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Polo, A. I.

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Ana Isabel Polo and Dolores Frías

Abstract.
Rural tourism is an increasingly important activity for the European economy. Rural tourism development is complex, considering the wide variety of companies, agents and resources to be jointly managed, the objectives of each participating company, but also to broader objectives relating to the development and conservation of resources in the rural tourist destination. The aim of this paper is to provide a better understanding about the effects of networks as a strategy for improving the development of the rural tourism sector. An in-depth study of networked firms representing a rural tourism consolidated destination found that actions undertaken by networks contributes to the improvement for the rural tourism sector in three areas: improving the performance of enterprises, contributing to the economic and social improvement of rural tourist destinations and helping to create a rural tourist destination image. These findings have implications for both entrepreneurial behaviour and for public agents working in rural tourism.

Keywords: Rural tourism, networks, collective strategies, destination image, sustainable development.

Introduction
Collective rural tourism is very important for the European economy and in addition, rural tourism is an increasingly important alternative for economic and social development compared to the traditional model of tourism development (World Tourism Organization, 2007) The characteristics of the rural environment and participating agents present difficulties for the development of tourism (Frías and Polo, 2008; Hall, 2004; Lituchy and Rail, 2000; Roberts and Hall, 2004, Simpson, 2008). One of the factors concerned is the complexity of management in rural tourist destinations due to the wide variety of enterprises and agents involved requiring joint action (Bramwell and Sharman, 1999; Cawley and Desmond, 2008; Crouch and Ritchie, 1999; Simpson, 2008) and the management of resources in the rural environment. In addition to high levels of competition presently found in tourism at international level (Ávila and Barrado, 2005) we also have to consider the issue of sustainable development (Cánoves et al., 2004; Goodwin, 1996; Hall and Brown,
2006; Mowforth and Munt, 1998; Reid, 2003; Swarbrooke, 1999; Simpson, 2008, 2009). At both the domestic and international level, co-operation is essential (Buhalis, 1998; Davies and Gilbert, 1992; Morrison, 1998; Paraskevas and Buhalis, 2002; Wang and Krakover, 2008) and various mechanisms have been identified to develop relationships between different companies aimed at carrying out joint actions, including networks (Morrison, 1998).

Although networks have been identified as being used by small enterprises to achieve a variety of functions and from a variety of perspectives. previous studies have only focused on the effects of networks on rural enterprises (Litteljohn et al., 1996; Morrison, 1994, 1996, 1998) and not on the rural tourism sector in general. The aim of this paper is to gain greater knowledge about networks as a mechanism to encourage the development of rural tourism and to examine the relationship between rural tourism enterprises and tourist destinations.

**Rural Tourism**

The study of rural tourism development and their needs require certain issues to be clarified. Firstly, neither rural area nor rural tourism are clearly defined. For Lane (1994), the latter occurs in the countryside; however, defining a rural area or zone is complex and subject to different interpretations and criteria (such as population density, nonurban space). Secondly, tourism activity in rural areas is heterogeneous. Different terminology is used according to aim or type of activity (farm, green, adventure, and ecotourism). Farm tourism indicates lodging on a cereal, vegetable, or animal farm. Farmers combine an accommodation service with retail of their produce, obtaining greater added value from renting their buildings. Green tourism, the more common term in northern and central Europe, basically refer to farm and rural in their strictest sense. For Cals (et al.1995:24) ‘It is the type of tourism that is lodged in the habitat of the farming area or in low impact accommodation within the region (rural dwellings, rural hostels, family-run hotels, etc.).’ The objective is to get closer to the values of the rural world, such as its culture and heritage, contemplating the countryside, tranquillity, physical and spiritual renewal, and the like.
In contrast, ecotourism emphasizes conservation of, and respect for the environment. For Ross and Wall (1999), its main objectives are conservation of natural areas and local development. This study adopts the generic concept of rural tourism advanced by Fuentes (1995, cited in Albacete et al., 2007:47), namely ‘A tourist activity carried out in a rural environment, made up of an integrated leisure supply, aimed at a demand whose motivation is its contact with the autochthonous surroundings and which is inter-related with the local society’. In rural tourism, it is essential to know the importance acquired by the development of accommodation and service hub from which rural tourism products could develop (Albacete et al., 2007). Lack of consensus regarding rural tourism and included activities extends to the understanding of its accommodation type (Albacete et al., 2007) which varies both among and within countries and geographical areas and can include houses typical of the region (also those offering bed and breakfast) as well as communal areas, rural hotels, rented homes, and campsites (Albacete et al., 2007). It is such perspectives and premises that informed the research on which this paper is based.

