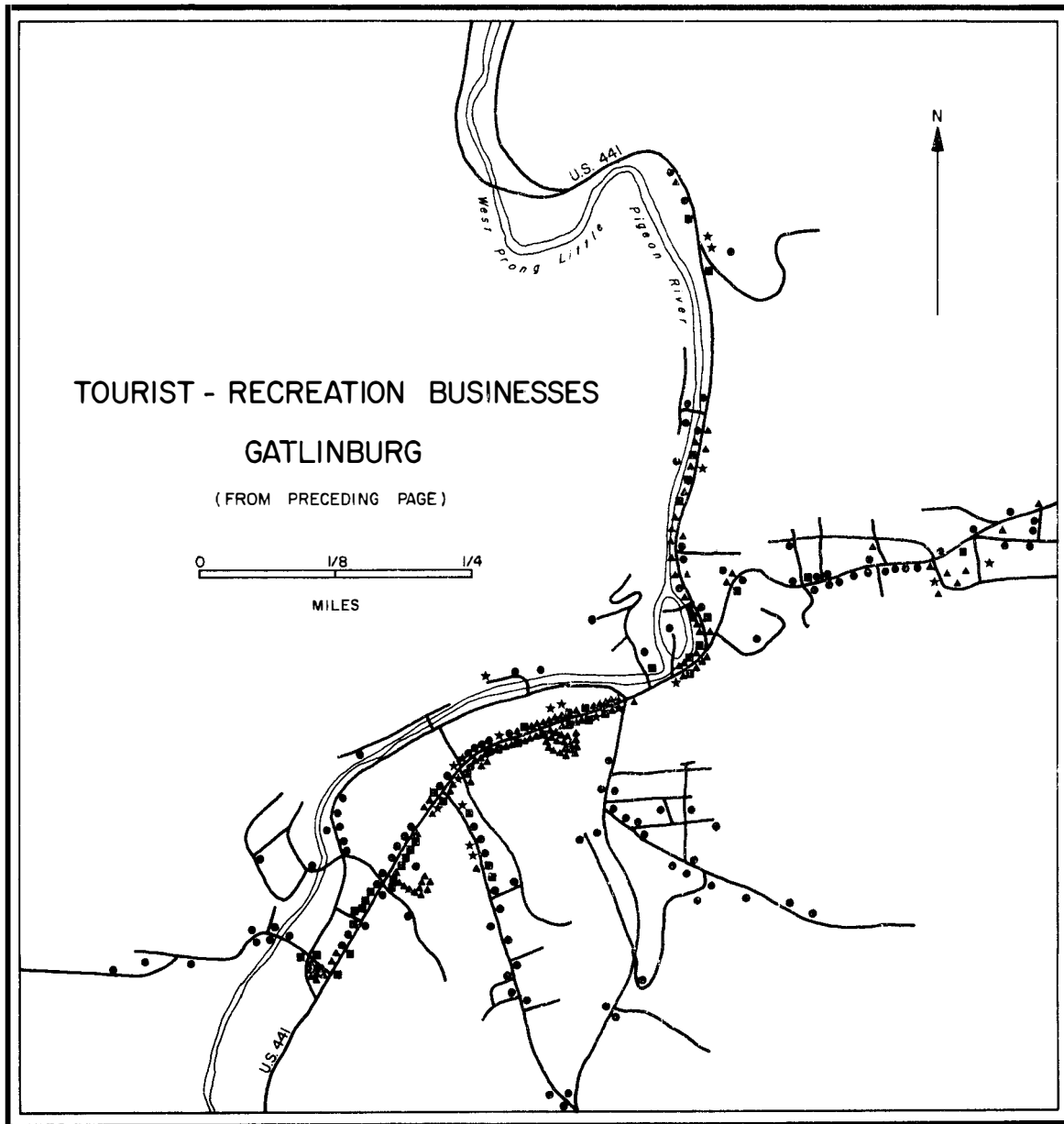


Figure II-2. Tourist-recreation businesses, Gatlinburg, Tennessee, 1973.

Source: Data compiled by author.

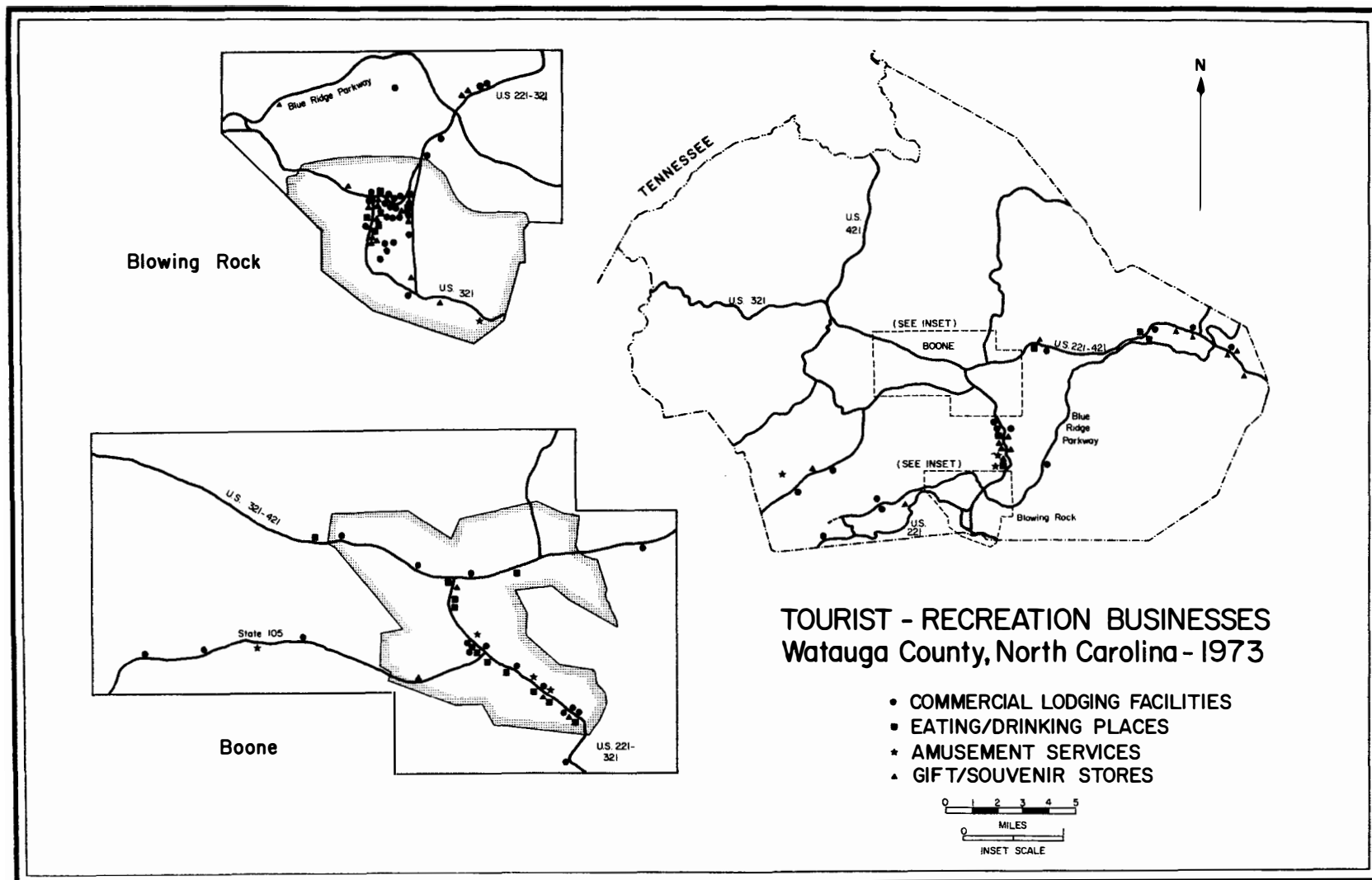


Figure II-3. Tourist-recreation businesses, Watauga County, North Carolina, 1973.

Source: Data compiled by author.

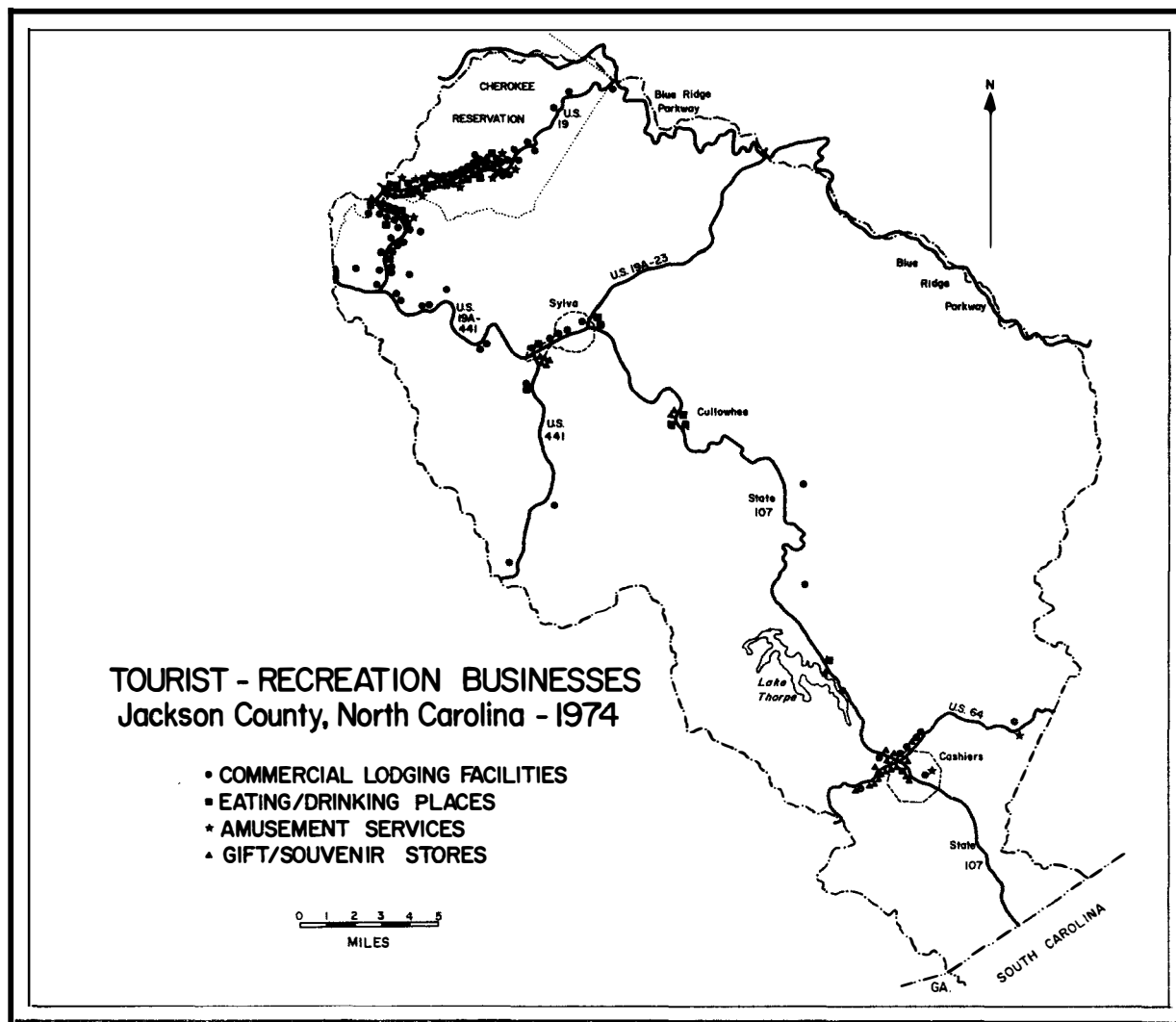


Figure II-4. Tourist-recreation businesses, Jackson County, North Carolina, 1974.

Source: Data compiled by author.

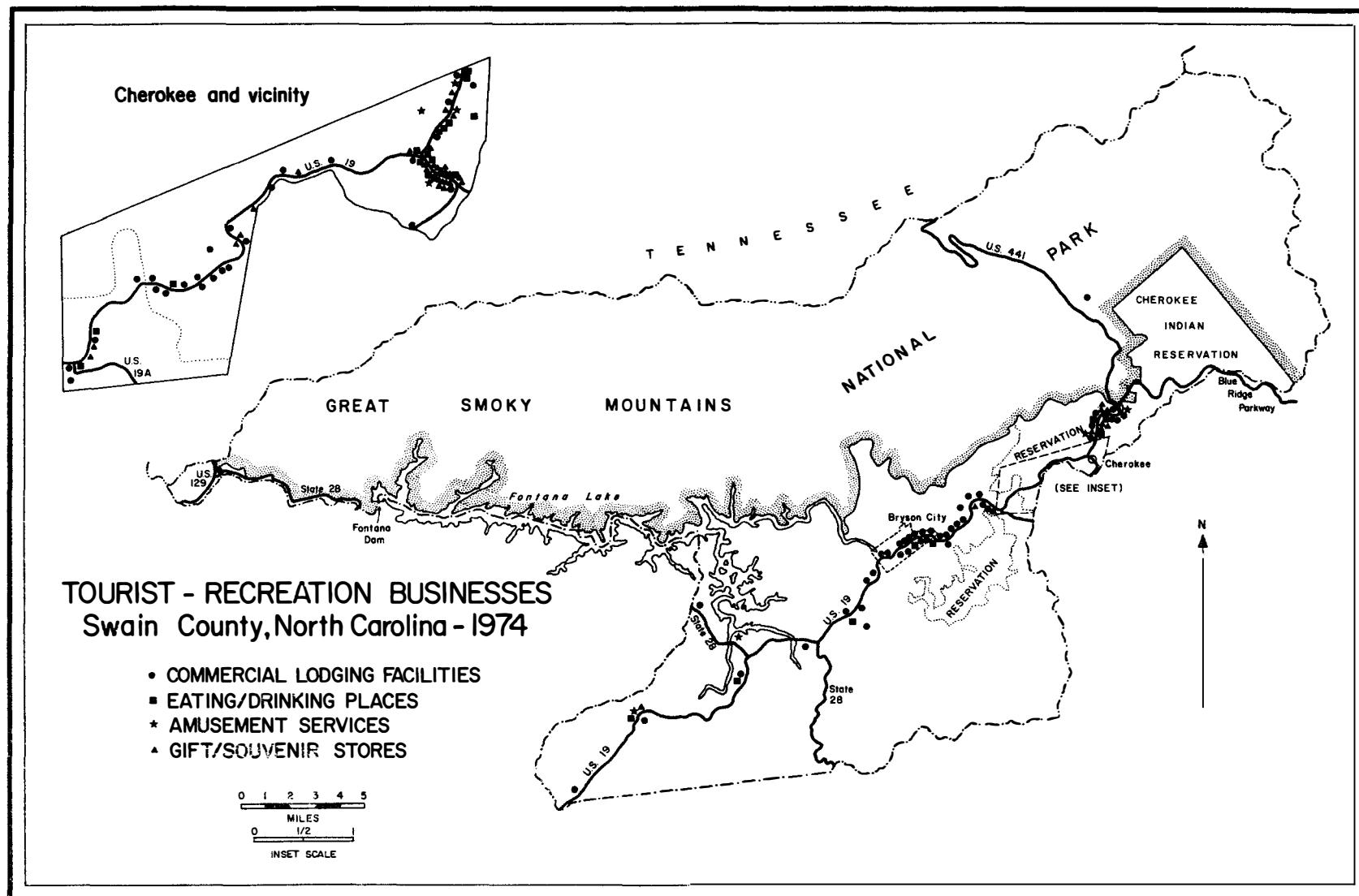


Figure II-5. Tourist-recreation businesses, Swain County, North Carolina, 1974.

Source: Data compiled by author.

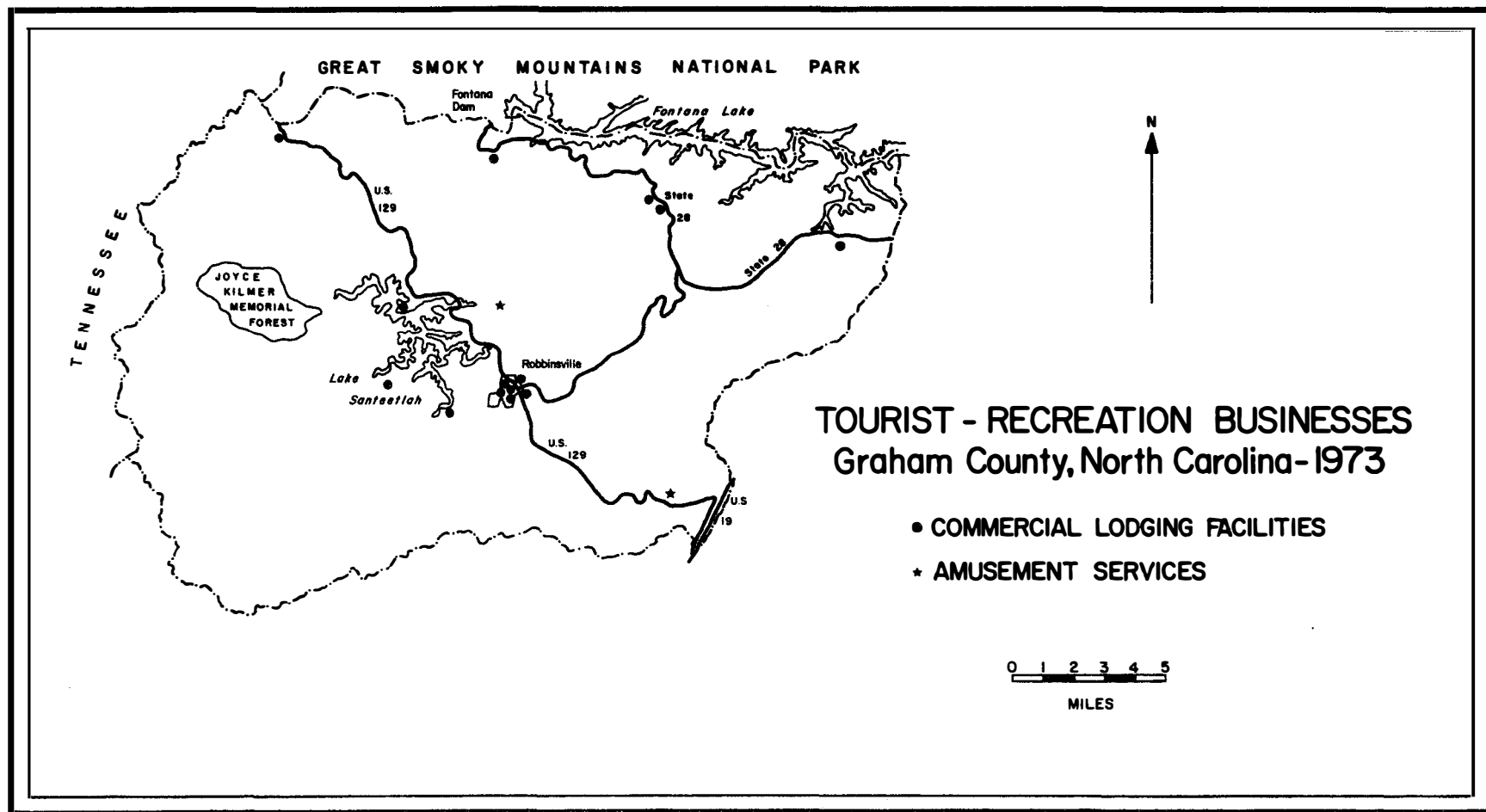


Figure II-6. Tourist-recreation businesses, Graham County, North Carolina, 1974.

Source: Data compiled by author.

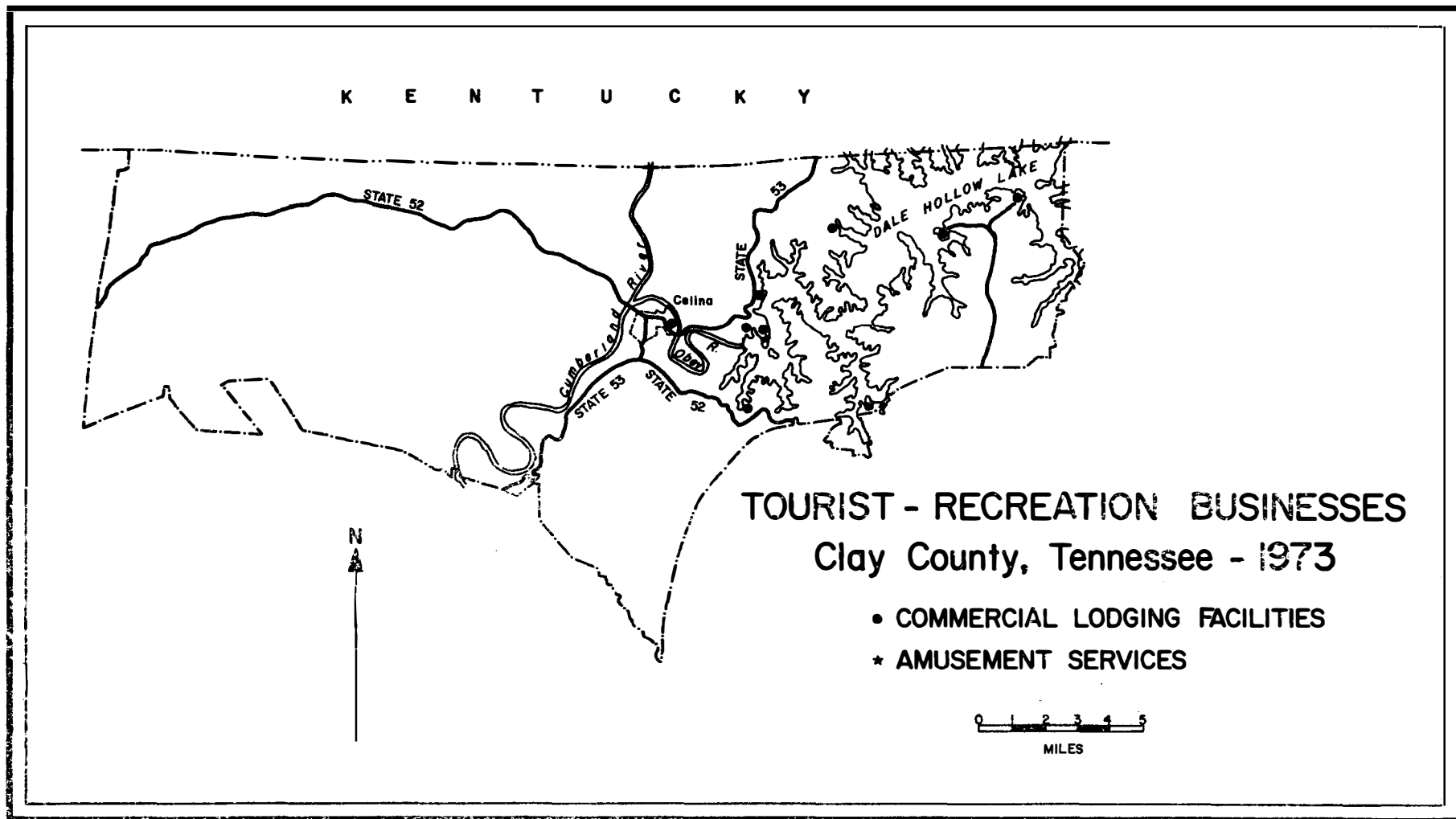


Figure II-7. Tourist-recreation businesses, Clay County, Tennessee, 1974.

Source: Data compiled by author.

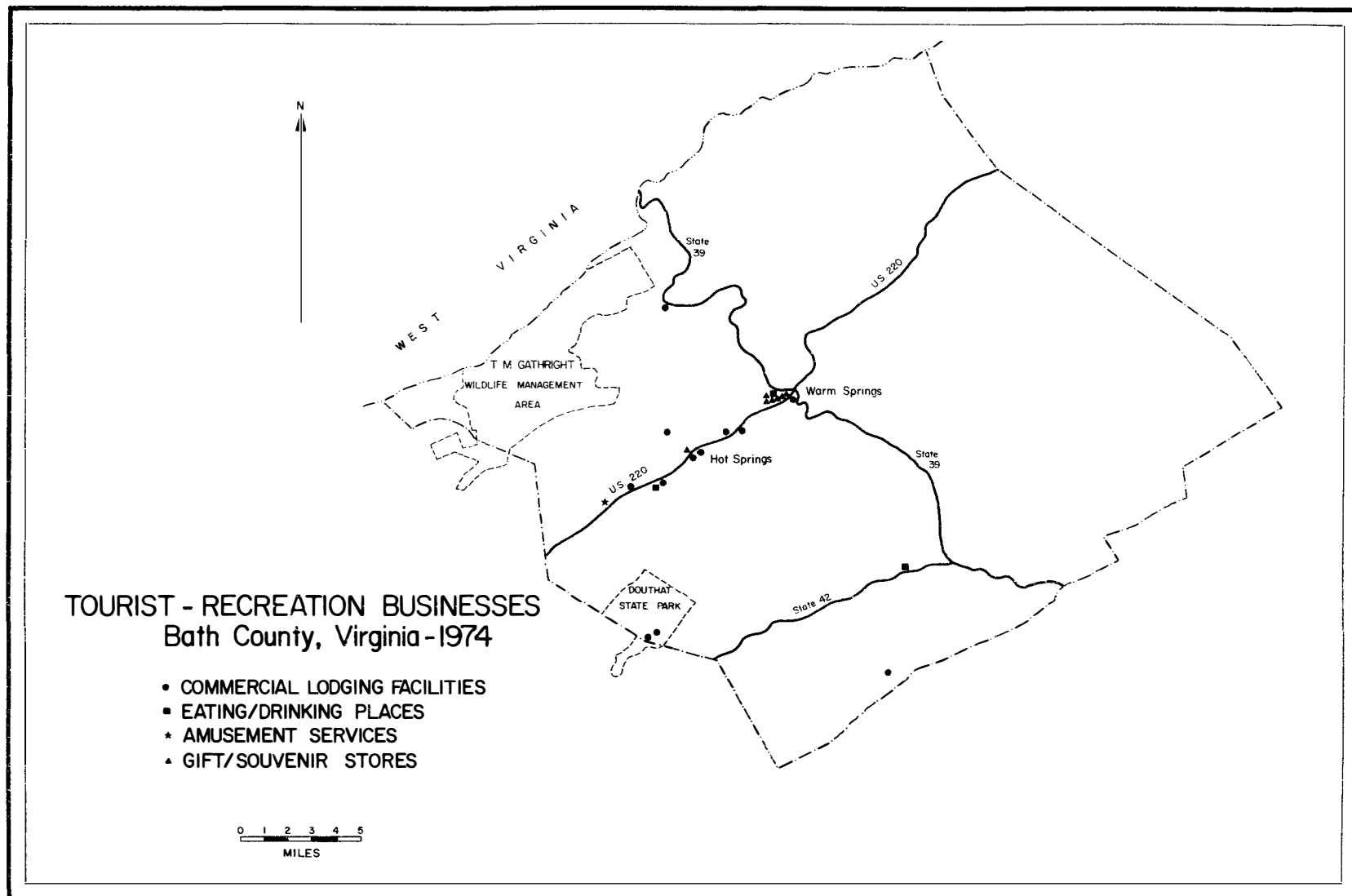


Figure II-8. Tourist-recreation businesses, Bath County, Virginia, 1974.

Source: Data compiled by author.

The two major reservoirs in Rabun County, Lakes Rabun and Burton, as well as the community of Clayton, represent the foci for tourist-recreation businesses in the county (Figure II-9).

These locational characteristics provide support for the idea that investment in tourist-recreation enterprises is less desirable as distance from the major attractions of the area increases.¹⁶ Tourist activity and the associated business establishments are resource oriented, with locational behavior resembling that of extractive industries such as mining or forestry.

