



The international marketing strategy modeling of leisure farm[☆]



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ABSTRACT

This study considers the role of international marketing strategy and its relation to marketing performance in the leisure farm context. Knowledge of this important domain of international marketing strategy and performance remains limited, and a number of important questions concerning what the effective international marketing strategies for attracting foreign visitors are need answers. This study attempts to identify important external environment forces, international marketing strategies, and performance in the leisure farm context. This study empirically uses mail survey data from 212 leisure farms and tests predicted relationships by using multiple regression analysis (MRA) and fuzzy-set qualitative comparative analysis method (FsQCA). Findings from the research sample support the argument that government assistance, international promotion strategy, product strategy, and economic environment are the key antecedents of organizational performance. Building on the research results, the study develops the international marketing plan for the leisure farm. The study also discusses policy and managerial implications of research findings.

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1. Introduction

Market globalization is one of the most critical challenges that marketers face nowadays. The study of international marketing strategy–performance relationship is not new, but previous literature does not resolve issues that influence whether, and to what extent, performance is different in leisure-farms tourism markets. In the international marketing literature, a firm's international marketing strategy has a positive effect on its marketing performance (Birnik & Bowman, 2007; Craig & Douglas, 2000; Kustin, 2010; Zou & Cavusgil, 2002). With growing evidence that the use of the international marketing strategy has higher levels of profitability (Ohmae, 1989; Zou & Cavusgil, 1996, 2002), scholars should examine whether international marketing strategy is feasible in various contexts. The lack of a common conceptualization of international marketing strategy and performance represents a major gap in the existing literature when different researchers adopt different views of research constructs.

In response to changing business climates, evolving consumer preferences, and intensifying pressures on farm viability, farms increasingly turn to diversity enterprise, one of the most promising being agri-tourism or leisure farm (Nickerson, Black, & McCool, 2001). Agri-tourism is a green or non-traditional business that is easy to develop. Farmers successfully engaging in agri-tourism reap tangible benefits, including diversified income sources, new opportunities to engage family members in farm operations, and public appreciation (Getz & Carlsen, 2000). However, the potential benefits of agri-tourism extend beyond the farm operation.

The study addresses these gaps in the literature and aims to better understand the international marketing practices of leisure farm. First, most studies aim to investigate and test only certain dimensions of the overall model. Second, previous studies make efforts at different points in time, in varying geographic contexts, and industrial settings with a possible exogenous effect on the resulting findings. Third, research designs are diverse, sometimes employing inconsistent terminologies, definitions, and operationalization variables. As a result, research findings cause confusion and misunderstanding regarding those variables that significantly affect marketing performance.

These research issues require a reassessment of the relation between some of the more widely accepted drivers of international marketing strategy and performance. For example, what is an accepted conceptualization of international marketing strategy and performance in the leisure-farm tourism context? How do environmental forces and international marketing strategy influence organizational performance to achieve better competitive advantage in international markets? To what extent do environmental forces influence leisure farms' achievement of the international marketing strategies influenced?

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This study seeks to develop a broad conceptualization of international marketing strategy and performance to integrate the existing perspectives for the leisure-farm tourism context. Second, this study seeks to substantiate the empirical link between international marketing strategy and performance drawing on international organization theory. Third, this study lays a theoretical foundation on which further inquiries in the leisure-farm tourism context. The study presents a model of the determination of performance, enabling an identification of the important key successful factors. The study uses leisure farms, develops a conceptual model, and tests that model on a sample of 212 leisure farms. In addition, the study addresses the managerial implications for local government authorities and farm businesses.

In particular, researchers pay little attention to the leisure farm market, although the farm tourism industry undergoes rapid globalization. The study's theoretical contribution builds understanding of international marketing strategies within emerging countries and offers new insights on international marketing practice for both developed and emerging countries. This study provides a substantial contribution to the industrial organization (IO) theory by confirming the importance of sharing international marketing knowledge to build sustainable competitive advantage in the international farm tourism markets.

2. Literature review

2.1. Leisure farm

Leisure farm activities can create positive interactions between non-farmers and farmers and can raise awareness about agriculture, which ultimately benefits farmers (Hernández Maestro, Muñoz Gallego, & Santos Requejo, 2007). Examples of leisure farm opportunities presently include outdoor recreation (e.g., fishing, hunting, wildlife photography, horseback riding), educational experiences (e.g., farm and cannery tours, cooking classes, wine tastings, cattle drives, ranch work experiences), entertainment (e.g., harvest festivals, corn mazes), hospitality services (e.g., farm/ranch stays, guided tours, outfitter services), on-farm direct sales (e.g., u-pick operations and roadside stands), and off-the-farm direct sales (e.g., farmers' markets, county/state fairs, and special events) (Nickerson et al., 2001; Suzanne, Fensenmaier, Fesenmaier, & Van Es, 2001; Weaver & Fennell, 1997). Leisure farm is an important product and market diversification strategy for farmers worldwide. Busby and Rendle (2000) state that nature and agricultural-based tourism is the fastest-growing segment of the tourism industry.

