Small Town Tourism: Building the Dreams

Tourism can be the economic lifeblood for some small towns, and communities pursuing tourism should consider two concepts: (1) the tangible and (2) the intangible. First, the physical assets—the practical organizational structures and visual impact of their attractions—are critical. Second, the intangible dimension of tourism—the incentives that inspire people to pack their bags, travel for several hours, and spend hundreds of dollars—ultimately determines the success of tourism investments.

This Rural Research Report examines tourism in Midwestern communities, asking the questions “What are other towns doing?” and “What seems to work well?” In addition to examining the tangible and the intangible aspects of tourism, target audiences and strategies to reach them are discussed.

Introduction

Communities that understand the power of creating a dream have a better chance to build sustainable tourism. In a thorough study of small towns across the U.S., Lambe (2008) points out that the most successful small towns use a variety of development strategies. These small towns are divided into four groups:

1. Recreation or retirement destinations or adjacent to an abundance of natural assets
2. Have historic downtowns or prominent cultural or heritage assets
3. Have or are adjacent to a college campus
4. Adjacent to a metropolitan area or an interstate highway (2)

Using both analytical and descriptive approaches, Lambe (2008) examines broad, overall economic development issues, and, of these, a variety of strategies seems to work best. A long-term community development approach with residents and leaders committed to a vision or plan usually works better than short-term approaches. Successful towns find a balance between short-term economic gains and long-term community development goals. Tourism is both a long- and short-term strategy. The evolution of powerful tourist towns comes from recognition of, or the creation of, a natural or comparative advantage.

It is difficult to capture and measure tourism opportunities due to the diversity of programs available for tourism-related economic development. Our analysis focuses exclusively on tourism based on information from town tourism websites, city-data websites, or business websites, and a ranking by Midwest Living in 2007. The magazine used its travel-writer resources to select and explore towns based on the following criteria:

- **Attractions** – What will bring people to the area?
- **Vibe** – What is the exciting thing(s) about the area?
- **Scenery** – What is special about the place and environment?
- **Walkability** – How easy is it to get around?
- **Shopping** – Are there gift shops? Antiques? Furniture shops?
Forty communities were selected from a list of 100 successful small towns (Morrow et al. 2007), and the top 25 towns were ranked by the magazine. An additional 15 towns added to this report were ranked somewhat randomly from the magazine’s list of towns ranked from 30 to 67 in the 2007 list. The original 2007 analysis was updated in 2010 using 2009 statistics.

This analysis is not intended to provide a sophisticated cause-and-effect relationship between tourism and development; rather, it is to provide examples of activities or attractions provided by communities ranked as places to visit by an independent source. This report classifies what various communities are marketing through tourism and provides a resource for readers to quickly find criteria they might use. These 40 small towns provide an excellent opportunity to find commonalities among them and to help other communities evaluate their potential for tourism.

By far, the most successful tourism towns were those blessed by nature with pre-existing, recreational opportunities and natural assets. History and heritage also play important roles. A college or university can contribute significantly to tourism opportunities. And easy interstate access (19 of the 40 cities were within 10 miles of an interstate highway), as well as proximity to large metropolitan areas, favor tourism towns.

Our analysis of each tourism town considered the following elements:

- **Demographics** (e.g., population, median income, educational attainment, city payroll)
- **Reasons why people go there** – specific features that attract tourists, although not always clearly stated. This report assigned three top reasons by screening information and best-guess judgments. The reasons were categorized and counted as to whether they ranked number one, two, or three.
- **Physical structure of the city** (e.g., industry, retail businesses, antique stores, restaurants, wineries, art galleries, museums and history, live theatres, attractions, music venue, tour operators, interstate access)
- **Activities that created “vibe” for a tourist** (e.g., food events, craft events, fitness events [primarily marathons, triathlons, or foot races], art events, music events, agricultural events, auctions, garage sales, sidewalk sales, races [e.g., cars, boats, motorcycles, sailing vessels, yachts], other events [many creative activities were often one-of-a-kind and do not fit into neat categories], recreation [e.g., golf, tennis, hiking, swimming, etc.], festivals, house or historic tours)
- **Housing and lodging facilities for tourists** (e.g., hotels/motels, bed and breakfasts, cabins or guest houses, camping and RV parks)
- **Colleges** (the presence or absence of a college or university in the town; colleges located within five to ten miles were counted, with 18 of the 40 towns examined having colleges)

