

Marketing Your Agritourism Business

Successful marketing of your agritourism business requires a sound strategy. This factsheet provides guidance on developing a strategy to lessen and manage marketing risk.



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What is Marketing and a Marketing Strategy?

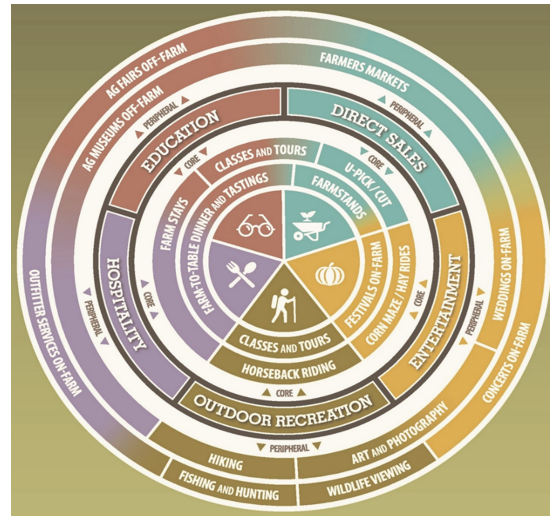
Marketing encompasses everything you do to communicate with and meet the needs of an identified consumer group. Marketing requires that you understand your target consumer group(s), their needs, how your product or service meets their needs and developing a strategy to reach those consumer groups.

A marketing strategy is your plan for the actions you will take to communicate and meet peoples' needs, how you will allocate budgetary funds to those activities, and how you will evaluate your actions. Your marketing strategy will serve as a link between your business goals and sales.

What Are You Marketing?

Agritourism is a broad umbrella including a variety of business types, from corn mazes and pumpkin patches, to farm stays, u-pick, and educational events/activities. Image 1 illustrates the five categories of agritourism – education, direct sales, entertainment, outdoor recreation, and hospitality – as well as showing how activities are tiered as either core or peripheral.

Image 1. Categories of Agritourism



Source: Chase, et al. 2018

Understanding how different activities can be categorized can guide you as you develop the marketing strategy for your agritourism business. For instance, while you may sell tangible products (apples, jams, pumpkins, etc.) to visitors, overall, the “product” you’re often offering to consumers is the experience.

Consumers are looking for the experience. Forbes reported in late 2018 that according to TripAdvisor data, 67% more travelers chose outdoor activities in 2018 than in 2017, there was a 61% increase in bookings for classes such as cooking, and “59% more travelers decided they’d rather engage in a cultural excursion or an historically themed tour” (Taylor).

For some agritourism businesses that have been particularly successful in marketing their experiences, the core, agricultural activity of the farm may be only a small portion of the enterprise, with a majority of their income coming from



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their experiential offerings. In other words, the “corn maze” may bring in a lot more revenue than the corn field it replaced.

Many agritourism businesses are seasonal in nature resulting in the challenge that consumers will not be routinely visiting or purchasing from you throughout the year. Perhaps you have a business that consumers may only visit once a year such as a u-pick experience or a Christmas tree farm. Or, you may have an agritourism business where you are offering an experience that people want, but it may be a once-in-a-lifetime (or hopefully every few years) experience such as a farm stay or hunting excursion. With these types of agritourism businesses, it is important to ensure that you provide them with a memorable experience they will share with friends and families through word of mouth and social media.

Differences across types of agritourism make it critically important to understand the drivers for consumers to visit and purchase your products, services, or experiences and then to develop a marketing strategy unique to your business.

Who Are You Marketing To?

Success in marketing requires that you understand your customers, both existing and potential. You should be able to describe who you envision coming to, or engaging with, your agritourism business.

Who are the people that make up your target market?

Consider how can you classify, or group people based on the following common demographic characteristics:

- Age
- Gender
- Ethnicity
- Education
- Occupation
- Employment status
- Income
- Family status

Some resources for collecting demographic information include the Bureau of Labor Statistics, Census data, and [PA County Profiles](#).

Where are these people located?

- In what area (country, state, city, etc.) do they live?
- Do they live in a rural, urban, or suburban setting?
- How transient are the people you want to target?
- What is the population density and growth rate where your target market lives?
- How do you anticipate the population to change in the coming years?

