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## **Farm Diversification through Farm Shop Entrepreneurship in the UK**

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### **Abstract**

Declining real farm income, increased development, and loss of government agricultural programs have created pressure for smaller-scale farms to enhance farm income, often through diversification into agritourism. This study examines farm shops as a farm diversification strategy by investigating farm shop managers as entrepreneurs and highlighting the strategies and skills required for success through interviews with farm shop owners in the UK. Results of the qualitative analysis show that agricultural entrepreneurs must create a unique identity or brand for their operation, build networks, develop knowledge and talent, and build business acumen in order to creatively overcome obstacles and manage diverse operations.

**Keywords:** agritourism, direct marketing, diversification, entrepreneurship, farm shops, foodies, local sourcing, UK

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## Introduction

Multiple factors have placed smaller-scale family farms under increased pressure to cut costs and enhance income, often through diversifying and generating off-farm income. These factors include the decline in real farm income since the 1980s, increased development pressure, loss of government agricultural programs and subsidies, and farm consolidation into large corporate farms worldwide to take advantage of economies of scale (Stevens, 1994; Evans and Ilbery, 1989). For many, diversification has meant providing leisure or recreational opportunities, often referred to as agritourism or agritainment on their farm or ranch (Nickerson, Black, and McCool, 2001). The motivations for and the benefits of diversification into agritourism, a subsector of food tourism, have grown in popularity as a research subject over the past decade. It has been suggested, in fact, that agritourism has preserved traditional family farming, maintained agricultural land and open space, improved the productivity of farm resources, and enhanced the overall economic situation in rural areas (Tew and Barbieri, 2012; Wilson, Thilmany, and Watson, 2006).

The literature has highlighted the farm and operator characteristics—such as farm size, operator gender, education level, age, and family economic dependence on the farming operation—that influence agritourism success (Barbieri and Mshenga, 2008). Additionally, the literature has considered the entrepreneurial motivations for diversification into agritourism, highlighting the need for additional income, employment for family members, tax incentives, and other factors (Nickerson, Black, and McCool, 2001; McGehee and Kim, 2004; Schilling, Sullivan, and Komar, 2012). The benefits of increased agritourism offerings for their operators, their communities, and consumers in general have also been detailed (Mitchell and Turner, 2010; Yoon and Uysal, 2005; Renko, Renko, and Polonijo, 2010).

Few studies, however, have considered the wide range of entrepreneurial skills and strategies required for success in multi-faceted agricultural enterprises. Little is known about the range of competencies needed for an entrepreneur to move from a traditional production-oriented farming operation to a diversified, highly experience-based operation, such as a food or agritourism destination (Slocum, 2015). Solvoll, Alsos, and Bulanova (2015) write, “the structural change and transition to more experience-based products in tourism demand entrepreneurial behavior in order to implement needed innovations” (p. 120). Small business development and entrepreneurship are important components of diversification into agritourism and its success as a development strategy (Koh, 2002).

Studies addressing the entrepreneurial skills of agritourism operators have focused primarily on traditional agritourism venues (hay rides, corn mazes, u-picks) or agritourism operations in general (Phelan and Sharpley, 2011; Tew and Barbieri, 2012) rather than on the fast-growing segment devoted to food and culinary experiences such as tasting areas, bed and breakfasts, bakeries, creameries, cafes, and farm shops. Akbaba (2012) reminds us that “although many common characteristics exist between small businesses in general, the milieu, and the sub sector in which they operate should be taken into consideration when analyzing business performance, characteristics, or managerial issues of small tourism businesses” (p. 178).

This study examines the role of farm shops, under various organizational structures and offerings, as a farm diversification strategy focused on developing food-based tourism operations. A farm shop or store, also referred to as a roadside farm market, is a permanent or semi-permanent structure where farm products from a specific farm or multiple farms, both fresh and processed (such as jams, honey and cheese) are offered for direct sale to consumers. Shops are normally open to the public year-round and often provide snacks, a bakery or butchery, and a small café. Shops may be located on a farm or in nearby towns or cities, and they are frequently operated or controlled by the farmer. Farm shops are a unique food tourism opportunity—currently more common in Europe and New Zealand than in the United States—that create expanded benefits to operators in terms of consistent revenue generation, an outlet for new product offerings, and employment for family members. They are especially popular with the ever-growing “foodie” market.

