

RURAL TOURISM IN NORTHERN PORTUGAL – MOTIVATIONS AND BARRIERS

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Tourism in rural areas boosts economic dynamism, turning them more attractive, diversifying economic activities, creating jobs and wealth. With the importance that micro and small companies play on economic growth, particularly in rural areas, the objective of this article is to analyze the main motivations to start a business in rural tourism and the problems and barriers faced by these entrepreneurs in Northern Portugal. With the results of a questionnaire an exploratory factor analysis was conducted and the results show that the main motivations to create the business were related to family and success. Using a cluster analyses owners were grouped in three segments. They encountered some restrictions in the start-up process as bureaucracy, lack of financial support and information.

Keywords: *Rural tourism – Entrepreneurship – Cluster Analysis - North of Portugal*

INTRODUCTION

Rural tourism, more characteristic of the North and Centro regions of Portugal, has survived mainly due to the natural heritage and some cultural traditions. This type of tourism has a long history in Portugal. Characteristic of families from high social and economic classes on holidays, lost its importance with the fashion of the beaches, diverting tourism to the coast. With the widespread increase

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in leisure time, the democratization of tourism (Fernandes, 2002) and subsequent technological development of transports and communications, which introduced greater mobility, give rise to new flows toward the countryside. This trend was accelerated with the strengthening of accessibility at national level and of environmental concerns.

Rural tourism, characterized by family hospitality, located in rural regions, natural and/or protected spaces, allows a more direct contact with the nature, people, their culture, monuments, traditions, and is a way to diversify the national tourism and to promote local development. For Cadima, Freitas, and Mendes (2001: 16), rural tourism in Portugal “has effective qualities to support local development dynamics, that is, can be a useful instrument to generate alternatives for local/regional economies, when it valorizes endogenous resources and boost the recovering of multi-functionalities of these territories”. Rural tourism can alleviate some economic and social problems associated with the lack of economic opportunities and population decline that has accompanied the reduction of agricultural activity. Rural tourism can be an alternative to increase income for family farms (Riva and Bertolini, 2017).

Initiated experimentally in the 70's (in Ponte de Lima, Vila Viçosa, Castelo de Vide and Vouzela – Northern regions), and legally classified in the 80's, in 2015 rural tourism represented 30% of total accommodation in Portugal and Northern Portugal had the highest capacity of accommodation (37.8% of total establishments), the highest number of guests (33.5%) and overnights (30.2%) (INE, 2016).

Recently, the economic literature has emphasized the phenomenon of business star-up and entrepreneurship, by the positive impact on the formation of wealth and employment (Acs et al., 2005), mainly of small enterprises. Tourism in rural areas is important for its revitalization and development (Ateljevic et al., 1999; Dana, Gurau, and Lasch, 2014; Gomes and Renda, 2016; Lai, Morrison-Saunders, and Grimstad, 2017; Lane and Kastenzholz, 2015; Pato, 2016; Polo-

Peña, Frías-Jamilena, and Rodríguez-Molina, 2012; Thomas, Shaw, and Page, 2011).

Although small enterprises typify the tourism sector and the importance of these companies to diversify regional and local economies, the research related to small enterprises in rural tourism is still incipient in Portugal.

The aim of this article is to study the main motivations for starting a business in rural tourism in the North of Portugal, the characteristics of these businesses and barriers to entrepreneurship.

LITERATURE REVIEW

Entrepreneurs have different motivations for starting a new business. Environmental conditions, such as job insecurity or unemployment, the need to increase income or dissatisfaction in their work can motivate individuals to become entrepreneurs – the *push factors* or extrinsic motivations. However the business can be started by intrinsic motivations or *pull factors*, such as the desire for success, power, to be his own boss, business opportunity or even by retirement and people are pulled into entrepreneurship because they recognize an opportunity that can increase their income or their independence (Amit and Muller, 1995; Dinis and Ussman, 2006; Glancey and Pettigrew, 1997; Riva and Bertolini, 2017; Russell and Falkner, 1999; Set et al., 2015).

More recently, and in particular in the tourism sector, lifestyle has emerged as an important motivation for entrepreneurship, and it is also a pull factor. In many cases, businesses are created to provide a more adequate lifestyle, in which family needs, income, and the way of life itself are weighted (Ateljevic and Doorne, 2000; Baumgartner, Pütz, and Seidl, 2013; Dawson, Fountain, and Cohen Dawson 2011; Lai et al., 2017; Marques and Cunha, 2013; Stefanović, Ranković, and Prokić, 2011; Sun and Xu, 2017). Bransgrove and King (1996), concluded that the main objectives of small tourism businesses in

Victoria, Australia, either rural or urban, are related to stimulus or challenge, business opportunity, lifestyle and long-term financial gains, although in rural areas lifestyle goals were more frequent. In rural areas, Frater (1983) and Pearce (1990) also highlighted the motive for improving social life.

