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Strategies to effectively promote and market on-farm retail enterprises

Raymond S. Hansen  
_Iowa State University, hansenr@iastate.edu_

Marsha A. Laux  
_Iowa State University, mlaux@iastate.edu_

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Strategies to effectively promote and market on-farm retail enterprises

Abstract
Agritourism offers consumers the opportunity to purchase locally grown food on the farm along with the educational experience of learning about food production. This project was designed to help energize Iowa’s agritourism industry.

Keywords
Value Added Agriculture Extension, Agritourism and place-based food, Business management distribution and marketing, Market research and feasibility studies

Disciplines
Agribusiness | Business Administration, Management, and Operations | Marketing | Tourism and Travel

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What can we do to better organize, promote and educate producers in Iowa who are involved in agritourism or nature/ecotourism while also providing consumers with greater access to locally grown food?

This project provided statewide exposure to thousands of tourists travelling in the state by electronically advertising the project’s web site, www.VisitIowaFarms.org, which allowed them to link directly to agritourism enterprises and local food sources. This project also provided marketing research and educational opportunities to hundreds of producers.

Background

Consumers are looking for ways to purchase locally grown food, to learn more about how food is raised and to put a face on the farmer who produced it. Agritourism provides consumers with locally grown food along with the educational experience of a closer look at food production. Agritourism operators in the state were not included in many of the state’s tourism publications and promotions, and visitors were unable to locate farms easily. A single clearinghouse for agritourism locations did not exist.

Agritourism offers small- and medium-sized producers an opportunity to add income while drawing on increasing interest in rural and nature tourism. It also provides an avenue for marketing food and agricultural products directly on the farm, as well as an opportunity to expand educational and public relations activities for agricultural producers.

Project objectives were to:

- Identify currently utilized advertising and promotions (marketing) channels for Iowa agritourism and other on-farm retail operators, surveying lists of more than 600 names (from the Iowa Fruit and Vegetable Growers Association and the Iowa Department of Agriculture and Land Stewardship) to collect data.
- Collect and quantify a minimum of 50 responses from existing agritourism operations on expenditures for marketing their agritourism businesses and their primary marketing outlets.
- Educate a minimum of 100 current and prospective Iowa agritourism operators about the importance of an effective marketing plan (including the marketing mix and public relations skills).
- Educate a minimum of 100 small- to medium-sized producers in Iowa to identify opportunities to create regional and statewide marketing initiatives for agritourism, including the potential to form a statewide organization and adopt a marketing brand.
• Gather data from at least 50 agritourism operators to identify opportunities for cooperatively promoting/marketing Iowa agritourism operations and local food production in the area.

• Encourage investment/support from additional state and local entities and organizations, adding at least two new members to the agritourism working group and raising at least $50,000 of cash and in-kind support toward the development of the statewide infrastructure.

Approach and methods

Project organizers developed a survey to conduct primary research on Iowa agritourism producers, collect marketing expenditure data, assess attitudes regarding marketing effectiveness and types of marketing avenues used in Iowa’s agritourism operations. There were 59 responses to the survey. They analyzed the data collected in the surveys and secondary research. Results were published in all collaborators’ publications and disseminated via other outreach avenues. Findings from the surveys were used to inform further educational efforts such as workshops and seminars and to enhance the Internet presence of Iowa’s agritourism enterprises.

Results and discussion

A key finding of the evaluations and surveys was that an overwhelming majority of the existing agritourism operators do not use marketing research to target their customers or decide which marketing channels to purchase. Most of the respondents spent thousands of dollars without carefully targeting that advertising. Also, many of the operators did not collect marketing information from their current customers. Sixty-two percent of those already involved in agritourism did not use business plans. More than 66 percent of those surveyed did not have Web sites, yet today’s travelers often depend on the Internet to determine travel plans.

The project’s economic impact study projections show that there are an estimated 2.37 million visits made to Iowa agritourism businesses annually. These operations have a significant economic impact, and an estimated 620 full-time and 1,968 part-time workers are employed by agritourism industries in Iowa.

Conclusions

This project was successful in connecting consumers and travelers to Iowa’s farms. This project did not have the scope to track the direct correlation of increased public exposure to income; however, the assumption can be made that increased exposure for agritourism venues translates to increased revenues.

