

Agritourism

in New York:

A Market Analysis

by

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Introduction

Many farm businesses in New York state today are opening their doors to visitors. Farm stands, wineries, maple syrup and honey producers, greenhouses and plant nurseries, and Christmas tree farms are just a few of the many types of farm-based businesses that are open to visitors. Documenting the status of these agritourism enterprises involves study of the management and marketing strategies used by their owners as well as the economic impacts provided by this growing business sector around the state.

In order to provide farmers across the state with up-to-date information about agritourism, NY Sea Grant and Cornell University's Farming Alternatives Program, in conjunction with the Cornell University Statewide Committee on Community and Economic Vitality Tourism Work Group, conducted a two-part study of agritourism business owners and their customers in New York state. Funding for this research was provided by the United States Department of Agriculture through Cornell University's Research and Extension Integration Grants Program. The results from this study are presented in this fact sheet and in the NY Sea Grant fact sheet entitled *Agritourism in New York: Management and Operations*.

Methods

The New York State Agritourism Business Study consisted of a customer survey and a business owner survey. The number of business owners and customers responding to each survey question (n) are identified throughout this report. The customer survey was conducted in 1999 with the assistance of six agritourism business owners in New York state. These business owners were requested to ask their customers to complete a short survey. A total of 299 customer surveys were completed and analyzed.

In 2000, a survey of agritourism business owners was conducted. A mailing list of 2,416 farm-based businesses open to the public was generated with assistance from agriculture and tourism agencies and organizations across New York state. The number of businesses on this initial mailing list is likely conservative since agency mailing lists may have been incomplete. A systematic random sample of 2,000 farm businesses was generated from this initial mailing list. Business owners in this sample were sent surveys by mail and asked to report on their business activities for the calendar year 1999. A reminder postcard and follow-up survey were mailed to non-respondents. After businesses with undeliverable addresses and businesses not classified as agritourism by their owners were removed from this sample, a qualified sample of 1,661 businesses remained. From this qualified sample, 9.7% of the surveys were returned by owners who did not wish to participate in the study, 51.5% were not returned, and 38.8% (645 surveys) were completed and used in this study.

Where do agritourism visitors come from?

Where visitors come from varies according to the type of agritourism business. Retail-oriented businesses such as farm stands, greenhouses, maple producers, Christmas tree farms, U-pick operations, and livestock breeding and sales farms all have more than 50% of their customers coming from the home county of the business. Both farm-stay bed and breakfasts and wineries have more of their customers coming from outside their home counties. These latter two types of businesses frequently participate in statewide and regional promotional efforts, which may contribute to their ability to “pull” customers from further distances.

Visitors from New York state. The largest proportion of the visitor market for agritourism in New York is local residents. In both the customer and business owner surveys, more than half of the customers were reported to have come from either the home county of the business or counties adjacent to the home county (Table 1). According to the customer survey, the percentage of customers coming from the home county of the business was 21.0%. Responding business owners indicated that 57.6% of their customers came from their home county. The difference between the percentages from both surveys is most likely due to differences in the types of businesses included in the surveys. The customer survey was conducted at businesses that have a larger geographic draw, while the business owner survey included a larger number of retail businesses with more local clientele. A more detailed breakdown of these data for agritourism businesses within each New York State Department of Economic Development tourism region (Figure 1) is provided in Table 2.

Visitors from other states. The percentage of agritourism customers coming from other states was relatively small for both the customer survey (18% of customers came from states other than New York) and the business owner survey (9%; Table 1). Of those customers who did come from states other than New York, most came from the closest regions -- New England and the Mid-Atlantic. According to responding business owners, these two regions combined accounted for 7% of all customers visiting agritourism businesses in New York in 1999 (Table 3). Regions that are farther away from New York state (e.g., the Northwest and Southwest) provided much lower percentages of customers. Table 4 shows the percentages of visitors according to their region of residence within the United States and the New York State Department of Economic Development tourism region (Figure 1) that they visited.

International visitors. In both the customer and business owner surveys, only a small proportion of customers (1% and 2.8%, respectively) came from other countries (Table 1). Industrial countries with strong economies and longtime economic, cultural or historical ties to the United States (i.e., England, Germany, Japan, and Ireland) are the top sources of international customers. A small number of respondents also indicated that they received visitors from France and Russia, as well as other countries in western and eastern Europe, the Middle East, and Asia.

