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## DETERMINANTS OF INNOVATION IN AGRITOURISM

**Abstract:** The established character of agritourism on the market influences types of innovation in agritourism. The objective of this study is to identify determinants of innovation by agritourism farms and agritourism-related entities. The first part is an introduction concerning theories of innovation and its types on the tourism market. The author has also presented basic terminology of agritourism and focused on an agritourism product which is the direct subject of innovation in market practice. The research mainly encompassed the classification of entities that innovate, indication of innovation areas with the assessment of determinants of its implementation in agritourism. The whole study focuses on the thesis that agritourism is not likely to be subject to product innovation although, in practice, this type of innovation is most often undertaken.

**Key words:** innovations, tourism market, agritourism, agritourism product

### INTRODUCTION

Agritourism is a form of rural tourism with a unique and established character and is connected with the functioning of an agricultural farm which expands its activities onto providing tourism services. This has significant implications for introduction of innovation. The article is theoretical and conceptual. The subject, types and determinants of innovation in agritourism have been deliberated. The study analyses factors determining applying innovative solutions by agritourism farms, local authorities and institutions connected with agritourism. A special attention was given to agritourism product which is the subject of innovation. The objective of this study is to identify determinants of innovation by entities of the agritourism market. The paper is based on theoretical studies on innovation, tourism economics and agritourism. The following research methods were applied: a critical analysis of literature on the subject, logical operations, heuristic methods. The result of the study indicates determinants connected with applying innovative solutions by agritourism service providers, local authorities, agritourism organizations. The main factor limiting innovation in agritourism is the operational character of agritourism farms understood in a traditional way and the structure of agritourism product. The other factors are, among other things, the size of agritourism farms, the market coverage, access to funds, the level of cooperation between agritourism service providers and related entities.

### INNOVATIONS ON THE TOURISM MARKET

Innovations are an important factor for shaping and developing modern markets. The term innovation means a combination of the following factors, with their functional interdependencies [Niedzielski 2008]:

- launching new products or improving existing ones,
- implementing new or improved production technology, including new methods of providing services,
- introducing new ways of selling and buying, including new ways of creating interaction with customers, together with appropriate customer care systems,
- opening a new market, both in terms of supply, production or sales,
- using new raw materials, materials and tools,
- implementing changes in the organization of production, including changes in the organization of the service providing process.

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When taken in a general view, one may regard innovation as a process of introducing new products, ideas or way of acting. Thus, these would include all positive implemented changes which are perceived as new from the perspective of the entity that introduced them [Westland 2008]. Innovations are connected with creating new market offers. However, normally these are not completely new products but rather improvements of already existing products, which are given new practical values or increased quality parameters. Thus, the vast majority of innovations consists in creative imitation of already existing solutions.

Typical innovative undertakings in terms of services include:

- creating new service concepts,
- new forms of cooperation with the client,
- new systems for providing services,
- using modern IT solutions [Den Hertog 2002].

The following types of innovation can be distinguished as a result of introducing new concepts for business operation on the market:

- product - in terms of offer structure, diverse range of products,
- process - in terms of changes in the creation process and in the methods of providing products,
- organizational (managerial) - in terms of methods of operations, including creating new organizational structures, implementing new management techniques in relation to the market,
- marketing - focused on the course of action and interaction between the organization and the client,
- institutional - referring to new forms of collaboration between market participants or changes in the legal form of business operation of an entity [Hjalager 2010],
- social - new types of innovation which should take place with the participation of society and aim at achieving social goals [Szymańska et al. 2017].

Similarly, as on any other markets, innovation plays a key role on the tourism market in achieving sustained competitive advantage by entities from the supply side of the market. The ongoing globalization processes demand not only increased innovation activity from tourism enterprises but also from tourist destinations as it determines their survival and further growth and development. Tourism enterprises have a decisive role in the development of tourism market innovation. The innovation of tourism enterprises is determined by independent actions of these entities but also by sources of innovation that come from: suppliers, competitors, employees, consumers [Peters, Pikkematt 2005], advisory and consultancy firms, tourism policy entities. Introducing innovation on the tourism market is also a result of the actions undertaken by tourist destinations [Panasiuk 2013] creating and offering regional tourism products.

### **AGRITOURISM**

The literature does not offer a widely-accepted definition of agritourism. The most common one is the definition proposed by M. Drzewiecki [2001] according to which “agritourism is a form of recreation undertaken in rural areas with an agricultural character, based on accommodation facilities and recreational activities connected with agricultural farms or equivalent ones and other related to them (environment, production, services)”. A. Wiatrak [1995] interprets agritourism as “organizing tourist stays by a farming family in their own agricultural farm”. On the other hand, J. Sikora [2012] claims that agritourism is a specific type of (alternative) rural tourism<sup>32</sup> organized by

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<sup>32</sup>Rural tourism is a wider term which scope includes forms of tourism undertaken and organized in rural areas [Bott-Alama 2004].

farming families using resources of an agricultural farm and tourism resources of a region where an agricultural farm is located.

