Small Accommodation Business Growth in Rural China: Effects on Guest Experience and Financial Performance

Shun Ye[a]

Honggen Xiao[b]

Lingqiang Zhou[a]*

[a]School of Management

Zhejiang University

866 Yuhangtang Road, Hangzhou

China

[b]School of Hotel and Tourism Management

The Hong Kong Polytechnic University

17 Science Museum Path, TST east, Kowloon

Hong Kong

Shun Ye, Research Fellow. Tel. +86 13735576161; Fax. +86 8820 6870; Email: yeshun1989@163.com.
Honggen Xiao, Associate Professor. Tel. + 852 3400 2250; Fax. + 852 2362 9362; Email: honggen.xiao@polyu.edu.hk.
*Corresponding author. Lingqiang Zhou, Professor. Tel. +86 8820 6872; Fax. +86 8820 6870; Email: zhoulingqiang@zju.edu.cn.

Small Accommodation Business Growth in Rural China: Effects on Guest Experience and Financial Performance

Abstract

Rural tourism development features growth of small accommodation businesses (SABs). The disparity between the applause that appreciates increased economic benefits from SAB development, and the criticism on its potential damage to rural tourism experience, makes it necessary to verify the exact consequences of SAB growth. Drawing on business growth theory, this study models, tests and compares the effects of SAB size on various guest experiences and financial performance in the context of a highly dynamic rural destination, the north of China's Zhejiang Province. Data was collected from 188 SABs and 873 guests, and analyzed through hierarchical linear modelling and multiple linear regression. The result points to a trade-off faced by entrepreneurs between enhancing guest experience and achieving economic goals as SAB size increases. Implications of the study for research and practice are also discussed.

Keywords

1 Introduction

Tourism and hospitality industry features large numbers of small accommodation businesses (SABs) such as B&B, home stay, and guesthouse. These special forms of accommodation are regarded as in contrast to conventional hotels, and thus are named as "quasi-hotels" (Slattery, 2002). SABs represent the core service and provide a large share of accommodating capacity in most rural destinations, and play a central role in rural tourism development, poverty relief and rural revitalization (Komppula, 2014). Due to a growing market demand in recent decades, most SABs have saw rapid growth in business size, e.g. room number, investment, facilities (Turner, 2011). This trend has been observed in various contexts (Huang, 2008; Iorio and Corsale, 2010; Komppula, 2004; Rogerson, 2004). Scholars envision that with boom of e-business and sharing economy platforms (e.g. Airbnb), SABs will continue to expand in scale and thereby reshape future dynamics of the hospitality industry (Guttentag, 2015; Sigala, 2015).

Growth of SABs occurs on the early stage of their business lifecycle, and represents a transition of rural home to commercial business (Lynch, 2003, 2005). Therefore, it has both economic and socio-cultural consequences which are worthy of in-depth investigation. A literature review reveals that there is a disparity of attitudes regarding SAB growth and its impacts. Those who are supportive appreciate the economic significance of SABs as a typical form of indigenous tourism, and expect their growth to bring about more financial reward to rural households and boost local economy (Ateljevic, 2007; Goodwin and Santilli, 2009).

Other scholars, in contrast, insist that SAB development should be advocated not only based on income generation, but also on preserving its attractiveness such as traditional lifestyle, quality service and memorable experience (e.g. Shaw and Williams, 2004). Increased SAB business scale, however, may bring about negative changes (e.g. lagged service quality control, eclipsed authenticity, and weakened experiential elements), and thus cause damage to tourist experience and further to destination competitiveness and sustainability in the long-run (Fuller, Buultjens, and Cummings, 2005; Novelli, Schmitz, and Spencer, 2006).

The afore-mentioned disparity of views alludes to a zero-sum game regarding SAB growth between the short-term economic benefits and long-term sustainability, between commercial value and authenticity, and between financial rewards and rural tourist experience. If this holds for true, then SAB entrepreneurs may face a dilemma when growing their businesses, in terms of whether to satisfy investors (better financial performance) at the cost of satisfying tourists (quality, enjoyable and authentic experience), or the other way around.

Despite these suspicions and disputes, few empirical research has been conducted to examine the exact effects of SAB growth. This study aims to fill this gap by investigating the influence of SAB size increase on guest experience and financial performance in the context of rural China. Hypothesized relationships were built based on previous research, and tested with a hierarchical data set comprising 188 rural SABs and 873 guests in five villages in the north of Zhejiang Province. Different effects of SAB size increase were compared and

contrasted between financial performance and guest experience.

2 Research context: SAB development in rural China

Rural tourism destinations in China have been dominated for long by a typical form of rural SAB known as *Nongjiale* (Happy Farm House) (Figure 1). The earliest *Nongjiales* date back to 1987, and their establishment was the spontaneous reaction of peasant family entrepreneurs to the flood of tourists heading to rural areas for leisure and sightseeing. In 2005, the government initiated a program officially named "Building Socialist New Countryside" to encourage peasants to start their own accommodation businesses with vacant residential properties. Since then, *Nongjiales* have been soaring in number, reaching 1.5 million in 2012 in total (National Bureau of Statistics of China, 2013).

Figure 1. *Nongjiale* in a glance

Unlike the case in developed countries, where SABs are typically established out of "lifestyle" motivations, rural SABs in China are mostly profit-oriented businesses, and thus incline to expand their accommodating capacity in response to the increasing rural tourism demand (Meng, 2008; Wang and Chen, 2013). However, these expansions brought problems such as homogenization of products and damage to rural culture and environment. In light of these, the government launched a program named "Upgrading Rural Tourism Campaign" in

2013, and encouraged existing rural SABs to take more delicate growth strategies. In the meantime, fierce competition forced some existing *SABs* and new-entrants to adopt differentiation strategy, which gives birth to another form of rural SAB, "*Minsu*" (民宿, Local Home Stay). Compared with *Nongjiale*, *Minsus* are small-scaled, exquisite, and well-designed-and-decorated accommodation units, which typically require more capital investment and staff (Figure 2).

Figure 2. *Minsu* in a glance

Both *Nongjiale* and *Minsu* are popular forms of SABs in rural destinations of China at present. Local governments expect the promotion of *Minsu* and improvement of *Nongjiale* could help in revitalizing rural areas, while preserving rural culture and lifestyle and keeping rural nostalgia.

3 Literature review

3.1 Small accommodation business

SABs have been approached from small business, family business, and entrepreneurship perspectives (Lynch, 2005). The small business perspective regards size as the distinguishing feature of SABs (Ateljevic, 2007; Thomas, 1998), and is focused on investigating other unique characteristics associated with small size. The family business perspective, comparatively, emphasizes on family ownership and family involvement, and strives to examine how family goals and lifecycles affect the running of SABs (Getz and Carlsen, 2000; Getz, Carlsen, and Morrison, 2004). Also pervasive in previous researches is the entrepreneurship perspective which focuses on the start-ups of SABs, where entrepreneurship motives (especially lifestyle motivation) is the major concern (Di Domenico, 2008; Morrison, Carlsen, and Weber, 2010).

