



Relevant factors for the management of small agrotourism businesses

Factores relevantes para el manejo de pequeñas empresas de agroturismo

Fatores relevantes para a gestão de pequenos negócios de agroturismo

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Abstract

The purpose of the article is to describe the relevant factors of agritourism management for small businesses, based on the benefits that this type of rural tourism has shown, especially in times of pandemic, as an excellent sustainable tourism option. For which the research was carried out through the deductive method, where various aspects were explored by analyzing several case studies of companies involved, supported by information from other scientific articles and literature for a broader understanding. Allowing us to establish the relevant factors for efficient and effective management of agritourism in small businesses, whose main pillars are value management, operations, sustainability and development. Constituting an innovative proposal that facilitates the agrotourism management of small businesses, since, based on global experiences, it systematically provides key elements that must be considered, if you want to benefit economically, reducing social impacts and minimizing environmental impact, pillars fundamentals of sustainability.

Keywords: Management, tourism industry, sustainability, agrotourism.

Resumen

El propósito del artículo es describir los factores relevantes de la gestión del agroturismo para pequeñas empresas, a partir de los beneficios que ha mostrado este tipo de turismo rural, especialmente en tiempos de pandemia, como una excelente opción de turismo sostenible. Para lo cual la investigación se realizó a través del método deductivo, donde se exploraron diversos aspectos analizando varios estudios de caso de empresas involucradas, apoyados en información de otros artículos científicos y literatura para una comprensión más amplia. Permitiéndonos establecer los factores relevantes para una gestión eficiente y efectiva del agroturismo en las pequeñas empresas, cuyos principales pilares son la gestión del valor, las operaciones, la sostenibilidad y el desarrollo. Constituyéndose en una propuesta innovadora que facilita la gestión agroturística de las pequeñas empresas, ya que, a partir de experiencias globales, proporciona sistemáticamente elementos claves que deben ser considerados, si se quiere beneficiarse económicamente, reduciendo los impactos sociales y minimizando el impacto ambiental, pilares fundamentales de la sostenibilidad.

Palabras Clave: Gestión, industria turística, sostenibilidad, agroturismo.

Resumo

O objetivo do artigo é descrever os fatores relevantes da gestão do agroturismo para os pequenos negócios, a partir dos benefícios que esta modalidade de turismo rural tem demonstrado, principalmente em tempos de pandemia, como uma excelente opção de turismo sustentável. Para o qual a investigação foi realizada através do método dedutivo, onde foram explorados vários aspectos através da análise de diversos estudos de caso de empresas envolvidas, apoiados em informações de outros artigos científicos e literatura para uma compreensão mais ampla. Permitindo-nos estabelecer os fatores relevantes para uma gestão eficiente e eficaz do agroturismo nos pequenos negócios, cujos principais pilares são a gestão de valor, operações, sustentabilidade e desenvolvimento. Constituindo uma proposta inovadora que facilita a gestão do agroturismo de pequenos negócios, pois, com base em experiências globais, fornece sistematicamente elementos-chave que devem ser considerados, se se deseja beneficiar economicamente, reduzindo os impactos sociais e minimizando o impacto ambiental, pilares fundamentais da sustentabilidade.

Palavras-chave: Gestão, indústria turística, sustentabilidade, agroturismo.

Introduction.

The COVID 19 pandemic has had a massive impact on all sectors of the economy. However, the tourism industry, in particular the international one, has undergone the greatest influence (Wojcieszak-Zbierska et al., 2020). The economic decline opened opportunities for local tourism and made people discuss sustainability as priority. Environment-based tourism, in particular agrotourism, is gaining popularity as a prospective direction (Zukhri & Rosalina, 2020). However, to take advantage of the opportunities provided, proper management is required.

Sustainable tourism

Tourism is an important and constantly growing sector of modern global economy. The industry, including related areas such as catering and cleaning, represent about 9.8% of the world's gross domestic product, as well as 7% of global trade (Pan et al., 2018, p. 426). In recent years, tourism has developed at an increasingly rapid pace, especially in previously underrepresented regions including Latin America and Sub-Saharan Africa (Qian et al., 2018). Despite the economic and infrastructural advantages which the development of the industry provides, it also affects the

environmental situation. The search for methods to maintain a balance between economic profit and conservation of natural resources is attracting more attention to sustainable tourism (He et al., 2018). Moreover, the COVID-19 pandemic has had a significant negative impact on international tourism, highlighting the need to develop domestic one.

