Research Article

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Value chain for agritourism products

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Abstract: This work was developed as part of a study on the potential of agritourism in Baja California, Mexico, and had its origin in the discovery of great opportunities for economic development in rural areas with the use of alternative tourism. The main objective was to analyze the links of value along the chain of agro-tourism services, which allow increasing the attractiveness of tourism proposals in agricultural companies. To achieve this, tours of 100 ranches or agricultural companies were conducted in the San Quintín Valley, Baja California, as a case study. With the use of indicators and comparative interpretations of the photographs obtained, potential products were selected as tourist attractions. The way to increase the value of each identified link was discussed, and finally a proposal was made for a value chain for agritourism destinations, describing the set of primary and support activities to be considered for the whole proposed chain. It is concluded that the success of any agritourism product will depend on the differentiation of the business concept offered, the access to new markets, the articulation between the proposed links, as well as the development of skills of the human talent that participates in each link of the chain.

Keywords: agritourism, rural tourism, tourism in farm ranches

1 Introduction

The present study has the purpose of contributing to the generation of value in agro-tourism developments and thereby achieving greater competitiveness and sustainability of projects in agricultural tourism. The study of the value chain owes its name to Porter (1985), who states that this chain can help all companies strengthen their competitive nature. He defines the value as the sum of the benefits that the client receives, less the perceived costs by him, when acquiring and using a product or service. In this way, with the permanent search for new sources of value and above all finding techniques to be able to measure it, the value chain becomes an indispensable tool for new projects to have competitive advantages and can choose strategically less vulnerable positions. That is why the present work focuses on the study of value chains in alternative tourism activities in rural regions, which for many years have remained forgotten. The integral use of agricultural resources in rural areas can be of great relevance for the achievement of their economic development. To achieve this, alternative tourism represents an option, as it has been in many Latin American countries and especially in European and Asian countries.

Alternative tourism considers all those tourism products that differ from mass or sun and beach tourism by offering original attractions for recreation, rest, and fun. Looking back at rural areas, where agricultural activities predominate, triggers a large number of opportunities to develop very attractive tourist products, for both domestic and foreign visitors. In addition to offering the rest, tranquility, and security that the tourist is looking for, you can offer fun, knowledge, emotions, culture, and typical and natural culinary arts incomparable under a context of agricultural activities. The latter, according to their definition, involve productive processes in agriculture, livestock, fisheries, and aquaculture, as well as the use and sustainable care of forests.

In this regard, it has been affirmed that there is an important tendency of tourism to increase in rural areas, because it shows a growing interest in living experiences in places far from traditional tourism (Hernández Mogollón et al. 2013). These studies promote economic development proposals that offer experiences in regions far from urban areas, with the support of farmers, ranchers, and aquaculturators in rural areas. In addition, there are intangible benefits that the owners of agricultural ranches provide to...
tourists, such as a spiritual renewal, the pleasure of enjoying the landscape, and activities in healthy environments.

The concept of “agritourism” has been described in many different ways (Phillip et al. 2010; Arroyo et al. 2013). It can be described as “a service activity that is carried out on agricultural land (farms or plantations) whose owners complement their income with some form of tourism, usually providing accommodation, meals, and familiarization opportunity with agricultural work.” Agricultural settlements, farm, entertainment, and education should be included in a good definition of agritourism. Therefore, the objective of this work is to develop a value chain proposal for rural agricultural and livestock companies with agritourism potential in the State of Baja California, Mexico.

2 Theoretical framework: the value chain

Value is a subjective experience that depends on the context (Champion 2001; Feller et al. 2006) and the strategies to be considered, with clear objectives and within a framework of collaboration (Barber 2008; Dubbeling et al. 2011).

A value chain for a service provider company clearly reflects its structure, which is very different for a company that produces goods. Therefore, it is important to highlight the way in which Porter (1985) defined the value chain construct as “any activity or benefit that one party offers to another, and that is basically intangible and does not result in the possession of something.” In this way, it is possible to identify the permanent (although not absolute) responsible for its variability: the contact staff service. This staff is the bearer of a large percentage of the value of a company, of its image, and, in many cases, it is the direct generator of the perception that the tourist achieves regarding the tourist destination that is offered.