These three streams of research, consciously or unconsciously, treat SAB as homogeneous and static. However, SABs are businesses with various sizes and may grow or diminish through time. As market demand increases, SAB entrepreneurs tend to expand their original houses in order to enlarge the accommodating capacity (Cassel and Pettersson, 2015). Nonetheless, these growth trends and its consequences have rarely been examined by existing tourism and hospitality literature. Mottiar and Laurincikova (2009) criticized that a static perspective is commonly employed when examining SABs, with their change and growth largely neglected. Therefore, SAB research is in need of a "growth lens" so as to

capture the potential impacts of SAB size increase (Page and Getz, 1997; Shaw and Williams, 2004).

3.2 Business growth theory and SAB growth

Classical business growth theory views growth as a process of change through time, in both quantity and quality (Bjerke and Hultman, 2002; Penrose, 1959). Quantitative growth refers to increased business size in terms of input indicators including capital, labor and production scale (Stam, Garnsey, and Heffernan, 2006). As for SABs, business size increase is commonly represented by enlarged accommodating capacity, more capital invested (investment size), and more staff hired (employment size) (Getz and Petersen, 2005). Expanded accommodating capacity makes it possible to receive more guests, whilst larger amount of investment and more staff increase the range of services, improve facilities, whereby better products and service can be provided for each guest (Di Domenico, 2008; Skokic and Morrison, 2011).

Qualitative growth is associated with changes in other business attributes (e.g. organization complexity, business nature) and occurs along with business size (Bjerke and Hultman, 2002). Previous research has identified that *business resources & capabilities* and *commercialization degree* may increase as SAB size grows. On one hand, classic business growth theory suggests that business size increase is typically associated with resource and capability accumulation (Bjerke and Hultman, 2002; Penrose, 1959). Size variation, in the context of small businesses, implies shifting location on earlier stages of business lifecycle

(Aldrichm, 1999). Three major improvements can be expected as SAB size increases: 1) system resource, including degree of planning and control systems; 2) business resource, which emphasizes on customer relations and marketing; 3) the owner's ability such as management skills, structures, and strategic planning (Churchill and Lewis, 1983). As a result, larger-sized SABs tend to be have more resource and stronger business capabilities compared with smaller SABs.

On the other hand, SABs are typically named as "commercial homes", which are the result of converting rural homes into commercial accommodation units (Lynch, 2005). They are distributed on the grey range between private home and public hotel, with various degrees of commercialization (Lynch, Mcintosh, and Tucker, 2009; Lashley, 2000). At different development stages, rural homes may engage in commercial hospitality activities emotionally and physically on different levels (Baines and Gelder, 2003). SAB of different sizes thus can be described with an axis, where on the left end lies the form with small size and strong home elements, and on the right end lies the form with larger size and strong business elements (Sweeney and Lynch, 2009). Previous researches have widely confirmed that as size increases, the role of an SAB undergoes a transition from private home to business enterprise (Ainley and Kline, 2014; Lynch, 2005). The commercialization degree may increase on several aspects (Ferguson and Olofsson, 2011; Lashley, 2009; Lynch, 2003, 2005): 1) the engagement level of the host family increases from accommodating the occasional guests at peak seasons, to attracting and hosting customers throughout the year ; 2) home facilities become more specialized for market needs than for family use; 3) the host perceives his/her

SAB more as a business enterprise than a private home, and thus becomes more

entrepreneurial; 4) modern business management and operation relationships gain dominance

over family relationships.

In summary, SAB size growth usually occurs with increased commercialization degree

and enhanced business resource and capabilities. These changes, albeit occurring on supply

side, may reshape the experience environment, and thus may easily be sensed and perceived

by demand side (Lynch, 2003; Moscardo, 2009). Meanwhile, these internal changes may

shape business operation, leading to more ambitious business practices which are supported

by more resource and capabilities, and thus may largely impact business performance.

3.3 SAB size and guest experience

Experience is often seen as multi-dimensional takeaway impressions formed by people's

encounters with products, services, and businesses (Lewis and Chambers, 2000). Consumers

in experience economy era are found to act not only as "problems solvers" pursuing

utilitarian functions of goods or services, but also as "enjoyment seekers" pursuing emotional

pleasure (Hirschman and Holbrook, 1982; Pine and Gilmore, 1999), and "meaning seeker"

fond of authenticity or meaning embedded in the service and products (Goulding, 2000; Yu

and Littrell, 2003). Recent empirical researches also find that SAB guests tend to pursue

additional experiences of enjoyment and genuine contacts with local people and lifestyle,

rather than mere quality food and service (Tussyadiah, 2016; Tussyadiah and Pesonen, 2016).

Overall, three aspects of guest experience are pursued by SAB guests, e.g. functional,

emotional and authentic experiences.

Functional experience

Functional experience is associated with goods or service quality, and forms the most fundamental experience pursued by guests. An SAB is supposed to provide quality lodging, food and service to its customers, and thereby satisfy their most basic (usually physiological) needs in an effective and efficient way. The utilitarian functions of accommodation are highly emphasized: a shelter keeps them from potential danger; food and drink keeps tourists from starvation and thirsty and restore their body. These functional elements are typically measured by five dimensions: tangibilities, responsiveness, reliability, assurance, and empathy (Parasuraman, Zeithaml, and Berry, 1994). A lot of researches have confirmed that these functional experience dimensions have significant impact on satisfaction and loyalty (Hsieh, Lin, and Lin, 2008).

Functional experience is highly dependent on the service environment and service management (Rust and Oliver, 1994). There are abundant theoretical underpinnings to believe that functional experience may be improved as SAB size grows. First, larger-sized SABs have more resources and enhanced owner capability (Churchill and Lewis, 1983), while suffer less informal and rudimental management and operation system (Lashley and Rowson, 2006). Thus they are more capable of polishing the physical environment and delivering quality services. Second, as larger SABs are more commercialized, the host families tend to be more devoted to business operation. The increasingly importance of SAB

income for the host family's livelihood will motivate the entrepreneur to improve consumer satisfaction (Lynch, 2005; McIntosh and Siggs, 2005). Lastly, larger SABs are commonly within the realm of administrative regulations or grading schemes, which work against the rudimental home-based service. The entrepreneurs have no choice but to place greater emphasis on professional service provision rather than personal hosting (Clarke, 1996; Gladstone and Morris, 2000). Based on these reasons, it is hypothesized that,

Hypothesis 1: SAB size is positively correlated to functional experience.

As SAB size consists of indicators of accommodating capacity, investment and employment size, hypothesis 1 can be divided into:

Hypothesis 1a: Accommodating capacity size is positively correlated to functional experience;

Hypothesis 1b: Investment size is positively correlated to functional experience;

Hypothesis 1c: Employment size is positively correlated to functional experience.

<u>*Emotional experience*</u>

Emotional experience is associated with hedonic pleasure provided to guests during their stay in the SAB. This aspect of experience fits into Holbrook and Hirschman's (1982) experiential marketing approach which emphasizes on various emotional responses and sensory pleasures. SABs represent a new trend in hospitality industry that draws on experiential elements as a differentiation strategy, so as to avoid plain or nonspecial product

and services and gain competitive edge (Gilmore and Pine, 2002). Four dimensions of emotional experience have been identified: entertaining, educative, aesthetic, and escaping (Holbrook and Hirschman, 1982; Lashley, 2008). Previous researches have suggested that such emotional elements should be integrated into a holistic model with service quality (Knutson, Beck, Kim, and Cha, 2010).