**Networks in rural tourism**

Networks are a phenomenon given increasing attention in small business management literature (Birley, 1985; Birley et al., 1991; Dodd, 1997; Johannisson, 1986; Johannisson and Nilsson, 1989; Rarn, 1994; Tinsley and Lynch, 2001) and have been considered from various perspectives in their application to small businesses. It has also been noted that the development of private enterprises is the engine of development in rural areas (Roberts and Hall, 2004) and of particular interest are the findings of Morrison (1994, 1996, 1998) and Litteljohn et al. (1996). In the first place Morrison (1994) focused on formal network activities such as the tourism product distribution system and accommodation consortia respectively, in the process identifying four organizational types as potential partners: wholesalers, private sector retailers, public sector retailers, and the voluntary sector. He also suggests that a strategic alliance is an appropriate marketing management option for the non-dominant small enterprise (Morrison 1996) However, the idiosyncrasy of small firm owners means there is a wide range of commitment and ability within any given network. He also notes that the depth of embeddedness in a network, as well
as cultural, contextual issues and competitive position are important factors, as much as the development a trust culture among the network members. Moreover, Litteljohn *et al.* (1996) found an appreciation by enterprises of the need to belong to networks engaging in promotion, and that considerable initiative was shown in creating networks among small businesses that were highly valued, so while there is evidence of cooperative activity amongst businesses, there is little in terms of positive effects on business performance which suggests a lack of clarity in network aims.

The studies cited above also indicate a number of specific problems in terms of developing enterprises. First, Due to the small size of rural enterprises, resources are necessarily limited. Second, there is often a lack of qualified personnel, as many people working in such enterprises are family members whose involvement is not conditional on the possession of formal qualifications. Third, small rural enterprises cannot achieve economies of scale for marketing activities on their own, and fourth, any commercial development must also consider the conservation of the natural environment, cultural monuments and rural areas as these provide the attraction for the tourists.

Despite such problems rural tourism development can act as an agent for the transformation of rural areas, allowing an inflow of resources and liquidity into host communities through the expenditure of tourists (Hall, 2004), and the creation of new small businesses and employment (Roberts and Hall 2004; World Tourism Organization, 2002). In turn this can assist the building of infrastructure and also the conservation of the natural environment, culture and identities of each rural tourist destination as these factors are in themselves, the tourism product (Hawkes and Kwortnik, 2006; Roberts, 2004; World Tourism Organization, 2002). Therefore rural tourism development promotes both economic and social benefits as well as environmental conservation (Roberts and Hall, 2004; Simpson, 2008). In turn such developments are linked to the formation of the destination image (Polo *et al.*, 2009). Studies clearly show that the creation and transmission of an image has a true competitive advantage and is also an effective strategy for competing in...
the market (Gallarza et al., 2002; Konecnik, 2004; San Martín and Rodríguez del Bosque, 2008; Tsaur et al., 2006). The image of the destination plays two important roles regarding tourists’ behaviour. First, it affects the decision process of destination choice (Crompton and Ankomah, 1993; Gartner, 1989; Goodall, 1990; Kent, 1990; Mathieson and Wall, 1982; Moutinho, 1987; Schmoll, 1977; Stabler, 1990), and second, the behaviour of the tourists on arrival including participation or on-site experience, their evaluation and satisfaction, and future behaviour such as intention to revisit and a willingness to recommend the destination to others (Bigné et al., 2001; Chen and Tsai, 2007; Lee et al., 2005). Therefore, destinations with stronger and positive images will have a higher probability of being included and chosen in the decision-making process (Alhemoud and Armstrong, 1996; Echtner and Ritchie, 1991; Johnson and Thomas, 1992; Telisman-Kosuta, 1994).

