

## MARKETING SOLUTIONS IN RURAL TOURISM DEVELOPMENT IN LITHUANIA

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*In the contemporary world, an increasing number of enterprises, including rural tourism businesses, employ marketing methods and knowledge in their activities. Rural tourism has an exclusive link with nature. For this reason its services became very popular. Its development is furthered by the right marketing system and an expedient EU and national support. Rural tourism becomes a new field of activities, which makes good income and returns in rural areas and enables to change from agricultural production to service trade. It is an extra income for farmers or other agrarian people. In addition, rural tourism provides social and cultural benefits, i.e. social contacts between local population and tourists, an augmented perception of the importance and preservation of cultural heritage, stronger communication among local people. Local communities are able to develop economics in the area, to improve living standards and to preserve cultural heritage and social values. Therefore, rural tourism development, preconditioning improvement of living standards of tourists and local people, increasingly becomes an object of scientific and practical discussions. In the article, the authors analyse rural tourism development, reveal its problems and marketing tasks. The aim of the study was to formulate the measures of improving the marketing solutions in rural tourism development.*

*Key words: rural tourism, promotion, services, marketing strategy.*

## Introduction

To the fast growing and profitable small and medium businesses belongs rural tourism which gives an incentive to work, to preserve and rationally use local resources, cultural and historical heritage. Rural tourism is of great significance to the stabilization and improvement of social economic conditions. Development of tourism business and infrastructure would stimulate economics, small businesses and provide rural population with alternative income (Lietuvos ..., 2002; Valančiauskaitė, 2002). Tourists participate in creation of sales, profits, jobs, returns and income. Tourism is characterised by the fact that consumption takes place where the service is provided (Steenwegen, 2003), and the economic impact of tourism is an important factor of national, regional and public planning and economic development. In addition, its economic impact is a relevant factor in marketing and management decisions (Baroniūnaitė, 2001; Vogelsong, 2001). Tourism is a dynamic sector in local economics where farming, forestry or other traditional activities sustain the importance. The obvious and rapid development of rural tourism gains deserved attention from social science. In scientific literature and in works of foreign and Lithuanian authors (Matekonienė, 2002; Newsome, 2001; Swarbrooke, 1999; Tribe, 2000; Vainienė, 2002; Ramanauskienė, 2005) the dominating theme in rural tourism is the one describing the essence of rural tourism, analyzing its development directions, importance for local community, discussing experience and problems in other countries, but insufficient attention is given to the marketing of rural tourism services. Therefore, those who are engaged in rural tourism lack marketing knowledge which is indispensable for successful business. Successful development of tourism is certainly impossible without good knowledge and assessment of its envi-

ronment and research-based marketing solutions.

**Importance of the problem.** Increasing competition in the market of rural tourism services gives an incentive to apply marketing means to increased demand (Žalienė, 2002). However, insufficient attention is given to meeting the requirements of rural tourism consumers, the diversity of services, promotion measures for rural tourism farm services and marketing. Furthermore, rural tourism entrepreneurs determined to meet the requirements of consumers in the permanently changing competitive environment should follow an optimal business development strategy. Therefore, it is very important to investigate the environment of rural tourism business and the state of services marketing.

*The object of the study* was the aspects of marketing activities by rural tourism subjects. Geographically, the study covers Eastern and Central Lithuania, supposing that the obtained results represent marketing tendencies in Lithuanian rural tourism.

*The aim of the study* was to reveal the role of marketing in rural tourism business and to formulate the means for enhancing the rationality of marketing solutions in the development of rural tourism business. To achieve this aim, the following tasks were solved:

- 1) the system of rural tourism marketing was analyzed;
- 2) formation factors of rural tourism subjects and their interaction were identified;
- 3) the state of marketing activities in rural tourism services in chosen regions was established;
- 4) measures enhancing the rationality of marketing solutions in business development were formulated.

**Methods.** Logical and comparative data analysis, SWOT and graphic presentation methods

were applied. Data were collected by the questionnaire method. Simple random selection was applied to the problem. The questionnaire data were treated by data systematizing and processing methods, i.e. statistic grouping, listing and presentation of presumptive indices, causality of facts and the Pareto law for grouping of factors and investigation of their impact on the study object.

