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SMALL ACCOMMODATION BUSINESS GROWTH:

PATTERNS, PRECEDENTS AND OUTCOMES

OBSERVED FROM RURAL ZHEJIANG

PROVINCE OF CHINA

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Ph.D

The Hong Kong Polytechnic University

This Programme is jointly offered by The Hong Kong Polytechnic University

and Zhejiang University

2017

The Hong Kong Polytechnic University

School of Hotel and Tourism Management

Zhejiang University

School of Management

Small Accommodation Business Growth: Patterns, Precedents and Outcomes Observed from Rural Zhejiang Province of China

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A thesis submitted in partial fulfillment of the requirements for the degree of Doctor of Philosophy

July 2016

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Abstract

Small accommodation businesses (SABs) form the major component of tourism and hospitality industry and play a vital role in shaping tourists experience, boosting local economy and relieving poverty in peripheral areas. It is commonly observed worldwide that SABs vary in characteristics, and they are growing through time. However, the existing researches on SABs commonly treat SABs as “static” and “homogeneous”. Few study has delineated or accounted for either the longitudinal or cross-sectional variance. Is the variance in qualitative characteristics correlated with that of quantitative feature? What is the cause of the variance and what are the consequences on guest experience? These questions are rarely addressed.

This study proposes a “growth perspective” based on business growth theory, and empirically investigates the pattern, precedents and outcomes of SAB growth in rural China. Four empirical sub-studies are conducted sequentially. Five villages in northern Zhejiang Province of China are selected as study sites and data is collected through online comments, in-depth interview and survey.

Sub-study 1 takes quantitative design and aims to investigate pattern of SAB growth. A model depicting the positive relationship between quantitative aspect (increasing size) and qualitative aspect (separation between family and business) is constructed and further tested with survey data collected from 200 SABs by Multiple-Linear-Regression. The research findings support the hypothesized relationship generally, but the effects vary across different growth modes. Specifically, scale growth leads to separation in both premise and goal. Labor-intensive growth, in contrast, only results in separation in labor. Likewise, capital-intensive growth solely leads to separation in premise.

Sub-study 2 also takes quantitative research design and aims to examine the factors influencing business size and growth mode choice. Accordingly, two hypothesized models are developed based on social capital theory and human capital theory, and further tested with survey data collected from 200 SABs by Multiple-Linear-Regression. The result demonstrates that business size is more dependent on social capital, with those having more structural and relational social capital tended to growing into larger size, while growth mode choice is more related to human capital, with those having more tacit or explicit knowledge inclined to intensive way of growth.

Serving as precursor to Sub-study 4, Sub-study 3 takes mixed design and aims to examine guest experience in SABs and thereby developing measurement scale. Guest experience is approached from cognitive, emotional and symbolic perspectives, and is accordingly decomposed into service quality, experience quality and experience authenticity. Fourteen in-depth interviews, combined with 500 online comments extracted from popular tourism websites, are analyzed to further explore the dimensionality, based on which three measurement scales are constructed and further verified strictly following the steps suggested by Churchill (1979).

The objective of sub-study 4 is to investigate the impact of SAB growth on guest experience. A hypothesized model delineating the relationship between SAB size and the three aspects of guest experience is constructed and further tested with Hierarchical Linear Modeling (HLM) under different growth modes based on data collected from 188 SABs and 873 corresponding guests. The results suggests that changes in SAB size do have impacts on guest experience. But the effects also vary across different growth modes. A comprehensive model is thus proposed based on the result of hypotheses test.

Serving as a pioneering investigation of SAB growth, this study may further extend the existing understanding of SABs, and provide guidelines for both business owners and destination management organizations for making strategic decision in order for sustainable development. The limitations and further research possibilities are also discussed.

Key words: Small Accommodation Business; Growth Perspective; Family Mode of Production; Social Capital; Human Capital; Guest Experience; Authenticity.

Acknowledgement

Ph. D. life is an ascetic journey that re-shaped me into someone I had been admiring ever since my childhood. Standing at the finishing line, I am full of gratitude to all those who have been supporting me constantly for the past five years.

First of all, I would like to express my utmost gratefulness to my supervisors, Dr. Honggen Xiao (Chief supervisor in the Poly U) and Professor Lingqiang Zhou (Chief supervisor in the ZJU), for their generous help and constant encouragement. This dissertation would not be in its present form without Dr. Xiao's unremitting supervision, for his wisdom sparkled the initial idea in my mind, his passion encouraged me to improve it to a higher level, and his preciseness always kept me on the right track. This project is full of challenges, and I could not have made it without Professor Zhou's motivation, encouragement and generous help. His lenience, integrity and sincerity will always be navigation light of my life.

Meanwhile, I would like to extend my special thanks to my co-supervisor in the ZJU, Dr. Maoying Wu, for her constant support throughout my whole Ph. D. study. I would also like to thank Dr. Gorge Liu and Dr. Markus Schuckert, for serving on my supervisory committee in the Poly U. My special thanks further goes to Professor Song Haiyan and Dr. Lin Shanshan, for their kind help during my application of the Joint Ph.D. Programme. Also, many thanks to Professor Cathy Hsu, Professor Wang Ning, and Dr. Hazel Tucker, for serving on my examination board.

I am grateful to all of the faculty members and colleagues who have helped me directly or indirectly in my study in SHTM. They are Mr. Richard Qiu, Mr. Anyu Liu, Ms. Daisy Fan, Ms. Sunny Sun, Ms. Ada Au, and Ms. Yuki Lui. My colleagues in ZJU have also helped a lot during composition of this dissertation, and I would like to thank Mr. Kaishuai Wang, Mr. Qiucheng Li, Ms. Qiuchen Zhu, and Ms. Lin Zhu, for their kind help during data collection and data analysis.

Last but not least, I would like to extend my heartfelt thanks to my parents and my fiancée, Xiaoyou Zhao. Without their understanding and help, I would not have been able to initiate and complete this dissertation.

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List of Abbreviations

AGFI	Adjusted Goodness of Fit Index
AIC	Akaike Information Criteria
ave. VIF	Average Variance Inflation Factor
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CR	Critical Ratio
d.f.	Degree of Freedom
EFA	Exploratory Factor Analysis
GFI	Goodness of Fit Index
HLM	Hierarchical Linear Modelling
IaO model	Intercept as Outcome model
ICC	Intraclass Correlation Coefficient
IFI	Incremental Fit Index
KMO	Kaiser-Meyer-Olkin Measure of Sampling Adequacy
NFI	Normed Fit Index
P-P plot	Percent–Percent plot
PCFI	Parsimony Comparative Fit Index
PGFI	Parsimony Goodness-of-Fit Index
PNFI	parsimony-adjusted Normed Fit Index
RMR	Root Mean Square Residual
RMSEA	Root Mean Square Error of Approximation
RIC model	Random Intercept Covariance Model
SD	Standardized Deviance
SE	Standardized Error
sig.	Significance
sd. Estimate	Standardized Estimate
TLI	Tacker Lewis index
-2DLL	Drop In the Deviance

ZRESID	Standardized Residual
ZPRED	Standardized Predicted value

Chapter 1 Introduction

This study is aimed at examining the growth of small accommodation businesses (SABs) in the rural context of the world's largest developing economy, China. Specifically, it investigates the growth pattern, the predecessors to growth and the outcomes of growth. Three questions are supposed to be answered, i.e. "How does growth take place in SABs?", "How does social capital and human capital influence the growth of SABs?" and "How does the growth influence guest experience?" This chapter provides the background of the research objectives and explains why SABS are worthy of research, why a growth perspective is necessary when examining SABs, and why rural China is suitable as research context.

1.1 Small businesses

Modern capitalist economies are comprised of industrial sectors with enterprises of various size (Maggina, 1992). Despite their various impacts, mountainous empirical researches have found that small businesses assume an important role in most economies. According to the census data of the United States Small Business Administration Office of Advocacy, in 2006, 78% of the total 26.8 million businesses in the United States had no employees. It was found that 84.9% of New Zealand businesses were small enterprises in 2001 (cited from Hall & Rusher, 2013). In the United Kingdom, it was found that 95% of firms in the sector employed fewer than 50 employees and 75% of them were micro-firms employing 10 or fewer personnel (cited from Clegg & Essex, 2000; Coles & Shaw, 2006; Lashley & Rowson, 2007).

The revival of small firms took place in the late 1970s and they have characterized advanced economies ever since. The blossom of small businesses can be considered as a reaction to pressure of economic restructuring (Clegg & Essex, 2000), shift of market demand to products and services tailored to specific needs of customers which results in more fragmented market, and technological development especially information technology which leads to customers becoming more comfortable buying online whereby new marketing channel for small businesses are opened. It was claimed that the changing nature of developed economies had led towards service-based economies including marketing, distribution, media, communications, and leisure (Pritchard & Morgan, 2000), characterizing the resurgence of small firms (Frank & Landstrom, 1997). Drucker (1992) also agreed that the growth of SMEs should not be seen as an independent process, but rather was attributed to various developments including: 1) the de-centralization strategies of large firms; 2) a shift from labor-intensive to knowledge-intensive industries; and 3) the shift of manufacturing production/assembly to developing countries for cheaper labor.

Due to the vitality of small business for modern economies, an increasing number of scholars get to believe that a healthy small firm sector is essential for countries seeking to encourage economic development opportunities (e.g. Carter & Jones-Evans, 2006; Storey, 1994; Dicken, 1998; Scase, 2000). As a result, small businesses are attracting more and more research attention from various disciplinary perspectives, most of which share the assumption that small firms are characterized by homogeneity, formality, making similarly significant contributions to local economies or to destination development.

These assumptions, however, are all open to questioning, perhaps on a case-by-case basis (Thomas, Shaw, & Page, 2011). Differences between industries should be taken into consideration when examining small businesses. As is found in various empirical observations, small businesses are more commonly found in and contribute more to service industries such as tourism and hospitality, than in manufacturing industries.

The prevalence of small businesses is a dominant feature of the tourism and hospitality industry (Wanhill, 1997; Morrison & Teixeira, 2004; Morrison, Carlsen, & Weber, 2010), both in developed and developing countries. It is inconceivable that a visitor to a certain destination would not encounter such enterprises regularly, whether it is in the form of a taxi, a shop, a restaurant, a tour or accommodation. The quality of the tourist experience is thus influenced heavily by the quality of the encounter with such businesses. despite the fact that pervasion of small businesses can also be found in other industries such as retailing, they might well play a much more salient role in tourism and hospitality industry. This is because tourism experience is largely different from experience in other industries (e.g. retailing) where business encounter is discrete and customers' quality evaluation is confined to the individual business. Basicially, evaluation of tourism experience is an integrated one, with overall judgement on the complex elements from different related industries. Thus, it is contended that tourism destination competitiveness depends upon a viable community of small tourism and hospitality firms that often collectively represent the destination products

(Sharpley, 2000). The failure or under-performance of a small tourism business may hurt a destination as a whole (McKercher & Robbins, 1998). This has been confirmed by the case study in England by Johns and Mattson (2004) which revealed that individual's entrepreneurial effort has profoundly influenced a destination's potential for development.

1.2 Small accommodation businesses (SAB)

Tourism and hospitality industry comprises a variety of sub-sectors that offer different forms of products, service, and experience (Cohen, 1979; Uriely, 1997). Basically, they may specialize in organized tours, events, cultural activities or accommodation. Consequently, the tourism and hospitality industry is highly diverse and fragmented (Lundberg, Krishnamoorthy, & Stavenga, 1995). However, few study takes the unique characteristics of various sectors within the industry fully into account (Akbaba, 2012; Reichel & Haber, 2005). Accommodation businesses, travel agents and sites of interest are three major sub-segments with significantly different characteristics. Neglecting the reference to different characteristics and performance patterns of each subsector may probably result in partial understanding. Therefore, a more diverse perspective is needed, as is advocated by Reichel and Haber (2005), and researches on the small tourism enterprises should recognize both spatial and sectoral variation. Small tour operators in Australia and restaurants in India may both belong to tourism, but factors explaining their role, development and behavior tend to be marked more by differences than similarities.

Accommodation is the largest and most ubiquitous subsector within the tourism economy (Cooper, 1998), typically accounting for around one-third of total trip expenditure. It is an essential ingredient of the tourism experience. Empirical findings have revealed that most of the small tourism businesses are hospitality-based (Tinsley & Lynch, 2008), which could be termed as "small accommodation businesses" (SAB). Getz and Carlsen (2000), through a survey in west Australia, found that over 75% of the small tourism and hospitality businesses provided accommodation products, such as farm stays, campgrounds, and B&Bs. Lee-Ross (1998) identified three categories of small accommodation businesses by citing the reports of The Australian Bureau of Statistics, including licensed hotels, motels, and guesthouses with facilities. Goulding (2009) also found that much of the tourist accommodation stock in Scotland comprised B&B, guesthouses, small family-run hotels, and self-catering properties.

These SABs and their development have been found by researches across countries to demonstrate certain distinguishing characteristics. Firstly, they take different forms in reality and are described with different “mundane” terms, such as “small hotels”, “village inn”, “B&B”, “home stay”, “guesthouse”, “farm stay”, “accommodation based farm” et al. They vary in size and characteristics, and are always in process of change through time. Empirical evidence of their heterogeneity and growth were found in regions such as Finland (Komppula, 2004), South Africa (Rogerson, 2004a), Taiwan (Huang, 2008), and the United States (Ainley & Kline, 2014). They are often approached as in contrast to “traditional” or “mainstream” accommodation units, e.g. hotels, motels, resorts, etc. In this sense, they are typically described as “para-hotel business” (Schwaniger, 1989), “supplementary accommodation” (Seekings, 1993), “boutique accommodation” (Morrison et al., 1996), “specialist accommodation” (Pearce & Moscardo, 1992), “quasi-hotel” (Slattery, 2002), or “commercial home” (Lynch, 2005).

Secondly, they occupy large share of local accommodating capacity of destinations (Shaw & Williams, 1994). Even in advanced market economies where a small number of large firms dominate, most individual hotels, restaurants and bars are owned and managed in the form of small firms (Lee-Ross & Lashley, 2010). These are often micro firms, employing fewer than ten staff (even none in many cases), other than family members who “help out” as needed (Lashley & Rowson, 2003, 2005, 2007). Although it is difficult for statistical data to be entirely accurate due to the non-uniform manner in which the information is collected, general findings suggest that internationally most accommodating units are small to medium-sized (Lee-Ross, 1999). Moscardo’s (2009) case study in North Queensland found that commercial homes in the form of B&B and farm stays accounted for 44% of the total room stocks in the region, and they mostly provided budget accommodation. In Australia, they formed 90 % of total hotel stock (Lee-Ross, 1998). In the United Kingdom, around 85% of hotel firms were small in 1994 (Sheldon, 1994). Specifically, Di Domenico (2008) found that guest houses and B&Bs were ubiquitous types of small hospitality businesses found throughout the United Kingdom, representing approximately 25% of available tourist accommodation.

The preponderance of SABs in tourism and hospitality industry may be due to several reasons. To begin with, although the small number of huge national and international giants which control disproportionately large sections of lodging, restaurant and public house markets is a remarkable feature of the current hospitality industry (Beaver & Lashley, 1998), in its very origin, hospitality regarding provision of lodging, food and drink occurred in domestic settings. The nature of hospitality, its cultural meanings and links to domestic experiences suggest for many would-be entrepreneurs that they have the skills necessary to offer hospitality services commercially (Lashley & Rowson, 2008). Meanwhile, SABs feature low barriers to entry, including low capital investment required. This generally ensures a constant supply of new businesses in to this field. Also, they are able to come up to market change and seasonality with low operation cost and flexibility to transfer. Rural and agricultural revolution and economic restructuring, on the other hand, provides impetus as well as opportunities for SAB development. The migration of urban residents to rural environments has increased greatly since the 1970s, and it has been witnessed as the processes of "sea change" or "tree change" in reference to permanent and temporary (second home) lifestyle migration to high-amenity rural areas (Burnley & Murphy, 2004).

Thirdly, most of the SABs are located in rural areas, and thus represent the core service upon which development and competitiveness of the rural tourism sector is based (Komppula, 2014). According to Buick (2003), 67% of the small hotels surveyed in Scotland were located in rural areas. In Spain, rural lodging enterprises remained the most prominent type of business developed in rural areas (Peña, Jamilena, Molina, & Olmo, 2015). The same cases were found in Asian countries. In Malaysia, the homestay programme is participated by 3,150 rural communities with 138 villages nationwide (Abu, 2009), attracting 29,782 domestic tourists and 11,729 foreign tourists and generating income of over 3 million ringgits in 2009. In China, rural tourism is regarded almost equal to rural SABs (the so-called *Nongjiale*, or Happy Farm House), featuring "eating in a farm, sleeping in a farm and playing in a farm". The prosperity of SABs in rural areas can be in part attributed to the high rate of property rent in urban areas which pushes the operator to achieve scale economy, and thus barely leaving any space for SABs. Another possible explanation is that rural lodging establishments are the key recipients of many rural development investment. In fact, it is core to rural development programmes of European Union (Peña et al., 2015).

Finally, SAB development is largely supported in developing countries. Many researchers agree that SABs such as homestay has indeed improved the livelihood of the operators in terms of economic and social status. Thus, governments have used tourism as an important socio-economic catalyst and pro-poor tool for development in peripheral and rural areas in developing countries, and it is an important part of the local economy in many developing countries (Goodwin & Santilli, 2009).

1.3 SABs and peripheral region development

It has been agreed that SABs are associated with low levels of economic leakage, comparatively low barriers to entry and high levels of local networking, providing linkages between society and economy at the local level (Ateljevic, 2007). Based on the experience of developed countries, Leimgruber (2010, p. 9) claimed that SABs were “more innovative and flexible than large companies” and that “small scale developments that are embedded in a regional economy can resist fashion and economic ups and downs”.

Its role in peripheral region development was more emphasized. Hampton (2003, p. 97) asserted that in the developing world, “the nature of such small-scale, locally owned tourism businesses, and particularly their minimal capital requirements, may perhaps be seen as a form of pro-poor tourism and could conceivably provide a useful component of local economic development strategies for poor communities”. A consensus is that SABs can be dynamic agents of tourism development and growth, thereby offering a pathway for the enhancement of local economies and delivering more appropriate development to marginal or peripheral regions (Ateljevic & Doorne, 2004). They might be vital to job creation (Wanhill, 1997), destination competitiveness (Haven-Tang & Jones, 2005; Novelli, Schmitz, & Spencer, 2006), destination development (Tinsley & Lynch, 2001; Johns & Mattsson, 2005), sustainable tourism (Fuller, Buultjens, & Cummings, 2005; Shaw & Williams, 2004); sustaining particular lifestyles (Ateljevic & Doorne, 2000; Shaw & Williams, 2004), and creating significant social benefits (Kokkranikal & Morrison, 2002).

In fact, the use of private homes for tourist accommodation is often put forward as an option for peripheral regions because of the belief that this form of tourist service provision brings better economic outcomes with a greater share of the tourist expenditure kept in the region, creates more opportunities for locals to participate in tourism employment, induces less environmental damage, and results in less cultural impact because of the opportunity for hosts and guests to interact in a more balanced fashion (Gladstone & Morris, 2000; Rogerson, 2004a).

Among all these benefits, the idea of "indigenous tourism" or "community-based tourism" embedded in SAB development is the most remarkable. Indigenous tourism means that local people gain greater capacity to control tourism, shape it to serve their interests and use it for a variety of social, culture, political, environmental and economic purposes (Higgins-Desbiolles, Trevorrow, & Sparrow, 2014). The World Bank (2006, p. 20) asserted that the tourism sector offered an opportunity to unleash "shared growth" in Africa because "African destinations are growing their own capacity to invest and participate in tourism supply chains". SABs, in this sense, are considered as a part of community-based tourism which is popular in developing countries, such as Thailand, Cambodia, Mongolia and Indonesia of Asia.

Rural areas are usually deemed typical of peripheral and under-developed region. The decline of traditional industries over the past three decades, such as agriculture, mining, and forestry, has required many rural communities to explore alternative means to strengthen their economic base. Rural tourism has been regarded as one of the primary industries that may help local communities to achieve economic diversity (McGehee & Andereck, 2004). In fact, SABs as a major form of rural tourism are pervasive in rural areas, and are actually boosting local economy, benefiting local people.

1.4 Existing perspectives in SAB research

Due to their important role in tourism industry and peripheral region development, small businesses in tourism and hospitality industry have been not only the object of local, regional and national policy interventions but also the focus of academic research around the world (e.g. Nilsson, Petersen, & Wanhill, 2005; Thomas, 2000). In both practical and theoretical considerations, the origins, survival rates, churn in ownership, as well as the business motives, prior experiences, perceptions and training of owner managers, are all interesting and important avenues for research (Lashley, 2009). However, in contrast to the significant contribution and fast development of small business in tourism and hospitality industry, research in this area has developed in a relatively slower fashion with limited published outputs in tourism journals. Existing knowledge about small tourism businesses is still incomplete (Page, Forer, & Lawton, 1999; Getz & Carlsen, 2005). Some relative researches are still scattered within other topics, e.g., adventure tourism, rural tourism et al. Small tourism business as an independent research field is far from being mature.

In the field of SAB research, the situation is even less optimistic. It was not until 1990s that the heterogeneity of small tourism businesses was first recognized by researchers such as Dewhurst and Horobin (1998), Ateljevic and Doorne (2000). For a long time, management- and marketing-oriented research that conceptualizes hospitality as a series of organizational functions or service transactions was dominating (Lashley, Lynch, & Morrison, 2007), and these researches were mostly focused on large, commercial hotels.

But SABs are different from large hotels even in origin. King (1995) proposed that commercial hospitality has developed from two roots, i.e. the accommodation of aristocrats especially European nobility, and minimum level accommodation provided for commoners. Rutes and Penner (1985) traced four basic roots of modern hotels. Commercial hotels was traced to facilities provided to expedite trade or mail delivery, or to accommodate government and religious travelers. Resorts and entertainment-based facilities were related to Greek and Roman spas. Rental housing and rooming houses eventually led to condos, timeshares and bed and breakfast facilities, and royal courts finally led to super-luxury hotels, castles and condominiums.

There seems to be a growing interest in the entanglement of social and commercial manifestations of hospitality in recent years (e.g. Gibson & Molz, 2012; Lashley & Morrison 2000; Lugosi, 2008). They try to shift the focus of hospitality research from a narrow set of managerial concerns about service quality and operational efficiency to the sociocultural and emotional dimensions of the consumer experience. Quite a number of such emerging researches turn their attention to the uniqueness of SABs and try to describe and explain their characteristics.

Generally, these researches can be classified into three perspectives, i.e. small business perspective, family business perspective, entrepreneurship perspective.

Research taking small business perspective mainly draws on the tradition of small business research, and largely focuses on size or scale as the main distinguishing feature of SABs (e.g. Ateljevic, 2007; Thomas, 1998), based on which other unique characteristics are investigated and revealed. In hospitality and tourism industry, research has for long treated SABs as simplified versions of larger firms (Morrison & Teixeira, 2004; Blackburn & Kovalainen, 2009), and thus held that their business activities, development and challenges should follow the examples set by larger organizations (Friel, 1999). In this sense, categorization of tourism businesses in terms of size would be unnecessary since small sized businesses are exactly similar to their larger counterparts. Understanding SABs from the small firm perspective, on the contrary, encourages sensitivity to the scale of the operation and its particular attributes instead of conceiving of it as a small version of a large firm and, as such, using large firm theory to inform understandings of SABs.

Those researches taking family business perspective treat family ownership and family involvement as the main distinguishing features (Getz & Carlsen, 2000; Getz, Carlsen, & Morrison, 2004). Research in this stream mainly focuses on how families, as well as their goals, life cycles, and interrelationships, can affect the running of a business. They are more concerned about the interactions between family dynamics and business operations, on such topics as goals, gender roles, dealing with family issues, ownership, family involvement and evolution of the business within the family life cycle.

Entrepreneurship perspective focuses on the start-up of SABs, within which entrepreneurial motivation, especially lifestyle motivation, is of the major concern (Ateljevic & Doorne, 2000; Di Domenico, 2003; Morrison, Carlsen, & Weber, 2010). This stream of research is pervasive in tourism and hospitality related literature, in which "lifestyle motivation" has attracted enormous research attention in the last decades, probably due to its deviance from the stereotyped image of profit-seeking entrepreneurs in common sense.

Through synthesis of the above three streams of researches regarding SABs, several characteristics can thus be identified. Firstly, the existing works are mainly conducted at the individual level, that is, they take the owner-operator as unit of analysis. In this way, characteristics of the owner-operator are sometimes mistaken as the characteristics of the business itself. A case in point is the concept of "lifestyle businesses".

Secondly, this field of research remains under-theorized, in the sense that existing researches are largely descriptive. Most of the existing researches are focused on describing the attributes of SABs (e.g. small size, family owned and family involvement, connection with home and lifestyle goals et al.), with few investigating causes of and the possible relationships between these attributes. Why do SABs demonstrate the unique qualitative attributes? Are these attributes inter-correlated or related to size? Are these attributes influential on behavior patterns of SABs? These questions yet remain unanswered.

Thirdly, by taking the category of SAB as a whole, all the three streams of research treat SABs as homogeneous and static, which, however, is questionable. “Small accommodation businesses” refer to a diverse group of entities of different sizes, growth aspirations, industries, and outputs, and thus are far from homogeneous. SABs and non-SABs might not a strict dichotomy and there seems to be continuous transition. The difference in attributes of SABs should be investigated and explained. Meanwhile, “static” perspective is commonly found when examining SABs (Mottiar & Laurincikova, 2009), with their change and growth largely neglected. In reality, SABs are coming into being, growing, and fading away. The nature, causes, as well as the outcomes of SAB growth should be investigated.

Lastly, most of the existing researches on SABs take place in the context of developed economies and certain frameworks are proposed by examining the SABs in western countries such as Australia (e.g. Hallak, Assaker, & O'Connor, 2012; Hallak, Assaker, & Lee, 2015), America (e.g. Barbieri & Mahoney, 2009; Getz & Petersen, 2005), and Europe (e.g. Komppula, 2014; Marchant & Mottiar, 2011). SABs in developing countries has not got the due attention it deserves, although the limited existing research works in developing country such as China (e.g. Xu & Ma, 2012) and Malaysia (e.g. Ahmad, Jabeen, & Khan, 2014) have identified huge difference, and found that the experience as well as conclusion from developed countries are rarely applicable to developing economies.

This study is supposed to be explanatory and conducted on business level. The above research gaps are supposed to be addressed by proposing an alternative perspective for investigation, that is, “growth perspective”, as well as an alternative research context, i.e., the context of a large developing country.

Generally, the growth of SABs is a field rarely touched by existing researches. Only a few of descriptive studies were conducted and there are great research gaps in theory development. Related questions such as “How SAB growth takes place”, “What factors would influence SAB growth” and “what are the consequences of SAB growth” remain unanswered. Although the influence of accommodation sector growth (basically the number of establishments) on destination development has been discussed by Sharpley (2000), but the influence of individual SAB growth is rarely examined. Page and Getz (1997), through review of existing literature, noticed that there is a problem with the absence of accurate national studies concerning the growth and development of farm stay sector. They stressed the necessity to understand the dynamics and operation of such businesses. Following the tradition of business growth research and the state of art in tourism research, this study examines SAB growth in terms of its patterns, precedents and outcomes.

1.5 Alternative perspective: Growth perspective

As is indicated above, SABs are far from a homogeneous group, but of different size and various characteristics. They may vary from region to region, and from country to country. For example, in 2006, the average room number of B&B in Japan is 9.2, but the number is less than six in the UK and less than five in France. Comparatively, B&Bs in China are quite large in terms of room number, mostly over 20. Those in the United States include both traditional homestay and commercially operated B&B inns, with the latter offering up to 20 or 25 rooms (Buchanan & Espeseth, 1988). According to the survey of Lashley and Rowson (2010) in Blackpool of the United Kingdom, 102 of the establishments in the survey have 15 or fewer bedrooms. Ferguson and Gregory (1999) also found the average number of bedrooms for guests in B&B accommodation in London is two. Lynch (1998) found that most host families used only one or two bedrooms for hosting in Australia. A survey by Huang (2008) found that 88.9% of B&Bs have less than five rooms in Taiwan.

Besides the cross-sectional variance, the growth of SABs through time has been observed around the world, which is largely driven by market demand. There has been a growing demand for the B&B style of hospitality in the last few decades. A recent study shows that 79% of leisure travelers intend to stay at a B&B (Turner, 2011). Accordingly, increase in number of B&B properties has been observed. They have increased dramatically from 9,500 properties of 1993 (Lanier & Berman, 1993) to approximately 17,000 properties of 2012 in the United States (Professional Association of Innkeepers International, 2012). The value of the industry in the United States has also grown from $ 1.3 billion in 1993 (Lanier & Berman, 1993) to an estimated $3.4 billion (Professional Association of Innkeepers International, 2012). The fast developing market demand is the best fuel for the growth of SABs.

Aside from growth in number, Empirical researches in both developed and developing countries support that at least a certain number of SABs are undergoing growth in size. According to the survey of Komppula (2004) in Finland, a majority of small accommodation business owners in rural areas saw their business grow in terms of visitor number, average stay, turnover, and profit. These growth-oriented businesses occupied 65% of the total sample chosen by the researcher. The same growth trend was also observed in South Africa (Rogerson, 2004), Taiwan (Huang, 2008) and Spain (Barke, 2004), both in number of operators and size of individual firms. Cassel and Pettersson (2015) found that as demand grew, the female operators of farm stays in Sweden transformed their original houses or even bought other buildings. Carter (1998) noted that new activities started on farms might be initial steps in an evolutionary process eventually resulting in the development of full-fledged new businesses. Through a phenomenological study of agri-tourism enterprises on Ontario family farms, Ainley and Kline (2014) found that agri-tourism enterprises in the United States have gone through an evolving process. The earliest manifestation of agri-tourism was described as a natural extension of their conventional agricultural practice, where the initial intent was not starting a separate agri-tourism enterprise. The evolving process went on until the economic and social merits of being in agri-tourism was assessed and realized and they decided to discontinue the agricultural practice. The same incremental pattern of development was observed in Swedish farms by Ferguson and Olofsson (2011).

The growth in number of commercial home participants has been observed in developing countries such as Thailand, Malaysia, Indonesia, Romania, along with the increase of average household incomes related to homestay tourism (Iorio & Corsale, 2010). In Malaysia, the total home-stay programme revenue for 2011 was RM15.74 million, with an increase of 26.8 percent compared to 2010 (Ministry of Tourism Malaysia, 2012). Until 2013, 159 communities throughout Malaysia with more than 3,424 participants were registered to operate home-stay accommodation businesses in the Malaysian Homestay Programme, forming an important tourism product for the country (Ministry of Tourism Malaysia, 2014).

Theoretically, SABs grow for several reasons. First, SABs are result of conversion works which turns traditional houses, farmhouses, and local residence to serve as rural hotels. In order for the conversion to happen, entrepreneurship, as a part of growth, is necessary and major investments should be made to provide facilities (Peña et al., 2012). Second, the sheer dynamism and intense competition of the tourism market require these facilities to respond to ever-increasing demand on the part of tourists, and to ever-greater service levels offered by the competition (Peña et al., 2012). Third, continual investment and re-investment in SAB is needed to provide tourists with memorable experiences and greater satisfaction during their stay (Loureiro, 2010), by which the SAB might have a stronger possibility of setting higher prices for the services they offer.

The growth of SABs deserves research attention for several reasons. On one hand, according to experience of economic development in developed countries, entrepreneurial small firms which actively seeks profitable and growth opportunities have been ascribed an important role in introducing new products and new techniques into the market, through technological innovations, (Pavitt, 1987; Acs & Audretsch, 1990). Some scholars (e.g. Santarelli & Vivarelli, 2007) even assert that entrepreneurs that do not bring innovations or bring about reform in stagnant markets should not be regarded as true entrepreneurs. On the other hand, young firms that do not grow are found more likely to cease operation (Stam & Garnsey, 2007). Being small in size puts them at a disadvantage in contrast to their large counterparts. Since increased scale always means less cost disadvantage, their survival depends on rapid expansion. Phillips and Kirchhoff (1989) found that young firms that grow have twice the probability of survival as non-growing young firms. Firm growth is therefore closely associated with overall firm success and survival (Phillips & Kirchhoff, 1989; Johannisson et al., 1993). In this sense, growth is usually a critical precondition for longevity in the case of SABs.

Small businesses are believed to contribute to job generating for decades. However, after the past decades employment generating programs and initiatives, policymakers are increasingly getting aware of the economic and social limitations of initiatives that rely heavily on the small business sector as a whole. It is now widely accepted that most new jobs come from relatively few small businesses (e.g. Burns & Dewhurst, 1996; Glancey, 1998; Stanworth & Curran, 1976). Also, it is found that many new entrants are far less productive than incumbents. Therefore, instead of encouraging new entrants and increasing the number of small businesses, it might be more effective to better exploit the potential of existing businesses. Thus, in recent times, there has been a substantial shift in interests and emphasis toward a focus on those small businesses with a pro-growth orientation (Morrison et al., 2003).

To summarize, SAB growth does exist in reality and is practically justified to be worthy of research. Despite their importance, there are few studies intended to account for this phenomenon. Even in mainstream firm growth research literatures, the topic of small business growth has not been paid enough attention it deserves. To date, most studies of firm growth are focused on large companies or new ventures. In tourism and hospitality research, growth of SABs is primitively touched by researches with "entrepreneurship perspective". These researches are mostly interested in "non-growth motivation", featuring those "lifestyle businesses". However, the empirical evidence and theoretical explanation mentioned above are in sharp contrast to the pervasive description of SABs as "lifestyle business" which does not aim to grow (Kousis, 1989; Lynch, 1996). It is true that non-growth intention does exist in large numbers of SABs, as is supported by existing empirical findings (e.g. Thomas et al., 2000; Lashley & Rowsen, 2010). But admittedly, the findings in motivation may not be supported by observations of their behavior mentioned above and many small businesses do succeed to grow into large firms. They are indeed in search of profits and growth in real world. This inconsistency indicate that there might well be a gap between claimed growth intention and actual growth behavior.

SABs may not be like the enterprise mentioned by Penrose (1959), which has a psychological predisposition on the part the individuals take a chance in the hope of gain and in particular, commit effort and resources to speculative activity (Penrose, 1959). Instead, they may act like "market gap filler", and grow unconsciously, driven by market demand. It is the entrepreneur who listens to the voice of the market, synthesizes and develops the ideas as well as the specific products, and makes the so-called enterprising decision (Penrose, 1959) to investigate the prospective profitability of expansion. According to Penrose, entrepreneurs may only periodically be able to consider in what directions expansion might be profitable. It is almost impossible for them to always be conscious and be assured of whether to expand or not. In reality, few successful entrepreneurs could expect future success or growth when they started their businesses initially. Most of them enter the market for less noble reasons, such as over-optimism on the part of the founder, the pursuit of a relaxed lifestyle, or the flight from unemployment. However, as firms develop and grow, they may simply change their activities, the markets they serve, the products they offer. Therefore, one may start a business to quest for independence (which belongs to the "lifestyle motivation"), but as the firm gets larger, the positive effect of increased independence weakens and may be offset by an increased fear of control loss, and thus business goal gets to be above lifestyle motivation.

The "growth perspective" taken in this study is likely to contribute in two aspects. First, it draws attention to "actual growth behavior" which is largely neglected in SAB research. By jumping out of the circle of "growth intention", it brings new research possibilities. In this sense, some formerly neglected questions such as "how SAB growth takes place?", "what factors might influence SAB growth?" and "what changes might be brought by SAB growth?" may come up to the menu. Second, growth perspective may change the way we observe SABs, for it has several characteristics: 1) SABs are not seen as a homogeneous group but instead as various in terms of qualitative and quantitative characteristics; 2) various SABs are regarded as located in different early growth stages of the full spectrum of business lifecycle; 3) an individual SAB is assumed to possess the potential to grow into a large accommodation business, to follow the route of business lifecycle and to undergo the predetermined challenges; 4) the cross-sectional heterogeneity in characteristics is seen as a result of longitudinal growth.

1.6 Research context: Rural China

Thanks to the Reform and Opening-up Policy launched in 1978, China has seen its GDP and national income growing three decades in a row, emerging as the second largest economic entity in the world. While enjoying great economic boom, like other developing countries, China is suffering a widening gap between the rich and the poor. Its Gini index reached a new summit, specifically 0.473 in 2013, surpassing the international warning line of 0.4 (National Bureau of Statistics of China, 2013). The situation is even worse between urban and rural areas. In 2013, the average income per capita in urban area was RMB 29,547, whereas in rural areas the number was merely RMB 8,896 (National Bureau of Statistics of China, 2013). The underdeveloped economy in rural areas of China is often attributed to the Household Registration System and unequal resource distribution during the past three decades' fast development.

Occupying more than 90% of the national territory and holding 87.4% of the whole population, rural areas count for much to the development of China. Alert of the great income disparity between urban and rural areas, Chinese government has been promoting a programme officially named "Building Socialist New Countryside" since 2005, aiming to boost rural economy and improve the life quality of rural families. As a part of the programme, rural tourism was set as the theme of the year by the China National Tourism Administration (CNTA) in 2006, and peasants were encouraged to start their own tourism businesses with vacant properties by local governments hence forth. These efforts result in the blossom of *Nongjiale* (happy farmhouse) or *Minsu* on a national scale, especially on the surrounding areas near central cities or scenic sites such as national parks, wetlands and heritage water towns with cultural interests. *Nongjiales (or Minsu)* are typical SABs in rural China featuring "fresh farm food, tasting green vegetables, experiencing traditional courtyard living, doing farm work, entertaining farmers' plays, and purchasing indigenous products from farm families" (Zou, 2005). According to Shao (2007), rural tourist attractions, of which *Nongjiale* (or *Minsu*) account for the majority, have attracted over 300 millions of tourists every year, creating RMB 40 billions in revenue.

SAB development in China takes place against three backgrounds, i.e., the traditional peasant family production units in rural areas, the development of small businesses, and the blossom of rural tourism.

Peasant family is the most ancient production units in history. In rural China, peasant families with agriculture as major works and handicraft as avocation remained as the major economic production undertakers for thousands of years before the intervention of "Collectionalization" in 1950s, after which the "Collective" became the major agricultural production undertakers. In 1980s, with the establishment of Household Responsibility System under which the production factors were re-distributed to each household rural households were rejuvenated as basic, independent economic units (Huang, 2011). At the same time, the Opening Up policy channeled in large amount of foreign capital, motivated by which China has started its rapid urbanization. Rural labors therefore began to rush into cities for jobs and rural areas began the process later named by economists as "de-agriculturization", by which the peasant family began to get rid of agricultural production. At the same time, with the development of petty commodity economy in rural areas, most peasant families headed into market-oriented production. The former "avocations" such as handicraft become major works, in place of agricultural production. These peasant families became "entrepreneurs" (Huang, 2012). According to statistical bureau, there were in total 22 million of such entrepreneurs in rural China by 2008 (National Bureau of Statistics of China, 2009).

The emergence and prosperity of rural entrepreneurs based on peasant families is only a part of the whole picture. In fact, small businesses in China was soaring in number during this period. The development of small businesses has undergone three major periods (Hussain, Millman, & Matlay, 2006): 1) the early phase from 1978 to 1992 featuring rapid growth due to "Reform and Opening Up" policy; 2) the second phase from 1992 to 2002, featuring the reform of state-owned enterprises alongside growth of private sector; and 3) the third phase from 2002 on featuring government policies and support for expanding SMEs. Nowadays, there are three main ownerships categories for Chinese firms; state-owned, collective owned, and private individual owned. Small businesses, usually termed "individual enterprises" belong to the private individual ownership category (Zhang & Morrison, 2007). SABs are a part of large numbers of small businesses in China.

The blossom of SABs in China is directly motivated by development of modern rural tourism. Initially, the establishment of SABs was the spontaneous reaction of peasant family entrepreneurs to the flood of tourists heading to rural areas for leisure and tour. The first "Happy Farm House" (*Nongjiale*) dates back to 1987 when the first Peach Blossom Festival was successfully held in Chengdu of Sichuan Province. Ever since, SABs have been the major supplier of rural tourism products in China. According to the survey of Li (2008) and Meng (2008), 60% to 80% of small tourism enterprises in rural China are engaged in providing accommodation service. By the end of 2006, there were 7,119 *Nongjiale* in sub-urban districts of Beijing that received nearly 15 million tourists for the year. In the same year, Sichuan Province had as many as 18,000 households operating SABs in rural areas that received over 82 million tourists (Su, 2011). Such rural family hotels have been increasing in number in recent decades, reaching 1.5 million in 2012 in total (National Bureau of Statistics of China, 2013). The rapid development of rural SABs in China benefitted a lot from villagers' ambitions to make money as well as support of government (Wang, 2013). They have been regarded as an alternative means to promote regional economic development and ameliorating regional inequalities, which has been acknowledged by both the government and academics (Yang, 2012). SABs thus are largely supported by the government as a means of rural development, both by policy and finance.

By reviewing the line of development, several characteristics of SABs in China are identified. First, most of the SABs are located in rural areas, which is quite similar to those in western countries. Geographically, SABs are more likely to succeed in rural areas that are either accessible to large urban population centers or have a natural environment that facilitates the pursuit of physical, outdoor activities and enjoyment of an aesthetically pleasing, peaceful countryside (N. Walford, 2001).

Second, SABs in China are developed based on peasant family units and is typically a part of "peasant economy" in its very nature. Unlike western countries where agriculture is industrialized and capitalist farms dominate in rural areas, peasant family and peasant economy with small scale, fragmented land ownership characterize rural China. In fact, peasant economy is typically found in most Asian Countries. This is due to large population and relatively scarce land resource. In western countries, most farms occupy arable land of over 10 hectares. For example, the average size of Norwegian farms reaches as high as 20.2 hectares (Haugen & Vik, 2008). It is hard to imagine that the same cases be found in Asian countries. Taking Zhejiang Province of China for example, the average size of peasant farms is only 0.035 hectares in 2015. The notion of the home as a single-purpose and mono-functional establishment/space prevails in most western societies, where it is seen as solely for residential purposes and largely distinct from the workplace. However, this is not the case in peasant homes of China. SABs in rural China, to some extent, can be regarded as new "business" carried on by peasants as forms of economic organization (Deere & de Janvry, 1979; Ellis, 1993), which are already there a priori. Most of them can be described as the domestic mode of production (Sahlins, 1972) or family mode of production (Lipton, 1980), which is common in pre-capitalist society.

Third, the development of SABs in rural China is based on villagers' ambitions to make money. Profit and livelihood are the major motivation for most owner-operators. Also, it is regarded by both central and local government as tools for boosting rural economy. This is in sharp contrast to some researchers' findings in the context of the developed world, where SABs are mainly established for "lifestyle", or non-profit goals. SABs in China are definitely profit- and growth-oriented businesses, as is found in the survey of Meng (2008), Wang and Chen (2013) in Guangxi province and Zhejiang province respectively

Fourth, most of the SABs in rural China are owned and operated by aborigin families. *Nongjiale* is typically created, owned and operated by a nuclear family, with women as the major player due to their gift and skills in catering. Because social trust follows the Pattern of Difference Sequence in rural China (Fei, 1992), members in an extended family tend to trust each other and ask for each other's help, instead of turning to outsiders. This tendency is strengthened by lack of contract insurance, information asymmetry, and weak property right in rural China (Krug & Hendrischke, 2002). As a result, rural economy researchers have found that entrepreneurship in rural China occurs depending on kinship resources, with nuclear family as the subject.

These owner families are typically aborigin and this is due to the collective land ownership and "*Hukou*" (household registration system), which excludes external immigrants from benefitting from local land ownerships. In contrast, SABs in western contexts are mostly operated by immigrants from urban areas, some of whom are retirees from metropolitans. In Blackpool of Australia, the property of the hotels is mostly bought (Lashley & Rowson, 2007). Managerial processes, including service quality management, financial and cost management, marketing, human resource management, are mostly informal and are frequently non-existent (Lashley & Rowson, 2006). As a consequence, there can be a high failure rate of these micro-business hotel operators. An earlier study by Lashley and Rowson (2005) estimated that 20 to 30 percent of the hotel stock in Blackpool changed hands each year. Such changes in ownership are rarely found in rural China.

Fifth, SABs themselves have become major attraction in rural tourism, contrary to the case in western countries, where SABs are often treated as supplementary accommodation partly due to its relatively small size per unit and the fungibility of production factors. They are often regarded as marginal to hospitality industry by most observers from Western countries. However, the reality seems different in China. Large amount of establishments and operators, astonishing number of visitors and firm support from government make it hard to claim they are "marginal".

Finally, rapid growth of SABs has been observed in rural China, both in number and in size. The income from running SABs on average accounted for more than 90% the total household income, according to the survey of Li et al. (2014). For example, Guzhu villiage, located in northern Zhejiang province, saw average revenue of around RMB 0.3 million for each SAB in 2013. The growth might be partly attributed to soaring GDP and accompanying expansion of the rural tourism market. However, the rapid growth does bring some problems, such as homogenization of products, lack of innovation, loss of authenticity, and damage to rural culture and environment. It should be noted that most of the expansion is simple and extensive, without delicate planning.

Due to the uniqueness of SABs as well as their growth in China, special research attention should be paid to this context. As the world's largest developing country, China is unique in terms of culture, agriculture and rural tourism development. Academic research of SABs in rural China can be of theoretical and practical implications to the SAB sector in other Asian countries. Although tourism in China has been extensively researched, most of these efforts are focused on tourist behavior and experience. Only a small number of studies address the issues on tourism businesses, which mostly deal with large hotels. Few of them pay attention to small tourism/accommodation businesses.

1.7 Research objectives

Based on the above discussion, it could be claimed that SABs constitute a large share of tourism and hospitality industry and contribute significantly to the development of peripheral regions, especially rural areas in developing countries. However, research effort on this topic seems disproportionate to its important role. SABs are still described today as an "emerging area" for research (Lynch, 2005). Most of the existing researches on SABs are descriptive and focused on the "person", i.e. the owner-operator, instead of the business. On one hand, they mainly take a static perspective on the "business" (Lew, Hall & Williams, 2004). The "actual growth behavior" has been largely neglected. Scarce attention has been paid to applying theories of small business growth to tourism businesses including SABs (Thomas, Shaw, & Page, 2011), and there is limited research on hospitality firms' size variations.

Meanwhile, most of the existing works are conducted in the context of developed countries, with SABs in developing countries mostly under-researched (Nemasetoni & Rogerson, 2005). Several exploratory studies conducted in developing countries have confirmed that SABs in Asia, e.g. China, represent different characteristics. Some findings regarding SABs in western contexts, such as lifestyle motivation, immigrant entrepreneurs and high rate of failure, are rarely found in the context of the developing world. This sheer contrast suggests that SABs must be investigated in the context of a wider local economic, social and cultural background, as is indicated by Morrison, Rimmington and Williams (1999) and Kastenholz and Sparrer (2009). This is especially true when it comes to growth behavior. As is indicated, entrepreneurial behavior is linked to specific social structures of geographic region, and the historical background of population (Morrison, Rimmington, & Williams, 1999).

To address the above research gaps, this study introduces a "growth perspective" and takes SABs themselves, instead of their owner-operators, as unit of analysis. Growth of and heterogeneity between various rural SABs per se are emphasized. Rural areas of China, the largest developing economy, is taken as the research context. Specifically, this study aims to gain a comprehensive understanding of growth of SABs in terms of growth pattern, antecedents and outcomes. Four sub-studies are conducted in sequence.

Sub-study 1 aims to examine the growth pattern of SABs. Although SABs are widely found to be heterogeneous and various across time, few research has investigated how they vary and change through time on earth. It was found that business may grow in terms of both quantitative attribute (i.e. business size) and qualitative attributes, but the growth pattern regarding both aspects of change and their relationship is still unclear. Based on business growth theory and the theory of family mode of production, Sub-study 1 aims to construct and test a model delineating SAB growth by answering a set of questions as follows:

RQ1a: What is the "prototype" of SAB?

RQ1b: In what aspects of attributes do SABs change when growing?

RQ1c: What is the relationship between these aspects of attributes?

The research objective of Sub-study 2 is to investigate the antecedents of SAB growth in rural China. Despite widely found heterogeneity among SABs, it still remains unclear why some SABs may grow into larger size than others, and why SABs grow in different ways. Since SABs have been considered as a tool for rural development in China, and even in other developing countries in Asia, the explanation of various capability of growth is of particular significance.

According to business growth theory, the antecedents of growth are various and complex and there is no consensus. Different perspectives (objective or subjective), and level of analysis (e.g. regional, industrial, business, personal) may generate different sets of explanations. On one hand, factors influencing firm growth can be distinguished as objective factors (reality) and subjective factors (reality as perceived) (Davidsson, 1991). Meanwhile, different levels of analysis result in different theoretical lenses used to explain the variance, ranging from geographic location and population density approaches (Barron, 1999), industrial context (Gilbert, McDougall, & Audretsch, 2006), to firms' resource practices and strategy (Batt, 2002), individual traits and motivations (Baum, Locke, & Smith, 2001).

There are few enquiries into the cause of SAB growth in tourism and hospitality researches. This is not surprising considering the extreme rarity of research on tourism business "growth". But some clues can be identified through the existing investigations of tourism entrepreneurship. The existing exploration into factors influencing tourism entrepreneurship based on developed countries mainly focus on individual entrepreneur. Their personal traits such as risk taking, attitude (Altinaya, Madanoglub, Daniele, & Lashley, 2012) and capability such as knowledge, skills, education, business experience (Phelan & Sharpley, 2010; Seuneke, Lans, & Wiskerke, 2013) are thought to account for the entrepreneurial decision making and outcome (i.e. success or failure) (Di Domenico & Miller, 2012; Loureiro & Jervell-Moxnes, 2004). However, these explanations may be incomplete when it comes to the situation in rural China. According to the research findings of Wang and Yang (2009) and Meng (2008), most of *Nongjiale* owners in rural China have low education level, little business experience, low risk tolerance, and are poorly trained. Social and cultural environment, including social capital and social network (Baniasadi, Sadegh, & Ahmad, 2013), social role (Tucker, 2010), cultural background (Gurel, Altinay, & Daniele, 2010) are also regarded as influential to rural tourism entrepreneurship. Besides, Zhao's (2010) study documented the relationship between social capital of *Nongjiale* entrepreneurs and their entrepreneurial decision making in China.

There seems to be a consensus that entrepreneurs play a central role in growing SABs. Entrepreneurs' personal success and the success of their firms are often attributed to their personal capability as well as personal relationships or social networks (Lin, 1999; Watson, 2007). These intangible resources have attracted particular attention in recent years (Barney, Wright, & Ketchen, 2001). Investigation from the perspective of entrepreneurs, i.e. the characteristics of themselves and their relationship with others, could provide a reasonable, direct causal relationship to explain business growth. Moreover, the research conclusions related to entrepreneurs might be more suitable and practically useful for both entrepreneurs themselves as well as governments. Attempts from this perspective are not blank for tourism entrepreneurship research. A case in point is Zhao' (2009) research of small tourism business entrepreneurship in rural China, which draws on human capital and social capital to explain tourism entrepreneurship behavior. However, similar researches on SAB growth have not been found.

Following Zhao's (2009) research, this study focuses on individual entrepreneurs, and aims to examine the cause of SAB growth based on social capital theory and human capital theory. A model is constructed and tested in order to answer the following questions:

RQ2a: How does social capital of the entrepreneur influence SAB growth?

RQ2b: How does human capital of the entrepreneur influence SAB growth?

Sub-study 3 and Sub-study 4 aim to investigate the impacts of SAB growth. Empirical findings in China have confirmed that SAB growth lead to several consequences, both to the environment and to the businesses themselves. Given the experiential nature of the tourism and hospitality industry, creating unforgettable experiences for visitors is critical to tourists' post-trip behavioral intentions such as re-visit intention, recommendation intention, and alternative intention (Cronin & Taylor, 1992), and thus is vital to business success (King, 2002; Oh, Fiore, & Jeoung, 2007). Due to the importance of guest experience, it is necessary to figure out whether growth of SABs will influence their guest experience, how the influence is exerted, and which aspects of guest experience are affected. However, guest experience is a complex concept and may be approached from different perspectives. Similarly, guest experience in rural SABs may consist of different dimensions. A "holistic perspective" is necessary when addressing guest experience in rural SABs. Therefore, it is necessary to explore exactly what experience guests may expect and undergo during their encounter with the hosts.

Based on the above considerations, the research objective of Sub-study 3 is to explore the dimensionality of guest experience in rural SABs based on experience theory and authenticity theory, and thereby to develop a measurement scale.

RQ3: What are the dimensions of guest experience in rural SABs?

Sub-study 4 is conducted on the basis of the findings of Sub-study 3 and the research objective is to examine the relationship between SAB growth and different dimensions of guest experience. In summary, Sub-study 3 and Sub-study 4 are aimed to answer the following questions:

RQ4: How do SAB growth affect different dimensions of guest experience?

The research objectives are summarized in Table 1.1.

Table 1.1 Summary of research objectives

Research questions	Theoretical underpinnings
Sub-study 1: Pattern of SAB growth	
RQ: How does SAB growth take place? *1. RQ1a: What is the "prototype" of SAB?* *2. RQ1b: In what aspects of attributes do SABs change when growing?* 3. *RQ1c: What is the relationship between these aspects of attributes?*	1. Family mode of production; 2. Business growth theory
Sub-study 2: Antecedents of SAB growth	
RQ2: Why do SABs grow into different sizes and in different ways? *1. RQ2a: How does social capital of the entrepreneur influence SAB growth?* 2. *RQ2b: How does human capital of the entrepreneur influence SAB growth?*	1. Social capital theory; 2. Human capital theory
Sub-study 3: Dimensions and measurement of guest experience in rural SABs	
RQ3: What are the dimensions of guest experience in rural SABs?	1. Experience theory 2. Authenticity theory
Sub-study 4: Impacts of SAB growth on guest experience	
RQ4: How does SAB growth affect different dimensions of guest experience?	1. Experience theory 2. Authenticity theory

Notably, the four sub-studies are inter-correlated. Their relationship is put in Figure 1.1.

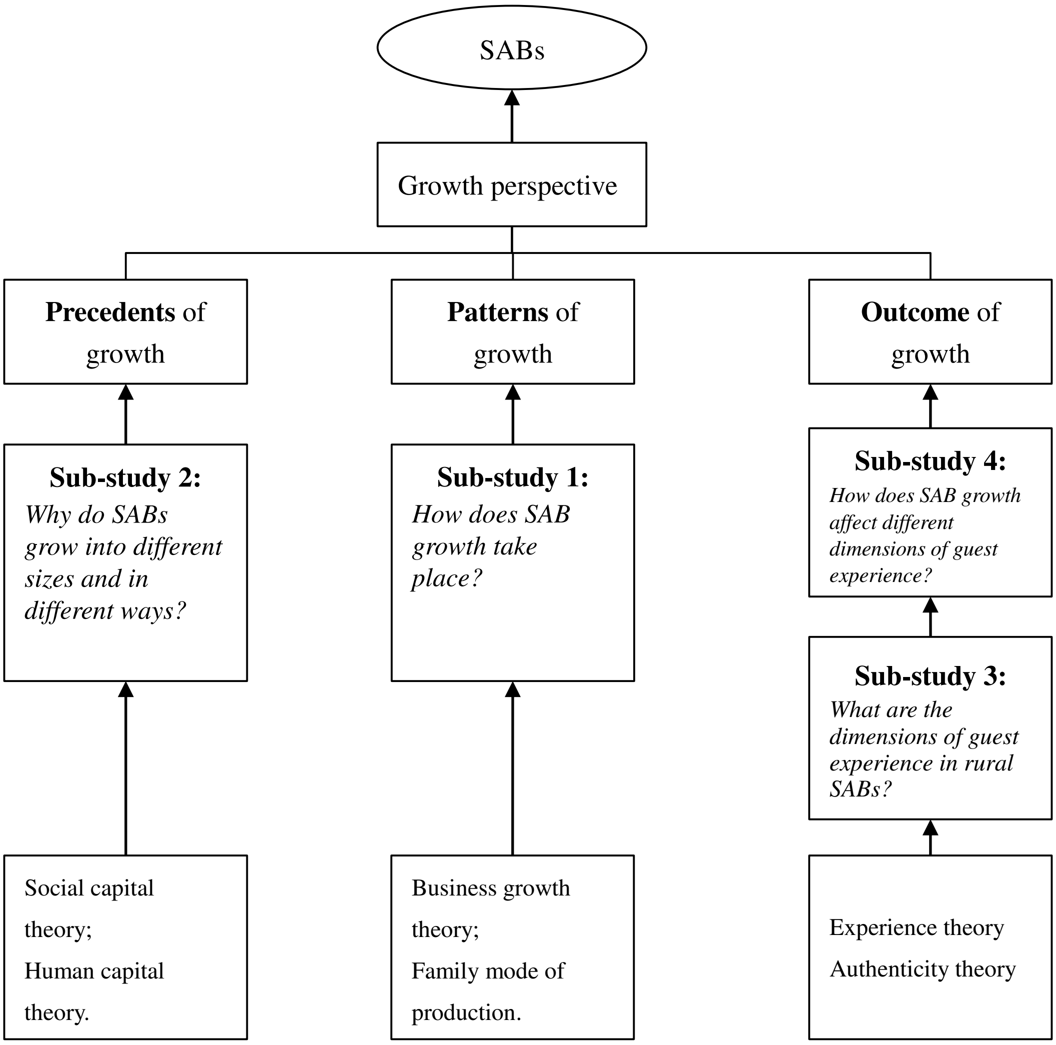

Figure 1.1 Research framework

1.8 Summary

This chapter provides the background of this research and explicate the research objectives as well as research strategy. In summary, this study aims to investigate the patterns, precedents and outcomes of rural SAB growth in northern Zhejiang Province of China. Four sub-studies are conducted in sequence in order to construct theoretical models based on a series of theories and testify them based on empirical data.

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Chapter 2 Literature review

This chapter aims to delineate the theoretical background of this study in a comprehensive manner by: 1) providing a critical literature review in terms of existing researches on SABs and thereby identifying the research gaps; 2) delineating theoretical underpinnings based on which the four sub-studies are conducted, including family mode of production, business growth theory, social capital theory, human capital theory, experience theory and authenticity theory; 3) proposing and explicating a "growth perspective" for addressing SABs, and a "holistic perspective" for addressing rural hospitality experience.

2.1 SAB: Definition and research perspectives

Definition of SABs can be considered under different contexts. Leiper (1991) mentioned three contexts in which a term might be used. The first context is popular, daily context, deriving from subjective opinions, perceptions, and emerging in millions of personal consciousness. The second context relates to technical definition, used for purposes such as collecting statistics. The third context includes all the formalized concepts developed for academic purposes.

Despite their commonality in terms of size and product, SABs are acknowledged to take different forms in reality. This lead to diverse definitions and terms used in daily context, fully represented by various daily expressions or industrial expressions used by tourists, tourism operators, as well as destination management organizations (DMOs), such as "small hotels", "village inn", "B&B", "homestay", "guesthouse", "farm stay", "accommodation based farm" et al.

These "mundane" terms, meanwhile, are often used by tourism researchers directly as "default" categories of SABs and examined in isolation, by which their different characteristics are depicted. For example, "farm stay" stresses the special premises as farm and the availability of other farm related activities (Carmichael & McClinchey, 2009). It is a part of farm-based tourism attractions which includes farm accommodation, farm catering, and farming-related activities (McGehee & Kim, 2004). Guesthouses and B&Bs are considered as alternative forms of accommodation that involves having tourist stay with selected families where they can interact with the host and experience their lifestyle as well as the host country's culture (Amirruding, 2009). Village inn, meanwhile, tends to have more rooms and offer more amenities compared to B&Bs (Carmichael & McClinchey, 2009).

However, as common problem in definitions of daily context, the boundary between these concepts are blurred and their overlaps are evident. For example, the concept of "small hotel" consists of different types including traditional hotels, guest houses and B&Bs, as well as motels and Inns, according to the statistical bureaus of the United Kingdom (Morrison & Corway, 2007). "Farm stays" are a mix of B&B, pick-your-own produce, agricultural festivals, farm tours for children, or hay rides (Clarke, 1996). Partly due to this reason, some of these concepts are often used inter-changeably, e.g. guesthouse, B&B, home stay. Since these terms are introduced from industrial use, their connotation varies from country to country, based on the local use.

Other definitions, majorly from small business research perspective, emphasize statistical use in order to collect data. But these definitions see more disputes than consensuses, with the awkward question: "how small they should be?"

One of possible explanations for the above confusion in categorization might be that to some extent, homogeneity outstands heterogeneity within different forms of SABs. Therefore, their commonalities should be stressed, instead of their difference. In other words, it might result in a more thorough picture for them to be investigated as "SABs" as a whole, based on identifying their common characteristics. This emphasize the necessity of formalized definition which is more strict and inclusive.

Actually this is where some researchers' effort goes. They have been struggling with finding suitable terms to describe small accommodation enterprises in a way that captures their nature (e.g. Lynch, 2005). Typically, small accommodation businesses are understood and interpreted in contrast to traditional or mainstream accommodation facilities such as hotels, motels, destination resorts, campgrounds. These traditional accommodation businesses, are of medium to large size (more than 50 rooms and more than minimal investment), and serve a variety of different target markets, including both pleasure and business travelers (Morrison et al., 1996). By comparison, SABs consist of atomistic, micro and small organizations, operating within a local marketplace, and employing labor-intensive traditional hospitality practices. It usually suffers from human, financial and technological resource poverty that restricts the ability to reinvest in innovation, renewal and modernization of existing products and services (Morrison & Corway, 2007). This list of characteristics can go much further.

In this sense, SABs are conceptualized with a number of academic jargons to capture certain aspects of unique features. Those more abstract and more inclusive terms include “para-hotel business” (Schwaniger, 1989), “supplementary accommodation” (Seekings, 1993), “boutique accommodation” (Morrison et al., 1996), “specialist accommodation” (Pearce & Moscardo, 1992), “quasi-hotels” (Slattery, 2002), and “commercial home” (Lynch, 2005). Different terms capture different features of SABs. For example, “specialist accommodation” emphasizes its special function of serving the needs of more specialized or special interest markets and concentrate almost exclusively on vacation travelers (Morrison et al, 1996), while “supplementary accommodation sector” stresses their supplementary role in market. Thus, these conceptual terms represent different perspectives of observation, and result in a part of the whole picture.

2.1.1 Research perspectives of SAB

The existing perspectives of observation of SAB are just no less than their various forms. Generally, SABs have been examined through three perspectives (Lynch, McIntosh, & Tucker, 2009), namely small business perspective, family business perspective, and entrepreneurship perspective. Notably, the three perspectives are not mutually exclusive. Instead they each offers a unique angle of observation and delineate SABs in terms of different attributes.

2.1.1.1 Small business perspective

Researches in this perspective take their root in small business research. Before 1980s, small businesses were understood solely as units of production, or atoms of supply side in the market. Researchers in this period were more interested in explanations of their existence. For example, Penrose (1959) indicated that small businesses exist due to the following reasons: 1) certain kinds of activities are unsuited to large firms, such as those requiring quick adaption to changing conditions, close personal attention to detail, or those where small plants are required and the supervision of many small plants uneconomic for large firms; 2) Large firms permit and protect the existence of small firms, as a matter of public relations, under a price umbrella held over the industry;

3) Entry is very easy and many hopeful would-be businessmen set up shops every year, leading to the existence of many small firms at any time which are on their way out; 4) Some small firms get a start because the bigger firms have not got around to mopping them up, in time such firms will be driven out.

In 1980s, early conceptual developments get to provide alternative ways of understanding small firms (e.g. Williams, Greenwood, & Shaw, 1989). By 1990s, the importance of non-financial motivations and informal ways of managing firms had been identified by Morrison (1998), Page, Forer, and Lawton (1999). After 2000, small firms were researched in terms of their roles other than as economic units (Di Dominico, 2008; Sweeney & Lynch, 2009).The shift of understanding small business from quantitative perspective to qualitative perspective went through the last decades.

Research taking small business perspective mainly draws on the tradition of small business research, and focuses on size or scale as the major distinguishing feature of SABs (Ateljevic, 2007; Carr, 2007; Thomas, 1998), based on which the unique characteristics are thus investigated. In hospitality and tourism industry, research has for a long time treated SABs as simplified versions of larger firms (Blackburn & Kovalainen, 2009; Morrison & Teixeira, 2004), and thus held that their business activities, development and challenges should follow the examples set by larger organizations (Friel, 1999). In this sense, categorization of tourism businesses in terms of size would be unnecessary since small-sized businesses are exactly similar to their larger counterparts. Understanding SABs from the small firm perspective, on the contrary, encourages sensitivity to the scale of the operation and its particular attributes instead of conceiving of it as a small version of a large firm and, as such, using large firm theory to inform understandings of SABs.

The major concern of small business perspective regarding SABs is the critical point of size, that is, how "small" they should be? In fact, this is a tricky problem for all forms of small businesses, not only for SABs. Normally, size of an accommodation unit is defined in terms of the number of rooms/beds, full-time employees, and total investment (or asset value), with the previous two as most frequently used indicators. However, the criterion varies from researcher to researcher and from country to country (see Table 2.1). There seems to be no greater congruence among the definitions used for studies specific to the tourism industry than elsewhere. Atkins and Lowe (1997) note that as many as 40 different definitions of small- and medium-sized enterprises have been reported in the literature, most of which also include in indicators such as annual sales revenue, in addition to value of fixed assets.

Table 2.1 Part of definitions regarding SAB size

Researches	Rooms num.	Employees num.
Moutinho (1990), Wong (1991) and Buhalis (1995)	Below 50	Below 10
Ingram, Jamieson, Lynch, and Bent (2000)	Below 50	--
Wong (1999)	--	Below 9
Medlik and Ingram (2000)	up to 20 or 30	--
WTO (2000)	Below 50	Below 10
Kontogeorgopoulos (1998)	Below 14	--
Andriotis (2002)	Below 40	--

But it seems that most researchers agree arbitrarily on 50 rooms as threshold for small accommodation units. This threshold is echoed by empirical findings. The average room number of B&B in Japan is 9.2 in 2006, less than six in the United Kingdom and less than five in France. B&Bs in China are mostly quite large in terms of room number, averaged over 20. In the United States they now range from the traditional homestay concept, to commercially operated B&B inns, which offer up to 20 or 25 rooms (Buchanan & Espeseth, 1988). According to the survey of Lashley and Rowson (2010) in Blackpool of the United Kingdom, 102 of the establishments in the survey had 15 or fewer bedrooms. Kim, Chan, and Quab (2011) found that a majority of small accommodation businesses (over 70%) had no more than 25 rooms, and employed less than 10 staff. In England, the average number of bedrooms for farmhouse accommodation was roughly three bedrooms (Star UK, 2004). B&B accommodations had roughly four bedrooms in England and three bedrooms in Scotland (Star UK, 2004). Ferguson and Gregory (1999) found the average number of bedrooms for guests in B&B accommodation in London was two. Lynch (1998) found that most host families used only one or two bedrooms for hosting, echoed by Huang (2008), whose survey revealed that 88.9% of B&Bs had less than five rooms.

It is true that the defining size of SABs mentioned above appears arbitrary and confusing, due to the varying indicators used and different criteria referred to. But further investigation of characteristics is all based on these categorizations. It has been noticed that business of small size have defining qualitative characteristics (Burns, 2001). These unique features include business orientation and motivation, management and ownership, service orientation and commitment, operation and marketing (Morrison & Conway, 2007).

In terms of entrepreneurship, SABs are usually regarded as related to dominant lifestyle motivation, which is especially the case in rural and peripheral areas (Lockyer & Morrison, 1999; Buicket al., 2000; Getz & Carlsen, 2000; Komppula, 2004). Qualitative social rewards may be prioritized over those of a quantitatively defined economic nature (Peltonen et al., 2004). The lack of formal planning in terms of entering the tourism accommodation business is a common theme (Bensemann & Hall, 2010) and the entry barriers to establishing a small hotel are quite small, mostly requiring capital investment within the realms of domestic property investment (Beaver & Lashley, 1998; Shaw & Williams, 1988).

In terms of management and ownership, SABs tend to be administered by its owners or part-owners (Ateljevic, Pritchard, & Morgan, 2007; Carr 2007; Thomas 1998) and there is a close connection between an owner-manager and the firm (Vesalainen, 1995), just like their counterparts in other industries. To be specific, they are named by Morrison (1998) as "family-run micro enterprises", indicating that they are mostly owned and operated by families, and mostly female members. It has been claimed that owner operators account for 85% of all hotels (MSI, 1996) and is the essential feature of small businesses (Thomas, 2000). The management process, therefore, is characterized by the highly personalized preferences, prejudices and attitudes of the firm's entrepreneur, owner and/or owner manager (Jennings & Beaver, 1997; Beaver & Lashley, 1998), and is based on a non-sophisticated, non-bureaucratic, flexible organizational structure, featuring efficient information flow, relatively quick decision-making and proximity to their customer base (You, 1995). Also, the involvement of family might well lead to the uniqueness in the service provided. For example, homestays usually provide tourists with the experience of "home", as well as local culture and environment, in addition to supplement of food and shelter.

Regarding operation and marketing, while larger firms may be better adapted to catering for larger, standardized markets, small businesses are thought to be better at serving niche markets for specialized products. They tend to thrive in the "interstices" of major markets, in niche submarket that are not large enough to support large firms (Penrose, 1959). In this sense, SABs are often termed as "supplementary accommodation" by both policy makers and researchers. Rodenburg's (1980) study in Bali found that compared to large industrial tourism, the small industrial type tended to market its services more directly to guests, not retailers. Most of SABs attract tourists on the merits of their inexpensive prices, and thus operate in the lower reaches of the market (Moutinho, 1990; Wong, 1991; Main, 1994; Buhalis, 1995; WTO, 2000). Meanwhile, SABs are vulnerable to market turbulence and competition, which gives rise to associations providing shelter. That is why homestay programmes are usually operated on the basis of community in developing countries (e.g. Malaysia).

Aside from above findings, other characteristics regarding SABs identified include: operating below the Value Added Tax registration threshold level, not registered with officialdom as below legal room size limit, no government policy for compulsory registration, seasonal and intermittent patterns of operation, active avoidance by operators of bureaucracy, legal, and fiscal scrutiny, general inconsistencies in the manner in which they are counted (Morrison, 1998).

Small business perspective approaches SABs in terms of size and emphasize the unique characteristics resulting from small size. This actually justifies the necessity of study on SABs. It also open doors for further investigating other characteristics of SABs from other perspectives. The problems with this lens, however, are the various views on the concepts of "small" due to issues of sectoral differences, alternative perspectives on the nature of size, and the general lack of common approach (Morrison, 1998; Morrison & Conway, 2007; Peascock, 1993; Thomas, 1998).

2.1.1.2 Family business perspective

The second perspective is that of the family business where the family ownership and family involvement are regarded the main distinguishing features and therefore can shed light on the significance to the running of the organization of the people element through making prominent family goals, life cycle and interrelationships (Getz & Carlsen, 2000; Getz, Carlsen, & Morrison, 2004). Research in this stream mainly focuses on how families, as well as their goals, life cycles, and interrelationships can affect the running of a business. The major concern is the interactions between family dynamics and business operations, such as goals, gender roles, dealing with family issues, ownership, family involvement and evolution of the business within the family life cycle.

Small businesses in tourism and hospitality industries are found to be mostly run by owner-operators, based on their families (Getz & Carlsen, 1999). Thomas (1998) even bluntly indicated that small tourism businesses were usually “owned and operated by family”. These claims have been supported by abundant empirical studies. According to the survey of Komppula (2014) in Finland, 82% of the small accommodation businesses operated with family members only. Wanhill (1997) and Andriotis (2002) also found that smaller hospitality firms tended to employ a higher number of family members. SABs, therefore, are thought to be heavily influenced by their owner families, which leads to some operational characteristics different from non-family businesses. For example, they are frequently assumed to be risk-averse because they must place family security ahead of potential growth (Getz & Petersen, 2005).