Great effort has been devoted to motivational structures of small businesses, but research for rural tourism enterprises is not so extent.

Getz and Carlsen (2000) for family and owner-operated businesses in rural tourism and hospitality sector in rural Western Australia concluded that they started the business mainly for living in the right environment and enjoying a good lifestyle. Moreover, the same authors, Getz and Petersen (2005), in two resort areas (Canmore in Canada and Bornholm in Denmark) determined that the main motivations were, in Canmore, to be challenged, to be financially independent, to live in the right environment, to be their own boss, and to enjoy a good lifestyle; in Bornholm are to enjoy a good lifestyle, to be their own boss, to live in the right environment, to become financially independent and to meet interesting people.

About motivation for agri-tourism entrepreneurship, the desire for independence has been referred in several studies (Busby and Rendle, 2000; McGehee and Kim, 2004; McGehee, Kim, and Jennings, 2007), the contribution to the community (Getz and Carlsen, 2000; McGehee et al., 2007) and a way to diversify the farm activity (Lobo et al., 1999; McGehee and Kim, 2004; McGehee et al., 2007), additional income and fully utilize the resources available (McGehee and Kim, 2004). Castrillon et al. (2011) for rural tourism in Galicia, Spain, highlight the economic motivations, particularly for women.

In developing countries, Banki and Ismail (2015), for the owners of family tourism microenterprises in Obudu Mountain, Nigeria, the motivations for starting the business were mainly financial: to take advantage of tourism development and to get a profit. Jaafar et al. (2011) in small and medium hotels in Malaysia found that the most important goals for starting the business were keeping the property in

the family and to allow to become financially independent, followed by to be challenged, to make a lot of money, to gain prestige, to enjoy a good lifestyle and to live in the right environment.

For rural tourism in Douro, Portugal, Pato (2016) concluded that the primary motivation to start the business was the recovery and the preservation of the built heritage. For this author, this fact allied with the short time that the majority spent in managing their businesses explain the scarce tourist entertainment activities based on local culture and tradition. Gomes and Renda (2016) also study the main motivations in rural tourism in the Centro Region of Portugal. Although the motives presented in several studies are not the same and consequently not comparable, the most pointed by respondents of that region were the promotion of the natural beauty, the contribution to its development and in third position the recovery and preservation of the heritage.

To the author best knowledge very few publications are available in literature that discuss the formation of clusters based on motivations to start a rural tourism venture. Getz and Carlsen (2000) clustered the entrepreneurs in two groups labeled “family-first” and “business-first”. Getz and Petersen (2005) defined different groups: in Bornholm, those who started-up the business for lifestyle, challenge, money, and family, and in Canmore also for prestige. For small restaurants in China Chen and Elston (2013) define three segments based on motivation: autonomy seekers, family protectors and financial reward seekers.

METHODOLOGY

In this study it were included country house tourism accommodation and tourism enterprises in rural areas according to Decree-Law nº 39/2008 of March 7, changed by the Decree-Laws numbers 228/2009 of September 14 and 15/2014 of January 23. According to these Decree-Laws country tourism accommodation are

“Family-run establishments located in old, private buildings that for their architectural, historic or artistic value represent a certain era, notably palaces and manor houses, located in [...] rural areas...” (article 17). Tourism enterprises in rural areas are “Establishments intended to provide accommodation services to tourists in rural areas that have for their operation an appropriate set of facilities, structures, equipment and complementary services, with a view to providing a complete, diverse tourism product in rural areas ...” (Article 18) and includes: country homes, agri-tourism, and rural hotels.

The data was collected through a survey sent by e-mail to 241 rural tourism establishments in the Northern Region that are included in the *Maistorismo* - Hotel Guide Portugal (www.maistorismo.pt) with electronic address. Several surveys did not reach the address and 60 valid questionnaires were obtained from the population. Northern Region includes eight sub-regions, where Douro includes the Alto Douro Wine Region, a living and evolving landscape, recognized by UNESCO as a World Heritage.

Most of the reasons for creating a business included in the questionnaire are accepted in the economic literature (European Commission, 2012; Getz and Carlsen, 2000; Jaafar et al., 2011). This survey consists mostly of closed questions, including personal information of the owner/manager, creation and management of the business, and barriers to entrepreneurship (following European Commission, 2012; Jaafar et al., 2011).

