



Exploring Competitive Strategies in Agri-tourism Ventures Located in Peri-Urban Areas of Telangana, India

Mangali Vishal ^{a*}, P. Radhika ^{a++}, D. Srinivasa Reddy ^{b#}
and A. Meena ^{c†}

^a School of Agribusiness Management, College of Agriculture, Rajendranagar, Professor Jayashankar Telangana State Agricultural University (PJ TSAU), Hyderabad, Telangana-500030, India.

^b Department of Economics, College of Agriculture, Rajendranagar, Professor Jayashankar Telangana State Agricultural University (PJ TSAU), Hyderabad, Telangana-500030, India.

^c Department of Statistics and Mathematics, College of Agriculture, Rajendranagar, Professor Jayashankar Telangana State Agricultural University (PJ TSAU), Hyderabad, Telangana-500030, India.

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This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

Agri-tourism is gaining momentum as a catalyst for rural development in Telangana, India. This study delves into the competitive strategies adopted by event and recreation agri-tourism ventures in Telangana, with a focus on those operating in proximity to urban centers like Hyderabad. By

⁺⁺ Professor & Head;

[#] Field Officer, CCS;

[†] Assistant Professor,

*Corresponding author: E-mail: yerrollavishal@gmail.com;

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examining the strategic maneuvers of these ventures through the lens of the 4P's of marketing - Place, Price, Product, and Promotion - the study aims to elucidate their approach to attracting tourists and ensuring economic viability. The research explores the diverse activities offered by agri-tourism ventures, analyzes their strategic approaches, and assesses their financial feasibility. Through primary data collection via structured interviews with venture owners and secondary data analysis, the study provides insights into the competitive landscape of the agri-tourism sector in Telangana. The findings underscore the strategic importance of factors such as location, pricing flexibility, product diversification, and promotional efforts in shaping the success of agri-tourism ventures. Ultimately, the study contributes to a deeper understanding of the competitive dynamics within the burgeoning agri-tourism industry, offering valuable insights for stakeholders and policymakers aiming to foster sustainable rural development and economic growth in Telangana and beyond.

Keywords: *Agri-tourism; competitive strategies; Agri Tourism Development Corporation (ATDC); tourism; peri urban areas; Telangana.*

1. INTRODUCTION

India has a population of over 1.4 billion and 0.89 billion of its population resides in its 664,000 thousand villages. A large population of about 58 percent still depends on agriculture [1]. Agriculture still plays a significant role in the overall socio-economic development of the country. Today, Indian agriculture has to face huge challenges due to the low commodity prices, and rising input costs. To add to this, agriculture productivity is also decreasing due to uncertain climatic conditions [2]. In India, rural tourism has very great potential, but due to some drawbacks, it has not flourished like other forms of tourism [3].

Agritourism refers to travel that combines rural settings with products of agricultural operations - all within a tourism experience that is paid for by visitors [4]. Hence, Agri-tourism, often hailed as a promising avenue for rural development, has garnered increasing attention worldwide, with India emerging as a significant player in this domain. Amidst the diverse tourism sectors thriving in India, agri-tourism stands out as a sector with immense potential, offering a unique blend of rural experiences, agricultural insights, and cultural immersion. Particularly in states like Telangana, where agriculture forms the backbone of the economy, agri-tourism presents an opportunity for farmers to diversify their income streams and for urban dwellers to reconnect with nature.

As agri-tourism gains traction in Telangana, it becomes imperative to delve deeper into the competitive strategies adopted by agri-tourism ventures, especially those operating in and around urban centers like Hyderabad. The urban

population which has no connection with the villages is increasing day by day. Out of the people living in urban areas of India, 35 percent do not have relatives in villages and 43 percent never visited or stayed in villages [5]. Agri-tourism is considered as the innovative practice that farmers can adopt and practice to increase their revenue [6]. This study aims to explore the landscape of event and recreation agri-tourism ventures in Telangana, shedding light on the activities undertaken, strategic approaches employed, and the financial feasibility of these ventures.

1.1 Understanding Competitive Strategies

Competitive strategies in agri-tourism encompass a spectrum of approaches aimed at attracting visitors, ensuring customer satisfaction, and maximizing profitability. From offering unique recreational activities to providing authentic farm experiences, agri-tourism ventures employ various tactics to carve a niche in the market and distinguish themselves from competitors.

1.2 Key Objectives of the Study

Exploring Venture Activities: The study seeks to delineate the diverse activities offered by agri-tourism ventures, ranging from corn mazes and harvest festivals to country weddings and recreational pursuits like archery and camping.

Analyzing Strategic Approaches: By examining the strategic approaches adopted by agri-tourism firms, including marketing tactics, service quality initiatives, and resource management practices, the study aims to identify factors contributing to their competitive advantage.

