

An Importance-Performance Analysis Of the Motivations Behind Agritourism and Other Farm Enterprise Developments in Canada

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Abstract

Challenging conditions in the current agricultural context have encouraged farmers to develop agritourism and other enterprises on their farmland. Previous research suggests that a complex set of personal and economic goals drive the creation and maintenance of agritourism and other on-farm diversification ventures. However, the extent to which those goals are accomplished has not been verified. This study employs an importance-performance analysis (IPA) to examine the level of accomplishment of different goals driving agritourism and on-farm entrepreneurial development in Canada. IPA shows that goals with high levels of both importance and accomplishment are “to continue farming,” “to enhance personal/family quality of life,” “to increase or diversify the market,” and “to respond to a market need or opportunity.” Further, results show differences in goals between agritourism and other types of farm entrepreneurs. Study findings suggest that extension agents can focus on the operator goals considered to be most important and to yield higher levels of accomplishment as they promote agritourism and other farm enterprises. These results have important implications for rural well-being, as agritourism is suggested to keep family farms economically feasible and revitalize local communities.

Keywords: agritourism, farm enterprise diversification, rural tourism, importance-performance analysis, rural well-being, goal

1.0 Introduction

During the last three decades, globalization, vertical integration, off-farm employment, and intensification of land-based activities, among other concerns, have shaped world agriculture and negatively affected family farms and small rural communities (Goodman & Watts, 1997). This situation is being faced by those involved in Canadian agriculture (Halseth & Ryser, 2006). The number of Canadian farms has steadily declined since 1941, while the average farm size has increased (Statistics Canada, 2007), suggesting the integration of smaller units into larger corporations. Further, although gross farm receipts increased 8.8% since

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2000, prices farmers paid for their inputs rose in a larger proportion than the prices they received for their products during the same period of time (Statistics Canada, 2007).

The development of agritourism and other types of on-farm enterprises is promoted as a means to reduce the challenges that farmers experience, in the sense that they can increase farm revenues and profits (Busby & Rendle, 2000; Fleischer & Pizam, 1997; Nilson, 2002; Oppermann, 1995; Ventura & Milone, 2000). However, evidence shows that these on-farm developments are driven not solely by economic considerations but also by a set of intrinsic and market-related goals, such as pursuing a rural lifestyle, creating employment for family members, and socializing with visitors (Barbieri & Mahoney, 2009; Bowler, Clark, Crockett, Ilbery, & Shaw, 1996; Gasson, 1973; Getz & Carlsen, 2000; McGehee & Kim, 2004; Nickerson, Black, & McCool, 2001; Ollenburg & Buckley, 2007; Rob & Burton, 2004; Turner et al., 2003). Paradoxically, the extent to which these goals are accomplished is not well understood.

Adoption of agritourism and other on-farm enterprises is important for farmers because the additional revenues can help to sustain their businesses, maintain their rural lifestyles, and keep their farmlands. In addition, the benefits of keeping family farms in business extend far beyond the farm gates, both to the local communities and society. Considering the multifunctional nature of agriculture, keeping farms operating preserves the intangible services that farmland provides to society along with the production of food and fiber, such as environmental amenities, recreational opportunities, landscape management, and biodiversity and cultural preservation (Marsden & Sonnino, 2008; Ploeg et al., 2000).

Literature suggests that the assessment of entrepreneurial success requires a comprehensive evaluation of both the importance and the accomplishment of the various types of goals sought among entrepreneurs (Barbieri & Mahoney, 2009; Slocum, Cron, & Brown, 2002). In response, this study employs an importance-performance analysis (IPA) to examine the level of accomplishment of the different goals driving agritourism and on-farm entrepreneurial development in Canada. Results of this study aim to provide information that extension agents, community developers, and policy makers can use to strategically formulate their discourses, promotional materials, and programs. Goals that are simultaneously perceived as being important and highly accomplished can be used to craft messages that best reach a wide range of potential *agripreneurs* (i.e., agricultural entrepreneurs).

This paper is organized into five sections. The following section provides a theoretical background on the farm enterprise diversification model, including agritourism, goals associated with entrepreneurial diversification, and IPA. Section three describes the research methods of this study, including sampling procedures, development of the survey instrument, and data collection and statistical analysis. Section four presents study results and includes a summary of the profile of respondents, a description of participants' enterprise portfolio, the perceived importance and satisfaction of 19 entrepreneurial goals representing four goal dimensions, and the IPA of these goals. The last section provides some conclusions and insights, providing some implications for academic and applied purposes.

2.0 Theoretical Background

2.1 Farm Enterprise Diversification and Agritourism

Developing new enterprises and incorporating them into a farm business is not a recent phenomenon (Carter, 2001; Ilbery, 1991). Initially labeled *alternative farm enterprise* (Bowler et al., 1996), this strategy was defined as the reallocation and recombination of farm resources into unconventional crops/animals or into nonagricultural enterprises (Ilbery, 1991). However, as “farm resources” can be broadly interpreted as land, labor, or capital, inconsistencies were found in the literature on the definitional extent of farm enterprise diversification (Daskalopoulou & Petrou, 2002). As a result, more recent studies added two elements to clarify the definition. First, the enterprise must be developed on a working farm, excluding other farm household entrepreneurial ventures not linked to the farmland, such as off-farm employment (Barbieri, Mahoney, & Butler, 2008). Second, the entrepreneurial development must add value to the farm, either by increasing direct revenues, reducing covariant risks, maximizing resource use, or cross marketing other farm products (Barbieri & Mahoney, 2009; Barbieri et al., 2008; Turner et al., 2003).