To attain our objectives it was made a factor analysis in order to group similar motivations for starting a business and differentiate them between the several factors, a cluster analysis to identify homogeneous groups of entrepreneurs and through a cross tabulation the different features of each group

RESULTS

PROFILE OF THE RESPONDENTS AND FAMILY STORY

Table 1 summarizes the respondent's demographic profile. The majority of respondents are owners (80%). This sample has 65% of males and most of the respondents are married (75%). 60% are more than 55 years old, although there is a significant number of young owners/managers in the age category of 25-44 years (30%). Despite the fact that almost all of the respondents have Portuguese nationality, 6.7% are foreigners. The present survey shows that most of the respondents have high academic education: bachelor degree (58.3%) or master (10%), and only 31.6% have lower formal educational levels. The main areas of specialization are management/administration and hospitality/tourism (20% and 18.3%, respectively), finances/accounting and agriculture (8.3% each). Professional experience is predominantly in management/administration areas (56.7%), hotel management (18.3%), restaurant management and agriculture (5% each) and others. These professional activities were developed as liberal professionals (28.3%), civil servants (23.3%), entrepreneurs in services or industry (15%), workers in hotels or restaurants (8.3%), banking or agricultural entrepreneur (3.3%), among others.

Table 1. Demographic Characteristics

Profile Variables	Categories	Frequency	Profile Variables	Categories	Frequency
Position of the respondent	Owner	80.0%	Area of specialization*	Management/Administration	20.0%
	Manager	15.0%		Finance/Accounting	8.3%
	Assistant manager	1.7%		Hospitality/Tourism	18.3%
	Other	3.3%		Agriculture	8.3%
Gender	Male	65.0%	Other	26.7%	
	Female	35.0%	None	5.0%	
Age	Under 25	0.0%	Working experience*	Management/Administration	56.7%
	25-34	10.0%		Hotel management	18.3%
	35-44	20.0%		Marketing	3.3%
	45-54	10.0%		Restaurant management	5.0%
	55-64	33.3%		Agriculture	5.0%
	65 and more	26.7%		None	8.3%
				Other	15.0%

Marital status	Single	10.0%	Activities before starting the business *	Liberal profession	28.3%
	Married	75.0%		Entrepreneur (trade or industry)	15.0%
	Other	15.0%		Entrepreneur (agriculture)	3.3%
Nationality	Portuguese	93.3%		Worker in a hotel or restaurant	8.3%
	Other	6.7%		Civil servant	23.3%
				Bank employee	3.3%
Level of education	Ph.D	0.0%		Other	16.7%
	Master degree	10.0%			
	Bachelor degree	58.3%			
	Further Education	23.3%			
	Secondary Education	3.3%			
	Primary Education	3.3%			
	Other	1.7%			

Note: ^a Multiple answers permitted

CHARACTERISTICS OF THE BUSINESS, START-UP, MANAGEMENT AND FAMILY BACKGROUND

At this point we characterize the business, evaluate the main reasons for starting up, analyze the business management and family history.

Table 2 summarizes the characteristics of the business. Most of the businesses in question have already been created for eleven years or more (60%), and 21.7% for more than 20 years. Only 15% have five or less years of existence. The country houses are the main types of tourism accommodation (40%), followed by country homes (35%), agri-tourism (20%) and rural hotels (6.7%). The establishments are located mainly in the *Douro* region (38.3%), followed by *Minho-Lima* (25%), *Cávado* (11.7%), *Tamega* and *Alto Trás-os-Montes* (8.3%, each), *Ave* (6.7%) and *Grande Porto* (1.7%).

Unipersonal enterprise and society by shares are the predominant legal form (46.7% each), but there are 6.7% of anonymous societies. All of them have a micro employer dimension centered in one to two

paid workers (56.7%) although 26.7% have three to five workers. Only 5% have between six to ten paid workers and there is no establishment with more than eleven employees. 60% of the establishments have between five to nine accommodation units, 20% between ten and fifteen and 16.7% less than five.

Table 2. Characteristics of the Business

Description		Frequency	Description		Frequency
Type ^a	Country house	40.0%	Number of employees	0	11.7%
	Agri-tourism	20.0%		1-2	56.7%
	Country home	35.0%		3-5	26.7%
	Rural hotel	6.7%		6-10	5.0%
	Other	3.3%		11-20	0.0%
Sub-region	<i>Alto Trás-os-Montes</i>	8.3%	Over 20	0.0%	
	<i>Ave</i>	6.7%	Number of accommodation units	Less than 5	16.7%
	<i>Cávado</i>	11.7%		5-9	60.0%
	<i>Douro</i>	38.3%		10-15	20.0%
	<i>Entre Douro e Vouga</i>	0.0%		More than 15	3.3%
	<i>Grande Porto</i>	1.7%	Years operation	Less than a year	1.7%
	<i>Minho-Lima</i>	25.0%		1-5	13.3%
<i>Tâmega</i>	8.3%	6-10		25.0%	
Legal form	Unipersonal enterprise	46.7%	11-20	38.3%	
	Society by shares	46.7%	More than 20 years	21.7%	
	Anonymous society	6.7%			
	Other	0.0%			

Note: ^a Multiple answers permitted

For most of the respondents (70%) this business was the first entrepreneurial experience, while 18.3% had a past experience and 10% two to five (Table 3). It was found that 73.3% of the respondents created the business and 18.3% inherited it. Only in 25% of the establishments the owner/manager is the only member of the family involved in managing the business, but the percentage of family involvement is significant: 48.3% of them manage the business with the spouse/husband and 25% with other family members. In accordance with the numbers of years in operation of the company, a

significant percentage of owners/managers (71.7%) are managing the business for more than six years.