The 12 considerations listed by *Midwest Living* are broad enough to capture the most important appeals to tourists (Figure 1), and the communities included in this analysis show the significance of several attractions. The *Midwest Living* study identified the three top reasons why people go to the town, and we grouped each reason, whether ranked as #1, #2, or #3, into a single category and recorded the total number of occurrences for that reason. (Numbers in parenthesis after the towns are the rank determined by the magazine.) No consistent correlation is found between the total number of events and the ranking of the successful small tourism towns. Some with a small number of events rank very high, presumably because there is a dominant, highly attractive reason for choosing that town. Other highly ranked towns may succeed simply because they offer more interesting choices to tourists:

1. **Water** – 40% of the towns attracted visitors because of their location on lakes or rivers. A connection to water encourages a wide variety of tourist experiences. For example, the community of Leland, Michigan (#12), on the Leelanau Peninsula (east side of Lake Michigan) is called “Fishtown.” Tourists go there mainly to fish and participate in other water-related sports. Ephraim, Wisconsin (#1) is highest on the list of the 40 “getaway towns” and lures tourists with 64 events. An old resort town proud of its Norwegian heritage and located on the west side of Door County, this beautiful little community

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**Reasons Why People Visit Tourist Towns**

- **Dining** – What is the uniqueness or quality of dining in the area?
- **Lodging** – Are there bed and breakfasts? How many motels/hotels?
- **Art Scene** – What kind of creative arts are in the area?
- **Proximity** – How close are you to a major city?
- **Multi-Day Potential** – What collection of activities will appeal to visitors?
- **Wild-Card Special Events** – Are there any special events such as a festival?
of 310 people with a median income of $64,627 embraces the attractive Eagle Harbor and rests on a solid reputation of 100 years of beach-side tourism. It receives much of its tourism appeal from water-related experiences—fishing, jet skis, kayaks, and para-sailing.

2. Art – Art is a dominant attraction in 38 towns in the current sample. Hannibal, Missouri (#31) holds an annual event called “50 Miles of Art” featuring artists along Route 79. In most cases, however, art tends to follow other tourism attractions. Artists—painters, glassblowers, sculptors, theatre performers, photographers, and others—supply much of the tourist attraction to top tourist towns. Nashville, Indiana (#6) is mainly an art community surrounded by restaurants, craft stores, gift shops, book stores, and other tourist-friendly attractions.

The arts has the additional possible advantage of attracting or retaining skilled professionals to an area. In any event, artists and art galleries add an important dimension to tourism appeal and are something that more communities may want to highlight in their tourism marketing materials. In most other successful tourism communities, the arts play a strong supporting role in the tourist message.

Hudson, Wisconsin (#58) emphasizes scenery and encourages visitors to participate in hiking and biking through the parks and trails. Custer (#17) and Hill City (#23), South Dakota, are located in the Black Hills near the Crazy Horse and Mt. Rushmore mountain carvings. They promote historical monuments and scenery in the area with tours and rentals of cabins and guest houses.

Thirty-seven towns in the sample consider their parks important enough to list them in the tourism message. Some like Lake Geneva, Wisconsin (#18) and Pella, Iowa (#20) have a full calendar of park activities. These activities or special events can be a substantial motivation for tourists to visit and, once there, to participate in other activities.

4. History – The history of a community, perhaps the most under-estimated tourism attraction, held a more prominent position in the analysis than initially expected. The comparison of communities revealed a surprising degree of tourism interest in historical facts. People like to hear stories of local historical figures and the architectural record found in its bricks and mortar as well as the “educational” experience of discovering new and interesting facts.

Another important interest for tourists is a desire for novelty information. People like to learn new information and skills. Many towns in this study have historical buildings and houses that provide additional attractions for travelers. Architecture as an art form appeals to many tourists because of the combined natural interest with traditional living spaces. Consequently, guided tours through homes, museums, and historical places have a powerful appeal. Thirty-eight sample towns reported some form of tour to expand the visitors’ experiences in their communities. Unfortunately, all too often, local attractions are taken for granted and overlooked in marketing materials.

5. Shops & Sales – It is almost universally true that tourists who are compelled to travel to a different and distant town for a multitude of reasons also find time to shop. In some cases, the shops are of such variety or quality

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Figure 1. Reasons for Tourism in 40 Towns

![Figure 1](image-url)
that they have become the attraction. Galena, Illinois (#3), for example, with 3,302 people, showcases eight antique shops and 13 art galleries. It has 64 other retail stores to encourage spending by tourists.

