Chapter 2
LITERATURE REVIEW

2.1 Introduction

The present study is an attempt to understand the Alternative Accommodation sector in Union Territory of Puducherry. This chapter includes the review of literature consisting of studies conducted worldwide in the related areas. The study also tries to identify probably gaps in the research area and possible ways to take cognizance of the lacunas in the present research investigation.

Given the background information in the previous chapter, this chapter reviews literature related to Alternative Accommodation. It was observed that most of the studies in tourism and hospitality sector have focused on traditional accommodation such as hotels and not much attention has been paid to study Alternative Accommodation sector, consisting of accommodation products such as Guest Houses, Serviced Apartments and Commercial homes. Relatively little attention has been given to the exploration of nature, performance, and trade of this sector. Fleischer and Pizam (1997) have advocated undertaking serious research on this segment of accommodation providers. McIntosh, Lynch and Sweeney (2007) have endorsed this view taking into consideration this segment’s relatively underexplored nature, growth, popularity and appeal.

As in any market, the tourism industry consists of a supply and a demand side. The demand addresses the tourism markets, people and buyers of products and service. The supply refers to the suppliers of goods and services. The available literature on Alternative Accommodation falls into three categories, namely general research describing the scope and development of this section, supply-side studies on the characteristics and marketing approaches, and demand-side studies describing the consumer preferences and behavior.
2.2 Emergence of Alternative Accommodation

Accommodation is a fundamental factor of the tourism product to the tourists. The type, extent and nature of accommodation determine the volume and value of tourism that is possible at any destination (Henning and Willemse, 1999). While tourist accommodation typically refers to traditional hotels of several categories, Alternative Accommodation refers to establishments such as Guest houses, Service apartments and Commercial homes that provide paid lodging to the tourists on short-term basis. They differ from the traditional hotels in terms of the limited and personalized services provided with an authentic, ‘local’ touch (Nuntsu, Tassiopoulos and Haydam, 2003).

According to Kaufman et al. (1996) and Ames (1999), Alternative Accommodation sector might have a long history as several historical accounts exist about the use of the commercial homes for tourist accommodation. But in the second half of the Twentieth century, the use of commercial homes for tourist accommodation has varied greatly across different geographical regions. The practice originated in Europe and tourist homes operated by private homeowners have always been a fixture in popular American vacation areas (Nuntsu et al., 2003). Particularly in the United Kingdom and Europe, there has been a continuing tradition of commercial home use as a budget form of accommodation. In the United States, Canada, Africa, Australia and New Zealand, however, the commercial home has only recently been taken up again as a form of tourist accommodation.

According to McIntosh and Siggs (2005), recent research has shown an increased demand for accommodation in private homes or ‘hosted’ accommodation, in contrast to mainstream accommodation facilities such as hotels and motels (Warnick and Klar, 1991; Morrison et al., 1996; Johnston-Walker, 1999; Lynch and Tucker, 2003). In particular, Bed and Breakfats (B&B), home stays, guesthouses, farm stays, health farms, country inns, stately homes, wilderness or nature lodges, and boutique hotels or inns represent a
rapidly growing sector of the tourism industry. Collectively, these may be broadly termed *specialist* forms of accommodation (Morrison et al. 1996). Since they provide an alternative to the tourists who seek something other than the mainstream accommodation, this study refers to them as Alternative Accommodation.

In 1980s, Rural tourism or ‘*Nong jia le*’ carved out (He, 2005) in China as tourism had become popular with the mass market and the Government perceived it as an income generation opportunity for the rural community and as a means of poverty eradication (Hu, 2008). ‘*Nong jia le*’ tourism or Rural tourism in the past twenty years has witnessed a significant increase in China (Zheng and Zhong, 2004). The so called ‘rural family hotel’ which would be quite similar to the definition of the home-stay, emerged in the 1990s with the development of Chinese domestic tourism (Jones and Guan, 2011). At a later stage, another type of lodging as an Alternative Accommodation or ‘family hotel’ emerged in bigger towns and cities in Mainland China because it was considered to be reasonably priced (Zou and Dong, 2006). These types of Alternative Accommodation rapidly grew but did not have any price advantage in downtown areas of major cities (Chu, 2002).

The concept of commercial homes is not new. However, in India, the practice is only a decade old. In the recent years, phenomenal growth is witnessed in difference forms of Alternative Accommodation, particularly B&B format (Lanier and Berman, 1993; Kaufman and Weaver, 1998). Taking note of this trend, the Ministry of Tourism (Government of India) introduced the concept of Commercial homes (specifically, the Bed and Breakfast and Homestay Establishments) as part of its globally acclaimed *Incredible India* campaign in 2001-02. Kamath, Bhosale and Manjrekar (2008) have studied the promotion of small scale entrepreneurship opportunities in Hospitality industry through Bed & Breakfast scheme by the Ministry of Tourism, Government of India. This would be a unique opportunity for the house-owners, especially the
housewives, because once their spare rooms are recognised under the scheme, they will get an opportunity to earn that extra income while being at home.

