Consumer preferences for riding lessons in Finland, Sweden and Latvia

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Introduction

Equine sector has found its place on the urban – rural fringe and horse stables offering riding services are an important rural livelihood around cities. The equestrian sector contributes to the production of new services by combining social needs of urban population with natural opportunities of rural areas. The possible clientele of the equine services is changing at the same time as the population on urban-rural fringe changes. Knowledge of needs and wishes of possible new and current clients is important for the systematic development of the services in equine sector.

Discrete choice modelling has been used to research empirically the consumer choice and applied also to quantify the importance of service characteristics in rural tourism, hospitality and leisure. Some of these studies have had riders as members of respondents, but the focus has been on recreation services in general (Colombo et al. 2009, Christie et al. 2007, Albaladejo-Pina & Díaz-Delfa 2009). Albaladejo-Pina & Díaz-Delfa (2009) show that the probability of lodging at a rural house is affected positively when the house has the possibility of hiring horses. Christie et al. (2007) studied riders as one of the forest user groups and determined the attributes that are important in horse activities in forest. Beyond these few studies, we found none focusing only on riders as clientele and their demand for riding services.

In our study, we are interested in the most typical riding good, a riding lesson, and in the attributes that affect the choice between riding sites. We use choice modelling approach by focusing on stated choices, as some attributes of interest are new and not supplied at present. The aim of this study is first, to measure riding lesson choice in Finland, Latvia and Sweden among potential clients for riding schools. Second, we model the riding lesson choice by taking into account the clientele heterogeneity i.e. we define the various consumer segments in each country. Third, based on the consumer preferences we provide willingness to pay estimates for the most interesting riding lesson types.

Methods

Respondents to the survey were current and potential riders and people with horse related activities. In Finland, all together 438 Finnish respondents, 430 Swedish responses and 457 responses from Latvia were obtained. In this study, we examined a riding lesson choice in Finland, Sweden and Latvia using a choice experiment method. In the questionnaire, the respondents faced different

choice sets, each set containing two riding lesson alternatives and a no-choice option. The riding lessons had several attributes and the level of attributes varied across alternatives. The riding environment had four levels: riding field (baseline), riding field and bridle paths, riding field and indoor arena, and riding field, indoor arena and bridle paths. Also natural environment had four levels: pasture (baseline), meadows and pasture, forests and pasture, and forests, meadows and pasture. The level of teaching varied from no teaching to amateur and qualified teachers. Horses were either easy to ride, hobby level or highly trained. One-way distance in time to the stable varied from 15 minutes to 1.5 hours. The price attribute varied in Finland from 10 € to 70 €, in Sweden from 100 SEK (8 €) to 800 SEK (66 €) and in Latvia from 3.5 LVL (5 €) to 35 LVL (50 €). To examine potential new added value for the lesson, we included focus attribute, so that the stable was focusing on horse welfare, customer convenience or developing horsemanship.

As we were interested in consumer segments, a latent class model was used in this study. The latent class model reveals both the consumer segments and the relative preferences for product characteristics in each consumer segment.

Results

The latent class models reported in Table 1 show that the consumers were not alike. Even though there were some differences between Finland, Sweden and Latvia, the three consumer segments in each country can roughly be characterized as "Low interest in lessons", "Importance of recreation setting/Recreational riders" and "Interest in skills". These segment names are interpretations based on coefficients in latent class models but also the socio-demographic and activity profile.

In the latent class model for Finland, the class sizes were rather even although the class with low interest in lessons was slightly larger and the class with interest in developing skills slightly smaller. The classes had equal preferences for the quality of horses, distance and price but the preferences for the other attributes differed. In the "Importance of recreation setting" segment, both the riding environment and the natural environment had higher effect on the utility than in other segments. This segment also valued highly particularly the horse welfare as the focus of the stable but also customer convenience and developing horsemanship were important. Developing horsemanship was of importance also for the segment "Interest in skills". However, the attribute that affected most on their utility was the qualified teacher. This attribute was of some importance also for the segment of "Low interest in lessons".

In the model for Sweden, the coefficients for natural environment and price were the same for all the segments. The preference profiles of the segments resembled those of Finland with some differences. The "Importance of recreation setting" segment preferred particularly the riding lessons with high quality riding environment with indoor arenas and bridle paths. For them, also the high quality horses and a short distance were of more importance than to other Swedish segments.

In Latvia, the segments differed only in their preferences for teaching, focus, distance and price. Still, also in Latvia, we could identify a segment with interest in skills as there were riders that had high preferences for a qualified teacher. The segment of "Recreational riders" valued highly the customer convenience focus and for them the distance to the stable had even positive sign suggesting orientation for touristic rides. The "Low interest in lessons" class had higher negative coefficient for the price compared to the other classes, implying lower willingness to pay for a riding lesson. However, this segment of Latvian riders had rather strong preference for developing horsemanship.

