ASSESSMENT OF THE IMPORTANCE OF BENEFITS PROVIDED BY RURAL TOURISM HOMESTEADS IN LITHUANIA

Viktorija Grigaliūnaitė, **Lina Pilelienė**, PhD[+]; and **Arvydas Petras Bakanauskas**, PhD

Vytautas Magnus University

Abstract. Tourism industry becomes an increasingly important service sector. Hence, tourism provides many intangible benefits to consumers. Therefore, the scientific problem "what intangible benefits are provided by rural tourism homesteads in Lithuania?" is analyzed in the article. The aim of the research is to determine the intangible benefits, which should be provided by rural tourism homesteads in Lithuania. As in case of the choice for rural tourism homestead, all the utilitarian and hedonic benefits can be identified. Thus, the hypotheses are made that utilitarian and hedonic benefits (savings, quality, convenience, exploration, and entertainment) have a positive impact on tourists' perceived total benefits. Structural equation modelling (SEM) using partial least squares path modelling methodology (PLS) and Importance-Performance matrix analysis (IPMA) was provided to assess the importance and performance of every benefit. The analysis of the research results reveal that the main benefits for the improvement with management activities are convenience and entertainment; and the enhancement of latter benefits can lead to the gaining of competitive advantage for the rural tourism homestead in Lithuania. Moreover, the investments into the benefit of quality might be suspended for the certain period in order to balance investments while enhancing perceived total benefits regarding the choice of rural tourism homestead in Lithuania.

Key words: benefits, importance, performance, rural tourism, value.

JEL code: M31, M39.

Introduction

The importance of tourism industry in the world's economy is hardly deniable. Actually, tourism as an industry can be divided into few forms that are more precise: local, inbound, and outbound. Moreover, based on its essence, tourism can be considered as urban or rural. Žalys L. et al. (2006) state that rural tourism incorporates two forms of tourism – local and

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[+] Corresponding author. Tel.: + 370 37 327856; fax: + 370 37 327857.
  E-mail address: l.pileliene@evf.vdu.lt.

inbound. According to Hui S. and Ning Z. (2014), the development of rural tourism will promote the rural economy and affect the whole national economy. In the heart of every industry consumers can be found. Moreover, consumer satisfaction has to be achieved: only satisfied consumers return to organization, recommend it to others, become loyal. Latter statements are very important in tourism as well as in all other business sectors.

Consumers do not buy products or services just because they exist, rather to attain some particular value. Chang C. and Dibb S. (2012) argue that the products and services that consumers purchase are the outcomes of the consumer buying process during which individuals assess the benefits and costs of acquiring the required products and services. Based on the latter point of view, understanding the benefits, which are the most important for consumers, can help organization improve and emphasize them; thus, proper management of the most important benefits can help excel in the market.

Tourism is often considered as a part of service sector. Accordingly, it can be stated that in line with tangibles, tourism provides many intangible benefits to consumers. Therefore, the scientific problem analyzed in the article is: what intangible benefits are provided by rural tourism homesteads in Lithuania?

The aim of the research is to determine the intangible benefits, which should be provided by rural tourism homesteads in Lithuania.

Three objectives are set to achieve the aim:

1.   to determine most important intangible benefits for consumers while choosing a rural tourism homestead;

2.   to assess the benefits' performance from tourist perspective;

3.   to provide managerial implications for rural tourism homesteads in Lithuania in terms of benefit provision.

Research results and discussion

Achieving to reach the aim of the article, questionnaire research was provided to determine the importance and performance of intangible benefits established in scientific literature. Consequently, the importance-performance matrix for the analyzed benefits was composed to reflect the existing situation in rural tourism homestead from consumer perspective.

Scientific substantiation

Customers use or consume products or services because of their benefits and value, not because of their attributes (Chiu C. et al. 2014). Finding the motivating benefits becomes an essential task for every organization achieving to gain success in the market, excel among competitors.

