

What is the tourism development formula that can help you successfully plan for agri-tourism and rural tourism business development?

The formula is simple, but effective and can be used by anybody as a starting point to get idea(s) off the ground, and to help clearly organize a strategy for getting into tourism. My particular tourism development formula is as follows:

$$(P \times Q) + C = \$\text{'s} \quad (\text{Tourism } \$\text{'s})$$

The key to understanding this formula, is understanding the meaning of each of the letters, multiplying the all important “p’s and q’s” together, then adding a well measured and implemented amount of “c” to the mix – and tourism \$’s will be the result! If you mind your “p’s” and “q’s”, you should succeed!

What does the ‘p’ stand for? Simple! “People, places, pricing, planning, preparations and promotion, providing pleasurable tourism programs and packages with pride!”

I. “P” is for preparedness and includes the following key components that when combined together, create the required plan that can lead to success. Planning, people, preparation, presentation, pricing, product, place, patience, packaging, personnel, promotion, pride and pleasure are all included in the “P” part of this formula. With a region or attraction, if the price, the product and presentation of that product are not outstanding, why should a tourist bother when so many other options are being presented to them daily?

Planning is one of the most important components of the development of tourism programs of any kind. Without a financial plan, a marketing plan, a product development plan and an implementation plan, even a superior product will not guarantee a successful tourism program. All players who will be involved in the long-term goal need to be involved from the start so that analysis can lead to identification of all the various components needed to package the product. The right people for the “job” must be selected, and the right products identified to promote. Otherwise, don’t waste your time!

People are your customers and your employees and your suppliers. Selecting the best people to serve your customers - including yourself or your family members, will determine how well people receive you and your tourism product.

Preparation of your product must be well thought out and researched before it ever reaches your tourists hands. They must experience a product, which has qualities that will satisfy and bring return visits.

Presentation of tourism product makes the difference between success and failure. If it is “hokey” or “unrealistic” or “cheap” and your customers do not feel they have received fair value for their money, you will never see them again, or their friends and family.

Pricing must be realistic because there are lots of ways people can spend their money. They must perceive and believe they have received fair value for their expenditure. Pricing must be in tune with competitor’s products and services but should not undersell them by a large margin as this actually does you a disservice by undervaluing the product. Selective loss-leader promotions or seasonal pricing is effective in increasing business at slow times, but is not effective in profitable enterprise management if the pricing is so low that costs and reasonable returns on investment are not realized. There is not much sense in beating your competitor’s prices if you go bankrupt in the process!

Place or location is crucial to successful tourism products. Your location doesn’t have to be ideal, but it must be accessible and one must be aware of the appearance of your “place” as well as the quality of the product you offer there. Learn to take advantage of other attractions of potential attractions that are near you so you can offer “packages” of tourism products, not just your own product(s). Make sure that you identify the most effective routes to direct traffic so that they get to your location safely. Motor coaches cannot drive over 5 ton bridges or less than 10 foot overpasses and city people are not as familiar with country roads as rural residents who know all the short-cuts and back-roads in their region. Such “place” related items MUST be carefully inventoried and identified, then properly communicated to potential customers if you want them to safely arrive at your location.

Patience is a virtue and a necessity. Developing a tourism product takes time and patience, in addition to all the other planning, preparation and financial investments. Build a time-line with targets and with realistic goals so that your expectations can be realistically met and you can achieve goals that measure your true performance and success. When the tourists arrive, one must also have patience with them, with their kids, their pets, their “sometimes strange” questions, their lack of knowledge or awareness of certain rules, etiquette or safety related measures that are commonly known to you, but which are all new to the first timers on farms, or in pick-your-own strawberry fields or never before horse back riders, etc. One of the most important “P’s” is patience. Tourists want to be treated special because they “are on holiday” and they want to be catered to. Small things are sometimes more noticeable to a tourist, but if the supplier can “wow” them with hospitality, friendliness and show patience, the buyer can readily forgive small problems or imperfections.

Packaging of your product does not mean wrap it in pretty paper, it means assemble a number of features which comprise your total “package” of goods and services so that it looks and feels like a package or group of experiences not just a single item. Package with your neighbours, or others in the region. Effective pricing of such a package will offer guests value added services that make it worth their while to come out for a visit. Don’t just offer them maple sugar or taffy on the snow, provide them with a ride on a horse drawn wagon, have your apple cider producing neighbour there to sell hot apple cider, have your local quilt and blanket making craftsman there to sell unique rural products, and have maps and brochures handy which direct visitors to local restaurants, gas stations, corner stores and accommodations to try and keep them and their dollars (or marks, or francs) in the community a day or two longer!