2.2.1 Drivers of growth

Reynolds and Emenheiser (1996) in their pioneering study had suggested a future trend wherein Alternative Accommodation providers such as B&B operators would be achieving a more significant role in the hospitality industry. Schiff (1993) identified that B&B operations have become increasingly popular with travelers who do not want to stay in conventional hotels or motels. According to Novelli (2005) and Scarinci and Richins (2008), the reasons for the growing popularity of niche segments such as the Alternative Accommodation include increased competition and market fragmentation, more discerning and difference-seeking customers and communication technology. Through this communication technology, the visibility of Alternative Accommodation which are usually remote and not in the mainstream, and direct accessibility for tourists with a penchant for difference, are greatly enhanced.

Unique tourism products require unique accommodation products to support their value proposition. For example, farm tourism may be considered to provide Alternative Accommodation to the tourists, given the family-run operations. Ollenburg and Buckley (2007) have examined the growth of Farm Tourism in Australia and contrasted the findings from Europe and the United States. Though economic and social motivations drive the growth of Farm Tourism, social motivations were found to be marginally more important than economic motivations in Australia.

An interesting study on home-based businesses by Gelderen, Sayers and Keen (2008) showed that the way these businesses are operated and the reasons for which they are started enable them to bring about variety and this variety has a broader impact on the industry and the economy. This explains the role of family-run accommodation
establishments in providing variety and offering an Alternative Accommodation for the tourists.

Drawing from a previous study (Nicod, Mungall and Henwood, 2007) on the growing demand for self-catering holiday properties such as guest houses, B and B establishments and so on, Zhang (2009) suggested that these types of Alternative Accommodation are better suited to the patterns of consumption, and hence demand, arising through changes in working lifestyles and facing the global financial downturn.

The demand for Alternative Accommodation could be driven by the nostalgic longing for ‘real hospitality’ in certain economically developed societies is a response to commodification (Ritzer, 1996) and the superficial nature of some travel experiences where little cultural engagement really happens and very limited engagement with locals occurs (McIntosh, Lynch and Sweeney, 2010).

The increasing demand for Alternative Accommodation may be explained by the recent global social and cultural changes resulting in greater interest and appreciation in cultural heritage, lifestyles and environmental concerns (Ibrahim and Razzaq, 2010).

An important finding from empirical research conducted both in the United Kingdom and New Zealand is that the majority of small tourism enterprises do not aspire to grow and instead are often motivated by non-financial considerations (Atelejevic and Doorne, 2000; Hall and Rusher, 2004; Rogerson, 2004). However, a study conducted in Israel (Fleischer and Pizam, 1997) on farm tourism, identified financial considerations such as having an alternative source of incomes as a motivator.

Usually the B and B accommodations are in impressive locations such as California in North America and Costa Rica in Central America. They are located in the most attractive tourism destinations, especially in and around cultural and natural
attractions (Daugherty and Jaquay, 1998; Stevens, 1983). Such locations and the surrounding demand also drive their growth.

2.3 Classification of Alternative Accommodation

Previous research on Alternative Accommodation has focused on the characteristics of the establishments themselves, their ownership, and their performance levels (Morrison et al., 1996; McIntosh and Siggs, 2005). Particular attention has been directed at classifying the characteristics that define the Alternative Accommodation sector (Warnick and Klar 1991; Pearce and Moscardo, 1992; Emerick and Emerick, 1994; Morrison et al., 1996). Variables such as number of guestrooms, price, host motivation, home or business, owner-operated or corporate enterprise, age of business, distinctive features, and emphasis on “guest-host experience” have been considered as definitional criteria for Alternative Accommodation. Generally, they are seen to provide personal service, some special opportunity or advantage to guests through location, and accommodation that is usually owner-operated (Morrison et al. 1996).

With the growth of this unique sector, came the need for a useful classification of Alternative Accommodation from a practitioner point of view. Alternative Accommodation establishments were classified based on parameters such as the characteristics of business, whether it is done in a home, by a family, or whether the motive is to serve or to make profits. An accepted taxonomy of Alternative Accommodation groups it into Service apartments, Guest houses and Commercial homes such as Homestay and Bed and Breakfast (Foxley, 2001; Canwell and Sutherland, 2003; Professional Association of Innkeepers International (PAII, 2009), Further, the Commercial homes are classified by PAII into six categories such as Homestay, Bed and Breakfast, Bed and Breakfast inn, Bed and Breakfast cottages, Bed and Breakfast hotel and Country Inn. The Service apartment concept has no standard definition but it is
typically considered to provide short-term, self-contained accommodation with additional services. (Foxley, 2001). Guest house is smaller than average hotel and with a limited number of rooms and facilities (Canwell and Sutherland, 2003). Commercial home refers to a type of ‘homely’ accommodation where visitors or guests pay to stay in private homes, where transaction and interaction take place with a host and/or family usually living on the premises and with whom public space is, to a degree, shared (Lynch, McIntosh and Tucker, 2009; McIntosh, Lynch and Sweeney, 2010).

Lynch (2005b) in his study of commercial homes, identified three broad approaches; the first approach is based on the business perspective – whether it is small or big, the second approach is whether business is run by a family or not, and the third approach is the lifestyle entrepreneur perspective that takes into consideration personal values rather than monetary motivation for the entrepreneurs. Lynch proceeded to propose a fourth perspective, namely ‘commercial home enterprise’, which is underlined by commercially-oriented business strategies. For the purpose of his study, a commercial home was characterized as accommodation where guests pay to stay in a private home that is shared with the host and/or family, and includes host families, B&B, farmhouses, guesthouses and small hotels.