Efforts to develop a classification of diversified farm enterprises have not yielded a widely accepted model, for different reasons. Because entrepreneurial development is more complex than a mix of traditional enterprises, farmers are constantly adding new enterprises to rapidly respond to societal challenges and needs (Barbieri, 2009; Turner et al., 2003; Turner, Whitehead, Millard, Barr, & Howe, 2006). For example, the generation of alternative fuels (e.g., biofuels) on farms may become more popular in the near future given the international pressure to reduce carbon emissions and the steady increase of oil-based fuel prices. In addition, some farm enterprises fit into multiple categories (Barbieri & Mahoney, 2009). As an example, visiting a farm for an educational wine-and-dine event can be considered a recreational or educational activity and even a form of direct marketing. Hence, typologies of farm enterprise diversification developed in the literature have demonstrative rather than definitional purposes (Barbieri et al., 2008; Ilbery, 1991).

This study adopts the most recent farm enterprise diversification model developed for North America (Barbieri et al., 2008) because of its comprehensive nature and its geographic applicability. This model includes eight types of entrepreneurial endeavors, some of which were already depicted in the literature: (1) the incorporation of nontraditional crops or livestock or the adoption of unusual agricultural practices (Barlas, Damianos, Dimara, Kasimis, & Skuras, 2001; Damianos & Skuras, 1996); (2) the use of a variety of merchandising activities and communication and promotional media designed to make the farm products and services more accessible to different markets (Ilbery, 1991; McNally, 2001); (3) the lease, rental, easements, and timeshares of the farm and its resources (Ilbery, 1991; McNally, 2001); (4) the development of a variety of services that farmers provide to both other farmers and nonfarmers (Bowler et al., 1996; McNally, 2001; Turner et al., 2003); (5) the processing or packaging of agricultural products (Ilbery 1991; McNally 2001); (6) the historic preservation of buildings, structures, and farm equipment to support a farm activity or to enhance the farm appeal (Barbieri et al., 2008); and (7) programming and providing consulting services and educational activities (Barbieri et al., 2008).

Agritourism is the eighth type of on-farm enterprise that Barbieri et al. (2008) included in their farm enterprise diversification scheme and includes a diverse set of recreational opportunities, accommodations, and food services offered with the purpose of attracting visitors to the farm (Barbieri & Mshenga, 2008; Blacka et al., 2001; Che, Veeck, & Veeck, 2005). Agritourism includes a variety of activities, such as hunting and fishing, horseback riding, recreational self-harvest (e.g., pick-your-own berries, cut-your-own Christmas tree), on-farm rodeos, special events (e.g., weddings) and festivals, petting zoos, and many other activities (Barbieri & Mshenga, 2008; Bowler et al., 1996; Brown & Reeder, 2007; McGehee & Kim, 2004). Agritourism has become one of the most examined farm enterprises, as it has been increasing in popularity in North America and abroad. Several studies have been conducted across North America to examine different aspects of agritourism, including (a) factors associated with the success of this entrepreneurial venture (Barbieri & Mshenga, 2008; Veeck, Che, & Veeck, 2006); (b) the benefits that agritourism can bring to farmers and their local communities (Che, 2007; Wicks & Merrett, 2003); (c) motivations driving its entrepreneurial development (McGehee & Kim, 2004; Nickerson et al., 2001; Ollenburg & Buckley, 2007); and (d) the needs and barriers preventing further agritourism development (McGehee, 2007).

2.2 Goals Driving Farm Enterprise Diversification and Agritourism Developments

Goals, defined as internal representations of desired outcomes (Austin & Vancouver, 1996), play two roles in entrepreneurial development. Goals drive entrepreneurial behavior (Austin & Vancouver, 1996; Hornsby & Kuratko, 2002) and also influence venture performance (Kuratko, Hornsby, & Naffziger, 1997). Literature focusing on entrepreneurial behavior has consistently found that a complex set of economic, market-related, and internal goals drive the development of enterprises within the farm business, including agritourism (Barbieri & Mahoney, 2009; McGehee & Kim 2004; Ollenburg & Buckley, 2007). The most cited economic goals relate to the ability to increase or supplement revenues, alleviate debt and maximize the use of farm resources (Barbieri & Mahoney, 2009; Bowler et al., 1996; McGehee & Kim, 2004; Nickerson et al., 2001; Ollenburg & Buckley, 2007; Turner et al., 2003). Goals associated with nurturing, increasing, or serving existing or potential customers are also portrayed as important (Barbieri & Mahoney, 2009; Bowler et al., 1996). Intrinsic goals include a series of both the personal and family aspirations of the entrepreneur, with the most cited being the generation of employment for family members and the fulfillment associated with a rural lifestyle and with being a farmer (Barbieri & Mahoney, 2009; Bowler et al., 1996; Gasson, 1973; Getz & Carlsen; 2000; Rob & Burton, 2004). Meeting interesting people, educating the visitors, and having goals inherent to entrepreneurial behavior, such as a sense of independence and personal challenge, are also common intrinsic goals sought by agritourism entrepreneurs (Barbieri & Mahoney, 2009; Getz & Carlsen, 2000; McGehee & Kim, 2004; Nickerson et al., 2001; Ollenburg & Buckley, 2007).

Goals also play a role in the performance of the entrepreneurial venture. Thus they are associated with the constructs of success and failure. Goal-directed behavior results in an outcome (e.g., emotion) that may affect subsequent attitudes and motivations (Slocum et al., 2002). An actual or perceived positive outcome (e.g., success) has a crucial role in the sustainability of a certain course of

entrepreneurial behavior (Kuratko et al., 1997). In this sense, a positive outcome or perceived accomplishment of the individual's entrepreneurial goals reinforces the entrepreneurial behavior, either within the ongoing enterprise or through the development of a new venture. Conversely, a negative outcome can lead to the disengagement of a venture. Hence, to be successful, individuals must translate goal-directed behaviors into achieved goals (Slocum et al., 2002).