Assessing Financial Feasibility: Financial viability forms a crucial aspect of agri-tourism ventures. Through financial analysis and feasibility assessments, this study endeavors to evaluate the economic sustainability of event and recreation agri-tourism initiatives in Telangana.

1.3 Implications and Significance

Insights garnered from this study hold significance for various stakeholders, including researchers, policymakers, farmers, and agri-tourism entrepreneurs. By providing a nuanced understanding of competitive strategies in agri-tourism ventures, the study can inform policy formulation, guide investment decisions, and facilitate the sustainable growth of the agri-tourism industry in Telangana and beyond.

In essence, this study serves as a comprehensive exploration of the competitive landscape within the burgeoning agri-tourism sector, offering valuable insights into the strategic maneuvers and economic dynamics shaping the industry's trajectory in Telangana.

1.4 Status of Tourism Industry in India

India's tourism sector is experiencing rapid growth, contributing significantly to the nation's economy. In 2019, the tourism industry grew by 3.5%, surpassing the global GDP growth rate of 2.5%. It contributed INR 194 billion to India's GDP and provided employment to 87.5 million people, accounting for 12.75% of total employment [7].

1.5 Agri-Tourism Growth

While agri-tourism is still in its infancy in India, it holds immense potential for regional economic regeneration and preservation of rural traditions and landscapes. Interest is growing in agro-tourism among foreign tourists, with 2.64 million visitors showing interest in agri-tourism [8]. Globally, the agri-tourism market is expanding, driven by government interventions and consumer demand for economical, nature-based, and sustainable tourism experiences. Therefore, farmers should introduce more activities to create additional sales revenue based on their capacity and locally available resources [9]. Agri-tourism has potential due to large-scale migration to cities have impacted loss of local traditions,

native customs and destruction of local culture show a rising trend [10].

1.6 Market Projection

Anil and Roshan (2021) projected the agri-tourism market to reach \$117.37 billion by 2027, with a CAGR of 7.42%. Similarly, Kamble [11] estimated the market to reach \$62,982.6 million by 2027, growing at a CAGR of 13.4% from 2021. These projections highlight the rapid growth and potential of the agri-tourism market in India.

1.7 Agri-Tourism Development Corporation (ATDC)

Established in 2005, the Agri-Tourism Development Corporation serves as the umbrella organization for agri-tourism in India. Located in Palshiwadi, Tal Barmati district, Pune, ATDC aims to:

- Develop and promote agri-tourism through training and support to farmers.
- Generate employment opportunities and increase income for the farming community.
- Promote traditional art and music in rural areas.
- Raise awareness about local agricultural products and the importance of maintaining agricultural land for long-term sustainability.

1.8 Challenges in Agro-tourism

As with any other business, agri-tourism faces many challenges. Some of which are listed here;

- ❖ Complexity in delivery of service
- ❖ Inadequate knowledge about farming operations
- ❖ Inadequate risk management programmes or contingent planning
- ❖ Lack of ability to communicate to visitors
- ❖ Lack of effective agro-tourism resource centers
- ❖ Lack of quality in services given to the visitors
- ❖ Lack of government support
- ❖ Lack of proper marketing strategy
- ❖ Low literacy rate among farmers

- ❖ Poor infrastructure facilities in rural areas like internet

2. MATERIALS AND METHODS

2.1 Competitive Strategies Adopted by the Event and Recreation Agri-tourism Firm

Competitive strategies adopted by the event and recreation agri-tourism firm can be operationalized as the marketing strategies adopted by the firm and indicators of firm's success. The location advantage of the firm indicates the location of the firm in a high demand area, easy to identify spot and nearness to the other tourist spots. Marketing strategies adopted by the firm in four components viz., place, price, promotion and products were observed.

2.2 Methods of Data Collection

To study the objectives of the study, the study requires both primary and secondary data. Primary data regarding the competitive strategies of selected agritourism ventures is collected by interviewing agritourism firm owners by using a structured schedule and secondary data regarding the nearby tourist locations to the firm are collected.

2.3 Analysis of Data

The data collected from primary and secondary sources will be tabulated and analyzed as per the set objectives using suitable and appropriate tools.

- Tabular/Descriptive Analysis

2.4 Tabular/ Descriptive Analysis

The tabular analysis will be used for the computation of means, percentages, ranges, etc. The data regarding the different competitive strategies adapted by the different agritourism firms [12-15].

3. RESULTS AND DISCUSSIONS

3.1 Competitive Strategies Adopted by the Selected event And Recreation Agri-tourism Firms

The competitive strategies adopted by the agri-tourism firms will impact the number of tourists

they attract to their firms. The strategies adopted by the selected three firms are categorized based on 4P's of marketing; Place, Product, Price and Promotion. The analysed data on the competitive strategies adopted has been depicted in the table.

As seen from the Table 1., the competitive strategies of the selected three event and recreation agri-tourism firms are summarized under 4 P's i.e. Place, Price, Product and Promotion.

