The Development and Communicative Strategy of Recreational Farm Industry (RFI): A Case Analysis of Taiwan

ZHOU Jia-ling1, ZHANG Jia-lin2, LIU Matthew T.3

(1. College of Humanities and Development, Chinese Agriculture University, Beijing 100094, China;
2. Institute of Science Technology Philosophy, Shanxi University, Taiyuan 030006, China;
3. School of Management and Administration, Macao University of Science and Technology, Macao, China)

Abstract: Farm tourism with recreational farm industry (RFI) is often considered as an economic alternative for farmers who are facing decreasing profits and might require another form of revenue. Compared with other industries, the most obvious advantage and benefit of RFI are not only economic incentives but environmental sustainability. Due to the increase in governmental income and global economic recession, RFI became an important way to broaden profit base for many governments. Recently, the successful RFI development in Taiwan is well-known. This research discussed the situation and main advantages of RFI, and mainly reviews RFI development/communicative strategies in Taiwan as a case study. This research finds the key success factors are: building the single window service scheme, development of creative value, build up the marketing routes of leisure industries scheme, improve the quality and service of recreational farming products scheme, and putting into series advertisement.

Key words: recreational farm industry (RFI); development; Taiwan

1. Introduction

While traditional farm operations continue to be an economic activity, recreational agriculture is a relatively recent development in many countries. This new form of recreation for busy people in modern society integrates agricultural production, rural life, natural ecology, and local cultural resources. Research investigations oriented toward the measurement and prediction of farm managerial ability have progressed slowly. Inadequate handling of the criterion problem (what is good or successful farm management) has been a serious deterrent in the conduct of such research. Since every farm manager may be considered successful if evaluated with respect to his own values and goals, it is important to understand how these values and goals relate to the management of the farm firm (Willard and Shaudys, 1967). Nowadays, many governmental agencies try to increase profit of urban or rural areas via tourism or other recreational ways as well. Taiwan is one example. The rapid development of domestic travel has been attributed to Taiwan’s government policy that has encouraged change in the rural economy following the island’s most recent economic recession. Traditional farming practices have especially been

ZHOU Jia-ling, Ph.D. candidate of Department of Media Broadcasting, College of Humanities and Development, Chinese Agriculture University; research fields: innovation and human resources management.
ZHANG Jia-lin, Ph.D. candidate of Institute of Science Technology Philosophy, Shanxi University, associate professor of Chinese Agriculture University; research fields: science technology and society.
LIU Matthew T., Ph.D., assistant professor of School of Management and Administration, Macao University of Science and Technology; research fields: branding, financial marketing, communication management.
subjected to increasing pressure from falling incomes. In Taiwan the importance of agriculture is decreasing, compared to other industries, and this change worsened in 2002 after Taiwan joined World Trade Organization (WTO). Recreational farm industry (RFI) businesses play an important role in diversifying the income of farms and strengthening and stabilizing the rural economic base, where occupations in agriculture are declining. Taiwan’s rural areas are in a state of transition (HUANG, 2006). Many farm practitioners are changing through means of economic restructuring and recovery from a dependency on agriculture and/or a declining manufacturing base towards being a modern service industry. Recreational farm industry has become another tool to help create jobs and additional income and to provide economic benefits to rural and isolated area 9-11. Furthermore, Recreational farm industry is increasingly viewed as a panacea (HUANG, 2006).

2. Literature Review

2.1 The definition and development of recreational farm

In western context, the concept “recreational farm” is combined with “agricultural tourism” or “farm tourism”. Agricultural tourism, or agri-tourism, or farm tourism refers to the act of visiting a working farm or any agricultural, horticultural or agribusiness operation for the purpose of enjoyment, education, or active involvement in the activities of the farm or operation. It is one alternative for improving the incomes and potential economic viability of small farms and rural communities. Some forms of agri-tourism enterprises are well developed, including fairs, festivals, etc. Other possibilities still offer potential for development. Early definitions of farm tourism were broad in scope (Clarke, 1995). Definitions included any farm operation that also involved some form of tourism. Later, however, the definition narrowed to focus on the consumer. This changed the emphasis from “tourism on farms” to “farm tourism” (Clarke, 1996).

