

## **Success Factors in the Development of Farm Vacation Tourism**

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# Success Factors in the Development of Farm Vacation Tourism

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## 1. Problem statement and objectives

A high level of uncertainty has for many years characterized the world agricultural market. In this unpredictable environment rural tourism remains one of the few viable economic options for rural communities (Fesenmaier et al., 1995). Although in some cases the generated profit is only a small-side income (Oppermann, 1996) the social value of farm tourism displays a variety of qualitative benefits both for farmers and for guests. As a mutual learning experience (Ingram, 2002), farmers have the possibility to share their abilities with guests and affirming, in this way, their role as loyal partners in the food chain; at the same time customers recall their memory of the past (a past of more genuine food and of forgotten tastes) and also rediscover their food traditions.

Despite the fact that a wide body of literature in rural and agri-tourism already exists, there is a need for organized research on a particular form of it namely farm vacation tourism<sup>2</sup>. Our main effort was to apply an analysis of success factors to the panorama of German farm tourism in order to extrapolate the key components that have helped rural entrepreneurs to successfully develop this type of tourism.

## 2. Current research in farm tourism

A great deal of interest has been focused on the area of motivations of farm tourism hosts and guests. On the demand side customers often choose this type of tourism as a means to escape from the city (Putzel, 1984; Nickerson et al. 2001) and because of the satisfaction of learning from farm activities (Ingram, 2002). On the supply side there is a plethora of literature (Nickerson et al., 2001; Wilson et al., 2001; McGehee/Kim, 2004) describing not only the economic reasons, such as additional income, but also the social ones, such as to educate the consumers, which might motivate farmers to enter into this business (Nickerson et al., 2001; Wilson et al., 2001; Ingram, G., 2002; McGehee/Kim, 2004).

## 3. Procedures

Since our purpose is to discover the key factors for the success of farm tourism we carried out an empirical analysis. As a conceptual framework we chose the study of Wilson et al. (2001). This analysis adopts a qualitative method (in-depth interviews with focus groups) and has a community approach, which means that farm tourism is considered within its local economic context. The implication for policy makers is to support the whole community around the farm facility in order to generate multiple effects and positive externalities (e.g. the preservation of regional traditions and local food variety). In the study of Wilson et al. many indicators of success were taken into consideration in order to

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<sup>2</sup> In this study we use the definition of McGehee/Kim (2004): „Farm vacation tourism is a segment within the realm of agri-tourism including only the accommodations sector of tourism, whereas agri-tourism can include various types of overnight accommodations but it also encompasses day visits to on-farm attractions like festivals and educational events (Weaver and Fennell, 1997 in McGehee/Kim, 2004). In following we use the abbreviation farm tourism.

represent the multidimensionality of this type of tourism. Nevertheless tourism entrepreneurs and their role in fostering these components have been left out. In our analysis of success factors however we do include the entrepreneurs' skills and we use both qualitative and quantitative indicators for success within a quantitative-confirmative approach.

We conducted an on-line survey in the region of Lower Saxony, in the north Midwest of Germany, which has approximately 8 millions inhabitants. The majority of farmhouse owners are located in the Lüneburger Heide (34 %) and are full-time farmers (67 %).

We developed a questionnaire, which looked at both quantitative (e.g. number of beds) and qualitative (e.g. self judgment of success; planned investments) variables. The questionnaire was filled in by 103 companies with a response rate of 23.6 %.

For the data analysis we adopted a principal components factor analysis in order to differentiate among very successful and less successful companies and to segment them into three clusters. By means of a variance analysis of passive factors we interpreted them.

#### 4. Results

The respondents of the first group judge themselves as very successful. This self estimation was confirmed by the number of beds occupied daily each year. The respondents of group one performed well with 204 daily occupied beds each year whereas group three only had 77 daily occupied beds (group two: 135 beds/day each year). When asked if they would invest further in farm tourism, the respondents of the first group mainly agreed (mean = 1.25) compared to group two (mean = 0.41) and group three (mean = 0.21).

Farms in group one are generally bigger with 25 beds ( $\alpha = 0.001$ ) against the 16 beds of group two and the 15 beds of group three. Group one also displays the highest amount of regular guests with a clear 38 % attendance whilst group two reported 32 % and group three 28 %.

We conducted a variance analysis on the three clusters according to our research hypothesis. Respondents of group one believe that their success is especially due to their personal skills (see table one). Other factors expressed by the respondents, such as the high quality of the hospitality (especially comfort and cleanliness) and the power of attraction of the farm (e.g. large variety of animals), were also partially confirmed by the variance analysis.

**Table 1: Mean comparison among passive factors for success**

What are the main reasons of your success? <sup>1</sup>	Group 1	Group 2	Group 3
Personal skills of the farm entrepreneur***	1.59 ( $\sigma = 0.56$ )	1.24 ( $\sigma = 0.58$ )	1.06 ( $\sigma = 0.64$ )
Quality of the hospitality**	1.85 ( $\sigma = 0.36$ )	1.63 ( $\sigma = 0.49$ )	1.36 ( $\sigma = 0.70$ )
Power of attracting of the farm*	1.39 ( $\sigma = 0.93$ )	0.57 ( $\sigma = 1.28$ )	1.09 ( $\sigma = 1.04$ )
<sup>1</sup> scale from +2 = totally agree to -2 = totally disagree; *** = $p < 0.001$ , ** = $p < 0.01$ , * = $p < 0.05$ ; $\sigma$ = standard deviation			

Source: Authors' representation

## **5. Conclusions**

Our investigation puts in evidence two main aspects: on the one hand the majority of the successful farmers judge their personal skills as one of the most important factor for success; on the other hand we stated that the dimension of the company does matter which demonstrates the importance of economies of scale in the sector. This leads to the conclusion that many farmers of group one, who have started farm tourism for sake of diversification (additional income) or just like a hobby, have eventually chosen -or are going to choose- to develop it as their main economic activity. It is therefore of the utmost importance to establish a coherent dialogue with the main personnel of local government (chambers of commerce and agriculture, schools, business consultancies). This is consistent with previous investigations, which have highlighted the importance of the community approach to tourism development, as tourism is a place-oriented (Wilson et al., 2001) social business (Nickerson et al., 2001). Nevertheless the scope of our research is reduced to the German panorama of farm tourism. Further studies, also within a cross-country's approach, could highlight chances and differences of this type of tourism.

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