Several studies have assessed the performance of farm enterprise diversification, including agritourism, especially from the farm unit perspective. Most of those studies focused on the economic benefits, concluding that entrepreneurial development can represent a significant percentage of the farm income, compensate for low agriculture revenues (Nilson, 2002; Oppermann, 1995), or just supplement farm revenues and increase cash flow (Busby & Rendle, 2000; Fleischer & Pizam, 1997; Ventura & Milone, 2000). However, little research has been dedicated to assessing the extent to which the farmers' entrepreneurial goals have been accomplished after developing their on-farm enterprises (i.e., whether the enterprise is a success or failure). Failing to incorporate entrepreneurs' goals into performance assessment can lead to incorrect assessments concerning the success or failure of farm enterprise diversification. For example, modest economic rewards from agritourism could appear as a failure of the strategy (McNally, 2001), although it has been suggested that entrepreneurs continue to pursue their business venture despite adverse events or a lack of financial success (Kuratko et al., 1997). Moreover, Lynn and Reinsch (1990) found that although positive financial performance and owner satisfaction were significantly and positively related, most entrepreneurs indicated that they would repeat an unprofitable diversification or forgo a profitable one if they accomplished other goals.

2.3 Importance-Performance Analysis

IPA was developed by Martilla and James (1977) as a tool to ease management decisions. IPA combines measures of the importance and performance attributes of a given product in a two-dimensional matrix, resulting in four quadrants (Chu & Choi, 2000). Likert-type scales are used to measure importance and performance indicators, whose means are traced as guidelines to compose the four quadrants (Wade & Eagles, 2003). Quadrant I, usually labeled "keep up the good work," captures product attributes that have importance and performance levels over the standard; Quadrant II (i.e., "concentrate here") indicates attributes that, although considered very important, possess below-average performance; Quadrant III is labeled "low priority" because it comprises product attributes that are perceived both as being unimportant and having a low performance; Quadrant IV (i.e., "possible overkill") captures product attributes that have high performance but are considered unimportant, hence not deserving much managerial effort (Chu & Choi, 2000; Zhang & Chow, 2004).

Although IPA was developed to assess attributes of tangible products, its easy application and ability to convey applied strategic suggestions encouraged its utilization in many other study areas (Oh, 2001). Specifically in tourism, IPA has recently been used to assess service-quality attributes of tour operators, accommodations, and experiences (Chu & Choi, 2000; Ekinici, Prokopaki, & Cobanoglu, 2003; Kao, Patterson, Scott, & Li, 2008; Zhang & Chow, 2004),

destination image (Joppe, Martin, & Waalen, 2001; Lee & Lee, 2009; Litvin & Ling, 2001; O’Leary & Deegan, 2005), and niche markets, such as wellness and culinary tourism (Mueller & Kaufmann, 2001; Smith & Costello, 2009). In all those studies, IPA provided useful information to enhance tourism services, develop marketing strategies, and make managerial decisions. Further, Tyrrell and Okrant (2004) argue that IPA can be employed as an economic tool for strategic planning processes. However, to the extent of our knowledge, IPA has not been applied to assess the importance and achievement of goals driving farm enterprise diversification or agritourism developments. Although it has been found to be useful and easily applied, IPA has been criticized mainly because respondents may not differentiate between their importance and performance perceptions or because the assumption of independence between importance and performance may not be applicable under certain conditions (Eskildsen & Kritenses, 2006; Kao et al., 2008). As a result, several studies have proposed revised IPA models to prevent misleading priority results, such as the one integrating a three-factor theory concept, partial correlation analysis, and natural logarithmic transformation proposed by Deng (2007).

3.0 Research Methods

3.1 Sampling Frame

Data for this study were collected from North American working farms and ranches that have incorporated at least one enterprise into their operations, including, but not limited to, agritourism, value-added processing, education services, and contracting. A combination of purposive and snowball sampling techniques was used to draw the sample for this study, as a probability (random) method was not feasible. The member list of the North American Farmers’ Direct Marketing Association (NAFDMA) was employed as the purposive, or judgmental, sample, drawn to best serve the purposes of the study (Monette, Sullivan, & DeJong, 1994). The NAFDMA list included 423 farmers with diversified enterprises. In turn, study participants were encouraged to invite other agripreneurs of whom they might be aware to participate in the study. Although this sample frame prevents the study from being representative, it was convenient because it was not restricted to a specific agricultural sector or geographic location, it included farms with different types of diversified enterprises, and it facilitated study referrals. Further, similar techniques have been used to examine diversified enterprises in North America and abroad (Barbieri & Mahoney, 2009; Getz & Carlsen, 2000).

3.2 Survey Instrument and Data Collection

The comprehensive survey was developed using an online format. It gathered information regarding the characteristics of the farms and their household members, the types of products, services, and enterprises generating firm revenues, the gross value of farm sales, and other information regarding the farm management, financial, and marketing resources. Respondents were also queried on the importance and post-diversification accomplishments of 20 goals associated with farm entrepreneurial endeavors.