Lynch and MacWhannell (2000) suggest three ‘types’ of ‘home’ accommodation: Commercial hospitality within the private home where the owners live on the premises and public space is shared by visitors and the owner’s family – this category may be sub-divided by the degree of integration of the visitor with the family and their activities, for example private house bed and breakfast, host families. Commercial hospitality where the owner lives on the premises and the unit is also the family home but where public space for the visitor is separated from that of the family, for example, small hotels, town houses, guest houses and some Bed and breakfasts. Self-catering where the home owners live off the premises – this category would be further
sub-divided into those where the home is usually a second home and those where the accommodation unit is purely a letting unit and home is a created concept. Wood (1994) refers to this as ‘pseudo-domestication’ (Lynch, 2003).

Home-stay accommodation is a term with specific cultural associations. According to Lashley (2000) and Lynch (2003), home-stay associated with farmhouse accommodation for the budget tourists with affordable cost in Australia and United Kingdom. But as a general term it is used to refer to types of accommodation where visitors or guests pay directly or indirectly to stay in private homes. It embraces a range of accommodation types including farm-stay accommodation, host families, some small hotels, and B&B establishments. Accommodation facilities such as guest houses, boarding houses and lodging houses are sometimes used synonymously with small hotels and B&B, and included as home-stay establishments. Foster (1994) indicated that most B&B accommodation are classified on the series of physical characteristics, price level, product, service range facility and guest's purpose.

2.4 Characteristics of Alternative Accommodation

Alternative Accommodation is a fast-growing segment of the hospitality industry (Henning, 2004). The B&B establishment or a Guest house can be offered from an existing home, a renovated home or a building that has been specifically designed to provide overnight accommodation for the tourist at affordable cost. The B and B establishments and guest houses will have public areas for the exclusive use of its guests. B and B establishments and Guest houses are commercial enterprises and as such the owner or manager may live on the property (Tourism Grading Council South Africa, 2009). The cost of guest house accommodation is often cheaper than that the traditional hotels and the requirements of a guest house or B and B establishment are typically basic but cozy (Canwell and Sutherland, 2003). Many such businesses are started in their residential premises for income purposes. According to Stringer (1981) Bed and
Breakfast (B&B) category of Alternative Accommodation shared certain characteristics such as geographical location, unlicensed operation and no evening meal is served.

2.4.1 ‘Homely’ factor

Alternative Accommodation establishments differ from the traditional hotels in terms of the limited and personalized services provided with an authentic, ‘local’ touch (Nuntsu et al., 2003). Hosts and guests in the context of Alternative Accommodation both tend to expect a ‘homey atmosphere’ and a ‘home away from home’. Lynch (2004) suggests home as a complex construct with temporal, social, cultural, personal and emotional dimensions and describes the intricacies in having a representation of ‘home’. Sixsmith (1986) highlighted three relevant aspects of home as personal, social and physical. Manzo (2003) also attests home as a complex concept with multiple meanings. It is more than just house as ‘it connotes a more active and mobile relationship of individuals to the physical, social and psychological spaces around them’ (Saegert, 1985).

‘Home’ can be seen as ‘an economic space, a breeding ground for consumer fantasy and a site of consumption and consumer display’ (Osborne, 2000). According to Domenico et al., (2007), this multi-functionality is magnified when the economic viability and raison d’être of the home is also as a business enterprise. In the context of tourism and hospitality industry, there is a diverse range of owner-occupied small businesses providing accommodation where the private home dimension assumes greater significance (Lynch and MacWhannell, 2000). Such small-scale operations attract guests with certain service provision expectations to be rendered to them in their roles as private individuals rather than as part of a more detached business function as in a larger hotel (Wood, 1994).
In a study (Stringer, 1981) covering both hosts and guests about their respective experiences in a Commercial Home context investigated the motives for involvement with B&B transactions, their familiarity with and preparedness for them, the nature of their interactions and the interpenetration of economic and other psychological components. The transaction went beyond the commercial; its dominant characteristics appeared in psychological rather than material forms. Of particular importance was the negotiation of mutually acceptable rules of conduct for being a host and guest in an essentially ambiguous situation. Difficulties of understanding between hosts and certain nationalities among tourists were reported.

Lynch, McIntosh and Tucker (2009) investigated the host–home relationship within the commercial home, and proposed a typology of commercial home hosts consisting of the economic host, the eco-socio host, the socio-eco host, the social host and the ego host. The typology is explained and discussed.

2.4.2 Entrepreneurial spirit

Fleischer and Pizam (1997) studied the entrepreneurial drive of hosts in rural Alternative Accommodation establishments. Rural accommodations have been established in different types of rural residences. This study on rural tourism in Israel recognized them to be a relatively new phenomenon in which, similar to other rural regions, farmers and rural residents were searching for an alternative source of income. This motivation is dependent on the primary activity of the hosts as Fleischer and Felsenstein (2000) found out. According to them, rural accommodation is organized according to the type of the rural home. Some rural households are on agricultural land, and the owners, rarely stop their work while involved in rural tourism. The other, more common type, are rural homes not involved in agriculture, as well as small nonagricultural rural settlements, which may suggest that agriculture alone is not a necessary factor in rural tourism growth. Opperman (1996) in a study on farm tourism in
Germany concluded that it provides only a small side-income, partly because of legal limitations.