Table 1. A breakdown of where customers travel from according to both the customer survey (n=284 customers) and the business owner survey (n=568 business owner respondents).

Origin of visitor	Customer survey	Business owner survey
Home county of business	21.0%	57.6%
Adjacent counties	29.9**	*
Other New York counties	34.0	30.6
Other states	18.0**	9.0
Foreign countries	1.0	2.8
TOTAL	103.9%**	100.0%

*Data not requested in business owner survey.

**Some customers indicated that they reside in both “adjacent counties” and “other states.” The “total” is greater than 100% because of this overlap.

Table 2. A breakdown of where customers visiting agritourism businesses within each New York State Department of Economic Development tourism region reside. The percentages of customers visiting each state region, as identified by responding business owners, are given.

Tourism region of businesses	Number of respondents	Area of customer residence				
		Same county as business	Other NYS county	State other than New York	Canada	Foreign country other than Canada
Adirondacks	44	59.1%	23.1%	11.7%	4.6%	1.5%
Capital	58	62.3	29.9	6.6	0.5	0.7
Catskills	41	48.7	38.7	10.9	0.5	1.2
Chautauqua-Allegheny	39	49.1	27.2	17.9	3.6	2.2
Central Leatherstocking	64	64.9	28.8	5.2	0.5	0.6
Finger Lakes	155	51.7	35.3	9.9	1.7	1.4
Hudson Valley	49	55.4	33.4	9.8	0.6	0.8
Long Island*	28	69.8	24.4	4.7	0.2	0.9
Niagara Frontier	58	66.9	26.0	4.3	2.2	0.6
Thousand Islands	32	58.1%	26.3%	10.7%	3.4%	1.5%

*The data from the one business located in New York City were included in the Long Island region.

Figure 1. New York State Department of Economic Development tourism

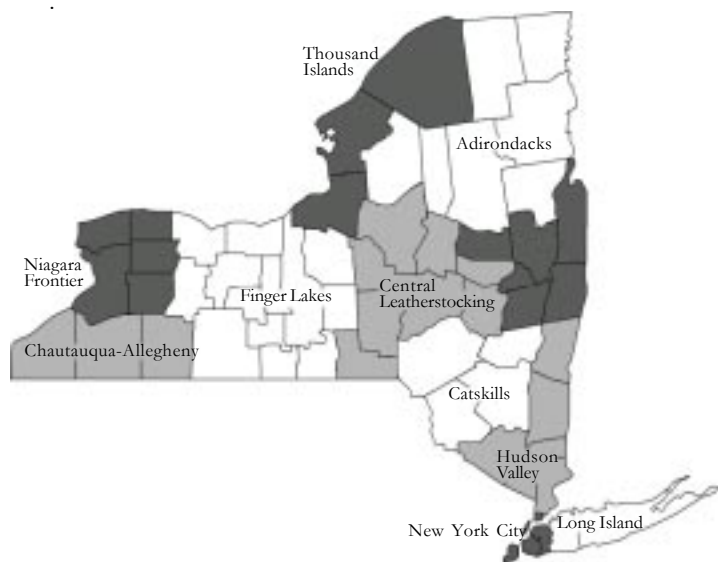


Table 3. United States regions* of residence for customers from states other than New York according to both the customer survey and the business owner survey.

Region	Percent of out-of-state customers		Percent of all customers	
	Owner survey	Customer survey	Owner survey	Customer survey
New England	37.4%	10.0%	3.0%	2.0%
Mid-Atlantic	41.7	50.0	4.0	9.0
Southeast	7.6	12.0	0.7	2.0
Southwest	4.0	1.5	0.4	0.0
Northwest	2.3	10.0	0.2	2.0
Midwest	6.4	15.0	0.6	3.0
Hawaii & Alaska	0.6	1.5	0.1	0.0
TOTAL	100.0%	100.0%	9.0%	18.0%

*The United States is divided into regions, each composed of the following states: New England: ME, MA, NH, VT, RI, CT; Mid-Atlantic: PA, DE, NC, VA, WV, NJ, MD, Washington D.C.; Southeast: GA, FL, LA, TN, AL, SC, KY, AR; Southwest: TX, OK, AZ, NM, NV, UT, CO, MS; Northwest: CA, OR, WA, ID, WY, MT; Midwest: MN, MI, IL, IN, OH, WI, IA, ND, SD, NE, KS, MO. The state of NY has not been included in the data contained in this table.