Researches taking this perspective actually follows the tradition of family business research which is aimed at large family businesses, and typically treat family and business as two separate units. This presumption, however, seems problematic. SABs and their owner family are observed to be inseparable in reality. The labor forces for SABs are usually family members, and the premises of operation overlaps with living space of the family (Di Domenico & Lynch, 2007). Family unit formed on the basis of on kinships takes the role of operating organization, with the latter usually based on contractual relationships. Also, all income from SAB goes into the owner family. For SABs, the boundary between family and business is blurred, which in turn demolishes the divisions of the private personal life from the public spheres of work.

“Home”, therefore, should be considered as an element internal to SABs, which forms their distinguishing feature from traditional accommodation businesses (Lynch, 2005). In traditional hotels, the host’s private home is not on the premises for business, and the boundaries distinguishing public space (which is open to staff and visitors) from private space (which is open to staff only) are relatively distinct. For commercial home settings, things are different, there is no clear cut boundary between hosts’ private home, private space, and public space. These differences are not trivial and neglectable. Actually they induce a “homelike” experiences for tourists. A host family provides accommodation, normally with meals, within their private home, and it is expected that a high degree of interaction will occur between hosts and guests, and family and guests (Lynch, 1998), therefore create a “homely atmosphere” (Stringer, 1981). Although some traditional hotels can be operated within domestic spaces with surrogate “home away from home” guest experiences (Guerrier & Adi, 2000), they merely mimic the home setting, and thus provide “inauthentic experience”. To some extent, the commercial home also seems to fit into a post-Fordist trend towards more individualized holiday products and experiences (Urry, 1990), which offer more personalized, authentic holiday experiences (Poon, 1993).

There seems to be a general desire for this kind of “authentic”, “homelike” accommodation, as Wood (1994) commented. All these experiences themselves could be regarded as the “peak experiences” (Quan & Wang, 2004) pursued by tourists, instead of supporting “budget” form of accommodation. In the United States, Canada, Africa, Australia and New Zealand, some of this type of accommodation is typically more expensive than standard forms of accommodation and is seen as an alternative or specialist type of experience (see Pearce, 1990; Kaufman et al., 1996; Lubetkin, 1999; Lanier, 2000; McGehee & Kim, 2004; Sakach, 2010).

Most of the existing hospitality researches approach SABs through a business perspective, based on disciplines such as entrepreneurship, marketing, and management. Traditional private home setting is highly significant as a temporal and cultural construct, and the concept of home is very lightly investigated by the literature in hospitality (Lynch, 2005). Against this background, “commercial home” is a new, fresh but promising and informing concept.

2.1.1.3 Entrepreneurship perspective

The third perspective is that of entrepreneurship, i.e. the start-up of SABs, within which entrepreneurial motivation, especially lifestyle motivation is the major concern (e.g. Ateljevic & Doorne, 2000; Peters, Frehse, & Buhalis, 2009). Tourism researchers have tried to build up the connection between tourism and entrepreneurship, with tourism entrepreneur as the entry point. The past decades have seen disproportionately large amount of academic contribution to the issues critical to tourism entrepreneurs, such as attitude, motivation and goal (Getz & Petersen, 2005;Barbieri & Mahoney,2009; Lashley & Rowson,2010; Ahmad, Jabeen, & Khan,2014), personal traits (Beeka & Rimmington, 2011; Jaafar, Abdul-Aziz, Maideen, & Mohd, 2011; Kensbock, & Jennings, 2011), personal capability (Phelan & Sharpley,2010,2011; Seuneke, Lans, & Wiskerke, 2013), and entrepreneurial choice and decision making (Loureiro & Jervell-Moxnes, 2004; Di Domenico & Miller, 2012; Wang, 2013). Special entrepreneur groups, such as female entrepreneurs (Noguera, Alvarez, Ribeiro, & Urbano, 2013) and migrant entrepreneurs (Getz & Carlsen, 2000; Williams, Shaw, & Greenwood, 1989), were also discussed. These efforts have identified some features unique to tourism entrepreneurship which could not be explained by traditional entrepreneurial theory, of which the most prominent one is "lifestyle entrepreneurs" (Shaw & Williams, 2004; Peters, Frehs,e & Buhalis, 2009; Marchant & Mottiar, 2011).

Lifestyle motivation is a typical start-up motivation of small tourism businesses and is dominant on many occasions. It implies that owner-operators start their businesses to experience certain lifestyle, instead of to pursue profit. This idea seems novel since it contradicts against the common assumption that business organizations feature maximizing profit. Instead of profit seekers, tourism entrepreneurs are described as kind of "autonomy seekers" who enter the industry predominantly as a choice for escaping from "money shackles". Thus, non-profit factors, such as hobby (Kousis, 1989; Lynch, 1996; Oppermann, 1997), way of life (Bransgrove & King, 1996; McKercher, 1998), social rewarding (Frater, 1983; Pearce, 1990), family and environment are major concerns during their entrepreneurial process. The pervasive "lifestyle motivation" among tourism entrepreneurs has been supported by mountainous empirical researches in western contexts, mainly Europe (Lashley & Rowsen, 2010; Thomas et al., 2000; Reijonen, 2008), Canada (Getz & Petersen, 2005), and Australia.

For these "autonomy-oriented owners" or "lifestyle entrepreneurs", business growth is treated as secondary to achieving a consistent living (Smith, 1967; Reijonen, 2008). Domenico (2003) found no evidence of desire for growth in a qualitative study of guesthouse owners. They might even reject certain economic and business growth opportunities (Ateljevic & Doorne, 2000), and keep their business from growing (Getz & Petersen, 2004). Other researchers suggest that only one in eight small firms in this sector has primary business growth aims (Beaver & Lashley, 1998; Lashley & Rowson, 2003, 2007).

The "lifestyle motivation" has attracted enormous research attention in last decades, probably due to its deviance from the stereotyped image of profit-seeking entrepreneurs in the common sense. However, non-profit goal is not unique to small businesses in tourism and hospitality sector. In fact, less than 20% of small business owners, regardless of their industrial background, express a desire to earn lots of money in the United States (Hatten, 2012). However popular and informing, the lifestyle concept has been critiqued with cautionary notes on its interpretation as it is complex, socially constructed, and dependent on individual economic conditions and embedded in cultural-value systems.

First, it should not be claimed that lifestyle motivation and profit motivation is mutually exclusive, although lifestyle motivation may truly outshine profit motivation in some occasions. Start-up motivation is not unitary, but rather multi-faceted. That is, a SAB owner-operator may start their business with sets of goals. Getz and Carlsen (2000), through a survey in west Australia, found business opportunity ranked second high to appealing lifestyle as starting goal of the entrepreneurs. Morrison (2002) observed that the notion of "satisfying" financial returns to support lifestyle ideals is prevalent. She refers to "survival" and "securing sufficient income to. . . . (provide)...a satisfactory level of funds to sustain enjoyment in their chosen lifestyle" (p. 16) as epitomising this "balance" of personal utility. These comments were echoed by Beaver (2002). Holmengen and Bredvold (2003) further suggested that lifestyle motivations of small tourism enterprises were adjustable, according to what is economically achievable for the business. In their view, lifestyle motive and profit motive could be intertwined, as good service is measured financially. Actually, it is possible and necessary to combine entrepreneurial pursuit with lifestyle, as the examples of what Richards and Wilson (2006) called "prosumers", referring to people engaging in a mixture of skilled production and consumption. Moreover, it is not the case that motivation remains static during the whole business lifecycle and as such, lifestyle entrepreneurs be lifestyle motivated for their whole life. Lifestyle motivation might dominate in the initial stage of entrepreneurship, but finally give way to profit motivation, and vice versa.

Second, it is inappropriate to claim that lifestyle motivation is pervasive in all SABs in all regions. The motivation for starting ups accommodation businesses is found to vary from person to person, and from region to region. Based on existing empirical findings of lifestyle entrepreneurship, certain patterns could be drawn out. These studies are mostly conducted in developed countries, and lifestyle entrepreneurship largely occurs to immigrants to countryside to retire or to commute (Tinsley & Lynch, 2001). They bring with them financial capital from the city (Ateljevic & Doorne, 2000; Lane, 1995), and do not have to be concerned too much about livelihood. But even so, they could not completely abandon financial returns as support to their lifestyle. For those owner operators who have to struggle for life, profit is even more a dominant motivation. The evidence could also be found in developed countries. For example, SABs based on farm stays in Australia are found to be established to support the main farm business (Pearce, 1990). Most farm stay businesses were regarded as a farm-centered, income-generating activity in reaction to agricultural policy reforms in America and Europe (Haugen & Vik, 2008). McGehee et al. (2007) also found that the main motivation for operation of agri-tourism in Virginia was earning additional income.

Based on piles of empirical findings, it could be inferred that profit related motivation is dominant in developing countries. Many developing countries in Asia (e.g. Malaysia, Indonesia) promote SABs such as homestay programmes in order to boost the development of rural communities and to reduce income imbalance between the rural and urban areas. This occurs against the background that the decline of agriculture as an income and employment generator in rural areas in developed economies has led their populations to search for other, more economically viable alternatives (Jenkins, Hall, & Troughton, 1998; Fleischer & Felsenstein, 2000; Tchetchik, Fleischer, & Finlkeshtain, 2011). It is found that more participants have become motivated and encouraged to run the homestay programmes due to the potential in providing additional income and employment within the community in Malaysia. Homestays are also regarded as supplementing rural livelihoods in India (Anand, Chandan, & Singh, 2012). For tourism entrepreneurs in Straja resort, it was found that 79% of the total respondents declared that higher earning was the main reason they become entrepreneurs (Gică, Moisescu, & Nemeş, 2014). The dominant profit-related entrepreneurial motivation is also found in Kenya (Korir, Kiprutto, & Rop, 2013), and United Arab Emirates (Ahamad et al., 2014). In China, through survey in suburbs of Shanghai, Wuhan and Chengdu, Wang (2013) found that SAB in rural China are concerned more about short-term economic and social goals but less concerned about long term economic goals and self-achievement.

Third, it should not be claimed that lifestyle entrepreneurs would necessarily reject business growth. It is understandable considering the compatibility of lifestyle motivation and profit motivation. Empirically, Thomas (2000) claims that the bulk of small tourism firms do not aspire to grow, whereas Buick et al. (2000) have recorded the opposite finding from their study of small, independent Scottish hotels. Skokic and Morrison (2011), Getz and Carlsen (2000), Buick et al. (2000) found that even the SAB entrepreneurs expressing lifestyle entry motives express a desire to grow their business.

It is true that growth is often not easy or feasible owing to a lack of capital, or consciously avoided because of its implications for increased debt, more work, or risk (Getz & Petersen, 2005). From an economic perspective, making a reasonable living, not growth, usually constitutes a measure of success for many SABs. But growth decision and growth motivation should be considered as a separate topic from entrepreneurial motivation. There is no evidence that incumbent successful entrepreneurs started their business with ambition initially. Also it is hard to imagine that they will remain ambitious during the whole entrepreneurial process. Growth of SABs is a complicated phenomenon and the decision depends on judge and weighing by owner-operators based on market opportunity and resource available. It might be possible that lifestyle enterprises do not necessarily stop growing. As the firm grows, the owner-manager may situate himself more as a professional entrepreneur rather than a private home owner or "part-time businessman". They might regard operating the business more as production rather than consumption. Arguably, the entrepreneurs' perception of the business is evolving as the business goes on, as well as their motivation.

2.1.2 Research gaps

The existing researches of SABs in tourism field can mostly find their place in the above three research streams. As is indicated, each of the three perspectives of SAB researches focuses on one aspect of the SAB and depicts certain related prominent characteristics. Different findings from various angles complement each other and help form the whole picture, and thus improve our understanding of these important tourism market players. To summarize, both their quantitative characteristics, i.e. size, and qualitative characteristics, including motivation, nature of product, relationship with family and home, are identified by existing researches.

Small size is the primary, most apparent characteristic of SABs. Intuitively, SABs are usually perceived as "small-sized accommodation businesses". Literally conspicuous as it is, there is no consensus on the criteria and standards, i.e. how "small" it should be? After all, the hospitality industry is filled with businesses of different size, but which part of them could be counted as "small businesses"? Answers to this question varies among both researchers and practitioners. The critical point set by existing researches, however authoritative they are, are more or less arbitrary. This awkward situation is not unique to small businesses in hospitality industry. In fact, it is born with the concept of "small business". Researches of small business perspectives mentioned above are not exception and deal with this problem in similar arbitrary way, thereby transforming this definitional, theoretical issue into sampling, methodological issue.

As arbitrary as the definitions are, what's important is the fact that size does matter. Small sized accommodation businesses are different from their large-sized counterparts in terms of business goal, product nature, ownership and operation. Firstly, small accommodation businesses are owned and operated by families, and thus are significantly influenced by the dynamics within the owner families. Secondly, an SAB is typically operated based on home, and thus has dual roles of private home and business, which provides unique, peak experience to tourists. Third, SABs are typically set up and operated for non-profit goals.

The shortcomings of the findings, however, are as obvious as they are enlightening. Additional to lack of consensus and blurred critical point of size, their descriptions of SAB characteristics are fragmented and can hardly catch the essential feature of SAB, which can provide explanation for all these characteristics identified and can be found in more general scope of industries.

In addition to poor definition of SABs, the researches on SABs per se rather than corresponding tourists is limited. Most of the existing researches on SAB are thought to feature an absence of shift of the way in which researchers "see" small firms in tourism. Thereby, the filed remains "under-theorized" (Page, Forer, & Lawton, 1999) and moreover, "static". This contention is made based on the following observations.

First, it is apparent that most of existing researches are descriptive. Both qualitative and quantitative attributes of SABs, such as small size, family owned and family involvement, connection with home and lifestyle goals are all investigated and described in isolation of each other, based on distinct perspectives. Few attempt is made to investigate their causes. The same situation is found in terms of SAB behavior patterns. It has been identified that SABs are different from large hotels in behaviors such as management, operation, and their articulation with the sider socio-economic environment (marketing, public relation etc.). For example, they are found to be aimed at lower-end of market. But again, there are few explanations. Why SABs demonstrate the unique qualitative attributes? Are these attributes inter-correlated or related to size? Are these attributes influential on behavior pattern? All these questions should be answered in order to get a more comprehensive understanding of SABs.

Second, the heterogeneity of attributes and behavior patterns among different SABs is largely neglected. The difference between SABs and their large counterparts are what is emphasized when justifying SABs as an object worthy of research. But this is far from a strict dichotomy. As practically observed, the transition from SABs to large businesses seems continuous and SABs themselves feature heterogeneity too. It has been found that both quantitative features (i.e. size) and qualitative features (e.g. motivation, management, product) are various within the domain of SAB.

According to Lashley (2009), SABs such as homestays are regarded as "traditional" or "ancient" approaches to hospitality. They engage in commercial activities on a range of levels, from the occasional paying guest in the more popular times of year, to businesses which attract and host customers throughout the year (Lashley, 2009). The revenue from the business may range from constituting a minor part of total income of the family to a major part of it. According to Hall & Rusher's study (2004, 2005) into 347 B&Bs in New Zealand, over 47% of the respondents earn 20% or less of their total income from B&B business. In New Zealand, the survey of Hall and Rusher (2004) revealed that there was substantial variability in the amount that income from accommodation provided compared with the total income of respondents. For 32% of respondents, accommodation income provided less than 10% of all income (with a total of almost 47% earning less than 20% from accommodation), while for 18% it provided between 91 and 100% of all income. These variation are found to be inter-related. As the type of unit becomes larger, the financial dependence on the income appears to increase (Lynch, 2005).

Plus, different scale of enterprises operate upon different value and relationships. As they get larger, they tend to impose industrial and commercial relationship. Because of small scale and limited resources, SABs are usually heavily dependent on family for labor, capital and rely on home for premises. Their product, commercial hospitality, is usually offered in domestic settings. That means, the hosts share the domestic premises with those fee-paying. As a result, the host home becomes "commercial home" (Lashley, 2009). Despite the above empirical findings, few of them attracts attention from tourism researchers. Rare attempt is made to explain the heterogeneity and their impacts of the variance and heterogeneity remains unknown.

Third, most of the existing researches take a static perspective when examining SABs. Researchers have treated SABs as unchanged entities, with the entrepreneurial nature of commercial homes remaining an under-researched area (Mottiar & Laurincikova, 2009). In reality, SABs are coming into being, growing, and fading away. This picture is far from static, but rather dynamic and full of change. In certain sense, the heterogeneity mentioned above is actually the result of this dynamic process. Although entrepreneurship of SABs is addressed extensively, most of it goes to individual entrepreneurs, specifically their motivation. Little research examines the dynamic lifecycle of SABs, i.e. their growth. Starting a new business is far more tapped into than firm growth in tourism and hospitality research (Johannesson et al., 2003; Zhao, 2009)

To summarize, the existing research on SABs suffers from poor and blurred definition and there are few studies intended to account for the variance and variation of SABs. How does the variance or growth take place? Is the variance in qualitative feature correlated with that in quantitative feature? How can they be incorporated into a single framework so that a holistic understanding can be reached? What is the cause and result of the variance? Answers to these questions are important both to theory development and practice.

This study aims to fill the above research gaps. In Chapter 2.3, a growth perspective is proposed and SABs are viewed as taking family mode of production which may undergo variance during their lifecycle leading to the heterogeneity in terms of attributes.

2.2 SAB as family mode of production

Through literature review in Chapter 2.1, it is found that the existing definitions of SABs are fragmented and can hardly capture the distinguishing feature of SAB. Both qualitative and quantitative attributes of SABs, such as small size, family owned and family involvement, connection with home and lifestyle goals are all investigated and described in isolation of each other, based on distinct perspectives. Few attempt is made to investigate their causes. To address the problem, it is necessary to identify the essential features that can provide explanation for all these characteristics identified and can be found in more general scope of industries. This study proposes that SABs feature taking "family mode of production".

2.2.1 Family mode of production

Unlike family business perspective which regards family and business as separated units, "family mode of production" (Lipton, 1980) acknowledges the overlap of family and business. It is also referred to as "home based enterprise", "home-based business", or "cottage industry" (Strassmann, 1987), defined as any business entity engaged in selling products or services into the market, with or without employees, that uses residential property as a base (Mason, Carter, & Tagg, 2011). By definition, it is a combination of business and family, in contrast to capitalist mode of production which features salaried employees and separation of business from family. This combination is demonstrated in terms of inter-dependence and fungibility of resources between family and business.

On one hand, the business in family mode of production relies almost totally on the household for primary production materials, i.e. capital, land, and labor. Home-based firms employ family members as the main source of labor instead of salaried employee, and thus it is possible to exploit the fragmented spare time of family members (e.g., the female, elder or children) which is not available from full-time employees (Chayanov, 1966; Huang, 2011). Therefore, from the perspective of economics, the variable of wage is absent from the accounting equation. They can produce at a lower cost level than capitalist type of firm with salaried employees, which implies that they are in a sense more competitive than large capitalist firms.

On the other hand, family mode of production is characterized by "extended fungibility" of resources between the business spheres, which features production, and domestic spheres, which features consumption. Fungibility is defined as “the extent to which a rise or fall in the availability of a resource can be treated as if it were a change in cash funds, and thus converted swiftly, conveniently and without loss into a change in whichever input, to which activity, maximizes benefit” (Lipton, 1980, p. 228). Family mode of production enterprises, such as peasant households, retailor families, are both productive and reproductive organizations. The capital and labor resources will meet productive or consumptive needs according to priorities, say, by restricting immediate consumption for investment in a petty productive enterprise, or using petty capital to meet basic household needs during a reproductive crisis. This can be done through shift in resource allocation in time (i.e. between seasons), space (i.e. from one area of production or another), and within the family (i.e. between generations). For example, time spent on domestic activities can be converted into time spent on home-based enterprises as the ebb and flow of domestic work allows, and space can be used for a range of activities which may change throughout the day as well as seasonally (Lipton, 1980). This fungibility of resource in family mode of production can be realized at minimal cost and inconvenience.

From a historic perspective, family mode of production is the most ancient way of production which could be traced back to pre-capitalist times. The beginnings of the Industrial revolution in Britain were marked by the move from home-based to factory-based manufacture. Living quarters attached to one’s place of business were nature to classical economists such as Adam Smith. Even in current capitalist societies, family based production continues to be the dominant mode in certain industries, e.g. retailing, hospitality, as part of sophisticated and complex production and distribution system (Tipple, 1993). Smaller enterprises tend to be locally owned and employ more family members (Kontogeorgopoulos, 1998). According to the survey of Federation of Small Businesses in 2005 in the United Kingdom aimed at 18,939 small businesses, home-based business accounted for 36% of all small businesses in the sample (Mason, Carter, & Tagg, 2010). In 2006, the number was 52% (Hatten, 2012).

Though dormant in industrialization, family mode of production gets to blossom in the post-industrial era for the home becomes an important focus for work, reversing the forces of the industrial era in which the spaces of home and work were clearly demarcated (Felstead et al, 2005).

These “marginal businesses” (Bjerke & Hultman, 2002) is found to be overwhelming in amount. According to the UK Labor Force Survey, nearly two-thirds of all home-based workers are self-employed (Ruiz & Walling, 2005). Home-based businesses have been found particularly important in rural areas, at least in the United States and the United Kingdom.

It can therefore be inferred that family mode of production goes hand in hand with small businesses. On one hand, family mode of production is usually the best choice, and sometimes even the sole choice for small businesses. In its very origin, small businesses are often started on the premises to supplement income for the family, i.e. an individual with his or her spouse (Bjerke & Hultman, 2002), and thus is often regarded as a strategy only for “survival” (Chayanov, 1966; Lipton, 1980). With limited resources in initial stages of business and the availability of home as nature production premises and family members as potential labor, it is nature and wise for them to rely on family for necessary resources. It has been found that the main reason of choosing a home location is mainly cost-minimization (Mason, Carter, & Tagg, 2010). This may partly explain why it is more popular in peripheral or less developed areas (e.g. Strassmann, 1987; Leinbach, 2003; Kellett & Tipple, 2003). On the other hand, businesses with family mode of production tend to remain small in scale due to the natural limitation exerted by family in terms of resources, e.g. limited living space and family members. These micro-level businesses are usually described as “invisible”, partly because their owners fear to be “discovered” that they are breaking the conditions of their property deeds, tenancy contract, or they might be subject to additional expenses (business taxes) or regulations. In this sense, the family mode of production is the core of the “informal economic sector” (Lipton, 1980; Strassmann, 1987).

SABs are no exception. The idea that SABs are family mode of production is not new. It has been acknowledged that emergence of most SABs are the result of household engaging in commercial hospitality activities (Lynch, 2003, 2005), or as Baines and Gelder (2003) described, home and family emotionally and physically incorporated into the business. More directly, Lynch, McIntosh and Tucker (2009) described SABs as “commercial homes”, defined as where the home or a home construct is used for the purpose of generating income through accommodation letting. Related concepts include “commercial home enterprises” (Lynch, 2003, 2005), “home-based accommodation” (Goulding, 2009), or “home based hospitality enterprises” (Di Domenico, 2008).

This idea may even be traced back to Stringer (1981), Pearce (1990) and Lowe (1988) who highlighted the significance of the home setting in the construction of the small commercial accommodation product. However, most of the existing hospitality researches approach SABs through a business perspective, based on disciplines such as entrepreneurship, marketing, and management. Traditional private home setting is highly significant as a temporal and cultural construct, and the concept of home is very lightly investigated by the literature in hospitality (Lynch, 2004). Against this background, "commercial home" is a new, fresh but promising and informing perspective to examine SABs.

2.2.2 Defining characteristics of SABs

Treating SABs as a family mode of production means acknowledging the dual nature of SABs as both family and business. Family in its nature is a reproductive organization and is usually related to the goal of better life quality, while business in essence is a productive organization aimed at profit maximization. The nature and goal of SABs, however, demonstrates combination of the two. They allocate costs, benefits and risks as to maximize expected utility to the household, not only profits to the enterprise. Normally, these two goals are compatible. The business is usually seen as a way of survival and livelihood for the family and the profit is used to satisfy the consumptive needs of family members. But they may conflict with each other in some occasions. For example, when improving the profits of SABs may cause risks or unstableness to family, it might be necessary to make trade-off in order to maximize the total utility to the household.

This overlap of goals of SABs may provide sound explanation for "lifestyle entrepreneurship" largely found in existing researches. In its nature, "to experience certain kind of lifestyle" belongs to the goal of family and is reproductive, or consumptive. As is indicated, start-up motivation of SABs is not unitary, but rather multi-faceted. Besides lifestyle consideration, profit motivation is also found. Sometimes financial returns are expected to support lifestyle ideals. Whichever motivation dominates, it is the result of trade-off. Therefore, the prominence of business goal might well depend on the extent to which the whole family rely on the income from the business.

This overlap of goals might take its root on the inter-dependence and fungibility of resources between family and business. To satisfy the consumptive needs of family members, it is necessary for family to mobilize certain living materials, e.g. shelter, clothes, food and drink et al. For SABs, the necessary materials for service delivery can be categorized into premises (including both property and relative equipment) and labor.

In this sense, the overlap of resources takes place in terms of overlap of premise and overlap of labor. On one hand, the premise for SABs are exactly the living space of the host family. The residential property is used for accommodation, the kitchen is used to serve food, and the yard, garden or farm is used to entertain tourists. “Home” is thereby considered as an element internal to SABs, which forms their distinguishing feature from “traditional” accommodation businesses (Lynch, 2005). In traditional hotels, the host’s private home is not on the premises for business, and the boundaries distinguishing public space (which is open to staff and visitors) from private space (which is open to staff only) are relatively distinct. For commercial home settings, there is no clear cut boundary between hosts’ private home, private space, and public space.

Meanwhile, all the services provided by the SAB come from family members. That is, the employees of the SAB are exactly the family members, thereby informal and generally unsophisticated approaches to the management are of high incidence (Page et al., 1999). This may explain the findings that SABs are based on a non-sophisticated, non-bureaucratic, flexible organizational structure, featuring efficient information flow, relatively quick decision-making and proximity to their customer base (Bjerke & Hultman, 2004). Also, the fungibility may account for the why commercial homes are often treated as a buffer to the seasonality of accommodation industry in destinations, and regarded as “supplimentary accommodation”.

Three defining attributes of SABs as family mode of production are therefore identified, i.e. overlap in premises, overlap in labor and overlap in goal. As is indicated, these attributes may provide explanation for SAB uniqueness identified in existing researches, such as informal management, lifestyle motivation, and involvement of family.

These three attributes identified also challenge many binary distinctions between, for example: the public hotel and the private home, home and away, commercial and non-commercial, commodification and authenticity, and work and home (Lynch, Mcintosh, &Tucker, 2009). The private home and business that was separated by industrial revolution converge again. In this way, the commercial home constitutes a fusion of the commercial, social and private domains of hospitality proposed by Lashley (2000). Different disciplines may encounter in this arena and many interesting research topics may be derived.

2.3 Business growth theory and growth perspective

A majority of empirical findings reveal that SABs are of different size and characteristics (N. Walford, 2001). Also, they may undergo changes in both size and other attributes with their development. Although it has been identified that SABs are family mode of production and the three defining characteristics may explain most of the identified attributes, the cross-sectional and longitudinal variance of these attributes are still noteworthy and in need of explanation. Taking the static, homogeneous view as most existing researches did might well largely limit our understanding of SABs. To address this problem, a growth perspective is proposed based on business growth theory.

2.3.1 Entrepreneurship and business growth

As one of the major market players, businesses emerge, grow and perish growth every day. The genesis and growth of businesses is an interesting and critical phenomenon. It provides insights into the dynamics of the competitive process, strategic behavior, the evolution of market structure, and perhaps even the growth of the aggregate economy. Also, it may provide insights into the heterogeneity of businesses from a cross-sectional lens.

Notably, not all business should and would grow into large firms, neither that all businesses grow in the same way. The status of being a growth-oriented firm may be rather temporary (Spilling, 2001), and most businesses that enter small often remain small, because they face formidable barriers to growth or they simply do not have the intention to grow. It has even been suggested that it is more common to find the entry of large firms than smaller firms growing large (Van Biesebroeck, 2005). Indeed, several authors have commented on the "missing middle" in the firm size distribution that arises when large firms grow larger but small firms rarely grow themselves into the next size category (Tybout, 2000; Sleuwaegen & Goedhuys, 2002).

Intuitively, it is hard to separate business genesis process from growth process. They are both about discovering and exploiting opportunities (Shane & Venkataraman, 2000; Coad, 2009), and both share spirit of "entrepreneurship" (Sexton, 2000), which in broad term is defined as the initiation of change through creation or innovation that usually bears risk (Rimmington, Williams, & Morrison, 2009; Yang & Wall, 2008).

As a result, business growth is usually regarded by a part of researchers as a part of entrepreneurship, an indication of "continued entrepreneurship" (Davidsson, 1991), or "intra-preneurship", which is defined as entrepreneurial activities within an existing organization, featuring doing new things and departing from the customary to pursue opportunities (Vesper, 1984; Stevenson & Jarillo, 1990; Antoncic & Hisrich, 2003). This approach is common and is the reason why there is limited research mentioning "growth".

But other researchers insist that starting a new independent firm, or entrepreneurship, should be treated as growing a firm (e.g. Penrose, 1959). Taking the whole lifecycle of business into consideration, it is hard to find an exact point of "genesis", and thus there is only "growth" left. Regardless of their disparities, they both recognize the commonalities between business growth and entrepreneurship.

2.3.2 Streams of business growth researches

In this study, business genesis is treated as a part of growth. The most comprehensive, adequate, and popular theory on growth was developed around 50 years ago with Penrose's (1959) publication of "The Theory of the Growth of the Firm". Since then, a large number of researchers have been striving to refine the theory to better describe and explain this phenomenon. By thorough literature review, McKelvie and Wiklund (2010) distinguished three streams of business growth researches, namely "the growth process", "the outcome of growth", and "growth as an outcome". According to the classification, those focusing on "the growth process" try to answer the question of "what exactly happens when a firm grows", while those of "the outcome of growth" mainly treat growth as an independent variable and examine the changes brought to the organization by growth. These researches mainly focus on "lifecycle model" of growth. The third stream, "growth as an outcome", is conceivably the largest stream and treat growth as the dependent variable, whereby the influencing factors are investigated. They essentially have as their primary goal to explain varying growth rates and increments of growth.

Concise as the categorization is, there are still problems. On the one hand, business growth can be examined from different levels, i.e. individual level and business level. Both levels of analysis are blended in the category of "the growth process" and their difference as well as relationships are thus not identified. On the other hand, those researches of "the outcome of growth" are supposed to be focused on changes in result of organization. But this categorization is based on a narrow definition of growth as quantitative growth, i.e. growth in size. In fact, the changes accompanying size increase should be regarded as a part of growth, broadly speaking.

Considering a broad definition of business growth, the business growth theory can better be classified into two aspects, i.e. nature of business growth (business growth as activities and business growth as a process) and precedents of business growth.

2.3.3 Nature of business growth

This category of researches mainly answered the question: "what exactly is business growth?" Generally, the nature of business growth could be understood from two inter-related perspectives, i.e. business growth as activity and business growth as process. Specifically, business growth as activity occurs on individual level and is related to the entrepreneur, while business growth as process happens on business level and is related to the organization. Also, it could be claimed that business growth process is the result of business growth activities of the entrepreneur.

2.3.3.1 Business growth as a series of activities

Penrose (1995) defined business growth as the process of adapting productive base to market opportunities. Typically, a small firm's growth is determined by new sales (or market demand) (Bjerke & Hultman, 2002). Growth of firm is somehow related to the concept of "business development", which refers to the process by which an organization uses internal, external or joint resources in order to launch, improve, modify or extend its offerings in an existing or in a new market (Hassanien, Dale, & Clarke, 2010). The prototypical growth is that entrepreneurs see stable growth in sales over considerable time, typically through market penetration and some diversification, and this growth in sales is at least to some extent accompanied with accumulation of employees and assets. With this assumption, organizational and managerial complexities increase with growth (Delmar & Wiklund, 2010). Business growth activities by entrepreneurs thus essentially includes identifying market opportunity and mobilizing resources (i.e. financial capital and human capital).

Entrepreneurs play a critical role in growth process and are considered to have a particular set of capabilities to both perceive opportunities and to capitalize on them (Penrose, 1959). Small business growth does not represent a self-evident phenomenon nor is it a matter of chance, but is a result of clear, positively motivated business intentions and actions on the part of the owner-manager, driven by the belief that the owner-manager can produce the desired outcomes (Gray, 2000; Maki & Pukkinen, 2000).

Therefore, growing a business tends to be personality-driven and opportunistic or instinctive in approach (Burke & Jarrat, 2000). An evidence is the difference between male entrepreneurs and female entrepreneurs in developing countries. Female entrepreneurs in developing countries are found to be less ambitious about growth and financial performance than their male counterparts (Hisrich & Ozturk, 1999). They are less concerned about achieving their high-growth business aspirations than they are about providing for their families. These female-led enterprises are typically smaller and pay less to their employees. There is ample evidence that female enterprises in developing countries experience slower growth than male enterprises (McPherson, 1996; Mead & Liedholm, 1998) presumably because of conservative social values and attitudes concerning women in industry (El-Namaki, 1988).

This extremely personal aspect of the growth of individual firms seems to make business growth in individual level a "chaotic phenomenon", which has undoubtedly been one of the obstacles in the way of the development of a general theory (Penrose, 1959). Thus, theoretical development in firm growth has been notably slow (Davidsson & Wiklund, 2000; Delmar, Davidsson, & Gartner, 2003; Shepherd & Wiklund, 2009), and most related researches are focused on entrepreneurs, e.g. their personality, motivation et al. The so-called lifestyle businesses in the small business sector is not uncommon, especially in tourism and hospitality industry. Walker and Brown (2004) reported that such businesses have neither explicit financial objective nor no intention of expanding. Therefore, it is true that not every business would intend to and undergo growth. After all, it largely depends on individual entrepreneurs. However, given the changing market demand, it was found that the firm started by entrepreneurs who settle for low or no growth will suffer staggering or even declining in sales.

In summary, when business growth is examined from individual level, the objects of analysis are usually individual entrepreneurs and their behavior. This is the basic, primary level of analysis and provides explanation for higher level of analysis, i.e. firm or business level. However, the changeable, varying personal aspect of business growth may lead to obscure and uncertainty, because of which the theories developed on firm level are unable to be generalized. Also, certain patterns derived on the individual and activity level might well lead to the same result on business level. For example, it has been observed that growth can take different approaches, e.g., in terms of degree of vertical integration, diversification, or licensing (Killing, 1978). Moreover, some researches propose that growth can take the mode of organic growth or acquisition and in the smallest size class almost all growth is organic (Davidsson & Delmar, 1998). Practically useful and theoretically enlightening as these frameworks might be, the different approaches might lead to the same result (such as increase in size) when examined from the level of business.

2.3.3.2 Business growth as process

Business growth as process can be understand as the result of growth activities represented on firm level. Based on Penrose's (1959) definition of growth activity, growth on firm level can be viewed as a process of change of business through time, both in amount and in quality (Bjerke & Hultman, 2002; Delmar et al., 2003; Penrose, 1959). In this sense, business growth can be observed in quantitative change (increase in size) and qualitative change (change in attributes), with the latter inducing and closely related to the former.

Quantitative growth

Increase in business size is most commonly and apparently conceived as business growth. But business size is not a single dimension concept and the number of different indicators of business size, as indicated by Coad (2010), is limited only by the imagination of the researcher. Generally speaking, indicators of firm size can be divided into three categories: 1. inputs, including investment and number of employees; 2. value of the firm, including assets, market capitalization and economic value added; 3. outputs, including sales, revenues and profits (Stam, Garnsey, & Heffernan, 2007). Among them, employment and total sales are the most commonly used indicators (Delmar, 1997).

Considering the complexity of business size, the relationship between different aspects of business size is noteworthy. Outputs indicators are often thought to precede the other indicators, in the sense that it is the increase in sales that necessitates increases in assets and employees (Flamholtz, 1986). This echoes the description of growth in individual level as mobilizing resources to exploit market opportunities (Penrose, 1959). Based on the assumption of profit-maximization, the neoclassical theory postulates that firms tend to grow until they reach the profit-maximizing “optimal size”. The optimal size under perfect competition is a level of production at which economies of scale are exhausted (Carlton & Perloff, 1994). However, it should be noted that not all small firms can grow into large firms in reality. Many firms start small, live small and die small. This situation is commonly found in many contexts, especially micro and small firms in developing countries, which generally do not correspond to the most efficient scale of production, yet allow people to be independent and make a living(Little, 1987). After all, the growth of small firms is a particularly chaotic phenomenon, with high rates of new firms entry and large numbers of these entrants exiting within a few years (Coad, 2002).

This “chaotic situation” of growth observed on business level is largely caused by the chaos in individual level. For example, a majority of business do not experience fast growth. The reasons include (Coad, 2002): 1) they may not want to grow because they find the uncertainty daunting and the challenge too great; 2) they are lack of finance, finding customers, or finding honest and hardworking employees. More of them, in fact, just do not have growth ambition.

The leading role of output indicators is also emphasized by Bjerke and Hultman (2004), who claimed that a small firm’s growth is determined by new sales. They distinguished four ways of growing which can be summarized in a classic 2*2 table (Table 2.2).

Table 2.2 Four types of growth modes

	Same market	New market
Same product	Type 1	Type 3
New product	Type 2	Type 4

Source: Bjerke and Hultman (2004)

Type 1 growth occurs though grabbing a larger share of an existing market with an existing product. This type of business growth does not involve much of innovation and thus is termed as “linear growth”, which means “doing more of the same in the same market” (Bjerke & Hultman, 2004, p.148). Type 2 growth means expanding in an existing market with a new product. Entrepreneurship and innovation is thus embedded in this type of growth. It is more than linear incrementing scale, but may involve internal changes. Type 3 growth means entering a new market with an existing product. This means the business is growing externally. Finally, type 4 growth refers to expanding in a new market with new product, which demands most entrepreneurship and innovation. Based on the typology, Bjerke and Hultman (2004) distinguished between “managerial growth” and “entrepreneurial growth”. For managerial growth, the basic ideas are to be efficient, gain from economies of scale. In contrast, entrepreneurial growth emphasizes on innovation and change.

Qualitative growth and lifecycle models

It is oversimplified to assume that nothing else but size changes for business growth (Wilklund, 1998). According to Penrose (1959), the term of “growth” has two connotations, with one as mere increase in amount in output, export or sales, and the other as an increase in size or improvement in quality as a result of a process of development, akin to natural biological processes in which an interacting series of internal changes leads to increases in size accompanied by changes in the characteristics of the growing object (Penrose, 1959). Changes in characteristics of business, such as increased managerial complexity level, e.g. bureaucratization (Rodenburg, 1980), is the qualitative aspect of business growth. This aspect of business growth is related to the “lifecycle model”, or “staged theories” of business growth, which try to provide a more dynamic view on the development of firm and their growth (Aldrich, 1999)

The commonality of these theories or models is that they all assume that businesses move through stages of development as the size increases. Each of the stages features certain external challenges (such as competition, policy constraints) and internal problems or needs (Churchill & Lewis, 1983; Lichtenstein & Lyons, 2006), for which corresponding responses are taken, thereby resulting in certain unique attributes of the business, such as management style, in each stage (Greiner, 1989). At first glance, this assumption seems to take a biological metaphor to capture the entire life span of a firm (Greiner, 1989), assuming that all firms pass through all the stages of the life cycle. In fact, most researchers agree on this biological metaphor at first. However, empirical findings suggest that a substantial proportion of firms do not grow, and a large portion of firms cease activities during their first few years of existence, and exit after passing through only one or two stages of development (depending on the definition of stages in that particular model) (Birley & Westhead, 1990).

Therefore, it is realized by some researchers (Churchill & Lewis, 1983; Greiner, 1989) later that stages of development models do not necessarily have to be based on the biological metaphor. Instead, there is assumed to be an optimal configuration for the business in each stage. Lifecycle models are thus mainly concerned with the need for change that growth imposes on the firm, and how this growth affects other characteristics of the firm such as organizational structure and strategy. Growth in size creates organizational problems within the firm that need to be resolved (Fombrun & Wally, 1989). As a firm grows within a particular stage, the configuration becomes inappropriate and the firm needs to transform itself. After the transformation, the firm enters the next configuration and growth stage, where the process is repeated.

The number of stages and sub-stages identified by the scholars varies significantly (O'Farrell & Hitchens, 1988). All models start with an initial stage which is typically characterized by a simple organizational structure, direct supervision, and particular importance is attributed to the founder or entrepreneur. Examples include Greiner's (1972) "creativity stage", Churchill and Lewis' (1983) "existence stage", Quinn and Cameron's (1983) "entrepreneurial stage", Kazanjian and Drazin's (1989) "conception and development stage", and Adizes' (1989) "infant stage". In the following stage, the firm achieves its initial product market success (Miller & Friesen, 1984). Here, a first division of managerial tasks occurs, but control is still achieved through personal supervision (O'Farrell & Hitchens, 1988). This stage corresponds to Greiner's (1989) "direction stage", Churchill and Lewis's (1983) "survival" and "success" stages, Kazanjian and Drazin's (1989) "commercialization" stage, Adizes's (1989) "go-go" stage and Garnsey's (1998) "resource generation" stage. The subsequent stages are characterized by an increased bureaucratization of the organizational structure and by the separation between management and control. These include Churchill and Lewis' (1983) "resource maturity" stage and Quinn and Cameron's (1983) "formalization and control" stage.

The work of Churchill and Lewis (1983) is especially notable. Their classification includes stages of existence, survival, success, take-off, and resource maturity. Each of the five stages is characterized by specific managerial styles, organizational structures, and key problems. As is delineated in this model, the features as follows will change as the small firms grow: 1) financial resource, including cash flow and borrowing power; 2) system resource, including degree of planning and control systems; 3) personnel resources, i.e. numbers and range of staff; 4) business resource, which emphasizes on customer relations and marketing; 5) the owner's ability, e.g. management skills, structures, and strategic planning.

The lifecycle models of firm growth make it possible for local governments to understand and to address the challenges and needs of the local business community, and provide a basis for evaluating the impact of present and proposed governmental regulations and policies on one's business (Churchill & Lewis, 1983). However, they are also criticized for their extreme simplification of reality. In some cases not all stages of development are found, and some stages of development may occur several times. Also, the stages of development may occur in an irregular order. Most importantly, there is a lack of empirical evidence to support the theories (Birley & Westhead, 1990; Vinnell & Hamilton, 1999).

Moreover, they might largely neglect the differences in the impacts of different growth strategies. Churchill and Lewis (1983) has once criticized various models of firm growth which used business size as one dimension and company maturity or the stage of growth as a second dimension that they are in-appropriate for small businesses on at least three counts: 1) They assume that a company must grow and pass through all stages of development or die in the attempt; 2) They fail to capture the important early stages in a company's origin and growth; 3) They characterize company size largely in terms of annual sales and ignore other factors such as value added, number of locations, complexity of product line, and rate of change in products or production technology.

Despite these criticisms, lifecycle models are enlightening for the understanding of business growth as process. On micro level, they synthesize the internal relationship between quantitative change and qualitative change. They not only provide the clue that businesses may encounter certain common problems but also imply the fact that they may refer to their counterparts for corresponding solutions.

On macro level, they provide explanatory frameworks for the heterogeneity of businesses. As process, business growth leads to certain results, that is, the current qualitative and quantitative characteristics of the business. It is reasonable to infer that the current state of business is the result of its growth process. But the growth of different businesses is uneven, which is the cause of heterogeneity of attributes among different businesses. Theoretically, every business may find its position in lifecycle models. Lifecycle models, therefore, can be used to describe and explain the population level of growth phenomenon (Hannan & Freeman, 1987; O'Rand & Krecker, 1990). What's more, based on the assumption of lifecycle theories, it is thus possible to examine issues about growth of individual business in the context of cross-sectional population of similar type of business.

The relationship between the two different perspectives of business growth, i.e. growth as activity and growth as process is demonstrated in Figure 2.1. This theoretical model can better capture the nature of business growth.

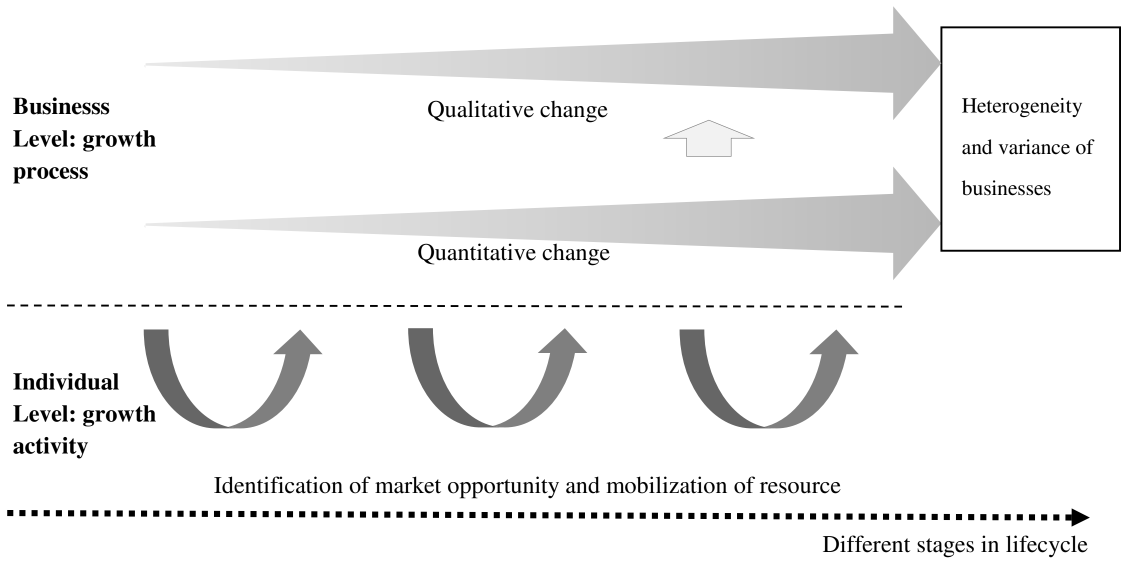

Figure 2.1 The relationship between individual and business level of growth

2.3.4 Precedents of business growth

Those researches of precedents of business growth belong to the stream named by McKelvie and Wiklund (2010) as "growth as outcome". They are aimed at investigating the factors influencing business growth and try to figure out "why some small firms grow or grow fast while others do not grow or grow slowly?" Based on the assumption of business lifecycle, i.e. every firm may find a position in the lifecycle course, these factors can also provide explanations for the variance of different businesses in both size and qualitative characteristics in a cross-sectional sense. Actually, this cross-sectional sense is exactly the way most of these researches carry out their research.

Business growth is a complex phenomenon and it could be affected by a variety of factors. The precedents are so myriad that researchers have been unable to isolate variables that have a consistent effect on growth across studies (Shepherd & Wiklund, 2009; Weinzimmer, Nystrom, & Freeman, 1998). Based on perspectives of observation, factors influencing firm growth can be distinguished as objective factors and subjective factors (reality as perceived) (Davidsson, 1991). Meanwhile, different levels of analysis result in different theoretical lenses used to explain the variation, ranging from geographic location and population density approaches (Barron, 1999), industrial context (Gilber, McDougall, & Audretsch, 2006), firms' resource mobilization practices (Batt, 2002) to individual traits and motivations (Baum, Locke, & Smith, 2001). Notably, each model is typically only able to explain a limited portion of the differences in growth among firms.

Gibb and Davies (1990) distinguished four approaches when addressing precedents of business growth, including: 1) personality dominated approaches, which emphasize the entrepreneur's personality, capability, personal goals and strategic business aspiration; 2) firm development approaches, which seek to characterize the growth pattern of the firm across stages of development and the influence of factors on growth process; 3) business management approaches, which pay attention to the importance of business skills and the role of functional management, planning, control and formal strategic orientation in terms of shaping the growth and performance of the firm in the market place; 4) sectoral and broader market-led approaches which focus largely on the identification of growth constraints and opportunities related to small growth in the context of regional development or the development of specific industrial sectors.

Among these different factors, the most examined ones are those related with an entrepreneur, such as motivation, education (Pasanen, 2007). Since business growth is a process of entrepreneur or owner-manager adapting productive base to market opportunities, it has been argued that all of the individual level explanatory variables mentioned above can be regarded as aspects of either of three major determinants, namely ability, need, and opportunity (Davidsson, 1991). Thus the general preconditions for growth have been suggested to be: 1) entrepreneur's growth orientation (or growth willingness); 2) adequate firm resources for growth; 3) the existence of the market opportunity for growth (Pasanen, 2007). While the ability to grow (resource and opportunity) is mostly objective, the willingness to grow is more subjective and psychologically related.

Most economic theories regarding firm growth take the willingness to pursue growth for granted, based on the assumption of profit-maximizing (which, as motivation, is assumed to be homogeneous among different entrepreneurs). However, growth willingness is a psychological issue and related to individual level, and is often considered with psychological theories of motivation, which, in contrast to classical economic theories, recognize that people differ in motivational aspects (expected outcome), including increased independence, quest for achievement, apart from money. In this respect, psychological theories of personality or personal attributes may help explain (Weiner, 1985).

On the other hand, the willingness to grow does not come out from nothing. The objective factors influencing the willingness of owner-operators to grow their business should be investigated. Many factors may influence growth in small firms, including external factors such as taxes, legislations, and the conditions on the product market, labor market or the financial market, and internal factors such as existing resources and the competence and goals of the manager and their employees (Davisson, 1989), attributes of the entrepreneur, attributes of the firm including firm age, size as well as legal form and its strategy (Storey, 1994).

2.3.5 Basic propositions of growth perspective

Business growth theories provide a framework to explain how businesses grow and why they grow. In theory, most of these researches are focused on individual business as well as their variance through lifetime. But in practice, these theories are often used to describe and explain the heterogeneity among different businesses, consciously or unconsciously. Businesses of different size are supposed to be located in certain position of business lifecycle. In this sense, temporal variance and cross-sectional heterogeneity seem to be integrated when analyzing from business level.

A growth perspective is hereby proposed to explicate the heterogeneity and variance of SABs in terms of their attributes on organizational level. In this sense, the growth perspective is majorly based on the business level of growth model proposed above. Thereby it distinguishes itself from most of the existing researches of SABs, which are mainly focused on individual level and examine owner-operator.

Following business growth model, growth perspective takes roots on the following three assumptions: 1) an individual SAB is assumed to possess the potential to grow into large accommodation businesses, following certain route of business lifecycle composed of different stages, and may undergo predetermined challenges, for which they may take similar strategies and thus demonstrate certain similarity in their attributes on the same stage, both qualitative and quantitative; 2) the longitudinal development may be un-linear, and it is not the case that all SABs would have to pass all the stages step by step, but some of them may rather enter at a higher stage, or take leap over certain stages; 3) the longitudinal development is not only uneven between different stages, but also uneven among different SABs.

A corollary of the above three assumption is that the various SABs currently observed may be located in different early growth stages of the full spectrum of business lifecycle. In this way growth perspective indicates that the cross-sectional heterogeneity and longitudinal heterogeneity of SABs are more or less the same in essence. This idea coincides with most staged theories of business growth which propose that businesses are located in certain stages and have distinct characteristics, needs and face different problems and challenges (Steinmetz, 1969; McFarland & McConnell, 2013).

2.4 Social capital theory and human capital theory

2.4.1 Social capital theory

Although social capital theory is in the “emerging excitement” phase of the life cycle typical of an umbrella concept, “social capital”, of which there is a lack of consensus on the definition (Hirsch & Levin, 1999; Nahapiet & Ghoshal, 1998), some common views begin to take shape. Generally speaking, social capital theory examines the ability of actors to extract benefits, whether tangible or intangible, from their social structures, networks and memberships (Lin, Ensel, & Vaughn, 1981; Portes, 2000). By the concept of “social capital”, social networks provided by extended family, community-based, or organizational relationships are theorized to supplement the effects of human capital (majorly education and experience) and financial capital (Bourdieu, 1983; Coleman, 1988; Loury, 1987).

Based on external and internal perspectives respectively, social capital can be divided into “bridging” forms and “bonding” forms, or “communal” forms versus “linking” forms (Gittell & Vidal, 1998; Putnam, 2000; Oh, Kilduff, & Brass, 1999). The “bridging” form of social capital focuses primarily on social capital as a resource that inheres in the social network tying a focal actor to other actors. This view can help explain the differential success of individuals and firms in their competitive rivalry. The “bonding” forms of social capital focus on collective actors’ internal characteristics. In this view, the social capital of a collectivity is not so much in that collectivity’s external ties to other external actors as it is in its internal structure, in the linkage among individuals or groups within the collectivity (Adler & Kwon, 2002). Correspondingly, social capital can be a useful resource both by enhancing internal organizational trust through the bonding of actors, as well as by bridging external networks in order to provide resources (Adler & Kwon, 2002; Putnam, 2000). A major factor enhancing the strength of social capital consists of trust, often a result of obligations, threat of censure and exchange (Coleman, 1988; Granovetter, 1985). This trust forms a bonding (or exclusive) glue that holds closely knit organizations together.

By a narrow definition, social capital only refers to the “bridging form”, i.e., the external aspect of social capital. In this sense, social capital is embedded in the structure and content of social relations of an actor (Adler & Kwon, 2002; Coleman, 1990; Bourdie, 1989). Information, resources, technology and markets can be accessed through ties of networks (Hitt, Ireland, Camp, & Sexton 2001). These ties may be either direct or indirect, weak or strong. In Granovetter's (1973) classic work, he highlights the importance of maintaining an extended network of weak ties in obtaining resources (information about potential jobs). Weak ties are loose relationships between individuals, as opposed to close ties that would be found in a family. Weak ties are useful in obtaining information that would otherwise be unavailable or costly to locate. They extend one's network by linking individuals or organizations together and providing an interface for exchanges to take place. Nascent firms might, for example, rely upon weak ties such as membership in a trade organization in order to learn about the latest technological innovations. In contrast, an example of strong ties would be a sibling or parent helping out for free in some aspects of the start-up activities. Thus, strong ties, such as those derived from family relationships, provide secure and consistent access to resources. The more personal resources one has, the less likely one is to rely on strong ties and the more attractive weak ties become (Cook & Whitmeyer, 1992). Among the many factors that make a social tie strong or weak, relational trust plays a pivotal role. Trust and trustworthiness alleviate the necessity of safeguarding against moral hazards and opportunism, thus facilitating the flow of resources and information and engagement in cooperative behaviors (Davidsson & Honig, 2003).

In itself, social capital is not about relations, but the impetus that makes resources such as information, financial flow through network. The impetus is actually "goodwill" of other actors to the focal actor in the social network. By definition, "goodwill" refers to the sympathy, trust and forgiveness offered to people by friends and acquaintances. It is the goodwill that may make influence, information and resource circulating possible. Goodwill, therefore, can be regarded as substance of social capital.

According to different levels of actors, social capital is multidimensional and occurs at both the individual and the organizational levels (Nahapiet & Ghoshal, 1998). Ties that result in social capital can occur at both individual and organizational levels, although they are frequently attributed primarily to the individual agents involved. Social capital can be important for entrepreneurship at both the individual level and organizational level (Antoncic, 1999; Hoang & Antoncic, 2003; Ruzzier et al., 2007). However, in small and micro firms, especially in emerging ones, the personal networks of entrepreneurs and organizational networks are almost synonymous since network ties exist at the interpersonal level. Entrepreneurs, acting in the role of resource coordinators and agents for their firms, often bring their personal social networks to the firm, which then become one of the firm's most valuable strategic assets for providing the resources necessary for successful development (Aldrich, Rosen, & Woodward, 1987; Johannisson, 1986). In micro firms the role of entrepreneurs is substantial and therefore their personal relationships are crucial in acquiring information and resources necessary for firm development (Bratkovic, Antoncic, & Ruzzier, 2009). Therefore, this study focuses on the external aspects of social capital in individual level.

In this sense, social capital shares several characteristics with other forms of "capital", e.g. financial capital, human capital. First, like all other forms of capital, social capital is a long-lived asset into which other resources can be invested, with the expectation of a future flow of benefits, which albeit might be uncertain. By investment in building their network of external relations, individuals can augment their social capital and thereby gain benefits in the form of superior access to information, power, and solidarity (Adler & Kwon, 2002). Second, social capital is "appropriable" (Coleman, 1988) in the sense that an actor's network of, say friendship ties can be used for other purposes, such as information gathering or advice. Third, social capital is "convertible" (Bourdieu, 1985), in the sense that it can be converted to other kinds of capital. Fourth, social capital can either be a substitute for or can complement other resources. As a substitute, actors can sometimes compensate for a lack of financial or human capital by superior connections. For example, social capital can improve the efficiency of economic capital by reducing transaction cost (Lazerson, 1995).

2.4.2 Dimensions of social capital

It should be noted that social capital discussed above is broadly defined, such that a precise link between definition and operationalization is necessary in order to explain any aspect of the many network processes and reciprocities characterized under this umbrella term (Baron & Hannan, 1994). However, as aptly noted, the concept is difficult to operationalize (McGehee, Lee, O'Bannon, & Perdue, 2010) and the dimensions employed for operationalization differ greatly across disciplines and research settings. A common way is through identifying the characteristics of networks and network relationships, such as the strength of ties, repetitive group activity such as the frequency of meetings and other formal interactions, as well as informal gatherings and other social activities, and social and family relationships.

Following this way, a three-dimension framework is proposed by Nahapiet and Ghoshal (1998), who define social capital as ‘‘the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit’’ (p. 6). Based upon this definition, they operationally decompose social capital into three dimensions, namely structural, relational and cognitive dimensions respectively. The structural dimension concerns the overall pattern of connections within a network of social relationships, i.e. the presence or absence of network ties and network configuration. The ties are the source of social interaction or social exchange that is closely associated with the flow of information and resources. In this sense, the broadness and diversity of one's social relationships thus can be considered equivalent to the broadness and diversity of potentially usable resources embedded in those social relationships. Meanwhile, the relational dimension of social capital refers to the quality or strength of social ties, which is usually a reflection of the duration of the ongoing relationship, the extent of emotional intimacy, and the frequency of reciprocal behaviors. The cognitive dimension encompasses the resources providing shared representations, interpretations, and systems of meaning among parties. Developing a productive relationship not only requires time and emotional commitment, but is also largely contingent upon whether or not both sides mentally share something in common, such as values, attitudes, beliefs and vision. The congruence of these cognitive attributes facilitates the understanding of each other's thinking processes, activates information and knowledge diffusion, and fosters supports for certain social actions (De Carolis & Saparito, 2006).

The application of the social capital concept in tourism research is increasing (e.g. Johannesson, Skaptadottir, & Benediktsson, 2003; Jones, 2005; Karlsson, 2005; Macbeth, Carson, & Northcote, 2004; Nordin & Westlund, 2009; Hsu, Liu, & Huang, 2012). Several studies have attempted to examine the relationship between social capital and entrepreneurship in tourism. Johannesson et al. (2003) reveal the usefulness of social capital in helping people in rural and peripheral areas transform from traditional resource-based livelihoods to entrepreneurship in tourism. Jones (2005) investigates the processes of social change leading to and resulting from the development of a community-based ecotourism venture in the Gambia, finding that social capital is instrumental in its formation. Zhao (2009) draws on social capital theory to explain rural tourism entrepreneurial behavior in China. Despite the effects of social capital noted, the results are not readily generalizable because both studies are informed by a very limited number of cases.

2.4.3 Human capital theory

Human capital theory maintains that knowledge provides individuals with increases in their cognitive abilities, leading to more productive and efficient potential activity (Schultz, 1959; Becker, 1964; Mincer, 1974). Knowledge here may be defined as being either tacit or explicit (Polanyi, 1967). Tacit knowledge refers to know-how, or “skill”, the often non-codified components of activities. Explicit knowledge, meanwhile, regards know-what and is normally conveyed in procedures, processes, formal written documents and educational institutions. Solving complex problems and making entrepreneurial decisions utilizes an interaction of both tacit and explicit knowledge, as well as social structures and belief systems.

Individuals may be able to increase their knowledge through formal education, such as university education or adult education, or informal education, such as work experience. Many empirical studies have attempted to determine the individual impact of different human capital factors on business gestation (Davidsson & Honig, 2003; Liao & Welsch, 2005; Robinson & Sexton, 1994; Ucbasaran, Westhead, & Wright, 2008). Although there still exist inconsistencies in research results regarding the level of importance of each human capital indicator, the relevance of education, previous start-up experience, management experience and industry-specific work experience to the start-up process seems indisputable.

Formal education may assist in the accumulation of explicit knowledge that may provide skills useful to entrepreneurs. Empirical research has demonstrated a range of results regarding the relationship between education, entrepreneurship and success, with education frequently producing nonlinear effects in supporting the probability of becoming an entrepreneur, or in achieving success (Bellu, Davidsson, & Goldfarb, 1990; Davidsson, 1995; Evans & Leighton, 1989; Gimeno et al., 1997; Honig, 1996). Bates (1990) found that entrepreneurs who had a college education were dramatically less likely to fail than those who did not, partly due to the reason that college-educated entrepreneurs had greater access to loans from commercial banks. Cooper, Gimeno-Gascon, and Woo (1994) further found that education had a significant effect on firm growth. In a study of

Finnish firms, Kangasharju and Pekkala (2002) found that highly educated individuals had a lower probability of exiting the business during difficult economic times, and that higher education contributed to higher firm growth during both recessions and economic booms.

However, it is also acknowledged that small business owner-managers, compared to owner-managers of larger businesses, have lower formal education levels and participate less in skills development and training activities (Bartram, 2005; Billett, 2001). Kotey and Folker (2007) noted that small family firms tended to accommodate family needs and thus may be less inclined to engaging in external business improvement activities. Westhead and Storey (1996) found that managers in small tourism firms are less likely to receive training than managers in large firms because of the reluctance of the owner to invest in long-term projects.

Therefore, human capital is not only the result of formal education, it also includes experience and practical learning that takes place on the business. These include industry-related experience (Jo & Lee, 1996), “soft” managerial skills (Leach & Kenny, 2000), and prior business experience (Olson & Bokor, 1995). Previous functional, technical and managerial experience provides critical knowledge resources, including marketing, human resource management, communication, managing change and finance (Smith & Gannon, 1987; Sexton et al., 1997; Carson & Gilmore, 2000; Kakati, 2003). There are studies showing labor market experience, management experience, and previous entrepreneurial experience as significantly related to entrepreneurial activity, particularly when controlling for factors such as industry and gender (Bates, 1995; Gimeno et al., 1997; Robinson & Sexton, 1994).

In terms of how this entrepreneurial knowledge might be learned, Rae and Carswell (2001) used entrepreneurial life stories to suggest the importance of exposure to successful and failed activities and to interaction with others in a frame of continually evolving “entrepreneurial discourse”. These findings echo those of Freel (1998) and are confirmed by Rae (2004), both of whom argue that experience and entrepreneurial capability co-evolve in the context of the enterprise over time. The source of information for business improvement include advice from friends and associates, industry association, communication, informal meetings with local, business association, and government (Butcher & Sparks, 2009).

Andren et al. (2003) considered it possible to develop interpretive and flexible management skills through experience, as entrepreneurs adapt their plans iteratively in response to the changing environment, provided the entrepreneur remains open to learning from experience (Gray, 2002). Similarly, a three-year longitudinal study of 454 firms by Nicholls-Nixon, Cooper and Woo (2000) found the ability to perceive and adapt to environmental changes remained the paramount influence on growth. This may be because, as Smith and Miner (1983) suggest, managing a growing business is subtly different.

2.5 Experience and experience management

Experience is an unavoidable and fundamental construct in tourism and hospitality research (Sharpley & Stone, 2011). However, the connotation of "experience" is broad and it may reflects different aspects of daily life and may therefore be interpreted from either within or from outside the management and marketing perspective (Caru & Cova, 2003). Multiple aspects of meaning intertwine and are sometimes cross-used. For everyday use, the term "experience" may refers to the events and occurrence undergone by individuals, as well as sensation and knowledge resulting from participating the events. This ranges from job seekers emphasizing their previous work experiences during interviews to holiday makers describing their vacation experiences to family and friends. This chaos is not rare for tourism, hospitality and even marketing researches. Carù and Cova (2003) noted that the term experience is still ill-defined and there is a lack of conceptual models that offer "a common terminology and a shared mindset" (Gentile, Spiller, & Noci, 2007, p. 397). The term is so vague and all-embracing that it has received much criticism for being simply a "management buzz word" (e.g. Carù & Cova, 2003).

Despite pervasive disparity and vagueness in definition, most researches in marketing, tourism and hospitality researches agree that experience is about mental process, and is an elusive, indistinct and all-inclusive concept (e.g. Schmitt, 1999; Gentile et al., 2007). In a broad sense, an experience can be defined as a constant flow of thoughts, feelings and sensations that occur during moments of consciousness (Carlson, 1997). It originates from the bodily presence in an environment, involvement in an event, or exposure to a subject, through reciprocal interaction between humans, as well as between humans and environment.

In marketing literatures, customer experience is specifically conceptualized as the customer's "subjective response", both cognitive and emotional, to the holistic and direct or indirect encounter with the company (Lemke, Clark, & Wilson, 2011). As Gupta and Vajic (2000, p. 34) states, "...an experience occurs when a customer has any sensation or knowledge acquisition resulting from some level of interaction with different elements of a context created by the service provider". Examples in point include customer satisfaction and service quality, which have been examined for long (e.g., Parasuraman, Zeithaml, & Berry 1988; Verhoef, Langerak, & Donkers 2007).

Based on the definitions, the concept of experience can be approached from two perspectives, i.e. "what is experience per se?" and "where experience originates?", or more specifically, the nature of experience and experiencescape.

2.5.1 The nature of experience as post-consumption evaluation

By a broad definition in marketing literature, experience as a stream of perception is highly personal, subjective, and tends to span over a period of time, and thus is described as "a mental journey that leaves the customer with memories of having performed something special, having learned something or just having fun" (Sundbo & Hagedorn-Rasmussen, 2008, p. 83). This description reveals that an experience can be viewed both as a process (a mental journey) and an outcome (involving positive memories).

The dichotomy is widely acknowledged in marketing researches. Highmore (2002) referred to experience as consisting of two states, i.e. the moment-by-moment lived experience and the evaluated experience which is subject to reflection and prescribed meaning. Larsen (2007) further asserted that experience can be categorized into two. One focuses on what happens here and now in a specific situation, whilst the other one highlights an accumulation over a period of time. Pine and Gilmore (1999), who proposed "experience economy", stated that experiences occur within a person who is engaged with an event at a physical, emotional, intellectual or even spiritual level, and is left with memorable impressions.

In tourism and hospitality researches, Mannell and Iso-Ahola (1987) termed the dichotomy as "immediate conscious experience approach" and "post-hoc satisfaction approach". The "immediate conscious experience approach" focuses on the actual content of the experiences, Or the experience of the present moment, while the "post-hoc satisfaction approach" of tourism experience equates experience with the satisfactions derived from a recreation engagement.

It has been widely acknowledged that customer experience occurs in all stages on consumption. Specifically, it develops throughout all contact points and episodes with customers during the interactive service production and delivery process (Mascarenhaset, 2010; Frow & Payne, 2007), as well as pre-and post-purchase episodes and past service processes (e.g. Meyer & Schwager, 2007; Zomerdijk & Voss, 2010; Tynan & McKechnie, 2009). Verhoef et al. (2009) indicated that customer experience encompassed the total experience, including the search, purchase, consumption, and after-sale phases of the experience, and may involve multiple retail channels. Craig-Smith and French (1994) identified three phases, namely anticipatory phase, experiential phase, and reflective phase. Likewise, Lemke et al. (2010) distinguished between three "encounters" which together form the customer experience, including the communication encounter, the service encounter, and the usage encounter. The usage encounter include interaction with other customers or non-customers. Frow and Payne (2007) further developed the ideas and claim that experiences need to be considered over the lifecycle of the customer relationship. As is indicated by O'Sullivan and Spangler (1998, p. 28), "it's not over when it's over". "Experiences occur whenever a company intentionally uses services as the stage and goods as props to engage an individual" (Pine & Gilmore, 1999, p.11).

The same idea can also be found in tourism and hospitality researches. Clawson's (1963) recreation experience model regarded tourism experience as linear and comprising "planning phase", "travel to" phase, "on-site" phase, the "return travel" phase, and the "recollection" phase. Moreover, Wijaya et al. (2013) distinguished between the planning process (the individuals' foreseeing of tourist events through expectancies), the actual undertaking of the trip (events during the trip) and finally the individuals' remembering of these tourist events. As a summary, Kastenholz et al. (2012) indicated that tourist experience is a complex and highly subjective phenomenon from the tourist's point of view, integrating a diversity of pre-, on-site and post- experiences related to destinations, a set of expectations and desires, as well as concrete experiences on-site, with sensorial, affective, cognitive, behavioral, and social dimensions, embedded in specific meanings.

Generally, three major stages can be identified in tourism and hospitality consumption, i.e. "pre-experience" stage, "real-time experience" stage and "post experience" stage (Knutson et al., 2010). In the "pre-experience" stage, the business and the customer encounter through the expectations established by brand position, promotional activities of the organization, word-of-mouth (radial) advertising. The result experience is "expectation". The subsequent "real-time experience" stage includes all encounters throughout the journey with the hospitality brand. Finally, the "post-experience" stage is evaluative and includes the guests' personal perceptions (second half of the service quality construct) of the experience, the value they place on the experience, and their satisfaction with the experience. Based on the holistic, process view of customer experience, Knutson et al. (2010) integrated concepts such as “expectation”, “perception”, “service quality”, “value”, “satisfaction” into the realm of customer experience. This umbrella view is echoed by Larsen (2007), who proposes expectation, perception and memories as three aspects of tourist experience, from the perspective of general psychology. In his model, expectation is defined as the individual’s ability to anticipate, to form beliefs about and to predict future events and states (Maddux, 1999), while perception is defined as a mental process where sensory input is selectively attended to, organized and interpreted. In other words, perception is about making sense of what our senses tell us (Passer & Smith, 2004).

From marketing perspective, treating experience as a summation of all the clues and actions as perceived by the customer on post consumption stage is considered as the emergent “marketing orthodox” (Verhoef et al., 2009). In theory, a common sense is that customer experience is multidimensional, holistic evaluation of products or service (e.g. Schmitt, 1999; Gentile et al., 2007), or multidimensional takeaway impression or outcome formed by people’s encounters with products, services, and businesses (Lewis & Chambers, 2000). Concepts such as satisfaction, quality are considered to be the result of additional cognitive processes on top of experiencing (Raake & Egger, 2014).

The same situation can be found in tourism and hospitality researches. For example, sports tourism customer experience is defined as customers’ comprehensive assessment of social interaction, personal hedonic benefits, destination attributes, their relationship to the environment (social and nature) and their personal growth related to challenges and sense of communitas (Maklan & Klaus, 2011).

In this study, outcome view of customer experience is taken due to several reasons. First, the outcome experience can be regarded as the result of “moment by moment” experience and is heavily influenced by the experience across all three phases of consumption. For example, the visitor experience and resultant satisfaction is influenced not just on-site but overall all five phases of the experience, i.e. anticipation, travel to, on site, travel back, and recollection (Hammitt, 1980). Therefore, it may to a large extent reflect the process experience. Second, from the perspective of business entities, what concerns most is customer future revisiting of customers. It is the experience-as-outcome that is saved in memory and heavily impact the future visiting. Third, it is practically hard, if not impossible, to trace the fragmented, trivial, dynamic customer perceptions in all episodes of consumption in real time. Comparatively, to gather the overall impression of the whole service encounter is relatively easy.

Based on the above considerations, this study defines experience as the post-consumption evaluation of the whole encounters with the business entities by customers. This evaluation is formed and changed based on: 1) their beliefs or knowledge about the encounters; 2) their evaluation of these particular beliefs. This idea is echoed by several researchers (e.g. Gentile et al., 2007; Shmitt, 1999), who bluntly indicate that experience is characterized as multi-dimensional but “holistic” evaluation. Since experience is defined as perceptual and evaluative in nature, it can range from exciting positive experiences to unpleasant negative experiences. Using this definition, experience design may focus on introducing particular types of stimuli to affect the mental journey of the tourist and hence improve the pleasurable memorable outcome.

