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SUSTAINABILITY AS A COMPETITIVE ADVANTAGE IN RURAL TOURISM DEVELOPMENT

ABSTRACT

Day by day sustainability is becoming more and more important, but as the current trends show, the role of sustainability has especially grown in rural tourism, where there are good opportunities to implement smart and energy-efficient technologies. The main purpose of the paper is to analyse what are the challenges of rural tourism, what are the trends now and what is the role of sustainability, which guarantees new opportunities and gives a competitive advantage to the regions. According to qualitative and quantitative research methods, the article highlights and studies the importance of sustainability in the context of rural tourism. The main idea of the article is to study what sustainable rural tourism means and why is it important, and it also studies the sustainable rural tourism concept itself and sustainable rural tourism experiences in Georgia and other foreign countries. To summarize, it can be said that sustainable rural tourism is one of the important trends of modern tourism and it can have a positive impact on regional development, too.

Keywords: sustainability, rural business, competitive advantage, rural tourism.

JEL Classification: L83, Z32.

1. INTRODUCTION

Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. In addition to natural resources, we also need social and economic resources. Sustainability is not just environmentalism. Embedded in most definitions of sustainability, we also find concerns for social equity and economic development (<https://www.mcgill.ca/sustainability/>).

Rural tourism is a form of tourism, which has become especially popular during the pandemic, when borders were closed and local people began to visit local villages and rural areas. Nowadays, when discussing sustainable tourism, the role of rural tourism can be obviously identified in it. It should be also highlighted, that in recent studies, rural tourism is discussed in the context of sustainable

development because most of its activities appear to be close to achieving the sustainable development goals.

The development of sustainable rural tourism is especially important in developing countries because it supports the development of rural areas, where social, environmental, and economic problems are more common and rural tourism appears to be one of the key elements to solve them.

2. STATE OF KNOWLEDGE

In Europe, this phenomenon has been consolidated over time, since the late '80s. Since then, the literature has documented a wide range of theoretical paradigms aimed at interpreting these consequences, and the natural environment has seen the emergence of rural tourism. One of the first definitions of rural tourism was proposed by the European Commission in 1986: "Rural tourism is a broad concept that includes not only farm tourism or agritourism, accommodation provided by farmers but all tourist activities in rural areas", (European Commission, 1986).

Rural Development is a deliberate process of sustained and sustainable economic, social, political, cultural, and environmental change, designed to improve the quality of life of the local population in a rural region, (EURACADEMY.org, 2015).

Rural tourism has a high potential to stimulate local economic growth and social change because of its complementarity with other economic activities, its contribution to GDP and job creation, as well as its capacity to promote the dispersal of demand in time (fight seasonality) and along a wider territory.

UNWTO understands Rural Tourism as "a type of tourism activity in which the visitor's experience is related to a wide range of products generally linked to nature-based activities, agriculture, rural lifestyle / culture, angling and sightseeing.

Rural Tourism activities take place in non-urban (rural) areas with the following characteristics: i) low population density, ii) landscape and land-use dominated by agriculture and forestry and iii) traditional social structure and lifestyle", (UNWTO, 2021).

The sustainability of tourism in rural areas will only be successful if a comprehensive, inclusive planning strategy is adopted and implemented based on a multi-action and multi-stakeholder participatory approach. The UNWTO Recommendations on Tourism and Rural Development, approved by the 24th session of the UNWTO General Assembly (A/RES/732(XXIV)), aim to support governments at various levels, as well as the private sector and the international community in developing tourism in rural territories, in a way that contributes to inclusive, sustainable and resilient development, (UNWTO, 2021).

UNWTO declared 2020 as the Year of Tourism and Rural Development. Tourists who are sustainable and care for the environment, as well as those looking

for well-being getaways, will be interested in the main trends in rural tourism this year, compiled by Tourism Review based on the study of Escapada Rural, (Chen, 2020).

The concept of sustainability in rural tourism must be a multi-purpose one if it is to succeed. It cannot be successfully based on a narrow pro-nature conservation ethic. It should aim to:

- Sustain the culture and character of host communities;
- Sustain landscape and habitats;
- Sustain the rural economy;
- Sustain a tourism industry that will be viable in the long term, and this in turn means the promotion of successful and satisfying holiday experiences.