In southern Appalachia, however, the existence of physical recreational resources in an area has not guaranteed the development of a tourist-recreation industry. The listing of physical-cultural elements in Table II-1, page 20 and Appendix C suggests that many other places in the study region also possess the necessary resources for recreation. For example, Hancock County, Tennessee, has a mountain environment, clean air and streams, an uncommercialized and unspoiled countryside, and a unique mountain culture group, the Melungeons. Tourists, however, have not visited the county in large numbers. Similarly, Russell County, Kentucky, with Lake Cumberland and a scenic forest-and-farm landscape, contains little tourist-recreational development.

Actual recreational use usually reflects past recreational experiences which strongly condition what the public currently desires

¹⁶W. Lyons, "Attracting Investment in Recreation and Travel," Appalachia, Vol. 3 (1970), pp. 6-10.

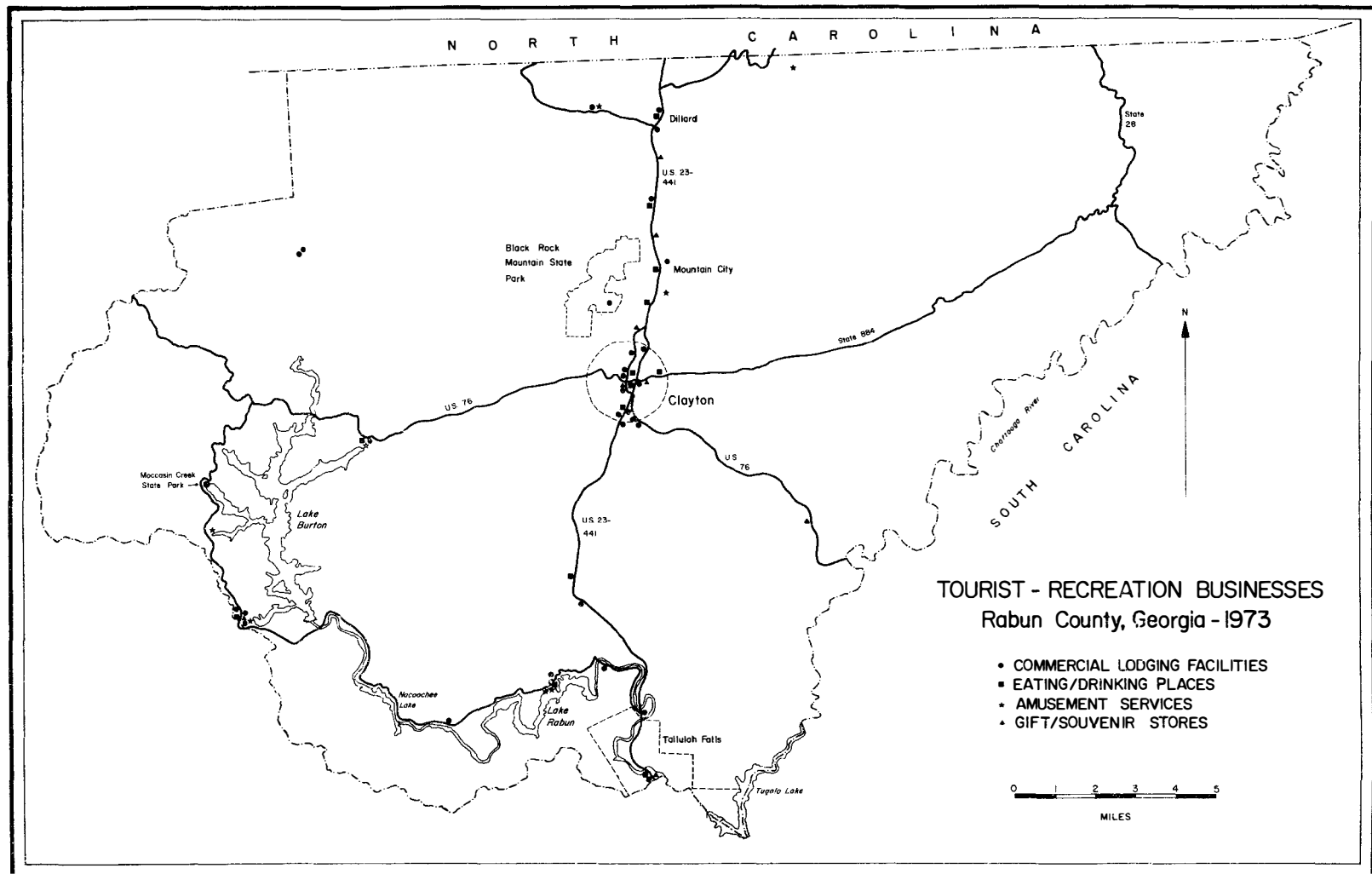


Figure II-9. Tourist-recreation businesses, Rabun County, Georgia, 1973.

Source: Data compiled by author.

in leisure-time recreational activities.¹⁷ Neither Hancock nor Russell County possesses this strong historical background in tourist-recreational activities, and both have experienced difficulties in attracting investment in tourist-oriented development.

II. THE ROLE OF HISTORICAL INERTIA

Historical influences upon present distributions are evident in the southern Appalachian tourist-recreation industry. In the Appalachian Highlands, Lyons found that recent investment in recreational enterprises has been forthcoming only if the ". . . location is already identified as part of a resort area."¹⁸ Unknown or "pioneer" areas have experienced difficulty in attracting financing for speculative ventures.¹⁹ Therefore, the mere existence of a physical resource base for recreational activities has not been sufficient to guarantee the development of a tourist trade.

Recreational resort development in southern Appalachia began in the eighteenth century when health spas were established at mineral and hot spring sites (Figure II-10). Bath County, Virginia, was the location for one of the earliest spas in North America. A primitive hotel was built on the site of present day Hot Springs, Virginia, in 1766 and eventually developed into the resort complex known as the

¹⁷M. Clawson and J. Knetsch, Economics of Outdoor Recreation (Baltimore: Johns Hopkins University Press, 1966), pp. 145-146.

¹⁸Lyons, op. cit., p. 9.

¹⁹Clawson and Knetsch, op. cit.

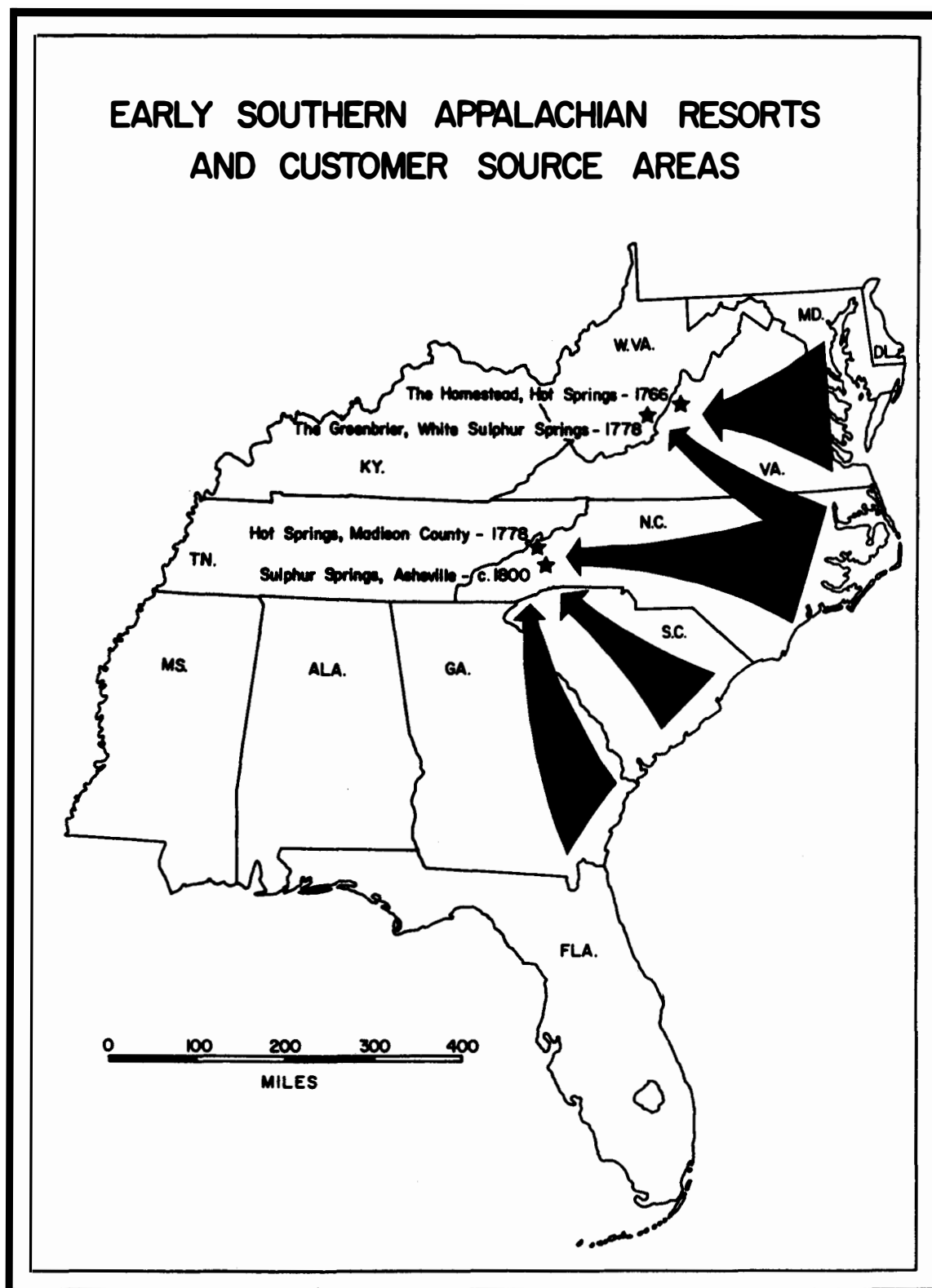


Figure II-10. Early southern Appalachian resorts and customer source areas.

Source: A. Hepburn, Great Resorts of North America (Garden City, New York: Doubleday, 1965).

"Homestead." The equally well-known "Greenbrier" was established shortly thereafter (1778) at White Sulphur Springs, West Virginia, in Greenbrier County.²⁰

Resort development also occurred in North Carolina prior to 1800. In 1778 the Hot Springs resort was created in present Madison County, forty-five miles north of Asheville. Toward the end of the 1700's (exact date unknown) a "fashionable" resort was developed immediately west of Asheville at Sulphur Springs, now within the city limits of Asheville.²¹ The success of these early spas and the growing wealth of increasing numbers of people combined to stimulate the development of spas around mineral springs, and resort hotels were built near numerous mineral spring sites in the Appalachian Highlands.²²

The demand for resort recreation in Appalachia during the late eighteenth and early nineteenth centuries emanated primarily from the "low country" plantation owners on the coastal plains of Virginia and Maryland, the Carolinas, and Georgia. These groups possessed the necessary wealth and leisure time for annual trips

²⁰A. Hepburn, Great Resorts of North America (Garden City, New York: Doubleday, 1965), pp. 1-3.

²¹Federal Writers' Project, North Carolina (Chapel Hill: University of North Carolina Press, 1939), p. 139.

²²In the mid-1800's approximately fifty-five such spas existed in the western highlands of Virginia. Sixty-five resort locations have been recorded for Kentucky, most of these in the Cumberland Plateau region. Eastern Tennessee, northern Georgia and Alabama, and northeastern South Carolina also contained numerous resorts of this type.

from the hot and humid Tidewater areas to the cooler mountain regions.²³

Summer home colonies were also being established in the mid-1800's in the southern Appalachian region. Before 1850 Wade Hampton of South Carolina began the habit of summering on his estate in Cashiers Valley in Jackson County, North Carolina, and subsequently influenced other low country residents to do the same. In Watauga County, North Carolina, Colonel James Harper of Lenoir built a frame summer house at Blowing Rock in 1858, influencing others to establish seasonal homes in the area.²⁴ In many localities seasonal homes grew up around an already established resort hotel or, as in Blowing Rock and Cashiers, the resort hotel followed the establishment of a summer home colony.

During the latter third of the nineteenth century, sight-seeing gained in popularity, and many attractions in the southern Appalachian region were brought to the attention of the traveling public through the proliferation of travel guidebooks. One such publication, an early travel guide by Bachelder (1875), directed readers not only to the traditional spas and resorts, but also to scenic attractions such as the Blowing Rock; Tallulah Gorge and Falls (Rabun County); Cashiers Valley, Whiteside Mountain, and Whitewater Falls (Jackson County); Falling Spring, Jackson River Valley, and the "Springs" (Bath County); Chilhowie Mountain (Sevier County), and the Great

²³Hepburn, op. cit., pp. xi-xii.

²⁴During the Civil War, the Blowing Rock colony served as a refuge for the families of many lowland planters.

Smoky Mountains (Sevier, Swain, and Graham counties).²⁵

By the end of the nineteenth century more summer home colonies and other attractions had been established, and places such as Elkmont (Sevier County) and Clayton (Rabun County) enjoyed railroad access, bringing in more seasonal visitors. The opening of large inns, such as Fairfield Inn (1896) in Jackson County near Cashiers, the York House (1896) in Rabun County at Mountain City, and the Green Park Hotel (pre-1900) in Blowing Rock was indicative of the influx of such visitors. Following World War I, additional inns and hotels were founded: Fryemont Inn in 1923 (Bryson City, Swain County), High Hampton in 1922 (Cashiers, Jackson County), and Mayview Manor in 1923 (Blowing Rock).²⁶

The expense of reaching these scenic attractions, spas, inns, and summer home colonies dictated that tourism remain an activity enjoyed chiefly by the wealthy classes. It is noteworthy, however, that travel patterns and destinations in most of the case study counties had become relatively well-established by the early 1920's.

Following World War I the characteristics of tourism began to change because of greater general affluence and because inexpensive, mass-produced automobiles enabled families of modest income to travel. The expensive and exclusive spa-type resorts decreased in popularity.²⁷

²⁵J. B. Bachelder, Popular Resorts, and How to Reach Them (Boston: J. B. Bachedler, 1875), p. 285.

²⁶All of these inns and hotels are still in operation.

²⁷Hepburn, op. cit., p. xvi.

Increased mobility of the population led to establishment of more "travel-oriented" facilities to feed and lodge travelers who could not or would not spend their leisure time and money in a resort hotel.

The motel had its beginnings in the 1920-1930 period. The tourist or motor "court" usually consisted of a series of individual units (cabins) with bed and bath and occasionally with cooking facilities. These tourist courts were oriented to the motoring public and located along heavily utilized highways. Concentrations of tourist-serving businesses developed in the vicinity of scenic or cultural attractions, where large numbers of potential customers were available.²⁸ Thus, a complex of travel-oriented businesses became locationally associated with places already known as tourist attractions, many of which had been popularized years before.

The development of a tourist industry in the counties emphasized in this study was stimulated by several additional factors. The creation of Joyce Kilmer Memorial Forest in Graham County, North Carolina, in 1926 and the completion of Santeetlah Dam and Lake in 1928 provided two scenic destinations for the traveling public. The subsequent completion of Deal's Gap Road opened an entrance on the county's west (Tennessee) side and was reputedly the ". . . germ from which sprouted the tourist trade."²⁹

²⁸Ibid., p. xii.

²⁹B. Sharpe, A New Geography of North Carolina, Vol. III (Raleigh: Sharpe Publishing Company, 1961), p. 1330.

Swain County obtained its first paved road in 1930 (from Asheville) and a second (from the north) with the completion of the Newfound Gap Road through Great Smoky Mountains National Park in 1933. As a result of these developments the first tourist court in the county was established in 1936.³⁰ The arrival of a traveller-oriented tourist industry in Watauga County was augmented by the active development of the "Blowing Rock" Scenic feature into a commercial attraction in 1933.³¹

The dedication of the Great Smoky Mountains National Park in 1940 by President Roosevelt marked the beginning of tourist flows to and through all counties near the park. Sevier and Swain counties benefitted most directly because of their locations at the two major entrances to the park, one at Gatlinburg, Tennessee, and the other at Cherokee, North Carolina. In these communities, the establishment of motels, restaurants, amusements, and craft and souvenir shops marked a "take-off" point for the local tourist-recreation industries.

Jackson, Graham, and Rabun counties received less direct benefit from the national park. Although not actually bordering the park, Jackson County is traversed by U.S. Route 441, a major tourist artery between the midwestern states and Florida. The highway passes through the national park, and the interception of travelers on this road, especially in the Cherokee vicinity, inspired the growth of

³⁰Ibid., Vol. II, p. 466.

³¹Ibid., Vol. III, p. 1077.

a formative tourist-oriented industry. Rabun County also performed this "interception" function farther south on the same highway.

Few national park visitors use Graham County roads because they provide poor access to the park. Completion of Fontana Dam and Reservoir in 1941, however, created another tourist attraction for that county. Establishment of Fontana Village resort in 1945 also helped guarantee an influx of visitors.

Clay County, Tennessee, was established as a recreational area in 1943 with the completion of Dale Hollow Dam and Reservoir. Since that time no new attractions have been added to the recreational potential of that county, which is based upon recreational boating and fishing.

Growth of the tourist-recreation industry in Watauga, Swain, and Jackson counties was aided by the construction of the Blue Ridge Parkway, a National Park Service scenic highway project. Work on this roadway commenced in the mid-1930's and was carried on during the next forty years. An estimated twelve million travelers utilize this road annually, and a significant number of these patronize the tourist facilities of the above named counties.³²

Several developments during the 1950's intensified recreational use of tourist facilities in Appalachia. In 1950 the first Cherokee pageant, "Unto These Hills," was presented, drawing large numbers of tourists. In the same year, Cherokee's Soco Road was opened leading east to Asheville and Waynesville, and linking Cherokee to

³²Ibid.

the Blue Ridge Parkway. Two years later another outdoor drama, Boone's "Horn in the West," was initiated in Watauga County.

During the first half of the 1900's tourism grew less in Bath County, Virginia, than in the other case study counties. Most of its tourist trade remained centered upon the Homestead Resort. In 1959, however, a ski slope opened at the Homestead which attracted a more diverse clientele to the area and had important repercussions throughout much of the southern Appalachian region. The ski facility was initially constructed to counteract the seasonality of the tourist trade, and its success resulted in the establishment of several other ski operations, notably in Watauga County, North Carolina. Skiing was subsequently promoted as an off-season activity in Sevier, Jackson, and Rabun counties.³³

Implicit in this analysis of historical precedent is the importance of individual and group promotional enterprise in developing a recreational attraction. The springs of Bath County were used by Indians before white settlement and became known to the colonies through reports from trappers. Thomas Bullitt capitalized on this information and built a hotel at Hot Springs in 1766, which evolved into the Homestead Resort.³⁴

The beginnings of a tourist trade in Gatlinburg are accredited to the efforts of A. J. Huff, a lumberman, who began the practice of lodging summer boarders in the early 1920's. As a relatively

³³ Ibid.

³⁴ Hepburn, op. cit., p. 3.

influential citizen to that community he was also instrumental in routing the first paved transmountain highway through Gatlinburg in the 1930's.³⁵

In 1933, C. G. Robbins and C. H. Berryman invested in the property containing the rock outcrop known as the Blowing Rock and developed the location as a commercial scenic attraction.³⁶ This event marked the beginnings of a substantial influx of travelers and sightseers not necessarily interested in the exclusive resort homes and hotels of Watauga County.

Highlands, a well-known North Carolina resort town in Macon County, was planned and laid out in 1875 by Captain Samuel T. Kelsey and Charles C. Hutchinson. The original 1440 acre tract was chosen following a procedure whereby one straight line was drawn on a map between Chicago and Savannah, Georgia, and one between New York City and New Orleans. The promoters reasoned that the intersection of these lines constituted the ideal resort location midway between the North and the South.³⁷

Hugh Morton, North Carolina developer and conservationist, inherited Grandfather Mountain in 1945, but almost sold the holdings at the time for \$165,000 because of heavy debts incurred by his family. Instead, he gambled \$100,000 on the building of a road to

³⁵E. J. Foscue, Gatlinburg: Gateway to the Great Smokies (Dallas, Texas: Southern Methodist University Press, 1946), p. 6.

³⁶Sharpe, op. cit., Vol. III, p. 1077.

³⁷Ibid., Vol. IV, p. 1437.

the top of the mountain and improving the location as a commercial scenic attraction. The mountain is now advertised as North Carolina's top scenic attraction and draws approximately one-quarter million visitors annually through both Avery and Watauga counties.³⁸

The personal efforts of a group of investors led by T. R. Ebright in June 1973 resulted in the opening of the Bear Creek Scenic Railroad in Graham County. The creation of this amusement enterprise has provided a potential destination attraction for the county, as did the opening of Fontana Village Resort in 1945.

These few examples typify the role of personal enterprise in stimulating tourism in specific places. Numerous similar events, however, that have gone unrecorded may be no less significant in the historical development of the southern Appalachian tourist-recreation industry.

It is apparent that the counties and communities in southern Appalachia which are now oriented to the tourist-recreation industry have been performing tourist-serving functions for many years. The historical development of such activity in these places commenced in the eighteenth and nineteenth centuries and by 1948 the present locational patterns of the industry had been established (Figure II-11). Such patterns, however, have also been influenced by both the positive and negative aspects of relative accessibility.

³⁸ Ibid., Vol. II, p. 563.

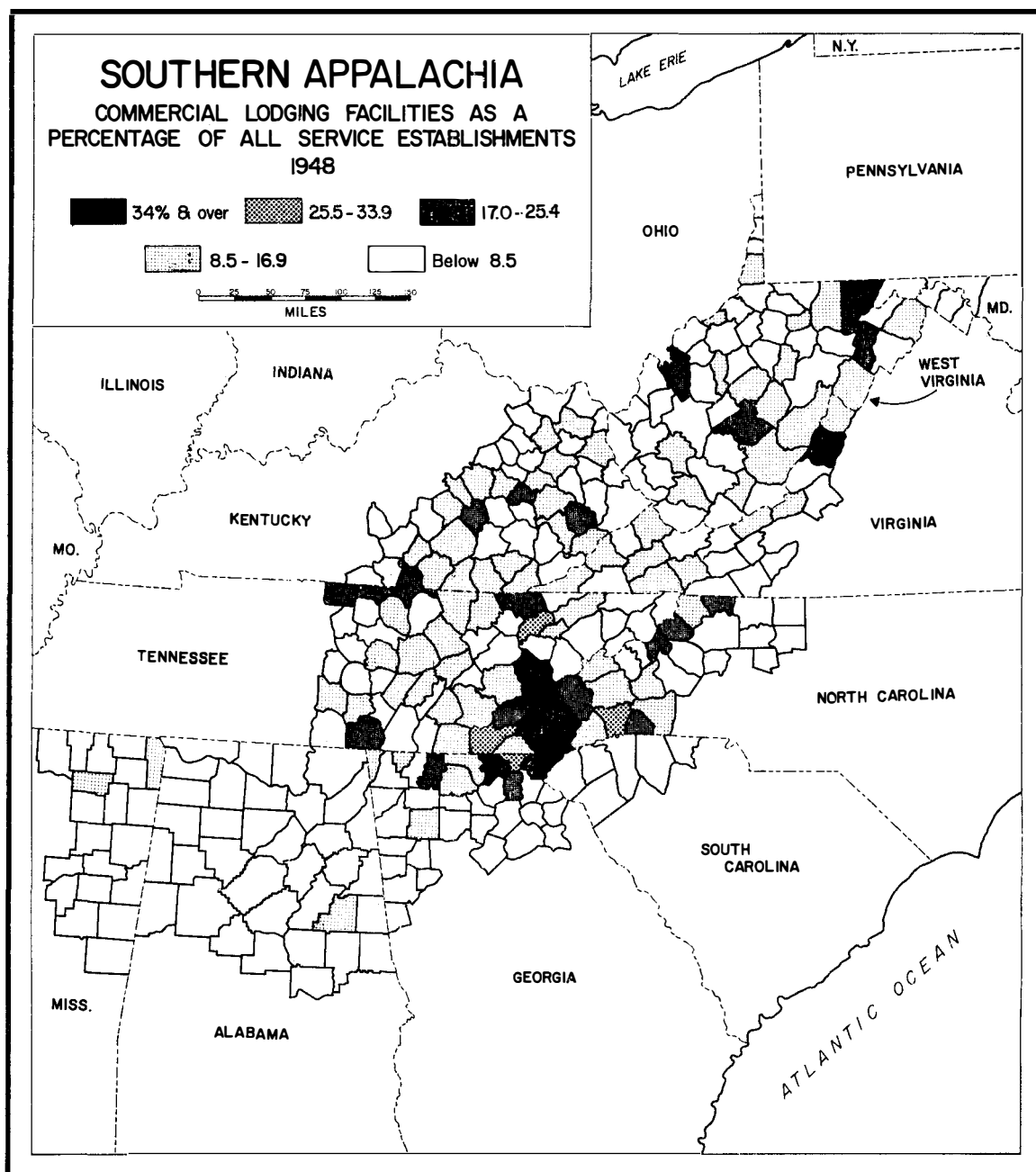


Figure II-11. Southern Appalachia: commercial lodging facilities as a percentage of all service establishments: 1948.

Source: Census of Business, 1948.

III. RELATIVE ACCESSIBILITY

Development of diverse forms of economic activity most often occurs in places that, because of favorable physical setting or centrally-located position, are easily accessible to large numbers of people. Peripheral locations tend to be difficult of access and even isolated from many social, political, and economic trends.

Economic development has historically been hindered in Appalachia because of poor accessibility, inferior soils, limited agricultural land, difficult terrain, and other negative factors, all documented by various authorities such as Ford, Weller, Caudill, and the United States government.³⁹ Depressed economic conditions persisted throughout Appalachia during the nineteenth century and well into the twentieth, culminating in what has been termed the "Great Migration" between 1940 and 1960. Most Appalachian counties experienced significant outmigration and population losses during this period as people sought better economic opportunities outside of the region.⁴⁰

³⁹T. R. Ford, Ed., The Southern Appalachian Region: A Survey (Lexington: University of Kentucky Press, 1962); H. M. Caudill, Night Comes to the Cumberlands; A Biography of a Depressed Area (Boston: Little, Brown, and Company, 1963); J. E. Weller, Yesterday's People; Life in Contemporary Appalachia (Lexington: University of Kentucky Press, 1965); Economic and Social Conditions of the Southern Appalachians (Washington, D.C.: Government Printing Office, 1935); President's Appalachian Regional Commission--Appalachia; A Report (Washington, D.C.: Government Printing Office, 1964).

⁴⁰J. S. Brown and G. A. Hillery, "The Great Migration, 1940-1960," in T. R. Ford (ed.), The Southern Appalachian Region: A Survey (Lexington: University of Kentucky Press, 1962), pp. 54-78.

Based upon historical background it seems reasonable to conclude that the tourist-recreation industry has assumed greater relative importance in several southern Appalachian counties than it would have if other economic options had been readily available. Much of the present orientation of the eight case study counties toward the tourist-recreation industry is linked to the disadvantages of these places in attracting diverse alternative forms of economic activity. Support for this contention was gained by examining several related variables.

Distance From Urban Centers and SMSA Counties

Distance of southern Appalachian counties from the nearest city of 20,000 population or more or from the nearest SMSA county was calculated to present a crude "index of rurality" or accessibility for each county.⁴¹ Examination of these data indicated that the tourist-recreation counties were an average of eight miles further from the nearest city of 20,000 or more or SMSA county than the average rural southern Appalachian county (Table II-2). This small difference in distance assumed more significance with the observation that: 1) the rural counties of the region have suffered economically because of isolation and distance from centers of economic activity and 2) the proximity of Sevier County to an SMSA substantially lowered the mean distance of the case study counties from SMSA areas.

⁴¹ A more valid measure of accessibility would have been actual "Travel Time," but the calculation of such a measure was considered beyond the capabilities of this researcher for a 300-county region.