The 423 NAFDMA farmers were contacted via e-mail in July 2005 and invited to take the survey. The e-mail included a link to the Web-based survey. In addition,

other NAFDMA members, including university and government extension agents, were asked to forward and distribute the survey to other diversified farmers. One mailed postcard and four reminder e-mails were sent to nonrespondents. The survey remained open for 6 weeks and produced 1,135 valid responses, 192 from the original NAFDMA farmer list (45.4% response rate) and 943 from snowball referrals. For the purpose of this study, only Canadian working farms or ranches having diversified enterprises were examined. This screening produced 250 farms (22.4%) that were included in the analysis for this study.

3.3 Analysis

This study examined the importance and levels of satisfaction of 20 goals suggested to drive agritourism and other entrepreneurial developments in North America (Barbieri, 2009; Barbieri & Mahoney, 2009; Nickerson et al., 2001; McGehee & Kim, 2004; Ollenburg & Buckley, 2007). The importance of those goals in the entrepreneurial decision-making process was examined using a 5-point Likert scale anchoring in 1 (*not important*) and 5 (*extremely important*), while the perceived levels of accomplishment were measured using a 3-point Likert scale (1 = *not accomplished*; 2 = *somewhat accomplished*; and 3 = *very accomplished*). Respondents were asked to rate their satisfaction level only for goals that were at least “somewhat important” (2 or greater on the 5-point scale) to them. To qualify for the state/federal assistance program, the 20th goal assessed in the study was removed from further analysis, as only 8.1% of the respondents considered it at least somewhat important; hence an insufficient number of respondents ($n = 20$) were able to rate their post-diversification accomplishment. Analysis of variance (ANOVA) was used to identify statistical differences in the goal importance and accomplishment levels between farm entrepreneurs having diversified through agritourism and through other types of enterprises.

For the IPA, the means of the importance levels (y -axis) of the 19 goals examined were plotted along with the means of their levels of accomplishment as indicators of performance (x -axis). The overall means of both attributes were used as the crossing point in the IPA matrix, a standard procedure, resulting in four quadrants (Oh, 2001). Quadrant I describes the goals that farmers perceived as the most important with higher levels of accomplishment. Quadrant II includes the goals that, although being perceived as of lesser importance, have been highly accomplished after entrepreneurial diversification. Quadrant III captures the goals that are neither perceived as important nor accomplished after diversification. The goals falling into the last Quadrant (IV) are perceived as important; however, they have been little accomplished after diversifying the farm. Given that IPA is applied to entrepreneurial goals and not to a tangible product, the labels commonly used for describing the quadrants (i.e., “keep up the good work,” “possible overkill,” “low priority,” and “concentrate here”) will not be used in this study. Instead, the quadrants should be read as “high importance–high accomplishment” (Quadrant I); “low importance–high accomplishment” (Quadrant II); “low importance–low accomplishment” (Quadrant III); and “high importance–low accomplishment” (Quadrant IV). This type of variation in IPA applications is not infrequent; in one example, Huan, Beaman, and Shelby (2002) substituted the performance attribute with an achievement indicator.

4.0 Study Results

4.1 Profile of Study Participants and Their Farms

The average size of participating farms was 322.7 acres. About 34% of respondents had small farms of 30 acres or fewer, approximately 33% had medium farms of 31 to 150 acres, and 34% had larger farms of more than 150 acres. Responding farms used a large proportion of their farmland for agricultural purposes, having reported on average 303.8 acres actually farmed or grazed. That result is important for this study, and especially for agritourism, because it confirms that respondents were still involved in agriculture. About one third (30.9%) reported less than \$25,000 gross income for 2004, and a relatively large proportion (14.6%) reported gross incomes of more than \$500,000. The remaining farms were in the gross-income brackets of \$25,000 to \$99,999 (27.5%) and \$100,000 to \$499,999 (27.1%). The majority of respondents were either individually owned farms (52.6%) or noncorporate family farms (27.1%). The most frequent decision makers were either the owner-manager or the farm household (farmer, spouse, or family) for both agricultural matters (59.0% and 37.1%, respectively) and business matters (54.7% and 41.6%, respectively).

The majority (67.6%) of farm respondents were middle aged, ranging from 45 to 54 (38.4%) years old or from 55 to 64 (29.2%) years old. Consistent with this age range, 34.6% reported being retired from another job or profession. About one third (31.4%) were female principal operators, which is a slightly higher proportion than the 27.8% for Canadian farms overall (Statistics Canada, 2007). Respondents were also relatively highly educated. A majority (60.4%) had at least a 4-year college degree and one fifth (20%) had a graduate degree (i.e., master's or doctorate). Interestingly, a majority of respondents had formal education in areas other than agriculture or business (57.4%). Respondents were closely distributed between first generation (56.7%) and multigenerational (43.3%) farmers, suggesting that enterprise diversification may be an appealing strategy both for new entrants and for those rooted in agriculture. One third (33.7%) of diversified farm households had annual gross incomes over \$75,000, and a similar proportion (35.7%) earned less than \$35,000. Consistent with world agricultural trends, 37.2% of respondents reported having off-farm employment.

4.2 Enterprise Portfolio of Participating Farms

Following the enterprise diversification model for North America developed by Barbieri et al. (2008), results show that participants were engaged in a variety of diversified enterprises (see Table 1). All participating farms (100.0%) had at least one type of “new marketing and distribution” practice, including direct marketing strategies and on-farm retailing (e.g., gift shops). A majority of respondents (73.2%) had diversified their operations by growing nontraditional crops or livestock (e.g., elk) or incorporating nontraditional agricultural practices (e.g., no-additive farming and organic production). Value-added production was another recurrent enterprise line developed by a majority of respondents (66.0%) in a variety of forms, including food processing, crafts, and health-related products.