It should develop sufficient understanding, leadership and vision among the decision-makers in an area where they realize the dangers of too much reliance on tourism, and continue to work towards a balanced and diversified rural economy, (Lane B, 1994).

Sustainable rural tourism development is a development in the tourism sector in the village by paying attention to the sustainability of tourism, such as efficient use of environmental resources, while preserving natural heritage and biodiversity and respecting the socio-cultural authenticity of the host community in intercultural terms, which should provide socio-economic benefits for all stakeholders. Thus, the services appear less optimal for the rural tourism actors. As a result, visitors will not visit that village anymore. In addition, the development of tourism in the village often exploits the natural resources and provides less maintenance of tourism objects. As a result, tourism actors will pollute these attractions, (Julianti *et al.*, 2022).

Before discussing the sustainability of rural tourism as a competitive advantage, it is important to explain the meaning of competitive advantage. A competitive advantage is something that cannot be easily replicated and is exclusive to a company or business. This value is created internally and is what sets the business apart from its competition, (Peterdy, 2022).

Table 1

Components of competitive advantage

Value Proposition	Target Market	Competitors
A company must clearly identify the features or services that make it attractive to customers. It must offer real value in order to generate interest.	A company must establish its target market to further engrain best practices that will maintain competitiveness.	A company must define competitors in the marketplace, while researching the value they offer; this includes both traditional as well as non-traditional, emerging competition

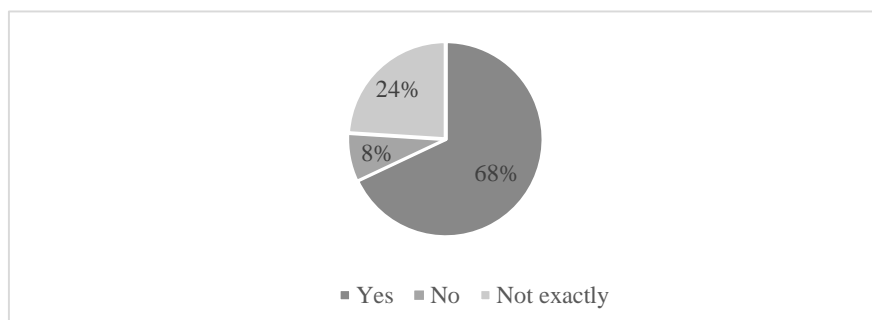
Source: Peterdy, 2022

3. MATERIAL AND METHOD

The article discusses literature reviews and articles, as well as books and internet resources of Georgian and foreign scientists. The article uses the case study method to analyze the international experience. The research was carried out according to the hypothesis that sustainability can be determined as a competitive advantage in rural tourism development, because sustainability nowadays is very actual and a lot of people pay attention to it while traveling. At the same time rural tourism is the way to attain the goals of sustainable development. The research is based on both qualitative and quantitative research methods.

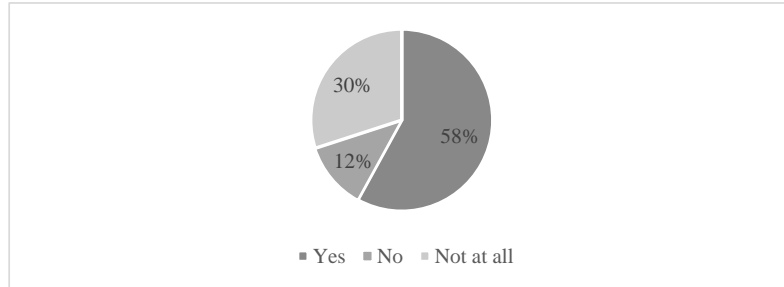
4. RESULTS AND DISCUSSIONS

In order to study sustainability as a competitive advantage, 100 local travellers were interviewed, from the travellers' group. This is an active segment, who often visit rural tourism areas. The survey was conducted from the 1st to the 31st of December, 2022. Among the visitors, 63% were women and 37% were men; by age distribution, 6% were more than 60 years old; 18% were 40 to 59 years old; 26% were 30 to 40 years old and 50% were 18 to 29 years old. By occupation, 17% were students, 5% were retired, 8% were unemployed and 70% were employed. Frequency of travelling: 3% once a year; 16% twice a year, 61% 3 times a year and 20% more than three times a year. The results of the research are also demonstrated in figures 1–3.