The access to star-up capital is crucial mainly in rural areas (Banki and Ismail, 2015). In terms of the initial investment funding sources there is a tendency for the use of personal funds (option mentioned by 80% of respondents), followed by public funding (53.3%) and bank loans (43.3%), and, to a lesser extent, loans from family and friends (13.3%). 21% provided all the start-up capital, while 26.7% used this source and government funding support, and 13.3% used their own capital and bank finance.

Despite the fact that 50% of respondents spend more than 30 hours per week to this business, 26.7% spend between 15-30 hours and 23.3% less than fifteen hours, which is consistent with the fact that the majority of the respondents are engaged in another activity as self-employed and 16% in other activities not discriminated. The owners/managers develop other activities, where agriculture has predominance (53.3% of the respondent entities), 16.7% liberal professions, 15% restaurants and 8.3% recreation

Table 3. Start-up and Management of the Business

Description			Frequency		
Description		Frequency	Description		Frequency
Number of previous companies	0	70.0%	Hours per week dedicated to the business	Less than 15	23.3%
	1	18.3%		15 to 30	26.7%
	2 to 5	10.0%		More than 30	50.0%
	More than 5	1.7%	Family involvement	Only me	25.0%
How get involved in business	Started myself	73.3%		With spouse/husband	48.3%
	Purchased	0.0%		With others members of the family	25.0%
	Inherited	18.3%		Without family involvement	1.7%
Capital to start the Business ^a	Others	8.3%	Other activities that the management body exercises ^a	Agriculture	53.3%
	Own savings	80.0%		Trade	6.7%
	Loans from family and friends	13.3%	Business restaurant	15.0%	
	Business Angels	0.0%	Recreation	8.3%	
Business partners	0.0%				

	Venture capital	0.0%	Liberal profession	16.7%
	Public funding	53.3%	Other	11.7%
	Bank finance	43.3%	None	8.3%
Years of managing the business	Less than a year	1.7%		
	1 to 2	8.3%		
	3 to 5	18.3%		
	6 to 10	25.0%		
	11 to 20	30.0%		
	More than 20	16.7%		

Note: * Multiple answers permitted

Most of the owners/mangers (70%) are second generation entrepreneurs, belonging therefore to a family where at least one parent was entrepreneur (European Commission, 2012). Moreover, 52% of the respondents have had help from family, relatives and/or friends with concrete recommendations and actions to start his first business.

MOTIVATIONS FOR STARTING THE BUSINESS

Motivational Factors

Table 4 reports the results for the degree of importance of different objectives for starting up the business. In Northern rural tourism the main motivations (very relevant and relevant) of the respondents to start the business focus on valuing family heritage, the need to maintain the property in the family, improving the financial situation, living in a suitable environment, the business opportunity, meeting interesting people and having success.

Table 4. Motives for Starting the Business

	Not relevant	Slightly relevant	Relevant	Very relevant	Mean	Standard Deviation
Valuing family heritage	3%	5%	28%	63%	3.52	0.097
To keep the property in the family	5%	8%	42%	45%	3.27	0.106
Improve financial situation	10%	17%	55%	18%	2.82	0.110
To live in the suitable environment	7%	23%	42%	28%	2.92	0.115
Business opportunity	13%	17%	50%	20%	2.77	0.120
To meet interesting people	7%	23%	57%	13%	2.77	0.099
Have success	20%	13%	40%	27%	2.73	0.138
To provide me with a challenge	22%	20%	37%	22%	2.58	0.137
To keep my family together	28%	17%	35%	20%	2.47	0.144
Keeping busy	15%	32%	35%	18%	2.57	0.124
Improve lifestyle	17%	30%	40%	13%	2.50	0.120
Continue the family business	47%	3%	28%	22%	2.25	0.162
Desire for independence	22%	37%	23%	18%	2.38	0.133
To be my own boss	42%	18%	28%	12%	2.10	0.140
To provide a retirement income	33%	37%	22%	8%	2.05	0.107
To gain prestige	38%	32%	17%	13%	2.05	0.135
Previous experience in business	43%	27%	30%	0%	1.87	0.110
Dissatisfaction with work	45%	32%	18%	5%	1.83	0.117
Retirement	48%	30%	20%	2%	1.75	0.108
To make lots of money	43%	40%	15%	2%	1.75	0.100
Being unemployed	83%	12%	5%	0%	1.22	0.068
Fear of losing the job	80%	17%	3%	0%	1.23	0.065

53.3% of the respondents considered that they started this new business to exploit a business opportunity (opportunity-driven entrepreneurs). Only 8.3% are necessity-driven and 38.3% are motivated both for necessity and opportunity.

