

# Rural tourism potential in the development of the agriculture-industrial complex

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**Abstract.** This study explores the potential of rural tourism in the context of sustainable societal development. The demand for tourism services in the post-COVID-19 period is analyzed, as is the trend of travelers' ability to pay for tourism services and the spectrum of tourism offerings. The objectives and directions of investment programs aimed at developing rural tourism and the issues associated with its development are identified. For 59% of European countries, rural tourism is a direct priority in their development, and 66% of European countries have state investment programs for rural tourism. The research results showed an increase in the level of travel by tourists in the post-COVID-19 period, characterized by a desire for lower costs when consuming relevant services. It has been revealed that the policy directions of countries regarding the development of rural tourism can be direct or indirect as part of the overall tourism development policy. Rural tourism offerings have several drawbacks that have led to dissatisfaction with demand, and as a result, most travelers have a desire to receive rural tourism services but do not utilize them due to the aforementioned reasons. The study forms the structure of rural tourism services based on the examples within the European Federation of Rural Tourism Offerings and potential directions and strategies for their further development.

## 1 Introduction

Rural tourism is not just an additional entertainment service for all age groups of society but also the development of rural culture through the observation and transmission of relevant experiences by rural residents. It plays an important role in the economies of countries (for example, in European countries, rural cultural tourism constitutes 37% of the total tourism sector of the European economy). In many countries around the world, rural tourism is part of the economic and social upliftment of rural areas [1].

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The development of rural tourism contributes to satisfying society's needs by improving their health status, familiarizing themselves with the achievements of the surrounding environment, and realizing the results of mutual activities by studying cause-and-effect factors of human impact on nature, which form a component of sustainable development of societal and, as a result, economic relations. The aforementioned understanding of the importance of rural tourism determines the relevance of its development, which aims to contribute to the increased economic efficiency of countries worldwide along with expanding the types of recreational and educational activities for society. This has formed the basis for the chosen direction of research. The purpose of the conducted research is to study the potential of rural tourism in the context of sustainable societal development, identify potential advantages and disadvantages of developing the respective industry, and focus attention on directions to promote its development. The achievement of the stated goal is planned through the implementation of the following tasks:

- analysis of the demand for the tourism industry by examining statistical indicators of the availability of rental accommodations for local and foreign tourists and indicators of their average consumer spending on trips;
- study of tourism supply as a means of disseminating innovative directions in the tourism industry;
- identification of tourism offerings with the lowest costs and faster service delivery to consumers;
- analysis of consumers' opinions on the need to strengthen connections with culture and local communities, destinations, and the time for travel in relation to tourist services;
- analysis of agrotourism products and services;
- determination of EU policies and tourism trends and priorities in cultural tourism within the framework of sustainable development;
- analysis of the structure of the advantage of rural tourism development and the structure of the number of countries implementing investment programs for rural tourism and the elements of expected benefits from their implementation;
- development of conclusions and identification of relevant development directions for measures that would contribute to the further development of the respective industry.

## 2 Methods

The research was conducted using European countries as examples. The years selected for analysis were 2019 to assess tourism indicators prior to the COVID-19 pandemic, and 2020-2022 to calculate the current state of tourism development. In order to obtain the calculated results in the respective scientific study, statistical data from Eurostat [2] were utilized. The average values of tourism indicators were calculated using a grouping method, which allowed for the identification of groups with high, medium, and low data. This facilitated the analysis of the population's relationship to tourism trends for the years under investigation in Europe. To determine the groups of countries with high, medium, and low levels of indicators, the following calculation was performed:

$$ILAH = \sum (HI - LI) / 3 \quad (1)$$

where ILAH – range of levels; HI - highest level of the indicator; LI - lowest level of the indicator.

The obtained result (ILAH) is the maximum value of the data for grouping low-level countries according to the investigated indicator. The maximum value of the data for grouping middle-level countries according to the investigated indicator was calculated (Amax) as:

$$A_{max} = ILA \quad H * 2 \quad (2)$$

The research was conducted on tourism indicators of randomly selected countries with maximum or minimum indicators, chosen for more in-depth analysis. The practical development of rural and farm tourism in 2022 was analyzed using the example of the European Federation of Rural Tourism (RuralTour) [3]. The analysis of consumer opinions on the need for increased cultural and community engagement, alternative destinations, and travel time for 2022 was carried out using audit reports from one of the digital leaders in the travel industry, Booking.com [4]. The identification of tourism trends and priorities in cultural tourism within the framework of sustainable development was conducted based on the results of the SmartCulTour project's Final Conference [5].

Research on rural tourism development was conducted using data from the 2022 UNWTO report [6]. Certain scientific research methods were employed during the study, allowing for conclusions to be drawn regarding the potential of rural tourism and proposing directions for its development support. Through empirical research methods, an understanding of the theoretical foundations of rural tourism was formed, which served as an information base for further analysis.