According to Ivanova M. (2012), the purchase decisions of customers and their behaviour can be explained with utilitarian and hedonic motives. Chiu C. et al. (2014) suggest that utilitarian and hedonic values (benefits) are always present in all types of consumption;

furthermore, utilitarian and hedonic values are the dimensions of the perceived value. Lim E. A. C. and Ang S. H. (2008) argue that a hedonic benefit claim describes hedonic needs for sensory pleasure, while a utilitarian claim concerns a pragmatic benefit. Chandon P. et al. (2000) provide an explanation that utilitarian benefits are primarily instrumental, functional, and cognitive, whereas hedonic benefits are non-instrumental, experiential, and affective.

In a framework of tourism, consumers have a wide variety of choices. It can be argued that the choice of tourist destination (rural homestead in this case) will be mainly based on the offer attractiveness. Only the determination of the most important benefits for the consumer can lead to their proper management in terms of product portfolio, communication mix, or adequate pricing.

During the analysis of consumer benefits Chandon P. et al. (2000) established six benefits: savings, quality, convenience, value expression, exploration, and entertainment. According to the authors, three of those benefits can be called utilitarian (savings, quality, convenience); two benefits – exploration and entertainment – hedonic. As in case of the choice for rural tourism homestead, all the utilitarian and hedonic benefits are pertinent. The assumption can be made that proper management of these benefits could help in enhancing tourists' perceived total benefit of the offering and gaining competitive advantage.

Methodological background

Achieving to determine the intangible benefits, which should be provided by rural tourism homesteads in Lithuania, questionnaire research was provided. The research was held in Lithuania in 2014. Only Lithuanian citizens could participate in the research. The sample was composed to proportionally reflect rural tourism homesteads in all the 10 counties of Lithuania. The simple random sampling method was applied. The total amount of 350 questionnaires was distributed and 322 questionnaires were returned; 121 men and 201 women participated in the research.

The questionnaire was composed to reflect respondents' opinion about the benefits motivating them to book their vacation at a rural tourism homestead. There were two main parts of the questionnaire:

1) benefit-related part, which contained questions-statements about the benefits affecting the choice of the rural tourism homestead (18 statements: three for each benefit including perceived total benefits). A Likert scale (with possible answers of: 1 – 'Totally disagree', 2 – 'Disagree', 3 – 'Neither agree, nor disagree', 4 – 'Agree', and 5 – 'Totally agree') was used to identify respondents' agreement or disagreement with the statements provided;

2) socio-demographic part. Respondents were asked to identify their age, gender, family size, income, and the frequency of visiting rural tourism homesteads in Lithuania.

Consequently, the hypotheses were made that every benefit (savings, quality, convenience, exploration, and entertainment) have a positive impact on tourists' perceived total benefits.

Structural equation modelling (SEM) using partial least squares path modelling methodology (PLS) and Importance-Performance matrix analysis was provided to assess the importance and performance of every benefit; the importance-performance matrix was composed to identify the main benefits for the improvement with management activities. The assessment builds on the PLS estimates for the path model relationships and adds an additional dimension to the analysis that considers the latent variables' values (performances) (Höck C. et al. 2010).

SmartPLS V.3 (Ringle C. M. et al. 2014) and Matlab R2012b software packages were applied for the statistical analysis.

Research results

The analysis of the research results revealed that the reflective measurement model was reliable: indicators' loadings were above 0.7 and statistically significant; moreover, all of the Composite Reliability values were higher than 0.7, thus internal consistency reliability of the measurement model was sufficient. The measurement model was considered as displaying sufficient degree of convergent validity based on average variance extracted (AVE) values being above 0.5. Furthermore, discriminant validity of the measurement model was evaluated based on two criteria: Cross Loadings and Fornell-Larcker criterion. The latent constructs shared more variance with their assigned indicators than with another latent variable in the structural model.

The structural model exhibits predictive relevance: Stone-Geissers' Q^2 value for the endogenous latent variable "perceived total benefits" is above zero. Moreover, predictors' variables' variance inflation factor (VIF) is lower than 5, thus, there is no problem of multicollinearity.

The coefficient of determination (R^2) of the endogenous latent variable "perceived total benefits" is 0.533. Hence, the amount of explained variance is sufficient.