On the other hand, lifestyle, non-economic motives have been recognised as significant stimuli for tourism entrepreneurship and growth of the small-business sector. Schine (1999) carried out a survey of small entrepreneurs and found that money was not their top motivator. A latter study by Schine (2003) reported that nearly 50 per cent of those starting a business gave lifestyle as their primary motivation. But this rejection of an overtly profit-driven orientation does not necessarily result in financial suicide or developmental stagnation but rather provides opportunities to engage with ‘niche’ market consumers informed by values common to themselves within rapidly segmenting markets (Ateljevic and Doorne, 2000).

Lynch (1994) suggested that the social nature of B&B is very significant; it is a way of meeting people from all over the world, a way of forming friendships. This way of meeting people may be particularly attractive for operators wishing to work from home and yet avoid social isolation. In addition, friendships formed may be a keystone for ensuring return business. Thus social, economic and psychological motivations are intertwined.

According to Zane (1997), B&B’s can have a substantial positive economic impact on the communities where they stay because most of the people who run them were once unemployed (for example, as housewives, single parents and so on). This is particularly true in small communities, where motel and hotel accommodations are limited and B&B’s may handle a large percentage of visitors (Nuntsu et al., 2004). Their economic contribution is in the form of increased earnings, foreign exchange, job opportunities, production, entrepreneurship and infrastructure.

Green (1997) points out that there are a lot of people who want to be entrepreneurs but have no idea what running a B&B entails. Traditional hotels are dominant in the field
of tourism to provide accommodation to the travelers or visitors. The private home, as part of Alternative Accommodation sector, is often represented as the antithesis to the traditional commercial hotel (Douglas, 1991; Ritzer, 1993).

2.5 Functional aspects of Alternative Accommodation

Several studies have studied certain functional aspects of Alternative Accommodation in the context of Rural Tourism because it provides a good fit for Alternative Accommodation with its local resources such as traditional architecture, medical herbs and cultural elements (Dimitrovski, Todorovic and Valjarevic, 2012). Based on different studies (Zheng and Zhong, 2004; He, 2005) on rural tourism development in China, six inter-related models have been identified for rural tourism development. The models are ‘Nong jia le’ tourism (rural tourism) based on the individual farmer family at its inception of establishment, ‘individual farmstead’ based on farmer’s autonomy, ‘farmer family plus farmer family’ which is aimed to restructure the agricultural economy of rural community through rural tourism development characterized by the mode of ‘one family one rural tourism-related specialization’, ‘corporation plus farmers’ in which there are investors from outside and ‘government plus corporation plus farmer’ model wherein the government plays a direct role in cooperation with the other two stakeholders. These models differ in terms of operational scale and scope. The individual farmer, as an individual specializing in rural tourism, is responsible for running and transforming his tourism product and facility into a tourist-designated spot with larger size and scale (Wang and Fang, 2008). At the earlier stage of ‘Nong jia le’ or rural tourism, it offered boarding and lodging with rooms being rented in the owner’s private home or rural campsites equivalent to B and B establishment operations in Europe and North America.

The original purpose of ‘Nong jia le’ tourism was to complement incomes from agriculture as ‘green tourism’ without a threat to the main agricultural activity for the
society (He, 2005). But in the past twenty years, it has witnessed a significant growth in China (Zheng and Zhong, 2004), contributing to socio-economic regeneration (Gu and Ryan, 2009) and also taking it to the mass market (He, 2005). According to Su (2011), development of rural tourism in China proved to be an effective tool to diversify rural economy and to improve poverty alleviation.

The rural tourism industry in Israel is currently experiencing a major upturn. Rural tourism establishments are operated by a limited number of service providers, who usually have control over technical resources (Reichel, Lowengart and Milman, 2000). The above mentioned study had carried out a service quality survey in Israel. Another study (Fleischer, Rotem and Banin, 1993) considering the potential risks of service failure, recommended that operators of rural tourism establishments be trained to handle a variety of marketing and public relations activities involving professional advertising and public relations personnel, various media channels and less formal methods of attracting customers.

Bed and Breakfast accommodation is not limited to upkeep of the rooms but include cooking, reservations, supervising the cleaning staff, handling all marketing strategies, paper work duties, taking care of the landscape and outdoor maintenance (Espinoza, 1998). Vallen and Rande (1997) reported that hosts are often important sources of information on local attractions and activities for their guests. Espinonza (1998) considered B&B as private accommodation with charm, personal touch, and experiences.

Powers (1995) contends that the single best means to achieve that competitive edge is service, whether personal, indirect or mechanical, guests will choose the B&B accommodation that come the closest to zero defects goal of successful service systems. Green (1997) contends that B&B accommodation offers services of quality such that the
business consists of 70 percent of repeat customers. This is indicative of high customer loyalty, retention and repeat purchase characteristics.

Darkey and Horn (2009) examined the perceived potential benefits of the 2010 Fédération Internationale de Football Association (FIFA) World Cup Football Tournament for B&B establishments which are an integral part of the tourism accommodation sector in South Africa. The responses to a questionnaire sent to a sample of B&B proprietors had major misgivings owing to the manner in which FIFA has managed accommodation–provision agreements and the role played by South African government agencies, the Local Organising Committee and the tourism sector. This study highlighted the need for institutional support that the Alternative Accommodation sector required to flourish.