### **1. Methodical substantiation of the study**

Primary and secondary data sources were used while investigating the marketing state of rural tourism services in selected regions. Collection of secondary data is much simpler. It helps to define the problems and goals. Nevertheless, in most cases, including the present study, it was based on selected primary data sources, which were obtained from questionnaires of rural tourism consumers and service suppliers. The study needed both attentive evaluation of the quality of the obtained secondary information and a careful collection of primary data in order to submit correct, accurate, relevant and impartial information. Therefore, qualitative investigation was chosen to analyze the opinions of a small number of consumers. In scientific literature (Hassan, 2000; Cooper, 1993; Gartner, 1966; Hall, 1966) it is stated that qualitative research is based on the philosophical "interpretative" approach determining interpretation, understanding, experience and depiction of the social world. To the social world, different research methods and individual processing ways characteristic of qualitative research may be applied (Žalėnė, 2002; Kent, 1999). In the investigation of marketing, the principle of hypothesis was widely used, i.e. scientific assumptions based on which it was sought to reveal the market structure of Lithuanian rural tourism services, its com-

petitive capacity and development tendencies.

Simple random selection was applied to investigate the problem. The inquiry covered 100 rural tourism service consumers and 20 rural tourism farms in Eastern Lithuania, as well as 70 rural tourism services consumers and 9 rural tourism farms in Central Lithuania.

The questionnaire for rural tourism service consumers was compiled from closed questions provided with variants of possible answers. This was necessitated by the objective to simplify the processing of questionnaires and to unburden the respondents. Considering that not all possible answers could be given in variants, respondents could express their opinion in the supplement column. Such "expansion" of answers makes the investigation more comprehensive. The questionnaires were anonymous to ensure objective answers.

In the questionnaire for rural tourism service suppliers, both closed and open questions were used. The latter were answered in one's own words. Open questions were submitted in order to find out more about the problems related to the offer and demand of rural tourism business.

Based on specialists' recommendations how to obtain honest and true answers, in the initial part of the questionnaire there was formulated the aim of the inquiry securing the confidentiality of information. While compiling the questionnaire, attention was paid to three main points: clearness, unequivocal expression and reliability. Moreover, the questionnaires encouraged the respondents to cooperate and answer the questions as truthfully as possible.

### **2. Marketing solutions in rural tourism development**

Recently, rural tourism has received much interest. Over the period 1997–2005, the number of rural tourism farms increased over 17 times. 25–

30% of Lithuanian inhabitants are potential consumers of rural tourism services. In addition, the number of foreign holidaymakers is increasing. Lithuania joined the EU and became part of its market; therefore the assumption that the tendency is promising becomes real (Lietuvos..., 2003; Ramanauskienė, 2003).

The main tasks of rural tourism marketing are as follows: analysis of market participants, aggregated formation of territory image and organization of promotion campaign, contacts with clients, planning of rural tourism marketing, analysis of the achieved results and adjustment of activities (Banytė, 1996; Ligeikienė, 2003; Adly, 1999; Goeldner, 2000). The following information was collected on the marketing of rural tourism services: market segmentation, quality of rural tourism services, their value, distribution channels and promotion measures.

Analysis of rural tourism service quality revealed several limitations. Client welcoming is among hardly existing or non-existing services on rural tourism farms. Answers showed that nearly a half of respondents did not supply this

service. For every person the first moment of the acquaintanceship is very important. This often determines the subsequent favourable or unfavourable individuals' opinion, their communication and lasting contacts. A lot of owners of rural tourism farms state that clients arrive without notice in advance, unexpectedly. The argument is strong but insufficient. According to the investigation results, it is possible to assume that over 60% of respondents – rural tourism service consumers are satisfied with the way services are provided, the rest 39% being only partially satisfied. With a view to find out why 39% of guests are only partially satisfied, analysis of answers concerning attendance duration and the education level of the personnel was made. Attendance duration is very important to a half of rural tourism service consumers. More than one fifth of the clients have to wait for a long time to be attended. Only one third of guests think that they are attended by personnel with experience in services. This explains why 39% of rural tourism services consumers are satisfied only partially with service quality.