Langeard and Eiglier (1987) stated that a service delivery system should consider very particularly the following elements in its value chain: client, physical support, contact personnel, service, internal organization, and other clients. If other links such as transport, security, and after-sales service are added to the aforementioned by Langeard and Eiglier, they would surely strengthen the value in the chain proposed by them and would most likely have greater reach in customer satisfaction.

Jonker (2004) proposed a value chain for tourist destinations in which it breaks down the characteristics that each of the links of both primary and support activities must contain (Figure 1).

The value chain proposed by Jonker (2004) shows that both human resources management and product development are considered as a support activity, whereas promotion, as an essential part of marketing, places it as only one link in primary activities.

Subsequently, Alonso (2008), when carrying out an analysis of marketing in service companies, proposed changes to the model of the Porter (1985) value chain. These changes consist of the organization and content of the links of primary activities, which appear absolutely redefined (Figure 2).

Alonso (2008) continued to consider marketing as only one link in primary activities, but introduces the concept of “contact personnel,” considering it as a single primary link, and of a controllable nature.

The value chain of the tourism sector comprises a set of interrelated activities that take place in the same destination and add value to the tourist experience.

Recently, Dubbeling et al. 2011 proposed a value chain management model based on the relationship with the customer. They conclude that for the administration of the contact personnel relationship with the client to be successful, the identification of the client’s value criteria is necessarily required. The above suggests that the value chain of services should focus value analysis on activities closely related to the client.

The information systems used constantly by a company are fundamental when it comes to achieving competitive advantages from the analysis of the links in the value chain. Information flows allow greater efficiency and differentiation in service or coordination between activities and links. Agritourism information system is understood to be the permanent structure of interactive value analysis, it is composed of people, processes, natural and cultural resources and services offered by the ranches and has the purpose of identifying, analyzing, evaluating and distributing pertinent information timely and accurate related to the changing needs, desires and preferences of the tourist. This information system especially considers the provision of services, its gastronomy, lodging, entertainment, knowledge of agricultural processes, among others, used to make decisions that continuously improve the value, with sustainability, within the farm. The brands of tourist destinations seek to obtain a differentiated image and greater satisfaction in the market, as a result of always offering an added and unique value for the company.

3 Value chain vs supply chain

The links of a supply chain can lead to a competitive advantage in two ways: optimizing the activities of the link
and coordinating the activities within the link and between them. If the link optimizes, the time and the use of inputs can reduce losses and waste; if you coordinate sourcing activities, for example, you can reduce the need for inventory within the company. A company that tends to optimize these links as a reflection of the application of its strategy can achieve a competitive advantage. Although the result is more efficient and different, there will be competitive advantages of cost reduction and differentiation.

Webb and Gile (2001) affirmed that many companies seek in their basic skills when they want to generate a competitive advantage. However, they conclude

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**Figure 1:** The value chain of a tourist destination. Source: adapted from Jonker (2004).

**Figure 2:** Value chain proposed by Alonso (2008). Source: Alonso (2008, 89).
that they are wrong if they want to start structuring their value chain.

Feller et al. (2006) also believed that to generate competitive advantages that transcend the market, it must be considered that the value chain does not start from within the company, but from the client, who should set the tone to give it the value to everything we do. Figure 3 tries to clarify the difference between the supply chain and the value chain so that it can be considered when starting to structure a value chain.

4 Justification

The benefit of rural tourism in integrating agriculture as part of its attractions has been questioned (Fleisher and Tchetchik 2005). However, if agriculture were not an attraction, then what could motivate you to travel to an agritourism destination?

From a theoretical perspective, the value chains of service companies, particularly in agricultural companies, have been little studied. However, one must not lose sight of the fact that the rural environment has many attractions, not just the agricultural one. As it was seen at the beginning of this document, livestock, aquacultural and fishing activities, jungles, and forests can be complemented by tours along archeological, historical areas to appreciate the richness in biodiversity, sighting of natural phenomena, and so on, which can be complementary or attractive even stronger than just agricultural activities.