FACTOR ANALYSIS

The relational structure of the motivations to start the business was evaluated by the exploratory factor analysis (EFA) of the correlation matrix, with extraction of factors by the method of the main components followed by a varimax rotation.

The determinant coefficient of the correlation matrix was lower than 0.0001 denoting problems of multicollinearity. Following Marôco (2007), the variable “Fear to lose the job” was removed due to the high correlation with “Being unemployed”.

To assess the validity of the EFA it was used the Keiser-Meyer-Olkin criterion, having observed a value of 0.678, so the factorability correlation matrix is tolerable, and Bartlett’s test of sphericity was significant at 0.000, concluding that the variables are significantly correlated, so the AEF was proceeded. Common factors retained were those who had eigen values greater than one and in accordance with the screen plot.

As reported in Table 5, the factor analysis led to seven factors that explain 72.74% of the variance. To the extracted factors, the percentage of the variance of each variable explained by the common factors extracted is higher than 50% to all the variables.

Given the sample size, significant loadings are those equal or higher than 0.70 (Hair Jr. et al. 1998). Factor 1, which explains 29.09% of variance, includes the motivations “To have success”, “To improve lifestyle”, “Desire for independence”, “Business opportunity” and “To gain prestige”. The second factor (explains 11.79% of variance) is linked with the family and heritage and includes the “Valuing family heritage”, “To keep my family together”, “To keep the property in the family”.

Table 5. Principal Component Analysis of Star-up Motives

	Component Factor Loadings							Communalities
	1	2	3	4	5	6	7	
Have success	0.814	-0.113	0.036	0.167	-0.219	0.051	0.004	0.755
Improve lifestyle	0.798	0.056	-0.190	-0.033	-0.182	0.081	-0.096	0.726
Desire for independence	0.777	-0.045	-0.143	-0.166	-0.189	0.234	-0.087	0.751
Business opportunity	0.729	-0.182	0.116	-0.025	0.004	-0.162	-0.330	0.713
To gain prestige	0.702	-0.265	0.071	0.517	-0.040	-0.036	0.003	0.838
To improve financial situation	0.671	0.197	-0.383	-0.035	-0.009	0.270	-0.328	0.818

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To meet interesting people	0.645	-0.133	0.523	-0.113	-0.012	-0.194	-0.005	0.758
To live in the suitable environment	0.597	0.270	0.301	-0.407	0.250	0.018	-0.263	0.817
To make lots of money	0.589	0.192	-0.310	0.008	-0.269	-0.228	0.207	0.647
To provide a retirement income	0.560	0.261	-0.186	-0.024	-0.272	0.021	0.275	0.567
Previous experience in business	0.519	-0.378	-0.001	0.427	0.223	-0.138	0.059	0.667
To be my own boss	0.497	0.250	-0.264	-0.496	0.035	-0.351	0.044	0.752
To provide me with a challenge	0.460	-0.029	0.446	0.308	-0.070	-0.196	0.138	0.568
Valuing family heritage	-0.169	0.751	0.111	0.181	-0.037	0.172	-0.199	0.708
To keep my family together	0.161	0.709	0.206	-0.102	0.015	-0.312	0.353	0.804
To keep the property in the family	-0.023	0.709	0.237	0.318	-0.132	0.088	0.132	0.703
Continue the family business	0.117	0.493	-0.247	0.360	0.480	0.013	-0.243	0.738
Keeping busy	0.252	0.031	0.694	-0.216	0.187	0.213	-0.100	0.683
Being unemployed	0.311	0.106	-0.248	0.121	0.634	-0.341	0.027	0.704
Retirement	0.466	0.101	0.014	0.048	0.214	0.661	0.351	0.835
Dissatisfaction with work	0.352	-0.279	-0.092	-0.247	0.446	0.204	0.459	0.722
Percent of variance explained (%)	29.09	11.79	8.14	6.79	6.26	5.77	4.91	
Cumulative percentage (%)	29.09	40.87	49.01	55.80	62.07	67.83	72.74	

Cluster Analysis

A cluster analysis was made in order to identify the profile of Northern entrepreneurs in rural tourism based on the eight significant loading factors. The cluster analysis was conducted applying a hierarchical technique using the Nearest Neighbour method with squared Euclidean distances. The number of clusters was determined by the analysis of the dendrogram and by the distances between the clusters. K-means method was applied in order to refine the number

of clusters. The results showed a three cluster solution. Table 6 reports the mean score of each motive for starting the business.