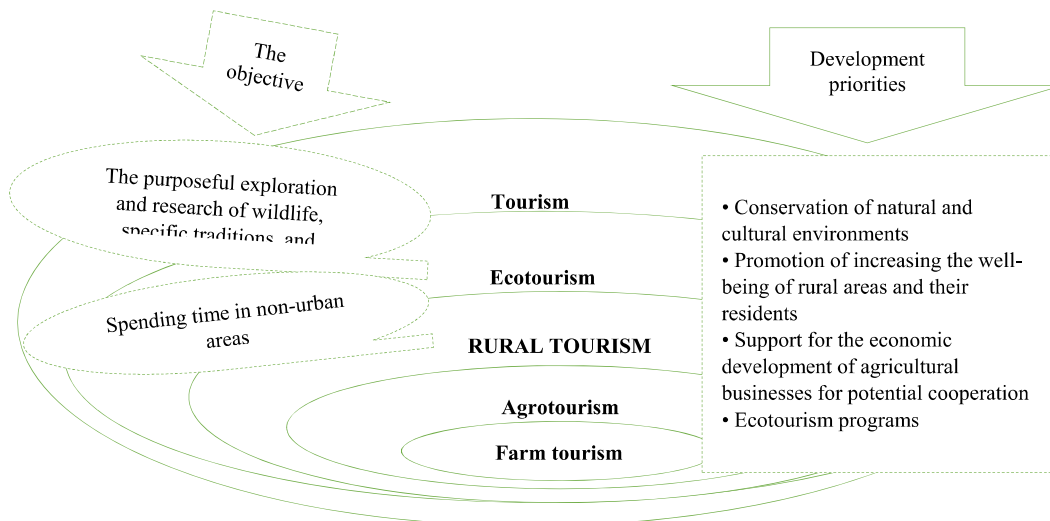
Using a clustering method, indicators such as the number of nights spent in tourist accommodation establishments by domestic or international visitors to destinations within the country, staying in rented accommodation; average consumer tourist expenditures made by visitors or on their behalf; and tourism supply indicators, which encompass informational components and means of disseminating innovative tourism directions, were analyzed. Accordingly, the research led to conclusions regarding the reactivation of tourism industry development in the post-COVID period. Through a comparative method and a systemic approach, the objectives of formulating policies by countries worldwide and the directions of their investment programs for rural tourism industry development were identified. It was discovered that these directions can be direct or indirect, as part of an overall tourism development policy.

Using a synthesis method, problems in the development of the rural tourism industry were identified from the traveler's (service consumer's) perspective. The majority of travelers expressed a desire for rural tourism services but cited insufficient supply as the reason for not utilizing these services. By employing an abstraction method, the structure of rural tourism services was formulated using the example of the European Federation of Rural Tourism's offerings. Potential directions and strategic opportunities for its future activities were identified, and relevant measures for further industry development were proposed.

### **3 Results and discussion**

Tourism was initiated in France and Switzerland in the 20th century to serve the needs of British expeditions and nature enthusiasts [7]. Ecotourism, also known as green or nature tourism, is a type of travel that, as a result, promotes the natural significance and aims to protect the environment. Rural tourism is defined as a type of tourism that focuses on rural areas. Agrotourism is a sphere of recreation that involves the use of rural or farmstead properties [8].

Farm tourism aims to allow travelers to visit agricultural farms and familiarize themselves with their production activities [9]. Through our research, we have determined the place of rural tourism in the tourism industry (Figure 1).



**Fig. 1.** The role of rural tourism in the tourism industry.

The definition of rural tourism does not have a specific understanding and carries its meaning according to the understanding of a particular researcher. In general, authors come to a consensus on several variations of its definition. According to [10-11], rural tourism is a socio-cultural activity that acts as a "producer" of tourist services aimed at enhancing the country's economic development. Some researchers consider rural tourism in a much narrower sense: as a unique form of recreation in rural estates, utilizing their services, resources, and the opportunities provided by local cultural heritage [12], or as a form of entrepreneurial activity that offers leisure services in rural areas using their own households and the natural, cultural, or historical resources of the locality where they are located [13, 14].

Kuzik [15] believes that rural green tourism is the allocation of dedicated leisure time in a rural environment with appropriate infrastructure and a way of staying that corresponds to the rural locality (horseback riding, fishing, living amidst nature). UNWTO defines rural tourism as a type of tourism activity that encompasses a wide range of services related to outdoor activities, rural agriculture, rural lifestyle, the exploration of local culture, fishing, and visiting landmarks and contributes to meeting consumers' needs, enhancing the economic efficiency of social development, and promoting environmental sustainability. Rural tourism activities take place in non-urban areas characterized by low population density, landscapes, and land use dominated by agriculture and forestry, as well as the presence of social structures, traditional ways of life, and elements of rural areas (traditional housing technologies and construction, local knowledge, craftsmanship heritage, intangible heritage, local culture including poetry, art, singing, storytelling, and gastronomy) [6].