Path coefficients, their statistical significances, and effect sizes are presented below in Table 1. As it can be seen, variable "convenience" has the highest positive and statistically significant ($p < 0.05$) influence on the variable "perceived total benefits". Moreover, variable "convenience" has the highest effect size on the endogenous variable "perceived total benefits". The second highest impact on the variable "perceived total benefits" is exerted by variable "entertainment"; furthermore, latter variable has the second highest effect size on the endogenous variable "perceived total benefits". The third most influential variable is "savings" which has moderate, positive, and statistically significant influence on variable "perceived total benefits". The last benefit, which has statistically significant impact on variable "perceived total benefits", is variable "quality"; latter relationship is statistically significant but the impact of "quality" on "perceived total benefits" is the lowest when compared with the rest of the analyzed statistically significant impacts. The variable "exploration" has very low and statistically non-significant influence on variable "perceived total benefits" regarding the choice of rural tourism homestead in Lithuania. Accordingly, four hypotheses stating that benefits

"quality", "convenience", "entertainment", and "savings" influence Lithuanian tourists' perceived total benefits for the choice of rural tourism homestead in Lithuania are supported, while hypothesis stating that benefit "exploration" influences tourists' perceived total benefits is rejected.

Table 1

Path Coefficients, statistical significances and effect sizes

Latent Variables	Path Coefficient	Standard Deviation	T Statistics	Effect size (f^2)
Quality -> Perceived Total Benefits	0.174*	0.0441	3.9419	0.043
Convenience -> Perceived Total Benefits	0.293*	0.0459	6.3877	0.105
Exploration -> Perceived Total Benefits	0.034	0.0440	0.7792	0.002
Entertainment -> Perceived Total Benefits	0.250*	0.0372	6.7184	0.092
Savings -> Perceived Total Benefits	0.214*	0.0476	4.4877	0.056

$*p < 0.05$
Source: elaborated by authors

As the structural model did not contain indirect effects, all of the path coefficients are equal to the total effects, presented below in Table 2. Total effects represent the importance of the each benefit on the tourists' perceived total benefits offered by the rural tourism homestead in Lithuania. The index values represent the performance of the each of the benefits from the tourists' perspective. The computation of index values is carried out by means of rescaling the latent variable scores to a range of zero and 100 (Höck C. et al. 2010). As it can be seen in Table 2, the performance of the perceived total benefits is the lowest when compared with the separate benefits.

Table 2

Total Effects and Index values

Latent Variables	Total Effect (Importance)	Index value (Performance)
Quality -> Perceived Total Benefits	0.174	68.084
Convenience -> Perceived Total Benefits	0.293	55.464
Exploration -> Perceived Total Benefits	0.034	58.498
Entertainment -> Perceived Total Benefits	0.250	63.194
Savings -> Perceived Total Benefits	0.214	63.064
Perceived Total Benefits	-	54.106

Source: elaborated by authors

The assumed reason explaining the low performance of tourists' perceived total benefits is that the benefits with the lowest importance for the perceived total benefits have the highest performance and vice versa. The importance-performance matrix for the variable "perceived total benefits" was composed and is presented in Figure 1.

As it can be seen in Figure 1, variable "convenience" has the highest importance for the variable "perceived total benefits". Nevertheless, latter variable has the lowest performance level. This benefit is essential for the enhancement of the perceived total benefits, and there is high necessity for the proper management of this benefit in order to gain competitive advantage.