In particular, this study investigates farm shop operators as entrepreneurs and highlights the strategies and skills required for success in such a highly diversified operation, as evidenced through interviews with farm shop entrepreneurs in the United Kingdom (UK). While the business environment and operations in the UK are somewhat different from the United States and other countries, study results provide a solid foundation upon which current agricultural operations can build to successfully diversify their operations into food tourism and, specifically, farm shops. This is especially important in regions with few successful models to emulate.

## Literature Review

The rising social movement known as the foodie movement provides new and innovative opportunities for agricultural and food-based tourism. A foodie is defined as “a food lover, one whose personal and social identity encompasses food quality, cooking, sharing meals and food experiences” (Getz et al., 2014, p. 6). Foodie identity is expressed through one’s behavior, including food-related travel experiences, as well as opportunities for self-identity and social identity. Foodies often seek out quality food experiences as a lifestyle choice (Santich, 1996). These internal “push” strategies have facilitated growth in food tourism (Kivela and Crotts, 2006), which allows foodies to experience culture through culinary consumption. Slocum (2015) argues that this social movement is also driven by sustainable consumption values, in that consumers are increasingly aware of the negative environmental, cultural, and social impacts posed by increasingly globalized food systems. Therefore, foodies seek foods they view as “sustainable” as well as experiential food-related opportunities, which have become a key travel motivation in certain markets (Heldke, 2003) and provide opportunities for entrepreneurial activity.

As travelers seek unique travel experiences, agricultural entrepreneurs can use flexibility and creativity to promote new and innovative consumer experiences (Ateljevic and Doorne, 2000), creating regional economic growth and development. Small firms provide opportunities for job creation, increase the variety of tourism offerings with comparatively less investment than larger firms, possess greater flexibility in adopting technology, encourage personal savings and reinvestment, and provide flexible innovations within economies (Thomas, Shaw, and Page, 2011).

Small firms also possess greater flexibility to support sustainability initiatives as their committed entrepreneurs often lead the charge toward more sustainable development (Dixon and Clifford, 2007). The flexibility inherent in small firms—especially those in agriculture—may be due, in part, to agricultural entrepreneurs' emphasis on lifestyle preferences, such as maintaining traditional ways of life and economic independence, rather than profitability (Bosworth and Farrell, 2011; McGehee and Kim, 2004). Ateljevic and Doorne (2000) reason, "Whilst there has been extensive research into the 'greening' of consumers in which numerous 'shades of green' can be identified, the value positions underlying the corresponding small scale entrepreneurial activity remains comparatively under theorized" (p. 378).

Almost twenty years later, entrepreneurship and the role that small family farms can play in uniting food and tourism to create the foodie experience that consumer seek are still under-investigated. The term agritourism embraces a variety of organizational structures and ownership types. Everett and Slocum (2013) provide a general overview of the various business types and structures across the spectrum of food tourism, but on the whole very few studies provide further insight into the entrepreneurial skills and strategies required for successful outcomes for these business structures.

Using interviews conducted with farm shop operators in the UK in 2014, this study finds that agricultural entrepreneurs must create a unique identity or brand for their operations, build networks to take advantage of marketing partnerships and supplier relationships, focus on developing their own knowledge and skills as well as those of others (especially to enhance local sourcing and mentoring of local providers), and build business acumen in order to creatively overcome obstacles and manage diverse operations with competing time commitments. These results are consistent with those described by Hall, Mitchell, and Sharples (2003) that reference the critical need to develop intangible capital to ensure success for food tourism businesses.

## **Data and Methods**

In August 2014, semi-structured one-on-one interviews were conducted with nine farm shop operators as well as representatives from two UK food tourism organizations. The initial 38 subjects were identified through the UK Farm Shop Directory in the study area, defined as no more than 150 miles from London. Once interviews commenced, snowball sampling was added, in which one interviewee would suggest another interview site. Table 1 lists the research sites and location information. All of the interviews were recorded and later transcribed. An interview guide was developed to ensure that participants answered a similar set of questions, allowing comparison between participants (Bernard and Ryan, 2010). The research team developed the questions collaboratively and drew from themes in the food tourism and agricultural marketing literature. All questions were open-ended and pertained to farm shop marketing methods, networking and cooperative organizations, tourism authority services, shop ownership structures, types of products and activities offered, clientele, regulatory and licensing requirements, product origin labeling and sourcing strategies, resources in terms of governmental or non-profit educational opportunities, tax benefits and financial incentives, operator professional background and education, and participation in local events or festivals.