Thus, by combining the above definitions, it can be concluded that rural tourism is a form of ecotourism aimed at satisfying society's need to spend leisure time in rural areas, utilizing the available services characteristic of the specific location, and exploring the traditions and culture of a particular local zone. It contributes to the economic development of rural territories, the comprehensive development of its residents, and the economic growth indicators of a specific country, promoting sustainable development.

Over the years, there has been a growing interest in the agro-industrial complex as an object of interest for the tourism industry. Travelers increasingly seek to combine their leisure time with nature and its possibilities, observing the agricultural production process and the processing of agricultural products. Accordingly, in order to meet consumer needs,



the tourism industry seeks to expand and strengthen its connections with representatives of the agro-industrial complex.

To determine the place of rural tourism development, we have initiated research by analyzing society's needs for tourism services and identifying the key advantages for their selection.

Analyzing society's attitude towards tourism in Europe, we have examined the indicators of the number of nights spent in accommodation establishments by tourist flows within the country or from abroad to destinations within the country, where they stay in rented accommodation (Table 1).

**Table 1.** Trend in the number of nights spent by domestic and inbound tourists in accommodation establishments in 2019-2022, room nights [2].

Level	Number of regions	Name of country	Year			2022, in % by 2021
			2019	2021	2022	
High	3	Austria	127890554	66708839	115062696	172,48
		Hrvatska	91178083	70171684	90005383	128,26
		Jadranska Hrvatska	86216777	67200948	85573240	127,34
Average	2	West Osterreich	78408074	38980751	71701287	183,94
		Belgium	42512847	29220847	43024124	147,24
Low	56	Tirol	38871383	25221795	35505983	140,78
		Finland	23095660	14323661	21971266	153,39
		North Macedonia	2294883	1322284	1818886	137,56
		Aland	396308	280757	450033	160,29

Based on the research results, a recovery in the tourism industry has been observed after the COVID-19 pandemic, although the pre-pandemic levels have not yet been reached. A stable growth in the tourism sector is observed in regions with all levels of rental accommodation availability, which allows us to conclude that there is a development in society's demand for tourism facilities. The research findings also indicate a lower increase in average consumer tourist expenditures made by visitors or on their behalf in 2021. In Luxembourg and Switzerland, considered high-level indicators, the figures increased by 14% and 15%, respectively. In most countries with average-level indicators, a similar situation is observed. Malta, Belgium, and Sweden saw increases of 28.4%, 1%, and 18%, respectively, while Denmark, France, and Cyprus experienced decreases of 2.8%, 3.3%, and 5.4%, respectively. In countries with low-level indicators, a similar pattern of slight increase and decrease is observed, such as in Finland (23.8%) and Bulgaria (3.5%).

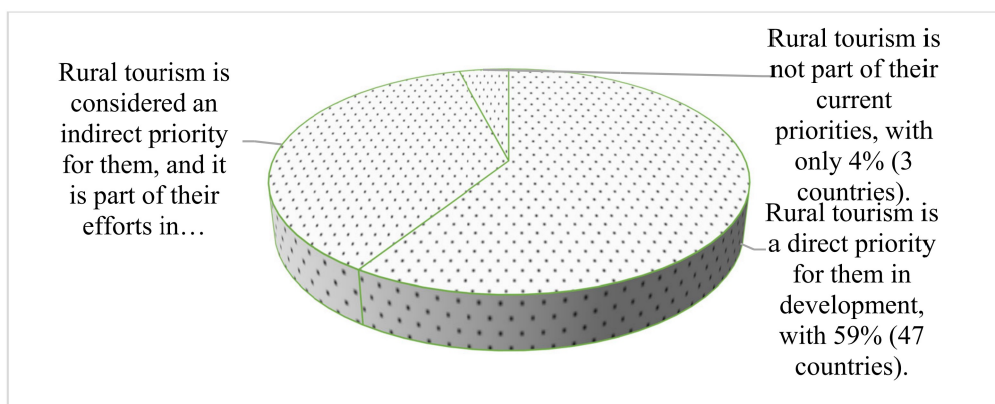
Based on the aforementioned research, we can conclude that there is a trend in the development of tourism with a focus on lower expenses. Society is not inclined to spend excessive amounts of money on tourism employment, which requires a change in supply behavior in the corresponding sector [16].

The next step of the research is to analyze the tourism supply, which serves as an informational component and a means of disseminating innovative directions in the tourism industry. In approximately 90% of European countries in 2021, there will be an increase in the number of individuals engaged in tourism for personal or other purposes. Only in Spain,

Norway, and Bulgaria, the corresponding number of individuals decreased by 18%, 1.3%, and 6%, respectively. Overall, the indicator for European Union member countries increased by 7.7%. The highest growth in this indicator is observed in Poland (20.6%), Italy (22.9%), the Netherlands (17.9%), Albania (37.6%), Estonia (36.6%), and others.