Table 1. *Enterprise Portfolio of Responding Entrepreneurial Farms*

Descriptors of Farms' Enterprise Portfolio	No.	%
Enterprise diversification lines (<i>n</i> = 250)		
New marketing and distribution	250	100.0
Nontraditional crops, livestock, and practices	183	73.2
Value added	165	66.0
Agritourism	125	50.0
Historic preservation	118	47.2
Education and consulting	75	30.0
Leases, easements, and timeshares	22	8.8
Contracts and services	17	6.8
No. of enterprise lines (<i>n</i> = 250)		
1 or 2	46	18.4
3	66	26.4
4	59	23.5
5	43	17.2
6 or more	36	14.5
No. of years as nondiversified farm (<i>n</i> = 206)		
Less than 2 years	54	26.2
2–4 years	57	27.7
5–14 years	56	27.2
15 years or more	39	19.0
Economic situation of enterprise lines (<i>n</i> = 232)		
Mixed standing	139	59.9
All enterprises are profitable	59	25.4
All enterprises are breaking even	20	8.6
All enterprises are at a loss	14	6.1
Effect of enterprise diversification on farm profits (<i>n</i> = 212)		
Significantly increased	69	32.5
Slightly increased	90	42.5
Not changed	38	17.9
Decreased	15	7.1

One half (50.0%) of the respondents were engaged in agritourism offering at least one type of recreation, tourism, or hospitality service, with the most popular activities being tours (34.0%), outdoor activities (26.4%), and special events (26.0%). About one half of respondents (47.2%) had preserved, restored, or adaptively reused historic buildings, equipment, artifacts, and other heritage and cultural resources on their farms, and 30.0% offered at least one type of educational activity. This is important because both on-farm educational and restoration endeavors can invigorate the tourism appeal of the farm as a destination. A small proportion of farms had some type of lease, easement, or timeshare on their land, buildings, or natural resources (8.8%) or were offering services to others (6.8%).

Results show that diversified farms in this study had simultaneously developed different enterprise lines, confirming previous studies in Europe and the United States (Barbieri et al., 2008; Ploeg et al., 2000; Turner et al., 2003). A majority of responding farms (55.2%) had four or more enterprise lines (mean = 3.8 enterprises). Respondents did not take long to develop their enterprises lines, as a

majority (53.9%) diversified their operations within 5 years of taking possession of their farms. On average, respondents diversified after 7.7 years of having their farms. Importantly, over one quarter of the respondents (25.4%) reported that all of their enterprises were profitable, while a very small proportion (6.1%) operated at a loss. Further, three quarters of the study respondents (75.0%) reported that their farm profits had increased after developing their diversified enterprises, confirming a positive economic outcome of farm-enterprise diversification reported in Europe and the United States (Barbieri & Mshenga, 2008; Che, 2007; Nilsson, 2002; Turner et al., 2003; Ventura & Milone, 2000).

4.3 Perceived Importance and Satisfaction of Agripreneurs' Goals

In order, the most important goals driving on-farm entrepreneurial development were “to generate additional income” (mean = 3.9), “to continue farming” (mean = 3.3), “to enhance the quality of life of the farm household members” (mean = 3.0), and “to increase or diversify the farm’s market” (mean = 2.7), as shown in Table 2. Interestingly, these goals represent each of the four dimensions found among agripreneurs in the United States (i.e., firm profitability, market, family, and personal goals), confirming that a complex set of business and family goals drive farm entrepreneurial diversification (Barbieri, 2009).

Analysis of variance (ANOVA) tests conducted to compare the goal importance between agritourism and other entrepreneurial farmers revealed that the first group was more motivated by firm profitability and market-related goals. In detail, “generating additional income,” “maximizing revenues from existing resources,” “increasing revenues during off-season,” “offsetting fluctuations in farm revenues,” and “making the farm less dependent on outside factors” were perceived as more important by agritourism farmers compared to other entrepreneurial farmers. “Educating customers” and “interacting with customers” were two types of market-related goals that agritourism farmers perceived as being more important than their counterparts. In turn, nonagritourism entrepreneurs perceived “providing current customers with new products” as being more important than did the agritourism providers.

Results show that *agripreneurs* perceived that the majority of their goals had been at least somewhat accomplished (mean ≥ 2) after adding new enterprises to their farms. Personal goals, namely “provide a new challenge” (mean = 2.6) and “capitalize on an interest or hobby” (mean = 2.5), were perceived as the most accomplished after entrepreneurial diversification. “Interacting with customers,” a market-related goal, was perceived as the third most accomplished goal (mean = 2.4). Interestingly, none of these three goals were ranked among the most important ones in the entrepreneurial decision-making process, confirming that an IPA is needed to have a holistic understanding of the perceived success of farm enterprise diversification in Canada.

Table 2. *Statistical Differences on the Importance and Performance of Different Entrepreneurial Goals between Agritourism and Nonagritourism Entrepreneurs in Canada*