2.5.2 Dimensionality of experience as outcome

A consensus is that customer experience is a multidimensional construct comprised of different aspects. Walls, Okumus, Wang, and Kwun (2011, p. 12) indicate that it is “multidimensional takeaway impression or outcome, based on the consumer’s willingness and capacity to be affected and influenced by physical and/or human interaction dimensions and formed by people’s encounters with products, services, and businesses influencing consumption values (emotive and cognitive), satisfaction, and repeat patronage”. Schmitt (1999), the founder of experience marketing, divides experience into five dimension: sensory experience (sensing), emotional experience (feeling), thinking experience (thought), operational experience (action), and related experiences (belonging).

In recognition of the above holistic view of customer experience, Walls et al. (2011) describe the nature of experience as “internal response” comprised of two axis representing four components, i.e. cognitive and emotive, ordinary and extraordinary. As an extension of the dichotomy of ordinary and extraordinary experiences in tourism realm, Quan and Wang (2009) distinguish between supporting experience and peak experience.

2.5.2.1 Cognitive experience and emotive experience

On this axis, customer experience ranges from cognitive pole to emotive pole. In Carlson's (1997) definition, an experience is characterized as a steady flow of thoughts (cognitive) and feelings (emotive). Carù and Cova (2003) also suggests that experience contains both cognitive and subjective processes that allow an individual to develop a means to construct reality. The identification of cognitive and emotive customer experience can be earlier traced back to Hirschman and Holbrook (1982), who proposed that consumers may act as either "problems solvers" pursuing utilitarian functions of goods (or service) or as "seeking fun, fantasy, arousal, sensory simulation and enjoyment" pursuing hedonic functions and symbolic meanings. It has been claimed that customers buy goods or services to fulfill certain needs, e.g. physiological, psychological, social and esteem needs in Maslow's (1943, 1970) hierarchy of needs. Therefore, goods and services are afforded certain functions by customers accordingly. Different functions of goods (or service) may bring different experiences.

Cognitive experience can be considered as brought by utilitarian functions and features the satisfaction of given physiological human need. It is related to the attributes of product or service. Customers are portrayed as rational thinkers who aimed at maximizing their utilities (Schmitt, 1999) and value (Bourgeon & Filser, 1995). They are assumed to be aware of their needs, the kinds of experiences that will satisfy these needs and they can make accurate judgement about whether and when these needs are met. Therefore, this aspect of experience is primarily functional in orientation and the post-purchase evaluation is quality judgement and satisfaction (Bourgeon & Filser, 1995). Customers rationally calculate economic utility by rationally sum their assessments over a series of events (Gronross, 1997). Satisfaction or dissatisfaction is thus the result of a confirmation or disconfirmation of the offer's expected performance (or utility) with its actual performance (or utility) (Oliver, 1980).

Cognitive experience is emphasized by what Schmitt (1999) mentioned as "traditional marketing theories" such as information processing theory which mainly care about functional features of products and service. This stream of research is pervasive in tourism and hospitality researches. As Mannell and Iso-Ahola (1987) indicated, a major stream of tourist experience research, naming "post-hoc satisfaction approach", almost equates experience with the satisfaction derived from a recreation engagement. Most general textbooks on consumer behavior in tourism are still based on the same cognitive "information-processing paradigm" (Hirschman & Holbrook, 1982).

Counter to this stream, Holbrook and Hirschman (1982) proposed another approach, "experiential marketing approach", trying to divert attention from quality, satisfaction to various consumption phenomena such as emotional response, sensory pleasures, playful leisure activities and so forth. They argue that satisfactory experience is only one component of experiences in addition to the hedonic, symbolic and aesthetic nature of experiential consumption. Consumers are seen as irrational and emotional animals and their goal is to maximize emotional benefits. Therefore, the post-purchase evaluation is pleasure and memory (Bourgeon & Filser, 1995), instead of satisfaction. Memorable experience have been identified as key predictors of future purchase and positive word of mouth (Kerstetter & Cho, 2004; Oh, Fiore, & Jeoung, 2007; Writz, Kruger, Scollon, & Diener, 2003). The proposal of this new perspective might be influenced by the shift from modern thoughts to postmodern thoughts which criticize the modernism perspective in the sense that reality is not only the product of science and technology, but is also a social and cultural construction.

Emotive experience thus is the hedonic, esthetic and symbolic component of the consumption experience, in which consumers are pursuing "the multi-sensory, fantasy and emotive aspects of one's experience" (Hirschman & Holbrook, 1982, p. 92). They are regarded as emotional actors looking for sensitive and hedonistic consumption experiences (Maffesoli, 2006), as well as the meaning and the image laden on the service and products. This is echoed by Morgan (2006) who groups the internal elements of an experience as personal benefits of hedonic enjoyment and achievement, sense of communitas resulting from social interaction, wider symbolic meanings derived from personal narratives and shared cultural values. Unlike cognitive experiences, emotions are often recalled vividly yet difficult to describe and they do not seem to be embodied in the service attributes (Arnould & Price, 1993; Liljander & Strandvik, 1997; Edvardsson, 2005).

Despite the early proposal of experiential approach, relative researches are still limited. As is indicated by Kim et al. (2012), "customers want more than just a satisfactory purchase experience and the existing customer experience measures are insufficient when attempting to understand the experiential factors that influence future behavioral intentions" (p.12).

An extension to the above statements is what Pine and Gilmore (1999) claimed, that experience is the result of people engaged with an event on a physical, intellectual, emotional, and spiritual level. The components of customer experience, therefore, can be organized in a hierarchical way. This idea can be traced back to Wilber's (1991) "spectrum of consciousness". Wilber believed that human consciousness develops along the route of physical level, biological level, mental level and spiritual level, from superficial level to deep levels. Following this idea, Long and Lu (2009) proposed a hierarchical model of tourist experience, composed from bottom to top of sensory experience, cognitive experience, emotive experience, returning experience and spiritual experience. Different people may go into different level of depth. Some of them may not be able to, while others may not be willing to. The difference between cognitive experience and emotive experience is put in Table 2.3.

Table 2.3 Difference between cognitive experience and emotive experience

Cognitive experience	**Emotive experience**		Sources
	Emotional	Symbolic	
Consumer as problem solver	Customer as motional enjoyment (hedonism, esthetics, sense of communitas, sense of achievement et al.) seeker;	Customer as symbolic meaning seeker	Hirschman and Holbrook (1982); Morgan (2006)
Service and products are laden with Utilitarian function	Service and products are emotion stimulis	Service and products are symbolic meaning laden	Holbrook and Hirschman (1982)
Satisfaction of given physiological human need.	Fulfillment of emotional human need	Fulfillment of spiritual human need	Pine and Gilmore (1999)
Service quality; satisfaction	Pleasures, delight, memorability		Bourgeon and Filser(1995); Holbrook and Hirschman (1982)
Traditional marketing approaches	experiential marketing approach		Schmitt (1999); Holbrook and Hirschman (1982)
Modernism	Post-modernism		

2.5.2.2 Ordinary experience and extraordinary experience

On the other axis proposed by Walls et al. (2011), customer experience may also range from ordinary pole to extraordinary pole. In the lower end lies the ordinary experience which is similar to daily life. At the highest level, they are peak, transformative or epiphanic experiences (Cohen, 1979; Smith, 1978) which are intense, positive experiences that ultimately provide meaning and perspective to their lives (Arnould & Price, 1993). This dichotomy takes root in the perceived difference of customers between every-day, routine experiences and leisure, tourism experiences (Boorstin, 2010; Cohen, 1979; MacCannell, 1973; Quan & Wang, 2004; Smith, 1978; Uriely, 2005).

Based on this, the hospitality and tourism experience is thought to consist of both peak (extraordinary) experience such as total immersion or flow experience (Abrahams, 1986; Csikszentmihalyi & Csikszentmihalyi, 1990), authenticity (MacCannell, 1973), the epiphanic experience (Denzin, 1992) and supporting daily experiences such as sleeping, eating, and playing (McCabe, 2002). They can occur on the continuum depending on the product or service (O'Sullivan & Spangler, 1998; Quan & Wang, 2004). It is also claimed that peak or extraordinary experiences are the desired goal in the hospitality and consumer experiences (Carù & Cova, 2003).

Arnould and Price (1993) suggested that extraordinary experience has a profound impact on the life of participants, returning them "transformed". Their research of white water rafting experience revealed three key dimensions of an extraordinary experience: communion with nature, communitas with friends, family and even strangers, and personal growth and renewal of self. Moreover, their research illustrates the crucial importance of emotional, social (e.g., MacCannell, 1989) and epistemic components in such experiences, indicating the need for further research in this area (Williams & Soutar, 2000). Such extraordinary activities could also lead to participants feeling more "authentic" due to the opportunity to express themselves more freely than they could in their daily life, a phenomenon known as "existential authenticity" (Wang, 2000).

Among the extraordinary experiences, sense of flow and authenticity are noteworthy. According to Csikszentmihalyi (1988), customers' best experiences are when they have an overall sense of flow, which in turn requires eight elements: clear goals, immediate feedback, the match of individual skills and challenges, an inherent sense of control, loss of self-awareness, changes of time perception, purposive experience, and concentration on activity.

The concept of authenticity is more addressed in tourism and hospitality researches. MacCannell (1973) argued that the tourist experience is a sincere pursuit of authenticity. According to Boyle (2003), today's tourists are interested in connecting with consumption items and experiences that are real, pure and embedded within the destination. Consistently, Frochot and Batat (2013) claimed that to complete their experience, tourists also want to have a more direct and genuine contact with locals and to experience their daily lives. According to Kim, Ritchie and Cormick (2010), one of the key elements to improving the memorability of the experience was to experience closely local culture. Rural SABs, such as farmhouses, B&Bs, are designed partly to meet this demand, and they are popular with contemporary travelers who are trying to get closer with locals and live a different experience. In this way, they act the role of local ambassador (Frochot & Batat, 2013).

The product or service category may also lend itself to certain types of expected and delivered experiences dimensions. For example, experience encounters when buying a rental car or taxi service tend to be more product-oriented in and of themselves, while taking a cruise vacation is more experience-oriented. Therefore, it is proposed that hospitality and tourism experiences range on a continuum between ordinary and extraordinary depending on the product or service. However, as explained later, even ordinary or daily experiences can become peak or transforming experiences if influenced or combined with appropriate physical experience and/or human interaction factors. For example, a father and daughter taking a walk at home may be an ordinary experience but walking together through one of California's Redwood forests may prove to be an extraordinary experience.

2.5.2.3 Supporting experience and peak experience

In terms of investigating the internal components of experience in tourism and hospitality, one of the efforts most noteworthy is that of Quan and Wang (2004). By reviewing prior researches, they proposed a conceptual framework of tourist experience with two dimensions, i.e. peak experience and supporting experience, of which the differentiation is made based on their relationship with daily, ordinary experiences. This is an echo of Cohen's (1972) view that people encounter different mixtures of familiarity and strangeness.

According to Quan and Wang's (2004) framework, peak experience is the part of experience in traveling that is in sharp contrast to the daily experience such as eating, sleeping and so on. It is something different from tourists' daily lives, and thus is referred to as non-ordinary experience (Mossberg, 2007).

Peak experience is what tourists participate in a journey for and could be regarded as forming the travelling goal and motivation. According to Cohen (1979), tourists are more or less seeking a "center out there", an experience which might not be available within their ordinary "life space". Furthermore, Cohen (1972) pointed out that the desires for variety, novelty and strangeness were the primary motives of tourism. They choose travel as a way to experience something different from their daily lives (Quan & Wang, 2004). Peak experience is derived from tourism "attractions", or to put it in another way, attractions become "attraction" because they somewhat induce "peak experience".

Supporting experience (also referred to as "ordinary", "secondary" or "derisive" experience) is the extension (and sometimes intensification) of the daily experience to the tourist journey and gratifies the basic tourist needs on the journey, such as accommodation, transportation and entertainment. It is common sense that tourists can not enjoy their trip without eating, sleeping or transport. Supporting experience is more addressed in tourism marketing/management literature and the focus is mainly placed on service quality and product quality, i.e. quality of food, drink and accommodation. An example is the enormous literature on total quality management in tourism and hospitality. This dimension of experience, however, is not the goal or motivation of tourists to travel, and thus it is usually either ignored or taken for granted in tourism social science literature (Quan & Wang, 2004).

It can thus be inferred that supporting experience is related to "product quality" and "service quality", and aims to make tourists "satisfied", but peak experience is often related to scenery, culture and authenticity, and aims to make tourists feel "joyful" or "happy". Tourists may have specific expectations about supporting experiences because they are familiar with eating, sleeping, and transportation. But it is may be hard them to form concrete expectation about peak experience. Sometimes they might lose interest once they easily form detailed expectation about it, since the attraction and charm comes from the sharp contrast to their familiar daily experiences. According to expectation-satisfaction theory, "satisfaction" is formed through comparing performance to expectation, it could thus be inferred that the concept "satisfaction" is meaningless for some peak experience.

The difference between supporting experience and peak experience might be easier to understand by juxtaposition with Maslow's needs of hierarchy (1943). Generally speaking, supporting experience is related to eating, drinking and sleeping, and thus is more inclined to satisfying the basic needs, i.e. physiological needs and safety needs. These needs is derived from the losses during the journey, and thus the supporting experience can be compared to the 'a car refueling gas in a gas station'. In contrast, peak experience is about satisfying needs on the higher ladders, e.g. needs of belonging, self-realization, and self-actuation. These needs are derived from the losses in tourists' daily lives, and thus is usually formed before the commencement of the journey. Wang (1999) refers to it as "restoring the order of everyday life that the mainstream institutions of modernity entail". It is related to the goal of the journey, and thus can be compared to the destination of the "car trip", instead of a stop in a "gas station". In summary, the difference between supporting experience and peak experience is put in Table 2.4.

Table 2.4 Difference between supporting experience and peak experience

Supporting experience	**Peak experience**
Extension or intensification of daily experience	In contrast to daily experience
No the goal or motivation of the journey	Is the goal and motivation of the journey
Satisfy basic needs formed in the journey	Satisfy the up-ladder needs formed before the journey
Induced by supporting facilities	Induced by attractions
Evaluated by satisfaction	Evaluated by happiness

Despite these differences, the reality is that peak experience cannot exist without supporting experience. Once the supporting experience goes sour, the total tourist experience would be more or less spoiled , even if the peak experience is good (McCabe, 2002). They may be derived from the same objects, events or environment, of which an example is food consumption in tourism (Mossberg, 2007). On one hand, it can be regarded as supporting experience which is extension of daily experience, in terms of fulfilling physiological needs and getting rid of starvation. On the other hand, it can induce peak experience if the consumption process or food per se contains elements of culture which is in contrast to daily life.

Under some circumstances, these two dimensions are interchangeable with some unexpected encounters which may change the tourists' original motivation. Therefore, it should be noted that "the peak and the supporting experience constitute an organic whole" and they are separated only "conceptually" (Quan & Wang, 2004). But this conceptual separation to a large extent clarify the concept and provide an alternative insight into tourist experience.

2.5.3 Experience authenticity

In the categorization systems specified in 2.4.2, authenticity belongs to the emotive, symbolic, extraordinary, and peak aspect of experience. The term "authenticity" is commonly used to describe something with genuineness, reality, or truth (Kennick, 1985), or sincerity, innocence and originality (Fine, 2003). Obviously, it is not a tangible asset, but a judgement or value placed on what is assessed (Xie & Wall, 2002). Authenticity plays an important role in the fields such as social psychology, marketing and management. It has been studied in relation to different topics such as leadership (Spitzmuller & Ilies, 2010; Walumbwa et al., 2008), team outcomes (Hannah et al. 2011), cross-cultural psychology (Boucher, 2011), intimate relationships (Brunell et al., 2010; Lopez & Rice, 2006; Neff & Suizzo, 2006), and wellbeing (Menard & Brunet, 2011; Toor & Ofori, 2009).

It has been claimed that authenticity characterizes post-modern consumption behaviors (Firat & Venkatesh, 1995). Evidence of consumer demand for authenticity exists in different types of market offerings, including historical reconstructions (e.g., Goulding, 2000), ethnic foods (Lu & Fine, 1995), luxury wine (Beverland, 2006), and reality television shows (Rose & Wood, 2005).

The concept was introduced into tourism research during 1960s. Since then, authenticity has been one of the central subject and undergone decades of debates, in which it has been approached through different perspectives. Various studies have examined authenticity in the context of events (e.g. Kates & Belk, 2001; Papson, 1981), value (e.g. Groves, 001; Kuznesof, Tregear, & Moxey, 1997) and heritage events/tourism (e.g. Chhabra, 2005; Chhabra et al., 2003; Coupland, Garrett, & Bishop, 2005). Thereby the concept gains rich connotation, which is still developing and open to absorb fresh insights (Wang, 2007).

Generally, the concept was approached by tourism and hospitality researches in different ways regarding its role and definition. In terms of the former, authenticity is treated as post-trip perceptual outcome, or “experience” by some researches (e.g. Yu & Littrell, 2003; Goulding, 2000), while others focus on its role as pre-trip motivation, or “drive” (Grayson & Martinec, 2004; Poria, Reichel, & Biran, 2006; Yeoman et al., 2007). This disparity can be regarded as a matter of different emphases. Considering the research objective of this study, authenticity is treated as post-consumption experience.

The disparity in definition is more significant. Authenticity in tourism can be regarded both as an attribute (objective or constructed) of toured objects and as an attribute of tourist experience (Kolar & Zabkar, 2010; Wang, 1999), although sometimes they overlap with each other. The definition of authenticity is thus based on two separate but inter-related questions, i.e. what is “authentic” toured objects and what is “authentic” experience. The former is an ontological problem, and thus can be approached from both objectivist and constructivist views. The latter, in contrast, is an experiential problem which includes both cognitive (or epistemological) and emotional aspects. Cognitive aspect of authentic experience is one in which individuals are in touch with a “real” world. Thus it is related to “authentic toured objects”. Emotional aspect of authentic experience, however, is not dependent on the authentic toured objects. It is based on an existentialist view and indicates individuals feeling themselves in touch with their “real” selves. Selwyn (1996) has summarized the dichotomy as “authenticity as knowledge” and “authenticity as feeling”, or “cool authenticity” and “hot authenticity”.

The above different perspectives of authentic toured objects and authentic experience form the central points of contention on authenticity in tourism. As a periodic round-up, Wang (1999) summarized three different approaches on authenticity namely objectivist, constructivist and postmodernism, and thereby classified authentic experience into objective, constructive, and existential authenticity.

2.5.3.1 Objective authenticity

The objectivist view of authentic toured object is the original usage of “authenticity”, which could be traced back to its use in museum where expert in such matters test whether objects of art are what they appear to be or are claimed to be, and therefore worth the price that is asked for them or, if this has already been paid, worth the admiration they are being given (Trilling, 1972). It is this museum-linked usage that has been extended to tourism (Wang, 1999). Objective authenticity of experience, on the other hand, is quested mostly by sightseeing tourists (Wang, 2007), especially heritage tourists (Chhabra, Healy, & Sills, 2003), and thus is related to "tourist gaze" (Urry, 1990).

This approach regards authentic toured objects as the "original", "not a copy or an imitation" (Bruner, 1994, p. 400), and authenticity is accordingly treated as an objective, essentialist and inherent property of the "original". By "objective", it is meant that there is an absolute and objective criterion used to measure or judge "authenticity" and the measurement or judgement is often done by authorities or experts (Trilling, 1972; Wang, 1999; Reisinger & Steiner, 2006; Lau, 2010). Generally speaking, the objective criterion is usually related to traditional culture and origin. It is a scientific or historical "artefact", or at least a certified and immaculate imitation of it that remain referential. Products of tourism, regardless of tangibility or intangibility, are usually described as "authentic" or "inauthentic" depending upon whether they are made or enacted by local people according to tradition (MacCannell, 1976). In this sense, objectivist view takes an "etic" perspective in the judgement of "what is authentic".

The objective "authentic experience" is thus one in which tourists get in touch with objectively "authentic toured objects". During the experience, the "objective" authenticity of toured objects is "unilaterally" perceived by tourists (Wang, 2007). It is "cognitive" and is no more than an epistemological experience of toured objects. In this sense, authentic experience is actually "authenticity as knowledge". It is judged from an etic perspective. In other words, authentic toured objects result in authentic experience, whereas "false", contrived or toured objects, or what MacCannell (1973) called "staged authenticity", leads to inauthentic experience, regardless of the perception of the tourists themselves.

According to MacCannell's (1973) concept of "staged authenticity", tourist setting differentiates into front and back regions. The front region is "false" and faked to meet the needs of tourists whereas the back region as a realm of "truth", "reality" and "intimacy" is the original toured local life. As tourism develops, the hosts put local life on sale in order to create an appealing package, and in this way it might alter the nature of the product (local life). The process therefore splits the "local life". The original, unaltered one is laid in the back region, while the staged, altered one is laid in the front region and is experienced by tourists. Thereby tourists searching for the original (related to the back region) become victims of "staged authenticity" (related to the front region).

According to him, many tourist settings are only staged settings, which do not constitute authentic local life, and the experience cannot be counted as authentic even if people themselves might think they have achieved such experiences (Wang, 1999). Cohen (1988) further introduced the concept of “commodification” to explain how the “staged authenticity” happens. If economic relations instead of touristic ones dominate a tourist destination, and its local costumes, rituals, feasts, folk and ethnic arts are produced and performed only for tourist purposes, they become commodities.

This “etic” perspective actually regards the judgement power of authentic experience as belonging to third-part observers (usually experts), based on “objective” criteria. But it does not mean tourists themselves give up judging. After all, authenticity is “experienced” and “perceived” by tourists themselves. That is why sometimes toured objects seen as inauthentic or staged authenticity by experts, intellectuals, or elite may be judged as “authentic” by tourists according to their own “criteria” from an emic perspective. Actually this may be the very way that mass tourists experience authenticity. In this sense, if mass tourists empathically experience the toured objects as authentic, then their judgements are real in their own right, no matter whether experts may or may not propose an opposite view from an objective perspective (Cohen, 1988). Cohen (1988) combined two types of setting (staged and real) against two touristic impressions of the setting, and identified four different relationships (Table 2.5).

Table 2.5 Relationship between setting and tourists impressions

Perception	Setting **Authentic**	**Staged**
Authentic	The setting is authentic and the tourists recognize the authenticity as such.	The setting is staged, but the tourists believe it to be authentic.
Staged	The setting is real but h tourists are suspicious of its authenticity and therefore believe it to be staged.	The setting is staged and the tourists recognize the inauthenticity.

Source: Cohen (1988)

As a result, tourists play a central role in judgement. From marketing perspective, what tourists perceived as “authentic” experience is much more important than whether it is authentic in reality, as is claimed by Kolar and Zabaka (2010, p. 654), “from the management and marketing standpoint the key concern is whether the authenticity claim will be acknowledged by the tourist”. The etic perspective, therefore, is far from forming the whole picture of interest.

This fact brings to the front an emic perspective, or "consumer based" perspective (Kolar & Zabkar, 2010). Objective authenticity is thus defined as the tourist's evaluated degree of genuineness of toured objects, e.g. a certain site, culture, object or destination (Brown & Patterson, 2000; Leigh, Peters, & Shelton, 2006). It should be noted that authenticity is not a matter of black or white, as Wang (1999) warns, but is a matter of extent (Kolar & Zabkar, 2010). Considering the fact that toured objects are usually complex systems and so is tourist space, different tourists may focus on different level of authenticity (Cohen, 1988). This evaluation can thus be regarded as the result of a complex perceptual process undergone by the tourist (Beverland & Farrelly, 2010), in which the tourist selects from a set of cues (Grayson & Martinec, 2004) attached to certain toured objects to build his/her own perception of how authentic the object is. For objective authenticity, these cues are often indexical and factually related to the "original" or "pre-existing" reality (Grayson & Martinec, 2004; Castéran & Roederer, 2013), e.g. a cathedral, or Strasbourg's medieval streets and architectural heritage (Castéran & Roederer, 2013). The resulting authenticity judgement is thus also termed as "indexical authenticity" in marketing literatures (Grayson & Martinec, 2004).

It should be noted that the perception of objective authenticity depends on how experienced the tourist is, including their previous travel experience, background in terms of education, social networks and the media. The more experienced, the more suspicious he will be. It is also influenced by the tourist's reference system and where he/she collects information (Cohen, 1988), especially the contact, interaction and communication between hosts and guests (Pearce & Moscardo, 1986; Wang, 2007).

2.5.3.2 Constructive authenticity

Constructivist approach takes a stance in questioning objectivist approach in terms of the "criterion" for judging authenticity of toured objects, asserting that it is far from absolute and objective. Although there are critics on this definition of authenticity as being "original" (Bruner, 1994), the definition is not seen as the problem in itself. Instead, the problem is the reality that "origin" in itself is actually a relative concept and "there is no absolute and static original or origin on which the absolute authenticity of originals relies" (Wang, 1999, p. 20). Its connotation is invented and constructed based on the context the tourist is in and in terms of the needs of the present. It could not exist without interpretation. For example, Hong Kong Disney Land is the "original" when it is claimed to be “the theme park in Hong Kong”, but is not the “original” when it is claimed to be the “fairyland”.

The connotation of “original”, therefore, is constructed through social interaction. From an etic perspective, even the “objective” criterion of being made or enacted by local people according to tradition (MacCannell, 1976) is in fact not objective. Crick (1989) pointed out that all cultures are somehow “invented, remade, and the elements reorganized”. Bruner (1994, p. 407) further indicated “culture is always in progress”. The construction of traditions or origins involves a social process (Wang, 1999), in which “competing interests argue for their own interpretation of history” (Bruner, 1994, p. 12). Ranger and Hobsbawm (1983) offered dozens of examples of how new cultural practices can eventually become embedded as important traditions, with the origins forgotten or romanticized. Cohen (1988) proposed that “a cultural product, or trait thereof, which is at one point generally judged as contrived or inauthentic may, in the course of time, become generally recognized as authentic”. This evolutionary process is described as “emergent authenticity” by Cohen (1988). This indicates that the seemingly “objective” criterion itself is dynamic, negotiable, and emerge as the result of social interaction.

From an emic perspective, tourists make judgement regarding authenticity of the toured object according to different “criterion” of their own, i.e. their interpretation of “origin”. Their interpretations might somewhat coincide with that of “objective interpretation” by experts or authorities which is formed through social interaction and agreement, but they are, in most circumstances and to some extent, different. Obviously, it is unreasonable to expect mass tourists to grasp enough professional knowledge about the toured objects.

Tourist’s interpretations might be different from those of “experts” in two aspects. First, tourists may be interested in different objective attributes of the toured object. For example, if the tourist is aware of a toured object as a simulation and the simulation itself is exactly what the tourist intend to visit, then the simulation in itself is “original” and the tourist would not regard it as authentic experience. In this sense, tourists’ definition of authenticity is still related to concrete, “real” attributes of toured objects. The divergence between them and “experts” is a matter of different perspectives resulting from different interests.

Second, they might "project" their stereotyped images and expectations to the toured objects, and thus "create" or "construct" the attributes of the toured objects which do not necessarily exist in the toured objects themselves. In this way, their interpretation of "original toured object" can be regarded as a "label" attached to the toured objects with their own beliefs, expectations, preferences, stereotyped images, and consciousness (Adams, 1984; Bruner, 1991), those which might be influenced by mass media, other tourists, as well as marketing information. Thus the toured objects are, symbolized and authenticity becomes "symbolic authenticity".

Hence the experience of authenticity they perceived is pluralistic and relative to each tourist type who may have their own way of definition and interpretation of authenticity (Littrell et al., 1993; Pearce & Moscardo, 1985, 1986; Redfoot, 1984). Despite heterogeneity, tourists' interpretations of "original" toured objectives are based on their motivations and interests, and so is their perception of authentic experience.

This symbolic, constructed authenticity, instead of the objective, inherent one, is what constructivist approach emphasizes. According to the constructivists, the "authentic toured objects" is in fact symbolic, "projected" onto toured objects, or even inspired by the objects in terms of the tourists' expectations, preferences, beliefs, stereotyped images, memories, particularly induced by mass media and tourism marketing documents. Thus it has little to do with what the object really is. In this sense, authenticity of toured objects is relative and negotiable (Cohen, 1988), contextually determined (Salamone, 1997), and even ideological (Silver, 1993). That is to say, things appear authentic not because they are inherently authentic, but because they are an "invention of tradition" (Hobsbawm & Ranger, 1983) or constructed through negotiated meaning making, interpretation and agreement (Bruner, 1994; Hughes, 1995).

Correspondingly, experience authenticity is derived not from the perception that the toured objects are "objective reality", but from the perception that they are the symbols of the constructed "authentic toured objects" as is interpreted by tourists themselves. As indicated by Chhabra, Healy and Sills (2003, p. 703), "given the centrality of nostalgia as a motivation for tourism, satisfaction with a heritage event depends not on its authenticity in the literal sense of whether or not it is an accurate re-creation of some past condition, but rather on its perceived authenticity (consistency with nostalgia for some real or imagined past)".

Therefore, experience authenticity can be treated as the extent to which the tourist is "inspired" by the toured object for certain nostalgia or image that is constructed a priori or during the encounter, and is of the interest of the tourist. This is agreed by Kolar and Zabkar (2010, p. 656) who directly indicate that constructive authenticity is assessed in terms of "how inspiring artifacts are", in contrast to objective authenticity which is assessed by determining "how original these artifacts are". In this way, the toured object can be regarded as with "iconic authenticity" (Grayson & Martinec, 2004), which resembles the "real" one and remind a similar imagination.

Like objective authenticity, constructive authenticity is also related to multi-level, multi-dimensional toured objects, and thus may also be regarded as the result of complex perceptual processes undertaken by tourists based on "iconic cues" (Grayson & Martinec, 2004; Castéran & Roederer, 2013), e.g. multiple references to an imagined past; representations of Santa Claus staged by the market organizers (Castéran & Roederer, 2013).

The constructive authenticity of toured objects and of experience are both subjective and internal to tourists themselves, and thus they are constitutive of one another (Wang, 1999). The constructed authenticity of toured objects is surely influential on authentic experience. But the more authentic tourists perceive of their experience, the more authentic they would perceive of the toured objects. This bilateral relationship is in sharp contrast to the unilateral relationship from the objectivist approach.

The difference between objective authenticity and constructive authenticity is firstly represented on the understanding of the nature of authentic toured objects, which is regarded as objective by objectivists view and as symbolic by constructivists view. In this sense, constructivist view of authenticity is only the ontological revision of objectivist view. Second, as argued by Wang (1999), they present conflicting perspectives regarding tourist motivations and experiences in relation to the epistemological understandings of the objects under tour. In other words, objectivists assume that tourists are in search of "experience of objective authenticity", whereas constructivists assume that tourists are in search of "experience of symbolic authenticity". This symbolic authenticity, in the view of Bruner (1994), is related to the meanings produced by the tourists. The tourism object is experienced as authentic not because it actually is but because it is deemed to be a symbol of authenticity. In other words, it is the "authenticity" inspired by the marketing offers that matters

(Kolar & Zabkar, 2010).

Despite the above divergences, both approaches agree that the authentic experience searched by tourists is related to authentic toured objects. This is termed as “object related authenticity” by some researchers (Wang, 1999; Culler, 1981).

But is this the whole picture? Is authentic experience searched by tourists necessarily epistemological and object-related? Many tourist experiences and motivations, such as that of natural tourism or beach tourism, still cannot be explained by objective-related authenticity. It seems natural toured objects are inappropriate to be described as authentic or inauthentic. Moreover, according to postmodernism, inauthenticity of the toured object is not a problem. It is the “genuine fakes” (Brown, 1996) that is quested for. Postmodern tourists have become less concerned with the authenticity of the original for two reasons (Cohen, 1995). First, compared to modern tourists who quest for authenticity, postmodern tourists prefer playful search for enjoyment, or “esthetic enjoyment of surfaces”. Second, the postmodern tourists become more reflexive on the impact of tourism upon fragile host community and thus staged authenticity acting as a substitute for the original is used to protect a fragile toured culture and community from being disturbed. Following postmodern view point, Wang (1999) proposes the third type of authentic experience, i.e. existential authenticity.

2.5.3.3 Existential authenticity

Unlike objective or constructive authenticity, existential authenticity is not an attributes of toured objects, but refers to the authentic experience in which personal or inter-subjective feelings are activated by the process of tourist activities (Wang, 1999). In such an experience, people feel they are in touch with an “authentic self”, more freely self-expressed both in spirit and body, than in everyday life in the sense that they may risk over simplicity. In this way they feel like living a life in terms of the dictations of emotions, feelings, spontaneity, or ego rather than reason or self-constraints. Also, they ease themselves of the pressures stemming from inauthentic social hierarchy and status distinctions. Rather they approach one another in a natural, friendly, and authentic way (Wang, 1999). In this sense, it is an authentic “state of being”.

Obviously, existential experience authenticity can also be regarded as the result of post-consumption evaluation and is a matter of extent. It can be defined as the degree to which the tourist feel they are in touch with the “real self”. This feeling is thought by tourists to be characteristic of a relatively large part of primitive or pre-civilized forms of life, which in fact is idealized to be freer, more innocent, more spontaneous, purer and truer to themselves than their ordinary lives. Thus, existential authenticity is kind of “nostalgic” and “romantic” (Wang, 1999) and is formulated in response to the ambivalence of the existential conditions of institutional modernity, in which the factors of logos rein and the factors of eros are more or less constrained (Wang, 1996, 1997b), and “the disintegration of sincerity” or pretension lead to the feeling of a loss of “real self” in public roles (Berger, 1973). Tourism, on the other hand, creates a “liminal zone” (Graburn, 1989; Turner, 1973), where tourists keeps a distance from societal constraints (prescriptions, obligations, work ethic, etc.) and inverts, suspends, or alters routine order and norms (Gottlieb, 1982; Lett, 1983). Tourists are motivated to pursue this experience because they want to relive them in the form of tourism, at least temporally and symbolically (Wang, 1999).

As such, existential authenticity is different from objective and constructive authenticity on the following aspects. First, existential authenticity is not authenticity of toured objects but rather the authenticity of experience. Second, unlike objective or constructive authenticity which are dependent on the authenticity of toured objects, existential authenticity is activated by tourism activities and has nothing to do with authenticity of toured objects. In other words it is not “object related” (Wang, 1999). Tourists form the “authentic self” feeling not because they find the toured objects are authentic but simply because they are engaging in non-ordinary activities, free from the constraints of the daily. For example, in tourism activities such as camping, picnicking, campfires, tourists are not concerned about the authenticity of toured objects at all, and they are rather in search of their authentic selves by their activities with the aid of toured objects.

In summary, existential experience authenticity is activated by tourist activities and constructed through intra-personal and interpersonal processes. In this way, the “authentic self” experience in tourism can be divided into two different dimensions, i.e. intra-personal and inter-personal dimensions (Wang, 1999).

Intra-personal dimension: The intra-personal dimension involves bodily feelings (or bodily pleasure) and “self-making” (or “self-identity”). As sensual aspect of body, bodily feeling has for long been considered as an important aspect of touristic content (Veijola & Jokinen, 1994). Bodily feeling is the bodily source of "authentic self", in terms of "bodily control". Modernity gained power controlling human body through work structures, division of labor (Lefebvre, 1991), and population surveillance (Giddens, 1990), which lead to self-control or self-constraints on the body. In this sense, people in their ordinary life are thought to be existentially "inauthentic". In tourism, the body is no longer the object of self-control imposed by social structures or the superego, but rather becomes "subject" in its own right. The body is thus relaxed and alters its daily existence, entering into an alternative experiential state, which features recreation, diversion, entertainment, spontaneity, and playfulness. In this "authentic self" experience, "sensual pleasures, feelings, and other bodily impulses are to a relatively large extent released and consumed and the bodily desires for natural amenities, sexual freedom, and spontaneity are gratified intensively" (Wang, 1999, p. 262). The bodily "authentic self" is attractive to tourists because of their non-ordinary nature and it serves to restore the order of everyday life that mainstream institutions of modernity entail.

Self-making is the other intra-personal source of "authentic self". For individuals, modern work and everyday role impose constraining routines which make it difficult for them to pursue their own desires. Also, modernity "rationalizes" almost all human activities and leaves little room for arbitrary action and chance, and thus makes daily life "over-predictable" (Lasch, 1979). Such routinization and over-predictability gives rise to the "feeling of loss" (Giddens, 1990). They are tired and bored of the everyday "self" and they are eager to find an alternative one that is authentic and transcending the daily one. Thus, if those individuals cannot find "alternative", "authentic" self in everyday life, then they are liable to turn to tourism or its adventure form in order to reach this goal (of course this does not imply that nobody can realize self-fulfillment in work or routine life).

Inter-personal dimension: Inter-personal authenticity is the experience of authentic inter-personal relationship. It is also referred to as "interactive authenticity" later by Wang (2007). Regardless of naming, inter-personal authenticity refers to the experience of such an ambience where "tourists can ease themselves of the pressures stemming from inauthentic social hierarchy and status distinctions. Rather they approach one another in a natural, friendly, and authentic way" (Wang, 1999). Authentic inter-personal relationships can be divided into authentic guest-guest relationships and authentic host-guest relationships, or authentic "hospitality" relationships.

According to Wang (1999), family ties and touristic communita are two typical forms of authentic guest-guest relationships. Berger (1973) indicates that family is a major private sphere for modern individuals to experience their “true selves”. Family tourism, therefore, is a typical way of experiencing inter-personal authenticity. Touristic communitas, including fellow close friends on the trip, represent the second typical inter-personal authenticity. A communita is characterized by “liminality” which refers to any condition outside or on the peripheries of everyday life (Turner 1974:47), that is, any condition that is not concerned with institutionalized position, roles, status, and obligatory tasks (e.g., economic, political tasks) of everyday life. In this sense, communitas occur as an unmediated, “pure”, “inter-personal” relationship.

Family ties and touristic communitas, after all, reside in guest-guest relationships. But Wang (2007) further indicates that inter-personal authenticity in tourism also exists in host-guest relationship, which is termed as “hospitality”. On one hand, this kind of host-guest relationship in tourism is not as close, natural and intimate as family relationship or friendship, on the other hand, it is not so commercial that the relationship is built on monetary transaction.

This inter-personal experience authenticity is usually pursued in hospitality (Wang, 2007). Compared to sightseeing tourists, rural tourists more and more tend to be involved in rural family life. They are not passive audience, but active actors. Meanwhile, the host families are not just “performers” but actively involved in interaction with tourists. This kind of interactive authenticity in rural hospitality, which may be kind of “authentic socialization” (Selwyn, 1996), is becoming what rural tourists are questing for.

It is possible that modern people quest for this kind of authentic hospitality out of nostalgia. It is deemed to be the distinguishing feature of traditional hospitality before capitalization (Bruckner, 1980; Heal, 1984; Muhlman, 1932). In capitalist society, hospitality is commercialized, depersonalized, and becomes “pseudo-hospitality” (Olesen, 1994). Further it is turned to a institutionalized functional system, such as hotel, restaurant, or airline service (Wang, 2007). It is based on monetary transaction relationship, featuring “leave and pay” and thus is offered to guests who are able to pay (Bruckner, 1980). Traditional hospitality itself is the purpose, but modern hospitality is instrumental and used to gain profit. Thus, modern hospitality is thought to lack “authenticity” (Wang, 2007).

The relationships among the three approaches are summarized in Table 2.6 and Figure 2.2.

Table 2.6 Relationships among different approaches of authenticity

	Objectivists	**Constructivists**	**Existentialist**
Authenticity of toured objects	Objective, inherent	Constructed, projected	N/A
Authenticity of experience	Related to objects		Emotional, has nothing to do with objects
Relationship between toured objects and experience	Unilateral	Bilateral	N/A

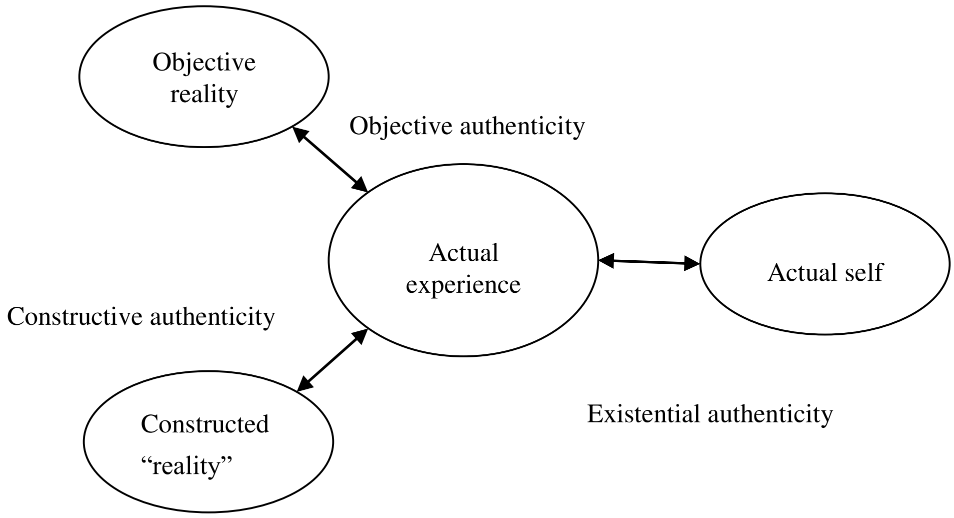

Figure 2.2 Three dimensions of experience authenticity

2.5.4 Experiencescape and experience management

2.5.4.1 Experiencescape

Experience in its nature is highly personal, evaluative concept with multiple components. But it is not self-generated but induced by certain external stimuli, e.g. product and service, encounter with businesses. Therefore, it might be possible to figure out the circumstances and the environment in which tourists could have certain experience (Mossberg, 2003). From marketing and management perspective, this fact is of great importance, for it makes manipulation of customer experience possible. All these external stimuli are summarized and conceptualized as "experience environment" (Prahalad & Ramaswamy, 2003) or "experiencescape". Attributes of experiencescape, such as the environment, atmosphere, are considered as determinants of customer experience (e.g. Verhoef et al., 2009). Lewis and Chambers (1999, p. 16) even bluntly defined consumer experience as "the total outcome to the customer from the combination of environment, goods and services purchased".

In tourism and hospitality researches, the attributes of experiencescape external to individual has long been treated as experience per se. For example, Oh, Fiore and Jeoung (2007, p. 120) claim that "everything tourists go through at a destination can be experience". Sharpley and Stone (2011) assert that tourism experience is about all people, things, relationships encountered by a tourist in a journey. In hospitality textbooks (e.g. Ford & Heaton, 2000). The guest experience in hospitality industry is componentized into service product, service setting, and service delivery system. To address this definitional confusion, some scholars (e.g. O'Dell, 2005; Mossberg, 2007) proposed the use of the experiencescape concept as alternative. O'Dell (2005, p. 15) defined experiencescape as "a space of pleasure, enjoyment and entertainment, as well as the meeting ground in which diverse groups move about and come in contact with each other". This definition was proposed as an extension of "servicescape" (Bitner, 1992), which refers to the physical features around a service production, influencing individuals' internal responses and behavior. Urry (2002) further claimed that various "sensescapes" should be taken into consideration, including soundscapes, smellscapes, tastescapes, and geography of touch, in addition to landscapes which emphasize the visual aspect of sense.

Like experience, experiencescape is a complex and multi-dimensional concepts in tourism and hospitality research. It is related to the features of the physical and human, social, cultural, and natural context (Kotler, 1973; Garrod, Wornell, & Youell, 2006; Kastenholz, 2004; Lane, 1994; Saxena et al., 2007). For Sherringham and Daruwalla (2007), hospitality takes place between the host and guest, in the host's physical and symbolic space. Theoretically, it consists of four dimensions: 1) physical surroundings, e.g. building, interior (Wakefield & Blodgett, 1996); 2) social surroundings, i.e. the hosts (Arnould & Price, 1993) and other guests (Silkapit & Fisk, 1985); 3) symbolic surroundings (Mossberg, 2007), i.e. themes and stories, cultural elements. 4) products/souvenirs (Mossberg, 2007). Berry, Carbone and Haeckel (2002, p.86) described attributes of experiencescape as "anything that can be perceived or sensed, or recognized by its absence". These attributes include atmosphere (e.g. Bitner, 1992; Heide, Lardal & Gronhaug, 2007), interaction with personel or other customers (e.g.Heide & Grønhaug, 2006; Mossberg, 2007), a theme or story (e.g. Mossberg, 2008; Nelson, 2009) and memorabilia or souvenirs (e.g. Ferdinand & Williams, 2010; Gordon, 1986).

In the pervasive researches of cognitive aspect of experience, such as satisfaction, service quality, these attributes of experiencescape is usually the object of evaluation. Typically, these attributes are identified through interviews with customers and there are typologies of this attributes, such as that of Carbone and Haeckel (1994), by which it is classified into performance- and context-based attributes. Performance based attributes relate to the function of a product and refer to "technical skills performance" (Ellis & Rossman, 2008), while context-based attributes involve the multi-sensory environment in which experience is offered. The context-based attributes comprise "mechanics" emitted by things (e.g. landscapes, graphics, scents and recorded music) and "humanics" emitted by people and engineered by defining and choreographing the desired behavior of employees involved in the customer encounter (Carbone & Haeckel, 1994). This typology of context-based attributes is further developed as physical environment and human interaction or physical surroundings (e.g., Berman & Evens, 1995; Wakefield & Blodgett, 1996) and social surroundings (e.g., Arnould & Price, 1993; Silkapit & Fisk, 1985).

To summarize, customer experience can be regarded as the result of encounter and complex interactions between customer and attributes of experiencescape, or more specifically, between the customer and a company or the company's product offerings (e.g. Addis & Holbrook, 2001; LaSalle & Britton, 2003; Carù & Cova, 2007). A product or service always comes with an experience (Carbone & Haeckel, 1994). For experience as subjective response to occur, the customer's involvement at different levels (rational, emotional, sensorial, physical, and spiritual) is necessary (Gentile, Spiller, & Noci 2007) and it can be either active or passive (Pine & Gilmore, 1998). Ryan (2002) asserted that the quality of tourism experience involved not only the attributes provided by tourism suppliers, but also the attributes brought by the visitor. He further explained that quality is shaped by internal factors such as visitor's motives, past experience, knowledge of the destination, and individual personalities. Yuan (2009) agreed that the external stimuli, i.e. physical product, the service and the environment lead to either satisfaction or dissatisfaction through interaction and involvement of the customer. Walls et al. (2011) concluded that aside from physical elements and human interaction elements which are under control of tourism operators, indisciplinable factors such as individual characteristics (e.g. personality) and situational factors (e.g. travel companion) also have impact on tourist experience.

2.5.4.2 Experience management

According to its nature, experience is "induced" instead of "created" or "delivered". But business owners across all industries are all interested in putting a halter on it through delicate design and scientific management. The term "experience based management" thus refers to where managerial inputs are translated into outputs which are subjectively experienced by participants (Bengston & Xu, 1993; Bruns, Driver, Lee, Anderson, & Brown, 1994; Noe, 1987; Wyman, 1985). Since customer experience is the result of interaction, hospitality and tourism businesses can enhance consumers' experience through managing physical and human interaction elements. Bitner (1992) urged organizations to think in terms of environmental dimensions, participant mediating or internal responses (cognitive, emotional, and physiological), and employee and customer behaviors that result in expressing commitment, loyalty, spending of money, and extending stays. That is, consumers who willfully involve themselves in positive physical and relational aspects of their consumer experiences are more inclined to engage in positive emotion and behavioral outcomes.

Experience is highly personal, individualized and varies across different people, different settings, and even different times. Business operators could be disappointed to find that the factors influencing experience are no less complicated than experience per se. Some of these factors, such as goods and services, can be manipulated to create a positive experiencescape, in the expectation of inducing satisfactory, extraordinary or memorable experiences. This is actually where marketing and management research efforts goes. But other factors, such as individual characteristics, e.g. personality type, sensitivity to the environment, and situational factors, such as purpose of trip, travel companions, are mostly beyond the control of business operators (Walls et al., 2011). Since the specific content of experience derived is based on both subjective issues and objective environment, i.e. "experiencescape" (O'Dell, 2005), it is obvious that heterogeneity exists natively among tourists and even the same experiencescape may result in different experience in different individuals (Pine & Gilmore, 1999).

Therefore, the thoughts of experience management has received some criticism. For example, Ooi (2005) indicated that it is untenable if we consider three characteristics of tourism experiences, i.e.

experiences arise out of people's social and cultural backgrounds, experiences are multifaceted and arising from activities, physical environment, as well as the social meaning embedded in the activities, experience are existential in the sense that they are embodied in people. Therefore, even if tourists say they enjoy themselves in the same situation, it does not necessarily mean that they all have the same exciting and memorable experiences.

Presumably, however, certain homogeneity exists to some extent, based on which categorization of tourists with similar characteristics is possible. Thus the influence of experiencescape on the experience of certain category of tourists could be investigated, to facilitate manipulation and management of this experience. This assumption does not come out from nowhere. For example, it has been agreed that tourists to rural areas are specially attracted by natural environment and rural culture (Lane, 1994), although different tourists tend to value distinct dimensions of this experience (Frochot, 2005; Kastenholz et al., 1999) and may indeed live the experience quite differently, deriving distinct meanings from it.

An even more sever challenge is "routine matter", i.e. to figure out "what experiences are needed by customers?" Customers buy products and services to fulfill certain needs. Some of their needs, mostly physiological and utilitarian, might be perceptible to both customers themselves and business operators through market investigation. Correspondingly, certain experience might be predictable. But other needs, such as spiritual, hedonic needs, might be abstract and can not be imagined until the moment of actual experiencing.

The shift of answer from cognitive experience to emotive experience almost caused a revolution in marketing approach (e.g. Shmmit, 1999). The above three dichotomies, though enlightening, only provide a framework and definition, but leave the specific content to discretionary judgment according to real context. The cognitive, ordinary, supporting aspects of experience have been extensively examined in the past decades, with the topics such as "service quality", "service experience" and "satisfaction" pervasive in marketing, tourism and hospitality literature. But what exactly is the content of emotive, extraordinary and peak experience preferred by customers still remains under-examined, except for some pilot works such as sense of flow, authenticity.

By combining both aspects, from the perspective of marketing, the emphasis is focused on the influence of customer experience on the so-called “experiential value” (e.g. Mathwicka, Malhotra, & Rigdon, 2001). “perceived value is the consumer overall assessment of the utility of a product based on the perceptions of what is received and what is given” (Zeithaml, 1988, p.14). It tends to be studied together with either the quality in the first years (e.g. Fornell et al., 1996; Jayanti & Ghosh, 1996; Bojanic, 1996) or with satisfaction and loyalty in more recent studies (e.g. Petrick, Backman, Bixler, & Norman, 2001; Babin & Kim, 2001; Petrick & Backman, 2002), and most researchers agree customer value is cognitive and relative to the utility, functional aspect of product or service (e.g. Morrison, 1989). But the emotional and hedonic aspect of customer value has also been proposed and empirically tested in tourism and hospitality research (e.g. Babin et al., 1994; Grewal, Krishnan, Baker, & Borin, 1998; Petrick, 2002, 2003).

2.6 Rural hospitality experience: A holistic perspective

2.6.1 Hospitality: From service to experience

By nature, guest in rural SABs belongs to hospitality experience. Hospitality is basically a cluster of activities associated with the provision of food, drink, lodging and entertainment of the host to the guest (Lashley, 2000; Lugosi, 2008). A series of actions and attitudes are involved, e.g. to wait, to receive, to discern tastes and needs, to care for, and to offer the gift of one's time and attention. Hepple, Kipps and Thomson (1990) identified four characteristics of hospitality in its modern sense: 1) it is conferred to those who is away from home; 2) it involves the interaction of the host and the guest, in other words, they should come together; 3) it is comprised of a blend of tangible and intangible factors, which Reuland, Choudry and Fagel (1985) viewed as transfer of three elements, i.e. product (meal, beverage, lodging and entertainment), behavior of employees, and environment; 4) by providing the above elements, the hosts provide for the guest's security, psychological and physiological comfort.

For a long time, hospitality industry has been striving to figure out new differentiation strategies by which they can achieve competitive edge and provide value for their customers. In the 1980s, the focus of differentiation strategy in hotel industry was on amenities, and hotels were seen as organizations offering guests facilities, food and drink. In this sense, guests' evaluation of the encounter with hosts was primarily focused on the quality of these "visible" elements. "How comfortable the bed is" is more emphasized than "how comfortable the customer is". In the last decade, nevertheless, the perspective of hospitality has undergone a transformation from "hospitality as product" to "hospitality as service" and "hospitality as experience".

2.6.1.1 Hospitality as service

The 1990s saw a shift of focus from the "product paradigm" to "service paradigm" (Bell, 2002), and tourism and hospitality industry was intuitively regarded as "service industry". Businesses in hospitality sectors, such as hotels, motels, were typically viewed as service providers and their tangible offerings were considered as a part of service. Service quality, therefore, was emphasized the major strategy for differentiation (Haywood, 1987; LeBoeuf, 1987; Smith, 1988, Zemke, & Albrecht, 1985). Hoteliers were encouraged to place more emphasis on improving the quality of their services to meet the needs and expectations of their customers (Haywood, 1983).

It was later noticed that what was termed as “delivery of a service” might just as easily be described as the selling of certain experience (Bateson, 1991). But this type of experience was still conceived as utilitarian, cognitive and ordinary. In these management-oriented researches, this “functional form” or “mundane form” (Crang, 1994) of hospitality experience was overly examined, while the “emotional”, “extraordinary”, or “peak” aspects were largely neglected (Lugosi, 2008). Lugosi (2008) further indicated that the definitions of hospitality provision in commercial contexts tends to ignore issues of emotive “entertainment” (Lugosi, 2008), which in fact is internal to the traditional idea of “hospitality”.

Probably due to the neglection of experiential elements, hospitality is usually endowed a supporting role in tourists’ journey and thus hospitality experience is usually considered as “supporting experience” which is not directly related to the motivation and goal of the journey. This stereotype makes sense at the first glance. Traditionally, hospitality is non-commercial and happens in household, a setting which is familiar in a tourist’s everyday life. The provision of food, drink and sometimes accommodation (or shelter) are all tangible necessities of life which satisfy the basic needs of the guest, that is, physiological, safety and security needs (Hemmington, 2007). In this way, the host provides a “home away from home” and restores the guests’ body, cure the pain and toil suffered in the journey and soothes their mind. In this sense, hospitality is about restoring, refueling, as a gas station for a car. It tries to create a familiar ambience for the tourist, and is as “ordinary” as their daily life.

This idea is not only conceptual and confined in academic thoughts, but also a guideline for practices. Accommodation units are generally treated as supporting facilities instead of the major attractions in a journey by both tourism agents and destination marketing organizations in their planning. Even the operators of accommodation businesses themselves are mainly focused on service quality and striving to provide a “home-like” ambience featuring safety, security and familiarity to make tourists feel less strangeness and tension instead of providing something different or “extraordinary” which is worthy of visiting in itself. After all, only a few of themed hotels or boutique hotels and resorts, if any at all, would treat themselves mainly as attractions.

2.6.1.2 Hospitality as experience

Holbrook and Hirschman (1982) proposed another approach, “experiential marketing approach”, trying to divert attention from quality, satisfaction to various consumption phenomena such as emotional response, sensory pleasures, playful leisure activities and so forth. They argue that satisfactory experience is only one component of experiences in addition to the hedonic, symbolic and aesthetic nature of experiential consumption.

More recently, it was advocated to view hospitality as holistic moment-by-moment experience, instead of mere service (Gilmore & Pine, 2002; O’Connor, 2005; Hemmington, 2007). This requirement comes from demand side of tourism and hospitality market. It has been found that guests generally evaluate hospitality experiences based on emotional dimension rather than the physical aspects of the services. Consumers want more than just the delivery and consumption of products and services. Instead, they seek unique consumption encounters to accompany the products and services that create “memorable experiences” (Walls et al., 2011). This is especially true in the SAB sector. For example, Wang (2007) has found that tourists in guesthouse in *Lijiang* of China not only demand comfort, privacy, home-likeness, familiarity, but also an “exotic” place that provides difference, uniqueness, or artistic enjoyment.

Therefore, Lashley (2008, p.4) explicitly claimed that “hospitality is more than service encounter”, and the major aim of hospitality is to provide an “unforgettable experience” for the guest. Knutson, Beck, Kim and Cha (2010, p.15) claimed that “in the era of experience economy, however, service quality must be integrated into a holistic model built on the notion of a guest experience”. It was also found by more and more empirical researches that there are more experiential factors aside from service quality significant influence on customer loyalty. Hemmington (2007) summarized the perspective shift from service to experience (Table 2.7). With the shift of paradigm, he proposed five dimensions of hospitality as commercial experience, i.e. host-guest relationship, generosity, theatre and performance, lots of little surprises, safety and security.

Table 2.7 Transformation of paradigm regarding hospitality

Dimensions	Service	Hospitality
Who is it for?	Customers	Guests
Who manages it?	Managers	Host
How is it managed?	Manufacturing commoditisation	Theatre
What is the economic function?	Delivery	Staging
What is the economic relationship?	Parsimony	Generosity
Who delivers it?	Staff	Cast
What is the delivery goal?	Customer service	Performance
What is the timing?	Delivered on demand	Lots of little surprises
What are the needs?	Functional	Experiential
Who leads?	Customer led	Host led
What is the nature of the offering?	Intangible	Memorable
What are the factors of demand?	Benefits	Sensations
What are the security concerns?	Of goods and processes	Of strangers

Source: Hemmington (2007)

This transformation in the perspective on hospitality took place against the background of "experience economy" (Pine & Gilmore, 1999). The previous partial view of hospitality experience as cognitive, functional and supporting "service experience", therefore, should be substituted with a more comprehensive approach. The emotive, extraordinary elements should be taken into consideration and hospitality should be treated as holistic, multidimensional experience, instead of mere "service". This is supported by Sharpley and Stone (2011), who warned the distinction between specific service (often referred to as experience) and a broader concept of tourist experience.

From marketing and management perspective, it is thus not sufficient for hospitality businesses to offer solely functional level of products and services (e.g. a meal, accommodation, entertainment), which only meet an immediate need and bring immediate but short-term satisfaction or benefits. Instead, they should be accompanied by certain "experiential elements", in order to differentiate themselves in the increasingly commoditized and competitive business environment (Pine & Gilmore, 1999; Schwartz, 1991; Lugosi, 2008), whereby "escape the Commoditization Trap" and "differentiate hospitality operations" (Gilmore & Pine, 2002, p. 88).

These "emotional, experiential elements" can thus be valued as the fourth offering besides commodity, good and service (Pine & Gilmore, 1998, 2011). In this way, hospitality businesses should not striving merely for “service quality”. Instead, they should try to exert influence on the holistic experience, or the “take-away” impressions of the holistic encounter that customers have after their stay. “Experience quality”, which is defined as the perceived excellence or superiority of the holistic encounter (e.g. Edvardsson, 2005; Schembri, 2006), should also be emphasized.

The experience paradigm may help explain the qualitative heterogeneity of accommodation business, e.g. the difference between an ordinary motel and a holiday villa. Indeed, the heterogeneity of accommodation experience can be attributed on one hand on the “supporting experience” aspect. It has been found that perceived supporting experience varies in different hospitality providers in terms of the extent to which it meets the expectation of the tourists, causing various degree of “tourist satisfaction”. However, as an extension of daily experience, they are in essence similar. Thus even the highest accommodation quality does not form an attraction which could act as a stimulus of tourist motivation, and can not differentiate a motel from a holiday villa. It is the peak, extraordinary experience that differentiates between different tourism products and thus form the heterogeneity of tourism industry. The reason is that peak experience is in sharp contrast with daily life and even with each other. In other words, it is the peak experience which makes a hospitality product a tourist attraction and major object of tourists.

The experience paradigm also fits the idea of “experiential tourism” (Smith, 2006), which is in contrast to the mass tourism, or “Disney model” of tourism of the 1980s and early 1990s. “Experiential tourism” is intended to leave the physical location visited virtually unchanged, and thus provides highly personalized, authentic experience, which may make travelers willing to pay a premium price. In this sense, it is different from mass tourism which means high environmental impact, high volume of people in one place and relatively low monetary yield to the provider per person.

2.6.2 Authenticity: A third aspect of rural hospitality experience

2.6.2.1 Experience authenticity in rural tourism

It has been recognized that authenticity should be explored with reference to specific context, and in reference to certain place, time or product (Cole, 2007; Martin, 2010; Warnier, 1994). This is especially true when regarding object-based experience authenticity, i.e. objective and constructive ones. Since experience in rural SABs should be considered against the background of rural tourism, the experience authenticity in rural tourism is first investigated.

When considering rural tourism, a core issue is to identify the tourist's motivation, i.e. "what attracts tourists?" or "what do tourists pursue?" Indeed, the toured objects, its characteristics and the experience they induce form the major motivation of tourists. This question, however, is not one that can be answered off the cuff. Theoretically, rural tourism is commonly defined in most literature as "tourism activities in rural areas" (Viljoen & Tlabela, 2007; Feher & Korodi, 2007). But this definition is far from providing satisfying information about rural tourism in two senses. On one hand, it does not provide any information about the "tourism activities" per se, nor does it reveal the nature of experience related to these "activities". They are not dispensable, because "tourism" is usually perceived and understood from the perspective of "activities" and "experiences", whether on the side of tourists, tourism operators or destination management organizations. On the other hand, it does not reveal the nature of toured objects in rural tourism. It seems that a large number and diversity of resources, attractions, services, people and environments in rural areas constitute the toured objects for tourists (Kastenholz et al., 2012), but again, the long list is tedious and has nothing to do with uniqueness of the toured objects.

It is asserted that the appeal of rural areas for tourism and recreation lies firstly in their intrinsic rural characteristics (Kastenholz, Davis & Paul, 1999; Sharpley & Sharpley, 1997). In fact, tourists are not interested in the various tangible resources in rural areas, but rather the uniqueness it bears, or, "rurality". The concept of "rurality" is often used to describe the defining characteristics of rural areas that is "perceived" by the visitor as well as occupants to be the essence of rural space, which distinguishes itself from urban areas. By introducing the concept of "rurality", the central idea in rural tourism and in motivating tourists to visit a rural destination is found (Majewski, 2010).

Based on these, it is therefore reasonable to claim that "rurality" is the goal and motivation for rural tourists and remains centrality in rural tourism experience (Sharpley & Jepson, 2011). In other words, it is the objects of "peak experience" and has long been and remains instrumental in the touristic consumption of the countryside (Aitchison et al., 2000).

Since the early 1800s, rural areas have increasingly attracted tourists as a "refuge from modernity" (Short, 1991), or as an antidote to industrial cities and the industrial revolution (Fiero, 2006). The development of urbanization makes people living in the modern cities stressful, bored and tired. They are not satisfied with their lives. Thus they are specially attracted by natural environment and culture in rural areas (Lane, 1994). Rural landscape once considered as harsh and threatening become softened and romanticized, and rural lifestyle once considered as poverty-stricken becomes a utopian existence which is pure, innocent, without hypocrisy and snobbishness.

"Rurality" has two aspects of attraction to tourists, i.e. natural aspect and human aspect. The nature aspect of rurality refers to characteristics of rural landscape and natural environment. In contrast to urban areas, the countryside is frequently perceived to have large open spaces, only occupied by rural flora and fauna, which offers tourists a sense of freedom, relaxation and closeness to nature (Lane, 1994). It is believed to be "unspoiled" natural scenery which is peaceful, quiet and, to some extent, solitude in rural areas (Krippendorf, 1987). Therefore, it constitutes one of the motivations of various rural tourists (Frochot, 2005; Kastenholz, 2004; Molera & Albaladejo, 2007; Park & Yoon, 2009).

The human aspect is related to rural people and rural community, specifically their "lifestyle". The different ways of life which remain untouched by modernism and still maintain tradition and customs (Bramwell, 1994; Gannon, 1994; Sharpley & Sharpley, 1997), constitute the major motivation for tourists. Lifestyle is "a distinctive, hence recognizable, mode of living" (Sobel, 1981, p. 28). It is the pattern of individual and social behavior characteristic of an individual or a group (Veal, 2000). According to Veal (2000), the "activities" include consumption patterns, leisure activities, paid work activities and what might be called domestic practices such as styles of cooking/eating, home maintenance, child rearing practices, home decorating/furnishing style, and activities to do with personal relationships and kinship. It should be noted that the lifestyle as a "pattern of activities" represents itself in the forms of not only the characteristics of the behavior itself, but also the related tools used and setting where behavior occurs.

Thus rural lifestyle is actually the regular and daily arrangement of work, consumption, leisure, domestic activities, as well as related tools and setting. According to MacCannell (1976), tourism emerges based upon the quest outside the boundary of everyday life in contemporary society. People think either the past was better or lives outside their space are better. They are nostalgic about old ways of life, and they want to relive them in the form of tourism, at least temporarily (Chhabra, Healy, & Sills, 2003). Rural lifestyle intrigues such nostalgic emotions, for it is considered as lifestyle in pre-industralization society. Tourists visit rural homes for the experience of their original rural lifestyle (Figueiredo, 2004; Sims, 2009). All these lifestyle activities may reflect certain local traditions and customs which serve as guideline or norm of their activities, which is also the interest of rural tourists.

By combining rurality and authenticity, the two problems regarding the definition of rural tourism can be solved and the essence of rural tourism is much more clearly revealed. Obviously, rurality, including both rural landscape and rural lifestyle, constitute the toured object which is the interest of rural tourists. Tourists travel in rural area to seek and experience its authentic characteristics that are in contrast to those of urban areas, or “authentic rurality”. Meanwhile, by taking activities in rural areas, they are kept a distance from their daily lives, and thus is possible to experience an “authentic self”. The experience of “authentic rurality” and “authentic self” is in correspondence to cognitive aspect and emotional aspect of authenticity, and thus constitutes the whole picture of experience authenticity in rural areas, or experience of “authenticity of rurality”.

2.6.2.2 Authenticity in rural hospitality experience

Rural hospitality experience is often regarded as an important part of the total experience of tourists engaged in rural tourism. It has been claimed that rural tourism experience is shaped at both regional level and the accommodation site level (Carmichael & McClinchey, 2009). In the regional level, rural tourists enjoy the rural landscape and interact with the whole community, while in the accommodation site level rural tourists stay in the accommodation unit, which often is a local family, and interact with the family members. The small accommodation units serve as the base for rural tourists to enjoy natural environment and provide a window into the local culture especially lifestyle, aside of providers of food, drink and accommodation.

Therefore, it seems that besides food, drink and lodging, SAB experience involves emotive, extraordinary, and peak experience satisfying needs at higher level of Maslow's hierarchy of needs, i.e. needs of belonging, esteem, self-actualization and self-transcendence and this experience constitutes the major motivation of rural tourists. The dualistic view of SAB experience has been echoed by many existing empirical studies. For example, Moscardo (2009) found that the product of commercial home is supposed to fall on a continuum, of which the left end denotes the support service for a holiday (such as self-catering or guesthouses), and the right end stands for the experience considered as the central or major focus of the desired tourist experience. In Taiwan, B&B have shifted from providing tourist accommodation, to places for tourists to engage in leisure activities (Cheng, 2004; Wu & Yang, 2010), which indicates that SAB themselves are becoming major tourist attractions. B&B provide tourists with novel and memorable experiences (Chen, Lin, & Kuo, 2013; Wu & Yang, 2010). Compared to tourist hotels, services provided by B&B are considered to be more customer-service oriented and are tailored toward tourist needs (Dawson & Brown, 1988; Zane, 1997). B&B provides a home-like atmosphere, as well as the opportunity to understand and experience the local environment, featured landscapes, and culture (Chen, Chen, & Lee, 2013; Nuntsu, Tassiopoulos, & Haydam, 2004; Wu & Yang, 2010).

There has been in-depth reflection on the essence of "tourism experience" among researchers for a long time (e.g. MacCannell, 1973; Cohen, 1979). Despite their disparities, a consensus is that "tourism experience", whether viewed from the tourist perspective in academic terms, is in sharp contrast to ordinary daily experiences and should be "peak" or "extraordinary" experiences (Carù & Cova, 2003; Quan & Wang, 2004). Tourist activity often represents a quest for novelty, a distance from routine, and a "remedy for the unpleasant loss of self" that can accompany inauthenticity (Steiner & Reisinger, 2006). In this regard, tourist experience can be divided into cognitive and emotional aspects. Cognitive aspect of experience is derived from "toured" objects, one in which individuals are in touch with a "real" world, and can be described as "knowledge of the objects". In this aspect, tourists are attracted to "new", "exciting", "authentic" objects characterizing "time distance" or "culture distance" to those in their daily lives. Emotional aspect is not derived directly from the toured object, but instead is the emotive response to interaction with the toured objects.

In this sense, both aspects of peak experience are closely related to the concept of "authenticity".

Seeking authenticity is considered as one of the major tourist motivations (MacCannell, 1973). A central element of "tourist experience" is the juxtaposition of the normal day-to-day environment and the unusual and different experience that tourists can encounter while on holiday. If different destinations are visited, the argument can be made in that tourist wants a true insight into the local culture and heritage in order to experience, learn about and understand the local life (Heitmann, 2011). Authenticity, therefore, is considered as the "holy grail" for tourists and new competitive edge for remote tourism destinations (Carson & Harwood, 2007). As is indicated by Getz (1994, p. 316), "it is something that can motivate certain tourists, and it is a benefit that can at least be partially controlled by organizers''.

The concept of authenticity is widely used in tourist research. MacCannell (1973) has argued that the tourist experience is a sincere pursuit of authenticity, and this view is agreed by a number of researches (e.g. Cohen, 1979; Wang, 1999; Boyle, 2003). Frochot and Batat(2013) claimed that to complete their experience, tourists also want to have a more direct and genuine contact with locals and to experience their daily lives.

Rural SABs, such as farmhouses, B&Bs, are designed partly to meet this demand, and they are popular with contemporary travelers who are trying to get closer with the locals and live a different experience. In this way, they act the role of "local ambassador" (Frochot & Batat, 2013). Wang (1999) further indicates that tourists are not only pursuing authentic local lifestyles, but also pursuing authentic "self", or "existential authenticity". All these clues indicate that experience authenticity plays a prominent role when evaluating the host-guest encounter.

Pizam (2010, p. 343) claimed that "creating memorable experiences is the essence of hospitality industry". This is supported by Tung and Ritchie (2011), who proposed memorable experience as in contrast to conventional satisfactory experience. The positive outcome factors of memorable experiences include revisit and a spreading positive word of mouth (Woodside, Caldwell, & Albers-Miller, 2004). Kim, Ritchie and McCormic (2012, p.13) defined memorable tourism experience as "a tourism experience positively remembered and recalled after the event has occurred". Seven elements of memorable experience have been identified: hedonism, novelty, local culture, refreshment (liberation and revitalization), meaningfulness, involvement and knowledge.

While excellent service experience causes satisfaction, experience authenticity usually lead to memorability. For example, Chandralal and Valenzuela's (2013) recent interview in Australia found that most participants further referred their memorable trips to experiencing authentic local cultures, i.e. participating in local cultural festivals, visiting culturally significant places, and being moved by seeing strange cultural rituals and behaviors. It thus might be worthy of some effort to clarify why experience authenticity should be taken into account when investigating guest experience in rural SABs.

To summarize, the hospitality experience in rural SABs may also involve the evaluation of experience authenticity, aside from service quality and experience quality. From marketing perspective, experience authenticity is not seen as antithetical to commercial endeavors, but instead is seen as a much-warranted element of tourist offerings (Apostolakis, 2003; Yeoman et al., 2007). The compatibility and convergence of authenticity and marketing has been emphasized in, for example, researches on heritage tourism (Apostolakis, 2003). In this sense, business interests and authenticity have been more and more seen as mutually beneficial (Naoi, 2004; Cohen, 1988). On one hand, commercial presentation may beneficial to keeping traditional cultures and customs alive that they would otherwise be "modernized and lost" (Cohen, 1988). On the other hand, authenticity may serve as major attraction for tourists and create additional customer value. As is advocated by Goulding (2000), the basic meaning and intent of commoditization of cultural heritage is not destructing its authenticity, but exposing its exchange value. Notably, these discussions were majorly confined within heritage or cultural tourism.