2.6 Demographics of Guests at Alternative Accommodation

An understanding of the demographic profile of guests at Alternative Accommodation establishments is essential for marketing planning. The key variables influencing the type of experience offered include demographics such as age, gender and life cycle stage and motivations (Lynch, 1998; Gladstone and Morris, 2000). This section reviews the major market-specific (geographic location-specific) studies and special customer segment-specific (based on demographic characteristics and travel characteristics) studies in the domain of Alternative Accommodation.

2.6.1 Market-specific studies

Changing preferences of customers (Dawson and Brown, 1998), increase in competition, fragmented market, and growth in communication technology (Novelli, 2005; Scarinci and Richins, 2008) were the reasons cited for the growth of Alternative Accommodations.
Hsu and Lin (2011) were motivated by the increasing demand for B and B accommodation as first choice accommodation in Taiwan among the domestic tourists to study their decision making when selecting accommodation while travelling. Their study yielded nine factors, namely activities arrangement, quality of services, scene attraction, social demands and facilities, prices, sanitation and comfort, specialty appearance, leisure and relaxation, and Transportation as key influencing factors in selecting B and B accommodation. Another study in Taiwan by Kuo and Kuo (2012) integrated B and B into eco-tourism through their study of visitors in the Guan Ziling area in Taiwan and their study found similarities between demographic characteristics (such as age, educational qualification and income) of B&B tourists and eco-tourists, and thereby advocating focus on this segment of tourists.

Chu and Choi (2000) examined the accommodation selection factors that influenced business and leisure travelers in Hong Kong. The six hotel selection factors identified were: Service Quality, Business Facilities, Value, Room and Front Desk, Food and Recreation, and Security. Interestingly, both business and leisure travellers held the same perceptions towards all the six hotel selection factors.

Jones and Guan (2011) acknowledge that ‘commercial home’ represented a great opportunity for the growth of entrepreneurship in Mainland China. They studied one major market for Mainland China, that is, the Hong Kong residents, and their willingness to stay in different types of commercial homes. Their study found out that this market segment consisted of younger males and this was a deviation from the typical commercial home guest in the West. Additionally, they preferred B&B than homestay.

In Malaysia, the tourism industry is one of the most important sectors in terms of its contribution to the economy. Ibrahim and Razzaq (2010) pointed out that in the 9th Malaysia Plan (2006-2010) one of the focus areas by government was on community development, and rural tourism was one of the mechanisms. Due to the potential of the
homestay program to provide additional income and employment, the number of homestay providers in Malaysia has been increased. In the beginning, the homestay emerged from an overspill of tourism in terms of overflow of tourists that could not be handled by the big entrepreneurs. The location of the homestay was normally nearby the popular tourist destinations and the product offered was merely accommodation. The operator of the homestay also sometimes extended his services as a tourist guide to the guests (Ibrahim and Razzaq, 2010).

Coviello, Winklhofer and Hamilton (2006) had studied marketing performances and practices of B&B establishments in Canada through a web survey. The results indicated that success requires an emphasis on both transaction marketing and interaction-based relationship marketing to acquire customers and achieve sales growth. More contemporary practices such as database marketing, e-marketing, and network marketing are in evidence, but they are not found to influence performance.

Nicod, Mungall and Henwood (2007) researched about the self-catering accommodation in Switzerland. They found out that the owners often rent to offset the cost of upkeep, rather than to make a profit, and this attitude is reflected in the fragmented and rather unprofessional nature of marketing, representation and communications in the sector.

Teng (2011) carried out an investigation in Scotland on the international consumer perceptions of their restaurant dining and hotel accommodation experiences to identify the common core elements of hospitality in commercial settings. The analysis specified five categories of perceived commercial hospitality, including: interpersonal interaction, psychological connection, openness to different cultures, sensation satisfaction, and perceived value.

Villarino, Priestley and Blanco (2004) have analyzed the evolution of Rural Tourism in Spain within a European context. Their analysis underlined the importance of
the role of women, and the consequences of the activity for the economy of rural areas. They also identified the differences in the pattern of evolution with more northern European countries. Albacete-Saez, Fuentes-Fuentes and Llorens-Montes (2007) studied rural tourism establishments in Spain. Their study revealed that the perceived quality of a rural tourism establishment depends mainly on dimensions closely linked to the personnel who are in touch with the customer and to the actual physical space evaluated.

Opperman (1996) studied the rural operators and tourists in Germany. Families with children and older couples were identified as the main market segments, driven by inexpensive accommodation as a major incentive. Although tourism is frequently suggested to farmers as a panacea, Opperman indicated that farm tourism provides only a small side-income, partly because of legal limitations.

Dimitrovski, Todorovic and Valjarevic (2011) had studied different aspects of rural tourism at Gruza in Serbia. Being a heritage destination with cultural and historical monuments, it had significant potential for tourism development and the role of the local government was particularly important to tourism development and promotion in several aspects. The tourists at this destination were open to typical rural activities as well as to enjoying nature and local gastronomy.