Despite the use of various management techniques to minimize the impact of the epidemic, the industry suffered colossal losses. International cooperation and communication have deteriorated due to the global lockdown, which has led to decreased economic stability in the tourism business (Yeh, 2020). With the restoration of geographical restrictions, people are forced to develop local tourism destinations, which can also use natural resources as the main source of profit. The need for sustainability in the industry is becoming more and more debated, as tourism is responsible for 5 to 12% of the world's greenhouse gas emissions (Gavrilović & Maksimović, 2018). Thus, the main reasons for the importance of a green types of tourism is the desire to minimize the negative impact of the industry on the environment and the search for local economic resources.

Despite the relatively long history of the development of this approach, sustainable tourism is only gaining popularity today. Since many countries are only setting the course for the development of sustainable tourism, there are no statistics on the share of its participation in the world tourism economy (Romagosa, 2020). However, it is noted that since 2000 sustainability has been considered a dominant paradigm in the international economic field (Sharpley, 2020). Furthermore, sustainable tourism is presented as one more alternative, which allows contributing to the fulfillment of the objectives for which protected areas were created, since if they are not managed in accordance with basic conservation principles, they may be subject to impacts. that will affect its biodiversity and productivity with respect to ecosystem services (Mestanza et al., 2023). There are two main types of tourism which are actively developing due to new needs: ecotourism and agrotourism. In contrast to mass international tourism, the concept of sustainability assumes the central role of communities of people and nature (Bramwell et al., 2017). As opposed to traditional types, sustainable tourism relates not only to economic but also cultural, social and environmental indicators (Agyeiwaah et al., 2017). These include the involvement and well-being of local residents, the level of community development, natural resource management, and cultural preservation.

Agrotourism

Agrotourism is part of rural tourism, which is characterized by the use of the countryside as the main source of tourist interest. In particular, agrotourism implies involvement in the agricultural activities of the territory (Ana, 2017). Thus, services are provided by the owners of farms and households, tourists are directly involved in agricultural activities. The spread of this type of tourism not only has an impact on the economic situation of a particular region, but also on the employment of the population and the conservation of cultural characteristics. It is also noted that the seasonality of agrotourism is low and rather stable, which makes it an effective method of continuous economic development (Martínez et al., 2019). Since agrotourism is exclusively regional in nature, it is dominated by small and medium-sized businesses.

In the face of economic difficulties associated with international tourism due to the pandemic, rural tourism can be an effective solution. Small and medium-sized businesses perform many functions "all of which have the highest importance for local, regional and national economies" (as cited in Mura & Kljucnikov, 2018, p. 286). Thus, for the development of agrotourism, it is necessary to support the development of private business in a globalized economy. However, small business faces a number of financial risks and is often vulnerable, which requires high-quality regional and entrepreneurial management. To create an effective model, it is necessary to consider the experience of existing organizations using the example of cases.

Small businesses agrotourism management

The effective management of an agrotourism small business involves many factors. Since the sector has not only economic but also social and cultural foundations, its management differs from traditional tourism. Moreover, agrotourism includes various aspects, such as accommodation, catering and leisure activities, which complicates the effective management model (Cioca et al., 2018). It is necessary to consider the advantages and disadvantages of agrotourism as a sphere of sustainable tourism based on described cases. The following examples aim to provide an insight into the most difficult parts of the managerial processes within this industry. Based on the analysis, it will be possible to form a management model for an agrotourism small business.

Methodology

The methodology includes examination of several cases of agricultural business functioning presented in the literature. Based on the information found in them, a certain aspect of management will be highlighted. Information about a specific aspect will be supplemented with information from other articles to expand understanding. Thus, based on the study of cases, a management model will be described, including the methods to successfully navigate through this business environment.

Tourism Activities Management

The first case study reviewed examines agrotourism in Greece in two different regions. The authors consider two organizations on Plastiras Lake and Lesbos Island (Karampela & Kizos, 2018). Due to the choice of research objects, the case offers information on the development of business in different conditions. First of all, the conducted survey found that most people state that "agrotourism takes place in a working farm where visitors have an authentic working involvement in the farm" (Karampela & Kizos, 2018, p. 5). The case also identifies what types of activities are most often offered by agricultural organizations.

Accommodation is offered on a working farm on the island, and therefore, tourists are directly involved in local agricultural activities. It should be noted that local organizations offer more tourist activities in the form of guides and various walks, as well as excursions to processing facilities. The number of local activities not directly related to agrotourism is extremely low. Thus, the number of small businesses in both areas prevails, since tourism is associated with operating farms. It is worth noting that for most of the research participants, tourism is an additional source of income, in addition to agricultural enterprise. The number of partners each organization works with varies depending on location. However, in both areas the number of partners is low. Thus, small agrotourism businesses rely on domestic products and services. The main sources of income are the sale of local goods and the provision of various activities for tourists.

