



Considering the role of agritourism co-creation from a service-dominant logic perspective



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HIGHLIGHTS

- This study aims to design agritourism activities based on a service-dominant logic (SDL) perspective.
- Farm field experiments were designed to evaluate tourists' responses to agritourism.
- SDL agritourism activities that focus on agriculture and tourist engagement impact tourists' responses to agritourism.

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ABSTRACT

In recent decades, providing production and service simultaneously has remained an unsolved problem in developing agritourism. This study adopted the concept of service-dominant logic, with a service blueprint to assist entrepreneurs in designing agritourism activities that will enhance the tourists' experience within four working farm field experiments. The results showed that agritourism activities with SDL design (experiment B) did not comprehensively enhance the experience of tourists learning agricultural knowledge. The agricultural activities (i.e., experience of rural culture) (experiment C) and other tourist behaviors (i.e., tourists' mutual engagement) (experiment D) were integrated with SDL agritourism activities in order to more effectively enhance the tourists' experience of agritourism and lead to an increase in tourists' intention to revisit and actual purchase of agricultural products. Based on our findings, rural culture and tourists' mutual engagement were critical for agribusiness to integrate the specific characteristics of internal service (e.g., agritourism activities or service strategy).

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1. Introduction

Agricultural growth has been attenuated by competition, intensification and specialization for nearly 40 years, resulting in its gradual decline. In Taiwan, for example, the agriculture population has declined from 1.6 million in 1978 to 540,000 in 2013 (Chu & Lin, 2015). Council of Agriculture Executive Yuan (2016) has pointed out that the Taiwanese agriculture industry is a comprehensive industry including food service, accommodation and leisure. It also brings together almost 400 different agritourism activities from different areas, for example Japan, Australia and New Zealand. There were an estimated 24.5 million tourists participating in agritourism activities in a relaxed, natural environment, which has resulted in 693 million US dollars in 2015 (Department of Economics, Energy and Agriculture, Executive Yuan, 2016). In

other words, agriculture thus needs to adapt to the related changes in society, the economy and government policies in order to develop more sustainable practices. Agritourism combines agricultural production with special types of tourism, such as providing tourists a picturesque landscape in which to spend their vacations (Daugstad & Kirchengast, 2013) and promoting the effective use of manpower in agribusiness (Sharpley & Vass, 2006), as well as generating additional sources of income (Forbord, Schermer, & Griebmair, 2012; Phillip, Hunter, & Blackstock, 2010). As a result, the operation of agritourism is a growing trend for farm-based diversification in agriculture (Barbieri & Mshenga, 2008; Busby & Rendle, 2000; Phillip et al., 2010; Sharpley & Vass, 2006).

Scholars and agricultural entrepreneurs have worked to define the various types of agritourism (Carpio, Wohlgenant, & Boonsaeng, 2008; Choo & Petrick, 2014; Dubois, Cawley, & Schmitz, 2017; Phillip et al., 2010), the common social problems that exist in rural areas and the challenges of agricultural marketing

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(Sharpley & Vass, 2006), the gaps between the understanding of the related management skills and the demands of tourists (Chen, Chang, & Cheng, 2010), the farmers attitudes toward farms, and the relationship between diversification and farm development (Burton & Wilson, 2006), the relationship between farm authenticity and tourists' experience of the activities they take part in on farms (Daugstad & Kirchengast, 2013; Haugen & Vik, 2008), farmers' identity, lifestyle and choices (Getz & Carlsen, 2000), and the contradiction between the orientation of agricultural production and tourism activities (Burton & Wilson, 2006).

Unfortunately, agricultural enterprises tend to have weak marketing abilities, or do not know how to shift their activities from production to servicing customers (Brandth & Haugen, 2007; Embacher, 1994), which stands in contrast to the practice of agritourism, which focuses on customer-oriented services. Scholars (e.g., Busby & Rendle, 2000) pointed out as early as 2000 that agricultural enterprises face problems with regard to finding synergies between farming and tourism, and there are still no specific coping strategies available with regard to this (Daugstad & Kirchengast, 2013). In view of this unresolved issue of how to construct a service transformation mechanism for use in an agritourism context, Shaw, Bailey, and Williams (2011) called for assistance in the application of service-dominant logic (SDL) in the tourism industry in order to create a better service experience for visitors.

