

## THE DIRECT ECONOMIC IMPACT OF ALTERNATIVE TYPES OF THE RURAL TOURISM

S. Miškolci

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### Abstract

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Rural tourism has come to occupy a prominent position in the debate about rural restructuring in all OECD countries, partly because of demand changes which favour rural tourism and partly because rural agencies recognise a need to provide economic activities with potential for growth in a rural economy in which traditional providers of rural employment (such as agriculture) have been shedding labour at a rapid rate.

Well-designed strategy is essential to its success in impacting on the rural economy. The structures for collaboration and co-operation must be developed and combined with a process of education and training. Co-operative effort must be effective and sustainable. The tourism related businesses should not be isolated from the larger community and its issues.

The principal motivation for a community, business or region to serve tourists is generally economic. An individual business is interested primarily in its own revenues and costs, while a community or region is concerned with tourism's overall contribution to the economy, as well as social, fiscal and environmental impacts. A good understanding of tourism's economic impacts is therefore important for the tourism industry, government officials, and the community as a whole.

The principal objective of the study, that is reported here, was to determine the potential income of farmers from the provision of agro-tourism services. First, the paper reviews selected results of the visitor spending survey in alternative types of rural tourism of the region Southeast (Czech Republic); second the direct economic benefit of the agro-tourism in this region is estimated, and finally, critical factors reducing the effectiveness of agro-tourism as a rural development instrument are drawn.

rural tourism, agro-tourism, visitor spending, income generation

### INTRODUCTION

Interest in rural tourism as a development strategy has grown in the last decade, partly in response to changes in agricultural and rural policy and partly in response to changes in thinking and practice in the tourism industry. Tourism is seen as an industry, which would benefit from more co-ordinated policy formation and implementation.

The role of rural tourism as a potential economic tool is well recognized in Europe, and it has become an important part of many rural development strategies in the last decade. It is estimated, that tourism in rural areas makes up 10–20% of all European tourism activities and a Eurobarometer survey report shows that 23% of European holidaymakers choose the countryside as a destination every year. More-

over, according to the STEM (Centre of Empirical Research) survey (2003) it was investigated, that 41% of the respondents from the Czech Republic spend their holiday in the Czech destinations and 18% of the respondents combine it with the holiday abroad (mostly in the seaside destinations). Strong preferences for the holiday destination in the Czech countryside were investigated for the families with small children and the people above 40 years of age.

Rural tourism thus offers many potential benefits to the rural community. The principal elements are that rural tourism is embedded within a diverse local economy; makes use of local products as inputs (crafts, food, ...); employs local people; does not place unacceptable burdens on the environment; and respects local traditions and ways of life. It can be developed locally in partnership with other small business, local government and other agencies. It works well with existing rural enterprises and can generate important secondary income on farms.

On the other hand, tourism activity also involves economic costs incurred by tourism businesses, government costs for infrastructure to better serve tourists, as well as congestion and related costs borne by individuals in the community. Rational decisions over tourism rest on an objective assessment of both benefits and costs and an understanding of who benefits from tourism and who pays for it. Economic impacts of tourism are therefore an important consideration in all levels of planning and economic development, but also important factors in marketing and management decisions. Also communities need to understand the relative importance of the tourism to their region, including contribution of tourism to the economic activity in the area.

The principal objective of the study, that is reported here, was to determine the potential income of farmers from the provision of agro-tourism services. First, the paper reviews selected results of the visitor spending survey in alternative types of rural tourism of the region Southeast (Czech Republic); second the direct economic benefit of the agro-tourism in this re-

gion is estimated and critical factors reducing the effectiveness of agro-tourism as a rural development instrument are drawn.

### THE STUDY REGION

The study region Southeast lays in Moravian part of the Czech Republic, south-east of Prague and covers an area of 13 991 square kilometres. The district's population is 1 639 422 inhabitants. Some of the small towns and villages still look the way they did in the past. There are famous tourists' destinations, such as Kroměříž chateau with its beautiful gardens, the Lednice chateau, the beautiful Telč town square, and one of Moravia's main tourist attractions, the Moravský kras (Moravian Karst). It is also the country's wine growing region.