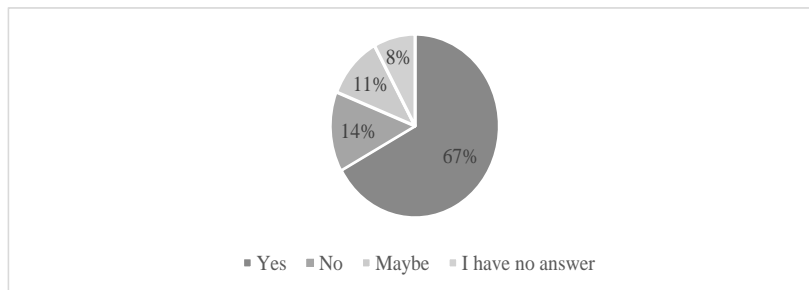
Source. Author, according to the collected data

Figure 1. Q1. Do you know what sustainability means?



Source. Author, according to the collected data

Figure 2. Q2. Are you ready to pay more in case the rural tourism destination is developed sustainably?



Source: Author, according to the collected data

Figure 3. Q3. Do you think that sustainability can give the rural tourism destination a competitive advantage?

As question 1 demonstrates, 68% of visitors know what sustainability means, 58% of them are willing to pay more for sustainable rural tourism products and 67% think that sustainability gives the rural region a competitive advantage. All this support the statement of the research that sustainability can be a competitive advantage.

Sustainable Rural Tourism Practices. In Georgia, Elkana was founded in 1994 and its initial activities were limited to advisory services to farmers; at present, the scope of activity of the organization has widened and includes:

- Sustainable & organic farming extension and training;
- Organic market promotion in Georgia;
- Conservation and sustainable utilization of agricultural diversity;
- Supporting business activities of organic farmers, farmer groups;
- Product development and promotion on local and international markets;
- Rural tourism and valorization of traditional food and wine production & processing;

- Public awareness on the importance of organic farming and traditional varieties;
- Advocacy for farmers’ rights.

Elkana is a Biological Farming Association, a non-governmental organization aimed at improving the socio-economic conditions of the Georgian population and protect the environment through fostering the development of sustainable organic farming and increasing self-reliance of the rural population.(Elkana, n.d)

From Austria to Vietnam, 32 destinations from all around the world have been named as ‘Best Tourism Villages 2022’ by the World Tourism Organization (UNWTO). A total of 32 villages from 22 countries across the five world regions were awarded the recognition. The villages were evaluated by an independent Advisory Board based on a set of criteria covering nine areas:

- Cultural and Natural Resources;
- Promotion and Conservation of Cultural Resources;
- Economic Sustainability;
- Social Sustainability;
- Environmental Sustainability;
- Tourism Development and Value Chain Integration;
- Governance and Prioritization of Tourism;
- Infrastructure and Connectivity;
- Health, Safety, and Security.

Table 2

Sustainable Rural Tourism Practices

MESTIA – GEORGIA
<p>The Cleanest Tourism Region in Georgia</p> <p>Mestia, with its fascinating nature and rich history, has remarkable monuments of Georgian architecture and ethnography including churches, monasteries, traditional towers and local buildings. The village has a diverse landscape, rich in forest areas and alpine zones and is famous for attracting world renowned sports championships. The governmental agency Enterprise Georgia supports Mestia in the development of eco and agrotourism, to raise quality standards and introduced the “Micro and Small Business Support Program” for the community to diversify regional goods and services. Mestia was named “The Cleanest Tourism Region in Georgia” after the Ministry of Environment and Agriculture initiated the project “Clean up Georgia”. This attracts new investments in clean energy, climate-smart agriculture, and other initiatives for reducing emissions and raising awareness on climate change impact.</p> <p>Integrating sports championships into village life.</p> <p>The village, along with some sponsors such as Red Bull, organized a sports event to promote the revival of the traditional <i>Lukhmed</i> wooden skates which were once popular in the 1980s but have declined in use ever since. The event has sparked interest in the old tradition which originated in Mestia. Originally, the traditional wooden skates were used during winter when moving through the snow village. The government and partners have initiated the preservation of rich culture and history mixed with modern trends and</p>

lifestyle through sports such as skiing events that promote local cultural/natural heritage, gastronomy and create a niche tourism product.

