

Are rural accommodation enterprises efficiently present online?

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Abstract

This study regards rural accommodation enterprises (RAE) and how much of their business is made online and what can be done to improve it.

This work focus on 10 enterprises from the northeast of Portugal, since it is a more deprived and isolated region and far from the touristic centres. As such, these companies need to attract the visitors through their online presence.

We analysed their use of ICT, if they had a digital marketing strategy and what could be done to improve their presence and their results through online marketing tools.

It was possible to understand that the majority of the companies only have a minimal investment in online presence through the Booking platform and with their website. They do not work efficiently the social networks and they do not use, or know, most of the marketing online tools.

As a result, even though the studied companies are willing to evolve digitally and to enhance their presence in a more efficient way, this is limited to the investment that is required since they all feel they cannot invest at the time.

It is clear that for these companies and specially in these regions it is vital to bring European funds to help them evolve to the digital market in a knowledgeable and efficient way.

Keywords: Rural accommodation enterprises; Digital marketing; Online tools.

1. Introduction

It is not a new situation, however, more than ever, all over Europe there are countries that registered a severe loss of people in rural regions. These regions, in terms of tourism attraction, face difficulties due to distance from touristic centres, lower accessibilities, lower attractions, and so on (Johansson, Nilsson, and Westlund, 2019; Valdivia, 2018).

Even though economic sustainability, in regions with these characteristics, is very hard to maintain, there are still companies that continue their activity and remain there and, therefore, need to attract visitors to the region and to their businesses.

This study focus on 10 rural accommodation enterprises (RAE) located in the regions Douro and Terras de Trás-os-Montes, in the northeast of Portugal. It is the intention of this study to understand if these RAE use the information and communication technologies (ICT) available, if they have an efficient presence online, and if they have a digital marketing strategy in order to attract visitors to the regions.

The study is structured as followed: first an introduction is presented, secondly the theoretical framework that sustains the study is described, the third section describes the study, and finally, the conclusion is presented.

2. Rural accommodation enterprises and online presence

In rural areas, particularly those that are characterized as isolated, depopulated or deprived regions, tourism is viewed as a tool to economically sustain and even promote its development. However, even in these regions the touristic activity has to be up to date with market mechanisms, specifically with communication and promotion techniques since they dominate the competitive market (Pilar, Pina, and Delfa, 2005).

Currently, the internet is present in every aspect of our lives and has a growing importance in the consumers' information search and buying process. According to Hernández-Maestro (2020) companies need to pursue a more active role regarding their online presence and their reputation. It is important to understand that customers appreciate and are influenced by the management interaction and response.

Furthermore, the companies, more than the necessity to be online, in order to appear in customers' search and have a possibility of being selected and their services bought, they need to understand the data that digital tools can give them in order for the companies to improve their services, direct their services to their target audience, and understand what the customers want. Data analytics are forcing enterprises to evolve in their operation activities, not only to respond to the demand of the customers, but also to allow enterprises to see new business possibilities. It can have a major impact in the performance of enterprises located in rural regions (Króí, 2019).

It is important, in order to plan the development, in an economic and social perspective, for a region, to know the characteristics and predilections of the consumers that are attracted to the region (Pilar, Pina, and Delfa, 2005). The same is valid for the enterprises. For them to develop an effective marketing strategy and digital marketing strategy, the enterprises have to understand how the customers perceive the region and the rural accommodations (Wang, Li, Wang, and Jin, 2020).

Due to the internet importance as the primer source of information, it is a marketing method, and companies understand that tourists search for relevant information about their destination and also share their opinion (evaluation) with others in their social networks (Wang, Li, Wang, and Jin, 2020). Rural tourism establishments are not considered the most experienced in using effectively the internet or analytical tools, in fact, they usually use them less than other businesses that operate online (Króí, 2019).

The fact is that for a small rural business to be competitive it needs to have a market oriented strategy and the use of information and communication technologies have a positive influence in the results obtained (Peña, Jamilena, and Molina, 2011). However, not only the knowledge to use the internet and digital tools is sometimes harder to find, even the physical support can be a challenge, since rural and more isolated regions usually have a worse internet telecommunications and have more difficulties in using the full potential that digital tools allows (Roberts, Beel, Philip, and Townsend, 2017). Even with all the influence and importance, already recognized, of marketing and digital tools for businesses, it is important to understand how companies located in more isolated areas can use these resources, or even if they are available to be used. More so, in the touristic area, to attract visitors to these regions and to bring them to their establishments, it is essential to have a presence online.