Although from the private viewpoint, farming is at the margin of economic performance in many valuable areas of this region, it still has an important role from the social viewpoint in terms of ration of actively farmed area over the total territory (49%). Environmental amenities considered essential for the prosperity of tourism include mowing grassland (important for protection of orchids), care for rural trails along rivers and brooks, care for pastures, preservation of species through diversified arrangement of groups of trees, hedgerows and brushwood and maintaining of typical settlements surrounded by fields and orchards. Through these activities the agricultural sector provides intermediate goods for the tourism sector, for which it is not always being compensated (Hackl and Pruckner, 1997). However the commercial value of cultural landscape may be high enough for market transactions to occur. Agro-tourism is one example of this type of market transactions. Farmers may offer accommodation to visitors and provide homegrown food. They can diversify their activity and earn additional income. Farmers and the regional economy may benefit by the development of agro-tourism, which is the form of rural tourism suitable for protected landscape areas.

I: Tourist accommodation establishments in the region Southeast (Czech Republic)

Territory	Accommodation establishments	Farm accommodation	Number of rooms	Number of beds (Total)	Number of beds in agro-tourism	Number of places for tents and caravans (total)	From which in agro-tourism	Number of employees (total)	Number of rooms/establishment	Number of beds/establishment	Number of employees/bed	Number of places for tents and caravans/establishment	Average price of accommodation (CZK/night)
Czech Republic	17 929	413	218 504	615 707	4 168	143 149	5 168	66 759	12.19	34.34	0.1084	7.98	310
Vysočina Region NUTS 3	734	34	8 212	26 714	322	6 577	506	2 268	11.16	36.4	0.0849	8.96	219
Jihomoravský Region NUTS 3	1 110	51	16 482	46 556	373	18 980	612	4 866	14.85	41.94	0.1045	17.10	287
Region Southeast Region of the study	1 844	85	24 694	73 270	695	25 557	1118	7 134	13.39	39.73	0.0974	13.85	262

Source: Czech Statistical Office – Agrocensus 2000

Tourism statistics in the Table I encompasses information on capacities of individual tourist accommodation and establishments in the studied area. We can read from the table, that agro-tourism services represent only 9.5% of the total tourist accommodation capacity of this region. Rational decisions over agro-tourism development in this region rest on an objective assessment of both benefits and costs of such programs and projects. Economic impact analysis of tourism is therefore an important tool in all levels of planning and economic development, but also important factor in marketing and management decision.

#### METHODOLOGY

Economic impact analysis traces the flows of spending and related economic activities associated with some economic activity. To estimate the economic impact of recreation and tourism activity, one must generally begin with an estimate of visitor spending. The spending is estimated via visitor surveys presented here. Changes of visitor spending then can be applied to a model of the local economy to estimate „multiplier effects” (indirect and induced) within the future research.

The visitor spending survey instrument (questionnaire) was produced after extensive pre-testing in 2003. Fieldwork for the visitor spending surveys took place between May and June 2004. All data were col-

lected through “face to face” interviews, conducted by the research assistants employed on the project. Interviews were held with approximately 500 respondents. Respondents were segmented by the interest in agro-tourism and other form of rural tourism and age, and visitor spending was estimated for defined subgroups of visitors. Disaggregating respondents into segments makes it easier to track changes in spending that are frequently tied to a changing mix of visitors due to alternative tourism development strategies.

In segmented analysis, total spending is estimated using the following basic formula:

$$S_j = N * \sum_{i=1}^m M_i * s_{ij},$$

where

$S_j$  – total spending within the designated region in spending category  $j$ ,  $j = 1, \dots, k$ ;

$N$  – total number of visitors;

$m$  – number of segments;

$k$  – number of spending categories;

$M_i$  – segment  $i$ 's share of total visits,  $i = 1, \dots, m$ ;

$s_{ij}$  – average spending of a member of segment  $i$  on spending category  $j$  (spending profile for the segment).

