

# **THE ROLE OF THE MARKETING FACTORS TO DEVELOP THE AGRITOURISM INDUSTRY IN DAMBULLA TOURISM AREA**

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## **ABSTRACT**

This research is investigation on the role of the marketing factors to develop the agritourism industry in Dambulla tourism area. Agritourism is the application of the tourism activities to the agriculture industry. As it is significantly developing concept, the agritouriam industry need effective marketing practices. A problem which arises in this industry is the usage of marketing practices are lack in agritourism industry when it considers in the Sri Lankan context. There has been less previous evidence for analysing the marketing practices in agritourism industry. The objective of this study is to identify the role of the marketing factors to develop the agritourism industry in Dambulla tourism area. According to the study, product characteristics, pricing strategy, promotion, geographical location,physical appearance, employment characteristics were identified as marketing phenomenas to develop this industry. The structured questionnaires were distributed among the two hundred tourists by using purposive sampling around the Dambulla area. Results of the study revealed that product characteristics, pricing strategy, promotion, geographical location,physical appearance, employment characteristics significantly play major role to develop the agritourism industry in this tourism area.

**Keywords:** *Agriculture, agritourism, marketing factors*

## **INTRODUCTION**

Agritourism is the process of attracting tourists towards the agriculture industry with aim of recreation and academic purposes. Agritourism provides significant benefits to the farmers with the sustainable development of country. There are lot of reasons for growing interest among tourist for farming activities such as cultivate fruits and vegetables, directly buying product from farm, feeding animals,picking fruits and vegetables, feeding animals. Farm visitors take the

opportunities to entertainment, recreation, and involvement in local agriculture.

Today, the Agritourism industry is expanding with the many forms of recreational activities such as fee fishing, fee hunting, horseback riding, camping, nursery tours, wildlife viewing, petting zoo, skeet shooting, wagon ride, exotic farm animal, winery tours etc. Agritourism is different from the other tourism activities because it is a combination of tourism with agriculture and rural lifestyle. Hatch (2006) had mentioned that the history of the agritourism dates back to the late 1800s when people left cities and went to farms to visit their relatives for a short period of time. After the invention of motor vehicles in the 1920s, it became easier for people to travel to rural areas. Hatch (2006) explained that the Great Depression and World War II in the 1960s also gave rise to the first significant interest in rural development. From the 1970s, horseback riding and farm petting zoos became popular. In the 1980s and 1990s, farm vacations, overnight stays at bed and breakfast facilities as well as commercial farm tours became popular. This is the beginning of the agritourism industry. The development of a successful agritourism operation requires a keen focus on marketing the farm as a travel destination attractive to customers on the basis of farm products and services, hospitality, and experiences. Agritourism is a hospitality business and its success will be depending on customer satisfaction.

The Sri Lankan economy traditionally dominated as an Agriculture country. This sector contributes to the GDP on 7.1% in 2016. (Central Bank report, 2016). Mainly, there are two crop seasons in Sri Lanka namely Yala season and Maha season. Agriculture is the most common livelihood of Sri Lankans and it provides the more benefits for the customers and also for the producers. Sri Lanka produces around 710,000 metric tons of vegetables annually (Sri Lanka Export Development Board, 2013). Sri Lanka is practicing traditional cultivation methods and organic farming in the agriculture sector as well as 2500 years old paddy cultivation system operate by using different type of traditional and hybrid rice varieties (Malkanathi & Routry, 2011).

According to Kumari, 2016 mentioned that at present, Agritourism sector in Sri Lanka is in a basic stage with providing initial facilities. It means that Agritourism industry in Sri Lanka is not yet matured and it is on the growing stage. Few tourist destinations engage with Agritourism in all over the country like Dambulla, Nuwaraeliya. However, Sri Lanka is a suitable tourist place since it has necessary basic requirements for developing Agritourism concept such as different types of fruits, vegetables, crops, dairy farms, different types of climate conditions, cultural and religious activities, unique local foods and accommodation, etc. As it is labelled since past, Sri Lanka is one of the developing countries with the agriculture industry. The study of Malkanthi and Routryin (2011) stated that the lack of marketing and promotion of an Agritourism destination is a problem in Agritourism Marketing in Sri Lanka. Moreover, these factors are seriously affecting the tourism operations in a negative manner. And also it explained that most of operators in Agritourism Marketing use word-of-mouth communication as a common strategy to publish it but nowadays, it is a simple method of giving publicity for a less number of people. It is clear that the development of marketing practices is less in the Agritourism industry. According to that, this seems to be a common problem to develop agritourism marketing. Therefore, mainly the problem of this research addresses to identify the factors affecting the development of marketing practices in the agritourism industry in the Dambulla tourism area.