Generally, it is considered that agritourism is one of the forms of tourism activities in rural areas taking place in close relation to an agricultural farm located within a typical village or in a typically rural area. The range of services provided to tourists as part of agritourism activities can be very diverse and concern: accommodation, catering and various forms of qualified tourism or equipment rental [Panasiuk, Tokarz 2007]. Agritourism combines using spatial values of the rural environment with the socio-economic potential benefiting local communities and simultaneously is characterized by a limited range of activities.

When considering the issue of agritourism, one should emphasise its specificity consisting of providing tourism services to agritourists in a real agricultural farm together with all its social and economic functions. Any other business activity that offers tourism services in rural areas is not agritourism and it falls within the conceptual range of rural tourism or tourism in rural areas. This important substantial reservation is significant for further deliberations pertaining to innovation in agritourism.

### **AGRITOURISM PRODUCT**

The initial premise of indicating the areas of innovation in agritourism and its determinants is the concept and structure of an agritourism product. A starting point for interpreting this term should be formulating the concept of a tourism product.

A tourism product shall be interpreted in terms of two perspectives: narrow and broad. From a narrow perspective, a tourism product concerns services offered by tourism industry entities and purchased by tourists (e.g. accommodation, catering, transport services). The remaining elements, connected with tourist impressions and feelings, are connected with the definition of a tourism product in a broad perspective. It is a spatial and multifaceted category of a complex structure. A tourism product understood in such a way is developed by spatial entities (tourist destinations) and mainly by tourism regions, metropolitan and peripheral areas. This product is complex and includes a tourism area offer created by business entities (tourism enterprises) operating on the tourism market with the support of local authorities as well as tourism organizations. It is a product understood at a macro level which encompasses goods, services and other offers provided to consumers in an area of tourism reception [Panasiuk 2014b]. An integral part of a tourism product understood in a broad sense is tourism services which are considered to be products in a narrow sense.

Therefore, a tourism product of a region is a complex product developed by many entities and consisting of many single elements which are connected in terms of function. Two groups of elements can be distinguished in the structure of tourism product of a regions, that is:

- a) tourism goods and facilities:
  - basic (tourism values, tourist attractions),
  - complementary (tourist facilities),
- a) tourism services:
  - basic (accommodation, catering, transport),
  - complementary (facilitating the use of basic tourism goods).

From a spatial perspective, a tourism product as a rule involves elements connected with an impact on all types and forms of tourism movement in a given area. An extensive tourism product can be divided into specialist products connected with developing offers concerning particular forms of tourism, e.g. rural tourism product - in non-urbanized areas and its special type, that is an agritourism product.

An agritourism product is a category encompassing services in terms of agritourism offered by individual agritourism service providers as well as in terms of areas (rural areas). Therefore, a



tourism product is a combination of material and non-material values connected with a tourist stay in an agricultural farm and the surroundings, together with tourism goods and services offered by this farm which aim at satisfying tourists' needs and providing experiences and impressions that tourists can get during and after their stay in an agricultural farm [Sikora 2012]. An agritourism product encompasses natural and cultural values of rural areas [Sawicki, Mazurek-Kusiak 2010] and is based on daily (natural) functions of an inhabited and functioning agricultural farm with connections between this farm and its surroundings. The table 1 shows the structure of an agritourism product understood in a broad sense.

Table 1. Structure of agritourism product

Agritourism values		Agritourism facilities		Services	
natural	anthropogenic	accommodation and catering facilities	complementary facilities	basic	complementary
<ul style="list-style-type: none"> <li>• landscape</li> <li>• farmland</li> <li>• mountains</li> <li>• lakes</li> <li>• rivers</li> <li>• forest</li> <li>• fresh air</li> <li>• quiet</li> <li>• peace</li> <li>• closeness of nature</li> </ul>	<p style="text-align: center;"><b>material</b></p> <ul style="list-style-type: none"> <li>• agricultural farm</li> <li>• architecture</li> <li>• handicraft</li> <li>• folk art</li> </ul> <p style="text-align: center;"><b>non-material</b></p> <ul style="list-style-type: none"> <li>• folk culture (folklore)</li> <li>• cuisine (fresh produce, recipes, manner of serving meals)</li> <li>• lifestyle</li> </ul>	<ul style="list-style-type: none"> <li>• guest rooms</li> <li>• separate residential units</li> <li>• campsite</li> <li>• chalets</li> <li>• boarding houses</li> <li>• shelters</li> <li>• inns</li> <li>• areas for outdoor catering</li> </ul>	<ul style="list-style-type: none"> <li>• stables</li> <li>• tourism equipment rentals</li> <li>• tourist routes (cycling, horseriding, walking)</li> <li>• transport facilities</li> <li>• facilities for other forms of tourism</li> </ul>	<ul style="list-style-type: none"> <li>• accommodation</li> <li>• catering</li> </ul>	<ul style="list-style-type: none"> <li>• wickerwork or pottery courses</li> <li>• child care</li> <li>• hunting</li> <li>• fishing</li> <li>• mushroom picking</li> <li>• organization of sleigh rides, rack wagon rides</li> <li>• campfire cooking</li> </ul>
<p><b>stay and recreation in an agricultural farm and its surroundings, participation in a daily life of a family living and working in it, the possibility of direct participation in the functioning of a farm</b></p>					