The visitor spending survey reported here was aimed to estimate average spending of a member of

segment  $i$  on spending category  $j$  ( $s_{ij}$ ). Spending categories were measured within a set of following, clearly defined categories ( $j$ ): lodging, catering, local product and other retail purchases, and recreation and entertainment fees and admissions. Respondents were divided into segments with different spending patterns according to the type of accommodation in rural tourism ( $i$ ): farm accommodation, private rental accommodation, and other holiday dwellings. The unit of analysis both visit and spending was a visitor day. The estimation of segment's share of total visits will be a subject of future research, because we identified substantial lack of secondary statistical information about rural tourism (farm accommodation - the latest data Agrocensus 2000). Thus to estimate the direct economic benefit of the agro-tourism in the region we used farm accommodation data (number of beds) from the year 2000. Finally, in order to provide the re-

sults of visitor spending survey useful for economic impact analysis of agro-tourism development strategies, we calculated estimated visitor spending per 1 bed per year under current conditions of the average net use of beds in the region Southeast 25,1%.

#### VISITOR SPENDING SURVEY: RESULTS AND DISCUSSION

The total sample size was 480 useful responses out of 550. All of these were in-person interviews of respondents from the target group of the Southeast region. The sample median income bracket was 25 000 CZK per month per household with median 4 persons in the household and the median age group of 35 years. Regarding the environmental awareness and taking the sample as a whole, 74.12% are interested in environment – 11.50% stated active interest and 62.61% passive interest.

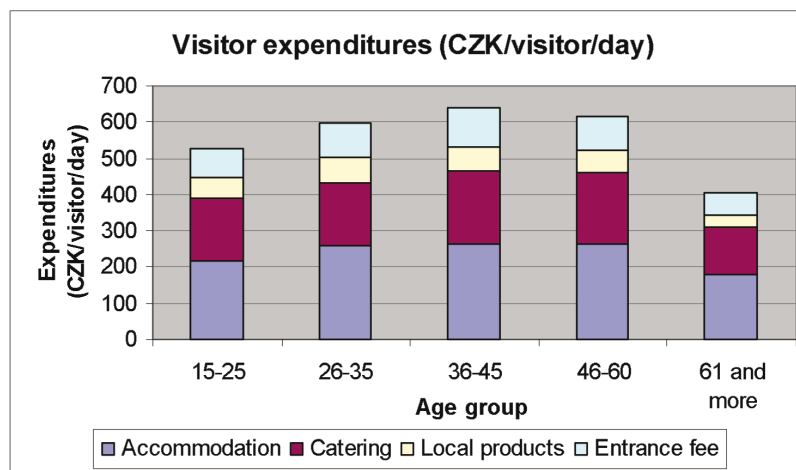
II: *Spending per visitor per day in USD<sup>1</sup>*

Spending category (j)	Farm accommodation (i = 1)	Private rental accommodation (i = 2)	Other holiday dwellings (i = 3)
1 - Lodging	10.63	19.71	11.85
2 - Catering	7.64	13.43	8.08
3 - Local products	3.06	4.55	2.74
4 - Entrance fee	4.12	6.55	3.94
<b>Total expenditure</b>	<b>25.46</b>	<b>44.24</b>	<b>26.61</b>

Table II illustrates the comparison of the visitor spending profile in different types of rural tourism. Empirical data shows that visitors staying in the private rental accommodation spend approximately twice as much (44.24 USD) per day than a person staying in a farm (26.46 USD) or other holiday dwelling (25.61 USD). The high level of spending at the private rental accommodation is attributable principally to the accommodation tariffs and catering and higher quality of services.

Furthermore, the spending profiles of respondents from the different age groups were compared for the sub-sample of agro-tourism visitors (see Figure 1). The highest expenditure per person per day was identified for the segment of visitors between 36 and 45 years of age. Total expenditures of this group of respondents was estimated to 25.95 USD per 1 visiting day. The structure of the expenditures was similar for all age segments.

<sup>1</sup> 1 USD = 24,50 CZK



1: Spending profile according age sub segment of the segment of agro-tourism visitors

Above-mentioned results generate estimate of farmer's revenues from provision of services, which was calculated per 1 bed from 960 to 2000 USD/bed/year depending on the scale of provided services. If the farmer would provide only accommodation, then he

should reach direct income approx. 960 USD/bed/year (due to current conditions of the low net use of the bed). Total direct economic impact of the agro-tourism in the region Southeast (under current conditions) was estimated to 1.6 mil. USD/year.