In recent years, the definition has been tightened to focus also on the scale of the operation and management of the tourism component of the operation. Farm tourism in the strictest sense suggests that income from tourism accounts for at least 25% of the operation’s total income, the farm is no less than 25 acres in size, tourism is the secondary focus of operation (farming being first), and non-locals purchase products and visit the site either as a day-trip or overnight stay (Clarke, 1996). Thus, farm tourism includes the following: farm-based accommodations, farm-based meals, farm-based activities, agricultural festivals and events, farm-based attractions, farm-based retail establishments, and farm-based tourism centers. The concept of farm tourism appears self-explanatory, but it is actually complex. It involves a number of key components, some of which are: sustainable development, education and economic contribution of tourism versus agriculture. There exists a case of stewardship for the land. It is about preserving and conserving the land.

Vacationing on recreational farms and ranches dated back to the late nineteenth century in US. The first “dude ranches” were operated in the 1880s in North Dakota. In 1949, the first farm vacation brochure listed farm facilities that would accept tourists. Since the 1960s the number of farm vacations has been increasing dramatically, but total numbers of farm tourists are unknown. However, one study found that the Northern Rockies states (Idaho, Wyoming, and Montana) estimated 11 500 visitor days in 1990 (Bryan, 1991).

Why is farm tourism keeping increasing? The answer is simple. There are more people with more free time, who are looking to experience a “real” adventure (Bryan, 1991). People are looking for authentic experiences that challenge the mind, expand horizons, and educate in an outdoor, nature-oriented setting. Sightseeing, exploring small towns, tasting local foods, and learning about the land are more popular activities than ever for travelers.
The Development and Communicative Strategy of Recreational Farm Industry (RFI): A Case Analysis of Taiwan (Murphy, 2003). Therefore, in farm tourism, carrying capacity involves both effects to the farm’s resources as well as effects to the visitors. Ecologically, farm tourism must consider the amount of stress being placed on the environment by visitors and take steps to monitor and control the impacts. This is important so that the land can be used for future enjoyment. Aesthetically, farm tourism must monitor the number of people on the property on a daily basis. A correct balance is essential, since too few or too many visitors might reduce their overall enjoyment.

2.2 The benefits of developing RFI

Farm tourism with RFI is often considered as an economic alternative for farmers who are facing decreasing profits and might require another form of revenue (Embach, 1994). Typically, farm tourism operations are family-run. In fact, in many cases the owners of the farm act as both farmer and host. Research has suggested that farm tourism operations are usually run by “empty nesters,” couples whose children have grown and moved out of the house (Ilbery et al., 1998). One of the reasons is that large farm homes have empty bedrooms that can be used to host overnight guests or can be converted to rooms for presentations. Seldom do farm tourism operations employ large numbers of helpers, since labor is the largest operating expense and minimizing employees enables the family to maximize profits.

Furthermore, comparing with other industries, the most obvious advantage and benefit of RFI for rural areas are sustainability. Sustainable development is a growing philosophy that ensures the consumption of tourism does not exceed the capacity of the land. It involves making use of our natural resources without depleting or permanently harming them, so they can be used in the future. The concept of a carrying capacity is essential to sustainable development. Carrying capacity encompasses two main areas: ecological carrying capacity and aesthetic carrying capacity. According to environmentalists, ecological carrying capacity is a “measure” of the amount of renewable resources in the environment in units of the number of organisms these resources can support (Whelen, 1991). Thus, the volume of people is related to the limitations of a fragile and delicate environment. Aesthetic carrying capacity involves people’s space in relation to one another. It suggests that when tourists encounter many other tourists or see the impacts of other visitors their enjoyment may be diminished (Whelen, 1991).

3. Methodology

As to the RFI development, this research conducts case study and analysis to investigate the key successful factors of RFI in Taiwan. Case study research excels at bringing us to an understanding of a complex issue or object and can extend experience or add strength to what is already known through previous research. Case studies emphasize detailed contextual analysis of a limited number of events or conditions and their relationships. Researchers have used the case study research method for many years across a variety of disciplines. Social scientists, in particular, have made wide use of this qualitative research method to examine contemporary real-life situations and provide the basis for the application of ideas and extension of methods. Researcher Robert K. Yin defines the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used (Yin, 1984).