From management and marketing standpoint, the key concern is whether the authenticity claim will be acknowledged and pursued by the tourist (Kolar & Zabkar, 2010). The relevant literature implies that authenticity can also be considered as an antecedent/input of tourist behavior, as it is often considered as an important driver, value, motive or interest (Grayson & Martinec, 2004; Leigh et al., 2006; Poria, Reichel, & Biran, 2006; Yeoman et al., 2007). On the other hand, Kolar and Zabkar (2010) have found the positive relationship between authenticity (constructive authenticity and existential authenticity) and tourist loyalty in cultural tourism context. Cho (2012) found that perceived authenticity, including cognitive, constructive and existential authenticity were correlated to tourist satisfaction in a cultural tourist site. Robinson and Clifford (2012) found positive association between perceived authenticity and revisiting intentions in festival food service context of Australia. Similarly, Brida et al. (2012) found there is a positive relationship between perception of authenticity and visitors' expenditure in event.

2.6.2.3 Experience authenticity in rural SABs

A consensus in existing tourism and hospitality literature is that experience authenticity is the evaluative outcome of the tourist's total encounter with certain toured objects (Kolar & Zabkar, 2010). This understanding of experience authenticity is consistent with our definition of "guest experience" in rural SABs, which is post-consumption evaluation of the whole contact with the SAB. By treating experience authenticity as an evaluative judgment, it can then serve as a performance indicator, the concept can then be incorporated into the integrated model of tourist behavior and investigated in line with other evaluative consumer based concepts such as satisfaction, quality, and value. In this manner, authenticity research may enrich the understanding of tourist experiences and behaviors, and thus serve for marketing management purposes.

When authenticity is treated as motivation, it is true that different tourists may pursue different types of authentic experience in different tourism activities and the description as well as explanation of their preference is still lacking. For example, objective authenticity is more pursued in sightseeing tourism, especially heritage related ones, while existential authenticity is more preferred in rural hospitality tourism (Wang, 1999). Despite the individual heterogeneity, it is reasonable to assume that tourists visiting certain kind of tourist site, such as rural tourists, would as a whole represent certain communalities in terms of motivation. This is necessary out of experience management/marketing consideration, e.g. product design, marketing. Actually this assumption is normal in marketing when investigating service experience, where consumers share expectations in terms of service attributes, e.g. clearness, responsiveness.

Therefore, when treated as evaluated experience, these three dimensions of authenticity should not be negated as a whole (Wang, 1999). This is agreed by Beverland (2016) who asserted that consumers could understand authenticity with both objective and subjective factors. This is especially the case considering the fact that most tourism activities, such as rural tourism, are characterized as being complex and dynamic, consisting of different sub-activities, and thus may result in complicated experience authenticity. Therefore, the three aspects of authenticity are actually not mutually exclusive and may all perceived by tourists in one journey. They can actually be complementary to each other, and thus constitutes a comprehensive picture. In fact, the dyadic model of experience authenticity has been applied as a whole by some of the existing researches (e.g. Chon, 2012)

Guest experience in rural SABs is not exceptional. In fact, it should not be viewed as in isolation, but rather against the background of rural tourism experience. It has been acknowledged that rural experiencescape is complex and multilevel. In Carmichael and McClinchey's (2009) model, rural tourism experience is shaped at regional level by rural landscape and rural lifestyles, and at the accommodation site level by elements such as host property, garden, and visitor interaction. Therefore, rural SABs are not only supporting facilities, but also form major attractions and motivations of rural tourists. Authenticity or rurality pursued by them in their journey is partly experienced in rural SABs, where they are able to be involved in local life. Extensive researchers have identified tourists' motivation of experiencing local lifestyle by staying in farm, homestay, etc. (Stringer, 1981).

In summary, all the three aspects of authenticity can be perceived by guests in rural SABs. Experience authenticity in rural SABs can be defined as the post-consumption evaluation of the whole encounter by guests in terms of objective authenticity, constructive authenticity and existential authenticity. It should be acknowledged that consumer may experience authenticity at different level and may use a range of cues to evaluate the authenticity (Grazian, 2003). This evaluation would probably also be influenced by their personal relevance, knowledge base, travel experiences, etc.

Objective experience authenticity

Considering the following statement cited from a travel blog which demonstrates rural lifestyle in a village vividly:

"If you want to experience the lives of this village, you can stay in a farm home; when you wake up every morning, you can pick fresh fruits and vegetables and wash them by the river, and chat with the women who are washing clothes by the river at the same time; after lunch, you can sit in the sun and do some handwork with the grandma next door, you can make pickles or sew shoe soles; in the

evening, if you would like to drink, your host might offer his homemade fruit wine and have a few drinks with you, and tell you the old tales of the village's past."

What if guests realize this picture is faked, or performed by tourism operators and that local people are not living in this peaceful state? Would they still enjoy their experience? This is related to the objective authenticity.

Objective experience authenticity in rural SABs can be regarded as the guest's evaluated degree of genuineness of the offerings, including lodging, food, drink, as well as activities, after consumption. All these offerings are components of rurality, or rural lifestyle. Guests are attracted to rural SABs by the embedded "lifestyle" which represent local tradition and customs. Instead, it is important to them that the lifestyle activities as well as the related tools and settings, e.g. the possibility of participating in traditional activities, consumption of agricultural products from the working farm, staying in the picturesque, unique setting of a rustic building, are exactly what local people experience in their daily lives, i.e. their "real lifestyle". As mentioned by MacCannell (1979), tourists are interested in entering the backstage of tourism settings, as it is associated with more authentic experiences. In this sense, they are not prepared to be ruled by the law of "pseudo-events" by which the well-contrived imitation outshines the original, as was said by Boorstin (1964), and they are trying to avoid being victims of "staged authenticity" (MacCannell, 1979). Certainly there is no reason to assert that ideas of distinctive rural culture and rural locations are fixed and proscribed as "givens". In contrary, they are under reconfiguration by encounters (Crouch, 2006). But what is important is whether guests perceive it as objectively "authentic".

Given the centrality of motivation for rural tourism, rural lifestyle might be regarded as and actually is of great commercial value in a majority of rural tourism programmes. The development of tourism and commodification of rural families, however, is changing local lifestyles in reality. For example, as the income from tourism increases, rural families would probably give up farming and concentrate on accommodation. This actually transforms the real lifestyle of locals, making the lifestyles experienced by guests objectively "inauthentic". In this way, initially genuine lifestyle gradually becomes "staged". Obviously, this is not accepted by guests and is the reason why most guests finally give up an overly commercialized rural destination.

Constructive experience authenticity

Based on the definition of constructive authenticity, constructive experience authenticity in rural SABs could be defined as the guest's evaluated degree to which the offering of rural SABs can "inspire" them for "rurality" that is constructed a priori or during the encounter. In objective experience authenticity, rurality is considered to exist objectively and conveyed through offerings such as lodging and food. It is treated as a notion with defining characteristics of "rural areas" to serve as toured objects to tourists in rural tourism, represented through lifestyle and natural environment. While its nature is yet to be exemplified, it is assumed that "rural area" exists objectively and is a self-evident concept.

But it is far from forming the whole story. To some extent, it is objective, if defined from a social functional perspective, i.e. its distinctive "rural function" such as agricultural production is assumed to be attached to the geographic space, as is the case for a long time (Cloke & Park, 1985). Therefore, "rural area" is inherently a spatial as well as a societal concept (Halfacree, 1996). Practically, it is relatively easy to identify some areas on whether they are "rural", in reference to their economic function and political definition. However, the changing relationship between space and society in relation to the countryside has made it difficult to identify a distinctive functional rural area. Mormont (1990) identified four aspects of the changing relationship, including: 1) the increased mobility of people, goods and messages have eroded the autonomy of local communities; 2) the delocalization of economic activity makes it impossible to define homogeneous economic region; 3) new, specialized uses of rural spaces (e.g. as guest sites, parks, development zones, etc.) have created new specialized networks of relationships in the areas concerned; 4.) the people who inhabit in a given rural area will include a diversity of temporary visitors as well as residents.

Mormont (1990) suggests that rural space now refers to the functions performed by the countryside for non-rural users and there is no longer one single rural space, but rather a multiplicity of social spaces which overlap the same geographical area, each has its own logic, its own institutions, as well as its own network actors, which are specific and not local. Cloke and Milbourne (1992) indicated that the construct of "rural" was closely lined with the cultural domain. Jackson (1989) even bluntly claimed "rurality" as best approached in terms of the processes through which meanings are constructed, negotiated and experienced. In his terms, "rurality" was also constructed and experienced by visitors, aside of the occupants of rural spaces as identified by Mormont (1990).

In this sense, "rurality" pursued by guests as motivation initially before their journey, is actually constructed by them based on an ancient arcadian perceptions of the countryside, specifically through artistic images, poetry, folk songs and guest literature (Newby, 1979). It has been argued that these manipulated images and imaginative reconstructions have given rise to a collective memory of a nostalgic and idyllic past, a constructed "rurality" that has as much if not more to do with the "otherness" of the countryside as a counterpoint to the urban than with its own defining characteristics. In this sense, although "rurality" is constructed and the constructions of the meaning leads to a multiplicity of versions of rurality in policy, lay and academic discourses (Pratt, 1989), guests still derive a collective image of "rural" and it is these images that motivate them to tour in countryside for hundreds of years.

The above discussion about constructive authenticity is still based on the regional level. In rural SABs, things are the same. Guests are actually interested in the lifestyle they "imagine" as "real" and they regard this imagination resulting from their expectations and beliefs to be authentic. In this way, their authentic experience depends on whether SABs can provide the imaged experience of rural lifestyle. Standing on the host's position, the question seems to be the accurate and comprehensive creation of this nostalgic experience.

Existential experience authenticity

Existential authenticity is based on guests' activities in rural SABs as well as the interactions between host and guest. It can also be divided into intra-personal and inter-personal aspects.

Intrapersonal aspects of experience authenticity can be regarded as the extent to which the guest feel they are in touch with "real self". The real self is perceived in terms of two dimensions, i.e. "bodily feeling" and "self-making". On one hand, In this "authentic self" experience, "sensual pleasures, feelings, and other bodily impulses are to a relatively large extent released and consumed and the bodily desires for natural amenities, sexual freedom, and spontaneity are gratified intensively" (Wang, 1999, p. 262). On the other hand, guests get rid of the everyday "self" and are able to find an alternative one that is authentic and transcending the daily one.

Based on Cohen (1979), Kastenholz et al. (2013) elaborated on the five modes of guest experience in a rural tourism context, i.e. the recreational mode, diversionary mode, experiential mode, experimental mode and existential mode. The recreational mode is frequently associated with the motivation of relaxation and recovering from a stressful urban life in a rural context, in aesthetically pleasant landscape contexts (Figueiredo, 2009; Kastenholz, Carneiro, & Marques, 2012; Park & Yoon, 2009). The diversionary mode means visiting rural areas as an escape from a boring, meaningless life, without seeking deeper meaning, but just distraction by finding something interesting or fun. The "experiential mode", motivated by a search of meaning in life through an observation of the "authentic lives of others", may be relevant for some visitors, appreciating a nostalgically valued "traditional, rural way of life" (Figueiredo, 2009; Kastenholz, 2004; McCarthy, 2008). Deeper levels of involvement with this life are possible in an "experimental mode", leading visitors to try to integrate local community life, typically in longer stays or when frequently returning or even investing in a second home in the idealized rural location (Halfacree, 2012). The last example may also be related to the "existential mode" of the guest experience, whereby guests fully commit to a "new center out there", identify with it, recovering from alienation in the city through regular and intensely lived experiences in rural areas.

The above discussion about rural tourism experience reflects both bodily feeling (recreational mode and diversionary mode) and "self-making" (experiential mode, experimental mode and existential mode), which are considered to be two dimensions of intrapersonal existential authenticity (Wang, 1999). Intra-personal authenticity is emotional and could be regarded as induced by activities.

Inter-personal experience authenticity refers to the experience of such an ambience where "tourists can ease themselves of the pressures stemming from inauthentic social hierarchy and status distinctions. Rather they approach one another in a natural, friendly, and authentic way" (Wang, 1999). Interpersonal aspect of existential authenticity can be regarded as "authentic relationship". Thus it is based on the interactions among guests themselves, as well as between hosts and guests (Wang, 1999). Family ties and guest communitas, after all, reside in guest-guest relationships. But Wang (2007) further indicates that inter-personal authenticity in tourism also exists in host-guest relationships, which is termed "hospitality".

Inter-personal experience authenticity in rural SABs, therefore, can be defined as the extent to which the guest evaluate their relationship with the host is "natural, friendly, and authentic". This interpersonal experience authenticity is usually pursued in hospitality (Wang, 2007). Compared to sightseers, rural guests tend to be involved in rural family life. They are not passive audience, but active actors. Meanwhile, the host families are not just "performers" but actively involved in interactions with guests. This kind of interactive authenticity in rural hospitality, referred to as "authentic socialization" (Selwyn, 1996), is becoming what rural guests are questing for. The so-called communication oriented guests who aim to experience the genuine hospitableness (instead of instrumental hospitableness) as well as the interactive authenticity between hosts and guests account for a large number (Wang, 2007). They choose rural community, usually in the third world, where traditional morals and customs dominate and genuine, authentic hospitableness is experienced.

When the guest further seeks more personalized, intimist relationships (Trauer & Ryan, 2005), the genuine contact with the local community, as possible in rural tourism accommodation (Tucker, 2003), is highly valued. "Home" as a social category is, in the rural context, further extended to the rural community, as Kastenholz and Sparrer (2009) highlight, of which the host family is a part and in regard to which it might serve as a "cultural broker" (Cohen, 1988). Rural guests frequently look for a special relationship with their hosts as a means of getting to know their way of life, eventually entering another "spiritual center", perceived as more "authentic" (Cohen, 1979), while simultaneously enjoying genuine hospitality and getting to know the "real" culture and life space of the host community.

Rural tourism may also lead to a form of interaction. Heuman (2005) designed as guests' "protection", some kind of "cocooning", when hosts genuinely receive guests in their own homes and look after them, favoring closer relationships, reciprocity between hosts and guests (e.g. gifts exchange) and naturally sharing activities (e.g. meals) (Murphy, 2001; Trauer & Ryan, 2005). This closer interaction, especially if perceived as genuine, may lead to more memorable and meaningful experiences of a "center out there" (Cohen, 1979). Musa, Kayat and Thirumoorthi (2010) name this kind of relationship a "warm feeling of companionship", which makes the guest feel belonging to the hosts' family. However, this close contact may, according to Tucker (2003), sometimes result in negative effects: visitors may experiment negative sentiments of restrictions and obligation (e.g., feeling obliged to follow recommendations), whereas hosts may experiment a sensation of invasion of privacy. It seems thus essential to guarantee an appropriate balance between social exchange and autonomy/privacy of both parts, a balance that might be facilitated by the commercial dimension of the relationship (Kastenholz & Sparrer, 2009; Tucker, 2003).

Perhaps modern people quest for this kind of authentic hospitality out of nostalgia. It is deemed to be a distinguishing feature of traditional hospitality before capitalization in pre-capitalism society (Muhlman, 1932; Heal, 1984; Bruckner, 1980). In capitalist society, hospitality is commercialized, depersonalized, and becomes "pseudo-hospitality" (Olesen, 1994). Further it is turned to an institutionalized functional system, such as hotel, restaurant, or airline service (Wang, 2007). It is based on monetary transaction relationship, featuring "leave and pay" and thus is offered to guests who are able to pay (Bruckner, 1980). Traditional hospitality itself is the purpose, but modern hospitality is instrumental and used to gain profit. Thus, modern hospitality is thought to lack "authenticity" (Wang, 2007).

Rural hospitality in SABs can be identified as an example of this "pure" hospitality experience in contrast to hospitableness in commercial hotels in cities. Residents in modern metropolis are tired of commercial inter-personal relationship characterized by contract and monetary transactions. Hospitality relationship in urban hotels is thought to be built upon such commercial, monetary relationships and is deemed as commodity. Hotel is "an institution of commercial hospitality, which offers its facilities and services for sale" (Medlik & Ingram, 2000, p. 13). Such commercialized "hospitableness", despite its delicacy, professionalism and attentiveness, is regarded usually as full of hypocrisy, snobbishness and affectation, aimed at profiting. The service in the hotels might be professional and considerate, in the sense of "ladies and gentlemen serving ladies and gentlemen", but beneath the luxuriant appearance lies monetary transaction. The commercial relationship might be implicit, but it is the essence of commercial hotels. Better service means higher prices. Based on the monetary relationship, the status of the host and the guest seems not even. The motto that "customer is God" represents it well.

On the contrary, rural hospitableness produces a different image in guests' mind. If lined with the model proposed by Lashley (2000) which differentiates hospitality into three domains (private, commercial and social), rural hospitableness is likely to fall on the private domain and hospitality in urban hotels on the commercial domain. Unlike metropolitan residents engaged in businesses (especially commercial hospitality like hotels and restaurants) who are hiding their true emotion and feelings, and perform all kinds of kindness, enthusiasm, and friendship, rural residents are imaged to be genuinely hospitable. Although this kind of imagination is romantic and sometimes at odds with reality, it is treated as a mindset based on which guests interact with the hosts and experience the authenticity of their hospitableness. It is differentiated from commercial hospitality in four aspects.

First, rural SABs are supposed to provide hospitality in a "homely" ambience of warmth and human kindness, whereby people may feel as though they are coming back to their origin in a symbolic sense. Guests are given warm welcome, highly personal attentions (Krippendorf, 1987), and both their physiological and emotional needs are satisfied. This is also accomplished by impacting guests' perceptions of accommodation setting. That is, the hospitality is perceived by the guests to take place in domestic settings, i.e. the home of owner-operators of SABs. In this way, guests perceive themselves as a "real guest" in a "real host's home".

Second, unlike commercial hotels featuring anonymity (Guerrier, 1997), guests are supposed to build up a personal relationship with the host in a SAB. This relationship is thought to be based on the typical rustic and unsophisticated inter-personal relationships in rural community, and thus is traditional, pure and innocent. To some extent, they regard themselves as friends of the host instead of strangers or just "customers". This is associated with a kind of nostalgia for the lost pure relationships among people as well as between people and nature.

Third, based on the personal relationship, guests regard the hospitality they received, e.g. food, drink and accommodation, as a kind of "altruistic giving" from the hosts out of reciprocity between friends, instead of commodities which is sold to them as in commercial hotels in cities. Thus, it is to some extent "genuine hospitality" (Lee-Ross & Lashley, 2009). Guests do not perceive it as a business or transaction, nor do they think that the host sees it as a business. In this sense their relationships with hosts are "non-commercial", "innocent" or "pure". This "original" hospitality is thought to be characteristic of private hospitality, which is provided out of generosity and offered to both the rich and the poor.

Fourth, based on the personal relationships, guests do not feel bound by code of manners, such as table manners, like they do in luxury hotels in urban areas. Rural families are perceived to be "uncivilized". But being "uncivilized" usually means being "original", "natural" to the guests. There is no complex system of rituals and civilized taboos. "Politeness", or "courtoisie" is not necessary. Guests feel free and at ease somehow because they do not have to worry about being mocked at for their "mistakes". They are not "ladies and gentleman serviced by ladies and gentlemen", but like guests to their friends' home.

In the rural traditional community in the third world where commercial tourism industry has not been developed or in the early development stage, the hospitableness of the hosts is usually considered to be authentic and genuine, and they are different from the "hospitableness" of modern service providers in urban areas (Wang, 2007).

However, commoditization of this hospitableness finally destroys its authenticity. Once it happens, the hosts in the traditional community gradually turn to be like staff of hotels, perform a falsehearted, emotion-free "pseudo-hospitableness" (Olesen, 1994). This kind of hospitableness is precisely calculated, profit driven and commercialized hospitableness.

2.7 Summary

This Chapter looks back into existing researches regarding rural SABs and identifies major research gaps. In general, existing researches can be categorized into three major perspectives, i.e. small business perspective, family business perspective and entrepreneurship perspective. All these research, while enlightening, treat rural SABs as static and homogeneous. This gives rise to the necessity of this research, which is built upon an alternative perspective, i.e. growth perspective. Based on business growth theory, this Chapter exemplifies the fundamental propositions of growth perspective, and thereby sets the foundation for the whole research work.

This Chapter also explicates the theoretical underpinnings, including business growth theory, family mode of production theory, social capital theory, human capital theory and experience theory. This may provide pre-knowledge for the model building in the four sub-studies. It is noteworthy that by reviewing experience theory, this Chapter also proposes a holistic view of accommodation experience, which encompasses functional level, emotional level and symbolic level of experience.

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Chapter 3 Methodology

This study aims to examine growth of rural SABs in China and comprises four inter-correlated sub-studies which sequentially investigate growth pattern, antecedents of growth, dimensionality of guest experience, and impact of growth on guest experience respectively. It basically takes quantitative research design and SAB growth is approached through a cross-sectional observation. Empirical study is conducted in rural area of northern Zhejiang province in China. This chapter explains why the research paradigm is followed and how the study sites are selected. Also, it explicates data collection and data analysis methods, and provides the profile of data.

3.1 Research design

3.1.1 Qualitative or quantitative

Most of the existing researches regarding SABs are qualitative. It is, however, not surprising considering the pervasive descriptive researches. By and large, they tend to pay close attention to investigating the mental aspects of individual entrepreneurs, e.g., motivation, perception, and opinion, instead of behavior. Qualitative design is also popular in business growth researches, especially those based on process theories which embody a flow of action in which the time ordering of events is of critical importance (Mohr, 1982).

In contrast to previous researches, this study follows a quantitative design based on a deductive line of thoughts for the following reasons. First, this study is not only interested in discovering and describing SAB behavioral patterns as well as the precedents and outcome, but more importantly, in determining the relationship between them. In this sense, this study is basically an explanatory one. Despite its strength in deep description of phenomena, qualitative design is not suitable for testing and generalize hypothesized relationships as outlined in the above review discussion. Also, this study is not interested in obtaining an entrepreneur's viewpoint on his/her life, where he/she is to be considered both the authority and the expert on the topic under study. Instead, objective data such as employee number is the major concern. One of the risks associated with qualitative research design is that it is based on highly subjective stories, the so-called personal truth being told, which as a result consists of both "facts" and "fictions" (e.g. Winter, 2002). There are no formal procedures in setting narrative validity, which results in a subjective process.

Second, SAB growth is a global issue and it is thus useful to seek generalization of the research results to wider populations and circumstances. SAB growth patterns, as well as the precedents and outcomes derived based on the previous researches in different contexts are to be tested in rural China in this study. The research conclusion is supposed to be generalizable to a larger scale of cases, for practical reasons. Therefore, a quantitative research design is preferred.

Nonetheless, although this study draws highly on quantitative analysis, the application of qualitative research methods and attention to context is also noteworthy. Specifically, the design of questionnaire items of guest experience, which lack empirical researches, was not only built upon previous literature, but also to be informed by in-depth interviews with rural SAB guests to the study sites. Accordingly, some major changes is supposed to be made over the earlier versions of the questionnaires.

To specify, Sub-study 1, Sub-study 2 and Sub-study 4 totally adopt quantitative design, with hypotheses developed based on literature review and tested with empirical data. Sub-study 3, comparatively, adopts mixed methods with qualitative exploration of guest experience dimensionality and measurement scale, which is later verified by quantitative data.

3.1.2 Longitudinal or cross-sectional

Both longitudinal and cross-sectional designs are found in the business growth literature. Previously, business growth researches are mainly based on cross-sectional data. In recent decades, longitudinal design has been increasingly advocated by many firm growth researchers such as Davisson (1989). In the two leading entrepreneurship journals between 1997 and 2008, namely *Entrepreneurship Theory & Practice* and *Journal of Business Venturing*, longitudinal design involving at least two time periods is increasing over time. Advocates of longitudinal design provides several reasons. First, if growth of firm is viewed as change, whether in amount or in quality, it happens over time and is a longitudinal process in its very nature. Second, cross-sectional data might well cause a problem in inference of causality which can only be made when there is a temporal ordering of events. Cross-sectional data, besides the potential of “prediction of the past”, might have made strong assumptions about causal order and non-changeability of the predictors over time. Third, they assess growth from an earlier point in time up to the time of the investigation, and are also subject to selection (success) and hindsight (retrospection) biases (Davidsson, Achtenhagen, & Naldi, 2010). Finally, cross-sectional attributes cannot capture the growth paths of young firms or represent the surges, interruptions and reversals which are to be expected from the operation of dynamic processes (Stam, Garnsey, & Heffernan, 2007).

Despite these limitations, many business growth studies continue to rely on cross-sectional data, as can be seen in different journals. Understandably, the selection of research methods depends on the specific research objectives, questions to be addressed, and the contexts of study. Cross-sectional design is thought to be more suitable to this study for several reasons.

First, this study mainly focuses on the variance of size and characteristics over time, instead of the exact growth process. In this sense, it is based on variance theories which do not require time ordering of independent variables (Mohr, 1982), instead of process-based analysis which engages in reasoning about interconnected causes of change and growth, and attempts to identify mechanisms and drivers of change in relation to timing and sequence (McKelvey, 2004). The causal relationship is first established based on related empirical findings by thorough literature review, followed by statistical test with empirical data.

Second, this study is conducted based on business lifecycle theory, according to which businesses of different size are supposed to be located in certain position of business lifecycle. They are thought to face similar challenges and thus could take similar reaction in the same stage of development. In this sense, the variance of a certain business through time can be compared to the variance of existing businesses. For those business growth studies which are mainly focused on "why some small businesses grow faster than others", longitudinal changes in individual business are the main concern. This type of study features the use of only first year and end year data for growth calculations, which has been criticized because it models growth as one giant leap (Davidsson & Wiklund, 2000) and makes the calculation overly sensitive to stochastic variation (Weinzimmer et al., 1998). In contrast, this study takes all SABs as a whole and examine their general growth patterns, precedents as well as outcomes.

Third, longitudinal data for SAB growth is hardly accessible on one hand, and could be unreliable and unsuitable for the objective of this study. Unlike large companies, most small accommodation businesses do not keep documents of their growth. Most of them belong to the “informal economic sector” and is usually out of the supervision of the government, therefore little statistical information could be found. An alternative data source to statistical data is the memory of the owner-operators. However, there is a reasonable concern with the problem of memory decay or misunderstanding questions on the part of respondents. These problems would be potentially serious and even misleading regarding quantitative data such as revenue. Moreover, most of the SABs in China have lasted for less than 5 years, generating very limited data point for longitudinal analysis.

Finally, the cross-sectional heterogeneity of firm size and resulting characteristics can be regarded, to some extent, as the result of growth. Due to the lack of longitudinal data, it might be possible to investigate SAB growth by examining its different results and its predecessors. It seems impossible for all small firms to grow into large firms, but it is certain that large firms have their own infancy as a small firm.

In most of the previous longitudinal researches which focus on the growth processes, subjective data is usually collected. While retrospective reconstructions of growth processes have their own value, they are subject to potential biases due to hindsight and rationalization after the fact on the part of informants. To some extent this can be remedied with the use of multiple informants and documents produced at the time, but – whether qualitative or quantitative in nature – a more ideal study would follow the growth processes as they evolve. But this method would no doubt cost much more energy. For this thesis research, objective and quantitative data, instead of subjective opinions, is used to achieve the study purpose.

3.2 Study object

According to literature review, it seems that most researchers agree on 50 rooms as a threshold of rural SABs. This study takes this definition and operationally defines rural SABs as those accommodation businesses with less than 50 rooms. Within this domain, there are majorly two types of SABs in rural China, *Minsu (民宿)* and *Nongjiale (农家乐)*. Both types of SABs are majorly owned and operated based on rural family, and thus are typical family mode of production. This study takes both types of business into consideration.

3.3 Study area and sample sites

With global fame for private SMEs and strong entrepreneurial climate, *Zhejiang Province* has also taken the lead in rural tourism entrepreneurship, with around 12,000 families from 2,765 villages directly involved in owning and operating rural accommodation businesses, which brought about a total revenue of 17.5 billion in 2014 (Zhejiang Statistics Bureau, 2015). A large share of these SABs are located in the northern part of the province, probably due to the location close to Shanghai, the largest city in China. In order to encourage rural tourism entrepreneurship, the provincial government launched a rating programme, according to which villages successful in rural tourism entrepreneurship are granted the honor of "provincial model village for *Nongjiale*".

This study was conducted in northern *Zhejiang Province* located in Yangtze River Delta (Figure 3.1). The study area is made up of three counties, namely *Changxing* County, *Anji* County, and *Deqing* County, covering an area of 4251.9 Squared Kilometers in total. In 2014, this area saw 23.52 million rural tourists, generating total revenue of more than four billion *yuan* (Xinhua Tourism, 2015). Geographical agglomeration effect is significant for rural SABs in this area, resulting three major clusters (Figure 3.2). According to the statistics of local government, the number of rural SABs in these three clusters accounts for more than 85% of the total amount in this area (Xinhua Tourism, 2015).

Figure 3.1 Location of study area

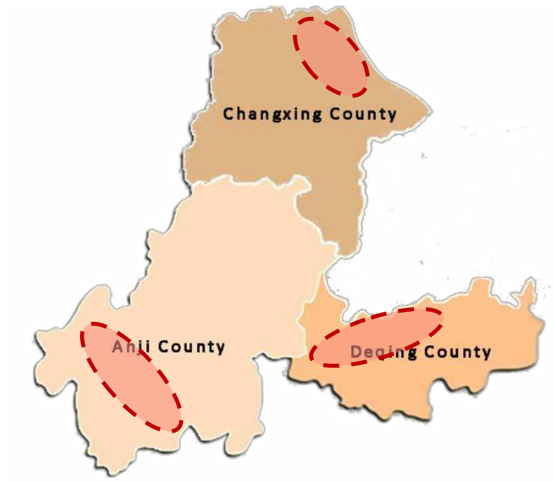

Figure 3.2 Geographical agglomeration of rural SABs: three major clusters

Five villages in the study area were selected as sampling sites, namely *Guzhu* village (*顾渚村*), *Daxi* village (*大溪村*), *Houwu* village (*后坞村*), *Biwu* village (*碧坞村*) and *Lingkengli* village (*岭坑里村*). The geographical location and profile of these five villages are put in Figure 3.3 and Table 1.1 respectively. These five villages were preferred over other villages for two reasons. Firstly, they are relatively more developed than other villages in terms of rural tourism, and thus have larger number of rural SABs. Secondly, they are located on different clusters rural SABs, and thus could somewhat be representative of the rural tourism destinations nearby.

Figure 3.3 Location and appearance of the study sites

Table 3.1 Profile of sampling sites (in 2014)

	Guzhu	*Daxi*	*Houwu*	*Biwu*	*Lingkengli*
Area	18.8 km^2	31.4 km^2	10.02 km^2	2.74 km^2	2.15 km^2

Population	2,567	2,087	1,606	896	1,360
SAB num.	312	167	76	56	47

3.4 Data collection

Based on the literature review in Chapter 2.1, the definition of SAB is operationalized as those accommodation businesses with 50 guest rooms or less. Data collection was conducted in two phases: Phase 1 aimed to develop measurement scale for guest experience and comprises in-depth interview and online comments extraction, while Phase 2 involved survey on both SAB operators and their guests.

3.4.1 Phase 1: In-depth interview and online comments extraction

In order to serve the research objective of Sub-study 3 and explore the dimensionality and measurement items for guest experience in rural SABs, 14 in-depth interviews were conducted with the guests in the study sites from 11 December of 2015 to 27 December of 2015. The guideline of in-depth interview can be found in Appendices. Purposeful sampling method was adopted and guests of different ages and professions were selected in order to ensure representativeness. The profile of interviewees is put in Table 3.2.

Table 3.2 Profile of interviewees

No.	Gender	Age	Marital status	Profession	Length of stay
1	Female	21	Single	College student	1 night
2	Female	25	Single	Graduate student	2 nights
3	Male	25	Single	IT company employee	1 night
4	Male	27	Married	Bank employee	2 nights
5	Male	35	Married	Government employee	1 night
6	Female	34	Married	Government employee	1 night
7	Male	29	Married	Self-employed	2 nights
8	Female	26	Single	Primary school teacher	1 night
9	Female	41	Married	Self-employed	1 night
10	Female	20	Single	College student	2 nights
11	Male	51	Married	Company employee	1 night
12	Female	55	Married	Retired	7 nights
13	Male	60	Married	Retired	15 nights
14	Male	58	Married	Retired	5 nights

Further, online comments were extracted by the author himself from the most popular online tourism agency websites, including Ctrip.com, DaoDao.com, E-long.com. To make sure the comments were of relevance, only comments related to SABs (*Minsu* or *Nongjiale*) located in the five study sites were extracted. Also, only those comments generated after 1 January 2014 which are meaningful were kept for analysis in order to keep the comments up-to-data. This process resulted in 500 meaningful comments in Chinese. The distribution of the comments extracted is put in Table 3.3.

Table 3.3 Source of comments extracted

Source	Number of comments extracted
Ctrip.com	321
DaoDao.com	56
E-long.com	123

3.4.2 Phase 2: Survey

Survey was conducted in the five villages to collect quantitative data from the owner-operators of SABs in terms of the attributes of their businesses, as well as from their visiting guests in terms of their motivation and experience. Measurement of variables related as well as the development process can be found in each sub-study and the questionaires can be found in Appendices.

Paired sampling method was adopted, with each SAB owner-operator paired with several visiting guests. Random sampling via postal mail or telephone was impractical for this rural SAB research because a large proportion of businesses functioned in the informal sector. These kinds of businesses were not officially registered, and very few had membership in any trade association, so their contact information was not publicly available. To reach this population, it was thus imperative that researchers personally visited each village and administered the survey in a face-to-face manner. One benefit of this survey approach was its ability to produce a high rate of response in that researchers had the opportunity to employ interpersonal skills, provide small gift incentives, and obtain referrals to encourage participation. More importantly, the researcher was thereby able to supervise the structured interviewing process and provide timely instruction or clarification whenever necessary. The last point is critically important for ensuring data quality because respondents could have difficulty in understanding and answering certain survey questions.

The survey lasted for around two months, from 1 March of 2016 to 7 May of 2016. The author recruited six assistants from Zhejiang University. Before the formal field study, all the student assistants were trained for more than 1 hour to ensure they could understand the questionnaire and were equipped with survey techniques. Each village was visited twice or more, with the first round of survey on SAB owners and the following rounds of survey on their guests. In total 200 questionaires were collected on SAB owners. From 188 SABs therein, 873 questionaires were collected on guests. For each of the 188 SABs, the number of guest samples ranged from 1 to 10. Within the 200 SAB owner samples, 135 of them were surveyed in March and the rest in April. For the 873 guest samples, 437 were surveyed in March and 436 were surveyed in April. The distribution of samples in the five study sites is put in Table 3.4.

Table 3.4 Geographical distribution of samples

Sample site	Number of SAB samples	Number of guest samples
Guzhu	59	354
Daxi	65	306
Houwu	28	74
Biwu	23	74
Lingkengli	25	65
Total	**200**	**873**

Table 3.5 presents the profile of the 200 SAB samples. It is found that most of the businesses surveyed have been in operation for less than ten years, and over a half of them have 6 to 15 guest rooms. As for the business owners, only a few of them have high education level (college, representing around 15.5%), and an overwhelming number of them are aborigins, accounting for 96.5%.

Table 3.5 Profile of SAB samples

	n	*Percent*		*n*	*Percent*
Business age: years			**Gender of business owner**		
<=5	98	49%	Male	89	44.5%
6 - 10	66	33%	Female	111	55.5%
11 - 15	25	12.5%			
>15	11	5.5%	**Age of business owner**		
			<=25	4	2%
Room number			26 - 35	36	18%
1 - 5	9	4.5%	36 - 45	57	28.5%
6 - 10	54	27%	46 - 55	77	38.5%
11 - 15	55	27.5%	56 - 65	18	9%
16 - 20	39	19.5%	> 65	8	4%
21 - 30	31	15.5%			
31 - 40	10	5%			
41 - 50	2	1%	**Education level of business owner**		
			Primary school	45	22.5%
Total investment: In thousand *yuan*			Secondary school	82	41%
<=500	12	6%	High school	42	21%
510 - 1000	56	28%	college	31	15.5%
1001 - 1500	51	25.5%			
1501 - 2000	29	14.5%	**Marriage status of business owner**		
2001 - 3000	26	13%	Single	5	2.5%
>3000	26	13%	Married	195	97.5%
Staff number			**Origin of business owner**		
<=5	129	64.5%	Nonlocal	7	3.5%
6 - 10	65	32.5%	Local	193	96.5%
11 - 15	3	1.5%			
> 15	3	1.5%			

Table 3.6 presents the profile of the 873 guest samples. The samples include SAB guests of different gender, age, education level. Notably, quite a number of the samples are retirees (32.1%). Generally, SAB samples range across different scale levels and different business ages, while guest samples range across different ages, education levels et al.. Therefore, it can be claimed that both SAB samples and guest samples are representative.

Table 3.6 Profile of guest samples

	n	*Percent*		*n*	*Percent*
Gender			**Education level**		
Male	427	48.9%	Primary school	22	2.5%
Female	446	51.1%	Secondary school	162	18.6%
			High school	250	28.6%
Age			College	391	44.8%
<=17	19	2.2%	Post-graduate	48	5.5%
18 - 25	95	10.9%			
26 - 35	176	20.2%	**Profession**		
36 - 45	157	18%	Civil servants	94	10.8%
46 - 55	148	17%	Company staff	153	17.5%
56 - 65	133	15.2%	Company manager	101	11.6%
>65	145	16.6%	Business owner	66	7.6%
			Self-employed	65	7.4%
Monthly income: RMB			Student	72	8.2%
<=3000	148	17%	Retired	280	32.1%
3001 - 5000	283	32.4%	Other	42	4.8%
5001 - 7000	175	20%			
7001 - 10000	97	11.1%	**Marital situation**		
10001 - 15000	77	8.8%	Married	712	81.6%
15001 - 20000	34	3.9%	Single	153	17.5%
>20000	59	6.8%	Divorced	8	0.9%

3.5 Data analysis methods

The materials collected through in-depth interview and online comments were analyzed by content analysis method with the assistance of NVIVO 10. The detail and result of coding can be found in Sub-study 3.

The quantitative data collected through survey is analyzed based on the research objectives of the sub-studies. Specifically, Multiple Linear Regression analysis was conducted for Sub-study 1 and Sub-study 2 with assistance of SPSS 22.0 software package, in order to explore the relationship between SAB size, degree of separation from family, social capital and human capital. Sub-study 3 is aimed to investigate and verify the dimensionality of guest experience, and thus employs Exploratory Factor Analysis and Confirmatory Factor Analysis, with assistance of SPSS 22.0 and AMOS 17.0 software package respectively. As for Sub-study 4, which aims to examine the impact of SAB size on guest experience, Hierarchical Linear Modeling (HLM) was adopted to analyze the nested data, with assistance of HLM 7.0 software package. The methodological support for each sub-studies is put in Table 3.7.

Table 3.7 Methodological support of four sub-studies

Precedents of growth:	**Pattern of growth:**	**Outcome of growth:**	
		1	**2**
How does social capital and human capital affect SAB growth?	*How does SAB growth take place?*	*What is the dimensionality of guest experience in SABs?*	*How does SAB growth influence guest experience?*
Sub-study 2	**Sub-study 1**	**Sub-study 3**	**Sub-study 4**
Quantitative design	Quantitative design	Mixed design	Quantitative design
Data collection: Survey	**Data collection:** Survey	**Data collection:** 1. In-depth interview; 2. Online comments extraction; 3. Survey.	**Data collection:** Survey
Data analysis: *Multiple Linear Regression*	**Data analysis:** *Multiple Linear Regression*	**Data analysis:** *1. Content analysis* *2. Exploratory Factor Analysis* 3. *Confirmatory Factor analysis*	**Data analysis:** *Hierarchical Linear Modeling*

3.6 Summary

This Chapter deals with methodology of this research and explains the strategies adopted, study objects, sampling sites, data collection methods and data analysis techniques. Basically, this study majorly takes quantitative design, and relies on cross-sectional data. It is conducted on three counties located in northern Zhejiang Province of China and data is collected in five villages in the area. SABs in the study sites could be representative of the same businesses in China in the sense that they are typically owned and operated based on rural families, and are limited in terms of business scale. In this sense, the research findings from this observation, to certain extent, could be generalized to the same business types within China.

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Chapter 4 Sub-study 1: Growth pattern of rural SABs

It has been identified that the growth of SABs demonstrates certain unique characteristics. First, most of individual tourism entrepreneurs were described as “gap fillers” or “constrained entrepreneurs” who did not display significant process or product innovation to remain competitive in the long run (Russell & Faulkner, 2004). Second, SABs in nature might be “un-enterprising” or unambitious. They might cease to expand as the initial opportunity declines. Third, tourism entrepreneurs consistently develop their business with minimum strategic planning (McGibbon & Leiper, 2001). As is generally observed, entrepreneurs entering tourism, as it appears, only require rudimentary levels of skills, and success is achieved through risk taking or luck rather than deliberate process innovation. For example, in China, demand is high and expanding fast, the market is pressing, and thus SABs simply “has to expand”. It is only in the special case where the profitability of expansion in a given direction is obvious and the decision to expand almost automatic that no particular quality of enterprise is required (Penrose, 1959). These observations are based on business level of analysis, and are fitted into the basic propositions of growth perspective specified in Chapter 2.3.5.

Based on business growth perspective, SABs may grow on both quantitative aspects and qualitative aspects. But what exactly are these aspects in the case of SABs? What is the relationship between these aspects? A comprehensive understanding of SAB growth pattern is not possible without answering these questions. This sub-study aims to investigate the pattern of SAB growth. Specifically, different aspects of their growth, as well as the relationships are constructed and delineated in a growth model, which is later tested with empirical data.

4.1 Quantitative aspect of growth: Increased business size

4.1.1 SAB size

Business size can be approached from different perspectives, resulting in various indicators for measurement. These indicators can be categorized into three groups, i.e. inputs such as investment and employee numbers, business value such as assets value, and output including sales, revenues and profits.

Among these indicators, output indicators, especially sales, are most frequently used in business growth researches. If only one indicator is used and the study has a cross-industry design there has been growing consensus that sales growth should be the preferred choice (Hoy, McDougall, & Dsouza, 1992; Weinzimmer et al., 1998; Wiklund, 1998). It is also the indicator that small firm owner-managers use themselves. These favorable aspects of sales as indicator were reflected in 31% of the studies reviewed by Delmar (1997).

Almost as popular is input indicators, such as employment growth, which was the choice in 29% of the studies Delmar (1997) reviewed. While this indicator is highly relevant for purposes such as policy makers' interest in fostering employment growth through entrepreneurship (Dahlqvist, Davidsson & Wiklund, 2000), it is often applied for reasons of data availability. Very few managers see growth in employees as a goal in itself (Gray, 2002; Bennett & Robson, 1999) and because some growing firms outsource heavily, employment growth is not always highly correlated with sales growth (Chandler, Hikino, & Chandler, 2009; Delmar et al., 2003; Shepherd & Wiklund, 2009).

Indicators other than inputs and outputs, e.g. market share, assets value, are less generally applicable and are therefore not applied as frequently in small business researches. The "market" in market share calculations may be ambiguous. Differences in market share may be irrelevant for small firms, and comparing shares for firms operating in different markets may be indefensible. The value of assets varies with the capital intensity of industries and is difficult to assess where the key asset is knowledge. While profits are universally relevant, they reflect many other aspects of a firm (such as its accounting skills) apart from its size or changes thereof. Besides, it is perfectly possible for a large and/or growing firm (in sales or employment) to be unprofitable (Davidsson, Steffens, &

Fitzsimmons, 2009). This is especially the case when it comes to rural SABs, which are typically part of "informal economy". The asset value is usually hard to determine due to the lack of transparent financial market in China, the market share is hard to calculate due to lack of large scale statistics, and the profit is difficult to achieve because of general lack of accounting.

This sub-study takes the input perspective and approaches SAB size in terms of input indicators. The reasons are twofold. For one thing, business growth is theoretically about mobilization and allocation of resources. Although the process is motivated by emerging market opportunities, e.g. increased sales, theoretically the process is not initiated until the entrepreneur starts to take measures to invest more resources so that the market opportunities can be exploited. In this sense, increased input may better capture the connotation of "growth". For another, output indicators such as sales, revenue, are more related to the "performance" of the business and are usually evaluated from strategic management perspective. Instead, "growth" is more related to changes in the business entity per se.

The input perspective taken by this sub-study coincides with the existing tourism researches (e.g. Getz & Petersen, 2005). Also, this approach is also echoed by SAB operators themselves. Di Domenico (2003) identified respondents' definition of accommodation business growth in relation to increasing the number of letting bedrooms, increasing the range of services to guests, and increasing the number of staff employed. Meanwhile, Skokic and Morrison (2011) proposed number of letting room and employees, as well as investment on supporting facilities such as swimming pools, saunas, small conference rooms, buying a speed boat or a van, as indicators of business size.

Despite the various indicators for measuring business size, the sole indicator approach (mostly drawing on sales) is pervasive. This preference is mainly because of practical reasons such as cross-industry comparison, data availability, and the preference of business owner themselves. It is reasonable considering the inter-industrial nature of business growth research. But when it comes to this study, things are different. On one hand, if only one indicator were used, results would be weak and distorted; on the other hand, it has been claimed that different growth modes can be derived by different ways of indicator combination, which is worthy of examination and is of interest in this investigation.

For the above reasons, this study takes multi-indicator approach. A series of input indicators are considered, resulting three aspects of business size, i.e. total investment, number of beds, number of employees. These indicators coincide with the existing tourism researches (e.g. Getz & Petersen, 2005) and are also echoed by SAB operators themselves as of practical implication.

4.1.2 SAB growth modes

Business size can be approached from different angles and thereby measured by different indicators. In the case of SAB, growth may occur in terms of bed number, total investment, and staff number. Ideally, growth in size is supposed to take place on these three aspects in a synchronized way. For example, the increase in accommodating capacity may probably need more investment in terms of capital and more staff may be needed in order to take care of additional guests. However, this ideal situation is rarely found in reality. Instead, it is commonly found that SABs may increase accommodating capacity without more investment by transforming their own bedrooms to guest rooms, and no more capital is invested. The asynchronous increase on these different aspects of business size may generate different modes of growth.

From an economic perspective, total investment and employees belong to the domain of production factors, while bed number refers to the production scale. Theoretically, growth in input of total investment and number of employees is usually related to improving quality of products or service, and increase in room numbers is often related to increased accommodating capacity.

This echoes the dichotomy of business growth modes by Bjerke and Hultman (2002). According to their model, "managerial growth" refers to the growth mode in which products remain unchanged in characteristics, yet more customers are developed, while "entrepreneurial growth" refers to changes in product characteristics, but production scale remains constant. Managerial growth means doing "more of the same", while entrepreneurial growth means doing something different(ly). In this sense, growth in accommodating capacity can be regarded as belonging to "managerial growth", which can be further named as "scale growth". Comparatively, growth in the production factors, i.e. total investment and employee number, can be regarded as "entrepreneurial growth" and can further be named as "intensive growth". The relationship between them is put in Table 4.1. Notably, it is rarely the case in reality that an SAB would take only one of the growth modes. Instead, both ways can be found in combination in certain ways.

Table 4.1 SAB growth modes

	Production factor (capital, labor)	Business scale
Scale growth	Relatively slower	Relatively faster
Intensive growth	Relatively faster	Relatively slower

When an SAB emphasizes more on expansion of accommodating capacity, and the investment of production factors per unit remains the same or decreases due to scale economy, it takes the mode of scale growth. This growth mode can be compared to managerial growth, in the sense that it means "do more of the same" in order to fulfill scale economy. When a business takes the way of intensive growth, the growth of production factors invested is relatively faster than the growth of accommodating capacity. This mode of growth is more like "entrepreneurial growth" since it usually requires more innovation and entrepreneurship. Intensive modes of growth can be better captured by the concept of "factor intensity" (Wu, 1993), which is calculated as the ratio of production factor investment to production capacity, or the total potential output. It seems that those adopting intensive growth mode tend to have more factor intensity than those with scale growth mode.

4.2 Qualitative aspects of growth: Separation from family

Typically, SABs are result of conversion which turns traditional houses in small towns, farmhouses in the countryside, and historic sites to serve as rural hotels. In the lifecycle of SAB development, the origin of coordinates can be found in close relationship with family, taking "family mode of production". However, the family mode of production enterprises always attempts to move toward the capitalist sector (Leinbach, 2003), although the fungibility will be appropriated first for consumptive utility and second toward expansion of the enterprise. As small firms gets larger, they might gradually be separated from the family, in which process the initially home-based enterprises may develop into external to the household.

Cohen (1988) further introduced the concept of "commodification" to explain the process, and indicated that if economic relations instead of touristic ones dominate a tourist destination, and its local costumes, rituals, feasts, folk and ethnic arts are produced and performed only for tourist purposes, they become commodities. By focusing on tourists' needs, the "natural" meaning and value of these cultural products suffer loss for locals, and thus authenticity is lost automatically. In this way, more and more artificial cultural products becomes "staged authenticity" to please tourists.

SABs are no exception. The separation process has been noticed by Lynch (2005) in his observation of SABs in different sizes. Through meta-analysis, he found that home elements diminished whilst the business element became more accentuated as the amount of letting accommodation increased. It takes place in terms of the three defining characteristics of SABs, i.e. overlap of premises, overlap of labor and overlap of goal. Accordingly, the separation can be identified in three dimensions, i.e. separation of premises, separation of labor and separation of goal.

4.2.1 Separation in premises and labor

Typically, SABs such as homestays and B&Bs emerge as the hosts use their spare rooms to accommodate tourists, in exchange for monetary reward. These "prototypes" of SABs feature the overlap of "home" and "business". On one hand, the premises for business are exactly the mean of subsistence of the host family. The residential property is used as/for accommodation, the kitchen is used to serve food, and the yard, garden or farm is used to entertain tourists. On the other hand, all the services provided by the SAB come from family members. That is, the employees of the SAB are exactly the family members, thereby informal and generally unsophisticated approaches to the management are of high incidence (Page et al., 1999).

For those SABs which are usually treated as sideline livelihood of the family, family members do not have to fully devote their time to accommodating tourists. They can spend part of their time in domestic affairs as well as in other means of livelihood, such as farming. As business grows and the working hours lengthen, they have to be fully working on this business. Further development of business may require increased number of employees, for which non-family members join in as salaried staff and thus change the constitution of labor, and thus the separation of labor begins

This process gradually causes distinction between business and family. Further development may bring more employees, leading to necessary bureaucratization. In this stage, either the withdrawl of family members or the split role between family members and firm staff caused by bureaucratization could totally separate business labor resources from family. On the other hand, management development in small hospitality firms is at a low level, and their management process is unique, bearing little or no resemblance to those found in larger organizations. As small firms grow into large firms, owner-managers lose control of their firms and the success of these firms is increasingly due to employees, many of whom the original entrepreneur has little time to meet. The firm grows further and becomes a bureaucratic organization. It may turn from a small team into an impersonal economic instrument, bought and sold on the stock market. This whole process is described by Lynch (2005) as a transition of role of family from "family-involvement" to "family-run". It has been noticed that as the size of SABs increase, the hosting engagement with home decreases (Lynch, 2005).

Separation of premises goes more or less the same as that of labor resource. It is often related to spatial separation between living space of the tourist and that of the host. Lynch and MacWhannell (2000) identified three categories according to spatial separation in hospitality: 1) the unit is the private home, the owners live on the premises, and public space is shared by visitors and the owner's family; 2) the owner lives on the premises and the unit is also the family home but public space for the visitor is separated from that of the family, such as small hotels, town houses; 3) the home owners live off the premises and the home is usually a second home.

Separation of SAB premises from other means of livelihood resource such as a working farm can be observed typically in farm stays, where the farm is gradually transformed from a place for agricultural production to a place for entertaining tourists. Busby and Rendle (2000) indicates that the transition of traditional farms (tourism in farm) to farm-based tourism (farm tourism) could be best described as a continuum and each farm lies on somewhere on the continuum.

The separation of premises and labor between business and home is complete for traditional large hotels. But things become a little more complicated when referring to SAB, which features use of "home space" (Hall, 2009) as "servicescapes". According to the Professional Association of Innkeepers International (2012), 72% of innkeepers are married couples and 79% live on the premises. In addition, some countries intentionally set ceiling on number of rooms of homestay. According to the regulation of Ministry of Tourism and Sports of Thailand (2012), official certified homestay owners must sleep under the same roof as guests, maintaining a maximum capacity of four rooms and 20 guests.

4.2.2 Separation of goal

As a consumptive organization, family is usually related to the goal of better life quality and welfare. This is in sharp contrast to the typical business, which is profit-seeking and growth-oriented. Notably, “lifestyle businesses” aim to live certain way of life (McKercher & Robbins, 1998; Bransgrove & King, 1996), and deems business growth secondary to achieving a consistent living (Smith, 1967; Reijonen, 2008). For example, business operators may exploit employees in a hard way so that more profit can be gained, but the same thing may not happen in a family. But as discussed before, this kind of business does not reject profit motivation as its name seems. From a developmental perspective, the so called “lifestyle business” can be regarded as bearing both goals of business and family, due to its family mode of production with mixed functions. As the business grows out of family, their goals are separated accordingly. Its size grows into that of a large business, where/when the business goal and family goal get separated completely. That explains why lifestyle motivation is rarely found in large businesses.

To specify, as the size of SAB increases, the host perception of the SAB undergoes a transition from “private home” to “business enterprise”, and they tend to become more entrepreneurial. These indicate that the business goal of profiting is separated from the goal of living. The separation of goal of SABs in their growth as well as the accompanying changes has been identified by Lynch (2005) in his thorough meta-analysis of commercial home growth (Table 4.2). Clough (1997) suggests that when a farm only caters for six guests or fewer, the owner is exempt from business rates, he does not need a fire certificate nor to register with their local authority, this is “tourism in farm”. This suggests that not only the host himself, but also the government would treat SABs more and more as business with their size increasing. Therefore, the same transition of SAB from “accommodation at home” to “home accommodation” can be imagined in the same way.

Table 4.2 Characteristics of commercial homes of different sizes

	Smallest	**Medium-sized**	**Largest**
Number of bedrooms	1-2 rooms	Medium	15 rooms
Host perception of commercial home	Private home	Mixed	Business enterprise
Entrepreneurial orientation	Least entrepreneurial	Medium	Most entrepreneurial
Economic dependency on hosting income	Low	Medium	High
Product commodification	Lease	Medium	highest

Source: edited from Lynch (2005).

The separation is closely related to the economic dependency on the hosting income. As the business grows, the share of its revenue in the total household income is also increasing. Considering the more and more important role SAB income plays in supporting the whole family financially, the owner-operator would more likely treat SAB as a business, instead of "way of life". It has been found that the transition from "tourism on farms" to "farm tourism" could be said to occur when tourism revenue exceeds that for agriculture, or once a farmer has adopted a tourism business plan, or when the enterprise is regarded as farm tourism by the consumer. The most important consequence of the separation is the commodification of products.

4.3 Hypothesized growth model of SABs

SAB growth is in nature a longitudinal process. Based on the theoretical development, it can be inferred that ideally, an individual SAB would go through a process of separation from family in terms of premises, labor and goal, as its size grows (Figure 4.1). This model is a simplified, or "ideal" illustration of real SHB growth process. According to business lifecycle theory, SABs may not grow in a biological or linear manner by which they have to start from the original position and go through all possible points on the continuum. In reality, SABs may enter into business on different levels of size and accordingly demonstrate different degree of separation from family. They may also stay on one point until their perishment, or they may skip onto a much higher level of size. Moreover, the growth process is uneven among different businesses.

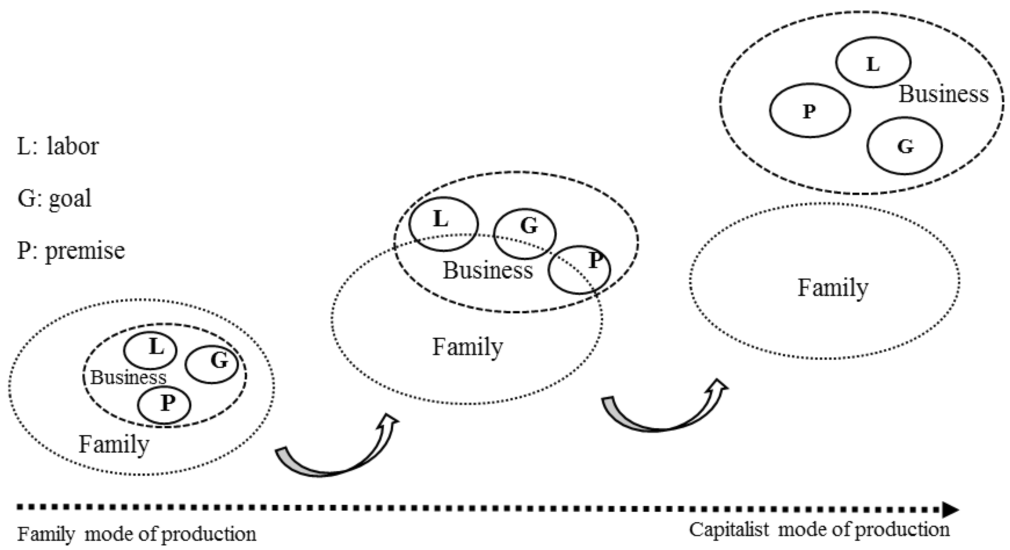


Figure 4.1 Conceptual model of SAB growth

What matters is that according to each level of size, they will demonstrate certain degree of separation from family and the various SABs currently observed may be located in different stages of the full spectrum of business lifecycle. Based on the propositions of growth perspective, an alternative way of observing and examining this relationship is to focus on the cross-sectional heterogeneity of SABs. As is supported by many empirical researches, size and characteristics vary across different SABs. Their distribution in the axis of size may more or less seen as continuous. According to business growth theory, the current state of each SAB can be regarded as located in certain stage of their lifecycle. If the longitudinal relationship between size and separation from family hold true for every SAB, then the proposition is equivalent to that the cross sectional relationship exists between size and separation from family for various SABs currently observed.

In this sense, it can be hypothesized that:

Hypothesis 1: Size of an SAB is positively correlated to its degree of separation from family in terms of premise.

Hypothesis 2: Size of an SAB is positively correlated to its degree of separation from family in terms of labor.

Hypothesis 3: Size of an SAB is positively correlated to its degree of separation from family in terms of goal.

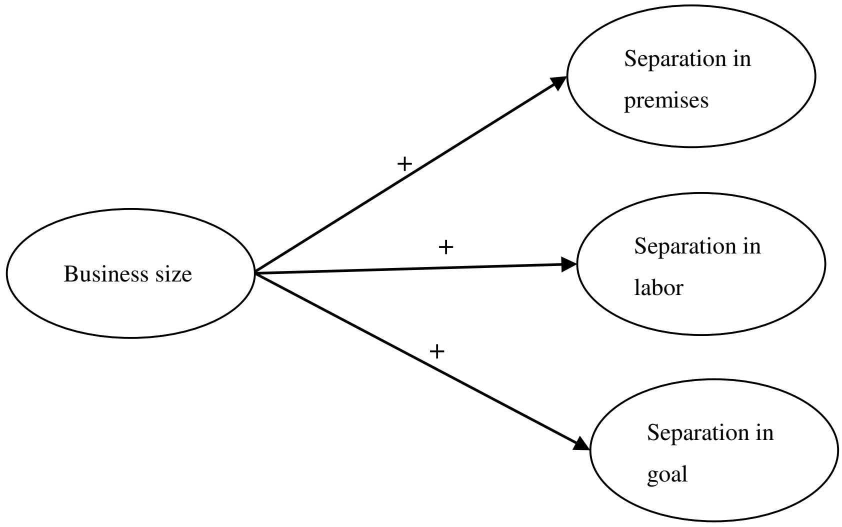


Figure 4.2 Hypothesized model of SAB growth

Figure 4.2 presents of the hypothesized model. Notably, business size can be approached from different perspective, which may result in different modes of growth. Specifically three modes of growth have been identified, namely scale growth, capital intensive growth and labor intensive growth. Therefore, the hypotheses are tested considering different mode of growth by adopting various indicators of business size.

4.4 Measurement and data collection

Three indicators of business size are measured in this sub-study, namely number of beds (*NUMbed*), number of staff (*NUMstf*), total investment (*NUMinv*), representing scale growth mode, labor intensive growth mode, and capital intensive growth mode respectively. Total investment is measured as the sum of spending on design, construction and decoration since the opening-up or re-opening-up of the business. Considering the seasonality of tourism industry and resulting fluctuation of labor required across different seasons, only the number of staff in busy seasons is measured in this study. Bed number is taken as indicator instead of room number because it may better capture the actual accommodating capacity or business scale. The three indicators were observed and measured directly in the instrument and each SAB owner was to be asked to provide the data by filling the questionaire.

Separation in premise (*SEPpremise*) refers to separation between living space of the guest and that of the host. Following the categorizations of Lynch and MacWhannell (2000), the concept is operationalized as the extent to which host families and guest share major facilities of SAB, including bedrooms, dining rooms, kitchen, garden and entertainment facilities. The business owner was requested to indicate how often their families used the above facilities in their daily life. The scale ranges from 1 (very often) to 5 (almost not). Higher score of rating indicates higher degree of separation in terms of each facilities. The degree of separation in premise is calculated by summing up the scores for all the five sub-indicators, for which the larger score implies higher degree of separation in premise.

Separation in labor (*SEPlabor*) refers to the separation of labor resources from the owner-operator's core family members. It was measured by calculating the percentage of non-family members in staff. The SAB owners were requested to provide the number of staff as well as the number of non-family members therein. The degree of labor separation was determined by dividing the latter with the former, with higher score implying larger degree of separation in labor.

Goal separation (*SEPgoal*) indicates that as the size of SAB increases, the host perception of the SAB undergoes a transition from "private home" to "business enterprise", and the business become more profit-oriented. These indicate that the business goal of profiting is separated from the goal of living, and thereby gradually become the dominant goal of the business owner. In this sense, separation in goal was measured with motivation of operating the business, that is, to what extent the business owner agreed that he operated the business for profit instead of lifestyle. Since motivation is a psychological construct, it is measured in indirect measurement method with three items, namely "To what extent do you think making more money through the business is important to you", "When facing business distresses with low profit, to what extent did you feel worried about it", and "To what extent do you agree that you are operating the business majorly out of lifestyle reasons". Anchors of answer include five degrees, ranging from "not important at all" (coded as 1) to "very important" (coded as 5), from "not worried at all" (coded as 1) to "very worried" (coded as 5), and from "totally agree" (coded as 1) to "totally disagree" (coded as 5) respectively.

Reliability of the measurement items for separation in goal was assessed based on the 200 SAB samples collected. Internal consistency refers to the extent to which items performs good in capturing the construct in concern (Churchill, 1979), and thus was checked first. Cronbach's alpha has been widely used as indicators of internal consistency (Churchill, 1979). In this case, the Cronbach's alpha is 0.84, which indicates very good internal consistency (Kline, 1990). The reliability of the measurement scale for motivation is thus acceptable. The factor score of the three items calculated by regression with factor loading was adopted as the score of motivation. The higher the score, the more the business owner inclines to profit and thus the higher degree of separation in goal.

In order to exclude the effects of other variables of no major interest, several control variables were measured and controlled during the data analysis process. These include yearly revenue (*NUMrev*), number of supporting facilities (*NUMsup*), business age (*AGEbuz*), percentage of yearly revenue in family income (*INC%*), as well as the attributes of the business owner, including age (*AGEowner*), sex (*SEXowner*), Marital status (*MARowner*), education level (*EDUowner*) and origin (*ORIowner*). Notably, number of supporting facilities are measured by requesting the business owner to indicate how many kinds of supporting facilities (e.g. garden, swimming pool) they have in their business.

The exact questions regarding the measurement of the variables above can be found in Appendix A and Appendix B. The details of data collection process can be found in Chapter 3.4. In total 200 samples were collected. Among them 8 had serious missing data problems regarding total investment, yearly revenue, and bed number, due to the unwillingness of the business owner to provide corresponding data.

4.5 Data analysis method

Multiple Linear Regression was conducted to test the hypothesized model regarding qualitative growth and quantitative growth, under different growth modes. Three mathematical models is constructed first in correspondence to the three indicators of separation from family. The specifics of the three models are put as follows:

Model 1:

$$SEP(premise)=\beta_{10}+\beta_{11}(NUMbed)+\beta_{12}(NUMsup)+\beta_{13}(NUMstf)+\beta_{14}(NUMinv)+\beta_{15}(NUMrev)+\beta_{16}(AGEbuz)+\beta_{17}(INC\%)+\beta_{18}(SEXowner)+\beta_{19}(AGEowner)+\beta_{110}(EDUowner)+\beta_{111}(MARowner)+\beta_{112}(ORIowner),$$

Model 2:

$SEP(Labor)=\beta_{20}+\beta_{21}(NUMbed)+\beta_{22}(NUMsup)+\beta_{23}(NUMstf)+\beta_{24}(NUMinv)+\beta_{25}(NUMrev)+\beta_{26}(AGEbuz)+\beta_{27}(INC\%)+\beta_{28}(SEXowner)+\beta_{29}(AGEowner)+\beta_{210}(EDUowner)+\beta_{211}(MARowner)+\beta_{212}(ORIowner),$

Model 3:

$SEP(Goal)=\beta_{30}+\beta_{31}(NUMbed)+\beta_{32}(NUMsup)+\beta_{33}(NUMstf)+\beta_{34}(NUMinv)+\beta_{35}(NUMrev)+\beta_{36}(AGEbuz)+\beta_{37}(INC\%)+\beta_{38}(SEXowner)+\beta_{39}(AGEowner)+\beta_{310}(EDUowner)+\beta_{311}(MARowner)+\beta_{312}(ORIowner)$

IBM SPSS 22 software package was used to estimate and test the parameters. The models were firstly diagnosed for overall fitness, multi-collinearity, normality of residual, auto-correlation and heteroscedasticity. The missing data was deleted in listwise way, resulting in 192 samples for parameter estimation of each model.

4.6 Model diagnoses

Overall fitness of the model was diagnosed for the first and the result is put in Table 4.3. All the three models demonstrated good overall fitness. Among them, model 1 can significantly explain 61.3% of the variance of predicted variable, while model 2 and model 3 explains 44.5% and 25.9% of the variance of the corresponding predicted variables respectively. The values of *Adjusted* R^2 are all over 0.2, which indicates that excluding the effect of variable numbers, all the three models can still explain more than 20% of the predicted variable.

Table 4.3 Model overall fitness

	Model 1 (*n*=192) Predicted variable: ***SEPpremise***	**Model 2** (*n*=192) Predicted variable: ***SEPlabor***	**Model 3** (*n*=192) Predicted variable: ***SEPgoal***
R^2	0.613^{***}	0.445^{***}	0.259^{***}
Adjusted R^2	0.587^{***}	0.408^{***}	0.209^{***}
F value	23.766	12.05	5.240

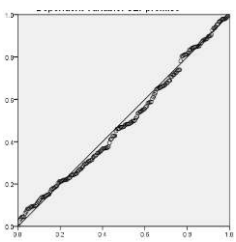
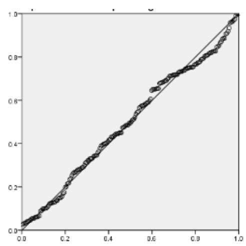
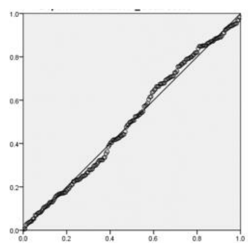
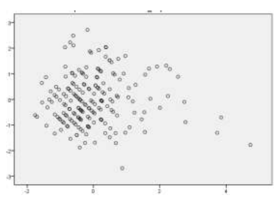
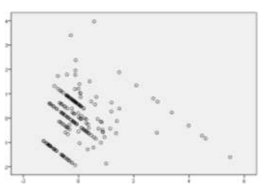
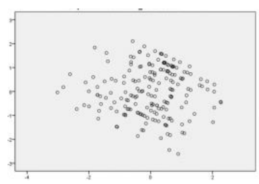
Table 4.4 demonstrates result of model diagnoses in terms of multi-collinarity, normality, heteroscedasticity and auto-correlation. The *average VIF value* for all the three models is 1.745, which is acceptable (lower than 2.0) and indicates multi-collinearity may not pose threat to the result of parameter estimation. The exactly same *VIF value* is attributed to the same independent variables prescribed in the models.

As for normality of residual, the *P-P plots* demonstrate good fitting with the diagonal. Statistics of

Kolmogorove-Smirnov test is close to 0 without significance for all the three models. However, statistics of *Shapiro-Wilk test* is significant for model 2. Considering the large sample size (almost reaching 200) in this study, and the good fitting of *P-P plots*, it is reasonable to conclude that the standardized residual is close to normal distribution for all the three models.

The scatter plots of *ZRESID- ZPRED* all demonstrate acceptable degree of dispersion, indicating the heteroscedasticity level is acceptable and may not pose threat to parameter estimation. The Durbin-Watson values are quite close to 2, making it reasonable to infer that there is no strong auto-correlation for all the three models.

Table 4.4 Regression models diagnoses

	Model 1 (*n*=192) Predicted variable: *SEPpremise*	**Model 2** (*n*=192) Predicted variable: *SEPlabor*	**Model 3** (*n*=192) Predicted variable: *SEPgoal*
Multi-Collinarity test			
Ave. VIF value	1.745	1.745	1.745
Normality test			
P-P plot			
Kolmogorove-Smirnov test	0.058 (*sig.* =0.2)	0.061 (*sig.* =0.075)	0.057 (*sig.* =0.200)
Shapiro-Wilk test	0.988 (*sig.* =0.102)	0.971*** (*sig.* =0.000)	0.987 (*sig.* =0.064)
Heteroscedasticity test			
ZRESID-ZPRED Scatter plot			
Autocorrelation test			
Durbin-Watson value	1.971	1.960	2.148

*Note: ***denotes significance level at 0.01.*

To summarize, the result of model diagnoses indicates that the three regression models have strong predictive power for the dependent variable and the basic assumptions of multi-linear regression (normality, independence, homoscedasticity) can be fulfilled. Also, there is no strong multi-collinearity for all models. Therefore, the result of parameter estimation is robust and reliable.

4.7 Result and interpretation

Table 4.5 demonstrates the result of parameter estimation and test.

In Model 1, it is found that number of beds (*NUMbed*), total investment (*NUMinv*) have positive influence on separation of premises (*SEPpremise*). This indicates that as the scale and investment increases, the host family may use the facilities of SABs less. Among the three significant predictors, number of bed (*NUMbed*) has the most significant predictive power, which may explain 31.25% of the total variance in separation of premises. It is followed by total investment (*NUMinv*), which explains 23.5% of the total variance. Number of labor (*NUMlabor*), however, do not demonstrate significant influence on separation of premises.

For control variables, number of supporting facilities (*NUMsup*), education (*EDUowner*), origin of business owners (*ORIowner*), and business age (*AGEbuz*) also have significant influence on separation of premises (*SEPpremise*). Education level of the business owner (*EDUowner*) positively influences the separation of premises. That is, business owners with higher education tend to maintain the specificity of the facilities for guests, and set limit on private use. In contrast, business age (*AGEbuz*) and origin of business owners (*ORIowner*) have negative influence on separation of premises. It seems that the newly set up businesses tend to have higher degree of separation from family premise and thus are inclined to keeping the facilities for business use. The reasons could be twofold. On one hand, these families are involved in accommodation business on a later stage of destination development, featuring established market. Therefore, they may not have to undergo the transition from family to business. On the other hand, those long established businesses have set up models for the newly set up ones, and thus the latter may enter the business for a "purer" business reasons.