Table 4. A breakdown of where customers of agritourism businesses within each New York State Department of Economic Development tourism region are from by United States region*. The percentages of customers from each United States region, as identified by responding business owners, are given.

Tourism region of businesses	Number of respondents	Region of customer residence						
		New England	Mid-Atlantic	Southeast	Southwest	Midwest	Northwest	Alaska & Hawaii
Adirondacks	29	36.9%	32.8%	11.9%	5.3%	7.8%	3.6%	1.7%
Capital	30	64.4	22.2	8.5	2.8	1.2	0.9	0.0
Catskills	30	30.1	60.8	3.0	1.6	2.0	2.4	0.1
Chautauqua-Allegheny	28	10.7	50.4	10.4	5.8	19.0	3.2	0.5
Central Leatherstocking	33	42.4	37.9	8.7	4.6	3.1	3.1	0.2
Finger Lakes	75	31.5	44.3	8.3	4.5	8.2	2.5	0.7
Hudson Valley	32	46.4	48.9	1.8	0.5	1.5	0.7	0.2
Long Island**	12***	50.1	39.7	4.7	1.2	2.2	2.0	0.1
Niagara Frontier	19***	28.5	37.5	9.3	9.2	10.8	2.5	2.2
Thousand Islands	17***	48.3%	29.3%	7.7%	5.4%	6.5%	2.8%	0.0%

*See Table 3 for a list of the states comprising each United States region.

**The data from the one business from New York City were included in the Long Island region.

***Small sample size. Data should only be used to provide a *general* indication of customers' regions of residence.

Visitor characteristics

Understanding your customers is the key to cost-effective marketing and promotion efforts. Questions on both the customer and business owner surveys sought to identify visitor characteristics such as type and size of group, age, length of stay, and gender. Data on repeat customers were also gathered.

Type of group. According to study results, most customers visit agritourism businesses with friends and/or family. In fact, according to the customer survey (n=294), 72% of visitors came with family members and 31% came with friends. (Since some customers came with both family and friends, overlap exists between these two categories.) Groups of friends and family members constitute agritourism's "core market," a market that will most likely continue to be the bread and butter of New York's agritourism businesses. Small percentages of customers are part of organized tours or school groups, indicating potential markets for future promotional efforts.

Size of group. Understanding group size is important for planning facilities, accommodations, and services. While the average group size was 6.5 individuals (n=291), most groups actually contained 2 to 4 people, a fact that is consistent with the large number of families that visit agritourism businesses.

Customer age. Age is important to consider when determining markets because it is often related to the interests of customers. Table 5 shows the breakdown of customers according to age group for both the customer and business owner surveys. Both surveys show that teenagers comprise only a small percentage of all visitors to agritourism businesses. This fact may indicate that the interests of teenagers do not match the activities provided by most agritourism businesses. In addition, teenagers may be seeking activities that are separate from family-based activities.

Both surveys show that large percentages of children and adults between the ages of 20 and 59 visit agritourism businesses, another indication that agritourism businesses are most often visited by families. The business owner survey, which included a higher number of retail businesses than the customer survey, also indicates that a large percentage of agritourism customers are 55 years or older. These older customers may be visiting agritourism businesses specifically for the shopping experiences they provide.

Length of stay. Approximately 79% of the responding customers (n=277) indicated that they were visiting the area just for the day (this includes local residents and vacationers on day trips); 7% stayed for two days and 5% stayed for three. The mean length of stay reported by customers was 1.8 days.

Gender. According to the customer survey (n=282), female visitors comprised 57% of all customers. While a male customer was present in groups 87% of the time, a female was present in groups 98% of the time. Women may visit agritourism businesses more frequently than men for two possible reasons. First, women may have a greater interest in taking children to agritourism businesses. Second, women may be more likely to shop for the products found at agritourism businesses. These results indicate that agritourism promotional messages should be consistent with (or at least not conflict with) the tastes, values, and interests of women and families.