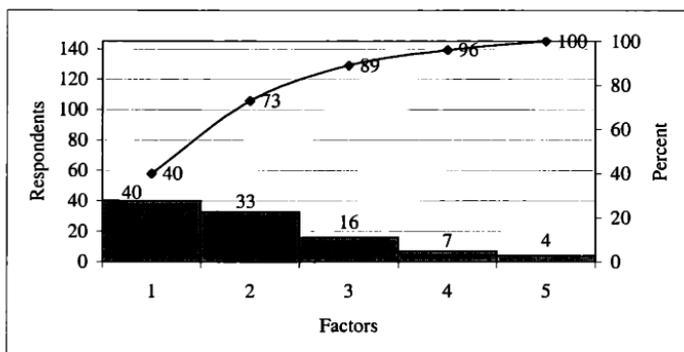


Fig. 1. Factors motivating the selection of a particular farm: 1 – diversity of services; 2 – fair price; 3 – convenient location; 4 – pleasant attendance; 5 – farm's image.

In Fig. 1 the main factors motivating a consumer to select a particular farmstead are presented.

In Fig. 1, factors determining selection of a particular farm are ranked downward according to the comparative weight as follows: 1) services of diversity – 40%; 2) fair price – 33%; 3) convenient location – 16%; 4) pleasant attendance – 7%; 5) farm's image – 4%. Thus, the highest number of respondents – even 40% – selected the farm because of service diversity. For some clients, appliances are important (especially to families with children), others desire relaxation diversity, yet for some others organized events or excursions are important. Quiet sitting in front of the TV set could be a sufficient recreation for manual workers but not for individuals exhausted from brainwork. The latter need new impressions to dissipate obtrusive thoughts about work even during weekends (Armaitiené, 2002). It should be noted that clients are happy coming back to the farmstead where they experienced many pleasant and joyful moments, consequently, in order to stand out from the other rural tourism farms, ow-

ners pay more attention to leisure time organization and relaxation originality.

The research has shown that 49% of respondents think that service diversity is good, and 12% consider it very good. The rest 39% were not satisfied with service diversity: 30% of respondents characterized it as unsatisfactory and 9% as satisfactory.

Investigation on relaxation assortment and demand was carried out as well. The main and most often provided relaxation services to attract tourists were established as follows: berry and mushroom picking, fishing, museum visiting (Fig. 2).

As is seen from the information presented in Fig. 2, tourists' needs are different. The entertainment provided by farmsteads is dull and least demanded.

When setting prices, owners of rural tourism farms should weigh first the effect of prices on consumers' decisions. Prices, like all solutions of the marketing complex, should be orientated towards the consumer (Kotler, 1999).

Consumers' opinion on prices of rural tourism services and their correspondence to quali-

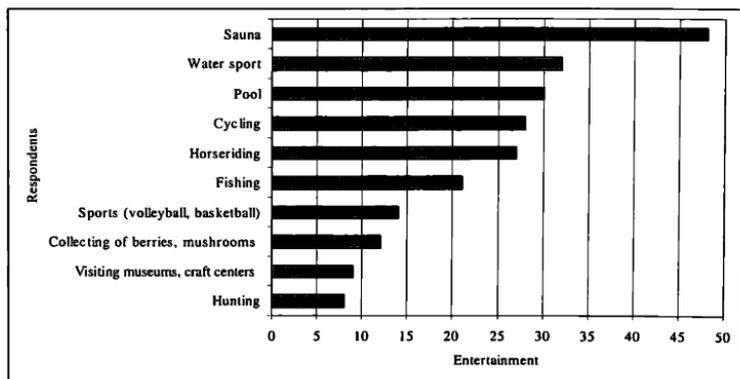


Fig. 2. Demand level of rural tourism services

ty distributed as follows: 1) prices are too high – 69%; 2) quality corresponds to price – 29%; 3) prices are too low – 2%.

Thus, 69% of consumers think that prices of rural tourism services are too high and do not correspond to quality; 29% of respondents think that price corresponds with the quality of services. It is possible to assume that the requirements of these respondents were satisfied. Only 2% of holidaymakers stated that prices were too low for the services provided. However, it is inexpensive to reduce service prices. Low prices would easily and quickly attract clients, but this is an inefficient way to seek for sustained success in the market (Vitkienė, 2002; Kotler, 2003).

Answers of farm owners on discounts for regular or longer staying guests (Fig. 3) show that no discount system has been applied in most rural tourism farms. Even 65% of rural tourism farms do not apply discounts at all, 20% apply sometimes, and only 15% often apply discounts. It means that service prices are not flexible.

The results of our study revealed a deficit of promotion in rural tourism business. About

65% of guests got information on a rural tourism farm from acquaintances, relatives, colleagues and used their recommendations to rest at a particular farm; 5% of respondents found the address in the Internet and 3% from advertising in newspapers, radio, etc. The rest 27% of respondents quoted different, specifically unnamed information sources, such as offers from tourism firms, stay at a rural tourism farm as a lottery winning or a present, etc.

