

Marketing Your Agritourism Enterprise

Part of a How-To Guide for Successful Agritourism Enterprises

Prepared for The University of Georgia's Center for Agribusiness and Economic Development and North Carolina State Cooperative Extension Service's Business Side of Agritourism Program Series. The Primary Investigators on this project were Kent Wolfe, Center for Agribusiness and Economic Development and Gary Bullen, North Carolina State University Cooperative Extension Service.



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Introduction

Farmers continue to look for creative and innovative means of generating additional revenue. Many farmers have turned to agricultural and nature based-tourism activities to generate additional revenue. Other farmers have the desire to provide educational opportunities, especially to children, to expose them to agriculture and its importance to local communities. Farmers can expand their businesses and increase farm income by offering people the opportunity to visit and experience agricultural and nature-based activities.

The past few years have witnessed an increased interest in Agritourism activities across the nation. These activities range from petting zoos, working dairies, and boating, to bird watching. Other activities such as children's camps, corporate events, and cabin rentals are also gaining popularity. These are just a few of the activities that are being provided that have created new uses for many farm and natural resources. To be successful, it is important to commit necessary resources, including a significant amount of managerial time and farm labor as well as a significant investment in marketing and promotion.

Marketing

Most Agritourism operations are not "turn-key" businesses with customers lining up at the door waiting for it to open. Agritourism venues require a significant amount of planning, marketing, and promotion to create successful enterprises.

The primary focus of all marketing and promotion activities is straightforward...to inform potential visitors about the operation and its activities and to attract visitors to the farm. The Agritourism audiences are often separated into two groups: individual families with children and groups, i.e., school groups, senior citizen groups, church groups, civic groups, daycare groups, children and youth groups, and tour groups. Families are frequently targeted on weekends and holiday while groups are often targeted during weekdays. Marketing methods can be developed to address each of these groups and may include brochures, print, radio, Internet, television, signs, sponsorships, use of a logo and positive word-of-mouth comments and referrals.

The effectiveness of marketing methods can vary significantly by targeted group. As a result, it is critical to have a good understanding of how best to communicate with various groups as well as knowing each groups' interests. This understanding will increase the effectiveness of the message. However, it is important to ensure that different marketing materials are consistent and don't contradict each other. To avoid sending conflicting messages, an overall theme should be devised which can be fine-tuned for different target markets. For example, families generally visit Agritourism activities for fun while school groups are looking for a combination of fun and educational activities. Therefore, it is necessary to have an understanding of various targeted groups and to develop specific marketing materials focusing on the needs and expectations for each.

What is Marketing?

For too long in Agriculture the word marketing has been loosely defined as selling. Selling is finding a buyer for your products. Marketing is much more than selling. Marketing involves the identification of a potential customer's needs and wants. In a sense, it can also be making what the customer wants. Attracting visitors to the farm initially requires development of a high quality enterprise and a high-quality marketing plan. Marketing is planning and executing a set of objectives to bring" buyers and sellers together so that a sale can take place." This requires thorough planning and execution with focus on four goals:

1. Identify a target audience and then identify their needs.
2. Attract the targeted audience to the farm.
3. Get the targeted audience to spend their money by selling to their needs and wants.
4. Create an inviting environment that will cause the targeted audience to come back again.

Focusing on customer values will be integral to the success of an Agritourism enterprise. This constant focus will provide the insight needed to develop and market a product or service to meet unfulfilled needs of consumers. It is important to understand the concept of consumer values. Before making purchase buyers may consider four factors:

1. Customer Benefit
2. Customer Cost
3. Convenience
4. Communication...that is, learning about your products and services and how to acquire them.

Developing a Marketing Plan

A marketing plan assists you in the evaluation of the market potential for your products and services so that you can develop strategies to take advantage of the potential. There are seven main components to a complete plan:

1. Research and analysis is the process of gathering information regarding the potential market for your products and services. It allows you to evaluate strengths and weaknesses and in the identification of a target market.
2. Setting marketing and financial goals and objectives will assist you in developing appropriate metrics necessary to evaluate your efforts.
3. Marketing mix describes the specific strategies needed to penetrate the target market, get them to spend money, and to get them to come back to your enterprise. These strategies include covering the 4P's of marketing (product, price, place, and promotion).
4. Developing a marketing budget will provide a roadmap for your marketing expenditures.
5. It will be important to monitor customer response in order to evaluate the effectiveness of your marketing plan. This will let you know when adjustments need to be made.

6. A contingency plan is a must in describing possible adjustments needed if your tactics are either more or less effective than planned.
7. A punch list for your marketing plan can help you summarize the tasks necessary to put your plan in action.

It is critical that you know and understand your target market. Having background information will allow you to learn about your target audience, improve the description of your operation, evaluate your strengths and weaknesses, and analyze opportunities and threats. Your market plan should contain information regarding the:

- Enterprise description
- Market situation
- Target customer profile
- Analyze your strengths, weaknesses, and opportunities, and then identify the threats to your enterprise

When developing your market plan don't confuse the plan with the act of planning. Both are needed to succeed. Remember, your planning process doesn't end when your plan is done. The true value of the plan is the implementation it causes. Implementation begins the day you determine your target audience. Understand that your market plan is never really done, your always revising it because reality is always changing the variables. Without having a plan and a way to measure results, you will never realize the difference between the plan and reality. Work your market plan, don't just write it.

Providing excellent customer service based on the needs, wants, and expectations of your target market is important in identifying, attracting and retaining customers. It also enables you to gain positive referrals. Excellence in customer service begins with a very specific plan that should include these steps

1. Research your customers' needs, wants and expectations.
2. Establish customer service goals and expectations.
3. Develop customer service policies.
4. Train employees to implement policies (and make sure they do).
5. Develop an effective set of metrics for your market plan and customer service policies.
6. Evaluate the effectiveness of your plan.

Summary

Remember, before planting 10 acres of pumpkins or laying out a corn maze, a plan for marketing has to be developed in order to understand what will actually work and generate sufficient cash flow and profitability. Don't let a plan for marketing overwhelm you and don't create wildly optimistic expectations. The continuous thread in your plan should be identifying and understanding your target customers needs and wants.

A target audience (your potential customers) can be defined as that specific portion of the population that has

1. A need your product or service can fulfill
2. A willingness to purchase your product of service
3. The money needed to purchase the product or service

You can describe the customers in your target audience by answering the following questions.

1. Where do the target customers live?
2. What age or in which age range are your target customers?
3. Are your target customers families, individuals or groups?
4. What is the income range of your target customers?
5. When are your target customers available for the services your Agritourism venue will offer?
6. What are your target customers looking for (entertainment, action, education, genuine farm experience, other)?
7. How far are your target customers willing to travel?
8. Is there another Agritourism venue in your area that already fulfills the needs and wants of your target customers?
9. How will customers benefit from your operation?

When you are first getting started, remember, the real key to developing your market plan....and attracting your target audience, is by being the best novice you can be.

Acknowledgement:

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Additional Resources:

Agritourism in Focus

A Guide for Tennessee Farmers

The New Farmers' Market

Corum, Rosenzweig & Gibson
New World Publishing

Worksheets and Analysis Aids

Various worksheets and analysis tools to assist the decision making process when investigating the variables involved when considering a new Agritourism enterprise can be found in *Agritourism in Focus, A Guide for Tennessee Farmers, UT Extension PB 1764.*