Table 5. The age distribution of agritourism business customers according to both the customer survey (n=278) and the business owner survey (n=538).

Customer survey		Business owner survey	
Age group	Percent of visitors	Age group	Percent of visitors
Children (birth to 12)	32.3%	Children (birth to 12)	11.0%
Teen (13 to 19)	5.6	Teen (13 to 19)	6.9
20 to 39	30.5	20 to 39	27.6
40 to 59	23.6	40 to 54	31.1
60+ years	8.0	55+ years	23.4
TOTAL	100.0%	TOTAL	100.0%

Repeat customers. Repeat customers are the core of most businesses, and agritourism businesses are no exception to this rule. In the customer survey (n=287), 48% of respondents reported that they were repeat customers. Responding business owners (n=572) indicated that 72% of their customers were repeat customers. (The higher percentage in the business owner survey may be due to the larger percentage of retail businesses included in this survey.) The high percentages of repeat customers in both surveys point to the quality of experiences provided by agritourism businesses and also to the critical role customer satisfaction plays in keeping customers coming back.

Developing a marketing mix

The optimal mix of marketing and promotional strategies will be unique to each business’s budget, geographic area, products and services, location, and customer base. In both the customer and business owner surveys, respondents were asked to identify the marketing and promotional strategies that they used. The results of both surveys show that word-of-mouth is the most effective method of attracting visitors. Thirty-nine percent of customer respondents (n=292) reported that they heard about the agritourism business that they visited through word-of-mouth from family or friends (Figure 2), while responding business owners (n=615) reported that 58% of their customers visit their business due to word-of-mouth advertising. In addition to word-of-mouth referrals, customers often found out about agritourism businesses from newspapers (18% of customers indicated this type of promotion) and business signs (18%).

Figure 2. Sources from which customers learned of agritourism businesses.

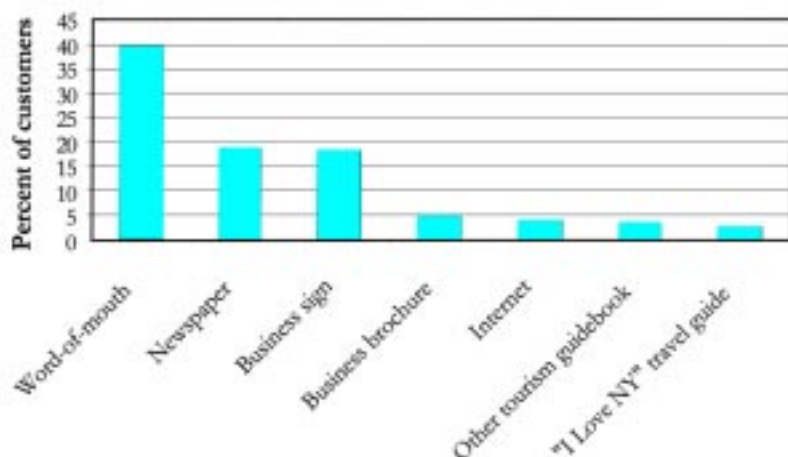


Table 6. Promotional strategies rated according to their effectiveness in attracting visitors and their cost, as indicated by responding business owners.

Cost	Low to moderately effective	Moderately effective	Moderately to highly effective
No cost	<i>New York State Guide to Farm Fresh Foods</i>		Word-of-mouth advertising*
Low cost (\$1 - 250)		Agriculture associations Chambers of commerce Motorcoach tours State tourism guide County tourism guides	
Moderate cost (\$251 - 600)		Tourism associations World Wide Web sites Magazines Yellow pages	Business signs
High cost (\$601 - 1,299)			Newsletters Direct mail Business brochures
Very high cost (\$1,300+)			Television Radio Newspaper

*Word-of-mouth advertising was found to be highly effective because of the large percentage of customers it attracted, according to business owners. Business owners were not asked to rank its effectiveness on the survey.

