

4-1-2019

## The impact of EU sponsorship, size, and geographic characteristics on rural tourism development

Anestis Fotiadis  
*Zayed University*

Guych Nuryyev  
*I-Shou University*

Jennet Achyldurdyeva  
*National Sun Yat-Sen University Taiwan*

Anastasia Spyridou  
*Gdańsk University of Technology*

Follow this and additional works at: <https://zuscholars.zu.ac.ae/works>



Part of the [Business Commons](#)

---

### Recommended Citation

Fotiadis, Anestis; Nuryyev, Guych; Achyldurdyeva, Jennet; and Spyridou, Anastasia, "The impact of EU sponsorship, size, and geographic characteristics on rural tourism development" (2019). *All Works*. 3469.  
<https://zuscholars.zu.ac.ae/works/3469>

This Article is brought to you for free and open access by ZU Scholars. It has been accepted for inclusion in All Works by an authorized administrator of ZU Scholars. For more information, please contact [Yrjo.Lappalainen@zu.ac.ae](mailto:Yrjo.Lappalainen@zu.ac.ae), [nikesh.narayanan@zu.ac.ae](mailto:nikesh.narayanan@zu.ac.ae).

Article

# The Impact of EU Sponsorship, Size, and Geographic Characteristics on Rural Tourism Development

Anestis Fotiadis <sup>1</sup>, Guych Nuryyev <sup>2,\*</sup>, Jennet Achyldurdyeva <sup>3</sup> and Anastasia Spyridou <sup>4</sup>

<sup>1</sup> College of Communication and Media Sciences, Zayed University, Abu Dhabi 144534, UAE; Anesfot@gmail.com

<sup>2</sup> International Finance Department, I-Shou University, Kaohsiung 84001, Taiwan

<sup>3</sup> Institute of Human Resource Management, National Sun Yat-Sen University, Kaohsiung 80424, Taiwan; jennet6688@yahoo.com

<sup>4</sup> Faculty of Management and Economics, Gdansk University of Technology, 80333 Gdansk, Poland; an.spiridou@gmail.com

\* Correspondence: gnuriyev@isu.edu.tw

Received: 23 March 2019; Accepted: 18 April 2019; Published: 22 April 2019



**Abstract:** The main purpose of this study was to investigate the factors that promote successful rural tourism development in light of EU sponsorship of rural tourism hosts. The paper examines the effect of the size and geographical characteristics of rural tourism hosts on their views towards rural tourism development. The paper employs factor analysis, t-tests, and ANOVA to analyze the data from the survey of the hosts. The survey was sent to 652 rural tourism hosts, of whom 174 replied, giving a response rate of 27%. The results show the following. Firstly, subsidies, leadership, and cooperation are viewed by the hosts as important factors. Secondly, sponsorship, size, and peripheral economic conditions influence rural tourism hosts' views on success factors of rural enterprises.

**Keywords:** rural tourism; European Union; Greece; hosts

## 1. Introduction

Small enterprises in tourism and the hospitality industry are a crucial part of many economies, creating a real impact on the socioeconomic development of regions and countries and providing income and job opportunities to many people [1–3]. Sustainable development of small enterprises in tourism and the hospitality industry depends on their ability to adapt to social, economic, political, environmental, and technological trends [4]. Tourism in rural areas, particularly holidays in farms, has been increasing in many countries since the 1970s [5] and has now progressed into a more complex phase with different types of hosts and tourists and has different effects on the environment and the host destination [6]. One reason for this reform was state- or European-funded programs which were trying to regenerate agrarian areas by generating new development opportunities by offering an alternative to suburbanization which can assist with new employment opportunities, increasing income, and infrastructure development [7–9]. An example of successful revitalization plan was the LEADER initiative, which targeted rural tourism development [10,11]. Rural tourism hosts funding opportunities are much higher compared to those for other businesses in the tourism industry. Moreover, rural tourism hosts are usually amateurs who engage in tourism activities for extra income, and not as their main affiliation compared to other players in the industry.

However, the profits generated by rural tourism are in some cases relatively small. Demand for rural tourism by the visitors is seasonal, which obviously influences farmers' incomes [12]. The employment generated on the farms by letting in tourists is also seasonal and/or part-time and mostly utilizes women's work. Additionally, this employment is often one of the lowest paid [13].

Most of the difference in expenditures is due to amounts spent on food, drink, recreation, and gifts [14]. Many of these disadvantages can be reduced by supplying a broader range of services and attractions, which most likely requires government support. Additional services mid-season should relieve the seasonality problem, reduce social isolation between seasons, and youth migration outside of the region [15]. The disadvantages may be reduced by an improvement of the hosts' marketing strategies, as studies show that often, rural tourism service providers do not employ a sound marketing strategy [16]. The areas that require improvements are service quality, creating a positive image of the area, organizing promotions, and keeping in contact with potential customers. As mentioned, all of the methods to counter the drawbacks may require state support, such as sponsoring rural educational activities for school children, establishing farming museums and libraries, and investing into facilities for outdoors activities [15].

European Union grant opportunities and expectation of achieved outcomes are universal despite the unique characteristics of each country. For example, the physiography of Greece and Hungary are very different [17], but despite the geographical and financial differences of the areas or the fact that Greek physiographic regions are diverse, with mountains, canyons, rivers, etc. and more than 200 inhabited islands, the same programs were developed universally not just for all regions of the country, but for other countries like Hungary, too [5,18].

As a result, we see several cases where rural hosts with a completely different size of business and a different managerial style have received the same type of sponsorship. Moreover, some rural hosts do not know how to participate in the EU grant program and, for that reason, develop their business without any help. Hence, they might face similar or different problems and have a different view of important factors compared to the hosts who have received a grant. Previous studies found that "gender is a significant moderator in the relationship between each of the three solidarity factors and residents' attitudes about tourism" [19], but not size and characteristics. Based on the above, it is clear that there is a gap in the research, and there are no studies to our knowledge that investigate what the most important factors for successes among hosts with different size of business and different geographical and financial characteristics are.

The main scope of this study was to delineate the impact and the benefits of EU sponsorship to rural tourism hosts. Furthermore, the survey aimed to determine whether the size and geographical and financial characteristics of rural tourism host enterprises affect how positive hosts are about rural tourism development. The present study has theoretical and practical significance as this topic needs more solid research from a theoretical point of view. Furthermore, it is extremely important for policy makers and managers to understand which specific areas need attention for a better rural destination management.