Table 6. Cluster Analysis of Motives for Start the Business

	Cluster 1	Cluster 2	Cluster 3	F Test
Valuing family heritage	3.74	2.79	3.74	11.97
To keep the property in the family	3.35	2.50	3.65	12.04
To keep my family together	2.61	1.29	3.04	17.39
To have success	1.74	3.07	3.52	37.83
Business opportunity	2.09	3.07	3.26	15.07
Improve lifestyle	1.83	2.43	3.22	22.24
Desire for independence	1.48	2.79	3.04	28.57
To gain prestige	1.30	2.29	2.65	14.54

In Cluster 1, denominated “family and legacy protectors”, the main motives for creating the business are related to the family and its heritage: valuing the family heritage, keep the property in the family and keep the family together. In cluster 2 – “success and opportunity seekers” – the main motivations are related to success and business opportunity, and the third cluster – “legacy protectors and success seekers” – combines motivations related to the property of the family and professional success. Most of the mean scores are higher in cluster 3 than in the others.

In order to validate the cluster analysis with the three groups of entrepreneurs, with different characteristics in relation to the motivations to start the business, it was conducted a discriminant analysis. The test of equality of group means shows that for all the variables considered there is at least one group where the means are different (Table 7).

Table 7. Test of Equality of Group Means

	Lambda de Wilks	Z	df1	df2	Sig.
To keep my family together	0.62	17.393	2	57	0.00
To keep the property in the family	0.70	12.037	2	57	0.00
Valuing family heritage	0.70	11.972	2	57	0.00
Business opportunity	0.65	15.065	2	57	0.00
To gain prestige	0.66	14.538	2	57	0.00
To have success	0.43	37.831	2	57	0.00
Improve lifestyle	0.56	22.24	2	57	0.00
Desire for independence	0.50	28.57	2	57	0.00

Function 1, with an eigenvalue of 2.22, explains 61.6% of the variance in terms of differences between groups and function 2 explains 38.4% (Table 8). The p-value is 0.00 which shows that the discriminant power of the two functions is statistically significant. 98.3% of original grouped cases were correctly classified.

Table 8. Discriminant Analysis for the Three Groups

Discriminant function	Eigenvalue	Percentage of variance	Canonical correlation	Wilks' Lambda	Chi-square	Sig.
1	2.22	61.6	0.83	0.13	109.058	0.00
2	1.38	38.4	0.76	0.42	46.458	0.00

Cluster 1 – “family and legacy protectors” – is integrated mainly by males (69.6%), Portuguese (95.7%), and is the largest group over 55 years old and with the highest rate of superior education (78.3%), mainly a bachelor degree. Although few have education specialization in management, their professional experience is mainly in this area. This cluster concentrate owners/managers of personal

enterprises (60.9%), located in Douro (56.5%), mostly country homes (56.5%) and country houses (34.8%) and with one or two workers. For the majority this was the first enterprise (65.2%) and 69.9% started it, although this is the group where the percentage of inherited businesses is higher (21.7%). For starting the business they were primarily financed by their own savings and public financing (52.2%)

Cluster 2, “success and opportunity seekers”, is the group with an equal percentage of men and women and with the highest rate of foreigners (14.3%). The highest age groups are between 55-64 years old (42.9%) and 35-44 (21.4%). 57.1% have superior education, and the principal areas are in management and agriculture. They also have professional experience in management and hospitality/tourism. In this group a significant number manages the business alone (35.7%), the highest among the three clusters, or with the wife/husband, and have the highest number of employees and accommodation units. Most of the enterprises are society by shares, and they dedicate more time to this business than the other groups. The types of accommodations are country houses (50%) and agri-tourism (28.6%) and 57.1% of them also develop agriculture activities. The start capital essentially combines public resources, bank loans and own savings and is the group where most owner/managers are driven-opportunity (71.4%).

Cluster 3, “legacy protectors and success seekers”, is equal to cluster 1 in terms of gender and nationality. 47.8% are between 25-44 years old and is the group with the highest rate of master degree. Predominate the country homes (39.1%), country houses (30.4%) and agri-tourism (17.4%). Besides agriculture, 21.7% also have restaurants. It is the group that reported the highest percentage that they started the business both for necessity and opportunity (56.5%).

RISKS, BARRIERS TO ENTREPRENEURSHIP AND PLANS FOR THE FUTURE

When asked about the greatest fears of starting a business today, following European Commission (2012), 73.3% of the owners/managers indicate that the uncertainty of not having a regular income could prevent them from starting a business (Table 9).