Rural accommodations, as well as enjoying regional culinary specialties, allow the tourist’s direct contact with rural people, their culture, traditions, and crafts in a natural rural environment (Royo and Serarols 2005). That is why this work is justified to the extent that it proposes an analysis of the value chain in links identified in the agritourism services, as an attractive and competitive tourist offer that integrates rest and regional organic food with fun and appreciation of the culture and tradition, integrated with innovation. These agricultural tourist destinations must have, like all activity, a sense and an identity, so that they maintain their attractiveness.

5 Objective

This study arises with the question about the existence of more elements of value, associated with those that had already been provided, in a chain of services that could increase value for the tourist who visits agricultural ranches. The research questions were specifically aimed at seeking the possibility of considering elements of value in terms of cultural and environmental heritage (Morales-Zamorano et al. 2020) that would lead to offering the tourist of agricultural ranches a greater territorial identity of rural areas where these are located. Finally, and once the consideration of these value representations has been implemented, a new question could arise: could this type
of value chain models contribute to strengthening competitiveness and sustainability in agritourism products?

Under the assumption that it is feasible to increase, group, and coordinate the elements of tourism value in agricultural ranches, this study aimed to explore, obtain, and characterize a representation of a value chain model in agritourism. The purpose of this value chain, as one of the first approaches to value analysis in agritourism, would be to be able to appreciate tourism products in agricultural companies more clearly, intensely, and sustainably, without losing the territorial identity of rural areas where they are, thereby strengthening their attractiveness for the domestic and foreign tourism market. The value proposition of tourist products in agricultural ranches was made taking as a case study the agricultural route of the San Quintín Valley, Baja California.

6 Study area

The study site includes the corridor or agricultural route of the San Quintín Valley that has an extension of more than 100 km along the peninsula of Baja California, Mexico. In this corridor, there are more than 100 agricultural ranches, where micro and small ranches represent almost 80% of the total of said ranches. The main crops are strawberries (strawberry, raspberry, and blackberry), and vegetables, among which are tomato, onion, cucumber, potato and squash. In the countryside, you can also see large herds of goats, sheep, and cows. Particularly in the coastal area, the cultivation of oysters with more than 20 oyster farming companies stands out, as well as the extraction of clams in much of its coasts. Associated with the coastline is a chain of 11 inactive volcanoes and some agricultural ranches that use protected technology, mainly mesh-shade.

Generational groups with their respective characteristics (Figure 4) represent the demand for the agritourism service in this study region (Morales-Zamorano et al. 2016).

7 Methodology

This study is the result of an interdisciplinary work carried out by a group of researchers and students during the months of November 2015 to March 2016. This was a descriptive cross-sectional work and was the result of planned tours in agricultural companies in the agricultural corridor from the San Quintín valley. For this, visits were made to 100 ranches or agricultural, livestock, and aquaculture companies, where descriptive and photographic activities were developed.

The applied analysis technique was qualitative and known as the “focus group,” it consists of bringing together a group of people to analyze attitudes and reactions to a topic of particular interest or relevance that is discussed, with varying levels of structuring (Juan and Roussos 2010). Using this focus group technique, value-generating activities were evaluated in each ranch, seen as a future product of tourist attraction, interpreting the
presence of these activities with respect to the requirements required by the potential tourist. This exercise was practiced eight times and was performed on the weekends of each month, by a team of at least six individuals. Participants recruited were those who had previously been conducting field research work on different ranches. The photographic evidence and experiences always discussed the same indicators that generate value for the potential tourist. At the end of each exercise, interpretative evaluations were carried out, partial consensuses were recorded, and a summary was prepared focusing on highlighting the potential uses of activities that generated value for the tourist in each ranch.

The descriptive results compiled using the focus group technique were comparatively analyzed taking into account the “primary activities.” In this case, the selected links in the value chain were referred to as critical activities (or key factors) for the provision of the agritourism service. The primary activities refer to those carried out directly to create value, in relation to the tourist. These direct activities should be separated from those related to supporting or indirect activities for tourists. The latter, also called auxiliary activities, are those activities that support the primary activities with the main objective of increasing the efficiency of the main activities and the process of value creation. Under these considerations, infrastructure and technology, marketing and tourism operators and agencies themselves, management of input providers, financing and conservation of natural resources, as well as organizational aspects and information systems were considered as support activities.