Thanks to the development of European policies towards digital transformation, the proposal of tourism services through shared economy platforms in NUTS 3 regions is active. According to the analysis of the number of guest nights spent in short-term accommodation offered through these platforms among European Union member countries, the corresponding indicator increased by 33.9% in 2021 compared to 2020, which is a positive shift towards the development of relevant services. However, it should be noted that the level of this indicator has not yet reached even the pre-pandemic levels of 2019, with losses reaching approximately 40.7% compared to the comparative year.

According to a survey conducted by UNWTO [6] among representatives of 79 countries worldwide regarding their opinion on prioritizing rural tourism development, the majority of countries indicated that rural tourism is one of the tourism segments that should be developed within the framework of a comprehensive national tourism development plan as a means of rural and sustainable development (Fig. 2).

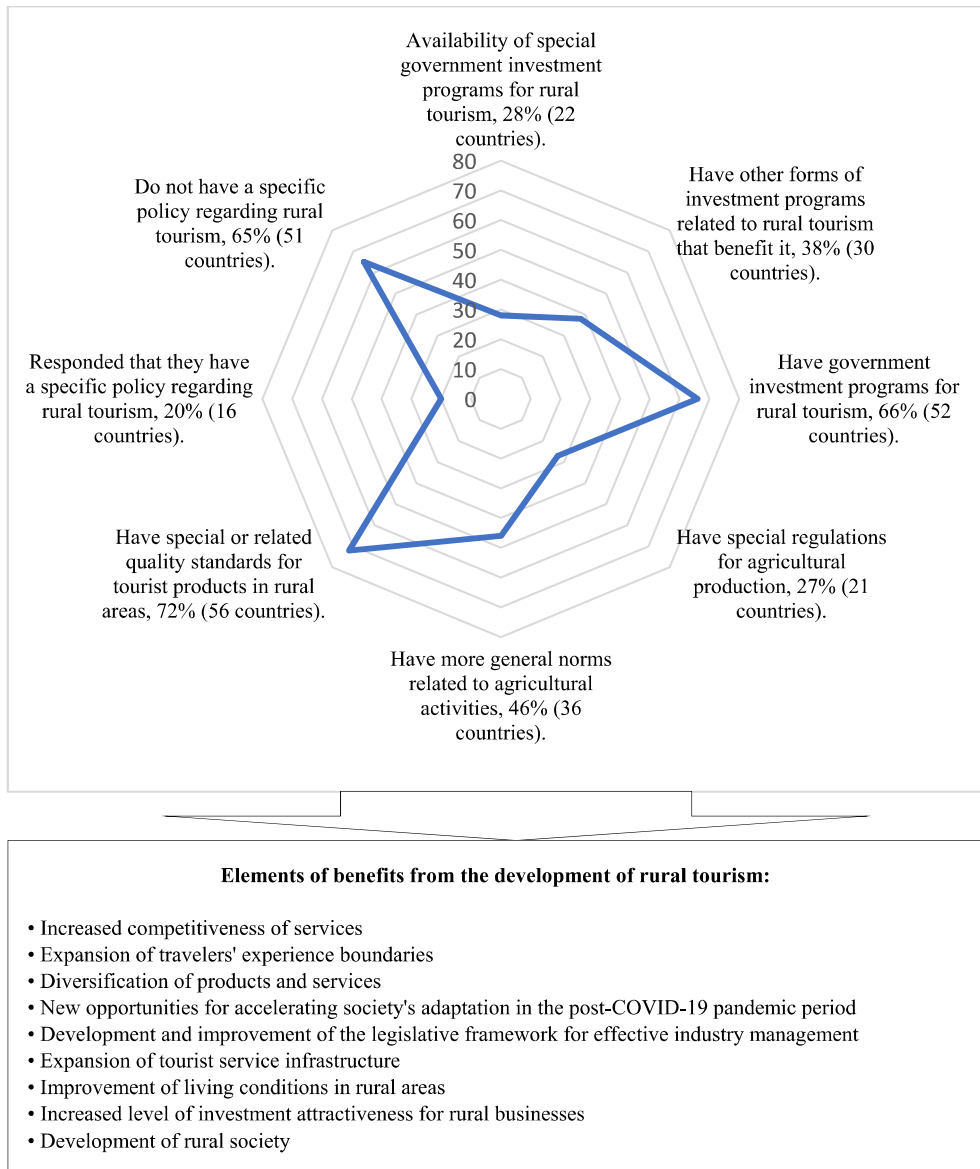


**Fig. 2.** Structure of preferences for the development of rural tourism in direct or indirect form, according to the opinion of 79 countries worldwide [6].