The results of consumers' questionnaire imply that the owners of rural tourism farms make an insufficient use of promotion. Questionnaires were delivered to owners of farms to confirm the assumption. The inquiry results revealed that most often the information on rural tourism farms was found in the Internet. All the 29 interrogated owners of farmsteads answered positively the question if information about their services was available on the Internet. Most rural tourism farms (23) advertised in business catalogues.

Consumers get little information on the services of rural tourism farms through tourism

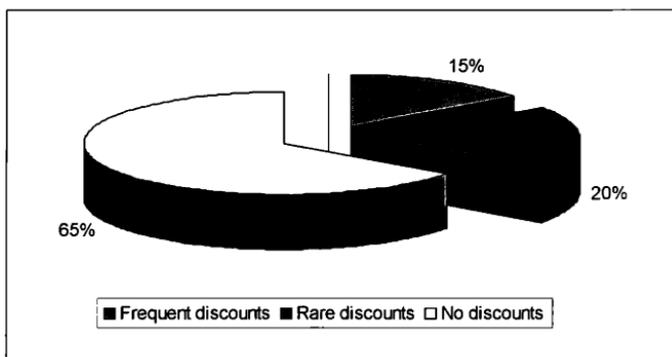


Fig. 3. Evaluation of service price flexibility

agencies. As other means, also advertising on roadsides, leaflets, advertisements in shopping centres, etc. were mentioned.

Discussions with farm owners have shown that in their business they do not apply "reminding" about themselves. Rural tourism consumers keep at home in their data bases e-mail addresses, contact telephone numbers. This could be useful in reminding about oneself by advertising. Even 76% of farms do not cooperate with tourism agencies. Direct distribution of services is applied excluding agent services. Cooperation of farms and tourism agencies would help to secure a stable number of holidaymakers, particularly in out-of-season periods.

Our study has also highlighted other limitations in service marketing, such as inapprehension of segmentation, insufficient attention to image formation, deficiency of marketing research, absence of public relations.

In the future, in order to improve the quality of rural tourism services and the level of meeting consumers' requirements, it is essential:

- to improve the quality of services;
- to apply a system of discounts;
- to cooperate with tourism agencies;
- to practice more promotion measures.

To improve the quality of services it is recommended to improve the guests' attendance quality, to work out the guests' meeting system, to offer a wider range of relaxation forms. Not all rural tourism farms can offer water pastime in lakes and rivers; therefore, it is indispensable to find alternatives and to offer quite new relaxation forms, e.g., forest walks to sight birds and animals, folk dance classes by the fire, yoga classes, bathing in a tub, kite flying, etc.

Whilst expanding rural tourism business, farm owners should practice a more flexible price system and give discounts not only to children but to the disabled, larger groups of guests, regular

clients. Discounts should be applied out of season – this would guarantee more guests in autumn and winter. A set of services could be compiled: bed and boarding; bed, boarding and entertainments (all inclusive), etc. Then the price would be lower than when services are procured separately. Clients who procure bed and boarding for a longer period (5 days) could be offered a discount coupon, etc.

Appropriately chosen distribution channels guarantee a stable number of clients. An increasing number of competitors in the rural tourism market enhances the importance of creating an effective distribution channel (Vainienė, 2002; Vitkienė, 1998). In rural tourism business, as investigations show, the distribution channel is employed insufficiently. Farm owners should discuss the possibility to cooperate with tourism agencies. Information on rural tourism farms, their services and organized events would be easier available to many potential consumers if it could be found at various tourism agencies.

Rural tourism farms use promotion too little. Owners should collect information about consumers and apply promotion for reminding about themselves, e.g., to send season greetings to potential consumers. A promotion leaflet received by mail is a relatively cheap promotion (Končiūtė, 2002).

Leaflets and business cards aren't a novelty any more, however, they are often in the wrong place and are hard to see. Furthermore, the potential of TV commercials has not been exploited yet, and it would be very useful in autumn and winter.

Sales promotion has not been widely used until now; therefore discount coupons could fill in this vacancy, particularly in autumn and winter. Contests and lotteries would help to ensure the guests' flow.