We can see then that there are three major benefits associated with the creation of networks, first the development of rural tourism enterprises, second the conservation and management of the environment and local culture, and third, as a consequence of the previous two, the creation of a strong rural tourist destination image. The remainder of this paper will focus on how rural tourism networks can achieve the three types of benefits identified.

**Case studies**

The in-depth study of a case is an appropriate approach to develop greater awareness and understanding of a complex social phenomenon, through the development of a descriptive analysis that focuses on the development of actions (Altinay and Hussain, 2005, see also Anckar and Walden, 2001; Anderson et al., 2001; Buhalis, 1998; Hawkes and Kwörtnik, 2006; Kamel and Hussein, 2004; Velo and Mittaz 2006). In Spain, the autonomous region of Andalusia is a mature and consolidated tourist destination at national and international level (Frias et al., 2008), has large resources favouring the development of rural tourism and is a consolidated pioneering rural tourist destination (Albacete Saez et al., 2007), a leader in the development of supply and demand of Spanish rural tourism (Spanish Institute of...
Statistics, 2008). Figure 1 shows the location of Andalusia and the relative degree of tourism development in rural areas.

**Figure 1**

Location and distribution of rural tourism in Andalusia 2006

Source: Ministry of Tourism, Trade and Sport of Andalusia (2007)

Two networks working at a regional level were selected as the case studies, the Association of Rural Hotels of Andalusia (ARHA) and the Andalusia Network of Rural Accommodation (ANRA). The data collection methods employed included interviews, direct company observations and documentary sources to provide multiple sources of evidence (Yin, 1994) that focused on the three types of benefits identified above, although each network had a different approach.

**ARHA Enterprises partnerships**

ARHA currently has 62 establishments with differing capacities, as well as various categories that together offer 3466 bedspaces, with an average size of 55 bedspaces, and employs 706 people with an average of 11 per establishment (ARHA, 2008, see also [http://www.ahra.es/flash/inicio.asp](http://www.ahra.es/flash/inicio.asp)).

**Figure 2**

Rural landscape of Andalusia
One of the main aims of ARHA was to achieve a greater occupancy rate and to de-seasonalize the sector through the development of a rural tourism voucher system. This programme markets rural enterprises through tour intermediaries who purchase the vouchers which are then exchanged for rooms at participating establishments and package them for international tourists, which has a number of advantages for both the intermediaries and the hotels, although individuals can also purchase vouchers direct from (http://www.ahra.es/flash/inicio.asp). This gives the intermediaries access to an attractive rural tourist product and destination, a sufficient supply of hotel rooms, and a range of tourism amenities with high levels of standardized services, facilities and prices. In turn, those participating have access to a large market of international clients. Table 1 shows sales for 2007, showing the nationality of the tour intermediary.

Table 1
ARHA voucher sales by nationality
of tour operators, 2007

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>No. of Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>0.94</td>
<td>74</td>
</tr>
<tr>
<td>England</td>
<td>0.61</td>
<td>48</td>
</tr>
<tr>
<td>France</td>
<td>0.42</td>
<td>33</td>
</tr>
<tr>
<td>Germany</td>
<td>2.70</td>
<td>213</td>
</tr>
<tr>
<td>Italy</td>
<td>6.70</td>
<td>528</td>
</tr>
<tr>
<td>Netherlands</td>
<td>88.62</td>
<td>6980</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>7876</td>
</tr>
</tbody>
</table>

Source: ARHA

The average length of stay was 10.57 nights per booking, and moreover, Figure 3 show the vouchers also result in year round sales showing that the actions of AHRA have been successful in boosting trade and increasing influx of tourists.

In order to ensure the preservation of the rural area, AHRA, in collaboration with the tour intermediaries designed group programmes to ensure that the capacity of each rural area is not exceeded. In practice this means creating small groups, each of which makes their tour thorough the area in a different order, so that while all the tourists will cover the same ground, the actual flow is controlled to minimize environmental damage and to maximize occupancy and income.