Promotion of your product can make the difference between success and failure. If you expect to promote your product alone, expect it to not be successful as quickly as if you promoted with others assistance. Tourism associations, neighbors, tour operators, local businesses and Chambers of Commerce are all sources of promotional assistance. Even your local grocery store, corner store, hardware or the like, are often suppliers of products you use in your business - and if you do it right and let them know what you are doing and how you expect to achieve it, they will help you promote your business - because if you succeed, they will succeed in their businesses too. You will be bringing them more customers too!

Pride is important in developing a business. You should be presenting a product or providing a service which you are proud of and that shows your pride in your work and your community. Pride in what you do contributes to quality, and quality is important in satisfying your customers and in guaranteeing repeat business that will keep the enterprise going in the future. Without pride, there is poor quality, poor presentation and poor returns!

Pleasure is the name of the tourism game. People are tourists because they want a holiday and they want an experience, which will bring them pleasure. Remember, in the tourism business, you are selling memories. Pleasure filled memories determine how effective the “word-of-mouth” advertising will be after they leave you and return to their homes. That “telling two people” multiplier effect, contributes greatly to future success and it determines on how well your future business will grow and contribute to successful business development.

Nobody can run a business in the year 2000 or beyond, if they cannot successfully compete head to head with their competitors. One of the important measures of success and viability is judged by the quality of the product or the quality of the experience and the measurable result is profit and repeat business.

II. “Q” is for Quality. Without a quality product, repeat business will never happen. Tourists want memories and they pay good dollars for a quality memory. In most instances, repeat business occurs after a satisfied customer goes home and tells others about their “neat experience” or what a wonderful time they had. Quality not only refers to the product but the supplier. Not everyone can be involved in tourism whether he or she thinks they should or not. The harsh reality is that some people do not have what it takes to be involved in tourism.

III. “C” is for Communication, community, consistency and customers are crucial elements of the tourism marketing formula. There are two important sub-sections included in communication. Communication with the buyers and communication with the suppliers. The only way that a tourist is going to find out about the tourism product or the region is if an *effective* marketing and advertising campaign is implemented through effective communication!

Communication relates to communicating with the people who will be or who are supplying the product. The farm or rural community is the supplier! They need to know their role long before they need to know what was advertised, to whom it was advertised, and what their role is as the supplier. Communicating means staying in touch with suppliers of products and being aware of changes or new products, which become available. If a region is not dynamic and doesn't have a marketing strategy with long term goals and objectives, the entire product is offered in that region may get out of the blocks fast then fade over the distance. Staff changes should not affect a good campaign or marketing strategy. If it is done correctly, the tourism group or product supplier must hire or work with new individuals who can continue the process uninterrupted.

Communication with the business and political community is also a necessity so that the community not only realizes what the objectives are, but also how they too might become a part of the process, rather than an obstacle. With tourism and agriculture being two of the most important industries in the world, nobody should ignore the potential for tourism in a region, which is for the most part rural and/or agricultural in nature. Once a tourism association, committee or sub-committee has been established, a big part of the job is then to go recruiting from within the community and informing the community of the efforts of the tourism association's efforts. To have support, you must have informed supporters. If they don't know who you are? What you are doing? Or why you are doing it? - Why should they help?

Communication with the buyer is absolutely essential. To get the buyer - the tourists or tour operators (bus companies as well) - to come to your area, they of course need to know you are there. Marketing can take many forms - road signage, flyers, tourism association information guides, marketing to tour operators, attending travel and tourism trade shows, contacting motor coach companies and your own regional tourism association - such as Festival Country or South Western Ontario Tourism Association. Awareness is so important that if this awareness is not generated, the whole project of promotion will fall down gasping for breath. A planned and balanced marketing strategy is necessary once the product is in place, so that tourists will stop and visit - build it, market it and they will come!

Community relations are essential. Not only do the business and political leaders need to be aware of and involved in tourism building programs, but also in the case of agri-tourism, the agricultural community must be included in the planning process. What has happened in the past to destroy the best laid plans of tourism associations is the inexcusable act of not actively recruiting the leaders in the agricultural community from the very beginning.