Helping these producers become more sustainable and providing avenues for continued sustainability are significant in today’s economy. This project created a marketing infrastructure that previously didn’t exist. The newly devised marketing brand, logo and program will allow for continued usage and integration within Iowa’s agritourism industry.
Partnerships have begun and awareness has been focused on cooperating across statewide organizations to promote Iowa agritourism. Increased collaboration within producer groups also has resulted from this project and will help ensure more effective usage of limited marketing resources.

An example of effective collaboration is the Iowa Fruit and Vegetable Growers Association plan to coordinate the 2010 annual conference with the Visit Iowa Farms conference. That collaboration will provide education and networking of individuals and enterprises throughout Iowa. The Iowa Department of Natural Resources already is focusing on promoting wine trails with biking trails, and the Visit Iowa Farms web site lists agritourism sites regionally to assist producers in marketing collaboratively with one another.

“Don’t assume farmers know they are actually involved in agritourism.” It is apparent that Iowa producers are only beginning to understand that many of the activities they are undertaking actually can be identified as “agritourism” or “nature/eco tourism.” Defining their activities as marketing to tourists does not seem to strike a chord with producers; however, when language is used that includes “providing a fun experience” or “providing educational opportunities about their farming operation” for the purposes of entertainment and information, producers are, for the most part, engaged.

**Impact of results**

More than 200 farms are listed on the Visit Iowa Farms web site and all of those farms are enjoying greater access to consumers because of this project. The promotional efforts at the kiosks and Internet access at Iowa rest stops and welcome centers target travelers who potentially will seek out a farm to visit. Rest stops with these features are located near Adair, Davenport, Dows, Lamoni, Northwood and Underwood, Iowa. The creation of marketing resource materials has provided farmers with another way to showcase their products.

Hundreds of producers have been educated on marketing their agritourism venues, on direct marketing tactics and on creative ways of selling local food products. Based on project surveys and evaluations, they have a greater understanding and desire to conduct market research and to target market consumers. They also have begun to use the new infrastructure developed by this project. Producers are more apt to work with a neighboring attraction to market cooperatively and they are more willing to develop business plans for their enterprises.

Consumers also are more aware of and can more easily locate Iowa farms and Iowa-grown food products. Purchases of direct-marketed products should increase significantly, thanks to the additional exposure generated by this project. Thousands of travelers and consumers have visited the Visit Iowa Farms web site (www.VisitIowaFarms.org) since its inception.
Education and outreach

Numerous conference presentations, workshops and presentations were made by project staff. More than 20 events that attracted more than 677 attendees focused on agritourism and included this project’s promotion efforts. Additional promotion may have occurred less formally through the members of the Iowa Agritourism Working Group, which has since disbanded. Main events included the state’s annual Visit Iowa Farms conferences and other producer, consumer and service provider events.

Several publications and marketing pieces were developed as a result of this project. This project directly impacted the Iowa agritourism industry by providing a centralized and constant source of exposure with the Visit Iowa Farms site and accompanying brochure. The site, www.VisitIowaFarms.org, features a resource guide for producers who are interested in exploring and developing an agritourism enterprise.

Leveraged funds

The grant funds were leveraged with a portion of a $29,500 Risk Management Education Grant that helped pay some of the costs and fees associated with the economic impact study. The Iowa Farm Bureau Federation contributed $2,250 for conference educational support as well as in-kind funding for meeting space for the working group’s regular and conference planning committee meetings.

In addition, in-kind support was received for transportation, staffing, phone and photocopying from the following groups: Agricultural Marketing Resource Center of Iowa State University Extension Value Added Agriculture; Iowa Farm Bureau Federation; Iowa Department of Agriculture and Land Stewardship; the Iowa Arts Council; Iowa Tourism Office; Silos and Smokestacks National Heritage Area; Iowa Department of Natural Resources; Greater Des Moines Convention and Visitors Bureau; Iowa Fruit and Vegetable Growers’ Association and the Iowa Wine Growers Association.

For more information,
contact:
Ray Hansen, ISU Extension Value Added Agriculture, 1111 NSRIC Building, Ames, Iowa 50011-3310; (515) 294-3890, e-mail hansenr@iastate.edu