The development of rural tourism is of significance and is implemented through the formulation of specific policies in certain countries. It is carried out with the aim of realizing the following strategic plans:

- as a means to positively influence the sustainable development of rural tourism (Mexico);
- as a key tool for the priority development of rural areas (Portugal);
- integrated development of tourist villages to achieve social transformation, rural cultural development, and sustainable economy (Indonesia);
- rural tourism as a priority effort focused on the development of nature-related services, including ecotourism development (Georgia);
- it is part of the country's sustainable mountain tourism strategy (Lebanon);
- considered as a component of the community living within or around natural areas and national parks, and is part of the nature conservation program (Israel).

Countries implement state investment programs in the corresponding sector for the purpose of rural tourism development (Fig. 3).



**Fig. 3.** Structure of the number of countries implementing investment programs for rural tourism [6].

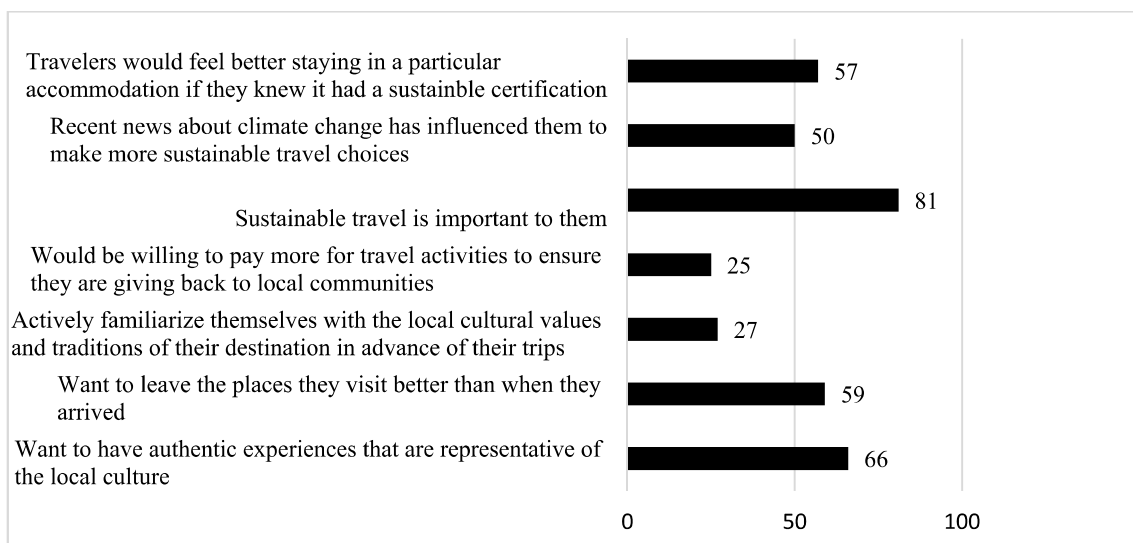
According to the opinions of American countries, less attention is required for the development of the rural tourism industry in terms of "natural and cultural resources." European countries prioritize management and financial mechanisms, while Middle Eastern countries focus on infrastructure development. Only two countries mentioned the need for digitization and information technologies. To further analyze the trends and development needs of rural tourism, we examined the consumer perspective as the demand side of the rural tourism service market.

The analysis of consumer opinions on the need for closer cultural connections and alternative travel destinations and times was conducted using the audit results of

Booking.com, one of the digital leaders in the travel industry. Based on statistical data collected from over 30,000 travelers in 32 countries and territories, provided by Booking.com [4] in 2022, the desire to engage with local cultures and communities during travels has increased worldwide:

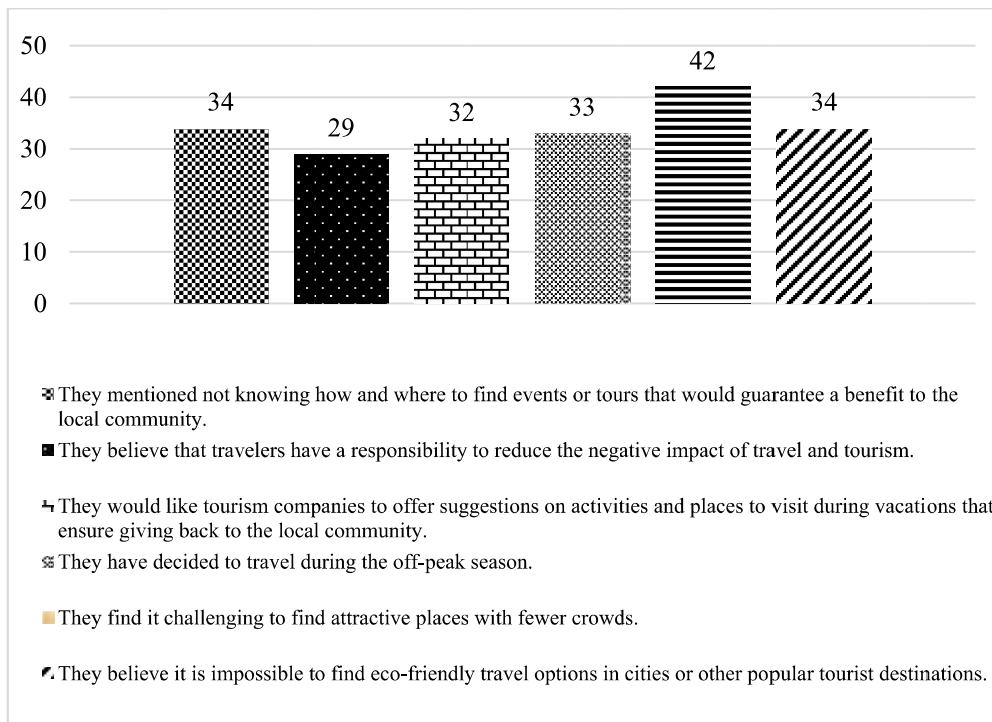
- 45% of respondents considered the protection, development, continuation, and exploration of local cultures as part of ecotourism;
- 71% of travelers expressed a desire to travel more sustainably in the near future;
- 81% of respondents confirmed that ecotourism is important to them;
- 35% of tourists stated that efforts towards sustainable development by hotels and transportation providers play a significant role in their decisions regarding accommodation and transportation choices during their trips;
- 70% of travelers claimed that they are more likely to choose eco-friendly accommodations, regardless of whether they specifically searched for them or not.

Bringing people closer to cultures is a thematic direction of rural tourism that attracts considerable attention from tourism service consumers. This opinion aligns with the statistical data from the traveler survey on increasing cultural connections and engagement with local communities in 2022 conducted by Booking.com [4] (Fig. 4).



**Fig. 4.** Travelers' opinion on the need to enhance cultural connections and engage with local communities in 2022, % [4].

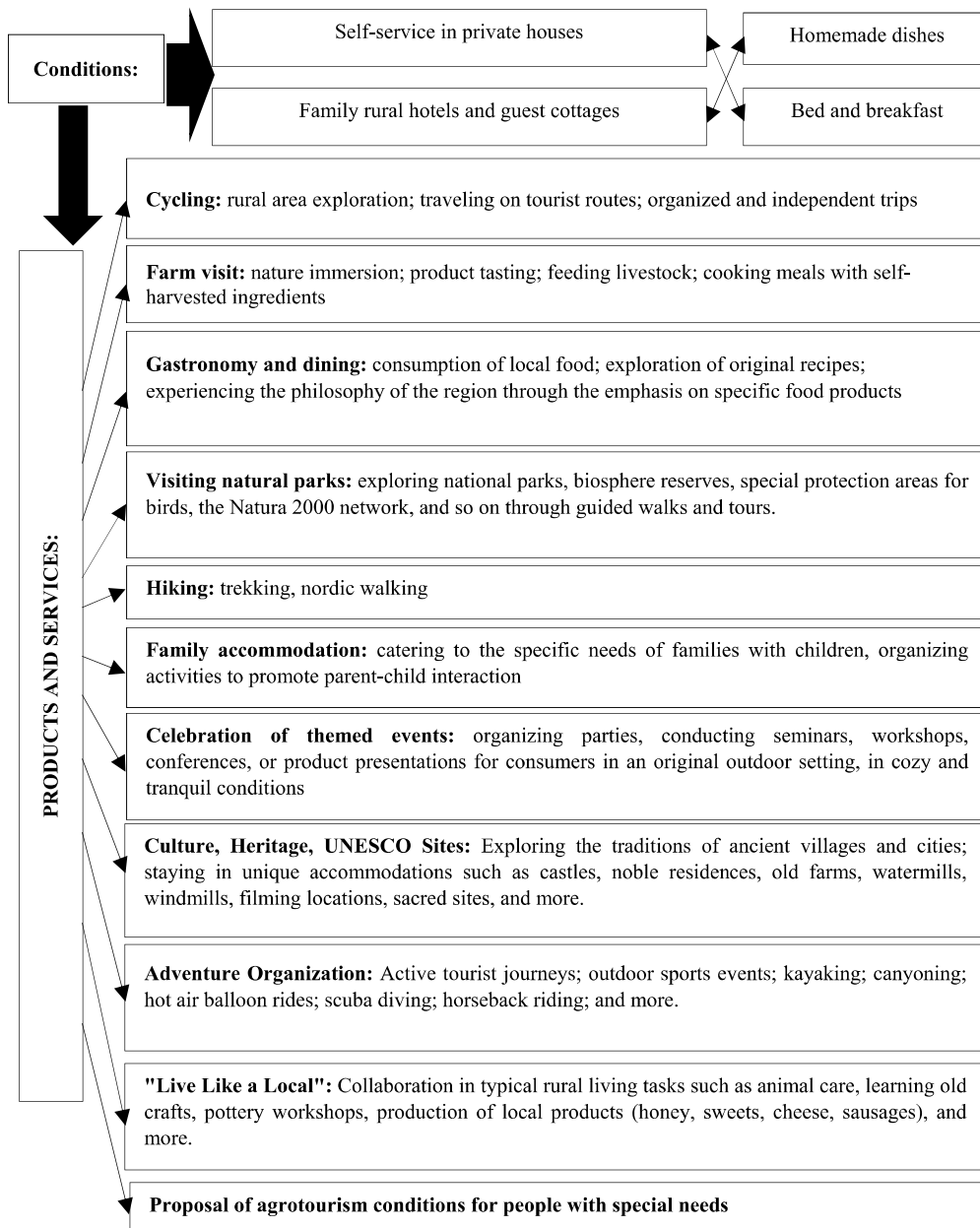
According to the survey of travelers regarding alternative travel destinations and timing, significant prospects for the development of rural cultural tourism have been identified. Travelers demand quiet, attractive, and environmentally friendly leisure destinations, which form the basis of rural tourism offerings. The survey results from Booking.com (Fig. 5) indicate great opportunities for the development of tourist platforms and companies in terms of increasing collaboration with service providers and promoting their progressive sustainable development. The aforementioned achievements will contribute to meeting the needs of potential consumers of rural cultural tourism services in choosing more eco-friendly tourism services and finding alternative travel times and destinations without compromising the experience.