**Table 1.** Research Sites

<b>Name</b>	<b>Location</b>
Boycott Farm Shop	Stowe, Buckinghamshire
Chilterns Tourism Network	High Wickam, Buckinghamshire
Farndon Fields Farm Shop	Market Harborough, Leicestershire
Manor Organic Farm	Long Whatton, Loughborough
King Farms	Aylesbury, Buckinghamshire
Leicestershire Local Enterprise Partnership (Government)	Leicester, Leicestershire
Middle Farm	Lewes, East Sussex
Northfields Farm	Oakham, Leicestershire
Park Farm Shop	Brighton, East Sussex
Peterley Manor Farm	Great Missenden, Buckinghamshire
Summerhill	Cardington, Bedfordshire

All interview data were combined and then hand-coded into topics. These topics were then pooled to develop a series of themes, defined as common plots or ideas that ran through the data (Richards and Morse, 2007). The subjectivity of qualitative analysis can result in an overwhelming number of hypotheses; consequently, researchers must use theory to guide them to determine the research focus and define a complete and appropriate description of the evidence (Slocum, Backman, and Baldwin, 2012). Therefore, the data were evaluated in three stages for this analysis: 1) each team member reviewed and coded the data independently to identify emergent themes; 2) team members discussed the interpretation of findings and potential data topics in relation to the theoretical underpinnings within the literature; and 3) a second round of theme development was conducted jointly.

Each farm shop varied, not only in the services offered, but also in their clientele, marketing strategies, and inventory. Each individual farm shop owner or manager interviewed represented a mix of formal and informal training as well as personal and professional characteristics and values. The most notable and common characteristic was their interest in local sourcing and the heritage they perceived their farm shops to represent. The oldest farm shop was established in 1922 and was owned by a third-generation member of the founding family. The newest farm shop opened in 2010, while the majority were established between 1977 and 1990.

## Results

Four central themes were identified from the interviews: 1) creating a unique identity or brand; 2) developing knowledge and talent; 3) building networks; and 4) overcoming obstacles. Within each theme, several additional topics were identified. Table 2 lists the themes and their corresponding topics. Interestingly, three of the four themes fall within the intangible capital categories (networks, brand, talent) identified by Hall, Mitchell, and Sharples (2003) as critical to the success of regional business strategies, while the fourth (overcoming obstacles) falls under the intangible category of business management skill and acumen, or intellectual property. The results of each theme are discussed below.

### *Creating a Unique Identity or Brand*

Branding, or creating a unique identity through products and services offered, is key to differentiating a business or product in the marketplace and earning higher returns (Tronstad et al., 2005). The branding theme emerging from the study addresses complex issues, such as the varying definitions of “local,” the marketing and merchandizing of products and services that reinforce the image or brand of the farm shop, and the importance of differentiating the shop from its competition by providing unique products and/or experiences.

**Table 2.** Themes and Topics

Themes	Topics
Creating a Unique Identity or Brand	Local sourcing
	Product variety
	Experiential activities
Developing Knowledge and Talent	Discerning talent
	Developing knowledge/skills
	Mentoring
Building Networks	Supply relationships
	Marketing partnerships
	Educational opportunities
Overcoming Obstacles	Federal regulation
	Local politics
	Capital investment
	Tourism infrastructure

While local sourcing was very important to all farm shop operators interviewed, study participants did not share a clear definition of “local.” Instead, farm shops tended to source from producers as close to the farm as possible, then worked outward geographically to find high-quality products. One common perception held by farm shop operators was that local food should be British, but specialty items from Europe were also included in certain inventories depending on the clientele that frequented the shop and the availability of local merchandise.