8 Results and discussion

Any agritourism product that is undertaken can only generate value if it is designed as a novel concept and tailored to the requirements of national and foreign tourists (Morales-Zamorano and Camacho García 2019). Enchanting each target market segment, based on experiencing specific emotions for each age generation, must be the key to the design that generates value (Yamamoto and Katrina 2014). The proposed service chain explains in a very general way the chain of agro-tourist services that generate value in these service products that include the direct use of agricultural resources. Figure 5, of the proposed value chain, indicates the primary activities and support activities referred to.

It is stated that the distinctive characteristics of a service are variability, expiration, intangibility, and inseparability. However, there are authors who claim that tourism resources are largely tangible (Leisen 2001; Andrade-Suárez 2010). In addition, because the inseparability refers to the fact that it cannot be separated from the service of its provider, the direct process of the agrotourism services value chain begins since the tourist decides to visit the tourist destination, its transport to arrive, the reception, enjoy all the activities included in the package, and ends with the transport back home of the tourist and after-sales service. In all these steps, the client is “living” the service directly. Figure 6 lists the main dimensions of each link, in both the primary activities and the support activities of the value chain presented above.
8.1 Primary activities

8.1.1 Destination Agro-tourist design

Under the principles of quality determined by the order and cleanliness of the site (among others), the design of the agricultural tourism destination is considered as the central business concept. Under this concept, tourism products can be considered in rural areas such as adventure, gastronomic, educational, scientific, health, sports, cultural, and event and meeting tourism.

Packages of tourist products must be offered where the experience of life is shared within an agricultural context in a rural environment. The tourist must be made to live and enjoy with their five senses the tourist products mentioned, which give the territorial identity to the destination. These must be the essential objectives that give added value to a tourist attraction of this type.

8.1.2 Human talent management

It should make the tourist feel that the service offered is done with passion and commitment by the employee is done with pleasure. To achieve this, it is necessary to manage the relationship with the client, developing competencies, skills, and values in the staff, so that the service they offer surprises the tourist, and they transmit the passion and feel that it is the most important of the agro-tourist destination (Aimin and Shunxi 2011). Communication with the tourist in your language adds an important value to the service provided.

8.1.3 Internal logistics

The knowledge of a detailed program of the activities to be carried out gives the tourist confidence by giving an additional value to the visited tourist destination.

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**Figure 6**: Breakdown of a proposed agritourism chain, where the elements of value in primary and support activities are shown. Source: own elaboration, with ideas of Jonker (2004).

### Primary Links

<table>
<thead>
<tr>
<th>Agritourism Destination Design</th>
<th>Human Talent Management</th>
<th>Internal Logistic</th>
<th>Destination Services</th>
<th>Post-Sale Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Order and cleaning</td>
<td>• Direction</td>
<td>• Positive attitude</td>
<td>• Visitors Center</td>
<td>• Evaluation with surveys of the service provided</td>
</tr>
<tr>
<td>• Routes, Hiking</td>
<td>• Quality service</td>
<td>• Arrival</td>
<td>• Accommodation, cleaning, comfort</td>
<td></td>
</tr>
<tr>
<td>• History, Processes</td>
<td>• Development of</td>
<td>• Transportation</td>
<td>• Country houses, “glamping”</td>
<td></td>
</tr>
<tr>
<td>• Sport activity</td>
<td>• gastronomic and lodging skills and knowledge</td>
<td>• Reception service, luggage handling</td>
<td>• Gastronomy: local, hygienic, original, exquisite</td>
<td></td>
</tr>
<tr>
<td>• Shows, concerts</td>
<td>• Skills of contact personnel (Languages)</td>
<td>• Information and continuous attention</td>
<td>• Culture and fun support activities</td>
<td></td>
</tr>
<tr>
<td>• Health, Traditions, Culture, Landscapes</td>
<td>• Motivation and compensation</td>
<td>• Registration, Control</td>
<td>• Commerce: Food, crafts, souvenirs</td>
<td></td>
</tr>
<tr>
<td>• Entertainment, games, fun</td>
<td></td>
<td>• Retirement and farewell activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Integral management of the 5 senses</td>
<td></td>
<td>• Outbound transportation</td>
<td></td>
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</tr>
</tbody>
</table>