Also, it is found that the businesses owned by locals tend to have lower degree of separation of premises. For local residents, the premises of the business is regarded as their home residence for long, and their families have been living there for generations. Therefore, it is usually hard to maintain the facility specificity for them compared to non-local operators who are not deeply embedded in local social relationships. Meanwhile, the exclusiveness of land property in rural China due to the land system lead to the uncertainty of premise ownership. Thus it is hard for the non-local operators to treat the premise as their family dwelling instead of business place.

Table 4.5 Result of parameter estimation

		Model 1 (*n*=192) Predicted variable: *SEPpremise*	**Model 2** (*n*=192) Predicted variable: *SEPlabor*	**Model 3** (*n*=192) Predicted variable: *SEPgoal*
Major effects				
Constant		13.533***	0.592***	6.340
	Beta	--	(0.165***)	--
NUMbed		0.076***		0.039***
	Beta	(0.312***)		(0.217***)
NUMlabor			0.010**	
	Beta		(0.209**)	
NUMinv		0.005***		
	Beta	(0.235***)		
Control variables				
NUMrev				-0.017*
	Beta			(-0.170*)
NUMsup		0.015*	0.001**	
	Beta	(0.103*)	(0.165**)	
AGEbuz		-0.132***		0.137***
	Beta	(-0.148***)		(0.210***)
INC%				0.690***
	Beta			(0.303***)
SEXowner				
	Beta			
AGEowner				-0.580**
	Beta			(-0.207**)
EDUowner		0.812***		
	Beta	(0.194***)		
MARowner				
	Beta			
ORIowner		-6.803***	-0.474***	
	Beta	(-0.307***)	(-5.152***)	

*Notes: * denotes significance level at 0.1; ** denotes significance level at 0.05; *** denotes significance level at 0.01; "Beta" denotes standardized regression weight; Only effects with significance level lower than 0.1 are presented in the table.*

In Model 2, it is found that only number of labor (*NUMlabor*) has significant influence on separation of labor. The number of labor (*SEPlabor*) is positively correlated to separation of labor and may explain 20.9% of the variance of the latter, which is quite high predictive power. This indicates that as the number of labor increases, the percentage of salaried labor may substantively increase. The necessity to recruit more salaried staff is due to the natural limit of family size, which constrains its capability to supply more labor for the business.

Notably, number of supporting facilities (*NUMsup*), instead of number of beds (*NUMbed*), exerts positive impact on separation of labor (*SEPlabor*). The reason could be that the supporting facilities typically involve components of labor-intensive supplement services such as catering. In this sense, as the scale of supporting facilities increases, the demand for certain external, more professional labor may increase dramatically. That is why the number of supporting facilities may explain 16.5% of the total variance. The origin of business owner (*ORIowner*) is found to be negatively correlated to separation of labor. That means, compared to non-local owners, local operators tend to prefer seeking help from family members instead of recruiting salaried employees. A possible explanation is that they are embedded in the local social network and may conveniently acquiring help from their relatives.

In Model 3, number of beds (*NUMbed*) is found to have positive influence on separation in goal (*SEPgoal*), explaining as much as 21.7% of the total variance. This implies that as the accommodating capacity of the business increases, the business owners are more inclined to profiting goals instead of lifestyle ones. The business may become “true” business instead of certain hobby or avocation.

For control variables, yearly revenue (*NUMrev*) is found to be negatively correlated to separation of goal (*SEPgoal*). That is, as the revenue increases, the profiting goal may diminish while the lifestyle goal may dominate gradually. Business age (*AGEbuz*) is found to be positively correlated to separation of goal and may explain 21% of the variance. That is, those newly set up businesses tend to be less inclined to profiting goal compared to those operating for long. This implies that the separation of goal may be evolving through time. The percentage of revenue in family income (*INC%*) is also positively correlated to separation of goal. As the percentage goes higher, the business owners tend to be more inclined to profiting goal. The age of business owners also has significant influence on separation of goal. Compared to the elder, the younger business owners tend to be more profit-driven.

The influence of business size on separation from family is summarized in Figure 4.3.

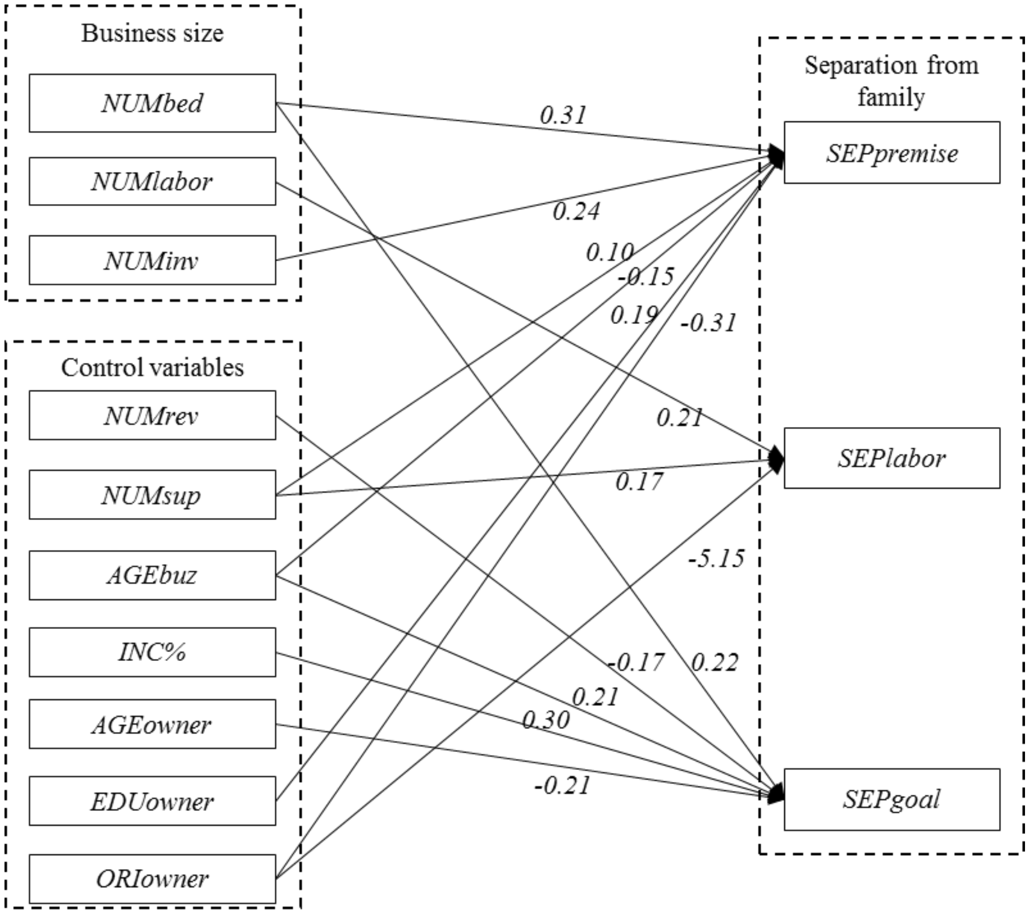


Figure 4.3 Influence of business size on separation from family

Based on data analysis, the result of hypotheses test is put in Table 4.6.

Table 4.6 Result of hypotheses test

Scale growth: SAB size as bed number	
H1: Size of an SAB is positively correlated to its degree of separation from family in terms of premise.	**Supported**
H2: Size of an SAB is positively correlated to its degree of separation from family in terms of labor.	
H3: Size of an SAB is positively correlated to its degree of separation from family in terms of goal.	**Supported**
Labor-intensive growth: SAB size as staff number	
H1: Size of an SAB is positively correlated to its degree of separation from family in terms of premise.	
H2: Size of an SAB is positively correlated to its degree of separation from family in terms of labor.	**Supported**
H3: Size of an SAB is positively correlated to its degree of separation from family in terms of goal.	
Capital-intensive growth: SAB size as total investment	
H1: Size of an SAB is positively correlated to its degree of separation from family in terms of premise.	**Supported**
H2: Size of an SAB is positively correlated to its degree of separation from family in terms of labor.	
H3: Size of an SAB is positively correlated to its degree of separation from family in terms of goal.	

Note: the cells left blank indicate the hypotheses not supported by data.

4.8 Summary

This sub-study tests the hypothesized relationship between business size and separation between SAB and the host family under different growth modes. The result of empirical test demonstrates that different modes of growth may result in different aspects of separation from family. Specifically, scale growth may lead to separation in both premise and goal. Labor-intensive growth may, in contrast, only result in separation in labor. Likewise, capital-intensive growth may solely lead to separation in premise. More detailed conclusion and discussion can be found in Chapter 8.1.1.

Chapter 5 Sub-study 2: Social capital, human capital and SAB growth

It has been identified that SABs are not a homogeneous group, but rather feature heterogeneity. They are different from each other in terms of quantitative aspects (i.e. business size) and qualitative aspects (i.e. degree of separation from family). Sub-study 1 also identifies that certain "pattern" exist for the relationship between the variation of size and separation from family. The identified pattern of variation provides an indirect way for examining growth of an individual SAB. That is, if an SAB may grow as it wants ideally, it may undergo both growth in business size and separation from family.

A question arising from this finding is that what factors lead to the variation of businesses, or what causes heterogeneity of size. Since business size can be approached from aspects of accommodating capacity, total investment and staff number, and these aspects may grow in an asynchronous way, resulting in different growth modes, an extended question thus is "what are the influencing factors of business growth mode choice?"

This sub-study aims to investigate factors influencing SAB growth. Specifically, two questions are answered: "why some SABs grow into larger size while others do not?" and "why different SABs grow in different ways?" The former question is related to mobilization of resource, while the latter is concerned with resource allocation. Social capital and human capital are introduced as precedents and their relationship with size and business intensity of SABs are examined.

There are few enquiries into precedents of SAB growth in tourism and hospitality studies. But some clues can be identified through the existing investigations of tourism entrepreneurship. By and large, these literatures can be generally categorized into two streams of enquiry (Liao & Welsch, 2005). The first stream of research focuses on ''the person''—an individual's propensity and ability to enterprise. Research on propensity to enterprise is primarily concerned with the psychological and behavioral characteristics of entrepreneurs. An interesting finding in this regard is that a large proportion of tourism entrepreneurs in western countries are driven by lifestyle-related benefits rather than profits (Getz & Carlsen, 2000). Research on ability to enterprise emphasizes the role of human capital and availability of necessary resources through social network (Zhao, 2009).

Comparatively, the other stream of research highlights the influences of “the environment” in stimulating entrepreneurial initiatives. The environmental factors include market situation, policy intervention and economic fluctuations.

It has been acknowledged that entrepreneurs play a central role in growing SABs (Barney, Wright, & Ketchen, 2001). Entrepreneurs’ personal success and the success of their firms are often attributed to personal capacity and their relationships or social networks (Lin, 1999; Watson, 2007). In small and medium-sized enterprises these personal resources become crucial since the growth process often centers around one person and is largely dependent on their knowledge, experience and relationships.

Moreover, research findings related to entrepreneurs might be more suitable and practically useful for both entrepreneurs themselves as well as governments. Attempts from this perspective are not blank for tourism entrepreneurship research. For example, Zhao (2009) drew on human capital and social capital to explain tourism entrepreneurship behavior in rural China. However, similar researches on their effects on SAB growth are rarely found.

Social capital is agreed to be an integral and essential component of a sustainable rural tourism development strategy (Park, Lee, Choi, & Yoon, 2012). Although the concept is well established in social science (Nyamori, Lawrence, & Perera, 2012; Portes, Vickstrom, & Aparicio, 2011), it is relatively recent in its application to tourism (McGehee, Lee, O'Bannon, & Perdue, 2010; Zhao et al., 2011), as well as in tourism business development. Meanwhile, human capital has been acknowledged to play a prominent role in hospitality business management. It is found to be crucial for business performance. But its role in business growth is rarely investigated either.

Based on the above observations, this sub-study follows Zhao’s (2009) research and aims to examine the precedents of SAB growth based on social capital theory and human capital theory. Two models are constructed and tested with empirical data. The first one is focused on the influence on business size, while the second one is focused on effects on business intensiveness.

5.1 Social capital and SAB growth

5.1.1 Dimensions of social capital

One way to operationalize social capital is through identifying the characteristics of personal social networks, of which the pivotal one is the strength of ties. Compared to weak ties, strong ties might be more important for small businesses. Micro-businesses are particularly dependent upon the advice of friends and relatives in order to retain confidentiality as well as personal control (Bennett & Robson, 1999). A coordinating explanation is that SABs are in fact located in the initial stages of growth, and entrepreneurs have not developed important ties outside the firm yet because they are unknown to other market actors. Therefore, they have to rely on those strong ties featuring family connections.

Family (or relative) ties are social connection with family (in most circumstances, extended family) members, and are typical strong ties (Granovetter, 1973, 1985). They represent an important conduit of resources for entrepreneurs in developing new ventures (Birley & Westhead, 1990; Birley, Cromie, & Myers (1991); Hite & Hesterly, 2001), and are a constant component of entrepreneurs' networks across the globe (Anderson, Jack, & Dodd,, 2005; Dodd, & Patra, 2002). Family ties can facilitate venture development because they provide unique and valuable resources with lower costs and risks (Aldrich & Cliff, 2003; Anderson et al., 2005; Bruderl & Preisendorfer, 1998; Greve & Salaff, 2003; Sanders & Nee, 1996). This is especially true in rural China, where inter-personal relationship is organized in a "differential pattern" (*差序格局*) (Fei, 1970), with families and relatives as closest in the pattern. Considering the importance of family ties, this sub-study approaches social capital as embedded in family ties.

Meanwhile, social capital is a multi-dimensional construct and can be categorized into structural social capital, relational social capital and cognitive social capital (Nahapiet & Ghoshal, 1998). This sub-study only deals with the former two dimensions, and cognitive social capital is not of concern. Cognitive dimension encompasses the resources providing shared representations, interpretations, and systems of meaning among parties. It emphasizes mentally sharing something in common, such as values, attitudes, beliefs and vision. In the case of rural SAB owners, however, the resource conduit is more dependent on reciprocal relationships, instead of common values or beliefs. After all, business is business, and is usually done in a rational way. The role of empathy seems to be trival when it comes to resource sharing. This is also confirmed by Zhao et al. (2011), who did not find significant relationship between cognitive social capital and entrepreneurial intention for SAB owners in rural Guangxi of China. Their explanation is that in rural Guangxi, accessibility to concrete resources and assistance might be more important than entrepreneurial culture and attitude towards tourism-related jobs in influencing the decision of locals on entrepreneurship in tourism.

5.1.2 Social capital and business growth

Business growth features identification of market opportunities and mobilization of resources to exploit emerging market opportunities. Hence information and resources are prerequisites for SAB growth. Social capital assumes the role as the conduit of information and resources and thereby facilitates the discovery of opportunities, as well as the identification, collection and allocation of scarce resources (Greene & Brown, 1997; Uzzi, 1999). Echoing this point of view, Renzulli and Aldrich (2005) suggested advice and resources as two benefits brought by social capital. In their conception, a third aspect of benefit is also emphasized, i.e. emotional support.

5.1.2.1 Social capital and information sourcing

As with business start-ups, it has been claimed that business growth decisions are characterized by ambiguity and risk (Morrison, Morrison, & Morrison, 1999) due to asymmetrical information between entrepreneurs and the owners of resources (Shane & Venkataraman, 2000), as well as between the supply side and demand side. Sourcing sufficient, reliable information about innovation, the availability and character of markets, products and resources, thus can dramatically enhance the ability of the potential entrepreneur to perceive an emerging opportunity and evaluate its feasibility. In this respect, social capital assists owner-operators as individuals by exposing them to new and different market news, ideas, world-views, in effect providing them with a wider frame of reference both supportive and nurturing to the new potential idea or venture (Zimmer & Aldrich, 1987; Aldrich & Sakano, 1998). Burt (1993) identified information benefits deriving from the social capital as access, timeliness, relevance, and referrals.

On this occasion, social network can be regarded as acting as an advice network, which serves as a source of valuable information that helps entrepreneurs to resolve uncertainty. Advice networks help entrepreneurs to recognize opportunities for new products or services, new markets for existing products, changes and gaps in supply chains and distribution channels, new technology developments, the latest trends in consumer behavior, and changes in laws and regulations (Batjargal, 2003, 2007). Advice networks can also facilitate access to specialized knowledge on industry trends, research and development, sales and marketing strategies, and financial decisions.

Both strong ties and weak ties are supportive in this network. Entrepreneurs frequently make decisions as a result of associations based on friendship or advice (Bruderl & Preisendorfer, 1998; Paxton, 1999). Meanwhile, strong ties maintained by entrepreneurs and other team members play a prominent role. Aldrich et al. (1998) referred to the importance of family socialization by inspiring autonomy, as well as the delivery of personal networks that provide valuable resources. Moreover, strong ties within the nascent venture may also yield increased efficiency in resource utilization.

5.1.2.2 Social capital and resource mobilization

Social capital also has a conspicuous impact on the availability of valuable resources, such as capital, space, facilities, equipment and labor (Zimmer & Aldrich, 1985). Entrepreneurs rarely possess all of the resources and capabilities they need to create and grow their ventures (Granovetter, 1995; Stevenson & Jarillo, 1990). To access financial and other resources, entrepreneurs often rely on personal social networks to facilitate their activities (Granovetter, 1985, 1995; Greve & Salaff, 2003; Jack & Anderson, 2002; Starr & MacMillan, 1990).

In this sense, entrepreneurs' social networks can be seen as resource network, which enable them to assemble such diverse resources as financial capital, labor, supplies, and new technology (Batjargal & Liu, 2004; Shane & Cable, 2002; Stuart & Sorenson, 2007). Although both strong ties and weak ties have effects on resource mobilization, strong ties are supposed to have a more significant impact. In comparison with the sharing of information and knowledge that leads to no loss of the original information and knowledge for the source, sharing private property and other concrete resources means temporary or permanent deprivation of the use value for the owner, making him/her subject to uncertainty and vulnerability. As a simple example, lending something to others inevitably involves the risk of having it not returned.

5.1.2.3 Social capital and emotional support

Business growth process is accompanied by uncertainty and risks, which may lead entrepreneurs to face unforeseen obstacles, and can cause entrepreneurs to experiment much longer than originally anticipated (Sarason, Dean, & Dillard, 2006; Singh, Tucker, & House, 1986). Emotional support from network members generates emotional stability and psychic resources, helping entrepreneurs to focus their energy on growing their new venture despite the risks and obstacles (Anderson, Jack, & Dodd, 2005; Bruderl & Preisendorfer, 1998; Reynolds & White, 1997).

5.1.3 Influence of social capital on SAB growth

Like other businesses, the growth of SAB features identification of market opportunities and mobilization of resources to exploit the opportunities. Compared to larger businesses, SAB growth relies more on personal networks (Shaw & Williams, 2009). This might be attributed to the fact that most SABs are with limited resources and capabilities. For example, commercial banks are often unwilling to loan to micro-entrepreneurs because of their weak collateral and asset base, and as such, a large proportion of poor entrepreneurs have to rely mainly on their social network to secure venture capital. Thus they are known to rely heavily upon social and family networks as well as various types of business links from which they derive various support including capital, labor, market information (Fadahunsi, Smallbone, & Supri, 2000).

Birley, Cromie and Myers (1991) also agreed that, in the early stage of enterprise development, they heavily rely on informal network of friends, family and social contacts in the neighborhood. Both Greenbank (2000), Thomson and Gray (1999) found that the decision making process in small businesses was directly influenced by the interaction of their individual, social and economic contexts. Besides, Down (1999) argued that owner-managers develop skills through existing social relationships both within and without a network. Thomson and Gray (1999) also argued that membership of external organizations enhances participation in management development activities for small firms. As a result, whether the social network stocks a sufficient amount of spare resource to meet a micro-entrepreneur's needs determines his/her potential and ambition to enterprise.

To summarize, the social capital of SAB entrepreneurs is likely to enhance both his ambition as well as capability to grow their business into larger size, and to grow their business in a more risky but more promising ways as they think. On one hand, since growing business into larger size requires both propensity and resources, those with more social capital are more likely to be capable and more willing to increase their business size. Therefore, on firm level of observation, it could be inferred that those SABs with more social capital resource are more likely to be of larger size, given the same market circumstances, political environment, and business age. Hence it is reasonable to hypothesize that:

Hypothesis 4: Social capital is positively correlated to SAB size.

On the other hand, for those growing businesses, different modes of growth are laden with different degrees of risks. Entrepreneurial growth, including labor-intensive and capital-intensive growth, tend to be more demanding in terms of resources, capability and tolerance of risks compared with managerial growth mode. Therefore, it can be inferred that those business owners with more social capital tend to growth in a more intensive way. It is thus reasonable to hypothesize that:

Hypothesis 5: Social capital is positively correlated to business intensiveness.

Social capital is operationalized as the potential resources embedded in the family ties and is regarded as consisting of structural dimension and relational dimension. Family ties here refer to social ties to extended family members, or relatives. Following Zhao (2009), structural dimension of social capital can be decomposed into relative ties to entrepreneurs, relative ties to other SABs, relative ties to the government. The significance of knowing other entrepreneurs in kindling a proclivity for self-employment is well documented in entrepreneurship studies. Knowledge about tourism embedded in the social network could also be a precious asset that can facilitate opportunity identification and exploitation. Besides, in rural China, people with relatives working in government or as village leader might enjoy a competitive advantage in business start-up and operation because they can be well informed of government policy and regulations, and can get more convenient access to government support, e.g. subsidies.

Meanwhile, relational dimension of social capital can be approached through the frequency of interaction between the SAB owners and their relatives in terms of information (advice), capital and customer resource sharing.

Therefore, Hypothesis 4 can be further developed as:

Hypothesis 4a: Number of relative ties to business entrepreneurs (STRbuz) is positively correlated to SAB size.

Hypothesis 4b: Number of relative ties to other SABs (STRsab) is positively correlated to SAB size.

Hypothesis 4c: Number of relative ties to government (STRgov) is positively correlated to SAB size.

Hypothesis 4d: Frequency of information sharing (RELinfor) is positively correlated to SAB size.

Hypothesis 4e: Frequency of capital sharing (RELcap) is positively correlated to SAB size.

Hypothesis 4f: Frequency of customer resource sharing (RELgue) is positively correlated to SAB size.

Similarly, Hypothesis 5 can be further developed as:

Hypothesis 5a: Number of relative ties to business entrepreneurs (STRbuz) is positively correlated to business intensiveness.

Hypothesis 5b: Number of relative ties to other SABs (STRsab) is positively correlated to business intensiveness.

Hypothesis 5c: Number of relative ties to government (STRgov) is positively correlated to business intensiveness.

Hypothesis 5d: Frequency of information support (RELinfor) is positively correlated to business intensiveness.

Hypothesis 5e: Frequency of capital support (RELcap) is positively correlated to business intensiveness.

Hypothesis 5f: Frequency of customer resource sharing (RELgue) is positively correlated to business intensiveness.

5.2 Human capital and SAB growth

The relationship between human capital of entrepreneurs (both explicit and tacit human capital), and business growth has been identified (e.g. Cooper, Gimeno-Gascon, & Woo, 1994; Kangasharju, & Pekkala, 2002). Penrose (1959) viewed business growth as a function of both entrepreneurial and managerial capability. Growth opportunities are not equally obvious and valuable to all potential entrepreneurs, since opportunity identification is indeed a complex process of collecting, filtering, and integrating fragmented information, and opportunity exploitation also necessarily involves deliberate business plan development and feasibility analyses (Gartner, 1985; Shane, 2000). In both processes, the entrepreneur’s intellectual performance, especially his or her information processing ability and logical thinking, has a pivotal role to play. If growth opportunities exist, individuals with more or higher quality human capital should be better at perceiving them. Once engaged in the growth process, such individuals should also have superior ability in successfully identifying and exploiting opportunities (Davidsson & Honig, 2003).

On the other hand, small business owner-manager is widely accepted as active constructors of knowledge, learning informally from peers, customers, and suppliers, by doing, exploring, experimenting, copying, problem solving, opportunity taking and lessons from mistakes made in the process (Gibb, 1997; Beaver & Lashley, 1998; Dalley & Hamilton, 2000). For small business to grow, the owner-manager must adapt and change as the enterprise moves through its lifecycle (Cope & Watts, 2000). The present knowledge might well assist in the integration and accumulation of new knowledge, as well as integrating and adapting to new situations (Weick, 1996), thereby starting a virtuous circle.

Based on the above discussion, it is not surprising that previous research tends to support the existence of a positive relationship between human capital and entrepreneurial activity (Davidsson & Honig, 2003), even in tourism industry (Zhao, 2009). This is, admittedly, based upon the assumption that entrepreneurs' motivation remains unchanged when their knowledge accumulated. However, it is proposed that social systems may bias individuals to either over-invest or under-utilize their investment. The amount previously invested in human capital may influence life career choices, including attitudes towards entrepreneurial activity, in various ways. Those more experienced and better educated entrepreneurs tend to better at exploiting market opportunity and taking higher risks. Despite the enormous empirical evidence supportive of the influencing effect, it is found that returns to education are conditional on industry (Bates, 1995; Honig, 1998). Therefore, empirical researches are necessary to test whether this relationship holds for SABs.

Like social capital, the human capital may thus influence SAB growth on two aspects. On one hand, those with more human capital are more inclined and capable to growth their business into large size. Therefore, it can be hypothesized that:

Hypothesis 6: Human capital of the entrepreneur is positively correlated to SAB size.

On the other hand, those with more human capital tend to be more tolerant of risks, and have more ambition to grow their business in a more innovative way. Therefore, they could be more inclined to choose intensive growth modes. It is thus hypothesized that:

Hypothesis 7: Human capital of the entrepreneur is positively correlated to business intensiveness.

Notably, both explicit and tacit human capital are taken into consideration. Explicit human capital is interpreted as education level, while tacit human capital can be approached by working experience in companies, business startup experiences (Davidsson & Honig, 2003). Also, since SAB owners are involved in tourism and hospitality businesses, their travel experience may help them better capture the latest trends of the industry as well as changes in tourist demand. Therefore, travel experience can also be regarded as an aspect of tacit human capital. In this sense, *Hypothesis 6* can be further developed as:

Hypothesis 6a: Education level (EDU) of the business owner is positively correlated to SAB size.

Hypothesis 6b: Working experience in companies (EXPwork) of the business owner is positively correlated to SAB size.

Hypothesis 6c: Business startup experience (EXPbuz) of the business owner is positively correlated to SAB size.

Hypothesis 6d: Travel experience (EXPtravel) of the business owner is positively correlated to SAB size.

Similarly, *Hypothesis 7* can be further developed as:

Hypothesis 7a: Education level (EDU) of the business owner is positively correlated to business intensiveness.

Hypothesis 7b: Working experience in companies (EXPwork) of the business owner is positively correlated to business intensiveness.

Hypothesis 7c: Business startup experience (EXPbuz) of the business owner is positively correlated to business intensiveness.

Hypothesis 7d: Travel experience (EXPtravel) of the business owner is positively correlated to business intensiveness.

5.3 Hypothesized models

Figure 5.1 and Figure 5.2 summarize the discussion above and explicate the impact of social capital and human capital on business size and business growth mode choice respectively. Notably, social capital includes structural social capital (involving number of relative ties to business entrepreneurs, number of relative ties to other SABs, number of relative ties to government) and relational social capital (involving frequency of information sharing, frequency of capital sharing, and frequency of customer resource sharing). Meanwhile, human capital is approached as explicit human capital (i.e. education level) and implicit human capital (involving working experience in companies, business start-up experience, and travel experience).

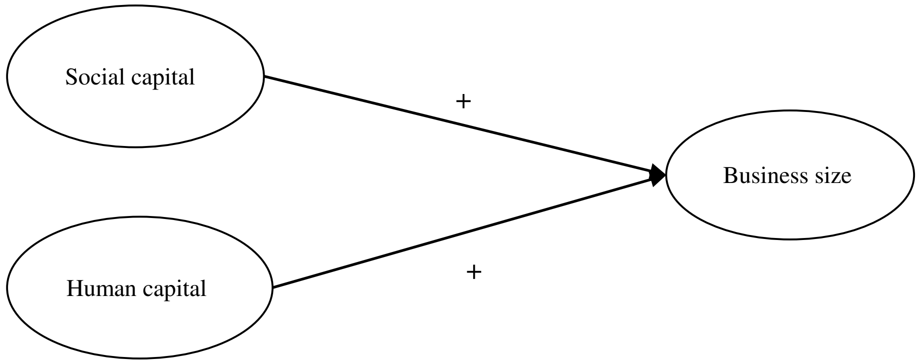


Figure 5.1 Hypothesized model of influencing factors on business size

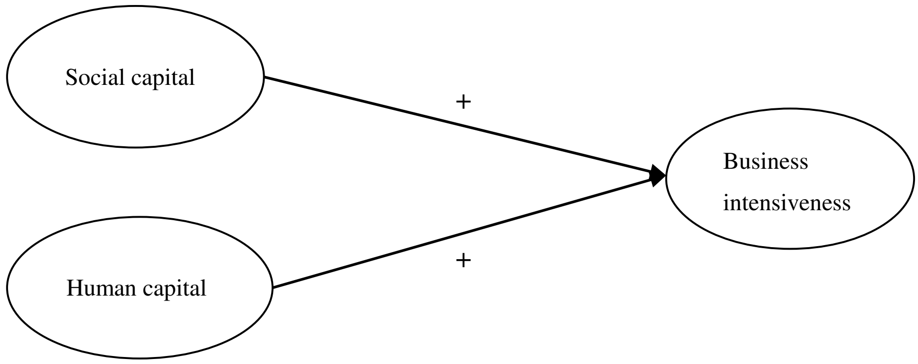


Figure 5.2 Hypothesized model of influencing factors on growth mode choice

Moreover, business size can be approached as bed number, total investment, or staff number, while business intensiveness can be approached as labor intensiveness and capital intensiveness. Therefore, the hypothesized relationships are tested taking the multi-dimensionality into account.

5.4 Measurement and data collection

As in sub-study 1, business size is measured on three aspects, namely bed numbers (*NUMbed*), total investment (*NUMinv*) and number of staffs (*NUMlabor*). Capital intensiveness (*INTinv*) was calculated by dividing the total invest by the number of beds, while labor intensiveness (*INTlabor*) was calculated by dividing the number of staffs by the number of beds.

The measurement of social capital follows the instrument developed by Zhao (2009). To measure structural social capital, the owners were asked to indicate the number of relatives with business start-up experience (*STRbuz*), with experience in operating SABs (*STRsab*), and with working experience in the government (*STRgov*, including being village leaders). Their answer was assigned into six defined intervals: "none" (coded as 1), "1 to 3" (coded as 2), "4 to 6" (coded as 3), "7 to 10" (coded as 4), "11 to 15" (coded as 5), "above 15" (coded as 6).

In terms of relational social capital, the business operators were asked to indicate the degree of frequency on a 5-point scale regarding three statements, i.e. "When starting and operating the business, how often did your relatives provide managerial or operational advice to you?" (*RELinfor*), "When starting and operating the business, how often did your relatives provide financial support to you?" (*RELcap*), and "When starting and operating the business, how often did your relatives share customer source with you?" (*RELgue*). The answer is assigned to one of five categories, namely "almost not" (coded as 1), "not often" (coded as 2), "average" (coded as 3), "often" (coded as 4), "very often" (coded as 5).

Human capital of the SAB owners comprises explicit knowledge level and tacit knowledge level. Explicit knowledge was measured as formal education experience (*EDU*). Specifically, the owner was asked to indicate the highest level of education they had completed, ranging from "primary school" (coded as 1) to "postgraduate" (coded as 5). As for tacit knowledge, the owner was asked to answer the following questions: "How many years have you been involved in starting and operating your own business?" (*EXPbuz*), "How many years have your been working in companies" (*EXPwork*), "For the recent 3 years, how many times on average did you travel out of your county each year?" (*EXPtra*).

In order to exclude the effect which are not of interest, several control variables were also measured and taken into data analysis. These variables include government support (*SUPgov*), association support (*SUPass*), business age (*AGEbuz*), as well as personal attributes of the business owner including their age (*AGEowner*) and origin (*ORIowner*).

Political environment, including the support from government and industrial associations, has been found to exert profound influence on business growth. Those businesses with more political support such as subsidy from government, information supporting service, as well as related policy, would gain more access to information and resource which is necessary for growth. Government support and association support were measured by asking the business owners to indicate the extent to which the government and the association had supported them. The answer ranges from "no support at all" (coded as 1) to "very strong support" (coded as 6).

In addition, business age may also influence business growth. There is a consensus among researchers that younger firms grow faster than older ones (Almus & Nerlinger, 1999; Glancey, 1998; Wijewardena & Tibbits, 1999). Also, the autocorrelation of growth (Ijiri & Simon, 1967) or self-reinforcing (Botazzi & Secchi, 2003), and "positive feedback" (Arthur, 1994) has been identified. The probability of a given firm being able to exploit new opportunities may depend on the number of opportunities already captured. Possible explanations include economies of scale, economies of scope, network externalities and knowledge accumulation (Botazzi & Secchi, 2003). Business age was measured by asking the business owner to indicator how many years his/her business has lasted for.

Data was collected with the same questionnaire as in Sub-study 1 which can be found in Appendix A and Appendix B. In total 200 questionaires were collected and the specific data collection process can also be found in Chapter 3.4.

5.5 Data analysis method

Multiple Linear Regression was used to analyze the data. Logarithmic transformation was conducted on all the data collected on business size and business intensiveness indicators. The mathematical models for each indicators of business size are put as follows:

Model 1:

$$lg(NUMbed)=\beta_{10}+\beta_{11}(STRbuz)+\beta_{12}(STRsab)+\beta_{13}(STRgov)+\beta_{14}(RELinfor)+\beta_{15}(RELcap)+\beta_{16}(RELgue)+\beta_{17}(EXPbuz)+\beta_{18}(EXPwork)+\beta_{19}(EXPtra)+\beta_{110}(EDU)+\beta_{111}(SUPgov)+\beta_{112}(SUPass)+\beta_{113}(AGEbuz)+\beta_{114}(AGEowner)+\beta_{115}(ORIowner),$$

Model 2:

$$lg(NUMlabor)=\beta_{20}+\beta_{21}(STRbuz)+\beta_{22}(STRsab)+\beta_{23}(STRgov)+\beta_{24}(RELinfor)+\beta_{25}(RELcap)+\beta_{26}(RELgue)+\beta_{27}(EXPbuz)+\beta_{28}(EXPwork)+\beta_{29}(EXPtra)+\beta_{210}(EDU)+\beta_{211}(SUPgov)+\beta_{212}(SUPass)+\beta_{213}(AGEbuz)+\beta_{214}(AGEowner)+\beta_{215}(ORIowner)$$

Model 3:

$$lg(NUMinv)=\beta_{30}+\beta_{31}(STRbuz)+\beta_{32}(STRsab)+\beta_{33}(STRgov)+\beta_{34}(RELinfor)+\beta_{35}(RELcap)+\beta_{36}(RELgue)+\beta_{37}(EXPbuz)+\beta_{38}(EXPwork)+\beta_{39}(EXPtra)+\beta_{310}(EDU)+\beta_{311}(SUPgov)+\beta_{312}(SUPass)+\beta_{313}(AGEbuz)+\beta_{314}(AGEowner)+\beta_{315}(ORIowner),$$

Likewise, the mathematical models for business intensiveness are put as follows:

Model 4:

$$lg(INTinv)=\beta_{40}+\beta_{41}(STRbuz)+\beta_{42}(STRsab)+\beta_{43}(STRgov)+\beta_{44}(RELinfor)+\beta_{45}(RELcap)+\beta_{46}(RELgue)+\beta_{47}(EXPbuz)+\beta_{48}(EXPwork)+\beta_{49}(EXPtra)+\beta_{410}(EDU)+\beta_{411}(SUPgov)+\beta_{412}(SUPass)+\beta_{413}(AGE\beta uz)+\beta_{414}(AGEowner)+\beta_{415}(ORIowner),$$

Model 5:

$$lg(INTlabor)=\beta_{50}+\beta_{51}(STRbuz)+\beta_{52}(STRsab)+\beta_{53}(STRgov)+\beta_{54}(RELinfor)+\beta_{55}(RELcap)+\beta_{56}(RELgue)+\beta_{57}(EXPbuz)+\beta_{58}(EXPwork)+\beta_{59}(EXPtra)+\beta_{510}(EDU)+\beta_{511}(SUPgov)+\beta_{512}(SUPass)+\beta_{515}(AGEbuz)+\beta_{514}(AGEowner)+\beta_{515}(ORIowner),,$$

According to Green (1991) and Tabachnick and Fidell (2007), the minimum sample requirement is $50 + 8*(k)$ for testing an overall regression model, where k denotes the number of independent variables. Since there are 15 independent variables in this sub-study, 200 samples are enough for parameter estimation. Like in Sub-study 1, the missing data was deleted in a listwise way during data analysis.

5.6 Model diagnoses

The regression models are firstly diagnosed for their overall fitness, as well as multi-collinearity, auto-correlation, normality, and heteroscedasticity.

The result of overall fitness diagnosis for Model 1, Model 2 and Model 3 predicting SAB size is put on Table 5.1. All the three models significantly explain over 20% of the variance of the corresponding dependent variables. The strongest predictive power is found in Model 1, which is 27.8%, while the weakest predictive power is found in Model 3, which is only 20.1%. Excluding the effect of independent variable number, Model 1 and model 2 still demonstrate average predictive power, which are all over 16%. However, Model 3 demonstrates poor explanation for the dependent variable, barely 13.5%.

Table 5.1 Model overall fitness: business size

	Model 1 (*n*=200) Predicted variable: *lg(NUMbed)*	**Model 2** (*n*=196) Predicted variable: *lg (NUMlabor)*	**Model 3**(*n*=200) Predicted variable: *lg (NUMinv)*
R^2	0.278***	0.246***	0.201***
Adjusted R^2	0.219***	0.184***	0.135***
F value	4.728	3.940	3.079

*Note: *** denotes Significance level at 0.01.*

The diagnosis result of Model 4 and Model 5 predicting business intensiveness is put in Table 5.2. Both models can explain over 37% of the total variance of independent variable, indicating good predictive power. Excluding the effect of independent variable number, both model can still explain over 30% of the total variance, indicating good overall fitness.

Table 5.2 Model overall fitness: business intensiveness

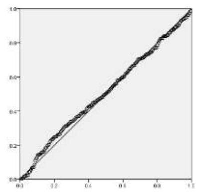
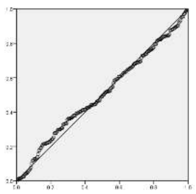
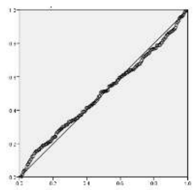
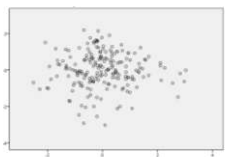
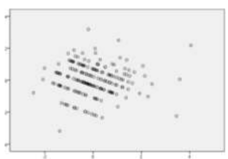
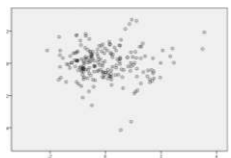
	Model 4 (*n*=189) Predicted variable: *lg (INTSinv)*	**Model 5** (*n*=198) Predicted variable: *lg (INTSlabor)*
R^2	0.430***	0.371***
Adj. R^2	0.384***	0.323***
F value	9.357	7.706

*Note: *** denotes Significance level at 0.01.*

The result of multi-collinearity, normality, auto-correlation and heteroscedasticity assessment is put in Table 5.3 and Table 5.4, for models predicting business size and business intensiveness respectively. The *average VIF value*s are all below 1.5 for all the five models, indicating weak multi-collinearity effect which may not pose threat to the parameter estimation. D-W values do not demonstrate severe deviation from 2, and thus it can be inferred that auto-correlation level is acceptable. Sample points distribution on P-P plots fit well with diagonals for all models. In addition, K-S and S-W test do not find significant deviance from normal distribution for standardized residuals. Therefore, it can be inferred that the residual is normally distributed. Finally, sample points demonstrate good degree of dispersion on the scatter plot of standardized predicted value (ZPRED) and standardized residual (ZRESID), indicating low degree of heteroscedasticity.

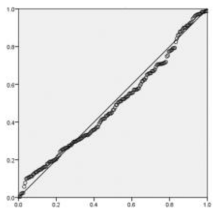
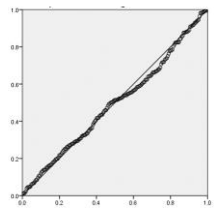
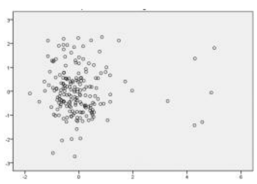
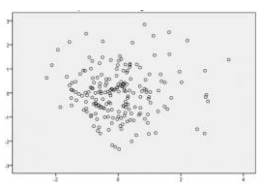
In summary, the result of model diagnoses support that the data fits well into the basic assumptions of multi-regression analysis for all the five models, i.e. normality, independence, homoscedasticity. Also, multi-collinearity may not pose threat to parameter estimation.

Table 5.3 Model assessment: business size

	Model 1 (*n*=200) Predicted variable: *lg(NUMbed)*	**Model 2** (*n*=196) Predicted variable: *lg (NUMlabor)*	**Model 3** (*n*=200) Predicted variable: *lg (NUMinv)*
Multi-collinarity diagnosis			
Ave. VIF value	1.383	1.383	1.383
Normality diagonosis			
p-p plot			
Kolmogorove-Smirnov test	0.045 (*sig*.0.200)	0.057(*sig*.0.200)	0.050 (*sig*. 0.200)
Shapiro-Wilk test	0.985**	0.989(*sig*.0.123)	0.972***
Heteroscedasticity diagonosis			
ZRESID-ZPRED plot			
Auto-correlation test			
Durbin-Watson value	1.626	2.006	1.615

*Note: *** denotes Significance level at 0.01.*

Table 5.4 Model assessment: business intensiveness

	Model 4 (*n*=189) Predicted variable: *lg (INTSinv)*	**Model 5** (*n*=198) Predicted variable: *lg (INTSlabor)*
Multi-collinearity diagnosis		
Ave. VIF value	1.383	1.383
Normality test		
P-P plot		
Kolmogorove-Smirnov test	0.058	0.056
Shapiro-Wilk test	0.980***	0.245
Heteroscedasticity diagnosis		
ZRESID-ZPRED plot		
Auto-correlation test		
Durbin-Watson value	1.597	1.538

*Note: *** denotes Significance level at 0.01.*

5.7 Result and interpretation

5.7.1 Social capital, human capital and business size

The result of parameter estimation and significance test for Model 1, Model 2 and Model 3 is put on Table 5.5 . In Model 1, it is found that relative ties to other SABs (*STRsab*), relative ties to government (*STRgov*), capital support from relatives (*RELcap*) and working experience (*EXPwork*) have significant influence on bed number. Number of relatives involved in SAB and capital assistance from relatives is positively correlated to bed number (NUMbed), of which the former may explain 30.4% of the variance and demonstrates strongest predictive power. This indicates that the more relatives involved in SAB operation, and the more capital support one can get from their relatives, the larger the accommodating capacity of the SAB. This is understandable considering the large capital demand generated when expanding the accommodation capacity. Also, their relatives operating SAB may share guest with them, as is widely found in the research sites, due to generally limited accommodating capacity of SABs.

Table 5.5 Result of parameter estimation: models predicting business size

		Model 1(*n*=200) Predicted variable: *lg(NUMbed)*	**Model 2**(*n*=196) Predicted variable: *lg (NUMlabor)*	**Model 3**(*n*=200) Predicted variable: *lg (NUMinv)*
Constant		1.083***	0.647***	2.131***
Structural social capital				
STRbuz				
	Beta			
STRsab		0.050***		
	Beta	(0.304***)		
STRgov		-0.038*		
	Beta	(-0.119*)		
Relational social capital				
RELinfor				
	Beta			
RELcap		0.023*	0.019**	
	Beta	(0.119*)	(0.137**)	
RELgue				
	Beta			
Tacit human capital				
EXPbuz				0.024**
	Beta			(0.148**)
EXPwork		-0.029***		
	Beta	(-0.195***)		
EXPtra			0.064***	
	Beta		(0.245***)	
Explicit human capital				
EDU				
	Beta			
Control variables				
SUPgov				0.031**
	Beta			(0.161**)
SUPass		0.033**	0.017*	0.034*
	Beta	(0.196**)	(0.136*)	(0.158*)
AGEbuz				
	Beta			
AGEowner			-0.028**	
	Beta		(-0.165**)	

ORIowner	
	Beta

*Notes: * denotes significance level at 0.1; ** denotes significance level at 0.05; *** denotes significance level at 0.01; "Beta" denotes standardized regression weight; Only effects with significance level lower than 0.1 are presented in the table.*

Relative connections to government (*STRgov*) and working experience in companies (*EXPwork*), comparatively, demonstrate negative correlation with bed number (*NUMbed*). This indicates that those business owners with more relatives working in government tend to have less bedroom in their businesses, and those who have less working experience in companies tend to maintain a large accommodating capacity.

Regarding control variables, it is found that support of association (*SUPass*) is positively correlated to the bed number and may explain almost 20% of the total variance. This indicates that those SABs with more help from the association may have more bedrooms.

In Model 2, capital support from relatives (*RELcap*) and travel experience (*EXPtra*) are found to be positively correlated to number of labor (*NUMlabor*), explaining 13.7% and 24.5% of the total variance respectively. It can thus be inferred that those with more capital support from relatives and those who travel more tend to have more labor. For control variables, support from association (*SUPass*) is found to be positively correlated to the number of labor, while the age of owner is found to be negatively influential. This implies that as the businesses with more support from association tend to have more labor, but those elder business owners tend to maintain limited staff.

In model 3, only business experience (*EXPbuz*) is found to be positively correlated to number of investment (*NUMinv*), explaining 14.8% of the total variance. It seems that those who have done business for many years tend to be able to invest more than those who have not. For control variables, both support from government (*SUPgov*) and support from association (*SUPass*) are found to be positively correlated to the number of investment.

The findings regarding the influence of social capital and human capital on business size are summarized in Figure 5.3.

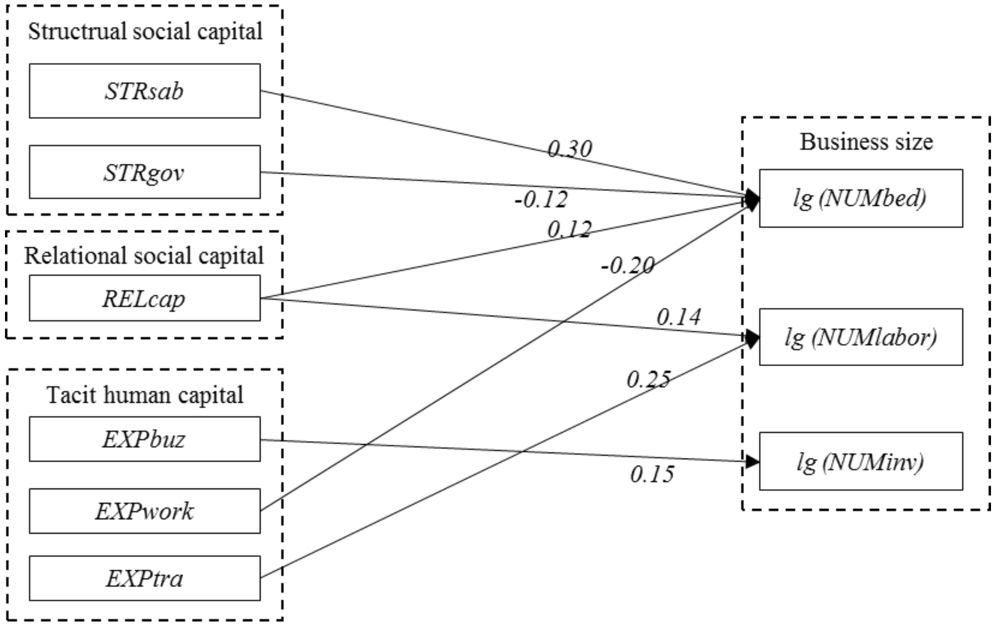


Figure 5.3 Effects of social capital and human capital on business size

5.7.2 Social capital, human capital and business intensiveness

The result of regression analysis for Model 4 and model 5, which predict business intensiveness, is put in Table 5.6 .

In model 4, it is found that experience of working in companies (*EXPwork*) and experience of travel (*EXPtra*) are both positively correlated to dependent variable, explaining 17% and 18% of the total variance respectively. This implies that those SABs of which the owner has more experience of working and traveling tend to be more capital-intensive. These business operators seem to prefer growing their business in a more delicate way. In contrast, relative connections with other SABs (*STRsab*), age (*AGEowner*) and origin of the owner (*ORIowner)* is found to be negatively correlated to the dependent variable, explaining substantial 19.3%, 15.3% and 38.1% of the total variance. Correspondingly, it can be inferred that those business owners with more relatives operating SABs prefer a less intensive way of growth. Also, it seems that compared to those younger, non-local business owners, the elder, and local business owners tend to grow their business in a less capital intensive way.

Table 5.6 Result of multi-linear regression: business intensiveness

	Model 4 (*n*=189) Predicted variable: *lg (INTSinv)*	**Model 5** (*n*=198) Predicted variable: *lg (INTSlabor)*
Constant	1.267***	-0.612***
Structural social capital		
STRbuz		
Beta		
STRsab	-0.034***	-0.065***
Beta	(-0.193***)	(-0.363***)
STRgov		
Beta		
Relational social capital		
RELadv		
Beta		
RELcap		
Beta		
RELgue		
Beta		
Tacit human capital		
EXPbuz		
Beta		
EXPwork	0.027***	
Beta	(0.170***)	
EXPtra	0.066***	0.085***
Beta	(0.180***)	(0.230***)
Explicit human capital		
EDU		0.043*
Beta		(0.156*)
Control variables		
SUPgov		
Beta		
SUPass		
Beta		
AGEowner	-0.038**	
Beta	(-0.153**)	
ORIowner	-0.584***	
Beta	(-0.381***)	

*Notes: * denotes significance level at 0.1; ** denotes significance level at 0.05; *** denotes significance level at 0.01; "Beta" denotes standardized regression weight; Only effects with significance level lower than 0.1 are presented in the table.*

In model 5, travel experience (*EXPtra*) and education level of the business owners (*EDUowner*) are both positively correlated to the dependent variable, explaining 23% and 15.6% of the total variance.

This indicates that those business owners with more travel experience and higher education level are more likely to recruit more labor, whereby grow the business in a labor-intensive way. Relative ties with other SABs (STRsab), however, is still found to be negatively correlated with the intensiveness of labor, explaining a significant 36.3% of the latter. It seems that those business owners with more relatively involved in the same business tend to be less inclined to making their business labor-intensive.

The above findings regarding influence of social capital and human capital on business intensiveness are summarized in Figure 5.4.

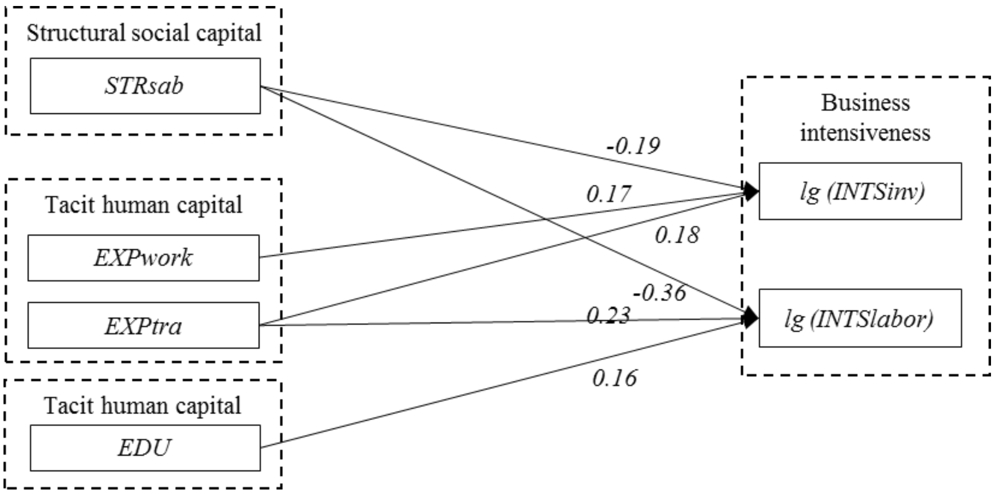


Figure 5.4 Effects of social capital, human capital on business intensiveness

5.7.3 Result of hypotheses test

The hypotheses regarding the effects of social capital and human capital on SAB size are tested on all the three indicators including bed number, total investment, and staff number. Table 5.7 presents the result of hypotheses test.

Table 5.7 Result of hypotheses test: social capital, human capital and SAB size

Hypotheses	**Indicators of business size**		
	Bed number	Staff number	Total investment
Effects of structural social capital			
H4a: Number of relative ties to business entrepreneurs (*STRbuz*) is positively correlated to SAB size.			
H4b: Number of relative ties to other SABs (*STRsab*) is positively correlated to SAB size.	**Supported**		
H4c: Number of relative ties to government (*STRgov*) is positively correlated to SAB size.	Opposite finding		
Effects of relational social capital			
H4d: Frequency of information support (*RELinfor*) is positively correlated to SAB size.			
H4e: Frequency of capital support (*RELcap*) is positively correlated to SAB size.	**Supported**	**Supported**	
H4f: Frequency of customer resource sharing (*RELgue*) is positively correlated to SAB size.			
Effects of explicit human capital			
H6a: Education level (*EDU*) of the business owner is positively correlated to SAB size.			
Effects of tacit human capital			
H6b: Working experience in companies (*EXPwork*) of the business owner is positively correlated to SAB size.	Opposite finding		
H6c: Business startup experience (*EXPbuz*) of the business owner is positively correlated to SAB size.			**Supported**
H6d: Travel experience (*EXPtravel*) of the business owner is positively correlated to SAB size.		**Supported**	

Note: the cells left blank denotes those hypotheses unsupported; "Opposite finding" denotes negative effects which are contrary to the hypotheses

The result of hypotheses test regarding the effects of social capital and human capital on business intensiveness is put in Table 5.8. It is found that none of the hypothesized relationships is supported regarding social capital on both aspects of business intensiveness. In contrast, most of the hypotheses hold for true when it comes to the influence of human capital on business intensiveness.

Table 5.8 Result of hypotheses test: social capital, human capital and SAB intensiveness

Hypotheses	**Business intensiveness**	
	Capital intens.	Labor intens.
Effects of structural social capital		
H5a: Number of relative ties to business entrepreneurs (*STRbuz*) is positively *correlated* to Business intensiveness.		
H5b: Number of relative ties to other SABs (*STRsab*) is positively correlated to Business intensiveness.	Opposite finding	Opposite finding
H5c: Number of relative ties to government (*STRgov*) is positively correlated to Business intensiveness.		
Effects of relational social capital		
H5d: *Frequency* of information support (*RELinfor*) is positively correlated to Business intensiveness.		
H5e: *Frequency* of capital support (*RELcap*) is positively correlated to Business intensiveness.		
H5f: *Frequency* of customer resource sharing (*RELgue*) is positively correlated to Business intensiveness.		
Effects of explicit human capital		
H7a: Education level (*EDU*) of the business owner is positively correlated to Business intensiveness.		**Supported**
Effect of tacit human capital		
H7b: Working experience in companies (*EXPwork*) of the business owner is positively correlated to Business intensiveness.	**Supported**	
H7c: Business startup experience (*EXPbuz*) of the business owner is positively correlated to Business intensiveness.		
H7d: Travel experience (*EXPtravel*) of the business owner is positively correlated to Business intensiveness.	**Supported**	**Supported**

Notes: the cells left blank denotes those hypotheses unsupported; "Opposite finding" denotes negative effects which are contrary to the hypotheses.

5.8 Summary

The empirical findings in the study sites of rural China support the effect of social capital and human capital on both business size and growth mode. However, it is also identified that different aspects of social capital and human capital may have different influence on various aspects of business size and growth mode. Regarding the effects of social capital, it is found that structural social capital is positively correlated to bed number, while relational social capital is positively correlated to bed number and staff number. However, no positive influence of social capital on business intensiveness is supported. As for the effects of human capital, it is found that only implicit human capital (experience of business startup, experience of travel) has positive effect on business size (total investment and staff number respectively). But both implicit and explicit human capital are found to positively influence business intensiveness. This finding implies that while growing a business in size is largely dependent on support from social network, the choice of how to grow the business is more an individual decision process dependent on the preference and capability of entrepreneurs themselves. After all, growth mode choice is related to the allocation of resource, while growth in size is more about getting access to necessary resource.

More detailed explication of the research conclusions and discussion can be found in Chapter 8.1.2.

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Chapter 6 Sub-study 3: Guest experience in SABs

According to the findings of previous sub-studies, SABs can be described as a family mode of production, featuring dual nature of home and business. Overlaps in terms of premises, labor and goal between family and business are three defining characteristics of SABs and it is these characteristics that essentially distinguish SABs from their larger counterparts such as hotels, motels, and resorts. A new insight into SAB is thus provided. Moreover, SABs are far from staying stagnant, but rather they are pushed to grow in size by both internal and external impetus, accompanied by gradual separation from family in terms of premises, labor and goal. In this sense, SABs of different size may demonstrate different degree of overlap with family. Also, it was identified in Sub-study 2 that SAB size and growth mode are impacted by social capital and human capital.

In modern business world featuring fierce competition and "experience economy", what business owners concern most is whether customer experience would be impacted by changes in business attributes. This is especially the case given the experiential nature of the tourism and hospitality industry, where creating satisfied, unforgettable experiences for visitors is critical to tourists' post-trip behavioral intentions such as re-visit intention, recommendation intention, and alternative intention (Cronin & Taylor, 1992), and thus is vital to business success (King, 2002; Oh, Fiore, & Jeoung, 2007).

In manufacturing industry, the impact of business size growth and separation from family on customer experience might be trivial and sometimes neglectable, because it is only the tangible products themselves that directly interact with the consumers. But things are different in hospitality industry, where tourists are in direct contact with business premises, labor and even owner-operators themselves. Changes in these attributes may modify the "experiencescape", which in turn may influence guests' experience. For example, the overlap with family in the above three elements may induce a "homelike" experiences for tourists. A host family provides accommodation, normally with meals, within their private home, and it is expected that a high degree of interaction occur between hosts and guests (Lynch, 1998), thereby creating a "homely atmosphere" (Stringer, 1981). Although some traditional hotels can be operated with surrogate "home away from home" guest experiences (Guerrier & Adi, 2000), they merely mimic the home setting, and thus provide "inauthentic experience".

Since overlap with family brings unique experience to tourists, different degree of separation from family might well causes consequences on guest as SABs vary in size. This is what concerns the owner-operators of SABs most. It is thus necessary to examine whether growth of SABs will influence their guest experience and how the influence is exerted.

But before that, it is necessary to clarify what experience guests may have in SABs. As is indicated by most existing researches, guest experience is a complex construct and comprises multiple dimensions. The specific contents of guest experience may vary from industry to industry, and from setting to setting. This study agrees that the holistic view of rural hospitality experience (see Chapter 2.6) might result in more comprehensive understanding and that it is necessary to take a context-specific view and explore exactly what aspects of guest experience could be pursued and achieved for SAB guests. Only by relying on the context-specific, multi-dimensional findings could it be possible to develop a comprehensive measurement for SAB guest experience, which could serve for next-step's investigation, which is focused on the influence of SAB growth on guest experience.

Therefore, the research objectives of Sub-study 3 is composed of three inter-related aspects: 1) to examine different aspects of guest experience in SABs; 2) to explore the dimensionality of each aspect of guest experience; 3) to develop a scale for measuring different aspects of SAB guest experience.

This chapter is organized as follows. Firstly, an initial hierarchical model of guest experience in rural SABs is proposed based on literature review in Chapter 2.5 and Chapter 2.6, and each aspect of experience is explicated. Based on the initial model, a qualitative exploration is conducted in order to generate items measuring each dimension of guest experience, and meanwhile verify the initial model. This is followed by quantitative exploration of EFA which is aimed at further exploring the dimensionality and generating a measurement model, and reliability test which consists of internal consistency diagnosis and CFA.

6.1 Modeling guest experience in rural SABs

The development of paradigm of hospitality from service to experience, in its essence, implies a transformation of hospitality experience from a singular viewpoint to a more holistic perspective (see Chapter 2.6). The service paradigm only takes into consideration the cognitive aspects of experience, which treats service as utilitarian and functional which is aimed at satisfaction of given physiological human need. The holistic view of hospitality experience, however, taking into consideration the emotive aspects of experience, and identifies that some "emotional, experiential elements" also matters in customer experience. This fits what Holbrook and Hirschman (1982) proposed that consumers may act as either "problems solvers" pursuing utilitarian functions of goods (or service) or as "seeking fun, fantasy, arousal, sensory simulation and enjoyment" and pursuing hedonic functions.

In rural hospitality context which is embedded in rural tourism, the guest experience seems to be more complex. An additional symbolic aspect of experience seems necessary to be taken into consideration, that is, authenticity. Both theories and empirical findings have suggested that rural tourists do seek authenticity in their visit to rural destinations.

Taking an outcome-view of experience, hospitality experience can be defined as the post-consumption evaluation of the whole encounter between the host and the guest. Taking a holistic view, the host-guest encounter may be regarded as involving three aspects of elements, namely service elements, experiential elements and authenticity elements, corresponding to cognitive experience, emotional experience and symbolic experience. Notably, these elements and related attributes of the whole encounter concerned is identified on one hand by the nature of service encounter, and on the other hand by the expectation (wants and needs) of costumers (Ekini et al., 2008).

Guests' evaluation of the whole encounter with SAB, therefore, can be multi-dimensional and it can be evaluated in terms of service quality, experience quality and experience authenticity. This evaluation may influence further assessments including satisfaction, memory, value, which may further influence post-purchasing behavior, i.e. customer loyalty.

6.1.1 Service quality

Service quality lies on the fundamental level of guest experience and is the evaluation of the service elements. In its very essence, service quality measures the extent to which the fundamental needs (mostly physiological needs) can be fulfilled in a safe, effective, efficient and comfortable way. In the context of hospitality, the fundamental needs is basically lodging, food and beverage.. It lies in the most fundamental layer of the hierarchy of evaluation of host-guest encounter by the guest.

Kotler, Armstrong, Saunders, and Wong (1996, p. 588) defined a service as “any activity or benefit that one party can offer to another which is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product”. Therefore, service quality of SAB can accordingly be defined as perceived superiority of the service provided by the SAB. In definition, service experience refers to the guests’ post-consumption evaluation of the extent to which the service offering attributes satisfy their needs. In this sense, it belongs to the cognitive, ordinary and technical aspects of guest experience in SABs.

There is a concensus that service quality is perceived and is the result of an evaluation process (e.g. Gronroos, 1984). During the process, guests are considered as rational decision maker who is conscious about what they need and what attributes of service may satisfy their needs, which are mostly basic, physiological. They are assuming the role of what Holbrook and Hirschman (1982) refer to as “problems solvers” pursuing utilitarian functions of accommodation, that is, provision of food, drink and shelter: a shelter keeps them from potential danger; food and drink keeps tourists from starvation and thirsty and restore their body. Based on the satisfaction of physiological needs, accommodation units create an ambience which soothes tension and provides a sense of home, which satisfies safety needs.

The relationship between service experience and customer satisfaction as well as post-purchase behavior intentions such as revisiting intention, recommendation intention, is mostly emphasized (Chen, Ekinci, Riley, Yoon, & Tjelflaat, 2001), and the vast majority of tourism and hospitality literatures are mainly focused on evaluating service experience with different methods (Briggs, Sutherland, & Drummond, 2007; Erto & Vanacore, 2002; Hsieh, Lin, & Lin, 2008).

Different dimensions of the service attributes has been fully investigated. In Gronroos (1989) model, service quality comprises the technical aspect and functional aspect, with technical quality referring to "what" while functional quality dealing with "how". Rust and Oliver (1994) proposed a service quality factor structure with three dimensions, including service product, service delivery and service environment. Service product was defined as the actual service itself, such as the actual accommodations and hotel amenities. Service delivery was defined as those aspects of the service experience that involve direct interaction between the customer and the service provider, for example, making a hotel reservation or registering at the front desk. The service environment referred to the appearance and condition of the facilities, furnishings and ambiance that were part of the service encounter. Based on this model, many empirical researches have been conducted to derive certain service quality measurement scales.

Similarly, Mossberg (2007) indicated that the experience of service and product, to some extent, can be regarded as the experience of food, drink, physical environment, and service. Moreover, researches have confirmed that not only the technical, functional attributes such as location, facilities, price, atmosphere, level of service, and quality of food, but also relational, attitudinal attributes such as friendliness of staff (Callan & Kyndt, 2001; Lockyer, 2003; Choi & Chu, 2001), hospitableness (e.g. Oliver, 1994; Homburg, Koschate, & Hoyer, 2006), may influence service experience. It has been noticed empirically that host-guest interaction directly affects the B&B experience, particularly in rural communities (Oppermann, 1996; Tucker, 2003).

Reuland, Choudry, and Fagel (1985) classified hospitality service elements into three aspects, i.e. the material product, the behavior and attitude of the employees, and the environment. Czepie, Solomon, Surprenant, and Gutman (1985) distinguished between the functional elements (e.g. food and beverage in restaurants) and the performance-delivery elements (service). Products and environment is referred to as physical environmental elements, while attitudes and activities are referred to as human interaction elements (Chen, Chen, & Lee, 2013). According to Ekinci et al. (1998) and Nadiri and Hussain (2005), product and environment belong to tangible elements, while attitudes and activities of service providers belong to intangible elements.

This study follows the dimensionality of Parasuraman, Zeithaml, and Berry (1991) and regards service quality as comprising five dimensions, namely, tangibles, reliability, responsiveness, assurance and empathy. This dimensionality is also adopted by Tichaawa and Mhlanga (2015) when measuring guest's experience in B&B.

Tangibilities indicates the physical evidence of the service (Parasuraman et al., 1985, 1991), including physical facilities, appearance of personnel, tools or equipment used to provide the service, physical representations of the service, e.g. a plastic credit card, as well as other customers in the service facility (Parasuraman et al., 1985). The evaluation of tangible elements are based on their superiority and eligibility for use. In this sense, the tangible elements are usually evaluated in terms of accessibility, integrity, cleanness, maintenance.

Reliability is related to the activities of the service provider and it involves the consistency of performance. It means the firm performs the service right the first time, and also means the firm honors its promises (Parasuraman et al., 1985). In this sense, it means service is provided in designated/promised way at designated/promised time.

Responsiveness is related to both the attitudes and activities of the service provider. It concerns the willingness and promptness of employees to provide service (Parasuraman et al., 1985; Knutson et al., 1991). In this sense, the service is regarded as responsive if employees may react to the requests quickly and if the employees' readiness and willingness to help can be sensed.

Assurance is concerned in relation to the attitudes and activities of the service provider. It requires that the service should be provided in a professional, skillful and knowlegeable way. It involves the required skills and knowledge to perform the service, and it also requires the politeness in behavior and appearance (Getty & Getty, 2003).

Empathy is about the attitudes of the service provider. It means the service provider may make the effort to understand the customer's needs, and give customers caring and individual attentions (Parasuraman et al., 1991; Getty & Getty, 2003; Frochot & Hughes, 2000; Knutson et al., 1991).

Notably, according to Ekinci et al. (1998), reliability, responsiveness, assurance and empathy can collapse down as the attributes of intangible elements. The tangible aspects of quality was referred to as technical aspects, while the intangible aspects of quality was referred to as functional aspects (Reichel, Lowengart, & Milman, 2000).

6.1.2 Experience quality

Experience quality (Crompton & Love, 1995) belongs to the secondary level of guest experience and is the evaluation of the experiential elements of the host-guest encounter. It is the emotional aspects of guest experience that are related to emotional needs including hedonism, esthetics, sense of communitas, and sense of achievement (Holbrook & Hirschman, 1982; Morgan, 2006). Therefore, it can be defined as the extent to which these needs are satisfied. This concept can be traced back to Pine and Gilmore (1998), who stated that an experience occurs "when a company intentionally uses services as the stage, and goods as props, to engage individual customers in a way that creates a memorable event" (p. 98). While service quality is regarded as the quality of the attributes of a service which are under the control of a supplier, experience quality can be treated as "involving not only the attributes provided by a supplier, but also the attributes brought to the opportunity by the visitor or recreationist" (Crompton & Love, 1995, p. 12).

Both service quality and experience quality may have independent direct effect on visitors' revisit intentions. But Pine and Gilmore (2011) proposed that experience quality may result in strong memories and positive behaviors. For example, Tung and Ritchie (2011) found that a hedonic, entertaining and enlightening experience could end up with positive memories and positive behaviors such as revisits and recommendations. Oh et al., (2007), Hosany and Witham (2010) also observed the relationship in B&B and Cruise ship industry. Recently, Ali et al. (2014) examined its relationship to memories and customer loyalty in resort hotels of Malaysian and confirmed its significance.

Pine and Gilmore's (2011), Tung and Ritchie (2011) identified four realms of experience quality: entertainment, educational, esthetic, and escapist. Otto and Ritchie (1996), by using an empirical study of 339 tourists, distinguished six fundamental dimensions of the experience construct: a Hedonic Dimension, an Interactive or Social Dimension, a Novelty Seeking or Escape Dimension, a Comfort Dimension, a Safety Dimension, and a Stimulating or Challenge Seeking Dimension. They also suggested that to provide tourists with a quality experience the merits should be considered of providing visitors with each and/or all of these six components of the tourism experience. Aho (2001) distinguished among four essential core elements of the touristic experience:

emotional experiences; learning experiences; practical experiences; and transformational experiences. Otto and Ritchie (1996) also identified four experience dimensions of hotel services, namely, hedonics, peace of mind, involvement, and recognition. These four dimensions of the hotel stay experience were presented in ascending order, as per Maslow's hierarchy (Maslow, 1943, 1970).

Despite different categorizations of experience quality, none of them was developed from the setting of rural SABs. Since experience quality is highly subjective and context-specific, this study further explore the potential inner structure based on the existing frameworks. An initial theoretical framework is constructed comprising three dimensions, namely education, aesthetic, and entertainment. This dimensionality has been confirmed by Oh et al. (2007) and Loureiro et al. (2014) in the context of rural tourism.

Education indicates the extent to which the customer evaluates the objects and events undergone is educational. Esthetics refers to the extent to which the customer evaluate the objects and events undergone is enjoyable esthetically. The tangible elements can also be evaluated in terms of its aesthetic value. For example, the attractiveness and the décor of the room (Juwaheer, 2004).. Entertainment is about the extent to which the customer evaluate the objects and events undergone is entertaining and hedonic.. Notably, throughout history, hospitality was inseparably linked with entertainment and entertaining interaction between the provider and the recipient (Palmer, 1992; King, 1995). Telfer (2000) indicated that hospitality incorporates the responsibility of making the guest happy, e.g., cheering up a miserable guest, diverting a bored one, and caring for a sick one..

6.1.3 Experience authenticity

Experience authenticity lies on the tertiary level of guest experience and is the symbolic aspect of evaluation. It could be regarded as the satisfaction of spiritual needs. By definition, it is guests' post-consumption evaluation of how "authentic" the whole encounter with a host family is. Specifically, it is the evaluation of rural lifestyle encountered, host-guest relationship, inspiration and state of being.

It is hard to operationalize the concept of experience authenticity and there is a lack of scaling effort on authenticity, due to the tensions and contradictions of the concept as well as the lack of related quantitative research in tourism and hospitality. Exceptions include Kolar and Zabkar (2010), who operationalized the concept based on previous conceptualizations and studies. Following their effort, the concept of experience authenticity is operationalized based on the typology proposed by Wang (1999) which distinguished between objective authenticity, constructive authenticity and existential authenticity. This is because the typology is accepted by a variety of empirical researches. While Kolar and Zabkar (2010) adapted the model to the context of cultural heritage sites, this study tries to modify it to fit into the context of hospitality.