Farmers are cautious gamblers. They gamble every day of their life with weather, with animal breeding programs, when they try a new product or machine, or when they select a new crop to grow. However, they gamble in an attempt to improve the way they do things and to make more money. They have mouths to feed and families to raise. If a tourism association assumes that farmers will open their homes, their barns and their farms to the invasion of thousands of strangers without being consulted, it is like having your town council decide that everybody's home in town is now a tourist destination and open to the public. Not exactly possible or realistic is it? And yet tourism proponents expect just that - bring the tourists to the farm, open the barn door, drive the bus up the lane way, stir up the dust from the air conditioning equipment, scare the animals with the noise of the bus and allow 40 or more strangers to come in and "pet" the farm animals. These agri-tourism product suppliers need to be treated with respect and with care in order if a DMO is to effectively work with them. If you are one of the agri-tourism suppliers, then there is a certain responsibility that goes along with the "fun" or "entertainment" side of the tourism service that is being provided and that is the educational side. It need not be blatant, but can be more sublime or passive, but agricultural producers need to gain support from the general public for what they do, how they do it and how important farming is. This is the best chance to do it, while they are on the farm and in the element where they can be best shown agriculture.

In an ideal situation, the agricultural community will be consulted, the most willing farm families would agree to open their farms to the public on certain designated dates, farms would rotate the responsibilities, and the community would benefit because they earn some money, they educate the urbanites to the complexity and risks of farming, and they gain allies in their battle to continue to have the "right to farm". Education of the tourist is education of the consumer. Farmers need to gain allies in order to help them produce food using the legitimate tools of their trade without fear from animal rights activists, from uneducated consumers alleging allergies because of food products they have eaten, and so on! The farming community wants to gain support from the urban community and agri-tourism is one vehicle by which they can do this.

Consistency is one of the biggest problems of agri-tourism and in fact all types of tourism. If a product varies in quality from one time to the next, it is likely to continue to sell? Not! A tourist or a tour operator looks for consistency, for repeatability and for successful product acceptance by the consumer. This means repeat business for the farmer and the tour operator and thereby, for the tourism association, DMO or Chamber of Commerce who is marketing the tourism product.

Customers are the single most important component of the "C" in the tourism marketing formula. Without customers, there is no point to the enterprise. Customers come from all walks of life, in all shapes and sizes and with all kinds of different expectations and needs. To attempt to market to all customers, is not realistic. Target marketing requires careful analysis of the product or service, and whom it most appeals to or will be accepted by. This is not as easy as it sounds, but with careful planning and following the step by step formula, before the customer ever walks in the door, the tourism enterprise will stack the odds in their favour and it can expect success with more confidence. There are many kinds of customers, and in Chart # 2, which follows the Revenue section of this Work

Book, the many varied types of customers and their diverse interests, will be outlined in order to demonstrate the variety and complexity of identifying your customers.

Remember the golden rule, "The customer is always right"? It's not true! However, they think they are and it is not the service provider's job to point out their errors and that they are not right, this would be counter-productive. However, the customer(s) can be wrong, but the service provider subtly "educates" the customer, and gently guides him or her in the right direction. Confrontation does not benefit anybody, and rarely makes you a new friend. If done correctly, a tourist (customer) can have the correct information given to them in a subtle and non-vindictive way, so that the customer comes away with a new and correct version of the story, saves face by not being challenged, and it becomes a proponent of the facts, as they now know them to be true!

IV. Revenue \$ - Of course the final result of the formula is money - \$ - and without communication the region will not be able to capitalize on the tourism trends of the 90's and beyond. Dollars must however be invested because nothing comes free these days. Whoever the participants are in the tourism marketing effort, they must commit themselves financially to the long-term effort. Politicians must realize that funding is crucial and that although not as visible as manufactured goods, the impact on a region has a very wide ripple effect in terms of "new" dollars being brought into the region. Dollars earned from tourism must be reinvested. Any tourism association must have a membership list with participants including the local suppliers and the local government. Through communication with each other, the results and the benefits can be relayed back and forth and the effort can be maintained.

At this time it must stressed that dollars, which are invested, must come from within. Self-reliant and self-sustaining groups are most likely to succeed because they have invested their own time and money in the project, which can ill afford to be lost. Grants and government hand-outs are easy to shrug off as bad investments or as having "too many strings attached" but when ones own money goes into the venture, there is a different perception and mind-set which drives the business owner forward. Government money that might be included in any marketing or tourism related project should contribute to the whole, rather than being the entire source of funding. Being self-sufficient also means having more self-rule when it comes to any project. Self-rule also carries with it the responsibility of making sure that individual's self-interests aren't being served, and that the group's self-sustaining ability is done selflessly by the individuals involved.

Target groups that must be attended to, include a multitude of potential customers. Is the marketing effort going to multi-pronged and attempt to reach everybody or will it be very selective and targeted? At what expense? The best and most realistic strategy is to identify potential buyers of your product by picking those easiest to reach or communicate with. Following this, the types of tourists you will be able to cater to must be identified. It's no good to advertise to, or try to encourage motor coach operators or tour operators - if your region cannot handle or supply services to one bus group, let alone several.