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SUCCESS FACTORS IN FARM TOURISM OPERATIONS: EVIDENCE IN SOME AGRI-TOURISM SITES IN PANGASINAN

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ABSTRACT

Agri-tourism is part of the larger and still growing tourism industry in the Philippines. With its immense potential to provide socio-economic and environmental benefits to localities, agri-tourism is considered as a competitive selling point for a predominantly agricultural country such as the Philippines. Although considered as sunrise industry, agri-tourism can pave the way for better and improved tourism services for both local and foreign tourists.

The main purpose of this paper is to identify the critical success factors in the operations of farm tourism in the province of Pangasinan. It also determined the opportunities that await farm tourism operators not only in the province of Pangasinan but also in the entire archipelago. Employing case study analysis, questionnaire and interview, the researcher analyzed what are the key success factors in the operations of agri-tourism sites in Pangasinan and the opportunities that can be leveraged upon by the agri-tourism industry.

The researcher concluded that among the very vital key success factors include know-how, interaction and managerial/leadership skills. He recommended for further strengthening of the implementation of Farm Tourism Law, multi-stakeholder engagement between government and non-governmental agencies and conduct of further research on farm tourism development.

INTRODUCTION

Farm tourism, which is also known as "agritourism," has been defined as the opportunities for tourists to "reside and sometimes participate in the working activities of farms and ranches" (Smith & Long, 2000).

Coomber and Lim (2007) stated that rural and farm tourism, as a category of alternative tourism, is a growing sector of tourism. The growing number of tourists venturing into rural regions, and the limited and spasmodic research in the farm tourism sector, suggests that empirical research in this area is needed. Citing (Oppermann, 1995), the authors argue that there has been limited research in farm tourism because the latter lacks a comprehensive body of knowledge and theoretical framework, which is largely due to problems with definition.

Roberts and Hall (2001) cited that the term ‘farm tourism’ is used in some regions or countries with agrotourism or agritourism. Whatever the label, most often it refers to ‘rural tourism conducted on working farms where the working environment forms part of the product from the perspective of the consumer. Farm tourism can include: accommodation, farm visitor centres, galleries and museums, farm shops for produce and crafts, guided walks and farm trails, educational visits, farm activities, such as mustering, fruit picking, horse riding and fishing; and
food and beverage outlets. A common feature relevant
to all of the above is management by the owner/farmer
with help from the family household. Tourism is
usually secondary to the farm activities (Coomber and
Lim, 2007)

Kline et al. (2007) argued that rural farms are
becoming attractive tourist destinations also because
more visitors are nostalgic for a "simpler" time. They
want to escape the hustle of city life and connect with
natural and cultural heritage and enjoy a richer and
authentic leisure experience. They want to learn,
connect with meaning, and meet genuine people
engaged in a rural/agricultural lifestyle. Verily,
agritourism is rapidly being embraced as a strategy to
conservate the family farm, increase revenue, and teach
the public about authentic farming life (Kline et al,
asserted that the tangible and intangible elements of
the farm landscape attract visitors and influence their
level of satisfaction; hence the terms ‘winescape’ and
‘foodescape’and similarly, ‘servicescape’ are being
used to analyze these aspects of farm tourism.

Hall et al (2003) argue that there appears to be
an increasing need for some consumers to reconnect
with the countryside as a source of recreation and
relaxation, offering peace, solitude, fresh air and wide
open spaces.

As affirmed by (Desmond, 2005), agriculture
and rural space are recognized as holding amenity
values, particularly for urban residents who may not
have frequent access to open space. Differences were
seen between urban and rural visitors in terms of
landscape elements that were important in enhancing
the quality of their visits to agricultural tourism sites.
Desmond (2005) further noted that in addition to
increasing farm gate revenues through direct sales of
products, agritourism operators also may realize
greater revenue through entrance fees, thereby
capturing some of the amenity value of agricultural
landscapes.