Objective experience authenticity in rural SABs can be regarded as the guest's evaluated degree of genuineness of the offerings, including lodging, food and drink, as well as activities, after consumption. All these offerings are supposed to be evaluated in terms of the extent to which they may reflect genuine "rural lifestyle". This definition is consistent with McIntosh (2004) who proposed that authenticity mean becoming "personally involved in the experience" not only to experience the "natural context", but also "true daily life".

Based on the definition of constructive authenticity, constructive experience authenticity in rural SABs could be defined as the guest's evaluated degree to which the offering of rural SABs can inspire them for certain thoughts or emotions. Existential authenticity can be further divided into intrapersonal and interpersonal dimensions. Intrapersonal aspects of experience authenticity refers to the extent to which the guest feel they are in touch with "real self". Inter-personal experience authenticity, comparatively, refers to the experience of such an ambience where tourists can ease themselves of the pressures stemming from inauthentic social hierarchy and status distinctions.

6.1.4 Model of guest experience in rural SABs

This sub-study aims to explore the structure of guest experience in rural SABs and thereby develop measurement for each dimension. Based on the above literature review, three aspects of guest experience in rural SABs can be identified. The conceptual model is put in Figure 6.1.

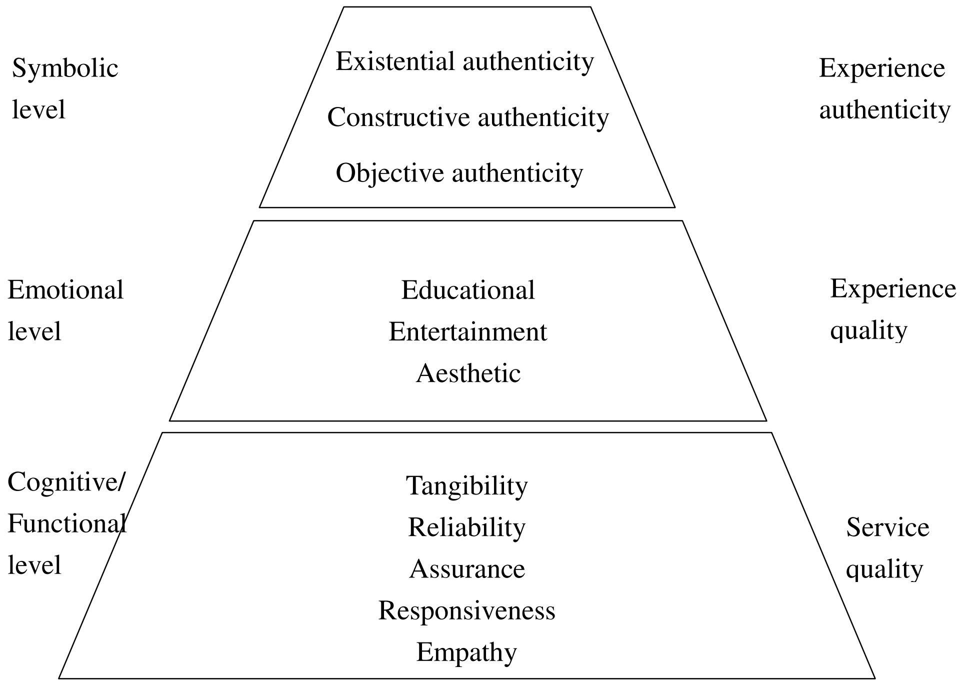

Figure 6.1 Initial conceptual model of guest experience in rural SABs

6.2 Existing measurement scales

There are pervasive efforts to measure service quality in marketing literature. Certain measurement instruments, such as SERVQUAL (Parasuraman, Zeithaml, & Berry, 1994), were developed or modified to assess service quality. A performance-based model of service quality (SERVPERF), was developed by Cronin and Taylor (1992) as alternative. Meanwhile, Frochot and Hughes (2000) developed HISTOQUAL to evaluate customer perceptions of service quality in historical houses. Several studies identified that the existing measurement scales (e.g., SERVQUAL, SERVPERF, and HISTOQUAL) are insufficient to capture the assessment of service quality in the hotel and tourism industry (e.g. Albacete-Sáez, Fuentes-Fuentes, & Lloréns-Montes., 2007; Ekinci & Riley, 1999; Frochot & Hughes, 2000; Nadiri & Hussain, 2005). In light of this, researchers have extended service quality research to the hotel and tourism industry (e.g. Frochot & Hughes, 2000; Getty & Thompson, 1994). For example, Getty and Thompson (1994) developed LODGQUAL based on SERVQUAL dimensions. Similarly, Mei et al. (1999) developed HOLSERV which includes three dimensions: employees, tangibles and reliability. This instrument is more parsimonious and user-friendly than SERVQUAL.

However, most of those scales developed in hospitality researches were conducted in the context of large, commercial hotels, which is completely different from SABs in service offerings. Rural SAB services is in the early stage of its product life cycle, coupled with the fact that this service is more of a search quality type product, for which the quality cannot be determined before using it (Nelson, 1970). The main distinguishing features of homestay operation different from those of hotels are that homestays lay more stress on: 1) inexpensive price and help-your-self service; 2) not emphasizing luxury facilities, but aware of safety and hygiene facilities; 3) its service might not be full-scaled, but is with hospitality, local color, and homeliness. On these accounts, it is obvious that the homestays and hotels vary in their functions, business model, and natures. Morrison et al. (1996) defined five key qualifying criteria for specialist accommodations: 1) personal interaction between guests and owner-hosts; 2) special opportunity or advantage for guests in terms of location, features of the establishment, or services offered; 3) special activities offered to guests; 4) owner-operated establishment; 5) small guest accommodation capacity (generally less than 25 rooms). Therefore, the existing scales of service quality should be modified before being applied to the context of SABs.

Meanwhile, experience quality and experience authenticity is highly subjective and context-specific. Although there has been scaling efforts in tourism research for these two constructs (e.g. Oh et al., 2007; Loureiro et al., 2014), these scales are fragmented and there is no widely accepted measurement for them. It is clear that there is relatively little consensus on evaluative criteria of emotive experience in SABs (Fellix, Broad, & Griffiths, 2008). This is especially the case for experience authenticity, of which researches are mostly qualitative and the scale for measurement is rarely found.

Considering the situation, measurement tool should be developed through a qualitative interview, in addition to the existing measurement items. The measurement development process follows strictly the steps suggested by Churchill (1979), i.e. domain specification (which has been done in Chapter 6.1), generation of items, scale purification, pilot test, data collection, assessment of reliability and validity.

6.3 Item generation

Items for measuring each dimension of service quality, experience quality and experience authenticity were generated through three-step process comprising literature review and qualitative exploration, and comparison and contrast.

6.3.1 Step 1: Literature review

There are quite a number of scaling efforts for all the three constructs in previous tourism and hospitality researches (especially service quality and experience quality). Hence a thorough literature review was conducted in December of 2015, which was aimed at collecting relative items that have been used. The literature review process resulted in 45 scales for service quality, 13 scales for experience quality, and 9 scales for experience authenticity. Items from these scales were analyzed by the author carefully in terms of relevance to the research context and repetition with each other. This work resulted in 29 items of service quality, 20 items for experience quality and 8 items for experience authenticity. All the items were sorted into dimensions identified in the conceptual framework in Figure 6.1, which were later translated into Chinese by the author, and then back translated by another Ph.D student into English in order to make sure the information is not distorted by translation process.

6.3.2 Step 2: Qualitative exploration

Since the study was context-specific, and there are few measurement items for experience quality and experience authenticity specifically designed for rural SABs, a qualitative research was conducted to generate items empirically. Data was collected through in-depth interview and extraction of online comments in popular Chinese online tourism agency (OTA) websites.

During the in-depth interview, the participants were firstly introduced to the concept of rural SABs and then asked to recall and describe their whole experience. Specifically, for service quality, the interviewees were asked to talk around the questions including *"what aspects of service concerned you before and during the stay?", "why were you concerned about these aspects?"*. For experience quality, they were asked to talk about *"what kind of experience impressed you most during your stay?"* In order to explore their perception of experience authenticity, three sets of questions were asked. The first sets of questions are aimed at their objective experience authenticity and include *"Do you think you have experienced the real lifestyle of the host family?", "If yes, in what aspects* *do you think you have experienced their lifestyle?"* and *"if no, in what aspects do you think they were not real?"* The second sets of questions are for constructive experience authenticity, including *"What is your imagined rural lifestyle?", "In what aspects do you think your stay inspired you for the rural lifestyle in your imagination?", "Is there any other aspect that made you feel inspired?"* The third sets of questions were asked to investigate their existential experience authenticity: *"During your stay, in what aspects do you think you are being real self?", "In what aspects do you think your relationship with the host family is genuine?"* Finally, the interviewees were asked to describe *"Apart from the above, was there any other aspects that make your experience authentic?"*

In total fourteen in-depth interviews were conducted and the details of interview work, as well as the profile of participants can be found in Chapter 3.4.1. Online comments were extracted by the author himself from popular online tourism agency (OTA) websites, including *Ctrip.com, DaoDao.com, E-long.com*. The details of the extraction process and the profile of the comments can also be found in Chapter 3.4.1.

All the materials collected from in-depth interview and OTA websites were later analyzed by the author with content analysis method. The text was firstly broken into sentences and examined carefully by the author. Only those sentences with relevance to evaluation of their experience were kept and categorized into the domains of service quality, experience quality and experience authenticity. Following the suggestion of Churchill (1979), all these sentences were later paraphrased into the form of "statement" and were compared and contrasted with each other. During this process, rewording was done in order to make those vague expressions meaningful. After excluding the repeated statements, transforming the vague ones and merging those with similar meanings, 25 statements were retained for service quality, while 16 and 22 statements were achieved for experience quality and experience authenticity respectively.

All the statements for service quality and experience authenticity can be successfully categorized into a distinct dimension. However, in those statements related to experience quality, several statements may not be sorted into any one of the three dimensions. These statements include: *"we chatted happily with the hosts", "I think we (the host and I) have a lot to share, like friends", "the host helped me out of loneliness", "to be together with the host families is really enjoyable"*. These statements were all about the social aspect of experience with the host families, and thus can be categorized as “Communitas”. According to Holbrook and Hirschma (1982) and Morgan (2006), sense of communitas is also pursued by customers as emotional enjoyment. This is echoed by Klaus and Maklan (2011), as well as Arnould and Price (1993). In contrast, there is no statement related to “escapism”, which is suggested in Pine and Gilmore’s (1999) framework. A possible explanation is that escapism as experience is more related to the whole trip, and have less to do with the stay in the SAB.

6.3.3 Step 3: Comparison and contrast

The statements generated from qualitative exploration were then put together with those items collected by literature review for comparison, in order to achieve more comprehensive, context-specific and parsimonious measurement. Those items in the same dimension of a same construct were carefully examined first and those repeated items were excluded, while those with similar meaning were merged to form a more comprehensive statement. Also, they were diagnosed strictly in terms of the extent to which they may reflect the connotation of the dimensions, with those of weak relevance deleted from the list. The comparison and contrast analysis result in 22 items for service quality, 16 items for experience quality, and 30 items for experience authenticity. Notably, the dimensionality of experience quality was adjusted based on the findings of qualitative exploration, with a new dimension of “Communitas” added into experience quality.

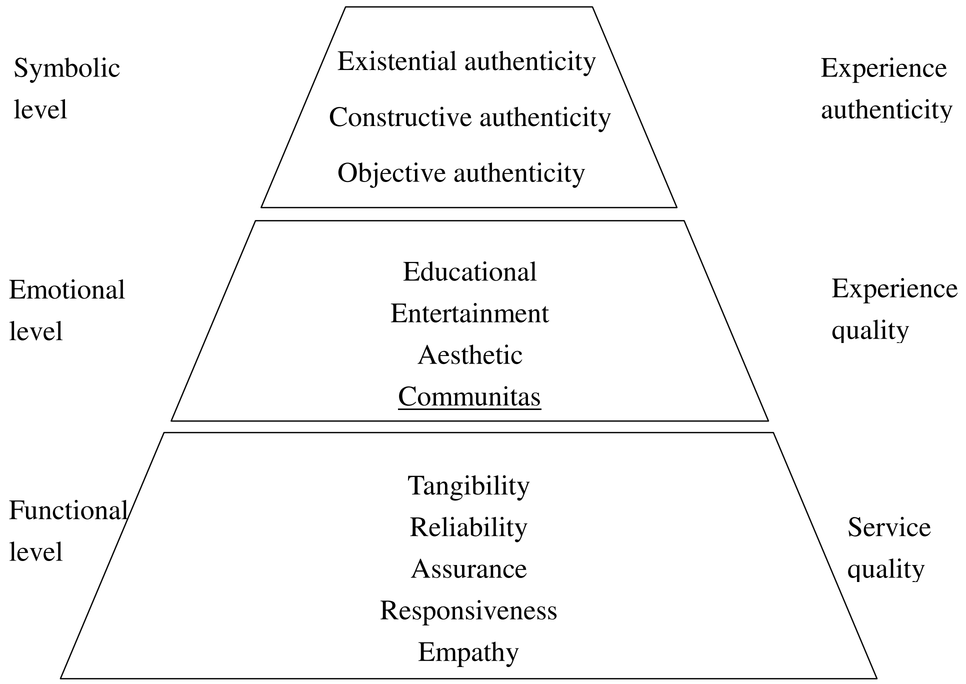

Figure 6.2 Adjusted conceptual framework of guest experience in rural SABs

6.4 Scale purification

The objective of scale purification is to further ensure the content validity, face validity and parsimony of the measurement items generated in Chapter 6.3.

Churchill (1979) indicated that the items should capture the meaning of corresponding construct. In other words, content validity should be maintained. The content validity was examined through a panel of experts consisted of 10 Ph.D students from the Hong Kong Polytechnic University and Zhejiang University. They were provided with the definition of each dimension of the service quality, experience quality and experience authenticity, as well as the corresponding measurement items, and then asked to assess the items for their relevance and clarity of wording. Items that were deemed to be unclear, irrelevant, or redundant by more than three of the panel members were examined again by the author, and were excluded if the author reached consensus with most of the panel members. The content validity diagnoses resulted in two items deleted for service quality, and three items deleted for experience quality and experience authenticity respectively. The items deleted for service quality included "*Facilities are visually appealing*" (Mei et al., 1999), "*The staff performs the service right the first time*" (Mei et al., 1999). Items of "*I have closely experienced the local culture"* (Kim & Ritchie, 2014), *"I felt a real sense of harmony*" (Oh,et al., 2007; Ali et al., 2014; Loureiro,2014), "*The setting is located in a calm place*" (Loureiro & Kastenholz, 2011) were deleted from the scale of experience quality. Those items deleted for experience authenticity included "*The architecture is in harmony with rural environment*" (Adjusted from Zhou et al., 2013), "*The whole experience is modern*" (derived from interview), and "*The interior design is peculiar*" (Kolar & Zabkar, 2010).

A questionnaire was developed using the remaining items, measured with seven-point Likert Scale. Face validity was then diagnosed so that the items were not vague, ambiguous, obscure or circular and the questionaire was properly organized. An advisory panel of 15 people who have experience in rural SABs were asked to respond to each item on the instrument as if they were actually participating in a study. They were instructed to do the following tasks: 1) to identify and mark those items that are confusing or ambiguous; 2) to critique the instructions and the instrument's appearance. All of the concerns identified were addressed prior to the pilot test.

A sample of 87 people who had experience in B&B of the study sites were selected for pilot-test. The sample size fits what Pett, Lackey and Sullivan (2003) recommended, that at least 1/10 of the final sample size should be selected when doing pilot test. The Cronbach's alpha coefficients was examined for each dimension. The result demonstrated that the coefficient reached 0.8 for all dimensions of all the three constructs.

The final instrument includes 20 items for service quality, 13 items for experience quality, and 27 items for experience authenticity. The sources of the items are put in Table 6.1.

Table 6.1 Measurement items and sources

	SQ_Service quality	
B_Tangibilities		
B11	The building and facilities are clean and tidy	Ali et al.(2014); Loureiro and Kastenholz (2011)
B12	The facilities are well maintained and eligible for use	Modified from Walls (2013)
B13	The food and beverage provided is hygienic	Online comments
B14	Basic necessities are readily provided	Hsiao and Chuong (2015)
B21	The building and the interior is well decorated with materials of high quality	Modified from Walls (2013)
B22	The facilities and articles for use are of high quality and comfortable	Modified from Walls (2013)
B23	Leisure and entertainment facilities are well appointed	Online comments
C_Reliability		
C1	The facilities provided are consistent with advertisement	Online comments
C2	All services are provided without mistakes	Modified from Tichaawa and Mhlanga (2015)
C3	The host promises to provide a service and does so	HOLSERV
D_Responsiveness		
D1	The host always responds to my request in a prompt way	Modified from HOLSERV
D2	The host always solves my problem in a prompt way	Interview
D3	The host is generally responsive and efficient	Online comments
E_Assurance		
E1	The host has the skill to perform the service	HOLSERV
E2	The host has the knowledge to answer my questions	HOLSERV
E3	The host is well trained and experienced	LODGSRV
E4	The host is consistently polite and courteous to the guest	HOLSERV
F_Empathy		
F1	It provides a comfortable, warm, and cozy setting with a personal touch	Felix, Broad and Griffiths (2008)
F2	The host always understands and cares for me	Akbaba (2006)
F3	The host has my best interest at heart	HOLSERV
	EQ_Experience quality	

G_Education		
G1	The stay stimulates my curiosity to learn new things	Oh,et al.(2007); Ali et al.(2014); Loureir (2014)
G2	The stay satisfies my curiosity and interest	Interview
G3	I learned a lot during my stay	Oh,et al.(2007); Ali et al.(2014); Loureir (2014)
H_Entertainment		
H1	There are amusing activities	Oh,et al.(2007); Ali et al.(2014); Loureir (2015)
H2	There are interesting activities	Oh,et al.(2007); Ali et al.(2014); Loureir (2016)
H3	The stay makes me happy	Online comments
I_Aesthetic		
I1	The design and decoration is creative	Interview
I2	The design and decoration is attractive	Modified from Walls, 2013
I3	The setting really showed attention to design detail	Oh,et al.(2007); Ali et al.(2014); Loureir (2016)
I4	The design and decoration makes me comfortable	Modified from Oh,et al.(2007); Ali et al.(2014); Loureir (2016)
J_Communitas		
J1	The host families and I interacted in a pleasant way	Interview
J2	The host families and I interacted like friends	Interview
J3	The host families and I are intimate	Interview
	EA_Experience authenticity	
Objective authenticity		
K1	The stay provides a thorough insight into Chinese rural lifestyle	Modified from Kolar and Zabkar (2010)
K2	The food/beverage is unique to rural life	Robinson and Clifford (2012)
K3	The stay makes me feel I am a part of rural life	Interview
L1	The Minsu/Nongjiale is a real rural family	Interview
L2	The Minsu/Nongjiale present daily life of a rural family	Interview
L3	I feel I am a part of rural family during the stay	Online comments
Constructive authenticity		
N1	The stay is ordinary and common with nothing special	Modified from Naoi (2003)
N2	I can have exactly the same experience in many other Minsu/Nongjiale	Interview
N3	The experience here is standardized and is the result of mass production	Modified from Littrell, Anderson, and Brown (1993).
O1	I can tell the aethestic standards of the host from the design	Interview
O2	I can tell the characteristics of the host from the design	Interview
O3	I can tell the lifestyle preference of the host from the design	Interview

P1	The stay inspires me of pleasant affections	Interview
P2	The stay stimulates a lot of imagination in me	Interview
P3	The stay reminds me of good memories	Interview
Interpersonal existential authenticity		
Q1	I feel the host's hospitality is motivated by profit	Interview
Q2	I feel the host's hospitality is motivated by fear of losing customers	Interview
Q3	I feel the host's hospitality is motivated by fear of complaints	Interview
R1	Accommodating me is merely a job of the host	Interview
R2	The host treats me merely as the object of work	Interview
R3	I am only an ordinary one of many guests received by the host	Interview
S1	I stayed with the host like families	Interview
S2	The host and I trusted each other	Interview
S3	I sincerely appreciate the treatment of the host	Interview
Intrapersonal existential authenticity		
T1	I feel free during the stay	Interview
T2	I feel my heart without any distractions during the stay	Interview
T3	I feel peaceful during the stay	Interview

Note: All the items purified were initially in Chinese and they were back-translated to English in order to be presented in this table; Each item is appointed a code for convenience of presentation, e.g. "B11" stand for the item of "The building and facilities are clean and tidy"; The codes are appointed based on the final measurement model presented in Figure 6.3, Figure 6.4 and Figure 6.5.

The measurement model was then tested with big-sample data to check whether it fits reality. Firstly, the dimensionality of service quality, experience quality and experience authenticity was further verified with Exploratory Factor Analysis (EFA). The resulting measurement model was then tested for reliability and validity by calculating Cronbach's Alpha coefficient and Confirmatory Factor Analysis (CFA).

6.5 Data collection

The data was collected by survey and the details of data collection can be found in Chapter 3.4.2. In total 873 samples were collected during the data collection period, of which 437 were collected in March and 436 were collected in April of 2016. The previous batch of data was used to conduct Exploratory Factor Analysis which is aimed at exploring the potential dimensionality, while the latter batch was used to conduct Confirmatory Factor Analysis which was aimed to test the validity of the measurement models.

6.6 Dimensionality exploration

Churchill (1979) suggests that EFA is necessary to confirm the dimensional structure indicated by existing theories. Also, it can be applied to explore the inner structure of certain dimensions, which is seen as prerequisite for reliability and validity test. In this case, it may provide supplemental insights into the measurement model suggested by theory and qualitative exploration in Chapter 6.4.

Factor analysis assumes normality of data, therefore, normality was diagnosed first. The result is put in Table 6.2. According to Kline (2005), skewness value lower than 3 and kurtosis value lower than 8 indicate normal distribution. In this case, the absolute value of skewness ranges from 0.085 to 1.240, while the value of kurtosis ranges from 0.003 to 0.940, implying acceptable normal distribution.

Table 6.2 Normality diagnoses

Item	*n*	*Mean*	*SD*	*Skewness*	*SE*	*Kurtosis*	*SE*
B11	437	5.776	1.251	-1.004	0.117	0.659	0.233
B12	437	5.854	1.210	-1.105	0.117	1.110	0.233
B13	437	5.799	1.181	-0.762	0.117	-0.108	0.233
B14	437	5.574	1.273	-0.696	0.117	0.024	0.233
B21	437	4.831	1.415	-0.361	0.117	-0.085	0.233
B22	437	5.110	1.408	-0.468	0.117	-0.162	0.233
B23	437	4.899	1.448	-0.320	0.117	-0.398	0.233
C1	437	5.368	1.342	-0.609	0.117	0.003	0.233
C2	437	5.535	1.300	-0.657	0.117	0.068	0.233
C3	437	5.719	1.221	-0.822	0.117	0.404	0.233
D1	437	5.584	1.361	-0.760	0.117	-0.041	0.233
D2	437	5.568	1.356	-0.729	0.117	-0.057	0.233
D3	437	5.586	1.351	-0.757	0.117	0.062	0.233
E1	437	4.773	1.312	-0.157	0.117	-0.267	0.233
E2	437	5.025	1.342	-0.407	0.117	-0.060	0.233
E3	437	5.190	1.335	-0.334	0.117	-0.414	0.233
E4	437	5.231	1.356	-0.303	0.117	-0.656	0.233
F1	437	5.698	1.234	-0.718	0.117	-0.026	0.233
F2	437	5.494	1.330	-0.672	0.117	0.019	0.233
F3	437	5.469	1.395	-0.628	0.117	-0.264	0.233
G1	437	4.757	1.398	-0.108	0.117	-0.248	0.233
G2	437	4.780	1.449	-0.085	0.117	-0.577	0.233
G3	437	4.696	1.453	-0.090	0.117	-0.461	0.233
H1	437	4.810	1.457	-0.414	0.117	-0.074	0.233
H2	437	4.744	1.465	-0.399	0.117	-0.098	0.233

H3	437	5.153	1.437	-0.438	0.117	-0.352	0.233
I1	437	4.600	1.532	-0.126	0.117	-0.441	0.233
I2	437	4.574	1.572	-0.140	0.117	-0.572	0.233
I3	437	4.737	1.529	-0.185	0.117	-0.522	0.233
I4	437	4.927	1.547	-0.333	0.117	-0.521	0.233
J1	437	5.661	1.488	-1.104	0.117	0.718	0.233
J2	437	5.593	1.514	-1.048	0.117	0.542	0.233
J3	437	5.492	1.520	-0.888	0.117	0.178	0.233
K1	437	5.458	1.368	-0.774	0.117	0.328	0.233
K2	437	5.542	1.353	-0.891	0.117	0.547	0.233
K3	437	5.352	1.398	-0.676	0.117	0.037	0.233
L1	436	5.635	1.394	-0.967	0.117	0.542	0.233
L2	437	5.540	1.380	-0.886	0.117	0.374	0.233
L3	437	5.256	1.435	-0.625	0.117	-0.175	0.233
N1	437	4.293	1.707	-0.168	0.117	-0.715	0.233
N2	437	4.586	1.601	-0.331	0.117	-0.526	0.233
N3	437	4.449	1.665	-0.281	0.117	-0.650	0.233
O1	437	4.330	1.617	-0.132	0.117	-0.503	0.233
O2	437	4.341	1.635	-0.170	0.117	-0.537	0.233
O3	437	4.396	1.634	-0.172	0.117	-0.605	0.233
P1	437	4.682	1.527	-0.214	0.117	-0.396	0.233
P2	437	4.675	1.516	-0.192	0.117	-0.365	0.233
P3	437	4.753	1.575	-0.359	0.117	-0.384	0.233
Q1	437	4.732	1.698	-0.383	0.117	-0.581	0.233
Q2	437	4.391	1.753	-0.287	0.117	-0.724	0.233
Q3	437	3.895	1.847	-0.091	0.117	-0.950	0.233
R1	437	4.284	1.808	-0.281	0.117	-0.817	0.233
R2	437	4.362	1.813	-0.256	0.117	-0.857	0.233
R3	437	4.540	1.820	-0.312	0.117	-0.849	0.233
S1	437	5.302	1.457	-0.741	0.117	0.097	0.233
S2	437	5.437	1.393	-0.768	0.117	0.181	0.233
S3	437	5.558	1.346	-0.842	0.117	0.418	0.233
T1	437	6.149	1.091	-1.245	0.117	1.033	0.233
T2	437	6.009	1.135	-0.925	0.117	-0.021	0.233
T3	437	6.027	1.153	-1.037	0.117	0.222	0.233

Note: All the items are represented by their cod appointed in Table 6.1.

6.6.1 Exploratory Factor Analysis: Service quality

In order to check whether the data is suitable for EFA, the correlation matrix was diagnosed. Specifically, Bartlett's test of sphericity and KMO value were calculated and the result is put in Table 6.3. The *KMO value* is 0.942 and the Bartlett's test of Sphericity is significant at 0.01 level, indicating suitableness of the correlation matrix for factor analysis.

Table 6.3 Result of KMO and Bartlett's Test: service quality

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.942
Bartlett's Test of Sphericity	Approx. Chi-Square	8770.360
	df	190
	Sig.	0.000

Initial factors were extracted with Principal Component Analysis, and those which have eigenvalue higher than 0.7 was kept (Jolliffe, 1972, 1986), resulting in 6 factors extracted (Table 6.4). The extracted six factors may explain as large as 85.023% of the communality residing in the items, and each factor may explain over 10% of the communality after rotation. It can thus be claimed that the factor extracted are all meaningful.

Table 6.4 Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	%Variance	Cumulative %	Total	%Variance	Cumulative %
1	11.572	57.860	57.860	3.302	16.508	16.508
2	1.699	8.494	66.353	3.134	15.668	32.177
3	1.171	5.856	72.209	2.997	14.983	47.159
4	1.007	5.037	77.247	2.671	13.356	60.515
5	.810	4.052	81.299	2.534	12.672	73.187
6	.745	3.724	85.023	2.367	11.835	85.023

Extraction Method: Principal Component Analysis.

The unrotated factor loading matrix which has been simplified is put in Table 6.5. Following the suggestion of Pett, Lackey and Sullivan (2003), those items with factor loading lower than 0.4 were deleted from certain factor.

Table 6.5 Unrotated Component Matrix

Item	Component					
	1	2	3	4	5	6
B11	.715					
B12	.759					
B13	.740					
B14	.703					
B21	.715					
B22	.776	.403				
B23	.713					
C1	.805					
C2	.825					
C3	.801				-.409	
D1	.731	-.489				
D2	.690	-.535				
D3	.720	-.487				
E1	.759					
E2	.777					
E3	.790					
E4	.761					
F1	.814					
F2	.802					
F3	.795					

Extraction Method: Principal Component Analysis.
6 components extracted.

In order to improve the meaningfulness and interpretation of the initial factors, the initial factor loading matrix was rotated with Varimax Rotation Method (Kaiser, 1958). Again, those items with factor loadings lower than 0.4 were deleted from certain variables, this result in a simple rotated factor structure matrix (Table 6.6).

Table 6.6 Rotated Component Matrix

Item	Component					
	1	2	3	4	5	6
B11		.761				
B12		.782				
B13		.745				
B14		.671				
B21				.784		
B22				.778		
B23				.796		
C1						.721
C2						.733
C3						.743
D1			.858			
D2			.892			
D3			.838			
E1	.793					
E2	.796					
E3	.748					
E4	.707					
F1					.721	
F2					.801	
F3					.800	

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 7 iterations.

The rotated factor structure matrix demonstrates that every items loads significantly on a single factor, implying significant disparity between factors extracted. Generally, the factor structure identified fits well into the theoretical dimensions of service quality indicated in 6.4. Item C1 to C3, D1 to D3, E1 to E4 and F1 to F3 load significantly on factor 6, factor 3, factor 1 and factor 5, echoes the dimensions of Reliability, Responsiveness, Assurance and Empathy.

However, item B11 to B23 which were initially assigned to the dimension of Tangibility seem to load on two different factors, with B11 to B14 loading significantly on factor 2 and B21 to B23 loading significantly on factor 4. This indicates that the dimension of tangibility could be more complicated than expected. In the classic SERVEQUAL, the items for measuring tangibility are much larger in number than items for other dimensions. By careful examination of the 7 items, difference could be identified. Item B11 to item B14 are related to the adequacy of tangible elements. They are measuring whether the facilities, equipment or food are eligible for basic use. However, item B21 to B23 are measuring the superiority of the tangible elements. In other words, they are about whether the tangibles are of high quality. Based on the above findings, the dimension of Tangibility can be decomposed into two dimensions, named as "Tangibility_Adequacy" and "Tangibility_Superiority". Therefore, six dimensions, instead of five, might exist in the construct of service quality. The final measurement model is presented in Figure 6.3.

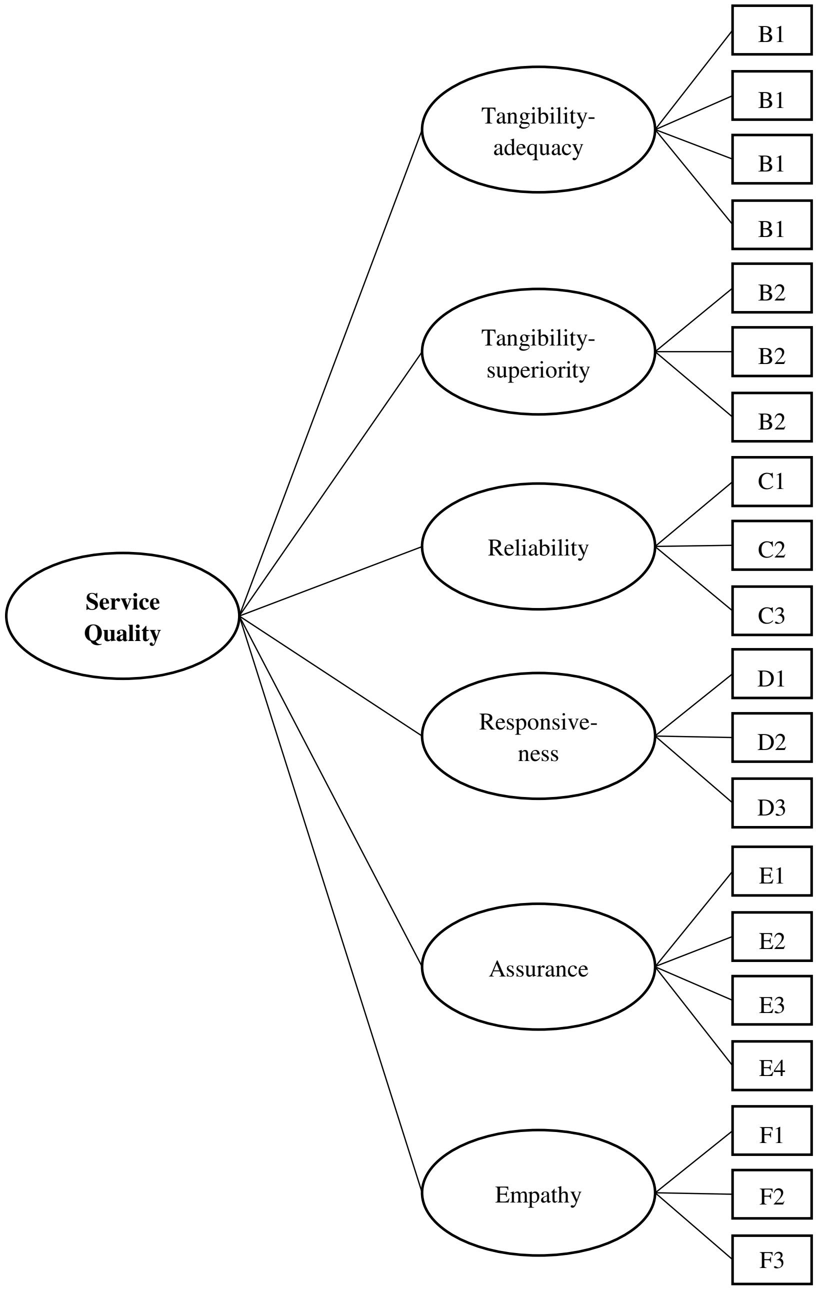

Figure 6.3 Measurement model of service quality

6.6.2 Exploratory Factor Analysis: Experience quality

For the items measuring experience quality, KMO measure of sampling adequacy and Bartlett's Test were also conducted and the result is put in Table 6.7. KMO value is as large as 0.904, while Bartlett's test results in significant Chi-Square as high as 7042. The result of correlation matrix test demonstrates the data is suitable for factor analysis.

Table 6.7 KMO and Bartlett's Test: experience quality

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.904
Bartlett's Test of Sphericity	Approx. Chi-Square	7042.888
	df	78
	Sig.	0.000

Like EFA for service quality, the initial factors were extracted with PCA for experience quality, with those of which the eigenvalue is larger than 0.7 were kept. In total 4 factors were extracted, explaining 90.385% of communality residing in the items (Table 6.8). After rotation, each factor may explain more than 20% of the total variance, implying that all the four factors are meaningful.

Table 6.8 Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	%Variance	Cumulative %	Total	%Variance	Cumulative %
1	8.273	63.642	63.642	3.508	26.983	26.983
2	1.520	11.692	75.333	2.925	22.497	49.481
3	1.081	8.312	83.646	2.685	20.652	70.133
4	.876	6.739	90.385	2.633	20.252	90.385

Extraction Method: Principal Component Analysis.

The simplified unrotated factor loading matrix is put in Table 6.9, with those of which factor loadings are lower than 0.4 excluded from certain factor.

Table 6.9 Unrotated component Matrix

Item	Component			
	1	2	3	4
G1	.790			.401
G2	.804			
G3	.816			
H1	.797			
H2	.791			
H3	.804			
I1	.818			
I2	.810			
I3	.842			
I4	.825			
J1	.778	.496		
J2	.764	.554		
J3	.727	.569		

Extraction Method: Principal Component Analysis.
4 components extracted.

In order to improve the meaningfulness and interpretation of the initial factors, the initial factor loading matrix was rotated with Varimax Rotation Method (Kaiser, 1958). Again, those items with factor loadings lower than 0.4 were deleted from certain variables, this result in a simple rotated factor structure matrix (Table 6.10).

Table 6.10 Rotated Component Matrix

Item	Component			
	1	2	3	4
G1			.854	
G2			.831	
G3			.803	
H1				.841
H2				.859
H3				.758
I1	.859			
I2	.863			
I3	.839			
I4	.793			
J1		.862		
J2		.898		
J3		.895		

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 6 iterations.

The rotated factor structure matrix demonstrates that every item loads significantly on a single factor, implying significant disparity among the four dimensions identified. The dimensionality of experience quality identified by EFA fits well into the theoretical model suggested by literature review and qualitative exploration, and there is no additional dimension identified, other than dimensions of Education, Entertainment, Aesthetic and Communitas. The measurement model for experience quality identified is put in Figure 6.4.

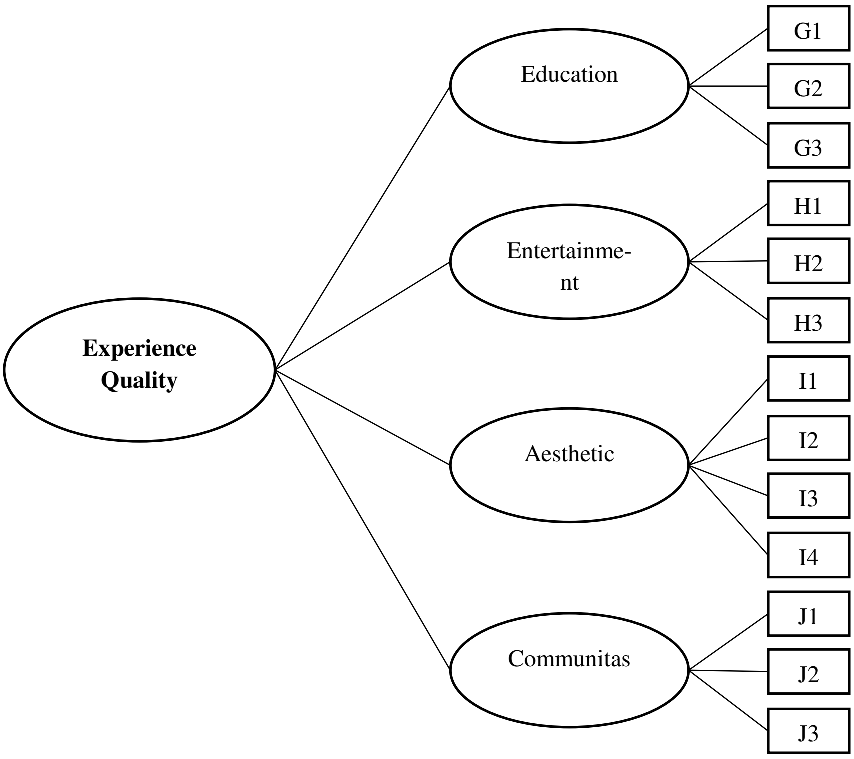

Figure 6.4 Measurement model of experience quality

6.6.3 Exploratory Factor Analysis: Experience authenticity

The diagnoses of correlation matrix of items measuring experience authenticity is put in Table 6.11. The KMO value is as large as 0.887, while Bartlett's Test results with significant Chi-Square is as large as 12890.022. Therefore, the correlation matrix is adequate for EFA.

Table 6.11 KMO and Bartlett's Test: experience authenticity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.887
Bartlett's Test of Sphericity	Approx. Chi-Square	12890.022
	d.f.	435
	Sig.	0.000

The initial factors were also extracted with PCA, with those of which the eigenvalue is larger than 0.7 were kept. In total 9 factors were extracted, explaining 85.331% of communality residing in items (Table 6.12). After rotation, the percentage of variance explained by the extracted factors is quite close to each other. All factors may explain at least 7% of the total variance, implying the factors identified are meaningful.

Table 6.12 Communality explained: experience authenticity

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	%Variance	Cumulative %	Total	%Variance	Cumulative %
1	9.556	31.853	31.853	5.117	17.056	17.056
2	6.219	20.729	52.582	2.926	9.753	26.809
3	2.611	8.702	61.284	2.682	8.939	35.748
4	1.772	5.908	67.192	2.555	8.518	44.266
5	1.383	4.609	71.802	2.550	8.501	52.767
6	1.218	4.061	75.863	2.515	8.382	61.149
7	.993	3.309	79.172	2.510	8.365	69.515
8	.973	3.245	82.417	2.465	8.217	77.731
9	.874	2.915	85.331	2.280	7.600	85.331

Extraction Method: Principal Component Analysis.

The unrotated and rotated factor loading matrixes are put in table Table 6.13 and Table 6.14 respectively. Those items with factor loading lower than 0.4 were excluded from certain factor. It is found that after rotation, all items load significantly on a single one factor, indicating significant disparity between the factors extracted.

Table 6.13 Unrotated Component Matrix: experience authenticity

Item	Component								
	1	2	3	4	5	6	7	8	9
K1	.788								
K2	.770								
K3	.797								
L1		.586		.623					
L2		.662		.618					
L3		.551		.643					
N1		.773							
N2		.720							
N3		.760							
O1	.571		.658						
O2	.572		.689						
O3	.597		.652						
P1	.739								
P2	.733								
P3	.706								
Q1		.597							
Q2		.721							
Q3		.703							
R1		.820					.407		
R2		.829					.431		
R3		.814					.414		
S1	.754								
S2	.757								
S3	.765								
T1	.675		-.452						
T2	.713		-.405						
T3	.709								

Extraction Method: Principal Component Analysis.
9 components extracted.

Table 6.14 Rotated Component Matrix

Item	Component								
	1	2	3	4	5	6	7	8	9
K1	.799								
K2	.728								
K3	.798								
L1					.856				
L2					.865				
L3					.858				
N1							.827		
N2							.841		
N3							.830		
O1		.910							
O2		.926							
O3		.896							
P1						.828			
P2						.844			
P3						.822			
Q1								.834	
Q2								.871	
Q3								.781	
R1			.847						
R2			.866						
R3			.847						
S1									.768
S2									.811
S3									.754
T1				.800					
T2				.839					
T3				.833					

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 7 iterations.

In the initial model of experience authenticity, only four dimensions were identified, namely cognitive authenticity, constructive authenticity, interpersonal existential authenticity and intrapersonal existential authenticity. The result of EFA, however, suggests that there could be more dimensions existing within each aspects of experience authenticity.

Item K1 to L3 were initially assigned to objective authenticity. But there seems to be disparity residing among the items, with item K1 to K3 loading significantly on factor 1, while item L1 to L3 loading significantly on factor 5. Factor 1 thus includes statements of "*The stay provides a thorough* *insight into Chinese rural lifestyle*", *"The food/beverage is unique to rural life*", and "*The stay makes me feel I am a part of rural life*". These statements, in their meaning, refer to how genuine the guest evaluates what they experience is as rural lifestyle. Therefore, factor 1 can be named as "Rurality". In contrast, factor 5 involves statements of "*The Minsu/Nongjiale is a real rural family*", "*The Minsu/Nongjiale present daily life of a rural family*", "*I feel I am a part of rural family during the stay*". These statements emphasize more on the "home" issue. That is, how the guest evaluate the host family as genuine "family" or "home" which is the real residential venue of the families, instead of staged ones, which are highly commercialized in terms of premises and other elements. Therefore, factor 5 can be named as "Feel-at-home". By its definition, Feel-at-home indicates the extent to which the guest evaluates the place they stay as a genuine residential venue, instead of that contrived out of commercial reasons.

Constructive authenticity involves items ranging from N1 to P3. The result of EFA also distinguishes between three factors within this dimension. Item N1 ("*The stay is ordinary and common with nothing special*"), N2 ("*I can have exactly the same experience in many other Minsu/Nongjiale*") and N3 ("*The experience here is standardized and is the result of mass production*") load significantly on factor 7. These three statements seems to be consistent in connotation, in the sense that they are measuring to what extent the guest feel their encounter with the SAB is unique, instead of result of mass production featured by modernism. Therefore, factor 7 can be termed as "Uniqueness". The dimension of uniqueness should be considered as an important aspect of constructive authenticity because of its sharp conflict with "mass produced experience" which is commonly found in modern hotels. People pursue unique instead of standardized experience probably because of certain nostalgia, which is usually the result of social construction. These imagined picture of pre-modernism society induced by media such as novels, poems were taken as "genuine" and "authentic" in people's mind and pursued sedulously by them.

Item O1 ("*I can tell the aethestic standards of the host from the design*"), O2 ("*I can tell the characteristics of the host from the design*") and O3 ("*I can tell the lifestyle preference of the host from the design*") were found to load significantly on factor 2. These three statements, in their essence, regarding the embeddedness of the host's ideology in the visible elements of the SAB. They are measuring to what extent the encounter with the SAB may deliver the idea of the host to the guest with visible matter as media, instead of language. In this sense, the visible elements of the SAB is comparable to a "mirror", reflecting the ideas, thoughts, and personality of the host. The more reflexitive the mirror, the more "authentic" the guest may feel. As one of the interviewees indicates: "*it is real…of course it exists, and its real…but what I mean is I can tell vividly the host's interests and hobbies from the building, the interior decoration and even the painting hanging on the wall…they are all real, and they make me comfortable*". In this sense, factor 2 can be named as "Reflexivity".

Item P1 ("*The stay inspires me of pleasant affections*"), P2 ("*The stay stimulates a lot of imagination in me*") and P3 ("*The stay reminds me of good memories*") load significantly on factor 6. Compared to items regarding "Reflexivity", which refers to the degree to which the encounter has inspired the guest of others (i.e. the host), these three items emphasize more on the inspiration of "self", including emotions, imaginations and memories. Taking the "mirror" metaphor, they measure to what extent the encounter as mirror may reflect the guest themselves. In its essence, they are about the "reflection" of the guest about their own "present self", "past self" and even "future self". These "selves", though constructed, is "for real" from their own stance:

"I talk with them (the host families), I touch the flowers, and I taste the dishes….they all reminded me something, something remote…maybe it is my childhood, when I was living with my grandparents in a small village, talked with them, tasted the food they made for me, solely for me…I know the dishes here is not made by my grandparents, but does it matters? The flavors are almost the same. They are real!" (Cited from an anonymous interviewee).

This dimension of authenticity is constructed by inspiring certain memories or imaginations, which is true based on the judgement of the guest themselves. In this sense, factor 6 can be termed as "Reflectiveness".

Interpersonal existential authenticity was supposed to be measured by items ranging from Q1 to S3. Like the previous two dimensions, more complex structure was identified in EFA. Item Q1 ("*I feel the host's hospitality is motivated by profit*"), Q2 ("*I feel the host's hospitality is motivated by fear of losing customers*"), and Q3 (*"I feel the host's hospitality is motivated by fear of complaints*") significantly load on factor 8. What's in common among these items is that they measures how the guest perceive the motivation of the host being of hospitality, or how "sincere" the host's hospitality is. On this aspect, the guest perceive their relationship with the host as "authentic" by evaluating whether the host's hospitality is out of their own willingness, instead of any pressure exerted by administration or profit reasons. That is, whether the host cares because they want to. In this sense, factor 8 can be termed as "Sincerity".

Item R1 ("*Accommodating me is merely a job of the host*"), R2 ("*The host treats me merely as the object of work*"), R3 (*"I am only an ordinary one of many guests received by the host"*) are found to significantly load on factor 3. By these three items, the guest evaluate whether their relationship with the host is different from other guests. They are judging whether the host is welcoming and friendly just because they are professional hospitality industry practitioners. In order to evaluate the authenticity of their relationship with the host, they need to make sure they are not the victim of "professional hospitality", and they are treated as someone "special", unlike those products on the line of production. Based on these considerations, factor 3 can be termed as "Specialty". The "specialty" dimension is different from the dimension of "uniqueness" in constructive authenticity, though both of them are result of certain "post-modernism" thoughts. While "Uniqueness" is related to the whole encounter in terms of its difference from encounter anywhere else, "specialty" is related to the host-guest relationship.

Item S1 ("*I stayed with the host like families*"), S2 ("*The host and I trusted each other*"), S3 ("*I sincerely appreciate the treatment of the host*") load significantly on factor 9. Since they are related to the evaluation of how intimate their relationship with the host is, factor 9 can be better named as "Intimacy".

In contrast, there is no sub-dimension identified in intrapersonal existential authenticity. The affiliated items, T1, T2 and T3 can be termed as "Freedom" based on their meaning.

Based on the above analysis, it can be concluded that the construct of experience authenticity is much more complex than expected. It includes 4 aspects comprising 9 dimensions. The final measurement model is put in Figure 6.5.

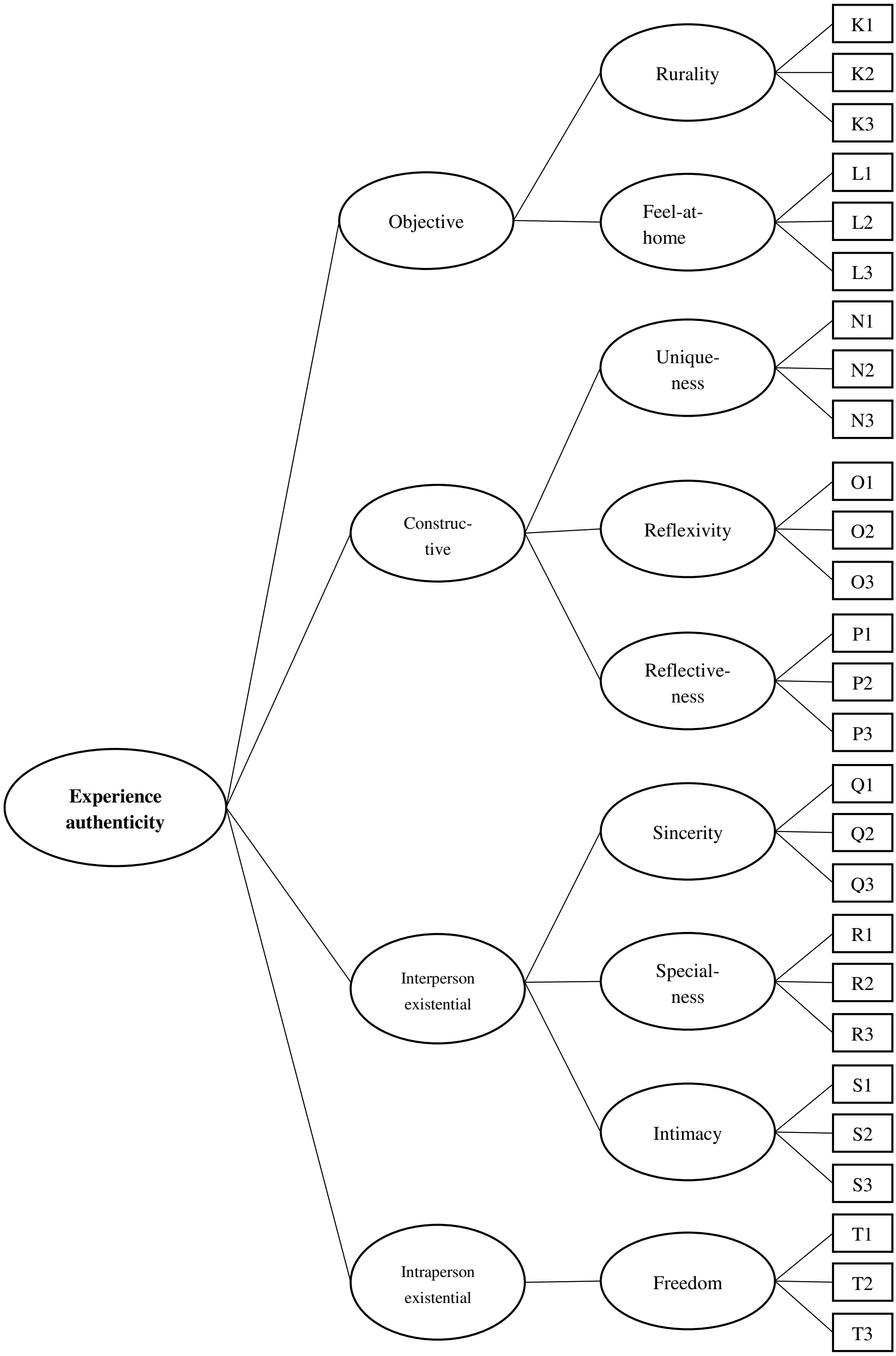

Figure 6.5 Measurement model of experience authenticity

6.7 Reliability and validity

In order to test whether the measurement models of service quality, experience quality and experience authenticity generated by literature review, content analysis and Exploratory Factor Analysis is reliable, valid and generalizable, another 436 samples collected in April of 2016 in the exactly same sample sites were used to conduct internal consistency test and Confirmatory Factor Analysis.

The feature of the second batch of data and the result of normality test is presented in Table 6.15. The absolute value of skewness (ranging from 0.055 to 1.512) and kurtosis (ranging from 0.02 to 0.907) indicates that all the variables are normally distributed, and thus are suitable for calculation of Cronbach's Alpha coefficient and CFA.

Table 6.15 Normality diagnoses of data

Item	***n***	***Mean***	***SD***	***Skewness***	***SE***	***Kurtosis***	***SE***
B11	436	5.7592	1.31631	-0.995	0.117	0.669	0.233
B12	436	5.8716	1.16146	-1.039	0.117	0.767	0.233
B13	436	5.7661	1.15683	-0.77	0.117	0.138	0.233
B14	436	5.5138	1.34841	-0.637	0.117	-0.336	0.233
B21	436	4.805	1.4275	-0.287	0.117	-0.152	0.233
B22	436	5.1307	1.38593	-0.475	0.117	-0.209	0.233
B23	436	4.8922	1.36789	-0.275	0.117	-0.212	0.233
C1	436	5.3899	1.32675	-0.452	0.117	-0.523	0.233
C2	436	5.6009	1.24158	-0.591	0.117	-0.299	0.233
C3	436	5.7385	1.17267	-0.769	0.117	0.158	0.233
D1	436	5.5688	1.42307	-0.787	0.117	-0.034	0.233
D2	436	5.5252	1.44534	-0.812	0.117	-0.024	0.233
D3	436	5.4427	1.49295	-0.773	0.117	-0.155	0.233
E1	436	4.7431	1.46156	-0.142	0.117	-0.492	0.233
E2	436	4.9908	1.39124	-0.195	0.117	-0.569	0.233
E3	436	5.2500	1.38278	-0.482	0.117	-0.309	0.233
E4	436	5.2179	1.52248	-0.643	0.117	-0.157	0.233
F1	436	5.7294	1.28122	-0.828	0.117	0.237	0.233
F2	436	5.5252	1.31019	-0.631	0.117	-0.02	0.233
F3	436	5.5436	1.33061	-0.703	0.117	0.065	0.233
G1	436	4.7133	1.40538	-0.055	0.117	-0.327	0.233
G2	436	4.8005	1.4074	-0.124	0.117	-0.361	0.233
G3	436	4.6858	1.50398	-0.077	0.117	-0.573	0.233
H1	436	4.805	1.45462	-0.36	0.117	-0.151	0.233
H2	436	4.8326	1.47685	-0.359	0.117	-0.27	0.233

H3	436	5.2959	1.40838	-0.709	0.117	0.14	0.233
I1	436	4.5596	1.62555	-0.141	0.117	-0.711	0.233
I2	436	4.5528	1.61586	-0.138	0.117	-0.808	0.233
I3	436	4.7248	1.56615	-0.237	0.117	-0.646	0.233
I4	436	4.9495	1.49704	-0.401	0.117	-0.302	0.233
J1	436	5.7271	1.33608	-0.961	0.117	0.517	0.233
J2	436	5.6491	1.3724	-1.054	0.117	0.856	0.233
J3	436	5.4817	1.47847	-0.811	0.117	0.062	0.233
K1	436	5.4564	1.3798	-0.684	0.117	0.129	0.233
K2	436	5.5115	1.362	-0.784	0.117	0.156	0.233
K3	436	5.3028	1.41262	-0.651	0.117	-0.023	0.233
L1	436	5.5986	1.4846	-1.021	0.117	0.567	0.233
L2	436	5.5046	1.43278	-0.923	0.117	0.453	0.233
L3	436	5.1628	1.58109	-0.659	0.117	-0.132	0.233
N1	436	4.4771	1.59509	-0.281	0.117	-0.393	0.233
N2	436	4.7592	1.55933	-0.497	0.117	-0.178	0.233
N3	436	4.5505	1.58578	-0.247	0.117	-0.467	0.233
O1	436	4.3784	1.7077	-0.163	0.117	-0.792	0.233
O2	436	4.3326	1.77128	-0.211	0.117	-0.87	0.233
O3	436	4.422	1.75666	-0.215	0.117	-0.834	0.233
P1	436	4.7913	1.51165	-0.376	0.117	-0.115	0.233
P2	436	4.7569	1.52995	-0.263	0.117	-0.321	0.233
P3	436	4.7798	1.5646	-0.286	0.117	-0.469	0.233
Q1	436	4.7683	1.65509	-0.461	0.117	-0.403	0.233
Q2	436	4.3945	1.78122	-0.275	0.117	-0.712	0.233
Q3	436	3.9358	1.80051	0.044	0.117	-0.798	0.233
R1	436	4.3073	1.85126	-0.24	0.117	-0.846	0.233
R2	436	4.2959	1.88694	-0.253	0.117	-0.899	0.233
R3	436	4.4931	1.88215	-0.299	0.117	-0.907	0.233
S1	436	5.2821	1.57005	-0.71	0.117	-0.041	0.233
S2	436	5.4564	1.44967	-0.793	0.117	0.134	0.233
S3	436	5.539	1.43065	-0.848	0.117	0.16	0.233
T1	436	6.1628	1.12182	-1.512	0.117	2.568	0.233
T2	436	6.055	1.16725	-1.109	0.117	0.529	0.233
T3	436	6.1055	1.11947	-1.138	0.117	0.632	0.233

Note: All the items are represented by their code appointed in Table 6.2.

6.7.1 Internal consistency diagnoses

As is suggested by Churchill (1979), internal consistency was tested first. Cronbach's alpha coefficient was calculated for each dimensions identified in EFA and confirmed by theories (Table 6.16). Kline (1990) suggested that measurement is reliable if Cronbach's Alpha value is larger than 0.7. In this case, the coefficients for all dimensions of service quality, experience quality and experience authenticity are larger than 0.89, implying good internal consistency.

Table 6.16 Internal consistency diagnoses

Construct	Dimensions	*Cronbach's Alpha*
SQ: Service quality	B1 Tangibility-Adequacy	0.904
	B2 Tangibility-superiority	0.899
	C Reliability	0.921
	D Responsiveness	0.965
	E Assurance	0.914
	F Empathy	0.949
EQ: Experience quality	G Education	0.952
	H Entertainment	0.939
	I Aesthetic	0.96
	J Communitas	0.952
EA: Experience authenticity	K Rurality	0.913
	L Feel-at-home	0.947
	N Uniqueness	0.917
	O Reflexivity	0.969
	P Reflectiveness	0.956
	Q Sincerity	0.89
	R Specialness	0.945
	S Intimacy	0.941
	T Freedom	0.938

Note: The capitalized alphabets in front of each construct and dimension are the code appointed for simpler presentation. For example, B1 is the code for the dimension of "Tangibility-Adequacy".

6.7.2 Construct validity

Construct validity indicates whether the actual construct structure fits into the structure implied by theory and exploratory study (Furr, 2006). Both discriminant validity and convergent validity were tested in this study.

Confirmatory Factor Analysis was conducted to verify the factors and factor loadings in a new set of sample. Amos 17.0 software package was adopted to assist data analysis and the parameters were estimated with Maximum likelihood method. The overall fitness of the three models are diagnosed and the fitness indices are put in Table 6.17.

Chi-square is usually adopted as the main indicator for assessing fitness of model in CFA and significant Chi-square value indicates significant miss-fit between the model and the data. However, the result of Chi-square test is largely dependent on sample size and will almost always be significant with large samples (Harrington, 2009). Therefore, some dismissal of significant chi-square values seems standard when there is large numbers of samples (Leach et al., 2008). According to Kline (2005), sample size larger than 200 can be regarded as large sample size. In this study, the sample size is more than 400 and the models are quite complex with large degree of freedom. Therefore, the model fitness test should be interpreted by integrating other indices.

In all the three models, the RMR values are all less than 0.1, the RMSEA value are all below 0.08, and GFI value are all above 0.9, indicating reasonable absolute fitness of models (Kline, 2005). As for the Comparative fitness indices, NFI, TLI and CFI value are all above 0.95, indicating that the models all have better fitness than more restricted, nested baseline models (Kline, 2005). PGFI, PNFI, and PCFI values are all larger than 0.5. It can thus be inferred that the degree of parsimony of the models are acceptable.

Table 6.17 Model fitness indices

	Model 1: Service Quality	**Model 2: Experience Quality**	**Model 3: Experience Authenticity**
	n=436	n=436	n=436
Absolute fitness indices			
χ^2	343.417 (p=0.000)	159.856 (p=0.000)	420.904 (p=0.000)
d.f.	144	50	277
RMR	0.06	0.098	0.08
GFI	0.927	0.947	0.933
AGFI	0.894	0.904	0.909
RMSEA	0.056	0.071	0.035
Baseline comparisons			
NFI	0.962	0.977	0.966
TLI	0.97	0.975	0.985
CFI	0.978	0.984	0.988
Parsimony-Adjusted measures			
PGFI	0.636	0.521	0.684
PNFI	0.729	0.626	0.762
PCFI	0.741	0.631	0.78
AIC	475.417	241.856	622.904

The regression weights estimated for the three models are put in Table 6.18, Table 6.19 and Table 6.20 . It is found that all the estimated parameters are significant with small standardized error, indicating good fitness of the model. Almost all the factor loadings were located between 0.750 and 0.974, indicating that the factors may explain a large share of the variance of the corresponding indicators and no indicators significantly load on other factors, implying good discriminant validity of the model (Wu, 2010).

Table 6.18 Regression weights and factor loading estimated for Service Quality

	Estimate	*SE*	*CR*	*P*	*sd. Estimate*
B11 <--- SQ-B1 (Tangi.-Adequacy)	1				0.827
B12 <--- SQ-B1(Tangi.-Adequacy)	0.91	0.039	23.472	***	0.854
B13 <--- SQ-B1(Tangi.-Adequacy)	0.95	0.048	19.931	***	0.892
B14 <--- SQ-B1(Tangi.-Adequacy)	0.98	0.056	17.59	***	0.791
B21 <--- SQ-B2(Tangi.--superiority)	1				0.83
B22 <--- SQ-B2(Tangi.--superiority)	1.075	0.045	23.628	***	0.917
B23 <--- SQ-B2(Tangi.--superiority)	0.985	0.046	21.434	***	0.852
C1 <--- SQ-C (Reliability)	1				0.882
C2 <--- SQ-C (Reliability)	0.983	0.035	28.387	***	0.924
C3 <--- SQ-C (Reliability)	0.882	0.034	25.786	***	0.878
D1 <--- SQ-D (Responsiveness)	1				0.929
D2 <--- SQ-D (Responsiveness)	1.069	0.024	44.714	***	0.974
D3 <--- SQ-D (Responsiveness)	1.078	0.027	40.075	***	0.948
E1 <--- SQ-E (Assurance)	1				0.828
E2 <--- SQ-E (Assurance)	1.044	0.043	24.559	***	0.908
E3 <--- SQ-E (Assurance)	0.984	0.052	18.899	***	0.861
E4 <--- SQ-E (Assurance)	1.029	0.059	17.311	***	0.817
F1 <--- SQ-F (Empathy)	1				0.891
F2 <--- SQ-F (Empathy)	1.096	0.033	33.485	***	0.953
F3 <--- SQ-F (Empathy)	1.101	0.033	33.293	***	0.942

*Note: *** denotes significance level at 0.01;"Tangi." is short for "Tangibilities".*

Table 6.19 Regression weights and factor loading estimated for Experience Quality

	Estimate	*SE*	*CR*	*P*	*sd. Estimate*
G1 <--- EQ-G (Education)	1				0.929
G2 <--- EQ-G (Education)	1.009	0.028	35.734	***	0.935
G3 <--- EQ-G (Education)	1.077	0.03	35.624	***	0.934
H1 <--- EQ-H (Entertainment)	1				0.953
H2 <--- EQ-H (Entertainment)	1.011	0.024	42.591	***	0.961
H3 <--- EQ-H (Entertainment)	0.824	0.03	27.606	***	0.831
I1 <--- EQ-I (Aesthetic)	1				0.937
I2 <--- EQ-I (Aesthetic)	0.965	0.026	37.039	***	0.909
I3 <--- EQ-I (Aesthetic)	0.957	0.035	27.262	***	0.931
I4 <--- EQ-I (Aesthetic)	0.832	0.037	22.652	***	0.866
J1 <--- EQ-J (Communitas)	1				0.927
J2 <--- EQ-J (Communitas)	1.073	0.027	39.729	***	0.968
J3 <--- EQ-J (Communitas)	1.084	0.033	32.885	***	0.908

*Note: *** denotes significance level at 0.01.*

Table 6.20 Regression weights and factor loading estimated for Experience Authenticity

	Estimate	*SE*	*CR*	*P*	*sd. Estimate*
K1 <--- EA-K (Rurality)	1				0.901
K2 <--- EA-K (Rurality)	0.964	0.036	26.883	***	0.888
K3 <--- EA-K (Rurality)	0.978	0.038	25.561	***	0.860
M1 <--- EA-L (Feel-at-home)	1				0.847
M2 <--- EA-L (Feel-at-home)	1.026	0.044	23.288	***	0.878
M3 <--- EA-L (Feel-at-home)	1.029	0.042	24.362	***	0.908
N1 <--- EA-N (Uniqueness)	1				0.856
N2 <--- EA-N (Uniqueness)	1.055	0.041	25.901	***	0.922
N3 <--- EA-N (Uniqueness)	1.029	0.042	24.434	***	0.884
O1 <--- EA-O (Reflexivity)	1				0.951
O2 <--- EA-O (Reflexivity)	1.041	0.022	46.989	***	0.964
O3 <--- EA-O (Reflexivity)	1.015	0.023	44.611	***	0.952
P1 <--- EA-P (Reflectiveness)	1				0.943
P2 <--- EA-P (Reflectiveness)	1.025	0.025	41.813	***	0.957
P3 <--- EA-P (Reflectiveness)	1.001	0.028	35.441	***	0.914
Q1 <--- EA-Q (Sincerity)	1				0.754
Q2 <--- EA-Q (Sincerity)	1.355	0.065	20.912	***	0.949
Q3 <--- EA-Q (Sincerity)	1.251	0.064	19.67	***	0.872
R3 <--- EA-R (Specialness)	1				0.890
R2 <--- EA-R (Specialness)	1.086	0.032	34.28	***	0.968
R1 <--- EA-R (Specialness)	1.009	0.033	30.342	***	0.917
S3 <--- EA-S (Intimacy)	1				0.897
S2 <--- EA-S (Intimacy)	1.08	0.033	33.223	***	0.951
S1 <--- EA-S (Intimacy)	1.124	0.037	30.513	***	0.912
T1 <--- EA-T (Freedom)	1				0.864
T2 <--- EA-T (Freedom)	1.15	0.039	29.671	***	0.955
T3 <--- EA-T (Freedom)	1.071	0.038	28.126	***	0.925

*Note: *** denotes significance level at 0.01*

The result of internal consistency test and Confirmatory Factor Analysis found that the measurement models for Service Quality, Experience Quality and Experience Authenticity are all valid and reliable in a different group of samples.

6.8 Summary

As precursor to examining the influence of SAB growth on guest experience, this sub-study investigates guest experience in a thorough way. The concept of experience is clarified and different aspects and categories are discussed. A comprehensive model of guest experience in rural SAB is constructed by thorough literature review accompanied by qualitative exploration. Measurement models are constructed and scales are developed and validated by empirical research.

Based on experiential marketing theory, this sub-study approaches experience from a holistic perspective. Experience was treated as post-consumption evaluation of the whole service encounter and cognitive, emotional and symbolic aspects are all emphasized as important for experience management. Accordingly, guest experience in rural SABs was decomposed into service quality, experience quality and experience authenticity. Three different measurement models were constructed and verified. The result demonstrated that all the three aspects of experience could further be divided into different dimensions. Specifically, service quality consists of *Tangibilities-Adequacy, Tangibilities-Superiority, Reliability, Responsiveness, Assurance and Empathy*, while experience quality comprises *Entertainment, Education, Aesthetic and Communitas.* Experience authenticity, meanwhile, is found to be much more complicated. Objective experience authenticity consists of two dimensions, namely *Rurality* and *Feel-at-home*. Comparatively, constructive experience authenticity comprises dimensions of *Uniqueness, Reflexivity,* and *Reflectiveness.* Existential experience authenticity involves dimensions of *Sincerity, Specialness, Intimacy and Freedom.* Based on the identified model of guest experience, a measurement scale is developed and validated, which could serve for the objectives of Sub-study 4.

Detailed explication of research conclusions and significance of this sub-study can be found in Chapter 8.1.3.

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Chapter 7 Sub-study 4: SAB growth and guest experience

Rural SAB growth is usually considered as related to the process of "commercialization of home" (Lynch, 2003). From the perspective of sociology and phenomenology, the commercialization process tend to be regarded as resulting in loss of "authenticity". However, its effect on guest experience is rarely discussed outside of the concept of "authenticity". Does commercialization result in any good aspects of effect on guest experience? Or does it simply render tourists or guests to be "victims of staged authenticity", as indicated by MacCannell (1973)? Could they be "beneficiary" of staged authenticity, or other aspects of improved experience?

Other researchers, meanwhile, focused on regarding guests as victim of supporting experience who may gradually lose extraordinary experience during the process of commercialization. Lynch (2003, 2009) and Moscardo (2009) proposed that increased business size of SABs might lead to changes in guest experience from being central to the whole trip to supporting experience only. Though enlightening, their conceptual model, which was derived by empirical observation, is incomplete in three aspects. Firstly, they approached business size as accommodating scales, while neglecting other modes of growth. Secondly, guest experience in SAB is ill-defined. The extraordinary experience is supposed to diminish as business scale increases. But the exact definition of extraordinary experience is not clearly specified. Thirdly, their model does not indicate what exactly is supporting experience, and how supporting experience may change as business scale grows.

Based on the findings of sub-study 3, this sub-study aims to examine the influence of SAB growth on guest experience. Specifically, it investigates how different modes of growth may influence perceived service quality, experience quality and experience authenticity. A theoretical model picturing the influence of SAB size on service quality, experience quality and experience authenticity is constructed by thorough literature review firstly, which is later tested with empirical research using Hierarchical Linear Model (HLM).

7.1 SAB growth and guest experience: A preliminary model

In tourism and hospitality research, factors influencing guest experience is commonly approached from the perspective of guests themselves. The attributes of hospitality businesses are usually measured as "perceived" by the guests, and thus are considered as subjective evaluation. Few research has investigated business attributes as influencing factors from an "objective" stance. Also, from marketing perspective, the focus of interest is usually how the guest experience may influence their satisfaction and loyalty. The same situation is commonly found even in small business researches, since researchers cannot imagine in manufacturing industry that growth of business may necessarily bring fundamental changes to products and the experience induced when using the product.

Hospitality industry is different from manufacturing industry in the sense that there are no tangible products serving as "media" of experience. Therefore, guest experience is induced by direct interaction with the setting (e.g. all the facilities and environment) and the host (or staff). In this sense, hospitality businesses themselves may form the experiencescape on their own. Any changes in both physical and human elements of hospitality businesses may result directly in changes of guest experience.

Lynch (2003) indicated that accommodation identified by existing researches as "commercial home" generally have no more than 11 letting bedrooms, with most having between 3 and 6 bedrooms. In the unit with 11 bedrooms, it was found that the critical home dimension (or home element) was becoming vestigial from a guest perspective. In his later work (Lynch, 2009), an axis describing SABs of different size was proposed, where on the left end lies the form with home element, while on the other end lied the business element. This transformation of SABs during the process of growth has been captured in Sub-study 1 as the process of "separation from family". According to sub-study 1, SAB growth can be de-componentized into quantitative aspect of growth (i.e. growth in size) and qualitative aspect of growth (i.e. separation from host family). Quantitative aspects of growth occurs in terms of increased accommodating scale (growth in bed numbers), increased capital intensiveness (growth in investment), and increased labor intensiveness (growth in staff number). Changes in these aspects are found to lead to separation from family in terms of premises, labor, and goal.