### Support Links

| Infrastructure and technology of the agritourism destination | | | | |
| • Public transport and access roads | • Internal and quality physical support | • Cashiers and card payments | |
| • Electricity, drinking water | • (beds, dishes, tablecloths, wines, etc.) | • Inventory management | |
| • Efficient Waste Management | • Use of renewable energy | • WIFI service | |
| • Signaling and environment | • Maintenance, security and control | | |

| Marketing and tour operators, promotion and sales | | | | |
| • Tour operators | • Internet Portal, Blogs | • Promotion, Sales | |
| • Travel agency | • Television, radio, etc. | • Billing | |

| Supply and conservation of resources | | | | |
| • Supplier Management | • Resource Management Optimization | • Conservation policy of natural resources and ecological balance | |
| • Input Quality | • Cost minimization | • Conservation of green areas | |
| | • Finance and Working Capital Management | | |

| Organization and Information Systems | | | | |
| • Effective internal communication | • Continuous Market Analysis | • Research of new products | |
| • Update and innovation in information systems | • Stakeholder awareness | • Services and improvement opportunities | |
| | • Certifications | • Analysis of results | | |

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Source: Own elaboration, with ideas of Jonker (2004)
The certainty in the management of times and forms, within a framework of flexibility, optimizes the use of the stay at the destination site.

8.1.4 Agro-tourist destination service

Fulfilling the objectives and exceeding the expectations of the tourist require innovation and originality, to “hook” it and surprise it. The objective of achieving comfort and cleanliness is widespread, but to achieve it with a different, simple, and charming environment, where the place is appreciated by the pleasant smell, the sounds of nature, the pleasant touch of everything it touches, the view of landscapes, and the incomparable taste of food, in the same place and almost at the same time is the challenge for the creation of added value.

8.1.5 After-sales service

Alonso (2008) referred to the after-sales service as that service that consists in applying strategies to raise or maintain the added value of the tourist service provided by each ranch. This can be achieved through personalized attention or other additional free services. Applying effective after-sales strategies in any agritourism service company is the challenge to keep the customer coming back, and coming back and attracting more customers. Adding value with quality to the personalized follow-up of the tourist can be flattering and with your satisfaction lead it to be loyal to the company (Gallarza and Saura 2006). Assuming that achievement, you can think of offering special promotions and discounts for a second purchase or for being frequent customers; You should also appreciate the visit of the tourist with electronic messages, sending congratulations or discounts on special dates (birthdays, Christmas, New Year, etc.), or make satisfied customers feel part of the tourist destination by asking for help in improving the service.

Alegre and Garau (2009) studied both tourist satisfaction and dissatisfaction, and its methodology can be used to measure it in agricultural tourism environments.

8.2 Support activities

8.2.1 Infrastructure and technology of destiny

Having access roads and availability to fixed and mobile telephony, sources of fuel and gas supply, electricity, and drinking water as the basis of the infrastructure that supports the entire value chain is very important. However, the added value should excite and surprise the tourist. This objective can be achieved in many ways, among others with free Internet access, with fun and efficient signage, setting that transports the visitor to the context they are living, with ATMs and card payments, as well as an effective system of administration of the energy and waste.

8.2.2 Marketing and tour operators: promotion and sales

This support activity is evident throughout the entire value chain. It manifests from the design of agritourism products and ends at the last links or primary activities of the chain. The constant integration of marketing into the value chain should lead to create a great competitive advantage (Madhani 2012). The creation of advertising alliances with national agritourism destinations and other countries to share global markets could be a good strategy. A value generation is the support of tour operators who have all kinds of tourism knowledge and activities, as well as the market and offer all-inclusive packages to future visitors. Scheduled Internet sales and electronic invoicing are becoming increasingly attractive and can also generate value for tourists.