Desmond’s study (2005) revealed that
participation and interest in agricultural and nature
tourism was high, which indicates good potential for
farmers to increase on-farm revenue through visitors to
their operations. Motivations for visiting various
agritourism operations can be grouped into categories.
For example, the top-ranking motivations for visits
were (a) purchases and (b) vacation/relaxation
(including experiencing nature). The lower-ranking
motivations were related to agricultural education and
awareness. As the literature on rural tourism has
recognized (Lane, 1995), focusing on scope rather
than on scale in agritourism development may be more
strategic for small farmers (Desmond, 2005).

In California, agricultural and on-farm nature
tourism has increased in popularity, in both supply—
farmers and ranchers—and demand—tourists and
consumers of agricultural products and services. As
agritourism becomes more mainstream, the ability of
smaller operators to realize increased revenue through
tourism will depend on several factors, including those
pertaining to marketing of their agritourism operations
(Desmond, 2005).

enumerated some broad tourism dimensions which
includes the demand side and supply side of
agritourism. The former encompassed the volume and
characteristics of agritourists; their perceptions,
motivations, preferences, decision-making processes,
and behavior; whereas the latter embraced the role and
importance of infrastructure, service, and
organizations such as transport, attractions,
accommodation, intermediaries, coordinators and etc.

According to the Hotel Sales and Marketing
International (HSMA), the Philippines is considered as
among the top agri-tourism destinations in the world
(Aguiba, 2019). In the recently concluded Global Farm
Tourism Summit which was spearheaded by the
Southeast Asian Regional Center for Graduate Study
and Research in Agriculture (SEARCA), tourism sites
in the Philippines boosted the tourism performance of
the industry with foreign visitors’ arrivals that reached
the 730, 000 mark in a single month last year (Aguiba,
2019).

It was observed that from January to May 2018,
the number of foreigners who visited the country for
farm tourism purposes increased for about 10.3
percent. As an agricultural tropical country rich in
natural resources and biodiversity, the Philippines is a
perfect agri-tourism destination.

In La Union alone, a 25 percent growth
(591,432 tourists in 2017) in tourist arrivals had been
noted as the province is also known as the country’s
surfing capital. There are 23 farm tourism sites in La
Union including grape farms in Bauang and family
farms including the Lomboy Farm, Lotus Farm,
Rocapor’s Farm, and Fer-gie Navarro Farm (a certified
Good Agricultural Practice vegetable farm) (Aguiba,
2019)With a total land area of around 5, 451, the
province of Pangasinan in Northern Philippines is
predominantly an agricultural country. Around 44
percent of this land area is devoted to agricultural
production. Hence, the opportunities for farmers to
engage in farm tourism is huge. In fact, in the past few
years, a number of farm tourism sites have emerged
that provides an added dimension to agricultural
activities in the province. While there are a number of
literature that discuss agri-tourism in its various facets,
there is a dearth of literature as to the key success
factors that underlie the successful economic activities
of agri-tourism sites. This study is just among the few
studies that dealt along this area.
OBJECTIVES
This study aimed at determining the key success factors in the operations of some agri-tourism sites in the province of Pangasinan. It likewise identified the opportunities for agri-tourism industry that applies not only to Pangasinan but to other provinces of the country.

METHODOLOGY
The descriptive method of research was used in this study to determine the key success factors in the operations of some agri-tourism sites in the province of Pangasinan and to identify the opportunities for agri-tourism industry that applies not only to Pangasinan but to other provinces of the country.

SAMPLING DESIGN
A total of 50 respondents from ten (10) farm tourism sites in the province of Pangasinan took part in this study. Although a lot of small to medium-sized farms owned by a household exists within the province, not all of them are engaged in farm tourism activities. Hence, only those farm tourism sites which have been in operation for quite a time has been chosen to be a part of this study. These are sites that are currently receiving tourist arrivals from both the local and foreign tourists’ sectors. Alongside with the questionnaire, the owner or its authorized representative were interviewed to explore more information that were potentially not covered upon by the questionnaire. This was made possible through the use of semi-structured questionnaire.