Entrepreneurial Goals (<i>n</i> = 249)	Importance ^a			Performance ^b		
	Agritourism	Other	All (Sig.)	Agritourism	Other	All (Sig.)
Firm profitability goals						
Generate additional income	4.1	3.7	3.9*	2.3	2.1	2.2*
Generate revenues from existing resources	2.7	2.3	2.5*	2.3	2.1	2.2
Generate revenues during off-season	2.5	2.1	2.3*	2.2	2.1	2.2
Offset fluctuations in farm revenues	2.5	2.0	2.3**	2.1	1.9	2.0**
Make farm less dependent on outside factors	2.5	2.0	2.3**	2.3	1.9	2.1**
Reduce impacts of catastrophic events	2.2	2.0	2.1	2.1	1.9	2.1
Enhance ability to meet financial obligations	2.1	2.0	2.1	2.1	2.0	1.9
Reduce overall farm debt	2.0	2.1	2.0	2.0	1.8	2.0
Market-related goals						
Increase/diversify the market	2.8	2.7	2.7	2.3	2.2	2.3
Respond to a market need/opportunity	2.6	2.3	2.5	2.4	2.2	2.3
Educate customers	2.7	2.0	2.4**	2.3	2.2	2.2
Interact with customers	2.6	1.6	2.1***	2.5	2.4	2.4
Provide current customers with new products	1.8	2.2	2.0*	2.3	2.2	2.3
Family-related goals						
Continue farming	3.3	3.4	3.3	2.4	2.3	2.3
Keep the farm in the family	2.5	2.2	2.4	2.3	2.1	2.2
Provide employment for family members	2.0	1.8	1.9	2.2	2.3	2.2
Personal goals						
Enhance personal/family quality of life	3.2	2.9	3.0	2.4	2.3	2.3
Provide a new challenge	2.3	2.0	2.2	2.7	2.4	2.6**
Capitalize on an interest or hobby	1.9	2.0	2.0	2.6	2.3	2.5**

^aMeasured on a 5-point Likert scale, where 1 = not important and 5 = extremely important.

^bMeasured on a 3-point Likert scale, where 1 = not accomplished and 3 = very accomplished.

p* < 0.01. ** *p* < 0.005. * *p* < 0.001.

When comparing the levels of perceived accomplishment between agritourism and other farm entrepreneurs, ANOVA revealed few statistical differences in the firm profitability and the personal goals. Overall, agritourism farmers had significantly higher accomplishment perceptions of their goals associated with “generating

additional income,” “offsetting fluctuations in farm revenues,” and “making the farm less dependent on outside factors” than the other farm entrepreneurs. Compared to their counterparts, agritourism diversifiers also perceived higher levels of accomplishment of their personal goals associated with “a new challenge” and “capitalizing on an interest or hobby.” Table 2 summarizes the means of the importance and accomplishment levels of 19 entrepreneurial goals, identifying statistical differences between agritourism and other farm entrepreneurs.

4.4 IPA of Agripreneurs’ Goals

The diversity of goals driving farm entrepreneurial diversification and the differing degrees of accomplishment associated with these goals suggests that an IPA is convenient for facilitating data interpretation and constructing messages that can better convey the benefits of this farm business strategy. Hence, the means of the importance and satisfaction levels (i.e., performance) of the 19 goals examined were plotted on an IPA matrix, in which the quadrants were defined by the crossing points of the y axis (importance overall mean = 2.41) and the x axis (overall satisfaction mean = 2.23), as Figure 1 shows.

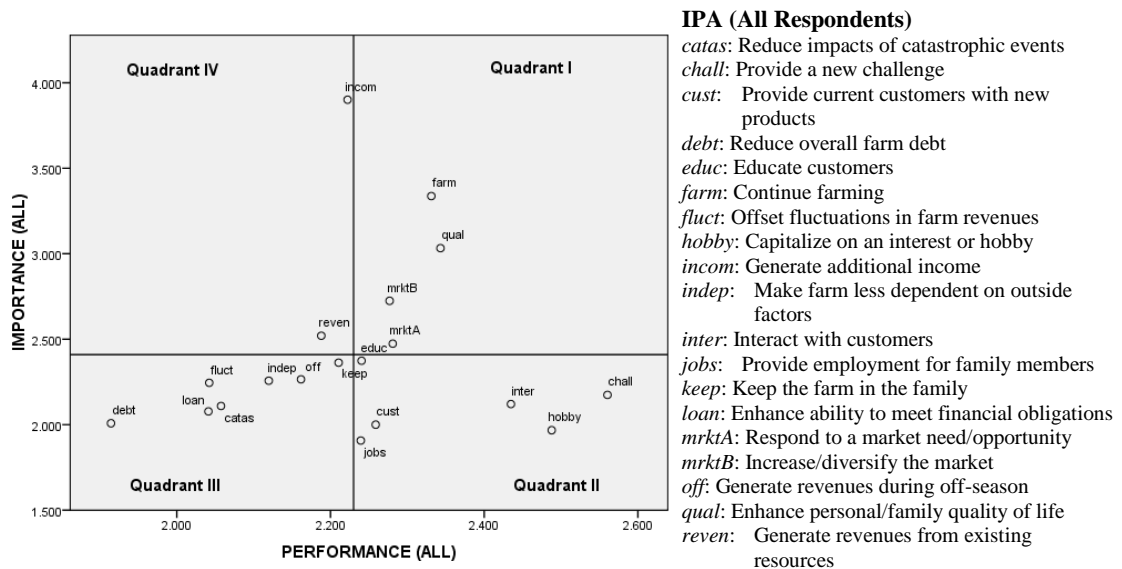


Figure 1. Importance-performance matrix of farm enterprise diversification goals among all respondents.

As displayed in Quadrant I, the goals perceived as highly important and highly accomplished were “to continue farming,” “to enhance personal/family quality of life,” “to increase or diversify the market,” and “to respond to a market need or opportunity.” These results suggest that the promotion of farm enterprise diversification among farmers with entrepreneurial interest should be focused on such entrepreneurial goals. Results within Quadrant IV are interesting, as two profit-related goals, “generate additional income” and “generate revenues from existing resources,” showed levels of accomplishment slightly lower than the average, although they were considered highly important goals. The position of “generating additional income” is notable because it was perceived as the most important entrepreneurial goal and suggests that extension agents should identify practical ways to enhance agritourism revenues. Finally, Quadrants II and III

comprise entrepreneurial goals that were perceived as being of little importance overall, suggesting that it would not be strategic to address them when promoting agritourism and other on-farm enterprises.