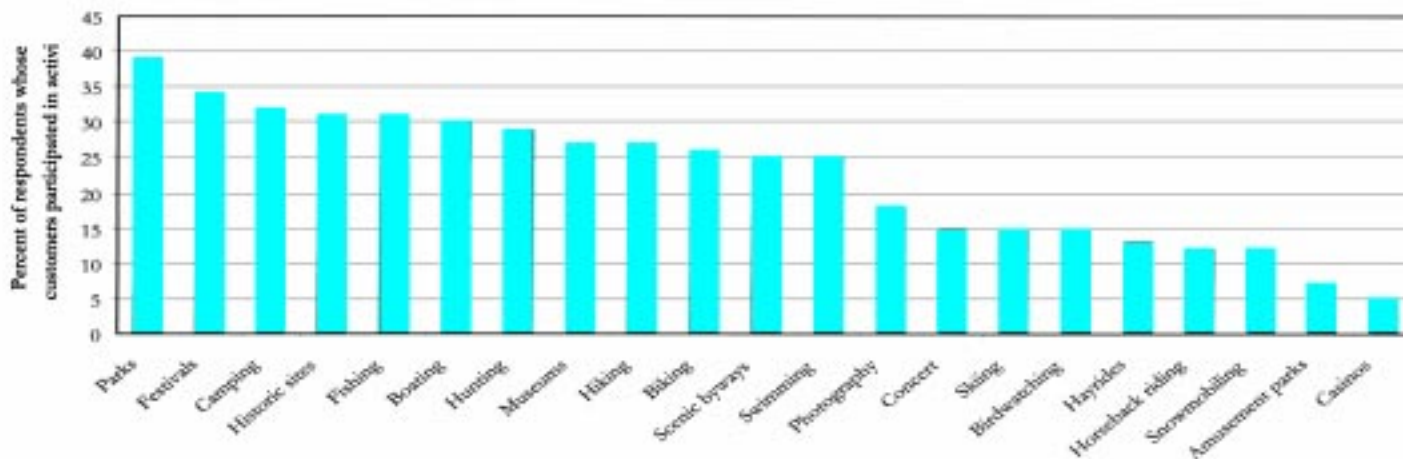
Respondents to the business owner survey rated promotional strategies on a scale of 1 (low effectiveness at attracting visitors) to 5 (high effectiveness) and provided their 1999 costs for each promotional strategy. Table 6 ranks the promotional strategies by both effectiveness and cost. While word-of-mouth advertising was found to be the most cost-effective option available to business owners, business signs, newsletters, direct mail, and brochures were also found to be moderately to highly effective, but at higher costs. Moderately to highly effective promotional strategies with very high price tags (i.e., television, radio, and newspaper advertisements) should be carefully evaluated by business owners after they are used to determine if income resulting from them has offset their high cost.

Lower-cost promotional strategies such as county and state tourism guidebooks were found to be moderately effective and should be considered by owners seeking market diversity and distant markets. (Many county tourism promotion agencies charge only for advertisements and not for simply listing businesses.) Other moderately effective strategies such as internet sites and association memberships should also be considered to further increase the mix of promotional strategies used. "No cost" promotional strategies such as the *New York State Guide to Farm Fresh Foods* should always be considered for diversifying business markets.

In addition to the promotional strategies listed in Table 6, responding business owners also shared many of the other promotional strategies that they have used. Inclusion in local classified circulars (e.g., "pennysavers"), advertising on billboards, offering donations to community groups, participating in events and festivals, and participating in farmers' markets were the most frequently mentioned.

Business owners were asked if they had worked with other businesses in their geographic area to organize package deals for visitors or if they were part of organized motorcoach tours in 1999. Nine percent

Figure 3. Percent of responding business owners (n=408) who stated that their customers participated in specific activities before or after their visit to the owner’s business.



indicated that they organize package tours and five percent said that they are part of motorcoach tours (n=629). The types of businesses and attractions that respondents (n=75) said they were most frequently packaged with were wineries (31% of respondents), restaurants (30%), farm stands (27%), museums (27%), U-pick operations (20%), farm-stay and other B&Bs (20%), festivals or other events (18%), and hotels or motels (18%). Other businesses that agritourism businesses were packaged with but that were mentioned by less than 10% of respondents were parks, historic farms, charter boats, scenic byways, canal and other boat tours, and horse stables.