Table II-2. Mean Distance (miles) of Rural Counties of Southern Appalachia From Urban Areas of 20,000 or more Population, or From Nearest SMSA County*: 1940-1970

Area	1940	1950	1960	1970
Case Study Counties	70	63	61	61
Rabun	72	72	58	58
Graham	63	63	63	63
Jackson	104	48	48	48
Swain	63	63	63	63
Watauga	55	55	55	55
Clay	100	100	100	100
Sevier	25	25	25	25
Bath	73	73	73	73
Rural Counties of Southern Appalachia	58	57	54	53

* Mileage calculated from county seat of each rural county in southern Appalachia to nearest city of 20,000 or more or to county seat of nearest SMSA county, whichever was closer. Any county not containing a city of 20,000 or more and not classified as an SMSA county was arbitrarily counted as a rural county.

It is also noteworthy that the mean distance of tourist-recreation counties from major urban centers and SMSA counties has remained almost unchanged since 1950, an indication that economic and urban growth has remained peripheral to these counties. Sevier County was again an exception. None of the seven other counties was within approximately fifty miles of a major urban center or SMSA county. Clearly the case study counties have been less accessible than the average rural southern Appalachian county to urban/industrial centers.

Quality of Highways

The poor quality of highways has also had a detrimental effect upon economic growth. An examination of topographic and highway maps, combined with actual negotiation of these roads during the field study stage, revealed that the primary access to the case study counties is through steeply rolling terrain. The highways are generally narrow and winding two-lane roads requiring longer driving times than the distances would normally warrant. The general exception to this statement is U.S. Route 441 entering Sevier County from the northwest. The highway is a four-lane road which leads from Knoxville to Gatlinburg, Tennessee, the tourist center adjacent to the main entrance of the Great Smoky Mountains National Park. For the remaining counties, and for Sevier County before the completion of the four-lane highway in the early 1950's, the extended driving times on second class roads and the corresponding increase in "economic distance" has placed these counties at a disadvantage compared to

the rest of southern Appalachia in attracting economic development.⁴²

Questionnaire analysis revealed that some tourist-recreation business entrepreneurs in the case study counties perceived poor highway quality/accessibility problem as a major limitation on the operation of their businesses (Table II-3). Forty percent of the Graham County respondents complained of the lack of good highway access, not a surprising figure considering the county's location away from the major thoroughfares. Over one-fourth of Swain County's tourist business respondents voiced a similar complaint, as did nearly 25 percent of the Watauga respondents.

The impact of poor road conditions on business operations was also an item of some concern in Clay County. Field work in that county verified that highway quality was low enough to discourage potential tourists from visiting or returning to the area. Poor road conditions were also cause for complaint in Jackson County, where two Cashiers entrepreneurs and one Cherokee campground operator identified the problem as a major concern. Accessibility problems have affected not only tourist patronage, but also general economic development in the case study counties.

Extreme isolation or inaccessibility would, however, have prevented the influx of outside visitors that have characterized the tourist-recreation areas of southern Appalachia. Hancock County, Tennessee, is one of the poorest counties in the Appalachian region

⁴²R. Thoman, E. Conklin, M. Yeates, The Geography of Economic Activity (New York: McGraw-Hill, Inc., 1968), p. 119, provides a concise explanation of the "economic distance" concept.

Table II-3. Poor Access and Road Quality as Major Problems
for Future Growth of Businesses*

County	Percentage of Respondents Identifying:	
	Lack of Good Highway Access	Poor Roads
Rabun	11	11
Graham	40	0
Jackson	14	21
Swain	27	0
Watauga	24	19
Clay	0	67
Sevier	7.5	6
Bath	0	0
Average Percent	15	15.5

* See Appendix A, Question #34.

and exemplifies the negative effects of peripheral location and inaccessibility upon economic development. Not even tourism has been able to overcome this physical isolation, which also characterizes many of the counties of eastern Kentucky and West Virginia. Highway maps reveal that federal highways penetrate seven of the eight case study counties and thus provide reliable, if relatively difficult, access to and from these counties. The highways, while unsuitable as industrial transportation linkages, are generally satisfactory for tourist needs.

In contrast, Asheville, North Carolina, has been a well known tourist mecca since the early 1800's and has been functionally classified as a resort city by several urban geographers.⁴³ Because of its location in the center of the most extensive upland basin in the Blue Ridge Mountains, the city became a crossroads for major transportation lines through a rugged mountain region. Asheville attracted a diversity of people and economic activities which are characteristic of large central places; therefore, the relative importance of the tourist-recreation industry has remained low (Figures I-3, page 14, and II-11, page 43). The gradual improvement of transportation linkages in the case study counties could eventually result in establishment of enough variety in their economies to dilute the

⁴³C. D. Harris, "A Functional Classification of Cities in the United States," Geographical Review, Vol. 33 (1943), pp. 86-99; H. Nelson, "A Service Classification of American Cities," Economic Geography, Vol. 31 (1955), pp. 189-210; G. M. K. Ohlsen, "Economic Classification of Cities," in The Municipal Year Book (International Managers' Association, Chicago, 1945), pp. 30-38.

comparative economic importance of tourism.

Relative accessibility has had positive and negative implications for the southern Appalachian tourist-recreation industry. Although not completely isolated, the reduced interaction potential stifled or retarded the growth of other forms of economic activity and allowed the tourist-recreation industry to achieve high relative importance. As a result, the economic characteristics and behavior of the industry have influenced general economic conditions more heavily in tourist-oriented counties than in most other places in southern Appalachia.

For this dissertation, it became essential to examine the actual structure of local tourist-recreation industries, the place-to-place differences in this structure, and how these differences could ultimately affect the future development of the tourist-recreation industry.

CHAPTER III

STRUCTURE AND CHARACTERISTICS OF THE SOUTHERN APPALACHIAN

TOURIST-RECREATION INDUSTRY: CASE

STUDY ANALYSIS

One premise of this study is that the economic effects of the tourist-recreation industry in a locality are directly related to characteristics such as ownership, employment, wages, customer sources and characteristics, expenditures, and business problems. To determine the validity of this premise, the characteristics of the industry in each of the eight case study counties were analyzed, synthesizing information from mailed questionnaires, census data, library resources, published reports, and field research.

I. SPATIAL PATTERNS AND CHARACTERISTICS

OF OWNERSHIP

Type of Ownership

Questionnaire data revealed that the tourist-recreation industry in most of the case study counties is heavily oriented toward individual or family ownership of business establishments (Table III-1). Furthermore, many of the "partnerships" involved family members and many individual or family enterprises have been incorporated, suggesting that individual and family ownership is more significant than indicated by the raw data.

Table III-1. Type of Business Ownership*

County	Percentage of Respondents Listing Ownership as:			
	Individual or Family	Partnership	Company or Corporation	Franchise or Chain
Rabun	66	11	0	0
Graham	60	0	40	0
Jackson	64	28.5	7	0
Swain	64	0	36	9
Watauga	48	24	28.5	14
Clay	67	0	33	0
Sevier	50	15	35	15
Bath	14	28.5	43	0
Average Percent	54	13	27	5

* See Appendix A, Question: "Type of Ownership."

Ownership characteristics, however, are not identical in all the case study counties. In Bath County only 14 percent of the responding businesses were individually or family owned. Field checking revealed that several of the establishments in that county were owned by the Homestead resort.⁴⁴ The lower percentages of individual and family ownership in Watauga and Sevier counties appear to be related to the comparatively large size of the tourist business in these areas. Large, chain-type enterprises have entered the local business community to attempt to capture some of the tourist trade.

Field checks indicated that franchises were totally absent in two of the case study counties (Graham and Clay), and accounted for only a few such businesses in Rabun, Jackson, Swain, and Bath counties. Watauga County contained several franchised businesses oriented to the tourist trade, but did not approach Sevier County in importance of franchised/chain operations in the local business structure.

One county with a significant occurrence of franchised or chain operations was Sevier, with 15 percent of the responding establishments in this class. One explanation for the prominence of such establishments in Sevier County is that the Gatlinburg-Pigeon Forge vicinity is one of the most intensive tourist nodes in the southeastern United States. The large number of visitors is a basic locational consideration for franchised or chain businesses,

⁴⁴Interview with John Gazzola, Public Relations Director, The Homestead, Inc., August 16, 1974.

which normally demand a patronage level high enough to support a year-round operation.⁴⁵ Such patronage levels are generally not characteristic of the other case study counties except Watauga.

It was concluded that the franchise and chain operation is not as significant in the case study counties as originally hypothesized, except in Sevier and Watauga. In the others, with the exception of Bath, tourist-recreation businesses remain largely in the hands of individual local entrepreneurs.

Tenure of Present Management

The average tourist-recreation business establishment responding to the questionnaire had operated approximately ten years under existing management (Table III-2). This figure varies from eight years in Jackson County to twenty years in Clay County. Bath County was exceptional because of the early founding date of the Homestead spa (under its present management since 1893).

Two explanations can be offered for the apparent "youthfulness" of tourist-recreation businesses in the case study counties. First, expansion of the tourist-recreation industry in the vicinities of Boone-Blowing Rock (Watauga County), Gatlinburg-Pigeon Forge (Sevier County), and Cherokee (Swain/Jackson counties) during the national economic upswing of the early 1960's resulted in the construction of numerous new businesses. Second, the "turnover" rate in ownership of tourist-recreation establishments is relatively high. An

⁴⁵N. Kalt, Introduction to the Hospitality Industry (New York: ITT Educational Services, Inc., 1971), pp. 17-19.

Table III-2. Tourist-Recreation Business, Average Number
of Years Under Present Ownership*

County	Years of Ownership
Rabun	16
Graham	9
Jackson	7
Swain	11
Watauga	10
Clay	19
Sevier	13
Bath	23
Average-All Counties	13

* See Appendix A, Question: "Date Business Was Established
Under Present Management."

establishment might pass through two or three successive ownerships in a ten-year period, according to one Pigeon Forge motel manager.⁴⁶ Observations by the researcher over a five-year period in the area bordering the Great Smoky Mountains National Park tend to support this claim, several businesses having opened, closed, and reopened under different managements.

The longer duration of ownership in Clay County is related to the fact that no new recreational activities have been generated in that area since the completion of the Dale Hollow Reservoir in 1943. Most of the tourist-oriented businesses are combination boat dock-motel-rental cottage operations established in the ten to fifteen year period following the project's completion. Since the early 1960's, however, few new businesses have been established because tourist numbers have not been sufficient to support them.⁴⁷

Business Training and Experience of Owners or Managers

One reason for the high turnover rate in ownership of tourist-recreation establishments in most of the case study counties is the lack of training and limited experience of most operators (Table III-3). One-half of the respondents indicated that they were "first-time" operators and had no management experience in their present type of

⁴⁶ Interview with Gary Morris, Assistant Manager, Green Valley Inn, Pigeon Forge, Tennessee, January 15, 1972.

⁴⁷ Bureau of Outdoor Recreation, Tourism and Recreation Potential: Upper Cumberlands (Washington, D.C.: Government Printing Office, 1964). This visitation theme is sounded throughout the report.

Table III-3. Experience or Training of Owner or Manager
in Present Type of Business*

County	Percentage of Respondents with:					
	Experience			Training		
	None	Some	High	None	Some	High
Rabun	44	22	11	55.5	11	11
Graham	40	0	60	40	0	60
Jackson	64	14	14	36	21	28.5
Swain	54	45	0	36	54.5	9
Watauga	43	43	9.5	33	43	19
Clay	67	0	33	67	0	33
Sevier	51.5	22	28	41	28	32
Bath	43	0	43	28.5	14	57
Average Percent	50	18	25	42	21	31

* See Appendix A, Question #29.

business venture. Both Cherokee and the Gatlinburg-Pigeon Forge area have a high percentage of inexperienced operators because of the notion that the summer tourist trade is a "get-rich-quick" opportunity.⁴⁸

Graham County is unusual because 60 percent of the respondents rated themselves as both highly trained and highly experienced. This area has several commercial resorts which are large-scale, high-investment enterprises sponsoring a variety of vacation and recreational activities. These enterprises require a higher level of management expertise than the smaller and more numerous "Mom and Pop" establishments.

Bear Creek Scenic Railroad, also in Graham County, is not strictly a tourist-oriented enterprise. Its primary function is a short-haul freight line between Graham County timber lands and the main Southern Railroad line between Georgia and Asheville, and its owner has had railroad business training and experience. Since 1973 the line has carried tourists to supplement its regular income.⁴⁹

Professional Site Location Advice

Over 80 percent of the responding entrepreneurs received no professional advice concerning their business location (Table III-4). In a highly competitive industry well-chosen locations mean the difference between success and failure, and lack of locational

⁴⁸ Morris interview, op. cit.

⁴⁹ Interview with Dan Ranger, Bear Creek Scenic Railroad, Robbinsville, North Carolina, August 18, 1974. Originally called the Graham County Railroad, the line was founded in 1905 and has been in continuous operation since 1925.

Table III-4. Use of Professional Location Advice*

County	Percentage of Respondents Receiving:		
	No Advice	Some Advice	100% Professional Advice
Rabun	88	0	11
Graham	60	20	0
Jackson	86	7	0
Swain	73	27	0
Watauga	81	18	0
Clay	100	0	0
Sevier	75	15	3
Bath	86	0	14
Average Percent	81	10	3

* See Appendix A, Question #5.

advice has contributed to the high turnover in ownership mentioned above.

Of the four enterprises with locations chosen completely on advice of professional consultants, one is a state park, one a craft shop, one a motel, and one a museum attraction. The craft shop was wisely established adjacent to the Homestead resort in Hot Springs, Virginia. The other two private businesses are in Gatlinburg, Tennessee. Their locations were based upon feasibility studies carried out by their national organizations (both are franchised businesses).

In response to queries concerning the suitability of their present location, almost half of the respondents replied that there were other sites as good or better (Table III-5). In highly competitive areas (Watauga and Sevier counties) only one-fourth of the respondents believed that their present business location was the best possible. In other areas, where the tourist-recreation industry is not as intensively developed, less dissatisfaction was expressed about the location of the business establishment.

When given the opportunity to choose a hypothetically better location, most Sevier County respondents indicated that the most desirable business location was in the center of Gatlinburg. Watauga County entrepreneurs identified Boone as the ideal choice. In both counties, most operators expressing a desire to relocate were situated in peripheral areas which attracted fewer visitors.

Table III-5. Desirability of Present Business Location*

County	Percentage of Respondents with:			
	Best Possible Location in the area	Excellent site, but others as good	Good Site, but others better	Inferior site; would relocate
Rabun	55	11	33	0
Graham	40	40	20	0
Jackson	57	21	21	0
Swain	64	9	18	9
Watauga	24	48	19	5
Clay	100	0	0	0
Sevier	24	47	30	1.5
Bath	43	43	14	0
Average Percent	50	27	19	1

* See Appendix A, Question #3.

II. EMPLOYMENT CHARACTERISTICS

Number of Employees Per Establishment

The image of the southern Appalachian tourist-recreation industry as one composed of small, family-owned businesses was partially verified by questionnaire data on employment (Table III-6). Almost 50 percent of the operators indicated that they employed less than five people. Again, spatial variation in employment was noticeable, with Sevier County having a lower percentage of small establishments and greater balance in the various employment-size categories. This is not unexpected in a highly-developed tourist node, with a variety of types and sizes of tourist-recreation businesses.

The other counties are weighted heavily toward establishments employing less than five people. However, in Swain, Watauga, and Bath, most responding establishments employed less than five or more than twenty-five persons, with the middle categories less well-represented.

One reason why much of the tourist-recreation industry in southern Appalachia is composed of very large or very small businesses is that it is almost impossible for an individual to obtain financing for a large business in the present money market. Corporations, franchises, and chains, or groups of individuals have easier access to capital. The economies of a large-scale operation become imperative and such high-investment businesses must successfully withstand high labor costs and overhead before seeing a return of the investment

Table III-6. Total Number of Employees Per Business Establishment*

County	Percentage of Respondents with:			
	Less than 5 employees	5 - 10	11 - 25	More than 25
Rabun	44	22	11	0
Graham	40	20	20	20
Jackson	57	21	7	14
Swain	36	18	9	36
Watauga	52.2	5	5	28.5
Clay	67	0	33	0
Sevier	32	28	21	19
Bath	57	14	0	28.5
Average Percent	48	16	13	18

* See Appendix A, Question #16.

fifteen to twenty years later.⁵⁰ In an established intensive tourist area such as the Gatlinburg-Pigeon Forge complex of Sevier County, obtaining investment capital is less of a problem than in the other case study counties. This advantage allows middle-sized establishments to be profitable and to exist in greater numbers than in the other counties.

Number of employees also varies according to type of establishment. Lodging places and retail stores are primarily in the small employment classes, while restaurants and amusement places display higher labor requirements (Table III-7). Small motels and gift or souvenir shops can be operated by two or three people, but amusement parks, ski operations, and many restaurants require a large staff.

Employment opportunities in tourist-recreation centers are highly seasonal. In the case study counties, 85 percent of the questionnaire respondents hire seasonal labor (Table III-8). Rabun County departs from this norm, probably because of its heavy dependence upon pass-through travelers (Table III-9).

The labor force for the tourist-recreation industry also has a high ratio of female employment. Nearly one-third of the responding businesses employed all females (Table III-10), and many jobs in tourist-recreational establishments are female-oriented, such as waitress, clerk, cashier, chambermaid, and hostess. According to the Appalachian Regional Commission the combined labor characteristics of seasonality and high female employment ratios are indicative of

⁵⁰Kalt, op. cit., pp. 14-16.

Table III-7. Employment-Size Categories by Type of Business*

Type of Business	Number of Respondents with:			
	Less than 5 employees	5 - 11	11 - 25	More than 25
Lodging	39	14	9	10
Eating/Drinking	3	5	6	8
Amusement and Recreation	1	4	2	9
Retail Stores	14	6	3	1

* See Appendix A, Question #16.

Table III-8. Use of Seasonal Labor*

County	Percentage of Respondents Using Seasonal Labor
Rabun	55
Graham	100
Jackson	77
Swain	100
Watauga	81
Clay	100
Sevier	82
Bath	86
Average Percent	85

* See Appendix A, Question #20.

Table III-9. Customer Type, According to Duration of Visit*

County	<u>Percentage of Respondents with Patronage by:</u>	
	Pass-through tourists	Vacation tourists
Rabun	44	55
Graham	25	75
Jackson	8	92
Swain	18	82
Watauga	35	65
Clay	0	100
Sevier	9	91
Bath	28	71
Average Percent	17	83

* See Appendix A, Question #8.

Table III-10. Number of Female Employees Per Establishment*

County	Percentage of Respondents with:				All Female
	Less than 5 female employees	5 - 10	11 - 25	More than 25	
Rabun	67	11	0	0	33
Graham	20	20	0	20	40
Jackson	36	7	14	0	43
Swain	45	0	18	27	9
Watauga	48	14	0	14	33
Clay	100	0	0	0	0
Sevier	45.5	25	17.5	3	40
Bath	14	0	14	14	43
Average Percent	46	9	7	9	30

* See Appendix A, Question #18.

a low-wage, unskilled, and often transient labor force.⁵¹

Employee Tenure

Sixty-seven percent of the questionnaire respondents kept full-time employees an average of less than five years (Table III-11). Nearly 40 percent of the respondents indicated that job tenure was less than two years, adding substance to the image of the industry as one of employment transience.

Longer employment tenure occurs in Clay, Rabun, and Bath counties. The steadier pass-through trade of Rabun might account for some measure of permanence there, whereas the small labor requirements of the Clay County boat dock and cottage operations might be reflected in statistically lower employee turnover rates.⁵² In Bath County employment by the Homestead is well-paying and reliable, and many of the local people enjoy long working careers there.⁵³

In Sevier, Jackson, and Swain counties, nearly 50 percent of the full-time employees remain at their jobs less than two years. This phenomenon is probably associated with the high proportion of female labor. A female often holds her job to supplement her spouse's income, and quits when the husband moves, is promoted, or if she

⁵¹Recreation Potential in the Appalachian Highlands, op. cit., pp. 15-16.

⁵²Greater job permanence in Clay County is probably partly attributable to the area's lack of other job opportunities.

⁵³Interview with Randy Smith, Sales and Promotion, The Homestead, Inc., Hot Springs, Virginia, August 17, 1974.

Table III-11. Average Length of Employment of Full-Time Personnel *

County	Percentage of Respondents Indicating Employee Tenure of:				
	Less than 6 months	6 months- 1 year	1 - 2 Years	2 - 5 Years	More than 5 Years
Rabun	35	0	0	0	50
Graham	40	0	20	20	20
Jackson	20	20	10	40	10
Swain	27	9	9	27	27
Watauga	32	12	17.5	32	12
Clay	0	0	0	33	67
Sevier	11	24	17.5	24	24
Bath	0	0	25	25	50
Average Percent	19	8	12	28	32.5

* See Appendix A, Question #23.

becomes pregnant. If single, the female might change jobs when a more remunerative position becomes available, or after additional training allows her to obtain a better opportunity.⁵⁴

The higher turnover rates in Graham and Watauga counties are also explicable. Graham has experienced outmigration of the labor force and 80 percent of the responding businesses stated that employees tenure averages less than five years (Table III-11). Watauga's high turnover figures are probably closely linked with the large student population of Appalachian State University in Boone. Many college students obtain full-time or part-time jobs in local tourist establishments to help finance their education, then leave the area upon graduation.⁵⁵

The data (strongly biased by Sevier County) also indicated greater job permanence in amusement and recreational services and retail establishments than in lodging and restaurants (Table III-12). In the latter two business categories labor tends to be menial, requires lower skills, and receives lower wages. The result is rapid turnover in the labor force.

Wages

Specific information on wages in tourist-recreation businesses

⁵⁴Robert Nathan Associates, op. cit.

⁵⁵Many businesses in the Boone area are patronized heavily by tourists during the summer season and by students from Appalachian State University during the winter season, allowing them some continuity of trade.

Table III-12. Average Length of Employment Tenure, by Type of Business*

Type of Business	Number of Respondents Indicating Employee Tenure of:				
	Less than 6 months	6 months-1 year	1 - 2 Years	2 - 5 Years	More than 5 Years
Lodging	13	11	10	16	13
Eating/ Drinking	2	7	3	5	4
Amusement/ Recreation	3	0	4	3	6
Retail	2	2	1	7	5

* See Appendix A, Question #23.

was not obtainable, but several observations are appropriate. Tourist-recreation businesses, such as lodging facilities, restaurants, souvenir shops, and amusement places, are basically labor-intensive. Pay scales are low in labor-intensive activities using unskilled and semi-skilled workers, and for tourist-oriented businesses these wages are among the lowest in the nation.⁵⁶ The Nathan report on the Appalachian tourist-recreation industry warned that the annual incomes from tourist-oriented employment were ". . . usually inadequate as income for a family and often even for a single person."⁵⁷ For example, chambermaids earned an average hourly wage of \$1.67 in 1971, with little additional income from tipping. Waitresses (and waiters) averaged \$1.14 an hour, but hourly rates were supplemented by tipping, which averaged \$1.80 an hour in full-course urban restaurants. Employees in "fast-food" operations received similarly low wages, but nothing in tips.⁵⁸ These disadvantages are intensified by the seasonal nature of employment.

In one respect, many franchise and chain operations are at a slight disadvantage with respect to wages. According to a lodging operator in Cherokee, North Carolina, many chain motels are required to maintain their full-time workers year-round and a profitable

⁵⁶Recreation Potential in the Appalachian Highlands, op. cit., p. 83.

⁵⁷Robert Nathan Associates, op. cit., p. 41.

⁵⁸C. M. O'Conner, "Wages and Tips in Restaurants and Hotels," Monthly Labor Review, Vol. 94 (1971), pp. 47-50.

peak-season is essential.⁵⁹ As a result, hourly wages might be twenty to fifty cents lower than those for a small, family-owned motel which closes during the off-season. Thus, although employment might be steady, monthly wages are often insufficient for family support, and the franchises and chains experience employee turnover rates higher than those for the non-franchised businesses.⁶⁰

Statistics from the 1967 Census of Business verify these negative characteristics (Table III-13). Wages for retail store employees were significantly above the national average only in Sevier County, while Watauga's retail wage levels were equal to the national norm. The wage levels in the rest of the case study counties fell significantly below both the national and state levels. In Graham and Clay counties retail trade is poorly developed because of small populations and low purchasing power. The tourist trade in these counties is not sufficient to offset these negative factors. Restaurants and gift stores, which represent a significant number of the retail stores in tourist areas, paid wages that were below the general retail wage levels.

In the services sector, Swain County wages were far above the national average even though gross receipts for Swain establishments were no greater than those for the other case study counties.

⁵⁹ Interview with James Cooper, Manager, Holiday Inn of Cherokee, North Carolina, September 7, 1974.

⁶⁰ It was found that tenure of full-time employees was less among the franchised businesses than among the other types. Nearly 90 percent of the chains responding to the questionnaire kept their employees less than five years, 60 percent less than two years.

Table III-13. Employment and Wages in Retail and Service Establishments in the Case Study Counties, Their States, and the United States: 1967

Area	Retail		Services	
	Employment per Estab.	Average Annual Emp. Wage	Employment per Estab.	Average Annual Employee Wage
Rabun	3	\$3146	1	\$3320
Graham	2	2552	14	5842
Jackson	4	3182	3	3620
Swain	3	3585	1	6131
Watauga	4	3855	4	4516
Clay	2	2538	2	3400
Sevier	4	4117	3	3895
Bath	2	3077	(Data not available)	
Average	3	3257	3	3840
United States	7	3856	7	4562
Georgia	7	3623	7	3772
North Carolina	7	3600	5	3608

Table III-13 (continued)

Area	Retail		Services	
	Employment per Estab.	Average Annual Emp. Wage	Employment per Estab.	Average Annual Employee Wage
Tennessee	7	3430	7	4381
Virginia	8	3641	7	3856

Source: Census of Business: 1967.

However, service businesses in Swain employed an average of only one worker per establishment, and Indian-owned establishments on the Cherokee Reservation are not taxed, possibly releasing more money for wages.⁶¹

The higher than average wage levels in Graham County reflect the presence of large lodges and hotels such as Fontana Village and Snowbird Lodge, which provide high-quality service and pay higher than average wages. Watauga's wage levels, slightly below the national average, were associated with the high-volume, year-round trade stimulated by the presence of Appalachian State University, as well as the off-season business generated by the area's ski operations.

For the other counties, except Bath, wages for services employees were lower than average. The data for Bath County were withheld because of the dominance of the Homestead resort in the services employment structure of that area (the Homestead employs over 500 permanent workers). According to a Homestead employee, wages, job security, and fringe benefits were excellent.⁶²

III. CUSTOMER CHARACTERISTICS AND SOURCES

The structure and characteristics of the tourist-recreation industry are also influenced by the origin and types of customers.

⁶¹ Interview with clerk, Jackson County Tax Collector's Office, Sylva, North Carolina, September 7, 1974.

⁶² Randy Smith interview, op. cit.

When asked which two states were sources for most of their customers, a large number of respondents identified relatively distant states (Table III-14). Sixty-six percent of the respondents in Sevier County listed Ohio as a leading customer source area, even exceeding the home state of Tennessee (Figure III-1). Florida is an important customer source region for Rabun, Graham, Jackson, Swain, and Watauga counties, and Georgia was identified as an important source region for Rabun, Jackson, and Swain counties (Figures III-2 through III-6).

The dissimilarity in customer source regions between counties such as Sevier and Swain, which are adjacent to one another, is related to the effect of intervening opportunities and topographic barriers. Ohio visitors arrive in Sevier County via I-75 and U.S. 441 in large numbers, probably because the county contains one of the nearest major mountain recreation complexes to Ohio. Furthermore, distance and the difficulties of travel through the Great Smoky Mountains have apparently been serious enough to dissuade Ohioans and other Midwesterners from proceeding in large numbers to the tourist-recreation centers of the North Carolina mountains. These North Carolina counties, such as Swain, Jackson, and Graham, as well as Rabun County, Georgia, have been most easily accessible via U.S. 441 from the south and represent the nearest major mountain recreation complex to visitors from Florida and Georgia. Because of intervening recreational opportunities and difficult accessibility, these visitors do not appear to cross the Smoky Mountains barrier in large numbers to the Sevier County, Tennessee, recreation complex.