RESULTS AND DISCUSSION
Profile of Farm Tourism Sites in Pangasinan
Results showed that majority of farm owners are within the age range 45-55 (49.0%), followed by those belonging to the following age ranges: 56- above (38%); 30-44 (10.0%); and below 30 (3.0%).

Apparently results bare out that most of the farmers in the province belong to middle-aged bracket. The findings imply that there is a need to equip the much younger farm owners and train future managers and operators of the farm to keep the operations continuous and sustainable.

Most of them have around 16-20 years of farming experience (47.0%); whereas around 20 percent have been in the farm tilling the soil for 11-15 years. Those who have been around 5-10 years in farming activities constitute 13 percent of the respondents; whereas the remaining twenty percent (20%) have less than 5 years experience. The findings suggest that manpower training and capacity building be undertaken for younger farmers on the nitty-gritty of farm operations alongside developing new skills and techniques to complement their existing repertoire of knowledge and skills in farm tourism-related activities.

In terms of trainings attended on sustainable agricultural practices, a great majority of them (74.45%) received at least two (2) trainings annually; 16.55% received one training in a year; and only 10.50 % do not at all received a training in a year. Apparently, the farm tourism operators receive adequate access to trainings on sustainable agricultural practices considering the fact that the Department of Agriculture, Department of Tourism and the Agricultural Training Institute have started to initiate programs, projects and activities that aims to capacitate farm owners and operators on sustainable agricultural practices in relation to agri-tourism activities.

Success Factors in Farm Tourism Operations
In operationalizing the success factors in this study, the researcher adopted the Diamond of Success Factors by Vahausky (2015). In this model (see Figure 1), the main success factors, or edges of a diamond, are claimed to be valid on all levels from societies to
individuals. These factors are strategy, management or leadership, knowhow and interaction, which all are observed as equal success factors.

![Modified Diamond Success Factor Model (Vahauski, 2016)](image)

**Figure 1: The Modified Diamond Success Factor Model (Vahauski, 2016)**

**On Strategy as a Success Factor**

Table 1 below presents the perceptions of the farm tourism operators in Pangasinan on the aspect of strategy.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Mean</th>
<th>Verbal Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products offered are within the competitive level pricing</td>
<td>3.43</td>
<td>Vital</td>
</tr>
<tr>
<td>The agri-tourism site offers unique selling proposition that makes its products and services being demanded by tourists</td>
<td>3.46</td>
<td>Vital</td>
</tr>
<tr>
<td>The agri-tourism site uses marketing channels that easily allows customers to see their products or access their services</td>
<td>4.10</td>
<td>Vital</td>
</tr>
<tr>
<td>The farm's location is very strategic and provides enough accessibility for tourists</td>
<td>3.52</td>
<td>Vital</td>
</tr>
<tr>
<td>Having goals to guide day-to-day decision-making in the operation of the farm tourism site</td>
<td>4.24</td>
<td>Very Vital</td>
</tr>
<tr>
<td><strong>OVER-ALL MEAN</strong></td>
<td>3.75</td>
<td>Vital</td>
</tr>
</tbody>
</table>
It can be gleaned in Table 1 that having goals to guide day-to-day decision-making in the operation of the farm tourism site is perceived as very vital for the successful operations of the farm as shown by the weighted mean of 4.24. Farm tourism operators perceived the following aspects strategy as vital for the success of their activities: the agri-tourism site uses marketing channels that easily allows customers to see their products or access their services, 4.10; the farm’s location is very strategic and provides enough accessibility for tourists; 3.52; the agri-tourism site offers unique selling proposition that makes its products and services being demanded by tourists, 3.46; and the products offered are within the competitive level pricing, 3.43.

Over-all, the farm tourism operators in Pangasinan view that the following aspects of strategy are vital success factors in their operations: price and products, marketing channels, location and goals. The results seem to affirm findings of previous studies. Vahauski (2016) for instance, disclosed that expanded, reasonably priced and easily accessible product is a success factor. Online marketing and sales channels were found well applicable.

On Management or Leadership as a Success Factor

Table 2 below presents the perceptions of the farm tourism operators in Pangasinan on the aspect of management or leadership.