Therefore, the first important aspect of this study is that it applies the concept of SDL and its related principles along with a service blueprint to assist agricultural enterprises in designing agritourism activities that will enhance the tourists' experience. Both marketing and tourism scholars agree that SDL can promote the active participation and value co-creation of customers through the use of supplies and experiences (Altinay, Sigala, & Waligo, 2016; Bhattacharya & Korschun, 2008; FitzPatrick, Davey, Muller, & Davey, 2013; Evans, 2016; Shaw et al., 2011; Vargo & Lusch, 2011), especially in staged service scenarios or value propositions (Akaka, Vargo, & Lusch, 2012). For example, Shaw et al. (2011) conducted the first tourism marketing study that investigated the use of the SDL concept in UK hotels. Grisseemann and Stokburger-Sauer (2012) discussed trip itineraries co-created by both customers and an Australian travel agent based on the concept of SDL. FitzPatrick et al. (2013) used SDL as the architecture for developing the intangible assets of hotels and to analyze the construction of the intellectual capital of 20 European and American hotels. Such works show that the SDL framework has potential applications in the field of tourism management. In addition, by applying the concepts of SDL and value co-creation other potential antecedents applicable to the agricultural experience and procedures may also be identified.

The second critical aspect of this study is that it uses a working farm to survey the tourists' actual participation in agritourism activities (e.g., intention to revisit or actual purchases of agricultural products). Many scholars (FitzPatrick et al., 2013; Grisseemann & Stokburger-Sauer, 2012; Verhoef, Reinartz, & Krafft, 2010) in the field of tourism have discussed co-created activities or procedures made by customers by examining cases of individual companies and carrying out in-depth interviews. Other scholars (Grisseemann & Stokburger-Sauer, 2012) called for the use of field experiments, which although rare in tourism marketing are a highly constructive research method to further explore on issue of value co-creation.

This study examines how agribusiness balances the roles of farming and tourism using SDL to create better agritourism activities that will foster positive tourist experiences, first discussing the definition of SDL and the existing tourism-related research, as well as the various definitions and types of agritourism in the literature review section. It then presents two research questions. It also

discusses a farm field experiment (Study 1) and analyzes how agritourism activities combined with SDL and a service blueprint affect the tourists' responses to their experiences and their actual purchases of agricultural products. Furthermore, this study also investigates other potential antecedents resulting from the impacts of the unique characteristics of agritourism in Study 2 and Study 3. Finally, in the conclusion section, the author presents some important marketing insights and implications in order to assist agribusinesses in developing a concrete, internal service with specific characteristics (e.g., enjoyable tourist activities) and a clearly defined marketing approach (e.g., a service strategy).

2. Literature review

2.1. Theoretical background

SDL is evolving, collaborative and open-source, and thus represents a collective way of thinking (Vargo & Lusch, 2011) that can be defined as involving the producers, consumers, suppliers and stakeholders of a focal service system. These groups integrate various types of resources (operant vs. operand resources), and collaborate with each other through sharing these to establish a system of co-created value (Edvardsson, Skälén, & Tronvoll, 2012). Therefore, SDL operates under the premise that a service is exchanged for a service and the application of both the competences and abilities of various individuals and resources for the benefit of another party. SDL helps the organization achieve greater effectiveness, such as a faster market response rate (Carbonell, Rodríguez-Escudero, & Pujari, 2009). It can also improve efficiency through the use of co-created supplies (Chung, Kyle, Petrick, & Absher, 2011) and increases revenue and net profit (Ostrom et al., 2010).

Value co-creation is the core concept of SDL, which requires active customer participation in service creation and the integration of each entity's resources through reciprocal exchanges and shared institutions. SDL is a delivery process based on the principles of purpose, collaboration and contribution (Auh, Bell, McLeod, & Shih, 2007; Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2004). In addition to the customer participation that is conducive to value co-creation, other network members working to create value are also the core elements for resource integration. This empowers vendors to benefit from the value residing in customers while managing service experiences based on the operant resources obtained through exchanges due to interaction, negotiation, cooperation and communication (Edvardsson, Tronvoll, & Gruber, 2011; Storbacka, Frow, Nenonen, & Payne, 2012). Both operant and operand resources contribute to value co-creation, although the former are superordinate to the latter. Operant resources refer to the knowledge and skills that can be utilized with other resources to increase value creation. Operand resources, on the other hand, require some action to make them valuable (Vargo & Lusch, 2004). In other words, operant resources are embedded in operand resources in the production of goods. For example, operant resources include the specific knowledge and skills (Ballantyne & Varey, 2008) which allow the organization to present or encapsulate knowledge through the transfer of knowledge and skills in order to obtain co-created value (Peters, 2012).

The construction of the service ecosystem can help institutions think about how to dynamically integrate their resources and link their interactive networks (Vargo & Lusch, 2011). The diversified value creation of shared institutional logics and the exchange of service forms can enable a self-adjusting systematic mechanism that emphasizes value creation, resource integration, and service-for-

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