Like functional experience, emotional experience is also affected by SAB size increase and associated changes. Incremental business resources and capabilities accompanying business size increase may result in providing experiential elements in a more efficient and effective way. Just as in the case of service delivery, larger-sized SABs are more customer-oriented in operation and more professional in experience creation. Therefore, they are much better at pleasing guest and providing them enjoyment. Loureiro (2010) once suggested that continual investment and re-investment in SAB are needed to provide tourists with memorable experiences during their stay. After all, experience is closely related to the amenities and human beings in the setting. It is thus reasonable to hypothesize that,

Hypothesis 2: SAB size is positively correlated to emotional experience.

Specifically,

Hypothesis 2a: Accommodating capacity size is positively correlated to emotional experience;

Hypothesis 2b: Investment size is positively correlated to emotional experience;

Hypothesis 2c: Employment size is positively correlated to emotional experience.

<u>*Authentic experience*</u>

Authentic experience refers to the extent to which the host-guest encounter is perceived as authentic. This symbolic aspect of experience is also prominent as most rural SAB consumers are found to pursue genuine contacts with local people and lifestyle (Tussyadiah, 2016; Tussyadiah and Pesonen, 2016). On one hand, guests stay in rural SABs in order to seek authentic experience of local lifestyle (Stringer, 1981). The host family is a part of rural culture, and serves as a cultural broker in the context of rural tourism (Kastenholz and Sparrer, 2009). Authentic lifestyle experience belongs to cognitive authenticity in Wang's (1999) conception, and fits into the widely held idea that different ways of life with tradition and customs constitute the major motivation for tourists (Bramwell, 1994; Sharpley and Sharpley, 1997). On the other hand, SAB guests commonly seek genuine and sincere hospitality relationship with the hosts. This authentic relationship experience belongs to intrapersonal existential authenticity in Wang's (1999) classification. In this sense, guests are pursuing an ambience where they can get rid of money-based "pseudo-hospitality" characterizing commercial hotels, and approach one another in a natural and friendly way (Olesen, 1994).

Unlike functional and emotional experience, authentic experience will be deteriorated as SAB size grows. With increased commercialization degree, the hosting rural family and its lifestyle become commodities and lose traditional characteristics (Cohen, 1979; Crouch

2007). A staged home tailored for rural tourists conceals the real home space: the accommodation facilities are no more home necessities for family life, the setting is less likely to be a pure rural home, traditional means of livelihood (such as farming) gradually vanishes, and the offerings (lodging, food) are specialized for guests rather than family members (Ainley and Kline, 2014; Di Domenico and Lynch, 2007). Meanwhile, enlarged accommodation size may diminish personalized interaction between hosts and guests (Kastenholz and Sparrer, 2009), as high degree of interaction can only be ensured by small business size and involvement of family members (Stringer, 1981). Host-guest relationship becomes more and more reliant on monetary transactions, and thus domestic hospitality gradually falls into the commercial domain offered to paying consumers (Lashley and Rowson, 2005). As a result, hospitality in a large SAB is more perceived as a performance without authenticity, rather than expression of genuine hospitableness (Wang, 2007).

Based on the above reasons, we hypothesize that,

Hypothesis 3: SAB size is negatively correlated to authentic experience. Specifically,

Hypothesis 3a: Accommodating capacity size is negatively correlated to authentic experience;

Hypothesis 3b: Investment size is negatively correlated to authentic experience;

Hypothesis 3c: Employment size is negatively correlated to authentic experience.

3.4 SAB size and financial performance

SABs are commonly regarded as lifestyle businesses primarily aimed at non-profit goals such as hobby, way of life, social rewarding, et al. (Morrison, Carlsen, and Weber, 2010). Therefore, its financial performance (e.g. revenue, profit) has received much less attention than non-financial performance such as customer satisfaction and reputation. However, the prominence of financial rewards has been widely acknowledge in tourism and hospitality researches (Wang, Chen, and Chen, 2012), and should not be neglected for SABs. Satisfying financial returns is usually the premise for most SAB entrepreneurs' lifestyle ideals and livelihood (Beaver, 2002; Morrison, 2002). Many empirical researches have also found that financial rewards form the most fundamental motive for the rural homes to engage in the business, and thus are the most effective catalyst to rural entrepreneurship (Anand, Chandan, and Singh, 2012; Wang and Chen, 2013). Poor financial performance, on the other hand, may cause incremental damage to both rural SABs and rural destinations.

Larger SABs tend to have better financial performance than their smaller counterparts, as the latter tend to bear more elements of a private home, and demonstrate higher degree of inter-dependence of resources between family and business (Lipton, 1980). As business size increases, SABs becomes more commercialized and the host families will be more devoted to business operation. Commercial accommodation will be regarded as a serious business that generates most of the household income, rather than minor by-work (Lynch, 2005). Meanwhile, large-sized SABs are equipped with more business resources and capabilities,

and thus perform more efficiently in terms of marketing and management, with more revenue generated per capita of reception. Lastly, being larger in scale also brings cost advantage due to scale economy effect, and cost on per-capita-of-reception could be decreased (Phillips and Kirchhoff, 1989). Therefore, it is reasonable to hypothesize:

Hypothesis 4: SAB size is positively correlated to financial performance.

Specifically,

Hypothesis 4a: Accommodating capacity size is positively correlated to financial performance;

Hypothesis 4b: Investment size is positively correlated to financial performance;

Hypothesis 4c: Employment size is positively correlated to financial performance.

5 Methodology

5.1 Measurement

For this study, business size indicators and financial performance were measured on SABs, while three guest experiences were measured on guests. Accommodating capacity size was measured by bed numbers available (NUMbed), instead of room number which is popular in hotel literatures. The reason is that SABs are not as standardized as general hotels in room design and layout, and thus room numbers may not fully reflect their accommodating scale. In fact, bed number was also adopted by local tourism agency to gauge the industry scale. Investment size and employment size was measured with investment-per-bed (INVpB) and

staff-per-bed (STFpB), with total investment and staff number apportioned so as to exclude the communality effect. Similarly, financial performance was approached as revenue-per-bed (REVpab), instead of the commonly-used revenue-per-room (REVpar) in hotel researches.

Based on previous researches (Holbrook and Hirschman, 1982; Parasuraman, Zeithaml, and Berry, 1994; Wang, 1999, 2007), functional, emotional and authentic experiences were approached as multi-dimensional constructs, and were measured on three second-order latent variable models. Table 1 demonstrates the specification of relevant variables and constructs.