Table 9. Greatest Fears when Starting a Business

Description ^a	Frequency
The possibility of going bankrupt	28.33%
The uncertainty of not having a regular income	73.33%
The risk of losing the property	26.67%
Job insecurity	10.00%
The possibility of suffering a personal failure	11.67%
The need to devote too much energy or time to it	26.67%
Other	3.33%

Note: ^a Multiple answers permitted

At the level of business management (Table 10), 58% strongly disagree or disagree that they lack knowledge on how to obtain funding, 45% disagree completely or disagree that they lack managerial skills and tourism knowledge, tourism market trends and opportunities and 42% agree or strongly agree that they lack expertise in marketing and communication.

Table 10. Perceived Barriers to Running a Business

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Mean	SD
Lack of management skills and knowledge in tourism	16,7%	28,3%	26,7%	26,7%	1,7%	2,68	1,097
Lack knowledge in tourism market trends and opportunities	6,7%	38,3%	18,3%	28,3%	8,3%	2,93	1,133
Lack of knowledge on how to apply for funding from financial institutions	16,7%	41,7%	20,0%	21,7%	0,0%	2,47	1,016
Lack of tourism marketing skills	6,7%	31,7%	20,0%	33,3%	8,3%	3,05	1,126

Note: SD – Standard Deviation

They also encountered some restrictions (Table 11), the most being the bureaucracy, lack of financial support and lack of information (based on European Commission, 2012).

Table 11. Perceived Barriers to Entrepreneurship

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Mean	SD
Lack of available financial support from the government to small businesses	1.7%	10.0%	20.0%	46.7%	21.7%	3.77	0.963
The complexity of administrative procedures	1.7%	5.0%	11.7%	48.3%	33.3%	4.07	0.899
The difficulty to obtain enough information how to start a business	0.0%	16.7%	16.7%	43.3%	23.3%	3.73	1.006
One should not have started a business if there is a risk it might fail	0.0%	3.3%	26.7%	56.7%	13.3%	3.80	2.980
People who have started their own business and have failed should be given a second chance	0.0%	3.3%	26.7%	56.7%	13.3%	3.80	0.708

Note: SD – Standard Deviation

Using non-parametric tests it was investigated whether there were differences in the opinions about the problems encountered to start the business according to the socio-demographic characteristics of the owners/managers (age, gender, level of education, area of specialization, professional specialization, family background) and factors related to the way they started the business (sources capital, help from family and friends, previous business experience, the way they were involved in the business, necessity versus opportunity motivations).

On what concerns the opinion about the lack of available financial support from the government to small businesses there are differences between different owners/managers with different ages (p -value of Kruskal-Wallis (KW) test=0.01), but not among the other features analyzed. The opinion about if it is difficult to start one's own business due to the complexities of the administrative process is different according to age (p -value of the KW test=0.039), and the

help they had to start by family, relatives or friends with concrete recommendations and actions (p -value of KW test=0.008).

The difficulty in obtain sufficient information how to start a business differs according to gender (p -value of the Mann-Whitney test=0.016), and the way they were involved in the business – purchased, inherited or started - (p -vaule of the KW=0.034). The sources of start-up capital used also differentiate what they think about the second chance that should give to people who started their own business and failed (p -value of the KW=0.027). For the other characteristics there isn't statistical evidence that the opinion about the problems found is different among entrepreneurs.

In the future, almost all the respondents (96.7%) want to keep the business and only 3.3% forecast ending it (Table 12). 45% have intention to expand the business, and 33.3% have not yet decided. For the next two years, 55% plan to invest, especially in the areas of rehabilitation and increased supply, promotion and marketing, rational use of energy and, to a lesser extent, tourist animation and staff training.

Table 12. Plans for the Future

Description	Criteria	Frequency
Intention to keep the business	Yes	96.70%
	No	3.30%
Intention to enlarge the business	Yes	45%
	No	21.70%
	Perhaps	33.30%
Intention to invest in the next two years	Yes	55%
	No	16.70%
	Perhaps	28.30%
Investment intentions, according to the nature of the investment ^a	Promotion, marketing	41.67%
	Increase in supply	43.33%
	Tourist animation	23.33%
	Requalification of supply	53.33%
	Staff training	15.00%
	Rationalization in the use of energy	40.00%

Note: ^a Multiple answers permitted

DISCUSSION

This article, based on a survey, provides a characterization of rural tourism entrepreneurs in the North of Portugal, the main motivations for starting the business and barriers to entrepreneurship.

The sample consists mostly of male and married owners, with Portuguese nationality and with more than 55 years old. This is similar with the study of Pato (2016) for rural tourism in Douro, and Gomes and Renda (2016) for the Centro Region of Portugal, although here the businesses are mostly owned by women as in Jaafar, Rasoolimanesh, and Lonik (2015).