4. The RFI Development Strategy: A Case Analysis of Taiwan

The successful RFI development is well-known, its strategy includes: building the single window service
scheme (TLFDA), development of creative value, setting up the marketing routes of leisure industries scheme, improving the quality and service of recreational farming products scheme, and putting into series advertisement. See following for detail steps of each action.

4.1 Building the single window service scheme: TLFDA

Except for private firms and local government, central government looks RFI heavily. Supporting a professional institution, TLFDA to deal with the related business is the first and important step. Also, Taiwan RFI businessmen implemented series of actions via TLFDA and their own companies: including structural reform, legally cooperation, oversea market expansion, and marketing promotion. As the farming industry has improved to be a type of service industry, and farmers successfully became businessmen, everything to farmers can only be described by using one word—difficult. In order to create a future for farming industry, and to develop a recreational farming industry with farming production, rural culture and farming ecology as its main goals, a group of farmers with farseeing, established TLFDA in 1998. TLFDA is a people’s organization composed of recreational farming owners; it acts as the bridge between industries, government and educational circles, and is concurrently shouldering the mission of development of recreational farming; it cultivate hard under hardships, expect to create another broad road for Taiwanese farmers. TLFDA represents people’s hopes and wishes; it also expresses the will and strength of the public.

Recreational farming is one of the important policies of agricultural development in Taiwan; TLFDA accepts the entrusting from the Council Of Agriculture (COA) of Executive Yuan to help the owners who are engaged in recreational farming, by way of concrete and profitable coaching, helping them to improve the service quality, solve the human resource problems, promote combined marketing, push forward recreational farming visiting etc., let the recreational farming industrialized, improve the competitiveness of recreational farming, and then expand the rural employment opportunity, increase the output value of recreational farming, develop rural economy.

Only with complete understanding of the characteristics and development trend of leisure industry, the effective development tactics can be made. Under the assistances and supports from COA and recreational farming industry, TLFDA carries heavy responsibilities of promoting recreational farming developments, with the merger and division of labor of in existing recreational farming related organizations, TLFDA draws up three major development tactics, which include the establishment of the single window service scheme, improve the quality and service of recreational farming products, and build up the marketing routes of leisure industries.

4.1.1 Appraise on recreational farming

Due to the fast establishment of leisure farms and recreational farming regions in recent years, the equipments and service qualities are uneven. Therefore, the COA entrusts TLFDA to appraise on recreational farming, hoping to promote the managerial ability of recreational farming and strengthen the qualities of serving in the future, and be the basis for consumers. TLFDA processed the appraisal on leisure farms in year 2003, processed the appraisal on leisure farms and fishing areas in year 2003 and year 2004, would process the appraisal on recreational farming regions in year 2005, but this appraisal job was transferred to Recreational Farming Institute. The leisure farms and farming regions are graded through the appraisal, those have high grades would be recommend and help to expand the marketing routes; those have not passed would be coached to improve the quality of service. As to the appraisal on leisure farms and fishing area, in order to understand the concrete effects and status of the plans of the leisure farms and fishing areas, the COA made appraisals on them. Because these areas already have had previous understanding about the standards of the appraisal, numerous leisure farms and fishing areas gradually move towards the direction of forever continuing development, also reach the main goal of
the appraisal. TLFDA has already processed the appraisals on leisure farms and fishing areas from year 2001 to year 2003, through it to understand the effects and status of each leisure farm and fishing area carried out, and to be the basis of guidance for the COA.

4.1.2 Providing the laws and decrees of recreational farming consultation service

Offering consultation of the laws and decrees for recreational farming owners, TLFDA specially searches and collects all information of the laws and decrees of recreational farming for the legally applying procedures that the questions owners might be faced, classify and edit into Q&A manual, post on the web of TLFDA for recreational farming owners, now already collected around 100 relevant information. TLFDA will continuously collect the latest information to provide the newest relevant information. Single window service not only offers the consultation and help for relevant problems of the laws and decrees, operating, managing, planning etc., but also establishes the coaching teams of operating and laws and decrees, helps owners to solve every problems. Moreover, it helps writing the proposal on leisure farms and recreational farming regions, and takes place of owners to apply and clear up the relevant doubtful points of laws and decrees etc. From COA, hope it can offer more useful information for owners.