Reichel, Lowengart and Milman (2000) identified rural tourism in Israel as a growing trend, augmented by declining agricultural income. They investigated the concept of service quality and service orientation in rural tourism establishments (B and B's). They found out the rural tourism in Israel suffered from two major problems: inconsistent service quality and lack of appropriate service orientation, and suggested means to address the acute need for appropriate training of the personnel.

Nuntsu et al (2004) examined the B and B market and found out that they provided an amalgam of services, facilities, activities and used a variety of promotional techniques with word of mouth being the most prevalent. The success factors identified
were networked enterprises, access to a dedicated fund for business finance, reduced operating expenses, non-financial support, and continuous skills development.

Scarinci and Richins (2008) acknowledged a growing and prominent interest in specialist lodging and attributed this interest to greater competition, increased market fragmentation and complexity, more experienced and discerning customers and communication technology. This study applied Pearce’s (1993) motivational travel ladder to look into the motivational factors of the specialist-lodging sector in the United States, specifically B and B accommodation and found out that of the five hierarchical travel career steps, relaxation and physiological needs were ranked of highest importance.

2.6.2 Special segment-specific studies

During the 2010 World Cup Football Tournament in South Africa, bed-and-breakfast (B&B) establishments were an integral part of the tourism accommodation sector. Fédération Internationale de Football Association (FIFA) for the first time in its history, sanctioned accreditation of non-hotel accommodation to support and promote emerging small, micro and medium enterprises (SMMEs) sector, such as guesthouses and Bed and breakfast (B&B) establishments (Darkey and Horn, 2009). This initiative was welcomed by the deputy director-general of South African Tourism: “the inclusion of non-hotel offerings will definitely boost the second economy’s involvement in the world’s biggest sporting event” (Gadebe, 2007). These studies highlight the role of Alternative Accommodation during a special event with a high seasonal influx of international tourists.

Batra (2009) studied the inbound seniors market in Bangkok. He examined the senior travelers based on their travel experience, behavior, and overall experience on visiting Thailand. The travel behavior of seniors also differs in terms of types of tour,
lodging preference, outdoor activity, mode of transportation, type of information used and people travelled with.

Happy Fishermen Home or ‘Yu jia le’ has emerged in recent years in coastal China to promote coastal tourism. This trend in coastal areas accounted for tourism related with marine activities (Sun, 2009).

Su (2011) studied ethnic culture tourism promoted in rural China inhabited by minority nationalities. The findings of this study not only highlighted the widely-held beliefs about the important role of rural tourism in China but also identified a number of related problems and challenges facing its sustainability and healthy development in future.

Users of Alternative Accommodation are more interested in access to wilderness, learning experiences, and importantly undisturbed atmosphere. In addition the opportunities to see wildlife they would not normally be able to see and outdoor adventure activities (Fennel and Weaver 1997; Lang Research 2001; Ingram and Sherwood 2002; Hossain 2004). Visitors also give importance for shopping and resort areas. Fesenmaier and Gretzel (2004), found the importance of experience as a core feature of tourism and leisure (Smith 2003). The interests and experiences tourists sought in Alternative Accommodation sectors have put pressure on the hosts/managers to play a greater role in the visitors’ experience.

McIntosh and Siggs (2005) and Johnston-Walker (1999) found that the motives and expectations of tourists in general are changing towards a greater desire for personalized experiences and service. Hobby/social interests and lifestyle support are some of the major reasons why people stay in Alternative Accommodations (Lynch 1998). Some motivations include wanting access to a particular location (Fennel and Weaver 1997), budget family holidays (Hossain 2004), support for a specific activity such as hunting or hiking (Clarke 1999), and escape/indulgence (Johnston-Walker 1999).
Most important to business travelers besides location is to feel secure away from home, to be well served and to feel they have received fair value for money.

2.6.3 Urban and rural scope

Activities related to tourism takes place at all places in modern tourism. Alternative Accommodation at urban areas and rural areas are seen similarly yet differently at times by many. It is suggested that ‘place’ in which tourism experience occurs may be conceptualized on a number of scales and involves different geographical elements (Carmichael, 2000).

The rural tourism establishments’ aims to get higher-spending tourists as this segment will provide potential returns. Through the support given by government, the rural tourism establishments seek to improve the landscape, cultural heritage and the environment, not merely supplement and diversify the farmer’s income sources (He, 2006).

Sun (2009) had pointed out the unique attractions of rural tourism. Activities such as like rafting, fishing, local medicinal herb therapy, folk-custom educational courses, fruit-picking, local cuisine recipe, sale of home-made country products and so on., are a trendy phenomenon, especially in China’s rural areas where agriculture is not economically competitive.

Hospitality and tourism are deeply embedded in ex-urban processes for at least two main reasons (Butler et al., 1998). First, tourism and hospitality have assisted in the promotion of particular images of rurality and rural idylls. Second, for many families and individuals that make the move to rural areas and the peri-urban fringe, hospitality and tourism becomes an important source of income.

‘Rural’ refers to people, places, lifestyles, artifacts’, values, and social relationships (Willits et al., 1990). Valentine (1997) describes the imagining of rural as a
peaceful, tranquil, close-knit community. This is a common romantic vision of rural life, or the ‘rural idyll’, based on nostalgia and sense of belonging and where people can escape from the city. As Bunce (1994) points out: ‘The affection for the countryside may reflect fundamental human values and psychological needs which can be traced to a basic human desire for harmony with land and nature, for a sense of community and place for simplicity of lifestyle.’

