

Bed and Breakfast: An Analysis of Consumer Preferences for Eco-Agritourism

Ramu Govindasamy^a, Isaac Vellangany^b, and Surendran Arumugam^c

*^a Professor and Associate Director of Food Policy Institute, ^b Instructor, ^c Postdoctoral Associate,
Department of Agricultural, Food and Resource, Economics, Rutgers University, 55 Dudley Road, New Brunswick,
New Jersey, 08901, USA. Email: govindasamy@aesop.rutgers.edu*

Abstract

Agritourism, which includes on farm direct to consumer sales, educational tours, agritainments and outdoor recreational activities, generated \$566 million in aggregate for 23, 350 U.S farms in 2007. The State of New Jersey, which promotes agritourism actively, generated \$57.53 million in 2005 from agritourism activities. Govindasamy et al. (1998) found that New Jersey farm operators who engaged in direct marketing and agritourism were likely to complement higher income levels than farmers who did not undertake such activities. Tourism and Agriculture rank as New Jersey's number two and three industries, respectively. Operating in the most densely populated state, New Jersey growers are increasingly surrounded by a mobile, affluent population that demands quality fresh agricultural products. Furthermore, the growing suburban and urban populations in the Mid-Atlantic region increasingly have little or no direct connection to the agricultural industry. Past agritourism studies have focused on outcomes and benefits that encourage farmers to start agritourism and other on-farm activities, whereas, other studies focused on demand for on-farm agritourism activities such as pick-your-own, farm visits, and on-farm recreational trips. In order to promote direct marketing and agritourism as a method for complementing and or supplementing on-farm income, it is necessary to explore consumer interests, needs, and preferences pertaining to these activities and opportunities. Thus, the objective of this study is to identify the socio-demographic, preference and behavioral attributes of consumers who participate in bed and breakfast activity as an agritourism event, using Logit model. The results from the model indicate that the chi-square statistics exceeds its critical value and, thus, rejects the null hypothesis that none of the explanatory variables is statistically significant. Furthermore, the model achieved 77.00% success in-sample prediction rate. Out of forty independent variables, ten variables are statistically significant at least at the 10% level.

The results indicate that those consume a wider variety of fruits, those who learn about agritourism from on-farm market sign, those who think that basic amenities at agritourism site is important, those who are retired and those who earn between \$60K and 79K are more likely to

participate in bed and breakfast activity as an agritourism event. On the other hand, those who learn about agritourism from newspaper, number of children below 17 years of age in the household, males, those with 2-year college education, homemakers and those who earn between \$20K and 39K are less likely to participate in bed and breakfast activity as an agritourism event. Agritourism operators will be able to target potential consumers based on the results of this study to attract more customers to their bed and breakfast agritourism activity to enhance their economic opportunity.