Table 1. Specification of variables and constructs

Variables or constructs	Abbr.	Specification
Business size		
Number of Beds	NUMbed	Total number of beds in the SAB in its current form, implying the accommodating capacity.
Investment-per-bed	INVpB	Calculated by dividing the total investment of the SAB with bed number, implying amount of capital invested.
Staff-per-bed	STFpB	Calculated by dividing the staff number of the SAB with bed number, implying amount of labor devoted.
Financial performance		
Yearly Revenue Per bed	REVpab	Calculated by dividing the total revenue of the most recent year with bed number, implying financial performance of the SAB.
Guest experience		
Functional experience	FE	Multi-dimensional construct comprising five dimensions, i.e. tangibility (TAN), reliability (REL), responsiveness (RES), assurance (ASS), empathy (EMP).
Emotional experience	EE	Multi-dimensional construct comprising four dimensions, i.e. educative (EDU), entertaining (ENT), aesthetic (AES), escapist (ESC)
Authentic experience	AE	Multi-dimensional construct comprising two dimensions, i.e. authentic lifestyle (LA) and authentic relationship (RA).

Items measuring guest experience were generated based on previous researches and in-depth interviews. Those items generated from English literature are all translated into Chinese by the author, and then translated back into English by another co-author.

Differences were addressed in order to avoid possible distortion of meaning. All the items were then assessed for content and face validity by a panel of experts from the two affiliated institutions of the author. The items in English for each dimension were measured through a 7-point Likert scale.

5.2 Sample sites and data collection

This study was carried out in the north of *Zhejiang Province* located in central Yangtze River Delta of China. The study area included three regions and covered an area of 4,252 km². As the most popular place among rural tourism entrepreneurs in China, this area received over 23.52 million tourists, generating total revenue of more than four billion *yuan* in 2014 (*Xinhua* Tourism, 2015). Rural SABs in this area agglomerate geographically into three clusters, of which the business units account for more than 85% of the total amount in this area (*Xinhua* Tourism, 2015).

Five villages in the study area were selected as sampling sites, namely *Guzhu* village (顾渚村), *Daxi* village *(*大溪村*)*, *Houwu* village (后坞村), *Biwu* village (碧坞村) and *Lingkengli* village (岭坑里村). They were selected as sampling sites for two reasons. First, they were relatively more developed than other villages in terms of rural tourism, and thus have larger number of rural SABs. Second, they were located on different clusters, and thus could be representative of rural destinations nearby. Table 3 and Figure 3 present the profile of the study areas.

Figure 3. Study area, SAB clusters and sample sites

Table 2. Profile of sample sites (as of 2015)

	Guzhu	*Daxi*	*Houwu*	*Biwu*	*Lingkengli*
Population	2,567	2,087	1,606	896	1,360
SAB number	312	275	76	56	53

Data was collected through a survey of both SAB owners and their corresponding guests lasting from 1 March to 7 May 2016. In total, 200 questionnaires were collected from SAB owners. From 188 SABs therein, 873 questionnaires were collected from their guests. Number of guest samples collected from each SAB ranged from 1 to 10. The geographical distribution can be found in Table 3.

Table 3. Geographical distribution of samples

Sample site	SAB samples number	Guest samples number
Guzhu	59	354
Daxi	65	306
Houwu	28	74
Biwu	23	74
Lingkengli	25	65
Total	200	873

5.3 Data analysis

Second order confirmatory factor analysis (CFA) was conducted first to validate the three

measurement models, and Amos 17.0 software package was used. The scores of three guest

experiences were then calculated by weighted sum of item scores by factor loadings derived

from CFA, which were employed for further analysis.

Following CFA, *hierarchical linear modelling (HLM)* was employed to test the effects

of SAB size indicators on three guest experiences using HLM 7.0 software package. SAB

samples (*N=188*) are paired with their corresponding guest samples (*N=873*), forming a

hierarchical data set. Step-up strategy (Garson, 2013) was adopted and a sequence of models

were constructed for each guest experience. Null model tested existence of group-level

clustering effect, random intercept covariance model (*RIC* model) involved and tested control

variables regarding guest traits (i.e., age, gender, travel motivation and length of stay), and

intercept-as-outcome model (*IaO* model) further incorporated and tested the three business

size indicators.

Finally*, multiple linear regression* was conducted to test the relationship between SAB

size and business performance using SPSS 22.0 software package. A series of control

variables regarding both business owner attributes and business attributes are also included in

the regression model.

6 Result

6.1 Measurement models

Second-order CFA was conducted first to confirm the validity of the three guest experience

models. In general, all the indices demonstrated good fitness for models of functional

experience (χ^2=219.989, p=0.000; RMR=0.048; RMSEA=0.042; CFI=0.991), emotional

experience (χ^2=119.320, p=0.000; RMR=0.049; RMSEA=0.040; CFI=0.995), and authentic

experience (χ^2=21.852, p=0.003; RMR=0.06; RMSEA=0.04; CFI=0.997), except for χ^2.

Since χ^2 is largely dependent on sample size and will always be significant with large samples

(Harrington, 2009), this study relies on other indices and concludes that the fitness is

acceptable for all the three measurement models. Both first-order constructs and second-order

constructs have CR value larger than 0.7 and AVE value larger than 0.5 (except for emotional

experience). It can thus be concluded that the three measurement models are valid (Table 5).

The scores for service quality, emotional experience and experience authenticity were

calculated by weighted sum of corresponding items by factor loadings, and employed for

further analysis.

Table 5. Result of confirmatory factor analysis

	Loading	CR	AVE		Loading	CR	AVE
Functional experience		0.854	0.540	**Emotional experience**		0.713	*0.401*
TAN	0.727			EDU	0.887		
REL	0.788			ENT	0.695		
RES	0.713			AES	0.777		
ASS	0.896			ESC	0.364		
EMP	0.819			EDU		0.902	0.753
TAN		0.832	0.623	*EDU1*	0.929		
TAN1	0.836			*EDU2*	0.932		
TAN2	0.933			*EDU3*	0.926		
TAN3	0.855			ENT		0.898	0.688
REL		0.924	0.803	*ENT1*	0.950		
REL1	0.936			*ENT2*	0.963		
REL2	0.966			*ENT3*	0.909		
REL3	0.924			*ENT4*	0.839		
RES		0.886	0.721	AES		0.888	0.726
RES1	0.886			*AES1*	0.944		
RES2	0.926			*AES2*	0.963		
RES3	0.877			*AES3*	0.977		
ASS		0.851	0.589	ESC		0.922	0.797
ASS1	0.838			*ESC1*	0.857		
ASS2	0.867			*ESC2*	0.947		

ASS3	0.901			*ESC3*	0.926		
ASS4	0.821						
EMP		0.915	0.783	**Authentic experience**	0.700	0.539	
EMP1	0.885			LA	0.810		
EMP2	0.954			RA	0.819		
EMP3	0.940			LA		0.842	0.640
				LA1	0.900		
				LA2	0.888		
				LA3	0.847		
				RA		0.875	0.700
				RA1	0.900		
				RA2	0.946		
				RA3	0.885		

6.2 Effects of SAB size on guest experience

Table 6 demonstrates the result of HLM analysis. Random effects show the overall fitness of HLM models and are assessed first. The *ICC* values range between 0.292 to 0.363 for all the three null models with significant Chi-square, notably surpassing the critical value of 0.059 (Ho and Huang, 2009). This indicates that there could be significant clustering effect and thus HLM method is necessary. For the *RIC* models with five level-1 control variables added, significant drops of level-1 residual variances (σ^2) and *-2dll* values are observed, implying that these control variables have significant effects and are thus worthy of controlling. For the *IaO models* with level-2 predictors, the $R^2_{between}$ value is 0.585 for model 1, 0.596 for model 2, and 0.644 for model 3, indicating good predictive power of all the three models.