### **Objectives of the study**

- to identify the role of the marketing factors to develop the agritourism industry in the Dambulla tourism area.

## **LITERATURE REVIEW**

### **Agritourism and Agritourism industry**

The Canadian Farm Business Management Council defines Agritourism as, travel which combines rural settings with products of agricultural operations within a tourism experience that is paid for by visitors. Agritourism refers to any activity, enterprise or business that links agriculture with products, services

Chesnutt (2007) mentioned that agri-tourism is a commercial enterprise at any agricultural site, including horticulture and agribusiness operations, conducted for the enjoyment of visitors that generates supplemental tourism income for the owner.

Shamrao (2015) stated that agritourism will bring the primary sector agriculture closer to the service sector and will attract more attention to development of rural infrastructure. Agritourism is defined as “Travel that combines agricultural or rural settings with product of agriculture operations all within a tourism experience. The agritourism can be identified as a combination of primary sector and service sector. Due to the innovativeness of the of the agritourism it has great capacity to generate additional income and employment opportunities to the farmers. Agritourism concept is very much important to the Sri Lankan context based on the nature of this industry. Further, many researches have shown that agritourism is a mechanism for stimulating rural area development, increasing the standard of living of inhabitants of rural areas by stimulating farmers’ activities (Tew and Barbiere, 2012), promoting and creating added value (Zoto et al. 2013) and maintaining unique culture characteristics (Ollenburg and Buckley 2007; Maneenetr and Tran 2014). According to the, Brian Schilling et al., (2011) Mentioned that common Agritourism activities as follows:

01. On-farm direct-to-consumer sales of agricultural products (e.g., pick-your own produce, U-cut Christmas trees, on-farm markets).
02. Educational tourism (e.g., school tours, winery tours, farm work experiences).
03. Entertainment (e.g., hay rides, corn mazes, petting zoos, haunted barns).
04. Accommodations (e.g., birthday parties, picnicking, bed & breakfasts).
05. Outdoor recreation (e.g., horseback riding, hunting, fishing, hiking, bird watching).

## **Marketing Factors and Agritourism**

### **Product Characteristics**

Majewski (2002) explained that tourist products should be created based on rural resources. Moreover, this study believes that a broader range of services of agritourism product available not only attracts more tourists. It means that agritourism product should be related with the resources availability. As well as it needs to show the cultural values to the tourists.

Product refers to the product, service, or relevant in the context of agritourism experience that farmers are providing for the customers. (Schilling, 2011). According to the South Western Ontario Tourism Corporation (2011) mentioned that agritourism products and services can be categorized into three broad themes. Fixed attractions such as historic farms, living farms, museums, food processing facilities and natural areas considered as a one of categories. Secondly, Events based on an agricultural theme such as conferences, rodeos, agricultural fairs and food festivals. Finally, it considered services such as accommodations, tours, retailing (farm produce and products) and activities (fishing, hiking etc.). Nature of agritourism product can be identified as a factor contribute for the development of marketing practices in agritourism industry.

### **Pricing Strategy**

The price can be considered as the value for the product or service. Schilling (2011) mentions that as a farm entrepreneur, its need to offer a price that is competitive in the market for product, acceptable to customers, and able to generate sales consistent with the financial goals. The price should be a reasonable and it has the capacity to customer to easy payment. Otherwise, farmers will fail to attract the customers to their farm places. But, agritourism farm are using expensive pricing strategy to their customers in Dambulla tourism area. Pricing strategy can be identified as a factor contribute for the development of marketing practices in agritourism industry.

## **Promotion**

Marketing promotion mix are included advertising, direct marketing, sales promotion, personal selling and public relation. Malkanthi and Routry (2011) stated that the lack of promotion of an agritourism destination is a problem in agritourism marketing in Sri Lanka. Further, it explained that most of operators in agritourism marketing use word-of-mouth communication as a common strategy to publish it. The aim of agritourism promotion is to create communication between a farm's owner and the market and to shape customers' social awareness, which helps to create the image of a farm and its products ensuring lasting presence on the competitive tourist market. (Roman and Nuskiewicz, 2014). Schilling (2011) states to be successful an agritourism operator needs to constantly think of creative ideas for directing customer traffic to the farm and encouraging repeat visitation. Promotion of Tourism would bring many direct and indirect benefits to the people. (Shamrao, 2015). Organizing an efficient system of promotion is the basis for the long-term success and the success of agritourism activities (Woniak and Kuniar, 2000).