### 3. Strategy conception for rural tourism marketing

Whilst solving the problems of rural tourism development it is very important to prepare an optimal marketing strategy. The uniqueness of a strategy lies in the fact that in each organization the combination of competence, skills, values and resources is different.

In the process of strategy formulation, different authors (Chandler, 1962; Антоф, 1993; Porter, 2003; Jucevičius, 1998) distinguish four main factors exerting an impact on strategy selection, which are organizational resources, environment-stipulated potential, the value orientation of leaders, and the organization's social responsibility. Stipulated by these factors the organization formulates its aims, strategy and policy.

The solution for the limited and low organizational resources can be cooperation of all interested groups: rural tourism entrepreneurs, local population and other businessmen, tourism agencies, local government, tourism information centres, etc. Advantages of cooperation can be as follows: first, net economic returns to members (including patronage refunds) are always an important and sometimes dominant motive. Second, producers of commodities frequently seek assurance that there will be a market for these commodities as far ahead as they contemplate investments. Third, farmers may seek some sort of channel leadership or countervailing power through their cooperatives. Fourth, farmers may regard their cooperative as a means to sustain and expand the demand for their commodity (Rhodes, 1972). Also, cooperation can help to accumulate financial resources for the investments and to solve social problems in the region. By creating economic disparities between tourist destinations and the economies that

surround them, the expansionary influences of tourism also create pressures for population growth through migration to fill jobs linked directly or indirectly to tourism (Taylor J. E., Dyer G. A.,...2003).

Based on the study results and rural tourism environment SWOT analysis (Table), it was established that strengths of rural tourism service business are more associated with the geographic position and abundance of cultural-historical and recreational resources.

The Lithuanian geographic environment is certainly favourable for tourism development. The role of the Baltic Sea can be very important. The country lies among four potential tourism markets: Russia, Sweden, Germany and Poland, Belarus and the Ukraine. No less important is the factor of neighbourhood and development of tourism traditions in the Baltic States (Latvia and Estonia). The directions of tourist flows are also determined by recreation regions. Rural tourism farms while forming the packet of services and preparing business strategy should seek to use the advantages of a particular situation to the maximum. In addition, the country's image has changed recently because of the extensive political and economic reform. This induced Lithuania's merging into the world's tourism market.

Lithuania's economic development and social conditions determine the growth of foreign and domestic tourism flows. The dynamically developing economy stimulates the rise of new business possibilities and correspondingly the growth of business tourists' number. This is also responsive to rural tourism development. Domestic tourism is induced by the growing income in business and family households.

The national rural tourism policy and the deficiency of financial resources for rural tourism development are the main limitations. To stimulate

*Table. Rural tourism business development strengths, weaknesses, opportunities and threats (SWOT analyses)*

<i>Strengths</i>	<i>Weaknesses</i>
<p><b>1. Proximal (internal) environment</b></p> <ul style="list-style-type: none"> <li>• Abundant recreation resources (lakes, rivers, forest, coastline)</li> <li>• High potential of natural medicinal resources</li> <li>• Little urbanized countryside</li> <li>• Abundant cultural and historical resources (ethno culture, architecture, museums, old cities)</li> <li>• Two tourist objects are included into UNESCO world cultural heritage list</li> <li>• Residents' hospitality</li> <li>• A well developed system of national parks</li> <li>• A relatively new tourist region</li> <li>• In comparison to Western Europe relatively lower prices of tourism services (meals, transport)</li> <li>• A rather dense road net</li> <li>• A strong national legal basis of tourism</li> </ul> <p><b>2. Remote (external) environment</b></p> <ul style="list-style-type: none"> <li>• Historical-cultural and ethnical ties between Lithuania and other countries (Poland, Latvia, Russia, Germany, Israel, USA)</li> <li>• Convenient geographic position as regards large tourism markets (Germany, Scandinavian countries, Finland, Poland, Russia)</li> <li>• Two EU priority transport corridors (East-West, North-South)</li> </ul>	<p><b>1. Proximal (internal) environment</b></p> <ul style="list-style-type: none"> <li>• Insufficient image formation of Lithuania as a state</li> <li>• Legal environment does not stimulate development of tourism</li> <li>• Administrative status of the Lithuanian State Department of Tourism is inadequately low according to its functions and tasks</li> <li>• Entry difficulties because of visas for tourists from the East</li> <li>• Low quality of passenger railroad services</li> <li>• Underdeveloped river transport and infrastructure of small ports and quays</li> <li>• Underdeveloped camping system with cycling roads infrastructure</li> <li>• Cultural heritage objects, natural, cultural and historical resources underused and unprepared for tourist visits</li> <li>• Insufficient capacity of tourism sector administration in municipalities</li> <li>• Insufficient state and private investments in the tourism sector</li> <li>• Insufficient diversity of pastime and entertainment activities</li> <li>• Underdeveloped conference tourism infrastructure</li> <li>• Insufficient attention of tourism service suppliers to service quality</li> <li>• Undifferentiated presentation of a tourism product with regard to regional specifics</li> <li>• Little attention to tourism planning and marketing at the local level</li> <li>• Insufficient research in the field of tourism</li> <li>• Underdeveloped physical infrastructure</li> <li>• Uncontrolled criminal situation in the country</li> </ul> <p><b>2. Remote (external) environment</b></p> <ul style="list-style-type: none"> <li>• Poor attainability of Lithuania by sea and highways for tourists from Western countries (especially bad roads in Poland and security while travelling)</li> <li>• The problem of the European track railway in the direction of the Via Baltica</li> <li>• Insufficient attention to the image formation of Lithuania as a tourism country by Lithuanian embassies and consulates</li> <li>• National institutions unsatisfactorily support foreign investments in recreation and tourism</li> <li>• Information deficiency in foreign markets</li> </ul>