Table 6. Result of Hierarchical Linear Modelling analysis

	HLM Model 1 Functional experience			HLM Model 2 Emotional experience			HLM Model 3 Authentic experience		
	Null	RIC	IaO	Null	RIC	IaO	Null	RIC	IaO
Fixed effect: Level 2									
INTRCPT	60.938	29.592	30.466	41.154	19.352	21.262	23.937	10.323	10.586
	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
NUMbed	——	——	-0.016	——	——	0.010	——	——	0.004
			0.564			0.639			0.709
INVpB	——	——	0.024	——	——	0.036	——	——	**-0.052**
			0.679			0.515			*
STFpB	——	——	**3.562**	——	——	**3.519**	——	——	**-1.906**
			**			**			**
SEXowner	——	——	-0.115	——	——	-0.320	——	——	-0.373
			-0.897			0.651			0.324
MARowner	——	——	2.026	——	——	-0.180	——	——	0.909
			0.411			0.842			0.421
ORIowner	——	——	-4.110	——	——	-3.441	——	——	-1.023
			0.168			0.139			0.456
Fixed effect: Level 1									
MOTrec	——	3.058	**3.059**	——	2.217	**2.210**	——	1.275	**1.262**
		0.000	***		0.000	***		0.000	***
MOTnov	——	2.681	**2.700**	——	2.053	**2.072**	——	1.096	**1.094**
		0.000	***		0.000	***		0.000	***
SEXgue	——	0.561	0.464	——	0.457	0.349	——	-0.123	-0.135
		0.369	0.447		0.366	0.474		0.655	0.984
AGEgue	——	-0.606	**-0.436**	——	-0.716	**-0.615**	——	-0.003	-0.002
		0.007	**		0.000	***		0.980	0.988
DURgue	——	0.452	**0.478**	——	0.198	0.219	——	**0.222**	**0.222**
		0.002	***		0.089	0.125		***	***
Random effect									
τ_{00}	43.504	18.847	18.037	28.967	12.620	11.713	7.986	2.736	2.843
σ^2	98.509	72.932	72.632	60.782	47.875	47.719	19.308	15.613	15.580
λ^2	570.737	409.684	387.308	588.666	410.304	382.417	538.320	335.014	329.038
	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
ICC value	0.306	——	——	0.323	——	——	0.292	——	——
$R^2_{between}$	——	——	0.585	——	——	0.596	——	——	0.644
R^2_{within}	——	0.260	0.263	——	0.212	0.215	——	0.191	0.193
-2dll	——	323.040	339.833	——	274.279	290.778	——	364.976	244.381

The influence of SAB size indicators on guest experience can be derived by examining level-2 fixed effects. For functional experience and emotional experience, only staff-per-bed is found to have significantly positive effects, while no significant effects are found for bed number and investment-per-bed. Therefore, *hypotheses 1c* and *2c* are supported, whilst *hypotheses 1a, 1b, 2a* and *2b* are not supported. The regression coefficients of staff-per-bed are found to be close to each other in both models, indicating its almost similar effect on functional and emotional experience. For authentic experience, both investment-per-bed and staff-per-bed are found to have significant negative effects. These findings support *hypotheses 3b* and *3c*. The absolute value of coefficient of staff-per-bed is much larger than investment-per-bed, implying stronger influence of employment size than investment size. Again, bed number has no significant effect on authentic experience, and thus *hypothesis 3a* is not supported.

The above findings reveal that only employment size has significant effect on all dimensions of guest experience. As it increases, functional experience and emotional experience may correspondingly improve. This is reasonable as both service and hedonic experience are mainly related to interaction between people. SABs with more staff employed tend to be better at service provision and more responsive to consumer needs. However,

employment size increase may significantly decrease authentic experience, which also fits into previous conceptual ideas (e.g. Cohen, 1979). More staff employed tend to change the hosting home, rendering it less like a "family", and reduce the opportunity of genuine host-guest interaction.

Investment size increase may significantly eclipse authentic experience, but has no influence on functional and emotional experience. This is a bit surprising, as more investment usually means exquisite design, refined buildings and diversified recreation facilities, which are supposed to better serve guests' physiological and emotional needs. These insignificant effects of investment size, by further investigation, could be due to the allocation of the capital resources. The final presentation of the accommodation unit relies on not only the resource available, but also the strategy, taste and capability of the business owners. Accommodating capacity is found to have no significant effect on all aspects of guest experience. This could be attributed to the sample of which the bed number is mostly less than 30 and thus may not be able to capture its influence on guest experience.

Although theories and previous researches imply significant effects of SAB size on all aspects of guest experience, it seems that authentic experience is much more sensitive to SAB size change, as it is influenced by two indicators. Both functional and emotional experiences are only sensitive to one indicator. Those insignificant findings could be attributed to the nature of SABs, as their growth occurs on the early stage of business lifecycle. The potential effect of SAB size change could not be fully captured by the limited span of size variation in

the context of SABs.

6.3 Effects of SAB size on financial performance

The effects of three SAB size indicators on financial performance were tested with a linear regression model. Data analysis shows that the model has very good fitness (R^2 =0.912; adjusted R^2 =0.906; p=0.000). *Average VIF* value is 2.26 and thus collinearity should not be a problem. Statistics of *Kolmogorove-Smirnov* test and *Shapiro-Wilk* test are both in-significant, implying the assumption of normality of residual can be satisfied. *Durbin-Watson* value is 1.964. It can thus be concluded that the quality of the model is good.

Table 7 demonstrates the result of coefficient estimation. Controlling for the effects of owner attributes, business age and location, all the three indicators of business size are positively correlated to business performance on 0.01 significance level. Therefore, *hypotheses 4a, 4b* and *4c* are all supported. Among the three indicators, standardized coefficients of investment-per-bed and staff-per-bed are close to each other and are much larger than that of bed number. This implies that compared to accommodating capacity expansion, increases on investment and employment size are more influential on financial performance.

Table 7. Results of multiple linear regression

	Unstandardized Coefficients		Std. Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.739	.201		-3.678	***
Main effects					
NUMbed	.006	.002	.101	3.156	***
INVpB	.118	.007	.577	16.181	***
STFpB	2.773	.237	.433	11.715	***
Control variables					
AGEowner	.044	.029	.043	1.544	.125
EDUowner	.041	.032	.037	1.264	.208
SEXowner	.074	.050	.035	1.459	.146
BUZage	-.010	.006	-.045	-1.557	.122
LOCATION=					
Guzhu	.095	.108	.045	.877	.382
Daxi	.069	.106	.033	.648	.518
Houwu	.868	.153	.168	5.654	***
Biwu	-.075	.133	-.017	-.565	.573
Lingkengli					

Notes: ***denotes significance level at 0.01.