**Fig. 5.** Alternative travel destinations and timing according to travelers' opinions, % [4].

We analyzed the practical development of rural and farm tourism using statistical data from the RuralTour platform [3], which is the European Federation of Rural Tourism. This platform offers rural leisure services through 28 professional organizations in 25 countries worldwide, encompassing over 100,000 establishments. The offerings provided to consumers are diverse and cater to a wide range of their needs, emphasizing the opportunity for consumers to relive "rural festivals, rediscover childhood aromas, enjoy tranquility and the beauty of nature," and appreciate the rural society that shapes and fills the countryside today (Fig. 6).

In order to promote the development of sustainable cultural tourism, the European Union is implementing relevant policy measures. One such initiative is the SmartCulTour project (Smart Cultural Tourism as a Driver of Sustainable Development in European Regions), a four-year project funded by the European Union under the Horizon 2020 program. The project aims to support regional development in all countries that possess significant material and immaterial cultural assets, including rural peripheries and urban outskirts. The idea behind the SmartCulTour project is based on the position that post-COVID-19 tourism trends focus on changes in consumer behavior, with a strong emphasis on health, safety, well-being, and the use of digital technologies, which present significant potential for cultural tourism. Society is increasingly seeking destinations for leisure that incorporate elements of ecological sustainability and responsible tourism practices. Project representatives express expectations that there will be an acceleration in the trend towards local and authentic experiences as tourists increasingly seek to immerse themselves in local culture, interact with local residents, explore local traditions, and engage in mutual information exchange.