*“So it was all about sourcing within a 30-mile radius, because I think, within England, that’s sort of the standard set by the farmers’ market association. We’re something like a 100-mile radius, but a lot of it is sourced within 10 miles. In the end, it’s about sourcing from individual farmers and producers rather than just saying it was British. Even small distances seem really big to people because it’s all relative.”*

Each area faced unique farming conditions, soil fertility, and urban development patterns, all of which influenced their definitions of local. More urban areas, such as the London suburbs and densely populated areas of Leicestershire, did not have available grazing land in the immediate

area from which to source meats and cheeses. Instead, the farm shop operators encouraged local artisans to process these items locally.

*“I mean the vast majority is not from our farm actually. Certainly, from here out East it’s very fertile, alluvial soil, and you can see over there is onions. So, if farmers just sourced from this field all we’d sell is onions. So, sourcing locally for us is not necessarily only what’s in our field, it’s about looking at artisan producers, people who are doing stuff in the local area.”*

The farm shops carried a very diverse selection of products. Some specialized in rare breed meats, others in English wine. Many carried staple foods, such as bread, butter, and spices, so that customers could shop for an entire meal on the premises. Additionally, value-added products were highly sought after, including jams, cheeses, and sauces. A few of the farm shops sold prepared foods that could be put directly in the oven for meals at home. Others operated as a butcher, bakery, or cheese shop, selling items that complemented their main brand. For example, a butcher might carry a variety of locally made barbeque sauces or make coleslaw to sell as a complement to a Sunday barbeque purchase.

*“The idea is to keep it grounded really. It’s not an individual enterprise; it is part of the farm. So even though the shop that’s here and the bakery run as a separate part of the company, it is all part of the whole farm.”*

*“The animals we have on the farm, we have llamas, we have cattle which are raised in Leicestershire, and we have funny sheep which are raised in Leicestershire. So, the whole thing is related to the shop.”*

Additionally, each farm shop offered products and services beyond the food items they produced or sourced. Catering and cafés, or teashops, were common, as were on-site picnic areas. Children’s activities, such as petting zoos, were important, especially on farms that offered restaurants where parents could relax. One farm shop was frequently used as a wedding venue. Many of the farm shops additionally sold products at local farmers’ markets, offered community supported agriculture (CSAs) programs for residents, and showcased their merchandise (such as award-winning premium sausages or lamb) at national shows and competitions. One shop offered pottery classes hosted by a local artist, while another offered a paintball course.

*“The food is what started it. But then you have someone who wants coffee and spends the whole day here with some staff looking after them and you’re not making much money. But there are farms that go that way...There’s a big birds of prey center where they fly these hawks and owls and they’re going to come down and do a display in the car park for us. So, that kind of stuff we try and do as additions. About once a month we’ll have a cheese and wine evening.”*

In the end, all of the merchandise and special events were part of a complex branding strategy to differentiate each farm shop from its competition. Personal relationships with customers were very important, and promoting the history and personalities behind the farm shop was essential to their marketing strategy. All participants used social media (for example, Facebook and



Twitter) to keep customers updated on inventory items, special events, and news. Constant reassessment of each company's brand was important to its continued success.

*“When I started a lot of it wasn't local. I decided to bring kind of a local focus. It made sense of what the history of the place was. It's having a balance between not looking like every other farm shop in the Chilterns, but also having the things that people accept and what they like.”*

The increased competition in the farm shop industry has resulted in several different marketing strategies. No two farm shops were alike, and no common organizational or ownership structure was apparent. Instead, farm shops were diverse, catering to a variety of target markets. Shop inventories were derived from guesswork and an attempt to keep the shop new and exciting. Participants noted several failed attempts to diversify, but each endeavor had been a learning experience for the shop operator.

### *Developing Knowledge and Talent*

Hall, Mitchell, and Sharples (2003) state that talent—in addition to knowledge development and retention—is key to successful business innovation. The participants in this study embodied this theme by cultivating high-quality suppliers, mentoring and supporting local providers, and creating intellectual capital and management skills in themselves and others.