## 2. Literature Review

Rural tourism can be defined as "a tourism activity which consists of other smaller subcategories such as farm tourism, village tourism, which is growing in order to help, to develop and promote the "rurality tourism milieu" of each rural region through a sustainable procedure that sets out to be consistent with natural, social and community values" [17]. Studies have identified that one of the main catalytic forces for rural tourism expansion was the origination of tourism in those areas [20]. This has become particularly important due to the reduction of traditional agricultural activities in many countries [21,22]. As Campón-Cerro et al. [23] state, several European states had to address decrease of revenues among farmers, increase of unemployment and, as a result, emigration of rural residents and demographic issues in agrarian areas. One of the solutions to the crisis became rural tourism development, mostly supported by national or EU funds.

Tourists may be attracted to the countryside for various reasons, such as isolating themselves from the bustle and noises of the cities, which they cannot do in hotels in metropolitan areas [24,25]. Another factor contributing to the growth of demand for rural tourism is its relative inexpensiveness, which makes it appropriate for low income families and families with many children. The latter also

benefit from the freedom of movement in the natural environment as well as exposure to traditions and ways of life in the countryside. With fast-paced urbanization and industrialization in many areas of the globe, a rural landscape facilitates the creation of this feeling, which, along with solitude, tranquility, and open space, can be rejuvenating [26].

### 2.1. Rural Tourism Funding

On the supply side, several different factors can contribute to rural tourism emergence. An important one is industrialization at the farms, which releases previously engaged labor resources [27]. Industrialization also leads to farms merging into larger ones, making some of their premises idle. Hence, farms diversify into rural tourism in order to use these surplus resources [12]. Farmers' involvement with rural tourism can lower the unemployment rate in rural areas and helps rural hosts by providing additional income, which has been shown to be one of the most important factors [28–30]. A farmer's income can increase when income from agriculture drops, so tourism can offset the decrease in farmers' earnings [11]. Hence, providing more opportunities to local communities to expand their economic structure can make them less exposed to sudden fluctuations in market conditions. The families of the farmers may also have educational and/or emotional benefits from communication with a greater circle of acquaintances.

As DeRosa, McElwee, and Smith [10] mention, the main focus of the EU agricultural and rural policy are family businesses in rural areas. At the same time, several government funds have focused on the transformation of rural areas. Those types of funding might be related to rural host education, rural establishment promotion, and help in rural accommodation, among other investments [31,32]. Unfortunately, small holdings developed in rural areas do not have enough assets to promote themselves to the outside world [5]. EU or government funding manages to support rural areas by building local attractions or by generating public infrastructure. Government support plays an important role in attracting tourists by sustaining the attractiveness of surrounding areas, and communities, in such ways as maintaining the cleanness and appearance of the areas [33]. Another way in which government can contribute to local tourism development is by providing essential education and information to the entrepreneurs and their employees in the area. Education about government funding opportunities is an important side of such education, so it is important to make sure that local businesses are aware of the opportunities to get support from the state. It has been shown that the success of efforts mentioned above is correlated with awareness [34].

Often, government tourism projects endeavor to preserve local cultural values, as well as to create jobs in the rural areas [32]. However, only large projects succeed in increasing employment substantially, since in rural tourism, labor resources are usually obtained from within the family. In attempts to create alternative incomes for farmers, governments subsidize investments into accommodation facilities and support other entities, such as tennis courts, landscape tours, educational facilities, exhibitions, and various workshops [17]. In relation to direct support of rural tourism entrepreneurs, some researchers raise income inequality issues, arguing that government support mostly benefits relatively wealthy farmers. Additionally, distinct authorities within the public sector may differ in their interests, as well as the extent of their involvement in the development of tourism in various rural areas [35]. However, indirect programs, such as those focused on preserving biodiversity in the area, also provide benefits to the development of rural tourism. These improve the countryside environment and provide recreational opportunities and facilities, thereby enhancing the quality of local residents' lives as well as promoting tourism. As Ribeiro et al. [36] state, residents' support is an important precondition for sustainable development of any tourist destination. These efforts also stimulate increased investments in the development of tourism by local businesses, raising the participation levels of the community [37].

In Greece, there are three ways to start and fund an operation as a rural tourism host (Figure 1).

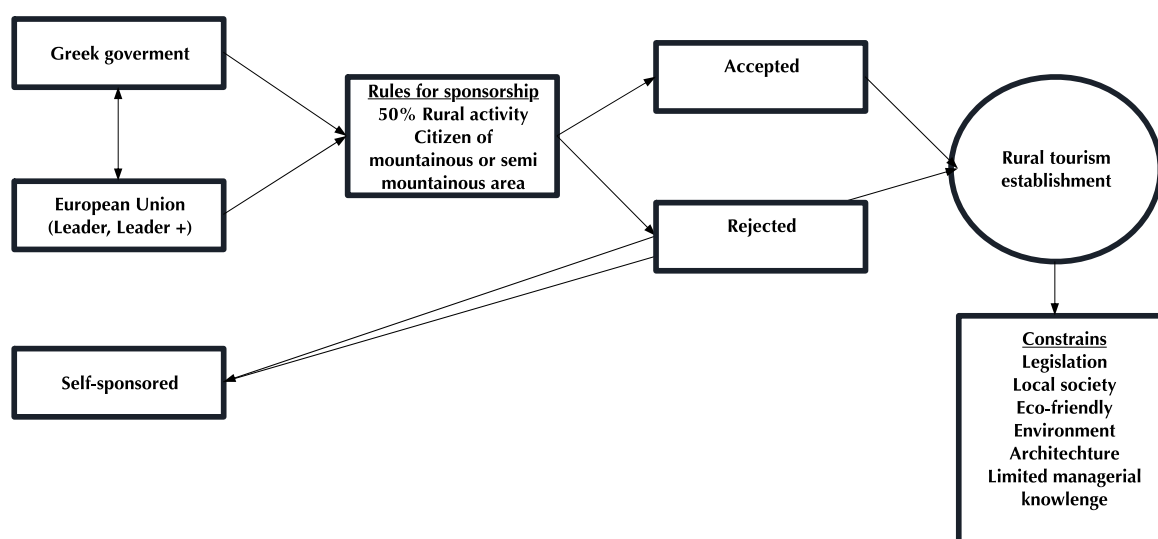


Figure 1. Rural tourism hosting procedures. Source: Own Structure.

One way is for someone to be self-sponsored and develop their own business. Another way is to get support from European programs such as Leader and Leader plus. The third way is to get sponsorship from national or local government programs. There are specific rules and constraints that a host must comply with to be sponsored. As several EU programs have been applied horizontally, it is interesting to know if they are suitable for every country. Several researchers have observed that agricultural development funds were strongly correlated with lobbying the beneficiaries [38]. Moreover, other researchers claim that the rural sector is different from other industries in structure and competition. LEADER approach funding was developed in Georgia, an example of successful implementation in a country of the Southern Caucasus with a high degree of acceptance [39]. Although LEADER is successful in Georgia, in many cases, tourism policies are not considered as important as policies for other industries, making tourism entrepreneurship opportunistic and resourceful. [40]. For example, Hopa, a rural area in Turkey, managed to be competitive with the creation of a festival and its rich flora and fauna without funding [41]. Based on the above, the following hypothesis was developed.