Given that agritourism and other farm entrepreneurs differed on their perceptions of the importance and accomplishment levels of some goals, IPA matrices were constructed separately for each group (see Figures 2 and 3). Similar comparison techniques have been used in other tourism-related studies. For example, Lee and Lee (2001) developed two matrices to compare the image of Guam between Japanese and Korean leisure travelers groups, while Chu and Choi (2000) compared the factors influencing the selection of hotels in Hong Kong between business and leisure travelers. Given that the overall means were different between agritourism and other entrepreneurs, IPA matrices show somewhat different configurations. The crossing point for respondents offering agritourism on their farms is defined by 2.31 (*x* axis) and 2.56 (*y* axis), while they were defined by 2.14 (*x* axis) and 2.27 (*y* axis) for other farm entrepreneurs. The shifts of the crossing points suggests that agritourism entrepreneurs had overall higher perceptions of both the importance and accomplishment of their on-farm enterprise diversification goals. Importantly, some goals changed their position to different matrix quadrants, suggesting important extension implications. Specifically, those shifts suggest that the message needs to be tailored when promoting on-farm enterprise development to agritourism providers and other farm entrepreneurs.

Quadrant I (high importance–high accomplishment) captures the most relevant differences between groups. “Generating additional income,” the goal perceived as the most important for both groups, was perceived as highly accomplished by nonagritourism farmers but fell within the low-accomplishment quadrant among agritourism entrepreneurs. These results may be associated with other indirect economic gains derived from agritourism, such as increased direct marketing efforts, direct sales of other farm products not associated with agritourism (e.g., value added), or branding, as has been previously suggested (Barbieri, 2009). “Interacting with customers” also appeared to be an important and highly accomplished goal among agritourism entrepreneurs. This is not surprising when considering that, in contrast with other on-farm enterprise development, agritourism is centered on the farmer-visitor relationship to enrich the recreational experience. Based on their location in the first quadrant, “enhancing the quality of life of the farmer and their family” was perceived as more accomplished among nonagritourism entrepreneurs, a result that may be associated with the time and labor investment required to provide agritourism, especially during weekends and holidays.

An interesting finding refers to the “providing employment for family members” goal, as it drastically changes directions between groups in both their importance and accomplishment attributes. IPA shows that adding on-farm enterprises provides jobs for family members of nonagritourism farm entrepreneurs (Quadrant II: low importance–high accomplishment), while that goal has low importance and accomplishment levels (Quadrant III: low importance–low accomplishment) among agritourism providers. “Educating customers” is another goal worth noting, since it is captured in opposing quadrants for agritourism (Quadrant IV: high importance–low accomplishment) and other farm entrepreneurs (Quadrant II: low importance–high accomplishment). Given that agritourism may be a good channel to educate visitors regarding local food production and benefits associated with

agriculture (e.g., environmental services and conservation of rural heritage, natural resources, and agribiological diversity), special attention is needed to increase the accomplishment of this goal.

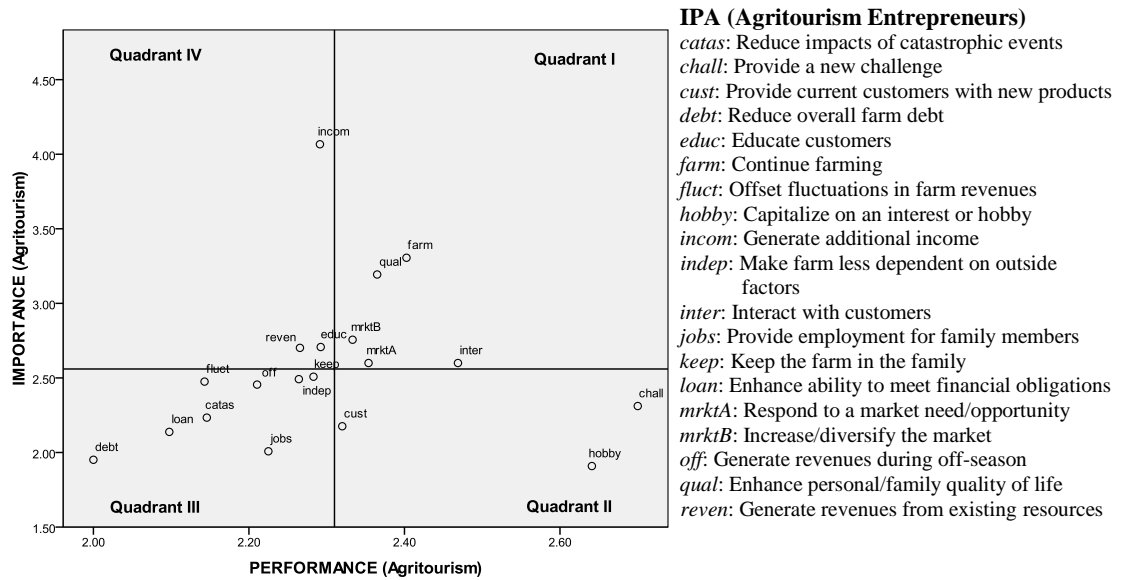


Figure 2. Importance-performance matrix of farm enterprise diversification goals among agritourism providers.