Table III-14. Major Customer Source Region*

County	Percentage of Respondents Listing Customers from:											
	TN	KY	VA	NC	SC	GA	FL	OH	MI	IN	IL	OTHER
Rabun	11				22	88	77					
Graham				40		20	100	40				
Jackson	7			43	14	64	71					
Swain	18			45	27	54.5	36	9				9
Watauga	19		9.5	86	33	5	44					
Clay		33						67		100		
Sevier	40	9	1.5	3		19	3	66	31	9	3	
Bath			85	14				28.5			14	43
Average Percent	12	5	12	29	12	31	41	26	4	14	2	6.5

* See Appendix A, Question #9. Respondents were asked to choose two states, resulting in county percentage totals exceeding 100%.

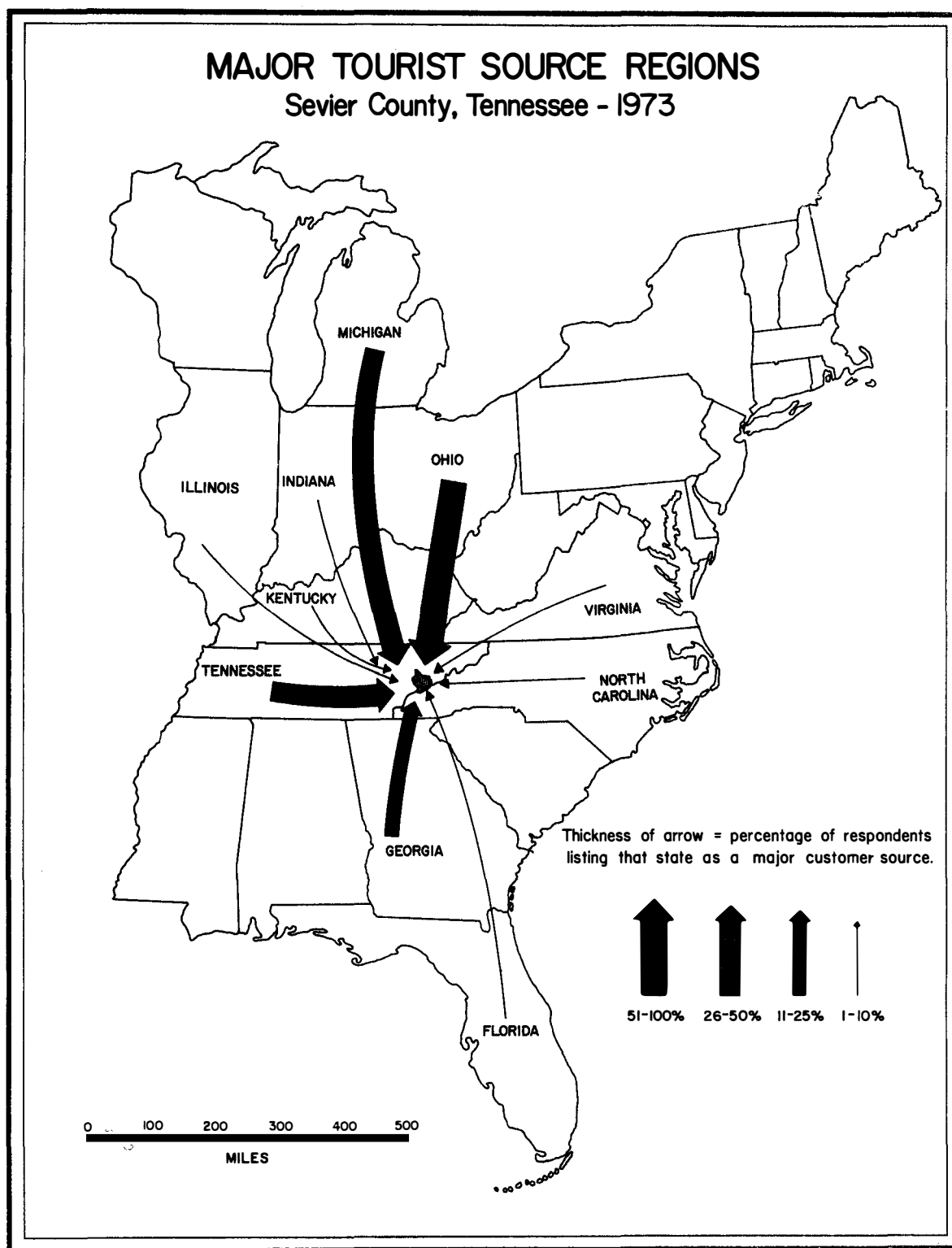


Figure III-1. Major tourist source regions, Sevier County, Tennessee, 1973.

Source: Data compiled by author.

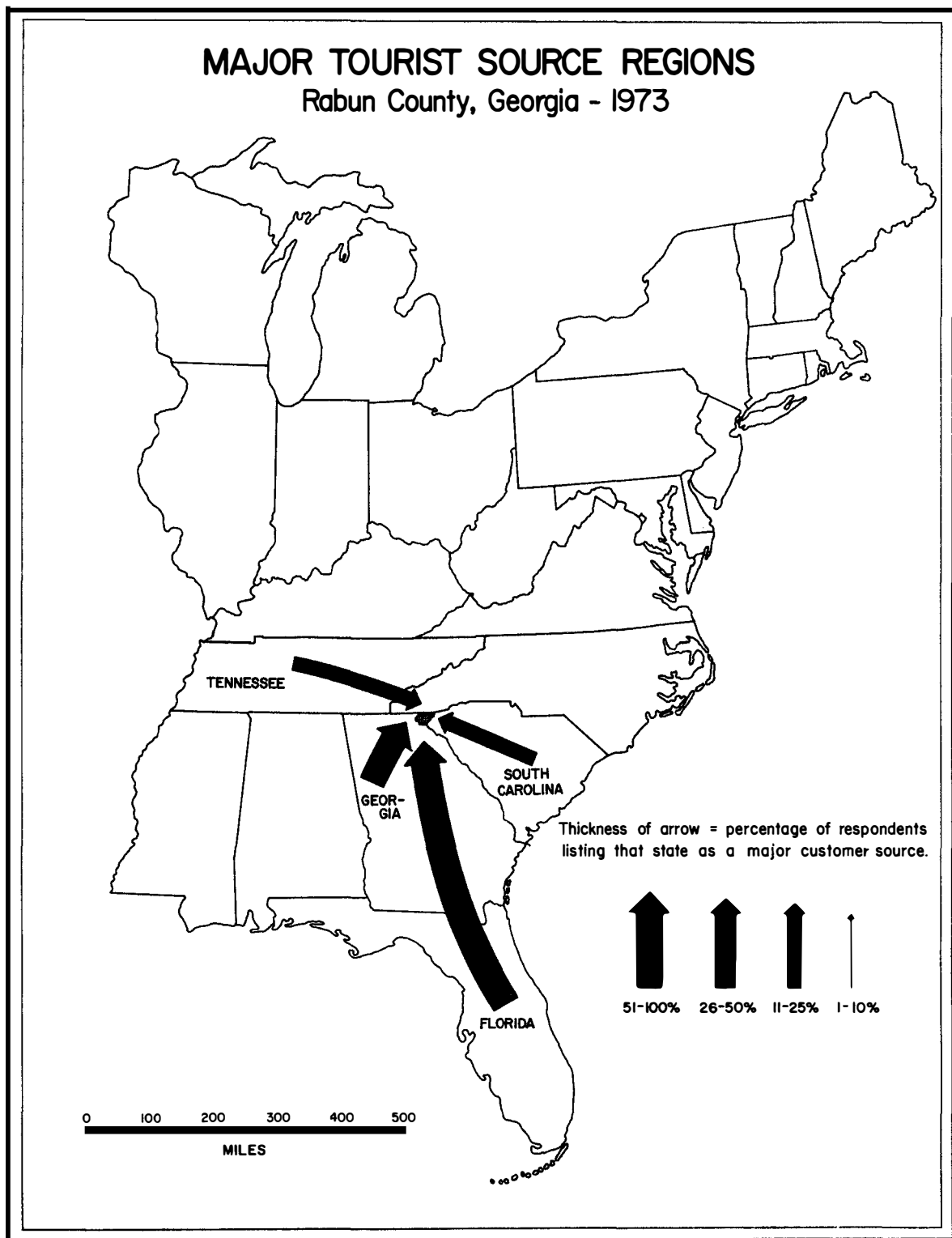


Figure III-2. Major tourist source regions, Rabun County, Georgia, 1973.

Source: Data compiled by author.

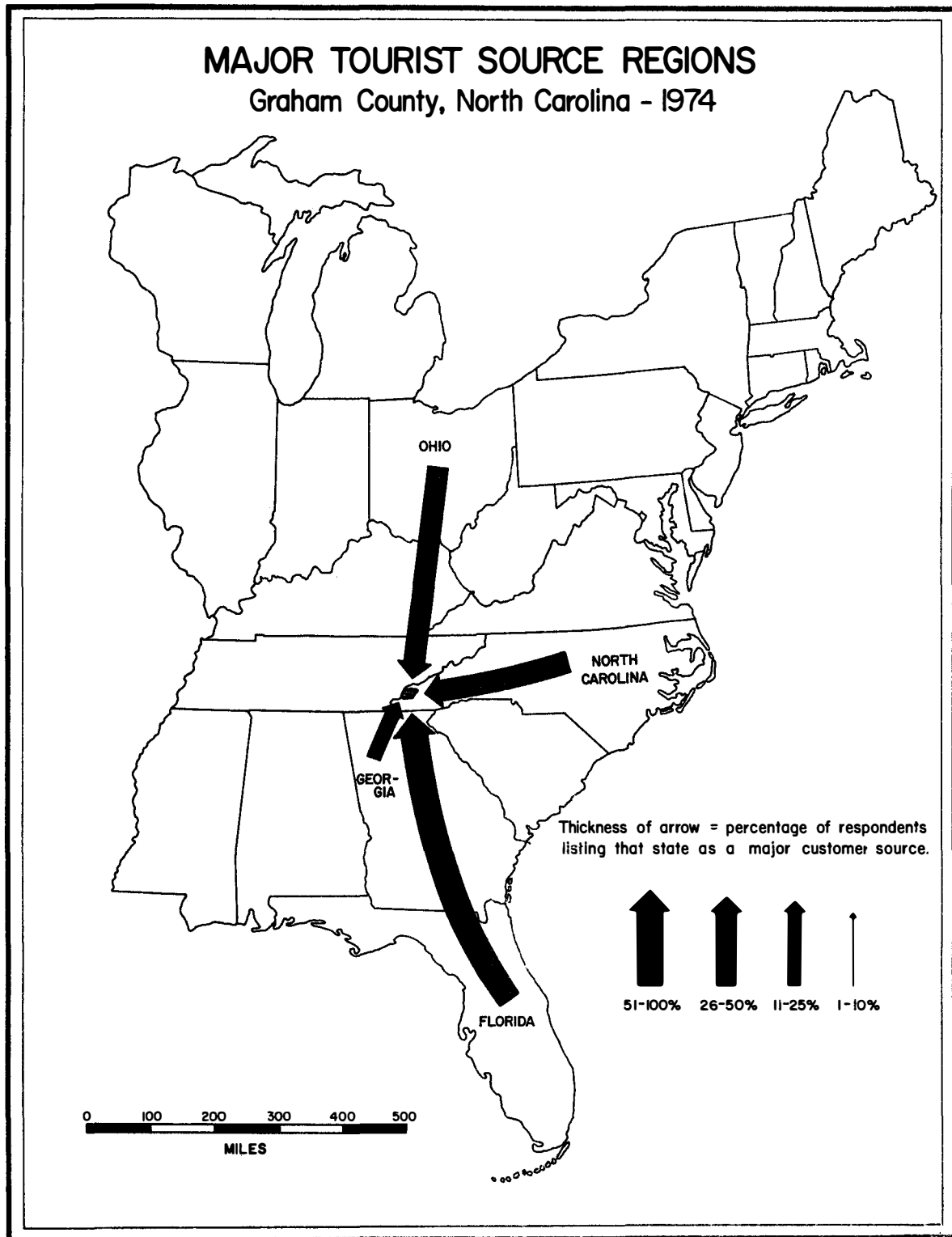


Figure III-3. Major tourist source regions, Graham County, North Carolina, 1974.

Source: Data compiled by author.

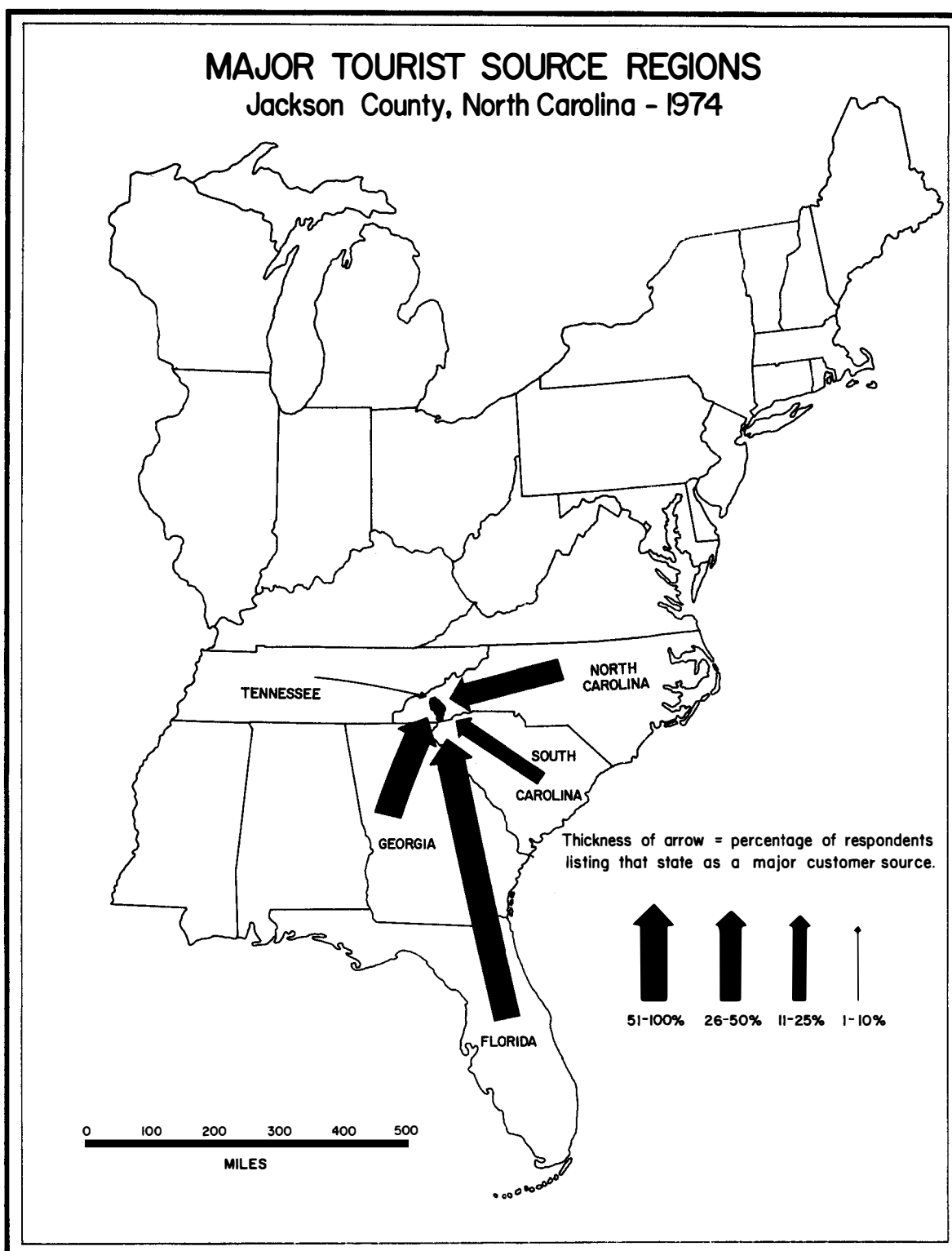


Figure III-4. Major tourist source regions, Jackson County, North Carolina, 1974.

Source: Data compiled by author.

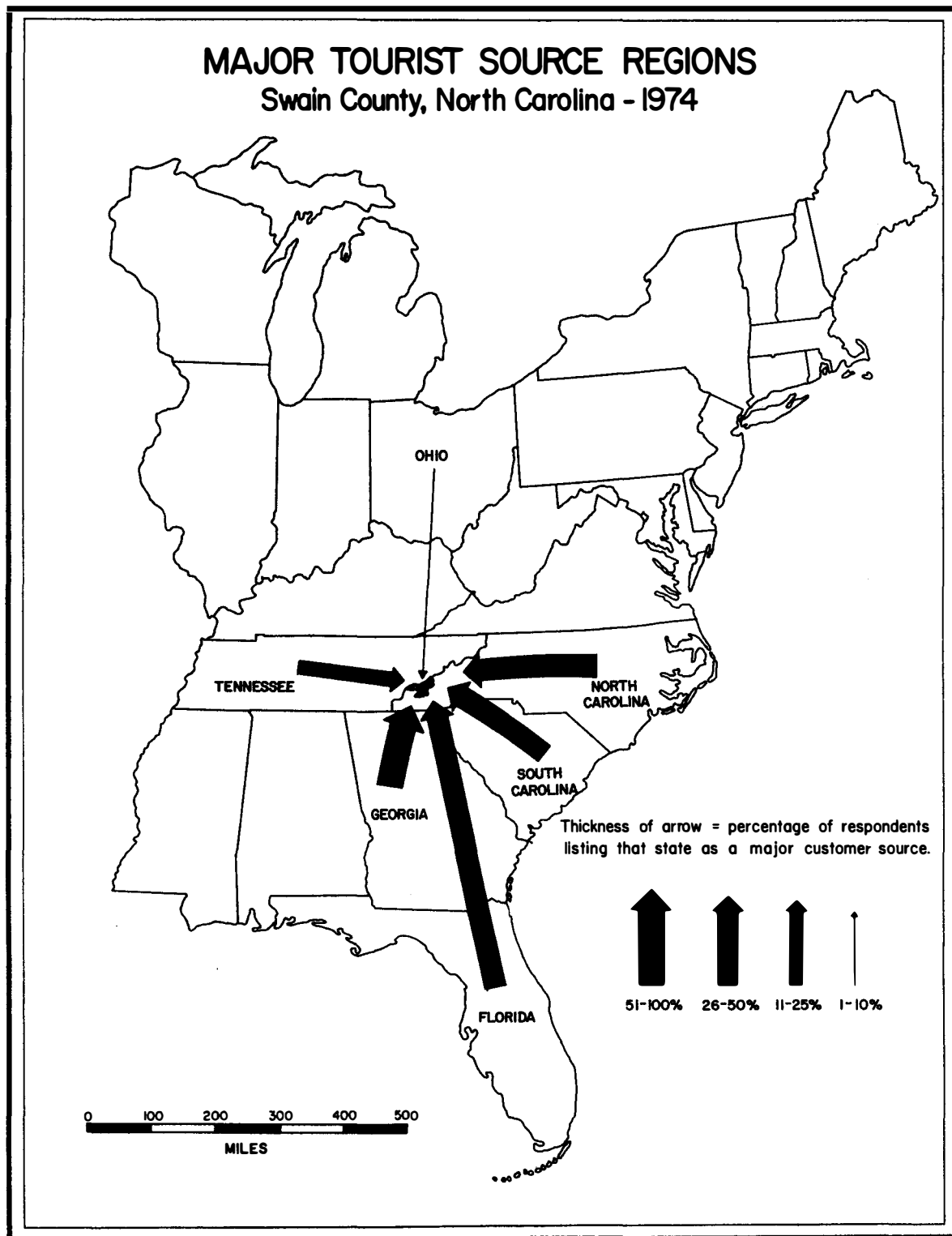


Figure III-5. Major tourist source regions, Swain County, North Carolina, 1974.

Source: Data compiled by author.

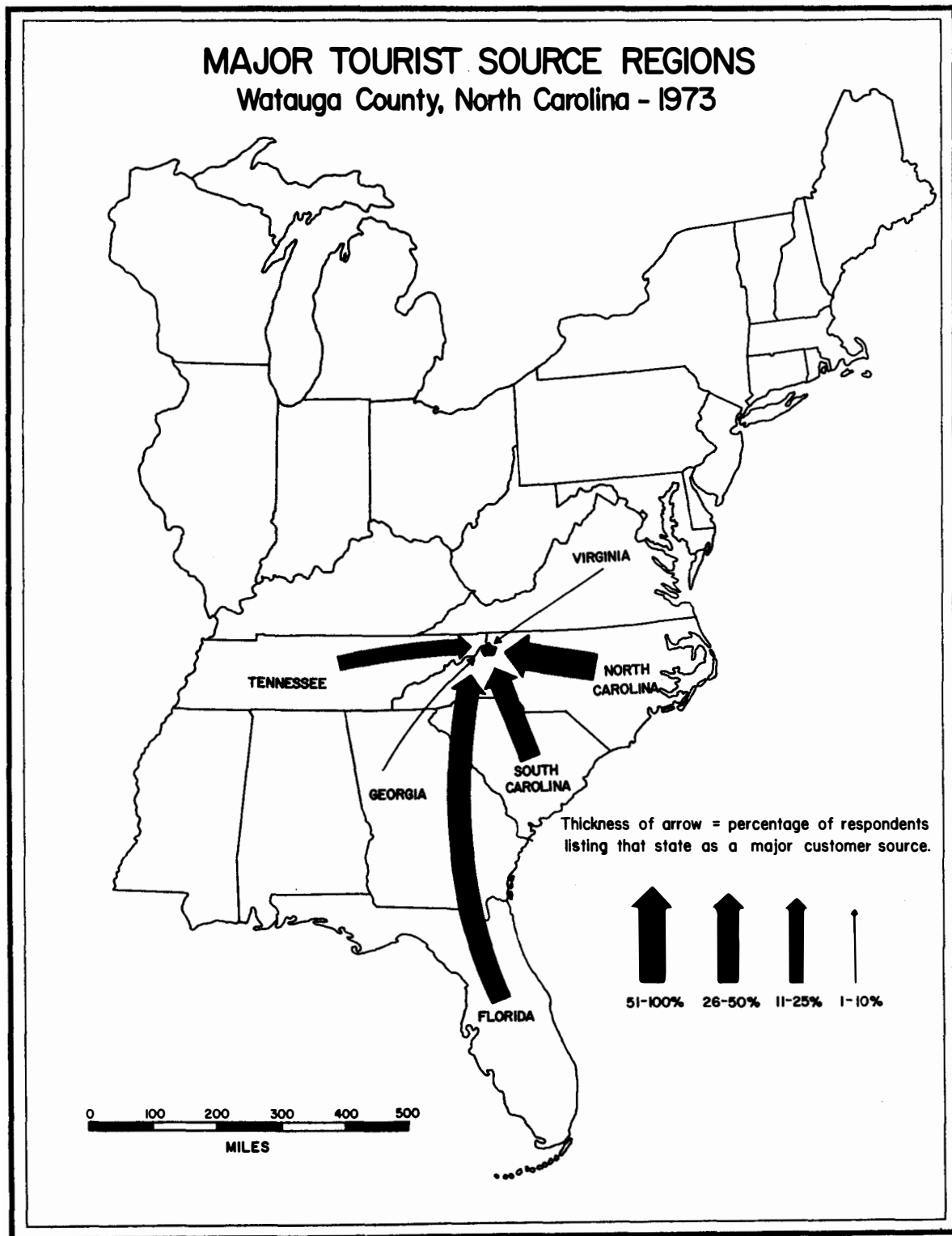


Figure III-6. Major tourist source regions, Watauga County, North Carolina, 1973.

Source: Data compiled by author.

Tourist-recreation businesses in Clay County are patronized by customers from Ohio, Indiana, and Kentucky (Figure III-7). None of the questionnaire respondents from Clay named Tennessee as a significant source of customers, again because of intervening opportunities. Tennessee residents are able to patronize any one of several large reservoirs much closer to home than Dale Hollow. Midwesterners have few similar options, and Dale Hollow Reservoir and nearby Lake Cumberland (Russell County, Kentucky) represent the nearest water-oriented recreational resources to much of Kentucky, southern Indiana, and southern Ohio.

In Bath County, although the home state of Virginia (primarily the Roanoke urban area) was identified by most respondents as the primary customer source region, Ohio was also listed as an important source, as were the relatively more distant cities of Washington, D.C., and New York (Figure III-8). Access to Bath County from the Midwest is relatively easy via Interstate 77. Many of the out-of-state customers in Bath County are upper class patrons of the Homestead resort, and are less affected by the frictional effect of distance on tourist patronage.

The importance of the distance factor for the case study counties is that at distances over 175 miles from the customer's residence, 67 percent of the recreational activity-days available to tourists will be spent at "vacation" activities (Table III-15). Because most American vacation time is in summer, recreation and resort areas in the case study counties experience noticeable summer

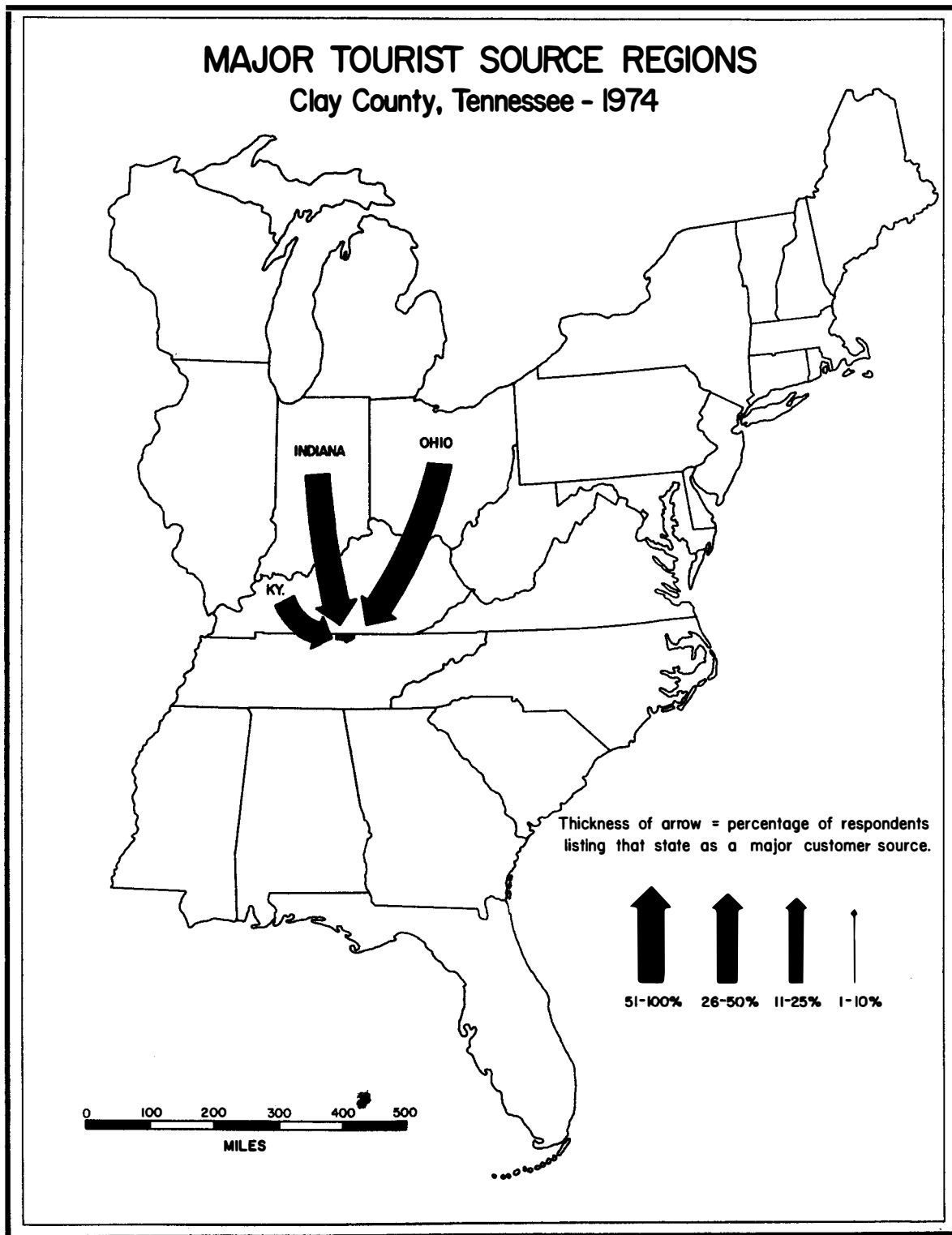


Figure III-7. Major tourist source regions, Clay County, Tennessee, 1974.