**Hypothesis 1 (H1).** *Rural tourism hosts who have received funding are more positive toward rural tourism development factors.*

## 2.2. Rural Tourism Hosts Accommodation Size

There are many differences between different rural tourism operations. It is noticed that there are countries where a rural tourism host offers one room only inside their house, or a separate dwelling with 1–2 rooms, or in some cases, there are hotels with  $\geq 25$  room capacity [42]. Usually, bigger companies have more income, and as a result, they have access to better opportunities as they generally have more resources [43]. As Iorio and Corsale [12] describe, hosts in rural areas have several problems with progress and implementation of local rural-tourism policies. Fotiadis et al. (2013) showed that success of a rural tourism hotel depends on host leadership ability to develop their business in different size and types of hotels. Buffa et al. [44] agreed that the size is important, as small size companies have shortages of skills, bad long-term strategy planning, and liquidity problems.

As Chen [45] mentioned, usually, the initial high cost for a green certificate demotivates small hotel chains from getting it. While rural tourists are more concerned with environment issues and they prefer to be in more rural oriented settlements where they stay longer, they have higher revisiting intention and better word of mouth [46]. As Musavengane [47] indicated, size together with hotel age

are significant factors for environmental practices application. Shen et al. [48] in the study of China rural tourism stated that rapid tourism development in a rural area leads to reduced authenticity due to the newly constructed accommodation and facilities, which are not real home stay-ins but rather delicate hotels and holiday resorts.

Therefore, we hypothesize:

**Hypothesis 2 (H2).** *The size of rural tourism host enterprise affects how positive hosts are toward rural tourism development factors.*

This research considered the case of rural development in Greece, as the role of tourism in rural development may differ greatly from one country to another, hence requiring a case by case analysis. Moreover, rural tourism is developed in different terrains on mountainous, semi-mountainous, and plain rural areas. Su et al. [49] investigated rural tourism in a mountainous area, and they found that the rural area community in the area exhibits a great level of support for tourism enlargement. Local residents' involvement is crucial in successful rural tourism development, especially in the way policy makers plan mountainous development [50]. Situmorang et al. [51] investigated rural tourism in islands, and they found out that there is disagreement between indigenous people and policymakers with a lot of tension and lot of problems while they work together.

In the case of Greece, mountainous areas experience population decline due to aging and emigration and a low level of social, cultural, and education development, lack of infrastructure, and low incomes; on the other hand, numerous Greek Islands experience problems regarding social services and transport, leading to a reduced level of exploitation of their potential and advantageous positioning [52]. Meijers and van der Wouw [53] stated that medium-sized European cities with 40,000 to 150,000 residents are more successful than smaller cities due to better accessibility and connection to political decision-making. Some villages have an advantageous geographical position due to their location close to an urban area, or possession of wealthy natural resources [54]. The local population can also affect the popularity of an area differently, as they are the best ambassadors of their culture and traditions. In cases where residents are negative toward rural tourism development, they could greatly affect the product and the services provided in their area [23].

Based on the above, the following hypothesis was developed:

**Hypothesis 3 (H3).** *Geographical and financial characteristics are affecting how positive hosts are toward rural tourism development factors.*

### 3. Methodology

To test the above three hypotheses, a questionnaire was developed that contains, in total, thirty-six questions. The first part relates to successful rural tourism development and the second one to demographic characteristics and operational characteristics of the host in Greece. The study was conducted in accordance with the Declaration of Helsinki, and the protocol was approved by the Ethics Committee. The first part examines financing tourism development, leadership, collaboration among tourism entrepreneurs and local government, and community cooperation. A Likert scale with seven points was used with values from "totally disagree" to "totally agree". All subjects gave their informed consent for inclusion before they participated in the study.

#### 3.1. Sampling

Two main rural tourism organizations were used for this survey. There were six hundred and fifty-two rural tourism accommodation hosts who were considered suitable for this study. Each host was communicated with by telephone and email and asked to participate in the study either electronically or by filling a hard copy of the survey. One hundred and seventy-four hosts participated in the survey,

giving a 26.69% response rate. The sample was considered appropriate for this study as hosts from every area in Greece were included, as can be seen in the following Figures 2 and 3.

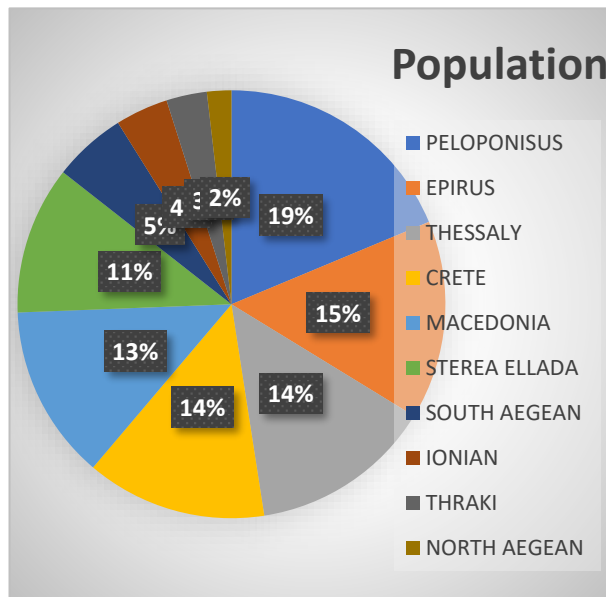


Figure 2. Population.

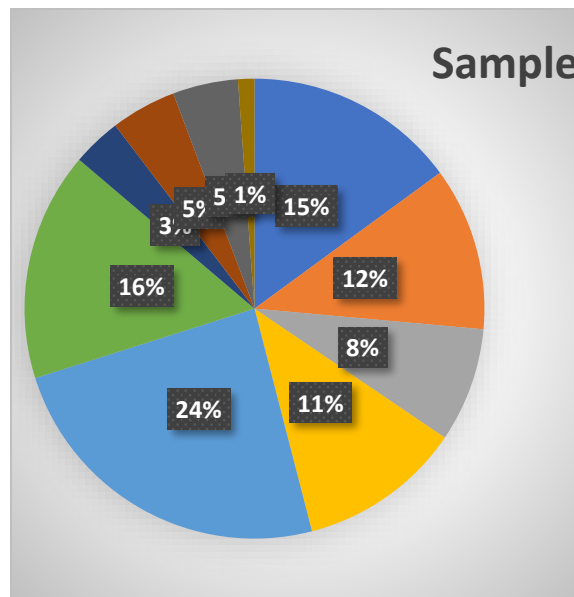


Figure 3. Sample.