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Mean</th>
<th>Verbal Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills in managing the day-to-day activities of the site</td>
<td>4.35</td>
<td>Very Vital</td>
</tr>
<tr>
<td>Decision-making skills on matters affecting the operations of the site</td>
<td>4.44</td>
<td>Very Vital</td>
</tr>
<tr>
<td>Values and motivation in directing the activities of the site keeps it going</td>
<td>4.45</td>
<td>Very Vital</td>
</tr>
<tr>
<td>Ability to take care of the well-being of the farm at the firm’s level from unexpected or seasonal changes in demand</td>
<td>4.22</td>
<td>Very Vital</td>
</tr>
<tr>
<td>Leadership skills including the ability to adapt</td>
<td>4.50</td>
<td>Very Vital</td>
</tr>
<tr>
<td>OVER-ALL MEAN</td>
<td>4.39</td>
<td>Very Vital</td>
</tr>
</tbody>
</table>

As shown in Table 2, farm tourism operators in Pangasinan appeared to be of strong agreement that management/leadership skills are a very vital success factor. In particular, they believe that the following dimensions of management skills are very vital components of success factor: leadership skills including the ability to adapt, 4.50; values and motivation in directing the activities of the site keeps it going, 4.45; decision-making skills on matters affecting the operations of the site, 4.44; skills in managing the day-to-day activities of the site, 4.35; and ability to take care of the well-being of the farm at the firm’s level from unexpected or seasonal changes in demand, 4.22.

Over-all, the farm tourism operators in Pangasinan deemed that management and leadership skills are very vital success factors in the operation of farm tourism sites as evidenced by the grand mean of 4.39. It can not be denied that management and leadership skills in operating the farm is essential to allow smooth operations from top to bottom. Findings of this study corroborated the findings from previous studies. Results of studies conducted by Kollerud & Melleby (2007) showed that personal qualities of establisher are important. He or she should be motivated, dedicated to what he or she is working with and have good leadership skills. Phelan & Sharpley (2011) have conducted a quantitative research in North-West England asking farmers themselves what they considered relevant skills in order to reach effective and successful diversification to agritourism. Entrepreneurial and personal maturity skills were all considered rather equally important in the following order: accountability, emotional coping, critical evaluation, networking, self-awareness, environmental scanning, business concept, goal setting and negotiation skills (Phelan & Sharpley, 2011)

On Know-how as a Success Factor

Table 3 below presents the perceptions of the farm tourism operators in Pangasinan on the aspect of know-how.
As clearly illustrated in Table 3, know-how as a success factor is perceived as very vital as evidenced by the over-all mean of 4.29.

In particular, experience (4.56) and keeping updated (4.34) are perceived as very vital components of know-how as a success factor. Contrariwise, they considered formal and informal technical know how (4.16) as well as social, technological and economic know-how (4.10) vital for the success of their economic activities.

Farm tourism operations require certain degree of competencies, skills and tools to make its operations successful. Just like any other industries, the farm tourism industry requires knowledge and expertise by the entrepreneur. Kollerud & Melleby (2007) as referenced by Vahauski (2016) explained that relevant formal competency is not important in order for business to succeed as far as the lack is replaced with other competencies. Citing Hautamäki (2000) Vahauski (2016) cited that product-related knowledge or expertise as one of the main success factors. However, it is obvious that experience, and most importantly learning from it, enhances entrepreneur’s potential to success. Technological, economic and social knowhow are all needed in running a tourism business. As it is service industry in question, social knowhow may be the most important factor (Vahauski, 2016).

**On Interaction as a Success Factor**

Table 4 below presents the perceptions of the farm tourism operators in Pangasinan on the aspect of interaction.

As shown in Table 4, farm tourism operators in Pangasinan perceived that interaction is a very vital success factor in agri-tourism operations as shown by the grand mean of 4.36. It can be gleaned in Table 4 that customer service (4.57); networks (4.45); and customer relations and feedback (4.30) were all perceived to be very vital components of interaction as a success factor.