The joint management of a network also promotes the creation of a destination image. In this regard it is noteworthy that creating and marketing an image that comprises of a joint service offering means that each specific destination makes a contribution to the whole, offered as a complete rural tourist destination which used the following guidelines: Although some of the local areas have very good direct access to monumental cities and / or national parks, the overall product must stress the rural aspects and encourage long stay visitors; the distribution of accommodation.

**Figure 3**  
Voucher Sales 2007
must make it possible to visit the entire region comfortably using only establishment partners, and the number of establishments and places incorporated in each rural area is set according to demand.

**ANRA Enterprises partnerships**

ANRA deals with smaller accommodation units, and currently has 450 small rural houses, as well as some other accommodation categories which jointly offer 3320 bedspaces (ANRA, 2005). The rural houses in the association have an average size of 7 bedspaces and employs 826 people (ANRA, 2005). Like ARHA one of the most significant developments has been tour intermediary contracts with both domestic and international tourism, and increased advertising campaigns and a web portal for advertising and management of on-line reservations. The average length of stay varies depending on the type of tourist (domestic or international), with the average length of stay for international tourists close to that with ARHA. However in this case, international tourists account for 26% of tourist arrivals and 74% for domestic, as can be seen in table 2.

**Table 2**

Source: AHRA
Source of tourists and number of nights 2005

<table>
<thead>
<tr>
<th>Type</th>
<th>% Tourists</th>
<th>% Nights</th>
<th>Average stay (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic (2 hrs travel time)</td>
<td>46</td>
<td>31</td>
<td>2.9</td>
</tr>
<tr>
<td>Domestic (2+ hrs travel time)</td>
<td>27</td>
<td>32</td>
<td>6.1</td>
</tr>
<tr>
<td>International</td>
<td>26</td>
<td>37</td>
<td>10.3</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: ANRA

These figures underline the fact that the most important group of customers for rural tourism are domestic (Cánoves, et al. 2004; Red.es, 2007), and in part this is due to the fact that this network comprises of smaller accommodation units is geared towards a different type of predominantly domestic short stay tourists who live nearby, and tend to visit in groups small enough to stay within carrying capacity (Cánoves, et al. 2004; Red.es, 2007).

Figure 4

Rural landscape of Andalusia

Source: Ministry of Tourism, Granada (2009)
ANRA also encourages rural development and conservation of the tourist destination through a number of means such as rural development initiative workshops and courses to detect new business opportunities based on the resources of the area and to foster sustainable development. For example, advice was given to 66 new projects, and 60% of the association members undertook quality certification training courses. This latter point is particularly important, since the accommodation as a whole has a variety facilities, services and quality levels, the joint management of supply means systems of quality certification have to be developed and linked to the provision of training courses aimed at improving the management of rural houses. Actions that collectively contribute to improving the supply of the rural tourism destination also help create a uniform image of the destination, which greatly facilitates communication in the market, and with this in mind ANRA ensured it kept close contact between members, and organised two media campaigns per year. The overall purpose of these activities is not only to contribute towards the rural economy but also to sensitize rural tourists about the importance of conserving the resources of rural tourism destinations, with natural resources and conservation remaining the backbone of the local tourism product, and which also tied in to other conservation programmes in the region. One example was Natura 2000 (ANRA 2008), a European programme that seeks to develop a European wide network of natural heritage sites that involve local stakeholders and also visitors understanding the value of natural resources and the importance of their conservation; out of the 8 designated Natura 2000 sites in Spain, 5 are in Andalusia, further enhancing the appeal of the tourist destination image (see http://www.natura.org/sites_nni.html).

Conclusions
The aim of this paper is to provide a better understanding about the effect of networks in the development of the rural tourism sector. This paper has highlighted the importance of rural tourism to the economy and as an alternative to traditional tourism development in Andalusia. It is argued that the characteristics of the rural tourism sector are best served by the joint management of a wide variety of resources, agents and enterprises. In turn, this requires an approach that
emphasises improvement-oriented management and the conservation of indigenous resources.