### 3.2. Data Analysis

As it was important to discover the meaning of “successful rural tourism development”, a factor analysis was developed so we could find which the most important questions to define this term were. Secondly, hosts were separated into those who got sponsored or not by the European Union, and then a t-test was used to examine if hypothesis one will be accepted or not. Moreover, we categorized hosts based on the size of their facility from large to medium and small. Using an ANOVA test, we examined if the size of the facility plays an important role in successful rural tourism development. Furthermore, we examined the economic conditions of the enterprise for Greek Peripheries and we classified them as rich, middle-class, and poor peripheries and used an ANOVA test to determine if periphery economic conditions affect the factors of successful rural tourism development (Figure 4). The most commonly

used among researchers ANOVA and t-test analysis were done to perform an exploratory study [55]. Prior to the analysis implementation, skewness and kurtosis were tested. As the results indicated, skewness is less than the acceptable level of 3.0 and kurtosis results were lower than 4.0. Furthermore, any outliers were dropped from analysis. Additionally, it was evident that observations were normally distributed for each population.

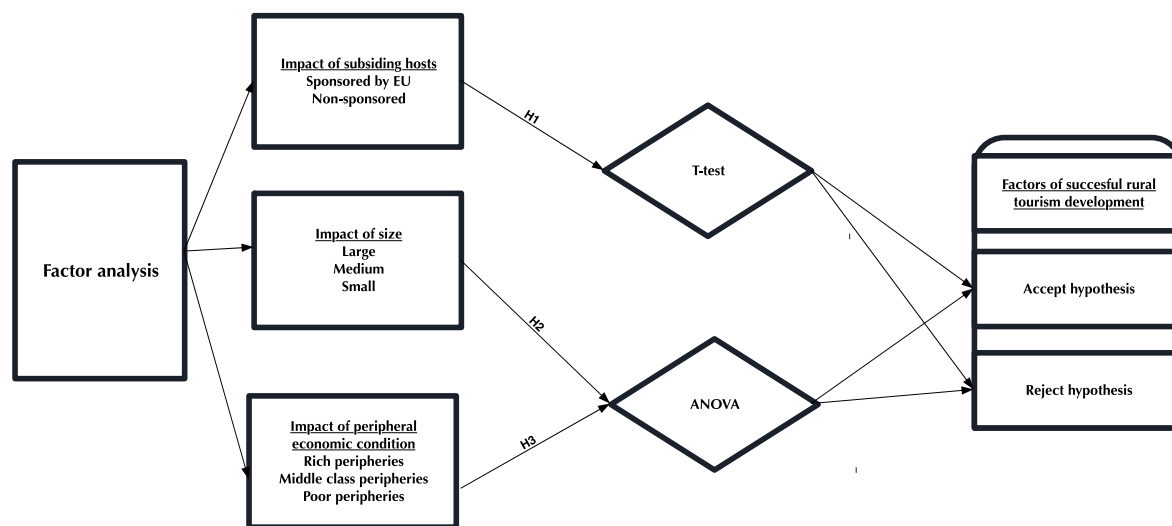


Figure 4. Research Methodology.

#### 4. Results

Since one purpose of this study was to examine structural relationships, a factor analysis was considered to be the appropriate statistical tool. For that reason, a Kaiser–Meyer–Olkin KMO and Bartlett’s test of sphericity were initially developed, and then a principal axis factoring was used to detect any correlations between the variables. As the coefficient was higher than 0.3 and Bartlett’s test of sphericity was positive but less than 0.000, the factorability of the correlation matrix is supported. The Kaiser–Meyer–Olkin value was higher than 0.9 and exceeded the suggested value of 0.6 [56,57], proving that the constructs used in the questionnaire were appropriate.

A four-factor solution was created, while varimax rotation revealed 68.40% of the total explained variance. As Hair et al. [58] explain, when a solution is higher than 0.50, it is considered satisfactory. “Financing tourism development” is the first factor, which explained 28.76% of the variance, pertaining to the social interactions scale of rural tourism host in Greece, and included four items. For the items included in this and the other factors, see Table 1 below. “Leadership” is the second factor, which explained 18.69% of the variance and included six items. “Cooperation among tourism entrepreneurs” is the third factor, which explained 10.92% of the variance and included three items. “Local government and community cooperation” is the fourth factor, which explained 10.03% of the variance and included three items. As a rule, only a factor loading higher than 0.5 was accepted [59–61]. Each case where the factor was less than 0.5 was rejected. For this study, seven attributes were rejected. Table 1 below shows that “Financing tourism development” explained most of the variance (28.76), and at the same time, it has the highest mean (5.89). “Leadership” has the lowest mean (5.28).



**Table 1.** Factor analysis.

| Factor   | Factor Loading | Eigenvalue | Variance Explained | Cronbach a | Mean |
|--|----------------|------------|--------------------|------------|------|
| <b>Factor 1: Subsidies for tourism development</b>   |                | 4.78       | 28.76              | 0.88       | 5.89 |
| Independent investors are strengthened and supported by financing contracts  | 0.829          |            |                    |            | 5.91 |
| The local government and the banks are coordinated in their efforts to support the individuals who invest in tourism sector            | 0.804          |            |                    |            | 5.79 |
| Strengthening of the subsidies for work relevant to tourism development and marketing of tourism products and services                 | 0.789          |            |                    |            | 6.01 |
| The local government tax regulations support our tourism activities  | 0.761          |            |                    |            | 5.81 |
| <b>Factor 2: Leadership</b>  |                | 3.27       | 18.69              | 0.78       | 5.28 |
| Local leaders are helpful and collaborative  | 0.813          |            |                    |            | 5.74 |
| Local leaders recognize the desires of entrepreneurs, investors and professionals  | 0.802          |            |                    |            | 5.04 |
| Local leaders assist the partnership of an individual host and local organizations   | 0.765          |            |                    |            | 5.07 |
| Efforts of the government in marketing Greek tourism destinations has no chance to succeed without help of the business                | 0.714          |            |                    |            | 5.22 |
| We have professional managers to take care of the available resources and who make sure proper financial assets and capital management | 0.611          |            |                    |            | 5.60 |
| Our members learned how to cooperate in order resolve situations of resource scarcity and other problems                               | 0.592          |            |                    |            | 5.77 |
| <b>Factor 3: Cooperation between tourism entrepreneurs</b>   |                | 1.89       | 10.92              | 0.74       | 5.54 |
| Tourist development success in our area is the outcome of time available and willingness of the entrepreneurs to cooperate             | 0.891          |            |                    |            | 5.11 |
| Our success is the outcome of joint cooperation between different enterprises (shops, restaurants and sights etc.)                     | 0.772          |            |                    |            | 6.08 |
| There are communication, partnership and coordination network of retailers of the region   | 0.757          |            |                    |            | 5.40 |
| <b>Factor 4: Local government and community cooperation</b>  |                | 1.73       | 10.03              | 0.71       | 5.68 |
| Local government helps on local development and promotion  | 0.757          |            |                    |            | 5.70 |
| Local government helps on infrastructure development and preservation  | 0.747          |            |                    |            | 5.67 |
| The local government helps hosts to cooperate and develop  | 0.689          |            |                    |            | 5.61 |

Kaiser–Meyer–Olkin = 0.904.