Visitor preferences

The high level of repeat customers found in both surveys appears to indicate a high level of customer satisfaction with agritourism businesses in New York state. Ninety-five percent of respondents to the customer survey (n=284) reported that they enjoyed their visit “very much,” while 4% indicated that they “somewhat enjoyed it” and 1% that they “did not enjoy it.” The business features most enjoyed by customers were mainly related to the availability of family activities, the setting and hospitality of the business, tasting food and/or wines, and picking fresh fruits and vegetables.

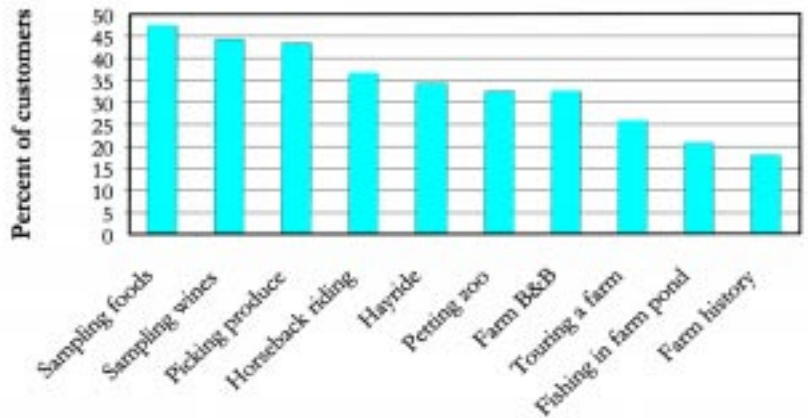
Customer survey respondents were also asked what additional activities they were planning on doing while in the area (n=267). Most customers indicated that they planned on participating in additional recreational activities while in the area. “Hiking/walking,” as indicated by 32% of customers, was the most favored activity, followed by visiting parks (29%), visiting wineries (21%), photography (17%), visiting museums (16%), visiting antique shops (16%), and swimming (15%). According to respondents of the business owner survey (n=408), the activities most participated in by customers included visiting parks, attending festivals, camping, visiting historic sites, and fishing (Figure 3). Other activities included by business owners were visiting wineries, shopping, and visiting family members.

Respondents to the customer survey (n=267) were asked what was important to them when choosing an attraction to visit. The “friendliness of staff” and “scenic appearance of the farm” were identified as the most important factors to 72% and 71% of responding customers, respectively. In addition, having activities at the business (58% of customers), the presence of farm animals (33%), and the presence of barns or other historic buildings (32%) were also important to customers. Of lower importance was the

presence of a restaurant or snackbar (24%), the proximity of the business to other attractions (16%), and the existence of a gift or souvenir shop (16%).

Customer survey respondents were also asked what types of activities they would like to try in the future. Sampling local foods and wines, picking produce, horseback riding, and going on hayrides were the leading activities (Figure 4). Participatory activities such as these may be useful for increasing customer numbers and improving customer experiences.

Figure 4. Activities that responding customers (n=267) indicated they would be interested in trying in the future.



Discussion

The results of this study have many implications for business owners seeking to improve their promotional and marketing strategies. First, the owner's type of business will likely influence particular visitor markets. For example, farm stands may market to local customers, while farm-stay B&Bs may market to visitor groups residing in more distant locations. Second, identifying the group type and size, gender, and age of customers will provide much insight into the values and interests of customers. By learning what customers are interested in, business owners can better develop businesses that cater to these interests. Third, providing quality products and experiences for visitors once they reach a business is crucial for increasing word-of-mouth advertising and encouraging repeat visitors. Fourth, using a mix of promotional strategies will help businesses attract diverse markets. Fifth, evaluating promotional and marketing strategies to see if they are cost-effective will help cut down promotional costs in the long run by weeding out those strategies that do not attract enough visitors to offset their cost. In summary, promotion and marketing are the keys to initially attracting visitors. However, the long-term success of any agritourism business depends on the quality of the experience and products that visitors receive and the spread of positive word-of-mouth advertising by visitors.

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