The latent class models for all three countries were used to estimate the price premiums for various types of riding lessons.

Table 1. Latent class models for riding lesson choice.

	Finland			Sweden			Latvia		
	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3	Class 1	Class 2	Class 3
Pseudo R²	0.0538	0.2415	0.2339	0.0736	0.2126	0.4179	0.1389	0.1586	0.2678
Class Size	0.3832	0.3226	0.2943	0.4271	0.3893	0.1836	0.3564	0.3529	0.2907
	Low interest in lessons	*Importance of recreation setting*	*Interest in skills*	*Low interest in lessons*	*Importance of recreation setting*	*Interest in skills*	*Low interest in lessons*	*Recreational riders*	*Interest in skills*
CONSTANTS									
No choice (reference level)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lesson A	-0.55	2.37	3.44	-0.84	2.96	1.76	0.61	2.47	1.41
Lesson B	-0.48	2.36	3.66	-1.22	2.97	1.82	0.69	1.92	1.73
ATTRIBUTES									
Riding field (reference level)	(***)	[***]		(***)	[**]		(-)		
Riding field and bridle paths	-0.37	0.74	-0.39	0.26	0.52	0.23	0.32	0.32	0.32
Riding field and indoor arena	-0.08	0.90	-1.06	0.47	0.37	-0.15	0.13	0.13	0.13
Riding field, indoor arena and bridle paths	0.48	1.34	-0.90	0.89	1.23	-1.16	0.35	0.35	0.35
Pastures (reference level)	(***)	[**]		(-)			(-)		
Meadows and pastures	-0.65	0.78	-1.12	0.29	0.29	0.29	0.08	0.08	0.08
Forests and pastures	-0.56	0.88	-0.48	0.30	0.30	0.30	0.10	0.10	0.10
Forests, meadows and pastures	-0.47	1.13	-0.90	0.32	0.32	0.32	0.16	0.16	0.16
No teaching	(***)	[***]		(***)	[***]		(***)	[***]	
Amateur teacher	-0.26	-0.17	0.22	0.93	0.11	0.45	0.31	0.60	1.30
Qualified teacher	1.30	0.05	1.69	1.68	0.39	1.90	0.84	0.26	2.83
Easy horses (reference level)	(***)			(***)	[**]		(**)		
Medium level hobby horses	0.36	0.36	0.36	-1.11	-0.35	-0.20	-0.03	-0.03	-0.03
Highly trained horses	0.69	0.69	0.69	0.39	0.81	-0.66	0.34	0.34	0.34
No focus	(***)	[***]		(***)	[***]		(***)		
Customer convenience	-0.21	1.12	-0.90	0.41	0.31	-0.39	-0.56	1.05	-0.26
Horse welfare	-0.08	1.85	-0.26	1.03	0.48	2.11	0.39	0.51	0.87
Developing horsemanship	0.21	1.01	0.50	0.94	0.07	2.93	0.72	0.69	0.49
Distance	(***)			(***)	[*]		(***)	[***]	
	-0.92	-0.92	-0.92	-0.80	-1.03	0.05	-0.93	0.59	-0.40
Price	(***)			(***)			(***)	[***]	
	-0.02	-0.02	-0.02	-0.01	-0.01	-0.01	-0.10	-0.03	-0.03

Note : (***), (**) and (*) show Wald test for p-value at 1%, 5% and 10 % significance levels, respectively. [***], [**] and [*] show Wald test p-value for class independence at 1%, 5% and 10 % significance levels, respectively.

The logistic regression models for each class provided information on the socio-demographic and activity variables that significantly associated with the membership of each class. Despite some differences, the classes had many similarities between countries. Class "Low interest in lessons" was characterized by older age, urban living and lower education level. There were many horse owners among respondents in this class and they were often members in a riding club. Respondents in class "Importance of recreation setting/Recreational riders" were younger and they had no or few children. Many lived on farms and had higher education. Class "Interest in skills" included more males than two other classes. Respondents in this class were older, had few children, lived often on farms and had lower education. This class had few horse owners, but many of the respondents were members in a riding club.

Discussion and conclusions

This study revealed the important characteristics of riding lessons in Finland, Latvia and Sweden among the actual and potential clients for riding schools. The results were promising as in the choice experiment the clients were able to express their preferences in a rational way.

The selected attributes, riding environment, natural environment, teaching, horses and the focus of the stable as well as price and distance, all had importance at least for one segment of clients in one of the countries. The latent class model by segments revealed clear heterogeneity among the clients in each country. However, the identified consumer segments were surprisingly similar in all of the three countries. From the few previous studies, we can also compare with Christie et al. (2007). In our study, as in theirs, the riding environment was not the most important attribute for riders. In their study, the provision of general facilities such as parking, toilets, play areas and picnic areas increased utility while the added provision of a cafe´/shop reduced it. Our study defined that the services increasing customer convenience were important attributes for one segment of clients.

References

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