Source: Data compiled by author.

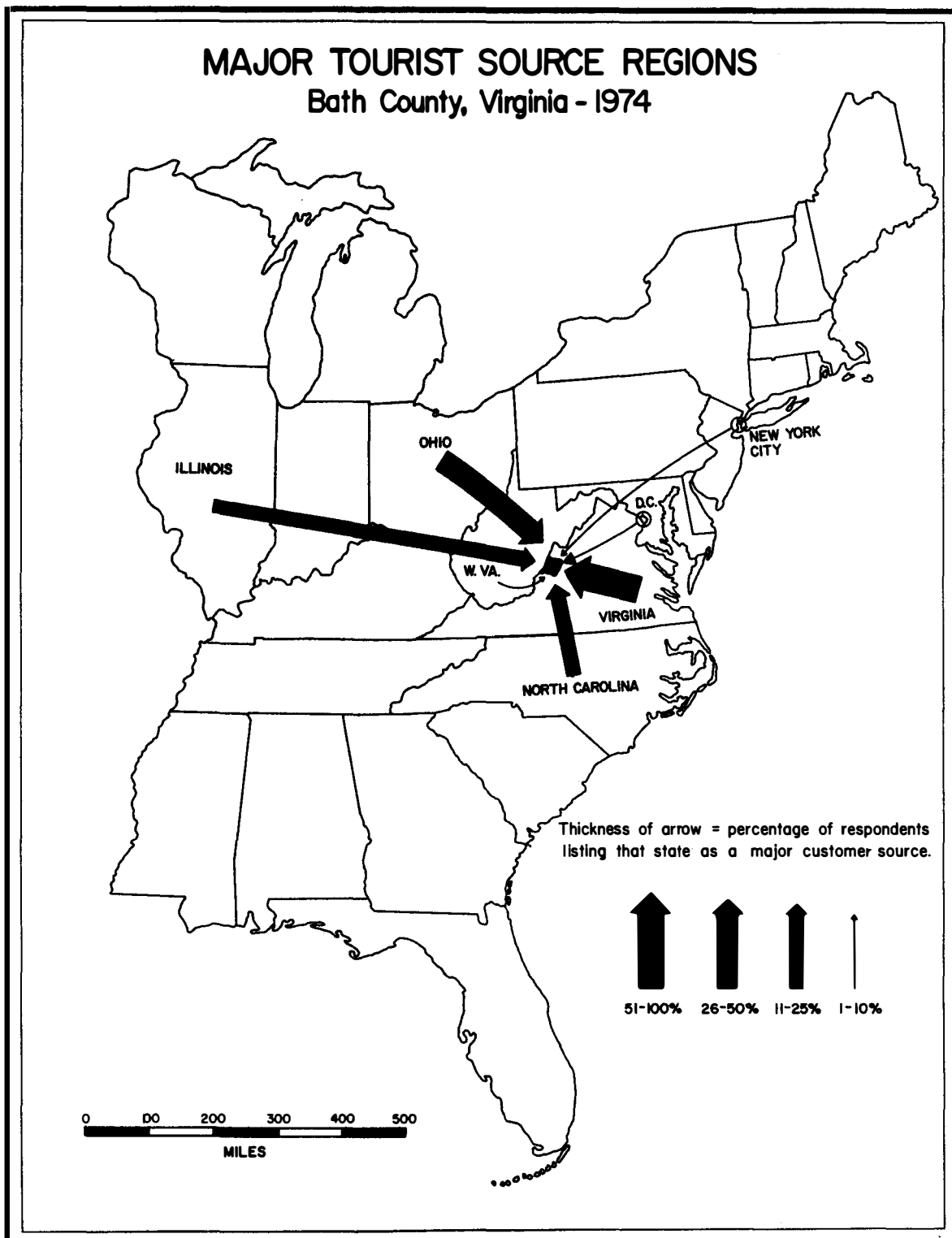


Figure III-8. Major tourist source regions, Bath County, Virginia, 1974.

Source: Data compiled by author.

Table III-15. Distance/Distribution Matrix (Percentage of Activity Days of Annual Recreation Participation Generated Within Each Distance Band For Four Occurrence Categories): Appalachian Region*

Distance Band	Occurrence Category			
	Vacations	Overnight Trips	Outings	Few Available Hours
0 - 25 Miles	0%	14%	62%	100%
25 - 75	13	38	29	0
75 - 175	20	33	9	0
175 - 275	16	8	0	0
275 -475	20	6	0	0
Over 475	31	1	0	0

*"Activity-day is the primary unit of measure of recreation participation in a single kind of activity. . . .For example, the hunting performed by one individual on a given calendar day constitutes one hunting 'activity-day,' regardless of duration." (Page A-1)

Source: Recreation Potential in the Appalachian Highlands: A Market Analysis (Washington, D.C.: Appalachian Regional Commission, 1971), p. 16.

business peaks and winter ebbs. Exceptions to this trend exist in Watauga and Bath counties, which have skiing operations, and in Sevier County, where skiing and Gatlinburg's recreational amenities generate winter trade.

Reinforcing the summer orientation of the industry is the fact that approximately two-thirds of the respondents indicated that their primary customers were families with children (Table III-9, page 68). Because of the summer-vacation timetable of most school systems, the months of June, July, and August normally represent the peak visitation period for the tourist businesses of the case study counties.

The counties vary somewhat in customer types. Tourist facilities in Bath County are heavily patronized by older couples (no accompanying family), which verifies Bath County's Homestead facility as a traditional "luxury" resort. Older customers are also important in Jackson County, particularly in the Cashiers vicinity. For most of the counties, older customers constituted the second most important tourist group, representing the propensity of this group to travel once the children have "left home."

Visitors to the case study counties remain for only two to three weekdays in most instances (Tables III-16 and III-17). Visitors apparently do not spend their entire vacation periods in the recreation areas of southern Appalachia.

Watauga and Sevier counties have proportionately more weekend visitors than the other counties, probably because they are close to

Table III-16. Customer Type According To State of Life*

County	Percentage of Respondents With Patronage by:							Other
	Young Unmarried	Young Married No Children	Young Married Young Children	Older Married with Fam.	Older Couple	Elderly	Groups of Families	
Rabun	22		22	66	44		33	
Graham	20	20		40	40	20	20	
Jackson		7	43	64	64	21	36	14
Swain	9	9	45	82	27		9	18
Watauga	9.5	5	33	48	33	9.5	9.5	
Clay			33	100	67	33		
Sevier	4.5	13.5	29.5	74	26.5	7	10	
Bath			28.5	57	86	28.5	57	
Average Percent	8	6	29	66	48	10	25	

*See Appendix A, Question #15. Respondents were permitted to check more than one category, resulting in county percentage totals exceeding 100 percent.

Table III-17. Customers' Average Length of Visit*

County	Percentage of Respondents With Customer Visitation of:				
	A Weekend	2 - 3 Weekdays	One Week	2 Weeks	Longer
Rabun	25	25		25	
Graham		75			
Jackson	14	57	14	14	
Swain	22	44.5	22	11	
Watauga	78	11			
Clay		33	67		
Sevier	42	36	14		
Bath	33	67		4	
Average Percent	27	43.5	15	6	

* See Appendix A, Question #35.

large metropolitan areas which generate a substantial amount of weekend recreational activity. Watauga receives many visitors from Winston-Salem, North Carolina, and Sevier from the Knoxville metropolitan region. The other case study counties are farther from metropolitan regions, reducing the importance of weekend patronage.

The visitors to Clay County remain for longer periods. Most visitors patronize the county's facilities for the purpose of fishing and have little interest in the travel oriented vacations which characterize much of the tourist activity in the Smoky Mountains/Blue Ridge complex. While all of the counties depend upon patronage by "returning" customers, such customers are more important to the specialized recreational businesses of Clay County (Table III-18).

IV. EXPENDITURES AND BUYING PATTERNS

Types of Expenditures

Operators were asked to list the proportion of their total annual expenditures allotted for various purposes. From the data obtained, it was found that operating and maintenance costs account for the largest share of expenditures (Table III-19). Included in such costs are purchases of goods for retail sales and commodities essential in maintaining the business operation, such as water, electricity, gas, and maintenance supplies.

Operation and maintenance costs are noticeably higher than average in Jackson and Clay counties. The reasons for this situation in Jackson are not known, but it seems apparent that high costs in

Table III-18. Proportion of Business Trade Derived From Returning Customers*

County	Percentage of Respondents With:				Unknown
	None	1 - 25%	26 - 50%	More than 50%	
Rabun			33	33	11
Graham			60	40	
Jackson			36	64	
Swain		36	36	27	
Watauga	5	33	38	14	9.5
Clay				100	
Sevier		35	48.5	13	
Bath		28.5	43	28.5	
Average Percent	.5	16	36	39	2

* See Appendix A, Question #11.

Table III-19. Average Proportion of Expenditures by Tourist-Recreation Businesses For Selected Items*

County	Percentages of Business Expenditures for:						Operation and Maintenance
	Labor	Rent Payment	New Equipment	Improvements	Advertising	Taxes	
Rabun	16.5	30	6	5	5	12	24
Graham	25.5	9	4	7	9	8	26.5
Jackson	19	19.5	4	7	5	8	32
Swain	15	20	6	11	3.5	13	24
Watauga	27	12	5	8	9	9	25
Clay	10	0	6.5	5	5	3.5	45
Sevier	26	16	6	7	7	7	23
Bath	36	20	5	3	2	5	21
Average Percent	22	18	5	7	6	8	27.5

*See Appendix A, Question #24.

Clay County are closely related to distance from suppliers, inaccessibility, and numerous small business operations which cannot enjoy the economies of large-scale operation and bulk buying. However, Clay County businesses appeared to be "paid for" (no rent or mortgage payments were indicated by respondents) and are taxed less than tourist-recreation businesses in the other case study counties.

The second major expense for the tourist-recreation businesses surveyed is labor cost. Higher than average labor costs in Watauga, Sevier, and Bath counties are related to the fact that these counties have a high proportion of large establishments. Labor requirements are therefore higher; for example, a seventy-two room motel requires a staff of approximately twenty people.⁶³ In Graham, a similar situation was noted because of the resort hotel orientation of that county. In all of these counties, the high labor costs of the numerous large establishments have been offset to some degree by the economies of large-scale operation.

The third major business expense was rent or mortgage payments. Other costs were for taxes, advertising expenses, new equipment purchases, and improvements.

The higher than average taxes paid by Rabun County businesses were apparently caused by high property taxes. According to one resident of the county (an educator, editor, and publisher), Florida and Atlanta land developers and other real estate speculators have

⁶³N. Kalt, op. cit., pp. 17-19.

pushed property values and taxes to exceptionally high levels.⁶⁴ In Swain County, high property taxes for non-Indian businesses on the Cherokee Reservation are responsible for the large proportion of expenditures allotted to taxes.⁶⁵

Advertising Expenditures and Types of Advertising

For the case study counties as a whole, 6 percent of a tourist-recreation business's total expenditures are for some form of advertising. Advertising expenditures are above average in Graham, Watauga, and Sevier counties and below average in Swain and Bath. One reason for the heavier than average expenditures in Graham County is that two resort hotels and an amusement service advertise extensively. The county is not astride a major tourist highway and businesses located there must persuade travelers to leave the main arteries. Watauga and Sevier contain well-developed tourist-recreation industries and high advertising expenditures are necessary to attract the attention of potential visitors to one of scores of tourist facilities.

Amusement and recreational services are the heaviest advertisers, followed by lodging establishments (Table III-20). Retail stores advertise least. No noticeable contrast exists between franchises and chains and individual and family operations in the proportion of expenditures for advertising. Brochures and cards were the most

⁶⁴Interview with Eliot Wigginton, editor of Foxfire; interview held in Webster, North Carolina, October 18, 1974.

⁶⁵James Cooper interview, op. cit.

Table III-20. Methods of Advertising By Business Type*

Medium	Percentage of Advertising Medium Used by:				Average %
	Lodging	Eating & Drinking	Amusements	Retail	
Newspapers	18	48	47	48	40
Television	3	9	20	4	9
Magazines	17	13	7	4	10
Radio	4	22	33	7	16.5
Brochures/ Cards	78	43	87	41	62
Billboards	28	35	53	11	32
Other	8	4	0	4	5 ^a
Do not Advertise	11	13	0	22	11.5

* See Appendix A, Question #25.

^a"Word-of-mouth" most frequently mentioned in this category.

commonly used means of advertising, because they are inexpensive, followed by newspaper and billboards (Table III-21). Word-of-mouth is an important advertising medium, but television, because of its high cost, is utilized almost exclusively by amusement and recreation services and national lodging chains. The popularity of outdoor advertising was most noticeable in Graham, Watauga, Sevier, and Swain counties. In the latter three, the major advertising stimulus is the intense competition among the tourist-recreation businesses; Graham County's disadvantageous location necessitates the use of outdoor advertising.

Spatial Buying Patterns

Substantial expenditures for goods and services by tourist-recreation businesses in the case study counties are made outside of the immediate local area. Previous studies revealed purchases of supplies were usually made in regional urban centers which have a variety of distributors. Buxbaum's study of the Gatlinburg lodging industry showed that most hotel and motel supplies were purchased in Knoxville, and several large franchises received supplies from Nashville, where their regional buying offices were located.⁶⁶ Even laundry and dry cleaning services were partially provided by Knoxville firms especially for the larger motels and hotels.

In Bath County, many goods are purchased in nearby Clifton Forge and Covington, Virginia, an urban concentration of approximately

⁶⁶Buxbaum, op. cit., p. 59

Table III-21. Methods of Advertising, by County*

County	Percentage of Respondents Advertising by:							Do not Advertise
	Newspaper	Television	Magazine	Radio	Brochures/ cards	Billboards	Other	
Rabun	22	0	11	33	55.5	22	0	33
Graham	20	0	40	0	60	40	20	20
Jackson	57	0	0	7	64	21	7	7
Swain	27	18	0	27	64	27	0	9
Watauga	38	5	0	14	62	43	0	5
Clay	0	0	33	0	100	0	0	0
Sevier	26.5	7.5	19	4.5	69	28	3	13
Bath	57	0	0	28.5	43	14	14	0
Average Percent	31	4	13	14	65	24	5.5	11

* See Appendix A, Question #25. Respondents were permitted to check several categories, resulting in percentage totals exceeding 100 percent.

20,000 people, but food and supplies are also bought in Roanoke, seventy-five miles away.⁶⁷ Supplies for the Homestead resort are purchased from as far away as Washington, D.C.⁶⁸ Several entrepreneurs in Jackson, Swain, and Graham counties identified Asheville, North Carolina, as the primary goods supplier.

These trading patterns correlate closely with information contained in the Rand McNally Commercial Atlas and Marketing Guide,⁶⁹ which lists the major trading centers for all United States counties, as well as the principal business centers within these areas. For the case study counties, these major centers are listed in Table III-22.

The "Mom and Pop" motels and restaurants are more likely to purchase supplies locally and in relatively small quantities; however, the combined impact of buying by a large number of such operations is substantial. Retail and souvenir stores also purchase many items from local craftsmen. In counties which are oriented to mountain crafts, such purchases would represent a direct local economic impact. Considering the high prices commanded by many local crafts, the monetary inputs for the local area could be substantial. Franchise and chain operations, in contrast, such as Holiday Inn, Howard Johnson's

⁶⁷ Interview with James Neff, Owner/manager, Neff's Steak House, Hot Springs, Virginia, August 17, 1974.

⁶⁸ John Gazzola interview, op. cit.

⁶⁹ Commercial Atlas and Marketing Guide (Chicago: Rand-McNally, Inc., 1973).

Table III-22. Spatial Buying Patterns for the Case Study Counties

County	Major Trading Area	Nearby Business Centers
Rabun	Atlanta	Gainesville, Georgia; Anderson, South Carolina
Graham	Asheville	
Jackson	Asheville	
Swain	Asheville	
Watauga	Winston Salem, North Carolina	Lenoir, Hickory, North Carolina
Clay	Nashville, Tennessee	Bowling Green, Kentucky
Sevier	Knoxville, Tennessee	Maryville, Tennessee
Bath	Roanoke, Virginia	Covington, Lexington, Virginia

or Travelodge usually buy their supplies through buying offices or commissaries in metropolitan areas; their secondary impact, therefore, is consequently reduced.⁷⁰ Outside spending is probably a more serious problem in Sevier County than in the other case study counties because of the proportionately greater importance of franchises and chains in that county's tourist-recreation business structure.⁷¹

Labor Supply

A majority of establishments stated that both part-time and full-time labor requirements were satisfied from within the home county (Table III-23). A slightly larger proportion of part-time labor is obtained from outside the county, and both Swain and Sevier counties receive greater proportions of labor from outside than the rest of the case study counties. This characteristic was not unexpected, considering the substantial peak-season labor requirements of the Gatlinburg, Pigeon Forge, and Cherokee areas. However, the immediate significance of the overall labor-shed pattern is that most of the wages are paid to residents of the local area, which helps reduce monetary leakage from these counties.

The information contained in this chapter has characterized the tourist-recreation industry of the case study counties as an

⁷⁰Tourism and Recreation (Washington, D.C.: Department of Commerce, Economic Development Administration, 1965), p. 51.

⁷¹Buxbaum, op. cit., p. 66. "Buying patterns for larger firms tend to exhibit slightly wider spatial extent."

Table III-23. Residence of Part-Time and Full-Time Employees*

County	Percentage of Respondents with:					
	FULL-TIME EMPLOYEES FROM			PART-TIME EMPLOYEES FROM		
	This County	Out of County	Out of State	This County	Out of County	Out of State
Rabun	78	0	0	55.5	0	0
Graham	100	0	0	100	0	0
Jackson	86	7	0	71	7	7
Swain	63.5	27	0	73	27	0
Watauga	81	5	0	62	14	5
Clay	100	0	0	100	0	0
Sevier	90	9	0	68	23.5	1.5
Bath	86	0	0	86	0	0
Average Percent	86	6	1	76	8	1

*See Appendix A, Question #19 and 20.

activity with noticeable spatial and structural variations. The following chapters analyze the impact of these variations on the problems and potentials of the industry.

CHAPTER IV

PROBLEMS AND TRENDS: SPATIAL PERSPECTIVES

Analysis of location factors and industry structure resulted in the identification of six problems which, individually and in combination, affect tourist-recreation development in the case study counties and southern Appalachia.

I. SEASONALITY

Seasonal fluctuations in tourist trade in the case study counties affect both facility operation and employment. Property taxes are based upon existing physical facilities, and these facilities must be maintained despite significant slack periods. Seasonality of trade tends to reduce the efficiency of tourist-recreation businesses and also creates difficulties in the establishment of a stable labor base in the local area.

Seasonality is less of a problem in Clay, Sevier, Watauga, and Bath counties. Watauga and Bath have winter-season tourist trade because of ski resort operations. Sevier has some ski activities, but the attractive power of Gatlinburg is responsible for most off-season tourist trade. Many motels, shops, and restaurants in the center of the city remain open all year, catering to weekenders who are not necessarily interested in visiting the Great Smoky Mountains

National Park or the Gatlinburg Ski Resort.⁷² The fishing activities at Dale Hollow Reservoir in Clay County, are carried on throughout the year. Intensity of boat dock and resort operations is lower during the winter months, but most facilities are operated on a twelve month basis.

In contrast to these year-round activities most tourist-oriented functions cease in Graham County from October to May. Major resorts, such as Fontana Village, Snowbird Mountain Lodge, Thunderbird Mountain Resort, and Tapoco Lodge, curtail operations during the winter, and Bear Creek Scenic Railroad halts the tourist phase of its operation. The costs of closing and winterizing these facilities must come from the summer revenues. Similar costs accrue to tourist businesses in the Cherokee area of Swain and Jackson counties, as well as the summer resort settlement of Cashiers (Jackson) and the Bryson City area (Swain).

Although Rabun County has enough year-round traffic to allow motels and other tourist facilities to remain open, reduced winter tourist traffic affects the intensity of use of these facilities. Optimum utilization of facilities has been difficult and the total economic benefit of tourism has been reduced in these case study counties.

Attempts to offset the negative aspects of seasonality and improve economic conditions have met with varying degrees of success. The establishment of winter sports in traditional summer vacation

⁷²Based upon field observation and Morris interview, op. cit.

areas has succeeded only in Watauga, Sevier, and Bath counties. The ski operations at Sapphire Valley near Cashiers and the Sky Valley ski facility in northern Rabun County have experienced several years of deficit operation, caused by lack of snow and unfavorable artificial snow-making conditions; Sapphire Valley's ski facility was closed as a result. Attraction of off-season business meetings and conventions has been significant only in Sevier, Watauga, and Bath counties, probably because these areas have been able to develop other off-season activities which are attractive to conventions and business meetings. Reduction of off-season prices to attract patronage has been successful only in Sevier and Watauga counties, which are easily accessible from nearby metropolitan areas, where potential winter weekend customers exist in large numbers.

Wider implementation of these steps would do little to change the existing consumer orientation toward summer tourism. Despite the creation of the "Extended School Year" in some communities to permit year-round school utilization, only a major national change in school and industry vacation policies would reduce seasonality in recreational patterns in this area. This type of change is unlikely because recreational demands and vacation policies have been closely adapted to the North American climate pattern.⁷³

⁷³ Recreation Potential in the Appalachian Highlands, op. cit.,
p. 72.

II. CAPITAL INVESTMENT AND OPERATING COSTS

Compounding the problem of seasonality are investment and operating costs in the tourist-recreation businesses. The trend in the intensely competitive areas of Sevier and Watauga counties is toward larger facilities, particularly in the lodging sector. This phenomenon tends to favor corporate and chain operations because they can compete favorably for investment capital.⁷⁴ The lodging industry's low rate of return also contributes to the difficulties experienced by individual entrepreneurs in arranging financing (Table IV-1).

Information received from a Jackson County contractor appears to verify these generalizations. The cost of motel construction in 1974 averaged approximately \$10,000 per room, with some variations according to size and complexity of individual facilities.⁷⁵ Considering that the average size of a motel in the Gatlinburg/Pigeon Forge/Cherokee tourist complex is twenty-six rooms, an initial investment of approximately \$260,000 would be required for a comparatively small motel.⁷⁶ This amount of capital would be difficult to obtain without corporate backing.

⁷⁴Ibid., p. 90.

⁷⁵W. B. Dillard, Dillard Construction Company, Sylva, North Carolina, August 28, 1974. Estimate includes swimming pool facilities.

⁷⁶Average motel size based on information contained in accommodations listings distributed by the Gatlinburg and Pigeon Forge Chambers of Commerce.

Table IV-1. Comparison of Commercial Lodging Industry's Rate
of Return on Investment with Other Industries: 1969
(ratio of corporate net income before tax to total assets)

Industry Categories	Percent
Commercial lodging	2.56%
Contract construction	4.27
Manufacturing	7.25
Transportation	1.08
Communications	7.33
Wholesale trade	5.96
Retail Trade	5.84
Finance, insurance, and real estate	1.02
Services	3.03
All industries	3.30

Source: Destination USA (Washington, D.C.: Fact Research, Inc., Report of the National Tourism Resources Review Commission, June 1973), p. 6.

Investment costs for restaurants are similarly high. A 150-200 seat restaurant requires a one and one-half acre site, including the parking area. The combined cost of the building, equipment, land, design, construction, furnishing, and other miscellaneous items is estimated at \$2000 to \$2200 per seat; therefore, a 180 seat facility would require an investment of \$360,000. Of this amount, \$40,000 to \$50,000 would be required for kitchen equipment, \$8000 for tables and chairs, and \$50,000 for a 50-car parking lot (\$1,000 per space).⁷⁷

Lack of capital as well as increasing land and equipment costs were problems stated by many questionnaire respondents (Table IV-2). Nearly one-fifth of the respondents listed "lack of capital for investment or reinvestment" as a major problem confronting their business operations. In Swain and Jackson counties, where small businesses are the rule, this complaint received greater emphasis. The availability of capital was also a serious problem in Watauga County, where it was singled out by 25 percent of the respondents. In Clay County, where small boat dock and resort operations had few competitors, investment capital has been easier to obtain when required, and was not cited as a problem by respondents.

The tourist industry of Bath County is so dominated by the Homestead resort and its related operations that few other businesses have attempted to compete, and access to capital has been no problem

⁷⁷D. A. Kyer, So You Want to Start a Restaurant? (Chicago: Institutions/Volume Feeding Management Magazine, 1971), pp. 53, 55-56.

Table IV-2. Selected Investment Costs As Serious Long-Range Problems*

County	Percentage of Respondents Citing:		
	Increasing Land Costs	Increasing Equipment Costs	Capital for Investment & Reinvestment
Rabun	11	22	22
Graham	0	40	20
Jackson	7	28.5	28.5
Swain	9	9	36
Watauga	28.5	14	24
Clay	0	67	0
Sevier	12	34	12
Bath	0	43	0
Average Percent	8	32	18

* See Appendix A, Question #34.

for this large corporate enterprise. In fact, the only place studied which appeared to have a relatively viable tourist-oriented economy that was well-established, attractive, and remunerative to investors was Gatlinburg in Sevier County.

Increasing land costs were rarely cited as a problem by tourist-recreation business operators in the case study counties, with the exception of Watauga. In this case increasing land costs are the result of large acreages being developed for high-value recreational homes, which tend to boost local property values.

Increasing equipment costs is a more ubiquitous problem in the case study counties. This cost is somewhat independent of local conditions, because most equipment purchases are made outside the local area. However, in Clay and Bath counties many respondents complained of high equipment costs, which might have resulted from the greater distance of these counties from major cities.

Outright purchase of an existing tourist facility is also difficult for the individual. Estimated value of land, buildings, and facilities was placed at \$100,000 or more by over 60 percent of the questionnaire respondents, while one-fifth estimated that values exceeded \$500,000 (Table IV-3). The present tourist-recreation industry in the case study counties is composed primarily of individual and family operated businesses, but when the entrepreneur dies or goes out of business the facility is either taken over by an immediate relative, passes into the hands of a corporate enterprise, or becomes derelict.

Table IV-3. Value of Land, Buildings, and Facilities*

County	Percentage of Respondents Valuing Holdings at:					
	Less than \$10,000	\$10,000- \$25,000	\$25,000- \$50,000	\$50,000- \$100,000	\$100,000- \$500,000	Over \$500,000
Rabun	0	22	11	22	11	11
Graham	0	0	0	20	60	20
Jackson	7	0	7	21	43	7
Swain	0	0	0	18	54.5	27
Watauga	0	9.5	5	33	33	19
Clay	0	0	33	0	67	0
Sevier	0	0	4.5	10	54.5	23.5
Bath	0	0	0	0	14	43
Average Percent	.5	4	7.5	15.5	42	19

* See Appendix A, Question #26.