4.1.3 Helping join the National Travel Card contracted shops

To offer compatriots more high-quality choices for using the National Travel Card (NTC), and to encourage qualified and proper recreational farming operators to participate in NTC contracted shops, to increase the output value of recreational farming industry, TLFDA specially stipulated “the verifying standard of recreational farming applying to join the NTC contracted shop” with the COA together, using the verifying document of simple but scrupulous and the standard of procedure to recommend high-quality recreational farming owners to participate in NTC contracted shops. 35 shops have applied and participated in NTC contracted shops till 2006.

4.2 Improve the quality and service of recreational farming products scheme

4.2.1 Improving technical ability of manpower training

In order to make all levels of agricultural extension staves and all recreational farming owners have correct concept and relevant knowing of every business and idea of recreational farming, a series of training and studying programs are held, hoping through these manpower skill training to popularize the basic knowledge of recreational farming, let the relevant technical abilities and concepts of recreational farming to effect basic extension staves and relevant recreational farming owners deeply (Hall, Roberts, Mitchell, 2003). TLFDA keeps on having manpower technical ability training from year 2003 to year 2005. In north, middle, south and east part of Taiwan, from each part, it choose a leisure farm which is operating successfully, to offer more opportunities of viewing and emulating and communicating for people who join the training, and the course contents and the way of teaching are mainly focus on practicing and experience sharing, offering the reference of administration and management direction for people who join the training. 12 trainings have done in 12 leisure farms till 2006, and more than 1 000 people have joined.

4.2.2 The cooperation of studying and producing

Quality maintenance needs managing cooperation of studying and producing (Youell, 2003). 30 universities and colleges set up relevant departments of leisure industry at present time, but very limited have entered the job market of leisure industry actually, the relevant workers of recreational farming are also minor, and this kind of phenomenon not only wastes educational resources but also cannot improve the human resource of recreational farming. Therefore, COA entrusts TLFDA to handle “the HR demonstration training project of recreational farming cooperation of studying and producing”. This project plans to link up school and recreate farming
industry. It can make students enter the job market successfully after graduating, and also can develop the goal of the recreational farming human resources. It’s our first time to handle this project, and there are 9 universities and colleges have participated, and 50 students who entered for studying in the current year. In addition, founded the recreational farming managerial cadre training class, hope to build up a practice training institute in the future.

4.2.3 The study of viewing and emulating

Handle the viewing and emulating of characteristic recreational farming, choose different characteristics (the theme of organize operation, farming production, rural lifestyle and natural ecology etc.) and develop well recreational farming regions to be the target, and invite the main cadre of every recreational farming region to view and emulate. In year 2005, two pieces of echelon visited four recreational farming regions, through viewing and emulating activities to provide more opportunities for recreational farming extension staves learning from each other.

4.3 Development of creative value

4.3.1 Setting the creative match

In order to encourage every leisure farm to fully utilize resources and equipments, to bring the facilities where they now can do creation and innovation, and up to build a place with local characteristics, such as farming and fishing culture, farming and fishing lifestyle, farming and fishing ecology etc., specially holding the creation match of farming and fishing, hoping to offer visitors a creative leisure garden which is rich in knowledge and cannot be replaced, create a high-quality consumer market and employment opportunity (Youell, 2003). Since year 2001, TLFDA handled the first creation match, till the end of year 2004, handled four matches already. The match is divided into three events. There are 590 creation works in total, and there are 66 creation works selected. TLFDA will also help to promote the selected creation works, and fully utilize each activity, expect to increase farmers’ income.

4.3.2 Setting the photography match

In order to advance the recreational farming, Taiwan promotes the legitimate tourism of recreational farming, represents the natural ecology, experiencing activities, beauty of creation products, beauty of culture of recreational farming, offers more chances of the nature of recreational farming and artificial scenery for consumers in Taiwan to enjoy, to increase the domestic consumers; impression on recreational farming, specially holding the photographic match, the subject is mainly correlated with the nature view of recreational farming, artificial scenery etc.. Through the photography match, not only can search and collect the source material and information of advertising images, but also can draw consumers’ attention, and then achieve the benefit of advertising the recreational farming. TLFDA has handled these activities since year 2003. From 2003 to 2005, total joined works were around 4,233, works selected around 169, TLFDA will exhibit all selected photographs in every activity, also can use on the DM of association. Through the exhibit of activities and the DM sending, let the domestic and foreign people understand the beauty of recreational farming.