Digital Nomads

Mestia has its own unique nature and culture that reflects its diverse heritage. The village is implementing the country's plan to develop a co-working and co-living space for remote expatriate workers. A hiking and trekking paradise over the snow mountains in Mestia offers skiing and snowboarding for eight months of the year while providing internet and great food, therefore resulting in a perfect destination for digital nomads. To mitigate overtourism, the government has also developed a policy to extend the protected areas in the region, to protect biodiversity, preserve nature, and support eco-tourism development in the village.

Niche tourism

The village has also developed experience-based tourism with the collaboration of the Mestia municipality, Svaneti DMO, and Georgia Tourism Strategy 2025. The locals play a fundamental role in sharing cultural values as they offer visitors an authentic guesthouse stay where they can observe the local lifestyle, with hosts and hostesses teaching their visitors how to make traditional dishes, Svanetian hats, ride horses, etc. Visitors can learn about ancient traditions and witness different traditional activities and events like celebrating the arrival of spring or winter.

ANDERMATT – SWITZERLAND

The Andermatt Holiday Region lies in the heart of the Swiss Alps and is surrounded by natural landmarks. The central location makes the journey to Andermatt from the north, south, east and west short and pleasant. Andermatt is blessed with a great variety of alpine flora and wildlife, mountain lakes, brooks, springs, and untouched mountain areas. There are countless touring possibilities with the eight surrounding Alpine passes. This diverse region is the ideal place in winter and summer for nature, sport and culture lovers in search of unforgettable moments in a mountainous setting. The village is rooted in history, as reflected in the local history museum and the historical village center. It also resonates with myths and legends such as the myth of Gotthard and the legendary Schöllenen gorge with the notorious Devil's Bridge and the Devil's Stone.

Producing sustainable energy

Andermatt's natural energy sources (water and wind) are being generated sustainably instead of importing energy from elsewhere in the country. As a result, the village has earned the energy label "Energierstadt mit der Energie der Berge".

OK:GO initiative

The OK:GO initiative is being implemented in the holiday region; supports tourism providers in Switzerland in collecting and publishing information on the accessibility of their offers and services. This makes travel planning easier for people with disabilities, senior citizens and families with small children. Several hotels and shops are already on the online platform publishing information about the accessibility of their offerings and services in the village.

BIRGI – TÜRKIYE

Birgi is often considered as the heart of silk production and weaving in Türkiye. Its famous *bürümcük* fabric is believed to have been in production since the 15th century. *Oya* "embroidery" is another handiwork among the intangible cultural values of the village. After being listed in the UNESCO World Heritage Tentative List, the village has aimed to develop rural tourism to enable economic growth and entrepreneurship,

generate jobs, and empower the community while protecting cultural and natural resources. Birgi aims to develop tourism through a sustainable approach. For this purpose, within the scope of the “Birgi Cultural Road Project”, actions included fulfilling tourism signage needs, implementing capacity building and cultural heritage training, coordinating tourism seminars, sharing promotional publications and organizing local cuisine events.

Major efforts towards heritage preservation

Birgi is among one of the first settlements in Türkiye that has developed an urban preservation plan. In 1996, the village was registered as an official archeological site that is protected by the Ministry of Culture and Tourism (MoCT). Additionally, in 2012, the Historic Center was listed in the tentative List of UNESCO World Heritage. Thanks to the Cultural Heritage Contribution Fund, this facilitated the refurbishment of public streets and the restoration of several civil and monumental buildings. It is also important to highlight the work of the Ödemiş Municipality, which organized regular training sessions on traditional stone craftsmanship and silk weaving.