The majority of owners/managers who run the business have higher education. This findings are in accordance with Gomes and Renda (2016), Getz and Petersen (2005) and Pato (2016) but in contrast with Jaafar et al. (2011, 2015). Rural tourism is an activity with owners coming from medium and medium/high social classes (Getz and Carlsen, 2000; Gomes and Renda, 2016; Pato, 2016), suggested by the level of education and the percentage of entrepreneurs that inherited the business. Although the high educational level, the academic and professional experience is mainly in management/administration rather than tourism/hospitality. This is not surprising since high education in tourism/hospitality is recent in Portugal.

They are predominantly second generation entrepreneurs. Several studies have analyzed the impact of family entrepreneurial background on business success (Cooper and Gimeno-Gascon, 1992; Duchesneau and Gartner, 1990; European Commission, 2010) and although it is not consensual, these last studies conclude that it is more likely to succeed when there is a family history, while Lerner (2001) shows that, in small businesses in the tourism sector, the experience

of the family contributes significantly to the variance of income, but not for profit.

Despite the importance of tourism for rural areas, the level of employment generated (apart from self-employment) is not very high: 57% have only one to two paid workers. It is noteworthy that the majority of respondents exercise other professional activity as employee, not devoting full time to this business. Besides tourism, more than 50% also develop agriculture activities. Pato (2016) points out as one of the weaknesses of rural tourism the small percentage dedicated to the business, which justifies the weak development of tourist animation activities and the weak rooting at the local level. However, in the North of Portugal, the hours dedicated to the business is high, and tourist animation is one of the investment that entrepreneurs plan to do.

The respondents are mainly opportunity-driven entrepreneurs and, according to European Commission (2012) the opportunity motivated enterprises have a higher economic contribution than necessity driven. It appears therefore that entry is mainly due to positive motivations (pull factors), much more than necessity of going out or avoid an unwanted situation. The relational structure of motivations, through the exploratory analysis, highlights the desire for success, improving lifestyle, independence, business opportunity and prestige (factor1) as Getz and Petersen (2005). As Chen and Elston (2013), Jaafar et al. (2011), Getz and Carlsen (2000), Neves (2008), and Pato (2016) the family heritage is an important motivation to start the business, and keep the family together (factor 2).

The cluster analysis led to three different groups according to their motivations: those who want to protect the family and heritage, those who seek success and new opportunities and a final group that combines family and heritage goals with the desire for success. Most of the previous studies on rural tourism entrepreneurship do not develop a cluster analysis based on motivations. The segments

defined in this research are closer to the study of Getz and Peterson (2005) than Chen and Elston (2013).

The owners/managers encounter some barriers to start the venture as bureaucracy, lack of financial support and lack of information. However these difficulties are felt differently according to some characteristics of the entrepreneurs. The opinions about the lack of available financial support and the complexity of the administrative procedures are different according to age groups and the lack of information between gender and the way they were involved in the business. Compared to the overall results for Portugal, rural tourism entrepreneurs in the North of Portugal found more difficulties due to the complexity of administrative procedures (European Commission, 2012).

CONCLUSIONS

The Northern Region has a broad and diverse set of resources with high tourist interest. It offers qualified accommodation, namely at the level of rural tourism. This is the region with the greatest supply of rural tourism in Portugal. Rural tourism is one of the viable options for rural development and entrepreneurs have an important role in this process. In the North of Portugal the results of the research suggest that entrepreneurial activities are undertaken mainly by individuals of a mature age but there is already an interesting group of young people, and with high education. They have prior work experience mostly in management, but few had previous experience in start-up businesses. Most rural tourism ventures were created by the respondents, but 18% of the respondents inherited it. Although the majority started the business by opportunity there is a high share that started both by opportunity and necessity. The analysis of motivations to undertake rural tourism activities suggest heterogeneity of factors that influence the entrepreneurial decision. Factor analysis revealed that the most important motivations were related to success, lifestyle,

independence, business opportunity and prestige, followed by valuing family heritage, keep the family together and the property in the family. In fact, one of the valences of rural tourism is the recovery of properties (palatial, manor and rustic houses), some of them with centuries of existence.

It was possible to group entrepreneurs in three different segments labeled “family and legacy protectors”, “success and opportunity seekers” and “legacy protectors and success seekers” according to their motivations.

Rural tourism present several challenges. Promoting rural tourism entrepreneurial activities requires eliminating barriers as the level of bureaucracy, lack of financial support and information felt by these entrepreneurs. Tourism activity is crucial for the promotion of sustained and integrated local development of rural regions, which involves the articulation between different entrepreneurs and between them and local agents. The development of rural tourism should be considered in the broader context of the tourism system to make “Portugal the most agile and dynamic tourist destination within Europe” as defined by the Portuguese government.

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