To generate tangible benefits, including diversified income sources and increased public appreciation, farmers need to become increasingly entrepreneurial in their business approaches, including adopting business plans for leisure farm, seeking professional advice, and participating in regional and larger-scale tourism marketing initiatives (Getz & Brown, 2006). A specific type of rural tourism is integrated into an agricultural estate and inhabited by the proprietor and allows visitors to take part in agricultural or complementary activities on the property (Ollenburg & Buckley, 2007). Leisure farm is a business concept that merges two areas including agricultural and tourism to open new profitable markets and provide travel experiences for the purpose of enjoyment, education, or active involvement in the activities of a farm (Albacete-Sáez, Fuentes-Fuentes, & Lloréns-Montes, 2006; Hsu, Dehaung, & Woodside, 2009).

Wilson (2007) states that leisure farm plays a significant support role for many agricultural enterprises, whereas Sharpley & Vass (2006) suggest that some leisure farm experiences become a desirable option in today's leisure farm. In recent years, several studies widely recognize that leisure farm has a central relationship to value-added production, direct farm marketing, and rural development (Capriello, Mason, Davis, & Crotts, 2013; Hwang, Lee, & Chen, 2005).

2.2. International marketing strategy

According to the international marketing strategy theory, the success that comes from following international marketing strategy is a result of competitive advantage built through economies of scale and additional synergies (Jain, 1989; Levitt, 1983; Zou & Cavusgil, 2002). Morgan, Vorhies, and Mason (2009) argue that international marketing strategy grows in importance over time in a world economy. Anderson and Gatignon (1986) provide the definition of international marketing: Marketing activities relevant to products or services that directly or indirectly cross national borders. This definition highlights a distinction of international marketing from its cross-national nature. The increasing global competition leads make firms seek opportunities in international markets to achieve their objectives and to safeguard their market position and survival (Birkinshaw, Morrison, & Hulland, 1995; Carlsson, Nordegren, & Sjöholm, 2005).

International marketing strategy's influence on performance continues to be a focus of marketing researchers (Cavusgil & Zou, 1994; Kwon, 2010; Morgan & Berthon, 2008). Although research provides insights into international marketing strategy's influence on performance, more information is necessary about the factors affecting international marketing strategy. Evidence exists that past performance stimulates strategy change because of managers' efforts to learn from, and respond to, performance feedback (Baker & Sinkula, 2005; Cooper & Kleinschmidt, 1985; Ghoshal, 1987), but not many studies examine this issue (Damanpour, Walker, & Avellaneda, 2009). By advancing knowledge in these areas, this study enhances academic understanding while providing guidance to the international marketing manager.

The analysis of these studies reveals three distinct sets of variables. The first group includes variables relating to managerial, organizational, and environmental factors that serve as antecedents because they indirectly affect marketing performance (Douglas & Wind, 1987; Fritz & Dees, 2009). The second group comprises variables pertaining to the firm's marketing strategy (targeting and marketing mix programs) that links directly to marketing performance (Heiser, McQuitty, & Stratemeyer, 2005; Hernández Maestro, Muñoz Gallego, & Santos Requejo, 2009; Laroche, Kirpalani, Pons, & Zhou, 2001). The third group consists of economic and noneconomic measures of firms' performance (Johansson & Yip, 1994; Kotabe, 1990; Manu, 1992). The basic operating mechanism of the model implies a unidirectional causal relationship: Managerial, organizational, and environmental factors influence the firm's marketing targeting and marketing mix, which in turn affects export performance. The first step to test the model's validity and generalizability, however, is to review relevant empirical research.

2.3. Performance

Because of measurement issues, numerous international marketing studies use return on investment (ROI), sales, sales growth, and overall performance as indicators of company performance (Cooper & Kleinschmidt, 1985; Zou & Cavusgil, 2002). Strategic performance refers to a firm's global market share and competitive position relative to major rivals when a firm's market share affects its profitability (Hult, Cravens, & Sheth, 2001; Manu & Sriram, 1996; Szymanski, Sundar, & Varadarajan, 1993). Marketers have great interest in how various strategies affect company performance in the leisure farm context.

2.4. Theoretical background

According to the international organization (IO) theory, a firm's competitive advantages reside in the heterogeneity of the external force. Strategy refers to a firm's conscious move to fit their environment (Rubera & Ahmet, 2012; Walters, 1986). Accordingly, the drivers of a firm's competitive strategy and performance are external to the firm. Zou and Cavusgil (2002) and Schike, Reimann, and Thomas (2009)

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