What do they think?

What are the values of customers and what motivates them to visit your agritourism business?

- What are the consumers’ opinions and values?
- What are their interests and lifestyles?
- What attitudes do they have about agriculture, your product(s), events or services?
- What needs do they have that compel them to purchase your product(s) or engage in on-farm activities?

What do they do that makes them unique (as a group) from others?

- What products do they typically use?
- What benefits do they look to get from the products they purchase?
- What experiences are they looking to have?
- How often do they use types of products that you offer?
- How sensitive are they to price changes?
- How loyal are they to their preferred brands?
- How are the products usually purchased and from where?

Using this information, develop customer profiles to describe the general person that characterizes each group you have identified through these questions. A customer profile is a general description of the type of individual that makes up your target market.

Your Marketing Mix

Four aspects – product, place, price, and promotion – are commonly referred to as the Four P’s and make up the marketing mix for your marketing strategy. Your effectiveness in accurately identifying your target consumer characteristics and matching those with your product mix will significantly determine success for your agritourism business.

Product

Products/events/experiences offered must fit what your target customers are looking for.

- How would you describe your products/events/experiences?
- How will customers/visitors benefit from your products/events/experiences?
- What makes your farm experience unique?
- What product-related services do you provide the customer, such as recipes or pairings?
- What are the attributes of your product(s) that your customer values?

- Is there anything new or different about your product(s) that set you apart from the competition?
- How much of your product is available?
- How many events of each type will you offer?

Placement

How will customers access your product(s), service(s), and/or experience? Many types of agritourism exist in rural areas, part of their appeal. However, you need to be cognizant of the distance your target consumers will need to travel, as well as your business's proximity to other destinations. You should also consider the placement of items on and in your physical location. Aspects to consider include:

- How and where will product(s) be marketed? Direct to consumer marketing outlets include on-farm markets, farmers' markets, online stores, Community Supported Agriculture (CSA) programs, and home delivery.
- Will customers have to come to your farm or a farmers' market to purchase? If you will sell via a CSA (community supports agriculture) model, will you have drop off locations, delivery, pick-up at your farm? How accessible, convenient, and when are those locations open?
- What is your location like? How accessible is it from main highways? What is your proximity to other points of interest? Is visitor parking suitable? Are buildings, trails, and other areas that visitors would occupy safe and well maintained?
- Merchandising. Consider displaying items that complement each other to create a package or creating a theme display.
- Signage. If you are offering an on-farm activity do you have a display that conveys pricing and information?
- Displays. Are your displays highlighting your feature products? Consider creating storefront window displays, showcase displays, or found-space displays.

Price

Setting prices first requires an understanding and knowledge of your costs to produce products or offer events. Keys to setting profitable prices include:

- Knowing your fixed costs
- Understanding your variable costs
- Understanding opportunities for charging fees for activities, experiences
- Performing a breakeven analysis to know breakeven price or quantity
- Performing sensitivity analyses to understand how changes in production or sales quantities or changes in price impact

- Adjust based on product characteristics, a specific pricing strategy, customer price sensitivity, customer values, and other factors.

Price contributes to the perception of your product, that is, when consumers see a product price it sends signals to them about quality, match with the market outlet, expectations for assistance, etc.

Promotion

Customers learn of your business, product(s), and events through promotional activities. A thorough understanding of your customers will allow you to implement the most effective promotional tactics. Consider how you will communicate, interact, and engage with both your customers and non-customers. You'll need to determine the promotional tactics you'll utilize, the messages and information you'll share, and how often, or the schedule, you'll engage in promotional activities.

Examples of Promotional Tactics

- Signs along the highway
- Brochures/flyers at visitors' centers, community centers, etc.
- Samples
- Charity/local event donations
- Event sponsorships
- Speaking engagements
- Booth at events
- Social media presence and activity
- Press releases to local media
- Publish a blog
- Distribute a newsletter (electronic and/or mailed/paper)
- Social media promotions (ads & boosted posts)
- Word of mouth
- Coupons/discounts

Marketing in the Digital and Social Media Age

With 90% of the U.S. adult population online and 72% using social media as of January 2019, having a digital and social media marketing strategy as a component of your overall marketing strategy is essential (Pew Research Center). As of February 2019, the four most widely used social media sites in the U.S. were:

1. YouTube
2. Facebook
3. Instagram
4. Pinterest

Social media is often the first place many people now turn to when looking for ideas on what to do or researching places or businesses to visit. While consumers are engaged in their

decision-making process, as a business, you want your online presences, content, and messaging to be up to date, accessible at all times, and aligned across all platforms. The perception of your business should be the same whether the consumer is interacting on Twitter, Facebook, or your blog.