The majority of farm shop operators worked with outside vendors to ensure adequate supply and product variety, even when the farm shop was located on a working farm. While local origin was important, quality was the most important consideration when choosing vendors. Discerning and developing talent in potential vendors was a primary focus. To that end, all shop operators visited the farms and food producers from which they sourced, provided advice on product development and potential improvements, and conducted basic, unofficial health and safety inspections.

*“It's just a different kind of buying. Whereas with most shops, a lot of buyers will just sit there with their catalogues and buy stuff. For us it was literally running out and meeting people and getting the story behind it, and then testing the product and saying okay is this something that we can sell. Not just is it good, but you've got to think about is it local and can we sell it?”*

Farm shop operators were also proponents of and leaders in encouraging new entrants to the local food movement. They were generally supportive of community development and wanted as many of their suppliers as possible to be local. While they were, in fact, mentoring others, study participants recognized that they had acquired a wealth of knowledge about food production and therefore were cautious with whom they shared that knowledge.

*“So the lady who's doing the pickled garlic, she gets her garlic from the UK which is good enough for us. Whereas before we were getting it from a different garlic supplier, and he was getting all his garlic from China because it was cheaper and we backed out. We stopped selling that product.”*

*“We get people coming and I tend to be fairly ruthless because it’s taken me nearly 20 years, a lot of sweat and tears (literally) to build up huge debt of expertise and knowledge and I can’t just give that away for nothing. Because it’s the intellectual capital of my business really.”*

The farm shop operators interviewed had developed an immense amount of intellectual capital and skill and were well versed in a variety of different activities, from blogging to inoculating cattle and from customer service to federal safety standards. Their roles were diverse and they wore several hats, including buyer, manager, accountant, event coordinator, chef, butcher, baker, farmer, community advisor, teacher, and safety inspector. Hence, time management was a great challenge. Customers arrived throughout the day and late into the evening, and they also needed to complete off-site visits, special events, and marketing. In other words, the farm shop operators were really running two businesses simultaneously—a farm and a retail operation.

*“But it’s like having another branch. How do you know your accounts are packaged, that you’re paying your bills and you’re dealing with someone stealing money from you? You go through the whole day and then you have to have creative input into this, that, and the other. And then going down to London on a Monday and another meeting on a Thursday. You just don’t get it all done.”*

While each farm shop provided a unique experience to visitors, operators shared common philosophies related to regional development, including supporting the local food movement and assisting fellow food producers and farmers. Developing their own knowledge and skills, as well as assisting in the creation of intellectual capital in others through mentoring, was clearly important to them.

### *Building Networks*

Networking can be defined as cooperation between potentially competing firms and other organizations connected through economic or social relationships (Hall, Mitchell, and Sharples, 2003). Networks create advantages to participating entities through shared access to information, market intelligence, supplier networks, and cooperative arrangements. The networking theme in this study focused on competition between farm shops and the government or industry partnerships available. The most common form of organized partnership consisted of marketing cooperatives, although informal partnerships between farms to improve the depth and variety of products offered were also a common rationale for networking.

Local food networks are growing in the UK, and many of the farm shops worked with regional promotional organizations. The interviews with the Local Enterprise Partnership (government) and the Chilterns Tourism Network provided valuable insight into the networking opportunities available to farm shops. In particular, marketing partnerships and educational opportunities were key advantages. UK and EU grants were also available through these organizations.

*“They charge a fee for all the producers who want to join, but they offer lots in the way of training and capacity building. They’ll do product photography or help you with marketing if you want them to. I think not just in terms of the*

*passion and it looking nice, but I think they genuinely help producers totally access the different marketplace. I think they're a great asset."*

Local universities, regional conferences, and local farmers' markets provided avenues to develop partnerships. However, farmers tend to be isolationists, and neighboring farm shops are seen as competitors rather than partners. Therefore, the conversation of partnerships revolved around regional governing agencies and membership (tourism) organizations.