7 Discussion

SAB growth is not only expansion of business scale, but also a transition from ordinary rural homes to pure commercial businesses. Its potential economic and socio-cultural consequences have received both appraisals and criticisms. In order to verify the disputes, this study examines the impact of SAB size variation on two major concerns, i.e., guest experience and financial reward. Research findings reveal that the growth effects vary remarkably between experience and financial performance, and between different aspects of guest experience.

SAB size is represented by three in indicators (i.e. accommodation capacity, investment

and employment size), all of which are positively correlated to financial performance. This alludes to that a larger, commercialized service provider with abundant resource is more efficient and effective than their smaller, family-based counterparts. However, the impact of accommodating capacity is much less significant than that of investment size and employment size on performance, showing limited effect of scale economy. This finding generally echoes voices that appreciate the economic benefits brought by SAB development (e.g. Goodwin and Santilli, 2009).

The effects of SAB growth on guest experience is more complicated. On one hand, business size increase eclipses authentic experience. Those SABs with larger investment or employment size tend to be experienced as less authentic by their guests. This confirms previous researches (Lynch, 2005), and implies that business development and associated commercialization may deteriorate the authenticity of rural lifestyle and host-guest relationship, when the initial rural "home" becomes a profit-oriented organization fully devoted to satisfying market needs. In this sense, this finding is consistent with Cohen's (1979) view regarding tourism development and commercialization of culture. By this finding, the criticisms on the damage of SAB growth (e.g. Fuller et al., 2005) on guest experience and sustainability of rural destinations are partly supported. As seeking authenticity is one of the primary motivations for rural tourists, such a consequence could largely diminish the attractiveness of rural destinations.

On the other hand, guest experience is complex, and involves additional functional and

emotional experience. Based on the empirical investigation, this study finds that SAB size does exert positive effects on functional experience and emotional experience. Those businesses with larger employment size tend to be better at satisfying guests' needs for basic service quality, and more professional in providing hedonic pleasure. This finding defies those concerns on the negative changes of service quality and experiential elements while SABs grow (e.g. Fuller et al., 2005).

The above comparative analysis draws out some interesting conclusions. SAB growth may lead to better functional experience and emotional experience, which is consistent with its positive effect on financial performance. In this sense, the financial goal is compatible with the market goal during the growth process. However, its negative influence on authentic experience is in conflict with its positive effect on financial reward. In this regard, the economic goal seems to go against the goal of preserving and presenting rural lifestyle, which is prominent for maintaining long-term attractiveness to rural tourists.

These findings allude to a potential paradox between the marketing goal and the financial goal of SABs. Satisfying guests and satisfying the investors could be reciprocal when it comes to functional and emotional experience, but they could be in conflict in terms of authentic experience. For the latter, better guest experience may not be equal to higher financial reward to SAB owners. Thus, in order to preserve the local culture and family ambience, a compromise in making profit would be necessary. As for rural tourism development, both short-term benefit (temporary income and employment) and long-term

development (destination image, tourist experience and local culture preservation) are of big

concerns. Unfortunately, this study suggests that rural SAB entrepreneurs may face trade-off

between satisfying authenticity-seeking guests and satisfying their own income statement. As

attractiveness of rural destinations largely lies on its authenticity, this trade-off may have

profound effect on rural destination competitiveness and sustainability.

8 Conclusion and implication

By examining and comparing different effects of business size on guest experience and

financial performance, this study empirically addresses the disputes regarding the economic

and socio-cultural consequences of rural SAB growth. It reveals that while the positive

relationship between business size and business performance seems singular and straight-

forward, the relationship between business size and guest experience is more complicated:

increased business size positively lead to improved functional experience and emotional

experience, but in the meantime deteriorate the authentic experience.

Theoretically, this study contributes to knowledge in three aspects. First, it proposes and

tests a model depicting the effects of SAB size on guest experience and business

performance. Although it has been widely observed that SABs vary in size across different

entities and may expand their size through time, few research has examined and modeled the

outcome of SAB size change. This study thus fills the gap and introduces a "growth lens"

into small tourism business research to address heterogeneity between businesses.

Second, this research takes a holistic approach to the study of guest experience in the

rural SAB context. Previous hospitality literature mostly looks at functional experience with focus on service quality and tourist satisfaction. Over the years, there has been a growing interest in the entanglement of social versus commercial manifestations of hospitality (Gibson and Molz, 2012; Lugosi, 2008), which hopes and indeed has made successful attempts to shift the focus of hospitality research from its currently predominant managerial/operational concerns to critical studies on the sociocultural/emotional manifestations of hospitality as visitor experience. In this connection, the study reported here could also serve as a dialogue with the emerging community of critical hospitality research in terms of holistic constructions or modelling of SAB visitor experience.

Third, this study also provides an insight into the evolvement of small tourism businesses in the context of a highly dynamic China market. SABs in developing countries are yet to receive due research attention, although a couple of rare sources from China (e.g., Xu and Ma, 2012) have identified huge differences between SABs in developing and developed economies and implied the inadequacy of transferring experiences or applying conclusions from developed countries to the developing ones. Contextualized in rural Zhejiang Province, this study could draw academic attention to the large and prominent China tourism market.

By practical implications, this research is of significance to rural tourism development in the study region. While SABs could serve as a context for rural tourism and their growth is tempting in generating income to their local communities, it should be noted that growth in business size could lead to eclipsed authenticity. It is true that larger SABs could be more

professional in terms of service quality control and hedonic experience provision, but they are inevitably more adjacent to commercialization. In this regard, local businesses have to make their trade-off, and bear in mind that as their business size exceeds certain threshold, they may well not be what they initially were. A commercial home could gradually lose its "home" elements and transform itself into a "commercial hotel". Consequently, the authentic rural lifestyle and rural culture that serve as primary attractions for rural tourists may vanish. In light of this, both rural destination management organizations and rural SAB owners should mindfully keep the balance between providing better, symbolic experience to their guests and enlarging financial incomes, when making strategic decisions about rural SAB development.

As far as limitations are concerned, a cross-sectional research design was adopted to examine the essentially longitudinal business growth. Although cross-sectional data are often used in business growth research, longitudinal and cohort or even panel data could yield more robust results. Nevertheless, as a pioneering work on SAB growth, the cross-sectional data collected for this study could serve as a benchmark for comparisons in future research. Moreover, this study addresses functional, emotional and authentic guest experience as a whole, without a detailed examination of the influence of SAB size on the sub-dimensions. While a parsimonious theoretical model is useful, details or the richness of information could be lost during the process of abstraction. Future research could look into the effects of business size on the sub-dimensions of guest experience.

References

Ainley, S., Kline, C., 2014. Moving beyond positivism: reflexive collaboration in understanding agritourism across North American boundaries. Current Issues in Tourism, 17, 404-413.

Akbaba, A., 2006. Measuring service quality in the hotel industry: A study in a business hotel in Turkey. International Journal of Hospitality Management, 25, 170-192.

Aldrich, H., 1999. Organizations evolving. Sage, New York:.