<i>Opportunities</i>	<i>Threats</i>
<p><b>1. Proximal (internal) environment</b></p> <ul style="list-style-type: none"> <li>• Possibility to use EU structural funds in implementation of various tourism services, infrastructure and marketing projects</li> <li>• More efficient exploitation of the national recreation potential for citizens of other countries</li> <li>• Restructuring of national economy releases labour and material resources, which can be rationally diverted and used in the tourism sector</li> <li>• Development of resort tourism</li> <li>• Economic strategies of different sectors that are being prepared will provide wider possibilities for tourism development in the country and in individual tourism regions</li> <li>• Development of interregional tourist roads</li> <li>• The national tourism information system and its implementation plan are being prepared</li> <li>• Promotion of small and medium businesses in rural tourism</li> <li>• Efficient application of the national scientific potential</li> <li>• Increase of national budget for preparation of regional tourism strategies, territory management, marketing and observation activities and infrastructure development</li> <li>• Demand of specific tourism products that expand the range of activities (conferences, cruise, rural tourism, ecotourism, active relaxation, cultural–cognitive tourism)</li> <li>• Improvement of investment environment (attractiveness)</li> <li>• Improvement of the quality of services in the hospitality industry</li> <li>• Assurance of boarder services favourable to tourism development</li> </ul> <p><b>2. Remote (external) environment</b></p> <ul style="list-style-type: none"> <li>• Growing market economy opens possibilities for the development of local and visiting tourism</li> <li>• Accession to the EU and strengthening of international communication</li> <li>• Increasing tourism flows and market differentiation</li> <li>• Exploitation of the potential of the Baltic States as an integral region of tourism and cooperation in the field of tourism</li> <li>• Development of joint international routes with neighbouring countries</li> <li>• Decreased attractiveness of certain European or Asian tourism regions will increase the demand for other regions</li> </ul> <p>Exploitation of the large potential of Eastern and North Eastern markets.</p>	<p><b>1. Proximal (internal) environment</b></p> <ul style="list-style-type: none"> <li>• Possible changes in national economy development priorities</li> <li>• Insufficient financing for promotion of tourism development</li> <li>• Incapability to create the image of Lithuania as a sea country</li> <li>• Irrational use of investments in tourism</li> <li>• Loss of attractiveness of cultural–historical and natural heritage objects</li> <li>• Decadence of protective dunes of the Baltic Sea coastline</li> <li>• Qualitative and quantitative decadence of recreation resources</li> <li>• Incapability to increase tourist flows</li> <li>• Unrelenting criminality</li> <li>• Decadence of the tourism rusticity potential</li> </ul> <p><b>2. Remote (external) environment</b></p> <ul style="list-style-type: none"> <li>• Competition between proximate tourism markets and Lithuanian tourism product</li> <li>• Eruption of chemical compounds buried in the post-war period – ecological catastrophe.</li> <li>• Incapability to use EU structural and other foreign funds</li> <li>• Increasing youth migration abroad due to unemployment and national economy decline.</li> </ul>

rural tourism business, the legal regulations should foresee favourable conditions for issuing visas and border and customs posts' activities for Lithuanian and foreign citizens, tourism business tax policy that would encourage visiting tourism and construction of tourism objects.