The separation process, in its essence, is transition from family mode of production to capitalist mode of production characterized with asset specificity and specialized labor. In this sense, SABs of larger size tend to provide “commercial hospitality” characterizing professionalism, emphasizing a need to understand the skills, attitudes and personal characteristics of hospitality employees to improve the status of hospitality industry (Pizam & Shani, 2009).

Notably, the separation process might well reshape the experiencescape in both physical and social aspects. It has been identified that experience is largely induced by experiencescape, and thus it is reasonable to expect potential influence of growth on guest experience. This effect has been identified in tourism research, basically some theoretical works. For example, it has been identified that tourism growth can be an urbanizing influence, which by destroying rurality (or the illusion of rurality) can induce the onset of the destructive resort cycle in tourism circles (Butler, 1980).

The influence on guest experience exerted by growth is also supported by later work of Lynch (2003), who claimed that the diminishing home elements and increasing business elements may cause changes to experience in the SAB, from being central to the whole trip experience and to supporting experience only. Moscardo (2009) also agreed that the product of commercial home is supposed to fall on a continuum, of which the left end lies the support service for a holiday (such as self-catering or guesthouses), the right end lies the experience considered as the central or major focus of the desired guest experience. Therefore, it can be expected that growth of SABs would probably lead to the increase of supporting, ordinary experience and decrease of peak, extraordinary experience. This effect is demonstrated in the preliminary conceptual model of Figure 7.1.

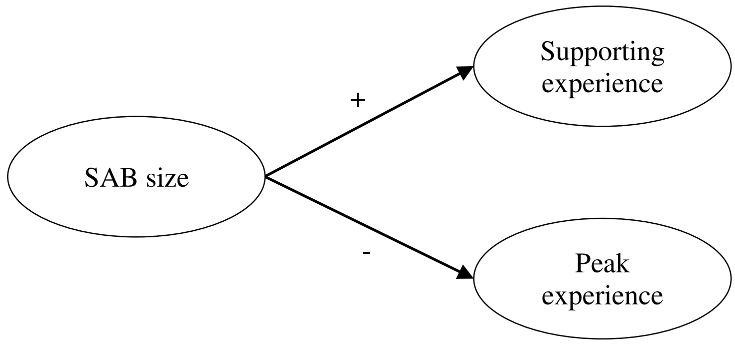

Figure 7.1 A preliminary model of SAB size and guest experience

This inference is not within the explicit description of the continuum, but implied. Based on the findings of Sub-study 3, guest experience is evaluative and can be categorized into evaluation of service quality, experience quality and experience authenticity. Service quality is utilitarian, functional and supporting, while experience quality and experience authenticity is emotive, symbolic and usually central to the pursuit of guest in their trips. Although Lynch (2003, 2009) described the transitions, he did not explicate the exact connotation of “central” and “support”. The peak experience described is more like authenticity. Guests were assumed to visit a B&B for close experience of local lifestyle, instead of for hedonic reasons. Also, in Lynch’s (2003, 2009) conception, SAB size is measured by accommodating scale (i.e. room number), without considering increased investment and number of staff. Though enlightening, his envisage is essentially descriptive and conceptual. Therefore, this preliminary hypotheses are subject to further development and empirical test. Therefore, further observation and conceptualization of the relationship between SAB size and experience is needy.

7.2 Model adjustment

7.2.1 SAB growth and service quality

Family mode of production, despite its flexibility in operation and fungibility in resource allocation, is laggard in product and service quality control. In contrast, specificity of assets and full-time, professional staff characterizing capitalist mode of production may make it easier to provide professional services, and thus increase the perceived service performance.

On the other hand, from the stance of business operators, there are mainly two sources of pressure on increasing service quality as the business grows in size. Primarily, the pressure comes from guests. McIntosh and Siggs (2005) and Johnston-Walker (1999) noted that the motives and expectations of guests are changing towards a greater desire for personalized service of high quality, and thus pushing commercial homes to move towards playing a greater role in the visitor experience. Also, in order to please the guest, owner-operators tend to improve the design and the interior decoration of the property and make it resemble guests' urban home. These are gestures and routines, which have a great symbolic value: it is as comfortable here as your home. Through the control of space and time they contribute to creating a sense of stability.

The second pressure comes from external government and other administrative power, such as associations. Businesses of larger size may enter into the realm of administrative regulations or certain grading schemes, which may work against the personalized and authentic nature of the commercial home and also result in hosts having to place a greater emphasis on professional management than personal hosting (Clarke, 1996; Gladstone & Morris, 2000). Though diminishing the unique characteristics, this standardization process may increase the capability of SABs to satisfy the basic needs of the guest.

Based on the above discussion, it can thus be claimed that SAB growth is positively correlated to service quality. Thus it is hypothesized that:

Hypothesis 8: Size of the SAB is positively correlated to perceived service quality.

This echoes what Lynch (2003, 2009) conceptualized. Since service quality consists of six different dimension, it could be hypothesized that:

Hypothesis 8a: Size of the SAB is positively correlated to tangibility adequacy.

Hypothesis 8b: Size of the SAB is positively correlated to tangibility superiority.

Hypothesis 8c: Size of the SAB is positively correlated to service reliability.

Hypothesis 8d: Size of the SAB is positively correlated to responsiveness.

Hypothesis 8e: Size of the SAB is positively correlated to service assurance.

Hypothesis 8f: Size of the SAB is positively correlated to empathy.

7.2.2 SAB growth and experience quality

Experience quality, including education, entertainment, aesthetic and communitas, is emotional and hedonic aspects of guest experience. Consumers, as is indicated by Maffesoli (2006), are emotional actors looking for these sensitive and hedonistic consumption experiences. In this sense, experience quality should be the focus of guests visiting rural SABs. According to the conceptual continuum proposed by Lynch (2003, 2009), experience quality belongs to peak experience and should be diminished as business grows.

But this depiction could be doubtful. Large businesses may also provide experiential elements. In hospitality industry, theme hotels, resorts and some boutique hotels are supposed to provide hedonic experiences for their guests. It is unreasonable to assume business growth and accompanying commercialization may eclipse the educative, entertaining, or aesthetic experiences. On the contrary, hospitality businesses have been encouraged to develop “experiential elements”, in order to differentiate themselves in the increasingly commoditized and competitive business environment (Pine & Gilmore, 1999; Schwartz, 1991; Lugosi, 2008), whereby “escape the Commoditization Trap” and “differentiate hospitality operations” (Gilmore & Pine, 2002, p. 88). In this sense, experiential elements have been encouraged by researcher to be provided as “third” offerings in “experiential economy” (Pine & Gilmore, 1999).

Commercialization and capitalist mode of production, on the contrary, may result in providing experiential elements in a more efficient and effective way. The success of “Disney model” of tourism in the 1980s and early 1990s can be regarded as a case in point. In its essence, experience is closely related to the amenities and human beings in the setting. Therefore, business growth in scale, investment and labor may improve experience quality, instead of diminishing it.

Therefore, it is reasonable to hypothesize that:

Hypothesis 9: SAB size is positively correlated to experience quality.

Since experience quality comprises four dimensions including education, entertainment, aesthetic, and communitas. It is thus reasonable to hypothesize specifically that:

Hypothesis 9a: Size of the SAB is positively correlated to education experience.

Hypothesis 9b: Size of the SAB is positively correlated to entertaining experience. .

Hypothesis 9c: Size of the SAB is positively correlated to aesthetic experience.

Hypothesis 9d: Size of the SAB is positively correlated to sense of communitas.

7.2.3 SAB growth and experience authenticity

SAB growth may have profound influence on experience authenticity, in the sense that increased size tends to be accompanied by the process of commercialization and capitalization. Since experience authenticity is composed of objective authenticity, constructive authenticity, interpersonal existential authenticity, and intrapersonal existential authenticity, the effect on these aspects of experience authenticity should be considered respectively.

7.2.3.1 SAB growth and cognitive experience authenticity

Cognitive aspect of experience authenticity is related to "authentic rural lifestyle", consisting of daily activities, as well as related tools and environment unique to rural families. Guests may experience rural lifestyle in two ways. First, they may be engaged directly in the life of the host family, involved in their daily activities. For example, the homestay programme in Malaysia gives guests the experience of the rustic life in a village, the activities of their host daily life, home-cooking lesson, harvest fruits, as well as traditional games. Second, the host family may demonstrate an authentic rural lifestyle and guests perceive it through natural interaction far beyond the commercial relationship that characterizes hotel stays. These interactions may take place at any time of the day, especially breakfast or dinner.

SAB growth, however, may eclipse the authenticity of the lifestyle the guest was exposed to. In sub-study 1, it was found that increased business size is positively correlated with separation of premises and separation of goal. That means, as the size increases, the host families tend to use the facilities less often, and they tend to operate the business out of profit reasons. Less often use of the facilities indicates that the facilities which were initially designed for family use is no losing meanings for family members, and is more and more intended for customer use.

Moreover, as the economic dependency on the income of SAB increases, other means of livelihood, such as farming, tend to diminish or be absorbed by SAB. These means of livelihood, in their most original, protogenic forms, are a part of authentic experience. It has been suggested that as farmstays move along the continuum from minor to major importance in revenue terms, the uniqueness of the farm tourism product may be distorted. It seems that as the tourism develops in the farm setting, it might be harder to maintain a level of "real" agricultural activity to safeguard the traditional ambience.

This is what Cohen (1979) indicated as process of “commercialization” or “commodification” named by Crouch (2007). The power of commodification is considered in relation to the power of individuals to act in processes of consumption. Commodification process leads to the construction of rural attractions as commodities and commodity forms. Rurality therefore gradually becomes a product that can be packaged, presented and sold (Urry, 1995). Criticism has been made on tourism’s inherently economic nature of the commodification of local culture and heritage, which causes the loss of authenticity (Cohen, 1979).

During the commercialization process of home, the accommodation facilities is no more home necessities for life, the setting is less likely to be a “pure” rural family. As SABs become independent of the family, they are more focused on tourists’ needs, the offerings (lodging, food and drink) which is majorly provided to family members gradually lose the initial meaning and value for them. The “home” is thus transformed to “staged home“, and the guests become what MacCanell (1979) referred to as victim of staged authenticity.

The staged “home” and staged rural lifestyle may also intercept the guest from gaining insight into the real life of the host family. In order for guests to experience rural lifestyle, interaction with physical environment as well as the host family is necessary. These two elements constitute the experiencescape. At the accommodation site level, the physical environment includes buildings and gardens, interiors, locality, and ambience, while the human environment includes hospitality (food, drink and service), and interactions with the host and other visitors (Carmichael & McClinchey, 2009). On one hand, as the number of recruited staff increases, the degree of interaction may become less. The chance for the guest to gain deeper insight into the rural family life is thus eclipsed. It has been acknowledged that “home” experience can only be ensured by close contacts (Hsieh, 2010).

On the other hand, it has been proposed that increased SAB size is accompanied by detachment of accommodation business from the home as well as its other means of livelihood, such as farming, in terms of physical resource, labor resource and goal. Therefore, as SABs grow, there are fewer opportunities for guests to interact with the “authentic home space” (Di Domenico & Lynch, 2007). It has been acknowledged by previous researches that “home setting” and home constructs play an important role in shaping guests' experience (Lynch, 2000, 2005; Lynch & MacCannell, 2000), that is, the experience of a "homely" ambience (Stringer, 1981), or the sense of "staying in another person's home" (Pearce, 1990). However, spatial separation, by which business space where guests are accommodated is gradually detached from home space of the owner family, decreases the degree of interaction. The owner-operators consciously seek to meet the desires of their guests and modify the "business space" to help a variety of guests feel "at home", that is, a site familiar to what they maintain at their places of origin or have experienced before. In this way, the accommodating area is turned into a "front stage". Meanwhile, the place where "authentic" family life takes place, home, is separated and hidden in the "back-stage". In this way, guests may not be able to appreciate the indoor living environment, as well as daily activities of the host family.

Business growth and changes in experience authenticity have been identified by some existing researches. For example, Zeng, Go and Vries (2012) found that expansion of restaurant groups in China often encounters the paradox of authenticity and standardization.

Based on the above discussion, it is reasonable to hypothesize that:

Hypothesis 10: Size of the SAB is negatively correlated to objective experience authenticity.

Specifically:

Hypothesis 10a: Size of the SAB is negatively correlated to perceived rurality.

Hypothesis 10b: Size of the SAB is negatively correlated to perceived Feel-at-home.

7.2.3.2 SAB growth and constructive experience authenticity

Constructive experience authenticity measures how "inspiring" the whole encounter with the host family is. The thoughts, emotions, imaginations or memories inspired may be related to the host families (reflexivity), the guest themselves (reflectiveness), as well as the episodes of encounter between them (uniqueness). By its definition, constructive authenticity is more influenced by social interactions between hosts and guests (e.g. Reisinger & Turner, 2003; Lugosi, 2009). These personal encounters can occur, as De Kadt (1979) suggested, in diverse contexts: when visitors acquire goods or services, when both parties use the same tourism attractions and facilities, and when they exchange information and ideas.

It has been noticed that he social contact between visitors and hosts is crucial for the rural tourism experience, influencing both visitors' satisfaction and their intention to return (Carneiro & Euse´bio, 2010; Pizam & Mansfeld, 2000; Reisinger & Turner, 2003; Zhang, Inbakaran, & Jackson, 2006). Personal interaction, or as Lynch (2005) put as "integration of the visitor with the host family and their activities", is another way for guests to experience lifestyle of rural host families (Kastenholz & Sparrer, 2009). The personalized encounter in rural accommodation units between hosts and guests is actually the encounter of the representatives of the local people and culture and the guests (Tucker, 2003), and therefore is actually cultural exchange. The particular nature of the SAB experience is that the guest may expect these interactions. Alletorp's (1997) survey found that the relationship between the host and guest is the main strength of farm tourism. However, literature review reveals a research gap regarding the shared tourism experience, namely about how to precisely assess this social interaction (Reisinger & Turner, 2003). Pizam and Mansfeld (2000), for example, used the intensity of interaction as a measure of social contact, whereas Andereck et al. (2005) used the frequency of interaction.

These interactions are concentrated into formal time periods such as arrival, breakfast, departure. The dining-room setting is also one in which social interaction occurs with other guests through seating arrangements, sometimes at one large table. Therefore, high degree of interaction can only be ensured by the small business size and involvement of family members (Stringer, 1981). However, separation in space may set a physical obstacle for personalized interaction between hosts and guests (Kastenholz & Sparrer, 2009; Tucker, 2003), while separation in labor force decreases the occasions for this interaction to occur.

Notably, people's perceptions of others are partial, superficial and often inaccurate (Veal, 2000). This is especially true when the interactions between them are scarce and superficial. The growth of SABs may lead to fewer opportunities for guests to interact with the host family members. As for labor intensiveness growth, as is found in Sub-study 1, it may lead to separation of labor. Therefore, the interaction between host and guest may decrease with more hired staff. In this sense, it can be inferred that:

Hypothesis 11: Size of the SAB is negatively correlated to constructive experience authenticity.

Specifically:

Hypothesis 11a: Size of the SAB is negatively correlated to perceived uniqueness.

Hypothesis 11b: Size of the SAB is negatively correlated to perceived reflexity.

Hypothesis 11c: Size of the SAB is negatively correlated to perceived reflectiveness.

7.2.3.3 SAB growth and existential experience authenticity

Existential experience authenticity could be divided into intrapersonal aspect and interpersonal aspect, with intrapersonal aspect referring to an experience of "authentic self", breaking away from daily routines and role, and the interpersonal aspect referring to an experience of "authentic, genuine, friendly relationship" with the host. In this relationship guests may ease themselves of the pressures stemming from inauthentic social hierarchy and status distinctions (Wang, 1999), as well as modern commercialized, "benefit-embedded" relationships. The process of commercialization accompanying SAB growth is not only about the commodification of tangible utilities, but also about the commercialization of host-guest relationships. All the offerings of the host family become commodities and the economic relationship dominate between the host and the guest.

This may cause eclipsed interpersonal existential authenticity in two ways. On one hand, rural home setting, in its nature, provides an ideal place for building up "authentic relationships" among guests, due to its small scale and "homely" ambience, without distrust and suspicion. Therefore, separation of SABs from home setting might well cause decreased experience of authentic "guest-guest relationship". On the other hand, the separation of business goal and family goal during the growth process may further leads to change in the nature of hospitality relationship, making it "inauthentic". Traditionally, domestic hospitality does not mean simply to invite or to receive (Di Domenico & Lynch, 2007), that is, setting up the environment and the things to provide material services. But for a business, hospitality as a commercial product is provided totally for money, and thus is instrumental (Wang, 2007). Different from principle of generosity of traditional hospitality, commercial hospitality offers no food, lodging, or security beyond that which is explicitly paid for in a legally binding contract (Heuman, 2005). Reciprocity in terms of non-monetary obligations features domestic hospitality but hot commercial hospitality.

The commodification of host-guest relationship is a process during which the hospitality relationship is more and more built on monetary transaction, falls into the commercial domain and is offered to paying consumers (Lashley & Rowson, 2005). The transition of business goal from non-profit related to profit driven one is supposed to cause damage to originally family or friends-like relationships between the host families and the guest, causing diminished relational authenticity. Guests will not regard commercialized hospitality as the expression of hospitableness, but as a performance, as hospitableness without authenticity (Wang, 2007). Thus, there is a lifecycle of hospitality relationship between hosts and guests. Before the involvement of commercialization, the hospitableness (or hospitality) of the hosts is genuine expression of traditional moral and emotion. With the commercialization of hospitality, their hospitableness becomes performance aimed at profit, turn to the "commercial hospitality". With the lifecycle developing, the experienced interactive authenticity of the guests is changing. At first, the interaction between the hosts and the guests is genuine expression of emotion. But as the commercialization develops, some guests realize the hosts are just "performing", and they lost the interactive authenticity. In the latter stage of the lifecycle, guests cannot experience the interactive authenticity (Wang, 2007). However, it should be noted that some guests can still perceive interactive authenticity even if the hosts are just "performing". Also, it should be noted that commercialization of hospitality does not necessarily lead to loss of guests, although they do lead to loss of some communication-oriented guests (Wang, 2007). There are also guests who enjoy the "commercial hospitality".

Therefore, it can be inferred that:

Hypothesis 12: Size of the SAB is negatively correlated to interpersonal experience authenticity.

Specifically:

Hypothesis 12a: Size of the SAB is negatively correlated to perceived sincerity.

Hypothesis 12b: Size of the SAB is negatively correlated to perceived specialness.

Hypothesis 12c: Size of the SAB is negatively correlated to perceived intimacy.

SAB growth causes the separation of accommodating space and home space. Home is often seen as a retreat from the outside world (Rybczynski, 1988), and is associated with being a heaven providing an environment where individuals can be themselves. "Home" is a complex construct. There is a recognition of the home as a temporal, cultural, personal, and emotional construct (Lynch, 2005). Douglas (1991) described the home as a "reflection of ideas", a place of affection as well as tyranny, that it is organized as a collective good, a virtual community, and stands in contrast to the hotel, a virtual market, in having "massive redundancies", being a "gift economy" in contrast to the hotel with its emphasis placed on efficiencies. As accommodating space, home provides guests with a sense of freedom and opportunities for relaxing. Thus when SABs are separated from home, the experience of "authentic self" decreases.

Rural home is a natural, ideal place to stay close to rural natural environment. Rural areas are frequently perceived in contrast to urban areas; the small settlements, small scale buildings, and the amount of open space, only occupied by rural flora and fauna (Lane, 1994), which offer the guest a sense of freedom and opportunities for relaxing, undertaking outdoor activities and being close to nature, corresponding to motivations as revealed by studies of various types of rural guests (Frochot, 2005; Kastenholz, 2004; Kastenholz, Davis, & Paul, 1999; Molera & Albaladejo, 2007; Park & Yoon, 2009). The ambience of SABs influencing guest experience is reflected in the buildings from which their services and hospitality are delivered (Hernández-Maestro & González-Benito, 2013). Their small scale and disparate location offer guests proximity to the natural resources of the rural setting. Enlarged accommodating area, on contrary, may diminish the "authentic self" feelings.

Therefore, it is hypothesized that:

Hypothesis 13: Size of the SAB is negatively correlated to intrapersonal existential authenticity,

Specifically:

Hypothesis 13a: Size of the SAB is negatively correlated to the sense of freedom.

To summarize, the above discussion results in a modified model depicting the relationship between SAB size and guest experience. As business size increases, guest may perceive less experience authenticity, but the service quality and experience quality may be improved (Figure 7.2).

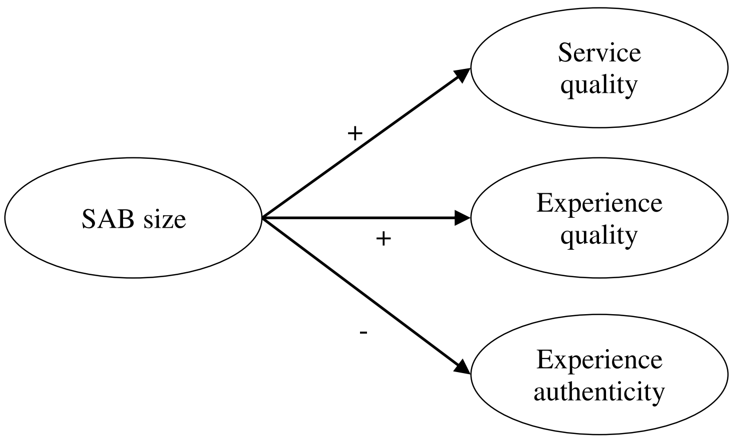

Figure 7.2 Modified model of SAB size and guest experience

The hypothesized model is tested with empirical data collected in northern Zhejiang Province. As is indicated, growth in size may occur on different aspects and thus in different modes, including accommodating scale, total investment, and staff number, in correspondence to scale growth mode, capital intensive growth mode, and labor intensive growth mode. The hypothesized model, therefore, is tested under different growth modes.

7.3 Measurement, data collection and data analysis methods

This sub-study is a cross-level investigation with SAB size observed from business level and guest experience observed on individual level. It has been claimed that myriad research contexts in tourism are characterized by similar effects "nested" within other effects, but only very rarely are these effects acknowledged and incorporated into designs in tourism and hospitality research (Sibthorp et al., 2004). The neglection of "nested effect" may create two most notable undesirable consequences, i.e. failure to account for important sources of variance and violation of the statistical assumption of independence of observations. Due to group effect, individuals drawn from the same cluster will be more homogeneous than if they were randomly drawn from a larger population. The individuals from the same cluster tend to share certain characteristics, based on which the observations are not fully independent. Those characteristics shared may not be of interest, and thus enter the part of residual, which may lead to the correlation of residual among the same group.

Since the SAB with which the customers interacted may generate consistent effects across encounters, relationships among the observations in the same SAB may be non-independent. Therefore, we analyzed the data with two-level Hierarchical Linear Modeling (HLM, Bryk & Raudenbush, 1992). The guests were the level-1 unit of analysis, and the SABs level-2 unit of analysis.

The demographic attributes, past experience, as well as visiting motivation of the guests are controlled in order to exclude the defection of their potential effects. This is because guest experience is highly subjective evaluation and therefore can be heavily influenced by individual attributes. In other words, the evaluation of the experience in the same SAB may vary across guests of different demographic attributes, motivations of visiting and past experiences. The demographic attributes controlled include age (*AGE*), education (*EDU*), and income (*INC*), while the past experience controlled include years of living in countries (*YOC*), experience of travelling to rural areas *(RUTOUR*), duration of stay in the SAB (*DUR*). As for motivations, two aspects of motivation were measured and controlled, namely recreational motivation (*MOTrec*) and novelty seeking motivation (*MOTnov*).

7.3.1 Measurement

Like Sub-study 1 and Sub-study 2, business size was measured with three indicators, namely bed number (*NUMbe*d), total invest (*NUMinv*) and number of staff (*NUMlabor*). The measurement instrument can be found in Appendix A and B.

Guest experience (*EXP*) was measured with the scale developed in Sub-study 3. The dimensionality identified was taken into considerations, and measurement of different dimensions of the three aspects of guest experience was derived by calculating the average score of the items scores under each dimension. Notably, the dimension of uniqueness (N), sincerity (Q) and specialty (R) were initially measured in a reversed way. Therefore, the final score of these three dimensions were inverted before analysis.

As for control variables, participants were asked to indicate their age (assigned to categories of below 17, 18 to 25, 26 to 35, 36 to 45, 46 to 55, 56 to 65, 66 or above), education level (assigned to categories of primary school, secondary school, high school, college, post-graduate), monthly income (assigned to categories of below￥3000, ￥3001 to￥5000, ￥5001 to￥7000, ￥7001 to ￥10000, ￥10001 to￥15000, ￥15001 to￥20000, ￥20000 and above). Residential experience in rural areas is measured by asking participants to indicate how many years they have lived in country areas (assigned to categories of none, 1 to 5, 6 to 10, 11 to 15, 16 to 20, 21 and above). Experience of being involved in rural travel was measured by asking the participants "*In the past three years, how many times on average have you been involved in rural tourism for each year*". For duration of stay, the participants were asked to indicate how many nights they spent in the SAB in this trip. The categories mentioned above were coded by assigning numbers according to the order.

Recreational motivation was measured with three items, i.e. "*To relax and have a good rest in the Minsu/Nongjiale*", *"To experience peaceful rural lifestyle", "To enjoy the hospitality of rural people"*. Novelty-seeking motivation was also measured with three items, namely *"To experience something special", "To know someone new", "to experience different culture"*. Participants were asked to indicate their degree of agreement on the statements by filling 7-point Likert scale. The measurement scale for both recreational motivation and novel-seeking motivation are diagnosed for internal consistency. Cronbach's Alpha coefficient is calculated for both constructs based on the 873 samples collected and is 0.82 for recreational motivation and 0.85 for novelty-seeking motivation. This indicates that the internal consistency is acceptable for both scales and thus they are reliable.

7.3.2 Data collection

Data was collected by survey on both SAB owners and their guests in 5 villages located in three counties of northern Zhejiang province. In total 188 SAB samples were collected, corresponding with 873 guests. The number of guest samples for each business ranges from 1 to 10. The details of data collection as well as the profile of the samples can be found in Chapter 3.4.2.

7.3.3 Data analysis method

Step-up strategy (Garson, 2013) was adopted and a sequence of hierarchical linear models were constructed, estimated and tested, namely Null Model, Random Intercept Covariance Model (*RIC model*), Intercept-as-Outcome Model (*IaO model*). Null model was constructed to test whether there is grouping-level clustering effect. In RIC model, the effect of control variables regarding individual attributes was tested by adding them into level 1 model as covariates. In IaO model, level 2 variables, namely bed number, total investment and staff number were added into level 2 model to test their effect on dependent variables, i.e. different dimensions of guest experience. The influence of individual attributes on experience was assumed to be constant across businesses, and thus the coefficients of these covariates were set to have no random effect on level 2 model.

Since the direct measurement of bed numbers, total investment and staff numbers result in difference units which demonstrate significant difference between each other, logarithmic transformation was conducted on the score.

The regression models are put as follows:

1. Null Model

Level-1 model: $EXP_{ij} = \beta_{0j} + r_{ij}$

Level-2 model: $\beta_{0j} = \gamma_{00} + u_{0j}$

2. RIC Model (Random Intercept Covariance Model)

Level-1model:

$EXP = \beta_{0j} + \beta_{1j}(AGE) + \beta_{2j}(EDU) + \beta_{3j}(INC) + \beta_{4j}(YOC) + \beta_{5j}(RUTOUR) + \beta_{6j}(DUR) + \beta_{7j}(MOTrec) + \beta_{8j}(MOTnov) + r_{ij}$

(Note: AGE, EDU and INC denote age, education level, yearly income of the guest; YOC, RUTOUR, DUR denote country life experience, rural travel experience and duration of stay in the SAB of the guest; MOTrec, MOTnov denote recreational motivation, novelty seeking motivation respectively.)

Level-2 model:

$\beta 0j = \gamma 00 + u0j$

$\beta 1j = \gamma 10$

$\beta 2j = \gamma 20$

$\beta 3j = \gamma 30$

$\beta 4j = \gamma 40$

$\beta 5j = \gamma 50$

$\beta 6j = \gamma 60$

$\beta 7j = \gamma 70$

$\beta 8j = \gamma 80$

3. IaO Model (Intercept as Outcome Model)

Level-1 Model:

$EXP_{ij} = \beta_{0j} + \beta_{1j}(AGE) + \beta_{2j}(EDU) + \beta_{3j}(INCO) + \beta_{4j}(YOCON) + \beta_{5j}(RUTOUR) + \beta_{6j}(DUR) + \beta_{7j}(MOTrec) + \beta_{8j}(MOTnov) + r_{ij}$

(Note: AGE, EDU and INC denote age, education level, yearly income of the guest; YOC, RUTOUR, DUR denote country life experience, rural travel experience and duration of stay in the SAB of the guest; MOTrec, MOTnov denote recreational motivation, novelty seeking motivation respectively.)

Level-2 Model:

$\beta 0j = \gamma 00 + \gamma 01(lgNUMbedj) + \gamma 02(lgNUMinvj) + \gamma 03(lgNUMlaborj) + u0j$

$\beta 1j = \gamma 10$

$\beta 2j = \gamma 20$

$\beta 3j = \gamma 30$

$\beta 4j = \gamma 40$

$\beta 5j = \gamma 50$

$\beta 6j = \gamma 60$

$\beta 7j = \gamma 70$

$\beta 8j = \gamma 80$

(Note: NUMbed, NUMinv, NUMlabor denote bed number, total investment, and number of staff respectively.)

Since guest experience included service quality, experience quality, and experience authenticity, each of which also comprises different dimensions, the model were estimated on dimension level. The sequence of hierarchical model sets were estimated and tested on each of the 19 dimensions. Therefore, in total 19 sets of models were analyzed.

Data was analyzed with the assistance of HLM 7.0 software package，The parameters were estimated with *Restricted Maximum Likelihood (RML)* method, with robust standard errors. Following Hofmann and Gavin (1998), the level-1 predictors were centered so that the intercept is meaningful.

7.4 Result and interpretation

7.4.1 SAB growth and service quality

Service quality comprises six dimensions, namely tangibility adequacy, tangibility superiority, reliability, responsiveness, assurance and empathy. The relationship between SAB growth and service quality is thus tested with six sets of models, ranging from Model set 1 to Model set 6. The result of HLM analysis for the relationship between SAB size and six dimensions is put in Table 7.1 and Table 7.2 .

Null models are firstly analyzed to check the grouping-level clustering effect. The *ICC* value is calculated and is found to range between 0.213 to 0.329, surpassing the critical value of 0.059 (Ho & Huang, 2009). The Chi-square test results in a significance level of 0.01, indicating that more than 20% of variance resides between groups, and this part of variance could potentially be explained by the level 2 predictor (Bryk & Raudenbush, 1992). Thus there could be significant clustering effect and HLM method is necessary. In all the six null models, the between-group variance (τ_{00}) is much smaller than the within group variance (σ^2), implying that individual difference plays a significant role in determining the six dimensions of service quality, and thus more level-1 control variable is needed.

In the 6 *RIC models*, 8 level-1 control variables (*AGE, EDU, INC, RUTOUR, DUR, YOC, MOTrec, MOTnov*) are added, resulting in drop of nearly or over 20% of level 1 residual variance components in all models except Model 4, which is 14.7%. Meanwhile, the *-2dll* values which denotes change in deviance are all over 100 except for Model 4 (which is 80.190). Therefore, it can be concluded that all the 8 control variables have significant effect on the six dimensions of service quality, and thus is worthy of controlling.

The *IaO models* further involve predictors of level 2, that is, bed number (*NUMbed*), total investment (*NUMinv*), and staff number (*NUMlabor*). The $R^2_{between}$ value is 0.042 for model 2, 0.012 for model 3, 0.089 for model 4, and 0.046 for model 5. This indicates that after controlling for level-1 variables, the inclusion of SAB growth indicators on level 2 may explain 4.2% of tangibility superiority, 1.2% of reliability, 8.9% of responsiveness, and 4.6% of assurance. It can thus be inferred that SAB growth do have effect on these dimensions of service quality. Notably, $R^2_{between}$ value is negative for Model 1 and Model 6. This implies that the inclusion of level 2 predictors may not improve the explanatory power of the model. Business growth, therefore, may have no effect on tangibility adequacy and empathy.

The specific effects of business growth on the four dimensions of service quality can be derived by examining the fixed effects of level 2. Total investment (*NUMinv*) is found to be positively influence tangibility superiority (0.561 at 0.1 significance level). However, the effects of bed number (*NUMbed*) and staff number (*NUMlabor*) on this dimension of service quality is not significant. As for the dimension of Reliability, only staff number is found to be positively effective (0.581 at 0.05 significance level). Similar positive effect of staff number can also be found on the dimension of Responsiveness (0.579 at 0.05 significance level) and Assurance (0.647 at 0.05 significance level).

Notably, bed number (*NUMbed*) is found to be negatively correlated to the dimension of Responsiveness (-0.854 at 0.01 significance level) and Assurance (-0.728 at 0.01 significance level). That means, as the accommodating scale increases, the staff might be perceived as less responsive and less professional. This is contrary to the hypothesized model, which assumes that increased business size will lead to more professional management and thus may improve the responsiveness as well as the professionalism of the staff. But this still makes sense. As the accommodating scale increases, more guests need to be taken care of. Therefore, the resources of the business (human resource and facilities) are more scattered.

Table 7.1 Result of Hierarchical Linear Regression: Service quality (part 1)

	Model Set 1 (*Tangibility Adequacy*)			**Model Set 2 (*Tangibility Superiority*)**			**Model Set 3 (*Reliability*)**		
	Null Model	RIC Model	IaO Model	Null Model	RIC Model	IaO Model	Null Model	RIC Model	IaO Model
Fixed effect: level 2									
INTRCPT	5.760***	5.761***	5.333***	4.944***	4.942***	3.939***	5.583***	5.586***	5.389***
lg(NUMbed)	——	——		——	——		——	——	
lg(NUMinv)	——	——		——	——	0.561*	——	——	
lg(NUMlabor)	——	——		——	——		——	——	0.581**
Fixed effect: level 1									
AGE	——			——			——		
EDU	——			——			——		
INC	——			——			——		
YOC	——			——			——		
RUTOUR	——			——			——		
DUR	——	0.056***	0.056***	——	0.059***	0.059***	——		
MOTrec	——	0.296***	0.296***	——	0.336***	0.336***	——	0.394***	0.394***
MOTnov	——	0.205***	0.205***	——	0.252***	0.252***	——	0.170***	0.170***
Random Effect									
τ_{00}	0.329	0.381	0.383	0.417	0.481	0.461	0.364	0.417	0.412
σ^2	0.854	0.651	0.651	1.259	0.991	0.989	1.032	0.807	0.806
χ^2	522.173***	684.339***	679.553***	473.290***	601.078***	578.404***	497.400***	635.814***	622.169***
ICC value	0.278	——	——	0.249	——	——	0.261	——	——
$R^2_{between}$ (% τ_{00})	——	——	-0.005	——	——	0.042	——	——	0.012
R^2_{within} (% σ^2)	——	0.237	0.238	——	0.213	0.214	——	0.218	0.218
-2dll	——	148.959	150.587	——	132.025	140.744	——	134.944	139.036

*Note: ***, **, *denotes significance level at 0.01, 0.05, 0.1 respectively; only significant effects are presented; ——denotes coefficient not applicable.*

Table 7.2 Result of Hierarchical Linear Regression: Service quality (part 2)

	Model Set 4 (*Responsiveness*)			**Model set 5 (*Assurance*)**			**Model Set 6 (*Empathy*)**		
	Null Model	RIC Model	IaO Model	Null Model	RIC Model	IaO Model	Null Model	RIC Model	IaO Model
Fixed effects: level 2									
INTERCEPT	5.591***	5.596***	6.479***	5.084***	5.087***	5.612***	5.608***	5.612***	5.877***
lg(NUMbed)	——	——	-0.854***	——	——	-0.728***	——	——	
lg(NUMinv)	——	——		——	——		——	——	
lg(NUMlabor)	——	——	0.579**	——	——	0.647**	——	——	
Fixed effects: level 1									
AGE	——			——			——	0.097***	0.097***
EDU	——			——			——		
INC	——	0.084**	0.084**	——			——		
YOC	——			——			——		
RUTOUR	——			——			——		
DUR	——	0.057***	0.057***	——	0.066***	0.066***	——	0.049***	0.049***
MOTrec	——			——	0.181***	0.181***	——	0.239***	0.239***
MOTnov	——	0.342***	0.342***	——	0.315***	0.315***	——	0.263***	0.263***
Random effects									
τ_{00}	0.386	0.428	0.390	0.516	0.581	0.555	0.367	0.425	0.428
σ^2	1.428	1.219	1.219	1.054	0.820	0.819	1.203	0.965	0.965
χ^2	432.085***	506.564***	470.723***	599.287***	770.863***	738.740***	451.260***	562.720***	557.557***
ICC value	0.213	——	——	0.329	——	——	0.234	——	——
$R^2_{between}$ (% τ_{00})	——	——	0.089	——	——	0.046	——	——	-0.008
R^2_{within} (% σ^2)	——	0.147	0.146	——	0.222	0.223	——	0.198	0.198
-2dll	——	80.190	92.234	——	136.946	146.446	——	118.467	119.974

*Note: ***, **, *denotes significance level at 0.01, 0.05, 0.1 respectively; only significant effects are presented; ——denotes coefficient not applicable.*

Generally, SAB growth in terms of accommodating scale (bed number), capital (total investment), and human resource (staff number) is found to have significant effect on service quality. But they do not have effect on all dimensions of service quality. Dimensions of Tangibility adequacy and Empathy are found to be independent of changes in business growth. That means, guests in SABs of different size have no difference in their perception of whether the business has provided basic necessities or personal care. Even the smallest accommodation business could provide basic necessities and personal care. As an old Chinese saying goes: "*The sparrow may be small, but fully equipped*" (*麻雀虽小，五脏俱全*).

Also, different modes of growth are found to result in changes in different dimensions of service quality. It was found that controlling for bed numbers and staff numbers, increased capital invested may result in higher tangibility superiority perceived, but has no significant effect on intangible aspects of service quality. Increased staff number, in contrast, has positive effects on intangible aspects, i.e. reliability, responsiveness and assurance. In this sense, it can be concluded that capital intensive growth may positively lead to improved tangible aspect of service quality, while labor-intensive growth may only positively lead to improved intangible aspects. This makes sense considering the fact that Tangibilities are more related to amenities and capital invested, while intangible aspects are more related to human elements.

The effects of scale growth, however, is especially noteworthy, since it is contrary to the hypothesized model controlling for total investment and staff number, bed number is found to only have effects on Responsiveness and Assurance. Both these two dimensions are related to professional skills and attitudes of the service providers. However, the effects are found to be negative. That means, those with larger accommodating scale tend to be perceived as under-performing. The reason could be that with increased scale, the resources necessary to maintain the service quality is not deployed in time. For example, the staff number is still the same and can not respond to increased number of guests as efficiently as when the scale is smaller.

The effects of control variables are also noteworthy. Novelty seeking motivation (*MOTnov*) is found to exert positive effect on all six dimensions of service quality. Those with stronger novelty seeking motivation seem to have higher rating of the service quality, partly because they are less picky on the service provided but rather are concerned more about experience something new. Recreational motivation (*MOTrec*), comparatively, are positively correlated to all dimensions except Responsiveness. Similar significant effects can also be found on duration of stay (*DUR*) in the SAB, which is found to be positively correlated to all dimensions of service quality other than Reliability. This implies that those staying longer in the SAB tend to evaluate the service in a more positive way. A possible explanation is that longer stay might help build up intimacy relationship with the host, and thus the guest could be more tolerant with service failure. Moreover, age of the guest (*AGE*) is found to be positively correlated to the dimension of Empathy, with those elder guest perceive higher level of empathetic service. This is understandable because the elder tend to be more sensitive to personal care, and often received special attention from the host. Income of the guest (*INC*), meanwhile, is found to be positively correlated to the dimension of Responsiveness, with those of higher income more tended to evaluating the host as responsive.

7.4.2 SAB growth and experience quality

Since experience quality comprises of four dimensions , four model sets were thus constructed and tested (Model set 7 to Model set 10). The results are presented on Table 7.3.

Table 7.3 Result of Hierarchical Linear Regression: Experience Quality

	Model Set 7 (*Education*)			**Model Set 8 (*Entertain.*)**			**Model Set 9 (*Aesthetic*)**			**Model Set 10 (*Communita*)**		
	Null	RIC	IaO	Null	RIC	IaO	Null	RIC	IaO	Null	RIC	IaO
Fixed Effect：level 2												
INTRCPT	4.751***	4.752***	5.800***	4.935***	4.935***	4.577***	4.734***	4.736***	4.932***	5.631***	5.634***	5.692***
lg(NUMbed)	——	——	-0.969***	——	——		——	——	-1.293***	——	——	
lg(NUMinv)	——	——		——	——		——	——	0.493*	——	——	
lg(NUMlab)	——	——	0.817**	——	——		——	——	0.921**	——	——	
Fixed Effect：level 1												
AGE	——	-0.088**	-0.088**	——			——			——	0.066*	0.066*
EDU	——			——			——			——		
INC	——			——			——			——	0.056*	0.056*
YOC	——			——			——			——		
RUTOUR	——			——			——			——		
DUR	——			——			——	0.085***	0.085***	——	0.048**	0.048***
MOTrec	——	0.348***	0.348***	——	0.339***	0.339***	——	0.197***	0.197***	——	0.209***	0.209***
MOTnov	——	0.225***	0.225***	——	0.259***	0.259***	——	0.325***	0.325***	——	0.283***	0.283***
Random effect												
τ_{00}	0.547	0.614	0.558	0.532	0.601	0.612	0.634	0.702	0.582	0.496	0.551	0.559
σ^2	1.353	1.097	1.097	1.358	1.080	1.080	1.538	1.268	1.266	1.464	1.231	1.231
χ^2	527***	650***	602***	519***	653***	650***	539***	654***	576***	479***	569***	567***
ICC value	0.288	——	——	0.282	——	——	0.292	——	——	0.253	——	——
$R^2_{between}$	——	——	0.092	——	——	-0.019	——	——	0.172	——	——	-0.015
R^2_{within}	——	0.189	0.189	——	0.205	0.205	——	0.176	0.177	——	0.159	0.159
-2dll	——	111.227	126.004	——	125.480	126.159	——	101.921	129.971	——	88.240	89.663

*Note: ***, **, *denotes significance level at 0.01, 0.05, 0.1 respectively; only significant effects are presented; ——denotes coefficient not applicable.*

The *ICC* values for all the four Null models range from 0.253 to 0.292 with significant Chi-square, also surpassing the critical value of 0.059 (Ho & Huang, 2009), indicating that more than 25% of variance resides between groups that could be explained by level 2 predictors (Bryk & Raudenbush, 1992). This implies that the attributes of SABs may explain at least 1/4 of the variances of all the four dimensions of experience quality. It can thus be inferred that there is significant clustering effect in the data regarding guest experience, and thus HLM method is necessary.

In all the four null models, the between-group variance (τ_{00}) is much smaller than the within group variance (σ^2). This indicates that individual difference also plays a significant role in determining different dimensions of experience quality, and thus more level-1 control variable is needed. After adding the eight level-1 control variables, there is a drop of level 1 residual variance components (R^2_{within}) ranging from 0.159 to 0.205 in the four RIC models. Meanwhile, the *-2dll* values are all over 100 except for RIC model 4 (which is 88.24). Therefore, it can be concluded that all the 8 control variables have significant effect on the four dimensions of experience quality, and thus is worthy of controlling.

For IaO models, it is found that $R^2_{between}$ is 0.092 and 0.172 for Model 7 and Model 9 respectively, but is negative for Model 8 and Model 10. This implies that after controlling for level 1 variables, the inclusion of level 2 predictors may explain another 9.2% and 17.2% of variance for the dimensions of education and aesthetic respectively. However, the inclusion of the business size predictors may not increase the explanatory power for Model 8 and Model 9, indicating that business growth may not influence the dimensions of Entertainment and Communitas.

The fixed effect of level 2 demonstrate the influence of business size indicators on each dimension of experience quality. For the dimension of Education, only bed number (*NUMbed*) and staff number (*NUMlabor*) are found to be significantly influential. Total investment (*NUMinv*), however, does not show any significant effect. But all the three indicators are found to be significantly correlated to the dimension of Aesthetic experience, while none of the indicators demonstrate significant influence on the dimensions of Entertainment and Communitas. It seems that Entertainment and Communitas experience have nothing to do with SAB size. This is understandable, because unlike theme park, SABs are set up not for the objective of amusing their guests. Rather, the Entertainment and Communitas experience is more related to the human elements, instead of the facilities. The extent to which the guest may interact in a pleasant way with the hosts or other guests may matter more for these two dimensions of experience quality.

The positive effect of total investment (*NUMinv*) on Aesthetic dimension of experience (0.493 at 0.1 significance level) implies that those businesses with larger investment may be evaluated as well, pleasantly designed. After all, design is not free, but instead may demands more input of resources. Staff number (*NUMlabor*) is positively correlated to both Education (0.817 at 0.05 significance level) and Aesthetic dimension (0.921 at 0.05 significance level) of experience quality. It seems that those SABs with more staff tend to make their guest feel more educated, enlightened and aesthetically pleased. Staff, in this sense, may play the role of “educator” or “promotion ambassador”, who help the guest to better appreciate their stay. Like in the case of service quality, bed number (*NUMbed*) is found to be negatively correlated to Education experience and Aesthetic experience. Those SABs with larger accommodating scale tend to be perceived as less educational and less aesthetic. Though contradictory to the hypothesized model, this still makes sense. As is indicated, experience quality is not free, but requires resources invested. Increased accommodating scale may probably result in less resources allocated for each guest. Their perceived educational and aesthetic experience, therefore, may decrease with growth.

The effects of individual attributes are also notable. Age of the guest (*AGE*) is found to be negatively correlated to Education experience (-0.088 at 0.05 significance level), but positively to Communitas experience (0.066 at 0.1 significance level). It can thus be inferred that those elder guests tend to less able to perceive education experience, but instead put more emphasis on sense of Communitas. Yearly income (*INC*) is found to be positively correlated to Communitas experience. Moreover, duration of stay (*DUR*) in the SAB is found to be positively correlated to Aesthetic experience (0.085 at 0.01 significance level) and Communitas experience (0.048 at 0.01 significance level). Those guests staying longer in the SAB tend to have higher appraisal of their experience in these two aspects. This implies that Aesthetic and Communitas experience rely heavily on long term host-guest interaction and guest-guest interaction.

7.4.3 SAB growth and experience authenticity

Experience authenticity comprises four aspects of evaluation, i.e. objective experience authenticity, constructive experience authenticity, interpersonal existential authenticity, and intrapersonal existential authenticity. Each aspect of experience authenticity can also be categorized into several dimensions. Therefore, Hierarchical Linear Model sets were constructed and tested for each dimension, resulting in 9 sets of models. Table 7.4, Table 7.5, Table 7.6 and Table 7.7 demonstrate the result of parameter estimation and statistical test for the model sets regarding each aspects of experience authenticity.

The *ICC* values for all the Null models are found to range from 0.180 to 0.343 with significant Chi-square, also surpassing the critical value of 0.059 (Ho & Huang, 2009), indicating that for all the dimensions, more than 18% of variance resides between groups (SABs) that could be explained by level 2 predictors, i.e. attributes regarding SABs. It can thus be inferred that there is significant clustering effect in the data regarding guest experience, and thus HLM method is necessary. Between-group variance (τ_{00}) is much smaller than the within group variance (σ^2) for all null models. This indicates that individual difference plays a significant role in determining different dimensions of experience authenticity, and thus more guest-related control variable is needed.

After adding the eight level-1 control variables, there is significant drop of level 1 residual variance components and deviance (significantly large *-2dll* value) for all RIC models except model 13 and model 17. Therefore, it can be concluded that control variables have significant effect on all dimensions except Uniqueness and Specialness, and thus are in need of control.

The effect of SAB size on the two dimensions of objective experience authenticity is put in Table 7.4. It is found that all the three indicators of business size have no significant effect on the dimension of Rurality. It seems that Rurality is more related to the village-level environment and is independent of the attributes of the business attributes. As for the dimension of Feel-at-home, only total investment is found to be negatively influential (-0.490 at 0.1 significance level), implying that SAB with larger investment tend to be perceived as with less “home elements”.

Table 7.4 Result of HLM: Objective Experience Authenticity

	Model Set 11 (*Rurality*)			**Model Set 12 (*Feel-at-home*)**		
	Null	RIC	IaO	Null	RIC	IaO
Fixed Effect：level 2						
INTERCEPT	5.449***	5.451***	5.651***	5.459***	5.460***	5.913***
lg(NUMbed)	——	——		——	——	
lg(NUMinv)	——	——		——	——	-0.490*
lg(NUMlab)	——	——		——	——	
Fixed Effect：level 1						
AGE	——			——		
EDU	——			——		
INC	——			——		
YOC	——			——		
RUTOUR	——			——	0.082***	0.082***
DUR	——	0.041***	0.041***	——		
MOTrec	——	0.312***	0.312***	——	0.254***	0.254***
MOTnov	——	0.251***	0.251***	——	0.207***	0.207***
Random effects						
τ_{00}	0.420	0.484	0.487	0.531	0.576	0.572
σ^2	1.206	0.947	0.947	1.353	1.170	1.170
x^2	482.42***	614.03***	606.53***	516.99***	598.21***	583.82***
ICC value	0.259	——	——	0.282	——	——
$R^2_{between}$	——	——	-0.006	——	——	0.007
R^2_{within}	——	0.214	0.214	——	0.135	0.135
-2dll	——	132.564	134.340	——	69.000	73.000

*Note: ***, **, *denotes significance level at 0.01, 0.05, 0.1 respectively; only significant effects are presented; ——denotes coefficient not applicable.*

As for the control variables, rural travel experience (*RUTOUR*) is found to be positively correlated to the dimension of Feel-at-home (0.082 at 0.01 significance level), which implies that those guests with more rural tourism experience tend to perceive stronger sense of Feel-at-home and tend to perceive the host as genuine rural family. Duration of stay (*DUR*) is found to be positively correlated to the dimension of Rurality (0.041 at 0.01 significance level), implying that those guests with longer stay in the setting may be more capable of appreciating the lifestyle presented to them in the SABs. Lastly, recreational motivation (*MOTrec*) and novelty seeking motivation (*MOTnov*) are both found to be positively correlated to these two dimensions of objective experience authenticity. It can thus be inferred that those guests with stronger recreational or novelty-seeking motivation tend to perceive their stay in the SAB as experience of genuine Chinese rural lifestyle.

Table 7.5 presents the result of HLM analysis in terms of how SAB growth influence the three dimensions of constructive experience authenticity, namely Uniqueness, Reflexity, and Reflectiveness. Significant effects on all the three dimensions are found for bed number (*NUMbed*) and total investment (*NUMinv*). Staff number(*NUMlabor*), in contrast, is found to have no significant correlation with any aspect of constructive experience authenticity. Although constructive authenticity is highly dependent on social interaction between human beings, the human element of SAB, nevertheless, seems to be less important in inspiring guests. Instead, it is the "hardware" of the accommodating setting that matters, because they serve as media facilitating the interaction between host and guest. Another explanation is that, all the three dimensions of constructive experience authenticity is based on interaction of the guest with the host families themselves, instead of the hired staff. The identity of the staff, instead of the number, is important to inspiring the guest of certain image, thoughts or memories.

It is found that the "hardware" plays an important role in facilitating host-guest interaction. Bed number (*NUMbed*) is found to be negatively correlated to dimensions of Uniqueness (-1.121 at 0.01 significance level), Reflexivity (-2.054 at 0.01 significance level), and Reflectiveness (-0.779 at 0.01 significance level). This fits into the hypothesized model, which indicates that increased accommodating size may cause standardization of the product and service, and thus eclipse the authenticity. In this way, the accommodating experience becomes ordinary and "dull"', and thus can hardly be inspiring or stimulating.

In contrast, total investment (*NUMinv*) is found to be positively correlated to Uniqueness (0.054 at 0.05 significance level), Reflexity (1.293 at 0.01 significance level) and Reflectiveness (0.783 at 0.05 significance level). This finding is in contrary to the hypothesized model, which assumes that increased business size may decrease the degree of social interaction between hosts and guests and thereby may eclipse the constructive authenticity. Increased investment of capital, unlike increased accommodating scale, may not decrease the intensiveness of host-guest interaction. Instead, more investment usually means the building is better designed and constructed. The owner-operator may be more capable of embedding his idea into the hardcore of the business. Although the business setting is kind of "staged" when decorated with massive investment, it may better stimulate the inner emotion and thoughts of the guests. After all, it is usually expensive to convey feelings through tangible elements. Instead, to create certain ambience so that the feelings and thoughts deeply embedded in the mind of guests could be induced is usually expensive.

The effects of control variables regarding personal attributes of the guest are also worthy of discussion. They are also found to be effective in determining the constructive experience authenticity. But their effects are focuses on the dimensions of Reflexity and Reflectiveness. As for the dimension of Uniqueness, it seems that this dimension is more influenced by business level attributes. Yearly income (*INC*), duration of stay (*DUR*), and novelty seeking motivation (*MOTnov*) are found to be positively correlated to both dimensions of Reflexity and Reflectiveness. Meanwhile, rural life experience (*YOC*) is found to be positively correlated to the dimension of Reflexity, while recreational motivation (*MOTrec*) is found to be positively correlated to only the dimension of reflectiveness.

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Table 7.5 Result of HLM: Constructive Experience Authenticity

	Model Set 13 (*Uniqueness*)			**Model Set 14 (*Reflexity*)**			**Model Set 15 (*Reflectiveness*)**		
	Null Model	RIC Model	IaO Model	Null Model	RIC Model	IaO Model	Null Model	RIC Model	IaO Model
Fixed Effece: Level 2									
INTERCEPT	2.466***	2.466***	2.903***	4.409***	4.411***	6.380***	4.741***	4.741***	5.659***
lg(NUMbed)	——	——	-1.121***	——	——	-2.054***	——	——	-0.779***
lg(NUMinv)	——	——	0.540**	——	——	1.293***	——	——	0.783**
lg(NUMlab)	——	——		——	——		——	——	
Fixed Effect: Level 1									
AGE	——			——			——		
EDU	——			——			——	-0.152**	-0.152**
INC	——			——	0.079**	0.079**	——	0.062**	0.062**
YOC	——			——	0.097**	0.097**	——		
RUTOUR	——			——			——		
DUR	——			——	0.052***	0.052***	——	0.052***	0.052***
MOTrec	——			——			——	0.243***	0.243***
MOTnov	——			——	0.317***	0.317***	——	0.234***	0.234***
Random Effects									
τ_{00}	0.445	0.443	0.372	0.915	0.962	0.705	0.486	0.539	0.505
σ^2	1.776	1.788	1.791	1.755	1.548	1.550	1.695	1.489	1.488
χ^2	403.380***	400.698***	359.604***	638.062***	723.371***	574.037***	431.213***	491.071***	466.909***
ICC value	0.200	——	——	0.343	——	——	0.223	——	——
$R^2_{between}$	——	——	0.161	——	——	0.268	——	——	0.063
R^2_{within}	——	-0.007	-0.008	——	0.118	0.117	——	0.122	0.122
-2dll	——	-32.013	-14.533	——	57.793	100.322	——	59.610	70.128

*Note: ***, **, *denotes significance level at 0.01, 0.05, 0.1 respectively; only significant effects are presented; ——denotes coefficient not applicable.*

Table 7.6 Result of HLM: Interpersonal Experience Authenticity

	Model Set 16 (*Sincerity*)			**Model Set 17 (*Specialness*)**			**Model Set 18 (*Intimacy*)**		
	Null Model	RIC Model	IaO Model	Null Model	RIC Model	IaO Model	Null Model	RIC Model	IaO Model
Fixed Effect：level 2									
INTERCEPT	2.634***	2.634***	3.740***	2.631***	2.630***	4.262***	5.454***	5.458***	5.425***
lg(NUMbed)	——	——		——	——	-1.349***	——	——	
lg(NUMinv)	——	——		——	——		——	——	
lg(NUMlab)	——	——		——	——		——	——	
Fixed Effect：level 1									
AGE	——			——	-0.125**	-0.125**	——		
EDU	——			——			——		
INC	——	-0.103**	-0.103**	——			——	0.065**	0.065**
YOC	——			——			——		
RUTOUR	——			——			——	0.075*	0.075*
DUR	——			——			——	0.062***	0.062***
MOTrec	——			——			——	0.220***	0.220***
MOTnov	——	-0.122***	-0.122***	——			——	0.260***	0.260***
Random effects									
τ_{00}	0.454	0.460	0.467	0.773	0.775	0.688	0.447	0.504	0.515
σ^2	2.062	2.031	2.031	2.298	2.293	2.295	1.401	1.159	1.159
χ^2	381.029***	386.701***	383.355***	478.542	479.497	439.635	460.707	556.857	554.486
ICC value	0.180	——	——	0.252	——	——	0.242	——	——
$R^2_{between}$	——	——	-0.015	——	——	0.112	——	——	-0.021
R^2_{within} (% σ^2)	——	0.015	0.015	——	0.002	0.001	——	0.172	0.173
-2dll	——	16.127	14.245	——	-24.027	-8.213	——	99.104	99.359

*Note: ***, **, *denotes significance level at 0.01, 0.05, 0.1 respectively; only significant effects are presented; ——denotes coefficient not applicable.*

The relationship between SAB growth and interpersonal existential experience authenticity is put in Table 7.6. Only bed number (*NUMbed*) is found to be correlated to the dimension of Specialness. No significant effect is found of total investment (*NUMinv*) and staff number (*NUMlabor*) on any one of the three dimensions. Echoing the hypothesized model, bed number is found to be negatively correlated to the dimension of Specialness (-1.349 at 0.01 significance level). That is, those with larger accommodating scale tend to offer their service in a massive, standardized way, and thereby make the guest feel the relationship between them and the host is "faked" or "commercialized".

Comparatively, individual attributes are found to have more significant effects on interpersonal existential authenticity. It is found that those elder guests tend to perceive lower level of Specialness compared to those younger ones. Those with higher yearly income, meanwhile, is found to perceive lower Sincerity but higher in terms of Intimacy. Rural travel experience (*RUTOUR*), duration of stay (*DUR*), recreational motivation (*MOTrec*) and novelty seeking motivation (*MOTnov*) are all found to be positively correlated to the dimension of Intimacy. In this sense, it seems that sense of Intimacy is more influenced by individual attributes than business attributes, compared with other two dimensions

Table 7.7 demonstrates the relationship between SAB growth and intrapersonal existential experience authenticity. Based on the result, it is found that none of the three indicators of SAB size is correlated to sense of Freedom. Instead, it is the individual attributes that significantly explain the variance. Age (*AGE*), duration of stay (*DUR*), recreational motivation (*MOTrec*) and novelty seeking motivation (*MOTnov*) are all found to be positively correlated to the perception of freedom. Intrapersonal existential experience authenticity seems to be a highly subjective and highly emotional appraisal. Therefore, it is more dependent on individual attributes, and has little to do with the experiencescape.

Table 7.7 Result of HLM: Intrapersonal Experience Authenticity

	Model Set 19 (*Freedom*)		
	Null Model	RIC Model	IaO Model
Fixed Effect：level 2			
INTERCEPT	6.103***	6.104***	5.388***
lg(NUMbed)	——	——	
lg(NUMinv)	——	——	
lg(NUMlab)	——	——	
Fixed Effect：level 1			
AGE	——	0.084***	0.084***
EDU	——		
INC	——		
YOC	——		
RUTOUR	——		
DUR	——	0.019**	0.019**
MOTrec	——	0.272***	0.272***
MOTnov	——	0.082**	0.082**
Random effects			
τ_{00}	0.332	0.357	0.358
σ^2	0.797	0.690	0.690
χ^2	559.002	645.556	637.526
ICC value	0.294	——	——
$R^2_{between}$	——	——	-0.003
R^2_{within} (% σ^2)	——	0.134	0.134
-2dll	——	64.078	65.499

*Note: ***, **, *denotes significance level at 0.01, 0.05, 0.1 respectively; only significant effects are presented;* ——*denotes coefficient not applicable.*

The findings regarding influence of SAB growth on guest experience presented above is summarized in Figure 7.3.

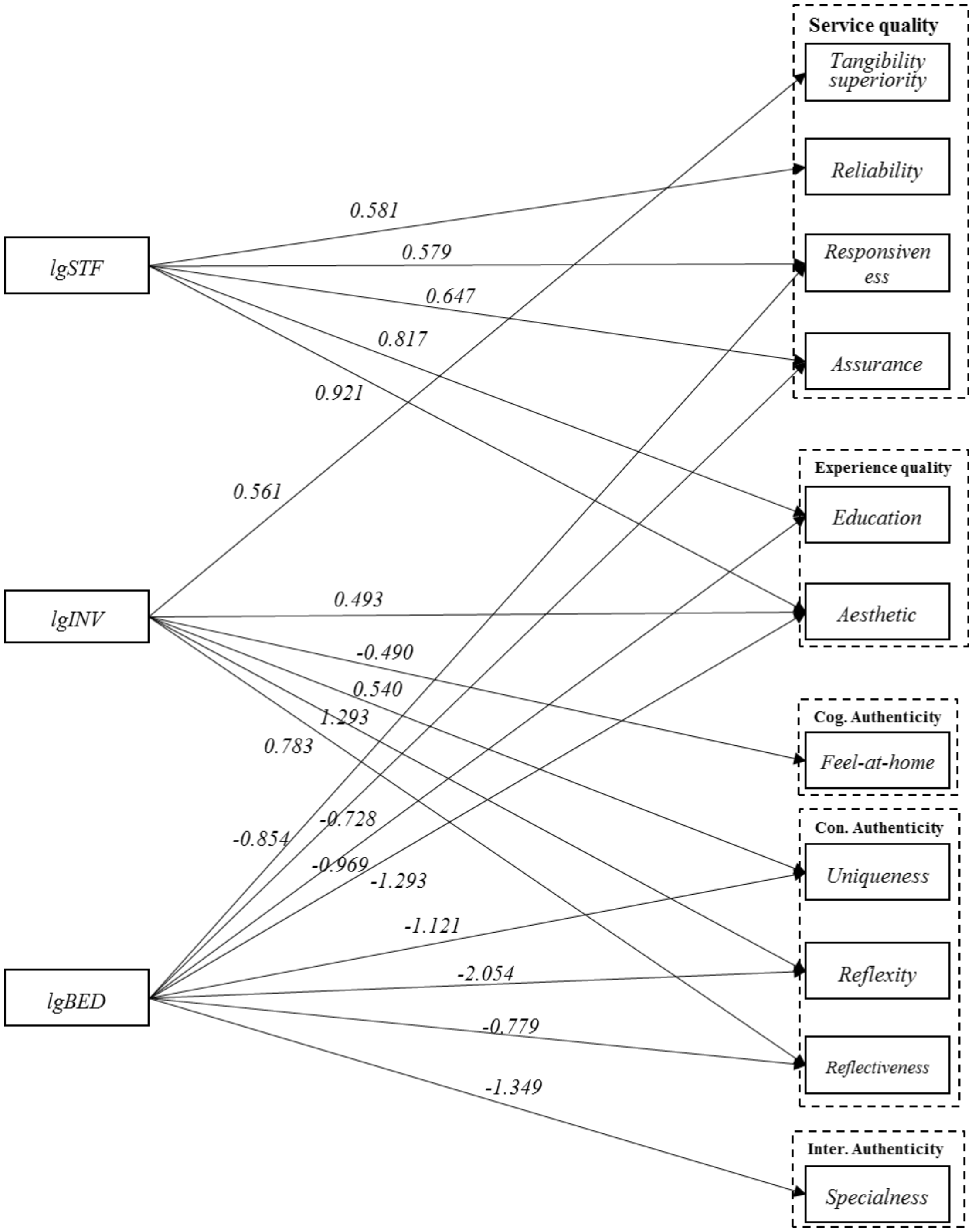

Figure 7.3 SAB growth and guest experience

7.5 Summary of hypotheses test

Controlling for other indicators, growth in bed number is regarded as scale growth mode, while growth in investment and staff number are regarded as capital-intensive growth mode and labor-intensive growth mode respectively. Hypotheses test regarding the relationship between SAB growth and guest experience is thus considered under different growth modes, and the result is put in Table 7.8.

When the SAB takes scale growth mode, the hypotheses regarding the influence of size on experience quality and experience authenticity are generally supported. Growth in accommodating scale is found to be negatively correlated to two dimensions of experience quality, namely Education and Aesthetic. But no significant influence on the other two dimensions, i.e. entertainment and communitas was found in the empirical examination. As for experience authenticity, accommodating scale is found to have negative effect on three dimensions of constructive authenticity (Uniqueness, Reflexity, Reflectiveness) and one dimension of interpersonal existential authenticity (Specialness). However, no significant influence on objective authenticity and intrapersonal existential authenticity is found of scale growth.

Notably, the effect of business size on service quality is found to be opposite to the hypotheses when taking scale growth mode. Accommodating scale growth is found to be negatively correlated to two dimensions of service quality (Responsiveness and Assurance). Initially, the hypotheses were developed based on the assumption that capitalist mode of production has advantage over family mode of production in terms of quality control, and the business may face external pressure from both guests and administrative organizations to improve their service quality. The empirical findings suggests that the advantage and the pressures may lose their effect under the circumstance of scale growth. The reason is that when accommodating scale increases, additional resources are necessary to maintain or improve service quality. Scale growth mode is against the prerequisites of additional investment. Therefore, the hypothesized relationship between business size and service quality should be adjusted in the setting of scale growth mode.

Table 7.8 Result of hypotheses test

Hypotheses	Scale growth	Capital-intensive growth	Labor-intensive growth
Business growth and service quality			
H8a: Size of the SAB is positively correlated to tangibility adequacy.			
H8b: Size of the SAB is positively correlated to tangibility superiority.		**Supported**	
H8c: Size of the SAB is positively correlated to service reliability.			**Supported**
H8d: Size of the SAB is positively correlated to responsiveness.	Opposite finding		**Supported**
H8e: Size of the SAB is positively correlated to service assurance.	Opposite finding		**Supported**
H8f: Size of the SAB is positively correlated to empathy.			
Business growth and experience quality			
H9a: Size of the SAB is positively correlated to education experience.	Opposite finding		**Supported**
H9b: Size of the SAB is positively correlated to entertaining experience. .			
H9c: Size of the SAB is positively correlated to aesthetic experience.	Opposite finding	**Supported**	**Supported**
H9d: Size of the SAB is positively correlated to sense of communitas.			
Business growth and experience authenticity			
Objective authenticity			
H10a: Size of the SAB is negatively correlated to perceived rurality.			
H10b: Size of the SAB is negatively correlated to perceived Feel-at-home.		**Supported**	

Constructive authenticity		
H11a: Size of the SAB is negatively correlated to perceived uniqueness.	**Supported**	Opposite finding
H11b: Size of the SAB is negatively correlated to perceived reflexity.	**Supported**	Opposite finding
H11c: Size of the SAB is negatively correlated to perceived reflectiveness.	**Supported**	Opposite finding
Existential authenticity		
H12a: Size of the SAB is negatively correlated to perceived sincerity.		
H12b: Size of the SAB is negatively correlated to perceived specialness.	**Supported**	
H12c: Size of the SAB is negatively correlated to perceived intimacy.		
H6a: Size of the SAB is negatively correlated to the sense of freedom.		

Note: cell left blank denotes those hypotheses not supported;; "Opposite finding" denotes findings of relationship that is contrary to the hypothesis.

For the capital-intensive mode of growth, hypotheses regarding the relationship between business size (total investment) and service quality are partly supported. Total investment is found to be only positively correlated with tangible aspect of service quality, i.e. Tangible_Superiority. The same situation is found in experience quality, with positively correlation only found between total investment and Aesthetic experience. As for experience authenticity, increased size is found to be negatively correlated to dimension of Feel-at-home in cognitive experience authenticity.

The influence of business size on dimensions of constructive authenticity, in the situation of capital-intensive growth mode, however, is found to be contrary to the hypotheses. Significant positively correlation is found between total investment and all the three dimensions of constructive authenticity. The initial hypotheses were developed based on the assumption that increased business size may lead to separation with host family and thus decrease the degree of interaction between hosts and guests. In this sense, the constructive authenticity may be eclipsed since it is highly based on social interaction. However, it seems that the interaction between hosts and guests could be in-direct, with tangible elements as media. These tangible elements (such as building design, inner decoration) can be embedded with the thoughts, ideas, and emotions of the hosts. By direct contacts with these tangible element, the guests may receive or re-construct the information or image conveyed by the host.

In terms of labor-intensive growth mode, the hypotheses regarding the influence of business size on service quality and experience quality are mostly supported. But business size (i.e. staff number) is found to be only positively correlated to the intangible dimensions (Reliability, Responsiveness and Assurance) of service quality. Also, positive influence on solely the dimensions of Education and Aesthetic is supported. The hypotheses regarding the influence of business size on experience authenticity, meanwhile, are all not supported.

More detailed discussion of the research conclusion and significance of this sub-study can be found in Chapter 8.1.4.

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Chapter 8 Discussion and conclusion

Tourism and hospitality industry is characterized by dominance of small businesses, which play a prominent role in shaping tourist experience, improving local employment, and boosting regional economy. These small tourism businesses have been found to be largely accommodation-based, and thus could be named as "small accommodation business" (SABs) in order to emphasize their difference from those small tourism businesses such as small souvenir retailors, tourism guidance services. These SABs are in sharp contrast to their large size counter-parts, such as hotels, motels, and resorts in not only size but also attributes regarding product, operation and management. Therefore, they deserve special research attention.

SABs do have attracted interests from many tourism researchers. Previous studies regarding this topic are increasing around the world in both amount and quality. With these efforts, several important, unique characteristics of SABs, such as being owned and operated by family, reliance on home setting, and the so-called "lifestyle motivation", have been identified. Mutual correlation regarding these attributes has been found by empirical studies in different contexts. Generally, current observations can be categorized into three perspectives, i.e. small business perspective, family business perspective, entrepreneurship perspective. Different perspectives of research draw on different research traditions and focus on different aspects of SAB attributes. Specifically, research taking small business perspective mainly draws on the tradition of small business research, and largely focuses on size or scale as the main distinguishing feature of SABs, based on which other unique characteristics are investigated and revealed. Those researches taking family business perspective treat family ownership and family involvement as the main distinguishing features, and they mainly focuses on how families, as well as their goals, lifecycles, and interrelationships, can affect the running of a business. Comparatively, entrepreneurship perspective focuses on the start-up of SABs, within which entrepreneurial motivation, especially lifestyle motivation, is of the major concern.

Despite the existing extensive researches, the definition of SABs per se is still blurred, with various descriptive terms crossly-used, and the very nature of SABs is not fully revealed. They are mainly conducted on individual level, that is, they take the owner-operator as unit of analysis, while ignoring the business per se as a whole. In this way, characteristics of the owner-operator are sometimes mistaken as the characteristics of the business itself.

Also, these researches, though enlightening, coincide in treating SABs as a unified domain and the heterogeneity among them was largely neglected. Though empirical observations do find that they may vary in size cross-sectionally and longitudinally, there is few research in tourism and hospitality literature investigating how it varies, what is the cause of variation and what the variation may lead to.

Moreover, most of these researches are descriptive in the sense that they mostly indicate the unique attributes of SABs, such as small size, family owned and family involvement, connection with home and lifestyle goals. Few attempt, meanwhile, is made to investigate the underlying reasons. In this sense, this field of research remains under-theorized.