Stillwater, Minnesota (#9), with a population of 17,970, and South Haven, Michigan (#11), with a population of 5,145, both have a large number of antique, art, and retail shops. Even Mackinac Island, Michigan (#10), with 459 residents, has two antique stores, eight art galleries, and 54 retail stores. Yet, aside from shops, Mackinac is known more for its history, the scenery, and other attractions. A surprising number of towns feature sidewalk sales, auctions, yard sales, and local sales. Shipshewana, Indiana (#14) is well-known for its flea market. Collaboration among neighboring towns, as in Fulton County, Illinois, creates a town-to-town sales event and scenic driving tour with its Spoon River Valley Scenic Drive.

6. Attractions, Events, and Recreational Opportunities – These three tourism categories are designed specifically to attract people to the area. Broadly generalized, the effort and expense that communities devote to these enterprises encourage visitors, and the towns where residents create more excitement, activity, and “new-experience buzz” attract more tourists. All tourist towns create events to expand visitors’ experiences with many involving unique events (such as bed racing in Custer, South Dakota [#17]; canoe racing and tree-top zip lines in Logan, Ohio [#60]).

Others hold more traditional events with a broad appeal, but they are repeated often. Fireworks draw a crowd. When someone beats on a drum and the brass band marches through the streets, people turn toward the action. Tourism creates opportunities to look, to laugh, to play, to participate, and to create the memories that cause visitors to return.

7. Ethnic Attractions – The Amish connection is considered separately in this analysis because the Midwest has several communities with a large Amish population. The presence of Amish provides a powerful tourist attraction (five of the 40 towns studied were 12.5% Amish). The large availability of crafts and locally made goods attracts many tourists, but other towns also emphasized their ethnic roots as a major tourist attraction. Together, the Amish and other ethnic attractions increased the ranking of those towns above those displaying only attractions, events, and recreational opportunities.

In places such as Leland, Michigan (#12), with its ethnic heritage, this attribute did not rank among the top three reasons for visits. Still, ethnic heritage may have encouraged tourism. The lesson is that the unique character of a community and its residents may be more of an attraction than many activities specifically created to lure tourists.

8. Festivals – Festivals attract tourists and can provide an economic stimulus even for a short duration. In 38 of the 40 towns studied which had festivals, the average number per town was 3.3 per year, although no information was available regarding attendance and economic impact. Food events frequently occur in connection with other activities and festivals, including chili and barbeque cook-off competitions as in Arthur, Illinois (#62), which also holds an annual Cheese Festival and a Strawberry Jam Festival. Several communities connect festivals with produce, such as berries, apples, pumpkins, etc., as well as with specialized foods such as fried onion blossoms, pita sandwiches, and fried ice cream.

9. Antiques – Many people like antiques. Thirty-eight of the tourism communities in the sample had an average of 3.5 antique stores. Antique stores often combine easily with marketing approaches that emphasize ethnic heritages. Also, antiques can be promoted regionally to build a destination location for tourists.

10. Wineries – Wineries promote tourism, enhancing the attractiveness of communities, and they are growing in popularity. Communities can benefit from being listed on “wine trails,” even though several towns on the trail did not make the top 100 list. Wine as a tourist attraction needs further study to determine its impact as an attraction to tourists. In this analysis, 28 of the towns had an average of 1.1 wineries but, as with antiques, this attraction may be regional; and in areas such as southern Illinois, wine trails are very popular. Some wineries connect the influence of their tourism attraction with events sponsored by local bed and breakfasts. And some wineries have their own music or entertainment venue.

11. Getaway, Children Events, Music, Dining, Museums, Farm-Related Events, Races, and Theatre – These tourism temptations appeal strongly to various clusters of tourists. They usually occur in combination with other tourism attractions or motivations, providing additional reasons to select one place over another. Each of them in one way or another produced enough of a response to earn a place among the top three reasons to visit one or two towns in the Midwest Living report. Most agricultural events were “farmer’s markets.” Lake Geneva, Wisconsin (#18) promotes a “dress up and do farm work,” akin to Laura Ingalls Wilder’s Little House on the Prairie. Towns feature events such as car, boat, bicycle, or running races.