2.7 Guests at Alternative Accommodation

Tourism literature has reported that people's perception of travelling lies in the results of travelling attitudes (Ragheb and Beard, 1982; Gartner and Hunt, 1987), perceived awareness, knowledge and information about travelling resources (Riddick, 1986), and images of tourist areas (Baker and Crompton, 2000). A traveller's vacation destination decision is a complex process involving, among other factors, an individual's perceptions, previous experience, motivation (benefits sought), information search, attitudes, and intention (Shih, 1986).

2.7.1 Factors of influence

Understanding why people decide to travel and what influences their choice of destination are of critical importance in developing appropriate marketing strategies (McGuiggan, Emerson and Glaser, 1995). One of the directions that researchers have taken is to study the motivational aspects that explain why tourists choose Alternative Accommodation. The existing literature, though limited in studying the above said aspect, may be categorized as in terms of opinions from the supply-side (namely, the alternative hoteliers) and the demand-side (namely, the guests at Alternative Accommodation).
According to Han and Liu (2007), service quality of B&B establishments and guest houses is growing in terms of expectations. Hence evaluating guests’ perceptions alone becomes unilateral and an evaluation method that takes into consideration both guests’ expectations and perceptions is now needed.

The tourist motives are varied because recreation is more than just play, it means reviving, refreshing, reanimating, amusing, diverting and gratifying. Recreation as a necessary vital part of life attracts different people with different motives. Health interests have also long been a major travel motive. In ancient times the Romans were drawn to springs thought to have health giving properties which became fashionable again in the eighteenth and twentieth centuries (Coltman, 1989).

2.7.1.1 Perceived motivations

The supply-side studies have identified the perceived motivations of tourists in general (Morrison, Pearce, Moscardo, Nadkarni and O'Leary, 1996; Sallee, 1996; Dawson and Brown, 1988) or that of a specific demographic group, say the business traveller market (Radder and Wang, 2006). Previous studies have found that alternative hoteliers perceive natural setting (to suggest location and geographic area), quality service and authentic experience as the main motives which draw tourists.

Morrison, Pearce, Moscardo, Nadkarni and O'Leary (1996) discussed the growth of specialist accommodation establishments in the context of recent trends in the tourism market and highlighted the role of specialist accommodation in rural development and in meeting the needs of special-interest markets. They found differences in the socio-demographic and travel characteristics between the guests at traditional and specialist accommodation establishments. Sallee (1996) in a survey of guests at B&B and country inns in the United States found that these guests reported a quite home-like atmosphere with a sense of privacy as very important factor in their decision making. A strong
preference for a private bath was also found to be important to guests. While assessing the growth of and demand for B and B establishments in the United States, Dawson and Brown (1988) highlighted the threat of such Alternative Accommodation to the hotel industry and singled out factors such as location and geographic area, hospitality and service and the B&B experience as the perceived determinants of the guests’ decision to stay at these establishments.

Radder and Wang (2006) in a study to determine the similarities and differences in business travellers' expectations and managers' perceptions of the service provided by guest houses, concluded that managers mostly overestimated guests' expectations in terms of friendliness of front desk staff and efficient handling of complaints. Interestingly, both the groups had indicated that cleanliness of rooms and services performed by staff adequately the first time, were of particular importance.

2.7.1.2 Stated motivations

The supply-side studies have identified the stated motivations of tourists, say among the senior market (Wuest, Tas and Emenheiser, 1996) or from a special interest group, say the rural/countryside tourists (Pearce, 1990; Ingram, 2002). A market-specific study (Gilbert and Terrata, 2001) suggests tourist demographics itself as a motivational factor to choose alternative hoteliers. An interesting study by Wu and Yang (2010) analyses the motives to revisit a bed and breakfast and identifies preference for certain service quality elements as the primary reason.

Previous studies have found out that tourists choosing Alternative Accommodation are influenced by factors such as enjoyment of country lifestyle and scenery, alternative to a hotel or a getaway to escape the larger hotel, meet the local people and enjoy the local heritage (Norman, 1988, Upchurch, 1996; Ingram, 2002). Some researchers have chosen to focus on the motivational pull of unique attractions associated with alternative hoteliers. For example, the influence of ‘home-like’
atmosphere been studied in detail (Warnick and Klar, 1991; Emerick and Emerick, 1994; Morrison et al, 1996; Dawson and Brown, 1988; Ingram, 2002). Existing literature has identified individual variables as key motivators.

McIntosh and Siggs (2005) suggest that there is some evidence that guest’ motives for staying in B and B accommodation centre on the desire to ‘have a relationship with local people’ (Stringer, 1981; Johnston-Walker, 1999; Lynch and Tucker, 2003). In this way, specialist accommodation can serve as an integral part of experiencing the authentic regional culture of the wider locale (Lynch and MacWhannell, 2000).

2.7.2 Guest experiences

Oliver (1980) had given critical statement regarding customer satisfaction that refers to the difference between prior expectation and perceived performance; when performance exceeds expectation, satisfaction occurs. Tourist satisfaction is pulling power an attraction possesses and is the main element of tourist behavior. If a developer is to produce successful attractions, his plans and establishments must elicit user satisfaction.