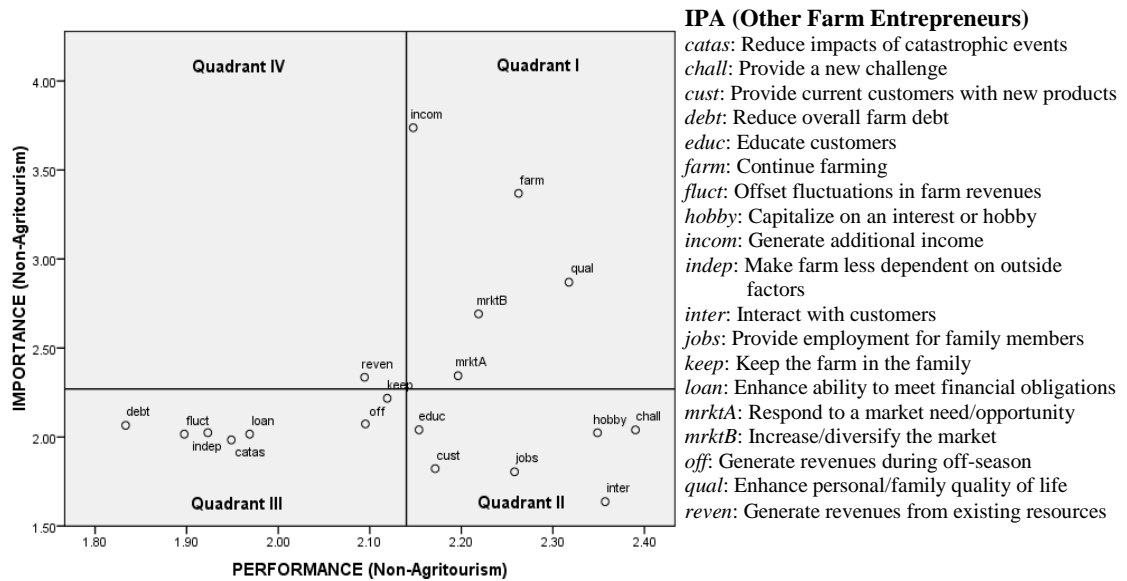


Figure 3. Importance-performance matrix of farm enterprise diversification goals among other farm entrepreneurs.

5.0 Conclusions, Implications, and Limitations

This study examined the levels of importance and accomplishment of 19 goals driving agritourism and other on-farm entrepreneurial ventures among 250 Canadian farmers. IPA, utilized to simultaneously capture importance and accomplishment attributes, showed that intrinsic goals (e.g., “to continue farming” and “to enhance their quality of life”) and market-related ones (e.g., “to increase or diversify the market” and “to respond to a market need or opportunity”) are perceived as the most important and accomplished. These findings suggest that extension and development efforts encouraging the adoption of agritourism and other enterprises should not focus solely on the direct economic returns of these activities, as has traditionally occurred. Extension narratives also need to incorporate and advertise benefits associated with farming lifestyles, reaching new markets and better responding to clientele needs.

This study also compared goal importance and accomplishment levels between agritourism and other agriculture entrepreneurs. This comparison showed that some entrepreneurial goals had shifted their position to different quadrants in the matrix, suggesting that extension and development messages, promotional materials, and programs need to be adjusted to their target audience (i.e., agritourism providers and other entrepreneurial farmers). For example, interacting with customers is a benefit that would be appealing for potential agritourism adopters but not so much for other farm entrepreneurs. In addition, the creation of jobs for family members can be a very strong argument for reaching farm entrepreneurs not interested in agritourism. This result is important and deserves further scrutiny, as it suggests that the development of enterprises may facilitate on-farm succession by creating employment opportunities for future generations in which they can apply knowledge and expertise attained in other disciplines.

This study also revealed that the generation of additional income, although considered the most important entrepreneurial driver, had a slightly below-average satisfaction level among study participants. Comparisons between agritourism and other farm entrepreneurs show that generating additional revenues was perceived as being highly accomplished by nonagritourism farmers but fell within the low-accomplishment quadrant among agritourism entrepreneurs. Although those low perceptions may be associated with other indirect economic gains derived from agritourism, such as branding and the direct sale of farm products, the results have two important implications. First, greater effort is needed to identify practical ways to enhance agritourism revenues, such as transferring technical knowledge in different areas (e.g., customer service and advanced advertising techniques) or facilitating economic incentives for updating or developing tourism facilities and infrastructure. Second, further research is needed to examine indirect economic gains, if any, derived from agritourism. This includes, for example, examining whether agritourism increases the market share of farm products, increases their customer base through direct sales, or facilitates the development of value-added products and services.

Carving a message that can have a better chance of persuading farmers, especially those struggling with challenging contexts, to adopt agritourism and other entrepreneurial efforts is important because of the spinoff effect such enterprises may create in local communities. It has been largely suggested that on-farm enterprises can retain younger people in rural communities by providing jobs and maintaining family farms in business and protecting and

improving the natural and built environment (Busby & Rendle, 2000; Fleischer & Pizam, 1997; Sharpley, 2002). That potential is especially important regarding agritourism, as farm visitors become potential customers for local business, especially those with a tourism appeal or liaison, such as gift shops and restaurants. Revitalization of local communities in turn can foster community development and enhance rural well-being.

This study sheds light on the extent of farm enterprise diversification and agritourism in terms of the accomplishment of entrepreneurial goals. This study also suggests practical implications regarding the content of extension and development efforts to promote this strategy. In this sense, study results are critical considering the role that public initiatives are playing in encouraging the adoption of on-farm enterprises among farmers (Turner et al., 2006). However, study results cannot be generalized to all Canadian farms and should be interpreted with caution. Sampling techniques used in this study may misrepresent certain agricultural sectors, farmers, and geographic areas.

6.0 References

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