Furthermore, we examined if successful rural enterprise items for every factor have any significance at 0.05% and 0.01% level. Findings revealed that subsidizing, size, and peripheral economic condition significantly influenced five of the respondents' views for and against the topic of successful rural enterprises factors we considered in the present study (Table 2). For example, significant differences based on subsidizing exist at a 0.05% significant level in two cases: The local government and the market banks are coordinated, and they support the individuals who invest in tourism ( $t = -2.418, p = 0.16$ ), where those EU-subsidized ( $M = 4.13, SD = 0.963$ ) seem to support this comment more than those self-subsidized ( $M = 3.90, SD = 1.019$ ). Moreover, we noticed significant differences in respondents' opinion on the item "our members have learned to collaborate in order to deal with the shortages and the problems that occur each time" ( $T = -2.512, p = 0.012$ ) where those self-subsidized ( $M = 3.58, SD = 0.867$ ) support this comment more than those EU-subsidized ( $M = 3.37, SD = 0.911$ ).

Significant differences based on size do exist ( $p < 0.01$ ) in "We have professional managers to take care of the available resources and who make sure of proper financial assets and capital management ( $F = 2.804, p = 0.005$ )". Large companies ( $M = 3.47, SD = 0.758$ ) support this comment more than medium ( $M = 3.00, SD = 1.024$ ) and small companies ( $M = 2.90, SD = 0.824$ ). Peripheral condition has significance in one case at the 0.01% level and in one case at the 0.05% level. In these two cases, "Our success is the outcome of joint cooperation between different enterprises (shops, restaurants and sights, etc.) ( $F = 4.442, p = 0.004$ )", and "Local leaders assist the partnership of an individual host and local organizations ( $F = 2.968, p = 0.032$ )", Poor peripheries have lower mean scores ( $M = 3.46, SD = 0.820; M = 3.29, SD = 0.906; M = 3.43, SD = 0.861$ ) middle-class and rich peripheries ( $M = 4.00, SD = 0.853; M = 3.75, SD = 0.989; M = 3.58, SD = 1.018$ ).

**Table 2.** Items for successful rural entrepreneurship results of ANOVA and independent *t*-tests.

| Factor   | Mean | Std Dev | Subsiding T     | Size F          | Periph. Econ. F |
|--|------|---------|-----------------|-----------------|-----------------|
| <b>Factor 1: Subsidies for tourism development</b>   | 3.58 | 0.711   | −1.916          | 0.496           | 0.225           |
| Independent investors are strengthened and supported by financing contracts  | 3.49 | 0.891   | −0.678          | −0.618          | 0.615           |
| The local government and the banks are coordinated in their efforts to support the individuals who invest in tourism sector            | 4.23 | 0.957   | <b>−2.418 *</b> | 0.611           | 0.852           |
| Strengthening of the subsidies for work relevant to tourism development and marketing of tourism products and services                 | 3.44 | 0.886   | −0.841          | 0.201           | 0.390           |
| The local government tax regulations support our tourism activities  | 3.17 | 0.975   | −1.309          | −0.998          | 1.030           |
| <b>Factor 2: Leadership</b>  | 3.62 | 0.897   | −1.041          | 1.846           | 0.427           |
| Local leaders are helpful and collaborative  | 3.38 | 0.657   | −1.431          | 1.040           | 1.089           |
| Local leaders recognize the desires of entrepreneurs, investors and professionals  | 3.48 | 0.886   | −1.257          | 1.410           | 0.345           |
| Local leaders assist the partnership of an individual host and local organizations   | 3.78 | 0.902   | 0.009           | 0.772           | <b>2.968 *</b>  |
| Efforts of the government in marketing Greek tourism destinations has no chance to succeed without help of the business                | 3.33 | 0.929   | −0.1073         | −0.569          | 1.870           |
| We have professional managers to take care of the available resources and who make sure proper financial assets and capital management | 4.04 | 0.992   | −0.765          | <b>2.804 **</b> | 0.567           |
| Our members learned how to cooperate in order resolve situations of resource scarcity and other problems                               | 3.72 | 0.940   | <b>−2.512 *</b> | −0.508          | 0.889           |
| <b>Factor 3: Cooperation between tourism entrepreneurs</b>   | 3.55 | 0.612   | −0.314          | −0.592          | 0.638           |
| Tourist development success in our area is the outcome of time available and willingness of the entrepreneurs to cooperate             | 3.45 | 0.779   | 0.413           | −1.674          | 1.063           |
| Our success is the outcome of joint cooperation between different enterprises (shops, restaurants and sights, etc.)                    | 3.37 | 0.822   | −0.548          | −1.318          | <b>4.442 **</b> |
| There are communication, partnership and coordination network of retailers of the region   | 3.83 | 0.968   | −1.034          | −0.023          | 0.657           |
| <b>Factor 4: Local government and community cooperation</b>  | 3.71 | 0.729   | −0.713          | −1.069          | 1.202           |
| Local government helps on local development and promotion  | 4.00 | 0.945   | −1.712          | 0.238           | 1.377           |
| Local government helps on infrastructure development and preservation  | 3.64 | 0.711   | −1.916          | 0.496           | 0.225           |
| The local government helps host to cooperate and develop   | 3.49 | 0.891   | −0.678          | −0.618          | 0.615           |

## 5. Discussion

The main scope of this study was to provide an integrative analysis of internal (size, location, and financial position) and external (EU sponsorship to rural tourism hosts) factors shaping hosts' perception of rural tourism development. This study investigated the effect of the abovementioned factors on how positive rural tourism host entrepreneurs are in various regions of Greece towards aspects of rural tourism development. Specifically, the study tested three hypotheses: The effect of EU sponsorship, the effect of the size of the hosts, and the effect of geographical characteristics on the way hosts perceive rural tourism development factors.

The factor analysis showed that the most important factors are related to financing tourism development. This agrees with several other studies which identified that economic factors are the most important for hosts [7,8]. The analysis also showed that cooperation among tourism entrepreneurs and with the local government also impact successful rural development. This also agrees with the existing literature (Fotiadis, Vassiliadis, and Piper [42]), which has found this cooperation to be an important factor.