3. The case of the rural accommodation enterprises of Douro and Terras de Trás-os-Montes

The regions in study are Douro and Terras de Trás-os-Montes. Both the regions are located in the northeast of Portugal and are defined as isolated, deprived regions with an galloping aging population. The region Douro comprises 19 municipalities – Alijó, Armamar, Carrazeda de Ansiães, Freixo de Espada à Cinta, Lamego, Mesão Frio, Moimenta da Beira, Penedono, Peso da Régua, Sabrosa, Santa

Marta de Penaguião, São João da Pesqueira, Sernancelhe, Tabuaço, Tarouca, Torre de Moncorvo, Vila Flor, Vila Nova de Foz Côa, Vila Real – and has an extension of 4,032 km².

Terras de Trás-os-Montes (TTM) comprises nine municipalities - Alfândega da Fé, Bragança, Macedo de Cavaleiros, Miranda do Douro, Mirandela, Mogadouro, Vila Flor, Vimioso, Vinhais – and has an extension of 4,370 km². Both regions have approximately 30% of their inhabitants with more than 65 years of age (INE, n.d.).

In terms of touristic offer, in the latest record, in the Douro region there were 164 touristic companies, with the rural accommodations representing 38% of the total, with 63 units, and 23% were agritourism units. In Terras de Trás-os-Montes the official records identified 149 touristic companies, of which 87 (58% of the total) were registered as rural accommodations and 28 were agritourism units.

In both regions the majority of the tourism companies were located in the capital of the region, that were also the most populated municipalities. However, most of the 28 municipalities on both regions are not highly populated or even in touristic routes. The majority is located in the isolated and underpopulated areas.

This study focus on rural accommodation companies located in three municipalities with severe indicators, regarding economy, population, and tourism, namely Vila Flor, Freixo de Espada à Cinta and Torre de Moncorvo. In these municipalities, in 2016, 98% of the registered businesses were micro companies with two employees, on average (CIM-TTM, 2014; INE, 2018).

3.1. Objective, data treatment and analysis

This work regards the analysis of 10 rural accommodation enterprises with the intention to understand in what stage of engagement the enterprises were regarding their marketing strategy, digital marketing strategy and ICT overall presence on their businesses.

To do so, the methodology followed was a qualitative research with semi-structured interviews. With the qualitative approach it was possible to closely interact with the individuals involved, using informal language. Through the inductive process, after analysing the collected data, we present the reality perceived (Creswell, 2013). After an initial in-depth interview with the 10 enterprises' managers involved, it was made an in-depth follow up with each company in order to understand in loco how they used ICT, what marketing strategies they had, and finally if they were present online and had a digital marketing strategy.

3.2. Descriptive analysis

For the 10 establishments studied no distinction was made regarding their type, if they were rented by room or whole-house rental, due to the fact that only two were whole house rental but also had separate rooms to rent. All the 10 RAE studied were of small size - one only had one room, another three rooms, four of them had four rooms, three had six rooms, and only one had 10 rooms - and were family owned and explored. The information was obtained through the owner or responsible for the touristic activity, since they were considered as the ones that had a broader view of their business and since they are the ones that can approve and implement improvements that could arise from this study.

The first aspect that was analysed was the use of information and communication technologies, described in seven topics, starting from the existence of basic equipment until the use of specific software, as presented in Table 1.

Table 1: Use of information and communication technologies

Enterprise	yes	no
The company has informatic equipment?	10	0
The company has a printer?	9	1
The company has internet connection?	8	2
The company uses billing software?	7	3
The company uses a specific management software?	2	8
The company has their own server?	0	10
The company uses ERP software?	2	8
The company uses CRM software?	0	10

Table 1 shows that most of the studied companies only had the minimum requirement to have their company running. One can see that they all have a computer, almost all have a printer, however two of them don't have internet connection. From the 10 enterprises, seven already uses a billing software and two of them also use a management software. Regarding Enterprise Resource Planning (ERP) software, two companies already used it and were the only ones that knew about it, the rest never heard about this tool. Customer Relationship Management (CRM) software not only was not used by any of them, they never even heard about it.

Regarding their marketing strategy, some aspects were selected to better characterize the companies in this element and are summarised in Table 2.