### III: Direct income from visitor spending in agro-tourism in the region Southeast (USD/bed/year)

Spending category	Visitor spending in farm accommodation	Potential visitor spending /bed/year* (Current conditions)	Direct income from agro-tourism in the region Southeast (695 beds)
Lodging	10.63	960.53	667566.13
Catering	7.64	690.35	479793.53
Local products	3.06	276.50	192168.61
Entrance fee	4.12	372.28	258736.82
<b>Total expenditure</b>	<b>25.46</b>	<b>2300.57</b>	<b>1598893.09</b>

\*Average net use of beds in the region Southeast 25.1% \* 360 days/year \* Visitor spending in farm accommodation.

However it is necessary to point out that this estimate can be influenced by the number of factors reducing the effectiveness of agro-tourism (Kubíčková, Syrovátka; 2004) as a rural development instrument:

- limited number of entrepreneurs in rural areas;
- conservative nature of some investors and small supply of spare capital in this area;
- need for co-ordination, co-operation and partnership with governmental agencies to develop a “de-

stination” as distinct from a “stop-off” point for an hour or a day;

- fragmentation in product provision and marketing efforts; and finally
- the goods bought by tourists can have its origin in other region and therefore there is no local impact of production of the good.

These issues can also indicate potential forms of agro-tourism support strategies and are subjects of the further research.

## CONCLUSIONS

Rural tourism is a serious instrument of rural development. Policy is essential to its success in impacting on the rural economy. The structures for collaboration and co-operation must be developed and combined with a process of education and training. Co-operative effort must be effective and sustainable. The tourism related businesses should not be isolated from the larger community and its values.

The principal motivation for a community, business or region to serve tourists is generally economic. An individual business is interested primarily in its own

revenues and costs, while a community or a region is concerned with tourism's overall contribution to the economy, as well as social, fiscal and environmental impacts. Good understanding of tourism's economic impacts is therefore important for the tourism industry, governmental officials, and the community as a whole. In the case study it was documented, that visitor's spending surveys as a tool of economic impact analysis can provide useful information for decision-making at all levels and for the identification of the ways, how to increase economic efficiency of the rural tourism and prosperity of regional economies.

## SOUHRN

### Hodnocení přímého ekonomického vlivu vybraných forem venkovské turistiky

Rozvoj venkovského cestovního ruchu patří mezi důležité nástroje ekonomického oživení venkovských regionů a to zejména v marginálních oblastech postižených prudkým poklesem rentability zemědělské výroby. Jednou z forem venkovské turistiky je agroturistika, která je obecně definována jako návštěva zemědělské farmy nebo jiného podniku agrobyznisu za účelem poznávání, výchovy, nebo aktivního zapojení do činnosti na farmě či operace v odvětví. Její význam pro trvale udržitelný rozvoj regionů lze souhrnně charakterizovat z pohledu: (1) *regionálního* – představuje potenciál mobilizace lokálních zdrojů prostřednictvím soukromého sektoru, čímž přispívá ke zvyšování příjmů a zaměstnanosti a rozvoji ekonomiky regionu, a současně vytváří stimuly pro ochranu životního prostředí, kulturních a historických památek; (2) *sektorového* – způsob zvyšování a diverzifikace příjmů zemědělců, vytvářející prostor pro zvýšení využití a rozvoj pracovní síly, ovlivňuje postavení zemědělců ve venkovských komunitách a je prostředkem tržního zhodnocení mimoprodukčních funkcí zemědělství, který stimuluje jejich poskytování.