4.4 Build up the marketing routes of leisure industries scheme

This part includes: combined sets of traveling products works, introduced sets of tour products by recreational farming owners from everywhere in Taiwan, and went through cooperative way of common marketing of strategic alliance.

4.4.1 Combine marketing products

Many new market products, slogan, and fads were developed. For example, “2003- Taiwan Pa Pa Go (Ⅰ)” is a set of tour that can let visitors fully enjoy the journey of freedom, experience the traditional rural game activities
and owner’s cordial hospitality, enjoy the living in the countryside. There are 9 leisure farms participated this activity. Then, “2004- Taiwan Pa Pa Go (Ⅱ)” is followed. Seeing that the journey introduced in 1992 was greatly accepted by visitors, therefore, introduced again in year 2004 by the same way, besides “the experiencing special project”, this time added the “accommodation special project”. There are 20 leisure farms participated in this experiencing special project, and 11 leisure farms participated in the accommodation special project.

4.4.2 Set up the marketing platform

The international exhibition of Taipei, coached by the Tourism Bureau, Ministry of Communications, has handled several times already, and attracted a lot of crowd to visit every year. The participating units are from everywhere in the world and domestic relevant tourist industries etc., plus the participation of many buyers from both domestic and foreign countries, bringing huge business opportunities, it’s the largest scale of tour exhibition in Taiwan. TLFDA participates in the international exhibition of Taipei and sets up the recreational farming hall of Taiwan, as well as the high-level tourist service platform, let visitors have a chance to contact the products of recreational farming and achieve the goal of selling products directly to customers so the brand can be established. Since TLFDA participated in the international exhibition of Taipei for four years altogether by 2004, something have been done to combine the resources of farming, forest fishing and herd of national leisure industry to build up the recreational farming hall of Taiwan, and promote the recreational farming scenic spots of finished planning and seasonal set tours in tourist market successfully. With the characteristics of the industries of rich and varied farming, forest, fishing and herding presents the combining set tours products and offers favorable journey choices for visitors.

4.4.3 Developing international market

The development of the recreational farming in Taiwan is just like the growing of bamboo shoots after a spring rain. In the market rules of supply and demand, the domestic leisure market will saturate fast, in order to expand the market of recreational farming, improve the international tourism competitiveness of Taiwan, TLFDA regards recreational farming as the theme to participate the international tour exhibition, tour explaining circuit of meeting, popularize explaining symposium, popularize cocktail party etc., in order to expand the international market. In order to propagate the beauty of Taiwanese recreational farming, to attract international tourist to come to Taiwan for sightseeing, in recent years, TLFDA participates in the tour exhibitions of Singapore, Malaysia, Japan, Hong Kong, Germany, Britain, Thailand etc. popularization activities, pushing recreational farming of Taiwan forward to the international arena smoothly, and started in 2002, participates in various kinds of popularization activities with Taiwanese visitors association, participates in 7 countries with 15 popularization activities of session altogether, through our active promotions and propagation, we already have visitors from Southeast Asia and European travel to our leisure farms.

2004 was the first year that we have handled the issue meeting of recreational farming of Taiwan during the international tour exhibition of Hong Kong. This year, Rong-Yun Lee, the Deputy Director of Counseling and Guidance Section of the COA led the staves of TLFDA and the owners of Shangrilia Leisure Farm, Toucheng Leisure Farm, Cloud Village and Little Swiss Mountain Villa, 15 people in total participated the international tour exhibition of Hong Kong, handled the issue meeting of recreational farming of Taiwan, the mass media and people in Hong Kong have paid close attention, and the sponsor of the international tour exhibition of Hong Kong entrusts the Hong Kong Economic Times reports the traveling routes of every country and to vote for the favorite routes by Hong Kong residents, the Leisure Farm represented Taiwan to participate in it, in the traveling routes of more than 50 countries, obtain Hong Kong residents’ favor, we have won the best conditions and customs award,
and was awarded the medal publicly in the closing ceremony. It was estimated that more than 8,000 people visited the hall and issue meeting. In propagating in the mass media, the Oriental Daily News, Economic Times, Hong Kong Central News Agency, publication of exhibition and every travel agency special issue etc. Competitively reports, broadcasting electronic medium has TVB (Television Broadcasts Limited), ATV (Asia Television Ltd.), Phoenix Satellite TV and Metro Broadcast Corporation Limited etc. that present the beautiful side of limitless glamour of leisure farm.