Table 2: RAE's marketing strategy

Enterprise	yes	No
The company has a logo?	8	2
The company has a corporate identity?	7	3
The company invests in advertising and merchandising?	8	2
The company has a differentiation strategy?	8	2
The company has a brand positioning strategy?	9	1
The company has a segmentation strategy?	7	3
The company reaches different segments?	9	1
The company has a digital presence?	10	0

As can be observed in Table 2, the majority of the companies has a logo, a corporate identity and invests in advertising and promotion. Almost all have a brand positioning strategy. Even though only seven believe they have a segmentation strategy, they are aware that they have customers from different segments. All 10 companies stated that they have a digital presence, if not with their own website through digital platforms. The existence of a website and its potential was also an aspect that was considered during the study (Table 3).

Table 3: Rural tourism companies' website

Enterprise	yes	No
The company has a website?	6	4
The website is user friendly?	5	1
The website link is easy to type?	4	2
The website is multi device compatible?	2	4
The website has connections to official public websites?	0	6
The websites has connections to other online pages?	0	6
The website is updated regularly?	3	3
The website has special promotions regularly?	1	5
Is it possible to buy in the website?	6	0

In Table 3, it shows that only six companies have their own website. The remaining companies were not considered in the other aspects regarding the website.

Of the ones that have own website most of them regularly analyse the statistics about access and interaction of the visitors. However, in some cases they recognize that the website's address is not easy to type and that the website does not enable visits using different devices. None of the involved companies has connections from the site to other online locations, not even to public entities such as the Portuguese Tourism website. Although it is possible to buy directly in the companies' website, most of them are connected with online booking platforms and almost 90% of their business is made through those platforms. This is the main reason why there usually are no special promotions in the website.

After this approach to their online presence, it was intended to understand if the companies had a deeper knowledge about the potentiality of the online services. Table 4 resumes it.

Table 4: Marketing strategy

Enterprise	yes	No
The company is aware of who visits the website?		6
Does the company analyse the website statistics?	6	0
The company uses search engine optimization?	2	8
The company knows about how to get better search results?	1	9
The company knows how google ads work?	5	5
The company is present in social networks?	10	0
The company sends emails marketing to clients?	0	10
The company send newsletters in a regular basis?	0	10

In Table 4, since there were four companies that stated that they did not have a website, in this table the first two aspects are reduced to the other six companies that do have a website.

As is observed in Table 4, the majority of the companies does not know who visits their website, however, all the companies stated that they analysed the website statistics. Mostly concerned to number of visits, number of contacts and number of reservations achieved. Also, almost all the companies were not aware of the tools available online, nor were they aware of what those tools could do for the company, in terms of visibility, best search results, and so on.

Regarding social networks, they are all present in Facebook, but only three are present in other social networks (such as Instagram or Twitter). Even though, currently Facebook may be the social network that the majority of their clients use, since they are more elderly individuals, with families, in the future they have to evolve to newer social networks or they will not reach new publics.

Another aspect that came to light from the study was that none of the companies build a client data base, and so, they did not send any marketing emails to the clients nor did they send any newsletter.

After the study, the conclusions were presented to the 10 companies with suggestions to improve their online presence and to help them develop a digital marketing strategy. The suggestions were very welcome by the companies particularly those that did not required an investment, such as increase the content of the website, update the information, interact more in social networks, or give more feedback to clients. The suggestions regarding the digital marketing had more resistance since the companies feel that to achieve the expected results they had to invest in more support, such as a professional manager for the online presence. In fact, the companies need to know who their clients are and need to define a digital marketing strategy for the target audience in order to attract their attention and facilitate their action to buy.

However, they all sustained that it was not possible to currently invest in online improvements due to budget constraints and they were hopping for the next European Union funds to improve their conditions.

4. Conclusion

This study presents a reality of 10 rural tourism companies in a rural and deprived area. These companies face several problems regarding their location, far from the touristic centres and with difficult road accessibilities in some cases.

Although the majority already has a digital presence, with a website, present in some social networks, and through the online booking platforms, they do not have a digital marketing strategy that could allow them to be more efficient online.

This study registered what the companies already had, in terms of ICT and digital marketing, and presented several actions and measures to be taken in order to improve their presence online and to have a better search results position when potential customers search online. However, it was also clear that the measures that implied an investment from the companies would hardly see the light of day, since most of them almost only makes just above breakeven point. As such, it would make great difference if these type of companies could have access to European funds to update their marketing strategy and their online position. This would represent a broader dissemination of the region and the companies and would increase the awareness of potential customers.

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