As noted above there were three interrelated key areas: the development of enterprise partnerships in the operation of rural tourism businesses, the creation of a viable rural tourism product and an image of the rural tourist destination. First, both networks focused on providing direct benefit to the participating enterprises by helping them achieve a higher occupancy rate and also lengthening the season. Clearly this shows that the development of commercial activities that could not be achieved on an individual basis can be aided by joint action across the sector as a whole, such as the voucher scheme of ARHA, where commercial programmes were directly developed and sold to tour intermediaries. In the case of ANRA, a different kind of accommodation was catering for a different market, although by joining a network, a small enterprise can access international markets in cost effective way through the development of agreements with intermediaries.

Second, seasonality is quite pronounced although this depends on the particular area in which an establishment is located, and can range from 8 to 14 working weeks per year, which tend to be concentrated around national holidays. The advantage of the international tourist market in combating seasonality is due to the fact that their travel dates do not entirely coincide with the highest demand of the domestic public (Enz et al., 1999). We can see that in the case of ARHA, the member hotels show higher rates of monthly sales in typically low season months of April, May and June, and also October and November (Red.es, 2007).

There are other actions that although having an indirect effect on the performance of the participating enterprises, namely training and energizing rural areas, although this element is more difficult to evaluate and justify to the participating enterprises, which identifies the need to raise awareness that such networks need to be more than another tourist agent and the importance of the development of actions that do not have a direct impact on business performance, but which are essential for the development of the rural tourism sector itself and their own enterprises. For example
there is a need for economic development to be considered alongside the preservation and care of sensitive rural settings.

The development of systematic tourist activity in rural areas need not be detrimental to the environment if there are mechanisms to ensure conservation. In both networks there was evidence of such developments, with ARHA planning the flow of tourist groups systematically with the tour intermediaries in a way which respected the countryside. In the case of ANRA there was a high degree of commitment to the preservation of the rural destination and of natural indigenous resources, aimed at both the tourists as much as the local people. In addition, specific training activities were designed to enable local people to identify new business opportunities and acquire training and skills needed to exercise a professional activity related to rural tourism.

Third, the quality of the accommodation and hospitality can be guaranteed by the networks as the levels of quality contributes as much as the natural environment, to the overall destination image. This is of great importance since it also informs tourists of the level of services provided so they will have confidence in their purchases. Given the wide variety of establishments with mixed levels of services and facilities in the region (Polo and Frías, 2008), there is a need to develop some standardized services, facilities and prices, and both networks are developing various ways to bring this about.

With ARHA, given that it is an association of hoteliers in rural areas, there is an already established level of quality which is regulated and recognized by rural tourists and which the network was building on. In the case of ANRA however, given that the association comprised of small scale accommodation, there was a requirement to develop and standardize quality by developing its own system of quality certification as well as training managers and owners to actually provide quality service.
Through the joint management of resources, rural associations can develop a collective approach that can achieve goals and reach markets in a way that is not possible for individual rural enterprises. As such, the development of networks can help to achieve the economic, social and sustainable development of the rural tourist destination. Increased tourist arrivals means greater demand for services and therefore more expenditure by tourists, which in turn encourages new businesses aimed at providing the new services demanded by tourists. Networks can also develop training to enable people to improve their management as well as identifying new business opportunities, but this needs to be achieved in a way that values and protects the environment. The activities undertaken by the networks then reflects the characteristics and needs of the participating enterprises, but they may also contribute to wider strategic plans and goals that include other stakeholders in terms of conservation and the development of infrastructure, which are also priorities for the public sector. In this respect, the public sector may act to encourage the further development of networks and also more collaboration between existing networks.

While the development and effects of networks has been discussed, little attention has been paid in the literature on small companies, and specifically companies in rural areas. This paper has shown the beneficial effect of network performance on the development of the rural tourism sector, and is the starting point for further work to deepen the study of networks in rural tourism, possible lines of future enquiry could focus on how relationships develop within networks and between the participants, and the perception of the networks among the employers themselves, rural tourists, local people and government agencies involved with the development of rural tourism.

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Ana Isabel Polo is Lecturer in the Department of Marketing and Market Research at the University of Granada, Spain and is corresponding author. Email: apolo@ugr.es

Dolores M Frias is Professor in the Department of Marketing and Market Research at the University of Granada, Spain