With regard to the place all the three firms are located in close proximity to the Hyderabad city, so that urban dwellers can easily reach these agri-tourism firms within one to one and half hour.

With regard to the price, all the firms adapt a customized pricing strategy for providing facilities to host events. The pricing will depend upon the type of event that is being hosted and also on the number of people who are attending the event; and also, the kind of services that are required, Fixed pricing strategy is adapted for per-day visit. One of the firms which hosts theme parties will decide on per head pricing based upon the theme and the kind of tourists that are expected. The firm which is into hosting a new year parties will also charge per head and these charges would be around 20 per cent less than the parties hosted by the popular event organizers of Hyderabad.

With regard to the product, the main product offering by all the firms is to provide facilities and services to host parties and to arrange for per day visits, selling of vegetables and other farm produce is also done by all the firms, Theme-based parties are hosted by one firm where as another firm hosts New year parties.

Not much of promotion is done by selected by agri-tourism firms, two of the firms used platforms like Instagram to communicate about their agri-tourism firms. Whereas, one firm has developed the website featuring the packages it offers to the guests. All the firms are listed on google maps. Hence, it can be seen that firms have not adapted aggressive marketing strategies to promote their agri-tourism firms. Most of the visitors get to know about the firms by word of mouth.

Table 1. Competitive strategies of three selected agri-tourism firms based on Place, Price, Product and Promotion

S. No	4 P's	Firm A Strategies adopted	Firm B	Firm C
1	Place	<ul style="list-style-type: none"> Location in the outskirts of Hyderabad 	<ul style="list-style-type: none"> Located in the outskirts of Hyderabad Easy to reach and identify the location as it is on the way to famous chilkur Balaji temple 	<ul style="list-style-type: none"> Located in the outskirts of Hyderabad
2	Price	<ul style="list-style-type: none"> Customized pricing based on the type of event hosted and number of tourists footfall Fixed pricing for the per day visits 	<ul style="list-style-type: none"> Customized pricing based on the type of event hosted and number of tourists footfall Fixed pricing for the per day visits Per head pricing for theme parties based on the theme 	<ul style="list-style-type: none"> Customized pricing based on the type of event hosted and number of tourists footfall Fixed pricing for the per day visits Per head pricing for the new year parties, usually less than the parties hosted by the popular event organisers of Hyderabad
3	Product	<ul style="list-style-type: none"> Facilities to host parties Per day visit Selling of vegetables and other farm produce like cereals 	<ul style="list-style-type: none"> Facilities to host parties Per day visit Selling of vegetables and other farm produce Hosting of theme-based events 	<ul style="list-style-type: none"> Facilities to host parties Per day visit Selling of vegetables and other farm produce Hosting new year parties
4	Promotion	<ul style="list-style-type: none"> Social media marketing Listed on google maps 	<ul style="list-style-type: none"> Social media marketing Listed on google maps Website of the firm 	<ul style="list-style-type: none"> Listed on google maps

4. CONCLUSIONS

The competitive strategies adopted by the selected event and recreation agri-tourism firms demonstrate a focused approach towards attracting tourists while leveraging the 4P's of marketing - Place, Price, Product, and Promotion.

In terms of Place, all three firms strategically position themselves in the outskirts of Hyderabad, ensuring easy accessibility for urban dwellers seeking rural experiences. This strategic location enhances visibility and convenience for potential visitors, particularly those interested in day trips or event hosting.

Regarding Price, the firms exhibit flexibility in their pricing strategies, offering customized rates based on the type of event and the number of attendees. Additionally, fixed pricing for per day visits ensures transparency and affordability, catering to diverse budget preferences. Notably, one firm offers discounted rates for theme parties and New Year celebrations, providing added value compared to popular urban event organizers.

Product offerings of the firms include a range of facilities and services tailored to meet the needs of different tourist segments. From event hosting to per day visits and direct selling of farm produce, each firm strives to create memorable experiences while showcasing rural life. The introduction of theme-based parties and New Year celebrations adds novelty and excitement, further enhancing the overall appeal of agritourism.

Despite the importance of Promotion in attracting visitors, the firms rely primarily on word-of-mouth and basic online presence through platforms like Instagram and Google Maps. While effective in reaching a certain audience, this approach may limit their reach and potential for growth. However, one firm stands out by investing in a dedicated website, providing comprehensive information about its offerings and packages.

In conclusion, while the selected agri-tourism firms demonstrate strategic alignment with the 4P's of marketing, there is room for further enhancement, particularly in the realm of Promotion. By adopting more proactive marketing strategies and leveraging digital platforms effectively, these firms can amplify their visibility and attract a broader audience, thereby

maximizing their potential for success and contributing to the growth of the agritourism sector in the region.

DISCLAIMER (ARTIFICIAL INTELLIGENCE)

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc) and text-to-image generators have been used during writing or editing of manuscripts.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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