## **Geographical location**

The location determined the richness for the consumer to buy or received the service. The geographical location important to increase the interest of tourist specially in agri-tourism industry. According to the Freitas (2003) opinion, the selection of resting place and tourism is influenced according to the geographical location such as landscape, topography, flora and fauna, weather and climate. The attraction of the tourist based on the geographical location.

## **Physical appearance**

Physical appearance of the destination including interior culture designing to offer the specific appearance to the tourism firm. The agritourist does not usually expect high-quality accommodation (Kumbhar 2010), but needs a basic set of facilities that are necessary for active and passive leisure as well as daily functioning connected with food preparation and communication with others. (Zawadka 2014). Accommodation may require construction of additional facilities with

architecturally inadequate to the area. (Jolanta and Klimek,2012). As usually, the farmers must have basic infrastructure and facilities in their farm. This study had shown that the respondents pay special attention to improving the appearance of farms (69.9% of respondents), being aware that is as an important element, responsible for tourists' first impression. People are care about cleanliness and beautify their farms, making the village more attractive.

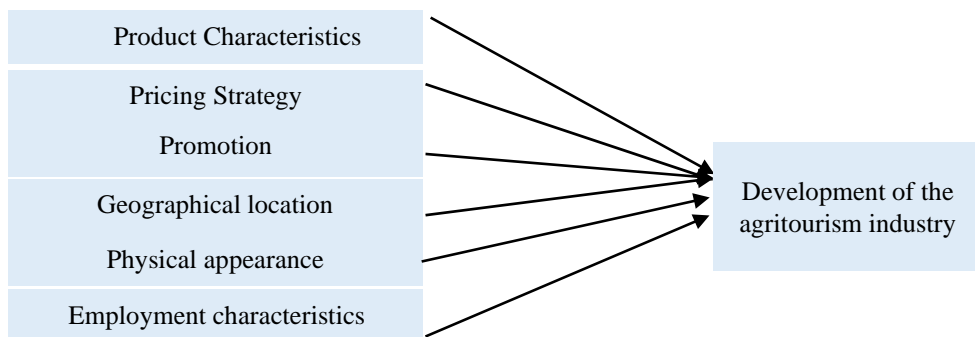
### **Employment characteristics**

Employment behaviour is need to provide the quality hospitality services. As mentioned Barkauskasa and Jasinskasc (2015) that the number of employees which affect tourism development into positive way. Further it discussed that due to poor demographic situation in rural areas there is a lack of qualified staff for agritourism industry. To put it another way, good hospitality is requiring to develop the tourism industry.

## **RESEARCH METHODOLOGY**

### **Conceptual Framework**

**Figure 1:** Conceptual Cramework



*(Source: Litreature Review)*

### **Hypothesis Development**

According to the literature references the hypothesis were developed to test the data of the study as follows:

H1: Product characteristics contribute to Development of the agritourism industry.

H2: Pricing Strategy contribute to Development of the agritourism industry.

H3: Promotion contribute to Development of the agritourism industry.

H4: Geographical location contribute to Development of the agritourism industry.

H5: Physical appearance contribute to Development of the agritourism industry.

H6: Employment characteristics contribute to Development of the agritourism industry.

### **Sampling**

Around the population of tourists, sample had been considered as 200 tourists in Dambulla tourism are by using Purposive sampling methods to collect the research data.

### **Data collection and analysis**

The primary data sources and secondary data were used to collect the data. 35 structured questionnaires were distributed among the 200 tourists. The Pearson's Correlation analysis and hypothesis testing, multiple regression analysis had used to analysis the data of study and reliability study was used to test the internal consistency of the study by using SPSS 20 version.

## **DATA ANALYSIS**

### **Reliability Test**

**Table 1: Reliability Test**

Cronbach's Alpha	N of Items
.819	7

*(Source: Survey data)*

The Cronbach's Alpha value is 0.819 with respect to 35 statements. According to that it clearly reveals that high consistency of the study.



**Correlation Analysis**

**Table 2: Correlation Between Independent and Dependent Variables**

<b>Variable</b>	<b>Correlation coefficient</b>	<b>Significance</b>
Product Characteristics	.735**	.000
Pricing Strategy	.506**	.000
Promotion	.521**	.000
Geographical location	.740**	.000
Physical appearance	.522**	.000
Employment characteristics	.506**	.000

*\*\*Correlation is significant at the 0.01 level (2-tailed).*

*(Source: Survey data)*

The correlation analysis explores that linear and positive significant relationship between geographical location. Geographical location significantly contributes to development of agritourism industry in Dambulla tourism area.

According to the table II, it reveals that linear and positive significant relationship between product characteristics. Product characteristics significantly contribute on development of agritourism industry in Dambulla tourism area.