12. Bundling – Research also shows that “bundling” events enhances their appeal to tourists. Attendance increases
when a major event is combined with other offerings such as art, music, food and wine, cultural attractions, and theatre. Successful tourist towns often have live theatre as part of the mix. In this study, 32 towns had a venue for the performing arts. The human psyche seems to respond to storytelling and to the art and skill of performers. In some small towns, such as Sullivan, Illinois, a live theatre is the main attraction. Residents in Ephraim, Wisconsin (#1) enhanced their water-related attractions with 15 art galleries, four antique shops, 16 retail stores, and three museums. The Scandinavian-Moravian history is celebrated with an annual, mid-June Fyr Bal celebration to drive out the winter witches.

Galena, Illinois (#3) relies on history and its water connection to attract tourists, providing 199 events to engage visitors. This Mississippi River town has 85% of its attractions listed on the National Register of Historic Places. Many of the 33 bed and breakfasts found ways to coordinate their experiences with merchants, creating romantic getaways, shop tours, and music events rolled into inviting packages.

Bayfield, Wisconsin (#7) suggests that visitors come to their town to relax. It features 167 events connected to a wide variety of recreational activities such as sightseeing, shopping, hiking, sailing, golfing, bicycling, and berry and apple picking. With Lake Superior and the Apostle Islands at its doorstep, world-class freshwater fishing, scuba diving, and swimming are promoted as well. Other towns that provide a large number and variety of attractions include Elkhart Lake, Wisconsin (#15), with 115 events, and Lake Geneva, Wisconsin (#18), with 102 events. The kinds of events that the 40 communities in this study list and promote on their websites vary widely (Figure 2).

Obviously, the “other” category includes diverse specialized events—some unique, some rare. The rare ones include such things as zip lines through the canopy of a forest (e.g., Lake Geneva, Wisconsin [#18]) and tower climbing. Any event that did not fit easily into one of the specified categories fell into this large group.

Art, music, and recreational events rank high among the events that appeal to tourists. In other cases, music and the performing arts capture tourists’ attention (Okoboji, Iowa [#59]). In 35 of the 40 tourist towns studied, music and art played an important role in tourism. The towns provide no information on the total number or the proportion of visitors who attended the various events. Also missing in this analysis are measures of the quality of the events, their promotion efforts, and the length of time for which they have been held.

It can be concluded, however, that people seeking a diversion or a break from work tend to gravitate toward art, music, and recreational opportunities. Quite often, festivals incorporate both art and music which appeals to large numbers of people.

Infrastructure of Tourism Towns

Communities focusing on tourism often modify structures to enhance their appeal. While the basic buildings may look the same, the community rehabilitates or remodels them to meet specific themes. This tourism infrastructure shows up in several ways: an old Victorian Queen Anne house becomes a bed and breakfast, a former hardware storefront becomes an art gallery, the city park contains a gazebo with benches where tourists can listen to music, lamp posts have banners telling tourists something important about their visit, and an empty space where a feed store once stood provides the foundation for a new theatre and arts building. New signs & street billboards point the way to local parks, wineries, historical sites, and places to eat.

Every town in the Midwest Living selection studied has bed and breakfasts, with an average of 7.3 units in the 40 communities. While it is less likely that a bed and breakfast will cause tourists to come to a town, it is almost a foregone conclusion that tourism causes growth in the bed and breakfast industry. They are an amenity that tourists seek when looking for a new experience or a getaway.

Figure 2. Website-Advertised Events for 40 Communities Studied

Source: Compiled by Bill Harshbarger (2009).
Novel and Interesting Activities

In many cases, tourist towns have become very creative. While many share common characteristics and themes, others add interesting twists to their appeal.

Girls Night Out

These events usually feature an arrangement for meals, shopping, sometimes a special gift at stores, beverages, and entertainment. Likewise, stores usually stay open later on these nights. Several towns, including Northfield, Minnesota (#21), hold a “Girls Night Out” weekend. Other towns that have Girls Night Out are Lanesboro, Minnesota (#13); South Haven, Michigan (#11); Hudson, Wisconsin (#58); and Galena, Illinois (#3).

Winter Weather

Lanesboro, Minnesota (#13) takes advantage of the winter weather with “Winter Escapade Weekends,” which involve several stores and restaurants in town, combining hot chocolate, singing, and readings. Saugatuck, Michigan (#5) hosts a “Winterfest” weekend along similar lines. Northfield, Minnesota (#21) created a two-day event called a winter walk, involving Luminaria along with light displays and other related events.

Skill-Building

Saugatuck, Michigan, also holds an annual “Lego Design” event which includes a workshop for improving the skills needed to build Lego-related powered cars, trucks, and robots. Stillwater, Minnesota (#9) sponsors a three-day “Young Chefs” series that provides classes for youth; and Lake Geneva, Wisconsin (#18) sponsors an Aerial Adventures program featuring zip line and climbing towers that are especially attractive to young adults.