8.2.3 Supply and conservation of resources

In this support activity, only inputs such as resources, financial and natural resources, are considered. Regarding the management of suppliers, it should also be important to consider the participation and perception of benefits by stakeholders as a support to increase the value of the service to the agritourist (Tew and Barbieri 2012): from increasing bargaining power with input suppliers (Flanigan et al. 2014), public service providers (government), allied companies (collaborators), institutions (educational and research), and creditors, until considering the important participation of the community in which the company operates.

8.2.4 Organization and information systems

It is necessary to transform the acquisition of information into knowledge of the value chain (Lee and Yang 2000). This support activity allows us, with innovation and market research, to continuously identify the opportunities for improvement aimed at the potential client, for the purpose of
differentiation. With these results and with the use of adequate information systems, the achievement of more efficient communication can be made possible.

It is also necessary to consider the indirect participation of other links in the value chain that without their consideration, the primary activities would be weakened. Among these links are NGOs, and the participation of the municipal government with the support of public drinking water, lighting, and security services, among others. The participation of artisans can generate special attractions for tourists who, based on agricultural products, livestock, fishing (such as canned food), as well as by-products and their waste (oyster shells), and volcanic rocks, among others, can give a very important enhancement to the value chain.

With regard to the limitations for the development of agro-tourist destinations, the following can be mentioned: Sharpley (2002) for rural tourism identified high development costs and low income, low demand, and limited tourism-related skills by potential providers of the rural tourism service. In addition, a strong resistance to change must be recognized to invest in tourism by agricultural enterprises; still insufficient articulation between agricultural companies and tourism agencies, limited support by microfinance agencies, and lack of conviction of government authorities to invest in access roads and public services in rural areas with high agricultural tourism potential, among others, represent the most obvious limitations to improve their economic development.

9 Conclusions

As a conclusion to the proposed value chain scheme for agritourism services, it is possible to affirm that there are additional elements of value that, together with their history and processes, could produce a synergy effect on the attractions for the agricultural tourist. Among these elements, associated with cultural and environmental heritage are health care, knowledge of culinary traditions, landscapes and the diversity of wild flora and fauna, and other effects that induce tourists to enjoy, with its five senses, the wealth of the ranch.

The values that arise from the sustainable use of each ranch could lead tourists to appreciate tourism products more clearly and intensely in agricultural companies, without losing the territorial identity of the rural areas where they are located. In this way, this type of value chain models could contribute to strengthening competitiveness and sustainability by diversifying almost any agricultural ranch with tourism.

It is important to remember that agritourism projects include agricultural, livestock, aquaculture, and fishing ranches. Companies that diversify in the tourism sector must know how to differentiate themselves. At the same time, they must know how to take advantage of the opportunities to articulate their activities of value with collaborative alliances. They must also continuously improve the quality and satisfaction of tourists, directing their value propositions to national and international tourism, among others. In this value scheme, it should be noted that any design of an agritourism product must not only promote but also preserve the cultural and natural heritage, as the main generators of value in these systems. The development of human skills for teamwork by providing optimum quality food and accommodation services within the ranches would imply creating competitive advantages that allow differentiating the attractiveness of each ranch.

The positive attitude, friendliness, and efficient communication with tourists, as part of organizational logistics, as well as hygiene, cleanliness, and security in gastronomic services can position the originality of the products offered in the tourist’s mind. The conservation of the natural heritage, indicated as a support activity, can be considered as a fundamental part of the sustainability of the agritourism attraction. From the above, it is concluded that the success of any agritourism product will depend on the value offered differentiated from the business concept offered, on the tactical and strategic articulation between the ranches or public and private organizations that participate, as well as on the development of human talent skills required at each link in the chain.

As the present study is limited to the characteristics of a country and its region, it is strongly suggested that any interpretation or consideration of the proposed value scheme be adapted to the characteristics of each agricultural system that ventures into tourist activities. This will depend on the cultural and natural heritage of the country in which you are as well as other values that you want to promote with the tourist product. This implies that if a model tending to generalization is required, it is necessary that future research be carried out in countries, regions, and ranches of the same, which highlight their respective elements of value, making them so attractive that they are capable to generate their own competitive advantages.

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