There is a linear and positive significant relationship between physical appearance. Physical appearance significantly contributes on development of agritourism industry in Dambulla tourism area.

The correlation analysis explores that linear and positive significant relationship for promotional methods. Promotional methods significantly contribute on development of agritourism industry in Dambulla tourism area.

The correlation analysis explores that linear and positive significant relationship for pricing Strategy. Pricing strategy significantly contribute on

According to the correlation value, there is a linear and positive significant relationship employment characteristic. Employment characteristics significantly contribute on development agritourism industry in Dambulla tourism area.

### Hypothesis Test

**Table 3: Hypothesis Test**

Variables	Hypothesis results
Product characteristics	Accepted
Pricing strategy	Accepted
Promotion	Accepted
Geographical location	Accepted
Physical appearance	Accepted
Employment characteristics	Accepted

*Source: Survey data*

According to the decision criteria if “P value >  $\alpha$  Value” accepted the alternative hypothesis. In this study the significance level of the study is less than the P value. ( $0.000 < 0.05$ ). It has revealed that product characteristics, pricing strategy, promotion methods, geographical location, physical appearance, employment characteristics significantly contribute on development of agritourism industry in Dambulla tourism area.

### Multiple Regression Analysis

**Table 4: Model Summary**

R	R Square	Adjusted R Square
.846 <sup>a</sup>	.715	.708

a. Predictors: (Constant), employment, physi, nature of product, geographical, promotion

*Source: Survey data*

According to the table IV, under the 70% variation of the product characteristics, promotion methods, geographical location, physical appearance, employment characteristics can be explained to develop the agritouriam industry.

**Table 5: Coefficients**

	B coefficient	Sig.
Constant	.149	.473
Product characteristics	.504	.000
Promotion	.246	.016
Geographical location	.609	.000
Physical appearance	.024	.708
Employment characteristics	-.416	.000

*(Source: Survey data)*

Multiple regression analysis show that the product characteristics, promotion methods, geographical location, physical appearance, employment characteristics influence for the develop the agritouriam industry. But, the analysis show that pricing method as the excluded variable from the equation because of the collinearity relation.

## **CONCLUSION AND RECOMMENDATION**

This study was conducted to identify the role of the marketing factors to develop the agritourism industry in Dambulla tourism area and to explained that role of each factors to develop the marketing practices in agritourism industry. According to that, product characteristics, pricing strategy, promotion, geographical location, physical appearance, employment characteristics were identified for the development of marketing practices in agritourism industry in case of Dambulla tourism area. When conducting the research and analysing the final results of the study, it has created a feeling that the the marketing practices is lack in agritourism industry of Dambulla touriam area. Based on that, some strategies can be recommended to develop this

Farmers can increase the agritourism activities for lodging and camping (bed and breakfast, camp sites, youth camp, farm vacation (farm stays, feeding animals, picking fruit/vegetables, rental cabin for day trips/picnics, weddings, receptions, honeymoons), special cultural events and festivals (music festivals, holiday celebrations, harvest festivals) exhibitions and fair (farmers' markets, vendor at state and county fairs, roadside produce stands), and recreation activities and events (fee fishing, skeet shooting, biking, horseback riding, bird watching, hiking, hang gliding, hot air balloon rides, rock climbing, cross country skiing).

Agritourism marketing mix should be manage and expand including of the elements (Seven P's) of product, price, place, promotion, physical evidence, people and process as this industry appear with service features. As well as prepare Agro Tourism project report and business plan of the agriculture farm. Further, marketers need to design the farmhouse which has the rural look and feel comfortable along with minimum required facilities.

Agricultural department, Tourism Development Authority, government and nongovernment organizations, Agricultural Universities and agricultural colleges can start the centers to develop the research on behalf of the sustainability of this industry. Farmers should offer to see and participate in the agriculture activities to tourists. It wants to provide the organic and rural foods and beverages for break first, lunch and dinner.

Government can help in various ways:

- Facilitate the financial support from banks, institutes and Government Agencies to the farmers.
- Built tourism facilities and infrastructure like accommodation, sanitation, approach road etc.
- Can be conducted Agro Tourism Business training programme.
- Plan seminars and conference on agro tourism business.

- Provide sales and marketing support to the agritourism providers.
- Conduct and coordinate tours from urban areas to the farm.
- Plan national and international agritourism center study tours.

Agritourism appears as a core industry to develop the future tourism industry in Sri Lanka. But, there is a lack of development of marketing practices in this industry. Therefore, in the future it needs to investigate and develop this industry in various aspects.

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