Thus, the choice of marketing strategy in rural tourism business is one of the most responsible decisions. It is indispensable to assess such factors as the spending power of population, competition, communications, if clients will be able to use public transport, its stops, if a place is convenient to reach, etc. Besides, it is necessary to take into consideration whether an estate could be conveniently reached by individual transport. Each person expects high quality services at a rural tourism farm. Dissatisfied consumers may look for other alternatives. Therefore the aim of a farmstead is to investigate market capacity, clients' behaviour and to choose the most attractive segment to which farm services will be orientated.

Basing on the study results, the suppliers of rural tourism services are recommended a substantiated optimal variant of concentrated growth strategy whilst integrating:

- *penetration into market.* To enlarge the available market of services by more active marketing measures: to intensify advertising, to promote sales, to improve personnel skills, to apply cooperation and other forms of partnership. Penetration into the available market can be implemented by diversification of entertainment assortment, increasing the frequency of services, supplying traditional services in a new environment. Penetration into the market is perspective in rural tourism business, because the market is not saturated with these services; there are possibilities to develop consumer's demands, the common market is increasing and marketing measures are efficient and supportive;

- *market expansion* can be implemented by supplying the same services in new markets. This variant is recommended while expanding into new markets or into new segments in available markets. Research data have revealed that mostly young people (aged 19–45 years) are clients of rural tourism farms. Elderly people least of all use rural tourism services. Therefore, elderly people are potential consumers of rural tourism services. It is essential to employ various rural tourism advertising means that would provide more information to elderly population. Service suppliers should find out the reasons why elderly people do not or seldom use their services. In rural tourism, market expansion is perspective for these reasons: 1) service suppliers have possibilities to employ various information dissemination channels that reach specific markets; 2) they have possibilities to improve their activities; 3) they are capable of expanding into new market segments and new markets; 4) they have sufficiently qualified and organized staff;
- *product (service) improvement* is achieved by improving their quality, amplifying their characteristics and usage possibilities. This variant may be implemented by amplifying the assortment quantitatively and qualitatively or offering essentially new services. The perspective of product (service) improvement is stimulated by the additional benefit which consumers receive from the whole of services created by assortment amplification, realization of staff skills, innovation competence of service suppliers, possibilities to make use of national and EU structural support. Thus, a rural tourism service supplier, in order to achieve the set tasks and meet the requirements of holidaymakers and tourists, should choose a complex model of these strategies.

## Conclusions

1. The quality of rural tourism services does not fully meet the requirements of consumers: service diversity, quality service and pleasant welcoming are deficient. Farms are recommended to work out the guests' reception system, to supply diverse, new relaxation forms different from those of competitors (bathing in a tub, kite flying, etc.), to pay more attention to a polite and speedy attendance of guests.
2. Rural tourism farms have no flexible price system. Discounts are applied only in one third of farmsteads. It is recommended to apply discounts not only to children but also to the disabled, to larger groups of guests, regular clients. Discounts should be applied in autumn and winter. In addition, a set of services should be compiled: bed and boarding; bed, boarding and recreation (all inclusive), etc., the price of which would be lower than when services are procured separately.
3. Rural tourism farms apply direct service distribution. Cooperation with tourism agencies and other interested groups would help to guarantee a more stable number of guests on farms and a wide spectrum of services.
4. Rural tourism farms use promotion too little. Most often the information about farmsteads is placed in the Internet and business catalogues, but advertising is deficient in the mass media. Owners should practice reminding about the farm promotion when personal season greetings are sent to potential consumers. More attention should be paid to sales promotion (discount coupons).
5. In rural tourism development, it is essential to improve the information system and to seek a resourceful exploitation of support from structural funds.
6. In rural tourism business, it is expedient to apply a concentrated growth strategy by integrating penetration into the market, product (service) improvement and market expansion models.
7. It is recommended to pay more attention to the assortment of services for elderly people as potential consumers.

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## RINKODAROS SPRENDIMAI PLĖTOJANT KAIMO TURIZMO VERSLĄ LIETUVOJE

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Santrauka

Turizmo išteklių gausa Lietuvoje sudaro palankias galimybes plėtoti kaimo turizmo verslą. Straipsnyje autoriai sprendžia kaimo turizmo, kaip alternatyviosios verslo rūšies, turinčios didelį populiarumą visame pasaulyje, plėtojimo problemas, atskleidžia rinkodaros svarbą ir uždavinius tolesnėje plėtroje.