Anand, A., Chandan, P., Singh, R., 2012. Homestays at Korzok: Supplementing rural livelihoods and supporting green tourism in the Indian Himalayas. Mountain Research and Development, 32(2), 126-136.

Ateljevic, J., 2007. Small is (still) beautiful: A synthesis of research on small tourism firms. Tourism Review, 59(4), 37-41.

Baines, S., Gelder, U., 2003. What is family friendly about the workplace in the home? The case of self-employed parents and their children. New Technology, Work and Employment, 18(3), 223-234.

Perales, R., 2002. Rural tourism in Spain. Annals of Tourism Research, *29*, 1101-1110.

Beaver, G., 2002. Strategy and management in the smaller enterprise. Strategic Change, 11(4), 175-181.

Bramwell, B., 1994. Rural tourism and sustainable rural tourism. Journal of Sustainable Tourism, 2(1-2), 1-6.

Cassel, S., Pettersson, K., 2015. Performing gender and rurality in Swedish farm tourism.

Scandinavian Journal of Hospitality and Tourism, 15(1-2), 138-151.

Churchill, N., Lewis, V., 2000. The five stages of small business growth. In: Storey, D. (Ed.),
Small business: Critical perspectives on business and management. Taylor & Francis,
Oxford, p. 291.

Clarke, J., 1996. Farm accommodation and the communication mix. Tourism Management,
17, 611-16.

Cohen, E., 1979. A phenomenology of guest experiences. Sociology, 13, 179-201.

Cohen, E., 1988. Authenticity and commoditization in tourism. Annals of Tourism Research,
15, 371-386.

Crouch, D., 2007. The power of the tourist encounter. In: Church, A., Gartner W. (Eds.),
Tourism, power and space. Routledge, London, pp. 45-62.

Di Domenico, M., 2008. 'I'm not just a housewife': Gendered roles and identities in the
home-based hospitality enterprise. Gender, Work & Organization, 15(4), 313-332.

Di Domenico, M., Lynch, P., 2007. Host/guest encounters in the commercial home. Leisure
Studies, 26, 321-338.

Felix, D., Broad, S., Griffiths, M., 2008. The bed-and-breakfast experience: An analysis of
hosts' and guests' expectations. In: Lockyer, T. (Ed.), Global cases on hospitality
industry. Routledge, London, pp.55-77.

Ferguson, R., Olofsson, C., 2011. The development of new ventures in farm businesses. In:
Alsos, G., Carter, S., Ljunggren, E. (Eds.), The handbook of research on
entrepreneurship in agriculture and rural development. Edward Elgar, Cheltenham, pp.

21-37.

Fuller, D., Buultjens, J., Cummings, E., 2005. Ecotourism and indigenous micro-enterprise formation in northern Australia opportunities and constraints. Tourism Management, *26*, 891-904.

Garson, G. (Ed.), 2013. Hierarchical linear modeling: Guide and applications. Sage, New York.

Getz, D., Carlsen, J., 2000. Characteristics and goals of family and owner-operated businesses in the rural tourism and hospitality sectors. Tourism Management, 21, 547-560.

Getz, D., Carlsen, J., Morrison, A., 2004. *The family business in tourism and hospitality*. CABI, Oxford.

Gibson, S., Molz, J. G. (Eds.), 2012. *Mobilizing hospitality: The ethics of social relations in a mobile world.* Ashgate, Farnham.

Gilmore, J., Pine, B., 2002. Differentiating hospitality operations via experiences: Why selling services is not enough. The Cornell Hotel and Restaurant Administration Quarterly, 43(3), 87-96.

Gladstone, J., Morris, A., 2000. Farm accommodation and agricultural heritage in Orkney. In: Brown, F., Hall, D. D., Hall, D. R. (Eds.), Tourism in peripheral areas: Case studies. Channel View, Bristol, pp. 91-100.

Goulding, C., 2000. The museum environment and the visitor experience. European Journal of Marketing, 34(3/4), 261-278.

Guttentag, D., 2015. Airbnb: disruptive innovation and the rise of an informal tourism

    accommodation sector. Current Issues in Tourism, *18*, 1192-1217.

Harrington, T., 2009. The clinician-administered PTSD scale for children and adolescents: A

    validation study. Dissertation Abstracts International: Section B: The Sciences and

    Engineering, 69(8-B):5028.

Hirschman, E., Holbrook, M., 1982. Hedonic consumption: emerging concepts, methods and

    propositions. The Journal of Marketing, 46, 92-101.

Ho, S., Huang, C., 2009. Exploring success factors of video game communities in

    hierarchical linear modeling: The perspectives of members and leaders. Computers in

    Human Behavior, 25(3), 761-769.

Huang, L., 2008. Bed and breakfast industry adopting e-commerce strategies in e-service.

    The Service Industries Journal, 28(5), 633-648.

Iorio, M., Corsale, A., 2010. Rural tourism and livelihood strategies in Romania. Journal of

    Rural Studies, 26, 152-162.

Kastenholz, E., Sparrer, M., 2009. Rural dimensions of the commercial home. In: Lynch, P.

    A., McIntosh, & Tucker, H. (Eds.), The commercial home: International

    multidisciplinary perspectives. Routledge, London, pp. 138-149.

Kline, R., 2015. Principles and practice of structural equation modeling. Guilford, New York.

Knutson, B., Beck, J., Kim, S., Cha, J., 2010. Service quality as a component of the

    hospitality experience: Proposal of a conceptual model and framework for research.

    Journal of Foodservice Business Research, 13 (1), 15-23.

Knutson, B., Stevens, P., Wullaert, C., Patton, M., Yokoyama, F., 1990. LODGSERV: A

service quality index for the lodging industry. Hospitality Research Journal, 14(2), 277-

284.

Komppula, R., 2014. The role of individual entrepreneurs in the development of

competitiveness for a rural tourism destination–A case study. Tourism Management,

40, 361-371.

Lashley, C., 2000. In search of hospitality: towards a theoretical framework. International

Journal of Hospitality Management, *19*, 3-15.

Lashley, C., 2008. Studying hospitality: insights from social sciences. Scandinavian Journal

of Hospitality and Tourism, 8(1), 69-84.

Lashley, C., 2009. The right answers to the wrong questions? Observations on skill

development and training in the United Kingdom's hospitality sector. Tourism and

Hospitality Research, 9(4), 340-352.

Lashley, C., Rowson, B., 2006. "Chasing the dream: Some insights into buying small hotels

in Blackpool." In: Whitelaw, P., O'Mahony, B. (Eds.), CAUTHE 2006: To the city and

beyond. Victoria University, Australia, pp. 764-778.

Leach, C., Van Zomeren, M., Zebel, S., Vliek, M., Pennekamp, S., Doosje, B., ..., Spears, R.

(2008). Group-level self-definition and self-investment: a hierarchical

(multicomponent) model of in-group identification. Journal of Personality and Social

Psychology, 95(1), 144.

Lewis, R., Chambers, R., 1999. Marketing leadership in hospitality: Foundations and

practices. Wiley, Hoboken.

Lipton, M., 1980. Migration from rural areas of poor countries: The impact on rural productivity and income distribution. World Development, 8(1), 1-24.