Lastly, most of the existing researches on SABs take place in the context of developed economies and certain frameworks are proposed by examining the SABs in western countries. SABs in developing countries has not got the due attention it deserves, although the limited existing research works in developing world have identified huge difference, and found that the experience as well as conclusion from developed countries are rarely applicable to developing economies.

In order to address the above research gaps, this study focuses on business level analysis and takes a “growth perspective” based on business growth theory. The basic propositions of this perspective include: 1) SABs are not seen as a homogeneous group but as various in terms of qualitative and quantitative characteristics instead; 2) Various SABs are regarded as located in different early growth stages of the full spectrum of business lifecycle; 3) An individual SAB is assumed to possess the potential to grow into a large accommodation business, to follow the route of business lifecycle and to undergo the predetermined challenges; 4) The cross-sectional heterogeneity in characteristics is seen as a result of longitudinal growth.

Based on the above propositions, SABs are treated as family mode of production and the growth pattern, precedents and outcomes of SAB growth are delineated by four sub-studies conducted sequentially in rural area of Northern Zhejiang Province, China. Notably, this study is not focused on individual uniqueness of SABs. Instead, it approaches the topic in a general sense, which may care more about the aggregate attributes of these businesses, that is, their commonalities in behavior under similar cultural, political and economic environment.

8.1 Research findings and theoretical contributions

8.1.1 Growth pattern: Quantitative growth and qualitative growth

Sub-study 1 addresses the pattern of growth and answers the question of "how do SABs grow?" Specifically, it examines the relationship between quantitative growth (growth in size) and qualitative growth (separation from family), and thereby constructs and tests a model delineating the growth pattern.

SAB size is approached from input perspective and three indicators are considered, namely total investment, bed number, staff number. The commonly asynchronous growth in these three aspects of business size, meanwhile, result in different modes of growth, namely scale growth (growth in bed number), capital-intensive growth (growth in total investment) and labor-intensive growth (growth in staff number). Qualitative aspect of growth is taken as separation from family of the SAB in terms of premises, labor and goal, resulting in the transition from family mode of production to capitalist mode of production, which echoes what Cohen (1988) proposed as "commodification".

Based on the dichotomy of SAB growth, a growth model of SABs is proposed by specifying the positive relationship between SAB size and degree of separation from family (in terms of premise, labor and goal). The model is further tested empirically under different modes of growth.

It is found that in general, the findings from data analysis support the hypothesized positive relationship between size of SABs and their degree of separation from the host family. However, both business size and separation are multi-dimensional concepts. Business size growth may take different modes and increase in terms of bed number, labor, and investment. Meanwhile, separation from family occurs in premise, labor and goal. Therefore, it is found that the relationship between business size and separation from family is so complex that a single bilateral model may not fully describe it.

Growth in number of beds best captures the essence of scale growth and usually means enlarged accommodating capacity. Increase in number of beds is found to dramatically lead to separation of premise from family. A reasonable inference from this finding is that as SAB grows in scale, the facilities (e.g. bedrooms, leisure space, catering facilities) may be more and more used for business reasons rather than for family use. In this sense, the premise may gradually lose their initial function as family dwelling. Also, scale growth may lead to separation of goal. Provision of lodging still lies in the core of product package for small accommodation businesses. Therefore, increased accommodating scale may better capture the scale economy, which is usually pursued by those profit-driven businesses owners. Meanwhile, as the business scale grows and more guests are expected and accommodated, hospitality becomes certain routine work and the owners may not be able to derive fun from the "assembly line" work. Therefore, the non-profit goal may be eclipsed and the profit goal may dominate. However, lodging service is not as labor-intensive as catering service. The increased lodging capacity may be less influential on demand of labor. Therefore, its influence on separation of labor is not as significant as the other two aspects of separation.

Growth in number of labor is regarded as labor-intensive mode of growth. Under this circumstance, business size (number of staff) is found to be only influential on separation of labor. This implies that as the demand of labor increases, the business may inevitably recruit non-family members. This is not surprising considering two facts. On one hand, the family (especially core family) has natural limit in its member numbers. As business size grows, the demand for labor increases accordingly. Therefore, it is inevitable to involve more salaried staff. On the other hand, although relatives from extended family may provide voluntary help in peak times, it is built upon basis of reciprocal relationship. When it is related to business for profit, the voluntary help may not be enlarged. Notably, increased number of labor may not lead to separation of premise or separation of goal and its influence is therefore limited.

Similar limited influence is also found in the situation of capital-intensive growth mode, in which business size (total investment) only has influence on separation of premise. Capital intensive growth mode is usually aimed at improving the quality of facilities and thus creating better experience. However, the improved facilities may not be appropriate for family daily use. In addition, the business owners tend to maintain the specificity of the facilities to make sure guest experience is not affected. Therefore, those businesses with more intensive investment tend to demonstrate higher degree of separation of premise.

Based on the result of data analysis, the hypothesized model is adjusted and the final SAB growth model is put in Figure 8.1.

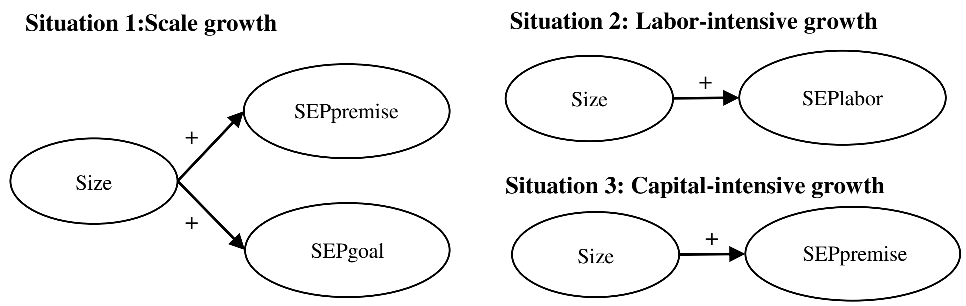

Figure 8.1 Final model of SAB growth

The effects of the above dimensions of size are all examined by controlling a series of variables regarding business as well as business owners. Some of these variables are also found to be influential and worthy of discussion. Yearly revenue has significant influence on separation of goal, but the effect is negative. That means those businesses with more revenue tend to be less worried about profit and less inclined to profit goal. Based on this finding, it can be inferred that only when the income generated by the business can support the life necessity of the business operator's families can they pursue certain lifestyle. Age of business is negatively correlated to separation of premise, but is positively correlated to separation of goal. This implies that those newly set up businesses are usually driven by non-profit goal and tend to prefer keep the facility specificity for guests. This finding is interesting because it reveals that a business may evolve across its lifecycle, from lifestyle business to profit-driven business. It also reveals that small accommodation businesses may suffer from inertia regarding its premise specificity. That is, those businesses set up without considering the specificity of premise may keep regarding the business premise as their own dwelling, if there is no additional refreshment on facilities.

Moreover, percentage of revenue in income is positively correlated to separation of goal, which means that as the revenue from the business occupies a majority of family income, the business owner is more inclined to getting more profit. In contrast, the age of business owner is negatively correlated to separation of goal. Elder operators tend to be less profit-driven than younger operators, for the latter is typically more aggressive and more eager for money. Education level of business owner is found to be positively correlated to separation of premise. Those well educated business operators tend to hold a more professional attitude towards accommodation business and carefully maintain the specificity of facilities. Finally, origin of business owner is found to be negatively correlated to separation of premise, with local business owners treating the premise more as their residential place.

8.1.2 Social capital, human capital and SAB growth

Sub-study 2 investigates the factors influencing SAB growth. Specifically, it explains why some SABs may grow into larger size than others, and why some SABs grow in more intensive way while others are more inclined to scale growth mode. Based on social capital theory and human capital theory, this sub-study focuses on resources embedded in the family network and personal capabilities of the entrepreneur to provide explanation of SAB size and growth mode choice. Social capital is supposed to comprise structural dimension (i.e. number of relative ties to business operators, other SABs and government) and relational dimension (i.e. support from relatives in terms of capital, customer source and information), while human capital is thought to consist of explicit dimension (i.e. education level) and implicit dimension (including business start-up experience, company working experience, and travel experience). Two hypothesized models are constructed depicting the influence of social capital and human capital on both SAB size (including bed number, total investment and staff number) and business intensiveness (including capital intensiveness and labor intensiveness), and are further tested with empirical data collected from rural Zhejiang Province of China. Correspondingly, the research conclusions comprise two aspects.

As for the prediction of SAB size, the research findings generally support the hypothesized positive effect of social capital and human capital. However, the effects are not found in all aspects of social capital or human capital, and they are uneven among different aspects of business size. Also, some negative effects which are in contrary to hypothesized models are identified on bed number.

Structural social capital is found to be only influential on bed number. Within its three aspects of relative ties (i.e. relative ties to business operators, relative ties to other SABs, relative ties to government), only those with other SABs is found to be positively effective. This implies that those SABs with more relatives involving in the same business may be more inclined to increase their accommodating capacity. This could be attributed to the guest sharing commonly found among SABs. Those having more relatives involved in SABs may be more concentrated on the business, and thus may be more inclined to enlarging their business scale so that scale economy may be realized.

Comparatively, relational social capital is found to exert positive impact on both bed number and staff number. But all these effects are attributed to capital support from relatives. This implies that in rural China, the capital for most SABs may come from relatives. This kind of capital source is so important that it may to a large extent determine to what level an SAB may grow. Those with more access to relative support in terms of capital tend to be able to be equipped with more bed numbers and recruit more labor. Notably, access to capital support of relatives is not found to be influential on total investment. This is due to the limited help available from relatives. Mutual support between relatives is usually dependent on binary beneficial relationship and is not profit-oriented as bank. Therefore, the financial support from relatives is usually limited. The result of interview with business owners indicates that when facing large pressure for fund, they prefer to turn to bank.

Among the aspects of social capital, relative ties with business, information support from relatives and guest resource sharing are all found to be of no correlation with business size. This implies that knowledge transition is not so important in SAB operation. Most rural SABs tend to be independent when doing marketing and relatives may not help a lot in business operation.

In terms of human capital, explicit human capital (i.e. education level), is found to have no effect on all the three aspects of business size. Only implicit human capital (i.e. experience of business startup and experience of travel) are found to positively influence business size. It is found that those with more experience of business startup tend to invest more. Meanwhile, those with more travel experience tend to recruit more staff. This finding implies that SAB operation is largely pragmatism-oriented. Compared to formal education, the experience accumulated through practices is more important for SAB operation and growth.

Two effects inconsistent with the hypothesized model are identified. Firstly, number of relative ties to government (which is in the domain of structural social capital) is found to be negatively correlated to bed number. This finding indicates that those with more relatives working in the government tend to have more limited accommodating capacity. Meanwhile, there seems to be no correlation between relative ties with government and staff number as well as total investment. These findings are inconsistent with theory, which supposes that those with more connections with the government may be more ambitious and more capable of expanding their business scale. A possible explanation is that the hypothesis which supposes the positive effect of relative ties to government on business size is built on the assumption that government is supportive of business growth and there are related policies aimed at encouraging SABs, whereby relatives working in the government may provide help in gaining certain information or financial subsidy and thus make the corresponding SAB more capable of mobilizing resources. But if the government is passive in encouraging SAB development or even sets ceilings upon SABs for certain reasons such as destination image maintenance or environmental protection, the relatives working in the government may be unable to provide substantial assistance. In all the study sites of this research, which are all mature rural destinations, the local government is striving to control the accommodating scale which has been soaring up for nearly a decade. Under this circumstance, those working in the government or as village leaders are facing the task of controlling the growth in bed numbers for all the SABs, especially those owned by their relatives, in order to avoid potential suspicion of favoritism which may harm the authority of local administration. In this sense, it is reasonable that those with more relative ties to government may face heavier pressure in controlling their business scale.

Secondly, experience of working in companies, which belongs to tacit human capital, is found to exert negative effect on number of beds. Those with more working experience in companies tend to keep their business in a small scale. It should be noted that all the three effective human capital are implicit knowledge. This implies that tacit knowledge such as education may not be of great importance when regarding small accommodation business. The industry of hospitality seems to be kind of low threshold in terms of professional knowledge and emphasize more on learning-by-doing.

The effects of social capital and human capital on SAB size are summarized in Figure 8.2.

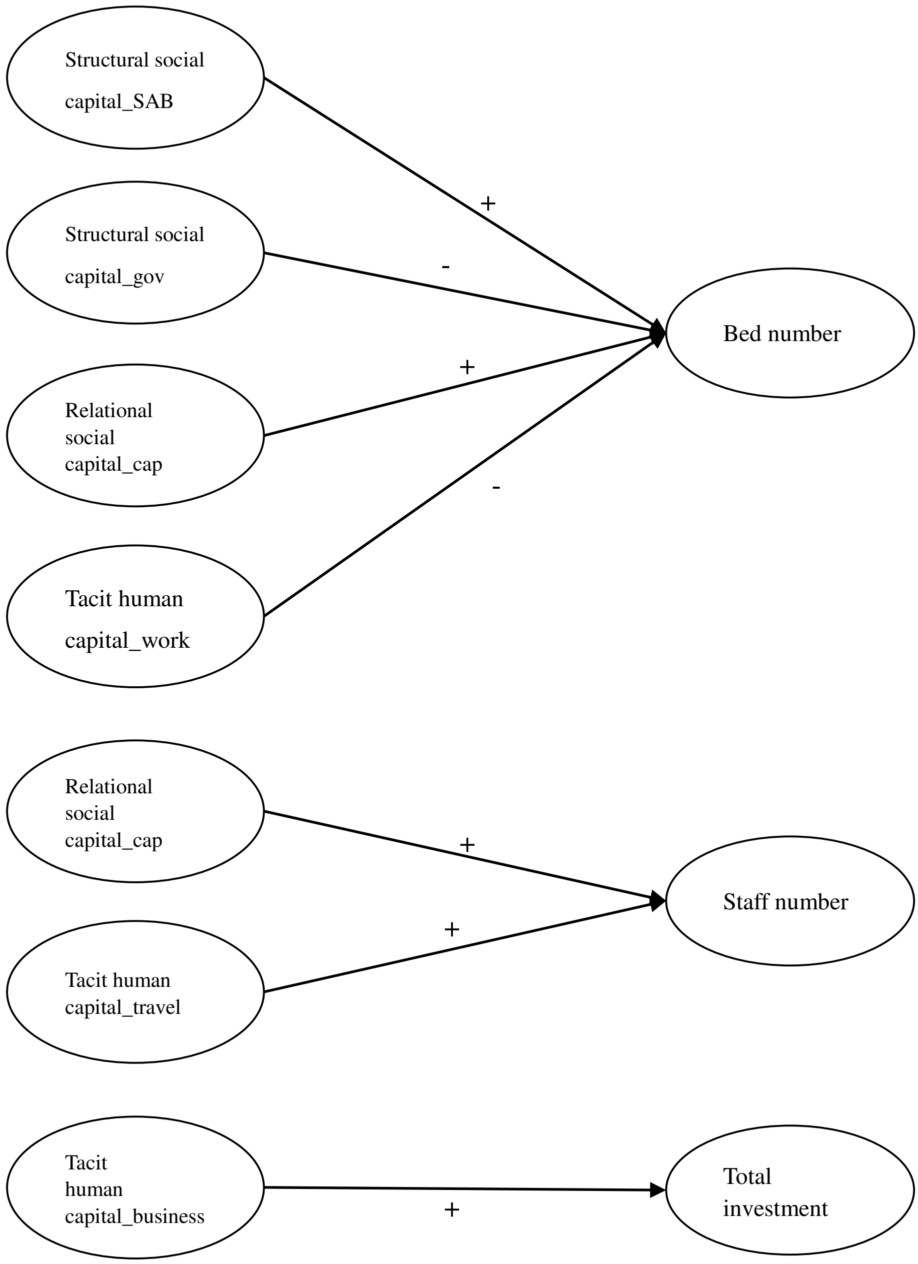

Figure 8.2 Influence of social capital and human capital on SAB size

The heterogeneous influence of social capital and human capital on different aspects of business size indicates that they may also cause disparity in terms of business growth mode choice. In this regards, social capital, both structural and relational dimensions, is not found to be positively influential on either capital intensiveness or labor intensiveness. This is in striking contrast to their significant effect on business size. This implies that while growing a business in size is largely dependent on support from social network, the choice of how to grow the business is more an individual decision process dependent on the preference and capability of entrepreneurs themselves.

After all, growth mode choice is related to the allocation of resource, while growth in size is more about getting access to necessary resource.

This claim is strengthened by the mostly supported hypotheses regarding the impact of human capital on business intensiveness. It is found that those business owners with more working experience, more travel experience or higher educational level tend to prefer an intensive mode of growth. Specifically, those with higher education level prefer to recruit more staff and thereby grow their business in a labor-intensive way, while those with more working experience in companies tend to invest more capital and thus select capital-intensive mode of growth. The latter finding may partly explain previous finding of negative effect on bed number exerted by working experience in companies. The most influential factor is travel experience, which is found to be positively correlated to both capital intensiveness and labor intensiveness.

The negative effects of relative ties with other SABs on both capital intensiveness and labor intensiveness are notable, considering the previous finding of positive influence on bed numbers. By integrating these two results, it is logical to assert that those businesses with more relative ties to other SABs prefer an "extensive form" of growth. They are more fond of increasing the accommodating capacity so that scale economy can be realized. A possible explanation is that relative network may bring about certain "inertia" in innovation, for it is a closed system. Usually, those business owners tend to share experience with their relative colleagues, instead of those outside of the circle. Therefore, they may be more cautious and conservative in investing, and prefer gradual increase of accommodating capacity. Compared to increasing business intensiveness, simply duplicating the current state of operation and expanding the business scale is less risky and less innovation-demanding, given the growing market demand. The same "inertia" may also exist among those elder and local business owners, which can be found in the effects of control variables. When the market is growing, these business owners tend to grow in a less intensive way.

The effects of social capital and human capital on business intensiveness is summarized in Figure 8.3.

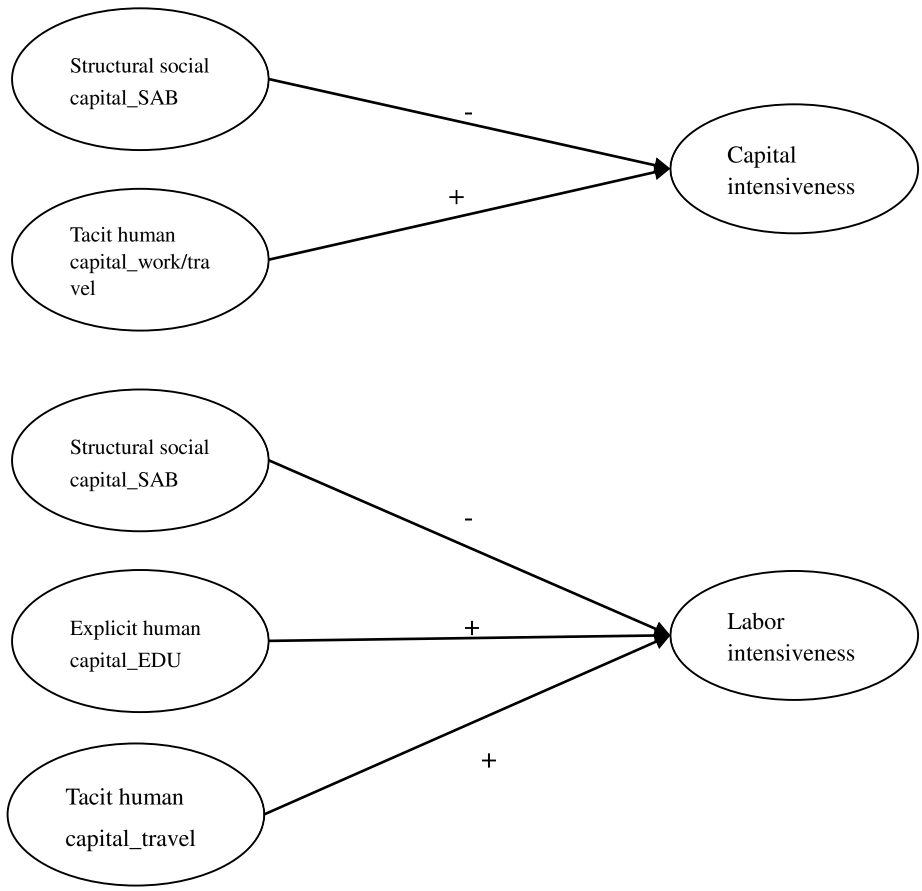

Figure 8.3 Influence of social capital and human capital on SAB intensiveness

8.1.3 Dimensionality of guest experience in SABs

Sub-study 3 serves as precursor to examining the influence of SAB growth on guest experience by investigating the dimensionality of guest experience in rural SABs. Specifically, it clarifies the concept of guest experience and examines different aspects of connotation inherent, whereby develops scales for measurement. A holistic approach is taken based on experiential marketing theory and authenticity theory, and all cognitive, emotional and symbolic aspects are emphasized as important for experience management. Thereby a conceptual model is proposed decomposing guest experience into service quality, experience quality and experience authenticity. These three aspects of experience are further found to consist of multiple dimensions.

For service quality, it is found that the classic dimensionality suggested by SERVEQUAL could be inadequate, for it neglects the potential dimensionality of tangible aspects. Qualitative exploration and EFA result demonstrate that the tangibility dimension might comprise of two sub-dimensions, i.e. adequacy and superiority. In terms of experience quality, the qualitative exploration revealed that the four experiential elements proposed by existing researches (Gilmore & Pine, 2002) could be amended. Another element of "communitas" emerges and frequently emphasized by the guests interviewed. For experience authenticity, it is found that this symbolic dimension of guest experience is much more complicated than expected. Objective experience authenticity comprises dimensions of *Rurality* and *Feel-at-home*, while constructive experience authenticity consists of *Uniqueness, Reflexity* and *Reflectiveness*. Existential authenticity, comparatively, is found to have four dimensions, namely *Sincerity, Specialness, Intimacy* and *Freedom*. Measurement items are generated and scales are developed and validated.

The final model of guest experience in rural SABs is put in Figure 8.4.

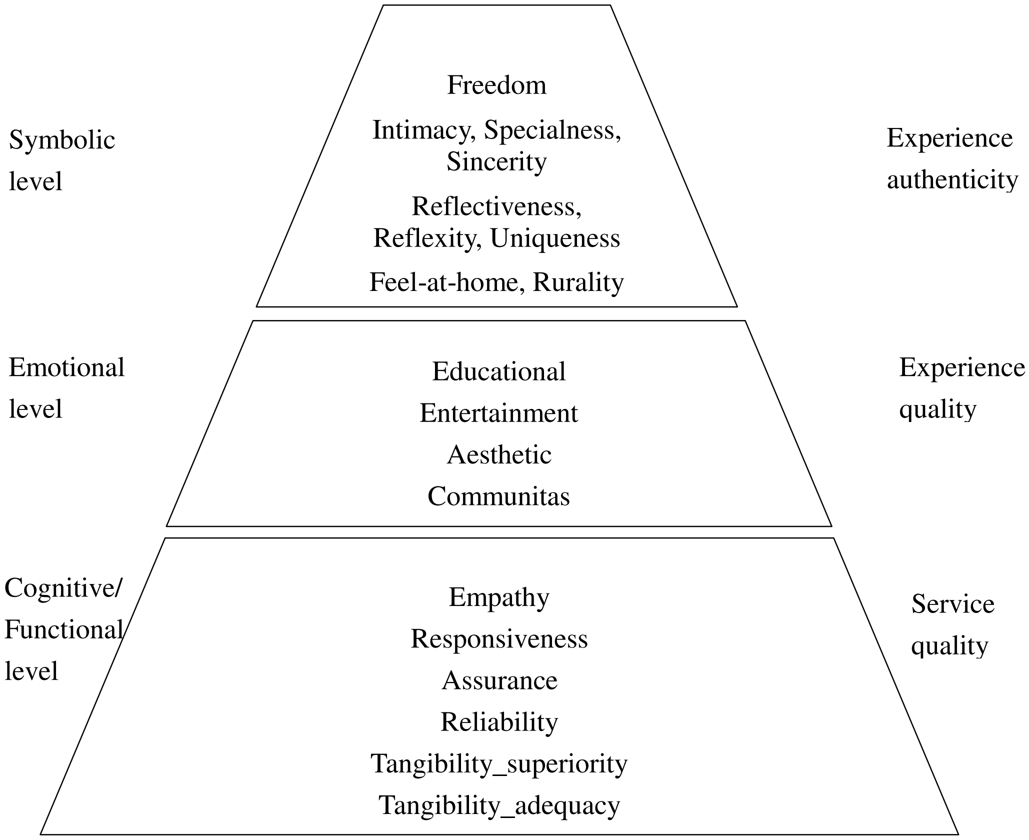

Figure 8.4 Model of guest experience in rural SABs

8.1.4 Influence of SAB growth on guest experience

Sub-study 4 investigates the influence of different SAB size on various dimensions of guest experience, based on the findings and scales developed in Sub-study 3. An initial model is proposed based on the experiencescape theory and the conceptual model proposed by Lynch (2003, 2009), and later verified by the author in a conceptual way. The verified model is then further examined and tested by empirical data. Different growth modes are all taken into consideration and multiple indicators of business growth are adopted, including bed number, total investment and staff number.

Generally, it is found that guest experience, including service quality, experience quality and experience authenticity, could all be influenced by the size of SAB. However, the effect seems to be significant on only part of the dimensions in each aspect of guest experience. Dimensions of *Tangibility Adequacy* and *Empathy* in service quality, *Entertainment* and *Communitas* in experience quality, *Rurality*, *Sincerity*, *Intimacy* and *Freedom* in experience authenticity, are found to be independent of SAB growth.

Also, it is found that different growth mode may result in effects on different aspects of guest experience. Labor-intensive growth and capital intensive growth are found to have positive effect on service quality. This implies that SAB growth may also lead to increased supporting experience. In this sense, the commercialization process may make guests as beneficiaries in the sense that they may get better service and their fundamental needs can be satisfied in an effective and efficient way. In addition, labor-intensive growth is found to lead to better education experience and aesthetic experience. These experiential elements may serve as peak experience or extraordinary experience for guests. Capital-intensive growth is found to diminish the cognitive aspect of experience authenticity. But increased investment may result in improved constructive experience authenticity on all dimensions. In this sense, instead of "destroying" authenticity, commercialization is "modifying" authenticity. Therefore, rather than diminishing extraordinary experience, growth in labor intensive and capital intensive mode may create, improve and strengthen both supporting and peak experience of the guests.

As for scale growth mode, it seems to destroy all aspects of guest experience. Increased accommodating scale may lead to decreased service quality, diminished experience quality, and low level constructive and interpersonal authenticity. In this sense, scale growth is destroying both supporting experience and extraordinary experience and thereby rendering the guest "victim of commercialization". But it should be noticed that although scale growth mode may lead to decreased guest experience on all aspects, it does not mean those businesses taking this mode have no competitiveness. Scale growth may lead to scale economy effect and largely decrease operational cost. In this way, the price of their accommodation product may be set in a low level, and thus attract those guests sensitive to price. However, it is certain that this "extensive pattern" of growth may make the accommodating experience there cheap and of low quality. In order to earn profit, the business owners have to consume more resource, which may further cause damage to natural environment, and thus hinder the sustainable development of rural destinations.

To summarize, the final model of SAB size and guest experience is put in Figure 8.5.

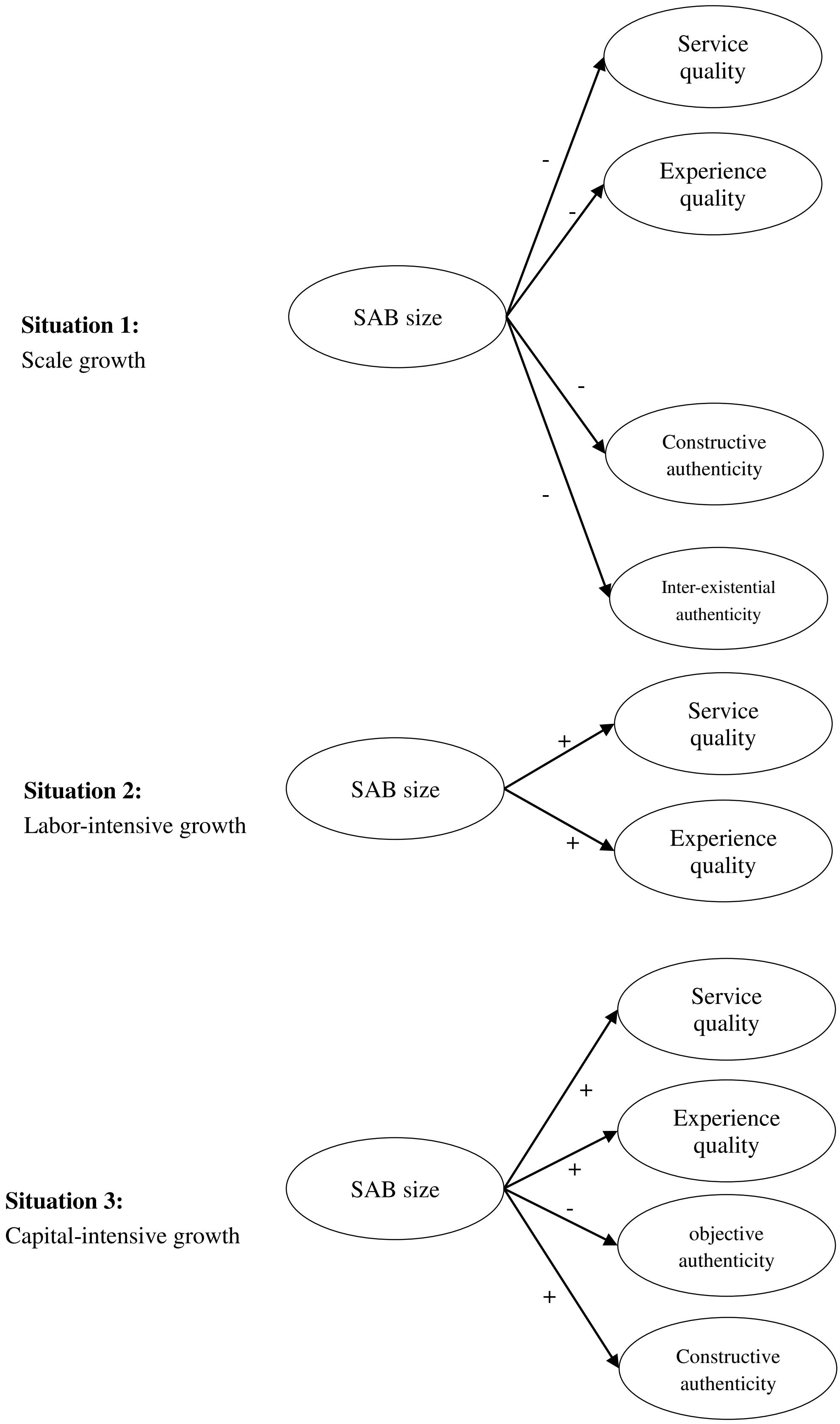

Figure 8.5 Final model of SAB growth and guest experience

8.2 Theoretical contributions

Combining the findings of the four sub-studies, this study is supposed to contribute to SAB research by constructing an integrated SAB growth research framework and filling the gap in the field of tourism and hospitality business growth. Based on the fact that SABs are in changes instead of staying static, and are heterogeneous instead of homogeneous, this study goes deep into the nature of their variance, both cross-sectional and longitudinal, and further investigates its precedents and outcomes. In this way, this study is in nature explanatory, which is complementary to most of the existing descriptive researches. The relationships are tested by large scale survey data, which may lead to more robust and generalized conclusions. The theoretical contribution of this study includes the following aspects.

Firstly, drawing on firm growth theory, this study delineates the pattern of SAB growth by constructing and testing the relationship between business size and degree of separation from family, and thereby expands our understanding of this important phenomenon. Business growth theory indicates that businesses of different size may be treated as located on different stages of lifecycle featuring difference in terms of certain attributes. But "what exactly are these qualitative attributes?" still remains blurred. A possible answer is what Lynch (1992) termed as "commercial home". This idea coincides with the idea of family mode of production (Lipton, 1984), which emphasizes the utility of home space for commodity production or service provision. Lynch's conception implies a spectrum of variation, that is, how commercialized the "home" is. If the "home" is fully commercialized, is it still "home" to the host families? Is there any relationship between the above two aspects of variation? Could they be treated as the quantitative and qualitative aspects of growth so that an integrated growth model can be constructed for small accommodation businesses? By providing answers to these questions, this sub-study extends our understanding of SAB growth.

Secondly, the research findings of this study echoes and further develops what Cohen (1988) indicated as "commercialization". In Lynch's (1992) conception, SABs in their essence are commercialized home domain. However, it has not been explicated what exactly the commercialization process involves. By identifying the qualitative aspects of growth, i.e. separation from family, which can be regarded as a process of "commercialization of home", this study further explains the connotation of "commercialization".

Thirdly, by treating SABs as family mode of production, this study provides an alternative perspective for approaching the conception of small accommodation business. In this sense, it is consistent with the idea of "commercial home". This implies that as the business scale increases, the "home elements" may diminish and the "business elements" may gradually dominate. By further explicating the inherent nature of the relationship between SABs and corresponding host families, this study may break the traditionally held ides of clear boundary between SABs and their larger counterparts.

Fourthly, this study extends the application of social capital theory and human capital theory in the domain of hospitality and tourism researches by adapting them to explain business growth. Although the variation of SAB size and growth modes is commonly observed, few research provides explanation. The findings may fill the gap, and it echoes existing researches such as Zhao (2002), who found that social capital and human capital have positive influence on the entrepreneurial behavior of small accommodation business owners in rural Guangxi Province of China.

Fifthly, This study systematically explicates the hospitality experience in the setting of SABs by proposing a holistic view of guest experience and constructing a more comprehensive hospitality experience framework by absorbing experience authenticity. The research findings further develops SERVEQUAL paradigm by revising one of its dimension (i.e. Tangibilities), and for the first time provides comprehensive measurement of experience quality and experience authenticity. It empirically identifies that guests in rural SABs do care about authenticity issues and may have different aspects of evaluation. This may give rise to the significance of symbolic dimension of experience. Therefore, in addition to service marketing, experiential marketing, "symbolic marketing" may play an important role in tourism and hospitality management. Authenticity, as a symbolic aspect of experience, could be a third offering of tourism and hospitality businesses, in addition to service and experience.

Lastly, this study contributes to theory by building up relationship between SAB growth and guest experience. In this way, it addresses the factors influencing guest experience from the perspective of experiencescape, providing a new angle for hospitality experience research.

All in all, this study provides an initial research framework for approaching SAB growth by investigating its patterns, precedents and outcomes. In this way, this study tried to introduce another perspective in observing SABs, that is, “growth perspective”. The core idea of “growth perspective” is to regard each SAB as located in a particular point of growth spectrum. Individually, they may or may not move along the spectrum. But all SABs can find their place in the spectrum. This idea might well expand the understanding of hospitality businesses in two sense. On one hand, it may explain the variance in size and attributes of hospitality businesses. On the other hand, it indicates that the boundary between small business and large business may be far from clear and cut, but transitional and continuous. By reviewing previous researches, a two-staged development regarding the relationship between small business and large businesses can be identified. Initially, small businesses were regarded as small version of large businesses and the findings in large firms were deemed applicable to small ones. This was then challenged by empirical researches on small businesses which uncover the uniqueness of small firms. Small businesses, therefore, are thought to be worthy of research independent of large firms. The growth perspective further develops the understanding of small businesses in the sense that it holds that small businesses are not independent from each other, but are kind of related.

By introducing growth perspective, the analysis is focused on organizational behavior of SABs. This is different from previous studies, which are mostly dominated by examination of SABs from the perspective of business owner or their guests based on their psychological attributes and perception, which can be hardly regarded as “business research”.

8.3 Managerial implications

The practical implications of this sub-study is also significant and could be discussed from the stance of both business owners and destination management organizations (DMOs). Generally speaking, strategic decision making both by business owners and DMOs is oriented at sustainable development of the business as well as the destination. This is especially true considering the inherent lifecycle of business. Business growth decision is one of the critical strategic decisions facing business operators, which also concerns DMOs since the prominent role of business in destination development.

From the stance of business owners, it is true that whether to grow their business and how to grow their business are inevitable decisions to be made. But they should be alerted when growing their business since it may lead to critical consequences in the nature of their business and further in guest experience.

Firstly, business owners should bear in mind that guest experience is multi-dimensional including not only service quality, but also experiential elements and symbolic elements. Rather than partially focusing on service quality whereby positioning their hospitality product on a functional, supporting level, they should embrace a more holistic conception of what they provide for the guest, in order to create memorable experience and thus maintain guest loyalty.

Secondly, the research findings indicate that growth in size may bring about essential changes to their business mode when generating potential increase in income, and different grow modes may have different strengths and weakness and may lead to changes in different aspects of guest experience. In this way, they should make trade-off. The research findings of this sub-study may provide guidelines for them in terms of what might happen to different ways of growth. Notably, pure scale growth mode should be considered carefully since it usually cause severe damage to all aspects of guest experience. Although it may decrease cost and thus may be beneficiary financially in short term, it is may not be sustainable without support of excellent guest experience.

For government and tourism planners, similar trade-offs are also necessary. This is especially the case in rural China, where government plays a prominent role in destination planning and development.

Firstly, they should be careful when issuing policies or stimulus for growing individual businesses. Because it may be destroying the current business eco-system and bring the whole destination into another spectacle. Excessive emphases on business scale may finally destroy experience authenticity, leading to rural destinations change in nature. Therefore, sometimes setting limits on individual business scale is necessary in order to maintain the local attractiveness. For example, Taiwan has set limits on the scale of B&Bs, which are not allowed to own more than 5 guest rooms. This is especially true considering the widely acknowledged features of SABs of high host-guest interaction and individualization.

Secondly, the findings of Sub-study 2 are also of practical implication for policy makers and tourism planners. In order to grow the industry as a tool of rural rejuvenation, they may pay more attention to providing support for those who have less social capital and human capital. Also, external entrepreneurs are worthy of noticing, for they tend to be more professional on business operation and tend to grow their businesses in a more delicate way.

8.4 Limitations and future research possibilities

Aside from the above research contributions, this study do have certain limitations in terms of research design and methodology.

Firstly, cross-sectional research design was adopted to examine the essentially "longitudinal" phenomenon of business growth. Although cross-sectional data is commonly drawn upon in most business growth researches, the logical problem is more and more emphasized and longitudinal, or even panel data is strongly encouraged in top journals regarding small business research. Nevertheless, cross sectional research design is the best of a bad bunch in this study, due to data availability reasons. As a pioneering work focused on SAB growth, the data collected in this study can serve as bench mark of comparison in the future, when another batch of data could be collected and analyzed in contrast to this round of investigation, thereby achieving a longitudinal verification for the conclusions of this study.

Secondly, the factors influencing business growth are complex and can be approached from different perspectives. This study merely focused on personal attributes, i.e. social capital and human capital, while treating factors related to environment as control variables which are not fully investigated. The future researches may take other perspectives into consideration, especially the role of government and industry associations.

Thirdly, the impact of business growth may be influential on not only guest experience, but also on destination development. This indicates that the outcome of business growth may be addressed from disciplinary perspectives other than marketing. To integrate the lifecycle of individual business and that of the whole destination could be a topic of great research potential.

Fourthly, guest experience is largely dependent not only on the business level of experiencescape, but also on the destination level of factors. The influence of SAB growth on guest experience, therefore, should take into consideration the potential moderating effect of the environmental elements. Indeed, it is reasonable to assume SABs in rural areas may provide different experiences from those in urban areas. Therefore, the future researches may be conducted in SABs in different types of destination to examine whether the effects of growth may be different.

Finally, the empirical researches are conducted in the context of rural areas located in the northern part Zhejiang province of China. The generalizability of the research findings should be examined in other contexts. Similar researches are strongly recommended in the setting of other parts of rural China, urban areas of China, and even other developing countries in Asia.

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Appendices

Appendix A: Questionnaire for SAB owners (English version)

A Survey on Small Accommodation Business Growth in Rural China

Dear Sir/Madam,

We are currently conducting a survey on behalf of School of Hotel and Tourism Management, the Hong Kong Polytechnic University, and School of Management, Zhejiang University, regarding the growth of small accommodation businesses in rural China.

The objective of this study is to examine the pattern as well as the precedents of business growth. Information obtained from this research will enhance our understanding of small accommodation business growth. All information related to you will remain confidential, and will be identifiable by codes only known to the researcher. You have every right to withdraw from the study at any time without penalty of any kind.

I would be very grateful if you could please spare around 10 to 12 minutes to complete this questionnaire. In appreciation of your participation, we would like to give you a souvenir.

Thank you for your cooperation!

School of Hotel and Tourism Management, the Hong Kong Polytechnic University

School of Management, Zhejiang University

Ph.D. Research Student: Mr. YE Shun

Tel:

NO.________ SAB name______________

Part 1

Please indicate the following information regarding your business.

(1). Since when have you been running this business? ________

(2). How many rooms are there in your business?_______

(3). How many beds is your business equipped with?_______

(4). The supporting facilities in your business include (multiple choice, tick ○ as appropriate):

○Chess and Card Room ○Karaoke Room ○Tea Room ○Wine Bar

○Coffee Bar ○Garden ○Swimming Pool ○ Agricultural Garden

○other (Please specify)_______________________________________

(5). What is the total investment of your accommodation business up to now (in RMB)?___________

(6). In the past three years, the average yearly revenue for your business is (in RMB) ________

(7). What is the percentage of the revenue from the business in your family income? (tick the □ as appropriate)

□Lower than 10% □10%-30% □31%-50% □51%-70% □71%-90% □More than 90%

(8). How often did your families use the following facilities in daily life:

Guest bedroom □Totally not □Quite rarely □average □Often □Very often

Dinning room □Totally not □Quite rarely □average □Often □Very often

Kitchen □Totally not □Quite rarely □average □Often □Very often

Garden □Totally not □Quite rarely □average □Often □Very often

Supporting facilities □Totally not □Quite rarely □average □Often □Very often

(9). In peak seasons, how many staff do you have in your business (including part-time ones)? ______

(10). Within these staff:

a. How many of them are your family members?______

b. How many of them are part-time staff?______

c. How many of them are full-time staff?_______

(11). Please indicate to what extent you agree with the following statement:

a. You are running the business to make more money.

□Strongly disagree □Mildly disagree □Neutral □Mildly agree □Strongly agree

b. When the business performance was poor, you felt worried.

□Strongly disagree □Mildly disagree □Neutral □Mildly agree □Strongly agree

c. You are operating the business to enjoy certain lifestyle.

□Strongly disagree □Mildly disagree □Neutral □Mildly agree □Strongly agree

Part 2

Please indicate the following information by ticking □ as appropriate.

Social Capital

(12). How many of your relatives have the experience of running their own business?

□0 □1 to 3 □4 to 6 □7 to 10 □11 to 15 □More than 15

(13). How many of your relatives are involved in SAB operation?

□0 □1 to 3 □4 to 6 □7 to 10 □11 to 15 □More than 15

(14). How many of your relatives are working in the government (including being village leader)?

□0 □1 to 3 □4 to 6 □7 to 10 □11 to 15 □More than 15

(15). To what extent do you agree that these relatives are willing to exchange information important to your business?

□Strongly disagree □Mildly disagree □Neutral □Mildly agree □Strongly agree

(16). To what extent do you agree your relatives are willing to lend resources to you (including money, property et al.)?

□Strongly disagree □Mildly disagree □Neutral □Mildly agree □Strongly agree

(17). To what extent do you agree your relatives are willing to introduce guests to your business?

□Strongly disagree □Mildly disagree □Neutral □Mildly agree □Strongly agree

Human capital

(18). How many years have you (or your spouse) been involved in business operation before you run this *Minsu/Nongjiale*?

□less than 1 □1 to 3 □4 to 6 □7 to 9 □10 to 15 □15 to 20 □more than 20

(19). How many years have you (or your spouse) been working in companies before you run this *Minsu/Nongjiale*?

□less than 1 □1 to 3 □4 to 6 □7 to 9 □10 to 15 □15 to 20 □more than 20

(20). On average, how many times did you go out of your village to travel, investigate or study every year in the past three years?

□less than 1 □1 to 3 □4 to 6 □7 to 9 □10 to 15 □15 to 20 □more than 20

Government and association support

(21). To what extent do you agree that the government is supportive of your *Minsu/Nongjiale*?

□Strongly disagree □Mildly disagree □Neutral □Mildly agree □Strongly agree

(22). To what extent do you agree that the association is supportive of your *Minsu/Nongjiale*?

□Strongly disagree □Mildly disagree □Neutral □Mildly agree □Strongly agree

Part 3

Demographic information

Please indicate your demographic information by ticking □ as appropriate.

(23). Your gender: □Male □Female

(24). Your age:

□Below 18 □18 to 25 □ 26 to 35 □36 to 45 □46 to 55 □56 to 65 □66 and above

(25). Your level of education:

□Primary school □ Secondary school □High school □College □Postgraduate

(26). Your marital status: □Single □Married □Other

(27). Are you local resident: □Yes □No

Appendix B Questionnaire for SAB owners (Chinese version)

民宿/农家乐经营者调查问卷

尊敬的民宿/农家乐经营业主：

您好！感谢参与此项学术研究。

本研究受香港理工大学酒店及旅游业管理学院（SHTM，The Hong Kong Polytechnic University）和浙江大学旅游研究所（TRI，Zhejiang University）的资助，旨在了解浙江省北部乡村地区民宿/农家乐企业创业及成长。研究成果将能够加深我们对民宿/农家乐的理解，并为民宿/农家乐行业及乡村旅游业的发展提供参考。

您提供的信息对实现本研究目的至关重要。本问卷完全匿名，所有关于您的信息都仅限于科研用途并受到严格保密，请放心填写。在填写过程中如有不便，您可以随时终止。

此问卷需花费您约 10 至 12 分钟的宝贵时间。为表谢意，我们将赠送您精美的纪念品或支付您一定的酬劳。`

万分感谢您的合作！

香港理工大学酒店及旅游业管理学院

浙江大学管理学院

叶　顺 博士研究生

联系电话：

问卷编号 NO._______　　　民宿/农家乐名称:__________________

第一部分

(1). 您从哪一年开始经营这家民宿/农家乐？______

(2). 目前您经营的这家民宿/农家乐的客房数量为______

(3). 目前您经营的这家民宿/农家乐有多少张床位？______

(4). 您的民宿/农家乐的休闲娱乐<u>设施</u>包括？*（可多选）***：**

〇棋牌室 〇卡拉 ok 厅 〇茶室 〇酒吧 〇咖啡吧 〇庭院/花园 〇游泳池

〇农事体验园

〇其他______

(5). 到目前为止，您这家民宿/农家乐上总共投了多少资金（含建筑、装修，*不包括地基*）？______

(6). 在过去三年里，您的民宿/农家乐每年营业额（毛收入）约为______

(7). 您经营民宿/农家乐的年收入占您<u>家庭年收入</u>的比重是：

□10%以下 1 □10%-30% 2 □31%-50% 3 □51%-70% 4 □71%-90% 5 □90%以上 6

(8). 您的家人在日常生活中是否会使用民宿/农家乐内的以下设施设备

a 客房 □不使用 1 □较少使用 2 □一般 3 □较频繁 4 □非常频繁 5

b 客用餐厅 □不使用 1 □较少使用 2 □一般 3 □较频繁 4 □非常频繁 5

c 客用厨房 □不使用 1 □较少使用 2 □一般 3 □较频繁 4 □非常频繁 5

d 院子/花园

□不使用 1 □较少使用 2 □一般 3 □较频繁 4 □非常频繁 5

e 休闲娱乐设施（棋牌室等）

□不使用 1 □较少使用 2 □一般 3 □较频繁 4 □非常频繁 5

(9). 在<u>经营旺季</u>，您经营的这家民宿/农家乐共有多少名管理、服务人员？______

(10). 在这些管理、服务人员中：

a 有多少名是您的家人（包括您自己）？______

b 有多少名是临时聘用的员工？______

c 有多少名是长期聘用的员工？______

(11). 您在多大程度上同意以下说法：

a 我经营这家民宿/农家乐主要是为了赚更多的钱：

☐很不同意 $_1$ ☐比较不同意 $_2$ ☐一般 $_3$ ☐比较同意 $_4$ ☐很同意 $_5$

b 如果民宿/农家乐效益不好，我会感到很担心：

☐很不同意 $_1$ ☐比较不同意 $_2$ ☐一般 $_3$ ☐比较同意 $_4$ ☐很同意 $_5$

c 我经营这家民宿/农家乐主要是为了享受一种生活方式：

☐很不同意 $_1$ ☐比较不同意 $_2$ ☐一般 $_3$ ☐比较同意 $_4$ ☐很同意 $_5$

第二部分

社会资本

(1). 您有多少个亲戚具有成功的创业、经商经历？

☐0 个 $_1$ ☐1 到 3 个 $_2$ ☐4 到 6 个 $_3$ ☐7 到 10 个 $_4$ ☐11-15 个 $_5$ ☐15 个以上 $_6$

(2). 您有多少个亲戚在经营民宿/农家乐？

☐0 个 $_1$ ☐1 到 3 个 $_2$ ☐4 到 6 个 $_3$ ☐7 到 10 个 $_4$ ☐11-15 个 $_5$ ☐15 个以上 $_6$

(3). 您有多少个亲戚是在政府部门工作的（包括村干部）？

☐0 个 $_1$ ☐1 到 2 个 $_2$ ☐3 到 5 个 $_3$ ☐6 到 8 个 $_4$ ☐9 个及以上 $_5$

(4). 在您经营民宿/农家乐的过程中，您的亲戚会向您提供经营管理方面的建议吗？

☐很少 $_1$ ☐较少 $_2$ ☐一般 $_3$ ☐较多 $_4$ ☐很多 $_5$

(5). 在您经营民宿/农家乐的过程中，您的亲戚会向您提供资金或其他物质支持吗？

☐很少 $_1$ ☐较少 $_2$ ☐一般 $_3$ ☐较多 $_4$ ☐很多 $_5$

(6). 在您经营民宿/农家乐的过程中，您的亲戚会给您介绍客源吗？

☐很少 $_1$ ☐较少 $_2$ ☐一般 $_3$ ☐较多 $_4$ ☐很多 $_5$

人力资本

(1). 您或您的配偶有过几年的经商（做生意，如开店、开工厂等）的经历？

☐1 年以下 $_1$ ☐1-3 年 $_2$ ☐4-6 年 $_3$ ☐7-9 年 $_4$ ☐10-15 年 $_5$ ☐15-20 年 $_6$ ☐20 年以上 $_7$

(2). 您或您的配偶有过几年的企业工作经历？

☐1 年以下 $_1$ ☐1-3 年 $_2$ ☐4-6 年 $_3$ ☐7-9 年 $_4$ ☐10-15 年 $_5$ ☐15-20 年 $_6$ ☐20 年以上 $_7$

(3). 近五年，您或您的配偶平均每年旅游、考察（到县域以外）的次数

☐0 次 1　☐1-3 次 2　☐4-6 次 3　☐7-10 次 4　☐10 次以上 5

政府及行业协会

(1). 在您创建和经营这家民宿/农家乐的过程中，政府给您各方面的支持（资金、政策等）：

☐很小 1　☐较小 2　☐一般 3　☐较大 4　☐很大 5

(2). 在您创建和经营这家民宿/农家乐的过程中，行业协会给您支持：

☐很小 1　☐较小 2　☐一般 3　☐较大 4　☐很大 5

个人信息

（1）您的性别： □ 男 1　□ 女 2

（2）您的年龄：

□ 17 周岁及以下 1　□18 到 25 周岁 2　□ 26 到 35 周岁 3　□ 36 到 45 周岁 4　□ 46 到 55 周岁 5

□ 56 到 65 周岁 6　□66 周岁及以上 7

（3）您的受教育水平：

□小学及以下 1　□ 初中 2　□ 高中（中专）3　□ 大学（大专）4　□ 研究生 5

（4）您的婚姻状况： □ 已婚 1　□ 未婚 2　□ 其他 3

（5）您的户籍所在地是否在民宿/农家乐所在的村： □ 是 1　□ 否 2

Appendix C: Questionaire for guests (English version)

Survey on Guest Experience of Rural SABs

(Minsu/nongjiale)

Dear Sir/Madam,

We are currently conducting a survey on behalf of School of Hotel and Tourism Management, the Hong Kong Polytechnic University, and School of Management, Zhejiang University.

The objective of this study is to examine the dimensions as well as the variation of guest experience in rural SABs. Information obtained from this research will enhance our understanding of small accommodation business experiences. All information related to you will remain confidential, and will be identifiable by codes only known to the researcher. You have every right to withdraw from the study at any time without penalty of any kind.

I would be very grateful if you could please spare around 10 to 12 minutes to complete this questionnaire. In appreciation of your participation, we would like to give you a souvenir.

Thank you for your cooperation!

School of Hotel and Tourism Management, the Hong Kong Polytechnic University

School of Management, Zhejiang University

Ph.D. Research Student: Mr. YE Shun

Tel:

NO.________

Note: Please recall your stay in the *Minsu/Nongjiale* and circle the number as appropriate。

1 Motivation

Regarding "Why you chose to stay in the *Minsu/Nongjiale*? ", do you agree on the following statements?

	Disagree	--------------------	--------------------	Neutral	--------------------	--------------------	Agree
To relax and have a good rest in the *Minsu/Nongjiale*	1	2	3	4	5	6	7
To experience peaceful rural lifestyle	1	2	3	4	5	6	7
To enjoy the hospitality of rural people	1	2	3	4	5	6	7
To experience something special	1	2	3	4	5	6	7
To make new friends	1	2	3	4	5	6	7
to experience different culture	1	2	3	4	5	6	7

2 Service quality

Recalling your stay in the *Minsu/Nongjiale*, to what extent do you agree on the following statements:

	Disagree	-----------------	-----------------	Neutral	-----------------	-----------------	Agree
The building and facilities are clean and tidy	1	2	3	4	5	6	7
The facilities are well maintained and eligible for use	1	2	3	4	5	6	7
The food and beverage provided is hygienic	1	2	3	4	5	6	7
Basic necessities are readily provided	1	2	3	4	5	6	7
The building and the interior is well decorated with materials of high quality	1	2	3	4	5	6	7
The facilities and articles for use are of high quality and comfortable	1	2	3	4	5	6	7
Leisure and entertainment facilities are well appointed	1	2	3	4	5	6	7
The facilities provided are consistent with advertisement	1	2	3	4	5	6	7
All services are provided without mistakes	1	2	3	4	5	6	7
The host promises to provide a service and does so	1	2	3	4	5	6	7
The host always responds to my request in a prompt way	1	2	3	4	5	6	7
The host always solves my problem in a prompt way	1	2	3	4	5	6	7
The host is generally responsive and efficient	1	2	3	4	5	6	7

Regarding your stay in the *Minsu/Nongjiale*, to what extent do you agree on the following statements:

	Disagree--------------------Neutral---------------------Agree						
The host has the skill to perform the service	1	2	3	4	5	6	7
The host has the knowledge to answer my questions	1	2	3	4	5	6	7
The host is well trained and experienced	1	2	3	4	5	6	7
The host is consistently polite and courteous to the guest	1	2	3	4	5	6	7
It provides a comfortable, warm, and cosy setting with a personal touch	1	2	3	4	5	6	7
The host always understands and cares for me	1	2	3	4	5	6	7
The host has my best interest at heart	1	2	3	4	5	6	7

3 Experience quality

Regarding your stay in the *Minsu/Nongjiale*, to what extent do you agree on the following statements:

	Disagree--------------------Neutral---------------------Agree						
The stay stimulates my curiosity to learn new things	1	2	3	4	5	6	7
The stay satisfies my curiosity and interest	1	2	3	4	5	6	7
I learned a lot during my stay	1	2	3	4	5	6	7
There are amusing activities	1	2	3	4	5	6	7
There are interesting activities	1	2	3	4	5	6	7
The stay makes me happy	1	2	3	4	5	6	7
The design and decoration is creative	1	2	3	4	5	6	7
The design and decoration is attractive	1	2	3	4	5	6	7
The setting really showed attention to design detail	1	2	3	4	5	6	7
The design and decoration makes me comfortable	1	2	3	4	5	6	7
The host families and I interacted in a pleasant way	1	2	3	4	5	6	7
The host families and I interacted like friends	1	2	3	4	5	6	7
The host families and I are intimate	1	2	3	4	5	6	7

4 Experience authenticity

Regarding your stay in the *Minsu/Nongjiale*, to what extent do you agree on the following statements:

	Disagree			**Neutral**			**Agree**
The stay provides a thorough insight into Chinese rural lifestyle	1	2	3	4	5	6	7
The food/beverage is unique to rural life	1	2	3	4	5	6	7
The stay makes me feel I am a part of rural life	1	2	3	4	5	6	7
The Minsu/Nongjiale is a real rural family	1	2	3	4	5	6	7
The Minsu/Nongjiale present daily life of a rural family	1	2	3	4	5	6	7
I feel I am a part of rural family during the stay	1	2	3	4	5	6	7
The stay is ordinary and common with nothing special	1	2	3	4	5	6	7
The stay is ordinary and common with nothing special	1	2	3	4	5	6	7
The experience here is standardized and is the result of mass production	1	2	3	4	5	6	7

	Disagree			**Neutral**			**Agree**
I can tell the aethestic standards of the host from the design	1	2	3	4	5	6	7
I can tell the characteristics of the host from the design	1	2	3	4	5	6	7
I can tell the lifestyle preference of the host from the design	1	2	3	4	5	6	7
The stay inspires me of pleasant affections	1	2	3	4	5	6	7
The stay stimulates a lot of imagination in me	1	2	3	4	5	6	7
The stay reminds me of good memories	1	2	3	4	5	6	7
I feel the host's hospitality is motivated by profit	1	2	3	4	5	6	7
I feel the host's hospitality is motivated by fear of lossing customers	1	2	3	4	5	6	7
I feel the host's hospitality is motivated by fear of complaints	1	2	3	4	5	6	7
Accommodating me is merely a job of the host	1	2	3	4	5	6	7
The host treats me merely as the object of work	1	2	3	4	5	6	7

I am only an ordinary one of many guests received by the host	1	2	3	4	5	6	7

Regarding your stay in the *Minsu/Nongjiale*, to what extent do you agree on the following statements:

	Disagree			**Neutral**			**Agree**
I stayed with the host like families	1	2	3	4	5	6	7
The host and I trusted each other	1	2	3	4	5	6	7
I sincerely appreciate the treatment of the host	1	2	3	4	5	6	7
I feel free during the stay	1	2	3	4	5	6	7
I feel my heart without any distractions during the stay	1	2	3	4	5	6	7
I feel peaceful during the stay	1	2	3	4	5	6	7

5 Demographic information

（1）**Gender：** □ Male □ Female

（2）**Age：**

□ Below 18 □18 to 25 □ 26 to 35 □ 36 to 45 □ 46 to 55 □ 56 to 65 □66 or above。

（3）**Education level：**

□ Primary school □ Secondary school □ High school □ College □ Postgraduate

（4）**Profession：**

□ Civil servants □ Company staff □ Company manager □Business owner □Self-employed □ Student □ Retired □ Other

（5）**Marital status：** □ Married □ Single □ Other

（6）**Monthly income (RMB)：**

□ 3000 or below □ 3001 to 5000 □ 5001 to 7000 □ 7001 to 10000

□ 10001 to 15000 □ 15001 to 20000 □ 20000 or above

（7）**How many years have you lived in the countryside：**

□ 0 □ 1 to 5 □ 6 to 10 □ 11 to 15 □ 16 to 20 □ 21 or above

（8）**In recent three years, how many times were you involved in rural tourism for each year?**

□ 2 or less □ 3 to 4 □ 5 to 6 □ 7 to 8 □ 9 to 10 □ 10 or above

（9）**How many night did you spent in the *Minsu/Nongjiale?* ________**

（10）**Which city are you from?________**

Appendix D: Questionaire for guest experience (Chinese version)

民宿/农家乐住宿体验调查问卷

尊敬的先生/女士：

您好！感谢参与此项学术研究。

本研究受香港理工大学酒店及旅游业管理学院（SHTM，The Hong Kong Polytechnic University）和浙江大学旅游研究所（TRI，Zhejiang University）的委托，旨在了解浙江省北部乡村地区民宿/农家乐的住宿体验。研究成果将能够加深我们对民宿/农家乐的理解，并为民宿/农家乐行业及乡村旅游业的发展提供参考。

您提供的信息对实现本研究目的至关重要。本问卷完全匿名，所有关于您的个人信息都仅限于科研用途并受到严格保密，请放心填写。在填写过程中如有不便，您可以随时终止。

此问卷需花费您约 10 至 12 分钟的宝贵时间。为表谢意，我们将赠送您精美的纪念品或支付您一定的酬劳。

万分感谢您的合作！

香港理工大学酒店及旅游业管理学院

浙江大学管理学院

叶　顺 博士研究生

联系电话：1373557

问卷编号 NO. ________

填写说明：请结合您**本次民宿/农家乐**的住宿体验，根据提示在**相应数字**上打 **“√”**。

1 住宿目的

关于“**您为什么选择入住民宿/农家乐？**”，您在多大程度上同意以下陈述：

	很不同意	----------	----------	一般	----------	----------	很同意
在民宿/农家乐休息、放松身心	1	2	3	4	5	6	7
在民宿/农家乐体验平静的乡村生活	1	2	3	4	5	6	7
在民宿/农家乐体验主人的热情好客	1	2	3	4	5	6	7
在民宿/农家乐得到特殊的体验	1	2	3	4	5	6	7
通过民宿/农家乐结识新朋友	1	2	3	4	5	6	7
通过民宿/农家乐了解当地的文化习俗	1	2	3	4	5	6	7

2 服务质量

关于**您入住的这家民宿/农家乐**，您在多大程度上同意以下陈述：

	很不同意	----------	----------	一般	----------	----------	很同意
建筑及内部设施整体干净整洁	1	2	3	4	5	6	7
建筑及内部设施完好无损，能正常使用	1	2	3	4	5	6	7
菜品、食品、饮料干净卫生，质量可靠	1	2	3	4	5	6	7
客房设施设备（如热水器，电视机等）、客用品（如洗漱用品、拖鞋等）配备齐全，能满足我的需求	1	2	3	4	5	6	7
建筑及内部装修精致，档次高	1	2	3	4	5	6	7
客房内各类设备、客用品品质好，使用舒适	1	2	3	4	5	6	7
休闲娱乐设施配备齐全、种类丰富	1	2	3	4	5	6	7
设施、设备、服务与广告宣传一致	1	2	3	4	5	6	7
按时、保质保量提供了所有承诺的服务	1	2	3	4	5	6	7
服务人员很守信用，对我做出的承诺都能做到	1	2	3	4	5	6	7
服务人员总能迅速回应我的要求	1	2	3	4	5	6	7
服务人员总能快速解决我的问题	1	2	3	4	5	6	7
服务人员反应很快，效率很高	1	2	3	4	5	6	7

关于**您入住的这家民宿/农家乐**，您在多大程度上同意以下陈述：

	很不同意	-------------------	一般	-----------------------	很同意		
服务人员有专业的服务技能	1	2	3	4	5	6	7
服务人员有足够的知识回答我的问题	1	2	3	4	5	6	7
服务人员有丰富的服务经验	1	2	3	4	5	6	7
服务人员行为举止礼貌优雅，符合礼仪规范	1	2	3	4	5	6	7
我感到这里的服务很温暖，有人情关怀	1	2	3	4	5	6	7
我感到服务人员总是能理解、关心我	1	2	3	4	5	6	7
我感到服务人员总是很为我考虑	1	2	3	4	5	6	7

3 体验质量

关于**您入住的这家民宿/农家乐**，您在多大程度上同意以下陈述：

	很不同意	-------------------	一般	-----------------------	很同意		
这家民宿/农家乐里的很多东西都让我感到很好奇	1	2	3	4	5	6	7
这家民宿/农家乐满足了我的兴趣和好奇心	1	2	3	4	5	6	7
这家民宿/农家乐让我了解到了很多新东西	1	2	3	4	5	6	7
这家民宿/农家乐提供了很好玩的活动	1	2	3	4	5	6	7
这家民宿/农家乐提供了很有趣的活动	1	2	3	4	5	6	7
这家民宿/农家乐让我感到欢乐	1	2	3	4	5	6	7
我感觉这家民宿/农家乐的设计很有创意	1	2	3	4	5	6	7
我感觉这家民宿/农家乐的设计很吸引人	1	2	3	4	5	6	7
我感觉这家民宿/农家乐经过了精心设计	1	2	3	4	5	6	7
这家民宿/农家乐的设计塑造出让我愉悦的氛围	1	2	3	4	5	6	7
我与民宿/农家乐的主人及其家人交流互动得很愉快	1	2	3	4	5	6	7
我与民宿/农家乐的主人及其家人像朋友一样交流	1	2	3	4	5	6	7
我与民宿/农家乐的主人及其家人关系很亲密	1	2	3	4	5	6	7

4 体验真实性

关于**您入住的这家民宿/农家乐**，您在多大程度上同意以下陈述：

	很不同意			一般			很同意
这家民宿/农家乐展现了真正的乡村生活	1	2	3	4	5	6	7
这家民宿/农家乐的建筑、菜品、饮料很有乡村特色	1	2	3	4	5	6	7
住在这里让我感觉自己是真实乡村生活的一部分	1	2	3	4	5	6	7
这家民宿/农家乐是一个真实的乡村家庭	1	2	3	4	5	6	7
这家民宿/农家乐展现了乡村家庭的日常生活	1	2	3	4	5	6	7
我感觉自己成了乡村家庭的一部分	1	2	3	4	5	6	7
这家民宿/农家乐完全是一家商业旅馆/宾馆	1	2	3	4	5	6	7
这里的设施设备不是主人家庭日常生活所使用的	1	2	3	4	5	6	7
这家民宿/农家乐的所有东西都是供客人使用的	1	2	3	4	5	6	7
住在这家民宿/农家乐的体验很普通，没有特别之处	1	2	3	4	5	6	7
我可以在很多民宿/农家乐得到同样的体验	1	2	3	4	5	6	7
住在这家民宿/农家乐的体验是标准化、千篇一律的	1	2	3	4	5	6	7

	很不同意-------------------一般----------------------很同意						
我从民宿/农家乐的设计看出了主人的独特审美	1	2	3	4	5	6	7
我从民宿/农家乐的设计看出了主人的个性	1	2	3	4	5	6	7
我从民宿/农家乐的设计看出了主人的生活乐趣	1	2	3	4	5	6	7
这家民宿/农家乐激发了我的很多情感	1	2	3	4	5	6	7
这家民宿/农家乐激发了我的很多想象	1	2	3	4	5	6	7
这家民宿/农家乐让我联想起了很多经历	1	2	3	4	5	6	7
我觉得主人热情款待我是希望我多来光顾、消费	1	2	3	4	5	6	7
我觉得主人热情款待我是因为害怕失去我这个顾客	1	2	3	4	5	6	7
我觉得主人热情款待我是因为害怕被投诉	1	2	3	4	5	6	7
我感觉主人只是把招待我看成是一份工作在做	1	2	3	4	5	6	7
我感觉自己只是主人的服务对象	1	2	3	4	5	6	7
我感觉自己只是主人接待的众多客人中普通的一个	1	2	3	4	5	6	7

关于**您入住的这家民宿/农家乐**，您在多大程度上同意以下陈述：

	很不同意-------------------一般----------------------很同意						
我与民宿/农家乐主人相处得像一家人	1	2	3	4	5	6	7
我与民宿/农家乐主人相互信任	1	2	3	4	5	6	7
我很感激民宿/农家乐主人的招待	1	2	3	4	5	6	7
住在这里感觉很自由，没有干涉和限制	1	2	3	4	5	6	7
住在这里让我感到心无杂念	1	2	3	4	5	6	7
住在这里让我感觉心境很纯净，平和	1	2	3	4	5	6	7

7 个人信息

（1）您的性别： □ 男 $_1$ □ 女 $_2$

（2）您的年龄：

□ 17 周岁及以下 $_1$ □18 到 25 周岁 $_2$ □ 26 到 35 周岁 $_3$ □ 36 到 45 周岁 $_4$ □ 46 到 55 周岁 $_5$

□ 56 到 65 周 $_6$ □66 周岁及以上 $_7$

（3）您的学历：

□ 小学及以下 $_1$ □ 初中 $_2$ □ 高中（中专）$_3$ □ 大学（大专）$_4$ □ 研究生 $_5$

（4）您的职业：

□ 政府及事业单位 $_1$ □ 企业职员 $_2$ □ 企业管理人员 $_3$ □ 个体经营者 $_4$ □ 自由职业者 $_5$ □ 学生 $_6$ □ 离退休人员 $_7$ □ 其他 $_8$

（5）您的婚姻状况： □ 已婚 $_1$ □ 未婚 $_2$ □ 其他 $_3$

（6）您的月收入：

□ 3000 元以下 $_1$ □ 3001 到 5000 元 $_2$ □ 5001 到 7000 元 $_3$ □ 7001 到 10000 元 $_4$

□ 10001 到 15000 元 $_5$ □ 15001 到 20000 元 $_6$ □ 20000 元以上 $_7$

（7）您有几年的乡村居住、生活经历：

□ 0$_1$ □ 1 到 5 年 $_2$ □ 6 到 10 年 $_3$ □ 11 到 15 年 $_4$ □ 16 到 20 年 $_5$ □ 21 年及以上 $_6$

（8）近三年来您平均每年赴乡村旅游的次数：

□ 2 次以下 $_2$ □ 3 到 4 次 $_3$ □ 5 到 6 次 $_4$ □ 7 到 8 次 $_5$ □ 9 到 10 次 $_6$ □ 10 次及以上 $_7$

（9）您本次共在这家民宿/农家乐住了几夜：________ （10）您来自哪个城市：________

Appendix E: Outline of in-depth interview (English version)

Dimensions	Interview questions
Service quality	What aspects of service concerned you most during the stay? Why were you concerned about these aspects? (Parasuraman, Zeithaml & Berry,1988; Kivela, Inbakaran & Reece, 1999)
Experience quality	What kinds of experience impressed you most during your stay?
Objective experience authenticity	Do you think you have experienced the real lifestyle of the host family? If yes, in what aspects do you think you have experienced their lifestyle? If no, in what aspects do you think they were not real? (Wang, 1999)
Constructive experience authenticity	What is your imagined rural lifestyle? In what aspects do you think your stay inspired you for the rural lifestyle in your imagination？ Is there any other aspects that made you feel inspired? (Wang, 1999; Kolar & Zabkar, 2010)
Existential experience authenticity	During your stay, in what aspects do you think you were “being yourself”? In what aspects do you think your relationship with the host family was genuine? (Wang, 1999)
Other potential experience	Apart from the above, are there any other aspects that make your experience authentic?

Appendix F: Outline of in-depth interview (Chinese version)

维度	访谈问题
服务质量	您最在乎民宿/农家乐服务的哪些方面？ 您为什么在乎这些方面的服务? (Parasuraman, Zeithaml & Berry,1988; Kivela, Inbakaran & Reece, 1999)
体验质量	这家民宿的哪些体验给您印象深刻?
客观体验真实性	您是否觉得您体验到了主人家真实的生活状态？ 如果是的话，体现在哪些方面? 如果不是，那在哪些方面让您感觉不真实? (Wang, 1999)
建构的体验真实性	您想象中的乡村生活是什么样的? 您是否感觉这家民宿/农家乐让您联想到自己想象中的乡村生活？如果是，体现在哪些方面？ 这家民宿/农家乐是否激发起了您的想象或者情感?请具体说明。 (Wang, 1999; Kolar & Zabkar, 2010)
存在主义的体验真实性	在您的逗留过程中，您是否感觉到您在做真实的自己?体现在哪些方面？ 您是否感觉您跟主人家的关系是真实的?为什么？ (Wang, 1999)
其他	您在这家民宿/农家乐的居住体验还有哪些方面让您感觉到真实？

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