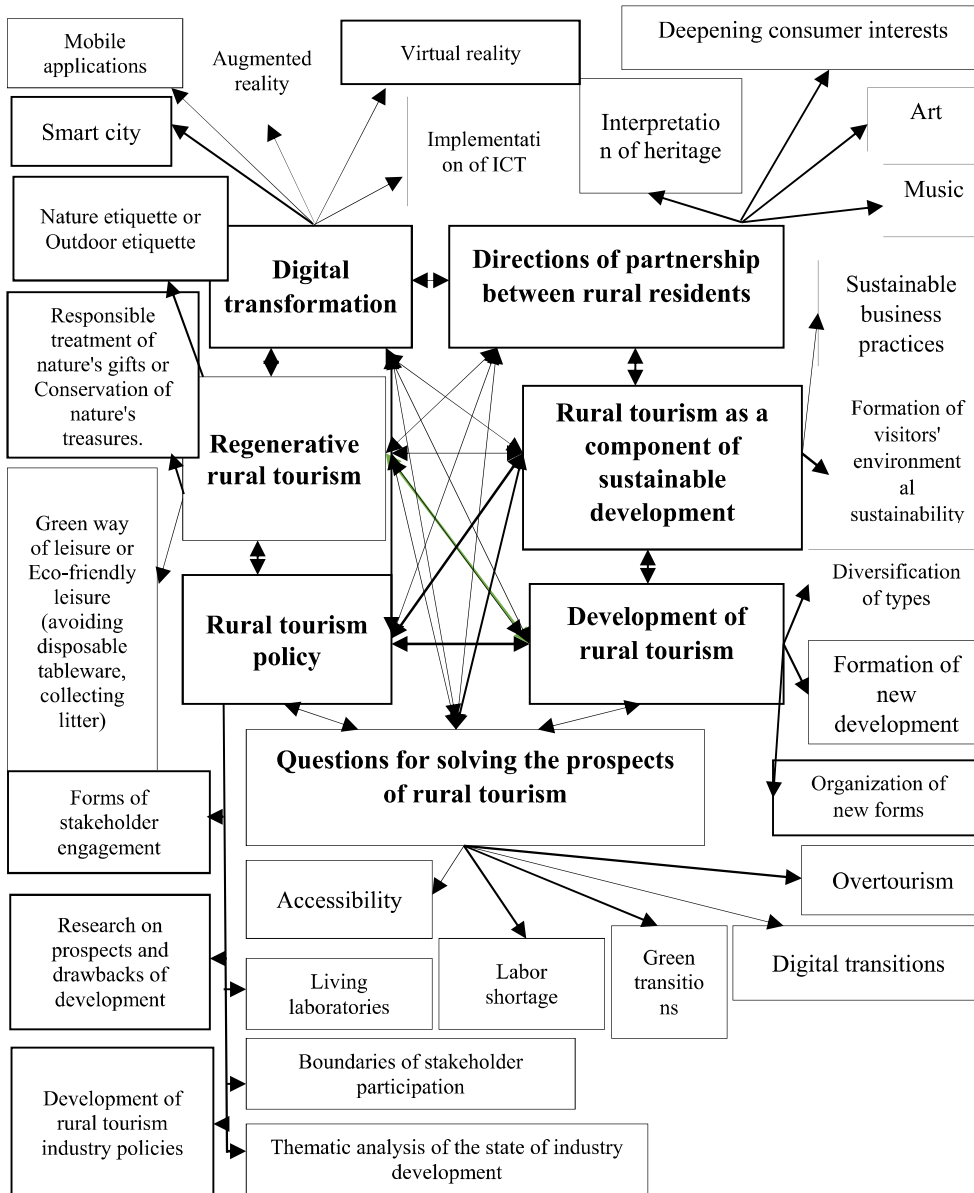
**Fig. 6.** The structure of rural tourism services based on the example of the European Federation of Rural Tourism, RuralTour [3].

In May 2023, the Final Conference of the SmartCulTour project took place in Brussels, bringing together international experts from the cultural tourism sector to study new tourism trends and priorities for reimagining cultural tourism within the framework of sustainable development.

The session "The Future of Rural Cultural Tourism and Its Potential for Supporting Rural Development" featured speakers from the European Union, the United Nations



Educational, Scientific, and Cultural Organization (UNESCO), the International Council on Monuments and Sites (ICOMOS), universities, business sectors, representatives of SmartCulTour, and other European projects. The conference explored various types of rural tourism, their characteristics, the connection between culture and rural territories, tourism trends, and potential future forms of rural tourism. Based on the results of the conference, potential directions and strategies for further development of European rural tourism were formulated (Fig. 7), which encompass the directions of its development and improvement within the framework of sustainable economic development.



**Fig. 7.** Potential Directions and Strategies for Further Development of Rural Tourism [5].

## 4 Conclusions

Based on the results of the research on statistical data of tourist demand, it can be concluded that there is a development of consumer demand for tourism services with minimal costs. There is an observed growth in the supply of the tourism industry, and a tendency towards the development of offering tourist services through sharing economy platforms, which is a guarantee for the development of domestic and international tourism with minimal costs and the satisfaction of consumer services in the short term. Tourism services based on the agro-industrial complex can be attractive to all segments of society, offering a range of diverse products and services. They have flexible limitations regarding the latter, which allows for the integration of service types and adaptation to consumer needs at minimal costs. It is capable of satisfying the tourism needs of a society that increasingly seeks leisure destinations with elements of ecological sustainability and responsible tourism practices.

Tourism is a competitive industry that requires innovation and a creative approach to developing future strategic directions for its development. Accordingly, there is a need for the organization of appropriate policy measures to promote the development of rural cultural tourism, which would ensure the development of social, cultural, and environmental aspects as a guarantee of achieving economic and social efficiency in the life of rural territories. The relevant sector is at the stage of its development, which requires focusing attention on innovation and organizational aspects and their adaptation into practical activities for the effective functioning of the industry. The current direction of development measures to promote further development of the respective sector includes:

- researching potential trends in visitor (consumer) needs in rural cultural tourism services;
- analyzing the tourism opportunities of representatives of rural areas that act as providers of cultural tourism;
- correlating the demand and supply of rural cultural tourism to explore alternative solutions for the development of the respective sector;
- developing digitization as a fast and qualitative form of communication between consumers and stakeholders in the development of ecotourism, which will ensure prompt practical response, adjustment, and updating of existing tourism services;
- developing and implementing policy measures for investment and the introduction of innovative approaches in the activities of rural cultural tourism, with the adaptation of residents in rural areas to undergo transformation into a labor potential for the sector of rural cultural tourism.

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