Significant departure from this cost pattern occurs in Rabun and Bath counties. Rabun County has a disproportionate share of establishments in the lower value categories, including several small gift shops, a restaurant, a summer theatre, and a fifteen-unit motel. In Bath County, the multimillion dollar Homestead resort and several of its related operations causes a disproportionately large representation in the over \$500,000 category.

Coupled with high investment costs are high operating costs. It has been estimated that to meet operating costs, as well as generate some profit, a motel should earn an annual income of \$3600 per room, based upon an average room rental of \$16 a night and an annual occupancy rate of 63 percent.⁷⁸ If it met these criteria, a twenty-five unit motel would gross \$90,000 a year. However, a large proportion of motels in the counties studied have only a six or seven month operating season, and a 63 percent occupancy rate would result in gross sales of approximately \$54,600, far below the recommended level. Many small motels, especially in the Gatlinburg, Cherokee, and Blowing Rock areas, function on a marginal basis. These businesses survive because of low labor requirements, low overhead, the use of low-cost equipment and furnishings, and lower operating costs during the off-season when the business is closed.

Increases in investment and operating costs affect Jackson, Swain, Rabun, and Graham counties more seriously than the others.

⁷⁸N. Kalt, op. cit., p. 16.

In these counties seasonal fluctuations in trade and less intensive development of the industry have tended to keep large, corporate facilities away. Because these larger businesses have better access to capital for expansion, the result might be stagnation of the tourist-recreation industry in the four counties mentioned.

III. LABOR

Questionnaire respondents cited increasing labor costs as the most serious long-range problem affecting tourist-recreation businesses (Table IV-4). The industry is labor intensive, and increasing labor costs must be passed on to the customer in the form of higher rates and higher prices. Increased prices could negatively affect patronage and cause some economic distress within an industry in which many businesses are marginal and competition is keen.

Respondents also claim that the quality of hired help has declined, ranking it fourth among all problems cited. The primary reason is that the tourist-recreation industry is oriented to service: providing for the needs of customers who are spending their available leisure time in the local area. Data in Table III-18 (page 95) shows that a substantial amount of trade is derived from returning customers. The loss of this trade because of low quality of labor and poor service can seriously affect the profit margin of a tourist business. The problem was especially acute in Graham County where orientation to the large, resort-style tourist inns and lodges and a highly peripheral location cause increased importance to be placed upon the returning

Table IV-4. Problems Relating to Labor Characteristics*

County	Percentage of Respondents Identifying:	
	Increasing Labor Costs	Declining Quality of Hired Help
Rabun	33	44
Graham	40	60
Jackson	36	21
Swain	45	45
Watauga	43	24
Clay	67	0
Sevier	68	37
Bath	43	0
Average Percent	47	29

* See Appendix A, Question #34.

customer. For the "Mom and Pop" operations of the other counties studied, labor requirements are minimal and labor cost and quality problems are consequently reduced.

The year round trade of corporate and franchise businesses of Sevier and Watauga counties makes it possible to pass on increased labor costs through relatively modest price increases. The businesses most seriously affected by increased labor costs are the motels and restaurants that are independently owned and markedly seasonal in operation.

IV. PUBLIC RECREATIONAL ATTITUDES

Changing public tastes in leisure activity have also affected the development of the tourist-recreation industry in the case study counties. Most of the mineral spring resorts which proliferated in the mid-1800's vanished by the end of the century, when spas and "watering places" declined in popularity as holiday destinations.⁷⁹ The example of Hot Springs in Madison County, North Carolina, one of the original resorts in the southeastern United States, is typical. Following its founding in 1778, Hot Springs retained its elegance and popularity for more than a century. Its most rapid expansion occurred following the completion of the Buncombe Turnpike from Asheville in 1828, and the luxurious Patton Hotel accounted for most of the non-agricultural employment and wealth in the Hot Springs

⁷⁹Hepburn, op. cit., p. xii.

vicinity. After 1900, however, patronage rapidly declined as spas in general fell out of "fashion" and the operation of the resort was curtailed. The hotel served as a camp for German prisoners-of-war during the First World War and shortly thereafter was destroyed by fire.⁸⁰ No major alternative recreational activities have since developed in Madison County, ending its function as a major tourist-recreation center.

The lodging industry in general has experienced declining occupancy rates since 1948, clearly affecting profits and rates of return on investment.⁸¹ During the last two decades, several alternatives became available to make tourists less dependent upon standard hotel and motel lodging. Recreational vehicles, vacation homes, and condominiums have become popular and, along with the traditional rented "cottage," represent serious competition to other commercial lodging businesses. In the counties studied, the presence and potential growth of these alternatives has increased the marginality of many tourist-oriented businesses, particularly individually-owned motels and restaurants.⁸²

The recent trend toward recreational-home developments has had an adverse effect on the existing socio-economic structure of

⁸⁰ Sharpe, op. cit., p. 1450. Most of the old wood frame hotels succumbed in this manner.

⁸¹ Wigginton interview, op. cit.

⁸² O. Gade, "Economic Boom in the Mountains: The Overly Optimistic Reaction in Watauga County," Appalachian Business Review, Vol. 2 (1973), p. 7.

Rabun County, Georgia. Land speculation and real estate development in this county have pushed property values and property taxes to high levels. The local residents of this north Georgia county are not wealthy enough to compete or cope with the wealthier Floridians and Atlantans who have done most of the buying and selling of mountain land. Not only have several farms in the county been lost by local residents because of inability to meet property taxes (the property is then obtained easily by outside interests for speculative purposes), but many young people who desire to settle in their home county have found it necessary to migrate because they cannot afford the high costs of land for home building. In addition, the higher property taxes and property values have placed an increased financial burden on the existing small, individually-owned tourist-oriented businesses, many of which have been operating at marginal levels. Their ability to survive these increasing pressures is doubtful at best.⁸³ Watauga County has experienced a similar phenomenon, which has led Gade to the conclusion that ". . . the long-term costs (to the local residents) of leisure home resorts are indeed likely to severely overrun short-term economic gains."⁸⁴

Another trend which might adversely affect the continued development of the tourist-recreation industry in several of the case study counties has been the increasing interest in "natural

⁸³Wigginton interview, op. cit.

⁸⁴Gade, op. cit., p. 7.

area," or wilderness-oriented, recreation. A recent survey revealed that increasing educational attainment of urban residents is correlated with an increased interest in outdoor, natural-area recreation.

These groups tend to avoid crowded, capital-intensive developed forms of recreation. . . . The most educated users seem to define wilderness as the only really satisfying form of outdoor recreation, whereas the less educated are willing to consider public campgrounds as providing an adequate level of contact with nature.⁸⁵

If more people with more education and environmental awareness avoid developed recreational areas, then the tourist-recreation businesses of those case study counties where large natural areas are available for use--Rabun, Graham, Jackson, Swain, Sevier, and Bath--might experience decreasing patronage in the future.

Recreational attitudes and activities are highly sensitive to changes in personal or family income and buying power. The rapid inflation of the 1970's has forced families that experienced financial "squeezes" to reevaluate the psychological importance of various recreational activities and eliminate or reduce recreational travel expenditures. Nationwide economic slowdowns and recessions have usually been felt quickly within the tourist-recreation industry through declining patronage. Gasoline cost and availability contributes to this problem because the case study counties depend heavily upon visitors from the Midwest and Great Lakes states and from Florida. Patronage from these source areas could easily be affected by gasoline

⁸⁵J. Harry, "Socio-Economic Patterns of Outdoor Recreation Use Near Urban Areas--A Comment," Journal of Leisure Research, Vol. 4 (1972), p. 219.

shortages and high gasoline prices, thus portending a decline in tourist-recreational activity and spending.

The combined effects of these problems have already been felt in the case study counties. During the gasoline shortage of 1973-74, several motels failed in the vicinity of Cherokee, North Carolina, a community which depends heavily upon a large summer tourist trade.⁸⁶ Although patronage revived slightly during the summer of 1974, several operators noticed a definite drop in business from previous years. One restaurant owner in Cherokee who experienced such a decline in patronage has taken up Christmas tree growing "... which is quite profitable and supports me through the winter now."⁸⁷ A motel operator in the same community felt that his lower income clientele, because of increased food and gasoline prices, "... have a hard time affording a motel for any length of time," resulting in reduced patronage for his business.⁸⁸

In Graham County, the operator of a small motel also noted a definite decline in tourism, and one large resort hotel operation was recently put on the auction block, having gone out of business because of decreasing patronage.⁸⁹ Graham appeared especially sensitive to business fluctuations because of its location off the primary

⁸⁶"Tourist Business is Now at Peak Season," Sylva (North Carolina) Herald and Ruralite, July 25, 1974, p. 1.

⁸⁷Ibid.

⁸⁸Ibid.

⁸⁹Thunderbird Mountain Lodge and Resort, Robbinsville, North Carolina.

tourist routes. Decreasing tourist activity in Jackson County was also identified as a problem by two motel operators in Cashiers and one in the Sylva-Dillsboro area along U.S. Route 441.

Declining patronage was most serious in Bath County, where 71 percent of the respondents noted the problem. The complaint was voiced by motel, restaurant, and craft shop entrepreneurs as well as by the owners of the Homestead resort. For the latter establishment, the older clientele have been reduced in numbers and have not been replaced by younger people, who seem to be less interested in the social-elite atmosphere prevailing at the Homestead. As a result, the resort has implemented a program to attract convention and business meetings through promotion and the building of new convention-oriented facilities.⁹⁰ For the middle-class family-oriented tourist establishments of the county, the peripheral location of the area has resulted in a dropping off of pass-through traffic and impulse tourism.⁹¹

Changing public attitudes, then, present development problems in tourist-recreation places. Although these changes might have been stimulated by fashion or economics, the results have been damaging to the economic viability of the tourist-recreation industry in several of the case study counties.

⁹⁰Gazzola interview, op. cit.

⁹¹Neff interview, op. cit., "Impulse" traveling refers to the unscheduled change of direction by travelers from the primary route to a side road or peripheral location for sight-seeing or other purposes.

V. OVERCONCENTRATION AND ENVIRONMENTAL QUALITY

The negative implications of overconcentration of tourist-recreation businesses fall into three categories: 1) crowding of businesses, traffic congestion, and limited expansion room; 2) excessive competition; and 3) environmental problems. The effects of overconcentration on development vary from county to county depending upon the structure and characteristics of the tourist-recreation industry in each county.

Crowding, Congestion, and Expansion Space

The physical crowding of businesses was listed as a problem only in Sevier County, specifically Gatlinburg (Table IV-5). Twenty percent of the Sevier respondents identified crowding as a major long-range problem affecting the operation of their businesses, and nearly 30 percent complained of limited expansion space. First-hand observation of the recreational business district (the RBD) of Gatlinburg verified that space in the RBD is at a premium because of the concentration of tourist establishments within a few blocks along the main street. Physically, the RBD is hemmed in on all sides by mountains, unlike neighboring Pigeon Forge, where an abundance of flat land on a floodplain has allowed businesses to spread out adjacent to U.S. Route 441.

Although none of the respondents from the other seven case study counties complained of crowding, limited expansion space appeared as a problem in Watauga County, primarily in Blowing Rock.

Table IV-5. Problems of Crowding and Overconcentration*

County	<u>Percentage of Respondents Identifying:</u>		
	Crowding of Businesses	Local Traffic Congestion	Limited Expansion Space
Rabun	0	0	0
Graham	0	0	0
Jackson	0	21	7
Swain	0	18	18
Watauga	0	24	24
Clay	0	24	24
Sevier	20.5	48.5	29.5
Bath	0	0	0
Average Percent	2.5	14	10

* See Appendix A, Question #34.

The town of Blowing Rock resembles Gatlinburg in that it possesses a distinctly clustered RBD and is physically restructured on several sides, especially by the Blue Ridge Parkway and the Blue Ridge Mountains escarpment. Nearby Boone has more land suitable for expansion.

Traffic congestion accompanies crowding of businesses as a complaint. In Gatlinburg this problem is considered serious by nearly one-half of the respondents, more than the percentage listing such economic problems as increasing land, equipment, and labor costs. Gatlinburg merchants expressed concern about traffic jams and slow-moving traffic, primarily because of the negative impacts upon customer movement and customer attraction. They felt that traffic tie-ups reduce rather than increase the propensity of motorists to stop and buy, and reduce the enjoyment of a tourist's recreational experience in the local area, perhaps negatively affecting the possibility of his becoming a returning customer.⁹²

Tourist businesses in Blowing Rock also identified such congestion as a problem, but were joined in this listing by several businesses in Boone which happened to be located near Appalachian State University, a major traffic generator. Traffic congestion is not as serious a problem in Blowing Rock as in Gatlinburg simply because of the difference in size and intensity of their respective tourist-recreation industries (55 tourist businesses in Blowing Rock,

⁹²Morris interview, op. cit.

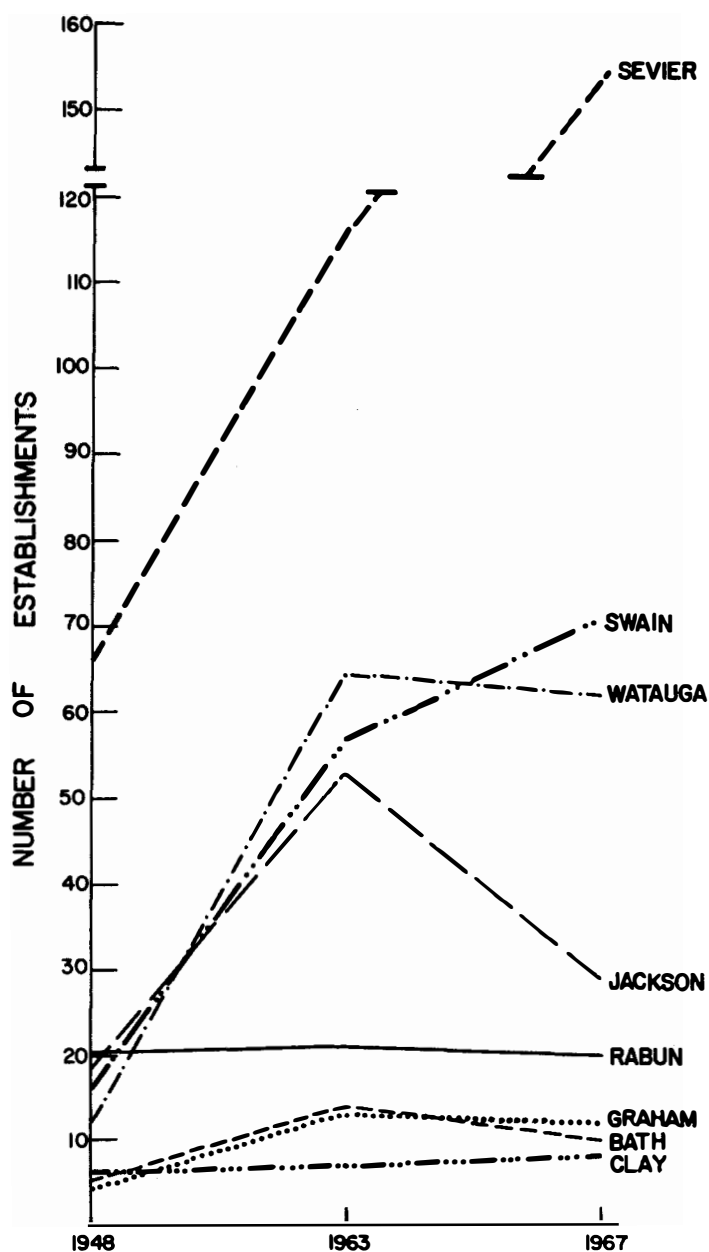
250 in Gatlinburg). Traffic congestion represented a source of concern in Cherokee (Swain/Jackson counties) and in the resort settlement of Cashiers, but in neither area does the problem seriously limit business operations.

From this information, it is concluded that only Sevier and Watauga counties support tourist-recreation industries which are healthy and "expansionary" enough to be concerned with such problems as crowding, congestion, and expansion space.

Competition

For any activity, an overabundance of producers in a locality ultimately results in reduced profitability for individual businesses because the number of potential consumers per establishment is reduced. The poorly managed or marginal operations then fail and a more profitable balance is created between number of producers and number of consumers. In many cases, such a trend can result in fewer small businesses and more large establishments. In five of the eight case study counties, recent declines in the total number of lodging establishments suggest such a trend (Figure IV-1).

The negative affects of increasing competition on the continuing viability of individual tourist-recreation businesses were recognized by questionnaire respondents (Table IV-6). In all but two of the case study counties, respondents perceive "increasing competition" as a problem facing the future operation of their business. In Sevier County over 40 percent of the respondents noted the competition problem, as did several operators in Rabun, Jackson, Watauga, and Swain.



NUMBER OF COMMERCIAL LODGING FACILITIES - CASE STUDY COUNTIES: 1948 - 1967.

Figure IV-1. Number of commercial lodging facilities, case study counties, 1948-1967.

Source: Census of Business, 1967.

Table IV-6. Increasing Competition and Unethical Practices as Long-Range Business Problems*

County	<u>Percentage of Respondents Listing:</u>	
	Increasing Competition	Competitors' Unethical Practices
Rabun	33	0
Graham	0	0
Jackson	28.5	7
Swain	18	9
Watauga	28.5	0
Clay	0	0
Sevier	41	7.5
Bath	14	0
Average Percent	20	3

* See Appendix A, Question #34.

The majority of Sevier County respondents identifying increasing competition as a long-range business problem were located in the Gatlinburg/Pigeon Forge area. This recreational complex is the major tourist magnet in the southern Appalachian region and represents an attractive investment location for many types of tourist-oriented establishments. Similarly, the Blowing Rock/Boone complex of Watauga County has also become a firmly established tourist destination. However, in Jackson and Swain counties the problem of increasing competition seems to be closely associated with the problem of decreasing tourism. Existing businesses have been competing for fewer customers, particularly in the Cherokee vicinity. This same trend is noticeable in Rabun County, but the competitive situation there appears to be related to an increase in campgrounds and travel trailer parks. This development has pulled some pass-through trade away from Rabun's motels and restaurants.

Where competition is particularly keen, as in Sevier County, some entrepreneurs have resorted to dubious practices to attract customers. Five lodging operators in the Gatlinburg/Pigeon Forge vicinity noted in their questionnaires that some motels advertised off-season prices that were misleading. A sign indicating a rate of \$4.00 was worded to imply that this was the price of the room, when it was actually charged per person; i.e., a family of four would be charged \$16.00. According to a reputable motel operator in Pigeon Forge, several tourists expressed considerable disgust with this practice and stated they would never return to Pigeon Forge.

Unethical business practices, then, can negatively affect tourist patronage in a locality if pursued by more than a few operators.

Environmental Problems

The impact of the tourist-recreation industry upon the physical environment has been limited in spatial extent because it is highly concentrated in only a few locations in the case study counties. The major environmental problems in areas of concentration were water quality, sewage disposal, and visual blight.

Of the areas studied in southern Appalachia, the major water quality problem directly related to tourist activities exists in Sevier County, particularly in the Gatlinburg/Pigeon Forge vicinity. In Gatlinburg, the sewage system was originally designed to handle the effluent for a community of 2000 inhabitants, with seasonal increases of approximately 5000-10,000 people. However, on summer weekends the city experiences short-term influxes of 20,000 to 30,000 visitors and itself has a population of over 3,000. At these times, the sewage treatment plant has been unable to handle the expanded load, and untreated effluent has emptied into the West Prong of the Little Pigeon River, which then flows through the town of Pigeon Forge, six miles away.

Pigeon Forge also experiences seasonal population increases and, as of January 1, 1974, had no adequate sewage treatment facility, resulting in a decline of water quality in the Little Pigeon River. This type of water quality problem is not yet serious in the less developed tourist-recreation places in the study region, but could

eventually create a health hazard in the more active resort areas.⁹³

The most serious environmental problem which has confronted the southern Appalachian tourist-recreation industry has not directly affected natural environmental processes. The impact has been instead on the primary "resource" supporting the existence of most tourist-recreation places--the scenic amenity. Horace Albright, a well-known conservationist who was closely associated with the establishment of the Great Smoky Mountains National Park, warned in 1930:

North Carolina must guard against cluttering up that beautiful drive (the Maggie Valley/Soco Gap/Cherokee entrance to the national park) with billboards and unsightly structures.⁹⁴

The Tennessee Valley Authority as early as 1938 expressed concern that ". . . unguided development trends to produce short-sighted localized exploitation of recreational resources."⁹⁵

Such warnings have gone unheeded. In 1971 the Appalachian Regional Commission, analyzing recreational potential in Appalachia, stated that ". . . the primary retail and accommodations areas exhibit the worst characteristics of environmental blight," and ". . . poorly designed and sited accommodations are one of the most obvious environmental blights among recreation complexes."⁹⁶ It is generally accepted

⁹³Thompson, op. cit., p. 157.

⁹⁴M. Frome, Strangers in High Places (Garden City, N.Y.: Doubleday and Co., 1966), p. 313.

⁹⁵Recreational Development of the Southern Highlands Region (Knoxville: Tennessee Valley Authority, July 1938), p. viii.

⁹⁶Recreation Potential in the Appalachian Highlands, op. cit., pp. 79, 91.

that commercial "strip" development along highways, while satisfying some immediate and short-term economic needs, is not attractive or scenic.⁹⁷

Several authorities also agree that some of the pressures for new road construction through public recreational and national areas (to provide more access for more people) have been stimulated by the increasing shortage of scenic amenities outside publicly protected areas.⁹⁸ Greater environmental protection and control by local authorities through zoning ordinances, for example, could enhance the attractiveness of areas outside state and national parks and forests. Such action would tend to relieve the increasing pressures on existing scenic areas such as the Great Smoky Mountains National Park and the Blue Ridge Parkway.⁹⁹

One area that will be closely watched by those concerned with tourist-recreation activity is Gatlinburg, Tennessee. The municipal government of that community recently passed, despite vociferous protests by several real estate developers and land speculators, a zoning ordinance which affects a forty-five square mile area outside of the city limits. With this strict and tightened control over

⁹⁷Thompson, op. cit., p. 154.

⁹⁸Recreation Potential in the Appalachian Highlands, op. cit., p. 79; Frome, op. cit., pp. 303, 313. Frome protests this destruction of the scenic amenity by ". . . caged bears, tawdry amusement parks, jerry-built souvenir shacks . . ." and other similar forms of visual blight.

⁹⁹This idea was advanced by Harper, Schmudde, and Thomas, op. cit., pp. 79-80.

land use, it is believed that "dollar-seeking newcomers" will be forced to "get in line or get out of the county."¹⁰⁰ In this case, planned development could result in improved revenues and greater economic stability for the Gatlinburg area.

In other case study counties, planning and land use controls have been absent or ineffective. The communities of Boone (Watauga), Sylva (Jackson), Bryson City (Swain), Cherokee (Swain/Jackson), Robbinsville (Graham), and Pigeon Forge (Sevier) were all sited in picturesque mountain settings, but inefficient land use and lack of control have resulted in their graceless and homely appearance. A serious consequence of land mismanagement in these places has been the destructive exploitation of an increasingly critical natural scenic resource.

Failure to manage and control the scenic resources in the case study counties could eventually result in visitor dissatisfaction and decreasing patronage, thereby seriously affecting the economic viability of some tourist-recreation businesses.¹⁰¹ However, Thompson and the ARC have documented the problem of public apathy: "Few visitors actively protest some of the garish retail and accommodation 'strip' developments that occur around most recreational centers."¹⁰² While the general public might not actively protest visual blight,

¹⁰⁰"Gatlinburg Extends Limits of Zone Control," Knoxville (Tennessee) News-Sentinel, November 14, 1973, p. 16.

¹⁰¹Harper, Schmudde, and Thomas, op. cit., p. 98.

¹⁰²Thompson, op. cit., p. 153.

however, many of the businesses patronized were aware of the problem. Almost 50 percent of all questionnaire respondents cited a desire for some type of environmental protection legislation for their areas (Table IV-7). How actively these respondents would seek such legislation is, again, open to question. The business communities of both Sevier and Watauga counties were especially aware of the problem, and respondents from Graham, Jackson, and Bath counties also display concern. The environmental protection issue appeared less important to the respondents from Rabun, Swain, and Clay counties.

If depletion of the scenic resource through uncontrolled development and visual blight does discourage future tourist visitation, and if customer and entrepreneur alike become convinced that this problem is serious, local governments might begin to implement environmental controls through zoning, taxation, or other means.¹⁰³ Visual blight represents a potentially serious problem for the development of the tourist-recreation industry of southern Appalachia.

VI. LOCAL GOVERNMENT AND POLITICS

Inefficiencies in local governments can adversely affect the operation and profitability of tourist-recreation establishments. The example of Rabun County, cited previously, illustrates that the failure of the local politicians to exert some measure of control on land development and speculation has potential negative impacts

¹⁰³ Recreation Potential in the Appalachian Highlands, op. cit.,
p. 80.

Table IV-7. "Environmental Protection Legislation" as an Aid to
the Local Tourist-Recreation Industry*

County	Percentage of Respondents Favoring Legislation
Rabun	22
Graham	40
Jackson	43
Swain	18
Watauga	67.5
Clay	33
Sevier	51.5
Bath	43
Average Percent	31

* See Appendix A, Question #32.

on the local tourist-recreation industry, as well as on the local citizenry.

In several of the case study counties, questionnaire respondents identified corrupt or inefficient local politics as an important negative factor in the continuing operation of their businesses (Table IV-8). In Jackson and Swain counties in particular, local governments are not apparently held in high esteem by local tourist-recreation business entrepreneurs. The same respondents who complained of inefficient, corrupt local politics also cited the poor quality of municipal services. Thus, a possible explanation for these opinions is that local officials have not adequately provided essential municipal services (police, fire protection, utilities, and other services).

Finally, each of the eight counties possesses some type of restriction on the consumption of alcoholic beverages. A surprisingly large number of respondents, particularly in North Carolina, felt that these restrictions represented a serious development problem. Existence of such "dry laws" tends to discourage convention trade, business meetings, and other professional gatherings. Because such trade could offset some of the disadvantages of seasonality, these restrictions affect tourist-recreation industry development. It is also believed that many tourists are discouraged from becoming returning customers because of these laws.¹⁰⁴ The financial losses to the counties themselves, as well as the positive impact of legalized

¹⁰⁴Lyons, op. cit., p. 10.