Despite the rather similar development paths of organizations in the two areas, their influence on the development of the local economy varies greatly. On the lake, most households do not earn enough to have income. Whereas on the island, due to the greater variety of activities, most organizations make a profit. Thus, it is not enough for agrotourism to focus exclusively on agricultural activities, it is necessary to provide more related services. Other studies point to the

importance of geography for business efficiency (Sadowski & Wojcieszak, 2019). Thus, from the first considered case, we can single out the main weakness of an agrotourism enterprise in the form of dependence on location. Such tourism depends not only on the location in the countryside itself, but also on the number of potential activities which it has to offer (Adamov et al., 2020). Thus, small business management should focus on using all available resources for a variety of tourist activities.

Brand Management

A study conducted in Indonesia focuses on the economic aspects of cattle-related agrotourism. The main problem of this type of tourism, identified in the course of the research, which is especially peculiar to the underdeveloped territories, is insufficient attention to the development of branding (Putritamara et al., 2020). In particular, the lack of marketing promotion, inadequate marketing research, and the lack of a variety of tourist activities are highlighted. Another article also focuses on the lack of effectiveness of agrotourism management in building brand loyalty on the part of customers (Chatzigeorgiou et al., 2019). However, brand loyalty is defined as "the most important facets and indicators for the competitiveness of leisure farm brand management" (Liu et al., 2018, p. 7). Insufficient attention to work with clients in the direction of repeated providing of services is noted. Management does not pay enough attention to social media and further communication with customers. Thus, building branding and brand loyalty is essential for effective agrotourism management.

Personnel Management

Case study from Thailand examines family small agrotourism business management. As a result, problems of enterprise isolation and lack of communication skills were identified as major barriers (Khermkhan & Mankeb, 2018). The absence of sufficient personnel management is noted in other articles as well (Iosim, 2020). The trend is explained by the fact that most agrotourism organizations employ workers either from the family or from local residents who are not qualified (Iosim & Popescu, 2017). Experienced and highly skilled agricultural workers, farm owners and workers, however, do not have the skills to communicate with clients. Moreover, they rarely realize the need to develop in this direction and resort to special training. However, it is noted that in some regions, such as Indonesia, social organizations operate to help entrepreneurs develop skills

(Juniatra, 2019). They are engaged in informing small businesses about the activities necessary for effective operation and provide various consultations, which has a positive effect. Thus, effective management of an agricultural tourism enterprise should also include personnel management.

Risk Management

A case containing information on agrotourism in Italy presents information on the functioning of family businesses. The article also indicates the dominant economic and geographical influence of the region on the success of the enterprise (Broccardo et al., 2017). Profit is more dependent on market conditions at a particular moment. Although agrotourism, as noted, is not subject to high seasonality, many other factors influence its process. Small business based on agrotourism has a weak position in the market, so it needs to diversify its products (Pitrova et al., 2020). This approach helps mitigate an organization's risks by focusing on more than just one type of product or service. Another reason for diversification may be the accumulation or merger of capital, which will help agrotourism enterprises attract investment and expand their opportunities (Kanojeva et al., 2019). Thus, agrotourism small businesses should resort to diversification to ensure a comfortable operation and reduce risks.

External Factors.

When building an effective management model, it is also necessary to take into account external factors that entrepreneurs cannot solve individually. A case examining the state of the tourism industry in Kazakhstan, in particular agrotourism, illustrates several external factors that significantly affect the conduct of business. Among these are the community's willingness to maintain the environment and the level of social comfort (Aimagambetov et al., 2017). The assertion suggests that agrotourism depends little on the region's economy, but more on social factors, making it a viable choice for developing areas (Sánchez-Martín et al., 2019). However, other studies point out the impact of financial limits, administrative and legal barriers (Vital et al., 2020). Thus, there are a number of external factors that organizations cannot directly influence. Individual opportunities for entrepreneurs are limited, but interaction and partnerships can have an impact on the region as a whole. Thus, in order to minimize the negative effect of external factors, agriculture needs to develop its economic and legal field. Cooperation with the government in this regard is also extremely important, but it is also necessary to develop links between organizations.

However, agricultural enterprises often operate in a rather isolated manner, which does not allow them to significantly influence the region.

Relevant management factors for small agrotourism businesses.

As noted, the development of rural tourism differs greatly from conventional tourism practices. This notion implies the need to identify the relevant factors for effective and efficient management that takes into account all the nuances of agrotourism to make it sustainable. Companies operating in this industry have several advantages over regular tourism businesses when their operations are run at the right level. Table 1 shows the main relevant management factors of a small company operating in this market.

Table 1. Relevant management factors for small agrotourism businesses.