Source: based on [Panasiuk 2008]

Tble 1 presents the scope of the most typical elements creating an agritourism product. The issue, which serves as the basis for indicating its proper character, permeates particular elements of a product and, at the same time, is the fundamental function of agritourism, i.e. stay and recreation in an agricultural farm (agritourism) and in its natural surroundings, together with the possibility of direct participation of an agritourist in the life and work of the occupants of this farm. Agritourism understood in a formal way and simultaneously the structure of an agritourism product resulting from its essence serve as an initial verifying factor for undertaking innovative activities in agritourism.

#### ENTITIES INTRODUCING INNOVATION IN AGRITOURISM

The essence of agritourism and the structure of an agritourism product prove their local character and, in most cases, limited market reach, mainly regional, more rarely national and incidentally international. The structure of a widely understood agritourism product is attributed to

entities directly and indirectly participating in creating its elements. Simultaneously, these entities are responsible for undertaking innovative initiatives in agritourism. The fundamental role in innovative activities is played by direct agritourism service providers and entities cooperating with them and supporting their activities, i.e.:

- a) agritourism farms which can introduce innovation independently to their activities,
- b) agritourism associations innovating with regard to agritourism farms they are associated with,
- c) local authorities (mainly communes) supporting agritourism farms operating in their region, also by introducing innovation to tourism areas,
- d) other entities related to agritourism, supporting and initiating innovative solutions in agritourism, including: local tourism organizations, agricultural advisory centres, local action groups.

The multitude of entities that are likely to influence innovations in agritourism and the structure of local agritourism product determine wide possibilities of innovating, and each of the mentioned entities can independently introduce and provide innovations to entities cooperating in a given area where agritourism is developed.

#### **AREAS OF INNOVATION IN AGRITOURISM**

When interpreting areas of innovation in agritourism, one should take account of the essence of agritourism and the structure of agritourism product elements. As it was emphasised before, the deliberations on agritourism show that it is understood as a tourist's stay in a functioning agricultural farm (agritourism) where services offered to tourists are supplementary to this farm.

When meeting needs of tourists expecting typical characteristics of agritourism and elements of an offer (arising from the structure of an agritourism product), one should take account of the necessity of maintaining the functioning of an agritourism farm in the same condition as it would function without providing agritourism services. Thus, it significantly limits the possibilities of innovating. The majority of possible innovations would cause loss of natural functions of an agritourism farm. However, it should be noted that at some stage of the development of an agricultural farm innovation has been introduced which extended its tourism activities by, among other things, basic adjustment of facilities to serve tourists. Such innovation is mainly of a product character as well as process, organizational, marketing and even institutional (through forming agritourism associations) and social character. It is likely that any further innovation concerning the scope of activities of the farm aiming at influencing tourist needs distorts its previous activities as they contribute to losing its traditional functions and, in some cases, cause a decrease in its attractiveness.

At this point, an initial assessment can be formulated that some types of innovation introduced by agritourism farms, also in their surroundings (spatial, institutional), can negatively influence the assessment of agritourism offer by tourists. In this context, innovations should be limited to these which do not interfere with the traditional environment of a farm. Therefore, only some types of innovation can serve as the basis for the integrity of an offered agritourism product. It is necessary that entities introducing innovation to agritourism, especially agritourism farms, settle the issue of the relation between agritourism and innovation. It should be noted that innovation may cease to make sense and make agritourism lose its scope. Such a risk can be observed when analysing the structure and findings of the research on the role of innovation in agritourism conducted by, among others, D. Puciato and B. Woś [2011] as well as E. Pałka [2015]. The research indicates a direct possibility of introducing innovation, especially in terms of products connected with attractions in the village and farm, which leads to changes in the functions of an agritourism farm - focusing on non-agricultural activities and losing partially its previous character.