Table IV-8. Local Politics, Municipal Services, and "Dry Laws" as Major Business Problems*

County	<u>Percentage of Respondents Identifying:</u>		
	Corrupt or Inefficient Local Politics	Poor Quality Municipal Services	Dry Laws
Rabun	11	11	0
Graham	0	0	60
Jackson	21	21	43
Swain	27	27	27
Watauga	9.5	5	38
Clay	33	0	33
Sevier	12	10	22
Bath	0	0	0
Average Percent	14	9	28

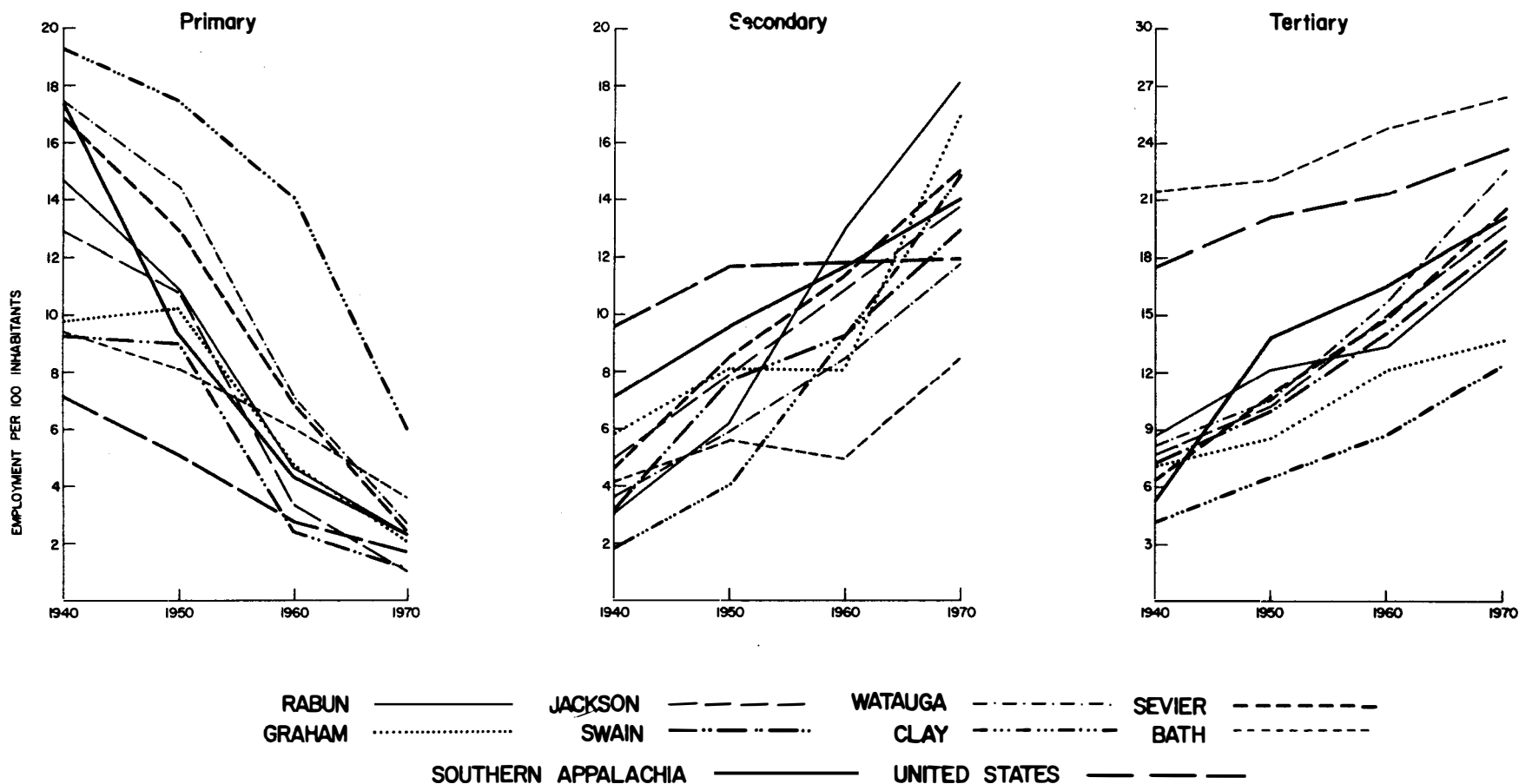
* See Appendix A, Question #34.

beverages on the profitability of many businesses, should stimulate local governments to reevaluate the wisdom of retaining such regulations.

VII. RELATIONSHIP OF TOURIST-RECREATION INDUSTRY TO OTHER ECONOMIC ACTIVITIES

The tourist-recreation industry of southern Appalachia does not exist in isolation, and has affected, as well as been affected by, other economic activities. Expansion of the tourist-recreation industry in the case study counties in the late 1950's and early 1960's was accompanied by increasing employment in secondary and tertiary activities and declining primary employment (Figure IV-2). In response to these economic developments, median family incomes also rose (Figure IV-3). In the tertiary sector, however, the employment ratio of the case study counties as a group lagged behind the rest of southern Appalachia as well as the United States. According to some authorities, the tertiary sector is an important indicator of relative economic attainment of a place, with high employment levels in this sector suggesting advanced development.¹⁰⁵ Thus, the "lag" illustrated by the case study counties in this tertiary sector suggests generally retarded economic development. Income levels in the case study counties approximated southern Appalachian averages, but lagged

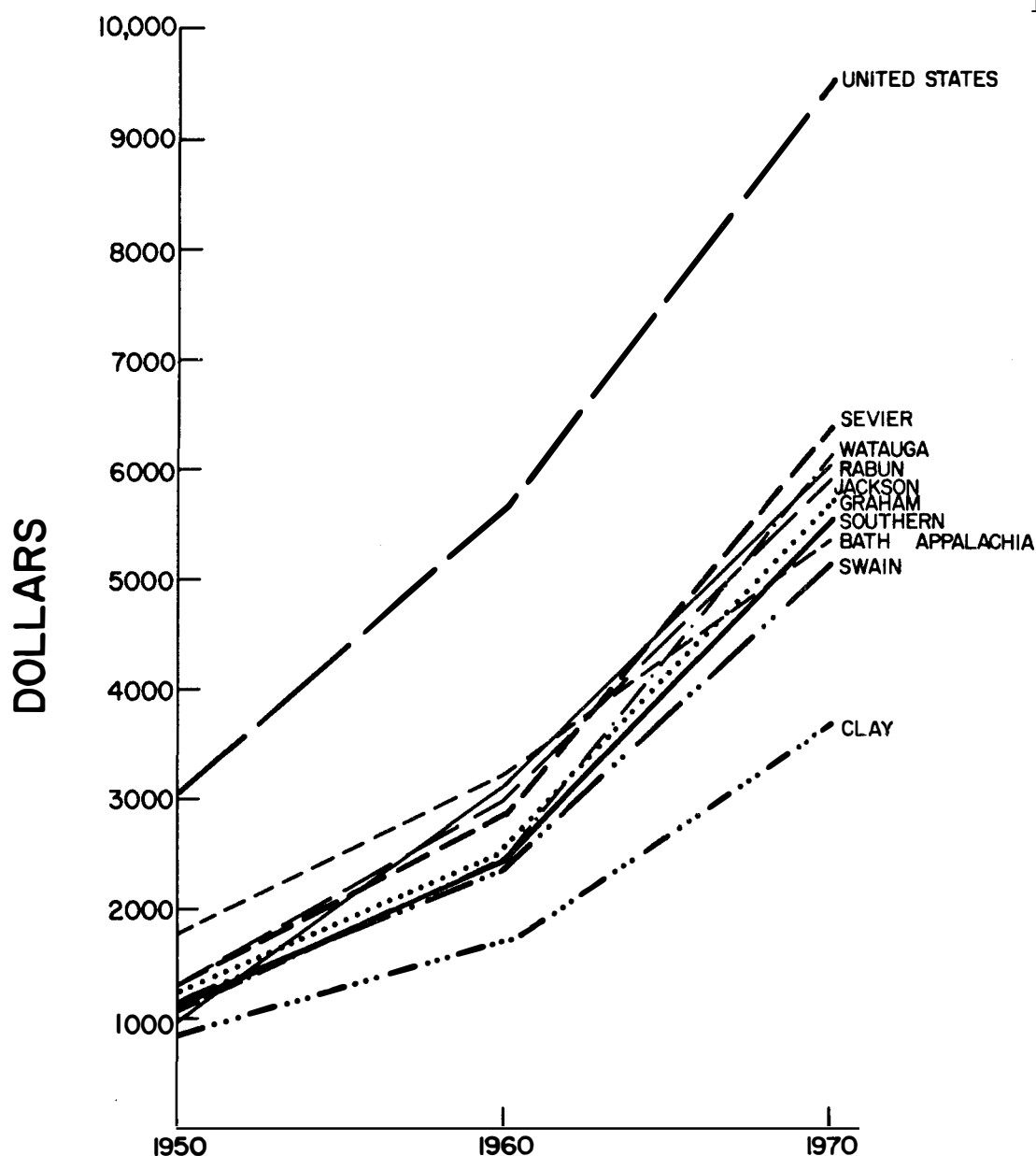
¹⁰⁵P. Lloyd and P. Dicken, Location in Space: A Theoretical Approach to Economic Geography (New York: Harper and Row, Inc., 1972), pp. 186-187; see also D. W. Fryer, "World Income and Types of Economies," in H. G. Roepke (Ed.), Readings in Economic Geography (New York: Wiley and Sons, 1967), pp. 17-37.



EMPLOYMENT PER 100 INHABITANTS IN PRIMARY, SECONDARY, AND TERTIARY ACTIVITIES - CASE STUDY COUNTIES, SOUTHERN APPALACHIA, AND UNITED STATES: 1940-1970.

Figure IV-2. Employment per 100 inhabitants in primary, secondary, and tertiary activities; case study counties, southern Appalachia and United States, 1940-1970.

Source: Census of Population, 1940-1970.



MEDIAN FAMILY INCOME -- CASE STUDY COUNTIES, SOUTHERN APPALACHIA, AND UNITED STATES : 1950 - 1970.

Figure IV-3. Median family income, case study counties, southern Appalachia, and United States, 1950-1970.

Source: Census of Population, 1950-1970.

far behind the United States average, further implying retarded economic development.

Verification of retarded economic development in the counties studied was obtained by examining manufacturing employment data. Although employment ratios in the secondary sector surpassed the United States averages in the 1960's more detailed analysis reveals that this sector was dominated by low-wage, labor-intensive industries (Table IV-9). Most of the manufacturing activity is restricted primarily to the processing of local raw materials, cotton textile production, and other operations which do not demand high skills and are at the lower end of manufacturing wage scales.

In Watauga County the expansion of manufacturing during the 1960's (924 manufacturing employees in 1960 to 1861 employees in 1970) was primarily in the low-range sector. Gade reported that the initial locational factors attracting these industries were a surplus of unskilled labor, the promise of cheap and level land, and local tax incentives. Less overtly, Graham, Swain, and Jackson counties were able to attract labor-intensive industry because of the availability of low-wage, unskilled labor.¹⁰⁶ The only two manufacturing firms in Bath County were a craft guild, employing approximately twenty people, and an apparel manufacturing firm, employing 150 people.

¹⁰⁶ Interview with Gordon Sanford, Director, Western Carolina Economic Development Center, Cullowhee, North Carolina, June 10, 1974.

Table IV-9. Proportion of Manufacturing Labor Force Employed in Low-Wage Industry: 1970*

County	Total Manu- facturing Employment	Furniture, Lumber, & Wood	Food & Kindred Products	Apparel & Textile Products	Transpor- tation Equipt.	TOTAL	% of Total Manufacturing Employment
Rabun	1,220	91	—	930	47	1,068	87.5%
Graham	754	258	—	304	6	568	75.4
Jackson	1,990	348	12	828	—	1,188	59.7
Swain	750	290	22	232	—	544	77.1
Watauga	1,861	342	34	507	6	889	47.7
Clay	737	80	6	552	26	664	90.0
Sevier	2,976	187	303	1,274	32	1,796	60.4
Bath	314	64	—	111	—	175	55.7
TOTAL	10,557	1,660	377	4,738	117	6,892	65.2
Southern Appalachia	1,179,138	103,736	18,547	386,634	14,868	523,785	44.4
United States	19,837,208	978,393	1,390,339	2,184,145	2,138,880	6,691,757	33.7

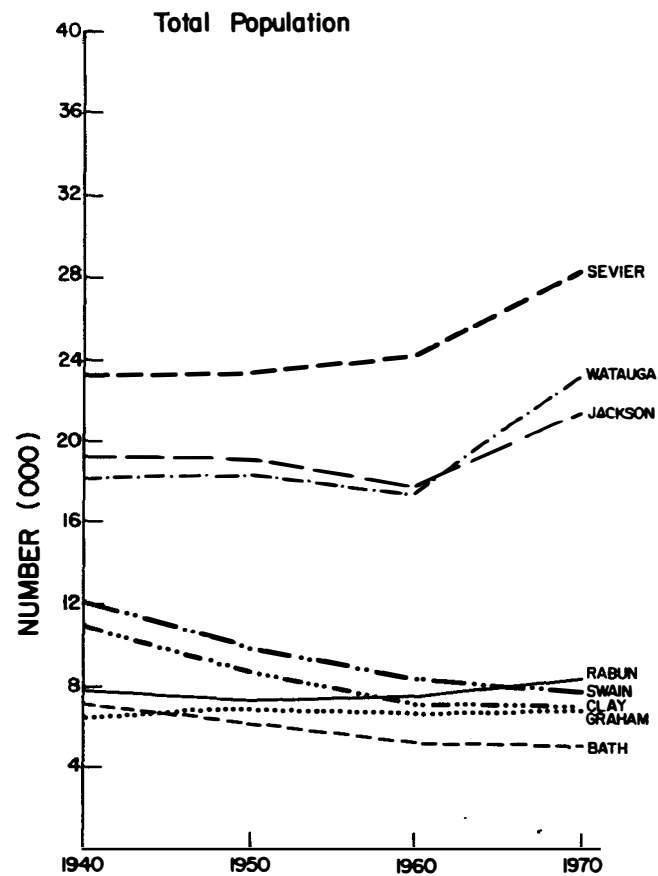
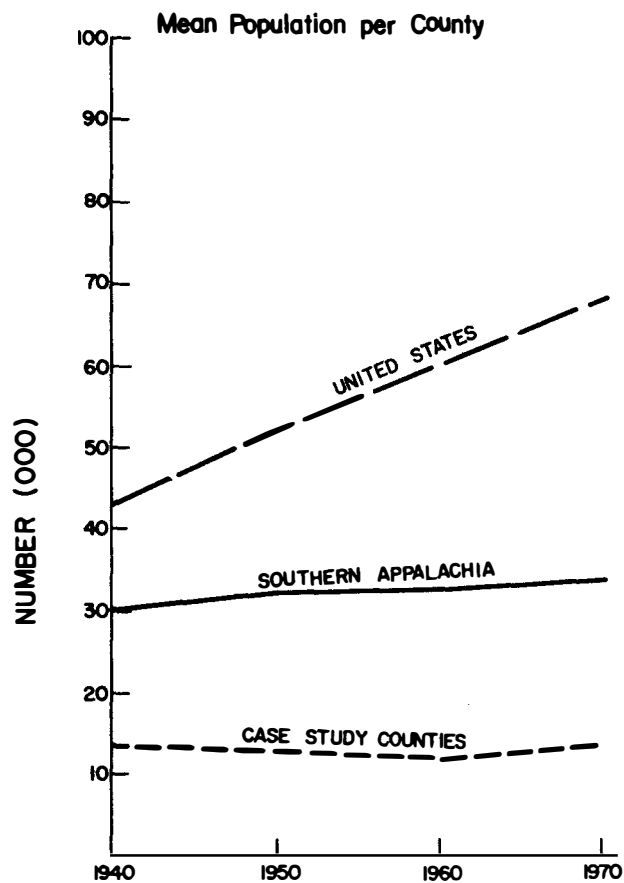
* Categories based upon: N. Lineback, "Low-Wage Industrialization and Town Size in Rural Appalachia," Southeastern Geographer, Vol. 12 (1972), p. 5.

This lack of industrial diversity implies that the case study counties must continue to depend heavily upon outside sources for most of the basic manufactured commodities deemed essential in daily living. Therefore, although the tourist-recreational industry is a "basic" activity which brings outside dollars into the local economy, much of the initial expenditure by tourists is quickly and continuously "leaked" or dissipated from the local area.

It is clear from field examination that resort towns such as Gatlinburg, Pigeon Forge, Blowing Rock, Cashiers, and Cherokee have remained essentially "one-industry" towns, where few alternative economic activities exist. Not only have these communities experienced difficult accessibility and isolation in the past, but manufacturing activities, with the exception of the small-scale tourist-oriented handicrafts industry, are recognized as being incompatible with tourist businesses both in land utilization and in wage levels. Gatlinburg officials, for example, who have been concerned about the competitive disadvantage of their tourist industry compared to even low-wage manufacturing have reportedly kept such industries out of the community.¹⁰⁷

In response to such economic conditions, the case study counties have experienced slow population growth and have an exceptionally high proportion of rural population (Figure IV-4 and Table IV-10). In six of the eight counties, the population has remained 100 percent

¹⁰⁷ Robert Nathan Associates, op. cit.



POPULATION TRENDS -- CASE STUDY COUNTIES, SOUTHERN APPALACHIA, AND UNITED STATES: 1940-1970.

Figure IV-4. Population trends, case study counties, southern Appalachia, and United States, 1940-1970.

Source: Census of Population, 1940-1970.

Table IV-10. Comparison of Rural Population Ratios for Case Study Counties, Southern Appalachia, and the United States: 1970

Area	Total Population	Rural Population	Rural Population as a Percentage of Total
Rabun	8,386	8,386	100.0
Graham	6,562	6,562	100.0
Jackson	21,593	21,593	100.0
Swain	7,861	7,861	100.0
Watauga	23,404	14,650	62.6
Clay	6,624	6,624	100.0
Sevier	28,241	25,580	90.5
Bath	5,192	5,192	100.0
TOTAL	107,863	96,448	89.4
Southern Appalachia	10,027,500	4,933,553	49.2
United States	203,210,158	53,886,996	26.5

Source: U.S. Census of Population, 1970.

rural. The only significant locus of urban population is Boone (Watauga County) with a 1970 population of 8,757.¹⁰⁸ These conditions have been cited as indicative of lagging economic growth.

In summary, the negative aspects of economic retardation in the case study counties have been offset to some degree by the development of manufacturing. In spite of low wages, pay scales in that sector are higher than those in the primary and tourist-recreation sectors. Manufacturing has provided a source of steady, non-seasonal employment for the local population. Such factors have allowed people to remain in their home counties in spite of decreasing opportunities in the primary sector and the financial limitations of tourist-oriented employment. The structure and characteristics of the tourist-recreation industry itself have not tended to stimulate economic viability, except in Sevier and Watauga counties. The factors analyzed in this chapter emphasize the potentially serious operational and financial problems of tourist-recreation businesses in the case study counties specifically and in southern Appalachia in general.

¹⁰⁸Gade, op. cit., p. 7. Gade reported that of this number, 6100 were non-resident students at Appalachian State University.

CHAPTER V

CONCLUSIONS

Analysis and personal observation in the eight case study counties resulted in several conclusions about factors of location, locational characteristics, problems, and trends of the non-metropolitan tourist-recreation industry in southern Appalachia.

The existence of a physical resource base for tourist-recreation activity is characteristic of all case study counties. In Swain and Jackson counties, the presence of a unique cultural attraction (the Cherokee Indian Reservation) has complemented the attractiveness of the natural environment; however, initial tourist activity was motivated by the mountain climate and scenery. In Clay County, the physical resource is manmade and not unique, resulting in that county's low-intensity tourist activity. Generally, many scenic amenities that have attracted travelers to the case study counties exist because of the historical isolation, small population, and retarded development that characterized most of Appalachia until recently.

The hypothesis that the present location of the industry has been strongly influenced by an early start and historical momentum was verified. This conclusion is supported by the fact that seven of the eight case study counties have served as tourist destinations since the eighteenth and nineteenth centuries. In Bath, Jackson, Watauga, and Sevier counties, the role of individual enterprise in stimulating a

flow of visitors was evident, while the scenic, natural amenities of Swain, Rabun, and Graham counties provided general sightseeing diversions for early travelers. As the exception to the rule, Clay County developed as a visitor attraction only with the completion of Dale Hollow Dam and Reservoir in 1943. Because of the difficulty in attracting investment capital to "pioneer" locations, the southern Appalachian tourist-recreation industry has expanded and will continue to expand principally in those places with an historical advantage; large scale tourist-recreation development outside established tourist nodes remains unlikely.

The research has also demonstrated that, as a general rule, the tourist-recreation industry has achieved high relative importance in the case study counties partially because of their comparative locational disadvantages for alternative economic activities, especially manufacturing. These counties are more difficult of access and farther from major markets than the rest of southern Appalachia. Until the mid-1960's, these counties lagged behind the United States and the rest of southern Appalachia in growth in the secondary and tertiary sectors. During the last decade, however, manufacturing employment increased markedly in most of these counties, particularly among the low-wage industries for which the advantage of cheap and plentiful labor has outweighed the disadvantage of higher transport costs.

Should an existing tourist-recreation county in southern Appalachia succeed in developing diversified manufacturing activity,

the relative importance of the tourist-recreation industry will almost certainly decline, as demonstrated in Asheville, North Carolina. The tourist-recreation function might also decline in absolute importance because manufacturing activities are not generally compatible with tourism and outdoor recreation activities. This incompatibility is characterized by 1) differing and contradictory requirements for land utilization and physical facilities; 2) possible loss of the scenic amenity because of population growth, housing expansion, and environmental degradation or pollution; 3) inability of tourist businesses to compete with manufacturing pay scales and labor supply requirements; and 4) increased traffic congestion and resulting loss of tourist satisfaction and patronage. Of the case study counties, Sevier and Watauga exhibit the greatest potentials for such an occurrence, and businessmen, county officials, and citizens should evaluate priorities for tourism and manufacturing to avoid future spatial and socioeconomic conflicts between the activities.

As hypothesized, the tourist-recreation industry is composed primarily of small, individual or family-operated businesses which are highly seasonal in operation. While this characteristic results in few steady jobs for the local population, the locational advantages of favorable site and situation can help mitigate this negative employment trait. Sevier and Watauga counties, because of a favorable combination of factors including early start, highly attractive recreational resources, satisfactory access to tourist source regions, and ski resort development, have developed diversified and high-quality

tourist industries. This, in turn, has stimulated greater off-season visitation and the labor base is used more efficiently. These two counties have experienced an influx of non-local franchised or chain enterprises which offer secure, year-round employment (although not necessarily higher wages). In addition, the presence of such establishments reflects the positive impact of variety and quality in tourist services, as suggested by Harper, Schmudde, and Thomas.¹⁰⁹

The other counties have suffered the disadvantages of difficult access, low intensity of activity, lack of variety and quality in facilities (excepting Bath County), ill-planned and haphazardly designed tourist service areas, and extreme seasonality. All of these factors have had negative effects on the labor force, substantiating the hypothesis that the most serious business problems for the industry are associated with labor characteristics, namely increasing costs and high employee turnover rates. Furthermore, because they "sell service" above all, tourist business operators expressed concern over declining quality of employees. This concern has been reinforced by declining patronage in some locations, particularly Graham, Jackson, and Bath counties. A change in the relative location of a place caused by construction of highways or the successful establishment of a uniquely popular recreation attraction could stimulate greater visitation and help offset these negative traits, particularly in Graham, Jackson, and Swain counties.

¹⁰⁹Harper, Schmudde, and Thomas, op. cit.

The locations examined in this study have been generally devoid of organized attempts to maximize the advantages of the recreational resource base, with the possible exceptions of Watauga County and Gatlinburg. Such efforts require careful coordination and planning among local officials, businessmen, and citizens. Unfortunately, the majority of the proprietors in the case study areas and, by inference, in rural southern Appalachia lack the training and experience to facilitate this planning process. As hypothesized, only 25 to 30 percent of the entrepreneurs considered themselves highly trained and experienced in the tourist business sector. Although vocational training in tourist business management in local community colleges or technical schools could counteract this disadvantage, such programs tend to orient the trainees to the high-volume, traveler-serving franchised establishments of large urban areas. Except for Sevier, Watauga, and Bath counties, the training/experience problem will not be easily resolved in non-metropolitan tourist-recreation places.

Another serious obstacle to economic planning in the case study counties has been the economic structure of the Appalachian region in general. The economic activities of the region have been described as "...more closely linked with industrial activity in other regions than with economic activities within the region."¹¹⁰ Rural southern Appalachia and the case study counties have not been as economically self-sustaining as most other sections of the United States. Wealth has

¹¹⁰C.W. Hale, "Factors Inhabiting Appalachian Regional Development; West Virginia, A Case Study," American Journal of Economics and Sociology, Vol. 30 (1971), p. 134.

been generated at slower rates and the case study counties have depends heavily upon outside areas for manufactured articles, consumer goods, capital, and numerous services. Ultimately, the ramifications of economic slowdowns, price increases, production cutbacks, labor fluctuations, and other economic conditions in other states have been felt quickly in the region, making the formulation of development plans difficult.

For the case study counties, it was correctly hypothesized that the tourist-recreation industry is also highly sensitive to external economic conditions. The location of major customer source areas inferred a high dependence upon income from other states, such as Ohio, Michigan, and Florida. Furthermore, in the three locations where the home state was the major customer source (Rabun, Watauga, and Bath counties), the clientele emanated from metropolitan areas outside of Appalachia (Atlanta, Charlotte/Winston-Salem, and Roanoke, respectively).

The information provided by this study concerning customer source regions could also be useful for public and private promotion interests. Promotion expenditures could be concentrated in those well-established source areas in an effort to attract additional visitors to a particular county or attraction. Or, advertising could be extended to densely populated areas such in the northeastern United States which provide few visitors to southern Appalachia. There is the risk that tourism from such regions would not increase enough to justify the promotional expenditures; therefore, joint local government and business efforts would be essential.

Economic segmentation was also reflected by the limited development

effect of the tourist-recreation industry, again excepting Sevier and Watauga counties. The major suppliers of goods and services to the tourist-recreation businesses cannot be supported in the case study counties, because of seasonality and low total demand but remain in relatively distant urban/industrial nodes. Monetary leakages caused by the necessity to import goods and services are relatively high for the case study counties as a result.

These locational and economic problems, combined with haphazard development and the failure of local authorities to implement practical plans, could adversely affect any advantages obtainable from the recreational resource base. The ultimate importance of these factors will also be affected by external events such as availability and price of gasoline, inflation, unemployment rates, and trends in public attitudes toward leisure time activities.

Plans for tourist-recreation development should compliment existing physical conditions and characteristics of the local tourist-recreation industry. On this point, previous studies have displayed shortcomings. For example, the Appalachian Regional Commission has recommended that in the proposal Boone-Linville-Roan Mountain recreational complex of North Carolina, including the counties of Watauga, Avery, Mitchell, and parts of Caldwell and Burke, "...every effort should be made to locate and construct one or more feasible flat-waters (reservoir) projects in the Complex." This recommendation was based upon the existing and projected "demand" hypothetically generated by nearby metropolitan areas. Examination of the geographical situation

of this complex and the existing structure of its tourist-recreation industry, however, raises considerable doubt that "...significant increases in total (tourist) expenditures" would be realized simply because of reservoir construction.¹¹¹ Between this complex and the primary customer source regions, represented by nearby metropolitan areas and the states of Georgia and Florida, lie numerous intervening opportunities. There are already more than a dozen major "flat-water" reservoirs which have well-developed aquatic activities and diversified tourist facilities. It is not likely that recreationist interested in such activities would bypass these excellent resources and travel an additional fifty to one hundred miles for two or three days of boating and fishing. If this assumption is correct, a public expenditure of millions of dollars for a recreational lake would not be justifiable.

It is also noteworthy that the ARC's analysis of present and future recreation demand in the Watoga-Douthat-Gathright Interstate Complex, which includes Bath County, Virginia, failed to foresee "declining tourism" as a problem in that area. The ARC stated in its market analysis that "...there appears to be a significant deficit in accommodations compared with (projected) 1975 requirements."¹¹² In fact, it has been reported that occupancy rates have been declining for several years and that there exists a genuine surplus of

¹¹¹ Recreation Potential in the Appalachian Highlands, op. cit.,
p. 134.

¹¹² Ibid., p. 175.

accommodations in the county's lodging industry.¹¹³

The ARC's encouragement of recreational home developments in most Appalachian complexes is also questionable, considering the findings of this research and other studies regarding possible long-term development effects.¹¹⁴ Furthermore, it is unfortunate that the commission's resources were not focused upon those areas that have actually experienced planning development problems caused by over-concentration of tourist activities. The Gatlinburg/Pigeon Forge area and the community of Cherokee were deleted from ARC recommendations because "...they are already established terminal complexes," yet these locations have experienced serious growth pains, particularly with respect to land use controls, environmental problems, and general degradation of the scenic amenity.

Recommendations

This study was not undertaken to make specific recommendations concerning the development ills of tourist-recreation places. However, several personal impressions were formed during the research which might help increase the benefits of tourist-recreation activity in the case study counties.

Rabun. The tourist-recreation industry of Rabun County is characterized primarily by year-round pass-through trade (with a summer

¹¹³Gazzola interview, op. cit.

¹¹⁴See Chapter IV, "Public Recreational Attitudes."

peak) which helps sustain small motels, campgrounds, restaurants, and gift shops. The county is also a focus of recreational home development, with non-resident landowners principally from Florida and the Atlanta SMSA.