As Tirado Ballesteros and Hernández Hernández [62] specify, different rural development programs were mainly developed as a tool that can help as a pull factor stimulator for the last 25 years. Several researchers acknowledged that unfortunately, there were problems with how those development programs were planned and developed [63]. This emphasizes the importance of studying the factors that affect rural tourism development. A survey of the local hosts might help to identify such factors.

Rural hosts' participation in rural tourism improves employment and income in the countryside and provides hosts with extra income, which has been shown to be one of the most important factors [28]. One of the main decisions for 30% of farmers to engage in rural tourism activities and provide accommodation for tourists is 4–19% income increase (Iorio and Corsale [12]). At times when farmers' income from agriculture decreases, income from tourism activities balances out their earnings [64]. Hence, development of sponsorship programs that diversify the economic structure of rural communities makes them less vulnerable to changes in market conditions. As our study denotes, EU sponsorship positively affects the responses of the hosts on financing tourism development, especially regarding the issue that individuals who invest in tourism can be well supported. Support of the governments (education, financing, promotion, and regulation) is crucial for tourism development [32,65], while self-sponsorship positively affects the responses of the hosts on the leadership item as they learn how to survive without support by learning how to cooperate effectively in order to deal with the shortages and the problems that often occur.

Various tourist groups require different types of rural accommodation and services. Pina and Delfa [66] showed that large rural accommodation is in demand among tourists travelling as a group of friends, who need Internet access, have high daily expenditure, and those who follow recommendations by their acquaintances. Smaller rural accommodation with 2–3 bedrooms is in demand among tourists with a family with a low monthly income with interests in cultural activities. In rural tourism, access to resources and resourcefulness of the host are very important for successful operation. This applies to other areas of tourism as well. For example, it is well examined from several researchers that 5-star hotels have more resources than 1- and 2-star hotels [67–69]. To the best of our knowledge, our paper is the first study that examined this issue of the difference between small and big hosts in rural tourism. The results for rural tourism host are similar with the rest of the tourism sector, as large host enterprises have more positive responses on leadership because they can hire more skillful employees that are more productive in how they deal with available resources.

No significant differences were found regarding different geographical characteristics, but significant differences were found on hosts' financial characteristics. The hosts from poor regions are less positive regarding leadership (item: Local leaders assist the partnership of an individual host and local organizations). The hosts from poor regions are also less positive toward collaboration

among tourism entrepreneurs (item: Our success is the outcome of joint cooperation between different enterprises (shops, restaurants and sights etc.)).

### 5.1. Theoretical Implications

This study adds up to the discussion and scrutiny of the rural tourism host–guest framework by looking at the important factors from hosts' perspective. Specifically, this study examined the factors promoting successful rural tourism development in light of EU sponsorship. The effect of the rural tourism hosts size and geographical characteristics on their views towards rural tourism development were also examined. Findings are important for policy makers and create awareness about the hosts' view on crucial development factors.

### 5.2. Practical Implications

This study is important for various entities—including host entrepreneurs, local communities, and policy makers—since it shows the significance of specific factors in tourism development (such as financing, leadership, and collaboration). Tourism development policy managers can benefit significantly from awareness about the views of the hosts. As the results indicate, hosts are more interested in subsidies, appropriate leadership, cooperation between entrepreneurs, and cooperation with the government. Several other practical implications can be found on the difference between the views of the hosts based on their characteristics (subsidy, size, location). The results can be great help for policy makers at different levels, as identifying needs of various types of hosts is crucial for correct focus of the limited resources allocated to the government policy.

## 6. Conclusions

This study contributes to rural tourism host research by taking the perspective of the hosts which is equally important to the consumers' perspective. The study aimed at bringing a deeper insight into those hosts and to investigate whether European funds, size, and geographical and financial characteristics are affecting how they perceive rural tourism success. As funded and not funded hosts were examined, it was strange to discover that the way funded host perceive the local government and their support and cooperation compare to nonfunded hosts. Moreover, as nonfunded hosts had a shortage of resources, they found ways to overcome this problem by learning how to collaborate in order to deal with the shortages and the problems that occur.

The current research study is not without its limitations, which need to be accounted for. First, the sample of the study consists of Panhellenic cases. Future research may adopt a longitudinal approach to improve the reliability of the findings. Secondly, the data come from a survey in a single country, Greece, and generalization should be done cautiously. Despite these limitations, the current research provides a useful framework for estimating hosts' perception and insights into Greek rural tourism development.

Potential future research could focus on obtaining a more complete picture based on surveying a larger number of rural tourism hosts. Once a larger sample is analyzed, the next step in future research would be to study if any changes in the existing tourism development policies can be recommended.

**Author Contributions:** For research articles with several authors, a short paragraph specifying their individual contributions must be provided. The following statements should be used "Conceptualization, A.F. and G.N.; Methodology, A.F. and A.S. Software, A.F.; Validation, J.A.; Formal Analysis, A.S.; Investigation, G.N.; Data Curation, J.A.; Writing-Original Draft Preparation, G.N. and A.S.; Writing-Review & Editing, J.A. and A.S.; Supervision, A.F.; Project Administration, A.F.