What position should be adopted is that, from the point of view of an agritourism product, undertaking innovative activities should have a very well-thought-out character and, at the same time, a limited influence on its structure. The tourist's choice of an agritourism offer is, as a rule, driven by willingness to use a standard (typical) agritourism product. Therefore, innovations should not infringe traditional elements of this product and should concentrate on innovative activities not interfering into this product directly. Thus, the areas of innovation in agritourism which do not hinder an agritourism product understood in a traditional way can be ones that concern:

- process - new technologies installed in a farm (starting from water and sewage system, through sewage treatment plants, heating, renewable energy, access roads),
- organization - connected with cooperation with other farms in terms of full use of service potential, joint organization of offers for agritourists,
- marketing - own website, independent promotional activities or in cooperation with other farms, cooperation with sales agencies and local tourist information office,
- institutions - forming agritourism associations, creating a regional agritourism product, promotion, including attending trade fairs,
- society - building social bonds, cooperation in order to develop a commune (village), impact on the local labour market.

Expanding a traditionally understood agritourism product offer exceeds the meaning of agritourism and concerns rural tourism or tourism in rural areas. The example of that can be creating, in rural areas, attractions typical for cities and e.g. health resorts such as spa & wellness centres, what is not directly connected with an agritourism offer. In terms of a product aspect, agritourism is traditional in general and is not likely to be subject to innovation.

#### **FACTORS DETERMINING INNOVATION IN AGRITOURISM**

Innovations in agritourism can lead to the transformation of the existing agritourism product into offers connected with rural tourism or tourism in rural areas. On the one hand, it is a beneficial process as it determines the possibility of developing an offer and adjusting its needs to various market segments. A decisive factor in favour of undertaking innovations in agritourism is the possibility of subsidizing development through access to funds from the European Union programmes, including Regional Operational Programmes [Panasiuk 2014a]. Funds from the EU have been allocated to agritourism directly or indirectly through the pre-accession programmes as well as, after the Poland's accession to the EU, through subsequent EU financial perspectives. The funds are mainly used by local authorities, agritourism-related institutions but the final beneficiaries of the funds are agritourism farms. Initiatives involve subsidizing developing local infrastructure, creating local tourism products, including organizing events, developing service potential of agritourism farms, promoting tourism.

A significant factor determining innovation, connected with the EU funds, is also creating specialist agritourism product which are addressed to profiled market segments. However, these activities to a great extent exceed a formal and typical understanding of agritourism, but they extend tourism offer in rural areas. They are even more crucial as from the point of view of a tourist and a single agritourism farm it can be complementary to services provided in this farm. Such offers can coexist on the local tourism market. Among them, the examples of types of innovative tourism products can be distinguished: in terms of horse riding, regional cuisine or trips to regions connected with mushroom picking, herbs picking, observing wild animals.

Tourism product can take a comprehensive structure. In market practice, it should be analysed separately for specific types of offers, including also other sub-markets of rural tourism. In the structure of potential types of products, there are common elements resulting from tourism area potential and connected with service of every tourism form, that is tourism values (natural and



cultural), tourism base (accommodation, catering, transport, additional ones) and typical tourism services, including those offered by agritourism farms.

Among factors limiting innovation in agritourism, one should in addition consider the following:

- a traditional character of the functioning of agritourism farms,
- small size of agritourism farms,
- local market impact,
- lack of own funds for innovation,
- no preparation of owners to undertake innovation and, knowledge and skills to apply for funding.

The premises that can positively influence innovation in agritourism include:

- access to the EU funds addressed to agriculture and rural areas,
- institutions developed around agricultural farms, including agritourism ones, what results in the possibility of undertaking institutionalized cooperation in terms of developing, funding and providing agritourism product.

## CONCLUSION

Undertaking innovative activities in agritourism entails numerous limitations. They stem from both features of agritourism activities and determinants connected with the functioning of agritourism farms.

In addition to activities of individual agritourism farms, it is particularly significant that local authorities, tourism organizations (including local tourism organizations) and agricultural advisory centres support their functioning. On the basis of activities of the aforementioned entities and the agritourism industry, there is a possibility of developing an extensive agritourism product which bases on the values of a rural area, agritourism infrastructure and provided services. Undertaking integrated activities by local authorities, the industry and tourism organizations leads to achieving results in developing an image of a commune focused on agritourism, benefiting from cooperation arising from common promotion, joint market research and developing sustainable tourism in rural areas.

It is likely that all possible types of innovations can be added to the development of business activities of an agritourism farm. Such decisions depend on entities that take them and available funds. However, it should be observed that product innovations can negatively influence how tourists understand a tourism product and they should be undertaken in a well-thought-out manner and not only with a view to potential benefits.

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