Apparent, the importance of interaction cannot be overemphasized nor ignored. Previous studies seem to be in consonance with the findings of the study at hand. For instance, Caan (2014) as referenced by Vahauski (2016) stressed that “customers are at the heart of the hospitality industry.” Accordingly in order for customers to continue patronizing the site’s products or services, they must get their money’s worth. Vahauski (2016) emphasizes that the kind of feedback from consumers, for instance posted in TripAdvisor, is essential information for a business. High quality service can make a significant difference in customer satisfaction and lead to returning customers.

**Perceived Opportunities for Farm Tourism**

Table 5 below presents the opportunities for farm tourism industry as perceived by the respondents.
**Opportunities for Farm Tourism Industry Perceived by the Respondents**

<table>
<thead>
<tr>
<th>Opportunities for Farm Tourism Industry</th>
<th>Frequency</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>The enactment of Republic Act No. 10816 or the Farm Tourism Development Act of 2016 to provide the policy and enabling environment for encouraging, developing, and promoting farm tourism in the Philippines.</td>
<td>46</td>
<td>1</td>
</tr>
<tr>
<td>Engagement of the local government units with farm tourism site owners</td>
<td>39</td>
<td>3</td>
</tr>
<tr>
<td>Active and dynamic support and assistance from the Department of Agriculture, Department of Tourism and Agricultural Training Institute</td>
<td>38</td>
<td>4</td>
</tr>
<tr>
<td>Financing and promotional campaign for agri-tourism sites</td>
<td>32</td>
<td>7</td>
</tr>
<tr>
<td>Incentives coming from both the national and local governments</td>
<td>35</td>
<td>6</td>
</tr>
<tr>
<td>The continuous and constant influx of tourist arrivals to the country</td>
<td>43</td>
<td>2</td>
</tr>
<tr>
<td>Great regulatory and legal framework governing agri-tourism operations in the country</td>
<td>37</td>
<td>5</td>
</tr>
</tbody>
</table>

As can be gleaned in Table 5, the enactment of Republic Act No. 10816 or the Farm Tourism Development Act of 2016 to provide the policy and enabling environment for encouraging, developing, and promoting farm tourism in the Philippines appeared to be considered as among the foremost opportunities in farm tourism in the country as evidenced by a frequency of 46.

Forty three (43) of the fifty respondents agree that the continuous and constant influx of tourist arrivals to the country can pave the way for the development of farm tourism in the province as well as in the entire country. Among other opportunities perceived to be of moment for the development of farm tourism industry in the country include: engagement of the local government units with farm tourism site owners, 39; active and dynamic support and assistance from the Department of Agriculture, Department of Tourism and Agricultural Training Institute, 38; great regulatory and legal framework governing agri-tourism operations in the country, 37; incentives coming from both the national and local governments, 35; and financing and promotional campaign for agri-tourism sites, 32.

The Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA) as a pathway for sustainable development can help attract tourists to the country and promote an awareness and appreciation of the country’s food system. SEARCA recognizes this fact in the context of ASEAN integration in this wise:

>“Farm tourism is relatively new in Southeast Asia but it draws a lot of potential to provide a better life for Southeast Asian farmers especially with the newly adopted ASEAN economic integration as most of economies in Southeast Asia still rely mainly on agriculture.”

**CONCLUSIONS**

Prescinding from the foregoing findings, the researcher advanced the following conclusions:

1. Management/leadership skills, know-how and interaction were considered very vital success factors in the operations of farm tourism sites in Pangasinan; whereas strategy was perceived to be a vital success factor.
2. A number of opportunities emerged as farm tourism continues to evolve and develop though the years.

**RECOMMENDATIONS**

On the basis of the conclusions drawn, the following recommendations were advanced:

1. For policy-makers to look into strengthening the implementation of Republic Act No. 10816 or the Farm Tourism Development Act of 2016;
2. Collaborative and inter-agency planning for farm tourism development among agencies of the government such as the Department of Agriculture, Department of Tourism and Agricultural Training Institute, the academe and the local government units;
3. Conduct of similar studies in the future to amplify literatures along the area.

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