Increased attention has been given in tourism research and management to the experiential qualities in tourism offerings. This attention acknowledges the unique, emotionally charged, personal, and valued nature of tourism experiences (McIntosh and Siggs, 2005). A small-scale setting within a commercial home ensures a high degree of interaction between host and guest (Stringer 1981).

Knowledge of customer expectations and requirements is essential to an understanding of how the customer defines quality of service and products (Hayes, 1997). Furthermore, customer satisfaction is recognized as of great importance to all commercial firms because of its influence on repeat purchases and word-of-mouth recommendations (Berkman and Gilson, 1986; Pizam and Ellis, 1999).
Customer satisfaction is the result of subjective comparison of expectation and perception (Oliver, 1981; Oh, 1999). Expectations predict what should happen (Teare, 1998), are beliefs against which customers judge the performance and is influenced by customers needs, staff promises, word of mouth communication, and past experience (Zeithaml and Bitner, 2000). A customer’s perception is affected by image, price, service encounter and evidence of service (Ugboma et al., 2004; Radder and Wang, 2006). A Visitor’s experience with accommodation is essential for understanding their satisfaction (McIntosh and Siggs, 2005). In specialist accommodation a study by McIntosh and Siggs, 2005 listed five factors namely uniqueness of the environment, personalized attention, homely ambience, quality, and value added information based on which guests will evaluate their experience in specialist accommodation.

According to Hall and Rusher (2004), B&B have flourished with accommodation being provided in friendly, intimate surroundings, where the visitor is welcomed in the home of the host. In evaluating the nature of the host-guest experience in home stays, Lynch and Tucker (2003) have argued that it is the personal interaction between hosts and guests that is the important feature of specialist accommodation. This has been found to be particularly important when the accommodation is the primary home for the hosts (McIntosh and Siggs, 2005). The experience as a guest is important for the tourist to suggest to their friends, and acquaintances about the services provided by the hosts. Based on their experience customers form positive or negative opinions.

In case of Alternative Accommodation establishments in rural tourism, service quality includes the operator's attitude towards guests, the efficiency of the reservation system, the cleanliness of rooms or room furnishings and the attitudes of area residents (Fleischer, Rotem and Banin, 1993). When the rural B&B entrepreneurs fail to understand market needs or fail to respond to the service expectations of their customers, such failures, in addition to the declining agricultural income, could have devastating moral and economic effects. Further satisfied customers can be the best promoters. On
the other hand, dissatisfied customers can easily ruin a business that mainly relies on word-of-mouth.

The behavior of guests matters a lot to the success of Alternative Accommodation. The personalized services provided by the hosts may sometimes be misused by the guests. Stringer (1981), Pearce (1990) and Lynch (1998, 2005b, 2005c) have all noted tensions in the host–guest interaction component of the system. The personal interaction and services might hinder the relationship of host and guest, which does not happen in the traditional accommodation sector. In the traditional accommodation sector the behavior is more on the business and services without personal touch. On the other hand, guests and hosts have also been found becoming compatible to each other.

The interaction within the accommodation or outside the premises matters a lot for tourists, as every setting leaves its impression on the guests. With reference to setting, Lynch (2005b) acknowledges that ‘impressions of the home-stay building, its nomenclature and the locality’ are all important, as well as the fact that the setting seems to have a behavioral effect sometimes leading to social conformity, use of social rules and role play and perhaps dissonance.

2.8 Chapter conclusion

This chapter reviewed the literature available on Alternative Accommodation and it included several studies that described the benefits of Alternative Accommodation, demographic characteristics and decision-making patterns of guests staying in Alternative Accommodation and the functional aspects of Alternative Accommodation.

While Alternative Accommodation sector is on a growth trajectory driven by policy directives and changes in tourist behaviour, little is known about their marketing approaches or activities. In the tourism literature, there has been a steady growth of interest in Alternative Accommodation since the early 1990s, however there has not been
a concomitant growth in marketing-related studies incorporating guest and host perspectives to present a unified view. Not to mention, this sector is under-researched in India.

This chapter has presented the supply-side review of the extant literature on the emergence of Alternative Accommodation, factors that have driven the growth of this sector, classification taxonomies of Alternative Accommodation products, characteristics and functional aspects of Alternative Accommodation establishments. On the demand-side, the literature on profiling the guests at Alternative Accommodation establishments, determinants of the guests’ choice to choose this unique accommodation product and guest satisfaction – taking into account the expectations and experiences, is reviewed and presented. The review of literature highlighted the avenue for this research and clarified certain under-investigated or unsettled areas of study.

While it is shown that the economic planners of India have given importance to Alternative Accommodation, there are not many scientific studies to understand the Alternative Accommodation sector. Kamath, Bhosale and Manjrekar (2008) have made a good attempt on this rare topic as far as India is concerned, focusing on a more general discussion on Alternative Accommodation and not a comprehensive study with empirical background. A vast majority of the studies were conducted in other parts of the world – mostly the West. This study attempts to fill the gap by attempting a study in the Indian scenario of Alternative Accommodation sector.

As the Alternative Accommodation sector continues to grow and more small entrepreneurs enter this market, there is a growing need to develop a better understanding of this sector for strategic planning purposes (Kaufman and Weaver, 1998).