**Funding:** This research received no external funding.

**Conflicts of Interest:** The authors declare no conflict of interest.

## References

1. Holjevac, I.A. A vision of tourism and the hotel industry in the 21st century. *Int. J. Hosp. Manag.* **2003**, *22*, 129–134. [CrossRef]
2. La Porta, R.; Florencio, L.-d.-S.; Shleifer, A. Corporate Ownership around the World. *J. Financ.* **1999**, *54*, 471–517. [CrossRef]
3. Villalonga, B.; Amit, R. How are U.S. Family Firms Controlled? *Rev. Financ. Stud.* **2009**, *22*, 3047–3091. [CrossRef]
4. OECD. OECD Tourism Committee. Available online: <http://www.oecd.org/cfe/tourism/oecd-tourism-committee.htm> (accessed on 8 September 2018).
5. Fotiadis, A.; Yeh, S.-S.; Huan, T.-C.T.C. Applying configurational analysis to explaining rural-tourism success recipes. *J. Bus. Res.* **2016**, *69*, 1479–1483. [CrossRef]
6. Cucari, N.; Wankowicz, E.; Esposito De Falco, S. Rural tourism and Albergo Diffuso: A case study for sustainable land-use planning. *Land Use Policy* **2019**, *82*, 105–119. [CrossRef]
7. Marin, D. Study on the economic impact of tourism and of agrotourism on local communities. *Res. J. Agric. Sci.* **2015**, *47*, 160–163.
8. Bednarikova, Z. Evaluation of the Impacts of Rural Development Policy Measures on the Local Economy in the Czech Republic. *Prague Econ. Pap.* **2015**, *24*, 416–433. [CrossRef]
9. Maksanova, L.B.Z. Rural Tourism in Siberia. *Probl. Econ. Transit.* **2017**, *59*, 443–447. [CrossRef]
10. DeRosa, M.; McElwee, G.; Smith, R. Farm diversification strategies in response to rural policy: A case from rural Italy. *Land Use Policy* **2019**, *81*, 291–301. [CrossRef]
11. Panyik, E.; Costa, C.; Rátz, T. Implementing integrated rural tourism: An event-based approach. *Tour. Manag.* **2011**, *32*, 1352–1363. [CrossRef]
12. Iorio, M.; Corsale, A. Rural tourism and livelihood strategies in Romania. *J. Rural Stud.* **2010**, *26*, 152–162. [CrossRef]
13. Wilson, S.; Fesenmaier, D.R.; Fesenmaier, J.; Van Es, J.C. Factors for Success in Rural Tourism Development. *J. Travel Res.* **2001**, *40*, 132–138. [CrossRef]
14. Ribeiro, M.; Marques, C. Rural tourism and the development of less favoured areas—between rhetoric and practice. *Int. J. Tour. Res.* **2002**, *4*, 211–220. [CrossRef]
15. Pulina, M.; Giovanna Dettori, D.; Paba, A. Life cycle of agrotouristic firms in Sardinia. *Tour. Manag.* **2006**, *27*, 1006–1016. [CrossRef]
16. Ramanauskienė, J.; Gargasas, A.; Ramanauskas, J. Marketing solutions in rural tourism development in Lithuania. *Ekonomika* **2006**, *74*, 38–51.
17. Fotiadis, A. A comparative analysis of rural tourism development in Hungary and Greece. *Afr. J. Bus. Manag.* **2011**, *5*, 7954–7963.
18. Anthopoulou, T. Rural women in local agrofood production: Between entrepreneurial initiatives and family strategies. A case study in Greece. *J. Rural Stud.* **2010**, *26*, 394–403. [CrossRef]
19. Moghavvemi, S.; Woosnam, K.M.; Paramanathan, T.; Musa, G.; Hamzah, A. The effect of residents' personality, emotional solidarity, and community commitment on support for tourism development. *Tour. Manag.* **2017**, *63*, 242–254. [CrossRef]
20. Jeong, J.S.; García-Moruno, L.; Hernández-Blanco, J.; Jaraíz-Cabanillas, F.J. An operational method to supporting siting decisions for sustainable rural second home planning in ecotourism sites. *Land Use Policy* **2014**, *41*, 550–560. [CrossRef]
21. Hegarty, C.; Przezborska, L. Rural and agri-tourism as a tool for reorganizing rural areas in old and new member states—A comparison study of Ireland and Poland. *Int. J. Tour. Res.* **2005**, *7*, 63–77. [CrossRef]
22. McGehee, N.G.; Kim, K. Motivation for agri-tourism entrepreneurship. *J. Travel Res.* **2004**, *43*, 161–170. [CrossRef]
23. Campón-Cerro, A.; Folgado-Fernández, J.; Hernández-Mogollón, J. Rural Destination Development Based on Olive Oil Tourism: The Impact of Residents' Community Attachment and Quality of Life on Their Support for Tourism Development. *Sustainability* **2017**, *9*, 1624. [CrossRef]
24. Slak Valek, N.; Al Buainain, A.A. The influence of media implemented into the event-tourist career model: TriYas triathlon, Abu Dhabi. *Tourismos* **2016**, *11*, 52–76.

25. Slak Valek, N.; Shaw, M.; Bednarik, J. Socio-demographic characteristics affecting sport tourism choices: A structural model. *Acta Gymnica* **2014**, *44*, 57–65. [[CrossRef](#)]
26. Sharpley, R.; Jepson, D. Rural tourism. *Ann. Tour. Res.* **2011**, *38*, 52–71. [[CrossRef](#)]
27. Komppula, R. The role of individual entrepreneurs in the development of competitiveness for a rural tourism destination—A case study. *Tour. Manag.* **2014**, *40*, 361–371. [[CrossRef](#)]
28. Nickerson, N.P.; Black, R.J.; McCool, S.F. Agritourism: Motivations behind farm/ranch business diversification. *J. Travel Res.* **2001**, *40*, 19–26. [[CrossRef](#)]
29. Polo Peña, A.I.; Frías Jamilena, D.M.; Rodríguez Molina, M.Á. Impact of Customer Orientation and ICT Use on the Perceived Performance of Rural Tourism Enterprises. *J. Travel Tour. Mark.* **2013**, *30*, 272–289. [[CrossRef](#)]
30. Michalko, G.; Fotiadis, A. The role of the rural tourism in assuring the sustainable development of the agrarian territories: Comparing the Greek and Hungarian prospects. In Proceedings of the International Conference of Trends, Impacts and Policies on Tourism Development, Heraklion, Greece, 15–18 June 2006.
31. Yeh, S.; Fotiadis, A. Social Interactions in Rural Tourism: A Host Perspective Case Study. *Rev. Cercet. Si Interv. Soc.* **2014**, *46*, 131–143.
32. Ying, T.; Zhou, Y. Community, governments and external capitals in China’s rural cultural tourism: A comparative study of two adjacent villages. *Tour. Manag.* **2007**, *28*, 96–107. [[CrossRef](#)]
33. Kaltenborn, B.P.; Qvenild, M.; Nellemann, C. Local governance of national parks: The perception of tourism operators in Dovre-Sunndalsfjella National Park, Norway. *Nor. Geogr. Tidsskr. Nor. J. Geogr.* **2011**, *65*, 83–92. [[CrossRef](#)]
34. Fotiadis, A.; Vassiliadis, C. Rural tourism service quality in Greece. *e-Rev. Tour. Res. (Ertr)* **2010**, *8*, 69–84.
35. Rid, W.; Ezeuduji, I.O.; Pröbstl-Haider, U. Segmentation by motivation for rural tourism activities in The Gambia. *Tour. Manag.* **2014**, *40*, 102–116. [[CrossRef](#)]
36. Ribeiro, M.A.; Pinto, P.; Silva, J.A.; Woosnam, K.M. Residents’ attitudes and the adoption of pro-tourism behaviours: The case of developing island countries. *Tour. Manag.* **2017**, *61*, 523–537. [[CrossRef](#)]
37. Garrod, B.; Wornell, R.; Youell, R. Re-conceptualising rural resources as countryside capital: The case of rural tourism. *J. Rural Stud.* **2006**, *22*, 117–128. [[CrossRef](#)]
38. Kiryluk-Dryjska, E.; Baer-Nawrocka, A. Reforms of the Common Agricultural Policy of the EU: Expected results and their social acceptance. *J. Policy Model.* **2019**. [[CrossRef](#)]
39. Oedl-Wieser, T.; Dax, T.; Fischer, M. A new approach for participative rural development in Georgia—Reflecting transfer of knowledge and enhancing innovation in a non-European Union context. *Stud. Agric. Econ.* **2017**, *119*, 48–54. [[CrossRef](#)]
40. Estol, J.; Font, X. European tourism policy: Its evolution and structure. *Tour. Manag.* **2016**, *52*, 230–241. [[CrossRef](#)]
41. Aytuğ, H.K.; Mikaeili, M. Evaluation of Hopa’s Rural Tourism Potential in the Context of European Union Tourism Policy. *Procedia Environ. Sci.* **2017**, *37*, 234–245. [[CrossRef](#)]
42. Fotiadis, A.; Vassiliadis, C.; Piper, L. Measuring Dimensions of Business Effectiveness in Greek Rural Tourism Areas. *J. Hosp. Mark. Manag.* **2013**. [[CrossRef](#)]
43. Youn, H.; Hua, N.; Lee, S. Does size matter? Corporate social responsibility and firm performance in the restaurant industry. *Int. J. Hosp. Manag.* **2015**, *51*, 127–134. [[CrossRef](#)]
44. Buffa, F.; Franch, M.; Rizio, D. Environmental management practices for sustainable business models in small and medium sized hotel enterprises. *J. Clean. Prod.* **2018**, *194*, 656–664. [[CrossRef](#)]
45. Chen, L.-F. Hotel chain affiliation as an environmental performance strategy for luxury hotels. *Int. J. Hosp. Manag.* **2019**, *77*, 1–6. [[CrossRef](#)]
46. Wang, W.; Wu, J.; Wu, M.-Y.; Pearce, P.L. Shaping tourists’ green behavior: The hosts’ efforts at rural Chinese B&Bs. *J. Destin. Mark. Manag.* **2018**, *9*, 194–203. [[CrossRef](#)]
47. Musavengane, R. Small hotels and Responsible Tourism Practice: hoteliers’ perspectives. *J. Clean. Prod.* **2019**. [[CrossRef](#)]
48. Shen, S.; Wang, H.; Quan, Q.; Xu, J. Rurality and rural tourism development in China. *Tour. Manag. Perspect.* **2019**, *30*, 98–106. [[CrossRef](#)]
49. Su, M.M.; Wall, G.; Wang, Y.; Jin, M. Livelihood sustainability in a rural tourism destination - Hetu Town, Anhui Province, China. *Tour. Manag.* **2019**, *71*, 272–281. [[CrossRef](#)]