Demographics of Tourism

In general, tourism includes all age groups. Some cohorts, however, tend to travel and spend more than others, and small towns should evaluate their tourism targets. Tourists can be divided into several segments: age, wealth, recreational interest, event orientation, and other groups. Each segment has specific interests and demands. It is possible to obtain age profiles for a region along with information about their interests and purchasing patterns.¹

While Generation X travels more, they don’t spend as much as the Baby Boomers (especially those 55 years and older), who represent at least one-third of the tourist market. Young travelers, between 18 and 34, spend less on the cost of their stay than do other generations. The age group between 35 and 54 accounts for about one-half of all Overnight Leisure (ONL) travel and spends more than younger groups in Trip-Dollars. The Baby Boomers provide nearly one-third of all travel and spend more in Trip-Dollars (Figure 4). Only the age group 55-plus spends more than the average in Illinois and are an especially profitable group to target for most small towns.

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How Do Small Towns Market and Advertise to Boomers?

Small towns that are marketing to the Baby Boomer generation must connect to their basic motivations. Marketing experts provide clues that a community might turn to its advantage. Kim Ross (n.d.), a partner in a travel consulting firm, has many years of experience traveling and working in the travel industry, specializing in cruises, and she knows the Baby Boomer generation well. Her article, “Thirteen Truths About Baby Boomer Travel,” provides an excellent starting point. The various motivations include the desire for status, social aspects of meeting new people, novelty of experiences, “braggin’ rights,” and the educational benefits of learning new skills or enhancing old skills. Depending on local assets and resources, tourism can be an economic engine that helps promote prosperity and calls attention to small communities.

Tourism places additional golden eggs into the economic basket of many small towns. In some cases, it is the economic engine that drives the local economy; for others, it enhances and embellishes the quality of life. Illinois data from 2008 show that the average revenue generated per stay was $485, down from $510 in 2006. A “day trip” wherein tourists do not stay overnight generates only $256 per trip; tourists who stay overnight spend more money locally. A one-night stay creates $525 new dollars for the tourist town, while a two-night stay generates $796 new dollars (Figure 5). A tourism strategy designed to cause tourists to spend two or more days has a high pay-back benefit, and overnight tourists benefit many sectors in the local economy.

To generate overnight stays, towns must advertise more than 75 miles away and not much more than three hours or about 160 miles away. Those who travel about 75 miles will consider staying overnight. Those who must travel more than three hours may decide not to visit. Also, research on which distant cities tend to do the most touring of the state should be considered. Factors such as number of people living in those towns and the median—or disposable—income should be considered.

Tourism helps small towns by promoting businesses which results in an improved quality of life and may generate significant income. Most families, especially Baby Boomers, see travel as a necessity, even in hard times. Distance and length of stay may change, but they find ways to get away. Small towns can provide that getaway, especially those near large population areas.

Tourism tends to be evolutionary, starting small with one or two individuals creating the attraction. When those attractions bring people to the area, expanding the tourist experience involves lodging, food, recreational opportunities, and entertainment offerings. The presence of natural attractions, such as large bodies of water, rivers, and natural scenic beauty, provides sustainable tourism attractions.

The number of events does not always correlate with the ranking of towns; however, the number of events may affect the number of tourists. Unfortunately, tourist counts per town were not available for this study. Art, music, and recreation events seem very important and can highlight local talent. Other popular events include historical and educational tours, food events, races, and festivals.

Small town leaders who want to promote tourism must use their imaginations. The strategies are two-fold: (1) invent attractions and broadly appealing activities; and (2) design a message about those attractions, addressing individual emotional and psychological needs. Small towns become tourist destinations for several reasons. Successful tourism depends on analyzing and understanding the marketing motivations of a target audience. The Baby Boomer and Generation X groups make up the largest number of travelers. They also tend to spend the most money.

Small towns that create inspiring dreams will succeed. Those blessed with natural, scenic attractions have an advantage; however, research shows that many variables—tangible and intangible—shape a community’s ability to attract tourists. While communities may seek several paths to future prosperity, tourism offers a significant opportunity that should not be ignored.
Endnote

1 Age groupings include Millennials born after 1981, Gen Xers born between 1965 and 1980, Baby Boomers born between 1946 and 1964, the Silent Generation born between 1930 and 1945, and the GI or Greatest Generation born in 1929 or earlier.

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Bibliography