Při posuzování potenciálního vlivu venkovské turistiky na rozvoj regionu z ekonomického hlediska je nezbytné identifikovat celkový potenciální dopad této formy cestovního ruchu na ekonomiku regionu. V rámci aplikace metodiky analýzy ekonomického vlivu jednotlivých forem venkovské turistiky (analýzy výdajů návštěvníků identifikovaných tržních segmentů charakterizované v metodické části) byla první fáze výzkumu zaměřena na odhad struktury výdajů návštěvníků v tržních segmentech rozlišených podle formy ubytování ve venkovské turistice. Z výzkumu vyplývá, že nejvýrazněji se ve všech sledovaných tržních segmentech na výdajích návštěvníků podílí kategorie výdajů na ubytování (42–45 % celkových výdajů) a stravování (30 % z celkových výdajů). Ze srovnání průměrné výše výdajů návštěvníků segmentovaných podle jednotlivých forem ubytování ve venkovské turistice vyplývá, že celkové výdaje (1084 Kč/den) návštěvníků jsou u segmentu placeného ubytování v soukromí téměř dvojnásobné než celkové výdaje (624 Kč/den), které je ochoten vynaložit segment návštěvníků při ubytování na farmách a chalupách. Souvislost tohoto rozdílu s kvalitou poskytovaných služeb a porovnání s investičními a provozními výdaji nezbytnými pro provoz jednotlivých zařízení bude předmětem dalšího výzkumu.

Zemědělský podnik představuje jeden z typů regionálních podniků poskytujících služby v agroturistice. Generace přímého příjmu tohoto podniku závisí na typu nabízených služeb. Pokud bude zemědělský podnik omezovat své služby pouze na ubytování návštěvníků, potenciální příjem na 1 lůžko za rok byl odhadnut při současném průměrném hrubém využití lůžka na 23 871 Kč/rok. Podnik má však možnost nabízet další služby, aby tak získal co největší podíl na potenciálních přímých příjmech z jednoho lůžka v regionu, které byly vyčísleny na 57 136 Kč/rok. Odhad celkového přímého příjmového potenciálu průměrného zemědělského podniku se proto pohybuje v rozmezí 24–57 tis. Kč/lůžko/rok. Vytvoření a provozování jednoho lůžka dále vyžaduje na základě průměrných ukazatelů sektoru cestovního ruchu regionu Jihovýchod 0,0974 pracovního místa/lůžko.



Přímý příjmový potenciál zemědělských podniků je primárně determinován těmito faktory:

- cena a struktura a kvalita poskytovaných služeb;
- úroveň a využití kapacit (lůžek, práce, vlastní produkce).

Na základě analýzy ekonomického vlivu rozvoje agroturistiky byly dále identifikovány následující *faktory determinující regionální ekonomickou efektivnost programů rozvoje agroturistiky v ČR* a současně identifikující možné způsoby podpory rozvoje cestovního ruchu na venkově:

- Omezený počet podnikatelů na venkově, nízká ochota zahájit podnikání a vysoké překážky podnikání na venkově.
- Problémy se získáváním finančních zdrojů pro drobné podnikání na venkově.
- Nevyhovující infrastruktura.
- Nezáměr (až odpor) venkovských komunit přijímat návštěvníky.
- Fragmentace nabídky produktů a nejednotný postup při prezentaci a nabídce služeb. Z toho pramení špatná informovanost potenciálních zákazníků o nabídce služeb agroturistiky, která byla identifikována v dotazníkovém šetření jako jedna z hlavních příčin nezájmu o tento typ domácí rekreace.
- Potřeba koordinace činnosti podnikatelů (místní community), spolupráce a partnerství s vládními institucemi, která umožní rozvoj lokality jako „destinace“. V důsledku nepřipravenosti regionů s vysokými kulturními a přírodními hodnotami často převažují jednodenní návštěvy, které nejsou monitorovány. Nelze pak vyčíslit dopad na region a ekonomický dopad této formy turistiky je nižší, než kdyby respondenti v regionu trávili více dní.
- Firmy provozující zařízení venkovského cestovního ruchu mají často sídlo mimo danou lokalitu, vysoký podíl produktů nabízených návštěvníkům má původ mimo region, což snižuje multiplikační efekt (sekundární efekt) výdajů návštěvníků v regionu.

venkovská turistika, agroturistika, výdaje návštěvníků, příjmový potenciál.

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**Address**

Ing. Simona Miškolci, Ph.D., Ústav podnikové ekonomiky, Mendelova zemědělská a lesnická univerzita v Brně, Zemědělská 5, 613 00 Brno, Česká republika, e-mail: [motyl@mendelu.cz](mailto:motyl@mendelu.cz)