The Efeler Trail

The main purpose of Efes’ Way is to promote sustainable and holistic rural development in the locality by protecting and utilizing the natural, cultural and historical wealth, therefore providing socio-economic development in the region. The trail consists of 28 stages that take approximately 30 days to walk. Efes’ Way connects the villages, highlands and hideouts that represent typical Efe/Zeybek culture which, interestingly, has been compared to the genre of swashbuckling.

The vital role of women and youth

In Birgi, women play an active role in tourism and the associated social areas. Ödemiş Women Cooperative established a Handicrafts Store in Birgi and, after the pandemic, they reopened their doors for business. Ödemiş Women Entrepreneurs Board oversees activities that promote entrepreneurship. One such activity involves primary and secondary school students, where the aim is to increase their awareness of tourism by working with the Public Education Center to facilitate “Tourism ambassador training courses”.

KFAR KAMA ISRAEL

Kfar Kama is a Circassian village that was established in 1878 by Circassian immigrants who came from the Caucasus Mountains after their expulsion from the Russian Empire. The village is in a central position in the Galilee region. It provides a rural experience within a short drive of major cities while preserving its thousand-year-old culture and traditions and promoting them through events. In recent years, the Circassian Heritage Center was established in the village. It serves as a visitor center, and as site for the preservation of Circassian heritage and a museum where the municipality invests in marketing and advertising, by establishing a tourism website, mobilizing resources for the development of tourism and nature sites, and established a forum with the participation of local tourism entrepreneurs. The village has also developed a tourist digitalization process, where visitors can take a self-guided tour via an app on their phones. The tour takes them into the old and picturesque part of the village, and along the route they can learn about the different historical village sites. The app features videos with tutorials explaining the buildings and stations. Furthermore, the village provides clean transportation and has a large presence of electric vehicles, such as golf carts and utility vehicles.

Circassian culture

The village launched an initiative for the preservation and exposure of the unique Circassian culture by turning the village into a regional multicultural center. The council established the Circassian Heritage Centre as a tourism center that also serves as a museum and heritage preservation site in the village. The center holds festivals and cultural events that attract more than 30,000 visitors per year.

Almond festival

The municipality invests in marketing and advertising activities to help promote the Almond Festival. “Almond” has been one of the biggest treasures in Israel, with the event taking place annually during the almond blossom period. Alongside this festival, Kfar Kama has seen an influx of visitors and, as a result, local businesses have been incentivized to facilitate business licensing and to provide buildings for rental purposes to tourism enterprises.

The Ambassadors program

Women are in key positions in all areas of life as a legacy of the Circassian tradition. Young women serve in the visitor center and receive the necessary training for their field of work. A training program for teenagers and young people enables them to guide visitors on peak days such as festivals and holidays. Additionally, the Ambassadors program has incorporated folklore and language learning classes whereby students from different backgrounds are taught the importance of preserving Circassian culture.

Source: Author, acceding to collected data, UNWTO

As it is demonstrated in Table 2, sustainability is gradually becoming the power of rural tourism regions and more and more regions are trying to implement sustainable practices, such as using smart technologies, eco-friendly products, etc. Georgia, as a developing country, has a lot of challenges and opportunities to become the hub of sustainable rural tourism destinations.

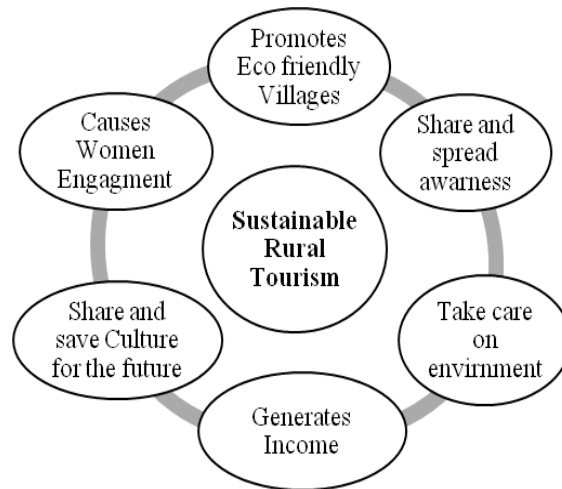
Table 3

Sustainable Rural Tourism

Sustainable Development Pillars	Sustainable Rural Tourism
Environmental Sustainability	Promotes clean villages; promotes using smart technologies; promotes using eco-friendly vehicles.
Economic Sustainability	Generates income; creates jobs; develops the region's economic conditions and supports its sustainability.
Social Sustainability	Engages women in business; shares knowledge; spreads awareness; improves the quality of life.