Restrictions should be placed upon continued development of recreational home subdivisions. Such control is necessary to protect native residents and small businesses from rapidly escalating land values and property taxes.

The county needs to enhance its attractiveness as a tourist destination. An historical restoration for the county seat of Clayton and the establishment of specialty shops and restaurants in that community would encourage more tourism. The county also needs a large resort-type lodge or inn which is open to the public, similar to Fontana Village in Graham County. Finally, an extension of the Blue Ridge Parkway into the county would help channel more visitors and tourist expenditures to local business.

Graham. Of all the case study counties, Graham possesses the most ideal setting for controlled tourist-recreation growth. More travelers must be drawn to the numerous scenic and resort resources already in existence in the county.

Robbinsville (the county seat and only agglomeration of note) requires a more attractive appearance and must also attract a more diverse tourist-oriented tertiary sector into a clustered setting on the main street. The county is rich with mountain crafts which could

be marketed in Robbinsville in specialty shops. The local government should also cooperate with the Snowbird Cherokees to publicize their culture and crafts.

A unified advertising campaign should be formulated by the local government and businesses to illustrate the amenities of the area: wilderness, lakes, mountain culture, and unspoiled scenic values. Regular advertising should be offered in newspapers and on radio and television of nearby SMSA's such as Atlanta, Chattanooga, and Knoxville,

Jackson. This county contains two tourist-recreation development nodes: in the north, the "spillover" area for Cherokee businesses and in the south, the luxury resort and recreational home area around Cashiers. Numerous undeveloped recreation resources exist in Jackson County and only a small amount of land is protected by public ownership. The central portion of the county near Sylva (county seat) and the town of Cullowhee (Western Carolina University) stimulates little tourist activity and suffers from uncontrolled land use practices and an unattractive appearance.

Jackson County, more so than the other case study counties, needs protection of its amenities either by public ownership of land or by land use ordinances. In addition, the town of Sylva could be transformed into a potential tourist destination by historical restoration and by stimulating the establishment of craft and specialty shops. The attractiveness of the county would also be enhanced by

the establishment of a scenic railroad between Sylva and Bryson City, the construction of hiking trails and bicycle routes throughout the county, and the creation of a local scenic roads system based upon existing county highways. Proper implementation and advertising of these measures would be essential.

Swain. Tourist activity in Swain County is concentrated in and around the town of Cherokee on the Cherokee Indian Reservation. Local businesses cater chiefly to travelers moving to and from the Great Smoky Mountains National Park and the Gatlinburg area. Activity is definitely summer-oriented, more so than the other case study counties, and businesses are small. The abundance of scenic amenities in the county is related principally to the fact that 70 percent of the county is controlled by the U.S. Forest Service and the National Park Service. The county seat of Bryson City, although bordering the national park, has not attracted any significant amount of tourist visitation, primarily because of difficult access and an unattractive appearance.

Both Cherokee and Bryson City could conceivably generate more tourist spending if they would improve their appearances. Bryson City should renovate its main street area and also create a "Riverwalk" along the Tuckasee River, similar to San Antonio's Riverwalk or Boston's Esplanade. Shops and restaurants along this walk would virtually guarantee an influx of sightseers and tourists, who would be able to drive easily to Bryson City via a newly-completed portion

of the Appalachian Corridor highway system. The city and county governments and the local businesses should coordinate an intensive advertising campaign through newspapers, television, and radio.

Watauga. Watauga County is a well-developed tourist destination with a variety of natural and cultural attractions, as well as an active winter tourist trade stimulated by ski resorts. The tourist-recreation industry is generally of high quality and the town of Blowing Rock possesses particular attractiveness as a resort community. The portion of Boone along U.S. 221-321 South, however, displays some of the undesirable elements of haphazard "strip" commercial development and scenic blight. The recreational home industry is also more highly developed in Watauga County than in any of the other case study counties.

The major recommendation for Watauga is to tightly control further development through zoning and land use planning, so that the amenity values of the area can be maintained. No effort need be undertaken to attract tourists to the county because visitor volume is already high, primarily because of the promotional efforts of the Chamber of Commerce and the Southern Highlands Attractions organization. There is, however, a great need in the area for less commercialized types of recreation. For example, hiking trails and bicycle routes would appeal to a segment of the population in market areas not particularly interested in highly developed commercial attractions, adding more diversity to the county's already varied recreational functions.

Clay. Clay County is a low-intensity recreation area catering to fishing and boating enthusiasts from Kentucky, Indiana, and Ohio. It is distant from major market areas and accessibility is restricted by exceptionally poor roads. The area provides no unique cultural or physical attractions, and no new recreational attractions have been created since the completion of Dale Hollow Reservoir in 1943. The only "tourist-recreation" businesses are the combination boat dock and cottage facilities widely dispersed around the lake.

Road improvements and the creation of a "destination" attraction are necessary to overcome both the locational disadvantages of the county and the attractive power of intervening opportunities between the county and potential tourist source areas. Highways are being improved. In addition, the county needs a large resort-type lodge or inn on the shores of the lake to attract family vacationers. Such a facility would probably need to be financed by the state because it is unlikely that private capital could be attracted to the area initially. Furthermore, the town of Celina (county seat) must undergo a facelift if it is to attract the recreational dollars of any additional visitors to the area and the county and its businesses must advertise to "sell" the area's image as a vacation destination.

Sevier. Sevier County is the most intensively developed tourist node in southern Appalachia, with most of this activity concentrated in the community of Gatlinburg and its "spillover" area, Pigeon Forge. The area possesses a remarkable diversity of natural

and cultural recreation attractions and has capitalized on its location at the entrance of the Great Smoky Mountains National Park.

A variety of types and sizes of tourist businesses abound and the lucrative year-round volume of trade has attracted chain motels and restaurants. Skiing and the entertainment function of Gatlinburg's shops and restaurants support many businesses throughout the winter season. The area has been able to draw tourists from such diverse and distant sources as Ohio, Michigan, and Florida.

Like Watauga County, Sevier's most pressing need is to control its rapid recreational development. Gatlinburg has wisely instituted land use zoning, but U.S. 441 between Pigeon Forge and the Knox County line suffers from the creeping exploitation of land by souvenir shops, billboards, and miscellaneous tourist traps that degrade the amenity values of the area. Recreational home subdivisions must also be restricted to prevent further degradation of the county's scenic resources.

The community of Pigeon Forge would increase its value as a tourist destination if it followed Gatlinburg's example of catering to pedestrians. Visitors to Pigeon Forge are not encouraged to remain because of that community's strip commercial function and the resulting absence of pedestrian-oriented shops and services.

Finally, U.S. 441 should be declared a scenic route in Sevier County and all outdoor advertising should be restricted between the national park and the Knox County line. The town of Sevierville should be provided with a bypass around its western edge to facilitate

traffic flow, and the bypass should extend to the north of the town to handle the increased traffic volume from Interstate 40 following its completion through the northern portion of the county.

Bath. Bath County is presently serving the recreational needs of those elite tourists who patronize the Homestead resort. This function has been maintained for the last 200 years, allowing the county to overcome the disadvantages of its peripheral location and great distance from urban centers. The resort itself controls 17,000 acres of countryside and the natural setting is enhanced by publicly-owned forest lands, mountainous terrain, and a generally unspoiled rural landscape. Tourism is maintained year-round by summer resort activities, business meetings and conventions and winter skiing. Although smaller businesses have recently complained of declining tourism, the tertiary sector is relatively diverse and well-established.

Declining tourism should be countered by increased outside advertising in the Roanoke area and the Shenandoah Valley tourist corridor. This effort would require cooperation of the small businesses and the local county government. Completion of the Gathright Reservoir will also stimulate some visitation into the area. The major recommendation is that the town of Hot Springs should initiate an historical restoration of the numerous stores and buildings that were once associated with the Homestead resort. The community should be developed as an attraction for the general public, with small shops and restaurants, similar to "Gristmill Square" in neighboring

Warm Springs. Otherwise, tourism in the county will remain restricted to a relatively small group of well-to-do people.

In general the limited prospects for manufacturing expansion and diversification in Rabun, Graham, Jackson, Swain, Clay, and Bath counties strongly suggest that these places attempt to maximize the advantages of the existing recreational base. For Sevier and Watauga counties, potential competition between manufacturing and tourist activities requires careful assessment of the various development alternatives.

Future Research Suggestions

Although this study has examined tourist source regions and flows, further probing into the territoriality of tourism might be intellectually satisfying and useful for planning in tourist-recreation areas. What is the actual spatial extent of the "attractive" zone around a tourist node and what factors influence the extent of this zone? Do only one or two tourist "corridors" function as routeways to and from tourist regions, and how far from these flow lines might a potential tourist area or attraction conceivably develop successfully? Can tourist regions be precisely defined as spatial phenomena, with definite centers and boundaries? On a national scale, do such regions in Appalachia differ from those of the West, the Ozarks, the North Woods, or the Northeast in character, origin, and internal and external spatial relationships?

Future studies might also evaluate the spatial characteristics

and potential impact of gasoline supply and price, inflation, unemployment rates, and changing public attitudes on tourist-oriented locations. A related planning problem would be how to organize compatible forms of developed and undeveloped recreation in counties or multi-county regions. The ARC has placed heavy emphasis upon developed forms, but perhaps the economic impact of undeveloped recreation (natural area and wilderness recreational activities) needs to be investigated more precisely. Studies might also be undertaken to document the effects of deterioration of the scenic amenity: where has this deterioration been most serious in Appalachia? What activities have been responsible? What have been the effects of such destruction, and what solutions are available? Would the costs of resource-and land-use planning and pollution control be offset by gains in recreational revenues for the local area?

The problems of recreational-home developments require continuing scrutiny. The potentially deleterious long-range impact of such developments on the local environment and socio-economic characteristics of rural mountain counties in Appalachia requires the spatial perspective of the geographer. Are these problems broad or limited in spatial scope?

Finally, where have local governments helped or hindered recreational resource potentials? Decisions or indecision on the part of municipal and county governments can have far-reaching effects on the benefits to be derived from the available recreational resources. Detailed examination of places where local government has

reorganized the long-range value of scenic amenities and the environment and consideration of why these particular governments have functioned in such a manner could be useful.

It is clear that outdoor recreation has a legitimate and important place in American life. What, then, is the proper balance between private development of land and the general public good? In the Appalachian Highlands how much of the remaining "open-space" shall be susceptible to the individual decisions of private developers and how much shall be retained as guaranteed public land to satisfy requirements for recreational space? Who shall make these decisions and when should they be made? Will declining recreational activity in the face of economic distress postpone the necessity of making such decisions? The questions apply equally to other locations in the United States. As these questions are faced, it is imperative to base the answers upon a pertinent and accurate body of information, which includes in large measure a geographic perspective, both at the regional and local levels.

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APPENDICES

APPENDIX A

QUESTIONNAIRE AND COVER LETTER

THE TOURIST-RECREATION INDUSTRY SURVEY: SOUTHERN APPALACHIA

Would you lend your assistance by participating in this survey of the tourist-recreation industry?

The survey is an undertaking of Jeffrey W. Neff, a graduate student of Geography at the University of Tennessee. Through the survey, it is hoped that vital information will be obtained which will enhance our understanding of this important economic activity. Such understanding might eventually lead to long-range recreational planning and increased income for recreation-oriented communities.

This questionnaire is the essential part of the study. The information that you provide will be treated in TOTAL CONFIDENCE and will be used for this study alone; at no time will your name or the name of your establishment be released. Remember: only you and the other business people surveyed can provide the needed information.

When you have completed the questionnaire, simply enclose it in the envelope which has been provided and drop it in the mail. Your assistance is very much appreciated. Thank you.

Jeffery W. Neff
Department of Geography
The University of Tennessee
Knoxville, Tennessee 37916

1. How large is the site which this establishment occupies?

☐ Less than 1/4 acre ☐ 1/4 to 1 acre
☐ 1/4 to 1/2 acre ☐ More than 1 acre

2. How much land is available for expansion of your business facility?

☐ None ☐ 1/4 to 1/2 acre ☐ More than
☐ Less than 1/4 acre ☐ 1/2 to 1 acre ☐ 1 acre

3. How desirable do you feel your business location is?

☐ Best possible location in the area
☐ Excellent site, but there are others equally as good
☐ Good site, but there are others better
☐ Inferior site; would like to relocate

4. Where would you locate, or relocate, your business if you had an absolutely free and unhindered choice? _____

5. How much "professional" advice did you receive in selecting this particular business location?

☐ No professional advice received
☐ Some advice received
☐ Location chosen completely on advice of professional consultant

6. How near to your establishment must a person live for you to consider him "local"?

☐ Within 5 miles ☐ Within 25 miles ☐ Other (specify):
☐ Within 10 miles ☐ Within 50 miles _____

7. Are most (the majority) of your customers:

☐ Local people?
☐ Non-local people?
☐ About half local and
 half non-local?

8. Are most (the majority) of your non-local customers primarily:

☐ Businessmen (on business trip)?
☐ Pass-through (Overnight only) tourists?
☐ Vacation tourists (Their vacation destination is this particular area)?

9. Choose two (2) and only two states from the following list which represent the primary areas of origin for most (the majority) of your customers.

<u> </u> Tennessee	<u> </u> South Carolina	<u> </u> Michigan
<u> </u> Kentucky	<u> </u> Georgia	<u> </u> Indiana
<u> </u> Virginia	<u> </u> Florida	<u> </u> Illinois
<u> </u> North Carolina	<u> </u> Ohio	<u> </u> Other:

10. For each of the two states you chose, identify two (2) cities or major metropolitan areas in each of these states which represent the primary areas of origin for most (the majority) of your customers.

State #1: City _____ City _____
State #2: City _____ City _____

11. How much of your trade, would you estimate, is from "Returning Customers" (Those who return to your establishment year after year)?

_____ None _____ 26% to 50% _____ Unknown
_____ 1 to 25% _____ More than 50% (specify): _____

12. Busiest time of the year (You may check more than one if you wish):

_____ Summer	_____ Seasons about equal	_____ Hunting Season
_____ Autumn	_____ Summer Holidays	_____ Other: _____
_____ Winter	_____ Winter Holidays	_____
_____ Spring	_____ Fishing Season	_____

13. Busiest time of the Week - Peak Season: _____ Weekend _____ Weekdays
Equal
- Off Season: _____ Weekend _____ Weekdays
Equal

14. Socio-economic class of most (the majority) of your customers
(Please check only one item):

_____ Professional _____ Blue Collar _____ Other: _____
 _____ White Collar _____ Laborer

15. Stage of life of majority of your customers (You may check more than one):

_____ Young unmarried
 _____ Young married without children
 _____ Young married with young family (Children up to age 10)
 _____ Married with family (Children up to age 18)
 _____ Older couple without family

☐ Elderly
☐ Groups of Families traveling together
☐ Other (specify): _____

16. In a normal operating year, what is the total number of all full- and part-time workers employed at your establishment (Seasonal as well as year-round employees)?

☐ Less than 5 ☐ 11 to 25
☐ 5 to 10 ☐ More than 25: _____

17. Of this total number of employees, how many are employed FULL-TIME?

☐ Less than 5 ☐ 11 to 25
☐ 5 to 10 ☐ More than 25: _____

18. Of the total number of employees, how many are females?

☐ Less than 5 ☐ 11 to 25 ☐ All employees are female
☐ 5 to 10 ☐ More than 25: _____

19. What is the permanent residence of most (the majority) of your full-time employees?

☐ This county
☐ Outside of county, but within this state
☐ Out of state

20. What is the permanent residence of most (the majority) of your part-time employees?

☐ This county
☐ Outside of county, but within this state
☐ Out of state

21. Age group of the majority of your full-time employees:

☐ Teenagers (14 - 18) ☐ Middle-aged (35 - 55)
☐ Young adults (18 - 35) ☐ Senior (Over 55)

22. Age group of the majority of your seasonal employees:

☐ Teenagers ☐ Middle-aged
☐ Young adults ☐ Senior

23. What is the average length of time your full-time personnel are employed here before moving on to another job elsewhere?

☐ Less than 6 months ☐ Two to five years
☐ One to two years ☐ More than five years: _____

24. Please give an ESTIMATE of what percentage of your total annual expenditures are devoted to the following:

LABOR	_____	%
RENT, OR PAYMENT	_____	%
NEW EQUIPMENT	_____	%
IMPROVEMENTS	_____	%
ADVERTISING	_____	%
TAXES	_____	%
OPERATION AND MAINTENANCE	_____	%

25. Primary methods of advertising: (You may check more than one)

_____ Newspapers	_____ Radio	_____ Other: _____
_____ Television	_____ Brochures, cards	_____ Do not advertise

26. Estimated value of land, buildings, and facilities (Remember, this information will be kept strictly confidential):

_____ Less than \$10,000	_____ 50,000 to 100,000
_____ 10,000 to 25,000	_____ 100,000 to 500,000
_____ 25,000 to 25,000	_____ More than 500, 000

27. Recent additions: (All business)

_____ New buildings	_____ Renovations
_____ New facilities	_____ No recent additions

28. Planned additions:

_____ New buildings	_____ Renovations
_____ New facilities	_____ No planned additions

29. "Formal" (academic, etc.) management or business training of owner and manager:

Owner: _____ No "formal" training	_____ Some training
	_____ Highly trained
Manager: _____ No "formal" training	_____ Some training
	_____ Highly trained

30. Previous experience of owner and manager in this type of business:

Owner: _____ None	_____ Some	_____ Highly experienced
Manager: _____ None	_____ Some	_____ Highly experienced

31. How would you evaluate the performance of the State Department of Tourism and Promotion (or similar state agency) in encouraging tourism in your area?

_____ Excellent job
_____ Average

_____ Below average
_____ Poor

32. In what way should the federal government aid the tourist-recreation industry in your area, if at all? (You may check more than one)

_____ Should not aid in any way
_____ Should provide money and capital investment
_____ Should be advisory only
_____ Should provide money for business consultant personnel
_____ Should enact legislation for environmental protection in your area
_____ Other: _____

33. What do you believe is the attitude of the local residents toward the tourist-recreation industry in this area?

_____ Highly favorable attitude
_____ Indifferent

_____ Unfavorable attitude
_____ Intense dislike

34. What do you consider to be your five (5) greatest long-range problems affecting the operation of your business?

_____ Increasing labor costs	_____ Unethical practices by competitors
_____ Increasing land costs	_____ Special taxes or room taxes
_____ Increasing equipment costs	_____ Declining quality of hired help
_____ Increasing operation costs	_____ Poor quality of municipal services (Water, sewage, electricity, police, roads, etc.)
_____ Lack of good highway access	_____ Corrupt or inefficient local politics
_____ Poor roads	_____ Restrictive zoning laws
_____ Increasing competition	_____ Lack of capital for investment or re-investment
_____ Local traffic congestion	_____ Other: _____
_____ Crowding of businesses	
_____ Limited room for expansion	
_____ Decreasing tourist attendance	
_____ "Dry" laws	
_____ High sales taxes	
_____ High local property taxes	

35. LODGING OPERATORS ONLY. Customers' average length of stay:

_____ Weekend	_____ One week	_____ Longer
_____ Two - three days during week	_____ Two weeks	(specify): _____

36. LODGING OPERATORS ONLY. Facilities available at your establishment:

<input type="checkbox"/> Pool	<input type="checkbox"/> Sports fields
<input type="checkbox"/> Dock	<input type="checkbox"/> Tennis courts
<input type="checkbox"/> Float	<input type="checkbox"/> Shuffleboard
<input type="checkbox"/> Boat Ramp	<input type="checkbox"/> Diving board/slide
<input type="checkbox"/> Boats/Canoes for rent	<input type="checkbox"/> Playground

<input type="checkbox"/> Gift shop
<input type="checkbox"/> Snack bar/Restaurant
<input type="checkbox"/> Recreation Room
<input type="checkbox"/> Roped-off swimming area in lake or pond

THANK YOU FOR YOUR ASSISTANCE. IF YOU WISH TO MAKE ADDITIONAL
COMMENTS, PLEASE FEEL FREE TO UTILIZE THE REMAINDER OF THIS SHEET.

APPENDIX B

COMPILED UNIVERSE OF TOURIST-RECREATION BUSINESS ESTABLISHMENTS IN THE CASE STUDY COUNTIES: LOCATION AND BUSINESS GROUP

Table B-1. Total Number of Establishments

County	Lodging	Eating & Drinking	Amusement & Recreation	Gift & Retail	TOTAL
Rabun	16	4	6	2	28
Graham	12	-	2	-	14
Jackson	69	10	9	25	113
Swain	65	14	9	35	123
Watauga	49	11	9	17	86
Clay	8*	-	2 (8*)	1	11
Sevier	179	64	34	45	322
Bath	11	3	3	7	24
TOTAL	409	106	74	132	721

*Seven boat dock operations (Amusement and Recreation Services) also operated rental cottages/motels. Such businesses were classified as Lodging Establishments for this study.

Table B-2. Questionnaires Returned

County	Lodging	Eating & Drinking	Amusement & Recreation	Gift & Retail	TOTAL	Sample %
Rabun	4	2	1	2	9	(32)
Graham	4	-	1	-	5	(36)
Jackson	8	2	-	6	16	(14)
Swain	8	-	3	1	12	(10)
Watauga	10	5	3	4	22	(26)
Clay	3*	-	(3)*	-	3*	(27)
Sevier	36	13	7	12	68	(21)
Bath	3	1	-	4	8	(33)
TOTAL	76	23	15	29	143	(20)

*Seven boat dock operations (Amusement and Recreation Services) also operated rental cottages/motels. Such businesses were classified as Lodging Establishments for this study.

APPENDIX C

PRINCIPAL RECREATIONAL RESOURCES AND ATTRACTIONS AVAILABLE WITHIN THE CASE STUDY COUNTIES.

Rabun, Ga.

Large Reservoirs:

Lake Burton
Lake Rabun

State Park:

Black Rock Mountain S.P.

Nathional Forest:

Chattahoochee

Natural Scenic Attractions:

Tallulah Gorge and Falls
Rabun Bald
War Woman Dell
Chattooga River
Blue Ridge Mountains

Cultural/Historical Attractions:

Rabun Gap School (Home of Foxfire
publication)
Mountain culture and crafts
Outdoor theatre: Mountain City Playhouse

Resort Town: Clayton

Skiing: Sky Valley Resort

Graham, N.C.

Large Reservoirs:

Fontana Lake
Lake Santeetlah

Nathional Forest:

Nantahala

Natural Scenic Attractions:

Joyce Kilmer Memorial Forest
Slick Rock Creek Wilderness
Appalachian Trail
Unaka Mountains

Graham

Cultural/Historical Attractions:
 Snowbird Cherokee Reservation
 Bear Creek Scenic Railroad
 Mountain culture

Resort Town: Fontana

Wilderness Areas:
 Slick Rock Creek Wilderness
 National Forest lands

Jackson, N.C.

Large Reservoirs:
 Bear Creek Lake
 Lake Thorpe (Glenville Lake)

National Forest:
 Nantahala

Scenic Roadway: Blue Ridge Parkway

Natural Scenic Attractions:
 Whiteside Mountain
 Whitewater Falls
 Chattooga River Valley
 Tuckaseigee River
 Great Balsam Mountains

Cultural/Historical Attractions:
 Cherokee Indian Reservation
 Riverwood Craft Center
 Western Carolina University
 Mountain culture and crafts

Theme Parks:
 Frontierland (Cherokee)
 Santa's Land (Cherokee)

Resort Towns:
 Cashiers
 Cherokee

Wilderness Areas:
 Upper Chattooga River Valley
 Great Balsam Mountains

Skiing: Sapphire Valley Resort (not operating)

Swain, N.C.

Large Reservoirs:
Fontana Lake

National Forest:
Nantahala

National Park:
Great Smoky Mountains N.P.

Scenic Roadway:
Blue Ridge Parkway (Terminus)

Natural Scenic Attractions:
National park lands
Nantahala River Gorge
Little Tennessee River Valley
Oconaluftee River Valley
Alarka Mountains
Appalachian Trail

Cultural/Historical Attractions:
Cherokee Indian Reservation
Oconaluftee Indian Village
Museum of the Cherokee Indian
Pioneer Homestead and Museum (National
Park)
Mountain culture and crafts
Outdoor drama: "Unto These Hills"
(Cherokee)

Resort Town:
Cherokee

Wilderness areas:
National park lands
National forest lands

Watauga, N.C.

National Forest:
Pisgah

Scenic Roadway:
Blue Ridge Parkway

Natural Scenic Attractions:
Moses Cone Memorial Park
Julian Prince Memorial Park
The "Blowing Rock"
Blue Ridge Mountains

Cultural/Historical Attractions:

Tweetsie Railroad
 Daniel Boone Native Gardens (Boone)
 Outdoor Drama: "Horn in the West"
 (Boone)
 Appalachian State University
 Mountain culture and crafts

Theme Park:

Land of Oz

Skiing:

Beech Mountain Resort
 Seven Devils Resort
 Appalachian Ski Mountain
 Hound Ears Resort
 Mill Ridge Resort

Clay, Tn.

Large Reservoir:

Dale Hollow Lake

Natural Scenic Attractions:

Cumberland Plateau landscape and forests
 Cumberland River Valley (pastoral)

Sevier, Tn.

Large Reservoir:

Douglas Lake

National Park:

Great Smoky Mountains National Park

Scenic Roadway:

Foothills Parkway
 Gatlinburg By-pass

Natural Scenic Attractions:

National Park lands
 Chilhowie Mountain
 Forbidden Caverns
 English Mountain

Cultural/Historical Attractions:

Cades Cove and Pioneer Settlement
 Restoration (National park)
 Pi Beta Phi Crafts School (Gatlinburg)
 Mountain crafts and culture
 Outdoor Theatre: Hunter Hills
 (Gatlinburg)

Sevier, Tn.

Theme Parks:

Goldrush Junction (Pigeon Forge)
 Porpoise Island (Pigeon Forge)

Resort Towns:

Gatlinburg
 Pigeon Forge

Wilderness Area:

National park lands

Skiing:

Gatlinburg Ski Resort and Aerial Tramway

Bath, Va.

State Park:

Douthat S.P.

National Forest:

George Washington

Natural Scenic Attractions:

Falling Spring Gorge
 Jackson River Valley
 Back Creek Gorge
 Chimney Rocks
 Cowpasture River Valley
 Allegheny Escarpment and mountains

Cultural/Historical Attractions:

The Homestead Resort (Hot Springs)
 Warm Springs Mineral Baths (Warm Springs)
 Bacova Guild (Bacova)
 Gristmill Square (Warm Springs)
 Mountain culture and crafts

Resort Town:

Hot Springs

Wilderness Areas:

National Forest lands
 Gathright Wildlife Management Area

Skiing:

Homestead Resort Ski Area and Ice Rink

VITA

Jeffrey Wayne Neff was born in York, Pennsylvania, on February 26, 1944. He attended elementary and junior high schools in that city and was graduated from York Suburban High School in 1962. The following September he entered Austin Peay State University in Clarksville, Tennessee. After transferring to Boston University at the beginning of his sophomore year, he returned to Austin Peay and in June 1967 received a Bachelor of Science degree in Geography. Having accepted a National Defense Education Act Fellowship at the University of Tennessee, he began study toward the Master of Science degree in September 1967, and received the M.S. in Geography in June 1969. In May 1970, he was admitted to candidacy for the Doctor of Philosophy degree and subsequently was granted this degree in August 1975. Currently, he is employed as an instructor of geography in the Department of Earth Sciences at Western Carolina University, Cullowhee, North Carolina.

He is a member of Gamma Theta Upsilon, national honorary geography fraternity, and Sigma Gamma Epsilon, national honorary society in the Earth Sciences. He maintains professional membership in the Association of American Geographers, the American Geographical Society, the National Geographic Society, and the National Parks and Conservation Association.

He is married to the former Bobbie Gupton Newman of Greenville, North Carolina.