TLFDA participated in the NATAS Spring International Tour Exhibition of Singapore in March 2005, the degree of inquiring in the exhibition was very high and visitors’ responded enthusiastically, which caused local travel agencies to pay attention to this. TLFDA negotiated with every large travel agency in Singapore about joining the matters of visiting Taiwan during the duration of the exhibition, and invited the best travel agency in the local traveling industry Sino-America travel agency and China Airlines officers in Singapore, to prospect Taiwan during 17-20 of June. After the four days journey, the travel agency was extremely appreciated the leisure farms of Taiwan, after discussions, they determined to classify the tour of recreational farming of Taiwan as the key popularized projects of tour exhibition of the travel agency that year, planned eight free style journeys and one group journey, nine journey routes in total including northern, western, southern and eastern areas of Taiwan, and set up important special areas in the exhibition to promote the serial journeys of recreational farming.

4.5 Putting into series advertisement

Combine the resources of mass media, such as TV, radio station, newspapers, magazine, networking etc., to increase the exposure of recreational farming by the marketing way of “putting into”, and integrate the Easy Agritourism to build up the platform of the industry and information exchanging for domestic residents.

In year 2003, the whole marketing is planned with the themes of “comprehensive advertisement”, “creative merchandise”, “characteristic farms” in the that year, and is exposed successively in electronic mass media, radio station, newspapers, magazines and other medias. There are 33 times in the electronic mass media, 125 times in radio station, 18 times in newspapers and magazines, TV part is produced by SET TV and broadcasted the TV shows “pleasantly meet mountains and rivers—the original flavor of Taiwan”, 5 periods a day, total 10 days for broadcasting, also publish and send out the “pleasantly meet mountains and rivers—the original flavor of Taiwan” recreational farming 2004 to do list calendar. In 2004, combine all achievements and information obtained after the planning of recreational farming and fishing area, and represent the spirit of the plan and promote every special farming and fishing area through mass media to attract more visitors, make special drafts and execute the marketing plans in order to draw more consumers’ attentions, to create the chance for exposure of every farming and fishing area, and to create the business opportunities of the areas. Exposure on the newspaper medium: China Times, United Daily News, Liberty Times, Min Sheng Daily and G-News (Dacheng Newspaper) as the main exposure targets, total of 13. The exposure on the magazine mediums series: amounts to 3 thematic reports, 16 spaces of China Times Weekly. The radio station broadcasts: Police Radio Station FM National Traffic Network: 44 times, Voice of Han Broadcasting Network (including broadcasting to China and domestic): 52 times. The TV broadcasts: 5 episodes on Hakka TV channel.

5. Conclusion

In Taiwan, the importance of agriculture is decreasing, compared with other industries. This change worsened in 2002 after Taiwan joined the WTO. Due to the increase in governmental income and the
implementation of the five-day workweek, the tourist population is growing. At the beginning of 1989, the COA in Taiwan selected 31 rural areas to develop leisure farms for the purpose of creating and promoting agricultural tourism and to help sustain agriculture (Chang, 2003). This is intended to be achieved by utilizing their natural beauty, by promoting awareness of their ecology and by understanding their environmental resources. Recreational farm industry with agricultural tourism could generate income, create jobs and encourage retail to grow. Except for previous descriptions and implementations of RFI in Taiwan in past years, we suggest the government and firms should keep strengthening cooperation and conducting the effective ways to promote RFI in Taiwan. From evidences of many successful examples, like RFI in Thailand, Australia, Swiss, and Holland and so on, RFI would definitely a great way to develop for not only newly industrial countries (NIC) but well-developed countries (WDC).

References:

(Edited by Jimmy Wang, Gavin Dai and Shirley Hu)