The benefit "exploration" has statistically non-significant impact on "perceived total benefits" but latter benefit has higher performance level when compared to the benefit "convenience". Hence, the investments should be relocated from the benefit "exploration" to the benefit "convenience". Moreover, benefit "quality" has the highest level of performance, although it is only in the fourth place regarding the importance for the "perceived total benefits". The investments into the benefit "quality" might be suspended for the certain period in order to balance investments while enhancing perceived total benefits regarding the choice of rural tourism homestead in Lithuania.
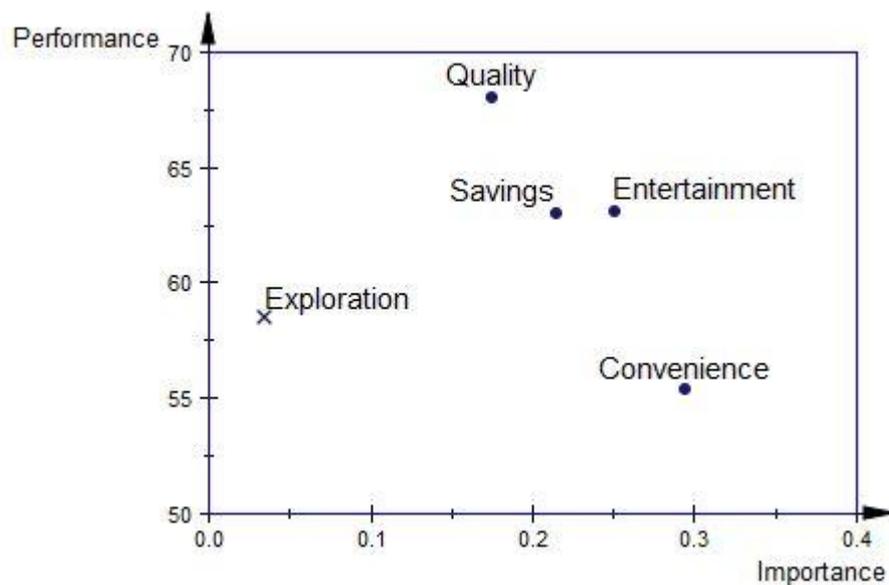
Fig. 1. **Importance-Performance matrix for the variable "Perceived Total Benefits"**

Benefits "savings" and "entertainment" have similar levels of performance, though benefit "entertainment" is more important for the "perceived total benefits". Consequently, it could be stated that the benefit of savings might not compensate the lack of the benefit of entertainment, thus, latter benefit is worth investments and promotion.

The main benefits for the improvement with management activities are convenience and entertainment; and the enhancement of latter benefits can lead to the gaining of competitive advantage for the rural tourism homestead in Lithuania. As these two benefits represent both utilitarian and hedonic benefits, there is a necessity for the rural tourism homestead in Lithuania to provide benefits that are primarily instrumental, functional, and cognitive as well as benefits that are non-instrumental, experiential, and affective.

Conclusions, proposals, recommendations

1. The most important benefits for consumers while choosing a rural tourism homestead in Lithuania are convenience and entertainment. These two benefits represent both

utilitarian and hedonic benefits; hence, Lithuanian tourists value cognitive as well as affective benefits provided by rural tourism homestead in Lithuania. The benefits of savings and quality are less important for the perceived total benefits regarding the choice of rural tourism homestead in Lithuania. Moreover, benefit of exploration is the least important for the perceived total benefits regarding the choice of rural tourism homestead in Lithuania; the investments into the latter benefit most likely would not pay off.

2. From tourist perspective, benefit of quality has the highest level of performance, while benefit of convenience has the lowest level of performance, although latter benefit is the most important for consumers while choosing a rural tourism homestead in Lithuania. The investments into the benefit of quality might be suspended for the certain period in order to balance investments while enhancing perceived total benefits regarding the choice of rural tourism homestead in Lithuania. Furthermore, as benefit of exploration has higher performance level when compared to the benefit of convenience, hence, the investments should be relocated from the benefit of exploration to the benefit of convenience. Benefits of savings and entertainment have similar levels of performance, though benefit of entertainment is more important for the perceived total benefits. Consequently, it could be stated that the benefit of savings might not compensate the lack of the benefit of entertainment, thus, latter benefit is worth investments and promotion.

3. Marketing and management investments should be relocated from the benefits that have average / high performance levels and low impacts for the perceived total benefits to the benefits that have average / high impacts for the perceived total benefits and low performance levels. Latter strategy could lead to the enhanced tourists' perceived total benefit of the offering regarding the choice of rural tourism homestead in Lithuania. Consequently, this could contribute in gaining competitive advantage.

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