Tyrimo rezultatai rodo kaimo turizmo verslo rėmimo priemonių stoką: 65 proc. kaimo turizmo sodybų svečių apie sodybą sužino iš draugų, pažįstamų, gimiinių ir bendradarbių, pasinaudoja jų rekomendacijomis poilsiauti konkrečioje sodyboje. Didėjantis konkurentų skaičius kaimo turizmo rinkoje padidina efektyvumą

paskirstymo sistemos sukūrimo reikšmę. Kaimo turizmo verslininkai, kaip rodo tyrimas, nepakankamai naudojami paskirstymo kanalais, beveik nepalaiko ryšių su turizmo agentūromis. Informacija apie kaimo turizmo sodybas, jų teikiamas paslaugas, organizuojamas šventes būtų lengviau prieinama daugeliui potencialių vartotojų, jei ją turėtų įvairios turizmo agentūros. Be to, šią problemą būtų galima spręsti daug racionaliau sodyboms kooperuojantis.

Kaimo turizmo sodybose nėra lanksčios kainų sistemos. Nuolaidos taikomos tik trečdalyje sodybų. Siūloma nuolaidas taikyti ne tik vaikams, bet ir negalią

turintiems žmonėms, didesnėms žmonių grupėms, nuolatiniams poilsiautojams. Nuolaidos turėtų būti taikomos rudens bei žiemos sezonu. Be to, reikėtų sudaryti paslaugų rinkinius: nakvynė ir maitinimas; nakvynė, maitinimas ir pramogos ir pan., kurių kaina būtų mažesnė nei paslaugas perkant atskirai.

Sprendžiant kaimo turizmo plėtros problemas, labai svarbu parengti optimalią rinkodaros strategiją. Remiantis tyrimo rezultatais ir kaimo turizmo aplinkos

analize nustatyta, kad kaimo turizmo paslaugų verslo pranašumai sieja su geografine padėtimi bei kultūrinių istorinių ir rekreacinių išteklių gausa. Trūkumai – finansinių išteklių, reikalingų kaimo turizmo paslaugų plėtrai, stoka. Atsižvelgiant į tai pagrindžiamas ir siūlomas optimalus variantas kaimo turizmo paslaugų teikėjams – taikyti koncentruoto augimo strategiją, integruojant visus tris jos modelius.

## MARKETING SOLUTIONS IN RURAL TOURISM DEVELOPMENT IN LITHUANIA

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### Summary

Abundance of tourism resources in Lithuania permits favorable development of rural tourism business. The authors deal with problems of rural tourism development as an alternative agricultural business popular over the world, reveal marketing importance and tasks in its further development.

Research results reveal the deficit of promotion in rural tourism business. Still 65% of guests get information on rural tourism farms find out from friends, acquaintances, relatives and colleagues and use their recommendations to rest at a particular farm. The increasing number of competitors in the rural tourism market increases the importance of creating a distribution system. Rural tourism businesses insufficiently employ the distribution channels, hardly supply tourism agencies with information on services at farms. The information on rural tourism farms would reach a greater number of potential consumers when promoted by various tourism agencies. Moreover, it would be more rational to solve the problem through cooperation.

Rural tourism farms do not have a flexible price system. Discounts are applied only in one third of farmsteads. It is recommended to apply discounts not

only to children but also to the disabled, larger groups of guests, regular clients. Discounts should be applied in autumn and winter. In addition, a set of services should be compiled: bed and boarding; bed, boarding and recreation (all included), etc., the price of which would be lower than when services are procured separately.

Whilst solving rural tourism development problems it is very important to prepare an optimal marketing strategy. Based on research results and rural tourism environment analysis it was established that the positive aspects of rural tourism service business are associated with the geographic position and abundance of cultural-historical and recreational resources. The national rural tourism policy and the deficiency of financial resources for rural tourism services development are the main limitations. Based on research results, suppliers of rural tourism services are recommended to employ a substantiated optimal variant of concentrated growth strategy whilst integrating penetration into the market and its expansion as well as tourism product improvement models.

*Įteikta 2005 m. spalio mėn.*

*Po pataisymo – 2006 m. kovo mėn.*

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