Loureiro, S., 2010. Satisfying and delighting the rural tourists. Journal of Travel & Tourism Marketing, 27, 396-408.

Loureiro, S., 2014. The role of the rural tourism experience economy in place attachment and behavioral intentions. International Journal of Hospitality Management, 40, 1-9.

Lugosi, P., 2008. Hospitality spaces, hospitable moments: Consumer encounters and affective experiences in commercial settings. Journal of Foodservice, 19(2), 139-149.

Lynch, P., 2003. Conceptual relationships between hospitality and space in the homestay sector. PhD dissertation, Queen Margaret University College, Edinburgh, UK.

Lynch, P., 2005. The commercial home enterprise and host: A UK perspective. International Journal of Hospitality Management, 24, 533-553.

Lynch, P., McIntosh, A., Tucker, H. (Eds.), 2009. Commercial homes in tourism: An international perspective. Routledge, London.

MacCannell, D., 1973. Staged authenticity: Arrangements of social space in tourist settings. American Journal of Sociology, 79, 589-603.

McIntosh, A., Siggs, A., 2005. An exploration of the experiential nature of boutique accommodation. Journal of Travel Research, 44(1), 74-81.

Meng, F. (2008). Factors influencing entrepreneurship of small tourism businesses in Longsheng. Master's dissertation, Guangxi University, Guangxi, China.

Morrison, A., 2002. Small hospitality businesses: enduring or endangered? Journal of
Hospitality and Tourism Management, 9(1), 1-12.

Morrison, A., Carlsen, J., Weber, P., 2010. Small tourism business research change and
evolution. International Journal of Tourism Research, 12, 739-749.

Moscardo, G., 2009. Tourism and quality of life: Towards a more critical approach. Tourism
and Hospitality Research, 9(2), 159-170.

Mottiar, Z., Laurincikova, L., 2009. Three hosts as entrepreneurs. In: Lynch, P. A., McIntosh,
Tucker, H. (Eds.), Commercial homes in tourism: An international perspective.
Routledge, London, p. 38.

National Bureau of Statistics PRC, 2013. China statistical yearbook 2002 (Chinese-English
Edition). China Statistics Press, Beijing.

Getz, D., Page, S. (Eds.), 1997. The business of rural tourism: International perspectives.
Cengage Learning, Hong Kong.

Hsieh, L. F., Lin, L. H., Lin, Y. Y., 2008. A service quality measurement architecture for hot
spring hotels in Taiwan. Tourism Management, 29(3), 429-438.

Olesen, V., 1994. Selves and a changing social form: Notes on three types of hospitality.
Symbolic Interaction, 17(2), 187-202.

Parasuraman, A., Zeithaml, V., Berry, L., 1988. SERVQUAL: A multiple-item scale for
measuring consumer perceptions of service quality. Journal of Retailing, 64, 12-40.

Penrose, E., 1959. The theory of the growth of the firm. Blackwell, Oxford.

Phillips, B., Kirchhoff, B., 1989. Formation, growth and survival: Small firm dynamics in the

US economy. Small Business Economics, 1(1), 65-74.

Pine, B., Gilmore, J., 1999. The experience economy: Work is theatre & every business a stage. Harvard Business Press, Brighton.

Rogerson, I., 2004. The impact of the South African government's SMME programmes: a ten-year review (1994–2003). Development Southern Africa, 21(5), 765-784.

Rust, R. T., Oliver, R. W., 1994. The death of advertising. Journal of Advertising, 23(4), 71-77.

Schwaninger, M., 1989. Trends in leisure and tourism for 2000-2010. In: Witt, S., Moutinho, L. (Eds.), Tourism marketing and management handbook. Prentice Hall, Hemel Hempstead, pp.599-605.

Schwartz, R., 1991. Travelers under fire: Tourists in the Tibetan uprising. Annals of Tourism Research, *18*, 588-604.

Seekings, J., 1993. Gibraltar: developing tourism in a political impasse. Tourism Management, 14, 61-67.

Sharpley, R., Sharpley, J., 1997. Rural tourism: An introduction. Thomson, Stamford.

Shaw, G., Williams, A., 1994. Critical issues in tourism: A geographical perspective. Blackwell, Hoboken.

Sigala, M., 2015. Gamification for crowdsourcing marketing practices: Applications and benefits in tourism. In: Advances in crowdsourcing. Springer International Publishing, pp.129-145.

Skokic, V., Morrison, A., 2011. Conceptions of tourism lifestyle entrepreneurship: Transition economy context. Tourism Planning & Development, 8(2), 157-169.

Slattery, P., 2002. Finding the hospitality industry. Journal of Hospitality, Leisure, Sport and Tourism Education, 1(1), 19-28.

Stringer, P., 1981. Hosts and guests the bed-and-breakfast phenomenon. Annals of Tourism Research, 8, 357-376.

Sweeney, M., Lynch, P., 2009. Classifying commercial home hosts based on their relationships to the home. Tourism and Hospitality Planning & Development, 6(2), 159-170.

Thomas, R., 1998. Management of small tourism and hospitality firms. Cassell, London.

Tichaawa, T., Mhlanga, O., 2015. Guest experiences of service quality in bed and breakfast establishments in East London, South Africa. Journal of Human Ecology, 50(2), 93-101.

Turner, L., 2011. Canadian medical tourism companies that have exited the marketplace: Content analysis of websites used to market transnational medical travel. Globalization and Health, 7(1), 40.

Tussyadiah, I., 2016. Factors of satisfaction and intention to use peer-to-peer accommodation. International Journal of Hospitality Management, 55, 70-80.

Tussyadiah, I., Pesonen, J., 2016. Impacts of peer-to-peer accommodation use on travel patterns. Journal of Travel Research, 55, 1022-1040.

Walls, A., 2013. A cross-sectional examination of hotel consumer experience and relative effects on consumer values. International Journal of Hospitality Management, 32, 179-192.

Wang, C., Chen, K., Chen, S., 2012. Total quality management, market orientation and hotel performance: The moderating effects of external environmental factors. International Journal of Hospitality Management, 31, 119-129.

Wang, N., 1999. Rethinking authenticity in tourism experience. Annals of Tourism Research, 26, 349-370.

Wang, X., 2013. Start-up goals of farm hotel operators in China. IERI Procedia, 5, 126-131.

Wang, Y., 2007. Customized authenticity begins at home. Annals of Tourism Research, 34, 789-804.

Wang, Z., Chen, C., 2013. Survey on minsu of Tonglu County in Hangzhou. Statistical Science and Practice, 12, 44-45.

Wong O., Dean, A., White, C., 1999. Analyzing service quality in the hospitality industry. Managing Service Quality: An International Journal, 9(2), 136-143.

Wu, M., 2009. Structural equation model—The operation and application of AMOS. Chongqing: Chongqing University Press.

Xinhua Tourism, 2015. Innovation and features—the "Huzhou model" of rural tourism in China. Retrieved 28 November 2017 from http://travel.news.cn/2015-09/28/c_128274665_3.htm (retrieved 28.11.2017).

Yu, H., Littrell, M., 2003. Product and process orientations to tourism shopping. Journal of

Travel Research, 42, 140-150.