*"They're thinking about doing a Foodie Group. Which I think would be the best thing they could do which would be a set group around Beds with little signs telling which way to drive and you can visit. You know you've got the microbrewery and then a farm shop and then you know there's a really good flour mill."*

*"I wouldn't say we worked... well I wouldn't say we even speak to each other. In terms of farm shops. Because we are in competition with them so I will chat with them occasionally. If we've had a dodgy, somebody who's come in and tried to shoplift, then I might give them a ring and say, "you know likewise, you might do the same for us". But that'd be about the limit of our cooperation."*

It can be argued that farm shop operators had little time to facilitate partnerships, although all shops recognized the value inherent in networking opportunities. In the end, they work with potential suppliers to find quality merchandise, but partnerships between farm shops and complementary businesses to promote local food and take advantage of destination branding are currently underutilized. The economic advantages of creating clusters, or linkages among businesses in the value chain, could greatly enhance the economic sustainability of farm shops by creating shared access to markets, market intelligence, supplier networks, etc. (Hall, Mitchell, and Sharples, 2003).

### *Overcoming Obstacles*

Farm shop operators encountered several common obstacles—including governmental regulations, local political environment and support, and a lack of infrastructure and resources for visitors (especially for overnight tourists) and access to capital financing. These obstacles or constraints required farm shop operators to sharpen their business management skills and acumen to increase their potential for success.

The farm shops faced a number of regulations, at both the national and the local level. National regulation was frequently referred to by participants as "common sense," "relatively easy," and "not too onerous." For example, the Food Standards Agency conducts HACCP (Hazard Analysis and Critical Control Point) inspections every six months.

*"We've always been absolutely on top. We've got insurance coming out our ears. We've got scotch certificates; we've got all that. So, it is really important. It's not rocket science though. We're audited at the market, regularly, by an internal auditor."*

In exchange, the national government has implemented several grant options and tax incentives for farm shop businesses.

*“So we don’t pay as much as others because we got a lot of small business grants that pay some of the rates, because we employ less than nine people. We’re an expanding small business so we got a bit more release. So, after all these, we actually don’t pay any business rates at all. It really does help. I think the UK government is for the first time in a long time actually focusing on small business and trying to help them keep going.”*

*“The landlady put (solar) panels so she gets the subsidies from the government. We get free electricity when the sun shines while she gets the government subsidy, which is awesome. She gets the money back while I get electricity for nothing.”*

Local regulations appeared to be much more burdensome. Local planning and zoning regulations were the most cumbersome for farm shops, many of which were located in historical buildings or on historical farmland. Making building improvements or converting farm buildings into cafés or restaurants was very frustrating.

*“So you have to have enough parking spaces because you’re not allowed to let people park in the roadside and disturb the traffic flow. If we wanted it to go from our café and extend it to the end of the building, we have to keep that in exactly the same external look. They’re about offering products locally in Bedfordshire, so we’ve got to get local bricks and black timber web or knotted clay. It has to look exactly the same from the outside.”*

In particular, signage was a contentious topic at most research sites. Many farm shop operators acknowledged that their signs were illegal, and several shops often had their signs removed without warning.

*“We’re an enlisted building spot which is just a nightmare. So, anything to do with planning. And because we’re in a conservation area, they then get excited about what it looks like from the road. So, when someone comes down what they think will make a difference to their view, then it won’t do. The sign across from the drive is illegal. It shouldn’t be bigger than four foot, literally. So, things like that just drive me nuts.”*

While farm shops appear to be well integrated into their communities and support many of the local farmers and food producers, there appeared to be little reciprocal support at the local level. The UK has adopted food tourism policies to promote regional development; however, many local councils continue to prioritize zoning and signage regulations that conflict with the national goals of encouraging visitation to these enterprises.

Study participants indicated that the lack of signage was a major barrier to taking advantage of the tourism market. Tourists couldn’t find the farm shops unless they were directed there by hotels, local businesses, residents, or internet sites. Inadequate tourism infrastructure also seemed

to reduce tourism visits. For example, a lack of accommodations along hiking and biking trails limited the opportunity for farm shops to cash in on the tourism industry. Participants felt that the farm shop's proximity to tourist attractions was the most important factor in tourism volume. Some of the farm shops were located near National Trust properties or within conservation districts.<sup>1</sup>

All farm shop operators interviewed acknowledged that locals were the main revenue source for their shop, not recognizing these customers as local tourists. This aligns with Hall, Mitchell, and Sharples (2003), who state that farmers do not see themselves in the tourist business, although their clientele fit the definition of tourists or excursionists (day-trippers). Indeed, excursionists on a day or afternoon visit to the shop—to have coffee or lunch, purchase food items, allow children to play, or pick fruit and vegetables—were very much a part of the farm shops' core business strategy.