Value Management	Operations Management	Sustainability Management	Development Management
Marketing	Logistics	Financing	Organizational design
Customer service	Service production	Agricultural production	Employee training
Investor relationships	Transportation services	Government cooperation	Innovations
Human resources	Resource allocation	Taxation	Idea management

The complex structure of a company that operates in the agrotourism market implies its duality. While other tourism businesses across the globe have crashed during pandemics with no backing mechanism, agrotourism provides firms with the ability to sustain themselves via produced goods (Wojcieszak-Zbierska et al., 2020). While this feature is definitely an advantage and helps with risk management, it also puts additional stress on an organization and its employees. Therefore, it is suggested for an agrotourism company to stay connected with the local government to be able to help with shaping policies that can mitigate risks that are involved in this type of business. Due to the specifics of agrotourism, small businesses have to put a significant effort into tourist transportation and accommodation. As a relatively recent trend, agrotourism can be difficult to

manage due to the lack of qualified personnel in this market (Shumaev et al., 2018). At the same time, agrotourism companies must provide their customers with activities that enhance the environmental conditions of the chosen location. Human resources management is a crucial factor in the success of an agrotourism company. It can be highly beneficial for a company to create hire a diverse staff with vastly different knowledge and skills to cover both agricultural and entrepreneur activities simultaneously. This approach allows a company to avoid issues with customer communication.

Aside from issues with logistics, personnel training, and the need to mix two types of business, small companies who enter the agrotourism market can expect issues with advertising their business. The marketing of rural areas can be particularly difficult for businesses to handle. However, the goods that are being produced on the farms and fields involved in agrotourism can serve as a marketing device when done properly (Andéhn & Decosta, 2020). Farms that produce goods for a well-recognized brand can easily use this fact to their advantage.

A choice of an organizational structure is a vital factor that can help the company to sustain itself and find space for growth. In order to create a sustainable agrotourism business, it is essential for a small company to ensure the synergy between all of its parts by applying a thoroughly developed management model (Figure 1). The task of connection of all of these parts relies heavily on the ability of employees to incorporate two vastly different types of businesses into an attractive location for tourists while preserving the original beauty of a rural area.

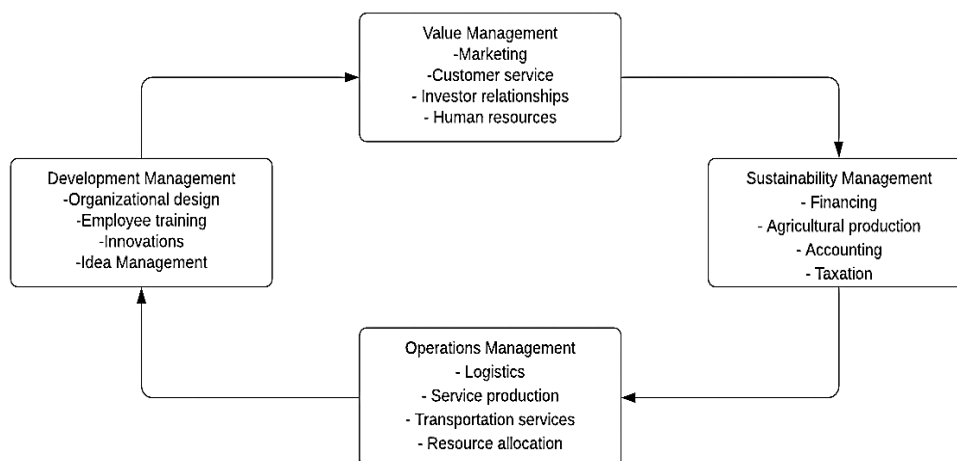


Fig 1. Circular flow diagram of relevant management factors for a small agrotourism business.

Conclusion

For a small business to achieve success in agrotourism, it is essential to examine the examples of success in this market and synthesize the elements involved in sustainable management. After the COVID-19 pandemic, sustainable tourism offers an alternative that balances the environmental, economic and ecological spheres. Despite this fact, a challenge is presented through a set of requirements that can be overwhelming for a company to stay afloat, let alone make a profit. Small agrotourism companies find themselves in the same situation; they are being driven by both internal and external factors related to changes in the global economy to transform rural areas and turn them into suitable rural places to visit enjoying unique experiential experiences. These challenges require a comprehensive identification of relevant value management, operational, sustainability and development factors that encompass all activities of an agrotourism business and merge them into a single complex structure.

With proper execution, agrotourism can provide a significant boost to income in rural areas. Furthermore, this industry creates employment opportunities in places where they would otherwise be very limited, in turn stimulating the development of local infrastructure (Ammirato et al., 2020). Taking into account the relevant factors in the management of small agrotourism businesses allows us to together overcome the challenges, opportunities and risks for the rural population, improve living conditions, create jobs and good conditions for local communities.

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