Source: Author, acceding to collected data

As Table 3 and Figure 4 show, rural tourism can be determined as the key to sustainable rural development, because it supports sustainable development itself and at the same time contributes to rural development, which is very important, especially in the mountains, where we are facing migration and unemployment problems.



Source: Author, acceding to collected data

Figure 4. Sustainable rural tourism

Table 4

Trends and challenges of Rural Tourism

Trend	Challenge
Sustainable traveller	As the research has proved, people are changing their minds and prefer to visit areas where sustainable rural tourism is developed; at the same time, they are also taking care of the environment and share sustainability aims and principles, so tourism has got the new face of a traveller and it is called a "sustainable traveller".
Responsible Tourism	People are taking care of the environment and prefer to visit sustainable rural areas. They like having dinner in local restaurants, purchasing locally made souvenirs and gifts, visiting the local markets and use a local tour guide, which is part of sustainable rural tourism.
Respect natural resources and cultural heritage and include them in tourism activities	More and more rural tourism activities are connected with natural resources and cultural heritage and people are preferring to take part in activities where they will be connected and close to natural resources and cultural heritage.
Increase the role of women and their engagement in business	As statistics show, the role of women has grown and this is clearly mentioned mainly in rural tourism, where business owners are women.
Reduce the use of non-renewable resources	More and more hotels in rural areas are trying to use eco-friendly materials and reduce the use of non-renewable resources. Some countries promote this kind of activities with no debt loans or other programs.

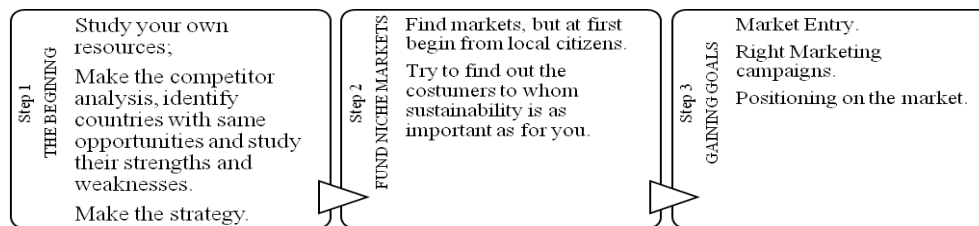
Source: Author, acceding to collected data

According to the research, Figure 5 presents the steps for sustainable rural tourism, how to gain a competitive advantage, while Figure 6 offers the steps for sustainable rural tourism development.

PLANNING	RESEARCH	CREATE	STRATEGY	LAUNCH
<ul style="list-style-type: none"> • Plan to gain competitive advantage 	<ul style="list-style-type: none"> • Study marketing campaigns and the products of competitors 	<ul style="list-style-type: none"> • Make unique rural tourism products, find the USP (Unique selling point) 	<ul style="list-style-type: none"> • Market entry plan • Plan Marketing strategies 	<ul style="list-style-type: none"> • Reach the target market

Source: Author, according to the collected data

Figure 5. Steps for gaining competitive advantage



Source: Author, according to the collected data

Figure 6. Steps for developing sustainable rural tourism

5. CONCLUSIONS

As the research has shown and proved the hypothesis, sustainability can be the competitive advantage in rural tourism, because nowadays sustainability appears to be the trend and more and more people are prioritizing it while traveling; but here the problem of the lack of knowledge must be faced, and this is common for rural tourism business owners and visitors as well. So sustainable tourism has also the responsibility to share the knowledge and raise awareness among the stakeholders in rural tourism. As the study shows, people are willing to travel in sustainable rural tourism areas and ready to pay more for sustainable rural tourism, and this fact already highlights that sustainability can help rural tourism destinations to gain a competitive advantage, but it should be promoted in the correct way, with finding the right segments.

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