Digital & Social media best practices

- Regularly update your website with current business information, prices, pictures, etc.
- Ensure your website is easy to navigate
- Regularly post to your social media accounts
- Develop a mix of content types (promotional, information, entertaining, etc.)
- Use photos and videos to engage your online community
- Set measurable goals and objectives for your digital marketing activities.
- Be responsive to questions and comments

How Are Your Employees Telling Your Story?

Your employees can significantly impact the success of your agritourism business in several ways. For agritourism businesses that rely on employees to interact with consumers, it is important for those employees to be familiar with the history of your farm and agritourism business, what makes your business unique and be skilled at conveying that to customers. Through stories, employees can develop a stronger association and deeper understanding of the message from their employers.

Having this understanding of farm history creates a sense of loyalty and pride which can trickle down to your customers. The success of your agritourism business can be dependent on customer experience. Recent [research by Harvard Business Review](#), found emotionally connected customers are more than twice as valuable as a highly satisfied customer. An employee who is informed and engaged will boost customer experience.

Some ways to determine how well your employees have been integrated into your business ‘family’ include:

- Having a sense of their communications about your business. For example, do employees complain about their job on social media?
- Do they know the history of your business and share that with customers?
- Their demeanor on the job
- Their attentiveness to and interaction with customers

Collaborative Marketing

Another approach that agritourism businesses may want to pursue, and find benefit from, is to develop collaborative marketing relationships with other businesses in their local or regional area that each believe are targeting the same consumer segments. This sort of approach is typically common at an industry promotion level – think wine, beer, ice cream trails – but research has shown that consumers visit multiple businesses/places when they travel to a location. Consumer knowledge about the destinations available to visit en-route to your location, as part of a trail, or from your location if it is a base (such as a farm stay) can entice consumers to make the decision to visit.

Some ideas on how to work with your peers include:

- Developing packages
- Having lists of complementary businesses that can be shared with customers/visitors
- Developing “trails”
- Developing group events, festivals, etc.
- Partnering with community groups i.e. schools, churches, prisons, hospitals to cross-promote events and activities
- Becoming involved with your local Chamber of Commerce and other civic groups

Evaluating and Learning from Your Marketing Successes (and Failures)

A vital aspect of marketing that is often overlooked is evaluation. Consumer needs and desires change, people move or experience life changes, and marketing tools (such as digital and social media platforms) evolve. Identifying evaluation metrics and collecting data on each of those metrics is essential.

Evaluation tools include:

- Transaction data
- Surveys
- In-person communication

Possible evaluation metrics include

- Revenue
- Customers/participants
- Sales quantities
- Number of events held

Managing Risk in Marketing

Marketing risk exists in many forms. It may be from prices, market access, or changing consumer demographics and/or trends. Continually assessing current trends in agritourism and the type of consumer that different activities or products appeal to is essential. For instance, while pumpkin patches and corn mazes have existed now for some time, there is a growing trend in the offering of classes for consumers to experience how products are made (such as cheese) or how to use what is purchased (such as cooking or flower arranging classes).

External events such as natural disasters, economic or health crises have the potential to impact your business substantially and quickly. Offering diverse opportunities such as in person and online “experiences” can help eliminate risk. Internal events can also create marketing risk. A disgruntled employee, for instance, could spread falsehoods or rumors that impact public perception of you or your business. Ability to assess the environment, pivot, adapt, and respond can determine how your business weathers marketing risk.

Action Steps for Addressing Marketing Risk

- Research your target customers
- Develop customer profiles
- Determine your marketing mix (products/events/experiences and ‘product’ mixes, prices, placement, promotional activities)
- Develop a marketing plan
- Define metrics and assessment methods
- Include contingency plans across all aspects

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