*“But to have things for the tourism industry. It's all about margin and the smaller you are the more important it is, you have to create big margins, and add some substantial value. There's a high margin in tourism. And you can really make a killing.”*

Additionally, restricted partnerships with tourism providers (such as hotels and tour operators) seemed to limit tourism numbers. Organizations like the Chilterns Tourism Network were viewed as positive advancements in accessing tourists.

*“As a country, we're doing a better job of helping areas for tourism. I mean they're making more use of perhaps natural resources though in the Chilterns. There's a very long distance national walking path, The Ridgeway, which they started to promote more. (However) there's nowhere to stay after about 25 miles on the first day. Nowhere to stay after 50 miles on the second day. Now these guys are starting to get more clued up. And the government and local authorities are promoting that kind of stuff to help local businesses more.”*

Special events were another way to access tourism markets. Most of the participants were actively involved in special events, both nationally and locally.

*“So we have Borough Markets which is pretty much 5-6 days a week, we have a little market in Hattney which we were also in right at the beginning and Broadway Market which is a lovely old street market. Then we have two of these catering trailers. There's one that's smaller and we have a much larger one which just started today at the Cambridge Folk Festival which is one of the most famous folk festivals in the world. We've been trading there for about 5-6 years. And then we do smaller local events and a few other large events with that and we do our bacon, our sausages, our burgers, steaks perhaps, chips.”*

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<sup>1</sup>The National Trust is a charity that protects and manages over 350 historic properties and makes them available for visitation by the general public.

Capital investment and profitability weighed heavily on the minds of all interviewees. Many of the farm shops operated on tenant farms, as the cost to purchase their own farmland was outside their reach. Once in operation, they spent a lot of time analyzing margins and planning for potential investments and growth. As retail operations, most operators recognized that they, rather than the producers from whom they source, are bearing the risk. They claimed that success lies in the details.

*“You know we’ve got spreadsheets coming out of our ears. When I was making burgers with a hand press and I had an order for a thousand burgers, we were very clear to price ourselves at the top of the market. You know that you have to go from a hand press, which might cost you 300 pounds, to an automated press that may cost you 4-5,000 pounds. And if you’re still selling for 2.50, not only are you not paying for your time, you’re probably not paying for the machine. And then once you get the machine, then you’ve got to hire someone to operate the machine. And then if you’re still selling at 2.50 or 2.75, you’re not going to be able to afford that person.”*

While many of the farm shop operators interviewed encountered the obstacles or constraints mentioned throughout this theme, these entrepreneurs found creative ways to overcome them. They had to sharpen their business management skills across a wide range of managerial and entrepreneurial dimensions (Phelan and Sharpley, 2011), building the intellectual capital required for success.

## **Discussion and Conclusions**

This study provides a more detailed understanding of the entrepreneurial skills and strategies required to increase success in agritourism, specifically farm shop management, based on interviews of farm shop operators in the UK conducted in 2014.

Results show that study participants considered the most important component of success to be the ability to differentiate their businesses from their competitors and reach financial sustainability. The farm shop industry in the UK is very competitive, requiring niche strategies to distinguish product offerings, develop promotional strategies, and create a unique brand or image in the mind of the consumers (Koh, 2002). Specific areas of importance included providing innovative experiential components to their operations—such as tearooms or cafés, children’s activities, events, and artisan opportunities to build customer loyalty—for both local residents and visitors to enhance income generation (Thomas, Shaw, and Page, 2011). It appears that these farm shop entrepreneurs have the flexibility, as described by Ateljevic and Doorne (2000), to quickly adjust the focus of their business, experiment with new product and service offerings, and adjust their business model to accommodate changes according to the needs of their clientele.

As was the case for Kaaristo and Bardone’s (2013) tourism farms, the experience of “local” can be crafted by these farm shops. Hence, it is imperative that shop operators communicate how their values and branding strategies (such as sustainable, local and/or organic) align with those of their customers. Tourists—both day-trippers and overnight visitors—seek new and innovative

consumer experiences that involve cultural immersion (Ateljevic and Doorne, 2000). Foodies, in particular, often use food-related experiences to express self-identity and social identity, looking for destinations that provide participatory culinary delights (Getz et al., 2014). Therefore, branding comparisons can distinguish the shop from other food tourism options and create the atmosphere, in addition to food products and experiences, that their specific foodie clients seek.