50. Mutana, S.; Mukwada, G. Mountain-route tourism and sustainability. A discourse analysis of literature and possible future research. *J. Outdoor Recreat. Tour.* **2018**, *24*, 59–65. [[CrossRef](#)]
51. Situmorang, R.; Trilaksono, T.; Japutra, A. Friend or Foe? The complex relationship between indigenous people and policymakers regarding rural tourism in Indonesia. *J. Hosp. Tour. Manag.* **2019**, *39*, 20–29. [[CrossRef](#)]
52. Harpa, E.; Moca, S.; Rus, D. A Comparative Study of Rural Entrepreneurship Romania—Greece. *Procedia Technol.* **2016**, *22*, 1100–1105. [[CrossRef](#)]
53. Meijers, E.; van der Wouw, D. Struggles and strategies of rural regions in the age of the ‘urban triumph’. *J. Rural Stud.* **2019**, *66*, 21–29. [[CrossRef](#)]
54. Li, Y.; Westlund, H.; Liu, Y. Why some rural areas decline while some others not: An overview of rural evolution in the world. *J. Rural Stud.* **2019**. [[CrossRef](#)]
55. Gordon, S.; Adler, H.; Day, J.; Sydnor, S. Perceived supervisor support: A study of select-service hotel employees. *J. Hosp. Tour. Manag.* **2019**, *38*, 82–90. [[CrossRef](#)]
56. Kaiser, H.F. A second generation Little Jiffy. *Psychometrika* **1970**, *35*, 401–415. [[CrossRef](#)]
57. Kaiser, H.F. An index of factorial simplicity. *Psychometrika* **1974**, *39*, 31–36. [[CrossRef](#)]
58. Hair, J.; Black, W.C.; Babin, B.J.; Anderson, R.E. *Multivariate Data Analysis*, 7th ed.; Pearson Prentice Hall: Upper Saddle River, NJ, USA, 2010.
59. Stevens, J. *Applied Multivariate Statistics for the Social Sciences*; Lawrence Erlbaum: Mahwah, NJ, USA, 1996.
60. Kim, J.-H. A cross-cultural comparison of memorable tourism experiences of American and Taiwanese college students. *Anatolia* **2013**, *24*, 337–351. [[CrossRef](#)]
61. Kayat, K.; Hai, M.A. Perceived service quality and tourists’ cognitive image of a destination. *Anatolia* **2013**. [[CrossRef](#)]
62. Tirado Ballesteros, J.G.; Hernández Hernández, M. Assessing the Impact of EU Rural Development Programs on Tourism. *Tour. Plan. Dev.* **2017**, *14*, 149–166. [[CrossRef](#)]
63. Esparcia, J. Innovation and networks in rural areas. An analysis from European innovative projects. *J. Rural Stud.* **2014**, *34*, 1–14. [[CrossRef](#)]
64. Hall, D. Rural tourism development in southeastern Europe: Transition and the search for sustainability. *Int. J. Tour. Res.* **2004**, *6*, 165–176. [[CrossRef](#)]
65. Conradson, D.; Pawson, E. New cultural economies of marginality: Revisiting the West Coast, South Island, New Zealand. *J. Rural Stud.* **2009**, *25*, 77–86. [[CrossRef](#)]
66. Pina, I.P.A.; Delfa, M.T.D. Rural tourism demand by type of accommodation. *Tour. Manag.* **2005**, *26*, 951–959. [[CrossRef](#)]
67. Stylos, N.; Vassiliadis, C. Differences in Sustainable Management Between Four- and Five-Star Hotels Regarding the Perceptions of Three-Pillar Sustainability. *J. Hosp. Mark. Manag.* **2015**, *24*, 791–825. [[CrossRef](#)]
68. Assaf, A.G.; Tsionas, M. Measuring hotel performance: Toward more rigorous evidence in both scope and methods. *Tour. Manag.* **2018**, *69*, 69–87. [[CrossRef](#)]
69. Walheer, B.; Zhang, L. Profit Luenberger and Malmquist-Luenberger indexes for multi-activity decision-making units: The case of the star-rated hotel industry in China. *Tour. Manag.* **2018**, *69*, 1–11. [[CrossRef](#)]