Another area of importance included developing partnerships with local producers to ensure product variety and value-added food availability, especially given the importance of local sourcing. As a lifestyle business, much of the reward comes from discovering new products and experimenting with new activities to promote value in the local food experience through cooperation (Bosworth and Farrell, 2011). These partnerships appear to closely resemble mentorships (Dixon and Clifford, 2007), as farm shop entrepreneurs often possess important intellectual capital encompassing market trends, production processes, and regulatory issues.

As Thomas, Shaw, and Page (2011) claim, these entrepreneurs have the flexibility and the drive to increase the variety of their offerings without large-scale investment and provide flexible innovations in regional economies. However, networking between farm shops is rare since competition is fierce. Farm shop entrepreneurs do partner with non-food businesses—such as artisans, tourist attractions, and festivals—to support local development and diversify their product offerings. Improved communication, networking, and partnerships between farm shops to establish destination branding, achieve economic synergies, and structure shop-specific branding strategies would be advantageous to farm shop operators. Offering a unique destination would reduce competition between shops and provide an improved experience for customers seeking a specific niche. Regional planning organizations or tourism-specific organizations could foster communication and discussion between farm shop operators and assist with synergies related to sourcing, marketing, brand establishment, and governmental regulations. Farm shop operators also value access to resources, such as small business development grants, as well as help educating local governments on the impact of zoning and signage regulations. These are areas where cooperation between farm shops could potentially build social capital, facilitate influence, and reduce the competitive nature of the industry (Everett and Slocum, 2013).

The use of regional partnership organizations (primarily for tourism promotion) is already valued highly, and policy support at the federal level is a big advantage for farm shops. These supports include tax incentives, access to UK and EU loans and grants for small businesses, and marketing support. The EU spent \$2 billion in the 1990s helping farmers diversify into agritourism, such as converting barns into accommodations (Saunders, 1998). Incorporating joint promotional activities with tourism and hospitality providers may serve to increase the market and associated revenue streams as the UK promotes tourist visits to new areas of England.

One potential detriment to diversity among farm shops is the lack of destination image that may result from differing interpretations of the role of farm shops in local food marketing. While all research participants attempted to source their products as locally as possible, the common idea that “British themed” constituted local food contradicts regional variety and identity as promoted through food tourism marketing (Renko, Renko, and Polonijo, 2010). Increasing competition and the lack of shop-to-shop networking creates a diverse image of farm shops as direct market outlets. For example, farm shop operators may agree that selling items such as British beef is

adequate, but visitors may prefer regional or rare breeds that they cannot obtain in other parts of the county. Regional distinctiveness and cultural exploration are key components of food tourism and foodie culture (Everett and Aitchison, 2008).

To secure “local” inventory and keep product offerings variable, farm shop operators are central to finding and training local residents to participate in food production. These activities also play into opportunity-based entrepreneurship, as they create new products and services not currently available in their local communities. As middlemen, they are keenly aware of the needs of customers (locals and tourists) while understanding the personalities and talents within their community (Ateljevic and Doorne, 2000). This also transfers to business formation activities that support business development opportunities in their region. When these opportunities are not available, they encourage new business entrants. Moreover, many farm shops have refurbished historical buildings, having found new uses to justify the expense of refurbishment while simultaneously protecting regional heritage. They also seek outside funding through their networks to make renovations possible. This supports opportunity-based entrepreneurship, where new infrastructure is added to the set of tourism offerings.

Lastly, the innovation and entrepreneurial spirit of farm shop operators is highlighted. While their primary motivation is a for-profit enterprise, these actors also enhance regional food opportunities, encouraging new entrants into the industry, and expanding above and beyond simple retail operations. In particular, they support enhanced food-related experiences for both residents and visitors alike. Much can be learned from these British entrepreneurs that could be applied to other communities promoting local food as a vehicle to support regional economic development.

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